

Brexit has cost Britain 500 million pounds a week, study says

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LONDON (Reuters) - Britain's decision to leave the European Union has cost the government 500 million pounds a week, wiping out for the moment any future savings from stopping payments to the bloc, according to a study published on Sunday.

Pro-EU supporters demonstrate outside the annual Labour Party Conference in Liverpool, Britain, September 24, 2018. REUTERS/Hannah McKay

The economic impact of the Brexit vote has been the subject of intense debate, with supporters and opponents of leaving the EU seizing on positive and negative data to reinforce their case.

The Centre for European Reform, a research group that focuses on the European Union, said the British economy is about 2.5 percent smaller than it would have been if the public had voted to remain in the bloc in June 2016. Its findings were based on the impact on the economy until the end of June 2018.

Public finances have been dented by 26 billion pounds a year, the equivalent of 500 million pounds a week and a figure that is growing, the group said [here](#).

The Centre for European Reform, which describes itself as "pro-European but not uncritical", said it created a model of how Britain's economy could have performed had the campaign to remain in the EU won the referendum in 2016.

The group said its analysis was based on 22 advanced economies whose characteristics closely matched Britain and that did not vote to leave the EU. They then compared it with Britain's actual economic performance since the vote.

British economic growth in the first half of this year was the weakest for a six-month period since the second half of 2011 and companies were cutting investment, suggesting companies were taking a cautious approach before Brexit.

With just six months to go until the United Kingdom is due to leave the EU on March 29, Prime Minister Theresa May has warned that negotiations are at an impasse and that the EU must come up with new proposals on how to craft a divorce settlement.

Many business chiefs and investors fear politics could scupper an agreement, thrusting the world's fifth largest economy into a "no-deal" Brexit that they say would spook financial markets and damage the arteries of trade.

During the 2016 referendum campaign on EU membership, supporters of leaving the EU claimed that Britain would benefit because it would no longer be sending 350 million pounds a week to the bloc.

Supporters of leaving the EU say Britain will benefit over the long term by being able to set its own rules and win trade deals with fast growing economies such as India and China.

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