In this essay the main implications for British business post-Brexit will be reflected upon. Firstly, the formalities surrounding the withdrawal process will be discussed, including the subsequent deals between the UK and EU and what “tariff-free” trade entails. Secondly, the main consequences for UK businesses after leaving the EU will be explored, primarily by focusing on the advantages of the Single European Market, more specifically its four freedoms. Thirdly, the Alibaba Group will be utilized as an example encompassing the free movement of labour, services, and capital within EU member states. Lastly, I will reflect upon my personal thoughts regarding what Brexit means for British business, using the Northern Ireland border dispute as my premise.

At midnight on January 31st, 2020, the UK left the European Union. The EU Withdrawal Agreement initiated a transition period which officially came to an end on the 31st of December 2020. The question was whether the UK’s divorce from the EU was going to entail a “deal” or “no deal” Brexit. However, on the 24th of December 2020 both the UK and EU governments decided that their future relationship was going to be governed by a Trade and Cooperation Agreement (TCA). Largely, this was positively received by British business as opposed to a “no-deal” scenario, to elaborate, this would entail UK-EU to be trading on terms drafted by the World Trade Organization (WTO). In essence this would make the UK subject to EU tariffs in line with the WTO’s “Most Favoured-Nation Clause”, as they would have left the EU customs union. However, due to the TCA (2020), tariff-free trade was secured, which essentially is more favourable towards British business. To illustrate, previously UK-based firms were entitled to a provision as part of the EU, which meant that goods imported and exported between member states were exempt from tariffs, this essentially is a form of taxation. Under the new TCA, the favourable agreement is somewhat still intact, however with apparent limitations. First and foremost, goods must qualify for “preferential treatment”, ergo tariff free trading is not guaranteed, also it does not mean additional costs are voided. Furthermore, businesses throughout the UK that intend to continue trading with EU member states must comply to other formalities, such as applying for an Economic Operator Registration and Identification Number. So, although, British business benefits from the TCA in comparison to a "no-deal Brexit", many argue that remaining in the EU would still have been the most sustainable option. On the other hand, others insist that dismantling the UK economy from EU regulations will enable British business to trade more freely with international markets.

To accurately establish how Brexit has affected British business, one must look at the advantages previously held, more specifically the Four Freedoms of the Single European Market. In terms of free movement of goods, regardless of the TCA between the UK and EU; British business has taken a significant hit. According to the Office of National Statistics (2021), UK export to the EU member states has decreased by 40.8%, whilst export into non-EU countries grew with 1.7%, when comparing January 2021 to January 2020. This disproportionate deficit is too large to merely be considered "teething"; a term actively utilized to describe the slow implementation process by UK politicians. Other factors, such as COVID-19 and subsequent lockdowns surely have a part to play, however the fact that export to non-EU countries increased in comparison, illustrating that British business has not been nearly as aggressive as it used to be in the EU market. It must be noted that many UK businesses took advantage of the free movement of goods prior to the TCA, as uncertainty caused British firms to stockpile goods to incorporate tariff free trade, potentially resulting in premature numbers. Regarding the free movement of services, the expansion of the Alibaba Group into the European Single Market serves as a reminder of what UK businesses could potentially lose out on. The Alibaba Group is one of the leading ecommerce companies in the world, they themselves stated their purpose is to "make it easy to do business anywhere" in 2017, something which the EU provides. To elaborate, when they initially set up offices and data centres in the EU as part of their global expansion; they had to comply to one set of rules for all EU member states, to some extent also EEA states, as opposed to being in line which each respective country. The competitive advantage this gives cannot be understated, from the reduction of bureaucracy and paperwork to the saved direct and hidden transaction costs when facilitating business throughout the EU. Although the Alibaba Group was a company initially external to the EU, it integrated itself as part of the single market by opening offices withing EU member states. Therefore, British businesses who previously benefitted from the free movement of services by default, now risk losing substantial revenue, especially SMEs that do not have the required infrastructure to set up shop in the EU. In terms of the free movement of capital, the Alibaba Group also benefitted from the Single European Market; trading in the EU became less risky but also more cost effective. Especially because fluctuating exchange rates and other costs related to the exchange of currencies are now voided. Overall, the UK economy loses income from both existing SMEs deciding to halt trade with the EU, whilst also incurring a hidden cost of new SMEs not establishing themselves or even being less profitable due to the loss of purchasing power.

Furthermore, the free movement of labour was a heavily disputed topic in the run up to Brexit. According to the Eurobarometer (2016) prior to the referendum, 63% of the British public were in favour of this sentiment whilst 30% were against. Although the overwhelming majority supported the free movement of labour, this still represented the lowest share in comparison to all other EU member states. Paradoxically, many cherish their personal freedom to move throughout Europe, however fear that other will utilize that same autonomy. Currently, EU citizens have lost the unconditional right to live and work in the UK, however

UK citizens cannot move freely across the continent either. One can question for whom this is most detrimental; in terms of British business, certain industries are more affected than others. There is essentially a trade-off where both parties loose out; SMEs are certainty exposed but perhaps on an individual level, British artists, and musicians are hurting the most. Specifically, as their trade encompasses being self-employed whilst their income in the entertainment industry often thrives on touring the continent; applying for visas to different countries in the EU presents a predicament. On the other hand, businesses in other industries such as healthcare still hold an advantage. To illustrate, EU doctors and nurses a looking to work for the NHS could potentially be fast-tracked, as the UK's new point-based immigration system favours certain professions. Although this puts the UK government in an advantageous position to decide which professions and sectors would bolster British business; UK workers seeking to expand their enterprise across Europe will ironically be at the mercy of other EU member states. Another campaigning topic concerning the run-up to Brexit was the cost of the annual membership fee, the shared unrest surrounding this was this marketed throughout the country, whilst even infamously advertised on iconic London buses. Some believe that the heavily debated fees advertised to the public were exaggerated for propaganda purposes. Others also highlight the fact that; although the UK no longer need to pay this fee, previous bills have not been voided and therefore remain. It must be noted that due to Brexit many UK businesses also lose access to EU funds and grants previously available to them, for example many Eco-Innovation initiatives. In addition, if the UK wants to join any partnerships that would bolster British business such as the EU scientific research scheme, additional charges would be incurred. On a separate note, the fishing industry was also one of the most debated sectors in the lead up to Brexit, however in hindsight only makes up a fraction of the British economy. All in all, Brexit shows that for British businesses, leaving the EU has not been a zero-sum game.

Personally, I strongly believe that the main implications for British business due to Brexit are illustrated in the European Union’s four freedoms. To elaborate, as these advantageous were previously held by the UK, their absence paints an accurate picture of the state of certain industries and sectors, as well as the country. For example, regarding the freedom of goods; the potential of a hard EU border between Northern Ireland and The Republic of Ireland exposed the fragilities left in the wake of “The Troubles”, a historic conflict between unionists and nationalists. The predicament of having a hard border has not been a relevant option since “The Good Friday Resolution” (1998). However, with the uncertainty of Brexit, the free movement of goods revealed not only a risky business climate for many SMEs; on an individual perspective this threatened to trigger an ethno-nationalist conflict. To solve this, the Northern Ireland Protocol, part of the original EU withdrawal agreement, in addition to the TCA which implies tariff-free trading between the EU and UK, class Northern Ireland as part of the European Single Market. For British business this means that despite initial unrest trade between the countries can resume somewhat as usual, big importers such as Tesco can even be part of a trusted trader scheme, reducing formalities. This small case-study reflects the intricacies many SMEs have had to deal with, not only has the bureaucracy of Brexit been costly, but the uncertainty has perhaps damaged potential start-ups from entering the market. On the other hand, the Northern Ireland Protocol and subsequent TCA between the UK and EU represent unity between the parties not only in terms of the absence of a hard boarder, but also accord in the notion that British business can thrive in and with the European Union. Looking ahead however, one potential avenue for British business post Brexit entails expanding operations, beyond the EU and into emerging markets. For example, investing in trade between countries like Brazil, India, South Africa and China could be a sustainable option as they have a significant market size, whilst they are also rising in purchasing power.

Therefore, British business could potentially increase their market share globally, through strategically focusing on operations outside the EU. However, for a truly global Britain to be realised, British businesses would have to compete with the Chinese, whom have a clear objective in regards rebuilding the “silk road”.

To conclude, the UK’s decision to leave the European Union will be heavily disputed for decades to come. However, many would agree that withdrawing with a contract such as the Trade Cooperation Agreement (2020) is better than having “no deal”. Others argue that, regardless of the TCA being more favourable with advantages such as “tariff-free” trade, British business would have been better off by staying in the EU. The main implications discussed; often encompass the four freedoms the European Single Market previously provided the UK by default. Many British SMEs have been limited by bureaucracy, market uncertainty but also restrictions regarding movement of labour and services across EU member states. Even though COVID-19 was a major obstacle to the global economy, exports from the UK to EU member states dropped disproportionately in the beginning of 2021, signalling these are not merely “teething” problems. One must also consider the hidden costs of revenue lost by British businesses, partly due to halted expansion and growth into the EU, but also potential start-ups never surfacing due to the reduced market size. Moving forward however, the joint resolution between the UK and EU regarding the border disputes in Northern Ireland, signal good faith and collaboration to come. Overall, Brexit despite its initial formalities might present a challenging but lucrative opportunity for British business to expand globally into emerging markets outside the EU.