

Abstract

The study investigated the economic impacts of Brexit on some selected European Countries (Belgium, France, Germany, Italy, Netherlands, Spain and Sweden). The European Union (EU) has become a model of integration to other regions of the world owing to the gain and success it has recorded. However, the withdrawal of the UK from the EU presents challenges and opportunities for both the EU and UK. The study was aimed at examining the economic impact of post-Brexit economic relations on some selected European Union countries during the period 2016-2023. Specific objectives included investigating the economic impacts of Brexit on some selected countries in European Union in post-Brexit era. The study found that the decision of the United Kingdom to leave the European Union (EU) has had some significant economic impacts on Belgium, France, Germany, Italy, Netherlands, Spain and Sweden. These impacts have been felt in various aspects of the economies including trade and investment, migration and general economic growth etc. The study recommends the need for these selected European Countries to strengthen economic relations with other non-EU member states to help mitigate the impact of UK withdrawal from EU. This is important owing to the fact that Strengthening economic relations with other countries will help attract more economic opportunities to the selected EU countries.

Keywords: Economic Impact, Brexit, Selected Countries, European Union

1. Introduction

The European Union was an idea that emanated from French foreign Minister, Robert Schuman in 1945 who proposed a plan to merge the French and German steel and coal industries into one industry so that they could efficiently utilize it for economic recovery and growth of Europe that were devastated by World War II¹. This gave birth to European Coal and Steel Community (ECSC) in 1952². By 1953, the six states dialogue on the formation of European Political community but could not agree on the terms of the community. However, in 1957, they created the European Economic Community which was later renamed European Community. The Treaty of Rome also created two additional organizations, which is designated as European Atomic Energy Community (Euratom) was designed to coordinate the atomic research by assembling researchers, investment and management. It is from these processes that the European Union was mid-wived. The European Union (EU) is one of the oldest regional integration blocs in the world. The European Union is an economic and political union made up of 28 European countries (commonly known as EU28) before UK left following the triggering of Article 50 of the Treaty of Lisbon. In 1957, West Germany, France, Italy, Luxembourg, the Netherlands and Belgium, signed the Treaty of Rome which led to the establishment of the European Economic Community.

The United Kingdom (UK) left the EU on Friday, January 31, 2020 under a revised divorce agreement deal consisting of a Withdrawal Agreement accompanied by a Political Declaration on future ties with the bloc and its Member States. Both sides face huge challenges concerning the future relationships before the end of the transition period in December 2020. To begin with, the core elements that pushed for Brexit has to be contextualized. To be sure, by 1985, Single European Act was signed, being an effort towards creating a single European market for free movement of labour, capital, goods and services what they called the Four Freedom. In 1993, Treaty of Maastricht was signed enacting a common currency regime in Europe where euro was an accepted currency while the official name of European community was changed to European Union³. Of much significance of the Treaty of Maastricht is the concept of European citizenship and the growing power of Eurocrats in Brussels in designing laws and its implementation. Brexit symbolizes the exit of United Kingdom from European Union. The core arguments for Brexit hinges on the idea of immigration into the United Kingdom, sovereignty, control of UK borders, financial burden and identity of British citizens⁴.

2. Concept of European Union

The European Union (EU) is a political and economic union or partnership between and among sovereign states of European continent. It has 27 members that cut across the European countries. It started after World War II, by six Western European countries, to foster interdependence and make another war in Europe unthinkable. The EU currently consists of 27 member states, including most of the countries of Central and Eastern Europe, and has helped to promote peace, stability, and economic prosperity throughout the European continent⁵. Coming into being in 1957 through the Treaty of Rome as European Economic

*By Christian Amieboye ABAKU, PhD, Department of Political and Administrative Studies, University of Port Harcourt, Email: christian_abaku@uniport.edu.ng; and

*Helen PARKINSON, PhD, Nigerian British University, Asa, Abia State; parkinsonchambers09@gmail.com

¹Goldstein, J.S., & Jon, C.P. (2013). *International Relations*. New York. Pearson. Tenth Edition.

²Goldstein, J.S., & Jon, C.P. (2013). *International Relations*. New York. Pearson. Tenth Edition.

³Rourke, J.T. (2009). *International Politics on the World Stage*. New York. Palgrave; Goldstein, J.S., & Jon, C.P. (2013). *International Relations*. New York. Pearson. Tenth Edition; Moufida, B. & Naim, B. (2020). Post Brexit Era and its Implication on UK's Economy and Politics. *Journal of Political Science and Law*. Issue 24. Pp.1-45

⁴Erlange, S. (2016). Britain Votes to Leave E.U.; Cameron Plans to Step Down, *The New York Time*. (Online), ph. 8-17. Available at: https://www.nytimes.com/2016/06/25/world/europe/britain-european-union-referendum.html?_r=0 (retrieved 2 December. 2024); Matthew, G. & Caitlin, M. (2015). *Britain, the European Union and the Referendum: What Drives Euroscepticism?* Europe Programme. Chatham House; Amir, A. Ghislaine, A. and Abygel C. (2019). The Impact of Brexit on the Future of the European Union. Online article. Accessed on 8 May 2019; Arnorsson, A., & Zoega, G. (2018). On the causes of Brexit. *European Journal of Political Economy*, (online), Available at file:///C:/Users/Amir/Downloads/SSRN-id2851396.pdf (Retrieved January 5. 2022).

⁵Archic, S. (2021). *European Union: Questions and Answers*. Congressional Research Service. RS21372

Community, France, Germany, Italy, Netherlands, Luxembourg and Belgium were the first six countries that started the economic union called the Benelux Countries. From the Treaty of Rome, however, it metamorphosed from the Treaty of Paris which created the European Coal and Steel Community (ECSC) in 1951 which became operational in 1952⁶. Craig, Cramme, and Craig 2006⁷ cited in Ogbu et al⁸ made an attempt to define the EU as:

An economic and political union of twenty-seven member states, located primarily in Europe. Established by the Treaty of Maastricht in November 1993, upon the foundations of the pre-existing European Economic Community, it has a population of almost 700 million citizens, and generates approximately thirty percent share of the nominal gross world products.

The European Union as a supranational organization has vast economic clout which cuts across all parts of the world making it the most dominant economy in the world due to its business reach and its trade agreements with many other countries and regional groupings. It has a representative in the World Trade Organization signifying its influence in world affairs. The European Union has deep ambitions to remove the barriers in trade and movement of capital across geopolitical space in the world and bridging the politico-economic divisions within the EU to a coherent unification. As seen from the preamble of the Treaty of European Union, the EU intends to have a common foreign and security policy, defence cooperation, free movement of persons and the establishment of 'an area of freedom, security and justice'. In addition, the preamble articulates the aim 'to continue the process of creating an ever closer union among the peoples of Europe, in which decisions are taken as closely as possible to the citizen in accordance with the principle of subsidiarity.

Over the years, there has been a concerted effort from the European Union in ensuring that the economic space among its members is a bridge through a unified single market, customs union and single currency. It is important to make it clear that the EU is a community of law, with a responsibility gotten from the treaties establishing it. Values play a central role in defining what the EU is, with the three Copenhagen criteria offering a succinct definition. Membership requires a country to have stable and democratic political institutions, to have a functioning market economy, and to accept the *Acquis Communautaire* - of laws agreed since the 1950s. The EU has an enduring institution of governance which has seen development far more than any other region in the world with inbuilt democratic structures embedded in their operations. Some of these institutions are equivalent and structured along the line of institutions of nation states, whether federal or unitary. Thus, there is a capacity for law-making consisting of the Council, representing the Member States. Members are directly elected into the European Parliament as the voice of citizens of their respective member states. Such a bi-cameral system is found in many polities. There is an executive, the European Commission, with one member (Commissioner) from each member state, all appointed, rather than elected, but formally expected to act in the interest of the Union as a whole, rather than being a representative of their country. According to European Portal⁹ they pointed that the structure of EU has the European Council at the apex with the primary duty to give political direction to the EU. It convenes at least four times a year and comprises the President of the European Council, representative of member states who is either the head of state or government. This organ is seen as the political authority of the EU which ratifies the treaties signed and even negotiates on behalf of the European Union. Below the Council is the Commission which according to Hix¹⁰, Edward and Thomas¹¹, Lain¹², Pinder¹³ has the power and duty to initiate and implement the EU policies and legislation. It acts as the legislative initiator of the EU parliament. It has one member representing each country and represents the interests of the EU not their countries of origin. Below the Commission is the Council of European Union. The Council of European Union¹⁴, David¹⁵ stated that it has a representative from each country and performs series of functions depending on the policy under deliberation. The Council also carries out legislative and executive responsibility in designing common foreign and security policies for the European Union. The office of the Presidency of the Council rotates on six months bases among members.

The EU Parliament is one of the three key legislative institutions of the EU in conjunction with the European Council tasked with the responsibility to amend and approve EU proposals. 705 members of the EU Parliament are directly elected from their states for every five years. The EU Parliament has the duty to approve EU budget and appropriation. The parliament is the final body to approve or reject the proposed membership of the commission, and can attempt motions of censure on the commission by appeal to the Court of Justice. Court of Justice of European Union is the judicial branch of the European Union. It has two

⁶Goldstein, J.S. & Jon, C.P. (2013). *International Relations*. New York. Pearson. Tenth Edition.

⁷Craig, P, Cramme, O. Craig, P. P. (2006), *EU laws; Texts, cases & materials*, Oxford, UK; Oxford University Press. & *The power of European integration: Social democracy in search of a purpose*, London, UK: Policy Network.

⁸Ogbu, C. Agaba, H., Odoziobodo U. & James, J. (2020) Regional Integration and Brexit: Between Economic Nationalism And Economic Internationalism. *International Journal of International Relations, Media and Mass Communication Studies*. 6, (2), pp.22-39.

⁹European Union (2019). *'History of the European Union.'* https://europa.eu/european-union/about-eu/history_en European Portal (2009). Retrieved 4 December, 2021.

¹⁰Hix, S. (2003). *The End of Democracy in Europe? How the European Union (As Currently Designed) Restricts Political Competition*. London School of Economics and Political Science, (online). Available at: http://personal.lse.ac.uk/hix/working_papers/hixend_of_democracy_in_europe.pdf (Retrieved 18 November, 2021).

¹¹Thomas, S. et al (2008). Brexit: The Economics of International Disintegration. *Journal of Economic Perspectives*. 31, (4), pp, 163–184.

¹²Lain B. (2021). *The European Union and regional economic integration. Creating Collective Public Goods – Past, Present and Future*. European Parliamentary Research Service

¹³Pinder, J. (2009), *European Community*, Oxford, UK; Oxford University Press.

¹⁴Council of European Union (2007)

¹⁵David, S. (1999). *Will Europe work? New York*. Routledge.

courts- the Court of Justice and the General Court. Rourke¹⁶, Joshua and Jon¹⁷, Edward and Thomas¹⁸, stated that the Court of Justice primarily deals with cases referred to by member states, the institutions and cases brought by the court of the member states. The Court interprets EU laws. The General court adjudicates on matters brought by companies and persons taken directly before EU courts. European Commission¹⁹, Cockfield²⁰, Egan²¹ pointed that the economic core of the EU is the single market, characterized by the four freedoms: goods, services, labour and capital. Having evolved from a customs union and the single market – a wide-ranging 'project' initiated in the 1980s complemented the elimination of tariffs and quotas by curbing a plethora of non-tariff barriers. But it also transferred powers from the national government to the supranational institutional level. As pointed by Egan²², to create a single market, the European Union has sought to limit the ability of its member states to exercise regulatory sovereignty implying that the member states of the European Union have lost autonomous control of their domestic fiscal policies to the supranational EU institutions. The Economic and Monetary Union is a set of policies aimed at bringing closer the nineteen member states at three stages of the eurozone and the European Union states.

The debate on EMU was fully re-launched at the Hannover Summit in June 1988, when an *ad hoc* committee chaired by Delors, the central bank governors of the twelve member states, chaired by the President of the European Commission, was asked to propose a new timetable with clear, practical and realistic steps for creating an economic and monetary union. With the Delors report in 1989, it set out a plan to introduce the European Monetary Union in three stages and it included the creation of institutions of European Systems of Central Bank. To be sure, by 1990-1993, the stage one of the monetary union of EU saw the repudiation of all exchange controls paving way for free movement of capital. By 1 January 1994 to 31 December 1998, European Monetary Institute was created as a precursor to the European Central Bank. This institute is/was mandated to strengthen the monetary cooperation between the member states and their national banks, as well as supervising ECU banknotes. It is on record, by 16 December 1995, the stability and growth pact made provision for the new exchange regime mechanism and the name. From the start of 1999, the euro is now a real currency, and a single monetary policy is introduced under the authority of the ECB. A three-year transition period begins before the introduction of actual currency before national currencies legally ceased to exist. Nelsen and Stubb²³, as seen in Ogbu et al.²⁴ submitted that:

The Customs Union (CU) builds on a free trade area by removing internal barriers to trade; it also requires that participating nations harmonize their external trade policy. Harmonizing trade policy requires establishing a common external tariff (CET) and import quotas on products entering the EU from third party countries.

Holden also maintains that in order to gain the benefits of a customs union, member states would have to surrender some degree of policy freedom specifically, the ability to set independent trade Policy²⁵. The Common Market (CM) is a factor that represents a major step towards significant economic integration in the process of European Union integration. In addition to containing the provisions of a customs union, the common market removes all barriers to the mobility of people, capital and other resources within the area of operation. Furthermore, it eliminates non-tariff barriers to trade, such as regulatory treatment of product standards²⁶. The important thing to note about the European Union integration is the pre-eminence of a free trade area, a customs union, a common market, and an economic union. Sheriff and Nwokedi²⁷, Ette²⁸ contended Free Trade Area implies that tariff and any form of embargo between the participating member states are terminated. However, each member-state of an integrating unit maintains its own tariffs against non-members. This practice is perfectly obvious in the EU integration.

3. The Economic Impacts of Post-Brexit on Economic Relations of some Selected European Union Countries

Following ratification of the withdrawal agreement by the European Union and the United Kingdom, Brexit took place on 31 January 2020, since then the UK is no longer part of the EU. Negotiations then began on the future relationship between the EU and the UK, culminating in a Trade and Cooperation Agreement (TCA) on 24 December, 2020. The economic impact of post-Brexit on European countries has been varied with both positive and negative effects depending on the country and sector. The focus here is on some selected countries; Belgium, France, Germany, Italy, Netherlands, Spain and Sweden.

¹⁶Rourke, J.T. (2009). *International Politics on the World Stage*. New York. Palgrave.

¹⁷Goldstein, J.S., & Jon, C.P. (2013). *International Relations*. New York. Pearson. Tenth Edition.

¹⁸Thomas, S. et al (2008). Brexit: The Economics of International Disintegration. *Journal of Economic Perspectives*. 31, (4) .pp, 163–184.

¹⁹European Commission (1985). 'Completing the Internal Market. *White Paper*', COM (1985) 310, Brussels, 14.06.1985, [internal_market_wp_COM_85_310.pdf](https://ec.europa.eu/economy_finance/internal_market_wp_COM_85_310.pdf) (pitt.edu)

²⁰Cockfield, F.A. (1994). *The European Union: Creating the Single Market*, Oxford: Wile

²¹Egan, M. (2001) *Constructing a European Market: Standards, Regulation, and Governance*. Oxford press

²²Egan, M. (2001) *Constructing a European Market: Standards, Regulation, and Governance*. Oxford press; Egan, M. (2015). *Single Markets: Economic Integration in Europe and the United States*. Oxford press

²³Nelsen, B.F. & Stubb, A. (2003). *The European Union: Readings on the Practice of European integration*. Lynne Rienner.

²⁴Ogbu, C. Agaba, H., Odoziobodo U. & James, J. (2020) Regional Integration and Brexit: Between Economic Nationalism and Economic Internationalism. *International Journal of International Relations, Media and Mass Communication Studies*. 6, (2), pp.22-39.

²⁵Holden, J. (2003), Recent reduction in frost in the North Pennines, J, Meteorol, U.K 26, 369-374, 2003; Ogbu, C. Agaba, H., Odoziobodo U. & James, J. (2020) Regional Integration and Brexit: Between Economic Nationalism and Economic Internationalism. *International Journal of International Relations, Media and Mass Communication Studies*. 6, (2), pp.22-39.

²⁶Lairson, T. D. & Skidmore, D. (1997), *International political economy, The struggle for power & wealth* (2nd ed.), Harcourt & Brace College, Philadelphia, PA; Nelsen, B.F. & Stubb, A. (2003). *The European Union: Readings on the Practice of European integration*. Lynne Rienner.

²⁷Sheriff, G. I. & Nwokedi, L. O. (2016). *Regional Integration in Africa and Beyond*. Digit Link Xtra Limited.

²⁸Ette, J. U. (2014), *The Impact of Economic Integration within the European Union as a Factor in Conflict Transformation and Peace-Building* (2014), Dissertations and Theses. Paper 1893. <https://doi.org/10.15760/etd.1892>

Belgium

The post Brexit era has impact on Belgium economy. with regards to exports, data released by Eurostat²⁹ revealed that UK is the third most important export market for Belgium, accounting for around 8,3% of exports in goods. In terms of imports, the UK comes in fourth position and accounts for 4. 9% of total Belgian imports in goods. However, the post Brexit era has saw a drastic change in export and import ratio of Belgium. For instance, data released by Eurostat³⁰ revealed that Belgium export to UK stand at 5.3%. In terms of imports, the UK comes in fifth position and accounts for 3. 2% of total Belgian imports in goods. As reported by EEC, many sectors find Belgium to belong to the top 3 of the most affected countries in the EU-27. It is estimated that there are over 10,000 job loss in Belgium owing to Brexit³¹. Belgium loss was quantified as 2.35% in terms of Gross Domestic Product (GDP). Of the 10,000 jobs lost in Belgium, 8,000 were lost in Flanders (which corresponds to 1.06% of the Flemish working population), 1000 were recorded in Wallonia and about 1000 in Brussels³². Other sectors with noticeable loss reported by EEC are; Pharmaceuticals, Chemical and Petroleum products etc. Post Brexit cost the EU around €14 billion of value added. For Belgium, the loss in value added in these sectors is €1.3billion. Given that the petro-chemical cluster in Antwerp is considered to be one of the most important engines of the Belgian economy, it is safe to say that post Brexit lower the overall growth of the Belgian economy³³.

France

The post Brexit era has had diverse impacts on France economy. Bricongne³⁴ stated that the radical shift caused by Brexit has revealed significant differences of interest between France and the UK. The source of the problems is the similarity of the structures of their economies, provoking rivalry especially in the areas of financial services, the aviation, armaments industries and fisheries³⁵. The UK was a major trading partner for France before Brexit, and the departure of UK from the EU led to the reintroduction of customs checks, border delays, and additional paperwork. This resulted in some disruptions to trade, particularly for French exporters, especially in industries like agriculture, automobiles, and machinery. One common area of post Brexit impact on France economy is in the fishing industry. As reported by Bricongne³⁶, serious tensions arose over French fishermen access to British waters after the expiration in 2021 of their quotas under the Common Fisheries Policy. Also reported by Bricongne, is the sharp disputes caused by the issue of migration control from France to Great Britain³⁷. Post Brexit has led to reduced trade volume between France and the UK. As reported by OECD³⁸, trade between the UK and France experienced disruptions due to the end of the EU single market and customs union. In particular, customs checks, regulatory divergence, and delays at borders have hampered the flow of goods. For example, trade between France and the UK fell by 14% in 2021, reflecting the complexities introduced by the new trade deal.

Another negative impact of post-Brexit on France is in the area of investment; France saw an influx of Companies and financial institutions that previously had operations in the UK relocating to Paris due to its access to the EU market. The French government made efforts to attract businesses, particularly in sectors like banking and finance, with favourable tax policies and a stable regulatory environment³⁹. The Labour Market was also impacted negatively in the post-Brexit era. The end of freedom of movement between the UK and EU countries led to challenges in labour markets, especially in sectors that relied on British workers. This included agriculture, hospitality, and construction in both the UK and France. The restrictions on immigration also impacted the movement of skilled workers. Post-Brexit has also seen fluctuations in the value of the pound experiencing some volatility, which affected trade dynamics between France and the UK. The uncertainty surrounding Brexit negotiations also had serious effects on investor confidence and economic stability. Post-Brexit also impacted negatively on tourism and cross-border interaction. According to Bouveret and Descamps⁴⁰, the post-Brexit restrictions on travel, including the need for visas and the impact on air travel, affected tourism, which is an important industry for France. The changes in the mobility of people from the UK to France, including students, workers, and tourists, had an economic impact. Many sectors in France, including agriculture, construction, and hospitality, rely on EU workers, including those from the UK. The restrictions on free movement of workers due to Brexit meant that businesses faced labour shortages, particularly in regions that were reliant on UK nationals for work. France had to adapt to new rules regarding the movement of people from the UK⁴¹. French employers in hospitality and other sectors that rely on flexible, seasonal workers, faced challenges in finding workers due to increased visa requirements and administrative hurdles for UK citizens wishing to work in France.

²⁹Eurostat (2016). *Statistics Explained – International trade statistics - background*. European Commission

³⁰Eurostat (2023). *Statistics Explained – International trade statistics - background*. European Commission

³¹Eurostat (2023). *Statistics Explained – International trade statistics - background*. European Commission

³²European Economic Council (2023). *European Economy: One Market, One Money, Brussels*: Directorate General for Economic and Financial Affairs

³³European Economic Council (2023). *European Economy: One Market, One Money, Brussels*: Directorate General for Economic and Financial Affairs

³⁴Bricongne, J. (2022). *From Macro to Micro: Large Exporters Coping with Common Shocks*. CESifo Working Paper No. 9857.

³⁵Bricongne, J. (2022). *From Macro to Micro: Large Exporters Coping with Common Shocks*. CESifo Working Paper No. 9857.

³⁶Bricongne, J. (2022). *From Macro to Micro: Large Exporters Coping with Common Shocks*. CESifo Working Paper No. 9857.

³⁷Bricongne, J. (2022). *From Macro to Micro: Large Exporters Coping with Common Shocks*. CESifo Working Paper No. 9857.

³⁸OECD (2021). 'The Global Economic Effects of Brexit: France's Trade and Economic Relations.' *OECD Economic Outlook*.

³⁹European Commission (2021). 'EU-UK Trade and Cooperation Agreement: An Overview.' European Commission Reports.

⁴⁰Bouveret, A. & Descamps, M. (2021). 'Brexit and Its Impact on the French Economy: Challenges and Opportunities.' *Journal of International Economics and European Policy*, 28(2), 142-161.

⁴¹Bouveret, A. & Descamps, M. (2021). 'Brexit and Its Impact on the French Economy: Challenges and Opportunities.' *Journal of International Economics and European Policy*, 28(2), 142-161.

As reported by Euler Hermes, post Brexit era saw French Companies incurring up to €3.2 billion in export losses. This has affected many sectors in France, like the automotive industry, agriculture (the UK is France's third largest customer), and also fishing industry⁴². Euler, identified some benefits post Brexit had on French economy through the share of opportunities created by Brexit; with the United Kingdom's exit from Europe, France becomes the leading country in terms of the number of breweries on its territory (1,600 in 2022⁴³. As reported by Bruno Le Maire, French Minister of economy, Paris is going to become Europe's leading financial centre⁴⁴. He stated further that before Brexit, London was Europe's traditional leading financial centre employing more than 250,000 people (Euro News, 2023)⁴⁵. Other benefit reaped by France in the post Brexit era is in the area of relocation of companies that were initially operating in UK. EEC report noted that Paris has about 180,000 jobs in finance, placing it well above its European counterparts (30,000 in Dublin or 70,000 in Frankfurt). Since Brexit, 80 to 100 British companies have decided to relocate some 4,000 jobs to Paris (European Banking Authority's 250 employees have joined another regulatory body, the European Securities and Markets Authority – ESMA). Famous banks such as Bank of America, HSBC, Morgan Stanley and Goldman Sachs have followed the trend, developing their offering and relocating their staff to France⁴⁶.

Germany

Post Brexit has had a negative impact on the German economy. Data released by Germany Ministry of Trade and Investment, contended that post Brexit has been an economic disaster for the country especially in the area of trade and investment ties between the United Kingdom and Germany, leading to a fall in German direct investment and seeing the UK decline in importance as a trading partner⁴⁷. As stated by Volker Treier, head of foreign trade at the German Chamber of Industry and Commerce (DIHK), Germany exported goods worth 73.8 billion euros (\$80.57 billion) to the UK, 14.1% less than in 2016. The year of the referendum, the UK was Germany's third most important export market, but by 2022 the country had slipped to eighth place⁴⁸. The volume of German direct investment in the UK has also declined. In 2021, it was around 140 billion euros, a decline of 16.1% compared with 2016. According to the DIHK, some 2,163 German companies are now active in the UK, 5.2% fewer than in 2016⁴⁹. Many British companies meanwhile have settled in Germany in post Brexit era. Germany Trade and Invest (GTAI), an organization that helps international companies set up business in Germany, has counted more than 1,000 new businesses from the UK in the post Brexit era.

Italy

Post Brexit also has economic impact on the Italian economy. According to the Italian Foreign Ministry's economic observatory, in 2019 trade between UK and Italy (before Britain finally left the EU) amounted to approximately €35.6 billion, of which approximately €25.2 billion were exports from Italy to UK and €10.4 billion were imports⁵⁰. The report ranked Italy as the tenth largest market for British exports and the UK is the fifth most important destination for Italian exports (Italian Foreign Ministry, 2019)⁵¹. It identified the main sectors in which Italy invested in the UK to include; energy (largely thanks to ENI and its subsidiaries), defence (represented primarily by the Leonardo group), vehicles (the Fiat Chrysler group) and electrical appliances (the Merloni group, the Candy group (Hoover) and the De Longhi group (Kenwood) (Italian Foreign Ministry, 2019)⁵². Other Italian companies that recorded positive gain before UK left the EU include; Prysmian, Tratos, Seda Packaging Group, Bifranghi, Zamboni (which acquired the British company Profile Pharma), Assicurazioni Generali, TerniEnergia, Green Network, Reflex & Allen, Mapei, Digital Bros, Kinexia, Laminazione Sottile, the Biscaldi group (which owns Tÿ Nant Spring Water) and JAS Worldwide⁵³. However, with the withdrawal of UK from EU, the economic fortunes of some of the firms in these sectors began to nosedive. On trade, data released by the Italian Foreign Ministry⁵⁴ saw Italy ranked in eleventh (11) in terms of export to the UK. The report further identified other sectors that were negatively affected by the post Brexit to include; energy and electrical appliances and transport sectors⁵⁵. Other Italian sectors that have not fare better in post Brexit era identified by the report are; oil, cheese and wine machinery, textiles and furniture (for example, Emilia Romagna, Tuscany and Marches) are among the sectors most affected and Italian entrepreneurs fear, even more than duties, the increasing complexity associated with exporting to the United Kingdom⁵⁶. Confratrasporto, the association representing transportation interests, stresses that the logistics sector has also been severely affected because of increased transport costs, customs formalities and checks that slow the flow of goods both in and out of the United Kingdom.⁵⁷ As reported by World Bank⁵⁸, the impact of Brexit on Italian trade showed that the overall loss for Italian exports is between €800m (4% of the total) and €4bn (21%), depending on the model of economic partnership that emerged.

⁴²Euler, L. (2022), *Relaxivity and in Vivo Human Performance of Brand Name Versus Generic Ferumoxytol*.

⁴³Euler, L. (2022), *Relaxivity and in Vivo Human Performance of Brand Name Versus Generic Ferumoxytol*.

⁴⁴European Commission (2023). 'EU-UK Trade and Cooperation Agreement: An Overview.' European Commission Reports.

⁴⁵European Commission (2023). 'EU-UK Trade and Cooperation Agreement: An Overview.' European Commission Reports.

⁴⁶European Commission (2023). 'EU-UK Trade and Cooperation Agreement: An Overview.' European Commission Reports.

⁴⁷Germany Ministry of Trade and Investment, (2023). *The Economic Impacts of Brexit on Germany Trade and Investment*

⁴⁸Germany Ministry of Trade and Investment, (2023). *The Economic Impacts of Brexit on Germany Trade and Investment*

⁴⁹Germany Ministry of Trade and Investment, (2023). *The Economic Impacts of Brexit on Germany Trade and Investment*

⁵⁰Italian Foreign Ministry, (2019). *The Economic Impacts of Brexit on Italy Trade and Investment*.

⁵¹Italian Foreign Ministry, (2019). *The Economic Impacts of Brexit on Italy Trade and Investment*.

⁵²Italian Foreign Ministry, (2019). *The Economic Impacts of Brexit on Italy Trade and Investment*.

⁵³Italian Foreign Ministry, (2019). *The Economic Impacts of Brexit on Italy Trade and Investment*.

⁵⁴Italian Foreign Ministry, (2023). *The Economic Implications of Brexit on Italy*.

⁵⁵Italian Foreign Ministry, (2022). *The Economic Implications of Brexit on Italy*.

⁵⁶Italian Foreign Ministry, (2022). *The Economic Implications of Brexit on Italy*.

⁵⁷Italian Foreign Ministry, (2022). *The Economic Implications of Brexit on Italy*.

⁵⁸World Bank Report (2022).

The Netherlands

Netherlands has a longstanding and close bond with the UK; post Brexit affects the Netherlands in many ways. As noted by Bricongne et al⁵⁹, these bonds are not just financial and economic, but also political, as the Netherlands and the UK often shared the same views on policies and funding. The following economic areas have been impacted by post Brexit: trade and industry, healthcare, customs and excise, education and research, and public finances. Post Brexit has impacted negatively on the Netherlands especially in the area of EU budget. Following UK's exit, 27 rather than 28 member states are now responsible for the EU budget, to which the UK in the past had been a major net contributor. The Netherlands' contribution to the EU has affected not only by Brexit but also by the EU's Multiannual Financial Framework (MFF) for 2021-2027. The financial consequences of the new agreement were disclosed in the Ministry of Foreign Affairs' budget for 2021. Under the agreement reached by the European Council on 21 July 2020, the Netherlands' total contribution to the EU increased from nearly €9 billion in 2021 and is estimated to reach €10 billion in 2027⁶⁰. The Netherlands Bureau for Economic Policy Analysis (CPB) examined the possible economic impact of post Brexit on Dutch economy. It calculated that the decline in trade with Britain cost the Dutch economy around 1.2% of its gross domestic product in 2030, i.e. approximately €10 billion⁶¹. In an update in 2023 the CPB concluded that the Trade and Cooperation Agreement signed at the end of December 2020 in broad lines corresponded to a free trade scenario, without tariffs. The resultant decline in trade reduces the Netherlands' GDP by 0.9% and 1.5% in 2030, with lost income of approximately €8 – €13 billion⁶².

Other impacts discuss in the work are in the areas of border control and fishing etc. Post Brexit has led to checks and red tape at the borders with the UK. For instance, at the ports of Rotterdam, Hook of Holland and IJmuiden, the Post Brexit relations only allow Dutch fishermen to catch 25% less fish in British waters which is against the conventional practice when Britain was still part of EU; Dutch fishermen have full access to fish in British water way. In addition, Post Brexit era, Dutch students can no longer study in the UK under the EU Erasmus exchange programme. Post Brexit has saw Britain coming up with a law to protect their water way. Under the Brexit Adjustment Reserve, the Netherlands can claim about €866 million⁶³. The remainder is intended for the fisheries sector. The Netherlands is the second largest recipient, after Ireland, of the Brexit Adjustment Reserve. Funds released from the Brexit Adjustment Reserve are spent in the Netherlands by the Netherlands Enterprise Agency (RVO). The funds are applied chiefly for the benefit of the business community and the fisheries sector. There are two compensation schemes and a trade programme for the business community. For the fisheries sector, the Ministry of Agriculture, Nature and Food Quality (LNV) is seeking to restructure the fishing fleet (the SVV scheme), mitigate loss of income in the fisheries sector (the SIV scheme) and via the VSB scheme compensating for vessels taken out of service because of Brexit. On 18 July 2022, the European Commission approved a Dutch aid measure to support the fisheries sector⁶⁴. On 15 December 2022, the Commission gave the green light for a liquidity facility and a suspension of activity facility for the fisheries sector. The facilities were open from 3 April 2023 to 30 June 2023. On 31 October 2022, the Commission approved a Dutch compensation programme for businesses that incurred additional costs for new customs procedures following the UK's departure from the EU⁶⁵.

Data released by the Bureau for Economic Policy Analysis⁶⁶, revealed that Netherlands trade exposure to the UK in post Brexit in broad sectors in the Netherlands economy. For instance, the agro-food sector, which accounts for 7% of Dutch production, has a comparatively high exposure in post Brexit era. The sector accounts for 23% of total exports of the Netherlands to UK prior to the exit of UK from Brexit, post Brexit era has saw a significant drop in the sector to 12% of total Dutch agro-food exports. The pre-Brexit era saw the country three sectors; agro-food, energy and natural resources and chemicals, account for 60% of Dutch exports to the UK, this number has reduced in post Brexit era to 35%⁶⁷. Data released by the Bureau for Economic Policy Analysis⁶⁸, further revealed that Dutch exports to the UK fall from 21% in 2019 to 17% in 2023 and the country's GDP decline by 0.7% in the medium term⁶⁹. Sectors with a relatively high exposure to the UK as an export market and whose products face a comparatively large increase in tariffs are most severely affected. The Dutch agro-food sector experiences a 22% fall in its UK exports. This is driven by a substantial 35% decline in exports in the meat production sector⁷⁰. Smaller manufacturing sectors such as wood and leather products and textiles also saw a 20% fall in their UK exports in post Brexit era. Post Brexit era also saw a decline in electronic equipment which sees the largest decline in total exports of all non-agro-food sectors at 3% and the largest decline in production at 2.4%. The 2% fall in production in agro-food contributed to a 7% decline in the value of agricultural land. One of the five sectors that recorded the largest decline in employment as stated by the Bureau for Economic Policy Analysis is the agro-food sectors. The report further identified some sectors that gained from post Brexit; motor vehicles

⁵⁹Bricongne, J. (2022). *From Macro to Micro: Large Exporters Coping with Common Shocks*. CESifo Working Paper No. 9857.

⁶⁰Ministry of Foreign Affairs (2023). *The UK's approach to the Northern Ireland Protocol*. GOV.UK.

⁶¹Centraal Planbureau, CPB (2023), Bureau for Economic Policy Analysis: National Productivity Board 2023 annual report.

⁶²Centraal Planbureau, CPB (2023), Bureau for Economic Policy Analysis: National Productivity Board 2023 annual report.

⁶³Centraal Planbureau, CPB (2023), Bureau for Economic Policy Analysis: National Productivity Board 2023 annual report.

⁶⁴European Commission (2023). 'EU-UK Trade and Cooperation Agreement: An Overview.' European Commission Reports.

⁶⁵European Commission (2023). 'EU-UK Trade and Cooperation Agreement: An Overview.' European Commission Reports.

⁶⁶Bureau for Economic Policy Analysis, (2023), National Productivity Board 2023 annual report.

⁶⁷Centraal Planbureau, CPB (2023), Bureau for Economic Policy Analysis: National Productivity Board 2023 annual report.

⁶⁸Bureau for Economic Policy Analysis, (2023), National Productivity Board 2023 annual report.

⁶⁹Centraal Planbureau, CPB (2023), Bureau for Economic Policy Analysis: National Productivity Board 2023 annual report.

⁷⁰Centraal Planbureau, CPB (2023), Bureau for Economic Policy Analysis: National Productivity Board 2023 annual report.

and transport equipment, both of which show increases in exports to the UK. The gas and financial services sectors also saw an increase in term of gross exports during this era⁷¹.

Spain

Post Brexit has impacted on the economy of Spain. As explained by Gasiorek and Tamberi⁷², the last-minute deal on TCA meant that firms could not anticipate the characteristics of the new EU–UK trade relationship. Data released by Spanish Ministry of Foreign Affairs revealed that Spanish firm exports and imports to the UK in the post Brexit era decreased relative to the pre-referendum period, and relative to other partners, by 24% and 27%, respectively, after the TCA⁷³. Furthermore, the entry of Spanish exporters and importers into the UK decreased by 4% and 8%, respectively, and the probability of stopping an export and import relationship with a UK partner increased by 7% and 21%, respectively, after the TCA (Spanish Ministry of Foreign Affairs, 2023)⁷⁴. Also, the number of exported and imported products with the UK decreased by 12% and 31%, respectively, after the TCA⁷⁵. Also data released by Spanish Ministry of Foreign Affairs⁷⁶ further revealed that the withdrawal of the UK from the EU's single market and customs union had a much larger negative impact on trade flows than the previous two Brexit stages: (1) the period that spans from the Brexit referendum to the official Brexit, when the UK was still a member of the EU (23 June 2016–31 January 2020); and (2) the period that spans from the official Brexit to the TCA, where the UK was not member of the EU but was part of its single market and customs union (1 February 2020–31 December 2020). The data suggests that the uncertainty about the future trade policy between the EU and the UK during the first two Brexit stages had a much smaller negative effect on trade flows than the new trade costs that emerged after the TCA.

Sweden

The UK has traditionally been one of Sweden's largest trading partners. Following Brexit, trade between Sweden and the UK faced new barriers such as customs checks, paperwork, and higher administrative costs. This has made trade less efficient, especially for Swedish businesses involved in manufacturing, machinery, and other export sectors. According to the report released by OECD⁷⁷, it revealed that in 2019, the UK was Sweden's 8th largest trading partner, and Sweden exported goods and services worth about SEK 88 billion (approximately €8 billion). After Brexit, Swedish exports to the UK were impacted by new tariffs, non-tariff barriers, and additional regulatory requirements. Sweden also imports goods from the UK, including machinery, chemicals, and food products⁷⁸. New border procedures and customs formalities have led to increased costs and delays in the supply chain, which have had adverse effects on some industries. While the UK had been a key foreign investor in Sweden, some uncertainty surrounding post-Brexit trade relations has led to reduced investment in both directions in the short term⁷⁹. One of the largest export sectors in Sweden which exports goods to the U.K is the forest products sector, which accounted for 22 % of total Swedish exports in 2015⁸⁰. Data released by European Economic Council in 2023 revealed that Swedish forest products sector has declined with 8% in the post Brexit era⁸¹. In the area of trade, data releases by European Economic Council revealed also that trade (import and export) between Sweden and UK in 2016 was 29%. Import constitutes 18% while export constitutes 11%. This cut across some sectors such as tourism and transportation. However, the post-Brexit era has witnessed a decline in trade; 21%; 13% for import while 8% for export⁸². The UK was one of Sweden's significant trading partners before Brexit. Swedish exports to the UK, particularly in the automotive, machinery, and pharmaceutical sectors, have faced challenges due to increased tariffs, regulatory divergence, and customs checks⁸³.

Trade volumes between Sweden and the UK have declined in post-Brexit. This is partly due to the uncertainty and increased costs associated with the new trade barriers, which have discouraged some Swedish firms from exporting to the UK. Newman⁸⁴ noted that the UK has traditionally been a significant source of FDI into Sweden. Post-Brexit has brought uncertainty around the UK's future relationship with EU which has made Swedish Companies more cautious about investing in the UK. Post Brexit has affected the free movement of people between Sweden and the UK. This has implications for Swedish nationals working in the UK particularly in sectors like education, healthcare, and technology⁸⁵. Prior to Brexit, the UK was a significant destination for Swedish workers, particularly in the services sector and healthcare. Following Brexit, Swedes, like other EU

⁷¹Centraal Planbureau, CPB (2023), Bureau for Economic Policy Analysis: National Productivity Board 2023 annual report.

⁷²Gasiorek M. & Tamberi N. (2023). *The effects of leaving the EU on the geography of UK trade Econ.* Policy paper

⁷³Spanish Ministry of Foreign Affairs, (2023). *The Economic Implications of Brexit on Spain.*

⁷⁴Spanish Ministry of Foreign Affairs, (2023). *The Economic Implications of Brexit on Spain.*

⁷⁵Spanish Ministry of Foreign Affairs, (2023). *The Economic Implications of Brexit on Spain.*

⁷⁶Spanish Ministry of Foreign Affairs, (2023). *The Economic Implications of Brexit on Spain.*

⁷⁷OECD (2021). 'The Global Economic Effects of Brexit: France's Trade and Economic Relations.' *OECD Economic Outlook*.

⁷⁸OECD (2021). 'The Global Economic Effects of Brexit: France's Trade and Economic Relations.' *OECD Economic Outlook*.

⁷⁹OECD (2021). 'The Global Economic Effects of Brexit: France's Trade and Economic Relations.' *OECD Economic Outlook*.

⁸⁰Kommerskollergium, (2016), National Board of Trade; Trade Regulation in a 3D Printed World

⁸¹European Economic Council (2023). *European Economy: One Market, One Money, Brussels*: Directorate General for Economic and Financial Affairs

⁸²European Economic Council (2023). *European Economy: One Market, One Money, Brussels*: Directorate General for Economic and Financial Affairs

⁸³Newman et al, (2023), Defining an ecological equation of State: response to Riera et al. 2023; *Ecol.Modell.*,486(2023),Article 110532, 10.1016/j.ecolmodel.2023.110532

⁸⁴Newman et al, (2023), Defining an ecological equation of State: response to Riera et al. 2023; *Ecol.Modell.*,486(2023),Article 110532, 10.1016/j.ecolmodel.2023.110532

⁸⁵Newman et al, (2023), Defining an ecological equation of State: response to Riera et al. 2023; *Ecol.Modell.*,486(2023),Article 110532, 10.1016/j.ecolmodel.2023.110532

nationals, now face more restrictions and administrative hurdles when seeking work in the UK⁸⁶. This has led to a decline in the number of Swedes working in the UK. Sweden itself has experienced some labour shortages, particularly in sectors like healthcare, hospitality, and agriculture, as workers from the UK, as well as other EU countries, have been less likely to migrate to Sweden post-Brexit. This has put pressure on Sweden's domestic labour market⁸⁷.

4. Conclusion and Recommendations

The study conclude that Brexit has significantly affected every aspect of the Belgium, France, Germany, Italy, Netherlands, Spain, Sweden and other EU member States; economically, socially and politically etc leading to changes in the nature of interactions. Economically, the impact of Brexit has been significant for the EU. The EU has lost one of its largest members and a key contributor to its budget. On trade relations, the UK and the EU have negotiated a new trade agreement (TCA), which governs their future trade relations. While this has helped to reduce uncertainty, trade between the two has become more complicated, particularly with the introduction of customs checks and regulatory barriers. Prior to Brexit, UK was one of the major pillars of the EU in terms of financial contribution and commitment to EU protocol, all that has change now with her exit from the EU. Overall, while Brexit has presented challenges for Belgium, France, Germany, Italy, Netherlands, Spain, Sweden and other EU member States, it has also created opportunities for them to redefine their relationship and pursue new paths. The long-term impact will depend on how well they are able to manage these challenges and capitalize on these opportunities. The study recommendations as follows: European countries should seek to expand and deepen trade agreements with non-EU countries to offset the economic losses from Brexit. By negotiating new free trade agreements, the EU can regain some of the trade volume lost with the UK. France should continue to attract businesses and talent that are relocating due to Brexit, particularly in sectors like finance, tech, and professional services. Initiatives such as tax incentives, simplified bureaucracy, and special visas should be enhanced to sustain this inflow. To counterbalance the loss of seamless trade with the UK, EU member states should further enhance intra-EU economic integration, increasing trade and cooperation among EU countries.

⁸⁶Swedish Government (2022). *The Economic Consequences of Brexit for Sweden*.

⁸⁷OECD (2021). 'The Global Economic Effects of Brexit: France's Trade and Economic Relations.' *OECD Economic Outlook*.