

## **ZVEI position on BREXIT**

Great Britain is of great economic importance for the German Electrical and Electronic industry. The industry's exports to Great Britain amounted to EUR 10.0 billion in 2016, imports of electrical and electronic appliances from the UK were EUR 4.3 billion in the same period. The UK therefore is the fourth-largest buyer of the German electrical and electronics industry and the second largest in Europe.

In the ranking of Germany's major trading partners in electrical and electronic appliances, the country ranks in seventh place worldwide and in fifth place in Europe. The current volume of direct investments by the German electrical and electronics industry in Great Britain amounts to EUR 3.3 billion. This is only surpassed by the industry's investments in China and the USA.

1. On the basis of a liberal, multilateral international economic order, we are committed to the European Union and to the European single market. The four freedoms, i.e. the free exchange of goods and services, the free movement of capital and the freedom of movement for workers and individuals constitutes a central prerequisite of the far-reaching economic integration of the EU member states.
2. While the aim should not be to punish the UK, the upcoming BREXIT must not endanger the European integration project. In particular, no precedent should be created, which could lead to further exits. Instead, it is important to complete key projects, e.g. the Digital Union, the Energy Union, the Capital Union or the Security Union.
3. In shaping future trade relations between the EU and Great Britain, care must be taken to ensure that as many beneficial aspects of the internal market and of the customs union as possible are maintained in the context of a potential free trade agreement. Brexit related disadvantages to both the UK and the EU have to be considered inevitable. Conversely, the efforts of both sides should aim for a balanced minimisation of these disadvantages.
4. A relapse - even briefly - to the WTO status would be the worst possible solution and should be prevented if possible. Accordingly, there is a need for an agreement between the EU and the UK, which will maintain the functioning of the internal market until a comprehensive successor agreement will be concluded.
5. With regard to the intermediate steps in the negotiations on the future relationship between the EU and Great Britain, the European Commission should practice much greater transparency than was the case in previous negotiations on free trade agreements. Industry associations should be actively and timely involved in the consultation process.
6. In addition to new arrangements on trade in goods and services with minimal trade barriers, it is important to ensure the sustainable regulatory equivalence and ongoing involvement of Great Britain in the European legislative processes that affect the business environment.
7. As Great Britain is still a member of the EU, it will be able to influence both the EU Research Framework Program (FP9) and the next Multiannual Financial Framework. The resulting financial and legal obligations, as well as past commitments must be fully adhered to, even after BREXIT.

Companies need legal and planning security as quickly as possible. They are the basic prerequisites for all business decisions.

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