

THIS WEEK'S TOPIC:

As a business leader, what is your assessment of the potential consequences of a "Brexit"?

Short-term pain inevitable

Lim Soon Hock
Managing Director
PLAN-B ICAG Pte Ltd

ANY economic community, be it the European Union, the Asean Economic Community or the proposed Trans-Pacific Partnership is perennially plagued by two problems. Members often put their national interests before those of the community. Secondly, not all members are at the same stage of economic development. The push for Britain's exit stems primarily from these two considerations.

The benefits of an economic community outweigh the consequences of the two endemic problems. Any repercussions from Brexit – for example, a devaluation in the pound – are expected to be temporary.

Britain, being a large and developed economy, with strong global trade links, the world and Singapore, will survive Brexit.

John Bittleston
Founder & Chair
Terrific Mentors International Pte Ltd

THE European Common Market was created partly to reduce the risk of a third European war. It has succeeded, with the help of nuclear threat. Since becoming the European Union, it has been less coherent, more bureaucratic and even, perhaps, less federal.

If Britain left the EU, she would again become more isolated and more dependent on the United States for defence. Her departure would probably effectively cause an EU break-up. Member countries' trade would suffer.

Dissatisfaction with how the EU works should be the subject of remedy not abdication. We do not want another British newspaper headline saying "Continent isolated".

Yeoh Oon Jin
Executive Chairman
PwC Singapore

UNCERTAINTY is the enemy of business. And the UK EU referendum, which is perhaps more likely to be decided by views on immigration and political accountability, poses multiple short and long-term uncertainties.

There are no "facts", economic or otherwise, as to what an "Out" vote would mean. What kind of trade deals would the world's fifth-largest economy be able to



negotiate – and when? How will UK laws and regulations be decoupled from decades of connectivity to those at a European level?

And will Brexit destabilise, both politically and economically, the whole European Union? At a time of growing global economic concerns, the timing for the UK Brexit vote, perhaps, could not be worse.

Angela Campbell-Noë
Senior Partner, Asia
Tulchan Communications LLP

FOR businesses with European operations, Brexit is a crucial uncertainty on the global political agenda and inter-governmental discussions should be monitored carefully to understand and anticipate outcomes.

Brexit would necessitate complex trade negotiations, which would happen against the backdrop of nervous financial markets, a tumbling pound and high stakes political poker.

Meanwhile, the UK would need to swiftly redefine itself on the world stage and ensure that the “open for business” message resonates globally.

Most importantly, South-east Asian corporates are urgently advised to interrogate the implications of Brexit to their sector and businesses, mitigate risks and communicate around these accordingly.

Toby Koh
Group Managing Director
Ademco Security Group

BRITAIN leaving the EU is unlikely, I feel. Most of the British people I have spoken to feel that when push comes to shove, the vote will favour continuity and not the unknown.

Even if Britain does leave the EU, I am of the opinion that there will be no sensational meltdown of the British economy. The sterling will weaken in response to uncertainty and a curtailment of the large EU marketplace. However, the billions of pounds saved is certainly significant.

British companies have always been resilient and will surely continue to do so. Many of the top British companies have spread their businesses globally and the EU contributes just a fraction of their revenue. The likely economic rut in the short term will right itself quickly and a natural balance will settle.

Robin C Lee
Group COO
Bok Seng Group

ISENSE more negatives than positives should Brexit happen. Just last year, the British were highly adamant that it would be a foolish move if Scotland were to separate from them, and now they are thinking of leaving Europe?

Strategically, it would be better to remain in a large harmonised market which, due to its long history, can provide immediate and long-term stability.

Like any trading bloc, the EU has its imperfections, but it serves its role as a major market, especially for countries such as Britain.

Being isolated from the EU would make Britain much less attractive to companies seeking to invest in the UK, as Europe as a whole, and by extension the major market provided by the EU, accounts for a sizeable chunk of dealings for most international conglomerates.

Annie Yap
Group Managing Director
AYP Group

SINGAPORE is the largest trading partner for the EU in Asean. The consequence of Brexit might change the dynamics and statistics. Also, there will be a limitation and restriction in the currency used and immigration into Britain.

As a talent management firm, we value freedom of movement of human resources very highly. Hence, if Britain were to exit the EU, this would mean that many business and job opportunities would be limited due to the restrictions on the border. Many small and medium-sized enterprises will be affected when doing business with the UK.

Mark Billington
Regional Director, South-east Asia
ICAEW

IN the short term, I believe it will impact investments in the UK as companies continue to be uncertain about how the country will manage the loss of access to its largest trading partner.

Some believe that Brexit may have a positive impact for Asian businesses as the UK will now be free to forge trade deals with countries that have not been able to conclude agreements with the EU.

Singapore, in particular, may stand to gain as UK businesses looking for new markets, use the country as a springboard into the region.

Victor Mills

Chief Executive
Singapore International Chamber of Commerce

THE last thing Britain and the world needs now is an unnecessary distraction from much bigger issues: sluggish global economic growth, international terrorism, unsustainable immigration and the effects of climate change, to name a few.

Thanks to the willingness of European leaders to help British Prime Minister David Cameron, Britain has secured the deal it wants and arguably needs. It is excused from European political union and will continue to enjoy the benefits of close economic cooperation.

This is a good business deal. Should it vote to leave, Britain potentially will have to renegotiate trade deals with 27 partners to say nothing of managing immigration from Calais.

It may be a close-run thing but my money is on Britain voting to stay in Europe. My confidence is based on the good sense of the great British public which never looks a gift horse in the mouth.

T Chandroo
Chairman & CEO
Modern Montessori International Pte Ltd

BRITAIN plays a stellar role shaping the world's business landscape as one of the dominant financial hubs. Hence, the fiscal decisions and policies to occur as a result of Brexit may trigger a domino effect impacting not only political alliances but investors and jobs.

The Modern Montessori International Group (MMI) is headquartered in London. Thus, I have a personal interest in how Brexit will change the way we operate our businesses.

A Brexit would affect a collaborative and global business ecosystem, where nations can leverage free trade agreements and investment policies to further economic interests. Thus, from a commercial standpoint, I believe the implications will be immediate for businesses such as MMI.

The exit will represent a drastic change and ambiguity for businessmen like myself and potential investors who have trade links with Britain and the European Union. The change will be disruptive to this relationship, which investors will see as a liability to their investments.

After Brexit, Britain's post-EU phase may see policies that will try to gain traction and reinstate the confidence of existing businesses and potential investors. The post-EU period may create concerns for corporations which will not be able to forecast the monetary value of their investments with the looming instability.



Perhaps in due time, after the exit, Britain may be able to foster deeper trade relations that will be mutually beneficial for all.

However, time is vital for any business and thus as a business leader, how a country refines and defines its trade policies for the maturation and confidence of its investors and its impingement on the world economy is important to me.

Zaheer K Merchant
Regional Director (Singapore & Europe)
QI Group of Companies

WHILE Prime Minister David Cameron's comprehensive recent election win spells varied economics for Britain, his appointments of former high-profile investment bankers in Amber Rudd and Sajid Javid underlies deep intent.

The Bank of England has delayed interest rate hikes, is tightening fiscal policy to eliminate budget deficit by 2019, and pushing for consumer price growth to reach 2 per cent in 2017 to deal with below-target inflation.

The swirling nationalism of Brexit from the EU will reportedly reduce 14 per cent (about 300 billion euros) from the UK's GDP and the eurozone debt crisis coupled with bond buying make for more talk than perhaps actuality.

The evident positives are that the pound will benefit as will the UK's financial markets and manufacturing.

I remain confident in the stability of the UK. Already, projects such as Hitachi's investment in north England, Tata's turnaround of Jaguar-Land Rover, China's investment in Britain and the UK's evergreen property market with Asian investors are on the cards.

It is unlikely that there will be any overtly adverse impact on businesses, even if Brexit occurs.

Paul Lim
Group CEO
Secura Group Limited

MUCH of the recent debates on Brexit have centred on what the exit could mean for Britain. While Britain is not among the top trading partners of Singapore, the impact of a Brexit nonetheless will have contingent effect on our economy, mostly through the forex chaos that will result and the inter-connectedness of the larger global economies.

Secura Group currently has limited dealings with British clients and partners. Hence, we do not expect significant direct impact on our businesses, except through secondary economic and forex fluctuations.

However, if Brexit results in further depreciation of sterling, we may consider importing some British security products and solutions as they become more price competitive.

This will be good in general as the British are well known to have some very good security innovations that to-date have been excluded from our regional markets due to their high prices because of the strong pound.

The full list of views from CEOs
is available at
<http://businesstimes.com.sg>