

## Britain's withdrawal from Europe is imminent

According to a Reuters survey, Japanese companies with business contacts with the UK said they had no immediate plans to withdraw from the UK as the British government tried to finalize a withdrawal agreement.

Many Japanese companies said they would take a "wait-and-see" stance towards the British withdrawal.

The Japanese government has been expressing concern about the impact of the British recession. Britain is Japan's second largest investment destination, after the United States.

Last year, Japan warned that Japanese companies would have to withdraw from Britain if trade barriers brought about by the British withdrawal prevented business from profiting.

Britain's decision to withdraw from Europe has raised concerns in London that if Britain no longer has zero tariff trade with other EU members, Japanese companies may move their business elsewhere.

But 89% of businesses with business links in the UK said they would not change their business, and 3% were actually considering expanding their business in the UK.

A survey conducted on April 3-15 showed that about 8% of enterprises planned to scale down their business in the UK, but none of them planned to leave the UK.

However, many companies said in their written comments that they would "temporarily" pay attention to the development of the British withdrawal situation, indicating that if the British withdrawal is not conducive to business, they may withdraw from the UK.

"We have subsidiaries in France, and the withdrawal of Britain will affect us. But for now, we want to look at it," wrote the manager of a precision machinery manufacturer in the survey.

"Britain still occupies an important position in Europe, and we have not yet fully understood the specific impact of the British withdrawal," wrote one machine manufacturer.

Nikkei Research interviewed 478 large and medium-sized enterprises for the Reuters monthly survey, and managers responded anonymously. About 240 companies answered questions about Britain's withdrawal from Europe.