

New Report Confirms the Economic Cost of Brexit

A landmark report by John Springford has delivered a sobering verdict on the fallout from Brexit. *The Economic Impact of Brexit, Nine Years On: Was the Consensus Right?* provides a rigorous audit of post-Brexit Britain, concluding that economists' early warnings of lasting economic damage have proven largely correct.

The report, commissioned by the Constitution Society and the Federal Trust for Education and Research, bears out Office for Budget Responsibility estimates of a 4 percent loss of productivity in the UK economy as a consequence of the decision to leave the EU. The 2019-2024 parliament raised taxes by around £100 billion and Springford concludes that £40 billion of those tax rises were needed because of EU withdrawal.

Among its detailed economic analysis, the report uses the synthetic control or 'doppelgänger' method to identify which countries had the most similar growth path to the UK before 2016, and then measures the difference in growth between the UK and these countries afterwards. This allows the report to estimate the true cost of Brexit to the UK economy nine years on.

Other key findings of the report include:

- A shortfall of around 10% in UK business investment since 2016
- A 15% fall in goods and services exports
- That free trade agreements (FTAs), which Leave advocates championed, have had only a small benefit to the UK economy

Dr Dexter Govan, director of research at the Constitution Society, commented:

"This report highlights the dire discrepancies between the economic promises and realities of Brexit. While the political debate continues, the data evidences clearly that leaving the EU has made Britain poorer. John Springford has been able to synthesise and make clear what many already thought to be true, that the UK economy has suffered as a result of our decision to leave the European Union."

The report concludes that while some predicted doomsday scenarios did not come to pass, the long-term costs are undeniable and likely irreversible under current policy frameworks.

The full report is available for free online at: <https://fedtrust.co.uk/the-economic-impact-of-brexit/>.

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