

26 February 2019

The Rt Hon Theresa May MP,
Prime Minister
10 Downing St

Cc: The Rt Hon Stephen Barclay, Secretary of State for Exiting the European Union
Cc: The Rt Hon Greg Clark, Secretary of State, Department for Business, Energy and Industrial Strategy
Cc: The Rt Hon Michael Gove, Secretary of State for Environment, Food and Rural Affairs
Cc: The Rt Hon Philip Hammond, Chancellor of the Exchequer

Dear Prime Minister,

As representatives of 190,000 businesses working across the UK economy, we are writing to you to express the grave concerns we share about the UK's readiness to leave the EU on 29 March if there is no deal.

The threat of a no-deal Brexit is already costing businesses millions in expensive contingency measures. If the UK were to leave the EU without a deal, it would be an unparalleled act of self-harm. A no-deal Brexit cannot be managed. We therefore urge you to take it off the table now, end the huge cost of uncertainty, protect jobs and safeguard prosperity for the UK.

We recognise the time and effort government is investing in no deal preparations. In the interests of our Members, we will continue to work closely with Ministers and officials to prepare as much as is possible in the days ahead. However, it is beyond doubt that the country cannot be ready for the dramatic changes in the business environment that would occur on 29 March in the event of a no-deal Brexit.

Firstly, the scale of the logistical challenge is now beyond the capacity of any government to deliver effectively. For all the welcome efforts to simplify border procedures, businesses are not convinced that infrastructure will be ready in time. In particular, the lack of information about how the Northern Ireland border will operate is causing growing alarm. The impact of this would be severe: more than 12% of the UK's food and drink industry anticipate a no deal could force them out of business.

Secondly, businesses, in particular those in the UK's world leading service sectors, are increasingly worried by legal uncertainty. With the passage of necessary legislation stalled and a number of crucial statutory instruments published without consultation, many industries anticipate finding themselves lacking a solid legal basis on which to operate.

Thirdly, the UK's global standing will suffer if no deal takes place. UK business stands to lose out across the globe because many non-EU trading partners have yet to roll over existing free trade deals. Britain's businesses now risk sending deliveries to South Korea, South Africa or Mexico without knowing what tariffs they will pay when their goods arrive. Investors around the world are watching and are drawing their own conclusions, too many of them not in the UK's favour.

The country cannot and will not be ready for a no deal Brexit; even if the government's no deal preparations are delivered to the best of their abilities. The effects on citizens in our communities are becoming a daily reality and will be serious and long lasting. Cost rises, travel disruption, job losses and reduced shifts would be the reality.

Government can avoid this if it makes it clear that a no deal is not an option. It is now time to rule it out.

Yours sincerely,

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