

EMBARGOED UNTIL 20.00 on Wednesday 1st November 2017

NEW SURVEY SHOWS UK ISRAELI FIRMS BACK EU MARKET ACCESS TO 'LOCK-IN' ERA OF RECORD TRADE

- 71% of Israeli UK based firms responding to a new survey rate on-going access to EU market through the UK after Brexit as their priority for the Brussels negotiations
- 53% of Israeli respondents are 'fairly negative' on UK investment outlook, but 24% say Brexit will have 'no effect either way' on plans
- 65% of Israeli firms responding are 'not very confident' that a good deal will be achieved for the UK by March 2019
- US, German, and French businesses in UK share same views as Israelis in survey
- UK Israel Business CEO, pledges to work hard to 'lock-in' UK as top EU destination for Israeli investment
- Thirty British business leaders will fly to Israel as UKIB launches investment mission to extend 'era of record trade'

Seventeen leading Israeli firms with operations in the UK have expressed their views on Brexit in a multinational survey published today. UK based foreign chambers of commerce representing France, Germany, United States, and ten other countries took part in an October survey.

The Ipsos MORI survey of members of foreign chambers of commerce based in the UK reveals that a majority (55%) of all country respondents think the likely effect of Brexit on future investments by their companies in the UK will be negative. One in five (22%) think their decrease in investment will be greater than 10%. By contrast, one in ten of all respondents (10%) see that Brexit will have a positive impact on their future investments in the UK.

The views of Israeli firms in the UK were broadly in line with views of investors from other countries. The Israeli firms, whose names are not being published, gave the following answers to key survey questions:

Firms were asked to identify the issues of most importance in the Brexit negotiations; Israeli firms in the UK had the following priorities:

- Solution that allows companies to have access to the EU market for goods and services 71%
- Continued regulatory alignment with EU 41%
- Access to high and skilled workers 35%
- Ability for UK to strike trade deals 24%



What do you think the likely effect on future investment will be over the next 5-10 years?

- 53% fairly negative
- 12% very negative
- 24% no effect
- 6% very positive
- 6% don't know

Firms said the following about the impact of Brexit so far:

- 35% no difference
- 35% fairly negative
- 18% very negative
- 6% very positive
- 6% fairly positive

Asked about a positive outcome for the UK by negotiations by March 2019, firms said the following:

- Fairly confident 12%
- Not very confident 65%
- Not at all confident 24%

UK based Israeli firms were less likely to be 'very negative' about the Brexit outlook than investors from Germany and France but had the highest level of 'fairly negative' responses.

Hugo Bieber, Chief Executive of UK Israel Business, commented: "The survey shows there is still a lot of work to be done to reassure on UK Brexit readiness and to lock-in record trade levels. Our thirty-strong UKIB investment mission in November will be part of our pre-Brexit strategy. The intergovernmental trade-working group is also a sign of the importance attached to these opportunities by the British and Israeli governments."

Hugo Bieber went on to add: "Britain is the number one destination for Israeli foreign direct investment in Europe. It is vital that this position remains and UKIB will work hard to keep it that way. We need to make sure that the Brexit process does not create barriers to new opportunities and I know the UK government strongly agrees. The UK is a great place for Israeli investment, as shown by 32 Israeli firms opening in the UK since Brexit, investing £152m and creating 888 jobs."

There are four 'asks' UKIB has from the British Government and European Commission during the Brexit process and they echo views expressed in the survey:

1. A regulatory framework that ensures a smooth Brexit transition and on-going access to the EU market
2. A visa system that welcomes skilled Israeli experts to the UK
3. A comprehensive trade deal between the UK and Israel
4. UK importers and exporters of goods, especially fresh food and time sensitive products, require a rapid and straightforward customs process

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Notes to Editors:

1,046 members of the 13 chambers of commerce (see list below) took part in an online survey conducted by Ipsos MORI between 7th and 23rd October. These companies all have operations in the UK. Seventeen Israeli firms took part in the survey and participation might have been impacted by the timing of the survey which coincided with important religious holidays in October.

The following chambers participated in the Ipsos MORI survey: American, Belgium-Luxemburg, Canada, Denmark, France, Germany, Israel (UKIB), Italy, Netherlands, South Africa, Spain, Sweden and CCPIT (China Council for the promotion of International Trade).

Established in 1950, UK Israel Business (UKIB) is the UK's Israel business connector, nurturing the dynamic growth of business and investment between the two countries. UKIB investment and technology delegations offer exposure to the latest developments in Israeli innovation and investment opportunities.

Britain is the number one destination for Israeli foreign direct investment in Europe. There are now over 300 Israeli companies operating in the UK, and the London Stock Exchange is home to 28 Israeli companies with a combined market capitalisation recently estimated to be worth \$14bn.