

# Project Cheer 2

— *More* —

reasons

— *to be* —

upbeat

— *about* —

Brexit



BREXITcentral

Bringing you news and analysis of the UK's departure from the EU and promoting a positive and optimistic vision of Britain after Brexit.

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In the twelve months since our launch in September 2016, BrexitCentral readers have come to rely on our daily email briefing and social media presence to follow progress on the UK's withdrawal from the EU.

As we pull together all the Brexit news in one place each day, it is clear that there are plenty of good news stories to tell that counter the misinformation and predictions of doom that continue to emanate from those who remain in denial about the referendum result, **despite over 85% of voters supporting parties who promised to deliver a clean Brexit** in the General Election.

Our first edition of Project Cheer in February 2017 was an extremely popular foil to the gloomy projections of 'Project Fear'. So we are delighted to present this second volume which again highlights the resilience of the British economy and the exciting prospects that lie ahead.

**Jonathan Isaby**

Editor

**Matthew Elliott**

Editor-at-Large

# Project Fear's best bits

"After two years **GDP will be 6% lower...** the Treasury analysis published today finds that a direct consequence of a vote to Leave the EU would be significant job losses across the UK, within two years at least half a million jobs would be lost – and that's the lower end of the estimates, across Britain **as many as 820,000 jobs could be lost.**"

George Osborne, 23/5/2016



## HM Treasury

Immediate impact of a vote to leave the EU on the UK (% difference from base level unless specified otherwise)	Shock scenario <sup>a</sup>		Severe shock scenario <sup>b</sup>
	Shock scenario <sup>a</sup>	Severe shock scenario <sup>b</sup>	Severe shock scenario <sup>b</sup>
GDP	-3.6%	+2.3	-8.0%
CPI inflation rate (percentage points)	+1.6	+2.4	+2.4
Unemployment rate (percentage points)	+520,000	+820,000	+820,000
Unemployment (level)	-2.8%	-4.0%	-4.0%
Average real wages			

Stronger, Safer, Better Off

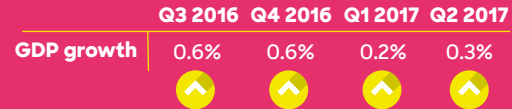
# So, what actually happened?

Unemployment: **down**

**4.4%**

"The level of people out of work is at the lowest level in over 40 years." *ONS, August 2017*

GDP growth: **up**



To meet George Osborne's Project Fear two-year prediction, GDP would have to fall by **over 5%** in the next 12 months.

Employment: **up**

**75.1%**

"Up 0.7 points over the past year, to 32.07 million."

*ONS, August 2017*

Wage growth: **up**

**2.1%**

"Pay before bonuses rose by 2.1 per cent over the last year."

*ONS, August 2017*



Between July 2016 and July 2017, International Trade Secretary Dr Liam Fox has visited over 20 countries to begin post-Brexit trade negotiations:



Switzerland



USA



Mexico



Malaysia



Bahrain



Canada



Hong Kong



India



Oman



Brazil



Qatar



United Arab Emirates



Japan



Philippines



Indonesia



Singapore



Vietnam



Kuwait



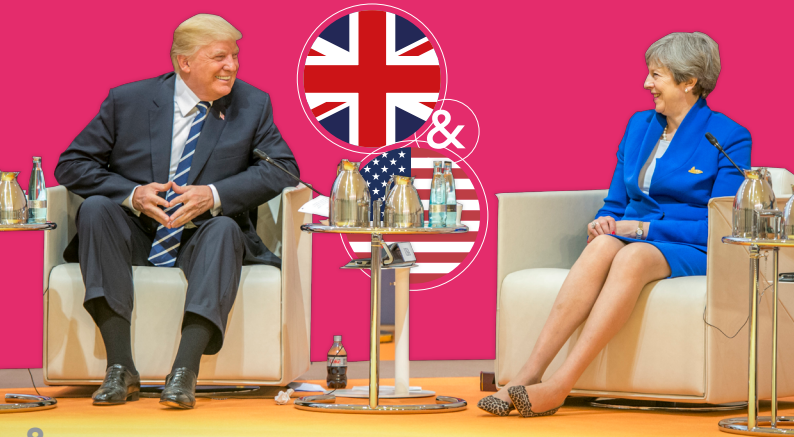
# Trump promises 'very big and exciting' trade deal with UK

**Donald Trump:** "We have been working on a trade deal which will be a very, very big deal, a very powerful deal, great for both countries and I think we will have that done very, very quickly. Prime Minister May and I have developed a very special relationship."

*Telegraph, 8/7/2017*

**Liam Fox:** "The US is Britain's largest export market, buying more than \$200 billion worth of services every year, more than France and Germany put together. US firms employ more than one million people in the United Kingdom, and UK firms employ more than one million here."

*Express, 24/7/2017*



# Australian PM Malcolm Turnbull

"Australia is ready to secure a free trade deal with Britain as soon as it formally leaves the European Union... post-Brexit Britain will be a Britain with big horizons, big opportunities, free trade, open markets."

*BBC News, 10/7/2017*



# New opportunities in India

Britain will be able to increase its exports to India by more than £2 billion per year after Brexit by cutting EU red tape, Commonwealth analysis has found.

*Telegraph, 9/4/2017*



# 48 developing countries set to enjoy duty-free access to UK markets post-Brexit



**International Development Secretary Priti Patel** said the renewed commitment would “help the world’s poorest people stand on their own two feet.”

*Department for International Development, 24/6/2017*

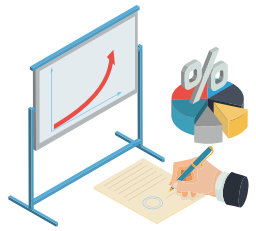


**International Trade Secretary Dr Liam Fox** said “free and fair trade has been the greatest liberator of the world’s poor, and today’s announcement shows our commitment to helping developing countries grow their economies and reduce poverty through trade.”

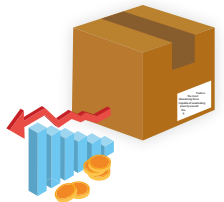
*Department for International Trade, 24/6/2017*



## Trade fact sheet



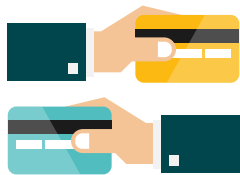
Total annual UK exports are £580bn



British exports are up a whopping 11.4% since the EU Referendum



There are more Foreign Direct Investment (FDI) projects than ever before



The UK is selling £12.7bn more services abroad than it is buying

# BRITAIN STRONGER IN BREXIT

**MPs reject arch-Remainer Labour  
MP Chuka Umunna's Queen's Speech  
amendment backing membership of  
the Single Market and Customs Union**

*House of Commons, 29/06/17*



322 MPs



## Barry Gardiner MP

Labour's Shadow Trade Secretary

### ***On why we must leave the Single Market:***

Remaining in the Single Market would mean that the "UK would technically not be a member of the EU, but we would in effect become a vassal state: obliged to pay into the Union's budget while having even less sovereignty than we do now."

### ***On why we must leave the Customs Union:***

As an end point, membership of the Customs Union "is deeply unattractive. It would preclude us from making our own independent trade agreements with our five largest export markets outside the EU (the US, China, Japan, Australia and the Gulf states)."

*The Guardian 24/07/17*



## Caroline Flint MP

"We cannot spend the next 18 months voting down every one of the Tories' EU Bills. If we do so, we will look like liars... those who aim to keep us in the Single Market know full well that this is EU membership in all but name."

*Labour MP Caroline Flint, 19/7/17*



## Sir James Dyson

"Europe's only 15% of the global market and the really fast-expanding markets are in the Far East. I'm enormously optimistic because looking outwards to the rest of the world is very, very important because that's the fast-growing bit."

*Inventor and entrepreneur Sir James Dyson BBC News, 27/3/17*

## Gisela Stuart

"The British people had the confidence to reject Project Fear and back Project Hope. Outside the EU, we can begin a process of national renewal and look forward to a strong and flexible economy which benefits everyone across the UK."

*Former Labour MP Gisela Stuart, 18/4/17*



## Kemi Badenoch MP

"I believe that the vote for Brexit is the greatest ever vote of confidence in the project of the United Kingdom. That vision of a 'global Britain' that the minister referred to is a project that, as a young African girl, I dreamed of becoming part of. As a British woman I now have the great honour of delivering that project for my constituents in the greatest Parliament on Earth."

*Conservative MP Kemi Badenoch, 19/7/17*





## Confidence in Brexit Britain

The good news just keeps coming in: exports, aided by the drop in the pound, have risen by 16% since the referendum. Manufacturing order books are at a 29-year high. A slew of foreign companies that had issued dire warnings of disinvestment if the UK voted for Brexit have since done exactly the opposite: heavyweights like BMW and major European banks have all committed themselves to increased investment in the UK.

**UK business confidence hits 18-month high**



*IBTimes 26/6/17*

# Business

# Boost in manufacturing

**British manufacturing activity strengthened in July - growing faster than France, Spain and Ireland - amid the second strongest rise in foreign demand in at least two decades**

*Telegraph 1/8/17*



**Manufacturing orders hit highest level since 1988**

*Telegraph 22/6/17*



**Factories are increasing production at the fastest rate in 22 years**

*BBC News 3/1/17*



# German bank backs UK

Deutsche Bank backs the City with a 25-year commitment for a new London base.

Deutsche will take a minimum of 469,000 sq ft of space within the 564,000 sq ft building, with an option to expand at a later date.

Telegraph 1/8/17

# Booming financial services

Senior executives at UBS, Credit Suisse, Pictet and Société Générale have told the Financial Times that they plan to accelerate investments in the UK by hiring extra staff and opening new regional offices.

FT 24/7/17





**Jaguar Land Rover to hire  
5,000 extra staff in major  
vote of confidence for  
UK industry**

*Telegraph 17/6/17*



**Car manufacturers back UK**



**A fully electric version of the Mini will be  
built at their Cowley plant in Oxford**

*BBC News 25/7/17*



**Ford CEO: "We are very proud to be in  
the UK and we are going to be in  
the UK for quite some time"**

*BBC News 3/1/17*



# So, what actually happened?

## Amazon expands London base



"The world's largest online retailer will occupy the entire 15 floors of a newly constructed tower in London, after initially having planned to only take 11."

*Bloomberg 25/7/17*

## easyJet biggest ever expansion



"More than 1,200 men and women will be given permanent and fixed-term positions at the budget airline. This will increase its total number of cabin crew to 8,100."

*Guardian 25/7/17*

## London Taxi Company £300m investment



"The plant in the West Midlands will produce thousands of electric vehicles from later in the year, following a £300m investment by its Chinese owners Geely."

*Telegraph 22/3/17*

## Hilton plans to open 30 more hotels in UK



"American hotel giant Hilton is planning on increasing the size of its UK estate by almost 25pc in a vote of confidence in the British economy."

*Telegraph 12/8/17*

## IKEA is creating 1,300 new jobs in Britain



"Ikea joins the likes of Google, Facebook and Amazon in boosting its job numbers and investment in Britain since last year's referendum."

*Business Insider 17/5/17*

## Lidl will invest £1.5bn in Britain



"Low-cost grocer Lidl is ramping up its expansion plan by opening between 50 and 60 supermarkets a year for the next two years as part of a £1.5bn investment into the UK."

*Daily Mail, 9/7/17*

## Britain's booming tech sector

**75.1%**

"Investment in the tech across the UK since the EU referendum was more than double its nearest rival, Germany, at £2.4bn."

*City A.M. 5/7/17*

## Entrepreneurs bullish on future growth

**62%**

"Entrepreneurs in the UK expect to grow by 62 per cent over the next five years."

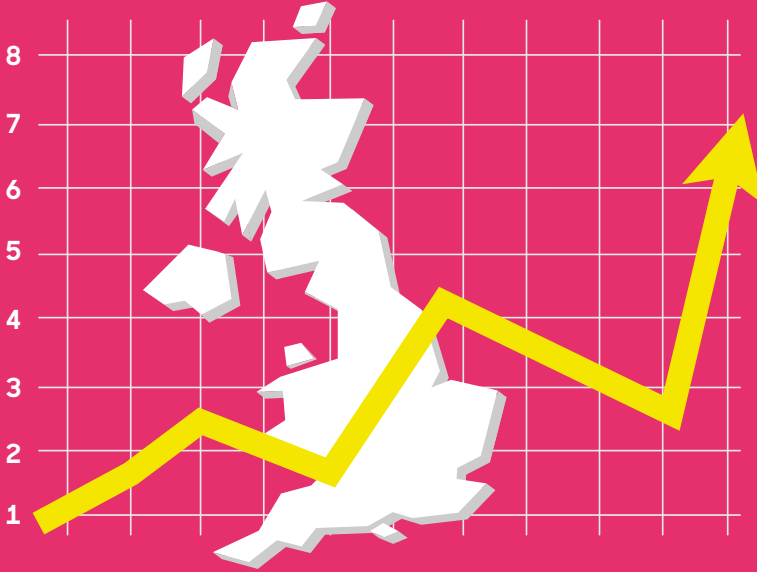
*HSBC survey 19/6/17*

# Robust post-Brexit growth

With more people in the UK in work than ever before, stronger economic growth than major Eurozone economies like Italy and France, record levels of visits from tourists pouring vast sums of cash into our economy, and continued growth in exports, finance, film and Foreign Direct Investment, Brexit Britain continues to defy the myths peddled by Project Fear.

**“Economic thinktank NIESR predicts a boom in British exports and higher wages, which will lead to GDP growth of nearly 2% with an interest rate rise next spring.”**

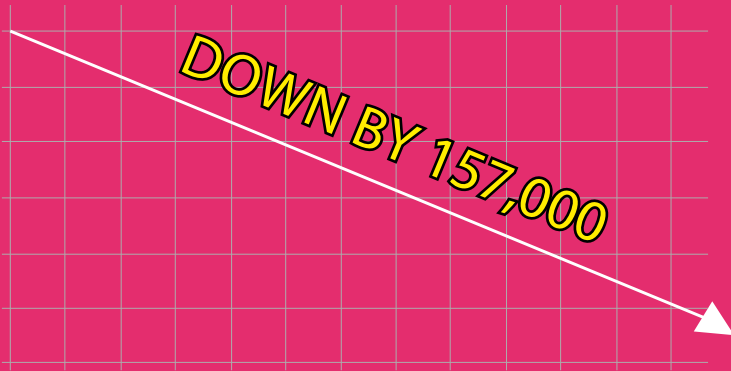
*NIESR 2/8/17*



# Economy



The unemployment rate is now at 4.4%, which means that unemployment is



June 2016

August 2017

since the Referendum

ONS August 2017

75.1% of people aged 16-64 are in work, the highest employment rate since records began

ONS August 2017

Great Britain is hiring!





**Around 8.3 million visits to the UK were recorded during the first quarter of the year, marking a 10 per cent rise on the same period last year and the best ever first quarter of any year in history**

*Independent 13/7/2017*

# PWC report backs the City



**pwc**  
**TheCityUK**

Post-Brexit financial services could add a massive £43 billion to the UK economy by 2025

*pwc/TheCityUK report, IBTimes 6/7/2017*





# British food and drink, film and finance boost economy!

Independent English wine producers saw their turnover rise to a record £132 million last year, a 16 per cent increase on 2015

*Telegraph 10/7/17*



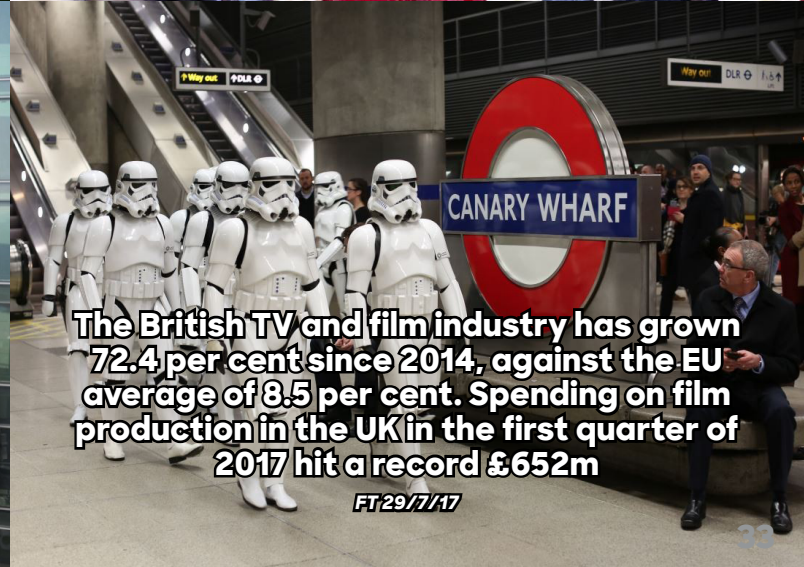
Figures from the Food and Drink Federation (FDF) revealed that UK exports rose by £10.2 billion, or 8.5 per cent, during a record first half

*The Times 18/8/17*



The UK's finance industry drew 99 foreign direct investment projects in 2016, up 5pc on the year and the most for a decade, according to a report by accountancy giant EY

*Telegraph 30/6/17*



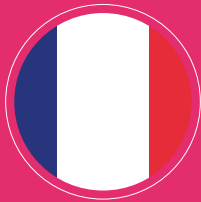
The British TV and film industry has grown 72.4 per cent since 2014, against the EU average of 8.5 per cent. Spending on film production in the UK in the first quarter of 2017 hit a record £652m

*FT 29/7/17*

# UK's projected growth for 2017 stands at 1.7%, ahead of France and Italy IMF, July 2017



**UK: 1.7%**



**France: 1.5%**



**Italy: 1.3%**

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"...in the 2017 General Election, **over 85% of voters supported parties promising to deliver a clean Brexit**, leaving both the single market and the customs union."

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