

Sep 5th 2017

Brexit, schmexit: investing in Britain

Predictions that the Brexit vote in June 2016 would lead foreign investors to shun Britain are proving wrong—so far.

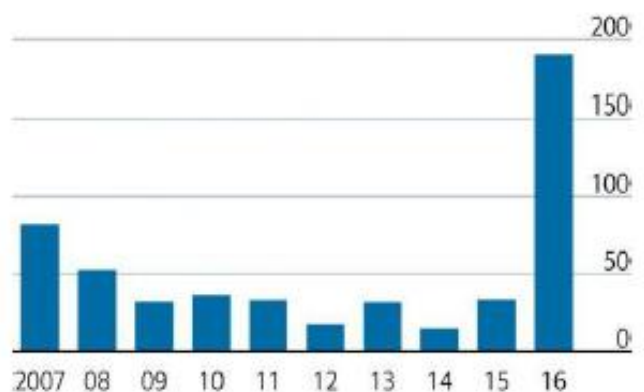
Statistics on foreign acquisitions of British firms in the second quarter of this year, out today, are likely to reveal plenty of action, building on overseas purchases of more than 250 British firms in 2016, the highest total since 2007. Foreign buyers see bargains, thanks to the pound's 15% fall against other currencies since the vote.

Defying gloomy forecasts, economic growth in Britain is holding up. The possibility that Britain will also quit the single market, making it no longer the gateway to Europe it once was, does not seem to bother foreign investors much. And Britain still has an attractively low rate of corporation tax (plus generous exemptions on top). Few foreign investors actively welcome Brexit, yet for now it is not doing too much harm.



Buying British

Britain, value of acquisitions by foreign companies*
£bn



Source: National statistics

*Completed M&A transactions valued £1m or over