

The Brexit debate: should we get out or 'remain, reform and revitalise'.

By Neil Tyler.

IN OR

Could the UK pulling out of the European Union pose as big a threat to the global economy as a 'hard landing' in China? That was the claim made recently by the Organisation for Economic Co-operation and Development's (OECD) chief economist Catherine Mann. According to Mann, a vote to leave the EU will not only impact the UK, but also the global economy.

In a report laced with warnings, the OECD said Brexit would be a major risk for the economy and would 'heighten uncertainty, raise the cost of finance and hamper investment'.

That was just one report – admittedly from an influential source – on just one day in a three month campaign. Despite such warnings – and there have been plenty, both for and against, from politicians, businessmen and economists – the latest opinion polls suggest the UK public remains undecided. Whilst the polls are certainly close, it should be remembered that almost every poll predicted the result of last year's General Election incorrectly. We would be advised to take the findings with a large pinch of salt and the margin of error suggests there is no clear idea of the outcome.

An emotional process

So what of the debate? While terms like 'nasty', 'bombastic' and 'vitriolic' are being used to describe it, we need to appreciate this an emotional matter, calling on beliefs and allegiances for many. The heart will be just as important as the head in reaching a decision.

Many would agree the debate is

being driven more by emotion than by facts and such 'facts' that are produced have not been qualified or verified. For most, especially the undecided, facts will determine how they vote. Visit the Vote Leave campaign website and you'll find 'facts' suggesting the EU is 'bad at science', 'took money from the science budget to prop up the Euro' and is funding outdated businesses and technologies for political reasons, rather than embracing the latest digital technologies.

But where's the evidence? Both sides of the debate are equally guilty of using unverifiable 'facts' to support their arguments.

In a recent Purchasing Manager's Index survey, more than a third of respondents said the referendum was having a negative impact on business.

Stephen Cooper, a KPMG Partner and head of industrial manufacturing in the UK for the consultant, suggested that businesses should be working through the impact that Brexit might have. "Amidst all the uncertainty, having a 'plan to plan' identifying the boardroom top priority list for the morning of 24 June in the event of an exit vote is well worthwhile," he suggested.

Whether you are a design engineer, a managing director, an operative in a factory – a journalist for that matter – the problem is that 'facts' are hard to keep track of, to understand and to verify. One commentator has described the debate as 'too much opinionated noise'.

So what of the impact of a Brexit vote on the UK's electronics industry? It is unlikely to loom large, sadly, in

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OUT?



“The UK currently attracts significant innovation and investment funds that could be put at risk.”

Brian Holliday



Illustration: James Fryer

most people’s decision on how they intend to vote, but the EU is certainly an important issue for the industry.

A recent opinion poll conducted by the Institution of Mechanical Engineers (IMechE) found that 56% of its members supported the UK staying in the EU, 27% said they want the UK to leave, while 17% are undecided.

Stephen Tetlow, IMechE chief executive, said: “The majority of mechanical engineers continue to support the UK staying in the EU, but these latest results show the number of engineers who are undecided on how to vote is still relatively high.”

But few companies in the electronics industry are willing to comment; most of those contacted by *New Electronics* either said they were remainers or were unwilling to make their position clear. It should be noted though, that even when *New Electronics* approached Vote Leave directly, it failed to respond to our request for an interview.

Happy to go on the record, however, was John Macmichael, managing director of Solid States Supplies. “Like it or not, Europe can still boast a strong manufacturing base and this provides a vibrant market into which UK electronic component and equipment suppliers can potentially sell their wares.

“To lose free access to such a large and wide ranging market does not seem sensible. Couple this with the pursuit by successive UK governments of policies in support of a service and financially based economy at the expense of a manufacturing base and the problem of leaving Europe is further exacerbated.”

The Electronic Systems Council (ESCO), which represents UK electrical and electronics companies, has been vocal in its support for continued membership. While it accepts the choice in the EU referendum is one for the British people, it believes that EU membership has benefitted the sector.

“The electrical and electronics sector is a thriving part of the UK economy and we believe that it has benefitted from membership of the EU,” says ESCO chairman, Brian Holliday. “As a sector, we represent