

CAPITALISING ON THE COMMONWEALTH

“As the UK government plans new trade deals after Brexit, it is worth reactivating the long-standing trading relationships embedded within the network of 52 nations comprising the Commonwealth. As smaller economies than the US, China, and EU, it may be possible to conclude trade deals more quickly with Commonwealth nations and allow Britain to gain the benefits of trade as well as notch up more practical experience in negotiating deals before it tackles the biggest countries in the world.”

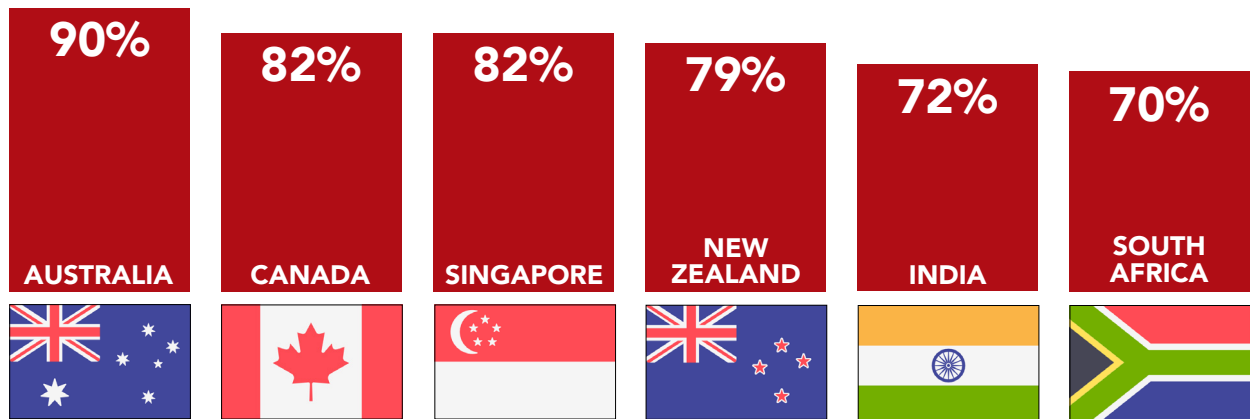


Dr. Linda Yueh, RCS Trustee, Adjunct Professor at London Business School, and Fellow of St Edmund Hall, Oxford University

HEADLINES

British businesses prioritise trade with Commonwealth countries post-Brexit

UK businesses were asked: Which Commonwealth nations or regions do you think the Government should prioritise to be the most important trading partner for the UK in the post-Brexit environment?



50% Highlight Malaysia as a key market

40% Highlight Kenya as a key market

Nearly one third of business indicate the Caribbean as an important market

Polling undertaken by IFF Research via its Business Omnibus - January 2017

SIZE OF BUSINESSES



India is the most important market for micro businesses.



SME leaders rank **Singapore** as their second most important Commonwealth market behind **Australia**, but ahead of **New Zealand**.



India is the second most important market for large business leaders, with **65%** deeming the country a priority. **Australia** is ahead on **82%** and **Singapore** third on **62%**.



Canada and **New Zealand** are identified less frequently the larger the size of business, but are retained in the top five. Their strengths are with sole traders and micro businesses.

UK REGIONS AND NATIONS



LONDON

Businesses prioritise **Canada** first and **South Africa** second with **93%** and **89%**.

Kenya performs well with **60%** of London businesses prioritising this country compared to its **42%** UK average. **Caribbean** countries perform well with **50%** of London businesses prioritising them compared to its **31%** UK average.



SCOTLAND

Scottish businesses do not rank Commonwealth nations as highly as their UK counterparts.

Canada is Scotland's top priority with **74%**.

44% of Scottish business leaders prioritise **South Africa** compared to London's **89%**.



THE NORTH

In the North of England **New Zealand** performs **30%** stronger than with business leaders in London.



THE MIDLANDS

India is ranked second by Midlands businesses with a strong showing of **93%** which is over **20%** of its overall UK average.

BUSINESS TURNOVER

£250k - £1m

India underperforms with businesses with a turnover of up to £250k, but ranks second with £250 - £1m.

£5m+

Singapore is prioritised first amongst business, again ahead of Australia.

£1m - £5m

Singapore is prioritised first amongst business with a turnover of £1m-£5m. **India** is a strong joint second on **83%** with **Australia**, while **Malaysia** outperforms its overall UK average with **77%** of business ranking it third.

Kenya also ranks highly with **63%** of businesses. **Caribbean** countries and **Nigeria** perform well against their overall UK averages as **50%** of businesses prioritise both.



SUPPORT FROM THE COMMONWEALTH

The Royal Commonwealth Society asked additional questions to its 50+ branches from around the Commonwealth as well as its Associate Fellows - a global network of young people (aged 18-35).

79% of respondents agree or strongly agree that their country **should create** a trade agreement with the UK within the next two years post-Brexit.

54% of respondents agree or strongly agree that their country **will secure** a trade agreement with the UK within the next two years post-Brexit.

This shows a positive anticipation from Commonwealth citizens that the UK should forge trade deals with their countries, although acknowledges that the reality of doing so may be harder.



CONCLUSION

There is now an expectation from British business that the UK Government will prioritise Commonwealth trade opportunities and future deals. The Government should not forget Commonwealth markets for future trade deals as British businesses clearly are not.