

## HOW IS BREXIT AFFECTING THE UK'S ECONOMY? PROFESSOR SARAH HALL

### TO MAKE THE MOST OUT OF THIS SCRIPT, YOU COULD:

- Stick it in your book as a record of watching Sarah's animation
- Pause the animation and make notes as you go
- Add your own illustrations to the sheet
- Create your own animation to accompany it
- Add notes from classroom discussions
- Make notes of areas you will investigate further
- Make notes of key words and definitions
- Add questions you would like answered – you can message Sarah through the comments box at the bottom of her article:

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## SCRIPT:

The financial sector is a pillar of the UK's economy, contributing £132 billion in 2019. Companies in the finance industry offer services that involve managing money and wealth, including banking, managing investment funds and providing currency exchange.

Brexit had the potential to unlock new financial opportunities for the UK, but also to throw up barriers to trade and finance. Campaigners on both sides of the Brexit debate had strong opinions about the impacts of Brexit on the UK economy.

Leave campaigners argued the UK would have full control over its own economic policy once it left the European Union, also known as the EU. Remain campaigners argued that leaving would endanger the strong trade links with the EU.

With such a polarised debate, keeping track of the economic effects of Brexit requires an unbiased, evidence-based approach.

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Professor Sarah Hall is an economic geographer at the University of Nottingham and a member of the UK in a Changing Europe research group, an organisation providing impartial analysis about all aspects of Brexit.

Sarah is investigating the consequences of Brexit for the UK's financial sector. She examines statistics from financial institutions, such as where financial services are being exported to.

She also interviews financiers, policymakers and trade bodies to understand what the facts and figures mean to individuals. By applying economic theories to the data she collects, Sarah can build a picture of the challenges and opportunities presented by Brexit.

Brexit has made it more difficult for the UK to export financial services to the EU, so the government may try to increase trade with non-EU partners such as Canada and Australia. However, the 'gravity model of trade' theory states trade will be strongest between countries that are geographically close together. The UK's biggest trading partner is the EU, its nearest neighbour. This theory predicts it will be more difficult to build new, strong trade links with distant countries.

Since UK finance companies can no longer sell their services to customers in the EU from their UK offices, many have moved operations to other countries in the EU. Research estimates that about 7,500 finance jobs have left London so far, though London remains the financial hub of Europe.

With its new freedom to craft its own financial regulations, the UK government is hoping to stimulate emerging areas in the financial sector, such as green finance and digital finance.

As the country's economic geography develops, Sarah and other researchers in the field will continue to conduct the impartial analysis we need to make sound economic decisions in the future.

What could you achieve as an economic geographer?