

Briefing for Members

EU Referendum Poll: February 2016

1. Who does this affect?

- All businesses with an interest in the forthcoming EU referendum;
- Particularly internationally trading businesses or those that are part of a global supply chain.

2. How to get involved

- Follow NECC's campaign to make the case for both membership and reform of the EU;
- Attend your local NECC area meeting to discuss issues affecting businesses in the North East;
- Register for NECC's EU debate event on 18 March (visit necc.co.uk/events for more details).

3. Summary

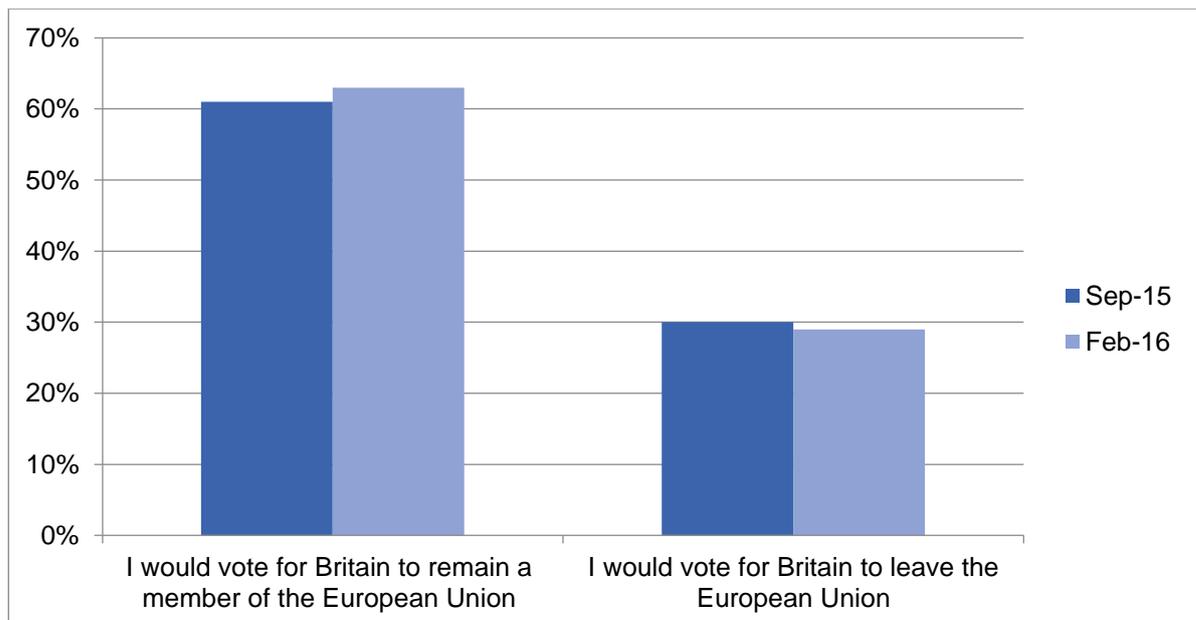
- NECC members continue to support EU membership by a ratio of 2:1;
- Businesses are engaged with the debate, but it is having little effect on their operations currently;
- Cutting red tape is at the top of members' reform wish list;
- Members believe that a vote to leave the EU would harm international trade and profitability.

4. Survey fieldwork

The results below are taken from a national survey conducted by the British Chambers of Commerce between 25th January 2016 and 4th February 2016 which received 2,133 responses. These results are based on respondents who indicated they are NECC members.

5. Voting intentions

If a referendum was held tomorrow, there would be broad support among businesses for the UK to remain in the European Union, with 63% in favour of membership and 29% against. This represents a slight increase in the 'remain' vote from our last survey in 2015:



The survey results suggest that a significant proportion of members on both sides of the debate are unlikely to change their opinions between now and polling day. Around 75% stated that they

were either completely or quite committed to their voting intention, with just 25% saying they could change their minds.

It is worth noting that this research took place prior to the February summit at which the Prime Minister agreed reforms to British membership of the EU. However, a majority of businesses (54%) said that the outcome of this negotiation would be unlikely to change the way the vote.

Members' voting intentions remain broadly unchanged since our last poll in September 2015. This supports the view that the debate so far has done little to sway opinion among the business community. These figures are also in line with the national survey results, showing that the business community in large remains in favour of EU membership.

6. The debate so far

Businesses are engaging with the debate over the future of the UK's relationship with the EU, with just 2% of members saying they are paying no attention at all. Members also recognise the importance of the referendum to their business; 45% of respondents said the referendum was 'very important', with just 5% feeling that it doesn't matter.

However, as we saw during the build up to the Scottish referendum, the deliberations have had limited impact on businesses to date. Across a range of measures, including sales, recruitment and investment, more than 80% of businesses said they hadn't noticed any effects arising as a result of the referendum debate.

7. Reforms

Prior to the Brussels summit, the Prime Minister set out four reform objectives:

1. Ensuring that steps to further financial union cannot be imposed on non-Eurozone countries, such as the UK
2. Boosting competitiveness by setting a target for reducing the 'burden' of red tape
3. Exempting Britain from 'ever-closer union' and enhancing national parliaments' ability to block EU legislation
4. Restricting EU migrants' access to in-work benefits such as tax credits

NECC members were asked both how familiar they were with these proposals and what impact they would have if they were achieved. Awareness varied across the objectives, but around 90% of respondents were at least a little familiar with them and what they might mean.

In terms of impact, members felt that reducing red tape and regulation would have the biggest effect on their business, with over 62% saying that it would have a significant or slightly positive influence. The objective which would have the least impact would be restrictions on migrant benefits, with 58% of members saying this would have no effect at all on their business.

These results show that many of the issues currently debated in the media are not those which matter most to businesses. The majority of members recognise the benefits that continued membership brings to the region, but are frustrated that the EU creates unnecessary burdens and that the single market does not function as well as it should. Reform in these two areas would help our businesses prosper domestically and internationally.

8. Potential impact of a 'leave' vote

Businesses were also asked to forecast the effect that a referendum decision to leave the EU would have on their business. Unsurprisingly given the opinions outlined above, the predicted outcomes tend to be more negative than positive; although many firms stated that they could not foresee an impact or were unable to do so.

By far the biggest adverse impact would be on internationally trading businesses. 33% of respondents believed there would be negative consequences for their import/supply chain strategies, while 34% said their export and international sales strategies would be harmed. Overall, the biggest fear is a loss of profitability, with 37% of businesses predicting that this would be an effect of the UK leaving the EU.

Exporters fear that leaving the EU would lead to increased barriers to trade with Europe, which continues to be the North East's biggest export market. There are also concerns that the North East would become less attractive to overseas investment if we were to leave the EU, which would undoubtedly harm efforts to grow the private sector in the region.

9. NECC action

Action being taken by NECC to address these issues includes:

- Holding a major business debate on the referendum on 18 March (visit necc.co.uk/events for more details)
- Facilitating meetings between members and referendum campaign groups;
- Meeting regional MPs to discuss members' views on the referendum;
- Regularly assessing members' opinions on the subject to ensure they are reflected in NECC's public comments.

Contact

For further details on any of these issues, please contact NECC Head of Policy and Campaigns Jonathan Walker on 0191 374 6465, or jonathan.walker@necc.co.uk

22 February 2016