

Brexit: What a Difference a Transition Deal Makes

The UK government will opt for a Brexit transition deal – and for good reason

	2017	2018	2019	
Annual change, real terms	Brexit talks with EU	Brexit talks with EU	Transition deal	No transition deal
GDP	1.4%	1.0%	0.9%	-1.2%
Private consumption	1.7%	1.0%	1.2%	-1.0%
Corporate investment	-0.4%	-2.3%	-2.3%	-8%
Exports	2.8%	2.2%	-1.6%	-6.0%

The agreement on a time-limited, status-quo transition deal will **limit the negative impact on the UK economy** in 2019. The UK would stay firmly in the Single Market for the duration of the deal thereby avoiding a cliff-edge scenario. Yet in return it would have to:

- pay into the EU budget
- adhere to EU law
- refrain from controlling EU migration

despite no longer being a member of the EU.