

REVEALED: The reason why Germany will do ANYTHING to STOP a hard Brexit

GERMANY will do anything to stop Britain's hard Brexit from the European Union - and a new study has revealed the reason why.

Brexit is already damaging Germany's trade with the UK and it is set to get worse, according to the Association of German Chambers of Commerce and Industry.

But new research from the Cologne Institute for Economic Research (IW) has now revealed the drastic extent to which Germany could face economic disaster following Brexit.

According to the study, many German manufacturers are dependent on the production of goods abroad - with many partners being based in Britain.

In 2014 alone, the British supplied intermediate goods worth EUR 200 billion to the EU, of which 36 billion went to Germany.

And Brexit would jeopardise or even destroy this close cooperation, or at the very least make it more expensive for Germany to import goods from the UK.

IW researcher Berthold Busch warned: "In the worst case of Brexit, the established, complex supply chains could be broken completely."

As results of the IW study show, sectors of transport equipment, basic metal industry and chemical industry all rely heavily on intermediate goods from the UK.

And British suppliers also have a major influence on German partners in the automotive sector.

Mr Busch added: "The German industry would be hit hard without a free trade agreement."

Therefore without tariff-free trade and the lowest possible non-tariff trade

barriers, IW expects costs could increase sustainably for the industries – and consumers.

However the report comes as rating agency Scope warned Britain cannot expect Germany's attitude to Brexit to soften after the election later this month.

The agency warned the “uncompromising” negotiating position of the EU will not be weakened regardless of whether the FDP can secure enough seats to make up a coalition deal with Mrs Merkel's CDU.

The watchdogs based in Berlin predicted that hopes for a “more co-operative approach” would be dashed regardless of the outcome as Germany will likely continue with its hardline stance.

Scope Manager Giacomo Barisone said: “Although a coalition, including the FDP, is likely to have an open ear for British concerns, this difference will probably not fundamentally alter the German position towards Brexit.”

(Additional reporting by Monika Pallenberg)

Source: <http://www.express.co.uk/news/world/853365/Brexit-news-Germany-stop-hard-brexit-economy-european-union>

[Disclaimer]