

Brexit risks and implications for the ratings of the UK, Ireland and the EU



In this report, Scope discusses Brexit's impact on the rating outlooks for the three public-sector issuers most affected: the UK itself (AA/Negative), Ireland (A+/Stable) and the EU (AAA/Stable). While none of the three triggers for a downgrade of the UK have to date been met, the cost of Brexit uncertainty will continue to accumulate if negotiations are extended past 29 March (Scope's baseline). A no-deal exit, as unlikely it is, would present downside risk to the UK's and Ireland's ratings; however, absent no-deal, spill-over of Brexit onto Ireland's economy is much more modest and includes both negative and positive effects. Brexit weakens the EU's creditworthiness, but significant outstanding buffers mean a downgrade of its AAA ratings is unlikely.

In a [report released in August 2017](#), Scope stated its view that the most likely end-state of negotiations is a long-run soft Brexit (Scope's baseline). Next to this, an eventual no-Brexit 'Breversal' is the second most probable. Under Scope's view, either soft Brexit or Breversal is meaningfully more likely than a hard Brexit (the latter defined as the UK exiting the single market and customs union) over the long run. This week's events confirm this long-held view: soft or no Brexit remains more likely than hard Brexit.

As such, in Scope's opinion, the risk to credit ratings from Brexit is most significantly related to the implications of extended economic and political uncertainty as the process draws on without a clear outcome. Scope considers such slowly-accruing costs of uncertainty to be as rating-relevant as those posed by the no-deal Brexit threat. Among Scope's rated public-sector issuers, Brexit is a critical factor for the rating outlooks of the UK, Ireland and the EU.

Table 1: Rating implications of Soft, No and Hard Brexit: UK, Ireland and the EU

Issuer	Soft or No Brexit (Article 50 extension; Brexit 'deal'; 'Breversal')	Hard Brexit (No deal; 'Brexitent'; Long-run hard Brexit)
UK (AA/NEG)	No change to AA/NEG near-term; medium-term rating impact contingent on Brexit end-state, duration of uncertainty, policy framework	Downgrade probable given economic, fiscal, external-sector and institutional implications
Ireland (A+/STA)	Effect more limited; both positive and negative impacts on creditworthiness	Negative rating action possible, given significant economic and financial linkages
EU (AAA/STA)	No impact on ratings or outlook	Weaker creditworthiness but downgrade unlikely given inherent credit buffers

Implications for the UK: Absent no-deal, the costs of Brexit uncertainty have the largest impact on the UK's creditworthiness, reducing the economy's near- and longer-term growth, curtailing its external resilience and reducing policymaking effectiveness. Scope has estimated that the economic cost of Brexit is already >1% of GDP since the 2016 referendum. This cost of the divorce will continue to accumulate. This is reflected in the UK's AA/Negative ratings although none of three rating drivers that could result in a UK rating downgrade have to date been met. The next scheduled review of the UK's ratings comes on 28 June.

Implications for Ireland: A no-deal Brexit would be the greatest threat to Ireland's ratings/outlooks, with Ireland being the single most exposed country to such a scenario outside of the UK itself. As Scope does not anticipate a no-deal exit (nor a hard Irish border to be put up), the longer-run effect of a soft Brexit, for instance, would have much more modest spill-over onto the Irish economy and includes both negative and positive effects.

Implications for the EU: So long as the UK's budgetary contributions to the EU remain in place, assumed under a soft or no Brexit scenario, none of the rating drivers relating to the EU are affected. However, in the scenario of a hard Brexit, three rating drivers would need to be re-assessed: i) the key shareholder rating; ii) limits to shareholder support; and iii) liquidity metrics. As noted in Scope's recent rating action, the Stable Outlook reflects Scope's assessment that the EU's buffers allow it to withstand shocks including a hard Brexit scenario.

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Scope anticipates an extension of Article 50 negotiations

UK likely to become a policy-taker during lengthy transition period

Scope named three factors that could result in a rating downgrade of the UK

Scope's near-term expectations for Brexit developments

In the near term, Scope has stated in the past its [expectations](#) for an extension of Article 50 negotiations and, with it, the UK's status inside the EU beyond 29 March. The terms of such an extension will be made clearer both after any third meaningful vote in the UK Parliament potentially by 20 March – a third possible attempt for Prime Minister Theresa May to force ratification of the agreement – as well as during deliberations at an EU Council summit on 21-22 March¹. Following an Article 50 extension, a transitional 'Brexit-in-name-only' with a version of Prime Minister Theresa May's deal (and entry into a near-identical transition period during which true negotiations on the future relationship would begin) and/or a further extension of Article 50 are possible steps later in 2019. Mrs May's deputy David Lidington has promised so-called "indicative votes" in Parliament after the EU summit should the Brexit agreement fail again in a vote – a prospect that, alongside the contentious question of Britain's participation in upcoming European elections should the UK seek a longer Article 50 extension, will coerce further dissenting MPs to support the agreement.

As outlined here, the UK appears set to remain in *all or nearly all* institutions of the EU for a significant time period after 29 March. Even if/when the UK leaves the EU, the transition stage could last well beyond end-2020 and could easily be extended into 2021 or 2022 – keeping the UK inside the EU's single market and customs union in the process for a lengthy period. However, if/when the UK leaves the EU, the UK would no longer be in a position to influence EU policies but instead become a policy-taker.

No immediate change to the UK's sovereign ratings or outlook

In Scope's [August 2018 affirmation](#) of the UK's ratings, it named three factors that could individually or collectively result in a downgrade of the UK's sovereign rating: 1) an unanticipated no-deal exit from the European Union; 2) significant evidence of weakening in the economic and/or fiscal outlooks; and 3) external vulnerabilities increase and/or sterling's reserve currency status is challenged.

Table 2: Three triggers that could result in a UK rating downgrade

Triggers for a UK rating downgrade ¹	Trigger met?
1. An unanticipated no-deal exit from the European Union	No
2. Significant evidence of weakening in the economic and/or fiscal outlooks, leading to higher than anticipated public debt-to-GDP projections	No
3. External vulnerabilities increase and/or sterling's reserve currency status is unexpectedly challenged	No

Source: Scope Ratings GmbH

¹Rating triggers cited in Scope's [affirmation of the UK's ratings](#) at AA/Negative, 10 August 2018.

A no-deal Brexit would unequivocally present significant implications for the UK's economic, fiscal, external sector and institutional outlooks, and would warrant a review of the UK's ratings. The UK Treasury published an assessment last November that a no-deal exit could entail an 8.0%-10.7% loss in GDP after 15 years considering the effect on trade, migration and regulation compared to today's arrangements inside the EU.

But even were a no-deal exit prevented, the costs of prolonged uncertainty surrounding the UK's future relationship with the EU, reduced policy effectiveness over an extended period

¹ With an Article 50 extension requiring the unanimous consent of the EU-28.

None of the three rating triggers for a UK downgrade are presently met

as Brexit dominates the domestic agenda, as well as any curtailment in the UK's access to the single market under some soft Brexit scenarios, could nonetheless exert pressure on the second (the economic and fiscal outlook) as well as the third (external vulnerabilities) rating triggers listed above such as to warrant a one-notch downgrade.

Right now, Scope considers, in the anticipated absence of a disruptive no-deal scenario, none of the three rating triggers for a UK rating downgrade to have presently been met (**Table 2**) and, furthermore, that the UK retains significant credit strengths that justify the AA rating.

Even though growth has slowed, the economy has shown more resilience than many forecasters anticipated around the time of the referendum – when a technical recession was a common view of professional forecasters. Although potential growth has been negatively impacted by Brexit, Scope still estimates the UK's medium-run growth potential at around 1.5%. Similarly, while the UK is using up fiscal space to cushion a slowing economy and to bolster public opinion during chaotic Brexit negotiations, the UK's fiscal balance has improved nonetheless more than anticipated and net public debt is projected by OBR to decline to 73% of GDP by 2023-24, from 83.3% in 2018-19. Finally, while net foreign direct investment flows into the UK have slumped, making the UK more dependent on foreign portfolio and debt flows and stressing external vulnerabilities, the share of global allocated reserves held in sterling stood at 4.5% in Q3 2018, effectively unchanged since the EU referendum in Q2 2016. This suggests sterling's global reserve currency status remains resilient to date.

Brexit uncertainty has weakened growth, underscores Negative Outlook

Still, Scope notes that prolonged economic uncertainty has already had a gradual, but material impact in setting back UK growth, even if the UK avoids a no-deal Brexit. The cost of the divorce process will continue to accumulate if negotiations are prolonged past 29 March via an Article 50 extension. In this case, even were the UK to leave the EU later in 2019 with a deal, uncertainty would remain heightened during the implementation period – suppressing investment over a longer window of time. Many European buyers of British goods are actively looking for alternative sources of supply, for example. Scope's analysis on the growth and fiscal implications of Brexit are summarised in [Annex I](#).

Implications for the UK's AA/Negative sovereign ratings under three scenarios

Scope assesses the rating implications for the UK under three scenarios

Going forward, Scope presents the rating implications for the UK under three near-term scenarios (**Table 3**): i) a short Article 50 extension of 2-3 months leading to the UK's exit from the EU with a version of Mrs May's deal and entry into a near-identical transition phase (a 'Brexit-in-name-only'); ii) a lengthier Article 50 extension (beyond 1 July), whether via a single extension or multiple extensions, which allows additional time to complete an orderly exit and/or to hold an early election or second referendum; and iii) an Article 50 extension followed by a no-deal Brexit out of the EU.

Table 3: Rating implications of Brexit scenarios

Scenario	Favourable rating drivers	Negative rating drivers
A short Article 50 extension leads to Brexit-in-name-only	<ol style="list-style-type: none"> 1. Long-run Norway+ model 2. Reduced uncertainty 3. Re-bolstered policy framework 	<ol style="list-style-type: none"> 1. Turkish or Canada model 2. Extended uncertainty 3. Policy regression
Lengthy Article 50 extension	<ol style="list-style-type: none"> 1. Reversal 2. Long-run Norway+ model 3. Reduced uncertainty and resilient policy framework 	<ol style="list-style-type: none"> 1. Turkish or Canada model 2. Managed no-deal exit 3. Extended uncertainty / policy regression
Article 50 extension followed by a no-deal Brexit	<ol style="list-style-type: none"> 1. Policies that soften shock, including side/transition deals 	<ol style="list-style-type: none"> 1. Exit from single market and customs union 2. Weakened economic, fiscal and institutional outlooks

Source: Scope Ratings GmbH

A short extension and Brexit-in-name-only leaves open upside as well as downside rating potential

Scenario 1: Short Article 50 extension resulting in Brexit-in-name-only

While Scope would view a short Article 50 extension of 2-3 months resulting in an eventual Brexit-in-name-only with May's deal favourably, as this would ensure an orderly exit from the EU in 2019 with a transitional arrangement, this would also extend the period of uncertainty and associated adverse impact on the economy. While a reversal scenario may no longer be on the table should the UK exit in coming months, most other options – including various soft and even several hard Brexit scenarios² – remain conceivable. In addition, during the transition period, the UK will have no say on EU policies, and thereafter, potentially less market access to the EU after the transition ends. However, any rating action by Scope on the UK, even in the scenario of a permanent arrangement involving EFTA membership, would depend on the path to securing the arrangement – with emphasis on the importance of reducing economic uncertainty – and on the quality of policy in other economic and fiscal areas.

If a harder form of Brexit (like the Turkish or Canada model) becomes more likely, and/or if economic resilience weakens materially or policy drifts adversely, Scope could nonetheless envision a one-notch downgrade of the UK's ratings to AA-. Conversely, if a soft Brexit is secured ensuring full access to the single market and reducing economic uncertainty significantly, the rating outlook on the AA ratings could be changed to Stable.

Scenario 2: Long Article 50 extension with an uncertain outcome

If a longer Article 50 extension (beyond 1 July), whether via a single extension or through multiple extensions (although the EU wants to avoid such "rolling short extensions"), results in additional time to exit with Mrs May's deal and/or to hold an early election to facilitate the parliamentary majority needed for the deal to pass, the rating implications are not overly different from those in the first scenario.

However, if a lengthier Article 50 extension period allows a Tory leadership contest, early elections and/or a second referendum that facilitates a more significant rethink on the UK's Brexit approach, this could be either credit positive (if it leads to an eventual reversal scenario, or, alternatively, a long-run Norway+ model) or credit negative (if a resignation

A longer extension may raise the risk of political volatility, early elections and a second referendum

² Although the terms of the Irish backstop restrict the likelihood of hard Brexit.

A no-deal Brexit would likely result in a UK rating downgrade review

Next scheduled UK rating review comes in late June

A disorderly Brexit is a risk for Ireland

by Theresa May and a Tory leadership contest bring a more hard-line, Brexiteer government).

However, any extension past 1 July 2019 (due to the sitting of the next European Parliament on 2 July) would need to be clearly justified, including potentially requiring UK participation in European parliamentary elections, in order to become acceptable in all EU member states (some of which have already voiced their disagreements over any longer-extension scenario). An acceptable justification for a longer Article 50 extension may be to hold general elections, another referendum, to complete ratification of the withdrawal agreement, or prepare for a hard Brexit.

Scenario 3: Article 50 extension leads to a no-deal Brexit

The no-deal Brexit scenario after an Article 50 extension, as unlikely as this may be in view of Wednesday's parliamentary vote against no-deal, would likely result in a review for the downgrade of the UK's sovereign ratings. Forms of hard Brexit that involve transitional arrangements to cushion the shock (per the Conservative party's "Malthouse Plan B"³) with an eventual endpoint of a full exit from the single market and customs union could be less credit negative. Still, such scenarios also entail heightened macroeconomic uncertainty. A no-deal Brexit could also threaten the union between the nations of the United Kingdom: any scenario in which Scottish independence becomes a possible scenario could be an additional negative rating trigger.

Scope affirmed the UK's AA/Negative rating most recently in August 2018. Scope's next scheduled review date of the UK's ratings comes on 28 June 2019.

Brexit implications for Ireland's A+/Stable ratings

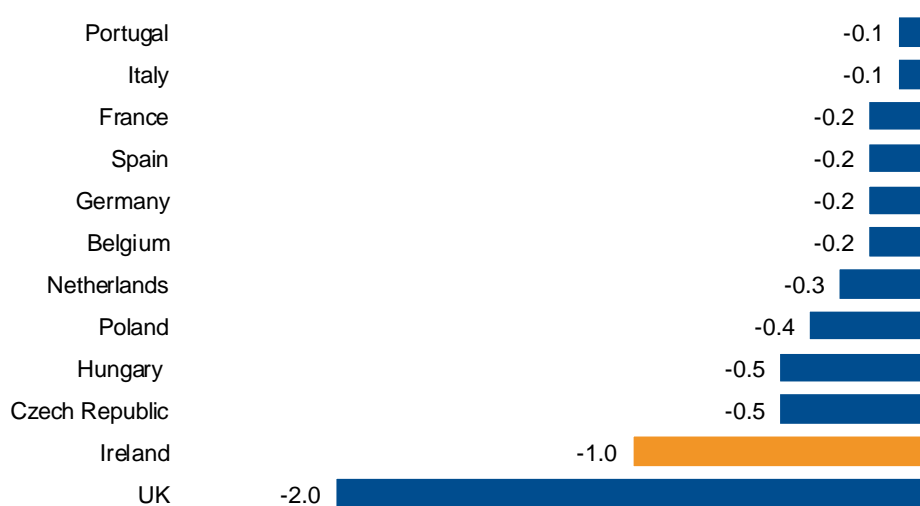
Ireland is significantly exposed to the UK, with about 11% of goods exports going to the UK (including being a key export market for Irish sectors like medicinal products, meats and telecommunications), and 22% of goods imports coming from the UK in 2018. The UK's exit negotiations concentrate on the maintenance of a soft border between Northern Ireland and Ireland. However, the risk that negotiations break down and a hard border materialises presents a downside risk, even though [Scope does not anticipate this](#).

A 2017 study by Oxford Economics⁴ concluded that Ireland is the most exposed of any EU country (aside from the UK itself) to a hard Brexit, with Ireland facing an estimated 1.0% decline in GDP by 2020 in a no-deal exit scenario, compared with a baseline forecast. This represents a far greater impact than, for example, the potential impact on France (0.2%), Spain (0.2%), Germany (0.2%) or Italy (0.1%), as shown in **Figure 1**.

³ The Malthouse Plan B calls for the government to negotiate an extension of the UK's EU membership until May 22, and then a "mutual standstill" period until the end of 2021 to negotiate a free-trade deal – in exchange for payments to the EU.

⁴ <https://www.bloomberg.com/news/articles/2017-11-08/u-k-has-10-times-more-to-lose-than-germany-from-no-deal-brexit>

Figure 1: Real GDP impact of no-deal Brexit on EU countries by 2020 relative to a baseline forecast, %



Source: Oxford Economics

As Scope expects the UK to sidestep a no-deal exit, contagion from Brexit to Ireland in 2019 will remain modest, with the exit process having both negative and positive effects on the Irish economy. The slowdown in the UK economy is impacting Ireland, although growth in the latter remains robust (4.95% YoY in Q3 2018). At the same time, however, Brexit has prompted financial and non-financial companies to consider moving some operations to EU countries, including Ireland. This includes announcements from Barclays, Bank of America, Legal & General Investment Management and Standard Life Aberdeen selecting Dublin as a post-Brexit base inside the EU. Greater clarity over the minimisation of Brexit risks could support a stronger assessment on Ireland's creditworthiness in the future.

As long as a no-deal exit is prevented, Brexit is only one of multiple factors affecting Ireland's ratings

Scope's [latest rating announcement](#) highlighted that Ireland's ratings and/or outlook could be downgraded if: i) economic growth or growth potential proves substantially weaker than anticipated, or the fiscal balance weakens significantly, threatening or even reversing the decline in general government debt relative to GDP; ii) private-sector and banking system risks begin to regather, impacting long-term macroeconomic and financial stability; and/or iii) net external debt increases or external shocks result in substantially weaker medium-term growth and damage financial stability.

Each of these three drivers could be associated with an unanticipated hard Brexit and reinstatement of a hard border between the Republic of Ireland and Northern Ireland. As such, a no-deal exit scenario could present rating downside for Ireland. However, under Scope's baseline of a *soft Brexit*, the hurdle prior to any of the downside rating triggers being met is greater. Scope does not currently anticipate a downward rating action for Ireland in the near-term, consistent with its Stable Outlook.

Conversely, Scope noted in last July's rating affirmation that Ireland's ratings and/or outlook could be upgraded if vulnerabilities to external risks are reduced including if "*Scope gains greater confidence surrounding Ireland's resilience to risks stemming from Brexit.*" An orderly UK exit with a deal and entry into a period of comparative stability during the transition could be considered such a reduction of Brexit-related risks. However, even were Brexit risks to be *fully eliminated*, Brexit is only one of multiple factors that would need to be taken into account before Scope considers any upside on Ireland's A+/Stable ratings/outlook.

Scope's next review of Ireland's ratings is scheduled on 7 June.

Scope assigned the EU a AAA credit rating

Downgrade of the EU unlikely regardless of Brexit outcome

Three channels that could weaken the EU's creditworthiness

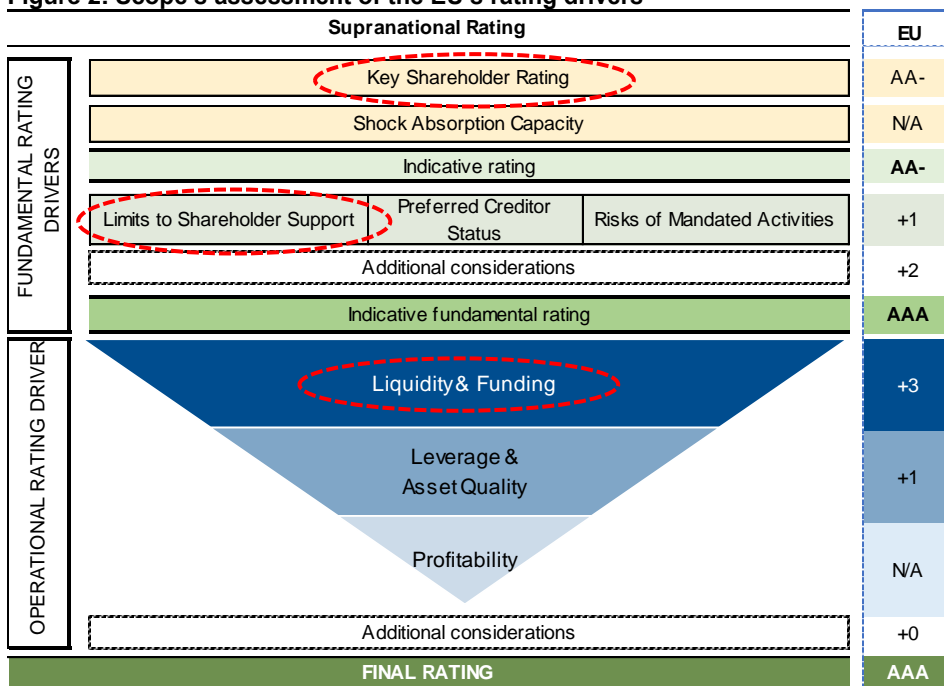
Implications for the AAA/Stable ratings of the European Union

Scope's assignment of the European Union's and Euratom's AAA rating reflects the supranational's highly-rated key shareholders, its strong institutional setup ensuring de facto joint and several support, a legally enshrined debt service priority combined with significant budgetary flexibility as well as its conservative cash management resulting in very high liquidity buffers.

Scope notes that, at this stage, the modalities of the UK's relationship with the European Union, particularly its contractual commitments with European institutions, including the European Commission, remain uncertain under the soft-Brexit baseline scenario. However, it is Scope's expectation that any arrangement will result in a more favourable outcome compared to the hard-Brexit case under which, as outlined below, Scope also expects the European Union to remain rated AAA with a Stable Outlook.

Specifically, a hard Brexit, assuming the complete removal of budgetary contributions by the UK without compensation from other shareholders, could affect the creditworthiness of the EU via three channels, per Scope's supranational methodology: i) the key shareholder rating; ii) limits to shareholder support; and iii) liquidity metrics.

Figure 2: Scope's assessment of the EU's rating drivers



Source: Scope Ratings GmbH

➤ Key shareholder rating

Scope defines the key shareholders as those who own and control the institution and, specifically, whose cumulative capital share, starting with the largest shareholder, comprises at least 75% of the supranational's capital. The average capital-weighted rating of the key shareholders indicates the strength of the institution's shareholders.

Currently, the seven largest European economies constitute the EU's key shareholders with a weighted average rating of AA-. Crucially, in the scenario of a hard Brexit, the relative weights of the remaining 27 members would adjust such that the key shareholder rating would remain AA-. As such, even in the worst-case scenario, the EU's key shareholder rating (a key input into the EU's AAA credit ratings) would not change.

The EU's key shareholder rating would remain unchanged in a hard Brexit scenario

Figure 3: EU's key shareholder rating, current and hard Brexit scenario

Key Shareholders	Rating	Budget Contribution (%)			
		Current		Hard Brexit	
		Original	Adjusted	Original	Adjusted
Germany	AAA/ Stable	21.3	27.4	23.9	31.7
France	AA/ Stable	17.1	21.9	19.1	25.4
Italy	BBB+/ Stable	13.0	16.7	14.6	19.4
United Kingdom	AA/ Negative	10.7	13.7	-	-
Spain	A-/ Stable	8.4	10.8	9.4	12.5
Netherlands	AAA/ Stable	4.1	5.3	4.6	6.1
Belgium	AA/ Stable	3.2	4.1	3.6	4.8
		77.9	100.0	75.2	100.0
Key Shareholder Rating		AA-		AA-	

Source: Scope Ratings GmbH

➤ Limits to shareholder support

A second factor to evaluate regarding Brexit's impact are the limits to shareholder support. To assess this, Scope evaluates: i) the shareholder concentration of those rated AA- or above; and ii) the institution's share of paid-in to callable capital (the latter which in the case of the EU does not apply).

Scope notes that 11 of the EU's 28 shareholders are rated AA- or above, constituting around 70% of the EU's total budgetary contributions. While the relative shares of Germany (21.3%), France (17.1%) and the United Kingdom (10.7%) are high, Scope's calculation of the shareholder concentration indicates a diversified shareholder base – reflecting Scope's calculation of a Herfindahl-Hirschman index (HHI) of 2,000 – just at the threshold at which Scope does not apply a negative adjustment.

In the event of the UK not providing future budgetary contributions to the EU, the EU would have to rely on fewer shareholders rated AA- or above for budgetary support, which would result in an HHI-concentration measure above 2,000, and thus indicate a weaker assessment. Currently, this assessment results in a 1-notch positive adjustment. In the scenario of a hard Brexit, a rating committee would need to decide whether this 1-notch positive adjustment would remain warranted. Scope notes, however, that the EU's AAA rating holds a significant cushion within the AAA category. As such, the loss of the 1-notch adjustment would not in itself result in the downgrade of the EU's ratings.

➤ Liquidity

A third channel through which Brexit impacts the EU's ratings is the EU's liquid assets. To assess this, Scope evaluates the cash balance as well as the budgetary margin, the latter which refers to the difference between the maximum resources the EU can draw on from its member states without the need for any subsequent decision by national authorities (the so-called own-resources ceiling) and actual EU expenditure.

In the event of the UK not providing future budgetary contributions, the EU's budgetary margin would be lower due to: i) a reduction in the maximum resources the EU can draw on from its member states without the need for any subsequent decision by national authorities; and ii) a lowered share of member states rated AA- or above. This combined

EU would rely on fewer highly-rated shareholders

Possibly lower liquidity buffers in case of a hard Brexit

effect would result in less liquid assets available⁵, and thus a weaker assessment of the EU's liquidity. Currently, this assessment results in a three-notch positive adjustment. A rating committee would need to decide whether the scale of this adjustment would remain warranted in any hard Brexit scenario.

➤ **Summary**

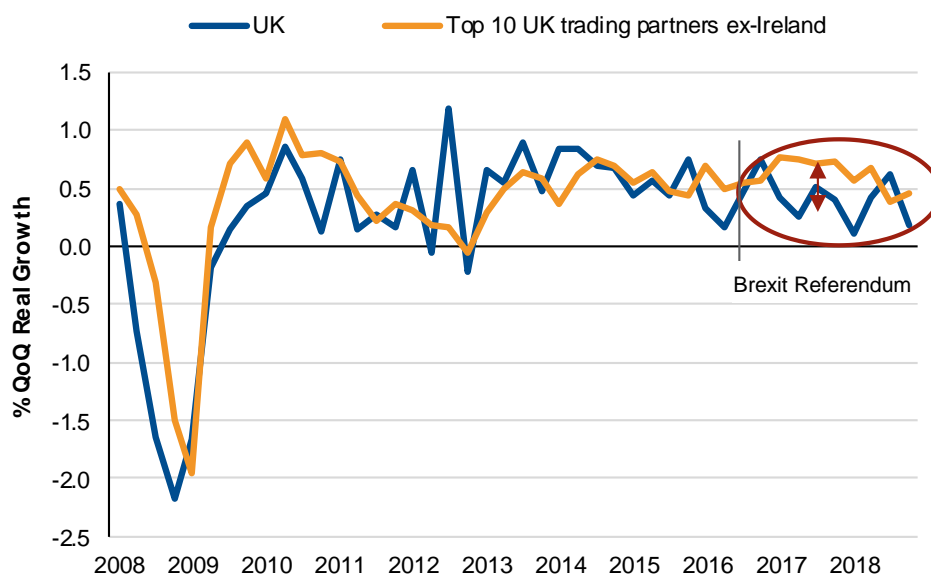
In summary, a hard Brexit would pose challenges to the EU's creditworthiness, which would need to be reviewed at rating committee level. However, the significant buffer that the EU's AAA ratings hold means that a rating downgrade would remain unlikely even in this worst-case scenario. In Scope's February announcement of the EU's first-time ratings at AAA, it noted that "*the Stable Outlook reflects Scope's assessment of the EU's inherent buffers to withstand external shocks, including a 'hard' Brexit.*"

⁵ The precise level of which would be smoothened by Scope's use of a 7-year average, in line with the EU's multi-annual budgetary framework.

Annex I: Growth and fiscal impact of Brexit uncertainty on the UK

Scope has estimated that the cumulative cost to the economy of Brexit is already **higher than 1% of GDP** since the June 2016 referendum even *before* the UK's anticipated EU departure. This estimate is based on comparing the growth performance of the UK to that of its 10 largest trading partners between Q3 2016 (after the June 2016 referendum) and Q4 2018 (**Figure 4**). UK growth eased to 0.2% QoQ in Q4 2018⁶. For the full year, growth declined to 1.4% in 2018, from 1.8% in 2017, and Scope expects growth of just 1% in 2019. The continuously-accruing costs of Brexit-related uncertainty, including the impact on the country's long-run growth potential, inform Scope's Negative Outlook on the UK's ratings.

Figure 4: UK economy versus top 10 trading partners, %QoQ GDP growth



Source: National statistics institutes, Scope Ratings GmbH

Difficult Brexit talks force fiscal policy accommodation

In addition to impacting economic conditions and investment decisions, the need to sustain public support for debilitating Brexit talks and the prolonged state of those negotiations pose risks to the medium-term fiscal trajectory, due to both the adverse impact of weakened growth on the cyclical fiscal balance and the effect the process has on forcing a level of fiscal *policy* accommodation and fiscal populism. There have been recent improvements in short-term budgetary projections with the Office for Budget Responsibility (OBR) estimating in its March 2019 forecast 2018-19 net borrowing at 1.1% of GDP, compared with 1.8% in March 2018 estimates. Still, fiscal space from these improvements is seen being used up via new public spending (Chancellor of the Exchequer Philip Hammond dangled in the Spring Statement the prospect of a "deal dividend" should the UK exit with a deal⁷), with projections of slightly higher net borrowing of 1.3% of GDP in 2019-2020 before 0.9% in 2020-21. Weakened growth and moderated fiscal consolidation link to weaker debt sustainability.

⁶ Although the UK's monthly GDP estimate rebounded 0.5% M/M in January 2019, source: Office for National Statistics.

⁷ Through increased business confidence and a fiscal boost, as less money would need to be set aside for the consequences of no-deal then.



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