



BREXIT and the Ripple Effects across the Ad industry in the UK, Europe and Beyond

Guy Phillipson, CEO, IAB UK

Why did we have the referendum in the first place?

David Cameron:
The man who gambled the entire future of the UK economy for a bit of short-term political advantage, and lost.



ANOTHER ANGRY VOICE



Don't let the truth get in the way...



Shocking tactics by Farage, echoes Nazi propaganda



Remain Campaign went for the rational arguments

BORIS. THE BASKET CASE.



**AVERAGE WEEKLY SHOP
INSIDE THE EU**



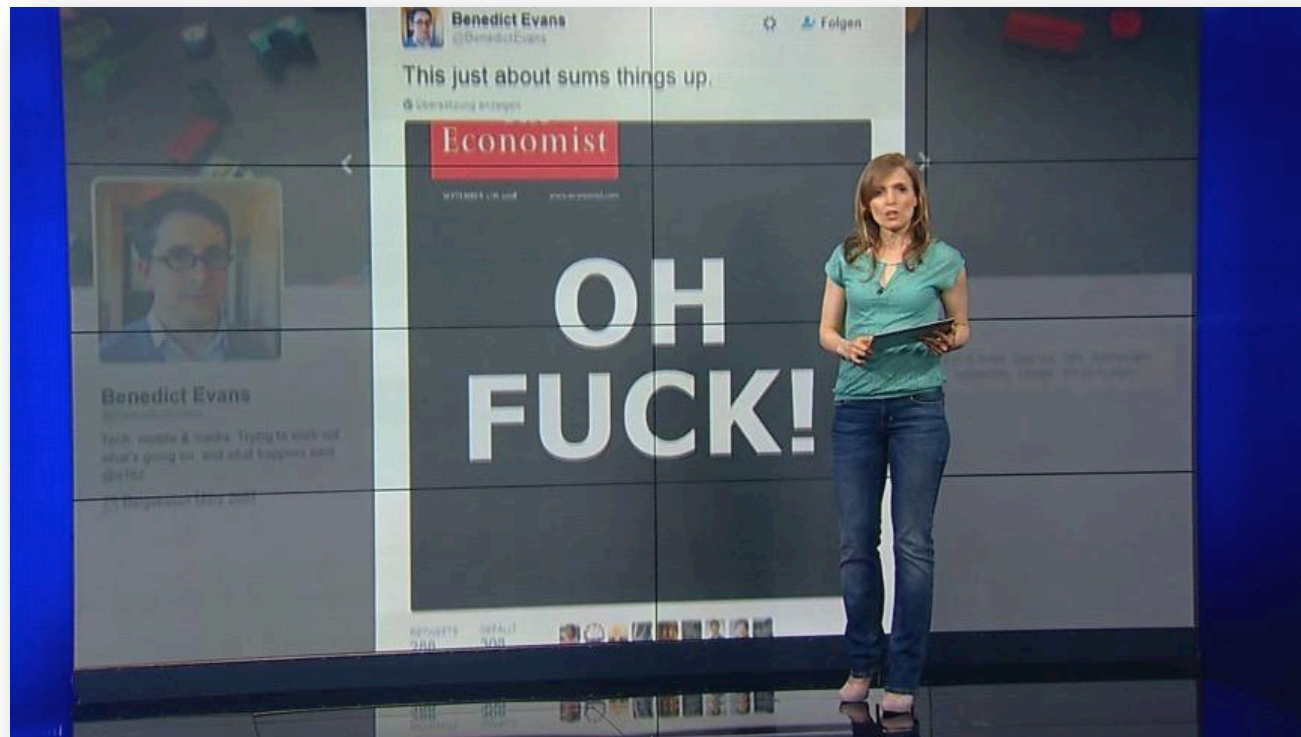
**AVERAGE WEEKLY SHOP
OUTSIDE THE EU**



**More jobs and
opportunities**
**A brighter
future IN
Europe**

**REMAINING IN THE EU WILL CREATE AN EXTRA
790,000 UK JOBS BY 2030** (Source: Centre for Economic and Business Research)

Oh F**k Brexit!



After the initial shockwave, and a new PM, the markets roared ahead!

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Theresa May takes over as Britain's Brexit PM, appoints Boris Johnson as Foreign Secretary

Updated 14 Jul 2016, 5:15am



Brexit: Full coverage



What Britain's decision to leave the EU means for Australia



Brexit: What on Earth happens now?



Stock markets

Post-Brexit crisis, what crisis? The FTSE 100 is roaring ahead

It has taken just a week since the shock EU referendum vote for the best FTSE 100 performance in years. What's going on? Find out here ...



The FTSE 100 recorded its best weekly performance in nearly five years, just a few days after the Brexit vote. Photograph: Kin Cheung/AP

Nick Fletcher

Friday 1 July 2016 19:10 BST

“Brexit means Brexit!”

But what has the Government done so far?

Article 50 – PM Theresa May not expected to trigger until early 2017.

- “Three Brexiteers” appointed 13 July.
- Department for Exiting the EU (DExEU) formed 14 July to negotiate exit.
- Department for International Trade and FCO to tackle post-Brexit relations
- **BUT!** Government is keeping hand close to chest: “no running commentary.”



Department
for Exiting the
European Union



Department for
International Trade



Foreign &
Commonwealth
Office



Key dynamics

The EU ties these two principle freedoms together –
No Single Market access without accepting the free movement of people.



Access to the European Single Market



Free movement of people

Two tribes

Soft Brexit

Open Britain
Lobby group born of Remain campaign

Services sector – almost unanimous support

Single Market access a priority

Leave Britain Watch

Lobby group

Open to EU migration

Potentially little economic impact

Hard Brexit

“Three Brexiteers”

Leave Means Leave

Lobby group

Change Britain
Lobby group

Imposition of strict migration controls

Favours a clean break with Brussels

Potential major economic impact

How will it all unfold?

1.

- UK notifies European Council of intention to withdraw by triggering A50

2.

- Negotiations follow.
- *No specified time to start after notification.*

3.

- UK has two years to negotiate exit.
- *Will there be time to sort the new relationship too?*

4.

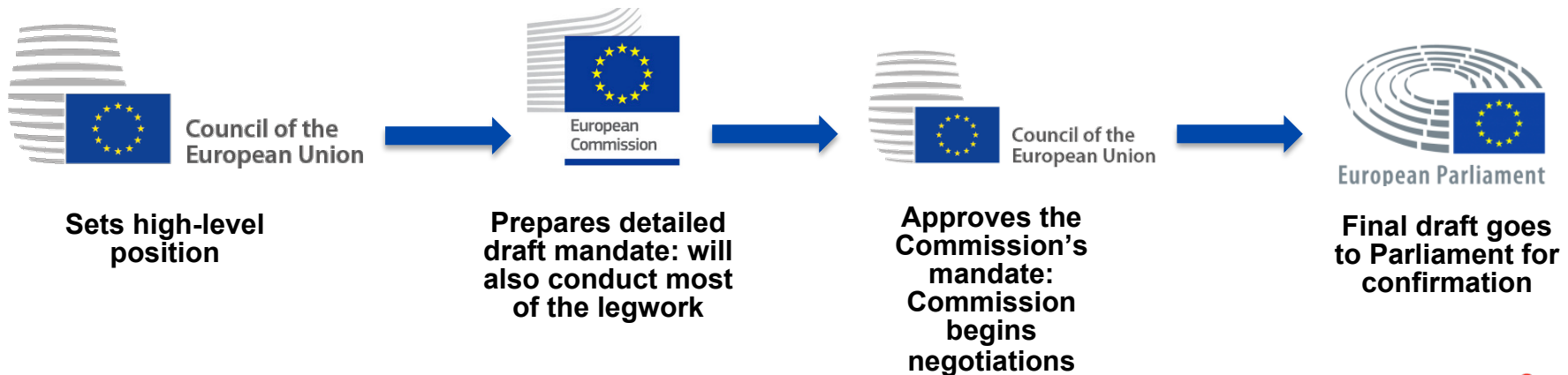
- UK officially leaves EU once two years are up/negotiations completed.
- *Two years can be extended – requires unanimous agreement from EU27.*

Who will take the reigns for the EU?

Article 50 says:

“(The negotiations) shall be concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the Parliament.”

But does not explicitly state which EU institution should lead.



The big players



The EU



Angela Merkel,
German Chancellor



Michel Barnier,
Commissioner



Didier Seeuws,
Council



Guy Verhofstadt,
Parliament

The EU27





The UK



David Davis,
DExEU
Oversees withdrawal negotiations



Liam Fox,
Dep. for International Trade
Negotiates new trade deals

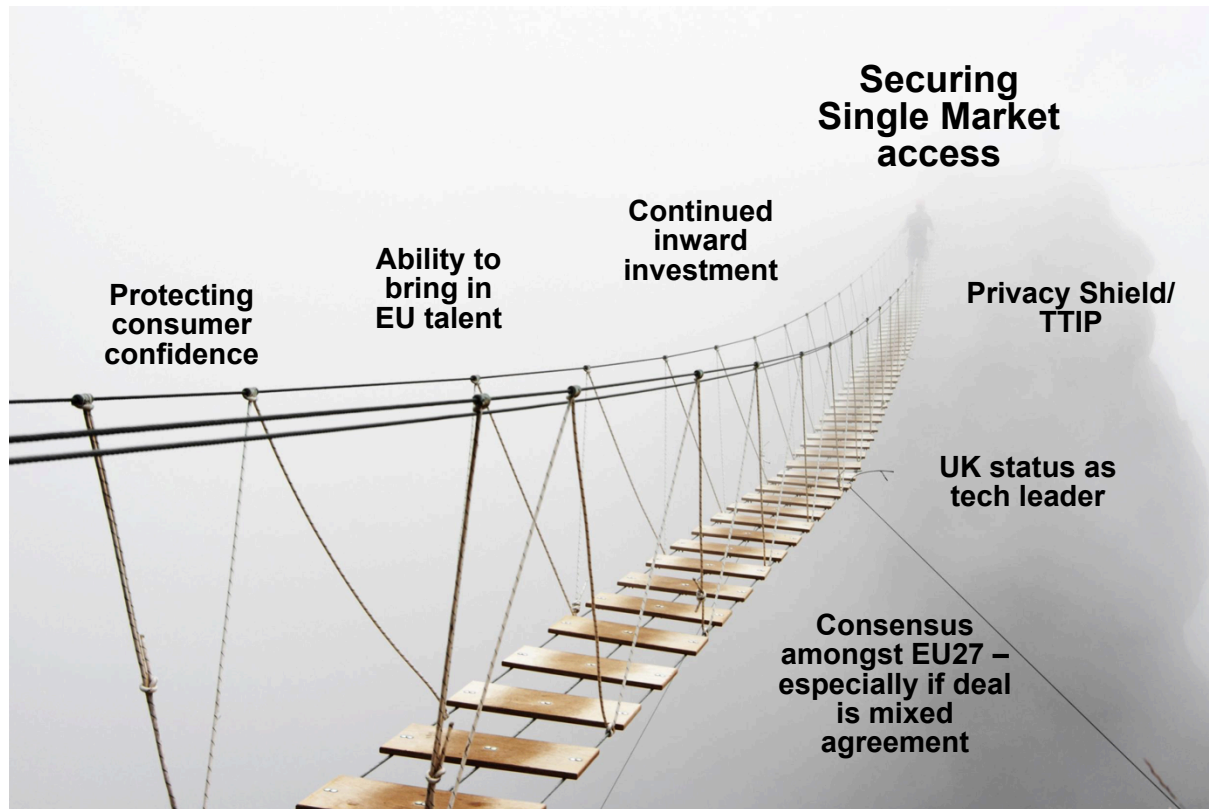


Boris Johnson,
FCO
Manages foreign relations: promotes UK abroad



Theresa May,
PM

Challenges...



...and opportunities



Best and worst case scenarios



UK retains access to Single Market, strikes free trade deals and ensures access to talent



Chooses to pursue digital manifesto



Better commercial and policy environment for business – more investment, more start/scale-ups – embrace risk!



UK cements position as tech leader in Europe whilst forging new global relationships

UK loses position as most advanced European digital economy



Economy falters; recession ensues; multinationals leave UK



Businesses struggle to attract investment and talent, consumer demand falls



UK cannot secure good EU deal and fails to strike trade deals ; no sensible immigration policy



Adspend continues to grow (and online dominates)

Sector	2016 Adspend Forecast (£millions)	Change on 2015 adspend	Adspend growth forecast for 2017
TV	5,458	3.6%	3.1%
Radio	609	2.9%	1.7%
National newsbrands	1,098	-10.1%	-10.8%
Regional newsbrands	1,062	-9.7%	-8.5%
Magazine brands	886	-5.9%	-7%
Cinema	243	1.3%	2.1%
Internet	9,665	12.3%	10.1%
Direct mail	1,072	7.2%	-5%
Total UK adspend	20,868	4.2%	3.8%

Year	GDP change on previous year	Consumer spending on previous year	Inflation (CPI)
2016	1.8%	2.5%	0.7%
2017	1%	1.3%	1.8%

CEO Interim
Economic Outlook
September 2016

UK Ad Association post-Brexit forecasts

Thank You



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