



CESER

Conseil économique, social
et environnemental régional

What now?

What Brexit means for Brittany

Overview

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On the morning of June 24th 2016, Europe discovers the results of the previous day's vote: 51.9% of British citizens voted in favour of Brexit, i.e. for the United Kingdom to leave the European Union (EU). This is the first time an EU Member State decides to invoke Article 50 of the Treaty on European Union (TEU), which, since 2009, offers the possibility for a Member State to leave the EU. Once over their initial surprise, the Member States, local and regional authorities, socio-economic stakeholders and EU citizens realised that they were facing a striking event in European history and that many of the terms of reference would now have to be redefined.

The Brittany Region was swift to respond through the President of the Regional Council, Jean-Yves Le Drian. During the plenary meeting on June 30th 2016, he announced his intention to refer the matter to the regional economic, social and environmental Council (CESER). Based on an analysis of the diverse, fruitful relations between Brittany and the United Kingdom, the CESER endeavoured to clarify the possible consequences of Brexit for Brittany. Working on the sole assumption that Brexit would indeed go through, it did not attempt to develop different scenarios on future relations between the United Kingdom and the EU. It chose to map out the business sectors most likely to be affected.

No stakeholder currently has any visibility into the outcome of the negotiation and the agreements that will be concluded between the European Union and the United Kingdom. **Even so, it seems essential to analyse the repercussions for the region on both a cross-disciplinary level and within each sector, so that public and socio-economic stakeholders can anticipate the changes and be in a position to propose the necessary measures. The Brexit decision could have major economic, social, environmental and territorial consequences for Brittany.**

- **The United Kingdom in the EU: history and issues at stake in the negotiation**

Brexit or Remain?... These words were the subject of lengthy, heated discussions after David Cameron, then Prime Minister of the UK, announced on January 23rd 2013 that a referendum would be held. But the debate actually dates back much further. The relationship between "the United Kingdom of Great Britain and Northern Ireland" and its European neighbours has always been complex and full of twists and turns. The last negotiations dated from February 2016 and had reached European concessions and an agreement that would have come into effect if the UK had remained in the EU. This was not enough, though, to avert the surprise outcome of the vote on June 23rd, when a majority of British citizens voted in favour of Brexit.

The procedure to be followed in the United Kingdom to actually invoke TEU Article 50 has not yet been decided on. The new British Prime Minister, Theresa May, has announced that it should be done before the end of March 2017. But

there is continuing debate on whether or not to consult the British Parliament. Once Article 50 will be set in motion, the United Kingdom and the EU will have two years to negotiate the terms and conditions of Britain's exit. The consequences of Brexit will vary widely, depending on the agreement reached.

Full and entire membership of the European Union and therefore access to its internal market rests on four fundamental freedoms, namely the **free movement of persons, goods, services and capital**. The balance between these freedoms will be a key issue in the Brexit negotiation. Several scenarios are possible in the long term: membership of the European Economic Area (EEA), a tailored bilateral agreement, the establishment of a customs union, the establishment of a free trade agreement or relations simply based on World Trade Organization membership. **But the EU's stance is firm for now: the United Kingdom cannot be entitled to free movement of goods and capital if it refuses the free movement of persons.**

The CESER has decided to discuss the cross-disciplinary, sector-specific and geographical issues raised by Brexit. It also suggests preparing for the future now by clarifying the post-Brexit outlook.

1. Cross-disciplinary, systemic issues

The risks of a Brexit-induced breakdown in relations are hard to predict. They mainly depend on the outcome of the negotiation process to be opened between the United Kingdom and the European Union. A "soft Brexit" would have more limited repercussions on the other EU Member States and therefore on the Brittany Region. A "hard Brexit" could spell major changes at European level. Nonetheless, instability can already be seen and the CESER will focus on this.

First of all, a form of wait-and-see attitude is taking hold in the face of the growing uncertainty. Since the referendum, British demand for French products has decreased, with subsequent repercussions on French growth rates. The fall in the value of the pound is giving British products a competitive edge on international markets and pushing up the price of French imports into the United Kingdom. This may result in French products losing market share. The currency depreciation is also deflating British citizens' purchasing power.

→ It is hard to anticipate and especially to quantify the possible repercussions of Brexit on Breton businesses. **The effects on household confidence, combined with the falling pound, will most likely have a dampening effect on Breton businesses' exports to the United Kingdom.** However this is not yet visible in their order books.

- **Currency parity: a major issue**

The change in currency parity, despite being indirect, is the most immediate consequence identified after the Brexit announcement. By mid-October 2016, the pound had lost nearly 15% of its value against the euro.

A low pound triggers a drop in British households' purchasing power and automatically makes it more expensive for the United Kingdom to import goods. This imbalance of prices with the EU jeopardises cross-Channel trade and could make Breton export businesses less competitive, and many products consumed in the UK are imported.

In Brittany, tourism, cross-Channel sea and air transport and all trade with the United Kingdom are affected by the change in currency parity, along with British residents in Brittany. Observers should be particularly vigilant regarding the change in businesses' margins and on how the impact of the currency exchange rate will be shared between consumers and producers. Currency parity is a complex and fluctuating issue over which regional authorities have no lever whatsoever and must simply suffer the consequences.

→ **Close monitoring will be necessary to adjust as quickly and effectively as possible to the knock-on effects on regional socio-economic stakeholders.**

- **Are regulatory changes eventually in Brittany?**

The regulatory changes potentially sparked by a hard Brexit would have major consequences. Regarding goods and services, they could result in a breakdown of the customs union and the reintroduction of tariff barriers, otherwise known as customs duties, on certain products. Moreover, the negotiations could lead to the re-establishment of non-tariff barriers, which complicate trade and access to the various markets through increased formalities, standards, associated administrative costs at the company's expense, etc.

Any heavy restrictions on the free movement of goods and services would have very negative repercussions on Brittany. In this area, the mutually beneficial nature of trade with the United Kingdom is a strong reason for maintaining a legal framework that will keep flowing business relations. Failing this, it would be essential to provide exporters from Brittany with the most effective form of support possible.

The free movement of persons will be a core issue in Brexit negotiations. The risk for Brittany lies in a possible return of the obligation to have a visa to travel between EU Member States and the United Kingdom. In this move to close borders, work permits and/or residence permits could be reintroduced for people coming from the EU with the intention of studying,

working or living in the United Kingdom. The reverse would probably be applied to British citizens. This would have a very direct impact on tourism, businesses with Franco-British capital, British residents in Brittany, students on mobility programmes and cross-Channel sea and air transport.

The issue of the free movement of capital may seem further removed, but it could have repercussions on companies based in Brittany and whose capital is held partially by British stakeholders.

- **Trade and investment: what are the consequences for Brittany?**

Regarding international trade, **the United Kingdom is an important partner for the Breton economy, since it is the source of the region's largest trade surplus.** It recently became the third most important country for exports and the eighth most important country for imports, representing respectively 8.2% and 4.3% of trade with Brittany. There has been a net increase in Breton exports to this destination over the past three years. The United Kingdom is also the third biggest foreign investor in Brittany. Direct British foreign investments account for 10% of the number of employees employed by businesses with foreign capital and 11% of the number of establishments.

Brexit is therefore happening at a time when the United Kingdom has become a very promising trading partner for Brittany. Uncertainty about the potential reintroduction of tariff and non-tariff barriers and the future rules for the movement of persons may impede its development into a buoyant market that is geographically close to Breton businesses.

Otherwise, some businesses are also concerned by the fact that exchange rate parity has a direct effect on the competitiveness of Breton products. They fear that, when their British importers see their own margins shrink, they will put pressure on the prices and ask them to "*split the bill*". **That would directly affect Breton producers' margins and especially for low added-value products.** Breton businesses that export their products may then be forced to find other markets and the growth of cross-Channel exports could slow down considerably.

Moreover, all producers in the euro zone are faced with the depreciation of the British currency. To contend with this, European competitors could take up a very aggressive stance on the French market or in other countries in which Breton businesses are established. The pressure on prices would therefore be stronger on a destabilised European market.

At this stage these are no more than concerns, since there are no objective signs, as yet, that trade flows have changed. Brittany has nothing to gain from an economic crisis in the United Kingdom resulting in lost markets, especially as

the British market absorbs many products made by Breton SMEs that could not be rapidly repositioned on other markets.

→ Negotiations between the EU and the United Kingdom should be complete.
Brittany should make sure that the interests of its regional businesses are well represented at national level, so that no areas are overlooked in the European negotiation.

- **Social impact**

In Brittany, 50 companies depend on decision-making centres based in the United Kingdom, representing around 3,700 jobs. Brexit could, in the long run, make relations between sites on either side of the English Channel more complex.

It is too early as yet to analyse with precision the repercussions on jobs and for the workforce. But the various sector-specific issues identified in this report could have negative consequences on employment should the gloomiest forecasts come true. The sectors most at risk are cross-Channel transport, the fishing industry and its distribution chain, the agricultural sectors already in difficulty, food-processing industry, seasonal employment in the tourist industry, jobs in shops and services in Central Brittany and EU-subsidised jobs.

→ **No consequences have as yet been seen in industry (other than in the food-processing industry), but it will be important to be vigilant in this area, which provides numerous jobs in the region.**

- **European cooperation and funding programmes**

The United Kingdom's exit from the EU will have a huge effect on the European funding programmes elaborated over the last six decades. There will no doubt be significant effects in Brittany on both public policy and the European subsidies received by the region and its inhabitants. Brexit could also result in Brittany's British partners becoming ineligible for cooperation projects.

Between 2007 and 2013, 80% of European territorial cooperation projects (Interreg) in which Breton stakeholders took part also involved British partners. Brexit would therefore result in the withdrawal of a major partner for Brittany. The cross-border France-Channel-England programme, which is of major importance for the region, seems condemned to disappear.

Brexit will probably result in a reduction in the overall budget of the cohesion policy, because the British contribution will decrease or disappear. Moreover, the withdrawal of the British regions will have an automatic effect on funding, with possible repercussions on the European Structural and Investment Funds (ESIF) allocated to Brittany.

The EU also offers funding programmes opened to projects in a wide variety of areas. Brexit will probably have immediate consequences on them as the British partners become ineligible. And, as a matter of fact, they are major partners for Brittany on certain programmes.

→ **Over and above the purely financial question, the whole dynamic of collaboration between Breton and British partners on shared projects could be called into question.** The benefits gained from this collective reflection would be diminished and both regions would be adversely affected. It will be necessary to find ways of maintaining these cross-Channel exchanges. **Lastly, many regional stakeholders would like Brexit to prompt a redefinition of the European political project and be an opportunity to rethink certain public policies, such as the Common Agricultural Policy or the Common Fisheries Policy.**

- **The weight of uncertainty**

The CESER's first conclusion is that the uncertainty created by Brexit is weighing heavily on regional activity. The doubts hanging over investors and socio-economic stakeholders are now starting to have tangible effects. Risk taking, or even mere decision making, is often timid if not deferred. Fear and uncertainty can lead to decisions whose consequences are even more serious than those from which we are trying to protect ourselves.

→ **Given the circumstances, it will be vital to support and inform socio-economic stakeholders as good as possible over the next two years in order to limit the major risk of self-fulfilling forecasts.**

2. Sector-specific issues

- **The maritime domain**

Maritime issues, and more specifically those of the fishing industry, are a major problem identified by the CESER in this study. Maritime areas are, by definition, shared areas. Brittany and the United Kingdom are therefore closely linked by their geographical proximity and their maritime border.

The fishing industry and the economic sector that depends on it could be strongly affected by the United Kingdom's withdrawal from the EU in terms of access to fishing areas, distribution of fishing quotas, European regulations, market for seafood products, etc. The repercussions of Brexit would be felt by all of the stakeholders in the fishing industry (e.g. wholesale fish and seafood merchants, wholesalers, fish and seafood retailers, canneries and seafood businesses, and supermarkets).

The main risk identified concerns high-sea fishing, whose fishing areas are likely to be reduced if the United Kingdom decides to renationalise its territorial waters. Given that Breton fishing boats fish extensively in British waters, Brexit could have major repercussions on the Breton fishing industry. In time, all of these changes could result in a reduction in catches and make it difficult to continue operating certain boats. There could be heavy consequences on employment in the fishing industry in Brittany.

Moreover, the depreciation of the pound following Brexit is a major issue for the seafood products market. An upturn in price competitiveness for the United Kingdom would force prices down for Breton fishermen, reversing the positive trend of the last two years where prices rose.

Brexit will also have indirect consequences on maritime governance and maritime spatial planning. It also coincides with EU's efforts to bolster its role and international position on maritime issues (integrated maritime policy, strategy for the marine environment planning). Brexit could weaken EU's position in the area and complicate this burgeoning dynamic.

It may also undermine relations between the French Navy's hydrographic and oceanographic department (SHOM) and its main British partner "*UK Hydrographic Office*" in the area of maritime mapping and coastal data.

The CESER has not identified any major short-term risk for Brittany in the area of marine renewable energy. However it is important to keep a close watch on any developments to come. Plans for underwater connections designed to facilitate the electricity production and consumption market between France and the United Kingdom could be called into question.

Lastly, maritime training stakeholders fear more intense competition from the United Kingdom as a result of Brexit-related dumping strategies.

→ The consequences of Brexit on professional fisheries are difficult to assess at this point, but are potentially major, and it is essential that this sector is not dealt with separately from issues deemed to take higher priority in the debate. A balance will have to be found between the future conditions for access to British waters and the conditions for British products to enter the EU market.

- **Cross-Channel sea and air transport**

Cross-Channel transport stakeholders are still in a state of uncertainty following the results of the referendum. A combination of a wide range of factors could result in a lasting reduction in the flow of passengers and freight between

Brittany and the United Kingdom. The prevailing uncertainty could work to the industry's disadvantage in the immediate term.

The fall in the pound is shrinking British citizens' purchasing power, reducing their ability to come to Brittany and affecting passenger transport. Not only that but some companies' business model is directly dependent on currency parity. Brittany Ferries, for example, derives 80% of its revenue from its "passenger" business. Over 80% of the passengers are British and pay in pounds, whereas the company pays 100% of its expenditures in euros. Should the situation persist, the shortfall would be worrying.

Next, the potential reintroduction of tariff and non-tariff barriers could affect cross-Channel trade and result in a decline in freight transport. Lastly, the increased complexity of the rules for travel and freedom of movement would probably mean a decrease in passenger flows between the two shores of the English Channel. As it happens, carriers depend on this passenger travel and all cross-Channel shipping companies would be hard hit by a decrease in passenger flows. In time, it could force unprofitable airlines out of business.

→ As a general rule, any hindrance to traffic is damaging for the transport sector. While no tangible effect has been observed for the moment, Brexit could have major repercussions. A hard Brexit would risk triggering a negative spiral. While Brexit and the drop in visitor numbers can have a very direct effect on cross-Channel sea or air transport, the difficulties it faces (the potential discontinuation of air links or an increase in transport prices to offset the difficulties) can, in themselves, have negative consequences on visitor numbers in Brittany.

- **Agriculture and the agri-food industry**

Brittany and the United Kingdom have long-standing trade relations in the agricultural area. The agriculture and food-processing sectors on either side of the Channel are tightly dovetailed and could be hard hit if trade relations were broken off by Brexit. Agricultural, seafood and food-processing industry products together account for 36.8% of Brittany's total exports. The United Kingdom is Brittany's fifth-ranking trading partner, with the value of trade attaining a total of €325 million per year. It represents 8% of Breton agri-food exports and this market share has been stable for the past five years. According to the Chambre régionale d'agriculture de Bretagne (Brittany Regional Chamber of Agriculture), the products most at risk are pork and vegetables.

Brexit is occurring at a time when the farming world is contending with complex issues. The international context is not propitious: a Russian embargo since 2014, instability in the countries around the Mediterranean rim, steadily dwindling exports to Italy and Greece, etc. These international factors, combined with a major agricultural crisis in recent years, have weakened the sector. The

uncertainties generated by Brexit are compounding certain producers' already strong fears. **The depreciation of the pound and the possibility of tariff or non-tariff barriers pose the greatest threat to agricultural products. For the food-processing industry, the main short-term risk lies in the loss of competitiveness arising from the fall in the pound.** And yet the United Kingdom is a profitable and regular destination.

The CESER has noticed a significant difference in the risks for unprocessed and processed products. It will be difficult for low value-added products to absorb a potential drop in prices as a result of currency fluctuations. Moreover, the introduction of barriers to the circulation of goods would risk indirectly destabilising the market by heightening the competition among European producers within the EU.

The question of the future of the Common Agricultural Policy (CAP) is also raised. Brexit could result in a decrease in the CAP budget insofar as the United Kingdom was a net contributor. On the other hand, given that the British have always been fiercely opposed to the CAP and its market regulation rules, Brexit may open the door to adjustments in this policy.

- **Tourism**

Immediately after the vote, the question of tourism became a concerning issue because of the large number of British visitors to Brittany. On top of this, Brexit is occurring in a context where security is a major concern for French tourism following dramatic though unrelated events (the terrorist attacks in Paris, Nice, Rouen, etc.), which recently weakened the sector and led to a drastic fall in visitor arrivals in France.

In Brittany, 15% of bed-nights can be attributed to foreign tourists, 85% of whom are European. It is the only French region in which British visitors are the top-ranking foreign customer base in both traditional hotels and campsites. They represent 22% of foreign bed-nights in hotels and 38% in campsites. British holidaymakers' favourite regions are the Saint-Malo region, Mont St Michel Bay and Cornouaille.

Currency parity is a real cause for concern among tourism stakeholders in the region. It could result in both a decrease in the number of British tourists and a sizeable decrease in their purchasing power once in Brittany. Restrictions on passenger travel and the reintroduction of visas for British citizens travelling in the EU would be a severe blow for continental tourism. What's more, the exclusion of British stakeholders from European programmes would spell the end of some structuring cooperative projects important for the region.

In the short term, Brittany is potentially more at risk than the rest of France because of the large numbers of British visitors it receives. The entire tourism

sector might be concerned (accommodation, restaurants, leisure facilities, transport, shops, etc.), with a direct impact on the region's economy and employment.

→ **It will be important to monitor changes in the pound exchange rate, which is the main factor influencing the decision to visit Brittany and the amounts spent once there. In the medium term, major difficulties could arise if the conditions for travelling between the United Kingdom and the EU were made more stringent.** It seems to be relevant to maintain or even step up marketing strategies aimed at promoting Brittany on the British market. In the long term, though, this customer base is expected to remain interested in Brittany because it appreciates the quality of reception.

- **Research and higher education**

The United Kingdom and Brittany collaborate closely and extensively in this area. In the previous EU research funding programme (FP7), Breton stakeholders took part in 256 projects where a total of €94.5 million was allocated. The United Kingdom part of 74% of the collaborative projects in which Breton partners were involved. Collaborative research programmes are particularly profuse on topics common to Brittany and the United Kingdom, or linked to the shared areas between the two territories. After Brexit, will they continue to receive funding?

The United Kingdom's potential withdrawal from EU research programmes could affect Brittany's research dynamic. Research bodies in the United Kingdom are very organised when it comes to securing funding. This lobbying indirectly benefits Breton research through all of the collaborative projects. In time, Brexit might therefore result in a decrease in EU grants in Brittany.

Moreover, if the funding allocated to the cohesion policy was to be reduced, it could have repercussions on research funding through the ESIFs. Uncertainty as to the future of regional cooperation programmes, for which the British regions are eligible, is already slowing down some projects. The departure of the British partners from European Territorial Cooperation would generate a net loss of projects for research bodies in Brittany, which cooperate extensively with the south of the United Kingdom.

But, depending on the outcome of the Brexit negotiations, its effects will vary widely. It is quite conceivable that the United Kingdom will decide to continue contributing to EU research and higher education programs even after its departure, especially as it benefits from a large number of such schemes today. On the other hand, restrictions on the movement of persons would have a detrimental effect on the necessary mobility of researchers and students.

→ **The opinions of the stakeholders consulted by the CESER vary widely in an area in which Brexit could curb people's mobility, but they are**

unanimous about the need to protect exchanges with the United Kingdom. Should the United Kingdom cease its involvement in European programs, the consequences on research funding in Brittany would be immediate and widespread.

- **British residents in Brittany**

British residents in Brittany contributed to a large extent to this study. There are an estimated 13,000 British citizens living in the region, which represents 0.4% of the population. The majority live in the rural areas of Central Brittany and British citizens account for a large proportion of the population of some municipalities. There are also around 10,000 British-owned secondary residences in the region.

Brexit raises strong fears for these residents. The majority of them receive income in pounds, so their purchasing power depends on currency parity. Following the Brexit announcement, the pound dropped around 15%. In the medium term, British immigrants in Brittany might also be concerned by restrictions on the free movement of persons. British residents have also voiced fears about access to the French social security and healthcare system.

If these British residents were to leave, it would be a serious problem for some Breton municipalities and in particular for the "in-place economy". Some areas largely rely on the business generated by the presence of British residents; a decline in these residents' purchasing power would inevitably curtail their spending in Brittany. This concerns, for example, the real estate sector specialised in purchases and sales for the English-speaking market, or building contractors. In municipalities with a large percentage of British residents, local shops would suffer the effects of their departure or of a continuous decline in their purchasing power. Nor should we overlook the repercussions of the possible departure of British residents on regional planning; as in certain areas in decline, the local economy depends on the presence of British residents.

Their departure would also cause a down-turn in activities generated by family tourism, reducing passenger numbers for cross-Channel airlines and shipping companies. Lastly, the departure of British residents could have an indirect effect on public services in Central Brittany. The municipalities in which they have settled receive tax income associated with their permanent or secondary presence. Some schools have also been able to maintain classes thanks to the families of young expatriates.

→ It is not only an economic issue: it is also a social, human and cultural issue with a direct impact on the lives of these 13,000 people and the municipalities in which they have settled. To help this population remain in the region, a proactive initiative and support measures will have to be introduced rapidly.

- **Environment**

The environmental associations based in Brittany are afraid that interactions with their counterparts in the UK will become increasingly complex. The most structured collaborations, which are made possible by European programmes, could be called into question. Brexit could stop the positive dynamic for Breton structures which benefited from the British organisations' drive and expertise. Their skills in European projects management and in securing funding indirectly helped Brittany, including with the territorial cooperation projects or the LIFE programme.

- **Sectors for which the CESER does not have sufficient information to accurately identify the challenges**

The information obtained by the CESER does not allow it to issue an informed opinion on Brexit's consequences on industry (apart from the food-processing industry). Nevertheless, it recommends increased vigilance regarding the motor industry and in particular the SMEs.

To date, the Ministry of education regional office has not voiced any particular concerns about primary or secondary education. The main difficulty may lie in the United Kingdom's possible withdrawal from the European mobility programme Erasmus +. However it will be important to be vigilant about the other aspects of learner mobility, such as vocational training, apprenticeships, work placements and so on.

Lastly, the EU's Common Security and Defence Policy may be affected by the departure of a Member State with major armed forces. This may also destabilise the defence industry. For want of factual information, the CESER is not in a position to express an opinion on this question.

3. Geographical issues

The Brexit negotiations are not sufficiently advanced to analyse precisely its consequences in Brittany from a geographical outlook. The distribution of activities across the region and the range of sectors potentially at risk makes it difficult to interpret the issues at regional level. There is a risk wherever activities are linked with the United Kingdom.

In the light of the cross-disciplinary and sector-specific issues outlined above, **the CESER concludes that no area can, in principle, be expected to come out completely unscathed in the event of a hard Brexit.**

Based on the information obtained to date, though, we can identify the risks, which are concentrated in certain areas: **North Brittany**, because of its

immediate proximity to the United Kingdom; **Central Brittany**, because of its numerous British residents, **the two major cities**, because of the concentration of activities observed there, especially higher education and research; **and the coastal areas**, because all of the maritime activities are at risk and because of the large numbers of tourists.

The Brittany Region should also pay careful attention to the possible consequences of Brexit on its neighbouring regions, in particular the regions on the Channel and the Atlantic coasts.

4. Prospects

- **Some opportunities for Brittany?**

In an uncertain context that extends well beyond Brittany's boundary, it is no easy matter to identify and describe possible opportunities. A number of discussion ideas nevertheless emerged during the CESER's work.

Brittany could attract non-European businesses with foreign capital based in the United Kingdom and which would be interested in relocating to an EU Member State to gain easy access to the common market. If tariff barriers were to be established, British businesses may take the same initiative. If so, Brittany could leverage its strong ties with its British partners to persuade them to set up operations in the region. It could also take advantage of the new momentum sparked by Brittany's high-speed railway to Paris.

Moreover, the reintroduction of tariff or non-tariff barriers could generate a loss of competitiveness for British businesses. In sectors in which Breton and British businesses are in competition with each other, an opportunity may arise for the regional businesses to gain market share.

In a broader perspective, Brexit paves the way to a redefinition of EU policies. Britain's vote rejecting the European project should trigger an in-depth discussion of the 27 Member States on their common objectives and on EU citizens' expectations.

- **Recommendations: a few ideas...**

Negotiations on the Brexit process and calendar will be broad and will involve a wide range of stakeholders. It is important that local and regional authorities play a role in the talks. Brittany will have a role to play as it is directly concerned because of its common border with the United Kingdom.

It will be essential to monitor Brexit's consequences in the region and to make the connection with the consequences identified in the adjoining regions. The CESER proposes to continue its analytical work, which consists in observing the weak signals. It will put forward more detailed proposals at a later stage, based on the involvement and contribution of the region's socio-economic stakeholders.

Initiatives could also be conducted right now in Brittany to limit the effects of Brexit and seize the opportunities it offers. It will be important to support the initiatives designed to attract foreign businesses to Brittany, inform and mobilise Breton socio-economic stakeholders, while setting up support measures as and when necessary.

Steps will have to be taken to continue attracting British tourists to Brittany, while targeted measures should be considered to allow British residents to continue living in the region.

In the longer term, it will be essential to maintain existing cross-Channel cooperative projects wherever possible. The future of European policies should be examined and discussed, in particular the EU cohesion policy, the Common Agricultural Policy, the Common Fisheries Policy and the research support programme.

Lastly, Brexit is leading to a discussion on European development and citizenship. Brittany must fully assume its role in this discussion, and pursue and expand its awareness-raising initiatives.