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# Brexit Drag Continues to Hold Back UK Economy

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Britain’s decision to leave the European Union continues to weigh heavily on the UK economy, nearly a decade after the 2016 referendum. Though the country avoided a short-term crash, long-term effects are now becoming increasingly evident.

In the immediate aftermath of the vote, predictions of an economic collapse failed to materialise. Sterling fell sharply, but the UK economy remained stable. Between 2016 and

2020, Britain avoided recession and maintained modest growth. Supporters of Brexit claimed this as proof of its economic viability.

However, following the dual shocks of Brexit implementation and the COVID-19 pandemic, the UK economy has largely stagnated. Despite early resilience, the FTSE 100 has underperformed significantly since 2018, trailing global benchmarks such as the MSCI World Index by around 35%.

A study by Bank of England economists earlier this year found that UK goods exports to the EU dropped by 13% after the new trade rules came into force in 2021. Overall exports fell 6.4%, and imports declined by 3%. Although these figures are lower than some forecasts predicted, they reflect sustained damage to the country’s trade flows, particularly for smaller firms less able to absorb increased costs and red tape.

The services sector, including London’s vital financial industry, also suffered but was not included in the same study. Analysts believe the true impact on services may be even greater.

Public sentiment appears to be shifting. A recent YouGov poll revealed that 56% of Britons now believe it was a mistake to leave the EU, suggesting growing recognition of the economic downsides.

Comparisons have been drawn with the United States’ recent tariff policies under President Donald Trump. Like Brexit, the tariffs were introduced amid political division and were expected to trigger economic disruption. While no immediate crises followed, economists argue that such policies act as a slow drag on growth rather than a short-term shock.

In both cases, the absence of a dramatic collapse may allow politically driven economic decisions to appear successful at first, while the long-term consequences quietly accumulate.

Though some argue that sovereignty outweighs economic concerns, the data now points to a consistent pattern of underperformance, raising difficult questions about Britain’s future growth and competitiveness.