

Business English News 37 - Brexit

Discussion Questions

1. In which way does the Brexit affect you personally or the economy and commerce of your country?
2. What do you expect the economic result of the Brexit to be? Explain.
3. Do you think any other nations are at risk of leaving the EU? Why or why not.

Transcript

Unless you have been **living under a rock**, you know that the people of the UK **woke up** on June 24 to learn that they had voted **in favour of** leaving the European Union, otherwise known as **Brexit**. After an emotional **campaign**, 33.5 million votes were **cast** in the referendum with 17.4 million voting for **Leave**, and 16.1 million for **Remain**. Months of warnings from both **camps** focused on both the political and economic **ramifications** and rewards. As the New Statesman notes:

The economic **pros and cons** of Brexit have been **hotly debated**. According to an OECD analysis, even the best-case scenario will see every home losing £2,200 by 2020 after Brexit. The Bank of England **claims** that Brexit is likely to lead to a weak pound while the Leave campaign has **countered** that **pulling out** of the EU will allow Britain to **retain** the money it currently **pays in**.

The news caused global **economic shockwaves** and **jolted** the pound to its lowest level in decades. Global stock markets did not **fare any better** as more than 2 trillion dollars **vanished** from the markets, the worst one-day drop in history. From the New York Times:

The world map has been **redrawn** with the rules of **commerce** across Europe, the largest **marketplace** on earth. Britain's vote on Thursday to leave the European Union has **set in motion** an **unprecedented** and unpredictable process that threatens **turbulence** and potential crisis - for Britain, for Europe and for the global economy.

Within a few days, Prime Minister David Cameron had **resigned**, and Theresa May was **sworn in**. In her first address after **taking the helm**, May attempted to reassure the **electorate** that the government would try to be more **inclusive** and supportive:

When it comes to opportunity we won't **entrench** the advantages of the **fortunate few**. We will do everything we can to help anybody, whatever your background, to **go as far** as your talents will **take you**.

Like any **divorce**, the goal is to **limit the damage**. The biggest task facing Britain's new International Trade Secretary, Liam Fox, will be negotiating numerous **trade deals**, both with the EU itself and individual countries. In an interview with the Sunday Times, Fox stated:

We're **scoping** about a dozen free trade deals outside the EU. We've already had a number of countries saying, 'We'd love to do a trade deal with the world's fifth biggest economy without having **to deal with** the other 27 members of the EU'.

With a new **mandate** and new priorities, Prime Minister May will also attempt to address the issue of **inequality**. In a speech given before her move into **10 Downing Street**, she made it clear that she has a **handful** of business leaders clearly in her sights, as Der Spiegel reports:

May **lambasted** the **tax avoidance tricks** used by Amazon, Google, and Starbucks and demanded an improved **industrial strategy** and **a greater say** for workers within companies. She added that she also wants to force companies to **fully disclose** bonus payments and to make it possible for shareholders to set **caps** on corporate pay.

With the Brexit dramatically **impacting** the value of the country's currency, causing the pound to drop to a 33-year low, there is one small **silver lining**. Trips to England, a historically pricey destination, are suddenly very **affordable** for travelers. Travelzoo Senior Editor, Gabe Saglie, explains:

The travel sector is one area where there's this immediate **potential upside**. The pound for years has been a **notoriously** expensive currency against the American dollar and it's now at 33-year lows. The dollar is now 20% stronger against the pound.

Given all of the **drama** in the past month, it's more important than ever for the leaders to **focus on** the positives. For England's new Foreign Secretary, Boris Johnson, that means developing stronger **ties** with the rest of the EU as well as **polishing up** its **image** abroad. In a recent speech, he declared:

We are not leaving Europe. It would be geographically, physically, culturally, emotionally and historically impossible for the UK to leave Europe. That is not our **destiny**. That is not our future. The UK will intensify its relationship with its friends across the **Channel** at an inter-governmental level. The UK will now **forge** a new global identity.

Vocabulary

(To be) Living under a rock: To be unaware or uninformed about something that most people know about; "What do you mean Meg hasn't heard about Pokémon Go? Has she been living under a rock?"

To wake up: To stop sleeping, to awaken; "I generally try to wake up at 7am, even on weekends."

To be in favour of: To support an idea, person, or proposal; "All those in favour of the new dress code, please raise your hands."

Brexit: A combination of the words 'Britain' and 'exit'; similar to 'Greek/Greece' and 'exit' or "Grexit".

Campaign: A planned series of activities to achieve a certain goal; "We had nearly 500 staff and volunteers in our political campaign, which helped us raise a lot more money than the other parties."

To cast (a vote): To vote in an election.

Leave: The group of people in the UK who supported leaving the EU.

Remain: The group of people in the UK who supported remaining in the EU.

Camp: A group of people who have the same ideas or support the same person; "The Donald Trump camp is running on the idea that only he can "fix" America."

Ramification: A complex or unwelcome result of an action or event; "There may be some serious legal ramifications if you copy a product that has been patented."

Pros and cons: The positives and negatives of a situation or scenario.

Hotly debated: An idea or topic that is very emotionally or passionately discussed.

To claim: To state or assert that something is true; "He claims that he can help us reduce our overhead costs by nearly 12%. It sounds crazy, but I think we should at least hear what he has to say."

To counter: To speak or act in opposition to an idea or suggestion; "We offered her an entry-level contract and salary, but she countered with a two-year contract and a salary that is nearly 20% higher."

To pull out: To withdraw or depart; "We're pulling out of the negotiations until we can verify the accuracy of their financial documents."

To retain: To keep or hold on to something; "A landlord may retain part of your deposit if you break your rental agreement early."

To pay in: To contribute or donate to a fund, usually in a monetary context; "The company I work for pays 2% of my salary in to my retirement fund."

Economic shockwave: An event or situation that results in a very serious, usually negative, outcome for the financial sector.

To jolt: To move forcefully; "Carol jolted out of bed when she heard the fire alarm go off."

To fare better: To do or perform better than something else.

To vanish: To disappear suddenly or completely; "Before we knew it, all of our customers vanished; we really needed to recreate a new business model quickly!"

To redraw: To draw again, or plan something in a different way.

Commerce: The buying and selling of goods, especially on a large scale, as between cities or nations.

Marketplace: The area or region of business or commerce.

To set (something) in motion: To make something start to exist or begin; "His decision to go in to business for himself set in motion a series of events that resulted in him becoming one of the richest men in the world."

Unprecedented: Something that has never occurred before and is without precedent; "Such an action by a prime minister is unprecedented."

Turbulence: A state or period of uncertainty or confusion; "Business are experiencing turbulence in the bond market after Brexit."

To resign: to formally quite one's job; "He resigned from the company in order to take a more challenging job."

To swear in: To formally promise or confirm, usually when taking an oath or an elected position in a government; "When Justin Trudeau became the Prime Minister of Canada, he was sworn in using both English and French languages."

To take the helm: To take control, to take over, or to take the reins.

Electorate: A group of eligible and qualified voters.

Inclusive: Including everything and everyone; "We want to create a fairer and more inclusive society, where everyone has the same chances to succeed."

To entrench: To establish an attitude, habit, or belief so solidly that it is very difficult or unlikely to change; "They've entrenched themselves so deeply into the market that it will be extremely difficult to compete with them."

Fortunate few: The small amount of people that are lucky or privileged.

To go as far as (something) takes you: To be as happy, successful, or prosperous as your skills, talents, or ambition will allow.

Divorce: A separation or split of things that were supposed to be connected; "I don't understand why the education system continues to divorce subjects like art and music from their standard program."

Trade deal: Treaty or agreement between two or more countries to establish the free trade of goods and services can be conducted across their common borders without tariffs or taxes.

To scope (out): To make a preliminary inspection or analysis of something; "We're currently scoping out markets for our new line of modular mobile phones."

To deal with: To have to do with, associated with, or concern; "I can't remember all of the details, but the email had something to do with the new company retirement plans."

Mandate: Authorization given by a political electorate to the winner of an election or referendum.

Inequality: A state of not being equal or balanced; "Income inequality has created a number of problems in north America."

10 Downing Street: The official residence and the office of the British Prime Minister.

Handful: A quantity that fills the hands, a small number or amount; "The HR team will be interviewing a handful of candidates for the sales position this afternoon."

To lambaste: To scold, criticize, or reprimand sharply; "Our boss lambasted the team for finishing the last project so poorly. We need to improve our performance!"

Tax avoidance trick: A scheme or plan used to help reduce the level of taxes that a person or company pays.

Industrial strategy: Any attempt by government to apply a coherent and consistent set of policies that are designed to improve the performance of the economy.

To have a say in something: The power to decide or help decide something; "If I'm the project manager, does that mean that I have the final say in who is on my team?"

To fully disclose: To tell the entire truth or the act of making something completely known; "It's mandatory that we fully disclose any risks that the product may cause."

Cap: The upper limit for spending, borrowing, or salaries; "The National Hockey League has set a salary cap of 73 million dollars per team."

To impact: To have a strong effect on someone or something; "High business taxes have impacted a company's ability to hire more staff which has led to an increase in the unemployment rate."

Silver lining: The bright side of a negative event.

Affordable: Inexpensive or financially easier to pay for something; "I'd love to live in Milan, but there's no way I can find an affordable apartment."

Potential upside: Something that is possibly a good thing; "The potential upside of losing your job is that you can dedicate more time to your other hobbies."

Notoriously: Well-known or famous for generally bad qualities; "I know he's a very successful businessman, but he's notoriously difficult to work for."

Drama: An emotional situation or series of events; "Last summer's Grexit drama was nearly enough to split apart the European Union."

To focus on: To pay particular attention to someone or something; "We need to focus on our strengths if we want to be successful."

Ties: Connections or relationships; "He has really strong ties with a number of industry leaders in Southeast Asia."

To polish up: To study, practice, or improve; "If you move back to China, you'll need to polish up your speaking skills. It's been a few years since you lived there!"

Image: Reputation or what others think of you; "We've worked hard to improve our image in the business community, and now we need to take advantage of the situation."

Destiny: An event that is destined, meant, or certain to take place; "Maybe it wasn't our destiny to be rich and famous, but at least we're helping the people in our community."

Channel: The English Channel; the body of water that separates southern England from northern France.

To forge: To create something strong, enduring, or successful; "In my career, I've been lucky enough to forge some great relationships that I know have made me a better professional but also a better person."

Language Review

A. Collocations

Match words from each column to make collocations found in the article.

1. Silver	A. Shockwave	
2. Fully	B. Few	
3. Tax	C. Disclose	
4. Free	D. Avoidance	
5. Economic	E. Upside	
6. Industrial	F. Lining	
7. Fortunate	G. Trade	
8. Potential	H. Strategy	

B. Vocabulary Quiz

- Which of the following best describes the dialogue below:
A: Personally, I think the new regulations work to our advantage.
B: I couldn't agree more. I'm surprised the government passed them so quickly.
 - To go as far as it will take you
 - Living under a rock
 - Set in motion
 - To be in favor
- "Unfortunately we had to _____ of the training session because of an emergency at our manufacturing facility."
 - Pull him out
 - Scope out him
 - Polish them up
 - Swear her in
- "From a young age, you could tell that he was _____ to be a successful businessman."
 - Destiny
 - Destined
 - Destination
 - Destine
- "A major component of our _____ is investing in green technology."
 - Industrial strategy
 - Free trade deal
 - Tax avoidance trick
 - Economic shockwave

5. "After nearly a year of _____, the general election will be between Hillary and Trump."
- Campaign
 - Campaigning
 - Campaigned
 - Campaigns
6. Which of the following best describes the statement below:
"On the one hand, we can save a lot of money, but on the other we would need to cut about 15% of our staff."
- Pros and con
 - Fortunate few
 - Silver lining
 - Potential upside
7. "Quite honestly, I'm getting tired of constantly _____ to a retirement fund that will be bankrupt within 10 years."
- Pay in
 - Pays in
 - Paying in
 - Paid in
8. "I have a _____ of investors who are ready to finance our project as soon as we have our prototype ready."
- Divorce
 - Turbulence
 - Mandate
 - Handful
9. "The goal is to _____ control of our business and make decisions that will benefit everyone, not just the 7 members of the board of directors."
- Entrench
 - Vanish
 - Retain
 - Impact
10. "We are trying to make my products more _____ for the average consumer."
- Say
 - Affordable
 - Mandate
 - Inequality

Answers

A. Collocations

1. Silver Lining
2. Fully Disclose
3. Tax Avoidance
4. Free Trade
5. Economic Shockwave
6. Industrial Strategy
7. Fortunate Few
8. Potential Upside

B. Vocabulary Quiz

1/d, 2/a, 3/b, 4/a, 5/b, 6/a, 7/c, 8/d, 9/c, 10/b