# ANH-Intl SWOT Analysis of Brexit and the future of natural health in the UK



Full story, 'Brexit and natural health - what next?', published 29 June 2016: <a href="http://anhinternational.org/2016/06/29/brexit-swot/">http://anhinternational.org/2016/06/29/brexit-swot/</a>

#### **STRENGTHS**

- National sovereignty regained British people are able to regain their sense of national sovereignty
- Accountability returns to UK The UK government becomes democratically accountable to the UK people. With the UK in the EU, the European Commission was largely unaccountable, being only weakly influenced by the European Parliament
- EU laws not directly relevant No longer at the mercy of overly restrictive EU consumer protection and competition laws 'made in Brussels' that limit freedom of choice and health claims about foods and food supplements, being often EU protectionist in nature
- EU case law loses supremacy Not susceptible to unexpected or unwelcome judgments by the European Courts (of Justice and Human Rights) as administration of justice is returned to the Courts of England, Wales, Scotland and Northern Ireland
- SMEs freed from EU shackles EU-originating restrictions on SMEs lifted or not directly relevant

## **WEAKNESSES**

- EU case law no longer relevant Natural products companies are no longer able to rely on EU case law from the European Court of Justice where these overrule more restrictive decisions by UK authorities (e.g. MHRA)
- Mutual recognition no longer relevant the Mutual Recognition Regulation currently prevents one EU member state imposing a barrier to trade on a product which is sold safely in another member state. This won't any longer apply.
- Trade negotiations the quality of trade negotiations will depend on the quality of the negotiators as well as the resources and information available to them, which may be limited
- Achieving consensus for advocacy There is a risk that it
  won't be possible to marshal the required consensus of views,
  especially among the young who voted strongly to remain in the
  EU, to influence UK Members of Parliament to act in the best
  interests of UK consumers (of all age groups) and natural
  products businesses (the majority being SMEs). This issue may
  be aggravated by a blurring between 'thinking Brexiters' and farright and racist groups
- Head-in-the-sand 'Remainers' and others fail to engage sufficiently in the political and grassroots process to help build a proportionate legal infrastructure through the democratic process
- World standing The UK may lose standing (economically and politically) as it is no longer a key player in one of the two largest trading blocs in the world (EU and NAFTA)

## **OPPORTUNITIES**

- Advocacy Heavy and effective engagement in advocacy from consumers, businesses and health professionals to ensure that effective and proportionate national laws are created that do not limit freedom of choice or health claims
- Trade deals The UK negotiates favourable trade deals with other countries (e.g. USA, India, China, sub-Saharan African countries, South American countries, Australasian countries) and trading blocs (including EU) that increases the diversity of available natural products and keeps prices competitive
- Consumer protection and fair trade The UK will no longer be just one of 28 voices in consensus-based inter-governmental organisations like Codex Alimentarius and will be able to act in its own interests
- EU membership fee savings Savings in EU
  membership fees put to good use to help British
  businesses grow and compete in UK and international
  markets
- Creation of world-leading legislative framework –
  The UK could lead the world in natural product
  regulation by integrating the rational, proportionate and
  fair elements of EU law and ditching the rest
- Building UK business Increased opportunities for UK-based manufacturing of natural products without limitations of protectionist EU laws

## **THREATS**

- Harmonisation UK authorities (e.g. MHRA, Department of Health) shape national laws that harmonise with EU rules – or, worse still – are even more restrictive
- UK faces isolation The UK may become more isolated and may be unable to hold its own in the face of pressure and intergovernmental agreements from trading blocs like the EU and NAFTA or in forums like the Codex Alimentarius Commission
- Market uncertainty and volatility Uncertainty and market volatility in the wake of Brexit (which could last several years) obstructs growth and innovation in UK-based businesses and adversely effects imports of natural health products, ingredients and raw materials
- Tax and price increases Taxes are raised and prices of healthy foods, imported ingredients and natural health products increase
- Supply chain disruption Existing supply chains required to convert raw materials (often sourced from outside the EU) to finished products are disrupted creating supply issues and increased costs
- Bad deals better than no deals? with pressures on the UK
  to establish trade deals to maintain itself as the world's fifth
  largest economy (in GDP terms), the UK could be vulnerable to
  establishing deals that are unfavourable to natural health
  freedoms, which may be characterised as TTIPs on steroids