

## Why haven't more UK businesses been able or willing to build long term businesses in France or Germany?

The single market was meant to promote good long term investment both ways across the Channel. The weakest type of business arrangement is an agreement to buy their exports. You can always switch to some other company and country to buy your next consignment. The strongest is founding businesses in other EU countries and growing them in situ. It is much more complex closing them down or selling up.

The French and Germans have been keen to exploit opportunities to invest in the UK and establish businesses. Just look at the way Aldi and Lidl have brought their business model to UK shoppers, and grown a large market share. Look at the way the French have exploited easy access for mergers to buy up large amounts of the UK utilities sectors. The UK does not have similar freedoms on the continent where nationalisation, government controls and directions impede similar investment.

In contrast, the UK's largest food retailer, Tesco, has no shop at all in France or Germany (or for that matter in Italy or Spain). In general retailing, an area of UK strength, M and S set up a continental business only to close most of it down in 2001 claiming it was not profitable and had no future. M and S today has just a few shops in the Paris area, with nothing in Germany, the continent's largest and richest market. Boots too has no stores in France or Germany.

Most UK multinationals have made far larger commitments to the USA and to Asia than they have to continental Europe. Some have found too many cultural and business model barriers to establishing in Europe. Most have found it easier and more worthwhile to establish in the USA. Perhaps the enthusiasts for the single market writing to this site could help us as to why this is true.