

GOVERNMENT

After dread of Brexit, Europe may be on the upswing after all

November 14, 2017



Europe as a whole may reject the forces that brought about Brexit. Image credit: European Union

By DANNY PARISI

BRUSSELS The impact of the United Kingdom's Brexit vote is still being felt today, but the election of Emmanuel Macron in France and other recent developments in the region suggest the European project is not dead.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

After nationalist elements of U.K.'s political culture successfully pushed the country to vote to leave the European Union, many believed that Europe was on the verge of breaking apart for good. Speaking at New York Times Luxury event, Enrico Letta, the former prime minister of Italy, spoke about how it is too early to count Europe out for good just yet.

"2017 is the year in which we had the French elections and Brexit," Mr. Letta said. "Macron won on a pro-European platform.

"He is now a leader in Europe in the discussion of the continent's future."

Sign of hope

Brexit was hailed as a defining moment in European history.

After decades of solidity between the nations of the E.U., the first crack was formed, leading many to fear that the E.U. itself would dissipate without one of its most important members.

"We had, for the first time, the idea that Europe was close to dying," Mr. Letta said. "After Brexit, we started to think about Frexit and Grexit, etc."



Enrico Letta. Image credit: Twitter

But since Brexit, the ensuing dissolution that many feared has not come to pass. Instead, Emmanuel Macron was elected in France, which was interpreted by many as a firm rejection of the separatist politics of the U.K.'s decision. Macron won his election running on an explicitly pro-E.U. platform and was largely supported.

However, the future of the E.U. still depends on the upcoming election in Germany, which Macron seems to place the majority of his faith in.

"I share his idea to bet everything on Germany," Mr. Letta said. "This is the key point: Without a proactive German presence in Europe, it is very difficult to move towards unity.

European unity

The impacts of Brexit on the luxury economy have already been established.

While Brexit negotiations still remain at a standstill, the possibility of a future "Light Brexit" is revealing to have a significantly positive impact on British affluent.

According to a report from Euromonitor, those with a disposable income of \$75,000 or more will benefit from the healthy economy that a softer Brexit would create. However, the most severe "No-Deal" Brexit could open up the potential for a significant increase in poverty ([see story](#)).

But the issue has been complicated by the U.K.'s snap election this summer.



Leave.EU played a key role in the British public's historic vote on June 23, 2016 to leave the European Union. Image courtesy of Leave. EU

After the surprise election results in the United Kingdom that saw the Labour Party win far more seats than any

anticipated and a hung Parliament, British luxury is now trying to frantically decide how this new paradigm will affect the industry.

The primary issue of a hung parliament is the uncertainty and difficulty in making strong decisions. With Brexit on the horizon poised to have a major effect on every aspect of the British economy, especially the luxury industry, a hung parliament could make negotiating a favorable deal difficult ([see story](#)).

"I think that there are just two options on the table," Mr. Letta said. "The no-deal deal and the five year transition period deal.

"Europe is not so bad. Everything is about the single market, it is our daily life."

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.