

The impact of eu on uk businesses report

[Business](#), [Company](#)



Introduction

Being among the 27 states in the European Union (EU), the United Kingdom (UK) is subject to the policies of trade adopted by the community.

Consequently, this has affected UK's businesses both positively and negatively.

Body

The EU encourages innovations in business through funding research projects in technology, thus companies now use sophisticated technologies in production. Consequently, volumes of production have greatly increased especially in small and medium-based enterprises in the UK (Hegarty and Fredrick 2008, p. 34). Export of local goods has increased, thereby increasing the government's revenue. Moreover, through the EU funding, UK is able to expand its local companies, which in turn increases job opportunities hence stabilizing the economy.

EU also regulates trade tariffs among its member states. This makes it possible for the UK and other EU states to trade with limited restrictions.

Owing to the fact that many nations have joined the EU, markets of products and services from the UK have expanded. As a result, employment opportunities for UK citizens have tremendously increased thereby improving their living standards. EU has also simplified the importation of raw materials from member states and thus reduced processing expenses.

The EU holds many international conferences informing entrepreneurs on new business strategies and market opportunities across the globe. This has helped entrepreneurs increase their sales and profits.

EU introduced the Euro making it easy for the UK entrepreneurs to price its commodities and services in relation to other nations' prices. This therefore makes the UK have a better strategy in competition (Needle 2010, P. 88).

Conversely, some measures taken by the EU also have negative effects on UK businesses. The regulations of trade tariffs and taxation by the EU have led to reduction of revenues thus hindering economic development (Abbott 2002, p. 80). Additionally, in recession times, UK cannot fuel its economy because of the Euro usage. UK could have done so earlier by devaluing its currency – the pound, and thus increasing exports (Flowers & Lees 2008, p. 273). Moreover, EU policies allow free movement of people within its member states. As more foreigners invest in the UK, competition becomes stiffer and market for local goods diminishes.

Conclusion

Measures taken by the EU have promoted businesses within the UK in various capacities. This includes reduced trading legal requirements, unrestricted movement of traders, introduction of the euro and the harmonization of safety standards. However, some of the measures taken have negatively affected the UK, some of the effects being reduced taxes, competition for local traders and euro usage instead of the sterling pound.

References

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