

Tech firms are already feeling impact of Brexit, says IT boss

Significant challenges ahead as big names' stock values hit

BREXIT is already presenting a significant challenge for technology firms, according to one local company.

The tech sector is second only to banking as the most impacted, said Next Generation IT director Jason Connolly.

'Google, Microsoft and IBM's stocks have already been hit with losses of between 4% and 5%,' he said.

'The UK will be a harder place to run a successful technology company post-Brexit, becoming less attractive to international investment and less globally competitive.'

'UK tech firms rely on free movement of labour, as there aren't enough UK graduates with maths, science and engineering skills to fill posts.'

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lated as international technology firms exclude it from European plans.

'The relatively small marketplace will make technology products more expensive and potentially not available in the UK at all.'

International technology firms such as Amazon use the UK as a bridgehead into Europe and a distribution hub, making major investment in the country, said Mr Connolly, but Brexit had now

created uncertainty about this method of operation and some tech companies are rethinking European strategies.

And the UK is also likely to miss out on being involved in the development of European initiatives such as GDPR, general data protection regulation, although the UK would still be required to comply, and the digital single market.

Mr Connolly said he had been more surprised by the Brexit vote in the UK referendum than he was



Jason Connolly, director at Next Generation IT.

by Donald Trump's success in the US presidential election.

The uncertainty over clarifica-

tion of Mr Trump's policies was a concern for business, he said.

'This uncertainty, combined with greater protectionism, will impact global trade, which will have a knock-on effect on the Channel Islands,' he said.

'The filip is that any change to the status quo produces opportunities, especially for nimble, opportunistic jurisdictions such as the Channel Islands.'

'On a more positive note, I have been pleasantly surprised to see Channel Island businesses continuing to recover strongly from the recession and showing resilience to the initial uncertainty shock that followed the Brexit vote.'

'There are many great local entrepreneurial businesses and individuals and it's encouraging to see continuing positive growth and expansion into new markets.'