

Panasonic to move UK headquarters on Brexit fears

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Panasonic plans to move its European headquarters from Britain to the Netherlands due to concerns over potential tax issues related to Brexit

Panasonic plans to move its European headquarters from Britain to the Netherlands later this year over concerns about potential tax issues related to Brexit, a company spokeswoman said Thursday.

"We will move our European headquarters to the Netherlands," the

spokeswoman told AFP, confirming a report in the Nikkei business daily about the Japanese electronics giant's decision.

Laurent Abadie, CEO of Panasonic Europe, told the Nikkei that the headquarters would move from outside London to Amsterdam in October.

The decision was sparked by fears that Japan could treat Britain as a tax haven after Brexit if London decides to lower its [corporate tax rate](#) in a bid to attract businesses, she said.

If Japan made the designation, Panasonic could face back taxes levied by Tokyo.

Abadie told the newspaper that Panasonic had been considering a move for the past 15 months, with concerns about post-Brexit barriers to the flow of people and goods also a factor in the decision to move.

Of the 20 to 30 people in the London office, around 10 to 20 employees dealing with auditing and financial operations would move. Investor relations staff would stay put, the newspaper said.

Britain is due to leave the EU in March 2019, in a process that has sparked uncertainty in the business sector and concern about the consequences for the country's economy.



Brexit ... no laughing matter

'High stakes'

Several Japanese firms including megabank MUFG, Nomura Holdings, Daiwa Securities and Sumitomo Mitsui Financial Group have said they are planning to move their main EU bases out of London.

Britain is hoping to strike trade deals with its major partners including Japan following its exit from the bloc and Japanese companies have more than \$60 billion invested in the country, according to the most recent statistics.

There are 879 Japanese companies employing 142,000 staff in Britain, including carmakers Honda and Nissan.

With so much at stake, Prime Minister Theresa May has tried to reassure Japanese firms, visiting Tokyo in August last year and hosting top executives in London earlier this year.

However, like many of Britain's closest partners, Japan has voiced concern about business relations post-Brexit. Japan's ambassador to London Koji Tsuruoka warned of the "high stakes" of Brexit saying that no company could function if profits dry up in Britain.

And Nissan is already preparing to axe hundreds of jobs at its factory in the northeastern city of Sunderland—which produces 500,000 vehicles per year—as British sales slump.

Earlier this week, the head of Keidanren, which represents 1,000 Japanese firms, expressed his frustration in an interview with the Financial Times.

"We just can't do anything. Everyone is seriously concerned," said Hiroaki Nakanishi.

Different scenarios are being debated, ranging from reversing Brexit to plunging into Brexit without a deal, noted Nakanishi. "We're now in a situation where we have to consider what to do in all of them."

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