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**'THE BREXIT AGREEMENT REACHED TODAY BETWEEN THE UK GOVERNMENT AND THE EU IS A MAJOR STEP TOWARDS AVOIDING WIDESPREAD DISRUPTION IF THE UK 'CRASHED OUT' OF THE EU ON OCTOBER 31 WITHOUT A DEAL', SAYS NWU BUSINESS SCHOOL ECONOMIST PROF RAYMOND PARSONS.**

'The fact that the UK and the EU after complex negotiations have reached an agreement on Brexit will be generally welcomed in view of the wider implications of 'hard' Brexit for key components of the world trading system. Although SA and SACU recently signed an agreement with the UK to ensure continuity in the tariff regime irrespective of the Brexit outcome on October 31, major shifts in tariff arrangements inevitably generate unintended consequences in a highly economically integrated world.

To become entrenched the latest Brexit deal will still need to develop momentum and enjoy further political support in both the UK and Northern Ireland. The next key step is for the UK Parliament to decide on Saturday October 19 whether it will back the deal or not. There remains much to play for at different political levels in the UK in order to make the latest Brexit outcome irreversible.

The emergence of a UK-EU Brexit deal at this stage has nonetheless reduced the risk of the UK 'crashing out' of the EU without a deal on October 31, which would have incurred high economic costs. There would immediately also have been serious disruptive logistical consequences for all countries doing business with the UK, including South Africa. A smooth and orderly Brexit remains first prize for both the UK and the EU in terms of their respective economic futures and their trade relations with third countries.'

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