

Muskegon Chronicle

With U.K. out, union looks to renegotiate trade, business

EU scrambles



The Associated Press

Britain voted to leave the European Union after a bitterly divisive referendum campaign, toppling the prime minister Friday, sending global markets plunging and shattering the stability of a project in continental unity designed half a century ago to prevent World War III.

That decision launches a yearslong process to renegotiate trade, business and political links between the United Kingdom and what would become a 27-nation bloc, an unprecedented divorce that could take a decade or more to complete.

"The dawn is breaking on an independent United Kingdom," said Nigel Farage, leader of the U.K. Independence Party.

"Let June 23 go down in our history as our independence day!"

Prime Minister David Cameron, who had led the campaign to keep Britain in the EU, said he would resign by October and left it to his successor to decide when to invoke Article 50, which triggers a departure from the European Union.

"I will do everything I can as prime minister to steady the ship over the coming weeks and months," he said. "But I do not think it would be right for me to

try to be the captain that steers the country to its next destination."

Polls ahead of the vote had shown a close race, and the momentum had increasingly appeared to be on the "remain" side during the past week. But in an election Thursday marked by notably high turnout — 72 percent of the more than 46 million registered voters — "leave" won with 52 percent of the votes.

The result shocked investors, and stock markets plummeted

A journalist holds up a copy of a newspaper Friday during a television broadcast outside a London bank. In the wake of the referendum vote for Britain to leave the European Union, Britain's Prime Minister David Cameron announced he would resign by October. (AP)

around the world, with key indexes dropping 10 percent in Germany and about 8 percent in Japan and Britain.

Seeking to calm frayed nerves was the most prominent "leave" campaigner, Boris Johnson.

Taking a somber tone unusual for the flamboyant former London mayor, he described the EU as a noble idea that no longer was right for Britain.

SEE EU, A2



A Vote Remain poster lies discarded Friday on the ground in London's Parliament Square. (AP)



Specialist Ronnie Howard works with traders Friday on the floor of the New York Stock Exchange. U.S. stocks plunged after Britons voted to leave the European Union. That decision is expected to ripple through economies around the world. (AP)

Is Brexit a speed bump or a crisis for world economy?

By David McHigh
The Associated Press

FRANKFURT, Germany — Britain's vote to leave the European Union adds a heavy dose of uncertainty to a world economy that still is struggling to reach full speed years after the global financial crisis.

The most immediate pain will be felt in Britain. But economists say the ripples could be felt much farther afield.

Companies will wonder whether to invest or locate in Britain during the yearslong negotiations to define new trade conditions with the EU, its biggest business partner.

Across Europe, trade and immigration may lose ground to nationalism and protectionism. The EU, minus Britain, may turn to more government intervention and regulation. Other countries eventually may seek to leave the bloc.

"A new set of economic circumstances has been created, which the world will have to deal with," India's Finance Minister Arun Jaitley said. "Volatility is the new norm."

The global economy isn't in crisis at the moment, but growth is muted and uneven among countries. The International Monetary Fund forecasts growth of

3.5 percent this year. The Chinese economy is slowing, the U.S. recovery has hit a slower patch, major emerging economies such as Brazil are in recession, and Europe and Japan are stagnating.

That's not good enough to bring people out of poverty or get them jobs. Unemployment remains at a high 10.2 percent in the 19 countries that use the euro; in the U.S., it's a lower 5.5 percent, but the labor participation rate has not recovered since the recession of 2008-9.

The most direct economic pain will be felt by the U.K., while the direct consequences for the world economy likely will be more moderate.

Then there are indirect effects. Stock market plunges can make people feel poorer and less likely to spend.

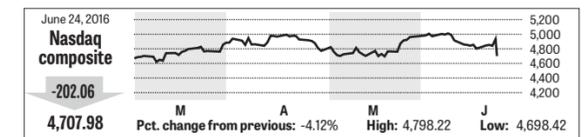
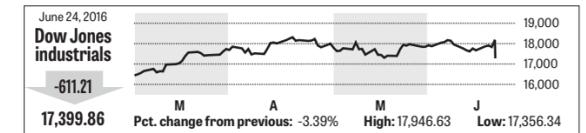
Uncertainty can make executives put off investments in new production.

"Uncertainty certainly impedes investment decisions, and with few signs of any pickup in the global economy, we're probably going to see a slower rebound in capital spending," said Sara Johnson, senior research director of global economics with HIS Global Insight.

MARKETS

STOCKS PLUMMET

In the wake of Britain's EU decision, stock markets were in tumult Friday. For more on stocks and mutual funds, see A4 and A5.



ROTHBURY

Michigan beers get solid reviews from Electric Forest patrons

By Brandon Champion
bchampion@mlive.com

Michigan beers got top grades from many of those who sipped them at a tasting event Thursday to kick off Electric Forest 2016.

Bell's Brewery was the official host of the tasting event, offering patrons some of their most popular beers for free at the Sherwood Ale House inside the Electric Forest venue.

The beer tent also features Founder's, Unruly Brewing Co. and Newaygo Brewing Co., along with a host of varieties from throughout the United States.

"I've bought nothing but good

beer here," said Bill Seymour, of Massachusetts.

"I don't drink much beer, but this weekend I just decided, this is Michigan, there's beer everywhere."

The popular music festival officially kicked off Thursday at the Double JJ Resort in Rothbury. An estimated 40,000 people are expected to attend the four-day festival.

Representatives from the Kalamazoo-based company were handing out stickers, can wraps, lip balm and other merchandise.

Alec Brigante, who said he is from "the best little town in the world," Colchester, Vermont., tried

the Seven Cousins Double IPA from Newaygo Brewing Co.

"It's really good," he said. "It's a little lighter in hops than I thought it was going to be, but not in a bad way."

The beer packs a punch with an alcohol by volume of 9.1 percent. The brewery's website description reads: "Eight hop varieties battle for dominance in this juicy IPA which also features a delicious, boozy, and toasted bod."

Diego Mendoza, of Massachusetts, is a fan of one of Bell's specialty beers, the Quinannan Falls Special.

SEE BEER, A2



A totem is held up Thursday on the first day of Electric Forest at the Double JJ Ranch in Rothbury. Free beer tastings proved many liked the Michigan brews. Electric Forest runs through Sunday. (Joel Bissell/MLive.com)

INDEX

Advice..... B8 ComicsA7 Sports.....B1
Classified.....B6 LotteryA2 Weather.....A3

NEWS

Catch up on the latest, mlive.com/news.

SPORTS

Game results and more, mlive.com/sports.

FEEDBACK

Send your comments to comments@mlive.com.

