Five years on, Brexit has already transformed the economy

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People's Vote marches. All-night sittings over obscure amendments in the House of Commons. The Supreme Court over-turning government decisions, snap elections, warnings of the closure of the car factories, long lectures on cherry-picking from Michel Barnier, and scare stories about shortages of lettuce.

It is amazing how time flies when you are having fun. It may seem like only yesterday that the UK voted by a narrow margin to leave the European Union. In fact, it was five years ago on Wednesday.

We only finally left, in the sense of severing control from Brussels, at the start of this year. And yet, in truth, Brexit has already transformed the British economy. Like how?

We are witnessing a shift back to our historic trading patterns; wages are starting to accelerate upwards; our industrial base is changing; and we are finally creating a regulatory regime that works for the UK.

We can all argue - and no doubt will - about whether that is for better or worse. Yet there can be no question the country is now set on a very different path.

Rewind five years, to the morning after a vote that took almost everyone by surprise, and the consensus was that the British had committed economic suicide. The pound dropped by the most on record, at one point getting close to parity with the euro and even the dollar. Investors fled from the London market.

A new Prime Minister was desperately searching around for some kind of strategy for leaving the EU, and business was attempting to work out how it could cope with our departure. As we now know, the predictions of Project Fear turned out to be wildly over-blown.

House prices haven't collapsed, unemployment hasn't soared, and although some jobs have been lost, factories have not relocated wholesale to France and Spain, nor has the City decamped en masse for Frankfurt and Paris even if Amsterdam has picked up some trading business.

And yet, even though we only really left in January as the transition period ended, our departure has already started to slowly transform the British economy. Here are the four most significant changes.

First, a historic shift in trading patterns. The Remain camp made much of the fact that Europe was our main trading partner. While true, it neglected to mention that was largely a historical aberration. Sure, at the time of leaving it accounted for more than half of imports, and 45pc of exports, although that figure had been declining for a decade before we voted to leave.

But if you go back further, trade with the rest of Europe was far less significant. According to House of Commons figures, in the wake of the Second World War what became the EU accounted for about 20pc of our out trade. Before the First World War it was about 30pc (there was a big shift to the Empire during the protectionist 1930s).

Behind the EU's walls of tariffs and quotas the percentage with the rest of Europe increased dramatically. The important point is this: the long-run figure for the UK is for about 25pc of our trade to be with Europe, if we maintain an open market that is where we will end up - and that will mean buying and selling a lot less with France, Germany and Spain.

Next, wages are rising. There was a lot of clever-clever theoretical modelling to try and show that freedom of movement didn't have any impact on wages. And yet, basic economics says that when you increase the supply of something - workers, for example - the price goes down, and when you reduce it, the price goes up.

And, lo and behold, now that we have curbed the unlimited supply of EU workers, wages are starting to accelerate dramatically. They are rising at an annual rate of 8pc, and in some sectors more than 20pc.

Sure, lots of employers will complain about "shortages" of labour. What they actually mean is they can't find a Hungarian guy to put in a night shift at their warehouse for minimum wage on a zero hours contract.

So long as we ignore them - and they will get their heads around robotics quickly enough now that they have to - wages will carry on accelerating, and that will level up the country far more effectively than anything else we might do.

Third, we are changing our industrial base. Low-value, low-skilled work is starting to shift out of the country, mainly because it doesn't have access to cheap labour anymore. Meat processing, for example, may shift elsewhere. So will a lot of food production and continent-wide distribution (the paperwork is too much hassle).

In its place, higher value-added manufacturing is starting to expand, in green energy and life sciences for example. It will be a far more Swiss model.

Finally, it is taking a long time, and happening very slowly, but we are creating regulatory regimes that work for the UK.

The City is opting out of rules on green finance and solvency where many of the regulations imposed from Brussels were needlessly complex. We may - fingers crossed - not have to tick that annoying box that says we "accept all cookies" every time we visit a website, and in time we may have a government bold enough to liberate business completely from the nonsense of GDPR.

True, it is far too slow so far, but we are starting to get to grips with creating a far more light-touch regulatory regime.

There has been lots of noise, and plenty of short-term distractions. As we wrangle over Northern Ireland, over financial services, and a dozen different issues, there will be plenty more arguments in the years ahead.

Even so, there can be no question that leaving the EU was a major turning point for the British economy. It will play out over two decades, at least. But five years since the votes were cast, the big trends are clearly visible.