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The Manufacturers' Organisation

PREPARING FOR BREXIT: DEAL OR NO DEAL

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EXECUTIVE SUMMARY

We are just weeks away from the current Brexit deadline but in reality we seem no closer to reaching a deal which satisfies the UK Government, UK Parliament and the EU. The threat of a no-deal Brexit lingers – whether on 31 October or, in the event of an extension, on a future date. The reality is, therefore, that manufacturers must prepare – those who have taken steps must ensure they remain prepared, and those who have more to do should do it now.

Manufacturers are being left to operate in a seriously challenging trading environment. Why would companies prepare for a further deadline months later? And to what end – are we really any closer to reaching a deal which the EU, the UK Government and Parliament will accept?

Parliament's recent actions have sought, yet again, to take no deal off the table. This new legislation pushed through by opposition parties means a further extension looks more likely than ever. Taking no-deal on 31 October 2019 off the table is to the advantage of manufacturers. Postponing the threat to a future date and repeated short extensions, however, are highly damaging to the profitability of UK manufacturing.

This report explores the impact the Brexit delay has already had on manufacturers with most already reporting significant losses, both financially and in credibility terms. We also assess how prepared manufacturers are for a no-deal Brexit – and what the likely impact would be.

While some are well prepared, many others could strengthen their position ahead of a no-deal Brexit - whether on 31 October 2019, 31 January 2020 or later.

The EU has been our largest and most integrated trade partner for decades. Extracting ourselves from this partnership in a way which protects the UK's thriving manufacturing sector requires significant further Government engagement, investment and time. With manufacturers' confidence in the overall economy down by almost half over recent months it is clear that manufacturers are not optimistic about our economic future.[1]

The message to Government is clear – with just 2% of manufacturers believing a no-deal Brexit would positively affect our ability to do business with the EU, we must do all we can to avoid the irreversible impact a no-deal Brexit would have on UK manufacturing: Make UK calls on the Government to prioritise securing a deal with the EU as soon as possible.

[1]https://www.makeuk.org/news-and-events/News/2019/09/04/Manufacturing-Outlook-2019-Q3

CONTEXT

Britain's manufacturing sector has benefited from a modern renaissance and is arguably stronger now than it has been at any point in decades. It forms a larger part of our economy than either financial services or construction, contributing more than 10% of domestic product. The UK manufacturing sector accounts for £192bn of output and 44% of our global exports worth over £273bn to the UK economy. Close to 3 million people work in manufacturing, with many more in jobs that either support the sector or are dependent upon it.

British manufacturing has embraced modern and sophisticated techniques and has become an internationally recognised centre of global best practice for lean and just-in-time techniques and processes. Additionally, across manufacturing there has been a speedy response to changing customer needs. Many capital goods products are now sold or leased with significant service options that require dynamic and swift deployment of people on a 24/7 basis. British-made products have a hallmark that is recognised around the world as a sign of quality, pedigree and heritage. While that respect has lasted for decades, the processes that sit behind these products today are as modern, innovative and technology based as anywhere globally.

Critically, this commitment to embracing and perfecting modern techniques, allied to a highly skilled and committed workforce and an entrepreneurial spirit, has helped create a dynamic and successful approach to exports.

Manufactured goods now make up close to half of all exports leaving the UK, and contribute almost £275bn to our economy. Of that total, around half of those exports leave for other countries in the EU and around a further 18% depart for countries elsewhere in the world where we trade through the provisions of EU-negotiated free trade agreements.

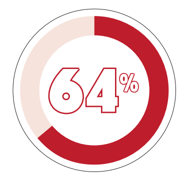
What is clear, ahead of any analysis of Britain's manufacturing industry today, is that manufacturing is a hugely significant part of our economy. It is a modern, resilient and forward-leaning sector with a commitment to adaptability and quality which has driven a huge trading culture in Europe and beyond. There is, therefore, an umbilical link between the future health of this sector and the millions of jobs that depend upon it and on the nature of our trading relationship with the EU. Handled badly, Brexit has the capacity to cause significant harm to a great British national asset.

OVERVIEW

The cost of the Brexit delay

Since the referendum result in June 2016, UK manufacturers have been grappling with the challenge of preparing to trade post Brexit. Despite two new Government departments, years of negotiations, many failed parliamentary votes and billions of pounds spent by Government and business, we find ourselves again on the verge of a possible Brexit date lacking a definitive decision on the terms of our departure. Will it be no deal or a deal on 31 October? Will Brexit be delayed again? Will the risk of no-deal be extended to 31 January 2020?

The delays to date have been costly, and not only for the Government. UK industry was asked to prepare for all eventualities – most costly was to mitigate the impact of a possible no-deal Brexit on 29 March 2019 and then again on 12 April 2019. On both potential Brexit dates the extension was taken to the wire, leaving manufacturers just days to adapt to the changed position – costly for businesses of all sizes.



OF MANUFACTURERS SAY THE BREXIT DELAY AND UNCERTAINTY HAS HAD A DIRECTLY NEGATIVE IMPACT ON THEIR COMPANY'S PROFIT MARGIN IN THE PAST TWO YEARS

Source: Make UK Brexit Survey 2019

Manufacturers had to make a U-turn from extensive no-deal preparations. In the first quarter of 2019, we saw stockpiling activities reach the highest level ever recorded in the G7. Demand for warehouse space rocketed by an unprecedented 32%. This surge at the start of 2019 could only be followed by a slump. Our April to July figures showed export orders down 8% and at the lowest level they had been in recent years. Domestic orders had collapsed – down by 11%. Investment in UK firms was paralysed.

The impact on manufacturing was particularly acute owing to its complex, integrated supply chains, just-in-time delivery and its dependence on European labour. Will the risk of no-deal be extended to 31 January 2020? Recent months, however, do not show the beginnings of stockpiling despite the 31 October deadline. Low warehouse availability ahead of the festive season may make stockpiling ahead of the October deadline particularly difficult.

The EU is already moving business away from the UK

These financial losses are unlikely to be confined to the past – the impact will be felt deeply in the coming years. Businesses were asked over the summer to prepare again for no deal in October 2019. But what incentive was there for manufacturers to do so? Implementing no-deal preparedness is a costly gamble in the first place. Maintaining it in the face of ever-changing dates and terms simply does not make good business sense.

Successful businesses identify and mitigate risks. EU companies are in a position to take action – and can divert business from the UK to other, more certain suppliers. Some manufacturers have already reported long-term customers being lost in favour of EU suppliers. Others are reporting significant delays or holds on orders from EU customers. And some manufacturers are even reportedly being asked to meet any potential financial implications, such as increased tariffs, should they materialise in the course of a contract. All this adds up to halted or diverted investment hampering the present and future growth of UK manufacturing.

ALMOST 1/2 OF MANUFACTURERS HAVE ALREADY EXPERIENCED A NOTICEABLY NEGATIVE CHANGE IN EU CUSTOMER/SUPPLIER APPETITE TOWARDS DOING BUSINESS WITH THEM

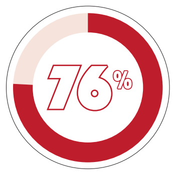
Source: Make UK Brexit Survey 2019

Manufacturers still fear a no-deal Brexit outcome more than any other

Beyond the extreme frustrations relating to the continued uncertainty, manufacturers remain most concerned about the impact of a no-deal Brexit. The lingering threat of no deal has been enough to lose customers and cut jobs. A number of manufacturers are downsizing or completely shutting down in the UK. Even the most profitable market leaders are suffering.

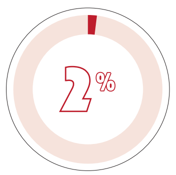
The reality is that a no-deal Brexit would cost businesses, customers and jobs. Some 60% of manufacturers would increase product prices and one-third would cut staff.[2] While many argue that zero tariffs would bring down costs for consumers, the Institute for Fiscal Studies has calculated that, in the event of no deal, tariffs would only reduce prices to household consumers by between 0.7% and 1.2%. So any fall would be quite negligible.

But, more alarmingly, UK manufacturers overwhelmingly believe there is more custom to be lost in the event of a no-deal Brexit, with just 2% believing that a hard exit could increase the appetite of EU businesses to deal with UK companies.



OF UK MANUFACTURERS FEEL THAT A NO-DEAL BREXIT WOULD HAVE A NEGATIVE IMPACT ON THE APPETITE OF EU CUSTOMERS/SUPPLIERS

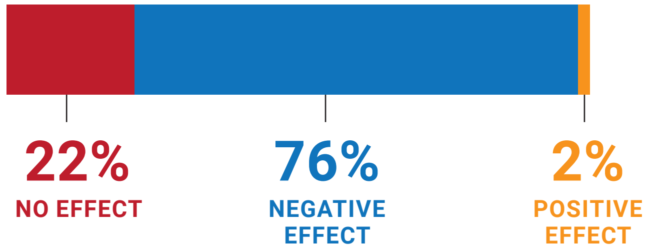
VS ONLY



WHO BELIEVE IT WOULD HAVE A POSITIVE EFFECT

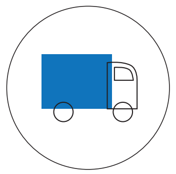
Source: Make UK Brexit Survey 2019

Impact of no deal Brexit on the appetite of customers/suppliers to do business with your company in the next two years



Source: Make UK Brexit Survey 2019

Manufacturers have prepared… but is it enough



UK BUSINESSES EXPORT A TOTAL OF **£238BN** OF GOODS AND SERVICES TO THE EU ANNUALLY – AND THE HIGHEST-VALUE ITEMS ARE KEY ELEMENTS OF THE UK'S MANUFACTURING SECTOR

UK goods exports to the EU, 2018[3]

	£ billions	% of total
Petroleum, petroleum products	20.6	12.0%
Road vehicles	17.3	10.1%
Medicinal & pharmaceutical products	10.9	6.3%
Other transport equipment	9.1	5.3%
Miscellaneous manufactured articles	8.7	5.1%
General industrial machinery	6.9	4.0%
Electrical machinery & appliances	6.8	3.9%
Power generating machinery	6.3	3.7%
Articles of apparel & clothing accessories	5.4	3.1%
Organic chemicals	4.5	2.6%

Source: HMRC, UK Trade Info

[2]Make UK snap survey of UK manufacturers, February 2019.
[3]Matthew Ward, 'Statistics on UK-EU trade', House of Commons Briefing Paper, 24 July 2019, available at https://researchbriefings.files.parliament.uk/documents/CBP-7851/CBP-7851.pdf.

Preparing to trade in a post-Brexit world is a resource-intensive activity with little certainty as to whether any of the benefits will ever be reaped. There are a number of variables, and each company has to make its own judgement with regard to what is a proportionate response. A single manufacturer can only do so much to assure itself that its supply and distribution chains have robust preparations in place. Crucially, industry can only do so much without clear, practical and timely guidance and information being provided by the Government. UK manufacturing needs the Government to be clearer about what it wants to achieve if it expects companies to prepare: manufacturers need a clear outcome to aim for.

Make UK has long campaigned for a Brexit deal that works for manufacturers. Our 2018 report, *Brexit – Making it Work for UK Manufacturers*[4], set out the four outcomes manufacturers need from the Brexit negotiations:

1. **Frictionless trade** by ensuring no tariffs on the import of goods and ensuring that British companies can continue to operate just-in-time delivery logistics as part of an integrated supply chain.

2. **Access to skills:** the ability for workers to move into and out of the UK, ensuring that British companies can fill vacancies where they have skills gaps and send workers overseas to meet the requirements of service contracts and other commercial opportunities.

3. A commitment for Britain to maintain **mutually recognised, close regulatory alignment** with the EU, supported by a common system of arbitration and standard setting, ensuring that British firms can produce goods that can be easily traded across Europe, and with clear protections in place.

4. A properly **planned, open-ended implementation period** for leaving the EU, likely to take many/several years, and open ended to allow trade negotiations sufficient time to conclude and the outcome to be implemented without artificial constraints.

The Government has in recent months been robust in its plan for the UK to leave the EU on 31 October with or without a deal. While the Prime Minister, Boris Johnson, has been clear that his preference is to leave with a deal, he has repeatedly confirmed that he is prepared to proceed with a no-deal Brexit. This report explores the implications of a no-deal Brexit for manufacturers, set in the context of our four requisite outcomes. It assesses the level of preparedness of UK manufacturers and explores what plans they have to expand their exports post Brexit.

[4]https://www.makeuk.org/-/media/EEF/Files/Reports/Industry-Reports/Brexit-Making-it-work-for-manufacturing-2018.pdf

1. FRICTIONLESS TRADE

For 40 years, the Customs Union, in tandem with the single market, has allowed the movement of goods across the UK–EU border seamlessly. Without the hindrance of customs processes, tariffs and duties, UK manufacturers have grounded their businesses in highly complex, integrated supply chains. UK-based manufacturers have levered the ease of access, the commonality of the rules and regulations and business service transactions with the EU, to serve multiple relationships from a single, home-based sourcing and logistics option. Put simply – frictionless trade is at the heart of UK manufacturing's profitability.

The prospect of the UK leaving the EU without a deal poses a substantial risk to the profitability of manufacturers operating in the UK.

DISRUPTIONS TO SUPPLY CHAINS COULD REDUCE NET PROFITS OF FIVE KEY UK MANUFACTURING INDUSTRIES ALONE BY AS MUCH AS 30%, OR £3BN, WITH AUTOMOTIVE AND TECHNOLOGY INDUSTRIES AMONG THE HARDEST HIT, INDUSTRY ANALYSIS PREDICTS[5]

TARIFFS

As a member of the EU, the UK benefits from free movement of goods – we are not subject to any tariffs when moving goods within the EU. The UK also benefits from more than 40 free trade agreements the EU has negotiated with more than 70 third-party countries (including Canada) and other trade blocs and the individual reduced tariff arrangements that have been negotiated as part of these deals.

The Government set out its tariff policy for the event of a no-deal Brexit, creating a temporary zero-tariff period of one year. In the event of a no-deal Brexit, the UK would no longer have any trade agreements with the EU or almost any other country on tariffs, so businesses would immediately have to operate on those new terms without any time to prepare or transition.

The Government proposed an emergency tariff policy which would effectively exempt 88% of the total value of imported products to the UK from being subject to tariffs.

UNDER THE PROPOSED SCHEME, **88%** OF CURRENT IMPORTS BY VALUE WOULD BE ELIGIBLE FOR ZERO-TARIFF ACCESS COMPARED TO THE 80% OF IMPORTS THAT ARE ALREADY TARIFF FREE

These new tariffs would only take effect in a no-deal Brexit. The Government says the new regime would be only temporary, and the plan is that it would only be used for up to 12 months.

Nevertheless, the proposed new tariff regime would have an immediate and significant impact, so it is important to understand what the regime would mean for individual manufacturers.

Why a zero-tariff policy?

Currently, the UK can import and export goods tariff free from the EU, while imposing tariffs on goods entering from elsewhere. In a no-deal scenario, WTO rules prohibit this selective approach. This means that the UK Government must either open our markets to imports from anywhere in the world, or impose tariffs on goods from the EU. This sets up an invidious trade-off between protecting manufacturers and keeping consumer prices low: and the Government has – largely – chosen to prioritise consumers over producers.

But a comprehensive analysis by the Institute for Fiscal Studies estimated that complete abolition of all tariffs would at best only reduce the average prices faced by households by about 0.7–1.2%.[6]

This is because the average tariff rates that the EU charges on the sorts of goods consumed in the UK are not particularly high. This compares with the estimated 2.0% increase in consumer prices that resulted from the depreciation in sterling that occurred in June 2016.

[5]Thomas Kwasniok, Peter Guarraia and Michael Garstka, 'Is Your Supply Chain Ready for Brexit?', Bain & Company, 6 February 2017, available at https://www.bain.com/insights/is-your-supply-chain-ready-for-brexit/.
[6]Peter Levell, 'Little scope for post-Brexit tariff reductions to cut consumer prices significantly', Institute for Fiscal Studies, 20 March 2018, available at https://www.ifs.org.uk/publications/12853.

In other words, abolishing the majority of tariffs will not necessarily help British consumers or British businesses and would make it easier for foreign goods to undercut ours.

Of course, the UK can also currently export to the EU tariff free. In a no-deal Brexit, the EU is also required to impose its common external tariff rates on UK goods. While the average rate is 5.3%, it is higher in some sectors – such as automotive (10%). This will impose significant additional costs on UK exporters and make their products less competitive compared to those produced in the EU. For example, Make UK estimates that the UK automotive sector will face additional tariff costs of £1.9bn a year and new customs admin costs of £37m a year in the event of a no-deal Brexit.

How would this tariff regime affect manufacturers?

This tariff regime would have three key impacts. First, there would be an initial cost and bureaucratic burden which would have to either be absorbed by manufacturers or passed on to customers. Second, it would remove vital protections for home-grown manufacturing industries. Third, the UK would lose its best bargaining chip in negotiating future trade deals – our strict tariff regime would be in shreds.

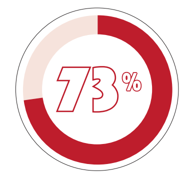
Cost and bureaucracy

While this is a relatively small proportion, just 7% of our total imports, the costs would still need to be met by industry. In February 2019 we asked manufacturers about the cost of no deal, and 60% said no deal would mean price increases on products. The imposition of no deal tariffs would be a key driver of these price increases.

The proposed emergency zero-tariff regime was designed to cushion the immediate impact of a no-deal Brexit. In the period immediately post Brexit, however, importers purchasing products from the EU would see little change in their import tariffs but would experience considerable increased costs in customs and regulatory bureaucracy.

Some would say that zero tariffs means savings: manufacturers sourcing raw materials from overseas would benefit from no tariffs on those elements. Make UK's latest Brexit survey suggests, however, that any potential gains in consumer prices from 0% tariffs would be offset by the increased costs of customs and regulatory bureaucracy in the event of a no-deal Brexit.

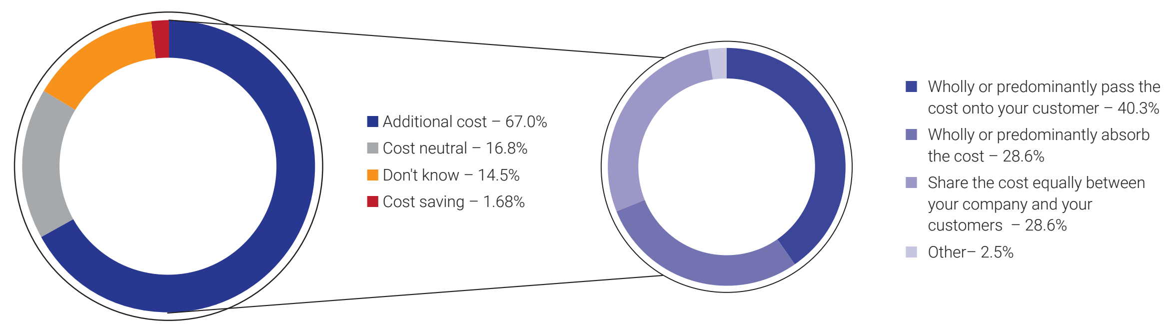
BY MAKE UK'S CALCULATIONS, UNDER THIS PROPOSED SCHEDULE, **£63BN** OF IMPORTS WOULD ATTRACT TARIFFS: £46BN FROM THE EU AND £17BN FROM OUTSIDE THE EU[7]



OF MAKE UK MEMBERS BELIEVE THE PROPOSED ZERO-TARIFF PLAN WOULD RESULT IN ADDITIONAL COSTS FOR THEIR BUSINESS VS JUST 3% WHO EXPECT A COST SAVING

Source: Make UK Brexit Survey 2019

Paying the price of new tariffs



TWO-THIRDS OF MANUFACTURERS EXPECT THE NO-DEAL TEMPORARY TARIFFS TO COST THEIR COMPANY MORE – AND THE MAJORITY PLAN TO WHOLLY OR PARTIALLY PASS THAT COST ON TO THE CONSUMER

Source: OECD EBOPS services trade database, CEPII GeoDist database.

[7]Manufacturers can assess the costs to them using Make UK's Brexit toolkit, available at https://www.brexittoolkit.co.uk/.

Home-grown industries could be vulnerable

Tariffs and regulations on foreign imports make UK products more price competitive – so cutting all tariffs is likely to harm some parts of domestic industry.

More significantly, however, without tariff and non-tariff barriers, foreign goods could flood the UK market with cheaper alternatives. This could wipe out some home-grown UK industries in the manufacturing sector, such as ceramics, food and drink, and chemicals. At the same time, British businesses would be blocked from competing when selling our goods overseas because UK manufacturers would still have to pay export tariffs when selling their goods.

For some highly sensitive products, particularly in the agriculture sector, the Government proposes a Tariff Rate Quota (TRQ) system to restrict the inflow of the low/no-tariff products, and the rest of those goods coming into the UK would face a higher duty. Countries would be allocated certain quota amounts they can send to the UK in each calendar year. This is a complex and competitive process, and setting up these TRQs would be a task in itself, let alone administering them in the longer term.

Losing our bargaining leverage in future trade negotiations

The Government has made big promises about the UK's negotiation of new trade deals post Brexit. Unilateral tariff reductions would rob the UK of bargaining chips in future trade negotiations, potentially limiting the UK's ability to obtain greater access to overseas export markets.

The Government would have no bargaining leverage to negotiate successful trade agreements with partners in the rest of the world. The UK would effectively have eaten into the negotiating room it could offer those countries by dropping tariffs to zero, rather than trading our tariffs off in a negotiation and receiving a reciprocal concession in return.

A no-deal Brexit plus zero tariffs magnifies this problem – as UK intellectual property rights protections cease to be effective, it will be near impossible to prevent copycat products of UK goods being sold with heavy discounts.

Although the Government has said the zero-tariff measures would be 'strictly temporary', there is no certainty for UK manufacturers. The complexity of UK–EU negotiations means that the reality that any no-deal tariff schedule would last only one year is unrealistic. The consequence is further uncertainty for manufacturers, alongside certain additional costs and bureaucracy. Manufacturers have said clearly that those costs would need to be passed on to consumers via price increases.

CUSTOMS PROCESSES

Preparing to send and receive goods between the UK and the EU post Brexit means more than just import duties: it will mean complying with processes – leading to bureaucracy, delays and further costs. And while the Government has encouraged businesses to prepare for a no-deal Brexit, our evidence shows that there is more work to do.

No deal means a major increase in customs declarations – which means new costs

All exports (and imports) that are commercial in nature must be declared to customs and require an export declaration; in a no-deal Brexit scenario it is anticipated that there would be a fivefold increase in the number of declarations, from around 55 to 275 million, being made each year. There are a number of steps businesses can take to prepare for this vast upsurge – while some have done all they can to prepare, there is still significant work to get the remainder ready.

A NO-DEAL BREXIT WOULD MEAN AN ADDITIONAL 275 MILLION DECLARATIONS, COSTING UK BUSINESSES £15BN EACH YEAR

Businesses need to decide whether to complete the additional customs documentation themselves or to outsource it. Owing to the current Brexit uncertainty, many manufacturers are understandably cautious about investing significantly in training or taking on additional staff with customs experience. This creates a barrier to preparedness.

Just under half of manufacturers told us they have made arrangements with their broker/agent or forwarder to make import and/or export declarations on their behalf. This shows progress but, given the vast numbers of manufacturers who export/import goods to the EU, this still leaves far too many who have not made provisions for the inevitable increase in the number of declarations that will be required for goods moving between the UK and the EU.

And while many businesses are aware that they may be liable to customs duties on their intra-EU movements post Brexit, they may not have considered that they will face an increase in costs based purely on the administration of making import and export declarations. HMRC estimates the cost of using a third party to make declarations to be £56 per declaration – although our members tell us this is a conservative estimate.

FEWER THAN 1/3 OF UK MANUFACTURERS HAVE PREPARED FOR CUSTOMS PROCESSES BY PURCHASING SPECIALIST CUSTOMS SOFTWARE, RECRUITING ADDITIONAL STAFF OR TRAINING EXISTING STAFF

Source: Make UK Brexit Survey 2019

Given that such a large proportion of our members anticipate passing tariff costs on to customers, it is highly likely that many will do the same with the cost of declarations, thereby further increasing prices.

Non-tariff barriers

In addition to the direct costs and bureaucracy outlined above, there is the prospect of non-tariff barriers to trade with the EU. These include origin certification for preference arrangements, licensing where none was previously required and labelling changes to meet EU requirements, among others. Without additional guidance, businesses cannot fully prepare for, or quantify, these impacts – but it is clear there will be further costs and bureaucracy with which to comply.

How should manufacturers prepare?

As a basic starting point, all businesses must have an EORI number to identify them and record their exports and imports. As of June 2019, fewer than one-third of eligible UK manufacturers had successfully been issued with their EORI number.

Since December 2018, HMRC has issued more than 66,000 EORI numbers, covering around two-thirds of the total value of VAT-registered traders.

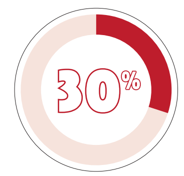
MORE THAN TWO-THIRDS OF UK BUSINESSES HAD FAILED TO TAKE THE FIRST STEP IN PREPARING TO TRADE AFTER A HARD BREXIT

Source: Make UK Brexit Survey 2019

Given that the process takes about 10–15 minutes, we welcome the Government's very recent decision to auto-enrol businesses requiring EORI numbers. The very fact that the Government is having to take this step at this late stage, however, reflects the reality that businesses have not yet had the support or the incentives they need from Government to prepare for no deal at the end of October. This step alone will not achieve post-Brexit readiness for two-thirds of UK businesses. Make UK urges the Government to provide additional support to those manufacturers who are being auto-enrolled in EORI – recognising that those businesses who have not already taken this step themselves are likely to be most in need of additional support to prepare in other ways for a no-deal Brexit.

Businesses can and should look to take advantage of a number of special procedures that are available to offer relief – these include where goods are stored, processed, have a specific use (such as aircraft manufacture) or transit through other EU countries.[8] Customs warehousing, which suspends the payment of import duty and VAT, and inward processing, which can remove the cost of paying import duty, are the first ports of call for manufacturers importing goods to the UK.

FEWER THAN



OF MANUFACTURERS HAVE APPLIED TO ADOPT A CUSTOMS SPECIAL PROCEDURE TO HELP WITH CASH FLOW OR MITIGATE AGAINST IMPORT DUTIES

Source: Make UK Brexit Survey 2019

The uptake of Authorised Economic Operator (AEO), also known as Trusted Trader, status has, however, increased recently. After 11 years of slow growth since its introduction, numbers have increased by 50% in the past six months. Holding AEO accreditation puts a business in the best possible position for facilitation by HMRC and can assist in quick clearance of goods at the border.

[8] HMRC notice 3001: Customs Special Procedures for the Union Customs Code.

Transitional Simplified Procedures (TSP) allow importers to defer giving a full declaration until after the goods have crossed the border, and to pay any duty owed a month after the import. Despite these benefits, fewer than 10% of eligible businesses had registered for TSP status by the end of May 2019.

Manufacturers have told us that the application process for AEO and Special Procedures is time consuming, particularly where a pre-approval audit visit is required. Delays and bureaucracy are particularly off-putting to companies when the Brexit deadline keeps moving.

Regardless, there is no charge by HMRC for these accreditations and, once the procedure of applying has been overcome, there are significant cost savings available to companies. Make UK urges UK manufacturers to register for AEO and TSP where appropriate. Both will be a necessary part of trading post Brexit, no matter what date the UK leaves the EU.

2. ACCESS TO SKILLS TO DELIVER SERVICES[9]

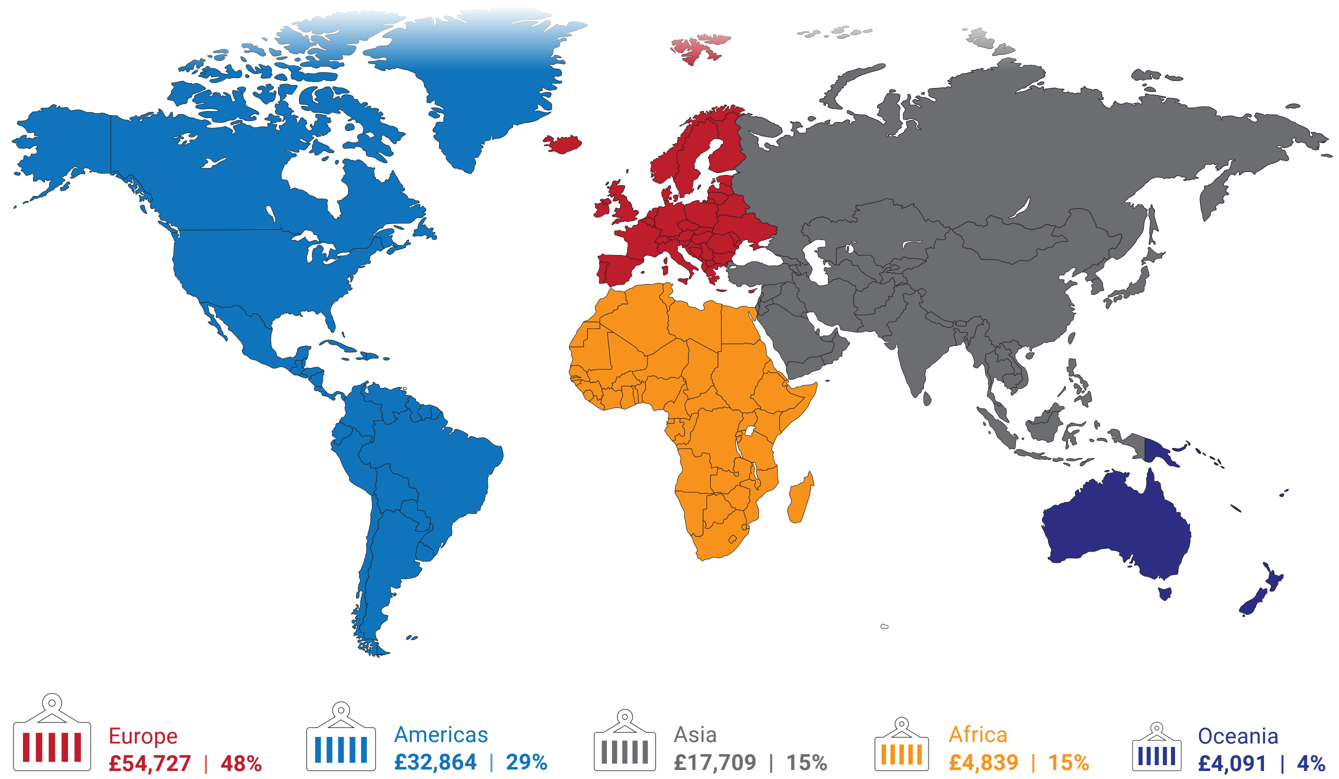
Access to EU labour post Brexit is crucial, and the Government's plans for the freedom of movement of EU workers post Brexit have changed back and forth over the summer with little clarity. Immediate limits on freedom of movement from 1 November would have a significant impact on UK manufacturing, not only for their ability to recruit new EU workers, but also their ability to post their workers into the EU to fulfil their legal obligations. Our report *Navigating Brexit – the Migration Minefield* explores in more detail this impact and the preparations needed from business. While the Government's plans for freedom of movement post-Brexit remain unclear it will be near impossible for manufacturers to fully prepare for its impact.

This section focuses on the impact of Brexit on exporting services and the knock-on effect Brexit will have on the transfer of data.

EXPORTING SERVICES

UK manufacturers do not just export goods to the EU – they are increasingly exporting services too. The single market benefits plus the geographical proximity of our EU neighbours puts the UK in the top three of intra-EU exports and imports.[10] Our growing services sector continues to export far more than it imports, with services exports worth 62% of total trade in services.

Destination of UK services exports (2018)



Source: OECD EBOPS services trade database, CEPII GeoDist database.

[9]See also our migration focused report: Navigating Brexit – the Migration Minefield, 2018, available at https://www.makeuk.org/Insights/Reports/2019/02/13/Navigating-Brexit-The-Migration-Minefield.
[10]John Springford, Sam Lowe, 'Britain's Services firms Can't Defy Gravity, Alas', Center for European Reform, 5 February 2018, available at https://www.cer.eu/insights/britains-services-firms-cant-defy-gravity-alas

UK SERVICES EXPORTS ARE IN DEMAND: £281BN IN THE YEAR TO NOVEMBER 2018, **AN INCREASE OF £2.1BN ON 2017.**[11]

The mix of goods and services is now an essential ingredient of UK manufacturing, meaning that post-Brexit barriers to the delivery of services would have significant ramifications for this growing market.

What does 'services' mean?

Exporters provide a comprehensive commercial package to their EU customers, including the sale of goods but also including installation, commissioning, technical support, spares and servicing. Take one element of this away and the UK-based offer becomes less attractive and less competitive as a result.

Crucially for the UK economy, the EU's single market provides a seamless ecosystem within which goods and services, people and capital can be traded and can move freely. Services in this context means anything that is not goods, ranging from service engineers travelling on site to EU customers to what businesses would call short-term business trips (STBTs) – meeting a customer or receiving or delivering training.

The EU's single unified market has enabled this expansion of services, with huge economic benefits for the UK economy. The risk of losing this will create uncertainty and confusion, as companies have to get to grips with a variety of regulations across the different elements of the single market. This will be particularly acute for SME businesses, as many of them have no experience of operating outside it. This confusion has been amplified by a complex Brexit debate. Our survey results bear out this trend.

How many manufacturers provide services in the EU?

OF OUR RESPONDENTS TRADE WITH THE EU, MEANING THEY HAVE EITHER CUSTOMERS OR SUPPLIERS BASED IN THE EU, AND THEREFORE WITHIN THE SINGLE MARKET

Source: Make UK Brexit Survey 2019

But when asked whether they needed their people to travel into the single market to support their business, this figure dropped significantly to just one-third (35%).

Manufacturers' perceptions of the problems that Brexit will cause their EU operations fell still further when asked if future visa requirements would hamper UK–EU travel, with only one-fifth (20%) seeing this as a concern. And almost none see the professional qualifications of their EU-bound workers as an issue, with just 1% seeing this as a future problem.

This contrasts with research we conducted last year which found that 70% of manufacturers had UK workers performing functional roles in the EU (project work, sales or marketing). Of the largest manufacturers, those with more than 250 employees, some 60% had workers in the UK who received their training in the EU. Even among the smallest Make UK members, those with fewer than 50 employees, one-third had workers who travelled into the EU for sales and marketing purposes. Underlining the point that manufacturers rely on their EU networks as a major tool to sell their products, across the board from SMEs to the largest corporates, around 60% send UK representatives to trade fairs and exhibitions in the EU.

A confused picture

Rather than this abrupt change in the data revealing that half of those companies have within just one year stopped providing services, Make UK believes, on the basis of our regular interactions with members, that this reflects genuine confusion among manufacturers about what Brexit – either with or without a deal – means.

Large and small manufacturers across the country, see travel between the UK and EU as a migration issue. And with the UK and EU both claiming they do not want to shut borders manufacturers believe that they will be able to send their EU-bound workers from the UK in the future under a broader umbrella of a migration deal with the EU. This fundamental misunderstanding has been borne out by Make UK's extensive regional meetings with its members over 2018 and 2019, and shows again that business functions often do not slot into different sections of the EU model. This is an area where we cannot be confident that the implications of fulfilling new and existing contracts post Brexit have been understood or prepared for.

What we know, then, is that whether it is trialling equipment, managing EU operations or drawing down knowledge from EU customers, UK manufacturers would be unlikely to export at their current rate into the EU without their people backing up this trade, whether this means travelling into the EU from anything from a day to a year, and then moving from one member state to another seamlessly. Services are as essential to UK manufacturers as goods, but much remains to be done to raise awareness of this and to put in place company-level changes to keep not just goods but also people flowing across the border.

[11]'New figures show British services in demand across the world', HM Government Department for International Trade data, 23 January 2019, available at https://www.gov.uk/government/news/new-figures-show-british-services-in-demand-across-the-world.

2. ACCESS TO SKILLS TO DELIVER SERVICES

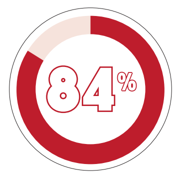
A DIGITAL BREXIT

Wherever people cross borders, data is also being transferred. Ensuring that personal data can continue to flow between the EU and the UK has been, to date, a largely neglected subject when it comes to the Brexit debate. The potential impact of restrictions on free data flows being imposed hastily in a no-deal Brexit could, however, be crippling for UK industry.

Will manufacturers stay compliant with GDPR?

Many UK manufacturers operate global businesses models, where their goods, their people, their services and their data are traded across the EU and the world. Make UK has worked extensively with its members in recent times to ensure that they are compliant with the EU's general data protection regulation (GDPR).

Achieving and then maintaining GDPR compliance has been a costly business for industry. Our survey results reflect that manufacturers plan to continue along this path.



OF RESPONDENTS SAID THAT THEY ARE COMMITTED TO CONTINUING TO COMPLY WITH GDPR AFTER BREXIT

Source: Make UK Brexit Survey 2019

GDPR is an embedded platform and there is little alternative to businesses post Brexit than to continue compliance and hope for the best – particularly given the UK's commitment to maintaining GDPR inside the UK whatever the outcome of the UK's protracted negotiations with the EU.

Where does manufacturing data go?

The Government has always maintained that it would use the transition period to negotiate suitable protections for data transfers, for example via a data adequacy decision. Without a sensible transition, UK and EU businesses could be left without the necessary protections to be able to send and receive personal data. The UK could also immediately lose the protections afforded by the EU's agreement with other nations for the transfer of data. Despite work by Make UK, the Information Commissioner and others to get manufacturers ready for possible digital disruption in the event of a no-deal Brexit, fewer than 3% of the respondents to our survey have mapped their data flows to and from the EU from the UK – a vital first step to any understanding of what Brexit will mean for UK businesses.

FEWER THAN 3% OF UK MANUFACTURERS HAVE MAPPED THEIR EU DATA FLOWS AND YET ONE-THIRD INTEND TO CONTINUE TO PROCESS DATA OF EU NATIONALS POST BREXIT

Source: Make UK Brexit Survey 2019

This suggests that few businesses are aware of what data they are processing and whether this data will continue to be covered by EU rules post Brexit. This low level of awareness and preparation for a digital Brexit is despite the fact that many manufacturers have outsourced or amalgamated their data processing with other organisations in the EU and, particularly, the Republic of Ireland. HR data, payroll and invoicing are all common business functions operated across borders and liable to be disrupted after a no-deal Brexit.

After Brexit, does your company intend to process or accept transfers of the personal data of EU nationals, whether this is in the UK, EU or elsewhere?

36%	34%	30%
NO	YES	DON'T KNOW

Source: Make UK Brexit Survey 2019

Underlining the trend towards limited preparations and a poor awareness of post-Brexit data disruption, all but one respondent to our survey indicated that they are dealing with customers and suppliers inside the EU, suggesting that a high level of EU data processing is taking place. However, just four manufacturers who responded to our survey have already appointed an EEA representative to ensure that they could continue to deal with their EU customers and suppliers post Brexit. This again very strongly suggests only a limited level of awareness of the impact on data processing of Brexit and that significant data, and therefore business disruption, is highly likely if the UK exits the EU without a data agreement in place.

Future data needs

Looking ahead, 4IR technology and digital factories of the future are fast becoming a reality, vital to ensure that UK manufacturers can compete globally and continue to improve their productivity and compete in post-Brexit global markets. It is little wonder, then, that we expect UK manufacturers to need ever greater access to digital platforms, data servers and cloud-based platforms, many of which will hold personal data. With so few manufacturers (3%) having mapped their EU data flows, these digital platforms will be vulnerable after Brexit, particularly given that just under one-third (32%) of respondents told us that they regularly access EU data servers.

With more than 82% of manufacturers employing at least one EU worker,[12] and just 2% of survey respondents having taken concrete legal steps to comply with EU data laws post Brexit, it seems that manufacturers have far greater exposure to EU data protection rules than they currently acknowledge. While the UK plans to offer the EU recognition in a no-deal Brexit, to date the Government has given almost no advice on how companies should protect themselves from 1 November if the EU no longer recognises the UK as providing an adequate level of protection for personal data. The Government has barely started the work needed to ensure that data flows do not dry up post Brexit: this could bring manufacturers operating across the UK–EU border to a grinding digital halt. The data chaos resulting from a no-deal Brexit has the potential to bring manufacturers to a standstill before their goods or people even get a chance to get held up at the border.

[12] 'Navigating Brexit – the Migration Minefield', Make UK, 2018.

3. REGULATORY AND TECHNICAL ALIGNMENT

Mutual recognition has mutual benefits

UK manufacturers have long relied on the EU's adoption of a common approach to rules and regulations, particularly for technical regulations. This alignment has been a key advantage for UK companies building strategic trading and service relations with European and global customers and suppliers. And vice versa.

The establishment of common rules and regulations in the manufacture of goods has enabled access to markets both from and to the EU. The importance of business standards in manufacturing is widely recognised, whether they are specifications for products, test methods to show that products meet relevant requirements, or standards to support business processes such as management systems, or organisational resilience.

Manufacturers recognise the benefits in a single standard being agreed worldwide and adopted as the national standard in as many countries as possible. Commonality of the rules in technical regulations gives an assurance that products meet legal requirements; it builds confidence, resilience and longevity in supply chains; it enables market access where that conformity assessment is recognised; and it facilitates international trade in new global trade arrangements.

What steps have manufacturers taken?

In a no-deal Brexit, the UK Government has stated its intention to ensure, as far as possible, that the same laws and rules will apply as are currently in place. The reality is that this is not always going to be possible.

Our survey results suggest that nearly two-thirds (64%) of respondents understand that changes will be introduced that will affect product labelling for goods destined for the UK and EU markets respectively.

FEWER THAN 1/2 OF UK MANUFACTURERS HAVE TAKEN ACTIVE STEPS TO BE COMPLIANT WITH THE NEW PRODUCT LABELLING ARRANGEMENTS

Source: Make UK Brexit Survey 2019

More worryingly, fewer than one-quarter of respondents (23%) have taken action to identify and make arrangements for the notification process to be undertaken at an EU Notified Body if they intend to place goods on the EU market after Brexit day.

The key issue is that UK manufacturers will be faced with changes to compliance regulations for the UK and EU markets. For manufacturers that currently use CE marking, this means that products destined for the UK market will need additional conformity assessment documentation and product marking.

The findings also suggest that the majority, perhaps not understanding the future role of the UK Notified Body regime, will need to investigate urgently new arrangements with Notified Bodies in the EU 27 as the UK falls back on World Trade Organization rules. This means that UK Notified Bodies will no longer have a role in regulated product conformity assessment across the EU/EEA. Instead, products will need to be recertified to enter the EU market from the UK, as with any other third country.

Make UK believes the UK's exit from the EU should not be an opportunity to reverse the significant influence that the UK has applied to historic and future standards development. Given the nature of product development and manufacturing lead times, many companies are already working on products to be placed in the UK, EU and other global markets in the event of Brexit in line with the EU's specifications.

4. A PROPERLY PLANNED TRANSITION PERIOD

A hard Brexit would rule out any form of transition period. The UK Government has twice set a Brexit date and twice sought an extension. The current Government has been consistently tough in stating that Brexit will happen on 31 October 2019 – even without a deal.

Make UK was already sceptical that the planned 21-month transition period under the proposed Brexit deal would be sufficient to negotiate and prepare for trading under a new economic partnership with the EU. A no-deal Brexit would require manufacturers to adapt to new trading arrangements overnight – possibly to temporary arrangements that would change frequently. The level of economic disruption cannot be understated, and has been outlined throughout this report.

As an example, businesses importing raw materials to the UK saw their costs rise dramatically overnight when sterling fell by 20% upon news of the UK's vote to leave the EU in 2016. Further volatility in the fortunes of sterling has been seen since then, particularly in response to changes in the political dynamics within the UK and EU. Businesses are doing their best to analyse and mitigate the risk of currency volatility – but a carefully managed transition is the only way to reduce this risk to business.

SMEs are the backbone of the UK economy, supporting families and communities in cities, towns and villages. It is these small businesses that would suffer the most from an abrupt exit. To effectively and robustly prepare industry for a no-deal Brexit takes significant investment – some of which is now being committed by the Government. But money alone is not enough – businesses need practical tools and clear guidance, but most importantly they need this to be delivered through a properly planned, sufficiently long transition period. The only way a sensible transition to a future UK–EU relationship can be achieved is via a deal that specifically provides for it. The length of the transition period must be determined by the end state of the relationship and how long it will take to adjust to it.

5. POST-BREXIT OPPORTUNITIES

While this remains the case, the priority for Government must be to secure an ambitious new relationship with the EU, based on free and frictionless trade.

THE EU REMAINS OUR **LARGEST SINGLE MARKET** FOR GOODS, WITH 49% OF UK GOODS EXPORTS IN 2018 HEADING TO THE EU

Even in a no-deal scenario, the UK would need to negotiate a new relationship – a future economic partnership – with the EU. While there would be pressure from both sides to negotiate quickly, the reality is that trade agreements take many years to negotiate. The UK's negotiating position would be equal to that of any third country. And the UK–EU discussions would need to start against the backdrop of the UK having made an abrupt and harsh exit from the EU, and without the framework, structure and principles set out in the Political Declaration.

The reality, therefore, is that in a no-deal scenario, negotiating and implementing the final terms of our long-term relationship with the EU would take years. As such, manufacturers should prepare for considerable uncertainty in the years to come – and the eventuality that they will need to adapt their businesses to operate in a post 31 October 2019 environment and adapt again at a future date when a UK–EU trade deal is struck. For the duration of this period of uncertainty it is important to recognise that UK manufacturers will find it increasingly difficult to retain existing contracts with EU customers, while winning new business may be even harder.

The importance of continuity agreements

A key element of negotiating our new trade deal with the EU will be access to the EU's 40+ free trade agreements across the globe, covering many of the UK's key export markets for manufacturers.

While the UK Government has deployed considerable resources to prevent disruption in trade by replicating the EU's trade agreements with third countries, the job is far from complete. To date, the UK has signed or agreed in principle only 12 of the so-called continuity trade agreements, and it is not yet wholly clear that these deals retain all of the benefits contained within the previous arrangements. This means that, should the UK leave the EU at the end of October without a deal, our trade with key markets such as Canada, Japan and Brazil could be significantly disrupted. Canada, in particular, refused to roll over the trade deal on the basis that the UK was unilaterally abolishing tariffs, showing an immediate impact of the Government's proposals for a no-deal Brexit.

Do manufacturers plan to increase exports post Brexit?

MORE THAN 1/2 OF MANUFACTURERS HAVE ALREADY MADE PLANS TO EXPAND EXPORTS WITH MOST FOCUSING ON EXPANSION IN THE EU MARKET

Source: Make UK Brexit Survey 2019

Our survey shows that, for manufacturers with plans to expand their exports, the EU remains a focus, with two in five increasing exports to this market. Overall, however, the USA is the key target market for manufacturers, with a number also looking to expand into markets with which we trade under EU preferential trade agreements. Comparing the data to a similar survey conducted in 2016 immediately post referendum, we see similar trends, if a slight dampening of appetite for expanding exports – no doubt an effect of the uncertain trading environment. The USA has consistently been a priority target market, while China's appeal has fallen in recent years, likely impacted by its international trade policy.

Barriers to expanding exports

Whether in spite of or driven by Brexit, it is clear that manufacturers in the UK remain committed to expanding trade with priority markets. We asked manufacturers about the main barriers they now face in doing so.
Make UK's experience of working with members is that often the barriers faced vary, depending on the market and at which point of the exporting journey companies find themselves. There are, however, some common barriers, some of which could be tackled with Government support.

The historic trend has been towards tariff reductions and elimination, but recent trends in international trade have been dominated by increasing levels of protectionism and increased instability in international trade. It is clear from the recent data that ongoing trade disputes between key markets such as the USA and China have an impact on EU exporters, as well as causing wider disruptions, for example in steel markets. Manufacturers are also concerned about growing tensions between the EU and the USA.

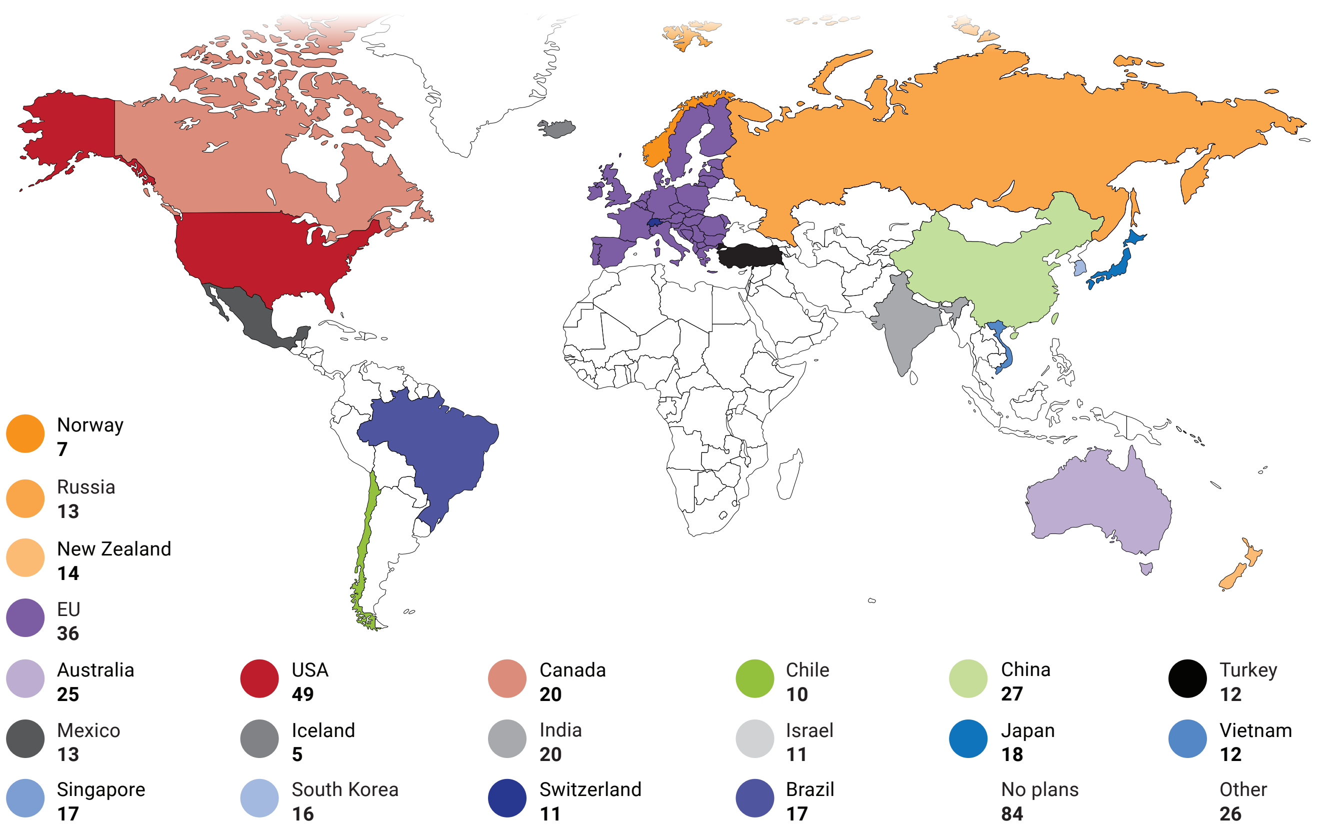
Trade deals that reduce tariffs are highly desirable; however, there are also a number of broader barriers to market entry, particularly around standards, local procurement, language difficulties and access to finance. It is crucial, therefore, that the UK takes its time to reach quality trade agreements through regular consultation with industry to ensure that there is no unintended damage to vital businesses in the UK.

Closer to home, understanding and mitigating tariffs and customs procedures remains a priority for manufacturers, as well as non-tariff barriers, which persist as one of the key challenges for exporters. Unsurprisingly, companies citing export procedures and logistics as a barrier also highlight regulatory or non-tariff barriers and managing legal compliance. Make UK continues to work with companies and Government to overcome these challenges.

In 2019, however, members report an increase in struggling to understand new markets and to find routes into those markets. This is an area where Make UK plans to work closely with the Government to boost support via trade missions, market research and connecting local networks for UK-based manufacturers.

Manufacturers are keen to expand into new markets. Maintaining a close relationship with the EU remains a key priority, and negotiating a future trade arrangement with the EU has to be the Government's first priority. UK access to EU preferential trade arrangements with third countries must form part of our future relationship. Beyond that, Make UK would urge the Government to prioritise trade deals with the most economically advantageous countries, such as China, Russia, India, the USA and Australia. Where those more substantial trade deals are taking time, the Government should also focus on emerging markets and regional trading blocs.

Target export markets for UK manufacturers



Source: Make UK Brexit Survey 2019

CONCLUSION

Manufacturers are ambitious, flexible and creative: these traits have ensured their ability to adapt to a changing and demanding business landscape. They remain, as they have been throughout the Brexit process, braced to adapt to the post-Brexit trading environment.

While some have taken all the steps they can to prepare, others have work to do to strengthen their position ahead of a no-deal Brexit - whether on 31 October 2019 or 31 January 2020. And additional Government support will be required to achieve that.

In any case, all manufacturers are restricted in being able to plan and prepare fully without certainty of date and terms for Brexit. Once those are confirmed, combined with a properly planned transition period, UK-based manufacturers will start to have confidence again in their future.

The Brexit negotiations to date have already impacted on manufacturing profitability. The ongoing uncertainty has stifled investment and put many manufacturing firms in a perilous position. And with just 2% of manufacturers expecting a no-deal Brexit to have a positive impact on their ability to do business, it is clear that manufacturers remain most concerned about the impact of a no-deal Brexit. Such an outcome would fail to meet any of our four required outcomes from the Brexit negotiations, and would cause significantly negative implications for businesses, large and small, across the country.

Make UK calls on the Government to prioritise securing a deal with the EU as soon as possible. We ask for a deal that works for British business; one that delivers certainty about the future trading environment that manufacturers need to protect our global strength; and one that achieves **the four outcomes that manufacturers consistently tell us they need: frictionless trade, access to skills, close regulatory and technical alignment, and a properly planned and delivered transition and implementation period.** We ask the Government to secure a deal, making the prospect of a no-deal Brexit redundant, in order to ensure a transition to a future relationship with the EU that works for UK manufacturing.

In any case, manufacturers should prepare for a no-deal Brexit, and they should do it now. The preparations outlined in this report will be valuable to UK manufacturers whenever the UK transitions to our new relationship with the EU. Our Government is determined to honour the 31 October deadline – with or without a deal. While previous deadlines have resulted in an extension, there is no guarantee of a repeat. Parliament's recent legislation to avoid no-deal could mean a further extension, possibly until 31 January 2020. Unfortunately for manufacturers, however, the decision to make a deal, extend or force a no-deal will be left once again to the final weeks. Manufacturers can best protect themselves, their staff and those working in their supply chains by taking all the steps they can to mitigate the inevitable impact of a no-deal Brexit whether on 31 October 2019 or 31 January 2020.

Cutting the cord overnight to our largest and most integrated trade partner would set the UK's manufacturing sector back years – it would suffocate growth by placing the UK at a competitive disadvantage which it would have to spend years fighting to overcome. A no-deal Brexit – in the absence of the necessary time and resources to plan properly for it – would have an irreversible impact on UK manufacturing, and we must do all we can to avoid it.

SQUIRE PATTON BOGGS VIEWPOINT

The risk of a no-deal Brexit presents huge challenges to the UK's manufacturing sector at a time when it is also responding to revolutionary changes in technology affecting not only the way in which products are manufactured but the fundamental nature of the products themselves and the way in which they are sold.

Whilst the UK's manufacturing sector had been growing steadily before the referendum, the ongoing uncertainty around Brexit and the growing concerns over the impact of a no-deal Brexit are having a negative impact on many manufacturing businesses. Certainly, if the UK leaves the EU without a deal on 31 October 2019 (or should there be another extension, 31 January 2020), the immediate implications for many manufacturing businesses in terms of cost and disruption will be serious. In particular, it is widely expected that many manufacturing businesses, particularly those that rely on just-in-time supply chains within the EU and those who may be impacted by the imposition of tariffs, may scale back or close their UK operations.

Whilst it is difficult to plan for the macroeconomic consequences of a no-deal Brexit, it is vital for UK manufacturers to take reasonable steps within their control to do what they can to be fully prepared for the possibility that, at some point in the near future, the UK may leave the EU without a deal. It is clear from the research findings in this report that many companies have not planned anything like as fully as they should. No one likes to spend time and money preparing for outcomes that may not occur, but the impact of a no-deal Brexit are such that a small investment in preparation is advisable.

Recommended steps would include:

Supply chain management:
- Understand the impact of a no-deal Brexit on your supply chain and export markets.
- Seek assurances (and protections) that your key suppliers are adequately prepared.

Selling into the EU:
- Ensure that your current regulatory compliance certificates will be effective after a no-deal Brexit and that you are aware of any regulatory changes that will affect your products, such as to safety compliance and labelling.
- Consider registering to use the Transitional Simplified Procedures to defer the payment of duties for a month after import.
- Be ready to deal with customs formalities, including using the new Customs Declaration Service yourself and through your hauliers, customs brokers and supply chain.
- Train your staff on the use of all applicable customs procedures.
- Ensure that your hauliers and their drivers have all the required licences.
- Review key contracts in light of the impact of a no-deal Brexit.

Stockpiling:
- Consider the necessity to stockpile components, both in the immediate aftermath of a no-deal Brexit and over subsequent months.
- Consider the impact of a potential further deterioration in the value of sterling.

Immigration:
- Ensure that EU nationals who are employed apply for Settled Status and Pre-Settled Status as soon as possible.
- Monitor new UK and member state immigration rules.
- Consider medium-term recruitment strategies, particularly if there is a reduction in suitable EU citizens willing and able to work in the UK.

Data
- Put in place "model data transfer terms" and "binding corporate rules" to ensure that the personal data of any EU citizens that is processed in the UK can continue to be so processed post Brexit.

Simon Jones
Partner
Squire Patton Boggs

The Manufacturers' Organisation

Make UK (formerly known as EEF) champions and celebrates all UK manufacturers and manufacturing and is a powerful voice at local, national and international level for all companies from small to large in the manufacturing and engineering sector.

We create the most supportive environment for UK manufacturing growth and success, and we represent the issues that are most important to our members, working hard to ensure UK manufacturing remains in the government and media spotlight.

Our services help manufacturers increase efficiency, productivity, and capability across areas such as HR & legal support; health, safety & sustainability; compliance; and training & skills.

We empower individuals and we inspire the next generation.

Together, we help your business perform.

MakeUK.org

To find out more about this report, contact:

Jenny McMillan
Head of Brexit Policy
020 7654 1536
jmcmillan@MakeUK.org

For information on how Make UK can support your business call:
0808 168 5874

Through our long-standing relationship with Make UK, we are pleased to work once again in partnership on this key industry report.

For more than 100 years, manufacturing, engineering and distribution companies have looked to Squire Patton Boggs for creative solutions to their commercial challenges. Our specialist lawyers are familiar with our clients' diverse products, technologies and business models and can provide them with the comprehensive services they need to succeed in the global market.

Immediately after the "leave" vote in June 2016, we brought together our immigration, EU, trade, tax, contract and policy specialists in the UK and across Europe to provide a coordinated advisory service to help our clients understand the implications of Brexit. With more than 1,500 lawyers and an industry-leading public policy team, we have decades of experience in supporting businesses through this legal and political uncertainty. We are now working closely with Make UK to help its members with a variety of legal and regulatory issues as they prepare for the UK's exit from the EU.

With one of the strongest integrated global platforms, we can help manage your industry concerns in the UK and overseas as you navigate the challenges and opportunities following the Brexit vote. So whether your interests are in the EU, established or emerging markets, we have a proven track record in supporting our clients as they do business around the world.

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www.brexitlegal.com

For more information, please contact:

Rob Elvin
Relationship Partner, Make UK
0161 830 5257
rob.elvin@squirepb.com

Cipriano Beredo
Global Head of Industrials
+1 216 479 8280
cipriano.beredo@squirepb.com

Simon Jones
Partner, Intellectual Property & Technology
0121 222 3412
simon.jones@squirepb.com

Jeremy Cape
Partner, Tax & Brexit
0207 655 1575
Jeremy.cape@squirepb.com

The Manufacturers' Organisation

MakeUK.org

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