

An industry once with bright hopes now facing an uncertain future

The latest book in our Bite-Size Brexit range is now published! 'Carmageddon?: Brexit & Beyond for UK Auto' looks at the manufacturing industry at the heart of the issues around Brexit, with the industry's sophisticated just in time and other major logistical challenges.

The book, edited by Professor David Bailey, Professor Alex De Ruyter, Neil Fowler and John Mair, brings together a wide spectrum of industry experts and world-renowned auto industry figures, providing a real perspective on Brexit at the raw edge. Contributors include leading auto analysts, top automotive journalists, politicians and academics.

Today, we are delighted to share the foreword of the book, written by Sir Vince Cable, former Leader of the Liberal Democrats and the Liberal Democratic Secretary of State for Business, Innovation and Skills in the UK coalition government of 2010-2015.

Enjoy...

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The auto industry in the UK pre-2016 was a remarkable success story with high levels of investment and output growth, and its success underpinned by a number of key factors.

The first was close industry collaboration with government, started by Peter Mandelson and then developed by myself in my time as Business Secretary, through the work of the Automotive Council and a collaborative industrial policy.

The second was the ability of UK plants to win contracts for new models thanks in large part to frictionless trade with the (rest of the) EU by being part of the EU customs union and single market, as well as huge efforts by government, management and workers to win new contracts. Indeed, as the Society of Motor Manufacturers and Traders

(SMMT) had noted, annual output was on track to reach two million vehicles by 2020.

This now seems like a distant dream. Indeed, UK government spokespersons are already talking about automobiles being a declining industry, which was the language of the 1970s before Japanese investment showed the capacity for regeneration through new technology and good management systems.

Similar potential exists today, but rather, Brexit now threatens to undo the frictionless trade that underpinned supply chains that extended deep into Europe, and so the viability of UK auto assembly.

In this context, at this late juncture we still don't – remarkably – know what form Brexit will actually take. Will it really be a 'bare-bones' Canada-style free-trade agreement that would look to eliminate tariffs for manufacturers but leave us outside of the single market and therefore subject to non-tariff barriers, which could disrupt supply chains with customs delays?

Or will we exit the so-called transition period of de facto EU membership at the end of 2020 with no deal in place? Or will there be a Swiss-style series of sectoral agreements in place, which might anchor the auto industry in the UK?

Transition in place

Amidst this, the wider changes facing the industry, with autonomous, connected and electric vehicles coming to the fore mean that UK auto need to make a major transition.

The danger is that Brexit uncertainty means that UK auto is not putting its best foot forward in attracting the investment in these new technologies.

We have seen a recent example of this with Elon Musk announcing in no undramatic fashion that the UK was out of the running for the Tesla Giga Factory for making batteries and its Model 3 because of Brexit – and that he chose Berlin instead.

So the industry face big challenges on a number of fronts. A previously vibrant industry that provides high value jobs and supports much in the way of innovation, investment, R&D and exports is now at risk. Not only is the form of Brexit critical for its future but so too is a renewed effort in terms of industrial policy to seize the opportunities from the transition to electric vehicles.

As such, I am pleased to introduce this book, which brings together leading contributors from academia, industry and public policy.

‘Carmageddon?: Brexit & Beyond for UK Auto’ is available NOW, in paperback and digitally, [here](#).

Join us at the launch of ‘Camageddon?’ in Birmingham this week. Find out more and register for your FREE tickets [here](#).