

Sneak peek at Brexit book 'Keeping the Wheels on the Road'

The third book in our Bite-Size book series 'Keeping the Wheels on the Road: UK Auto Post Brexit' has now been published and is available for you to enjoy! We're celebrating the book's release by giving you a sneak peek at a selection of writing from many of the book's contributors.

The UK car industry is in crisis, but the exact causes are a matter of intense debate. *Keeping the Wheels on the Road*, edited by Professor David Bailey, the foremost commentator on the UK auto industry, Professor Alex De Ruyter, Neil Fowler and John Mair, analyses the current position of the UK's car industry, the range of pressures and issues it faces and its likely shape after any form of Brexit from a range of perspectives. Industry experts, observers, commentators and representatives of the industry's unions, provide arguments for cautious optimism through to rather shocked pessimism.

Your sneak peek...

Overt optimism cannot hide the facts

The macroeconomic impact on the auto sector could be devastating, say Justin Cox and David Oakley of LMC Automotive

The auto industries in the UK and Europe are closely integrated. Common regulatory EU-wide frameworks have evolved to facilitate the development of highly complex automotive supply chains, which now underpin a business model that relies on just-in-time and just-in-sequence delivery and production.

This business model will be affected by Brexit, but the scale of impact depends on which scenario is pursued: our 'base' transitional Brexit or the 'no-deal' scenario.

UK LV production is expected to have reached 1.6m units in 2018 and, of this total, 80 per cent is exported globally, with the EU receiving more than 55 per cent of this export volume. However, it is important to appreciate the complexity of automotive manufacturing with each finished vehicle consisting of thousands of components,

which in turn are processed and traded across multiple borders. For UK production, 44 per cent of a vehicle's content is sourced locally, with almost 80 per cent of the remaining non-domestic content coming from the EU.

No light at the end of the production line

Brexit causes numerous and complex problems for the UK automotive sector, says Vicky Pryce, and there appears to be no easy answer to whatever happens

A cost-free Brexit is a dream. Any added friction that augments costs to producers in what is a very tight-margin sector that has to meet tough emissions regulations and other safety standards will be affected by this. Yes, some parts production may shift to the UK to avoid the friction created by Brexit, but the loss of the Single Market and possibly also being out of the Customs Union will make it more likely that any future expansion by the overwhelmingly foreign car makers currently operating in the UK will be in continental Europe rather than here.

So the automotive sector is braced for quite a rough time ahead. A transition period would help but the concern over final trading arrangements will remain. What will emerge after the UK leaves is unclear. And then there is the question of financial support. Will the sums of money that are currently earmarked for transport, including the automotive sector, under the Horizon 2020 budget agreement and whatever succeeds it, still flow to UK car manufacturing?

Just-in-time listening required

Richard Burden MP and David Bailey explain why a hard Brexit combined with confused automotive policies would put the Midlands car industry at risk

Automotive companies make investment decisions about where and how they will produce new models years in advance, and Britain's Brexit uncertainty is already leading a number of firms to question whether they should move more of their operations overseas.

JLR is a company which has already invested billions of pounds in the Midlands economy and it retains an £80bn forward-investment programme that promises to put the Midlands at the centre of

developing powertrains for its new generations of electric, connected and autonomous vehicles.

With a track record like this, there is little doubt of JLR's commitment to the UK. Even for a company like this, though, there is a limit to how long Brexit uncertainties can be withstood.

Multinationals use Brexit to hide missteps

Britain's automotive business will thrive after the EU exit, says Neil Winton. The Referendum vote is being used to mask the sector's poor strategy and vision.

Don't listen to the shrill naysayers who predict a Brexit no-deal disaster. The industry has form in predicting calamity if its advice is ignored, and there is more than a suspicion that bluster is designed to cover up corporate missteps.

Britain's automotive industry is going to survive and thrive after Brexit and remain a haven for making cars. There will be a free-trade deal sooner rather than later, possibly helped by invoking the World Trade Organisation's (WTO) Article 24, which allows nations declaring their intention of negotiating free trade to continue using current arrangements for two years.

The fight is on

Automotive workers will not see the industry they rebuilt destroyed by Brexit say Steve Turner and Ben Norman of the Unite union

The reality of South Marston today, as any Unite member there can tell you, is one built over 30 years of work and £2bn of investment. Honda Swindon is a global production hub for the Civic, an operation sustained by a daily delivery of 350 truckloads components supplied without border friction. The result is a plant capable of making 600 new cars every 24 hours, with 85 per cent exported worldwide from Bristol and Southampton. Swindon's Spitfires may not patrol the Channel, but one in five of America's bestselling cars are made there.

The UK's automotive sector stands or falls with its workforce, and Honda is no different. The site employs more than 3,100 workers in manufacturing and logistics, and some 15,000 more in its UK-based supply chain. A strongly unionised site, our members have faced

significant challenges, but their achievements are self-evident. Through collective bargaining Unite shop stewards and members secure wages and conditions 41 per cent higher than the average for the South West, a region too often in the relegation zone of such league tables.

‘Keeping the Wheels on the Road’ is available NOW in Paperback and Digitally on Amazon [here](#).

Other books in the Bite-Size series include [‘Do They Mean Us? The Foreign Correspondents’ View of Brexit’](#) and [‘The Case for Brexit’](#).