

# Brexit and the UK Automotive Industry: Understanding the impact



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Uncertainty around the final Brexit deal between the UK and the EU still remains. This is particularly true for the automotive industry where OEMs such as [Ford](#), [Honda](#) and [Renault-Nissan](#) have all publicly raised their concerns. To find out what was happening within the industry, and the trading options available to automotive companies, OpenText™ and the [Centre of Brexit Studies](#) conducted a comprehensive study focusing on this sector. The final report – [Brexit and the UK Automotive Industry: Understanding the Impact](#) – is now available.

## About the report

The UK automotive industry is one of the most important sectors to the UK economy and one most affected by the decision of the UK to leave the European Union. A great deal has been written on [the cross-border nature of today's automotive supply chains](#), with the

need for as close to frictionless borders as possible recognized at both [an industry and government level](#).

Our research study set out to identify the likely implications that different Brexit options could have on the industry and how prepared organizations were across five key business areas: supply chain management, operations and logistics, human resource management, regulations and compliance, and customer communications. The research drew on many different information resources and included in-depth interviews with senior executives in the UK automotive industry.

### **Key recommendations for the industry**

The research findings suggest that all current available trade scenarios put up different types of trade barriers for the sector, and makes a series of recommendations for risk management and scenario planning strategies that can help companies adapt, whatever the final outcome of Brexit negotiations.

Key recommendations include:

- Automotive companies need to have good [enterprise information management \(EIM\)](#) policies in place for managing and reporting on contracts to implement changes and mitigate risks.
- OEMs and suppliers need to have a strong [information governance](#) strategy in place to ensure compliance with any new regulatory requirements or checks.
- More emphasis on workforce planning and skills development is needed for the UK automotive industry to mitigate restrictions or changes to the free movement of people.
- Closer communication and collaboration between automotive manufacturers, partners and customers is needed to ensure a free flow of information.
- Automotive manufacturers need to have an improved understanding of their supply chain, particularly with respect to any new documentation and compliance requirements that might be put in place.

### **How EIM can help you prepare for Brexit**

The use of advanced technology to address the issues of cross-border trade has received a good deal of attention, especially through the concept of '[Smart Border 2.0](#)' to mitigate the risk of a hard border between Northern Ireland and the Republic of Ireland.

The EU, however, is not the only region where technology is being applied to help with trade and transport facilitation. A [UN report on the US/Canada border](#) found that: "Simplification for trade facilitation requires integration both from the organizational and the IT perspective and stretches to risk management, border management, as well as pre-clearance formalities...The growing awareness for cooperative solutions translates into ICT needs of shared information resources, shared services, and collaborative contribution to an overall process and workflow."

The results of our research into the UK automotive industry echo these findings and place the emphasis on [EIM technologies](#) to help meet the requirements of Brexit.

The [Centre of Brexit Studies](#) concluded that: "Digital technology can be implemented such that information exchange is transacted and communicated in an efficient and consistent manner. The OEM can react quickly to supply chain changes and communicate those changes in a way that's personalized to the business needs of each partner...Particularly they should look to achieve as frictionless trade as possible by providing a good connection to customs requirements and the use of pre-clearance and digital documentation such as Advanced Shipping Notices (ASN) to support risk-assessment of goods prior to entry".

Read the full report by downloading your copy of ['\*Brexit and the UK Automotive Industry: Understanding the Impact\*](#)' today.