IBISWorld has recently discussed how the United Kingdom leaving the European Union is expected to affect EIB investment, the automotive sector, and universities, but such a sea change in the trading and political position naturally has ramifications across the economy.

**Motor Vehicle Manufacturing**

The Motor Vehicle Manufacturing industry is the UK's largest exporter, and IBISWorld has recently discussed the effects of the UK's exit in depth. Exports are estimated to account for 64.7% of revenue, while imports are projected to satisfy approximately 68.1% of domestic demand in 2018-19. In addition to the direct effect of potential tariffs, operators in this industry have lean production processes, and customs delays could impose hefty costs, with Honda telling MPs that 15 minutes of customs delays would cost some manufacturers up to £850,000 a year.

**Aircraft, Engine & Parts Manufacturing**

Aircraft, Engine and Parts manufacturers are the UK's second largest exporting industry, with exports generating £29.3 billion, approximately 83.8% of industry revenue, and operators in this industry face similar challenges to the automotive sector. Not only are production processes extremely lean, relying on Just-in-Time practices, but the production process is perhaps even more dispersed than for automotive manufacturers, with the United Kingdom specialising in wing manufacturing. Indeed, Airbus stated its business model is predicated on its ability to move products, people and ideas around Europe without any restriction. For example, the company's A380 wings are regularly transferred by sea to Toulouse, France without any restrictions. In June 2018, the company stated that leaving the European Union without a trade deal could force the company to reconsider investment in the United Kingdom.

**Petroleum industries**

Although the UK petroleum sector has faced a number of challenges in recent years, it remains prominent, and the Crude Petroleum & Natural Gas Extraction and Petroleum Refining industries are the fifth and sixth largest exporters in the United Kingdom, with exports accounting for 51.1% and 38.9%, respectively. These industries are reliant on the free movement of goods, as well as people, and the UK's vote to leave the European prompted Oil and Gas UK to emphasise the importance of frictionless access to EU markets and labour to the government on behalf of its members.

**Spirit Production**

Spirit production across the United Kingdom has benefited from booming domestic demand for micro distilleries, supporting a proliferation in enterprise numbers. However, the Spirit Production industry's performance remains highly dependent on trade, and approximately 90% of the Wine and Spirit Trade Association's (WSTA) members, including Diageo, the industry's largest operator, backed the Remain campaign prior to the EU
Trading Places: Brexit and Key UK Exporters

Since the EU Referendum, IBISWorld analysts have written comprehensive Brexit Impact Statements for each of the 440 reports in our collection, detailing the trade, regulatory, staffing and consumer concerns and opportunities raised by the UK’s forthcoming exit. For more information on these, please call us today on 020 7222 9898

IBISWorld Industry reports used in this special report:

- **C29.100** Motor Vehicle Manufacturing in the UK
- **C30.300** Aircraft, Engine & Parts Manufacturing in the UK
- **B06.000** Crude Petroleum & Natural Gas Extraction in the UK
- **C19.201** Petroleum Refining in the UK
- **C11.010** Spirit Production in the UK

Since the EU Referendum, voicing concerns regarding the industry’s long-term ability to trade within the European single market. Both the WSTA, in its Brexit Policy Paper, and the SWA suggested that the government must ensure tariff and quota free access to the EU market for UK-produced spirits.
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