



Manufacturing Commercial Insurance Profile

Q1 2021

Understanding Possible Challenges Following Brexit

Although the UK and EU managed to finally reach a trade agreement only one week before the Brexit transition period was set to expire, the deal has not necessarily alleviated all concerns for manufacturers. A recent survey conducted by Make UK and PricewaterhouseCoopers (PwC) shows that 48 per cent of employers expect conditions in the manufacturing industry to either moderately or significantly improve in 2021. However, there are a number of specific factors that respondents were less optimistic about, including:

- Thirty-three per cent of respondents believe that the UK will become less appealing to international talent, compared with 11 per cent who believe the UK will become more appealing.
- Twenty-six per cent of respondents believe exports to the EU will decrease, while 16 per cent expect an increase.
- Thirty-three per cent of respondents believe that leaving the EU will reduce investment prospects for UK firms, compared to 18 per cent, who expect prospects to increase.

The Make UK and PwC survey also included findings regarding firms' biggest concerns in a post-Brexit world, such as:

- Customs delays—47 per cent
- Increased costs of regulation—39 per cent
- Relocation of a major client out of the UK—14 per cent

Manufacturing is among the sectors most likely to see significant challenges stemming from Brexit. By understanding what issues are expected to be most difficult, employers may be able to better prepare themselves for the future.

For more information, contact us today.