

Rt. Hon. Boris Johnson MP Prime Minister 10 Downing Street London SW1A 2AA

26 July 2019

## Dear Prime Minister,

I am writing on behalf of the UK automotive industry to congratulate you on your appointment as Prime Minister. You assume office at a moment of dramatic and exciting change for our sector. Advances in digital technology are reshaping how vehicles are designed, built, driven and owned, while new propulsion systems are being created to drive emissions down to zero.

There will be more change in automotive in the next ten years than there has been in the last fifty. The UK sector remains strong, with high levels of productivity, a skilled and flexible workforce, and first-rate research and engineering facilities, so we are well placed to take advantage of the opportunities that will emerge. Automotive is, however, a highly competitive sector internationally, with fine margins. We cannot afford to be complacent, and we need the right policy, business and trading environment if we are to thrive.

Government must continue to work in partnership with the sector, through the industrial strategy, focusing on those actions that will deliver the greatest benefits to our industry and the UK as a whole. This means supporting the transition to zero emission vehicles by investing in charging infrastructure, increasing consumer incentives and securing a gigafactory in the UK to help retain a globally advanced supply chain. We must make the UK the most attractive destination for investors, creating an internationally competitive business environment and developing skills in new digital technologies. Above all, we must ensure the sector continues to enjoy - without interruption - preferential trade with critical markets around the world, including the EU.

As Prime Minister, you have the opportunity to build on these foundations and assure our sector's future success. We want to be leaders in the technological revolution that is reshaping our industry, producing ever cleaner, cutting-edge vehicles that are driven throughout the world and which are the embodiment of the quality, ingenuity and innovation that sits at the heart of UK automotive manufacturing. This is an ambitious objective and one I hope you share. Automotive is a key driver of productivity and innovation. It contributes £18.6 billion to the UK, employs hundreds of thousands and makes the most significant contribution to UK trade of any manufacturing sector, helping balance the economy right across the country. In short when automotive succeeds, so does the UK.

We cannot, however, continue to deliver these benefits, or take advantage of new opportunities, if the UK leaves the EU without a deal. A no-deal Brexit presents an existential threat to our industry. We are highly integrated with Europe, and a no-deal Brexit would result in huge tariff costs and disruption that would threaten production, as well as further undermining international investors' confidence in the UK. We need a deal with the EU that secures frictionless and tariff free trade. No-deal Brexit is simply not an option.



We are hugely optimistic about the future of UK automotive. I hope that you share that optimism and will champion our sector as Prime Minister. If we work together we can deliver a British success story, which is why I should like to invite you to meet with the industry as soon as possible to discuss precisely how that can be achieved.

Yours sincerely,

Mike Hawes Chief Executive