



House of Commons  
Business, Energy and Industrial  
Strategy Committee

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# The impact of Brexit on the aerospace sector

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**Sixth Report of Session 2017–19**

*Report, together with formal  
minutes relating to the report*

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## Business, Energy and Industrial Strategy Committee

The Business, Energy and Industrial Strategy Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Business, Energy and Industrial Strategy.

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### Contacts

All correspondence should be addressed to the Clerk of the Business, Energy and Industrial Strategy Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5777; the Committee's email address is [beiscom@parliament.uk](mailto:beiscom@parliament.uk).

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## Summary

This Report is intended to inform public and parliamentary debate and to influence the Government's objectives as it begins phase 2 of the negotiations on leaving the European Union.

The aerospace sector is one of the most productive and fastest-growing in the UK, accounts for some 7 per cent of manufacturing output and directly employs 114,000 people throughout the country. It is a highly trade-orientated and globalised industry, characterised by integrated cross-border supply chains, a high degree of concentration in large firms, and continent-spanning economies of scale. The success of UK aerospace is highly dependent on participation in European and global supply chains, which enable it to concentrate on key specialisms, including wings, fuselage and engines. UK aerospace is well-established and competitive, and it has continued to perform strongly since the vote to leave the EU. Nonetheless, it cannot afford to be complacent about global competition.

The sector benefits from the UK's participation in the WTO Agreement on Trade in Civil Aircraft, as a result of which tariff barriers are not a significant concern after Brexit. However, we find that the competitiveness of UK aerospace could be adversely affected by any additional delays and bureaucracy encountered at the UK-EU border, given the prevalence of cross-border just-in-time supply chains in the sector. The Government should seek to secure as near frictionless trade as possible between the UK and EU for the aerospace sector after Brexit, with the minimum amount of customs procedures.

The EU regulatory regime in aerospace is also highly integrated, and the UK is a full member of the European Aviation Safety Agency (EASA). Membership of EASA also gives UK aerospace access to other global markets, notably through the Bilateral Aviation Safety Agreements (BASAs) in place between EASA and its counterparts in the United States, Canada and Brazil. The globalised nature of aviation regulation means that there is little or nothing to be gained for the UK from regulatory divergence in the foreseeable future. The evidence we have received is unanimous in supporting the UK continuing its membership of EASA after Brexit. We therefore welcome the recent announcement by the Prime Minister that the Government will seek to do so.

At present, non-EU member states can be associate members of EASA, but they do not have voting rights on the management board and are subject to the indirect jurisdiction of the European Court of Justice (ECJ). While it would be desirable for the UK to maintain its voting rights, we find that even without them, the UK is likely to retain greater influence from within EASA than without. We also find that ECJ jurisdiction has not been an issue in practice for the aerospace sector, and welcome the Prime Minister's recent statement that the UK will respect the remit of the ECJ in EU agencies it continues to participate in after Brexit.

A "no deal" exit from EASA would be highly costly and disruptive to aerospace and aviation in the UK, and have serious adverse impacts in the EU and globally. A managed transition from EASA could be protracted and costly, for no practical benefit in terms of regulatory sovereignty.

The UK aerospace industry stands to benefit from substantial growth opportunities beyond the European Union in the coming years. However, the WTO Agreement means that the sector will not benefit from free trade deals with other countries, and the industry sees its route to global trade as the international, harmonised regulatory regime. The Government's priority in terms of opportunities for aerospace to trade beyond the EU after Brexit should be to secure the roll-over of EASA's existing and forthcoming BASAs, most straightforwardly by remaining a member of EASA.

The Government should also seek a deal on immigration that enables the sector to access the full range of skills it requires, and ensure that the arrangements for intra-company transfers and posted workers are flexible, rapid and unbureaucratic.

On research and development, the primary benefit of participation in the likes of Horizon 2020 for UK aerospace comes from the cross-border collaborative opportunities they offer, rather than the financial return. The Government should seek to maintain the UK's membership of collaborative EU R&D programmes, and secure UK participation in future programmes.

Overall, we conclude that, in the case of aerospace, there is no trade-off between close harmonisation with the EU and access to markets beyond the EU. Instead, the two goals are complementary. It is in the interests both of the UK and the EU27 that both sides in the Brexit negotiation reach a firm agreement in the coming weeks on the arrangements for a transition or implementation period after March 2019, and also offer clarity on the future UK-EU relationship as soon as possible, so that firms can invest in confidence.

# 1 Introduction

## Background on the aerospace sector

1. The aerospace sector is a key contributor to the UK's manufacturing economy. The manufacture and repair and maintenance of air and spacecraft<sup>1</sup> accounts for 0.7 per cent of total UK output and 7 per cent of manufacturing output.<sup>2</sup> It employs 114,000 people. These jobs are spread through the country, with important hubs in, for example, the South West, the East Midlands, the North West, Wales and Northern Ireland.<sup>3</sup> The sector is also highly productive, having output per employee levels 18 per cent higher than the manufacturing average and 49 per cent higher than the economy as a whole. Productivity has grown by 3.7 per cent per annum since 1990.<sup>4</sup>
2. UK aerospace growth has remained robust since the vote to leave the EU in June 2016, supported by record rates of international aircraft deliveries.<sup>5</sup> The volume of both production and repair and maintenance of air and spacecraft grew 8 per cent in the UK in 2017, far outstripping overall economic growth and up from 6 per cent and 5 per cent respectively in 2016.<sup>6</sup>
3. Aerospace is a trade-orientated sector. Exports amount to around £15bn a year, about half of the sector's £32bn turnover, and imports come to around £14bn. The sector is further characterised by a high degree of concentration (large firms account for over 90 per cent of turnover and employment),<sup>7</sup> strong returns to economies of scale and "deeply integrated, pan-European supply chains".<sup>8</sup> UK aerospace exports are highly dependent on participation in the European and global supply chain, since the sector is highly specialised in a few key areas. The bulk of exports are of parts (predominantly wings, fuselage, landing gear and engines) rather than whole aircraft.<sup>9</sup> The OECD estimates that around 40 per cent of the value-added in UK aerospace gross exports originates abroad.<sup>10</sup>
4. The global market for civil aircraft is dominated by Boeing and Airbus, both benefitting from economies of scale at a continental scale in order to be internationally competitive. Airbus describes itself as "structured around a four 'home-country' model which relies on the seamless flow of goods, people and intellectual property across France, Germany, the UK and Spain".<sup>11</sup> The other major firms present in UK civil aerospace are Rolls-Royce, Bombardier, GKN and Leonardo Helicopters.<sup>12</sup>

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- 1 SIC codes 30.1 Manufacture of air and spacecraft and related machinery and 33.16 Repair and maintenance of aircraft and spacecraft
  - 2 Office for National Statistics (ONS), [UK GDP\(O\) low level aggregates, February 2018](#)
  - 3 ONS, [UK business register and employment survey \(BRES\), Table 2, October 2017](#) and House of Commons Library [Briefing Paper](#), The aerospace industry: statistics and policy, November 2017. Regional figures are SIC 30.1 only.
  - 4 Staff calculations and ONS, [UK GDP\(O\) low level aggregates, February 2018](#) and [Employee Jobs by Industry, December 2017](#). Figures are for SIC 30 Manufacture of other transport equipment (so include shipping etc).
  - 5 ADS Group, ['2017 aircraft deliveries set new record worth £29bn to UK'](#), 29 January 2018
  - 6 ONS, [Index of Production time series database](#), 9 February 2018 release
  - 7 BEIS, [Business population estimates 2012–2016](#), November 2017 and HMRC, [UK Trade Info](#), Data by SITC code, retrieved 28 February 2018
  - 8 ADS Group ([BRS0006](#))
  - 9 Unite the Union, ([BRS0003](#))
  - 10 OECD.Stat, [TIVA Nowcast Estimates](#), accessed February 2018. Figures are for Manufacture of other transport equipment (so include shipping etc).
  - 11 Airbus, ([BRS0012](#))
  - 12 Exiting the European Union Committee, [DExEU Aerospace Sector Report](#), December 2017

5. There are inherent advantages to incumbency in aerospace, and the UK sector has capabilities in certain specialisms not currently matched elsewhere in the world.<sup>13</sup> Nonetheless, the UK faces stiff global competition. Airbus told us that “every single site in Airbus, whether it is in the EU or outside the EU, has to compete for every piece of investment” and that “other countries would dearly love to design and build wings ... We actually do build wings in China now, and believe you me they are knocking on the door as a result of the situation we are in in this country.”<sup>14</sup> Moreover, the repair and maintenance sector enjoys less of an advantage from incumbency and could lose competitiveness rapidly.<sup>15</sup>

6. According to the Department for Business, Energy and Industrial Strategy (BEIS), “Within the EU, there is a high degree of collaboration between companies and governments (UK, France, Germany and Spain, in particular) to apportion risk, costs and capabilities to achieve economies of scale”.<sup>16</sup> The Aerospace Growth Partnership between government and business was formed in 2010 and notably resulted in the setting-up of the Aerospace Technology Institute to advise on sectoral technological strategy.

## Our inquiry

7. This is the third in a series of reports we are publishing on the impact of leaving the European Union on specific sectors of the economy.<sup>17</sup> In the absence of any published impact assessment, this report contains our assessment of the consequences for the aerospace sector of different outcomes of the negotiations and seeks to establish what type of withdrawal agreement would most benefit the sector and, consequently, the UK’s broader economic interests. We aim to inform public debate and influence the Government’s negotiating approach and priorities.

8. As part of this inquiry we received ten submissions of written evidence from businesses and other stakeholders. We took evidence in public from some of them and from the Secretary of State for Business, Energy and Industrial Strategy, the Rt Hon Greg Clark, MP. Similarly, we have seen the full, unredacted versions of the aerospace sector analysis carried out by the Government and its Cross Whitehall Briefing on exiting the EU. During a visit to Brussels we held private meetings with UKREP<sup>18</sup> and with the General Aviation Manufacturers Association. We are very grateful to all those who have contributed to our inquiry.

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13 UK Trade Policy Observatory, ([BRS0005](#))

14 [Q2, Q38](#)

15 [Q17](#)

16 BEIS ([BRS0011](#))

17 The Committee published its Second Report of Session 2017–19, [Leaving the EU: implications for the civil nuclear sector](#), HC 378, on 13 December 2017 and its Fifth Report, [The impact of Brexit on the automotive sector](#), HC 379, on March 2018. Further reports will be published on the pharmaceuticals and processed food and drink sectors.

18 The UK Permanent Representative to the European Union.

## 2 Trading with the EU after Brexit

9. The EU is the destination for around half of the UK's exports of air and spacecraft.<sup>19</sup> The WTO Agreement on Trade in Civil Aircraft eliminates tariffs on aircraft and most aircraft components and, as a result, the industry is not concerned about the imposition of tariff barriers after Brexit. The aerospace sector is worried, however, about the non-tariff barriers that could arise on trade between the UK and EU.<sup>20</sup> In addition to regulatory divergence, which is considered in the next chapter, these primarily consist of any customs procedures at the new UK-EU border, including additional administrative requirements and delays while crossing the border.

### Tariffs

10. The UK is a party in its own right to the WTO Agreement on Trade in Civil Aircraft, as is the EU, and legal opinion favours the UK's ability to retain its membership after Brexit without taking further action.<sup>21</sup> The Agreement covers trade in all civil aircraft and civil aircraft engines, including parts and components, as well as ground flight simulators and their components. Parties to the Agreement do not apply tariffs on imports of these goods from all other members of the WTO.<sup>22</sup>

11. The WTO Agreement does not cover raw materials and unfinished components. However, the EU's Inward Processing Regime (IPR) has aerospace chapters that remove all duties on imports for processing by the aerospace sector, whether or not they are subsequently re-exported. UK exporters to the EU of raw materials or unfinished components for use in aerospace would benefit from this IPR, and we assume it could be replicated in any future UK customs code for the benefit of UK importers.

**12. As a result of the WTO Agreement and the EU's Inward Processing Regime, tariff barriers are not a significant concern for the UK aerospace sector after Brexit. The Government should integrate the relevant articles of the EU's Inward Processing Regime into any future UK customs code in order to ensure that the sector can continue to import raw materials for use in aerospace without incurring duties.**

### Customs

13. The UK's aerospace sector participates in a complex and deeply integrated supply chain that operates just-in-time processes. In evidence to the Committee, BEIS noted that "it is routine for components and materials to cross borders on multiple occasions".<sup>23</sup> Aerospace trade association ADS has estimated that increased checks at the future UK-EU border could add £1.5bn a year to costs for the UK aerospace sector and calls for "the UK-EU border... to be about flow of goods, not control."<sup>24</sup>

19 HMRC, [UK Trade Info](#), Data by SITC code, retrieved 28 February 2018

20 [Q8](#)

21 UK Trade Policy Observatory ([BRS0005](#))

22 BEIS, ([BRS0011](#))

23 BEIS, ([BRS0011](#))

24 ADS, ([BRS0012](#))

14. Suppliers in European aerospace supply chains compete in large part on speed as well as production cost. The Royal Aeronautical Society told the Committee that:

as production is ramping up on these big civil programmes, the battle every day to get the parts out on time, and the penalties for not getting there on time are very severe, and therefore... these non-tariff barriers can very quickly drive up costs. It is also important to understand just how all-pervasive this is.<sup>25</sup>

A vivid example of the volume of rapid intra-EU delivery times prevalent in aerospace was given by Airbus, who said that:

We have this amazing aircraft in Broughton that flies our wings. It is called the Beluga aircraft. It is called that because the front of the aircraft opens up and the wings go in. It is really important that that has a two-hour turnaround. We have several of those movements a day, so we really do not need any customs paperwork or bureaucracy getting in the way.<sup>26</sup>

In this context, it is understandable why they regard a potential three hour wait on a lorry at Dover as “a critically bad issue” for them.<sup>27</sup>

15. The competitiveness of the UK’s aerospace repair and maintenance sector could be particularly vulnerable even to seemingly short delays at the border, since “airlines... rely on the ability to move parts to aircraft requiring servicing anywhere in Europe within a matter of hours”.<sup>28</sup> ADS told us that “Companies ... will be looking very carefully at where they are, say, warehousing their spare parts and thinking, ‘If it looks like we are going to face additional costs to shift things out of the UK, we may be better to establish a mainland European base.’”<sup>29</sup>

16. The global aerospace industry, especially in large civil aircraft, is built on continental-scale supply chains and manufacturing hubs that underpin economies of scale and competitiveness. At present, the UK participates primarily in the European aerospace hub, which allows the sector to exploit specialisation and economies of scale that boost its ability to compete for places in extra-EU supply chains. It is unlikely to be practicable for the UK to repatriate supply chains and construct whole civil aircraft. ADS told us that:

a new aircraft is a multi-billion pound investment, so there are huge risks ... In terms of large aircraft we have Airbus and Boeing. They have a legacy of other aircraft manufacturers that used to exist. One of the reasons there has been this massive consolidation in the aerospace industry is that the costs and risks associated with developing whole new aircraft are such that it is not practicable for businesses singularly to do that.<sup>30</sup>

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25 [Q34](#)

26 [Q8](#)

27 The Guardian, [Airbus may leave UK unless there is urgent clarity on Brexit trade](#), 5 March 2018

28 Boeing, ([BRS0001](#))

29 [Q17](#)

30 [Q38](#)

17. Moreover, as explained in more detail below, the absence of tariffs on most global trade in aircraft means that, for the aerospace sector, there is no trade-off between the degree of integration between the UK and EU on customs and the UK's ability to strike trade deals overseas.

**18. It is in the UK's national interest for its aerospace sector to remain deeply integrated in European supply chains after Brexit, and there is little to be gained for this sector by not having closely-aligned customs. Any additional customs procedures resulting even in relatively short delays could detract from the UK's industry's ability to compete for work and investment in those supply chains. *We recommend that the Government should seek to secure as near frictionless trade as possible between the UK and EU for the aerospace sector after Brexit, with the minimum amount of customs procedures.***

### 3 Regulatory alignment

19. A key question in negotiating our future relations with the EU is in which sectors the UK wishes to maintain regulatory alignment with the EU. Ministers have explained that when we leave the EU, the UK will be free to choose the areas in which we diverge, those we maintain alignment, and those we seek to maintain the same regulatory goals but by different means.<sup>31</sup> In this context, we sought to examine the extent to which the Government should seek to diverge from EU standards in the aerospace sector, or whether there would be advantages in seeking to achieve similar regulatory objectives by different means.

#### The European Aviation Safety Agency

20. The EU regulatory regime in aerospace is highly integrated. The European Aviation Safety Agency (EASA) is responsible for developing technical aviation rules, issuing initial and ongoing type certification of aircraft and components, harmonisation in aerospace across the EU and EASA's non-EU members, and engagement with international stakeholders. EASA also has responsibility for aviation licencing, air traffic management and aerodromes. National aviation authorities—in the UK's case the Civil Aviation Authority (CAA)—enforce compliance with EASA's rules in the member states under its oversight.<sup>32</sup>

21. EASA membership facilitates the free movement of aerospace goods throughout the EU. EASA issues Design Organisation Approval and Production Organisation Approval to UK companies, allowing them to operate freely in Europe, and Authorised Release Certificates that allow components to be used in manufacturing across the EU. Firms working in repair and maintenance also require EASA approvals, which allow UK-based organisations to maintain aircraft registered in any EU Member State and vice versa.<sup>33</sup>

22. At a global level, the International Civil Aviation Organization is a UN agency that works with its member state aviation agencies to build consensus on Standards and Recommended Practices for global aerospace regulation.<sup>34</sup> However, it does not issue certifications, nor enable trade across borders. In practice, EASA and its US equivalent, the Federal Aviation Authority (FAA), set product standards that are widely accepted and replicated globally.<sup>35</sup>

23. EASA membership is also instrumental in giving UK aerospace access to extra-EU markets. Most importantly, EASA has agreed Bilateral Aviation Safety Agreements with the FAA and its counterparts in Canada and Brazil that enables them to recognise one another's certification with a significant reduction in paperwork and assessments, and has created a four-way Certification Management Team that aims to further harmonisation.<sup>36</sup>

24. EASA has only existed since 2002, and reached full competency in 2008. However, reversing the creation of EASA and returning to its predecessor cooperation-based Joint Aviation Authorities would not be straightforward. According to ADS “the world has

31 Prime Minister, [evidence to the Liaison Committee](#), 20 December 2017, [Q13](#)

32 GAMA, [\(BRS0007\)](#) and European Scrutiny Committee, [14 EU Aviation Safety Agency \(EASA\)](#), 21 February 2018

33 GAMA, [\(BRS0007\)](#)

34 ICAO website, [About ICAO](#), accessed 1 March 2018

35 UK Trade Policy Observatory, [\(BRS0005\)](#)

36 GAMA, [\(BRS0007\)](#)

moved on in the way in which industry works... you had to have a variety of certifications between individual member states and places you might want to sell to... The expertise required to oversee those major certifications does not sit in individual member states; it now sits in Cologne within the European Aviation Safety Agency.”<sup>37</sup>

25. We have not heard any complaints from the industry about the closely harmonised regulatory regime that EASA has developed since 2002. The Royal Aeronautical Society told us:

Aviation is safer than it has ever been by orders of magnitude. That is because of the work of the collaborative environment and common standards between, in particular, the FAA and EASA... It is demonstrably the case that aviation safety has accelerated as a result of the formation of EASA.<sup>38</sup>

## Divergence

26. If the UK were not a member of EASA after Brexit, it could seek to diverge its regulatory standards in aerospace. However, none of the oral or written evidence submitted to this inquiry has identified any benefit of doing so. The UK Trade Policy Observatory describes divergence as “utterly self-defeating”, since “the civil aerospace industry has long been globalized along American standards via the FAA and the European Aviation Safety Authority... and there is effectively no scope for divergence.”<sup>39</sup> BEIS states that “It will be in the interests of both sides in the negotiation to maintain closely integrated aviation markets”.<sup>40</sup>

27. The industry wants to avoid double certification, by which it means having to submit its products to certification procedures and compliance inspections both by UK authorities and by the authorities of the markets it wants to export to.<sup>41</sup> **The most straightforward way for UK aerospace to avoid double certification after Brexit would be for the UK to remain a member state of EASA and its network of Bilateral Aviation Safety Agreements.**

28. Some of the evidence submitted to this inquiry raised the prospect that the balance of costs and benefits from remaining closely aligned to EU regulation in given sectors may change in future. Stephen Booth from Open Europe told us that: “We also need to distinguish between the snapshot of the day after we leave the European Union... [and] years down the line. It is quite possible to imagine the EU coming up with regulation that is very costly to business, which not the entire sector would want to sign up to in the future ... I have sympathy with those arguing that we cannot forever be rule-takers in these sectors and that we need to have flexibility in the future.”<sup>42</sup> Nonetheless, for the time being the benefits of retaining close alignment in aerospace given the balance trade-offs in the sector are clear. Mr Booth also said:

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37 [Q52](#)

38 [Q55–56](#)

39 UK Trade Policy Observatory, ([BRS0005](#))

40 ([BRS0011](#))

41 [Q43](#) [Bennett, Airbus]

42 [Q8](#) [Booth] (Oral evidence on Brexit: implications for UK business)

For EASA, it is very obvious why that is the case. It is very important in developing the technical standards. The UK has provided lots of input into that in the past. We are clearly not going to create a separate aviation market to that of the EU.<sup>43</sup>

**It may be in the UK's national interest to reassess its degree of regulatory alignment with the EU in the aerospace sector in future, in a predictable way that provides certainty for the industry. However, the evidence submitted to this inquiry decisively favours maintaining a high degree of alignment after Brexit.**

29. The evidence we have received from aerospace businesses, unions and academia is unanimous in support of the EU continuing its membership of EASA. Close global regulatory alignment in aerospace has resulted in benefits in terms of safety, the ease of global trade and efficiency, while it is unclear that there are any benefits from divergence at this time. *Accordingly, the Committee notes and welcomes the Prime Minister's statement in her Mansion House speech on 2nd March 2018 that the Government will explore with the EU the terms on which the UK could remain part of EASA, with the consequent appropriate financial contribution.*<sup>44</sup>

## Maximising influence

30. EASA regulations already allow third-party non-EU countries to be EASA member states.<sup>45</sup> Third-party member states, which currently include the four EFTA countries,<sup>46</sup> have broadly the same obligations as full member states, including the acceptance and implementation of EASA rules and financial contributions on the same basis. However, third-party countries do not have voting rights on the EASA management board.<sup>47</sup>

31. Britain's ability to influence EASA decisions goes well beyond its right to vote at management board. The UK provides around a quarter of all safety data gathered by EASA, around two-thirds of all of EASA's safety rule-making and UK nationals make up around 8 per cent of EASA's regulatory workforce.<sup>48</sup> Third country member states are able to propose regulations and participate in their development, and since EASA takes a consensus-based approach, in practice regulations are voted on only on rare occasions.<sup>49</sup>

32. The industry would prefer that the UK remains a full member state of EASA with voting rights. Airbus told us:

Another option is... we would be a secondary member like Norway and Switzerland. They can manage to do that, but then that comes back to... how much influence we would have. This is where I... would rather [the UK] had full influence in this body.<sup>50</sup>

43 [Q21](#) [Booth] (Oral evidence on Brexit: implications for UK business)

44 Prime Minister's Office, '[PM speech on our future economic partnership with the European Union](#)', 2 March 2018

45 [Article 66 Regulation 216/2008](#)

46 European Free Trade Area (Norway, Iceland, Liechtenstein and Switzerland).

47 European Scrutiny Committee, [14 EU Aviation Safety Agency \(EASA\)](#), 21 February 2018

48 ADS, ([BRS0012](#))

49 Committee on Exiting the European Union, [DExEU Aerospace Sector Report](#), December 2017

50 [Q54](#)

Nonetheless, in the case where that option were not available, we did not receive any evidence suggesting that the UK would face an unacceptable loss of influence, given the benefits of EASA membership, or gain any practical influence on global aerospace regulation from outside EASA. According to the Royal Aeronautical Society:

It is very widely recognised that UK expertise is hugely influential; therefore, we are able to shape the global regulation regime to suit the UK... it is really hard to see how we would sustain that same level of influence were we to become national.”<sup>51</sup>

The Prime Minister has emphasised an intention to continue to work with the EU regulators,<sup>52</sup> something which is clearly in the interests of both the UK and EU.

**33. In its negotiations with the EU, the Government should prioritise maintaining the UK’s EASA membership, while retaining as much influence within EASA as possible. At present, EASA’s regulations preclude the UK retaining its voting rights as a non-EU member state. *The Government should seek a deal to retain those voting rights; however, even without voting rights, the UK is likely to retain greater influence on global aerospace regulation from within EASA than without.***

### European Court of Justice jurisdiction

34. The European Court of Justice (ECJ) has ultimate jurisdiction over EASA rulings. In the case of third country member states, ECJ jurisdiction operates indirectly through arbitration committees. If the ECJ decided that a EASA ruling was inapplicable or had to be modified, EASA would abide by the ECJ’s decision, and a third country member state would have to accept EASA’s modified rules.

35. However, in practice the ECJ has played no role in the work of EASA. The Government has identified only one infringement case involving aerospace that has been brought against the UK in 38 years, and the ECJ has never issued a ruling on an EASA decision.<sup>53</sup> ADS told us “From a day-to-day perspective, the ECJ is not a constant in our lives or a concern that we have.”<sup>54</sup>

**36. In practice, ECJ judgements have not been an issue for the aerospace sector. In her Mansion House speech on 2nd March 2018, the Prime Minister acknowledged that “the decisions of the ECJ will continue to affect us” after Brexit and said that if “the UK should continue to participate in an EU agency the UK would have to respect the remit of the ECJ in that regard.”<sup>55</sup> This is preferable to the alternative of securing an escape from ECJ jurisdiction at the cost of influence in EASA. The Committee welcomes the Government’s pragmatic approach, which is especially suitable for the aerospace sector and regarding ECJ jurisdiction over EASA.**

51 [Q55](#)

52 Prime Minister’s Office, ‘[PM speech on our future economic partnership with the European Union](#)’, 2 March 2018

53 BEIS, Supplementary evidence, [Court of Justice BEIS Cases and European Scrutiny Committee](#), 14 EU Aviation Safety Agency (EASA), 21 February 2018

54 [Q77](#)

55 Prime Minister’s Office, ‘[PM speech on our future economic partnership with the European Union](#)’, 2 March 2018

## 4 Trade opportunities after Brexit

37. The UK aerospace space industry stands to benefit from substantial growth opportunities beyond the European Union in the coming years. Airbus forecasts that there will be 34,000 deliveries of new aircraft worldwide between 2017 and 2036, bringing the total size of the global fleet from 21,000 to 46,000. Of those new deliveries, 14,000 will be in the Asia-Pacific region, and a further 7,000 will be in other regions outside of Europe and North America.<sup>56</sup>

38. Witnesses told the Committee that access to the European market and global markets is not an either/or, but that the UK's presence in the European manufacturing hub and supply chain boosts access to and competitiveness in extra-EU markets:

Global demand for aircraft is buoyant and growing. That demand, by and large, is in South East Asia and other parts other than Europe and the UK. We are fortunate in that we are able to exploit that, but we in the UK are a supplier of equipment to global aerospace companies, the largest being Airbus. We are dependent on them being able to sell competitively their products in global markets.<sup>57</sup>

39. The fact that the plurilateral WTO Agreement on Trade in Civil Aircraft eliminates tariffs on most trade in civil aerospace (the signatories include the UK, the EU, the United States and China) means that the aerospace sector has very little to gain from the UK making free trade deals on tariff reduction beyond the EU.<sup>58</sup> Instead, the industry's "route to market is very much facilitated by the regulatory regime. Without that... [it does] not have a route into global markets, whether Europe, US or China, because of the mutual recognition arrangement. Not having that arrangement will make it more difficult for us to be able to access those important markets." In particular, EASA's Bilateral Aviation Safety Agreements (BASAs) with its counterparts in the United States, Canada and Brazil enable mutual recognition of certification and opportunities to trade competitively in those countries. Although there is an older BASA between the UK and US that may apply after Brexit, it is less comprehensive (for example, it does not cover the repair and maintenance of US-registered aircraft in the UK). ***The Government's priority in terms of opportunities for aerospace to trade beyond the EU after Brexit should be to secure the roll-over of EASA's existing BASAs. This could be achieved by maintaining the UK's membership of EASA in some form.***<sup>59</sup>

40. Moreover, EASA is close to formal agreement on a BASA with its counterpart in China and is negotiating with its counterpart in Japan. ***The Government should also aim to secure UK participation in these and any other future agreements.***

41. **In the case of aerospace, the trade-off between regulatory harmonisation and as frictionless a customs arrangement as possible, against the ability to strike trade deals globally, is decisively in favour of the former, which should be the Government's priority. Indeed, EASA's agreements with the likes of the United States and China suggests that the two aims are complementary, and that close harmonisation with the European and global aerospace regulatory regimes are likely to enhance, rather than diminish, the UK's access to all global markets.**

56 [Airbus, Growing Horizons: Global Market Forecast 2017–2036, July 2017](#)

57 [Q9](#) [Everitt, ADS], [Q11](#)

58 [Q45, Q75](#) [Everitt, ADS]

59 General Aviation Manufacturers' Association, ([BRS0007](#))

## 5 The impact of leaving EASA

### Leaving with “no deal”

42. As outlined above, the ability of the UK to prove the safety and airworthiness of aircraft and to export goods both to the EU and global markets is predicated on EASA certification. As things stand, if the UK leaves the EU at the end of the Article 50 notice period without a deal being struck, it will also leave EASA.<sup>60</sup> ADS outlined to the Committee how disruptive that scenario would be for all parties:

Our working assumption in those cases is that we have no relationship with European Aviation Safety Agency . . . . In those circumstances, our regulatory regime is effectively non-functioning, because whilst all the people and all the processes are the same, if there is no mechanism for recognition of it, effectively it has no value or validity. We cannot [sell anything]... there is a broader range of issues around the... people doing the maintenance of those aircraft. If they are not recognised as being appropriate people to do that work, then even if they have done the work, the aircraft will not be regarded as fit to fly. It is chaotic because we do not know exactly what arrangements may or may not be put in place in order to try to bridge that gap.

43. ADS told the Committee that the UK’s CAA does not currently have the capability to take over the functions of EASA, and that “We have estimated a five- to 10-year period in order to even begin that process.”<sup>61</sup> Strikingly, the chief executive of the CAA has said that it is not undertaking any preparatory work for taking over the responsibilities of EASA, since “it would be misleading to suggest that’s a viable option”.<sup>62</sup>

**44. It is clear that leaving the EU and EASA with no deal would be highly costly and disruptive to the UK aerospace sector and aviation, as well as its EU counterparts. Given that no alternative arrangements are being developed, the Government should rule out this possibility.**

### A managed transition from EASA

45. Outside of EASA, the UK would at some point need to reassume direct responsibility for product certification in aerospace. Based on the past experience of phased transition from national regulators in the EU to EASA over 2002 to 2008, “a reversal of this process would require significant time and planning, and almost inevitably pose disruptions and risk to the aviation industry during a transition.” Since the CAA is unlikely to be in a position to take over responsibility from EASA for several years, a transition arrangement would be required. The solution offered by respondents to this inquiry is that “UK CAA certification tasks and oversight be contracted out to EASA.” Special arrangements would also be needed with the FAA and other global regulators.<sup>63</sup>

60 European Scrutiny Committee, [14 EU Aviation Safety Agency \(EASA\)](#), 21 February 2018

61 [Q47](#)

62 European Scrutiny Committee, [14 EU Aviation Safety Agency \(EASA\)](#), 21 February 2018

63 General Aviation Manufacturers’ Association, [\(BRS0007\)](#)

46. In order to avoid double certification, the UK aerospace sector would eventually require BASAs with the EU, the United States and other major aerospace markets. Such agreements would require mechanisms for harmonisation, likely similar to the Certification Management Team currently composed of the EU, US, Brazilian and Canadian regulators.<sup>64</sup> For the same reasons discussed above, it will likely remain in the UK's national interest to maintain a high degree of alignment with the European and global regulatory regimes in aerospace even from outside EASA.

**47. If the UK is to make a managed departure from EASA, it would require a transition period in which special arrangements are made with the EASA, the US Federal Aviation Authority and other global regulators. The Civil Aviation Authority would need to undergo a major investment and recruitment programme if it is to take over the functions of EASA at some point in the future, and Bilateral Aviation Safety Agreements with mutual recognition agreements would need to be negotiated with the EU, US and other major markets. Given the complexities involved, this transition may need to last beyond the two years that the Prime Minister has said is likely to be appropriate for the economy-wide implementation period.<sup>65</sup> This disruptive and costly process is unlikely to result in any significant divergence in regulation. Continued membership of EASA is clearly preferable.**

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64 General Aviation Manufacturers' Association, ([BRS0007](#))

65 Prime Minister's Office, [PM's Florence speech: a new era of cooperation and partnership between the UK and the EU](#), 22 September 2017

## 6 Skills

48. The UK and EU aerospace sectors has benefitted from its ability to plug skill gaps and move people between plants and sites as a result of freedom of movement within the EU. ADS estimates that 4 per cent of staff in its sectors in the UK are from the rest of the EU.<sup>66</sup> The Home Office’s Short Occupation List includes for the aerospace industry electrical machine design engineer, power electronics engineer, process planning engineer, aerothermal engineer, stress engineer, chief of engineering, advance tool and fixturing engineer and purchasing engineer.<sup>67</sup> Freedom of movement is an important issue for aerospace research and development (R&D). According to the Aerospace Technology Institute: “EU nationals working and studying in the UK... play a large role in UK aerospace R&D. Losing or restricting access to skills would be detrimental to the UK’s position as a technology leader.”<sup>68</sup>

49. In this context, we welcome the increased clarity and assurance provided by the Phase 1 Negotiations Report on EU citizens’ rights and the repeated statements from the Government that businesses in the UK and EU must be able to “attract and employ the people they need”.<sup>69</sup> Although the Government’s White Paper on immigration, due after the Migration Advisory Committee has reported in September 2018, is expected to provide more detail on engineering shortages, the need to plug skills gaps in aerospace is already known and should influence negotiation objectives. ***The Government should prioritise ensuring that our key manufacturing sectors such as aerospace retain sufficient and timely access to essential skills. The Government should seek to maintain the UK’s openness to skilled workers from the EU, as well as looking to which skills and qualifications could be attracted from beyond the EU.***

50. Respondents to this inquiry have emphasised that intra-company transfers are a particularly prevalent issue in aerospace, given the presence of integrated pan-European supply chains and multinational firms. BEIS’s evidence observes that, under freedom of movement, “UK-employed, specialist engineers are able to relocate with minimal burden to assembly lines in France or Germany. This may be required at little notice, for short periods of time to keep production lines running.”<sup>70</sup> Airbus employees conduct around 80,000 business trips per year between the UK and the rest of the EU, and the firm has around 1,300 UK employees working elsewhere in the EU, and around 600 EU27 employees working in the UK.<sup>71</sup> ***The Government should ensure that intra-company transfers and posted worker arrangements are flexible, rapid and require the minimum level of administration after Brexit.***

66 ADS, (BRS0006)

67 Home Office, [Immigration Rules Appendix K: shortage occupation list](#), 15 January 2018 update

68 Aerospace Technology Institute, (BRS0008)

69 Prime Minister’s Office, [‘PM speech on our future economic partnership with the European Union’](#), 2 March 2018

70 BEIS, (BRS0011)

71 Airbus, (BRS0012)

## 7 Research and development

51. The UK aerospace sector is highly R&D intensive, spending £1.9bn in this area in 2016, accounting for 12 per cent of all manufacturing R&D expenditure.<sup>72</sup> It has also been a significant beneficiary of EU funding for R&D. The UK is a net beneficiary from EU research and innovation funding,<sup>73</sup> and has secured 15 per cent of the available funding for transport sectors so far under the Horizon 2020 programme, second only to Germany. UK aerospace secures around £100m per annum from Horizon 2020, and also participates in the Clean Sky Joint Understanding.<sup>74</sup>

52. More valuable to the sector than the funding on offer are the opportunities participation in EU R&D programmes provides for collaboration and specialisation between industry and academia across countries.<sup>75</sup> The Aerospace Technology Institute (ATI) notes that: “Large-scale demonstration projects... are particularly important to aerospace. These demonstration programmes are often inherently international and expensive, making them natural activities to be conducted at European level.” Participation in EU programmes also gives the UK influence over European demonstrator programmes that “lay the foundations for technology choices on the next wave of commercial aircraft designs.”<sup>76</sup>

53. *The Government should seek to maintain the UK’s membership of Horizon 2020, the Clean Sky Joint Understanding and other collaborative R&D programmes, and secure UK participation in future programmes. In doing so, it should recognise that the primary benefit of these programmes for the UK comes from the cross-border collaborative opportunities they offer, rather than the financial return, and form its negotiating priorities accordingly.*

72 ONS, [Business Enterprise Research and Development \(BERD\) Survey 2016](#), published 21 November 2017

73 Aerospace Technology Institute, ([BRS0008](#))

74 [Q63](#) [Everitt, ADS and Henley, RAS]

75 [Q63](#) [Everitt, ADS]

76 Aerospace Technology Institute, ([BRS0008](#))

## 8 Certainty and clarity

54. Aerospace investments have a long lead time and a life span measured in decades, so decisions being made now will have consequences long after the UK is due to depart the EU in March 2019. The lack of certainty and clarity over the arrangements for transition after 2019 and the ultimate relationship between the UK and EU in the aerospace sector is affecting decisions on investment and the location of capacity and supply chains already. The Committee has been told that the UK sector is currently in a “holding pattern because they are trying to sweat their assets for as long as possible before they commit to new investment”.<sup>77</sup> Airbus told us that it is “extremely committed” to its existing sites, but that the UK would need to compete for future investments.<sup>78</sup> We also heard that UK companies are being excluded from bidding for contracts on the Galileo satellite project, because a requirement has been put in place that companies bidding for work must be based in an EU country beyond March 2019.<sup>79</sup>

55. Additionally, the Aerospace Technology Institute says that a lack of certainty over the freedom of movement of personnel for European R&D projects beyond March 2019 could harm the UK’s ability to secure work under the Horizon 2020 Work Programme for 2018.<sup>80</sup>

56. More immediately, the aerospace industry is considering whether to initiate costly and disruptive contingency plans in case the UK does not secure a smooth one-step transition towards its post-Brexit relationship with the EU. These Brexit plans have around a twelve-month lead time, meaning it is crucial for businesses that clarity is given without further delay.<sup>81</sup> Airbus has said that very soon it “will have to press a button on a decision on stockpiling parts”.<sup>82</sup> The Committee has also been told that the US Federal Aviation Authority will start the work of recertification of UK plants and components in 2018, unless it is assured that the UK will remain a member of EASA after Brexit.<sup>83</sup>

**57. It is in the interests of the UK and the EU27 that both sides in the Brexit negotiation reach a firm agreement in the coming weeks on the arrangements for a transition or implementation period after March 2019, to avoid firms having to commence costly contingency plans. Looking beyond transition, the Government and its EU counterparts should also offer clarity on the future UK-EU relationship as soon as possible, so that firms on both sides can invest with confidence.**

77 [Q4](#) [Everitt, ADS]

78 [Q6](#) [Bennett]

79 [Q2](#) [Henley]

80 Aerospace Technology Institute, ([BRS0008](#))

81 Boeing, ([BRS0001](#)) and General Aviation Manufacturers Association, ([BRS0007](#))

82 The Guardian, [Airbus may leave UK unless there is urgent clarity on Brexit trade](#), 5 march 2018

83 [Q17](#) [Henley, RAS]

## 9 Conclusion

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58. The aerospace sector is a global one, characterised by integrated cross-border just-in-time supply chains, a high degree of concentration, and continent-spanning economies of scale. The success of UK aerospace is founded on participation in this global system, since it specialises in a number of areas of civil aviation, and is not able to construct entire large civil aircraft.

59. Tariffs are not a significant threat to aerospace, since the UK and other major global aerospace markets are parties to the WTO Agreement on Trade in Civil Aircraft. This also means that the sector has little to gain from the UK making free trade deals beyond the EU, since it expects to trade on tariff-free terms with the major worldwide aerospace markets in any case.

60. Non-tariff barriers are a concern. Given the just-in-time supply chains operated by the industry, even border delays of a few hours could materially undermine UK competitiveness. Therefore, the Government should prioritise securing as frictionless a customs arrangement as possible for this sector.

61. The UK aerospace sector's route to the global market is founded on participation in a harmonised global regulatory system. The sector has nothing to gain from regulatory divergence, since that would lock it out of global trade. In the case of aerospace, there is no trade-off between close harmonisation with the EU and access to markets beyond the EU. Instead, the two goals are complementary.

62. It is in the UK's national interest to remain a member of EASA, and the Committee welcomes the Government's indication that it will seek to do so. Leaving the European Aviation and Safety Agency (EASA) without any kind of deal would be highly disruptive for the UK, the EU and global aerospace and aviation. The Government and its negotiating counterparts in the EU should rule this out as soon as possible by making firm arrangements for a transition or implementation period. Even a smooth transition out of EASA could be protracted and costly, while giving no practical benefit over continued membership. The Government should give clarity about the future relationship between the UK and EU in order to improve conditions for investment in the sector.

## Conclusions and recommendations

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### Trading with the EU after Brexit

1. As a result of the WTO Agreement and the EU's Inward Processing Regime, tariff barriers are not a significant concern for the UK aerospace sector after Brexit. *The Government should integrate the relevant articles of the EU's Inward Processing Regime into any future UK customs code in order to ensure that the sector can continue to import raw materials for use in aerospace without incurring duties.* (Paragraph 12)
2. It is in the UK's national interest for its aerospace sector to remain deeply integrated in European supply chains after Brexit, and there is little to be gained for this sector by not having closely-aligned customs. Any additional customs procedures resulting even in relatively short delays could detract from the UK's industry's ability to compete for work and investment in those supply chains. *We recommend that the Government should seek to secure as near frictionless trade as possible between the UK and EU for the aerospace sector after Brexit, with the minimum amount of customs procedures.* (Paragraph 18)

### Regulatory realignment

3. The most straightforward way for UK aerospace to avoid double certification after Brexit would be for the UK to remain a member state of EASA and its network of Bilateral Aviation Safety Agreements. (Paragraph 27)
4. It may be in the UK's national interest to reassess its degree of regulatory alignment with the EU in the aerospace sector in future, in a predictable way that provides certainty for the industry. However, the evidence submitted to this inquiry decisively favours maintaining a high degree of alignment after Brexit. (Paragraph 28)
5. The evidence we have received from aerospace businesses, unions and academia is unanimous in support of the EU continuing its membership of EASA. Close global regulatory alignment in aerospace has resulted in benefits in terms of safety, the ease of global trade and efficiency, while it is unclear that there are any benefits from divergence at this time. *Accordingly, the Committee notes and welcomes the Prime Minister's statement in her Mansion House speech on 2nd March 2018 that the Government will explore with the EU the terms on which the UK could remain part of EASA, with the consequent appropriate financial contribution.* (Paragraph 29)
6. In its negotiations with the EU, the Government should prioritise maintaining the UK's EASA membership, while retaining as much influence within EASA as possible. At present, EASA's regulations preclude the UK retaining its voting rights as a non-EU member state. *The Government should seek a deal to retain those voting rights; however, even without voting rights, the UK is likely to retain greater influence on global aerospace regulation from within EASA than without.* (Paragraph 33)
7. In practice, ECJ judgements have not been an issue for the aerospace sector. In her Mansion House speech on 2nd March 2018, the Prime Minister acknowledged that "the decisions of the ECJ will continue to affect us" after Brexit and said that if "the

UK should continue to participate in an EU agency the UK would have to respect the remit of the ECJ in that regard.”<sup>84</sup> This is preferable to the alternative of securing an escape from ECJ jurisdiction at the cost of influence in EASA. The Committee welcomes the Government’s pragmatic approach, which is especially suitable for the aerospace sector and regarding ECJ jurisdiction over EASA. (Paragraph 36)

### Trade opportunities after Brexit

8. *The Government’s priority in terms of opportunities for aerospace to trade beyond the EU after Brexit should be to secure the roll-over of EASA’s existing BASAs. This could be achieved by maintaining the UK’s membership of EASA in some form.* (Paragraph 39)
9. *The Government should also aim to secure UK participation in these and any other future agreements.* (Paragraph 40)
10. In the case of aerospace, the trade-off between regulatory harmonisation and as frictionless a customs arrangement as possible, against the ability to strike trade deals globally, is decisively in favour of the former, which should be the Government’s priority. Indeed, EASA’s agreements with the likes of the United States and China suggests that the two aims are complementary, and that close harmonisation with the European and global aerospace regulatory regimes are likely to enhance, rather than diminish, the UK’s access to all global markets. (Paragraph 41)

### The impact of leaving EASA

11. It is clear that leaving the EU and EASA with no deal would be highly costly and disruptive to the UK aerospace sector and aviation, as well as its EU counterparts. *Given that no alternative arrangements are being developed, the Government should rule out this possibility.* (Paragraph 44)
12. If the UK is to make a managed departure from EASA, it would require a transition period in which special arrangements are made with the EASA, the US Federal Aviation Authority and other global regulators. The Civil Aviation Authority would need to undergo a major investment and recruitment programme if it is to take over the functions of EASA at some point in the future, and Bilateral Aviation Safety Agreements with mutual recognition agreements would need to be negotiated with the EU, US and other major markets. Given the complexities involved, this transition may need to last beyond the two years that the Prime Minister has said is likely to be appropriate for the economy-wide implementation period. This disruptive and costly process is unlikely to result in any significant divergence in regulation. Continued membership of EASA is clearly preferable. (Paragraph 47)

### Skills

13. *The Government should prioritise ensuring that our key manufacturing sectors such as aerospace retain sufficient and timely access to essential skills. The Government*

*should seek to maintain the UK's openness to skilled workers from the EU, as well as looking to which skills and qualifications could be attracted from beyond the EU. (Paragraph 49)*

14. *The Government should ensure that intra-company transfers and posted worker arrangements are flexible, rapid and require the minimum level of administration after Brexit. (Paragraph 50)*

### Research and development

15. *The Government should seek to maintain the UK's membership of Horizon 2020, the Clean Sky Joint Understanding and other collaborative R&D programmes, and secure UK participation in future programmes. In doing so, it should recognise that the primary benefit of these programmes for the UK comes from the cross-border collaborative opportunities they offer, rather than the financial return, and form its negotiating priorities accordingly. (Paragraph 53)*

### Certainty and clarity

16. *It is in the interests of the UK and the EU27 that both sides in the Brexit negotiation reach a firm agreement in the coming weeks on the arrangements for a transition or implementation period after March 2019, to avoid firms having to commence costly contingency plans. Looking beyond transition, the Government and its EU counterparts should also offer clarity on the future UK-EU relationship as soon as possible, so that firms on both sides can invest with confidence. (Paragraph 57)*

## Formal minutes

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**Wednesday 14 March 2018**

Members present:

Rachel Reeves, in the Chair

Vernon Coaker	Albert Owen
Drew Hendry	Mark Pawsey
Stephen Kerr	Anna Turley
Peter Kyle	

Draft Report (*The impact of Brexit on the aerospace sector*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 62 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Sixth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 20 March at 4.00 pm

## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

**Tuesday 21 November 2017**

*Question number*

**Simon Henley**, President-Elect, Royal Aeronautical Society; **Katherine Bennett**, Senior Vice-President, Airbus UK; and **Paul Everitt**, Chief Executive, ADS Group

[Q1-77](#)

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

BRS numbers are generated by the evidence processing system and so may not be complete.

- 1 ADS Group ([BRS0006](#))
- 2 Aerospace Technology Institute ([BRS0008](#))
- 3 Airbus ([BRS0012](#))
- 4 Boeing ([BRS0001](#))
- 5 Department for Business, Energy and Industrial Strategy ([BRS0011](#))
- 6 General Aviation Manufacturers Association (GAMA) ([BRS0007](#))
- 7 GMB ([BRS0010](#))
- 8 Mr Jordan Sullivan ([BRS0013](#))
- 9 Royal Aeronautical Society ([BRS0009](#))
- 10 UK Trade Policy Observatory ([BRS0005](#))
- 11 Unite the Union ([BRS0003](#))

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

### Session 2017–19

First Report	A framework for modern employment	HC 352
Second Report	Leaving the EU: implications for the civil nuclear sector	HC 378 (HC 881)
Third Report	The safety of Electrical Goods in the UK	HC 503
Fourth Report	Pre-legislative scrutiny of the draft Domestic Gas and Electricity (Tariff Cap) Bill	HC 517 (HC 865)
Fifth Report	The impact of Brexit on the automotive sector	HC 379
First Special Report	Industrial Strategy: First Review: Government Response to the Committee's Second Report of Session 2016–17	HC 337
Second Special Report	Corporate governance: Government Response to the Committee's Third Report of Session 2016–17	HC 338
Third Special Report	Apprenticeships: Government Response to the Second Joint Report of Session 2016–17	HC 450
Fourth Special Report	Leaving the EU: negotiation priorities for energy and climate change policy: Government Response to the Committee's Fourth Report of Session 2016–17	HC 550
Fifth Special Report	Pre-legislative scrutiny of the draft Domestic Gas and Electricity (Tariff Cap) Bill: Government Response to the Committee's Fourth Report	HC 865
Sixth Special Report	Leaving the EU: implications for the civil nuclear sector: Government response to the Committee's Second Report	HC 881