



# BREXIT AND THE CHESHIRE & WARRINGTON ECONOMY

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# THE CHESHIRE & WARRINGTON ECONOMY

- £27bn economy
- Highest GVA in the North
- Second highest GVA outside London
- More graduate-level jobs than anywhere else in the North
- Rural but not agricultural
- 25% of NW manufacturing output

# KEY SECTORS

- Manufacturing
- Life Sciences
- Energy
- Chemicals
- Financial and Business Services
- Logistics

# POTENTIAL IMPACT OF BREXIT

- Uncertainty is unsettling
- Some evidence of impact on investment decisions
- Mixed impact across different sectors
- Analysis of three key sectors:
  - Automotive
  - Financial & Business Services
  - Nuclear

# AUTOMOTIVE

- Bentley and Vauxhall plants
- employ nearly 6,500 people
- £1bn GVA to local economy
- 80% of supply chain inbound from EU
- Brexit will be feast or famine for automotive industry

# FINANCIAL & BUSINESS SERVICES

- Employs 17k people in the sub-region
- £1.5bn GVA
- £97k GVA per job
- Home to large number of back-office operations:
  - MBNA
  - Bank of America Global Technology and Operations Centre
  - M&S Financial Services
  - Lex Autolease (Lloyds Banking Group)
  - Barclays Global Technology Centre

## FINANCIAL & BUSINESS SERVICES (Cont.)

- Largely serving UK customer base
- Could be insulated from more extreme impacts of Brexit, but...
- Depends on how their customers are impacted; and
- Some global functions could be subject to long-term investment decisions

# NUCLEAR

- Significant nuclear industry in Cheshire and Warrington
- Employs 6,500 people
- Birchwood Park, Warrington home to world-leading nuclear design engineering and R&D cluster
- Capenhurst - uranium processing
- Highly regulated industry – Euratom
- Will be directly impacted by the ‘Deal’
- Concern about access to standards and frameworks and participation in R&D programmes



# CONCLUSIONS

1. Business needs clarity
2. Impact of Brexit will be highly localised
3. LEPs and Local Authorities need local tools and resources to mitigate impacts and capitalise on opportunities