Independent Commission on UK - EU Relations

FASHION'S FUTURE:

HOW BREXIT HAS RESHAPED THE FASHION INDUSTRY AND HOW TO REPOSITION THE UK AS AN INDUSTRY LEADER

ABOUT

INDEPENDENT COMMISSION ON UK - EU RELATIONS

The Commission is a timebound research project which examines the impact of the UK departure from the European Union, the Trade and Cooperation Agreement (TCA) and the Windsor Framework.

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The Commission recommends changes to the UK – EU relationship and collaboration which if implemented would improve outcomes for UK sectors, the people who live and work in the UK and for the EU and EU member states.

Recommendations are developed in collaboration with UK and EU politicians, officials, the private sector, civil society and research institutions in the UK and EU. We confer with elected EU figures, EU officials and Embassy figures.

As well as informing Government and other political figures we inform the public of our work, both to highlight and explain challenges created by current arrangements and to indicate ways forward which would benefit both the UK and EU.

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1 EXECUTIVE SUMMARY

The United Kingdom's fashion industry, a cornerstone of the nation's creative economy, stands at a critical juncture. Celebrated globally for its craftsmanship, innovation, and cultural impact, it is a significant economic contributor, supporting nearly 72,000 enterprises and over 714,000 jobs.[1] However, since Brexit, the industry has faced new trade, talent, and operational challenges that threaten its global competitiveness and future growth. Once frictionless transactions between the UK and EU member states have become mired in bureaucratic red tape, creating costly delays and lost opportunities, and the small and medium-sized enterprises (SMEs) that make up 90% of the UK fashion industry are bearing the brunt of these challenges.[2] This report details the industry's current state, identifies key post-Brexit challenges, and presents targeted recommendations to support and revitalise UK fashion.

ECONOMIC IMPORTANCE AND STRUCTURE

UK fashion is deeply woven into the economic fabric of all four nations and creates opportunity and employment in both urban and regional areas. The sector spans manufacturing, wholesale, retail, and services, collectively generating a turnover of £109.9 billion in the past year.[3] Despite these impressive figures, Brexit has led to significant reductions in EU market access, affecting sales, production, and talent mobility.

KEY POST-BREXIT CHALLENGES

Brexit has introduced barriers to trade that are particularly problematic for SMEs. Complicated customs procedures, tariffs, and increased operational costs now hinder UK brands and businesses from competing effectively within the EU, historically their largest export market. Consequently, UK exports to the EU have fallen sharply, while increased logistical costs and customs delays continue to impact production and sales.

Talent shortages further exacerbate these issues. EU nationals have left the UK workforce, while new visa requirements limit the ease with which UK professionals can work abroad. This has led to a decline in the collaborative opportunities that once fuelled innovation, and a shortage of skilled workers in the UK. Additionally, young designers and graduates are losing access to EU-based internships and opportunities, affecting their global skill sets and diminishing the industry's future talent pipeline.

1 Office for National Statistics. UK Business: Activity, Size and Location, 2024 – Fashion and Textile Industry. United Kingdom: Office for National Statistics, 2024.

RECOMMENDATIONS FOR INDUSTRY REVITALIZATION

To address these challenges, the report outlines a series of recommendations:

- **Improved Trade and Customs Agreements:** Simplifying cross-border movement of goods through improved customs processes and streamlined laws and regulations would aid businesses, particularly SMEs, and increase UK competitiveness in EU markets.
- **Enhanced Mobility for Creatives:** Bilateral agreements to ease visa restrictions for creative professionals would facilitate international collaboration and support industry resilience, as well as provide increased opportunities for young creatives and skills workers.
- **Reinstatement of the VAT Retail Export Scheme:** Restoring VAT-free shopping for international tourists would incentivize spending in the UK, providing a critical boost to luxury fashion brands.
- **Enhanced SME Support:** Financial assistance programs would help SMEs cope with rising costs and regulatory burdens that are difficult and time consuming to navigate.
- **Increased Domestic Production and Alternative Market Opportunities:** Government investment in sustainable local manufacturing hubs would reduce reliance on EU imports, bolster regional economies, and advance the UK's sustainability goals.

CONCLUSION

If the UK fashion industry is to remain a cultural and economic leader, immediate action is required to ease Brexit's adverse effects. The outlined recommendations aim to create a supportive environment where the UK fashion sector can continue to thrive, fostering growth, innovation, and sustainability.

2 Fashion Roundtable. Brexit Follow-Up Report: The Impact on the Fashion Industry. Fashion Roundtable, May 2021.

3 Office for National Statistics. UK Business: Activity, Size and Location, 2024 – Fashion and Textile Industry. United Kingdom: Office for National Statistics, 2024. For a detailed explanation of the methodology used in classifying the fashion and textile industry and aggregating employment and turnover data, please see Appendix A.

2 INTRODUCTION

The UK fashion industry has long been a powerhouse, shaping trends and influencing global style. From its origins in the high-quality tailoring of London's Savile Row to the rebellious subcultures that defined British fashion in the 20th century, the UK has set standards in craftsmanship, innovation, and cultural expression. Iconic designers like Alexander McQueen, Vivienne Westwood, and Burberry have brought British flair to the world stage, while London Fashion Week remains one of the 'Big Four' events, solidifying the UK's role in setting global fashion trends.

ECONOMIC SIGNIFICANCE OF THE UK FASHION INDUSTRY

The UK fashion industry is not just a cultural powerhouse—it is an economic force that underpins regional economies while driving substantial employment and revenue across the four nations. As of March 2024, the UK fashion and textile sector comprises almost 72,000 enterprises and over 714,000 individuals.[4,5]

	Enterprises	Employment	Turnover (GBP)
England	64,355	658,184	103.3 billion
Scotland	1,620	11,672	1.5 billion
Wales	2,150	11,863	1.5 billion
N. Ireland	3,835	32,900	3.6 billion
Total	71,960	714,619	109.9 billion

4 Office for National Statistics. UK Business: Activity, Size and Location, 2024 – Fashion and Textile Industry. United Kingdom: Office for National Statistics, 2024.

5 Office for National Statistics. UK Business: Activity, Size and Location, 2024 – Fashion and Textile Industry. United Kingdom: Office for National Statistics, 2024.

The sector's total annual turnover stands ,at an impressive £109.9 billion, and notably, over 47% of jobs and over 40% of turnover in England's industry are concentrated regionally in the North-west, Yorkshire and The Humber, east Midlands, and the South and South-west. This regional concentration underscores the industry's vital role across all parts of the UK, from bustling urban centres to rural manufacturing hubs.

The industry encompasses four key sectors; manufacturing, wholesale, retail and services (eg. garment repairs, consulting), which are broken down below.[6]

These figures demonstrate the essential role of fashion in the UK's economic landscape, which according to Lisa Nandy MP, Culture Secretary, should be central to Labour's national growth strategy alongside the rest of the creative industries.[7]

	Enterprises	Employmees	Turnover (GBP)
Manufacturing	10,315	87,921	11.05 billion
Wholesale	10,710	75,392	24.21 billion
Retail	29,815	484,259	68.38 billion
Services	21,120	67,047	6.27 billion
Total	71,960	714,619	109.9 billion

6 Office for National Statistics. UK Business: Activity, Size and Location, 2024 – Fashion and Textile Industry. United Kingdom: Office for National Statistics, 2024. For a detailed explanation of the methodology used in classifying the fashion and textile industry and aggregating employment and turnover data, please see Appendix A.

7 Culture Secretary Declares Culture, Media and Sport Sectors Crucial to National Growth Mission," GOV.UK, July 31, 2024, https://www.gov.uk/government/news/culture-secretary-declares-culture-media-and-sport-sectors-crucial-to-national-growth-mission.

POST-BREXIT LANDSCAPE

Brexit has fundamentally altered the UK fashion industry, with red tape now affecting the industry's ability to compete on the world stage in an era marked by trade complexities, disrupted supply chains, and constrained talent flows with the EU. The new challenges in trading with the EU range from tariffs and customs delays to complex rules of origin, all of which have increased operational costs. The once seamless movement of goods between the UK and EU has been replaced by high costs and delays that erode the competitiveness of UK fashion brands.

For smaller fashion businesses, these new logistical hurdles are existential threats. Kate Hills of Make It British noted that "shipping goods to the EU has become a near-impossible task for small businesses due to prohibitive charges and endless paperwork." Similarly, a womenswear designer reported that "deliveries take too long and are totally unpredictable," underscoring the logistical obstacles post-Brexit. SMEs are increasingly exploring relocation to the EU to bypass these trade barriers, depriving the UK of talent, investment, and tax revenue.[8] The rise in operational costs is exacerbated by a new reality of stricter visa requirements for creatives, making it harder for UK designers, models, photographers and other industry professionals to work across Europe in a sector previously defined by its international mobility and collaboration.

METHODOLOGY

This report draws on extensive research and consultations between 2018 to 2024, incorporating insights from industry stakeholders, surveys, and key reports. Stakeholders include designers, manufacturers, retailers, policymakers, and other industry leaders, offering a broad perspective on the challenges and opportunities facing the sector.

Most recently a targeted online survey was conducted in October 2024 to capture specific, contemporary impacts of Brexit on the sector. The analysis is further supported by quantitative data from recent economic studies and the Office for National Statistics (ONS), ensuring a robust evidence base that underscores the report's findings and recommendations.

For a more detailed explanation of the methodology used in the survey ONS data analysis, please refer to the Appendices.

8 Fashion Roundtable. Brexit Follow-Up Report: The Impact on the Fashion Industry. Fashion Roundtable, May 2021.

9 Fashion Roundtable Brexit Survey, conducted October 2024.

10 EU-UK Trade and Cooperation Agreement," DLA Piper, accessed November 1, 2024, https://www.dlapiper.com/en/insights/publications/dla-piper-trade-truths/eu-uk-trade-and-cooperation-agreement.

11 Impact of Brexit and COVID-19 on the UK Fashion, Textiles and Technology Ecosystem, Centre for Responsible Banking & Finance, University of St. Andrews, April 2023.

12 Caroline Hemingray et al., Impact of Brexit and COVID-19 on the UK Fashion, Textiles and Technology Ecosystem, University of the Arts London and University of Leeds, June 2023.

3 KEY CHALLENGES FACING THE FASHION INDUSTRY

CUSTOMS BARRIERS AND ADMINISTRATIVE BURDENS

The UK's departure from the European Union has imposed substantial trade and customs barriers, complicating the movement of goods between the UK and its largest market, with over 40% of survey respondents citing customs and administrative issues as having significantly increased their costs (by >25%).[9] While the EU-UK Trade and Cooperation Agreement (TCA) grants zero tariffs for goods that meet strict rules of origin, the reality is far more complex for fashion brands.[10] These rules require brands to prove that a significant percentage of their products are produced or sourced from the UK or EU. These paperwork-heavy processes have introduced significant delays and additional administrative processes and costs, which has disproportionately impacted SMEs, primarily due to their lack of financial resilience to absorb the escalating costs and new regulatory burdens.[11] Failure to comply results in tariffs, negating the advantages of the free trade agreement. The EU once accounted for over 75% of UK fashion exports, but now we are seeing sharp falls in these numbers.[12] For example, UK clothing and footwear exports to the EU fell from £7.4 billion in 2019 to £2.7 billion by 2023, a dramatic 60% drop.[13]

Furthermore, the increased customs checks and rules of origin requirements have disrupted supply chains across the fashion industry. According to one brand, "just sending samples is difficult with excessive challenges in customs just to get an envelope of swatches to Spain." Issues navigating the now extensive customs procedures has led to lengthened shipping times to and from the EU for raw materials and finished garments.[14] The knock-on effect is a reduction in domestic production jobs and a growing reliance on EU-based logistics networks.

Beyond trade barriers, issues with contract enforcement and clear business regulation are also impacting businesses operating across borders. One modelling agency underscored the urgency of alignment, reporting that cross-border contracts have become so complex that lawyers on each side often refuse to handle disputes worth less than £200,000. This leaves smaller agencies and brands vulnerable, with contracts increasingly unenforceable and payments frequently withheld.

ACS Clothing Ltd., which specialises in circular fashion, felt these impacts acutely. "Due to these challenges, ACS had to exit trading with the EU altogether in the immediate aftermath of Brexit. The regulatory and logistical uncertainties made it untenable for us to continue our operations within the EU market," said their Chief Sustainability Officer, Michael Cusack. These restrictions not only halted ACS's EU operations but also led to a prolonged hiatus in EU trade—a stark example of how even established brands are struggling under new regulatory constraints.

13 British Retail Sales to EU Plunge £6bn Since Brexit as Clothing Exports Drop Over 60%," European Business Magazine, accessed November 1, 2024, https://europeanbusinessmagazine.com/business/british-retail-sales-to-eu-plunge-6bn-since-brexit-as-clothing-exports-drop-over-60/.

14 Caroline Hemingray et al., Impact of Brexit and COVID-19 on the UK Fashion, Textiles and Technology Ecosystem, University of the Arts London and University of Leeds, June 2023.

TALENT MOBILITY AND WORKFORCE SHORTAGES

Designers, stylists, models, photographers, and other creatives from the UK and EU now face visa and work permit requirements that differ by country for UK nationals. Under current rules, UK creatives working within the EU can only stay up to 90 days in any 180-day period, and each visa typically only permits work in the issuing country rather than across the Schengen Zone.

This limitation creates additional administrative burdens and costs, especially challenging for freelancers or short-term contractors who need access to multiple EU countries within a short timeframe. This has also seen a mass decline in EU nationals in the UK workforce, in turn weakening the fashion industry's SME sector. 55% of survey respondents cited impacts on their ability to work with EU-based fashion professionals because of new visa restrictions. In turn, this had led over 72% to perceive the UK fashion industry as less competitive to fashion hubs such as Paris and Milan.[15]

> **Brexit caused a severe loss in our workforce, with 60% of our European staff leaving over a three-year period. Many of these workers were highly skilled.**

A shortage of local talent in specialised skills like sewing intensifies workforce challenges, resulting in "a real problem employing staff," according to one respondent. With T Levels in fashion and textiles only launched in September 2023, it will take time to build a steady talent pipeline, leaving UK businesses dependent on international talent that's now harder to access.

The fashion industry's talent pipeline also relies heavily on the seamless transition of students from education to professional internships, both within the UK and internationally, particularly in fashion capitals like Paris, Milan, and Berlin. Brexit has disrupted this pathway, as UK students now also face visa requirements, limited access to EU-based internship programs, and increased administrative and financial burdens when pursuing work experience abroad.

Additionally, the end of the Erasmus programme has removed a significant opportunity for UK students seeking internships in the EU. Without Erasmus, UK students are at a disadvantage, missing out on professional internships and the chance to learn from leading European brands This breakdown in educational and professional pathways calls for new initiatives to restore and facilitate cross-border internship opportunities.

15 Fashion Roundtable Brexit Survey, conducted October 2024.

16 Joanna Partridge, "UK Clothing Sales to EU Crash as Brexit Red Tape Deters Exporters," The Guardian, June 5, 2024, https://www.theguardian.com/business/article/2024/jun/05/uk-clothing-sales-eu-crash-brexit-red-tape-deters-exporters.

17 Three Years On: How Is Brexit Impacting Fashion Retailers?" Drapers, accessed November 1, 2024, https://www.drapersonline.com/insight/analysis/three-years-on-how-is-brexit-impacting-fashion-retailers.

18 Fashion Roundtable Brexit Survey, conducted October 2024.

19 Fashion Roundtable Brexit Survey, conducted October 2024.

Sarah Mower MBE noted, "The experience of interning in the many high-level companies in Europe, and then bringing that knowledge home used to be a huge advantage to UK graduates when they set up their own businesses. This loss of opportunity has a long-term impact on the skills and competitiveness of UK graduates entering the industry, diminishing the strength of the UK's creative workforce."

SALES AND TRADE DECLINES

With the loss of access to key EU markets, the sales, trade and growth potential for UK fashion brands has been significantly reduced, forcing many to look for new markets outside Europe or scale back operations entirely.[16] Many UK brands have had to make costly adjustments, such as registering as EU entities to continue trading with European consumers, an option that is financially viable for large corporations but out of reach for many SMEs.[17] One industry leader reported that "trading with the EU has become virtually impossible for micro businesses, which is the majority of the UK textile manufacturing industry." SMEs echoed this, with another brand explaining, "I'm not big enough to have a warehouse in the EU to ship from, it's far too complicated for us to manage. But just not an option for many of our customers at the moment."[18]

When asked how trade with the EU has been since Brexit, one business leader reported it had "dropped off a cliff," explaining they sell wholesale and direct to consumer (D2C) and now "have no European wholesale accounts and very little direct customers compared to [social media] following breakdown and sales in other regions." Several others have also reported losing customers, due to shipping and taxes becoming "astronomical." One business owner even reported relocating to the EU in order to access business opportunities.[19]

In other parts of industry, taxation, contract law, and payment terms have all become increasingly complicated to the point where UK suppliers are now being viewed by EU brands "as the cheap option on models, creatives and crew because we are desperate for any scraps of fees and our own production companies and advertising agencies are taking such large production profits that model and crew fees are far depleted, and word has got round that they can and are undercutting their competitors in the EU."

"I can't sell to the EU because of shipping and return costs, I wouldn't be able to run the business. However, most of my customer base would be outside of the UK. I am considering leaving the UK because it's not a good country to do business in as a fashion brand. Everything costs more without any advantage or benefit, only disadvantages." - Business Owner.

4 RECOMMENDATIONS

The following recommendations are put forward on behalf of the fashion industry to address the challenges. Recognising that the fashion industry is part of the broader creative industries, these recommendations have the potential to extend beyond fashion for the benefit of the wider sector.

IMPROVED TRADE AND CUSTOMS AGREEMENTS

Industry voices have made it clear that the ability for UK-based creatives and businesses to trade freely across the EU is critical to the fashion industry's success. Simplifying the process of transporting fashion goods, such as collections for shows, sample materials and products, and raw materials, through the reduction or elimination of ATA carnets (temporary export paperwork) would ease the movement of these goods across borders. This would particularly benefit emerging designers and SMEs, for whom logistical costs can be prohibitive. This would also increase sales and purchasing between the UK and EU markets, creating more business opportunities for brands. In addition, harmonising UK regulations with EU standards would transform market accessibility for UK brands, also providing increased legal protections for brands operating across borders. Looking forwards, the UK's alignment with incoming Extended Producer Responsibility (EPR) regulations in the EU will also position the UK fashion industry well to continue strong trade engagement.

ENHANCED MOBILITY FOR CREATIVES AND YOUTH

To address the issues around talent mobility for both UK and EU professionals, and combat workforce shortages, regulation around mobility for both creatives and young people must be addressed. We urge the government to negotiate frictionless travel for fashion professionals to attend events, conduct business, and collaborate without facing visa obstacles and inconsistent entry rules. The reintroduction of simplified visa processes, such as a UK-EU bilateral visa agreement specifically for creatives, could reduce the burden for freelancers, short-term contract workers, and those travelling for fashion weeks and events.

Reintroducing the Youth Mobility Scheme between the UK and EU would be a powerful step toward rebuilding vital pathways for young talent in the fashion industry. Survey responses reveal a strong desire to see these opportunities restored,

20 Ashley Armstrong, "End of Tax-Free Shopping for Tourists Has Massive Impact," The Times, accessed November 1, 2024, https://www.thetimes.com/business-money/companies/article/end-of-tax-free-shopping-for-tourists-has-massive-impact-023wxlwhq.

21 Eri Sugiura, "High-Spending Tourists Turn to European Neighbours after UK Axes Tax-Free Shopping," Financial Times, January 16, 2024, https://www.ft.com/content/d645f184-dbbc-460f-aa66-8784a87c80fb.

as the lack of seamless talent exchange has hampered growth and innovation. The industry thrives on fresh, diverse perspectives, and young professionals from the EU have long enriched the UK fashion scene with creativity and skill.

Bringing back exchange programmes such as Erasmus is also essential to restoring the lifeblood of the UK fashion industry's talent pipeline. These programmes provided UK fashion students with invaluable international exposure, particularly in European fashion hubs like Paris and Milan, giving them the practical skills and global perspectives they need to succeed in a competitive industry. This would not only level the playing field but also ensure that UK fashion students remain competitive and connected within the global fashion community, paving the way for a new generation of industry leaders.

REINSTATEMENT OF THE VAT RETAIL EXPORT SCHEME

The removal of the VAT Retail Export Scheme in 2021 severely impacted UK luxury fashion brands, which rely heavily on international tourists who are now choosing to shop within the EU instead of in the UK.[20] These tourists are crucial buyers of high-end fashion, and the ability to claim VAT refunds on purchases in the UK was a strong draw that provided a significant injection into the economy. Since the scheme ended, these tourists have increasingly opted to shop in European destinations where VAT refunds remain available. In turn, UK consumers are also now eligible for tax refunds when they spend in the EU, and this is therefore now driving domicile spending into EU markets and out of UK retail and tax systems. This change has led to a sharp fall in spending by international visitors in the UK, while countries offering VAT-free shopping have seen substantial growth in tourist spending, with Italy and Spain each experiencing over 100% increases compared to pre-Brexit levels.[21]

ENHANCED SUPPORT FOR SMES

With small and medium-sized enterprises disproportionately affected by the post-Brexit regulatory landscape, we propose the creation of specific financial support schemes for SMEs in the fashion industry, similar to the aid packages provided to the UK fishing industry post-Brexit.[22] This could include grants or tax breaks to help businesses manage the costs of navigating new EU trade rules. We also recommend establishing a government-backed export assistance programme with dedicated export hubs within the EU to provide SMEs with streamlined access to European markets. These hubs would simplify customs processes, reduce logistics costs, and offer in-market support, allowing SMEs to establish trade more effectively and competitively within the EU.

22 Post-Brexit Freedoms to Deliver More Support for UK Sustainable Fishing," GOV.UK, accessed November 1, 2024, https://www.gov.uk/government/news/post-brexit-freedoms-to-deliver-more-support-for-uk-sustainable-fishing.

INCREASE DOMESTIC PRODUCTION AND DEVELOP ALTERNATIVE MARKET OPPORTUNITIES

Brexit presents an opportunity to rebuild and strengthen the domestic workforce and manufacturing within the UK. In alignment with the commitment Prime Minister Keir Starmer made when he campaigned to lead the Labour Party, UK-owned public procurement and a UK-made policy would further enhance resilience, ensuring a stable and dependable supply of essential goods. By supporting onshoring initiatives, the UK can reduce its reliance on overseas production, increase the skilled workforce and create skilled jobs, and bolster its sustainability credentials. Onshoring also presents an opportunity to revitalise regional economies, preserve traditional manufacturing skills, and reduce the carbon emissions associated with transportation and supply chain logistics. By investing in the entire supply chain—from regenerative agriculture to local manufacturing—the UK can reduce its reliance on imported textiles and create a more resilient domestic industry.

The recent loss of domestic contracts for army uniforms underscores the need for robust public procurement that prioritises UK-made products to bolster national security and safeguard critical industries. Comparatively, the United States has implemented similar measures, requiring federal agencies to prioritise American-made goods, a move which has strengthened local manufacturing and employment.[23]

"With local manufacturers you can be in the factory regularly, checking on quality and making adjustments quickly. That sort of flexibility is priceless to a small brand."

23 Biden-Harris Administration Releases Final Guidance to Bolster American-Made Goods in Federal Infrastructure Projects," The White House, August 14, 2023, https://www.whitehouse.gov/omb/briefing-room/2023/08/14/biden-harris-administration-releases-final-guidance-to-bolster-american-made-goods-in-federal-infrastructure-projects/.

5 CONCLUSION

The long-term impacts of Brexit on the UK fashion industry cannot be overstated. From increased trade barriers and customs delays to talent mobility restrictions, to higher operational costs and simultaneous declining market demand, the sector faces significant headwinds that threaten its future competitiveness. These issues are particularly acute for SMEs, which form the backbone of the industry and are least equipped to manage the rising costs and bureaucratic burdens associated with Brexit.

Our survey results provide a compelling overview of the industry's collective outlook, with 73% of respondents expressing concerns about the competitiveness of the UK fashion industry if current Brexit-related issues remain unaddressed.[24] The sentiment from the fashion industry is clear; without meaningful support and strategic government intervention, we risk seeing the UK fashion industry lose its status as a global creative leader, and a decline in overall economic strength. We cannot afford to let the impacts of Brexit undermine decades of growth, innovation and cultural leadership.

To secure the future of the UK fashion industry, from fibre farmer to designer, retailer to manufacturer, creative to digital innovator, the government must foster an environment that encourages growth, innovation, and sustainability. By seeking improved trade and customs agreements, working towards enhanced mobility for creatives and young people, reinstating the VAT retail export scheme, providing enhanced and structured support for SMEs, and increasing domestic production and developing alternative market opportunities, we can combat the challenges facing the fashion and wider creative industry in the post-Brexit world to ensure UK fashion retains its long-held position as a cultural and economic powerhouse for years to come.

24 Fashion Roundtable Brexit Survey, conducted October 2024.

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APPENDIX A: METHODOLOGY

Industry Classification Using SIC Codes

This analysis of the fashion and textile industry relies on the UK Standard Industrial Classification (SIC) 2007. SIC codes are used to classify businesses by economic activity, providing a standardised framework for identifying and aggregating data across specific sectors. For this report, relevant SIC codes were selected to encompass production, wholesale, retail, and service activities within the fashion and textile industry. These classifications include:

- **Manufacturing** (e.g., SIC 13100 to 13990): Codes in this range cover processes from the preparation of textile fibres and weaving to the manufacture of soft furnishings and other textile products.
- **Wholesale** (e.g., SIC 46410): This code includes wholesale distribution activities, such as the distribution of textiles, clothing, and accessories.
- **Retail** (e.g., SIC 47710): Retail SIC codes focus on businesses involved in selling textiles and apparel directly to consumers.
- **Services** (e.g., SIC 95290): This classification includes fashion and textile-related services, such as garment repair and alterations, which support both the retail and manufacturing sectors.

Data Collection and Aggregation

Data for each industry activity were compiled for all businesses registered for VAT and/or PAYE, ensuring inclusion of formally recognised enterprises. For each SIC classification, the following metrics were calculated:

- **Enterprise Count:** The number of businesses actively registered under each relevant SIC code.
- **Employment:** The total number of individuals employed across each SIC category, representing workforce size within the fashion and textile sector.
- **Turnover:** Reported in thousands of pounds, turnover figures represent the total revenue generated by businesses within each SIC code.

Regional and Sector-Specific Aggregation

To provide a comprehensive view of the industry's geographic footprint, data is segmented by region. This approach allows insights into the distribution of the fashion and textile industry across the UK. For each region and sector (manufacturing, wholesale, retail, and services), total enterprise count, employment, and turnover were aggregated, offering an understanding of regional industry concentration and economic impact.

By adhering to these methods, this analysis provides a standardised and detailed view of the economic and employment landscape of the UK's fashion and textile industry, segmented by activity type and region. For further information on ONS data or methodology, contact Michelle Kazi at michelle.kazi@fashionroundtable.co.uk.

APPENDIX B: FASHION ROUNDTABLE SURVEY

Purpose and Scope of the Survey

To complement the SIC code-based analysis, we conducted a survey titled "Fashion Roundtable Brexit Survey" to capture first-hand insights from industry stakeholders on the current state and challenges of the fashion sector. This survey aimed to understand the impact of Brexit on the UK fashion industry, exploring areas such as trade, workforce, and operational shifts. Responses were collected from a cross-section of industry professionals, including designers, manufacturers, retailers, and service providers within the UK fashion supply chain.

Survey Design and Data Collection

The survey was designed with a combination of quantitative and qualitative questions, enabling respondents to provide both measurable feedback and detailed comments on their experiences. Key areas included:

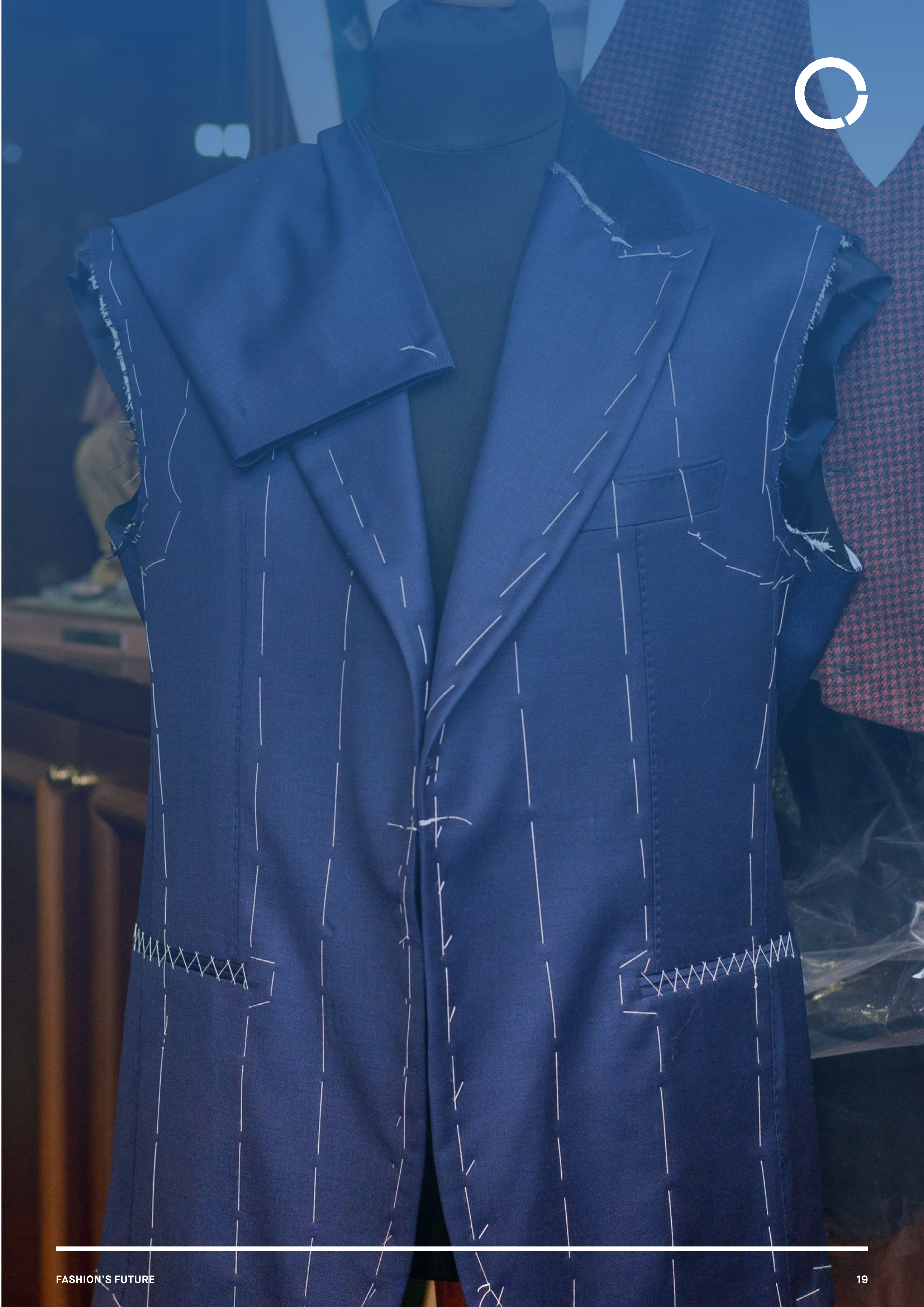
- Trade and Export Challenges: Questions focused on how Brexit has affected trade costs, tariffs, and market access.
- Employment and Workforce Impacts: Respondents were asked to comment on changes to workforce availability, recruitment challenges, and skills gaps.
- Operational Adjustments: Questions also addressed operational changes in response to new trade regulations and supply chain adjustments.

The survey was distributed via email to a selected group of industry stakeholders and promoted through Fashion Roundtable's network, with responses collected over a one-month period in October 2024.

Analysis and Integration with SIC Data

The findings from the survey were analysed to identify trends and key issues impacting the fashion industry. These insights were integrated with the SIC-based data to provide a richer, context-driven understanding of the sector's economic footprint and operational realities. This combined approach allowed us to not only quantify the industry's economic value but also capture qualitative aspects that traditional economic metrics may overlook.

By combining quantitative data with industry insights, this survey provides a comprehensive perspective on the challenges and opportunities facing the UK fashion industry post-Brexit. The detailed results are discussed within the report, and aggregated insights are included in this appendix to support transparency and understanding.



FASHION'S FUTURE:
HOW BREXIT HAS RESHAPED THE FASHION INDUSTRY AND HOW TO REPOSITION THE UK AS AN INDUSTRY LEADER

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Company number **13742325**