

# Rolls-Royce warns about Brexit uncertainty

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Rolls Royce said it was taking contingency measures and may have to stockpile parts

The boss of British aircraft engine maker Rolls-Royce warned Tuesday that the government's new Brexit blueprint failed to dispel uncertainty and cautioned over supply pressures.

The government published proposals last week to facilitate post-Brexit trade in goods with the European Union, but it gave scant detail about the future of services.

"We can't rely on anything. So the white paper ... was incrementally positive in terms of the content," said Rolls-Royce chief executive Warren East at a round-table event on the sidelines of Farnborough Airshow.

"But it still leaves loads of unknowns. And we've got a business to run.

"So, yes we are taking contingency measures and we are going to continue taking those contingency measures.

"As it happens—look what happened yesterday. It got incrementally worse again."

Prime Minister Theresa May avoided defeat in a vote on customs legislation on Monday but only after bowing to pressure from hardline eurosceptics in her ruling Conservative Party.

East meanwhile cited the example of European planemaker Airbus, which has already warned about post-Brexit uncertainty on its operations.

The European group, which directly employs nearly 15,000 people in Britain, has already warned that crashing out of the bloc with no deal would be "catastrophic" and force it to consider its investments.

"Airbus talked a little while ago ... about how catastrophic it would be with friction at the border," East added on Tuesday.

"We have exactly the same problem. Even if it's tariff free, then something gets delayed."

He added: "Unfortunately the whole supply chain has been sort of squeezed like that.

"It's not quite as bad as for supermarkets and food, but it is getting on for it."

Questioned by reporters, he replied that the group was not yet stockpiling parts but might have to.

"There's no point in stockpiling before you have to because it costs money. But we might have to."

He added was "frustrated" by the confusion over Britain's departure from the EU.

"It's time to start being a bit constructive about negotiating and that's on both sides of the fence.

"It was frustrating that... having talked about how incrementally positive (the [white paper](#)) was, at least half of it was undone," he said.

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