

New Automotive Innovation & Growth Team (NAIGT)

The NAIGT was launched in April 2008, to facilitate a collective strategic view from the industry on the innovation and growth challenges that it faces. This is the second review of the sector, the first being in 2002. It is an industry-led project facilitated by BERR's Automotive Unit. The NAIGT's work will be delivered through an industry led Steering Group, which first met in May 2008 and is chaired by Richard Parry-Jones (former Group Vice President and CTO, Ford).

Why have a NAIGT?

The original AIGT Review, led to pump-priming Government funding for a range of specific initiatives including:

- The National Supply Chain Groups Programme;
- The Low Carbon Vehicle Partnership;
- The Automotive Academy (now subsumed into the National Skills Academy for Manufacturing);
- Two technology centres of excellence – Cenex (for low carbon and fuel cells technologies) and innovITS (for intelligent transport systems and services); and
- The Retail Motor Strategy Group.

The original review was time limited and industry and Government now need to respond to new and emerging challenges and calls for action - e.g. the Trade and Industry Select Committee March 2007 Report: Success and failure in the UK car manufacturing industry; the King Review on low carbon cars; and the BERR report on the Business Environment for Japanese Automotive Supply Companies in the UK (April 2008).

The current global economic climate makes it even more important to develop a medium/long term framework to help industry remain competitive. The aim of the NAIGT is to help industry and government develop a robust and sustainable plan to achieve this.

The focus of the current review is to identify the opportunities and challenges facing the industry over the period to 2025 and how industry can best respond; and ensure that the policy levers available to Government are effectively deployed and that existing funding schemes are being used to their best effect.

Scope of the NAIGT

The NAIGT's remit is to cover the UK automotive industry as a whole, with lessons learned likely to be relevant to all of its constituent parts. It will additionally consider the challenges and opportunities presented by developments in transport and other Government policies and the impacts (positive and negative) which they can have on the competitiveness of the automotive sector.

How will the NAIGT work?

The NAIGT Steering Group is led by Richard Parry-Jones and comprises senior representatives of the automotive sector. Five expert groups have been established to address a series of linked issues to identify the innovation and growth challenges and to recommend action for both industry and government. More details on the work of the expert groups are given overleaf.



NAIGT Steering Group
Chair: Richard Parry-Jones

Expert Groups

Supply Chain Development
Chair:
Bob Gibbon
(NSA-M)

Technology & Low Carbon Product Development
Chair:
Jerry Hardcastle
(Nissan)

Technology & Low Carbon Infrastructure
Chair:
Jerry Hardcastle
(Nissan)

Business Environment
Chair:
David Smith
(Jaguar Land Rover)

Key Performance Indicators
Chair:
Matthias Holweg
(Cambridge University)

Technology and Low Carbon Infrastructure Expert Group

This Group is considering the impact on vehicle design and how the auto industry might adapt given the future challenges of:

- changes in demographics on transport demands;
- a potential shift in the balance between carbon emissions and energy supply and demand;
- the impacts of and opportunities created by electrification of transport;
- the influence that charging / fuelling infrastructure could play in changing vehicle design; and
- the adoption of more effective intelligent transport systems and whether ITS is an enabler to new technology introduction.

Technology and Low Carbon Product Development Expert Group

This Group is considering how the UK can become a more attractive place for investment in emerging automotive technologies and the associated market risks and opportunities brought by the need to address reductions in energy consumption and carbon emissions. The issues include:

- the shifts from fossil fuel to renewables;
- changes in policy and incentives that need to be considered if vehicles shift from fossil fuels to renewable and generating sector energy;
- the effectiveness of present Government funding for low carbon technologies and the routes to market for such technologies with better links to existing OEMs;
- the effects that a continued 'hearts and minds' approach to CO₂ will have on the market and how car companies should adapt;
- the opportunities for UK industry to shift from its current manufacturing processes and products to those defined by new technologies; and

The focus is on product development side activities that concern the activities of OEMs, Tier 1 suppliers and technology providers.

Business Environment Expert Group

This Group is focused on how the UK auto sector can extract maximum competitive advantage to 2025 and beyond, linking to the overall UK manufacturing strategy. Its focus will include:

- raising the sector's profile;
- attracting key skills; and
- working smarter to attract investment and improve competitive advantage.

Key Performance Indicators Expert Group

This Group will identify the key facts and figures on the performance of the industry, its strengths and weaknesses, size, robustness and competitiveness, and will then consider performance indicators of success through to 2025. Where key trends emerge they will be identified. The KPIs will be prioritised and short listed with emphasis on key leading indicators.

Supply Chain Development Expert Group

This Group is seeking to develop industry-led solutions to strengthen the supply chain and allow it to meet future challenges. The Group will build on the work of the Business Environment for Japanese Automotive Supply Companies in the United Kingdom Report, and review the impact and lessons of the national Supply Chain Group programme (which stemmed from the previous AIGT).

It will review the key challenges arising from the need to:

- improve the overall competitiveness of the UK supply chain, in strategic as well as QCD terms;
- consider how the UK supply chain can take competitive advantage of developments in low carbon and other emerging technologies;
- consider ways to strengthen and broaden suppliers competencies in the UK, including attracting inward investment; and
- address the threats and opportunities posed by globalisation.

What will it deliver and when?

A strategy for sustained success for the UK automotive sector to 2025 and beyond, particularly in the context of the twin challenges of low cost competition and the transition to lower-carbon transport, building on the UK's particular industrial, commercial and technological strengths.

There will be a number of stakeholder events to validate the emerging recommendations in early 2009 and a final report is expected to be published in April 2009.

For further information on the NAIGT and latest progress please visit the NAIGT website at: www.berr.gov.uk/whatwedo/sectors/automotive/naigt/page45547.html

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