



# SMMT Manifesto

## Key priorities for the next government



### **Champion automotive manufacturing in the UK**

#### **- Supporting a strategic future-focused industry**

The UK automotive industry is a strategic sector in the UK. Government policy that supports growth and continued partnership through the Automotive Council will help industry play a vital role in the UK economy, contributing to the production of high-value goods sold around the world and in the UK, which continues to be one of the largest and most diverse vehicle markets in the European Union.

#### **- Driving low carbon growth**

The UK is at the forefront of low carbon manufacturing and strives to be a leading global player in promoting innovative automotive solutions. A portfolio of measures to encourage the production and take up of low carbon vehicles will attract inward investment and stimulate the emerging low and ultra low carbon market.

#### **- Strengthening the UK supply chain**

The health and viability of the UK automotive supply chain is a key concern for the automotive sector. Proactive engagement from government and continued investment from industry will ensure our homegrown suppliers are strengthened and internationally competitive. A supplier collaboration funding scheme would enhance the UK's supply chain capabilities.

#### **- Increasing business confidence**

Clear and effective signals that increase business confidence will enable firms to develop and where needed re-grow. Policies and initiatives that nurture recovery and sustain growth will be crucial.

### **Create a transformed business environment**

#### **- Making the UK the first choice for global automotive investment**

An internationally competitive business environment in the UK will encourage inward investment from key global automotive vehicle manufacturers and Tier 1 suppliers. Promoting a dynamic UK automotive sector should be a key part of government's international trade and investment programme.

#### **- Adopting a long term fiscal and financial framework**

A positive fiscal and financial environment for UK automotive companies must be pursued with focus on a longer term and pragmatic attitude towards vehicle taxation. An approach to fuel taxation should take into account fiscal needs, market trends, environmental goals and cost to users. Government must also encourage effective, demand-led incentives, while renewing financial confidence to lend.

#### **- Reinforcing the availability of credit and delivery of business support**

Government should set in place a framework to reinforce the availability of consumer finance and business credit. Government must also use available funding more effectively, securing successful delivery and supporting economic recovery.



## **Support research, design and development**

### **- Targeting support for high-value R&D**

The automotive sector invests over £1 billion in R&D every year in the UK, and is the largest investor in R&D in Europe. Government should support this investment through clear and targeted incentives and work with industry to attract more investment into research, design and development.

### **- Following the consensus automotive technology roadmap**

Aligning R&D priorities with the technology neutral approach advocated in the New Automotive Innovation and Growth Team consensus Technology Roadmap will ensure innovative low carbon solutions are developed across industry and deliver real carbon reductions.

### **- Enabling flexible fiscal support**

Government should make the UK R&D tax credit system more flexible by providing immediately payable credit on a temporary basis.

### **- Learning from innovative demonstration**

Innovative solutions being trialed across the UK will give automotive companies valuable knowledge on how low carbon vehicles of the future will be used. Government policy should support Test Bed UK and a coordinated approach to vehicle demonstration, with a continued focus on targeted funding through the Technology Strategy Board.

## **Close the skills gap**

### **- Making the UK globally competitive**

The UK is a key player in the competitive global automotive industry, to maintain competitiveness, a refreshed and more focused approach to skills and training is essential.

### **- Funding and targeting skills provision**

Training and skills provision must be accessible, properly funded, and suitably targeted. Spending to support training and skills should be focused on priority areas that will drive business growth and productivity, such as increasing support for apprenticeships and applied learning.

### **- Increasing investment for science, technology, engineering and maths**

Investment in science, technology, engineering and maths (STEM) skills is key in opening up employment opportunities at every level within the automotive sector.

### **- Linking skills to low carbon jobs**

In order for the UK to be at the forefront of the low carbon economy, skills policy must be linked to the future low carbon technology agenda to enable the UK automotive sector to thrive internationally.