

# UK AUTOMOTIVE PRIORITIES

Securing success and competitiveness / September 2019



1

STRONGER EU AND GLOBAL TRADE RELATIONSHIPS

New trading relationships with the EU and priority countries, safeguarding the interests of the UK automotive industry

- 1. Deliver a deal with the EU that safeguards UK Automotive competitiveness, removes damaging uncertainty and encourages investment.
- 2. Ensure frictionless trade (tariff and customs free) with the EU by remaining in the customs union and delivering the outcomes of the single market.
- 3. Guarantee regulatory certainty through harmonised product regulation and type-approval.
- 4. Ensure UK Automotive has unrestricted and reciprocal access to EU talent.
- 5. Secure the closest possible long-term relationship between the UK and the EU on regulatory, R&D, trade and customs matters.
- 6. Manage the transition from EU membership to a new trading relationship by continuing existing trading arrangements with the EU and third country markets.
- 7. Secure full cumulation of UK and EU content to facilitate preferential access to third country markets.
- 8. Develop an ambitious, forward looking trade strategy, which targets automotive's most important markets, supports trade promotion and promotes reshoring.

2

AN INTERNATIONALLY COMPETITIVE BUSINESS ENVIRONMENT AND INDUSTRIAL STRATEGY

Re-establish the UK as an attractive place for Automotive to invest and do business through a globally competitive business environment and ambitious sector-focused industrial strategy

- 1. Re-establish the UK's global attractiveness as a stable and supportive political and economic investment destination, maintain a competitive UK market and sector, including supply chain, aftermarket, buses and commercial vehicles.
- 2. Cross-government delivery of consistent and joined up policy on industrial, environmental and ultra low emission and digital agendas; and swift delivery of a substantive package of business support mechanisms and mitigating actions in the event of a 'no deal' Brexit.
- 3. Develop a comprehensive and long-term skills strategy that supports needs across the sector, delivering a talent pipeline and expediting adoption of the automotive skills sector deal.
- 4. Provide targeted business support to encourage growth and development in the UK automotive supply chain (e.g. AMSCI 2).
- 5. Sustain the sectoral approach to the national industrial strategy, to deepen collaboration between the automotive industry and government and ensure effective, consistent and focused delivery across all regions.
- 6. Create an internationally competitive tax framework for business rates, capital allowances, R&D incentives and other fiscal mechanisms to encourage investment in the UK.
- 7. Create a globally competitive transport, digital and energy infrastructure to deliver the benefits of digitalisation, connectivity and Ultra Low Emission Vehicles (ULEVs).
- 8. Prioritise energy cost reductions and provide long-term certainty on energy and environmental policy.

3

SUSTAINABLE MOBILITY, ULEV AND ZERO-EMISSION AMBITION

A strategy that brings together all stakeholders to deliver clean and sustainable mobility

- 1. Boost UK automotive through a strategy of policy measures which recognise the clear roles of industry, government and the consumer to reduce emissions and improve air quality.
- 2. Develop a strategy that moves the UK to the next stage of ULEV development, securing manufacturing in the UK and delivering the transformation required to meet the UK's zero-emission ambitions.
- 3. Guarantee funding to support the uptake of ultra low emission vehicles, including commercial vehicles and buses, supporting infrastructure and R&D in ultra low emission technology.
- 4. Develop a clear and long-term approach to vehicle-related taxation which reflects environmental and technological changes and is simple for consumers.
- 5. Deliver the necessary support to secure the UK as a competitive location for critical battery production, including a gigafactory.
- 6. Provide cross-government support for delivery of circular economy priorities.

4

CONNECTED MOBILITY AND DIGITALISATION

Effective and timely implementation of policies to ensure the UK secures the benefits of digitalisation and remains a global-player in the technological revolution

- 1. Develop a comprehensive national strategy for the development, testing and rollout of CAVs in the UK.
- 2. Remove barriers to the development and deployment of CAVs by working with industry on regulatory reform (including traffic laws), accelerating infrastructure development (including 5G roll-out and 4G coverage) and preparing consumers for connected and autonomous driving. At a global level, expedite the harmonisation of regulations.
- 3. Develop a UK CAV testbed that is internationally recognised and helps secure significant R&D investment in the UK.
- 4. Develop a world-leading cyber security offer, supporting the development of connectivity in manufacturing and vehicles.
- 5. Collaborate with industry to promote digitalisation in automotive manufacturing and throughout automotive value chains.

UK AUTOMOTIVE AT A GLANCE

4 Commercial vehicle manufacturers

8 Major premium and sports car manufacturers

6 Design centres

8 Bus and coach manufacturers

60+ Specialist car manufacturers



2,500 Suppliers

9 Engine manufacturers

6 Mainstream car manufacturers

20 R&D centres

INTRODUCTION

The automotive industry is a vital part of the UK economy accounting for more than £82 billion turnover and £18.6 billion value added. With some 168,000 people employed directly in manufacturing and 823,000 across the wider automotive industry, it accounts for 14.4% of total UK exports and invests £3.75 billion each year in automotive R&D. In 2018, the UK produced 1.6 million vehicles and 2.72 million engines, and while this represents a fall in production since the most recent peak in 2017, these are still historically high production levels. The sector is also very broad – with the UK home to the largest number of low-volume and specialist vehicle manufacturers, a broad supply chain, truck and van manufacturers, as well as a thriving aftermarket turning over an annual £21.1 billion.

The fundamentals of our industry remain strong and a bright future is possible, provided the correct policy choices are made in a timely fashion. We want UK Automotive to continue to thrive but this will only happen if government enables the right conditions that maintain competitiveness as the industry meets the challenge of immense technological change.

Technology is having a transformative effect on the automotive sector and mobility. Advances in ultra low emission, connected and autonomous technology are making vehicles cleaner, more efficient and safer. Digitalisation, machine-to-machine communication and big data are redefining manufacturing, making it more productive and responsive to the needs of customers. In addition, old business models are being rewritten as the automotive, technology and telecoms sectors converge. The economic opportunities that will arise from these transformative changes are considerable. Grasping them will require the whole of government to work in collaboration with the automotive sector. However, there is a limited window of opportunity for the UK to ensure it is established as a key

location for this opportunity and the future relationship with the European Union will be critical.

The UK’s withdrawal from the EU will change the international landscape within which the automotive sector operates. UK Automotive and its supply chain are fully integrated with the EU and have benefited enormously from the customs union and single market – tariff- and customs-free trade, regulatory harmonisation, preferential access to third country markets through EU free trade deals, full access to the EU’s skills market and access to research and development funding. Maintaining the future competitiveness of the UK’s automotive sector must be a top priority and retaining these benefits as part of a future trading relationship with the EU is absolutely vital.

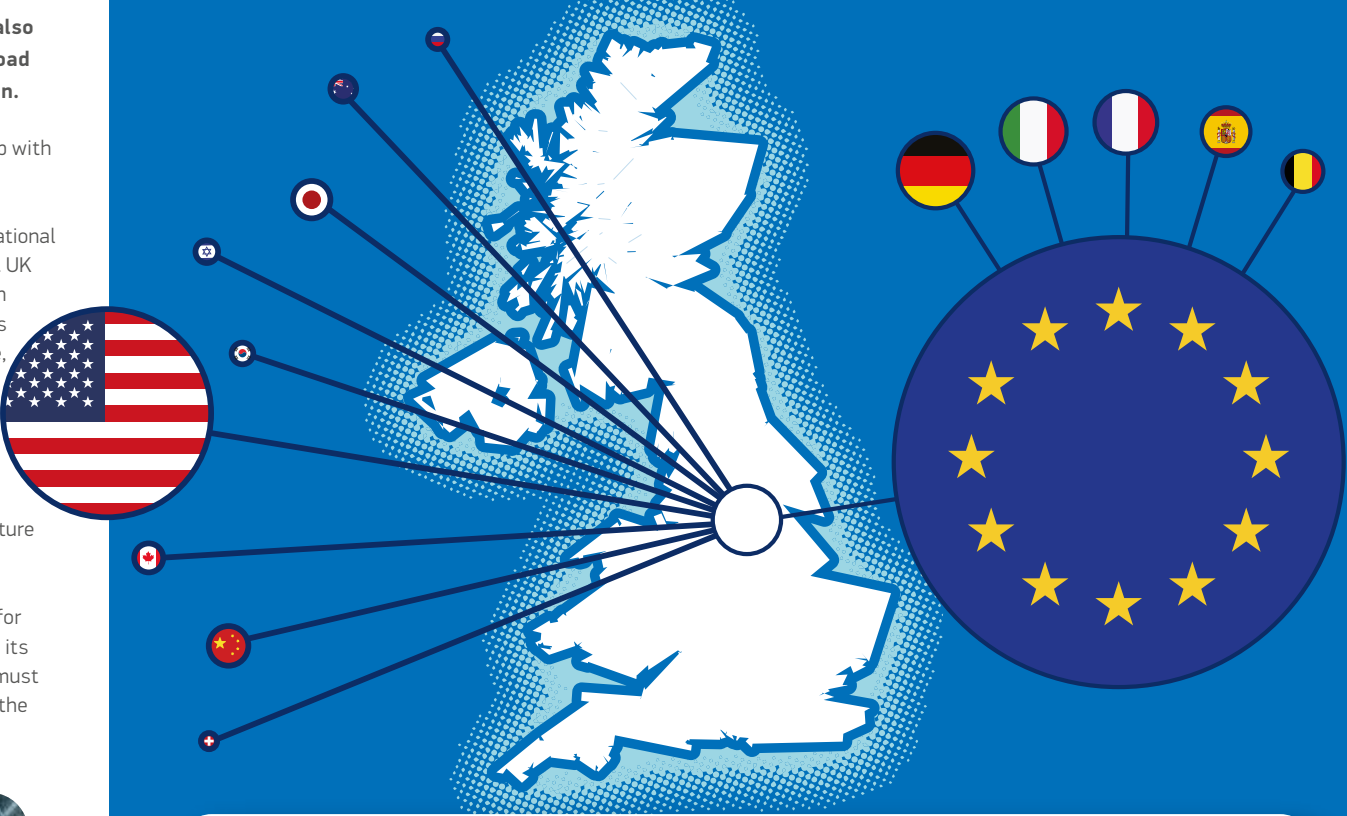
The coming months and years will be a defining period for UK Automotive. If it is to continue to thrive and sustain its ambitions, then industry, government and Parliament must work in partnership to develop and deliver the policies the sector needs to succeed. ■



GLOBAL DEMAND FOR BRITISH CARS

1,237,608 cars manufactured for export in 2018

8 out of 10 cars made in the UK are exported



TOP GLOBAL EXPORT DESTINATIONS FOR UK CARS

EU	57.0%	Australia	1.9%
USA	17.7%	South Korea	1.4%
China	3.8%	Israel	1.4%
Japan	3.8%	Russia	1.1%
Canada	2.1%	Switzerland	1.0%

THE UK EXPORTS TO MORE THAN 160 COUNTRIES WORLDWIDE



# 1 STRONGER EU AND GLOBAL TRADE RELATIONSHIPS

The automotive sector is a highly integrated global industry and has built its success on favourable trading conditions resulting from the UK's membership of the EU single market. This has allowed UK Automotive to trade freely across the EU without incurring the costs of tariff and non-tariff barriers or customs checks, access talent from right across the continent and enjoy preferential trading terms with numerous global markets through EU free trade agreements. The introduction of new barriers to trade with the EU and other priority markets risks undermining the competitiveness of the automotive sector. Government must secure future relationships with the EU and global markets that safeguard the interests of UK Automotive.

## 1. DELIVER A DEAL WITH THE EU THAT SAFEGUARDS UK AUTOMOTIVE COMPETITIVENESS, REMOVES DAMAGING UNCERTAINTY AND ENCOURAGES INVESTMENT

Leaving the EU without a deal would add significant cost to UK Automotive. Border disruption would undermine the sector's highly efficient just-in-time manufacturing. Every day 1,100 trucks deliver £42 million worth of parts and components to UK vehicle and engine plants. Any delays that cause production stops at automotive facilities in the UK would cost £50,000 per minute in lost value added. UK Automotive is already bearing the cost of Brexit, even before the UK has withdrawn from the EU: 20% of automotive companies have lost business as a direct consequence of Brexit; more than 50% of businesses have seen operations suffer because of uncertainty regarding the UK's future trading relationships; 12.4% have moved operations abroad as part of contingency planning; 12.4% have cut headcount as part of contingency planning; and inwards investment is down -46.5%.

## 2. ENSURE FRICTIONLESS TRADE (TARIFF AND CUSTOMS FREE) WITH THE EU BY REMAINING IN THE CUSTOMS UNION AND DELIVERING THE OUTCOMES OF THE SINGLE MARKET

The EU customs union creates a single customs territory within which goods are traded tariff free regardless of their origin. The single market creates a common market with a shared regulatory framework and a common approach to market surveillance, security controls, compliance and redress. Taken together, the customs union and the single market provide for genuinely frictionless trade. Any future arrangement between the UK and the EU must replicate the benefits of this combination. The introduction of tariffs on trade with the EU would significantly increase costs and undermine competitiveness. 10% tariffs on the import and export of finished vehicles could cost the industry £4.5 billion and increase the list price of cars imported to the UK from the EU by an average of £1,700. Moreover, the import duty incurred on UK-produced cars and light commercial vehicles exported to the EU would increase the cost of these products by £2,800 and £2,000 respectively. These costs will increase with any sterling depreciation, they cannot be passed on and are significantly greater than the profit margins of most UK volume manufacturing operations. Tariff costs and custom burdens on the highly integrated supply chain would also cause disruption and risk undermining the competitiveness of UK manufacturing.

## 3. GUARANTEE REGULATORY CERTAINTY THROUGH HARMONISED PRODUCT REGULATION AND TYPE-APPROVAL

The government must ensure that no non-tariff barriers

to trade with the EU are created, by committing to ongoing harmonisation of the UK and the EU's automotive product regulations. The government needs to ensure that, following the UK's withdrawal from the EU, existing European type-approvals issued in the UK remain valid and that European type-approvals can continue to be issued in the UK. Harmonisation with EU product regulation will not only facilitate access to the EU's markets, but markets across the world, many of which adopt EU regulations. As a heavily regulated sector, any divergence from the regulations in our largest market would present a fundamental and hugely costly issue for UK automotive products and processes.

## 4. ENSURE THAT UK AUTOMOTIVE HAS UNRESTRICTED AND RECIPROCAL ACCESS TO EU TALENT

The automotive sector is committed to developing talent in the UK. However, it also benefits from blending UK and international talent at all levels, and quickly moving employees across different countries to ensure smooth business operations. Government must ensure that this remains possible by guaranteeing continued and unrestricted access to international talent and that UK talent can continue to gain essential overseas experience. Any new immigration system needs to reflect the competitiveness needs of automotive, including for workers to move between plants at short-notice with zero, or minimal, cost and administrative burdens.

## 5. SECURE THE CLOSEST POSSIBLE LONG-TERM RELATIONSHIP BETWEEN THE UK & THE EU

The EU is the British automotive sector's most important market, with 52.6% of cars exported from the UK to the EU in 2018, and 77.8% of cars imported into the UK from the EU. It is critical to the success of the automotive sector that the closest possible long-term relationship with the EU on regulatory, R&D, trade and customs matters is maintained.

## 6. CONTINUE EXISTING TRADING ARRANGEMENTS WITH THE EU AND THIRD COUNTRIES IN THE EVENT OF A 'NO DEAL' BREXIT

The automotive sector operates on six to seven-year product cycles. Since the UK's EU membership referendum, future investment decisions have been on hold or are being made away from the UK, and more will be made in the coming months and years. Domestic and global businesses need to be confident in investing in the UK and the government must provide as much certainty as possible, including committing to

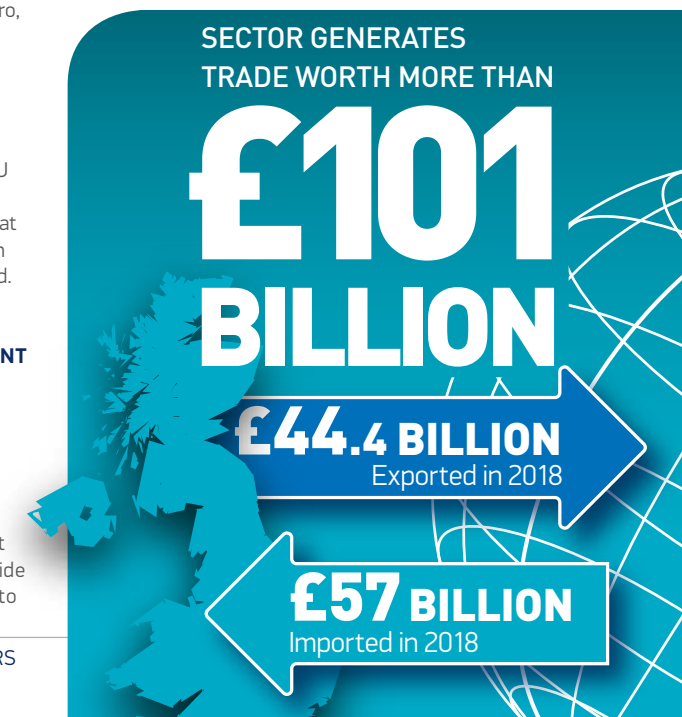
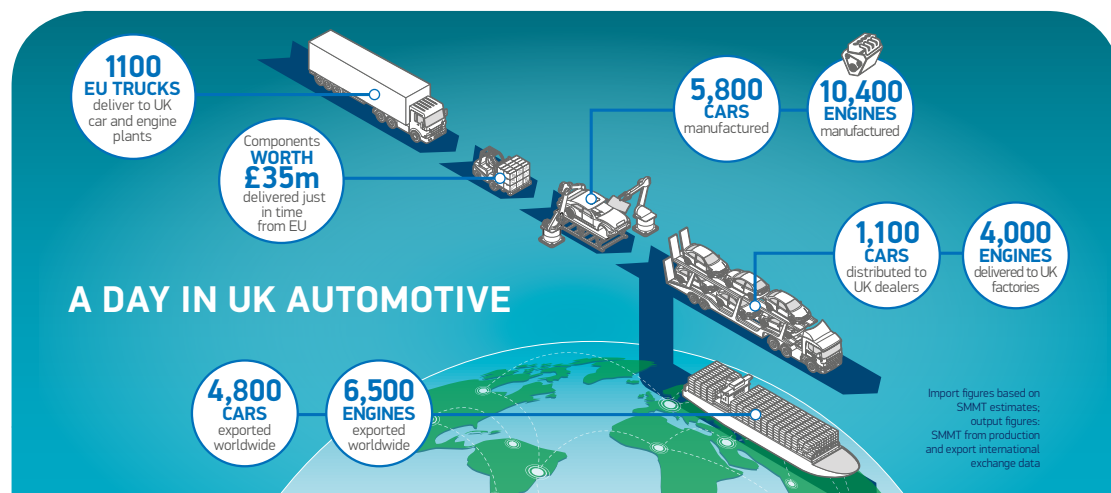
the maintenance of existing trading relationships with the EU and international markets in the event of no deal being agreed with the EU. A 'no deal' Brexit risks bringing to an end our sector's preferential access to critical markets around the world, e.g.: Japan, Canada, Turkey, South Africa, Mexico and Morocco.

## 7. SECURE FULL CUMULATION OF UK & EU CONTENT

Given the highly integrated nature of the automotive supply chain it is critical that the government agrees with international trading partners that automotive goods originating in the UK and the EU can be cumulated and considered as originating content for the purposes of future trade deals.

## 8. DEVELOP AN AMBITIOUS FORWARD LOOKING TRADE STRATEGY, WHICH TARGETS AUTOMOTIVE'S MOST IMPORTANT MARKETS, SUPPORTS TRADE PROMOTION AND PROMOTES RESHORING

The government's top trade priority must be to secure an ambitious and comprehensive trade deal with the EU. In addition, the government must have the needs of UK Automotive as a key objective in the future trade agenda, fully supporting trade promotion, prioritising the replication of existing EU free trade agreements and involving the sector in future trade negotiations. ■



## 2 AN INTERNATIONALLY COMPETITIVE BUSINESS ENVIRONMENT AND INDUSTRIAL STRATEGY

UK Automotive is a strong and critical part of the country's industrial footprint. The UK has the necessary fundamentals for growth. If the UK is to retain its position as one of the leading locations in the word for automotive manufacturing, a long-term commitment to UK manufacturing, with a specific focus on automotive as a strategic sector, is essential. The UK automotive industry operates in a highly competitive, global environment and has been hugely successful in attracting international investment. But in 2018 fear of a 'no deal' Brexit caused investment to halve and by June 2019 it had effectively stalled. Investment has played a critical role in UK Automotive's success over previous years, facilitating growth in the supply chain and making automotive one of the UK's most important employers. The UK's strong position within the EU, its access to global markets, the quality of its supply chains and the flexibility of its labour market have all helped to attract international investment. The government must:

### 1. RE-ESTABLISH THE UK'S GLOBAL ATTRACTIVENESS AS A STABLE AND SUPPORTIVE POLITICAL AND ECONOMIC ENVIRONMENT, WITH A VIBRANT VEHICLE MARKET

The ongoing uncertainty of Brexit and UK environmental policy have significantly impacted the attractiveness of the UK as a place to invest and develop business. The UK needs to reverse this and re-establish itself as a hub for automotive growth and development. A vibrant vehicle market plays a critical role in the UK's economic success and the government must ensure that all policy decisions support growth. Consistent, long-term approaches to policy and motoring taxation provide the necessary certainty to industry, businesses and, importantly, consumers, maintaining the UK market in times of technological change and economic uncertainty. The UK must maintain the depth, breadth and vibrancy of its sector – across specialist and low-volume manufacturers, supply-chain, aftermarket, buses, coaches and commercial vehicles. As an example, consultation and completion of the Bus Service Operators Grant (BSOG) will be an important step to supporting this aspect of the UK automotive market.

### 2. TAKE AN AMBITIOUS AND JOINED UP APPROACH TO TACKLING ISSUES THAT AFFECT UK COMPETITIVENESS AND MAKE THIS SUBSTANTIVE, IMMEDIATE AND TRANSFORMATIONAL IN THE EVENT OF 'NO DEAL'

The automotive market is changing rapidly, with new competitors emerging from across the globe. If the UK is to remain internationally competitive and secure continued investment, growth and jobs in automotive, the government must take an ambitious, joined up approach that delivers consistent policies on the UK/EU relationship, industrial strategy and the transformational agendas on ultra low emission vehicles, digitalisation and connected and autonomous mobility. In the event of 'no deal', government must work closely with industry to develop and quickly deliver a substantive package of business support mechanisms and mitigating actions.

### 3. DEVELOP A COMPREHENSIVE AND LONG-TERM SKILLS STRATEGY THAT ADDRESSES SKILLS GAPS AND SUPPORTS AUTOMOTIVE NEEDS

There is a long-term engineering skills shortage in the UK and this constraint could become more acute with a restrictive future immigration policy and challenges from the development of new digital, connected and ultra low emission technologies. We will require new skills in industrial chemistry, electrical engineering, virtual modelling, software design, cyber security and digital science, engineering and architecture. The government should support the industry's sector skills deal to help close the skills gap at all levels, developing the skills pipeline for automotive and ensuring that the UK's labour force is able to adapt to, and benefit from, new technological developments.

### 4. PROVIDE TARGETED BUSINESS SUPPORT TO ENCOURAGE GROWTH AND INVESTMENT IN THE SUPPLY CHAIN

The government should commit to measures that will support improvements in the automotive supply chain, including replacing the Regional Growth Fund (RGF) and Advanced Manufacturing Supply Chain Initiative (AMSCI) with programmes that provide equivalent support, and by increasing funding and ensuring swift delivery of the National Manufacturing Competitiveness Levels (NCML) framework.

### 5. SUSTAIN AND ENHANCE THE SECTORAL APPROACH TO INDUSTRIAL STRATEGY

Industrial strategy has been a driver of the substantive

investment and success the automotive industry has seen over recent years. This competitive advantage must not be lost. The automotive industrial strategy should be supported by an enhanced and ambitious sectoral approach for the sector. This should build on existing work, including on the transition to ULEVs and the development of battery technology, utilise existing structures within the Automotive Council and facilitate cross-sectoral collaboration. Furthermore, government must ensure the effective, consistent and focused delivery of the national industrial strategy across all regions.

### 6. CREATE AN INTERNATIONALLY COMPETITIVE TAX FRAMEWORK

The government should reform the UK's tax framework to ensure that the design and level of all mechanisms support industrial growth. This should include removing plant and machinery from the business rates valuation, ensuring that capital allowances better encourage investment and growth, and increasing R&D tax credits to an internationally competitive level. For manufacturing, these are the critical fiscal levers to investment, not reductions in corporation tax.

### 7. CREATE A GLOBALLY COMPETITIVE TRANSPORT, DIGITAL AND ENERGY INFRASTRUCTURE

If the UK is to enjoy the full benefits of technological advances taking place in the automotive sector it must ensure that it has world-leading infrastructure. Faster road and rail links are needed to support just-in-time manufacturing; digitalisation and the development, testing and roll-out of Connected and Autonomous Vehicles (CAVs) requires significant improvements in the UK's digital infrastructure; and the energy network must be decarbonised and have the capacity and resilience needed to support the rollout of ULEVs.

### 8. PRIORITISE ENERGY COST REDUCTION AND PROVIDE LONG-TERM CERTAINTY ON ENERGY AND ENVIRONMENTAL POLICY

Electricity prices in the UK are 68% higher than the EU average and costs for larger industrial users rose by 55% between 2010 and 2018. This undermines UK Automotive's competitiveness and must be addressed. In addition, the government must give business the confidence it needs to invest by providing long-term certainty in energy and environmental policy. Measures to support competitiveness include continuity in the EU Emissions Trading Scheme (ETS) or a simple tax that is flexible/reactive to EU ETS price; securing the future of

climate change agreements beyond current phase; access to grants and interest free loans to invest in energy efficiency measures/low-carbon technologies for larger companies; and creating a national funding pot for local authorities to be able to explore greater renewable energy supply to reduce business energy costs. ■

### THE LCV'S CONTRIBUTION TO THE UK ECONOMY

**3.4m**  
people use or depend on  
vans for their work



Vans support **10%** of the  
UK's workforce, delivering a  
combined wage bill of  
**£56 billion,**  
or **11%** of UK GDP

## 3 SUSTAINABLE MOBILITY, ULEVS AND ZERO-EMISSION AMBITION

The automotive sector has a critical role to play in developing sustainable mobility and contributing to the UK's emissions reduction ambitions. The industry has made substantial progress on efficiency and its products are cleaner than ever. New internal combustion engine technologies, as well as alternative powertrains, will reduce greenhouse gas emissions and improve air quality, while providing consumers with the choice they expect to find in the market.

This transition also provides a strategic opportunity for growth and jobs in the UK. Grasping this opportunity will require a wide-ranging, whole of government approach, prioritising investment in the development of ultra low and zero emission technologies, the development and delivery of essential infrastructure and investment in skills to ensure the ULEV supply chain develops in the UK. The government must:

### 1. MAINTAIN A TECHNOLOGY NEUTRAL AND COLLABORATIVE APPROACH

The automotive industry has invested significantly to develop a portfolio of technologies that reduce carbon and pollutant emissions from vehicles. To ensure the continued reduction in emissions and improvements in air quality during the transition to ultra-low and zero emission vehicles, government must take a technologically neutral approach that allows motorists to choose from the full range of cleaner technologies being offered. Such an approach is equally applicable for commercial vehicle operators who should have access to a range of new and existing technologies including diesel, hydrogen and natural gas methane. Government should work collaboratively with automotive, devolved administrations and local authorities.

### 2. ENSURE THE ROAD-TO-ZERO STRATEGY MEASURES ARE FUNDED AND SUPPORTED TO DELIVER A CLEAR, END-TO-END ULEV STRATEGY

The UK is one of the leading European markets for ULEV. Government must ensure the Road-to-Zero strategy and associated policy measures are fully supported and adequately resourced to move the UK to the next stage of ULEV development, manufacture and rollout. Collaboration with the automotive industry and joined-up policy making across all levels of government is required to avoid unintended consequences. This includes incentives, infrastructure development, consumer acceptance and the development of new battery and fuel technologies. Any ULEV strategy must also consider the role of buses and overcome any barriers to the uptake of low emission buses

and supporting infrastructure (including for depots).

### 3. GUARANTEE FUNDING FOR THE UPTAKE OF ULEV, THEIR SUPPORTING INFRASTRUCTURE AND R&D IN LOW EMISSION TECHNOLOGY

A competitive package of long-term measures to accelerate the market for ULEVs, enhance infrastructure capabilities and deliver increased investment in R&D is needed. The government must take a clear approach to encouraging the uptake of ULEVs and, as part of this, must invest in developing the supporting charging infrastructure, making sure that this is installed where it is most needed and supports an integrated transport system, including buses. The government must also continue to provide strategic investment in R&D in low emission technologies at a globally competitive level.

### 4. DEVELOP A CLEAR AND LONG-TERM APPROACH TO VEHICLE RELATED TAXATION AND CONSUMER INFORMATION

Vehicle taxation is a critical element by which government can incentivise motorists to invest in cleaner vehicle technologies. Government must provide long-term certainty on Vehicle Excise Duty and Company Car Tax, maintaining affordability and encouraging the purchase of new technologies. Government should work with industry to provide clear consumer information on any policy or fiscal changes, which will improve consumer understanding of technological changes. Consumers should also be supported by strengthening the MOT system to ensure more robust checking of emissions systems.

### 5. DELIVER THE LEVEL OF SUPPORT REQUIRED TO POSITION THE UK AS A COMPETITIVE LOCATION FOR CRITICAL BATTERY PRODUCTION, INCLUDING A GIGAFACTORY

A gigafactory in the UK is essential to secure the long-term mass production of EVs in the country and a strong domestic supply chain. The UK has the fundamentals to be a leading location for ULEV technology development and production, as well as a market for these vehicles. Now the UK needs to ensure it has the stability and level of offer to attract and secure substantive battery production, which means developing a gigafactory to secure a competitive future.

### 6. CROSS-GOVERNMENT SUPPORT FOR DELIVERY OF CIRCULAR ECONOMY PRIORITIES

including recognition and adoption of supportive measures for remanufacturing. ■

## 4 CONNECTED MOBILITY AND DIGITALISATION

Advances in digital technology are transforming the automotive sector, as well as the financial, legal and service sectors which work alongside it. New cars increasingly include connected and autonomous features, while manufacturing is being transformed by digitalisation. These new technologies present a significant economic opportunity. The overall economic benefit to the UK of connected and autonomous vehicles could be in the region of £62 billion by 2030, with 420,000 jobs created, 20,000 of which would be in automotive. Government must ensure that the UK positions itself effectively to reap these benefits. In doing so, it must:

### 1. DEVELOP AND DELIVER A COMPREHENSIVE NATIONAL CAVS STRATEGY

The UK needs to ensure the Centre for Connected and Autonomous Vehicles is enabled and resourced to address all the issues affecting CAV technology, including data, data protection, cyber security, infrastructure (both digital and physical), the regulatory landscape and consumer acceptance. It must also bring together and coordinate all relevant government departments and policy development to deliver on a common goal.

### 2. REMOVE BARRIERS TO THE DEVELOPMENT AND DEPLOYMENT OF CAVS

Regulatory barriers, poor infrastructure and a lack of public acceptance could all act as barriers to the development and deployment of CAVs. The government should remove regulatory barriers through a rolling programme of reform, focused on near to market technologies; ensure that the whole UK road network has mobile internet coverage (4G now and 5G roll-out); and work with industry to address any public concerns regarding CAVs. The MOT system also needs to be reviewed for advanced driver assistance systems (ADAS) and furthermore, as innovation rapidly progresses, any issues relating to competition and potential impacts on consumer should be addressed.

### 3. DEVELOP FURTHER AN INTERNATIONALLY RECOGNISED CAV TEST-BED

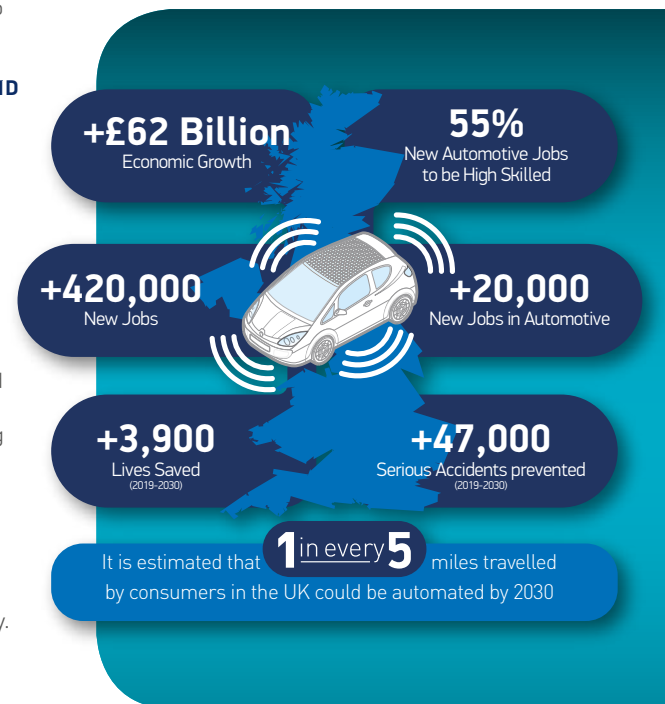
The UK should sustain its ambition to be the best place in the world to test and deploy CAV technology. This requires the development of an internationally recognised test-bed, which brings together existing testing facilities into a single offer.

### 4. DEVELOP A COMPREHENSIVE CYBER SECURITY OFFER

Developing a comprehensive cyber security offer could differentiate the UK from other international markets and help secure international investment in new technologies. As part of this, the government should collaborate with industry to ensure the security of business and manufacturing processes, as well as products

### 5. COLLABORATE WITH INDUSTRY TO PROMOTE DIGITALISATION

Other leading economies, including Germany and the US, already have well-established industry/government programmes that promote digitalisation. The UK must have the same and bring forward a programme of work that addresses all the critical issues related to digitalisation, including skills, standards development, technology demonstrators and support for companies throughout the automotive value chain. ■





#### About SMMT

The **Society of Motor Manufacturers and Traders (SMMT)** is one of the largest and most influential trade associations in the UK. Its resources, reputation and unrivalled automotive data place it at the heart of the UK automotive industry.

SMMT is the voice of the UK motor industry, supporting and promoting its members' interests at home and abroad to government, stakeholders and the media.

SMMT represents more than 800 automotive companies in the UK, providing them with a forum to voice their views on issues affecting the sector, helping to guide strategies and build positive relationships with government and regulatory authorities.



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