

Industrial Strategy Webinar

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Sydney Nash
Senior Policy Manager
SMMT

Alex Williams
Deputy Director Industrial Strategy
BEIS

- During presentations (10:00 – 10:30) everyone will be muted so that only the presenters will be heard.
- The presentation will be followed by a Q&A session. Click on the hand symbol to show that you have a question.
- If you are experiencing any technical problems please call 020 7344 1673.

Agenda

- Introduction to Industrial Strategy
- The Automotive Sector Deal
- Questions and Answers

Industrial Strategy

Building a Britain fit for the future



INDUSTRIAL
STRATEGY

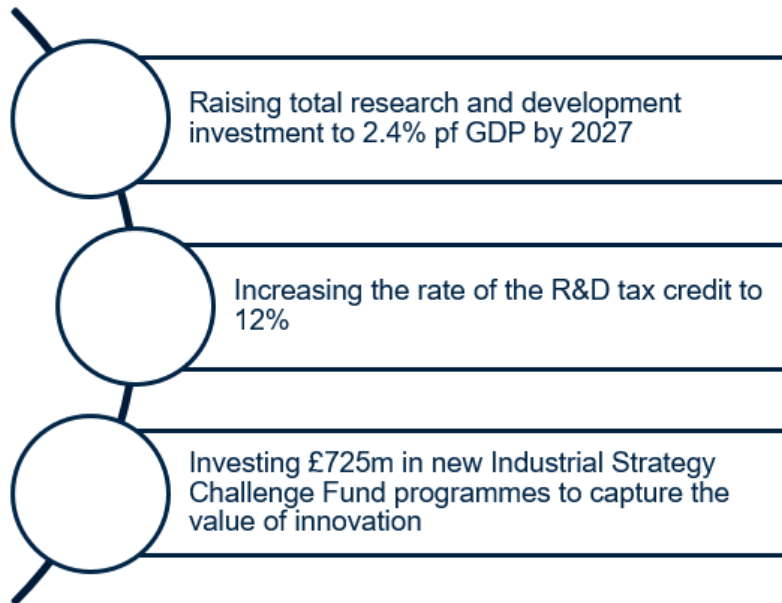
- A long term plan to **boost productivity** and **earning power** of people throughout the UK
- We are building a Britain fit for the future – helping businesses create better, higher-paying jobs in every part of the UK with investment in the skills, industries and infrastructure of the future
- By planning for a rapidly changing future, we can shape new markets and build the UK's competitive advantage as well as improve the quality of our everyday lives.

We will focus on the five foundations of productivity:

- **Ideas** - the world's most innovative economy
- **People** - good jobs and greater earning power for all
- **Infrastructure** - major upgrade to the UK's infrastructure
- **Business Environment** - the best place to start and grow a business
- **Places** - prosperous communities across the UK

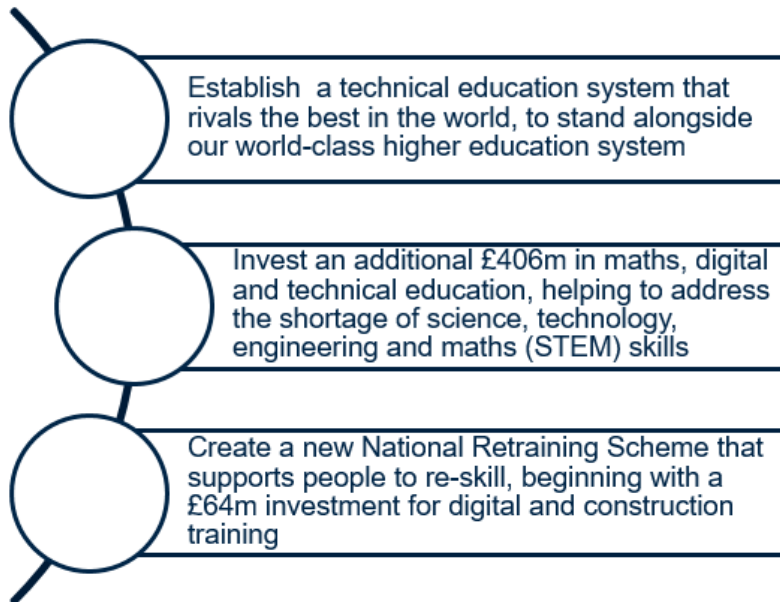
Innovation is about new ideas, new ways of doing things, new goods and services and new technologies that are central to driving productivity and is therefore one of the five key drivers of this modern Industrial Strategy.

Key Policies:



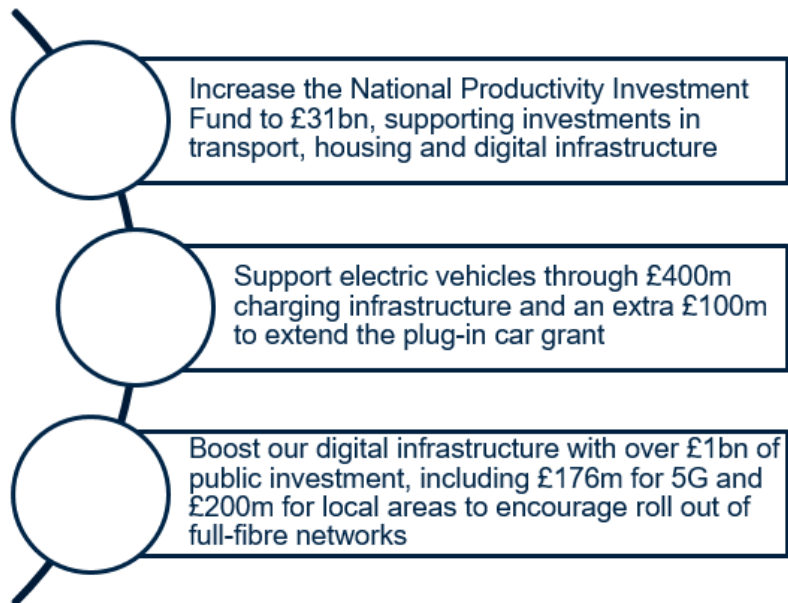
We need to embed a culture of career-long learning, so as to give people the opportunity to adapt, learn new skills and grow their earning power throughout their working lives.

Key Policies:



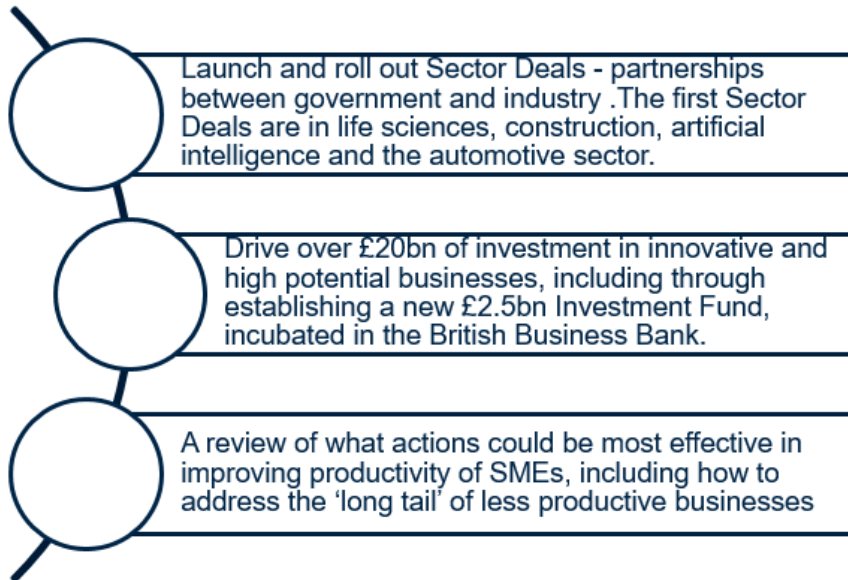
We are committed to providing high quality infrastructure to support economic growth and prosperity across all regions of the UK and will ensure our investments actively support our long-term productivity

Key Policies:



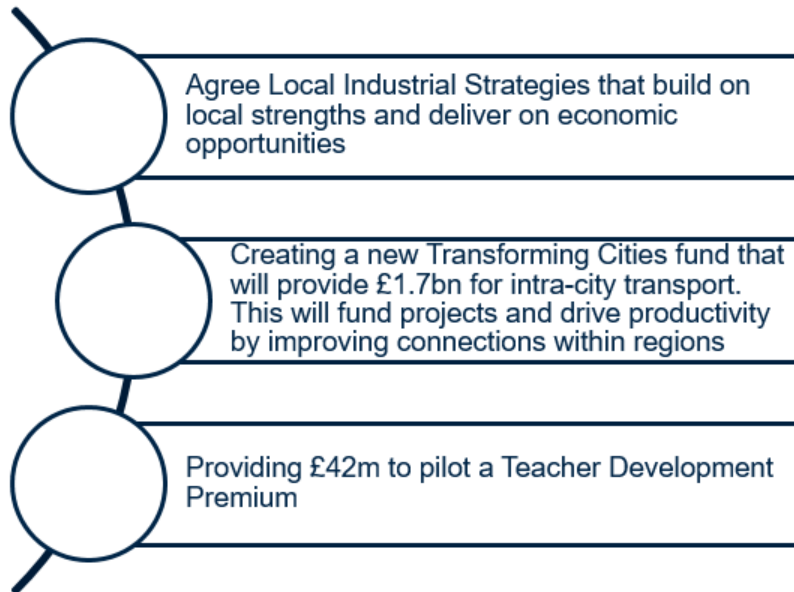
Key Policies:

Our Industrial Strategy aims to make Britain the best place to start and grow a business, and a global draw for the most innovative companies. Our challenge is to improve how we spread the best practice of our most productive companies to less productive ones.



Every region in the UK has a role to play in boosting the national economy, driven by local leadership and ambitious visions for the future. Our cities, towns and rural areas have comparative advantages that will be essential to shaping our economic future.

Key Policies:



- This the start of our partnership. We will use the framework set out in this strategy to work with industry, academia and civil society over the years ahead to build on the UK's strengths, make more of our untapped potential and create a more productive economy that works for everyone across the UK.
- There are lots of ways to get involved. The White Paper set out the framework for delivery and we are now implementing the policies set out, including Grand Challenges, Local Industrial Strategies and Sector Deals.

We will set Grand Challenges to put the United Kingdom at the forefront of the industries of the future

AI & Data Economy

- Putting the UK at the forefront of the artificial intelligence and data revolution

Clean Growth

- Maximising the advantages of UK industry from the global shift to clean growth

Future of Mobility

- Become a world leader in the way people, goods and services move

Ageing Society

- Harnessing the power of innovation to help meet the needs of an ageing society

The challenges will direct the focus of Government and engage the private sector to ensure we take advantage of major global trends, improve people's lives and the country's productivity



The Sector Deals

- What is a sector deal?
- Commitment from the Department for Business, Energy and Industrial Strategy to launch 4 strategic sector deals:
 1. Life Sciences
 2. Automotive
 3. Construction
 4. Artificial Intelligence
- 2 deals announced – Life Sciences and Automotive
- 2 deals being finalised – Construction and Artificial Intelligence

Automotive Sector Deal

Launched at SMMT - 8 January 2018

- Among first four sector deals under Industrial Strategy
- First in a 'rolling series of intended deals' with the sector
- £246m Faraday Battery Challenge over four years
- £250m CAV funding - R&D and testing infrastructure
- £16m Supplier Competitiveness Improvement programme
- Matchfunding by industry
- Support for industry's ambition to increase local content of UK built vehicles to 50 per cent (by value) by 2022
- Future proposals: Digital design & manufacturing, Skills?



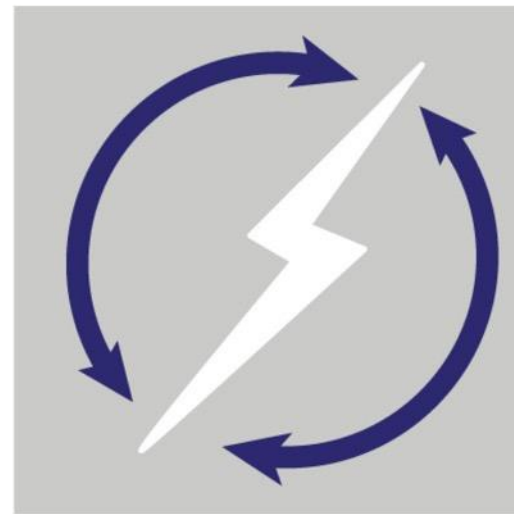
Automotive Sector Deal – Battery Technology



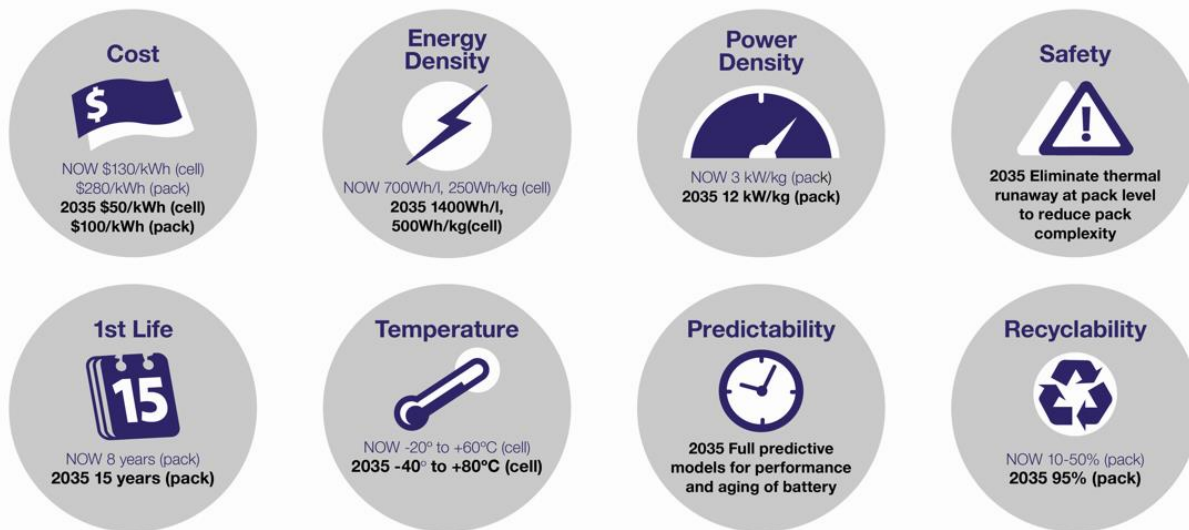
Clean and flexible energy – the Faraday Battery Challenge

The Faraday Battery Challenge, comprises a £246 million commitment over 4 years to fully exploit the industrial opportunity of vehicle electrification through world-leading batteries developed, designed and manufactured in the UK, by:

- Increasing multi-disciplinary application-led research in battery technologies
- Supporting UK businesses' investment capability in research, development, demonstration and testing of battery technology
- Using R&D to secure additional overseas investment






The Challenge will address 8 areas of automotive battery technology



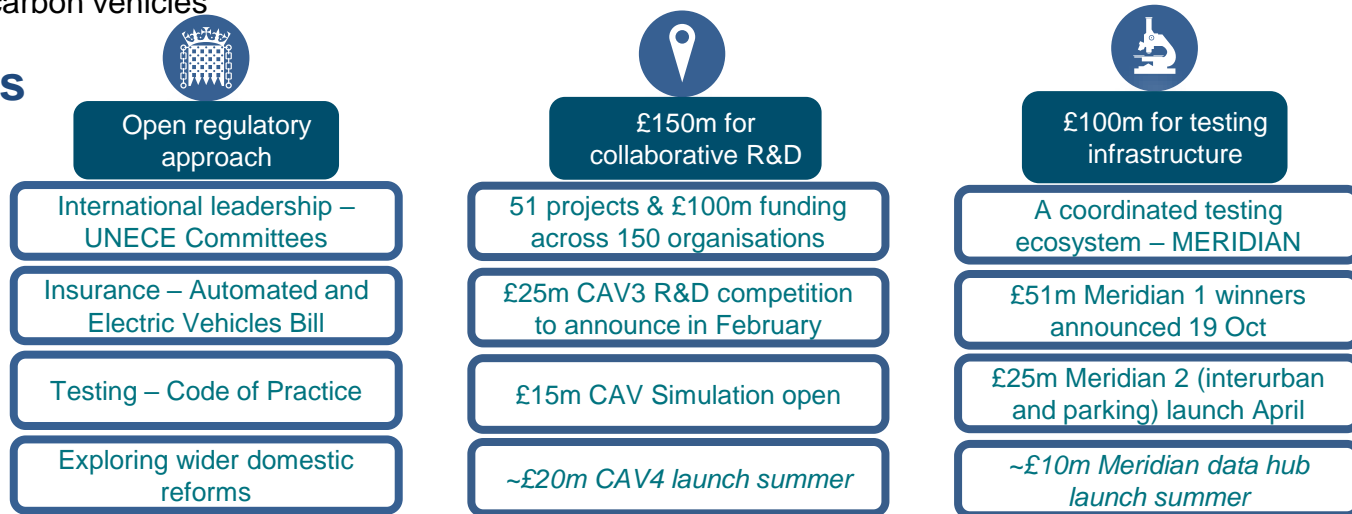
Automotive Sector Deal – CAV's



The Automotive Council vision for CAV development

-  Building capital investments and addressing capability gaps through investment in existing or new assets. Establishment of a large scale and multi-faceted ecosystem for the development, deployment and validation of CAVs
-  Accelerated development of capability to attract investment, build international reputation and develop intellectual capital
-  The ecosystem will help to develop and test ways of overcoming existing barriers to large-scale uptake of ultra-low carbon vehicles

Interventions



CAV Industrial Strategy Growth Initiative

Early insights: 3 – 5yrs program of expansion, i.o.o. £250m largely matched by industry but with space for investment in a CAV incubator – with a comprehensive Cross functional business case

Areas of focus:

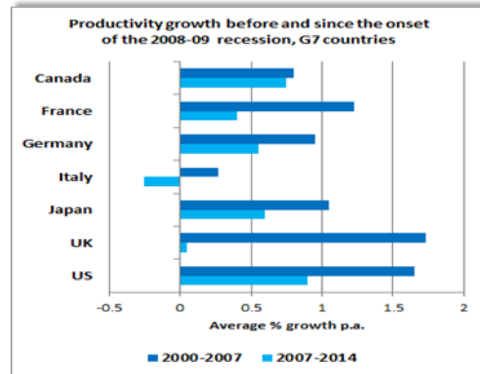
1. Further investment in advanced CAV Testing & Development:
 - Virtual testing environment correlated to controlled / public environments
 - Upgrade of facilities in the controlled and public testing environment
2. Connected Environments:
 - Developing an investible business model for large scale deployment of connected infrastructure as an enabler for CAV
3. Data & Cyber Security:
 - Data platform for CAV data which is accessible, reliable and consolidated
 - CAV cyber security capabilities and solutions
4. New services:
 - In-Market Experimentation for CAV use case and breakthrough service testing
- This assumes other funding sources will be used for projects such as traffic management, multi-modal integration, enhanced data sets and innovative services.

Automotive Sector Deal – National Manufacturing Competitiveness levels

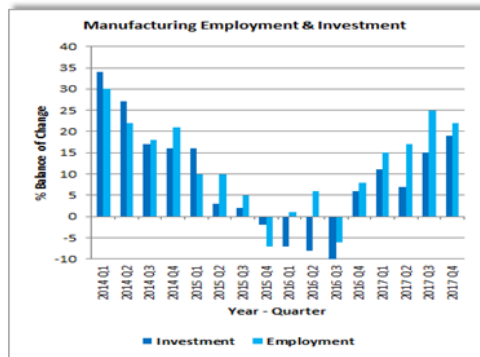


National Manufacturing Competitiveness Levels (NMCL) – The need

- National productivity still faltering – Biggest opportunity in the supply chain
- Automotive, Aerospace, Rail & Nuclear sectors growth must be underpinned by competitive domestic supply chains
- “Match Fit” to capitalise on new export opportunities post-Brexit
- Size of investment in capex in decline from 7.5% to 6.5% 2017
- Consistent, long-term roadmap for growth through competitiveness needed for manufacturers
- Brexit uncertainty – Trade tariffs, Customs, FX, Labour
- Removal of Government support mechanisms – AMSCI, MAS....



Source: ONS International Comparisons of Productivity, 2014



Source: EEF Employment & Investment Trends Data

National Manufacturing Competitiveness Levels (NMCL) – The proposition

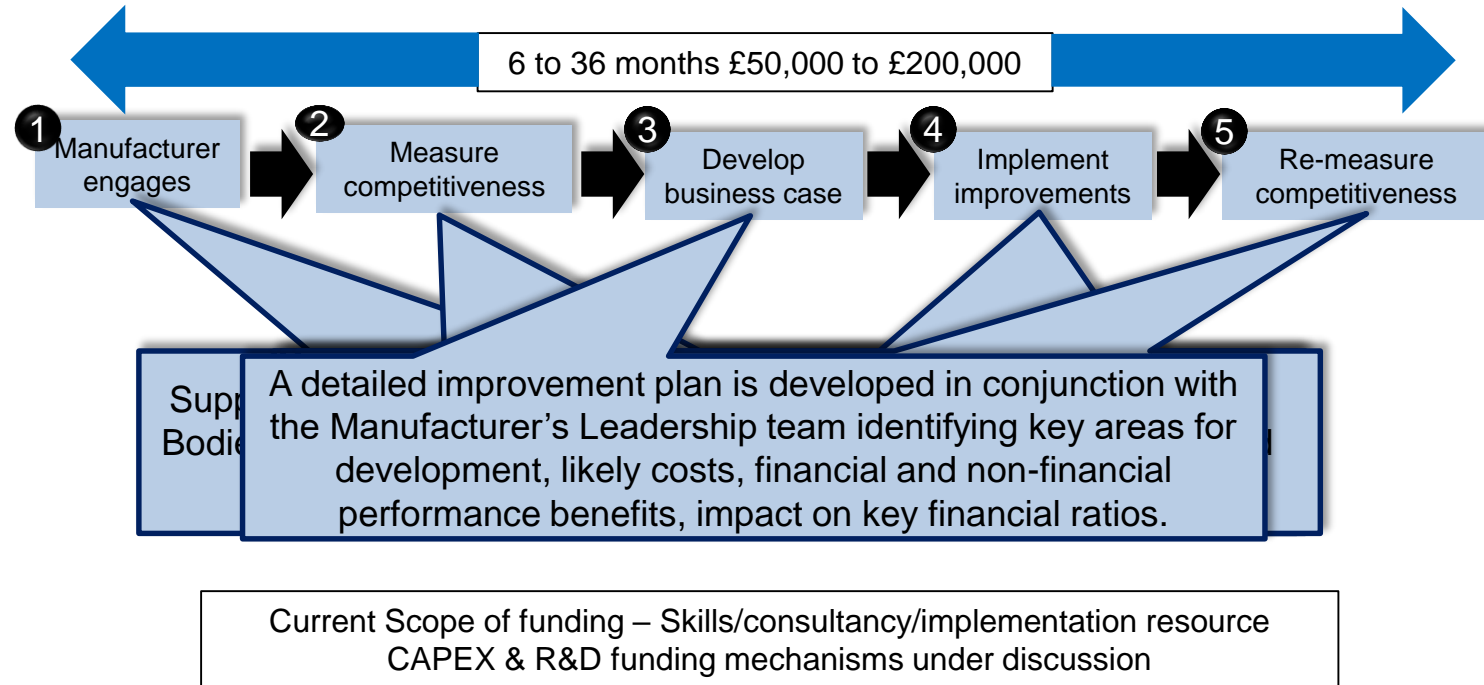
Overall Aim

To have a single, national, quality assured, approach to improving the productivity and competitiveness of manufacturing supply chain companies to raise workforce capability, boost economic growth and export

The Proposition

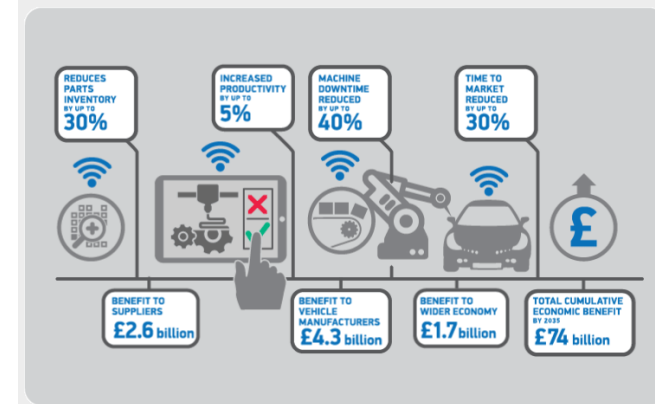
- Strong cross sector collaboration – Auto Council, Aerospace Growth Partnership, Nuclear Industry Council, Rail Delivery Group
- Nationally consistent and recognised framework for identifying **priority** improvements and providing structured help to deliver measurable results for manufacturers
- Leading manufacturers shape and approve the support tools and resources made available to their supply base
- Manufacturers programmes ranging from 6 month focussed improvements, to 3 year business transformations
- Sector Boards will take ownership for managing their sector's programme
- Best practices leveraged cross-sector nationally where it makes practical sense – Yet allowing sector autonomy
- Industry working in partnership with their suppliers to boost competitiveness

National Manufacturing Competitiveness Levels (NMCL) – Improvement project process outline



Next Steps

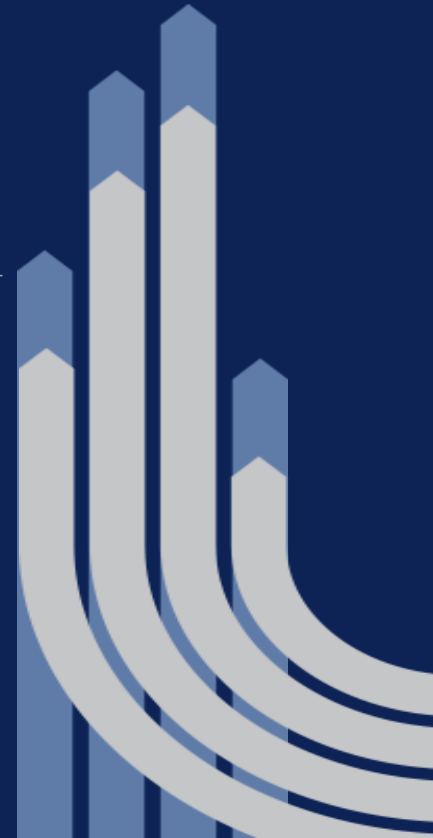
- **Skills** element of the sector deal currently being worked on:
 - Local skills delivery for local needs
 - Meeting the challenge of new technologies – EV's, CAV's and Industry 4.0
 - Exploring synergies with other sectors
- **Digitalisation** strand also in development with the primary objectives being:
 - To deliver an open suite of tools & processes to halve the time & cost of individual organisations' Product Development process.
 - To complement the toolsets and developments from commercial companies
 - Anchored in the UK, open and free to use by UK companies
 - Building on previously-funded work and leveraging the most promising emergent UK technologies (Gaming, HPC, AI, etc)



Thank you

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Questions and Answers

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Please ensure that you are connected to the audio to ask a question.

Alternatively, you can type your question.



Email: memberservices@smmt.co.uk with your questions after this session.

Slides emailed to participants after this session.