



Department
for Business
Innovation & Skills

Automotive Sector Industrial Strategy



Industrial strategy

Launched by Rt. Hon. Vince Cable MP, Secretary of State for Business, Innovation and Skills on 11th September 2012

“We will work in a strategic partnership with industry, focusing our support on specific sectors. This is our commitment to growth in action.”



- Providing clarity over Government view of long term direction of travel for UK economy.
- Build confidence and give greater certainty that will encourage businesses to invest and grow
- A whole of Government approach, with each strategy bringing in cross-cutting themes of technologies, skills, access to finance and procurement
- Partnership with business at its heart.
- Providing a spectrum of support to sectors, with strategic partnerships with those sectors where government support can have the biggest impact



Automotive Sector Strategy

Part of an established and ongoing Government commitment to the UK automotive sector

Delivered – as a partnership between industry and Government – through the existing structures of the Automotive Council

In close cooperation with the SMMT – both as a member of the Automotive Council; and as a representative of the wider automotive industry

All strategies to be published by summer 2013

Strategy covers

Passenger car, commercial vehicle, engine and construction equipment manufacturing; looking at volume, niche, premium and specialist vehicles and engines

Does not cover

Retail, resale and repairs



Why focus on automotive?

Key manufacturing sector for the UK –
showing significant growth

- UK car **production up 9%** in 2012 with record levels of exports – and some forecasts expect a further 30% rise by 2016
- Generated **over £11 billion value added** in 2011
- Plus **£1.7 billion capital investment and £1.5 billion R&D investment**
- Directly employs 140,000 people – and estimated further 150,000 through supply chain
- **10% of UK manufacturing jobs**

Sector has key challenges to secure and build on current strengths:

- Securing ongoing investment in R&D and manufacture of new vehicles and engines for on- and off-road vehicles
- Growing and developing the UK supply chain and increasing local content
- Reducing emissions from vehicles



Focus of strategy – 3 workstreams

Business Environment including Skills

- Focused on improving the competitiveness of the UK automotive sector
- Key themes: getting the skills right, local and national business environments, creating a competitive and supportive market, the innovation system, and interacting with Europe

Supply Chain

- Converting the opportunities for increased local sourcing by UK-based OEMs (£3 billion) into increased business for UK supply chain
- Ensuring supply chain has access to finance

Technology

- Automotive Council Technology Roadmap identified 5 priority technologies
- Strategy focused on action required to realise the industrialisation of those key technologies

Linked to key cross cutting themes:

- Cross-strategy focus on technologies, skills, access to finance and procurement
- Promoting the image of the wider manufacturing sector
- Response to the Perkins Review on engineering careers
- Response to Lord Heseltine's report 'No Stone Unturned – In Pursuit of Growth'



Let us know your views

Experiences of growing your business

- how / if your business has shared in the growth of UK automotive sector?
- what is your capacity / capability to grow your business to capitalise on UK-based vehicle manufacturer demand?
- what might be getting in the way of you taking advantage of those opportunities?

Potential constraints to growth

- availability of skilled workers and apprentices
- availability of / access to investment finance
- tax / R&D regimes and incentives
- elements of the local, national or European business environments