The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000.

The UK automotive sector has enjoyed unprecedented success in recent years. Car manufacturing is now at its highest level since 2000. 1.7 million cars were built in the UK in 2016, representing an 8.5% uplift on total production in 2015 and the highest output since 1995. Exports are stronger than ever, with automotive accounting for 12% of total UK exports in goods, and the UK’s supply chain is increasingly competitive with cars built in the UK now having over 15% more value added than those built elsewhere since 2000. The next five years will be a defining period for UK automotive. It is to some extent a race against time and its ambitions, the industry, government and Parliament must work together to deliver the manufacturing, design, engineering and skills needed to deliver the policies automotive needs to succeed.
UK automotive industry is operating in a highly competitive, global environment and has been hugely successful in attracting international investment. This has played a critical role in UK automotive’s recent success. Utilising global production networks and making automotive one of the UK’s most important export sectors (£176 billion worth in 2016) has allowed the automotive industry to compete across the UK, 193,000 of which are directly employed in manufacturing. The ability to access global markets, the quality of its supply chains and the flexibility of its labour force have allowed the industry to attract international investment. During the next few years, governments must:

1. TAKE AN AMBITIOUS AND JOINED-UP APPROACH TO TACKLING ISSUES THAT AFFECT UK COMPETITIVENESS

The automotive market is changing rapidly, with new competencies emerging and the need to ensure that businesses and industries have the skills and access to new markets. Government should commit to measures that will support the automotive sector. The UK has good levels of fiscal and financial stability, and the strong pound has allowed it to compete in international markets. If the industry is to continue to attract investment, it will need to ensure that businesses have the skills and access to new markets.

2. CREATE AN INTERNATIONALLY COMPETITIVE TAX FRAMEWORK

Government should reform the UK’s car tax framework to ensure that the design and enforcement of a competitive tax regime is consistent with the value the UK automotive sector adds to the economy. In particular, government should consider:

- The automotive market is changing rapidly, with new competencies emerging and the need to ensure that businesses and industries have the skills and access to new markets.

3. DEVELOP A COMPETITIVE AND LONG-TERM STRATEGY FOR THE AUTOMOTIVE INDUSTRY

UK automotive policy must be focused on maximising the opportunities of the automotive sector. The automotive industry plays a critical role in the UK’s economy, with over 800,000 people employed in the sector and an estimated additional 4.7 million jobs associated with the sector. The UK automotive industry is a leading player in the global automotive industry and is a key player in the UK’s economy, supporting over 800,000 jobs. The UK automotive industry is a major contributor to the UK’s economy, with over 800,000 people employed in the sector and an estimated additional 4.7 million jobs associated with the sector. The UK automotive industry is a leading player in the global automotive industry and is a key player in the UK’s economy, supporting over 800,000 jobs. The UK automotive industry is a major contributor to the UK’s economy, with over 800,000 people employed in the sector and an estimated additional 4.7 million jobs associated with the sector. The UK automotive industry is a leading player in the global automotive industry and is a key player in the UK’s economy, supporting over 800,000 jobs.
2. DEVELOP A HOLISTIC, END-TO-END, ULEVs STRATEGY

The UK is one of the leading European markets for ULEV uptake and has already seen significant investment in ULEV technology. Government should bring forward a holistic, end-to-end strategy that moves the UK to the next stage of ULEV development, manufacture and rollout. This should address incentives, infrastructure development, consumer acceptance and the development of new battery and fuel technologies. Delivering such a strategy will require the whole of government to work together in collaboration with the automotive industry.

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

A competitive package of long-term measures to further accelerate the market for ULEVs, enhance infrastructure capabilities and deliver increased investment in R&D is needed. Government must take a targeted approach to encouraging the uptake of ULEVs and as part of this, must invest in developing the supporting charging infrastructure and make sure that this is installed where it is most needed. Government must also continue to provide strategic investment in R&D in low emission technologies.

4. WORK COLLABORATIVELY WITH THE AUTOMOTIVE INDUSTRY AND OTHER STAKEHOLDERS TO ENSURE A CONSISTENT NATIONAL APPROACH TO TACKLING CLIMATE CHANGE AND IMPROVING AIR QUALITY

The automotive sector is committed to reducing emissions and improving air quality at both a national and local level. Government should work collaboratively with automotive, the devolved administrations and local authorities to ensure that a consistent approach is taken to achieving this shared goal.

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

Vehicle taxation is a critical element in incentivising motorists to invest in cleaner vehicle technologies. Government must provide long-term certainty in Vehicles Excise Duty and Company Car Tax and work with industry to provide clear consumer information on future policy changes as the industry moves forward to a new test cycle.

Advances in digital technology are transforming the automotive sector. 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 of connected and autonomous vehicles could be in the region of £51 billion per year by 2030, with 320,000 jobs created.

25,000 of which would be in automotive manufacturing. By fully embracing digitalisation in manufacturing, the automotive sector stands to gain £6.9 billion every year by 2035 and the economy as a whole could gain £74 billion by 2035. Government must ensure that the UK positions itself effectively to reap these benefits. In doing so, it must:

1. DEVELOP A COMPREHENSIVE CAVs STRATEGY

This strategy needs to address all the issues affecting CAVs, including data, data protection, cyber security, infrastructure (both digital and physical), the regulatory landscape and consumer acceptance. It must also bring together all relevant government departments 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. 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, and work with industry to address any public concerns regarding CAVs.

3. DEVELOP AN INTERNATIONALLY RECOGNISABLE CAV TEST-BED

The UK should aim to be the best place in the world to test CAV technology. This requires the development of an internationally recognisable 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, 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 do the same and bring forward a programme of work that addresses all the critical issues related to digitalisation, including skills, standards, technology demonstrators and support for companies throughout the automotive value chain.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS

UK Automotive Priorities 2017 – 2022 | Page 8

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS

UK Automotive Priorities 2017 – 2022 | Page 9
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 700 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.

Contact:

Konstanze Scharring
Director of Policy
kscharring@smmt.co.uk
020 7344 9223

Jonathan Hawkings
All-Party Parliamentary Motor Group Secretariat
motorappg.com
jhawkings@smmt.co.uk

@SMMT  in :SMMT
www.smmt.co.uk

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED
71 Great Peter Street, London, SW1P 2BN
Tel: +44 (0)20 7235 7000
E-mail: communications@smmt.co.uk

SMMT, the ‘S’ symbol and the ‘Driving the motor industry’ brandline are registered trademarks of SMMT Ltd

Disclaimer

This publication contains general information and, although SMMT endeavours to ensure that the content is accurate and up-to-date at the date of publication, no representation or warranty, express or implied, is made as to its accuracy or completeness and therefore the information in this publication should not be relied upon. Readers should always seek appropriate advice from a suitably qualified expert before taking, or refraining from taking, any action. The contents of this publication should not be construed as advice or guidance and SMMT disclaims liability for any loss, howsoever caused, arising directly or indirectly from reliance on the information in this publication.