British Cars Becoming Even More British, Smmt Reveals

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- New report reveals big jump in demand from British vehicle manufacturers for British-made components.
- Domestic component suppliers saw a 19% rise in sales to British vehicle manufacturers in 2014.
- Figures represent a turnaround for UK automotive supply chain, and a boost to local companies.
- Report to be presented to UK automotive sector at SMMT Open Forum on Wednesday.

British cars are being made with more British-sourced parts as the UK automotive industry's renaissance continues apace, new research reveals. Figures from a new Automotive Council report show that domestic component makers sold 19% more products to UK vehicle producers last year than in 2013.

The figures are an important step in the right direction for the UK automotive supply base. Currently around one third of the components in a UK-built car are domestically sourced, compared to more than 90% in the mid-1970s. However, vehicle manufacturing in the UK is undergoing rapid growth – British car production has increased by more than 50% since 2009, and this is creating new opportunities for domestic suppliers.

The report, *Growing the Automotive Supply Chain – The Opportunity Ahead,* will be presented this Wednesday, 18 March, at SMMT's Open Forum event in Leicester – a day where hundreds of automotive companies from across the country come together to discuss business opportunities.

Mike Hawes, SMMT Chief Executive, will tell senior industry executives at Open Forum, "A strong domestic supply chain is critical to the success of the UK automotive sector. We want British suppliers to capitalise on the renaissance in vehicle manufacturing, and these figures show that positive strides are already being made.

"The work of the Automotive Council is central to this progress, and will continue to be while many component manufacturers still face issues such as access to finance and lack of incentives to innovate."

Nifco – a plastics supplier to vehicles makers based in Stockton, North East England – was on the brink of closure in 2004. However, the business has since turned around with increased demand and funding support leading to the construction of two new factories in 2012 and 2014.

Mike Matthews, Managing Director, Nifco UK Ltd, said,"There is a renewed optimism and confidence in the UK automotive industry and this is reflected in our future projected growth. Our order book is full for the next five years and we have a clear strategy to grow the business into a £75 million company by 2016 and £100 million by 2018. We are moving our offer on, working closer than ever with our customers to develop products that help them to innovate."

The new Luton-built Vauxhall Vivaro van is another example of the recent upturn in local supply. The latest model, which started production last year, contains more than twice the number of British-sourced components at 40% than its predecessor's 16%. This means an extra £600 million will be spent with British suppliers, allowing local companies to expand – and in some cases it has saved whole factories.

Calsonic Kansei Europe is a global supplier of automotive components such as interior mouldings, air conditioning and exhaust systems, employing more than 1,700 employees across four manufacturing locations in the UK. Significant recent investment into expansion at sites in Sunderland and Wales has secured and created 351 jobs.

James Davies, CEO and Chairman, Calsonic Kansei Europe, said, "This report confirms what we are all experiencing – the increasing success story of the UK automotive supply chain. Calsonic Kansei's ability to produce high quality and cutting edge products at a price which is competitive is opening up exciting opportunities to export our product to a global market."

Much of this success can be attributed to UKTI's Automotive Investment Organisation (AIO), which was set to bring more foreign investment into the UK automotive sector. Since 2013, AIO has secured or created more than 10,000 jobs, and delivered more than £768 million investment into the UK supply chain.*

The report also identifies a further £4 billion-per-year opportunity for UK automotive suppliers to expand their business in the coming years.

To download the full report, visit www.automotivecouncil.co.uk.

Notes for editors

* Final job figures are shown for the period April 2013 to March 2014. Interim figures are shown for the period April 2014 to February 2015, pending UKTI verification at date of report publication.

About SMMT and UK the automotive industry

The Society of Motor Manufacturers and Traders (SMMT) is one of the largest and most influential trade associations in the UK. It supports the interests of the UK automotive industry at home and abroad, promoting a united position to government, stakeholders and the media.

The automotive industry is a vital part of the UK economy accounting for more than **£64 billion turnover** and**£12 billion value added**. With more than **160,000** people employed directly in manufacturing and in excess of**770,000 across** the wider automotive industry, it accounts for **10% of total UK export of goods** and invests**£1.9 billion** each year in automotive R&D. More than **30 manufacturers** build in excess of **70 models** of vehicle in the UK supported by around **2,500 component providers** and some of the world's most **skilled engineers**.

More detail on UK automotive available in SMMT's Motor Industry Facts 2014 publication atwww.smmt.co.uk/facts14.

Interviews and broadcast: SMMT has an ISDN studio and access to expert spokespeople, case studies and regional representatives.

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