SURGE IN BRITISH-BUILT VEHICLES WITH BRITISH-MADE COMPONENTS

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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.

British cars are being made with more British-sourced components as the UK automotive industry's renaissance continues apace, new research reveals today. 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 a renaissance – British car production has increased by more than 50% since 2009 – and this is creating new opportunities for domestic suppliers.

Business Secretary Vince Cable said, "Our automotive industry has seen a resurgence in recent years and that success means work of some £1 billion has returned to the UK. This is testament to the strength and capability of our supply chain manufacturers and will no doubt lead to new jobs and further growth.

"This has not happened by accident but is the result of government and industry working together through the Automotive Council to strengthen our supply chain – meaning an increasing number of parts made in this country are contained in vehicles rolling off UK production lines."

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,"Today's report from the Automotive Council 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 up in 2013 to bring more foreign investment into the UK automotive sector. Since its inception, AIO has secured or created more than 10,000 jobs, and delivered more than £768 million investment into the UK supply chain.*

Joe Greenwell, AIO Chief Executive, said, "This is fantastic news for UK automotive. As well as showing that the UK continues to grow as a serious global automotive destination, it demonstrates the dramatic power of foreign investment, which has helped to revitalise the UK supply chain and secure critical jobs and growth for the UK. We at UKTI will continue to work hard with our partners to address the

growing opportunity identified in the report."

Mike Hawes, Chief Executive of The Society of Motor Manufacturers and Traders (SMMT), said, "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 UK 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."

Today's report, *Growing the Automotive Supply Chain – The Opportunity Ahead,* 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

Interviews and more case studies are available.

* 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 the Automotive Council

The United Kingdom Automotive Council was established in December 2009. It is a joint UK government-industry organisation that is tasked with establishing the UK automotive sector as a world leader.

The Automotive Council aims to:

- Create a transformed business environment for the automotive industry in the UK to provide a more compelling investment proposition for related industries;
- Develop further the technology roadmaps for low carbon vehicles and fuels, and exploit opportunities to promote the UK as a strong candidate to develop these and other technologies;
- Develop a stronger and more competitive automotive supply chain;
- Provide a stronger public voice for the industry to support the value of the industry to the UK and to global partners;
- Ensure a strategic, continuous conversation between Government and the automotive industry in the UK.

www.automotivecouncil.co.uk

Media contacts

Ben Foulds (SMMT) 020 7344 9222 bfoulds@smmt.co.uk

Alex Michaelides (SMMT) 020 7344 1667 amichaelides@smmt.co.uk

Matthew Barker (BIS) 020 7215 5946 matthew.barker@bis.gsi.gov.uk

Company Contact:

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