



Industry
Forum

UK Automotive Industry Overview & Automotive Council Supply Chain Support

Tuesday 13th February 2018

Dr. Chris Owen

Chief Executive SMMT Industry Forum

Introduction to SMMT Industry Forum



Established in 1996 by the UK government, the SMMT and vehicle manufacturers to improve the performance and competitiveness of the UK's automotive supply chain

Predominant focus - **Automotive Supply Chain** and limited involvement with other advanced manufacturing sectors

150+
Experts

Active in **30**
countries across
5 continents

400+
Programmes
delivered

25,000+
People developed

Operating at national level

Trusted delivery partner for **national** bodies and programmes

Cross sector



Design and delivery of national manufacturing and supply chain programmes for HM Government



The UK's leading authority on advanced manufacturing supply chain competitiveness

Automotive



Industry Forum is part of the SMMT Group, the trade association for the UK Automotive sector



Leadership of national automotive supply chain competitiveness strategy and policy



Designing and delivering HM Government & Industrial collaborative programmes

Aerospace



Collaborative partnership with the UK's Aerospace, Defence And Security trade association



Collaboration partner for SC21 C&G, Aerospace supply chain competitiveness transformation



Biggest provider of expertise to deliver manufacturing and supply chain transformation across the UK's aerospace sector

The UK – Home to world leading brands



Suppliers & technology providers



NIICO



QUIKO[®]
CAR PARTS
Any Part For Any Car



AISIN



TATA



TATA TECHNOLOGIES



FIRST LINE
THE ALL MAKES SPECIALIST



MILLBROOK



BorgWarner



DELPHI



A HORIBA COMPANY



MIRA



CN



Calsonic Kansei

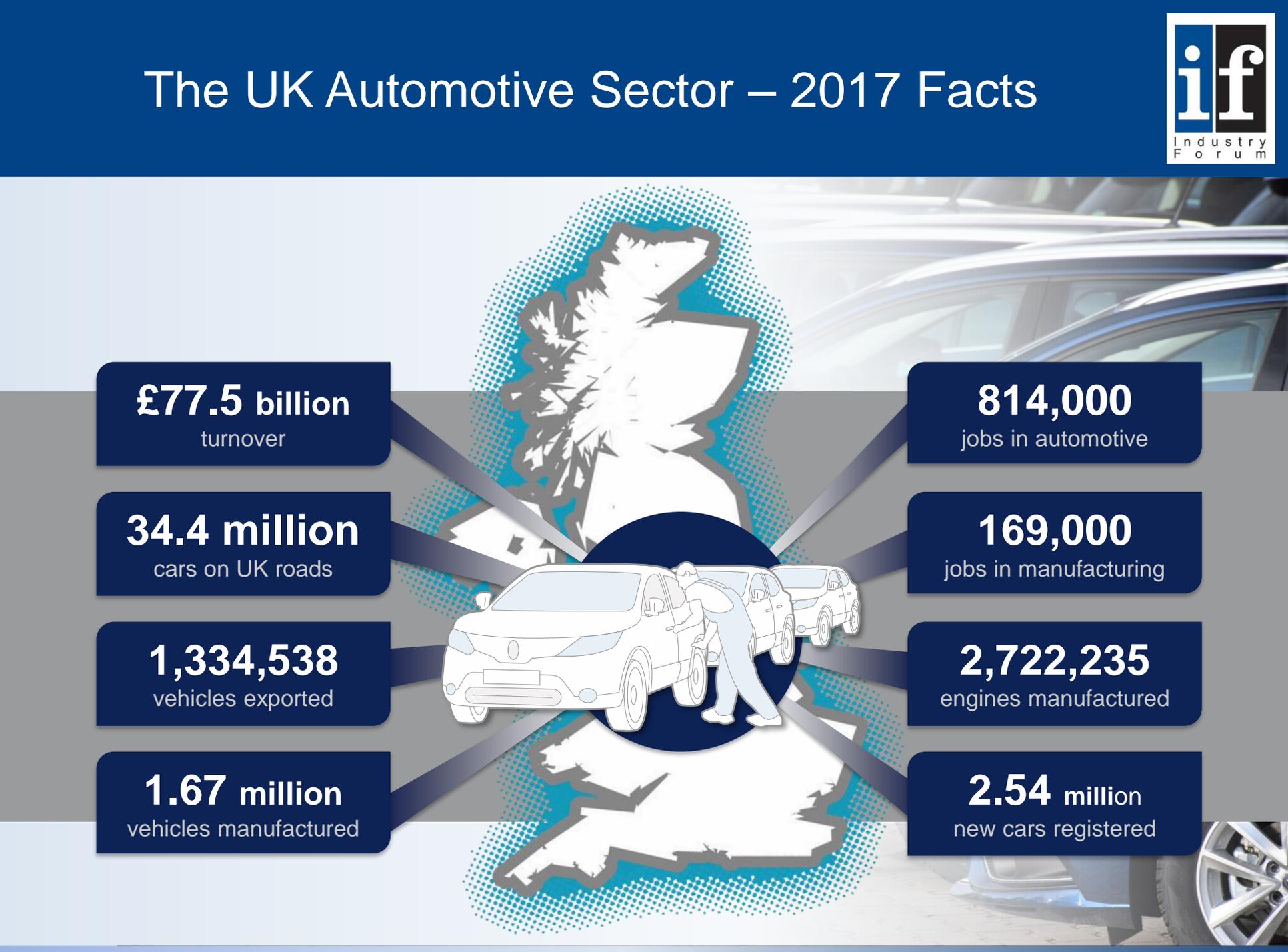


COSWORTH



BRIDGESTONE

The UK Automotive Sector – 2017 Facts



£77.5 billion
turnover

34.4 million
cars on UK roads

1,334,538
vehicles exported

1.67 million
vehicles manufactured

814,000
jobs in automotive

169,000
jobs in manufacturing

2,722,235
engines manufactured

2.54 million
new cars registered

UK Car market – 2017 Registrations

- 2.5m cars registered – 3rd highest in a decade.
- Second biggest EU market after Germany.
- Superminis and small family cars popular. Dual purpose SUVs growing in demand.
- Demand for Alternatively Fuelled Vehicles increases 34.8%.
- UK is No. 1 market in Europe for plug-ins (BEV, PHEV).

| Year-to-date | Total | Diesel | Petrol | AFV | Private | Fleet | Business |
|-----------------------|-----------|-----------|-----------|---------|-----------|-----------|----------|
| 2017 | 2,540,617 | 1,065,879 | 1,354,917 | 119,821 | 1,123,860 | 1,319,193 | 97,564 |
| 2016 | 2,692,786 | 1,285,188 | 1,318,707 | 88,891 | 1,206,250 | 1,380,750 | 105,786 |
| % change | -5.7% | -17.1% | 2.7% | 34.8% | -6.8% | -4.5% | -7.8% |
| Mkt share 2017 | | 42.0% | 53.3% | 4.7% | 44.2% | 51.9% | 3.8% |
| Mkt share 2016 | | 47.7% | 49.0% | 3.3% | 44.8% | 51.3% | 3.9% |

UK Car market – 2017 Manufacturing

- 1.67m cars produced – the second highest output in 17 years.
- Overseas demand dominated production, accounting for 79.9% of all UK cars made.
- The EU remained the UK's biggest trading partner, taking more than half (53.9%) of exports.
- Appetite for British-built cars rose in several key markets, notably Japan (+25.4%), China (+19.7%), Canada (+19.5%) and the US (+7.0%).

CAR MANUFACTURING

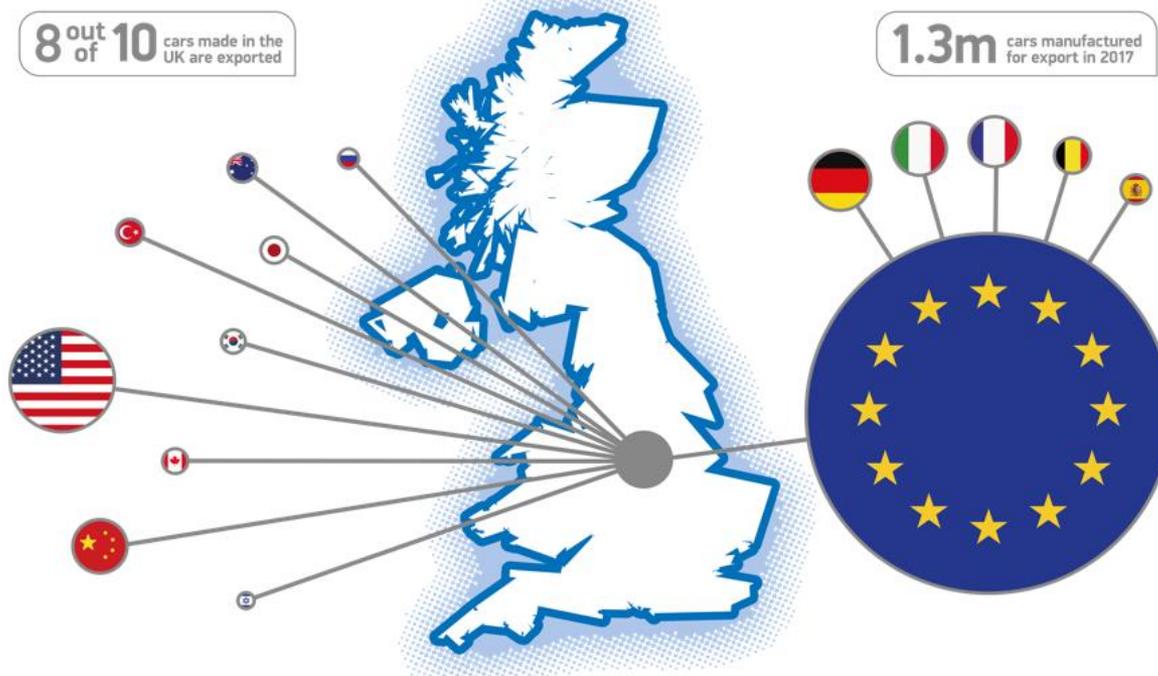
| | Dec-16 | Dec-17 | % change | | YTD-16 | YTD-17 | % change |
|-----------------|---------------|---------------|-----------------|--|---------------|---------------|-----------------|
| Total | 113,976 | 100,604 | -11.7% | | 1,722,698 | 1,671,166 | -3.0% |
| Home | 18,669 | 14,078 | -24.6% | | 373,255 | 336,628 | -9.8% |
| Export | 95,307 | 86,526 | -9.2% | | 1,349,443 | 1,334,538 | -1.1% |
| % export | 83.6% | 86.0% | | | 78.3% | 79.9% | |

Export of vehicles – EU Single biggest market

GLOBAL DEMAND FOR BRITISH CARS

8 out of 10 cars made in the UK are exported

1.3m cars manufactured for export in 2017

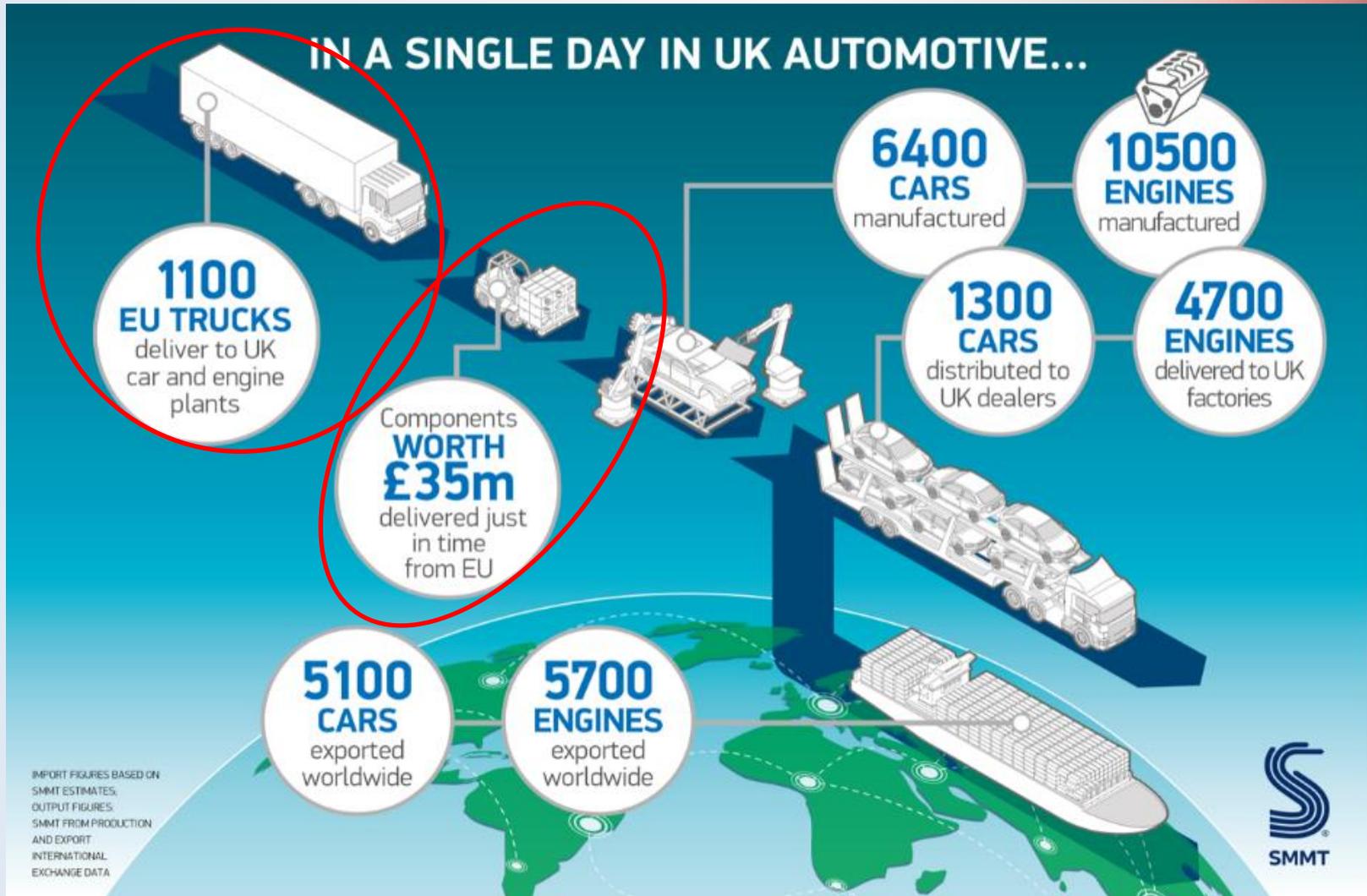


THE UK EXPORTS TO MORE THAN 160+ COUNTRIES WORLDWIDE

TOP EXPORT DESTINATIONS FOR UK CARS

| Worldwide | | EU | | | |
|-----------|-------|-------------|------|---------|--|
| EU | 53.9% | JAPAN | 2.4% | Germany | |
| US | 15.7% | CANADA | 2.1% | Italy | |
| CHINA | 7.5% | SOUTH KOREA | 1.6% | France | |
| AUSTRALIA | 2.9% | RUSSIA | 1.2% | Belgium | |
| TURKEY | 2.6% | ISRAEL | 0.9% | Spain | |

A day in the life of UK Automotive industry.....



Automotive Council



Rt. Hon. Greg Clarke



Nigel Stein, Ex-CEO, GKN



The Automotive Council is made up of leading figures from the Automotive Industry and joint chaired by industry and HM Government

The Automotive Council aims to:

- Create a transformed business environment for the automotive industry in the UK.
- Develop technology roadmaps 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
- Ensure a strategic, continuous conversation between Government and the automotive industry in the UK.



Business Environment &
Skills Group

Technology Group

Supply Chain Group