

Introduction to SMMT

Tim Hughes, Membership Account Manager
Rob Morbin, Senior Project Co-ordinator
Mairi Lucas, Project Co-ordinator

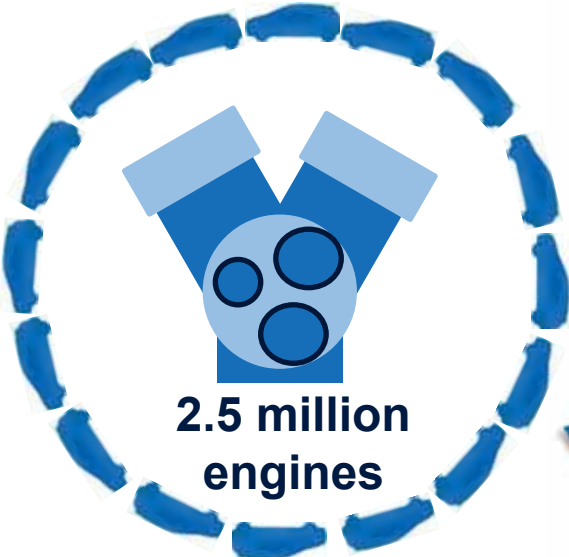
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- Automotive Industry Overview
- About SMMT and business development opportunities
- SMMT Services and events

UK Automotive Industry Overview

Tim Hughes, Membership Account Manager

The UK Automotive Sector

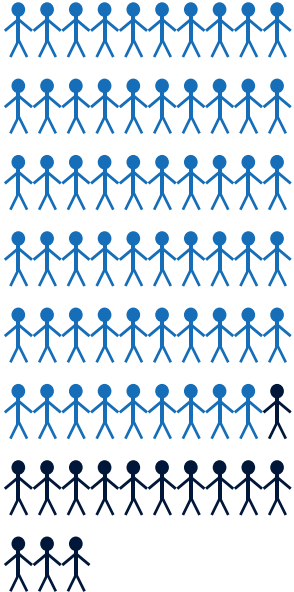
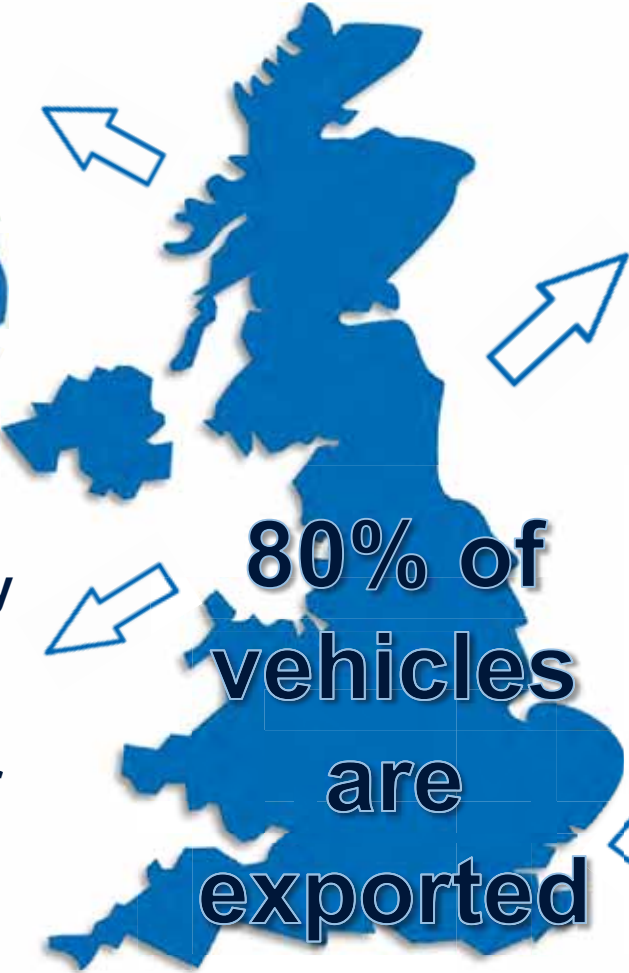


1.6 million cars annually



£60.5bn turnover

£12bn value added



+730,000 jobs dependent on automotive

140,000 in manufacturing

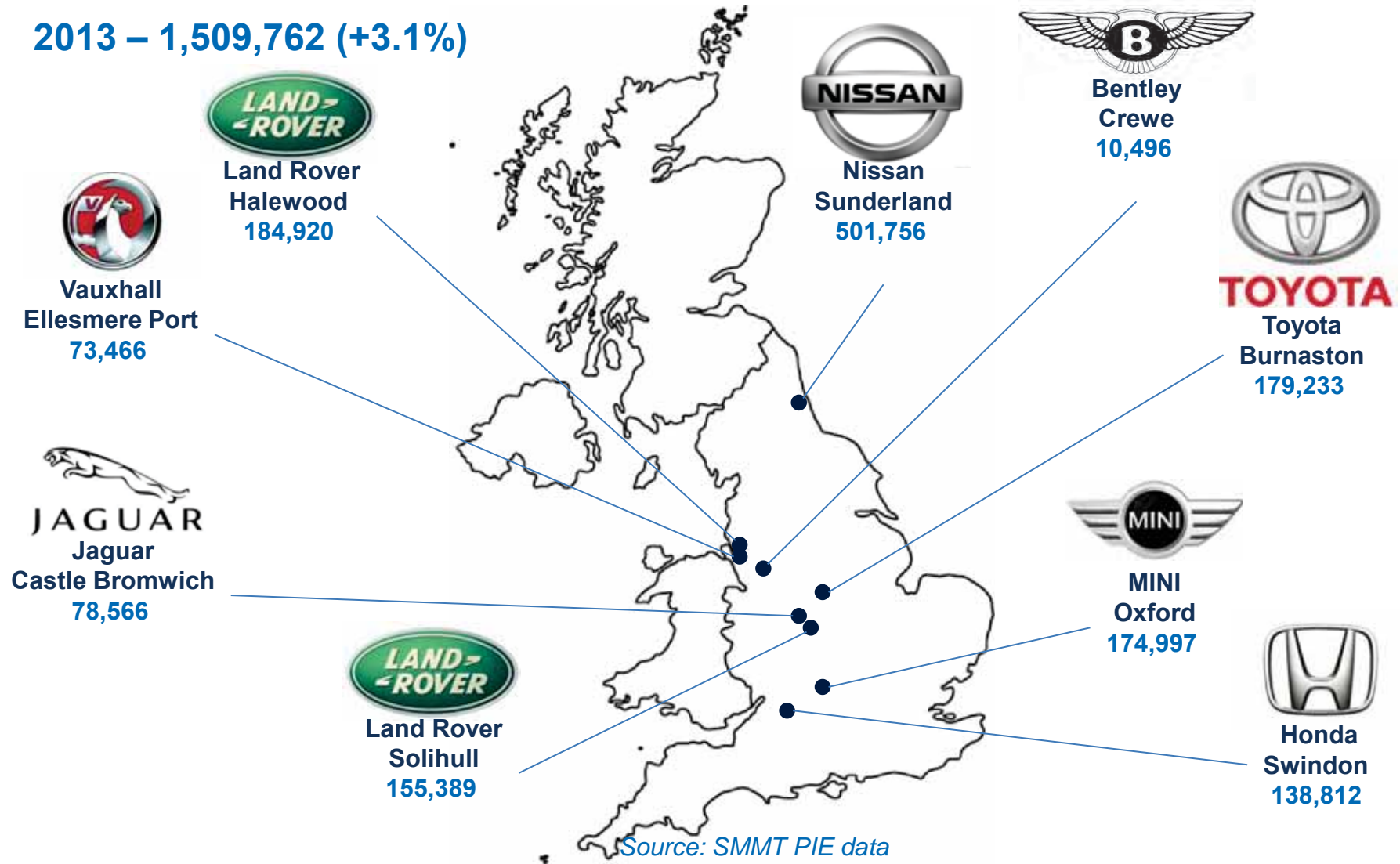
Industry annually invests

£1.7bn

in R&D

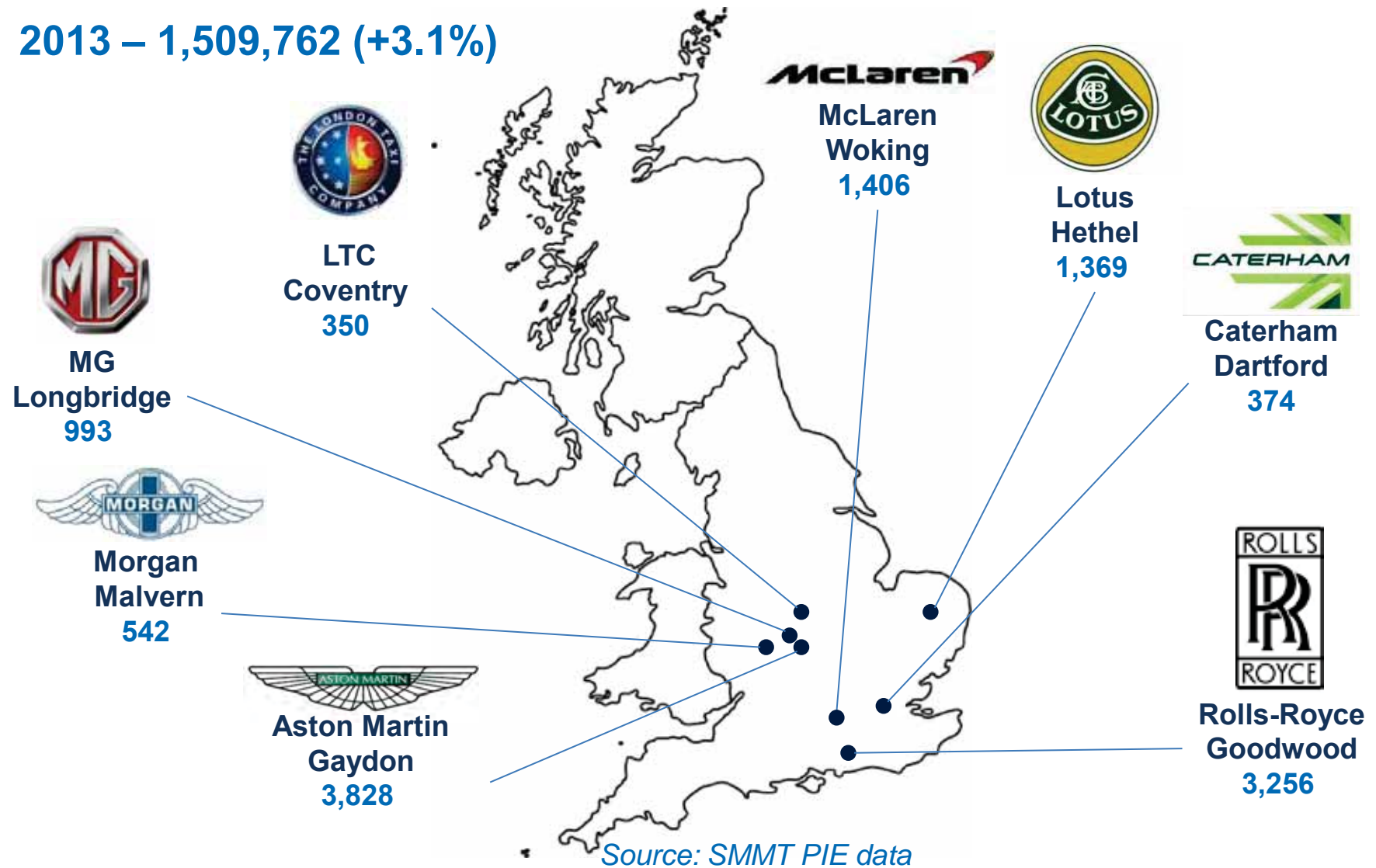
UK car manufacturing output by site (>10k)

2013 – 1,509,762 (+3.1%)



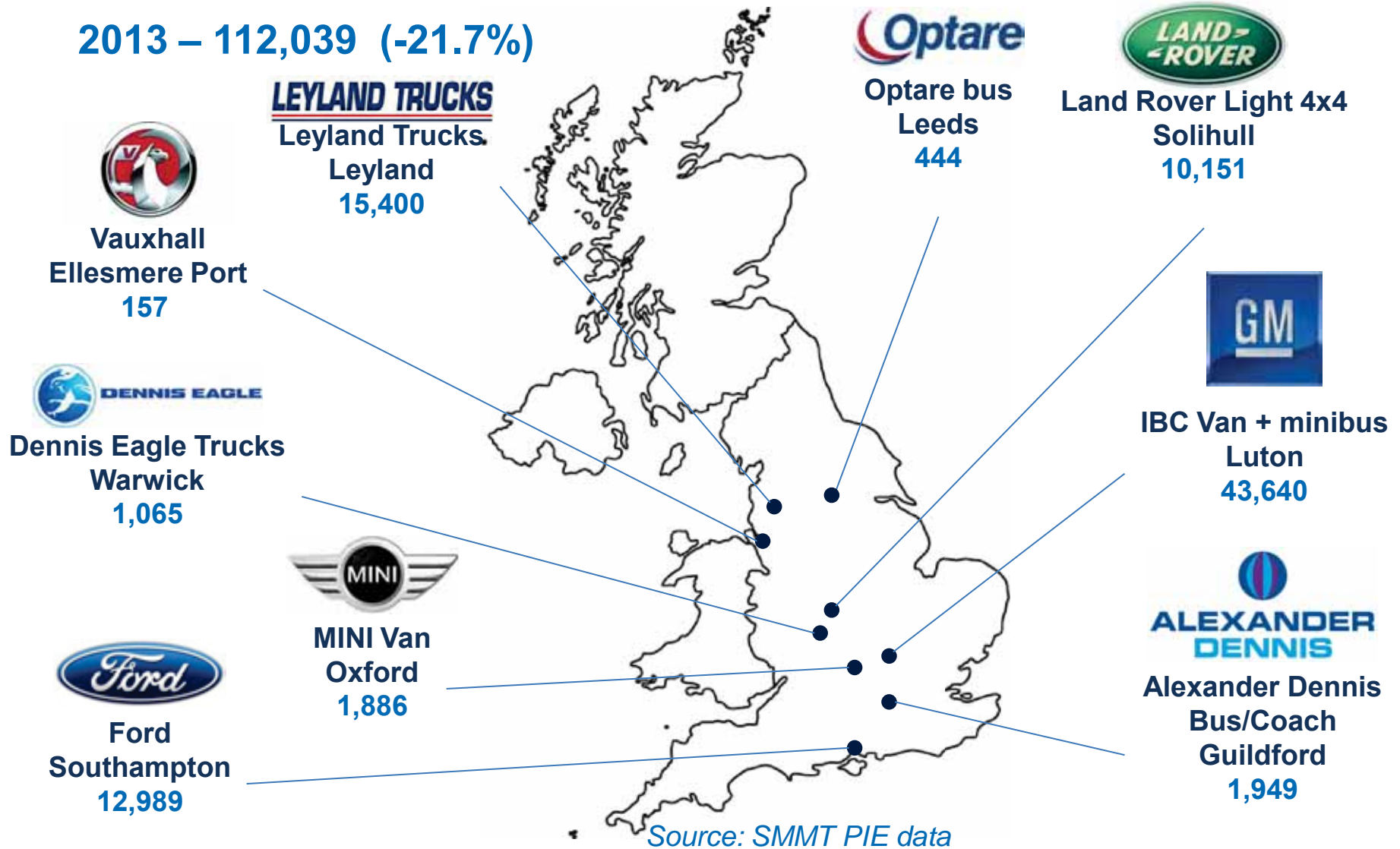
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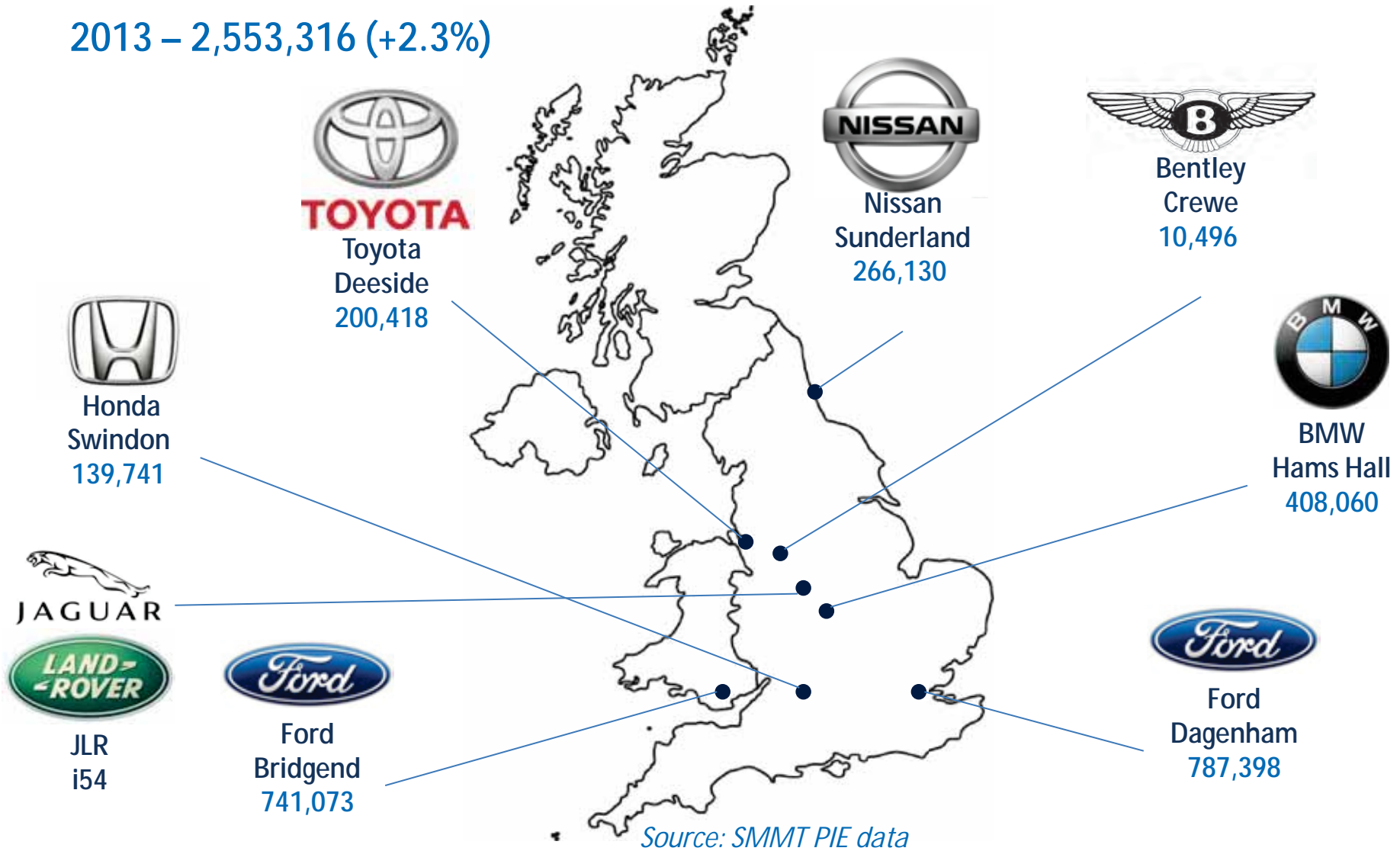
UK commercial vehicle manufacturing by site

2013 – 112,039 (-21.7%)



UK engine manufacture by site

2013 – 2,553,316 (+2.3%)



UK automotive sector goes from strength to strength

Nissan: £250m
New Infiniti

THE Sun

THERE'S NO STOPPING UK CAR INDUSTRY

GO-GO-GROW!

By **KEN GIBSON**
Motoring Editor

WHAT a brilliant year for the British motor industry.

A vehicle rolls off UK production lines every 20 seconds and every day we build more than 4,400 cars.

We are Europe's shining star, the only country where new car sales grew consistently in 2013.

While the rest of Europe has suffered factory closures and big job losses, UK car factories are working flat-out and thousands of new jobs have been created.

Qashqai, to be followed in 2014 by a new Infiniti model, all of which is pushing the workforce up to more than 6,000.

Britain's biggest car firm, Jaguar Land Rover, is lying. It is taking on an extra 2,785 workers this year to boost its UK workforce beyond 25,000, with another 1,400 jobs due next year when its Wolverhampton engine plant opens.

New models such as the Jaguar F-Type and the Range Rover Sport are making the famous brands once again the cool cars to be seen in.

'Supercar maker McLaren is taking on Ferrari'

The UK success story stretches from building the world's favourite small car, the Mini, to the most famous, Rolls-Royce, and just about every other model in between.

Production started last month at Oxford

Vauxhall: £125m
New Astra

Jaguar Land Rover: £500m
New engine plant

Carmakers speed UK to recovery

CAR production in Britain jumped 7pc last month in a boost to the resurgent manufacturing sector, writes Mark Carvill.

The Society of Motor Manufacturers and Traders said 128,873 new cars rolled off UK production lines in July – taking year-to-date volumes up 1.9pc to 803,263.

But production of commercial vehicles such as vans slumped 11.6pc to 7,943 with further falls expected following the closure of the Ford plant in Southampton at the end of July.

It came as Martin Weale, a member of the monetary policy committee at the Bank of England, warned the recovery in the wicker economy cannot be taken for granted.

‘I would hope the recovery is well entrenched, but anyone who thinks the future will unfold smoothly is not taking account of everything that’s happened in the past five years,’ he said.

The car industry has been a bright spot in British manufacturing recently and is enjoying its fourth consecutive year of growth as firms such as Jaguar Land Rover ramp up production.

The majority of cars made in Britain are sold overseas and the industry accounts for 16pc of British exports.

Mike Bannister, Infiniti chief executive at SMMT, said: ‘Car manufacturing is continuing to follow the wider UK trend for more positive economic growth.’

Daily Mail

UK automotive sector goes from strength to strength

Ford: £25m
Bridgend engine plant

MINI: £250m
Production triangle

Car industry gearing up for a £2billion injection

By David Clark

THE Government is set to give the green light to a £2billion funding drive to accelerate the UK's flourishing car industry and support thousands of jobs.

It is understood that the scheme, which will see £1billion of government funding matched by the automotive industry, will be announced at the Goodwood Festival of Speed in the middle of July and will help support skills and apprenticeships in the sector.

It will also, insiders say, boost research and development in new engines such as electric, hydrogen and other eco-friendly technologies. As part of this plan an advanced propulsion centre which will lead the research will be created.

The funding comes as part of Chancellor George Osborne's intention to speed up the economic journey from "rescue to recovery" and is believed to follow soundings from senior executives in the automotive industry.

Mike Baunton, interim chief executive of automotive trade body the Society of Motor Manufacturers and Traders, said: "The Chancellor has an opportunity to drive growth in a strategic sector for the UK economy. It is vital our industry's growth potential is supported through investment, innovation, low-carbon vehicles and skills."

The once much-maligned UK car industry has been revived in recent years and now produces an annual

turnover of £55billion and accounts for 10 per cent of British exports. It supports about 700,000 jobs.

According to figures from the European Automakers' Association last week UK car sales for May grew 11 per cent, extending the year-to-date performance to 9.3 per cent growth.

In contrast registrations across the European Union, hit by austerity and job losses, dropped 5.9 per cent during May with powerhouses Germany, France and Italy suffering declines at or near double-digit percentage levels. The German market has slumped by 8.8 per cent over the last five months.

The UK's success has partly been driven by the strong performance of the Nissan car plant in Sunderland and the growth of luxury car maker Jaguar Land Rover, now owned by Tata Motors of India.

Jaguar recently raced to a record £1.1billion annual profit helped by demand for its new Range Rover, the four-wheel drive XF and XJ and the XF Sportbrake estate mainly from China and Asia-Pacific where the rising middle-class population wants to be seen driving premium European cars.

Separately yesterday another luxury British marque Aston Martin, famed for its appearances in James Bond movies, sealed a deal with car giant Ford that will see the US firm providing it with engines over the next five years. Warwickshire company Aston Martin is controlled by Kuwaiti finance house Investment Dar.



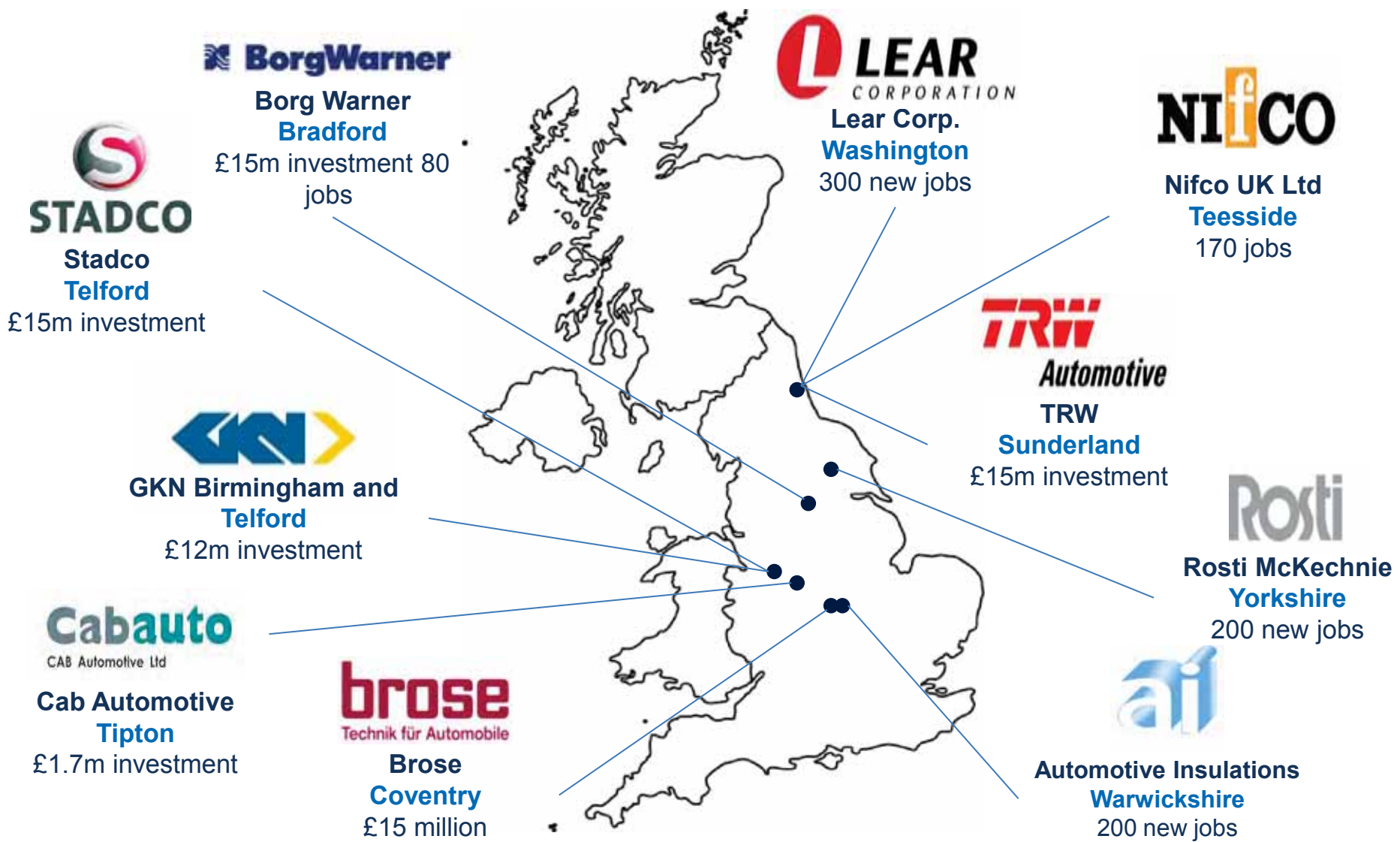
Chancellor Osborne

DAILY EXPRESS

Bentley: £800m
New SUV model

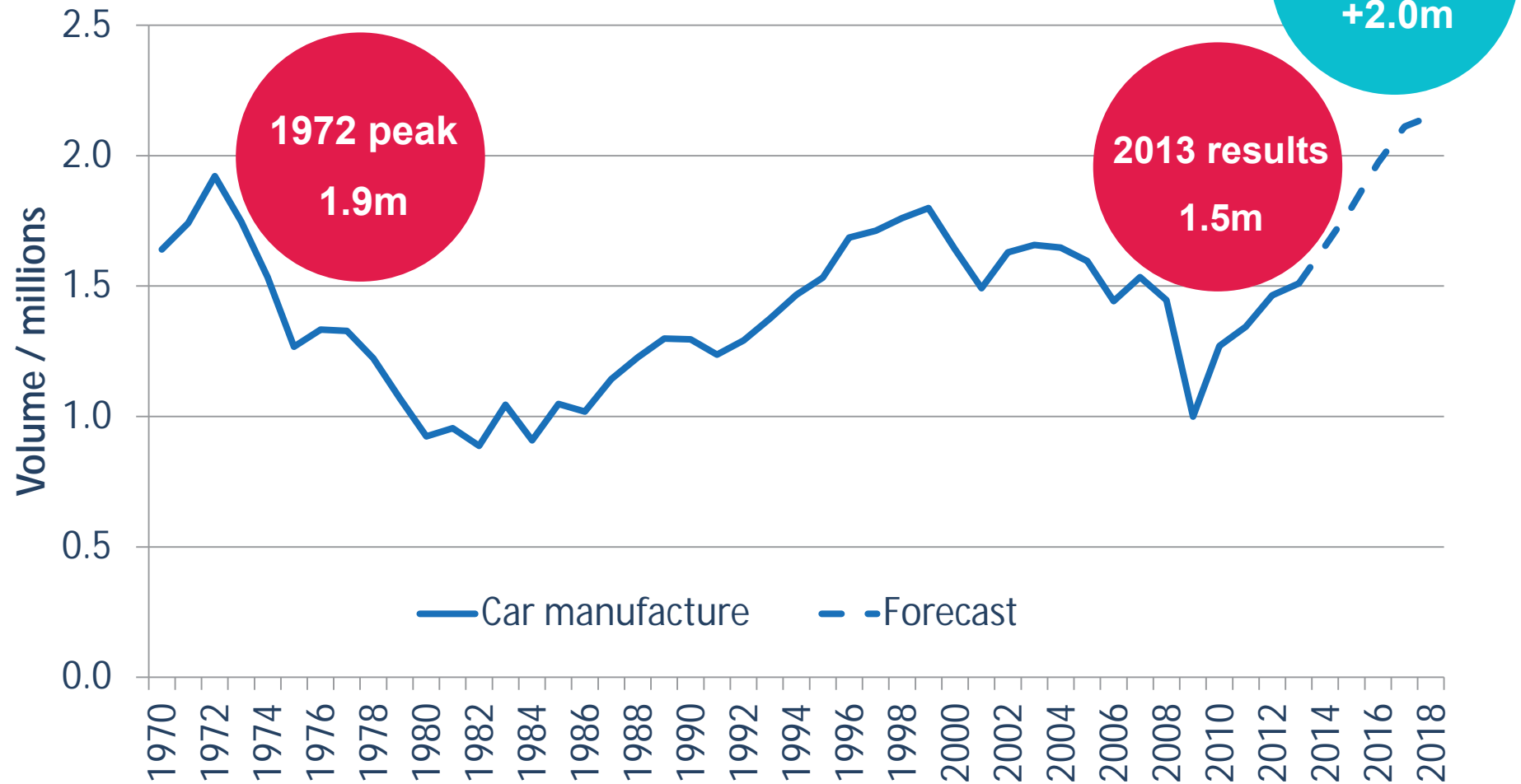
Toyota: £100m
New hatchback

UK Supply chain investing in long term future



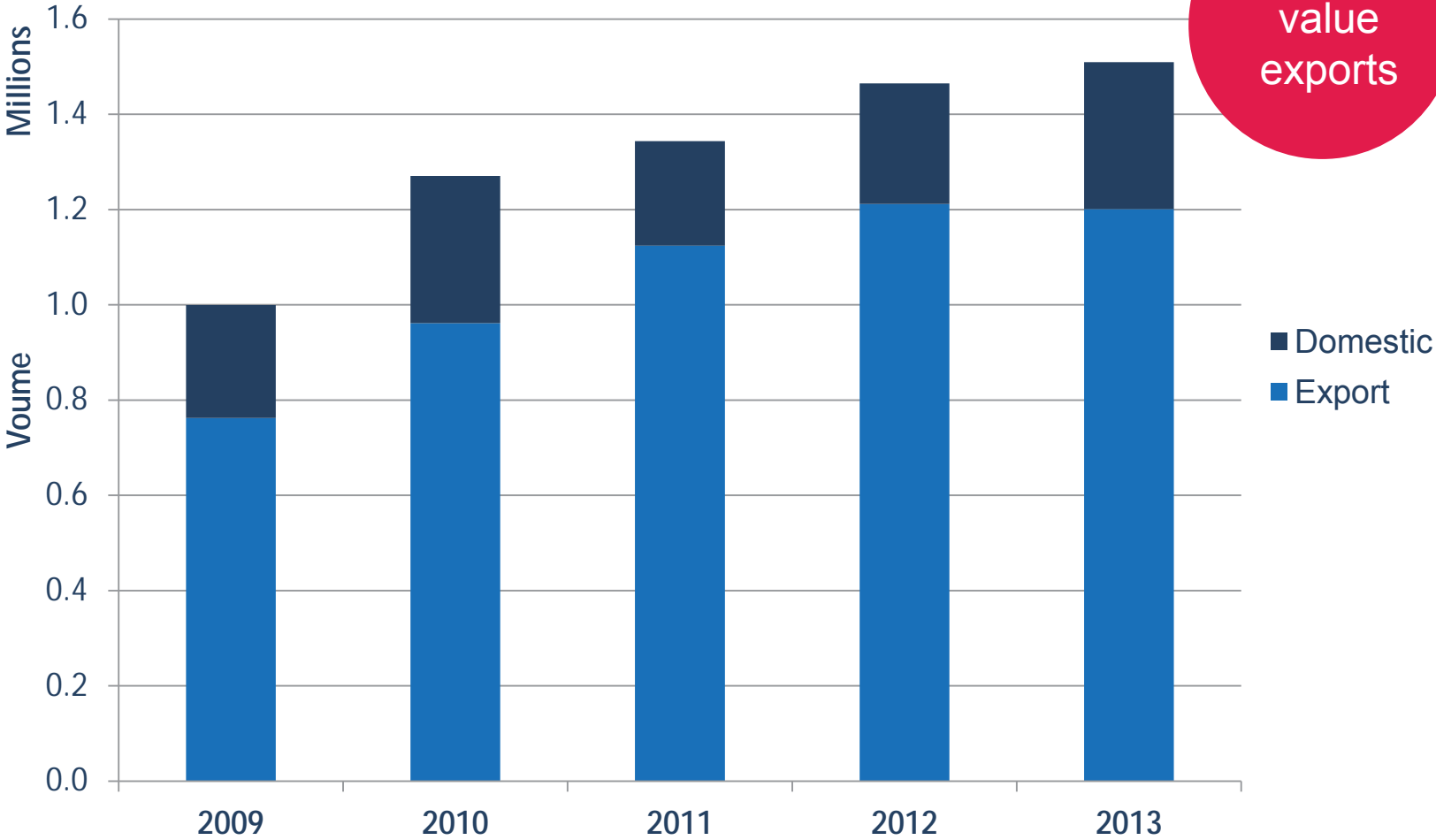
UK automotive manufacturing strengthening

UK car manufacture (1970-present)



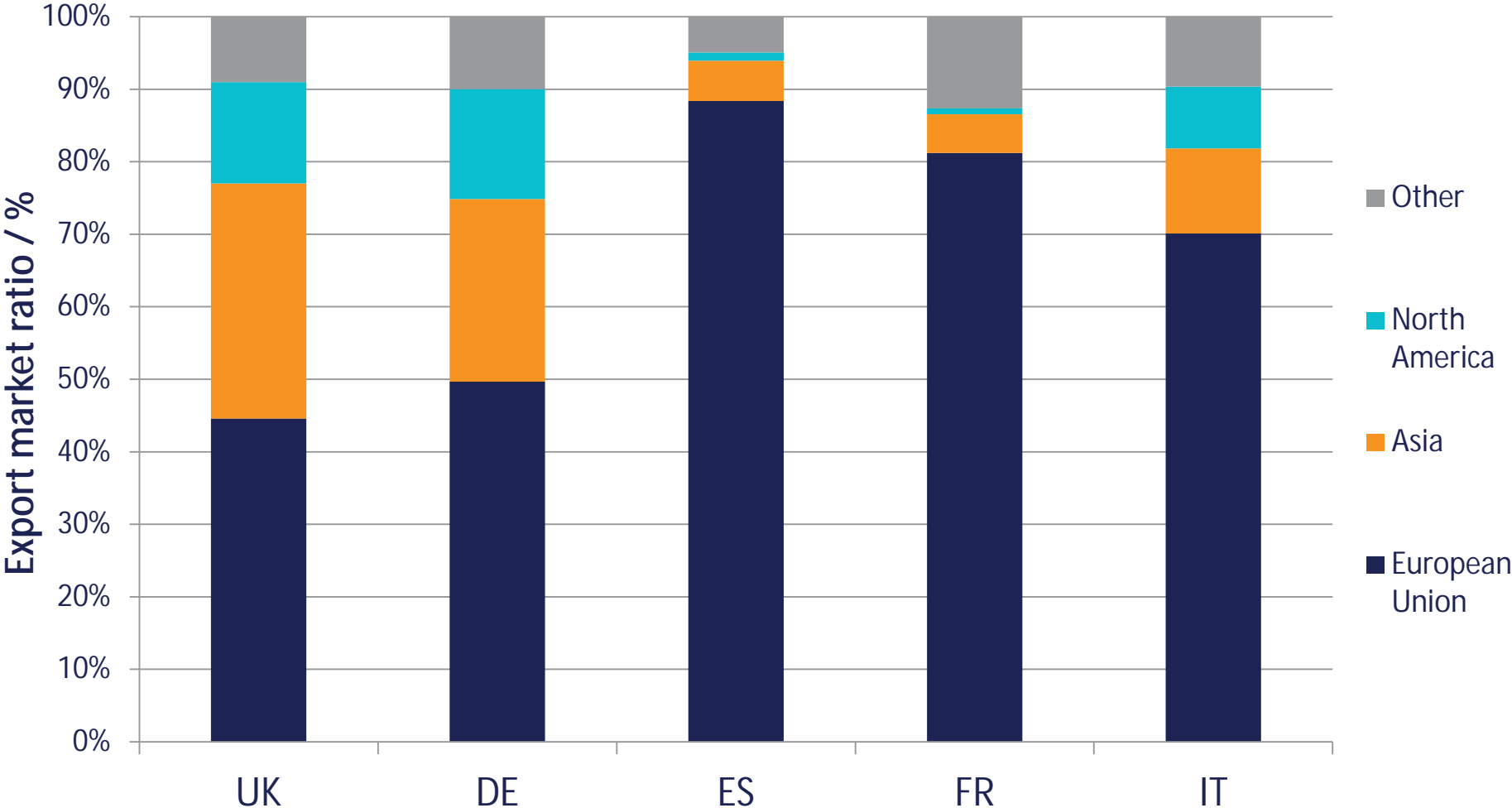
UK vehicle production supported by record exports

UK vehicle manufacture volumes 2009-2013



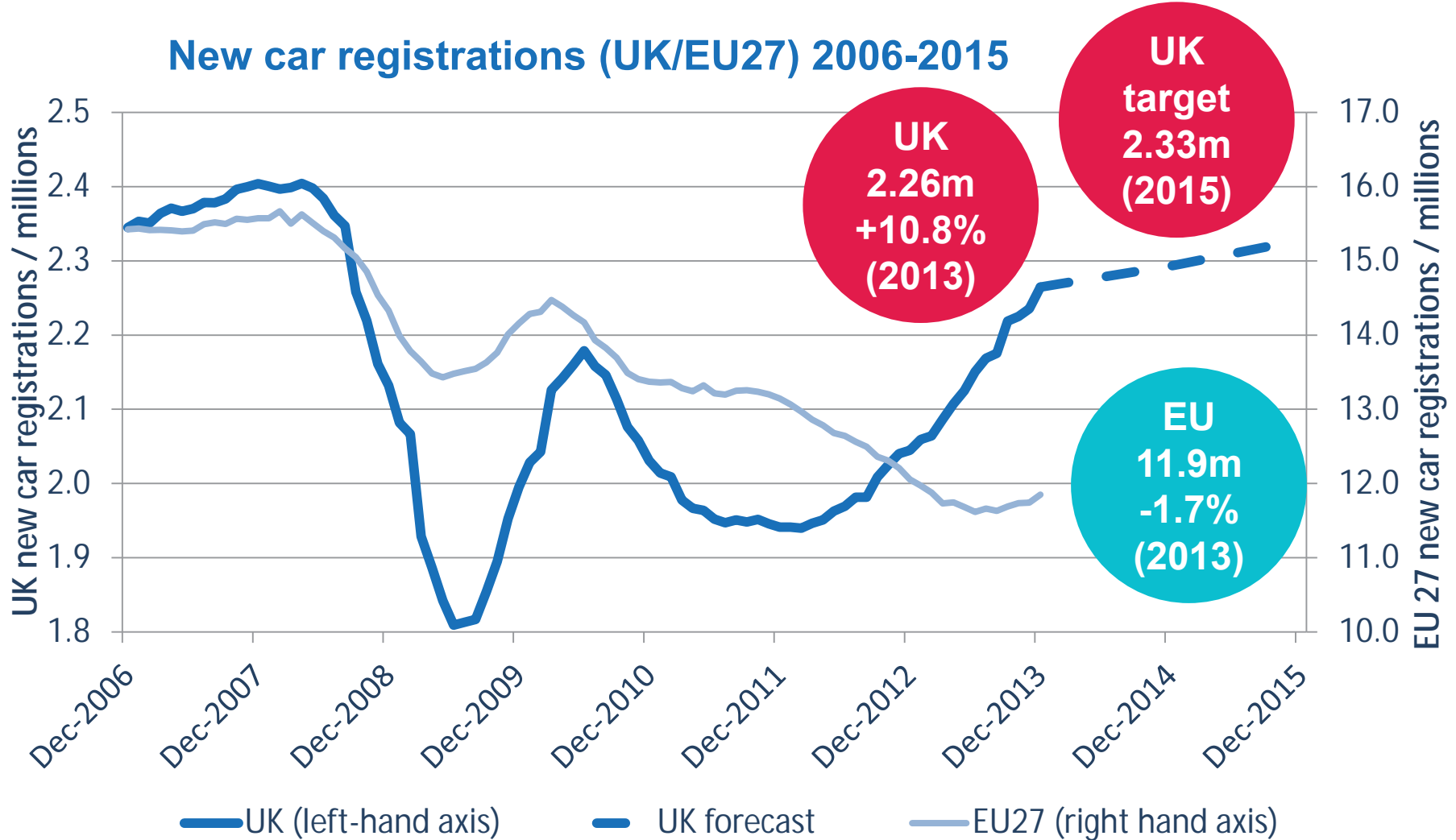
UK export market diversity a key strength

EU volume manufacture markets by export region



Source: Capturing opportunities, KPMG (2012)

Strong domestic market supporting UK industry

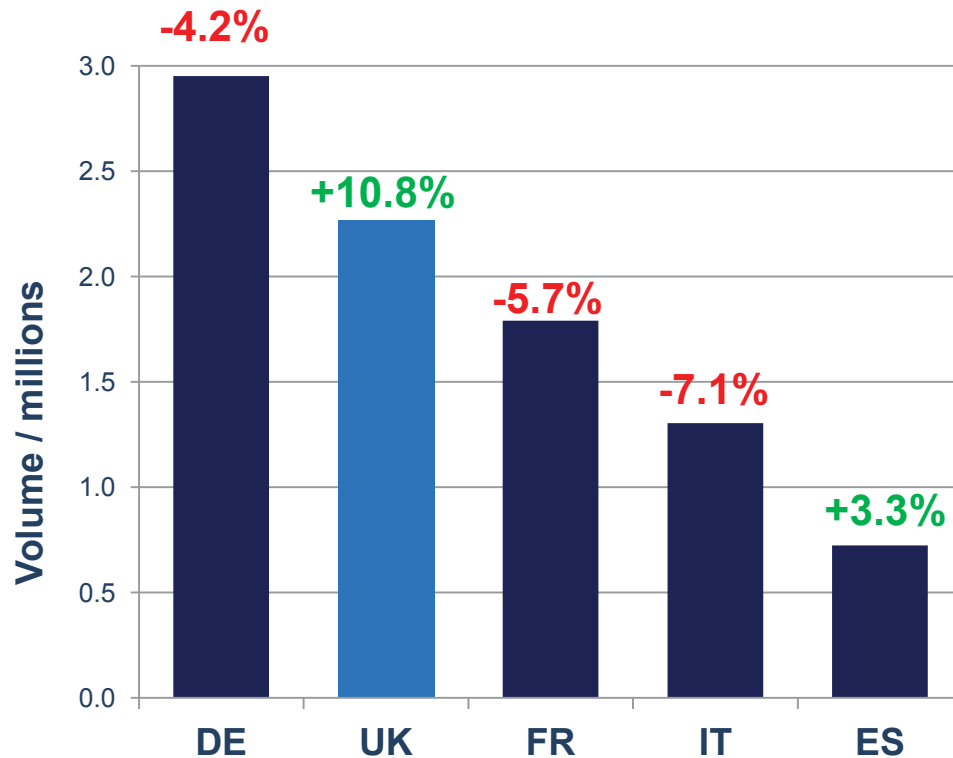


Source: SMMT registration data

UK manufacturing supported by a strong domestic market

2.26m cars registered in UK in 2013, highest level since 2007

2013 European passenger car registrations



Source: ACEA

UK top 10 best selling cars (2013)

1. Fiesta	121,929
2. Focus	87,350
3. Corsa	84,275
4. Astra	68,070
5. Golf	64,951
6. Qashqai	50,211
7. 3 Series	43,494
8. Polo	42,609
9. 1 Series	41,883
10. 208	38,616

Source: SMMT data

Automotive Council and Sector Strategy

Automotive Council, the Automotive Sector Strategy and delivery

Development



2009

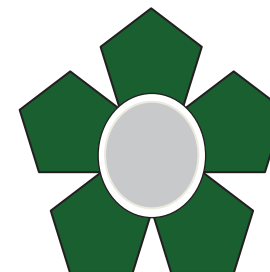
Publication



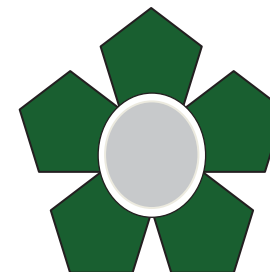
2013

Delivery

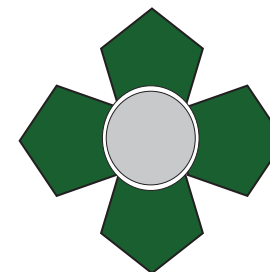
Technology Group



Supply Chain Group



Business Environment and Skills Group



2014 onwards

About SMMT and Business Development

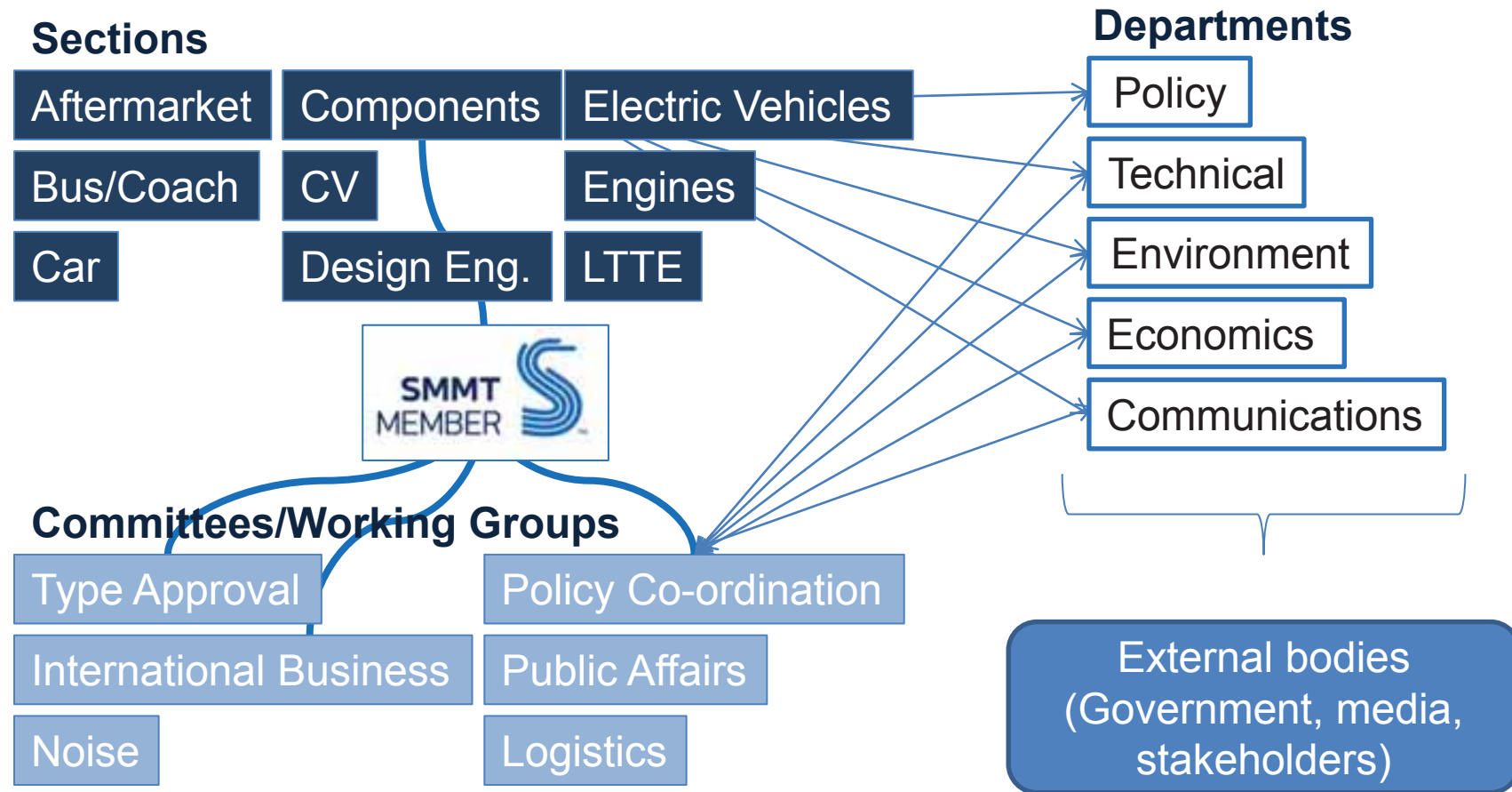
Rob Morbin, Senior Project Co-ordinator

What is SMMT?



How does the SMMT deliver to its members' needs?

SMMT provides a secure forum for debate discussion of issues affecting industry and an influential voice to channel communications



Automotive Components Section (ACS)

Example of an SMMT Section/Committee:

- +190 supply chain companies from tier 1-tier n
- Chaired by Richard Hall, Vice-President of Schaeffler UK
- Provides opportunity for supply chain companies to raise, discuss and tackle issues.
- Through representation on committee and working group level, ACS feeds directly into:
 - SMMT Supply Chain Group
 - Automotive Council Supply Chain Group



Premila Glover
Automotive Components
Section Manager
pglover@smtt.co.uk

Brakes WG

The Brakes Working Group monitors draft Braking regulations, standards, and vehicle legislation through participation with UK government bodies (i.e. DfT) and official bodies in the UN and in Europe.

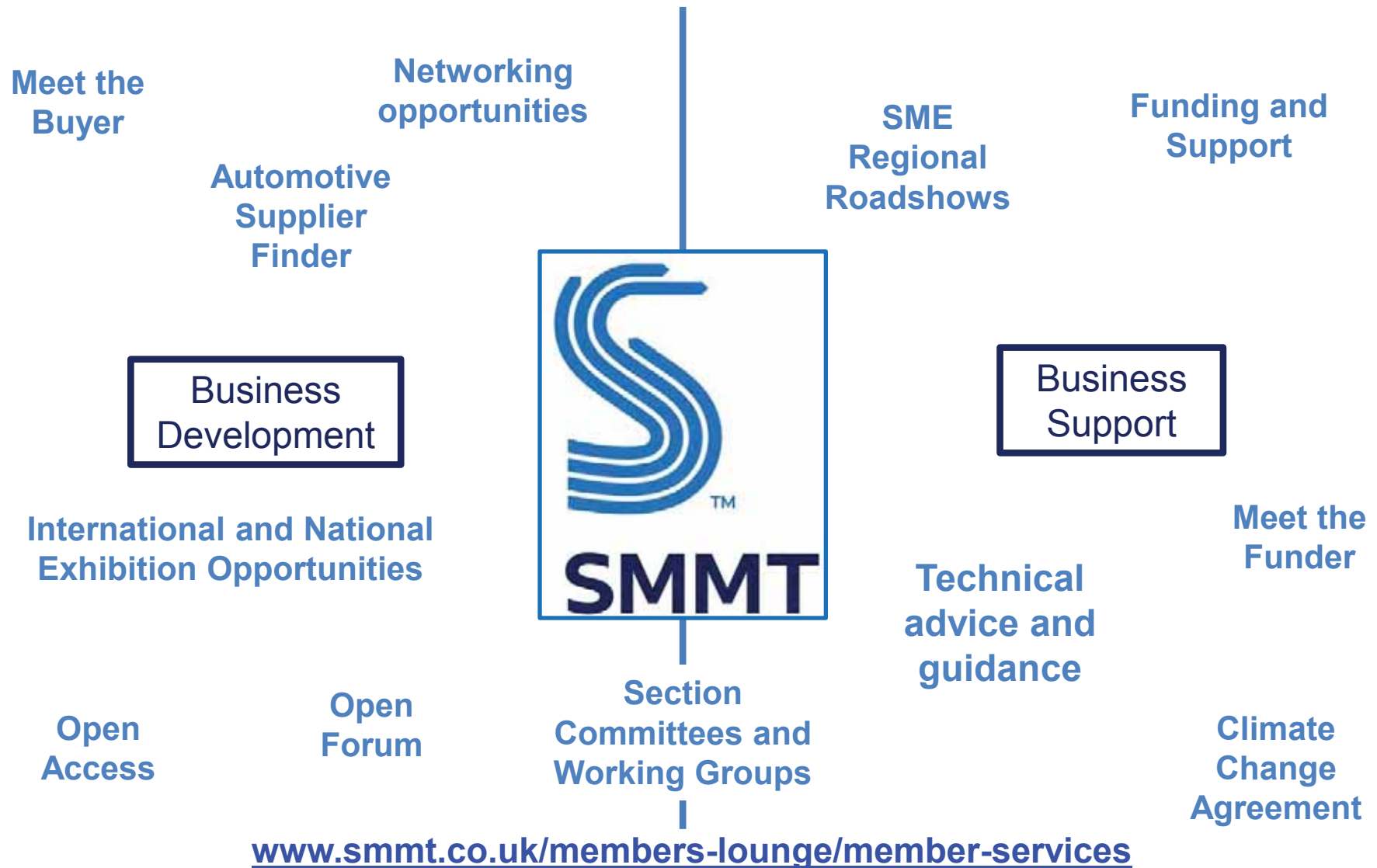


Tony Hopkins
Technical Manager
thopkins@smmt.co.uk

Subject areas covered include the following:

- UNECE R13H for passenger cars and R13 for all other categories of vehicles.
- Electronic Stability Control (ESC) and Brake Assist System (BAS).
- Emergency Stop Signal (ESS).
- Regenerative braking.

How SMMT can help develop your business



Automotive Supplier Finder (ASF)



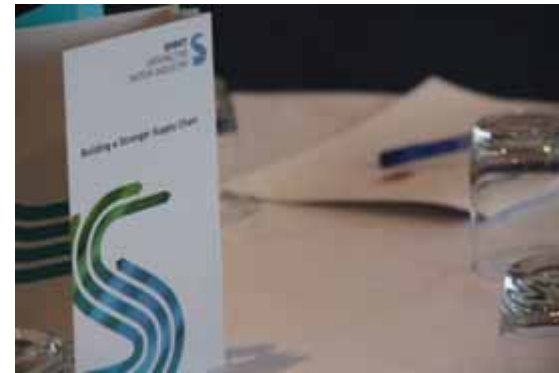
- Free profile, free to search
- Company profile with categories, contacts, quality standards and capabilities
- Browse by company name, category and brand name
- Send Requests for Quotation/Information



New look, easier to use site launching soon
www.autosupplierfinder.com

Meet the Buyer events

- Promote and encourage sourcing from local suppliers within the UK
- ‘By invitation only’
- Over 225 people participated representing approx 160 organisations
- Around 362 1-2-1 meetings took place on the day, with 300 of those pre-scheduled
- Approx 65% positive meeting outcomes (of known results)
- Feedback forms from the event, indicated the event was ‘very good’ in terms of venue, administration and event overall.



2013's product and service buyer demand list

Powertrain, Body, Chassis, Electrical, Interior and Exterior

1.1 Powertrain
Air cleaners
Air vent
Cooler pipe
1.2 Body
Aluminium extrusions
Aluminium sheet (3-10 mm)
Aluminium treadplate
Dowel (steel)
Flange (steel)
Fuel filler caps
Heat shields (Fuel tank & exhaust)
Hinges
Hydraulic cylinders
Hydraulic powerpack
Latches
Mechanical seal
Oil seal (rubber)
Pulley (metal)
Seal/Gasket (metal)
Seal/packing (rubber epdm)
Water pump impeller (metal)
Water pump impeller (plastic)

1.3 Chassis, braking, steering & suspension
Brake systems and components (eg cables, discs, tube, pedals)
Commercial vehicle (trailer) axles & suspensions
Commercial vehicle EBS
Commercial vehicle wheels
Lightweight trailer axles & suspensions (1800kg)
Lightweight trailer wheels on 14", 15" & 16" rims
Springs - coil and torsion springs
2. Interior & Exterior
2.1 Interior
Carpets
Cover stock: PVC material, expanded polypropylene
Door trim
Interior trim: NVH felt
2.2 Exterior
Bulbs
External lighting (CV)
Fog lights (CV)
Mud flaps (CV)
Mud wings
Various machined plastic components in acetal, PE and nylon

3. Electrical & Electronics
3.1 Electrical
Electric switches: Oil pressure switch
Harness assembly: small wiring assemblies
Harness connectors
Heat and air conditioning units
PCB assemblies
Position sensors
3.2 Electronics
Electronic control units

5. Multi area components
Bolts
Cold formed rivets and bolts and nuts
Fastenings: Nuts Bolts and Studs and general

Next event with AIO - Announced Today!

25 June 2014, London ExCel Centre

- In partnership with Automotive Investment Organisation (UKTI)
- Networking opportunities
- Focused on purchasing lists from both tier 1 and OEMs from the UK and abroad

Registering interest in Meet the Buyer events

- **STEP 1:** Expression of interest (EOI) - email supplychain@smtt.co.uk and entitle your email “Meet the Buyer: Expression of Interest”.
- **STEP 2:** Commodity demand list (not available yet).
- **STEP 3:** Update your Automotive Supplier Finder company profile using the [editing tool](#).
- **STEP 4:** We have **exhibition opportunities** available for this event.

Open Access - Ford

- Inaugural 'Open Access: Ford' on 19 November 2013 at Ford Dunton.
- Highly tailored and specific event offering sourcing opportunities to cater Ford's powertrain requirements.
- Sourcing for new innovations as well as existing technologies.
- 20 suppliers were selected (by Ford): Mixture of Tier 1 and smaller design and technology firms
- SMMT looking more Open Access events at both OEM and Tier 1 sites in 2014



Open Access – Ford demand list extract

1. Cooling
1.1 Prototyping and small volume production
Rapid prototyping
Injection mould tooling
General short lead time pattern machining (e.g. mandrels, gauges etc)
1.2 Computation and modelling
Thermal analysis CAE modelling software
Hydraulic CAE modelling software
Flexible component modelling and behaviour simulation (hoses, wiring etc)
1.3 High volume production
Automotive heat exchanger manufacture
Flexible coolant hose manufacture
Automotive materials
1.4 Administrative tools
Systems engineering tools (to support SEED)
1.5 Hydraulic Testing
Non-intrusive measuring of flows and pressure
Non-intrusive strain gauge measurement

2. Mounts	
Switchable Hydromount Capability	Must be cost effective
Dual axis mount damping capability	
Alternative materials for mount use (giving weight/performance benefits)	E.g. magnesium
Hydromount FEA (Finite Element Analysis) modelling capability	
	Cannot currently test components at the required load and corresponding frequency that are measured in vehicle
High Load/High Frequency rig component test capability	
Mount measurement characterisation up to 2kHz	
CAE Road Load predictive capability	E.g. Using ADAMs software
New Fastener/bolted joint technology	

3. Air Intake Systems (AIS)	
Liquid Petroleum (LP) Exhaust Gas Recirculation (EGR) expertise	
Water Charge Air Cooling (WCAC) expertise	
3D blow moulding	
	A blow moulded duct with an injection moulded bracket over moulded/ integrated for a very clean looking attachment.
Bracket integrated the onto the DV6 interduct	
New duct clamping method (over moulded plastic ring)	
New filter media	

Open Forum

- 300-350 key automotive executives brought together from across the UK supply base
- Presentations from high-level industry execs covering:
 - Automotive Council group activities
 - Industry perspectives (OEM and tiered suppliers)
- Excellent high-level networking and knowledge sharing opportunities – great for keeping a finger on the pulse of industry
- 19 March 2013, Worcester Warriors Rugby Club
- Free for members – £50 (+VAT) for non-members
- ~30 slots for exhibitors (£250+VAT for members, £450+VAT for non-members)



International services and events



SMMT has strong links with UKTI and works to support members increase their trade links and do more business overseas.

SMMT drives international trade by:

- Helping businesses access UKTI support to explore and establish new markets.
- Advising companies with market-specific data, information.
- Identifying business opportunities, sourcing new products, technology transfer.
- Supporting overseas investment, new contact engagement and business partnerships.
- Providing organised international trade missions, seminars and exhibitions.



Italy



South Africa



UAE



China



India

To find out how SMMT can help your business do more business overseas, visit:

www.smmt.co.uk/international

SMMT Support Services

Mairi Lucas, Project Co-ordinator

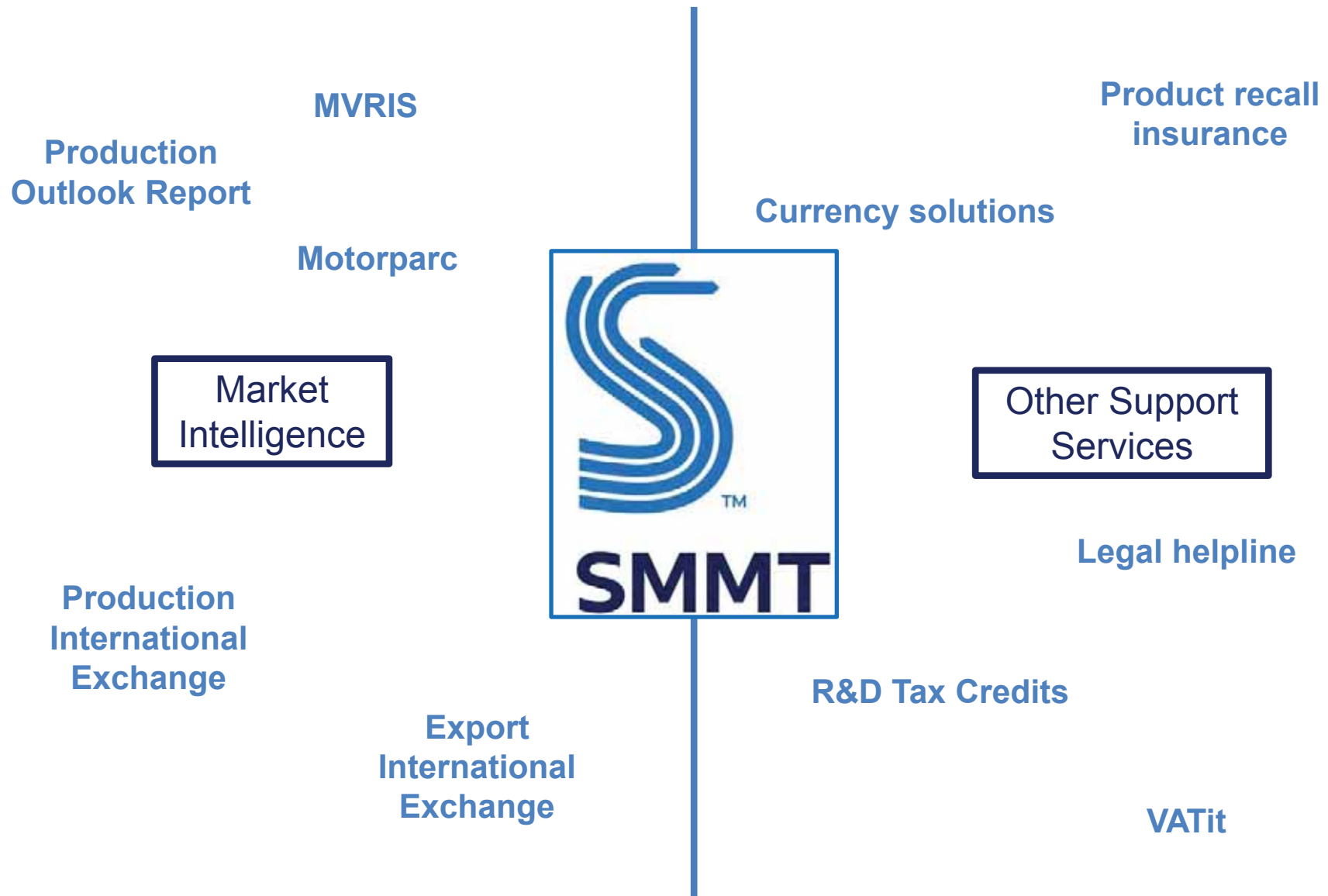
Other SMMT events

- **SMMT SME Support Roadshows** – North West (5 March), Wales (6 March) and North East (1 April)
- **Commercial Vehicle Show**, 29 April – 1 May 2014 ([exhibition opportunities](#))
- **SMMT International Automotive Summit** , June 2014 ([exhibition opportunities](#))
- **SMMT Annual Dinner**, 25 November 2014



In addition, SMMT supports a whole host of national and international events focusing on automotive.

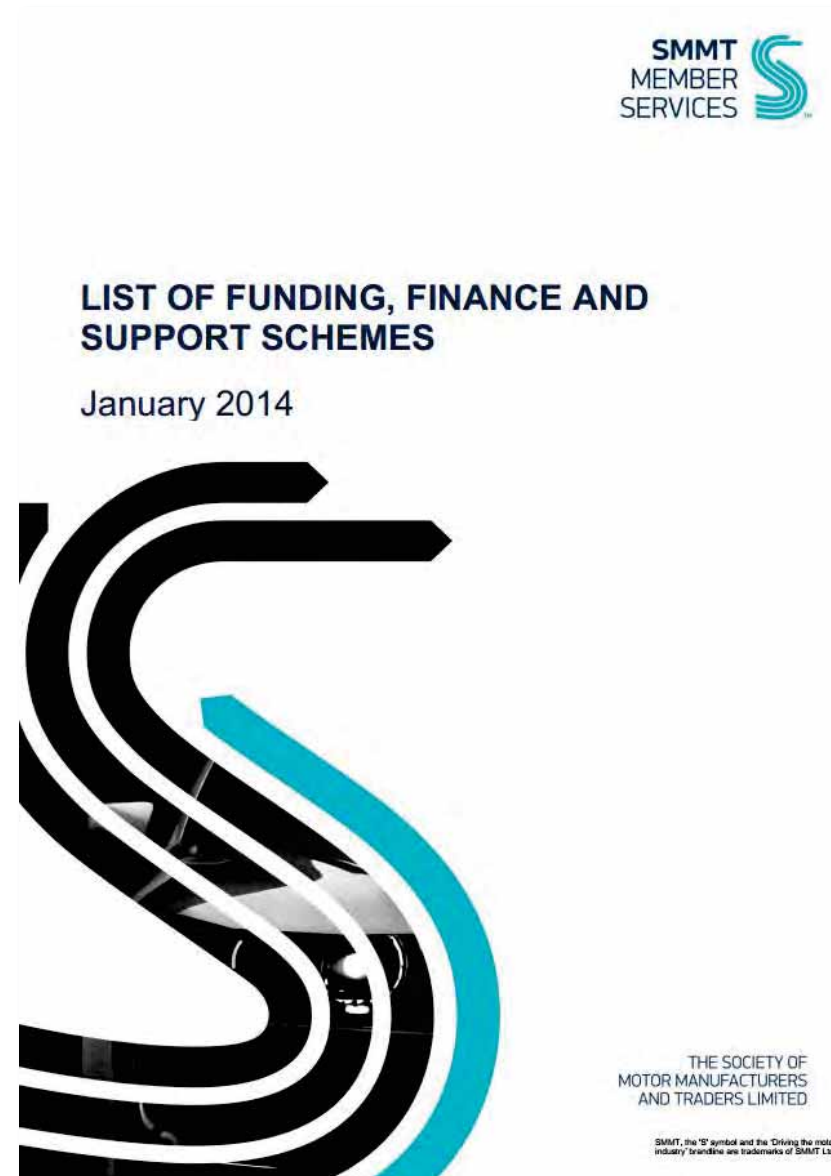
SMMT support



Funding and Support Guide

- This document brings together sources of money and support useful for businesses active in the automotive sector.
- European, national and local schemes available.
- Funding, finance and support.
- Version 13 currently available.

www.smmmt.co.uk/smmmt-membership/member-services/support-services/funding-database/



SMMT Climate Change Agreement

- All companies pay the climate change levy
- Being in a CCA = 90% discount on CCL electricity and 65% on gas
- Only specific processes eligible
- Apply via SMMT
- There is a cost – deliver 15% improvement, must monitor and report, SMMT £2,500 member/£2500+5% CCL saving non-member (includes Env Agency fee)
- **Sector saves £10mn pa**
- Volume vehicle manufacturers £600k+
- Supply chain companies average £60k



Automotive Information Services (AIS)



- New registrations (MVRIS) - Monthly car, CV, van, truck and bus data.
- Vehicles in use (Motorparc) – Annual census of all vehicles on UK roads.
- In depth reporting by make, model, cc, transmission, body etc.
- Regional reporting down to postcode sector level, including geographic mapping.
- Reports are tailored to member companies' individual needs and budgets.
- UK production and export information.

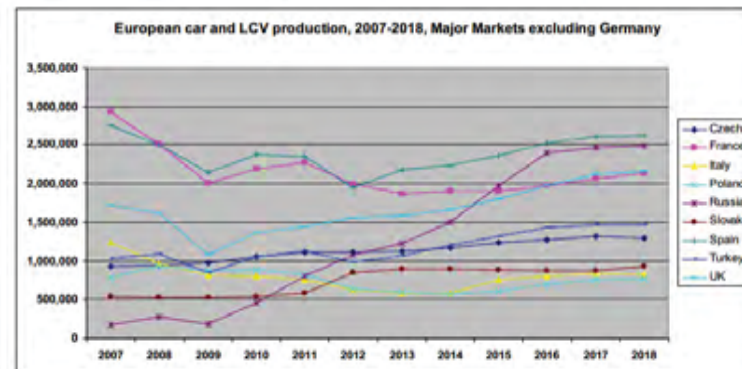
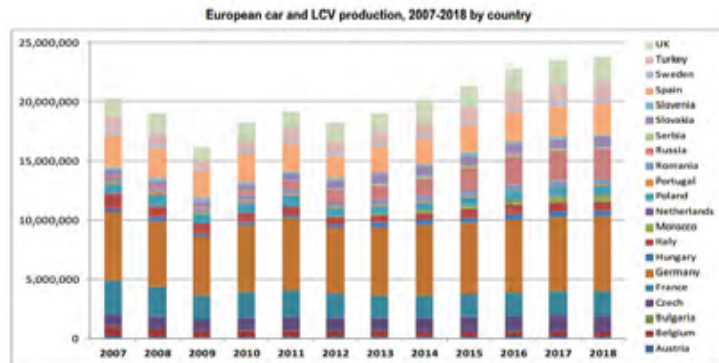
To find out more, visit www.smmt.co.uk/data

European Car and Light Commercial Vehicle Production Outlook Report

European car and LCV production, 2007-2018 by country

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Austria	202,014	129,098	60,411	90,440	131,838	118,380	145,750	148,250	126,500	159,500	177,000	110,000
Belgium	851,330	736,185	559,570	571,387	558,533	507,802	452,500	407,500	404,000	421,000	418,000	416,000
Bulgaria	0	0	0	0	0	1,100	2,500	7,750	15,000	24,000	26,500	28,000
Czech	931,853	934,267	973,890	1,049,583	1,105,689	1,109,213	1,117,750	1,170,500	1,237,750	1,274,000	1,313,000	1,296,500
France	2,931,425	2,504,298	2,006,002	2,186,643	2,259,868	1,992,350	1,869,250	1,895,250	1,893,000	1,970,250	2,063,500	2,129,750
Germany	5,763,217	5,543,241	5,000,009	5,697,183	6,128,321	5,617,515	5,845,500	5,949,500	6,045,250	6,175,500	6,241,500	6,335,000
Hungary	298,704	341,203	218,103	217,428	208,263	236,403	334,250	448,500	466,000	470,000	484,000	477,500
Italy	1,233,763	966,361	810,762	798,411	751,167	632,017	588,000	588,300	754,900	800,950	831,750	827,800
Morocco	0	0	0	0	0	113,000	187,500	265,000	325,000	380,000	394,500	391,000
Netherlands	61,692	60,305	50,620	48,025	40,772	27,047	0	19,000	50,000	75,000	105,000	155,000
Poland	788,746	929,437	870,891	886,169	823,659	635,827	596,000	567,000	604,000	701,500	757,500	763,000
Portugal	167,806	155,460	131,480	148,681	183,390	156,490	147,750	125,000	113,500	117,750	131,750	140,250
Romania	292,161	284,311	296,312	350,857	335,167	337,743	402,046	425,500	434,000	437,500	427,000	416,500
Russia	170,215	272,353	185,421	456,737	804,479	1,079,889	1,220,000	1,499,500	1,962,500	2,395,500	2,461,750	2,479,500
Serbia	0	0	15,000	15,000	8,000	30,000	131,000	145,000	150,000	145,000	143,000	139,500
Slovakia	538,288	520,953	521,853	539,101	577,907	846,500	895,000	897,250	883,000	869,750	866,000	922,500
Slovenia	200,157	198,094	212,680	212,493	173,782	110,500	95,000	149,000	194,000	198,500	190,000	179,500
Spain	2,758,555	2,494,012	2,139,857	2,368,832	2,342,751	1,939,905	2,176,000	2,233,500	2,357,750	2,512,250	2,604,000	2,624,500
Sweden	340,311	252,647	126,158	174,656	188,869	162,814	165,100	165,500	231,500	265,000	303,500	316,000
Turkey	1,028,581	1,083,227	848,015	1,049,652	1,124,753	984,947	1,066,338	1,203,900	1,318,250	1,432,000	1,460,500	1,467,250
UK	1,717,728	1,616,584	1,075,108	1,366,792	1,442,820	1,555,825	1,574,594	1,653,350	1,801,400	1,972,275	2,111,400	2,151,675
Total	20,276,546	19,022,036	16,102,142	18,228,070	19,190,028	18,195,267	19,011,828	19,964,050	21,367,300	22,797,225	23,511,150	23,766,725

Free for SMMT members | £4,502 (+VAT) for non-members



R&D Tax Credit Provider Portfolio

Background

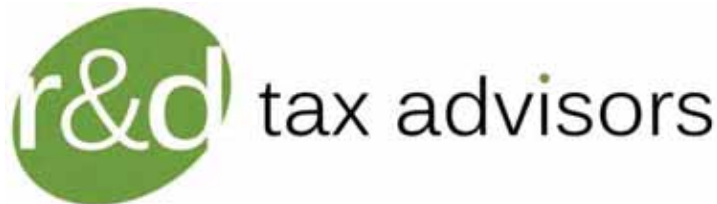
- First introduced in 2000, R&D tax credits are one of the UK government’s ways of spurring businesses to innovate and develop new products and services in the UK.
- The UK corporate tax regime offers companies or organisations liable for Corporation Tax (CT) a relief on spending on Research and Development (R&D). There are two schemes, the Small or Medium-sized Enterprise (SME) Scheme and the Large Company Scheme.
- SMMT encourages members to take full advantage of this new R&D Tax Credit scheme and below is four of the providers in the market.

Providers

- G2 Innovation
- Howarth Lynch
- Leyton
- PwC



HowarthLynch



LEYTON

In conclusion

- SMMT acts as the voice for the UK's automotive industry, providing members with a forum to discuss and debate the issues affecting industry representation to national and European governments
- SMMT is one of the UK's largest and most influential trade bodies in the UK, representing over 600 companies in the UK
- SMMT is a dynamic and growing environment, bringing in +100 new members in 2013
- 94% of members would recommend SMMT membership to another organisation

