

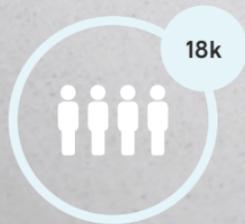
THIS IS THE AUTOMOTIVE INDUSTRY

Ingenuity and precision



AUTO MOTO IVE





Wales has a highly skilled and expert workforce, as well as excellent facilities for manufacturing, research and development. From developing revolutionary components, materials and alternative fuels, Wales is heading in the right direction.

T H I S I S T H E A U T O M O T I V E I N D U S T R Y

The automotive industry in Wales features around 150 companies employing 18,000 people and generating £3 billion each year.

The industry ranges from Ford, which has produced over 20 million engines in Wales, to Riversimple producing their first zero emission car.

As the sector moves into an exciting new era, two luxury car makers have turned to Wales for their latest developments. Aston Martin will build its new DBX Crossover model at Cardiff Airport and St Athan Enterprise Zone in the Vale of Glamorgan, while TVR have identified Ebbw Vale Enterprise Zone as their preferred location to build the new TVR sports car which will be offered with the innovative

iStream carbon system manufacturing process developed by car designer Gordon Murray.

Recent investment at Toyota's Deeside engine plant has enabled the manufacture of its latest hybrid engine and brought total investment at the plant to around £700 million.

These projects will add significantly to the £140million investment committed by the sector in Wales in the last two years.

Strong links between the industry and the universities of Wales, ensure that there's a backbone of research and development to fuel the next generation of automotive innovation.

C O M P O N E N T S

The automotive sector in Wales features:-

- Over 150 companies – including Original Equipment Manufacturers like Ford and Toyota, as well as high value/tier 1 suppliers such as Schaeffler and Calsonic Kansei.
- Over 20 million engines produced in Wales.
- A skilled workforce of over 18,000 people.
- £3 billion annual turnover.
- An established, diverse supply chain.
- Easy access to UK automotive centres from South Wales: Jaguar Land Rover, Honda and Mini (BMW).

And from North Wales: Toyota Derby, Nissan Sunderland and GM (Vauxhall) Ellesmere Port.

Companies operating in Wales include:-

- 1** Toyota (*Deeside*)
 - 2** Calsonic Kansei (*Llanelli*)
 - 3** Cast Alum (*Welshpool*)
 - 4** Continental Teves (*Ebbw Vale*)
 - 5** Ford (*Bridgend*)
 - 6** GTEKT (*Ebbw Vale*)
 - 7** JTEKT Automotive (*Resolven*)
 - 8** Meritor (*Cwmbran*)
 - 9** Schaeffler (*Llanelli*)
 - 10** Unifrax Emission Control Europe Ltd (*Holywell*)
 - 11** Senior Flexonics (*Crumlin*)
 - 12** Sogefi Filtration (*Tredegar*)
 - 13** Stadco (*Powys*)
 - 14** Sumitomo Electrical Industries Ltd (*Ystradgynlais*)
 - 15** Gestamp Tallent Ltd (*Llanelli*)
 - 16** Tenneco-Walker (*Tredegar*)
 - 17** JCB (*Wrexham*)
 - 18** TRW (*Pontypool*)
 - 19** Reflex & Allen (*Bodelwyddan*)
 - 20** Toyoda Gosei (*Gorseinon*)
-



"There is a good local supply chain. I spend around £7.2m a year on locally sourced components. So, we definitely have the infrastructure and the capabilities in Wales."

Clayton Harding, Mollertech UK

W A L E S A N D T H E A U T O M O T I V E S E C T O R

Wales is now on the verge of being a serious player in the Motor Industry after a momentous 2016.

The first quarter saw significant announcements by Aston Martin and TVR to build a plant in the Cardiff Airport and St Athan and Ebbw Vale Enterprise Zones respectively. Around 1,000 people will be employed initially. Output will add to the UK's 'super' up-market cluster, which is the largest in the world. In addition, major investment was announced by Toyota in its Deeside plant to make hybrid engines.

Wales' green credentials have been further enhanced with the launch of Llandrindod Wells based River Simple's prototype hydrogen fuel cell car. This is in addition to the publication of the report of the Low Carbon Expert Steering Group to the Welsh Government.

This has been a strong year for the 150 or so Wales-based components and systems suppliers. There has been growth in vehicle output, with a number of manufacturers reporting increased half-year output. This is on

the back of a 5.2% rise in UK vehicle production in 2015, the sixth successive year of growth. In addition, some 2.3 million engines were made in the UK with around one third of these made in Wales.

The UK voting to leave the European Union in 2016 means a year of momentous change. Like many, the automotive industry holds its breath and awaits the implications of this decision.

The UK accounts for over 18% of the EU car market and 23% of the commercial vehicle market. In one way or another Germany accounts for 38% of the UK car market and France for 15%). In the case of medium and heavy commercial vehicles, Germany and Sweden together with DAF (Dutch controlled but US owned) rely hugely on UK sales. By value, German and Swedish imports are even more significant. Clearly, a free trade agreement is not only in the UK's interests. Add to this that 60%



by value of components used in UK-built vehicles (except buses) come mainly from Germany and this point is only reinforced.

If there is a permanent marginal reduction in the influence of the 'City' on the UK's balance of payments then the long-term exchange rate may better reflect the interests of manufacturing in the UK. This lower rate will help exports. Despite so much of a UK vehicle being imported, this will be neutralised when the vehicle is exported, as over 77% of vehicles

and 60% of engines are. This can be an incentive to increase UK-supplied content of UK-made vehicles.

These are interesting times. As part of the fastest growing major EU economy, there are many reasons to be optimistic about the future of the automotive industry.

Prof Garel Rhys CBE

Chair of the Welsh Automotive Forum and President of the Centre for Automotive Industry Research at Cardiff University

A C A D E M I C F O C U S

Wales produces over 6,000 science and engineering graduates a year. Within our eight universities, there is a wealth of academic expertise applying itself to the automotive industry.

From vehicle design and materials research, to next-generation power train and fuel technology, here are just a few of our academic centres that are working with the sector:-

Automotive design, prototyping and testing

- University of Wales Trinity St David
Automotive Design
Non-Destructive Testing
- Swansea University
Computational Fluid Dynamics
- Cardiff Metropolitan University
Product Design & Development

Alternative powertrain and materials technology

- University of South Wales
Hybrid and full electric vehicle powertrain
Automotive energy storage
- Cardiff University
Emission reduction
Mechanical and structural performance
- Swansea University
Lightweighting
Composite technology

Alternative fuel technology

- Cardiff University
Alternative Transport Fuels
- University of South Wales
Hydrogen Centre
- Aberystwyth University
Plant compound transport fuels

Industry support in Wales

The Welsh Automotive Forum (WAF) is the authoritative voice of the automotive industry in Wales. WAF showcases its members' products and services at international events and campaigns. It lobbies on their behalf on local, national and international platforms.

WAF works with the SMMT and UK Automotive Council to further the business goals of members, especially in supply chain technology and skills.

Wales is an empowered nation

Accessible ministers and government enable swift decision-making and delivering against priorities for Wales in terms of jobs, growth and wealth.

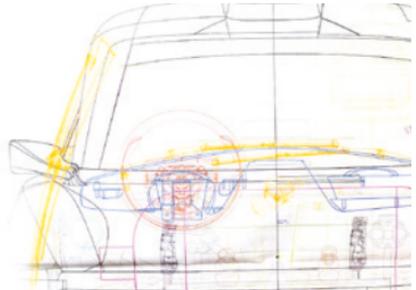


Wales means business

- The Welsh Government supports growing businesses with:
- The best funding packages in Europe.
- Generous support for skills development.
- Specialist advice and exceptional financial support for R&D.
- Unique and innovative support for global trade development.
- World class academic collaborations.
- Dedicated enterprise zones.

Support from experts

Proactive support for business is delivered through a dedicated account manager, who assists with market intelligence, identifying new business opportunities and supply chain development.



W H A T N E X T ?

The opportunities for the Automotive sector in Wales are many and varied – so let's talk. Call one of our team to find out more about what Wales can do for your business.

Find out what Wales can do for your business:

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