

SMMT Regional Forum

ICC Wales

9 July 2026

SMMT **REGIONAL**
FORUM

Supported by:



DP WORLD

Mike Hawes OBE, Chief Executive, SMMT

9 July 2026

HOUSE KEEPING

- Please ensure your mobile phones/other devices are on silent and that noise is kept to a minimum whilst the conference is underway
- There are no fire alarms planned, if an alarm sounds, please make your way to the nearest fire exit
- The digital programme can be downloaded using the QR code



Agenda – Session one

09:30 – 09:45	Introduction and welcome – Mike Hawes OBE, Chief Executive, SMMT
09:45 – 09:55	Adam Price MS, Cabinet Minister for Enterprise, Connectivity & Energy
09:55 – 10:10	David Moore, Head of Manufacturing - St Athan, Aston Martin
10:10 – 10:25	Andrew Cranke, Director of Sales for Northern Europe, Vishay
10:25 – 10:40	Ritchie Hart, Head of Process Technology – Strategic Capex, Tata Steel UK
10:40 – 11:00	Q&A Panel Session Mike Hawes, Chief Executive, SMMT

Agenda – Session two

11:30 – 11:45	Scott Milne, Vice President and General Manager, General Dynamics
11:45 – 12:00	James Cameron, Founder, Mission Motorsport
12:00 – 12:15	Hugo Spowers, Founder, Riversimple
12:15 – 12:30	Dr James Kerr, Design & Engineering Director, EDC Automotive
12:30 – 12:50	Q&A Panel Session Mike Hawes, Chief Executive, SMMT

ECONOMIC IMPORTANCE OF AUTO MANUFACTURING : WALES



£477 MN GVA



7,000 JOBS



175 BUSINESSES

ONS DATA FOR SIC29, GVA 2023, JOBS 2024, NUMBER OF BUSINESSES 2025



AUTO MANUFACTURING : WALES



- **ASTON MARTIN**
- **BJ SEALS**
- **ELECTRIC CLASSIC CARS**
- **IWT DEESIDE**
- **LUCAS OIL PRODUCTS LTD**
- **LOADLINE SYSTEMS**
- **LUVATA WELSHPOOL**

- **RIVERSIMPLE**
- **SENIOR FLEXONICS**
- **TOYOTA ENGINES**
- **TRB**
- **VISHAY SEMICONDUCTORS**



2026 – acute auto challenges on long & winding road

Domestic and International headwinds shaping the automotive environment across the UK



Challenging domestic & international political landscape



Economic growth and maintaining a competitive market



Trade, Rules of Origin and Tackling Protectionism



Zero Emission Vehicle (ZEV) Transition Review



Industrial Strategy implementation & UK Competitiveness



Regulatory Development, Alignment & Simplification



UK's place in 'Made in Europe' & EU-UK Relations



Automated Vehicle (AV) regulation & deployment



Employment, Skills & the Workforce



HDV Decarbonisation Strategy



Supply Chain Growth & Resilience



Circular Economy & Sustainability Regulations

What do we know about the current front runner?

2001 – 2026: Labour MP – Cabinet Minister – Shadow Cabinet – Mayor of Greater Manchester – Labour MP – PM(?)

Key Policy Positions and Key Questions

Currently committed to Labour's Manifesto red lines:

- Fiscal rules – strict constraints on taxation and spending
- The EU – no Single Market, no Customs Union, no Freedom of Movement

On Net Zero:

- Committed Greater Manchester to be carbon neutral by 2038
- Greater Manchester on track to achieve 100% zero-emission public bus fleet by 2030
- Said to be open minded on North Sea oil and gas, and pro-industry

Speech on economy, fiscal policy and how he plans to deliver growth, with focus on devolution, and philosophy of 'Manchesterism' / business-friendly socialism

Lots of areas on policy issues to be established – foreign policy, defence, welfare – and inherited strategies e.g. Modern Industrial Strategy – continuity?

Who could we see in Burnham's first Cabinet?



Key policy developments as high politics overtakes agenda



- Industrial Strategy one year on, demonstrates **good start but more to do**. Automotive remains central to Advanced Manufacturing Sector Plan.
 - BICS energy scheme published – win for auto applicable from April 2027 (with one-off 2026 back payment expected)
 - Supply chain resilience and expansion of DRIVE35
 - New jobs plan expected in summer
- Budget 2026 – emergency budget under a new Chancellor?**
 - eVED engagement – wrong measure at wrong time – leading Budget issue alongside industry push on enablers and auto competitiveness & taxation.



- Made in Europe / IAA published 4 March with significant threat to UK.** SMMT campaigning to ensure UK inclusion in all aspects after draft proposal carves out auto for EU27.
- EU RoO remains key priority.** SMMT position offers two technical solutions for consideration – an alternate ‘originating battery parts’ rule or a phased ‘lower duty’ rule – through to 2032 to support a smoother path to compliance. No progress on CAM guidance or PEM.
- US EPD – future of TRQ & 232 tariffs** on HMDV, parts, buses. New 301 investigations after IEEPA struck down by Supreme Court.
- Chinese export controls, rare earths & semiconductors** highlight ongoing geopolitical & supply chain risk.



- Seeking accelerated ZEV transition review** building on previous ZEV mandate flexibilities, trajectories, routes to compliance, and industry engagement on next steps with expectation of imminent consultation.
- HDV decarbonisation strategy consultation** with SMMT submission calling for EU-derived CO₂ regulatory pathway. Zero Emission Truck & Van Grants also extended and additional support for depot charging.
- Electric Car Grant eligibility extended to SBTI and TPI**, after increased funding following Budget 2026. Further engagement ongoing. BUT, **new ZEV tax threat from 2028 remains**. Further push on key enablers including infrastructure.

Lots of positives in the new Welsh Government's manifesto

Collaboration with automotive will deliver for Wales and the UK



A National Priority

Unleash the potential of the Welsh economy, and create good, well-paid jobs

Other manifesto commitments that can benefit automotive:

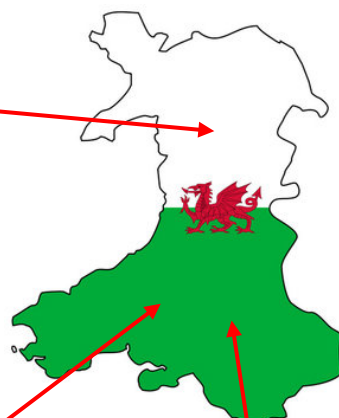
Competitiveness: Create a new, business-led **National Development Agency for Wales**; Support the continued development of the South Wales semiconductor cluster; Develop a **National Energy Strategy**, mapping Wales's current and future energy needs; with a clear, long-term plan for the infrastructure required to meet them

Skilled workforce: A **national skills audit** to understand future skills and vocational training needs; A clear **national strategy for vocational education and qualifications** that meet Wales's current and future needs, aligned with real job opportunities

Net Zero: Chart a practical pathway to net zero by 2040, prioritising **green skills and jobs, and cleaner transport**; Deliver a renewed **EV charging strategy** for Wales and an updated infrastructure plan for vehicle electrification

UK Modern Industrial Strategy & Trade Strategy

A ten-year UK strategy we want to see embedded in Wales



£4 billion for 'DRIVE35' programme through to 2035 to support OEM and supplier industrial transformation

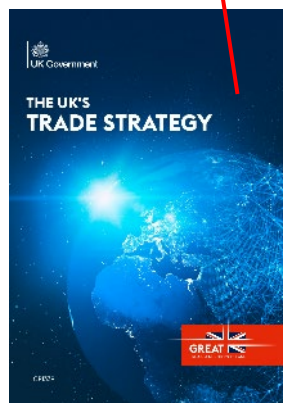
New production target of 1.3 million new vehicles manufactured in the UK annually by 2035

Government support for ZEV transition including £2 billion Electric Car Grant to 2030, and £63 million for charging infrastructure

British Industrial Competitiveness Scheme to reduce electricity costs up to 25% for 10,000 business from April 2027 + 2026 rebate

Promotion of free and fair trade through strong international partnerships and free trade agreements

Enhanced access to talent and skills reforms including Made Smarter, apprenticeship funding and modular training



£1.1 billion for new Investment zones, £600 million for Strategic Sites Accelerator and funding for innovation with £86 billion in UK R&D

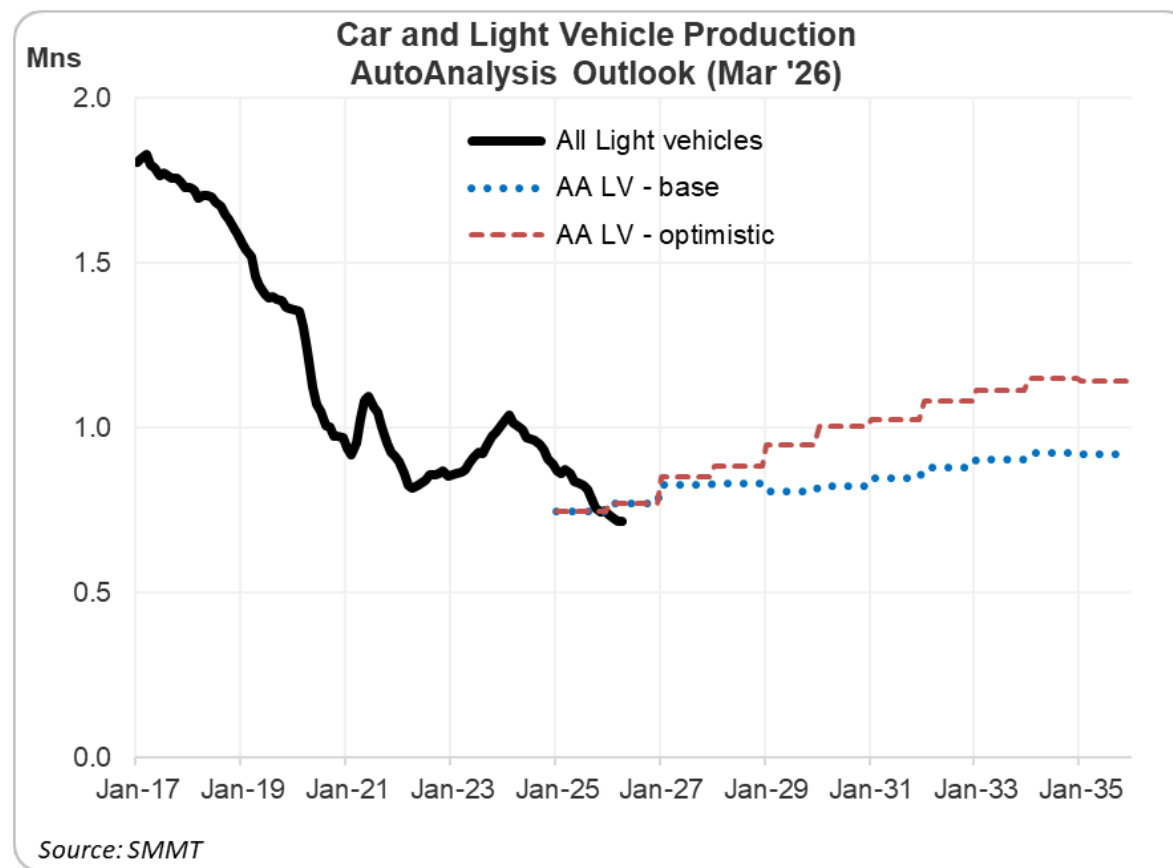
Strengthen economic security and supply chain resilience to mitigate industrial risks

Reduce planning timelines, remove planning barriers and support strategic industries & national projects

UK vehicle production

Car output stabilizes amid weak global markets

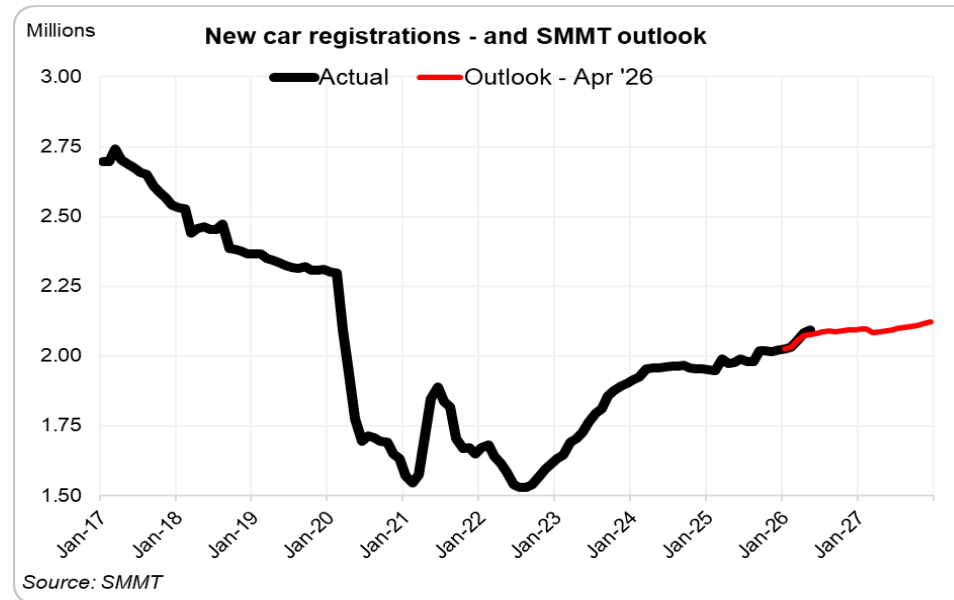
- Car output is down -5.4% in YTD, after stabilizing in March (-0.9%) and April (-0.7%)
- Key export markets – US and China challenging, model changeovers too
- CV output -64.1% in YTD, but modest -10.9% in Apr (Luton shut Mar '25)
- Light vehicle output to grow 12% this year and 7% in '27 – but MiE, RoO & Middle East could cut view



New car registrations

New car market up 9% in YTD, as growth run continues

- Volumes up 8.7% YTD at 924,763 units, up 74k
- May up 7.1% - 6th successive rise
- Rolling year at 2.094mn units
- Driven by Chinese OEMs and enhanced private demand
- Market been running ahead of expectations, despite concerns over Middle East conflict impacts
- Latest outlook revised up, again – 3.6% gain this year and 1.4% next

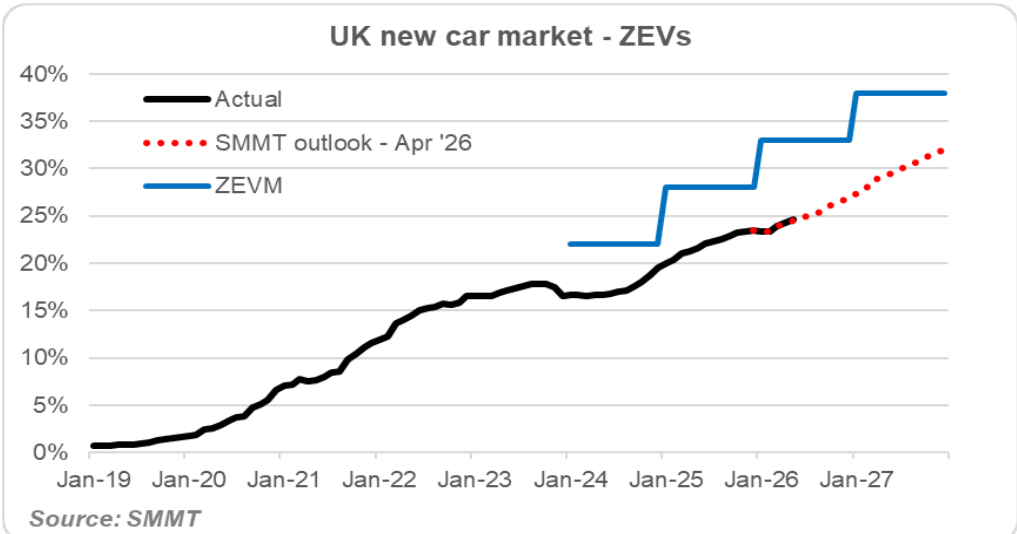


Mns	Apr 25	July	Oct	Jan '26	Apr
2025	1.964	1.986	2.012	2.021	2.021
2026	1.992	2.019	2.032	2.048	2.093
2027	-	-	2.058	2.084	2.121

Electric car registrations

BEV volumes to grow, but view trimmed and share to remain sub ZEVM pace

- BEV market up 24.3% in YTD, incl 34.2% May (Apr also up: tax ch '25)
- BEV share hit '26 high of 27.3% in May, but YTD 23.9% is well below ZEVM's full year 33% target
- 20% more models, incl more affordable products, and ECG support.
- Expecting volumes to rise by around a fifth this year and next, but share to be sub ZEVM 33% and 38% targets

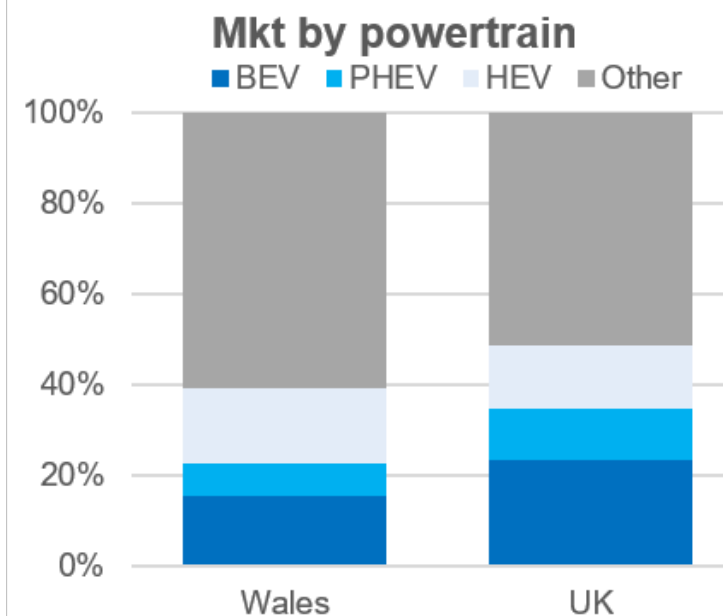
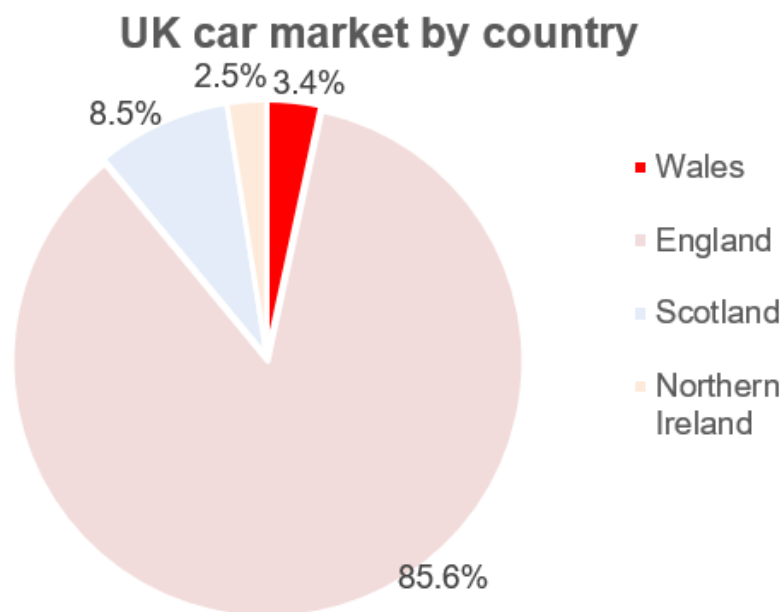


BEV share	Apr '25	July	Oct	Jan '26	Apr
2025	23.5%	23.8%	23.3%	23.4%	23.4%
2026	28.0%	28.2%	28.2%	28.5%	26.8%
2027	-	-	32.2%	32.9%	32.0%

Welsh new car market

Market accounts for over 3% all UK new registrations

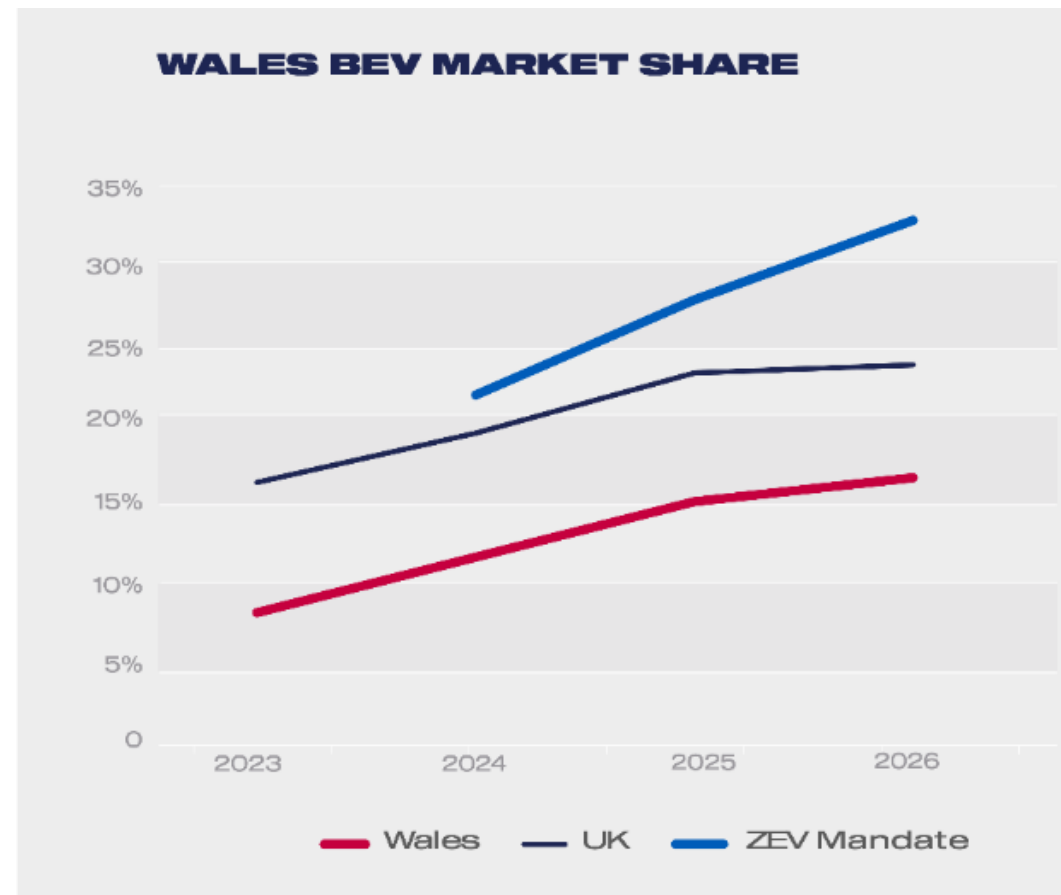
- Welsh new car market totaled 65,000 units in 2025, 3.4% share of UK sales
- Volumes in Jan-May '26 up 7.6%, but market share slipped to 3.2%
- 15% mkt BEVs in '25 (23% UK). 7% PHEVs (11% UK), 17% HEV (14% UK)



EV transition in Wales

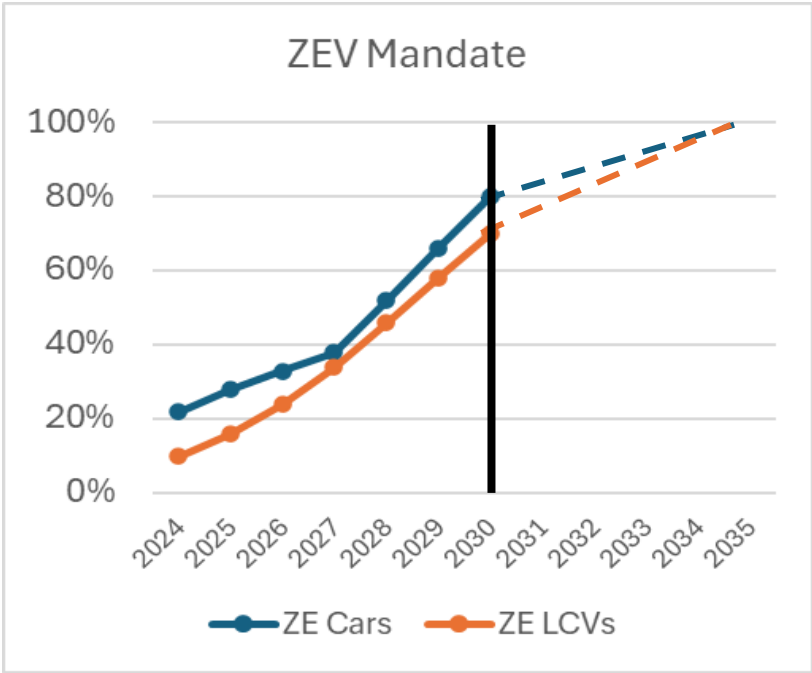
BEVs growing rapidly, but share sub-UK average and the Mandate

- BEV registrations in Wales up 32.2% Jan-May '26 (UK average 24.3%)
- BEV share now at 16.8%
- BEV share doubled since 2023
- However, share is below UK average (23.9% in YTD '26)
- And running at only around half of ZEVM target for full year (33%)
- EVs to charger ratio is good: 10 plug-in cars to 1 charger, v 20:1 in UK



The Regulated Journey to Zero Emission Mobility

The gap between reality and target is growing

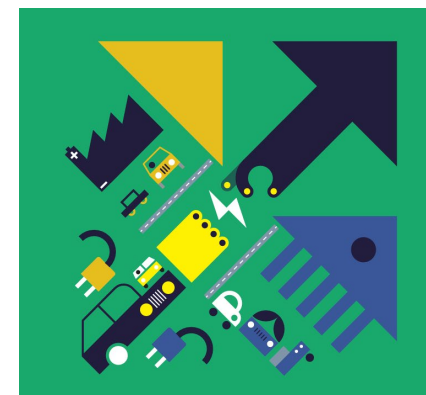


	2024	2025	2026	2027	2028	2029	2030
CARS	22% (19.6% actual)	28% (23.4% actual)	33% (23.9% YTD)	38%	52%	66%	80%
VANS	10% (6.3% actual)	16% (9.6% actual)	24% (9.5% YTD)	34%	46%	58%	70%

Same Destination, Smarter Route

The case for a review of the ZEV transition

- Industry committed to the same destination (Net Zero by 2050)
- The world has changed
- Current route puts this goal at risk
- Needs urgent, holistic cross-Gov review of EV transition
- Regulation, infrastructure, fiscal support, strategy
- Not a retreat from ambition; a necessary step to achieving it



SMMT
DRIVING THE
MOTOR INDUSTRY

**SAME
DESTINATION,
SMARTER
ROUTE:**
Delivering decarbonisation
in the modern market

New EV market share

2021 Government outlook: **26%**
An unregulated new car market of 26% in 2025

2025 reality: **23.4%**
A regulated and incentivised market of 23.4%

Source: Based on Zero Emissions Vehicle Mandate and non-ZEV Efficiency Requirements Consultation-stage Cost Benefit Analysis and SMMT new car registration data



**REFOCUSSED
ON CO₂
REDUCTION**



**TAILPIPE
REDUCTION
TARGET
LOWERED
TO 90%**



**REPEALED
THE INFLATION
REDUCTION
ACT**



**SCALED BACK
GRANTS AND
EXEMPTIONS**

Considerations ahead

Economic conditions

- Middle East conflict – ceasefire welcomed
- Growth momentum was struggling
- Sticky inflation had been expected to fall and enable interest rate cuts
- Now inflation elevated = rate uncertainty
- If inflation rises to 6% GDP growth be flat
- Geopolitical setting remains uncertain

Tax & Regulatory framework

- Some positive tax measures last year: ECOS, VED ECS uplift to £50k, PHEV CCT
- ECG also helping
- eVED - due '28 - sends conflicted message
- ZEVM increased flex, but urgent review due
- Type approval and RoO in '27 looms and could undermine market
- DCPU tax changes v impactful

Market trend & momentum

- Strong growth momentum – fuelled by new entrants
- Apr '25 tax changes impacting y-o-y figures
- Can pent-up savings been released and business investment recover?

Market Developments

- New entrants been key – more to come
- Future EV investments under pressure given global trends
- But host of new models (mostly EV) due
- Will Govt push small vehicle agenda?

International Events



27 – 30 July: China NEV Forum – Shanghai and Chongqing, China. Trade mission.



8 – 12 September: Automechanika Frankfurt – Frankfurt, Germany. Exhibition.



6 – 9 October: Southeastern USA – Georgia and South Carolina, USA. Trade mission.



11 – 12 November: Automotive Meetings Bursa – Bursa, Turkiye. Trade mission.

Express Interest



SMMT UK Events: Dates for your diaries

SMMT's inaugural Environmental Symposium & Sustainability Report Launch

SMMT Offices, London | 14 July

Regional Networking

Tri-Wall, West Midlands | 15 July

Intro to SMMT

SMMT Offices, London | 15 September

Meet the Van Converter

SMMT Offices, London | 16 October

Regional Networking

Avon TSA, Ebbw Vale, Wales | 13 November

109th SMMT Annual Dinner

Grosvenor House, London | 24 November

SMMT Connected

QEII Centre, London | 18 March

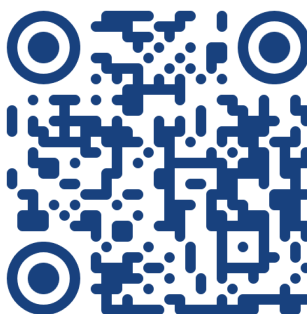
CV Show

NEC Birmingham | 20-22 April

SMMT Meet the Buyer

NEC Birmingham

During Automechanika Birmingham: 8-10 June



smmt.co.uk/events



Thank you

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Thank you for attending

