



OPEN FOR BUSINESS
**BUILT FOR
GROWTH**

OPPORTUNITY
AUTO

UK AUTOMOTIVE INVESTMENT PROSPECTUS



The UK automotive sector is one of the world's most exciting places to invest, innovate and develop – driven by its global reach, openness, expertise, commitment to innovation and drive towards the zero emission and automated mobility transitions.

MISSION FOR GROWTH

UK Automotive combines rich heritage and world-class advanced manufacturing with progressive and open markets. With a government-backed zero-emission transition pegged to deliver manufacturers a £50bn return by 2035, it offers an exciting growth and innovation proposition.



GLOBAL INVESTMENT HUB

The UK is home to global brands building mass market, performance and luxury cars, vans, taxis, trucks and buses, supported by a supply chain producing everything from powertrains, batteries and fuel cells, to seats and semiconductors. Over £41bn has been committed since 2020 – with a £4.6bn OEM local sourcing opportunity to 2030.



LEADING SUSTAINABLE MOBILITY

The UK is driving both road transport and industrial decarbonisation at pace. It is a rapidly transitioning major market where the majority of electricity comes from renewables – meaning UK-built batteries boast significantly less embedded CO₂ than the European average, giving manufacturers a clear competitive edge.



GLOBAL MARKET ACCESS

A £110 billion+ trade hub with an open, competitive domestic market and global market access. UK-based manufacturers export to over 140 countries worldwide and benefit from 100+ Free Trade Agreements covering around 60% of global GDP.



DRIVING THE FUTURE


The UK excels in automotive RD&I, combining leading universities and 23 dedicated research centres with advanced manufacturing clusters and government support. With deep engineering talent and progressive legislation, Britain is driving automated mobility in a market set to reach £24bn by 2040.



GOVERNMENT BACKING

A strategic driver of the UK economy, UK Automotive is supported by a long-standing government commitment to its success. The sector sits at the heart of the UK's Modern Industrial Strategy, with DRIVE35 and Automotive Transformation Fund programmes offering a combined £4bn.





The UK automotive sector is unique, combining unmatched heritage and history with world-class, diverse production, and one of the world's most advanced and open major vehicle markets.

Where handcrafted luxury sits side by side with self-driving vehicle technology.

Where factories roll out everything from the largest trucks to the smallest battery components.

And where consumers are open to new technologies and marques – while enjoying a choice of more than 60 different brands manufactured across more than 20 countries.

Towards 2035, there is a £50 billion prize to be won, from increased production, and a larger vehicle market.

**UK AUTOMOTIVE
WHERE EXPERIENCE,
QUALITY AND HERITAGE
COMBINE WITH INNOVATION
AND SUSTAINABILITY TO
DELIVER THE FUTURE OF
GLOBAL MOBILITY**

UK AUTOMOTIVE'S MISSION



By **2035**, a domestic market of **2.2 million vehicles** a year – almost all of which will be zero emission



21 million cumulative **new car sales** by 2035 – of which around 14 million will be zero emission



A connected and automated mobility (CAM) market estimated to be worth **£24 billion** by 2040



Annual output of more than **1.3 million** vehicles a year by 2035



A domestic supply chain growth opportunity of **£4.6 billion** to 2030 as UK-based OEMs expand local sourcing



The automotive industry is a vital part of the UK economy, integral to growth, the delivery of net zero and the UK's status as a global trade hub. It contributes an annual £92 billion turnover and £25 billion value added to the UK economy and invests £5 billion in R&D, with 183,000 people employed directly in manufacturing and some 796,000 in total across the wider automotive industry.

As the producer of one of the UK's most valuable export goods – finished vehicles – it is a sector that successive governments have consistently recognised is mission critical, and is therefore actively aided and supported by industrial and trade policies.

AT A GLANCE



4 mainstream car manufacturers



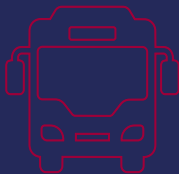
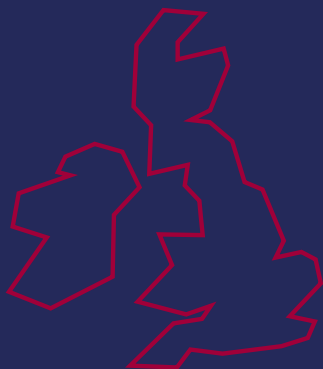
7 major premium and sports car manufacturers



60+ specialist car manufacturers

13.4%

of Britain's total export goods by value



7

bus and coach manufacturers



5 commercial vehicle manufacturers

£92
billion

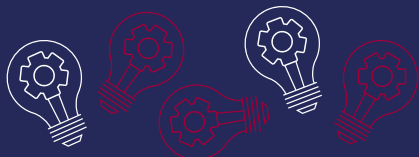


turnover



2,500+

suppliers

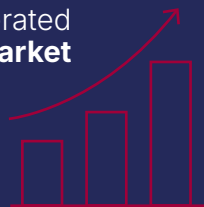


£5bn

invested in R&D

£62.2bn

turnover generated
by the **aftermarket**



9

design centres



23

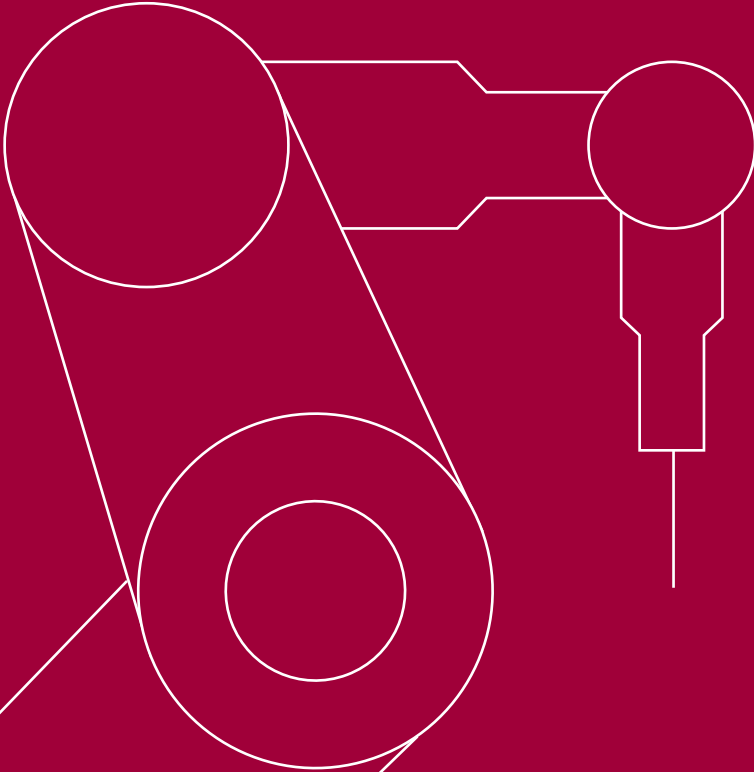
R&D centres

£4.6
billion

local sourcing
opportunity to 2030



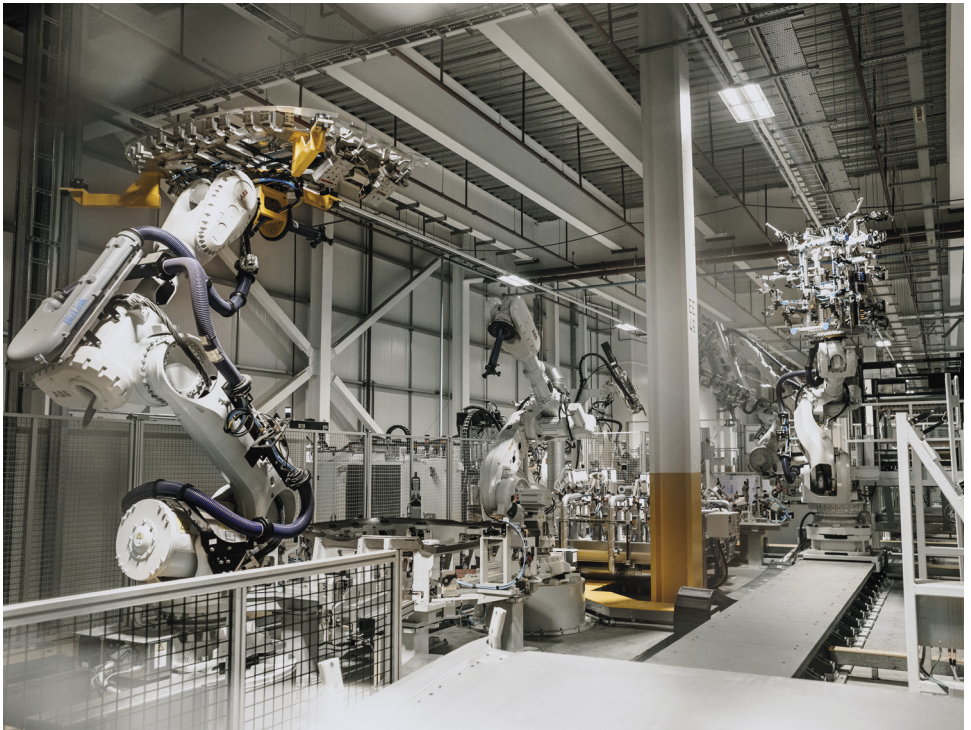
GLOBAL INVESTMENT HUB



The UK's automotive industry is a key economic driver, creating jobs and prosperity across every part of the country – and this critical contribution has long been recognised and supported by successive governments.

While Britain's economy is highly diversified, the automotive contribution to UK GDP makes it a strategically vital industry and, as such, government policy prioritises its growth and supports its global competitiveness.

The UK automotive manufacturing sector is one of the most diverse – potentially, the most diverse – in the world. It produces, at scale, everything from conventional passenger cars, to vans, buses, trucks, taxis, high performance sports cars and the world's most iconic luxury vehicles. Supporting this are thousands of supply chain manufacturers producing almost every component needed to build the most advanced vehicles.



INVESTING IN GROWTH

Since 2020, industry and government investment pledged to the sector has totalled at least £41 billion, of which almost £32 billion has been committed directly by manufacturers and is delivering new models and gigafactories. The car manufacturing and market ROI alone is expected to amount to some £50 billion through to 2035, while OEMs are currently targeting additional local supply chain sourcing worth £4.6 billion over the next five years, with significant uplifts in spend planned across batteries; power electronics, motors and drives; body and chassis; interior and exterior; and more. Meanwhile, once vehicles are on the road, the UK aftermarket maintains them, generating turnover of £62.2 billion.

AT THE HEART OF INDUSTRIAL STRATEGY

In 2025, the UK government published a new Modern Industrial Strategy, which places the automotive manufacturing sector at its heart. As well as funding, business environment and industrial transformation commitments, it lays out a framework for a workforce for the future, developing homegrown talent as well as attracting the best expertise from around the globe.

ENERGISING OUTPUT

The UK is a green energy hub with a low carbon energy mix. More than half of all electricity is derived from renewable sources and this is set to increase even further with the government's Clean Power 2030 action plan, which intends to see 95% of all UK electricity generated from low-carbon sources. That supports sustainable production and lower-cost manufacturing – meaning companies that base in the UK can secure a competitive advantage.

WORLD-CLASS TALENT

The UK already has a highly skilled labour force and is investing heavily in the future, with national programmes to develop, attract and retain worldclass automotive talent. A surge in apprenticeships is equipping thousands of new entrants with expertise in electrification, battery systems and advanced manufacturing, while government initiatives such as the Modern Industrial Strategy and DRIVE35 programme strengthen training pathways and expand high level technical education. Dedicated upskilling and reskilling platforms support employers of all sizes with modular, industry-approved courses, ensuring the workforce remains ahead of rapid technological change. And to help source top talent from around the globe, a £54 million Global Talent Fund is available.



UK AUTOMOTIVE WHERE ECONOMIC GROWTH IS DELIVERED WITH THE FULL BACKING OF GOVERNMENT

Automotive
Transformation
Fund

GOVERNMENT
SUPPORT
SCHEMES

Modern
Industrial
Strategy

Global
Talent Fund

DRIVE35



TARGET OF

1.3
MILLION

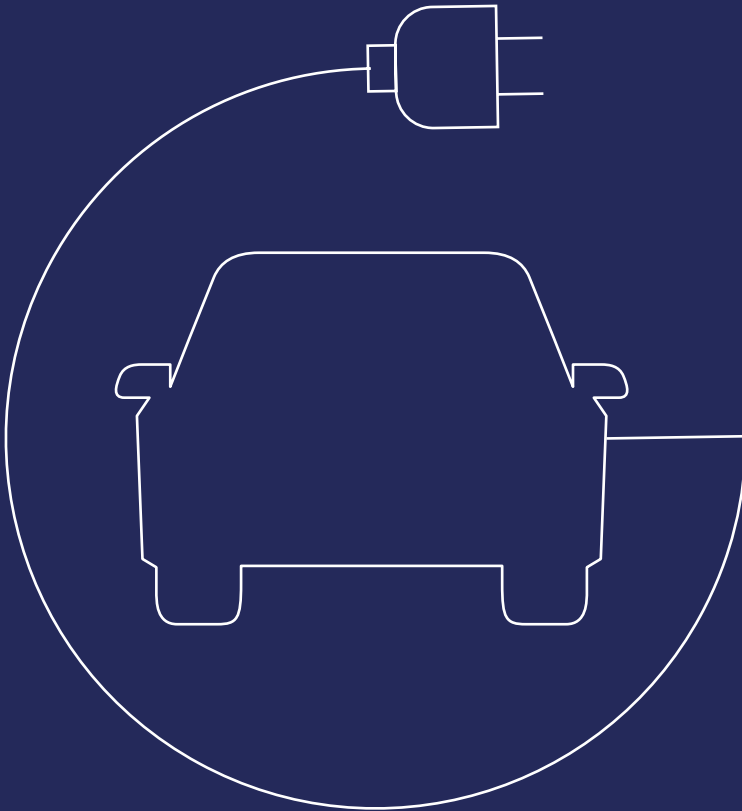
vehicles a year to be manufactured in UK by 2035



183,000

people working in
automotive manufacturing

LEADING SUSTAINABLE MOBILITY



The United Kingdom is undergoing one of the most ambitious and forward leaning zero emission vehicle (ZEV) transitions of any major economy – creating a powerful, long term opportunity. With a proud heritage of engineering excellence, world class R&D capability and a highly open, innovation driven business environment, the UK is rapidly scaling the technologies, manufacturing capacity and skills base that will define the next era of global mobility.

Since 2020, around £32 billion has been committed by manufacturers to develop next-generation electric vehicles, modernise production facilities, and strengthen supply chains. The UK's globally recognised engineering strength is further reinforced by significant government support – including multibillion pound programmes to incentivise ZEV purchasing, expand public charging infrastructure, accelerate battery innovation and scale domestic gigafactory capacity.



A MAJOR MARKET

In just five years, UK battery electric car sales have gone from fewer than one in 15 to almost one in four, with around two million EVs now on the road. The UK is Europe's second largest EV market by volume, and the largest major market by share – proof of the speed of change and size of opportunity.

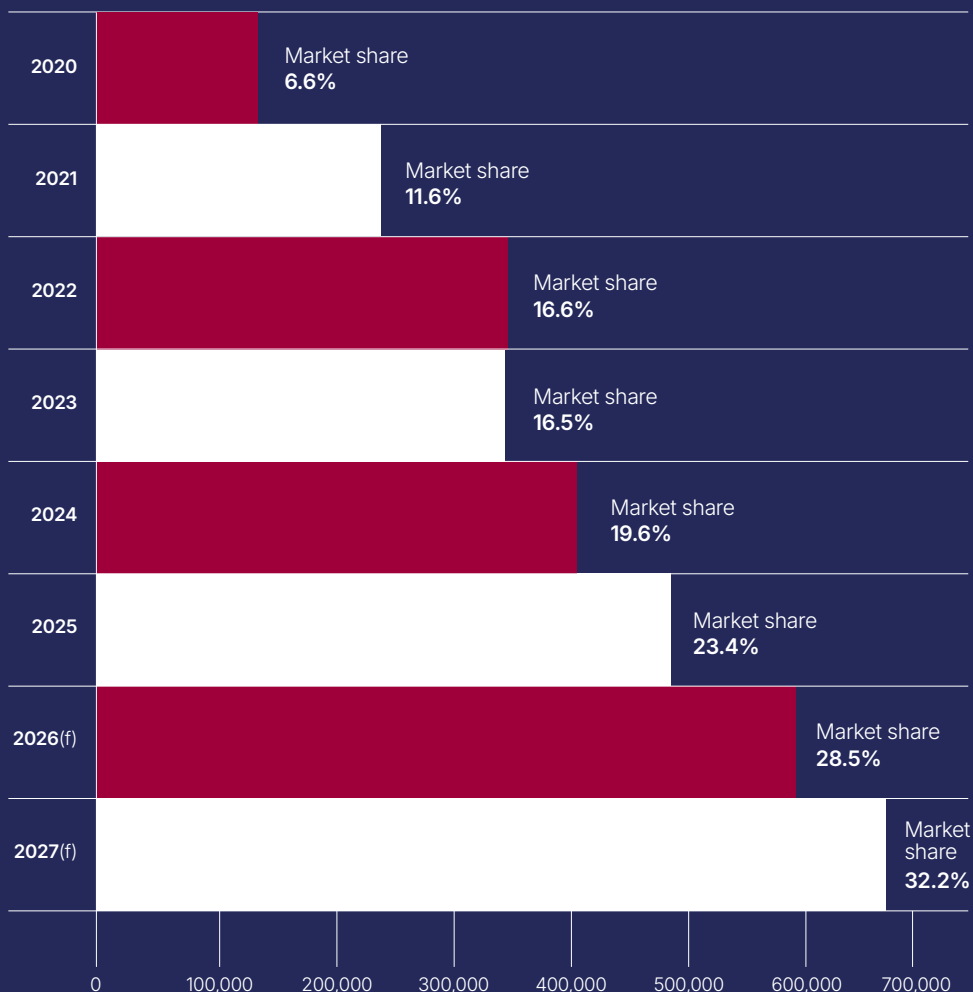
This massive market shift, combined with world-leading universities driving breakthroughs in battery chemistry, software and lightweight materials, and a policy landscape designed to reward innovation, industrial scaleup and low carbon leadership, are driving change.

Combined with the UK's transparent regulatory system, skilled workforce and deep capital markets, Britain's transition to zero emission mobility represents not only an environmental transformation, but one of the most exciting industrial development stories of the decade.

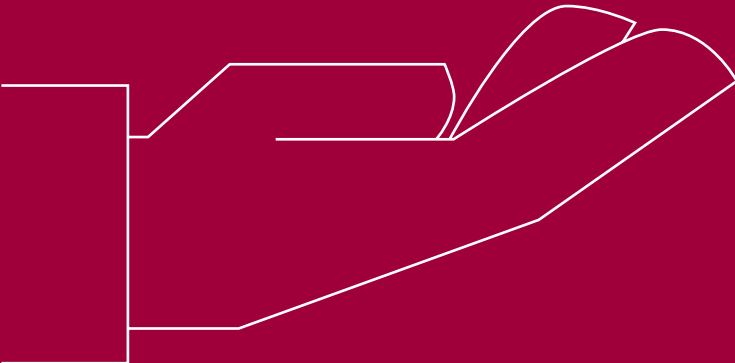


UK AUTOMOTIVE WHERE THE ROAD TO ZERO IS THE ROAD TO SUCCESS

New battery electric car registrations



GLOBAL MARKET ACCESS



The UK stands as a global automotive trade powerhouse, generating more than £110 billion in trade annually and exporting to more than 140 countries worldwide. Throughout unprecedented global challenges, the UK has maintained its position as Europe's second largest car market, and a leading hub for advanced automotive technologies – with around 80% of all vehicle production exported.

GLOBAL MARKET ACCESS

The UK offers seamless connectivity to international markets through trade deals covering some 100 countries and markets, including the EU-UK Trade and Cooperation Agreement, membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and new deals with the US and India. The EU remains the UK's largest trading partner, with mutual automotive trade worth £70 billion, while strong ties with North America and Asia ensure diversified export opportunities.

LEADERSHIP IN ELECTRIFICATION

The UK is at the forefront of the global shift to zero-emission mobility. In 2024, for the first time, trade in electrified vehicles overtook traditional internal combustion engine models by value – a milestone that underscores the UK's commitment to sustainable transport. Today, electrified vehicles represent 62% of the value of all UK car exports, with trade in electric and hybrid vehicles exceeding £41 billion. This transition is supported by a robust industrial strategy aimed at producing 1.3 million vehicles annually by 2035, backed by significant investment in battery technology and critical mineral supply chains.



WORLD-CLASS INNOVATION AND BRANDS

UK manufacturers are globally recognised for engineering excellence and innovation. The country's strong R&D ecosystem, skilled workforce and advanced manufacturing capabilities make it a prime destination for investment in next-generation technologies, including connected and autonomous vehicles.

OPEN, COMPETITIVE AND RESILIENT

The UK boasts one of the world's most open automotive markets, with imports representing over 90% of new car registrations – meaning British drivers embrace new entrants, ensuring vibrant competition and consumer choice. Combined with a forward-looking trade strategy focused on tariff reduction and regulatory alignment, the UK offers a stable, predictable environment for long-term growth.



UK AUTOMOTIVE WHERE GLOBAL TRADE DRIVES CLEAN, SMART ECONOMIC GROWTH

THE UK'S FREE TRADE NETWORK

	European Union		Eswatini		Malaysia
	Albania		Faroe Islands		Mauritius
	Antigua and Barbuda		Fiji		Mexico
	Australia		Georgia		Moldova
	Bahamas		Ghana		Morocco
	Barbados		Grenada		Mozambique
	Belize		Guatemala		Namibia
	Botswana		Guyana		New Zealand
	Brunei		Honduras		Nicaragua
	Cameroon		Iceland		North Macedonia
	Canada		Israel		Norway
	Chile		Jamaica		Palestinian Authority
	Colombia		Japan		Panama
	Costa Rica		Jordan		Papua New Guinea
	Côte d'Ivoire		Kenya		Peru
	Dominica		Kosovo		Saint Lucia
	Dominican Republic		Lebanon		Samoa
	Ecuador		Lesotho		Serbia
	Egypt		Liechtenstein		Seychelles
	El Salvador		Madagascar		Singapore



Solomon Islands



South Africa



South Korea



St Kitts and Nevis



St Vincent and the Grenadines



Suriname



Switzerland



Trinidad and Tobago



Tunisia



Turkey



Ukraine



Vietnam



Zimbabwe

PREFERENTIAL DEALS



USA



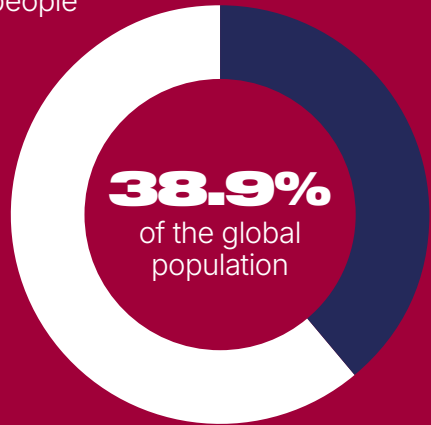
India

Total market size covered by UK trade deals

Approx

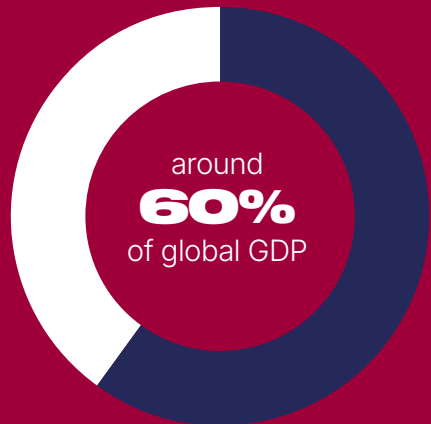
3.1 billion

people



Combined GDP of approx

\$65 trillion



DRIVING THE FUTURE



The UK stands at the forefront of automotive innovation, offering an unrivalled environment for research and development, and investment. With a heritage of engineering excellence, the future of automotive is being forged by Britain's facilities and advantageous legislation.

WORLD-CLASS R&D INFRASTRUCTURE

Britain is home to 23 dedicated automotive research and development centres, supported by globally renowned universities and advanced manufacturing hubs. This collaborative culture between academia and industry is consistently rated as a critical UK strength, enabling breakthrough technologies in electrification, connectivity and automation. The UK is also home to a variety of initiatives designed to help innovative businesses develop and scale up.

GOVERNMENT COMMITMENT TO INNOVATION

The UK government has pledged £4 billion through the DRIVE35 programme, accelerating zero emission vehicle development and scaling up advanced manufacturing. This builds on the Automotive Transformation Fund for ZEV industrialisation projects – which has already attracted some £6 billion in private capital from investors who see the clear opportunities created by the UK. Such work is augmented by the industry-government Automotive Council with its technology roadmaps and the UK Battery Industrialisation Centre, enabling private enterprises to rapidly develop and test new technologies before scaling up to seize mass market opportunities.

TALENT AND EXPERTISE

With 68% of industry leaders citing the UK's skilled workforce as its top advantage, investors gain access to a deep pool of engineers, designers and data specialists. Combined with the UK's motorsport pedigree and challenge-led engineering culture, this talent base drives innovation from concept to commercialisation.

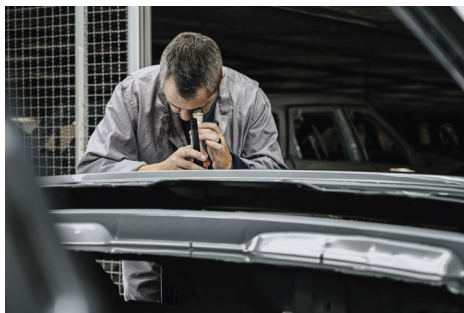
CONNECTED AND AUTOMATED VEHICLES

With government having funded more than 100 CAM projects with more than £600 million, the UK self-driving vehicle market is estimated to be worth £24 billion by 2040, supporting a wider economic benefit of £66 billion.

To that end, UK legislation provides a favourable climate for this crucial technology. The Automated Vehicles Act 2024 provides the world's most comprehensive legal framework for self-driving vehicles, with full approval expected by 2027. As a result, global leaders in such technology are already choosing the UK to trial out next generation mobility.







INVEST IN THE FUTURE

For companies seeking a competitive edge in automotive R&D, the UK offers a stable, supportive environment with strong policy frameworks, collaborative networks and a clear vision for sustainable growth.



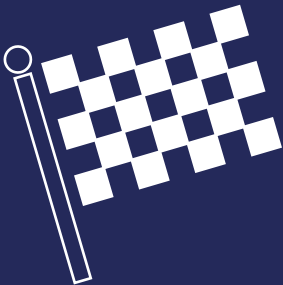
UK AUTOMOTIVE WHERE HERITAGE MEETS INNOVATION TO BUILD SUSTAINABLE, SAFER FUTURE MOBILITY

Invented in the UK

 ABS brakes	 Real-time vehicle telemetry
 Active suspension	 Carbon-fibre chassis
 Mechanical energy recovery	 Performance all-wheel drive

10 of the 11 Formula 1

teams are either based, or have significant development facilities, in the UK.



£66bn

in **economic growth** expected to be generated by connected and automated vehicle technology by 2040

UK Automotive R&D Centres

West Midlands

- Changan UK R&D Centre Ltd
- Lotus Tech Creative Centre
- The Manufacturing Technology Centre (MTC)
- HORIBA MIRA Ltd.
- The National Automotive Innovation Centre (NAIC)
- REE Engineering Centre
- SAIC Motor UK Technical Centre Limited
- Tata Motors European Technical Centre
- WMG Warwick (APC Electrical Energy Storage Spoke)

South West

- University of Bath (APC ICE Systems Efficiency Spoke)

North East

- Newcastle University (APC Electric Machines Spoke)

Yorkshire and the Humber

- University of Sheffield (Advanced Manufacturing Research Centre AMRC)

East Midlands

- University of Nottingham (EPSRC Centre Power Electronics; APC Power Electronics Spoke)
- Vestatec Automotive Engineering Ltd

East of England

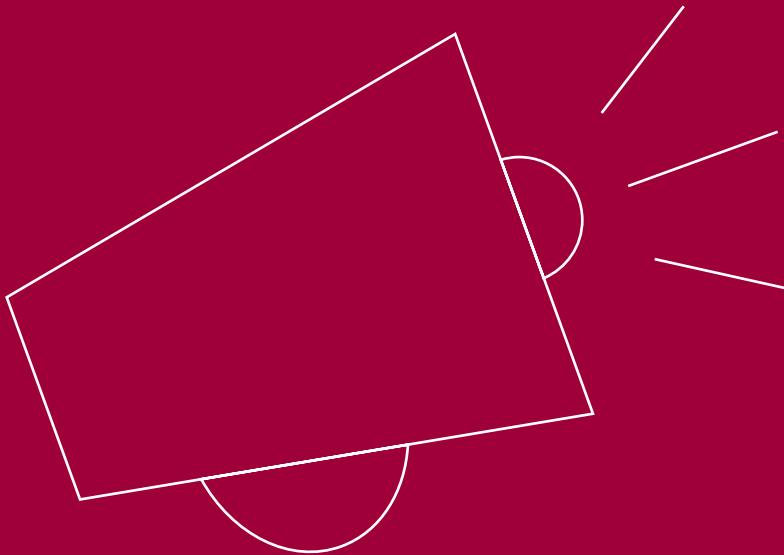
- Cranfield University
- Hethel Engineering Centre
- Millbrook Proving Ground
- Nissan Technical Centre Europe

South East and London

- AVL Powertrain UK Ltd
- Ford Dunton Technical Centre
- NIO Performance Engineering
- Shoreham Technical Centre
- University Of Brighton (APC ICE Thermal Efficiency Spoke)



SMMT: GIVING UK AUTOMOTIVE A GLOBAL VOICE



For almost 125 years, the UK automotive industry has been given a powerful voice by the Society of Motor Manufacturers and Traders (SMMT), with the mission to drive the sector's competitiveness and growth.

Representing some 800 automotive businesses with UK operations, SMMT's membership runs the entire gamut of the sector – from vehicle manufacturers, to the supply chain, aftermarket, tech sector and beyond.

SMMT provides a range of services, platforms and events for those looking to increase their understanding of the UK's unique automotive sector, connect with others across its diverse ecosystem and discover how they can share in its success.

SUPPORTING INVESTMENT

SMMT's robust relationships with the UK's Department for Business and Trade, Advanced Propulsion Centre and the Office for Investment can provide the ideal introductions for those looking to forge the right connections with business and government alike.

SMMT also facilitates connections with investors to meet companies looking to grow and scale in the UK. Meet the Funder events have delivered more than 100 meetings, matching the most exciting new automotive businesses with those with the experience and expertise to help transform early opportunities into major businesses.



NAVIGATING THE FUTURE

Through participation in regulatory and standards-based fora and expert groups, including the UNECE World Forum for the harmonisation of vehicle regulations, SMMT helps form and influence future automotive regulation.

At the same time, members benefit from SMMT's own deep expertise across critical areas such as policy, regulation, technical standards, market trends and supply chain resilience, ensuring they have both the industry intelligence and the strategic support needed to navigate the UK market with confidence.

WORLD-LEADING DATA

SMMT's dedicated data services division collates more knowledge and information on the UK automotive sector than any other organisation – everything from new vehicle registrations, to production, vehicles on the road, apprenticeship starts, recycling rates, energy costs, manufacturing carbon footprints, and beyond. This vital information can be used to better understand the UK's automotive landscape and the opportunities it provides – and SMMT's expert team can provide advice and guidance to navigate this complex landscape.

WINNING NEW BUSINESS

SMMT has a keen focus on supporting its members grow. Events like its Meet the Buyer programme have delivered over 1,000 commercial meetings between suppliers and international buyers from vehicle manufacturers and tier one suppliers over the last decade. And the Automotive Supplier Finder, the UK's most comprehensive automotive directory, provides ample opportunity for businesses to engage with potential customers as well as bolster their own supply chains.

BUILDING COMPETITIVENESS

SMMT manages several critical industry initiatives which help UK businesses drive competitiveness. These include the industry's Climate Change Agreement (CCA), which delivers an annual £13 million worth of savings on energy bills for participating businesses.

SMMT's Quality Management Division helps set the standard – literally. It helps the industry play an active role in the development and governance of national and international automotive standards, and serves to help upskill the wider industry with crucial IATF and VDA courses. This ensures the UK retains its reputation for providing top talent, and helps support growth and development.



Grow in the UK with SMMT

Find out how SMMT can help your business to begin or grow in the UK.

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Call: +44 (0)20 7235 7000



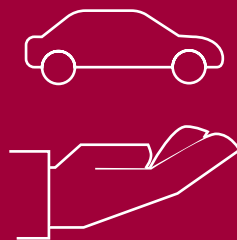
**UK AUTOMOTIVE
WHERE AUTOMOTIVE
COMPANIES HOLD A
POWERFUL VOICE AND ARE
BACKED BY WORLD-CLASS
BUSINESS SUPPORT**

1000

introductions between suppliers, buyers and manufacturers.

**£13
million+**

saved on energy bills
annually through SMMT's
Climate Change Agreement



£99bn

worth of new vehicles
processed by SMMT
annually with reports
produced for industry,
investors, government, the
Bank of England and more



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