

## **Industry Profile**

### **Employment**

The motor industry represents around 15% of manufacturing value added and is the UK's largest source of manufactured exports. Some 715,000 people are employed either in the design and manufacture of vehicles and components or the supply and distribution chain.

The motor industry generates a turnover of over £43.5 billion a year, which is equivalent to 4 per cent of GDP.

### **Trade Unions**

Amicus has almost 35,000 members in the sector. The other main union within the sector is the TGWU.

### **Employers**

Significant players in the UK car manufacturing industry include: 2 global manufacturing companies: Ford and General Motors. 3 Japanese companies: Toyota, Honda and Nissan.

3 European companies: Peugeot-Citroen, BMW and VW. One UK company: MG-Rover

Other companies in the UK include: Morgan Motors and TVR plus a number of specialist manufacturers. In addition to these manufacturers there are a number of Formula One companies based in the UK.

The light commercial companies include: Ford, IBC, LDV

The heavy commercial side of the industry comprises the following: Caterpillar, PACCAR – Leyland Trucks, Case New Holland, Alexander Dennis, Optare and other coach builders.

## **Current Issues and Activities**

**Redundancies and Plant Closures** – Recent announcements from Jaguar to close the Browns Lane plant and from Peugeot to cut 850 jobs from its plant in Ryton are a major blow for the industry. UK employment law and employee protection are insufficient compared to those operating elsewhere in Europe, it is far too easy AND CHEAPER to move work out of the UK than anywhere else within Europe.

**Over-capacity** – It is a fact that there is over-capacity in global, European and UK car manufacturing, with surplus capacity within most UK plants.

**Globalisation and Consolidation** – The trend towards a small group of vehicle manufacturers with global reach has continued. Companies are continuing to look at ways of rationalisation through collaboration. Thus, key decisions affecting domestically-based vehicle manufacturers are being taken at European and global levels affecting UK companies.

**Technological change** – The introduction of new technology is transforming the sector and is driven by rigorous demands regarding environmental concerns, engine emissions and the call for safe vehicles. The demands of the public, legislative restraints and increasingly sophisticated consumer demands are likely to expedite the trends towards technological innovation in future.

**Flexibility** – Industry demands are driving the sector to maximise profits from existing plants. Thus, the need to eliminate the dependency of plants on one model is absolutely vital. Plants need to be responsive to shifts in demand and be positioned to assemble cars on more than one standard platform.