

AUTOMOTIVE

## Auto industry sales break records in the UK: report

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*Aston Martin supports the auto industry's growth in the U.K. Image credit: Aston Martin*

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By BRIELLE JAEKEL

The automotive industry in the United Kingdom has hit its seventh year of consecutive growth capped off with record-breaking sales.

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Last year, the auto industry in the U.K. saw a total of 77.5 billion, or \$97.8 billion at current exchange rates, in turnover, according to [The Society of Motor Manufacturers and Traders](#). Vehicle production per employee is on the rise, but also the industry is simultaneously reducing its waste.

"Today's results demonstrate how UK Automotive is delivering growth across the UK, boosting productivity and improving environmental performance," Mike Hawes, chief executive at SMMT.

### Auto industry growth

The U.K.'s auto industry is at an all-time high in terms of vehicle production with 11.8 vehicles being produced per employee. Vehicle production on a whole is up almost 9 percent.

This could be in relation to possible better working conditions for staff, with turnover falling 11.5 percent in one year. The turnover rate for automotive staff currently is 5 percent, compared to 16.5 percent in 2016.

Companies are also more focused on making sure their employees are well trained, with an overall 9.1 percent increase in the number of days taken to onboard an employee.

Motor manufacturing in the country saw a 9 percent increase in revenue turnover.



*Image courtesy of Rolls-Royce*

However, while all this growth is occurring, the industry is also making major moves in terms of sustainability and environmental impact.

For instance, only 0.9 percent of all waste produced from the auto industry in the U.K. is going to landfills. Last year, there was a decrease in carbon dioxide emissions per vehicle of 2.9 percent.

Each vehicle's energy use decreased by 3.2 percent and water use fell 3.5 percent. Alternative fuel now makes up 3.3 percent of the market, increasing by 22.2 percent in 2016.



*Bentley is an auto brand from the U.K.*

These numbers will likely continue to grow and in the future the auto industry will hopefully make very little footprint.

#### Additional insight

While production and sales are up and waste down, there is more growth in the industry as well.

Three major automotive trends will converge in the next 10 years: ride sharing, self-driving vehicles and electric automobiles.

With these three trends coming together, future-focused automotive brands and tech startups will be poised to have a much larger stake in the transportation business, according to a recent report from the Boston Consulting Group.

This will be especially important for luxury automakers, who will want to stay on the cutting-edge of new road innovations ([see more](#)).

Also, millennials as a whole are more interested in luxury automobiles compared to past generations, which makes the group vital to these brands as the individuals come of age and enter the car buying market.

According to a new report from Infiniti Research, millennials differ greatly compared to their predecessor generations such as baby boomers and Gen X when it comes to car buying. As the younger generation begins to see some relief from the financial woes that has previously driven their decisions, they are likely to be extremely important to luxury automakers ([see more](#)).

"[Productivity] has been driven by massive investment, in new models, plants, innovation and one of the world's most skilled workforces," Mr. Hawes said. "However, for UK auto manufacturing to continue to thrive, we need clarity on the future, post Brexit, to encourage ongoing investment and growth."

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