

AUTOMOTIVE

## Chinese buyers of British automobiles only want premium marques: SMMT

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*Jaguar F-Pace is one of the most popular British brand in China. Image credit: Jaguar.*

By BRIELLE JAEKEL

Luxury vehicles in the United Kingdom have propelled the region's growth in car exports, of which demand was highest in China.

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Demand from Chinese premium car buyers for U.K.-built cars rose 20 percent in the last year, according to a [new report from Society of Motor Manufacturers and Traders](#). The luxury automotive sector accounted for eight out of every 10 cars produced, but did a small decline of 1.1 percent.

"World class engineering, strong partnership with government and massive investment have helped establish the UK as one of the most productive and innovative places in the world to develop and build cars," said Mike Hawes, chief executive at SMMT. "China is a key market for UK Automotive, as well as a crucial trading partner in terms of materials and components."

Chinese buyers

Europe, the United States and China are the top three biggest trading partners for the British automotive industry. Europe made up 53.9 percent of all exports, and the U.S. made up 15.7 percent.

The U.K. saw a 3 percent decrease in the number of cars built, down to 1.67 million. However, the country's output numbers for 2017 were the largest in the past 17 years.



*Land Rover Discovery is popular in China. Image credit: Land Rover*

Automotive sales outside of the U.K. make up the majority of its sales, with global demand driving almost 80 percent. Japan, Canada and the U.S. were the biggest growth areas of British auto purchases, with 25.4 percent, 19.5 percent and 7 percent increases, respectively.

The approximate 100,376 Chinese buyers of U.K. cars only purchased from premium brands built in the region.

The Mini One, Range Rover Sport, Jaguar F-Pace, Range Rover and Land Rover Discovery are the top British auto sellers in China, in order.

While British vehicle builds dropped a bit this past year, the nation's commitment to engine design was exhibited this year, as engine manufacturing increased by 6.9 percent since 2016. The U.K. built an output of 2.7 million engine units to support vehicle plants.



*Range Rover Sport is one of the top brands in China. Image credit: Range Rover*

More than half of engine units were outsourced to car and van plants around the world, at 54.7 percent. SMMT's report estimates that 1.5 billion pounds, or \$2.1 billion at current exchange, worth of automotive parts are used to support Asia's vehicle builds.

#### British brands

British automakers make up a significant portion of the luxury automotive world, and their decisions can greatly affect the market. For instance, Aston Martin is stirring up potential sale rumors after reports revealed that the brand is working with an investment bank.

According to a Reuters report, Aston Martin has hired investment bank Lazard to look into creating a preliminary plan to either set up an IPO or a trade sale. The rumors come after the brand saw positive growth after years of stagnancy ([see more](#)).

Also in big auto business news in the U.K., British automaker Bentley Motors appointed Adrian Hallmark, formerly of Jaguar Land Rover, as chairman and chief executive officer.

Mr. Hallmark took on his new role at Bentley on Feb. 1, 2018, succeeding Wolfgang Drheimer, who will retire, but will stay on as an advisor for Volkswagen Group motorsport. Mr. Hallmark's hiring comes as Bentley sees a change in its leadership team, including new board members for engineering, sales and marketing as well as people, digitization and IT ([see more](#)).

"With both sectors already investing significantly in each other's countries, a strengthened UK-China trading relationship would deliver even greater dividends to our industries and economies," SMMT's Mr. Hawes said.

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