

United Kingdom

Capital: London
Population: 60,587,300 (2006 estimate)
GDP:* US\$2.270 trillion (2006 estimate)
Currency: Pound
Language: British



Summary

Overview Automotive Parts & Equipment Market

\$ Millions	2005	2006	2007 (est.)
Total Market Size	25,076	26,945	27,200
Total Local Production	18,032	17,998	17,400
Total Exports	8,289	8,287	8,288
Total Imports	15,333	17,234	18,088
Imports from the U.S.	450	465	475

(Unofficial estimates)

The UK motor industry is heavily dependent on overseas suppliers for parts and equipment. To guard against possible shortfalls in supply, most of the leading vehicle manufacturers source their parts from a variety of countries and companies. With over 5,000 companies active in the sector, the UK is one of the ten largest motor-vehicle manufacturers in the world and one of the five major automotive manufacturing countries in Europe. It has the strongest independent aftermarket in Europe, with many small operators doing business alongside large household names.

There are approximately 30 million cars, vans, and trucks registered in Britain, with 3.5 million existing vehicles replaced by new vehicles each year. Sales of new vehicles have traditionally exceeded those retired from service, so there has been a small annual increase in the vehicle "parc" (i.e., the base of registered vehicles in the UK). However, the new car market remained subdued in 2007, and the number of registrations is expected to decline 1.3% in 2008.

Current Market Trends

New registrations of motorcycles and mopeds in the UK have reached a 5-year high. A growing number of people are realizing that powered two-wheelers offer a low-cost alternative to cars and public transport, and are also seen as part of the solution to the pressures on the environment. Although Japanese producers dominate the market at this time, the number of people opting for two-wheelers will continue to increase. U.S. exporters should note that a large part of consumers' decision is based on price, and largely served by products manufactured in the Far East.

Current Demand

Opportunities for U.S. exporters exist in the area of test/inspection equipment for use in garages and service stations authorized to undertake the stringent mandated annual checks. Such equipment includes laser and optical alignment systems, as well as diagnostic equipment for engine, fuel, emissions and electronic systems. In addition, OEMs are continually looking for innovative new products, particularly those that focus on improving fuel efficiency and reducing emissions.

Other prospects include replacement parts for brakes, clutches and cooling systems. Security and safety system products, such as anti-carjacking systems and devices to combat car-key theft are also of great interest. Finally, parts relating to in-car entertainment and car care all have potential as well. It is important to note that since Britain drives on the left and has a road system designed for smaller vehicles, there are a relatively small number of U.S.-built cars registered in the UK and vehicle-specific accessories for U.S.-built cars may not be universally accepted in UK automobiles.

Current Demand (continued)

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In both OEM and aftermarket the UK is continually looking for innovative new products, particularly those that focus on providing fuel economy and reduced emissions. Also, security and safety system products, such as anti-carjacking systems and devices to combat car-key theft, and parts relating to in-car entertainment and car care.

Opportunities exist in fleet management systems, to monitor vehicle activity, provide proof of service levels and plan most efficient routes and for vehicle axle weighing solutions.

The number of used cars sold each year is around three times as large as the new-car market and this continues to create opportunities for diagnostic equipment in garages that provide servicing and maintenance.

Increased competition in the road haulage sector is largely a result decreased regulatory obstacles for companies that wish to enter the UK logistics/transportation services market. The boundaries between what were once seen as separate and distinct sectors of the freight services market have become blurred, as road haulers, freight forwarders, integrated transport operators, global logistics companies and postal administrations have each sought to expand into each other's traditional markets.

Trade Events

Commercial Vehicle Show

National Exhibition Centre, Birmingham

April 15-17, 2008

www.cvshow.com

Autosport International

National Exhibition Centre, Birmingham

January 8-11, 2009

www.autosport-international.com

Resources

Trade Associations

The Society of Motor Manufacturers & Traders (London)

Tel: 44 20 7235 7000

<http://www.smmt.co.uk/>

The Motorsport Industry Association (Warwicks)

Tel: 44 2476 692 600

http://www.the_mia.co.uk/

The Garage Equipment Association (Daventry)

Tel: 44 1327 312616

<http://www.gea.co.uk/>

Available Market Research

The Approval Process for Imported Automobiles and Motorcycles (May 2007)
The UK Automotive Parts Aftermarket (Sep 2007)

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