




**W**elcome to our new on-line newsletter which we intend to publish each quarter, giving you the latest sector news and signposting of fundamental support initiatives, together with WAF member updates and a refresh on key intelligence and pivotal reports.

**SECTOR NEWS**

The latest UK automotive production figures from the [SMMT for June 2021](#) and respective year-to-date volumes reflect how challenging recovery will be compared against 2019 data sets. First half year production figures of 498,923 were down just short of 40% when compared with the five-year average (excluding 2020), with June recording its weakest figure since 1953.



July new car registrations (123,296) were once again unconvincing compared to pre-pandemic levels, down 22.3% compared with the ten-year average. Interestingly, the demand for plug in vehicles continued to grow with PHEV and BEV capturing 17.1% of market share (See SMMT data).

 Full recovery is some way off and several projections indicate that it will take until 2024 until we achieve global manufacturing volumes recorded in 2018. Supply of vehicles into the marketplace is currently constrained by several supply chain challenges most noticeably the global shortage of semi-conductors, freight bottlenecks and the "pingdemic". However, OEM's continue to reflect encouraging demand signals which will no doubt spark a recovery of lost volumes once the semi-conductor supply can be assured.

**Myriad of global supply chain challenges**

Beyond the current crippling semi-conductor crisis, the sector has shown great resilience to overcome the challenges provided by Brexit and the global pandemic. However, WAF members continue to face additional adversity with plant competitiveness impacted by additional inflationary burdens and disruption emanating from the global deep-sea container traffic emergency, rising raw material costs, extended lead-times that attract inventory creating artificial demand and restricted road freight availability due to a shortage of HGV drivers with little short-term resolution for these bottlenecks.



**Sayonara**

July 2021 saw the final Honda Civic roll-off production lines at the Swindon facility which announced its closure in 2019, having opened in 1985. The Honda investment brought significant opportunities for Wales especially with the development of a much respected, highly skilled and quality orientated supply chain. Unfortunately, the Honda closure means that three of our WAF "family" have announced their own closure namely Kasai, Hi-Lex and Showa. We would like to thank all three organisations for their longstanding commitment and contribution to WAF and we wish all our colleagues the very best for themselves and their families.



**Grounds for optimism**

Brexit uncertainty delayed investment announcements at Nissan, Envision and Stellantis/ Vauxhall Ellesmere Port so the recent development at these facilities is welcome news for the sector as they prepare for their electric vehicle and battery ramp-up. There are reasons to be more optimistic about the future of automotive in the UK and these investments are a signal of intent towards carbon neutral mobility, but more is needed to support sustainable mobility. A significant injection of battery production capacity is required beyond the recent announcements with several more gigaplants a prerequisite, the installation of in excess of 2 million charging points by 2030 is imperative to improve consumer confidence over range anxiety and demand must be incentivised to support sector recovery as it transitions to zero emission vehicles.



**NEW WAF MEMBERS**

**WAF welcomes new Member Mastrini MS**



**Mastrini MS Ltd**  
**Telephone:** +44 (0)29 2252 8105  
**Website:** [www.mastrinims.com](http://www.mastrinims.com)

Mastrini MS Ltd. provide high quality CNC metalworking machine tools and innovative automated solutions for the UK market. Agent and Distributor of industry leading machinery, we offer the latest in machine tool technologies to meet the needs of all metalworking applications. We collaborate with you to supply the best solution for your application with our full product offering innovative CNC machine tool technology for Grinding, Milling, Polishing, Deburring, Lapping and automated solutions for Assembly, Dispensing, Screwing, Vision Measurement and more.

**MEMBER NEWS**



The Electric Powertrain Integration for Heavy Commercial Vehicles project – EPIC – will see Cwmbran-based **Meritor** develop zero-emission ‘smart’ powertrains for heavy commercial

vehicles to manage extreme levels of electrical power. The technology will integrate the key elements of motor, inverter, gearbox, differential and brakes in a single lightweight system for vehicles up to 44 tonnes and includes coaches, off-highway and construction vehicles. Congratulations to the proactive and fully engaged team at Meritor on this exciting journey into diversification and decarbonisation: [£31.9 million combined investment for Meritor in Cwmbran.](#)



The **Riversimple** Rasa two-seater fuel cell and hydrogen car project has secured £1.5Million funding from the Development Bank of Wales, having previously confirmed its support for the Llandrindod Wells car maker. This follows help from international electronics business Siemens and an investment from Angels Invest Wales. An oversubscribed crowd-funding programme will also provide significant investment.

**LOCALISATION**

In view of new global trading agreements impacting Rules of Origin and the vulnerability of extended supply chains exposed by the pandemic, the worldwide container crisis as well as natural disasters, utilise your WAF membership to source locally considering the Total Cost of Ownership model. Members as well as OEM's and Tier 1's have and continue to use the WAF sourcing arm to signpost expertise, capability and competencies with the aim of localising supply chains. Don't forget to make use of the WAF Members directory when sourcing new suppliers.

**LOCALISATION**



**COMPETITIVENESS**



Llywodraeth Cymru  
Welsh Government

The plethora of challenges facing the supply chain have severely impacted cash flow, margins and overall competitiveness. Take advantage of the following Welsh Government initiatives that could improve your overall efficiency and up-skill your workforce ready for the challenges and opportunities that lie ahead.

**Welsh Government Toyota Lean Clusters programme**



The Welsh Government and the Toyota Lean Management Centre at Deeside will launch The Toyota Lean Clusters Programme, offering assistance for companies that want to make sustainable improvements in competitiveness.

Starting on 6th October  
Save the date!  
To register your interest contact  
[TLMP@gov.wales](mailto:TLMP@gov.wales)



[Toyota Lean Cluster Programme](#)

**Upskill your staff using the [Welsh Government Flexible Skills programme](#)**

This Welsh Government initiative is designed to encourage and support the development of a company's employees in advanced engineering and manufacturing. It can provide a financial contribution towards the training costs of a Wales-based employer's staff, in training areas that include:

- Quality Tools,
- Technology,
- Advanced Materials and
- CAD/CAM.

Elements of leadership and management training can also be included in the application covering decision making, problem solving, supply chain management, project management, team building etc.

Applications are invited from companies that are located in Wales so long as the training requested falls under one of the topic areas mentioned above. This opportunity is able to support up to 50% of training that falls within the listed training areas, up to a maximum Welsh Government contribution of £25,000.

**EVENTS**

**Cenex - LCV**



The Cenex Low Carbon Vehicle event is open this year for physical and virtual attendance and will run from 22nd to 23rd September. Find out more and book your free delegate place [here](#) and while you are at the event come and find us on the Welsh Government stand.

**Autolink**



We are delighted to announce that our prestigious and much heralded Autolink event will return to Cardiff City Football Stadium on 19th October between 09:00 and

15.00 and will feature a plenary session and exhibition. For those unable to attend in person, we intend to broadcast on-line to our wider audience. Further updates on registration and guest speakers will be announced very soon. We hope you have found the five virtual Autolink events that we hosted throughout the pandemic of great benefit.

**WAF Networking dinner**

Our flagship networking event is scheduled to return on 2nd December 2021 to The Vale Hotel, Miskin. At this stage, we are unsure if any restrictions on guest numbers will be in place but we will continue to follow Government guidelines and hope to be able to meet up in person after two challenging years.



**WAF Virtual Round Tables**

WAF has successfully implemented three work streams throughout the pandemic; namely Tier 1, SME and HR all of which meet bi-monthly to share intelligence, best practice and discuss sector related matters. The information has been shared with members and key stakeholders via bespoke reports which, we understand from member feedback, have been extremely beneficial and useful. Should you wish to understand more about how to access such work streams or their frequency, please contact [Deborah Stewart](#).



[Flexible Skills Programme](#)

**Welsh Government's latest COVID-19 guidance for employers can be found [here](#)**

**For forthcoming Newsletters, should members wish to inform us of significant achievements, projects awarded, or major developments, then please let us know and we will look to include them as we enhance the publication over time - contact [Deborah Stewart](#).**

**If you are not already a WAF Member why not get in touch and find out how membership could benefit your organisation: [Deborah Stewart](#).**