



ENGINE ROOM

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Engine Room Glyn Mon Hughes

The economic tsunami which has engulfed the economies of the world has given those involved in the Welsh automotive industry some anxious times over the last couple of years.

With major manufacturing plants in England, some just across the border, facing an uncertain future, Welsh manufacturers have learnt to become resilient with confidence in Wales considerably higher than in Dagenham or Ellesmere Port.

It's fair to say there's a good chance anyone driving along a European road will be in a vehicle where at least some part will have been made in Wales.

There are more than 200 companies in the Welsh automotive supply chain. In addition, there are two volume vehicle manufacturers producing car engines: Ford in Bridgend and Toyota in Deeside.

"The automotive industry in Wales now comprises one vehicle manufacturer – Connaught, based in Technium Performance Engineering, Llanelli – as well as nearly 40 international component manufacturers, including the two engine plants and the system integrator Calsonic Kansei," said Tim Williams of the Welsh Automotive Forum. "The total sector in Wales employs close to 23,000, generating around £3bn annually for the Welsh economy. The sector is vital as it represents 22% of the manufacturing total. In turn, manufacturing represents 23% of Wales' GDP."

A significant number of smaller companies – spread throughout the country and not just concentrated in the industrial heartlands of south-east and north-east Wales – also contribute to this Welsh success story.

"There are also 17 Centres of Excellence – mostly universities – who are working on leading-edge technologies," added Williams. "Glamorgan University, for instance, is working on hydrogen (including fuel cell) and battery technology whereas Cardiff has superb facilities for micro- and nano-technology."

According to Professor Garel Rhys, WAF chairman, the Welsh automotive business is evolving to meet new and changing market situations.

"The industry is a conservative one because no-one wants to make a car which people don't want to buy and the customer is conservative because he or she doesn't want to buy a car which they will not be able to sell in a few years," he said.

He also noted that the three most efficient car plants in Europe are located in the UK making models which people want to buy in huge numbers, thus contributing massively to export income.

It's good news for Welsh companies, including those such as Connaught Motor Company, the team behind the world's first green high-performance hybrid sports coupe, which has set up its global manufacturing and R&D headquarters in Wales.

A recent arrival is Japanese component manufacturer Takao Europe Manufacturing – TEM – which has invested £3.2m at the Rassau Industrial Estate in Ebbw Vale and manufactures chassis parts for Honda and Toyota, bringing work which was previously undertaken in Turkey and Eastern Europe to Wales.

Accelerate Wales, the now well-established programme aimed at improving the supply chain and led by major corporations such as Ford and Bosch continues to develop. The objective is to improve individual capacity of the various companies, step up supply chain co-operation and release mutual competitive advantage, ultimately facilitating supply chain integration.

