

Car production rises 11% in August, says SMMT

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Car manufacturing rose 10.7% in August compared with the same month last year, according to the Society of Motor Manufacturers and Traders (SMMT).

The industry body said that meant that production for the year so far was 4.4% higher than in 2010.

Engine production was the best-performing sector, up by 14.4% in August and 4.8% higher over the first eight months of the year.

The SMMT said that the recovery was expected to continue into next year.

John Leech, partner in the consultancy KPMG's automotive practice, said: "These are particularly strong figures and underline the continued resilience of the UK automotive industry."

Commercial vehicle production rose less strongly, by 9.3% in August, and remained 4% down on the January August period.

The SMMT's chief executive, Paul Everitt, said new investment was fuelling the rise: "A manufacturing-led recovery is taking shape, with August's automotive output up more than 10% and a recent wave of private investment securing long-term growth for the UK sector."

He said the industry was on target to beat 2010 production volumes, with more growth to come in 2012.

The news follows other recent signs of recovery in the motor trade.

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The engine-building sector is set to expand further, with news earlier this week that Jaguar Land Rover will invest £355m to build low-emission engines in Wolverhampton.

Another industry boost will come from CPP Global Holdings, which said it would build a new version of the 1960s Jensen Interceptor sports car at Jaguar's former Browns Lane site in Coventry.

Earlier this month, the SMMT reported that new car sales in the UK had risen for the first time in more than a year in August, although it said consumers remained nervous about the economic outlook.

But the global picture remains bright.

"Optimism is not dead," said KPMG's Mr Leech.

"Large global manufacturers are setting their sights on top-line growth over the next two years, primarily focusing on new products, strategic acquisitions and alliances, innovation and increasing production capacity in high-growth markets."

Source :bbc.co.uk