

The Automotive Transformation Fund (ATF) is an initiative to support the industrialisation at scale of an **electrified automotive supply chain** in the UK. As the automotive sector goes through a major disruptive technology transition and is rapidly embracing electrification there is a need to focus the investments in order to create a sustainable and competitive supply chain. This new funding stream will support both R&D and Capital projects within the automotive industry.

Protecting the Future: The UK is currently a leader in both automotive technology and in attracting foreign direct investment – this provides a **clear opportunity** for the UK to be at the forefront as the sector invests. The UK electrified supply chain opportunity is estimated at £24bn over the next 5 years. In addition, supporting the development of an electrification supply chain underpins the sector's continued **strong export performance**.

Road to Zero: The scale and pace of change for the automotive industry in the UK is unprecedented. With this change comes real opportunity, matched with **real challenge**. Building on the UK's Industrial Strategy foundations, the ATF helps deliver the next step of industrialisation at scale, leveraging our strong technology and R&D capability. This co-ordinated approach is designed to secure investment in key technologies and their supply chains in the UK. This initiative will likely include investments in the following areas:

- Batteries
- Motors and drives
- Power electronics
- Fuel cells
- Recycling of any of the above

Strategic Approach: Since its inception, APC has been actively involved in cutting edge R&D projects within the automotive industry. Through these projects we cemented our relationships with Industry. In 2016 APC took stewardship of the Automotive Council **Roadmaps** delivering updated versions in September 2017 and November 2020. From this foundation, we have continued to develop insights driven by our unique position between industry and government.

Given the scale of the opportunity, it will be **necessary to prioritise** assistance to those applications that can act as **anchors** to their respective supply chains and are likely to ensure further investments and help create a sustainable and competitive supply chain for the future. This fund will be administered utilising a **portfolio** approach that will evolve through the fund's life.

Economic Impact: As the automotive industry transitions away from ICE technology and towards Zero Emissions technologies, the ATF aims to protect and build on the current 160,000+ manufacturing jobs across the automotive sector.