

Press release: Further boost for UK auto sector as PSA confirms new generation of vans to be built in UK

- Business Secretary welcomes announcement during visit to Vauxhall's Luton plant, where next generation Vivaro to be produced from 2019
- move ensures plant's long-term future, with a commitment from the company to invest further in the plant and safeguard 1,400 jobs
- agreement secured in part thanks to £9 million of government funding alongside local support and underlines success of UK's landmark Industrial Strategy Automotive Sector Deal

The UK's world-leading auto sector received a further vote of confidence today (Wednesday 4 April) as PSA announced it will produce the next generation Vauxhall Vivaro at its Luton site from 2019. The announcement is testament to the plant's highly-skilled workforce and will ensure manufacturing remains in the UK for years to come.

Business Secretary Greg Clark welcomed the decision during a visit to the plant in Bedfordshire today alongside PSA group Chief Executive Carlos Tavares, leader of Luton Borough Council Hazel Simmons and Union leaders.

As part of the announcement, Vauxhall has committed to invest further in the plant, supplementing £9 million of government funding to install a new manufacturing platform. The deal has been aided by a range of support from local government, including help with recruitment, skills and efficient energy.

Prime Minister Theresa May said:

Vauxhall's decision to invest in the United Kingdom is testament to the world-renowned expertise of the British automotive industry and workforce.

Through our modern Industrial Strategy, we are investing in the technological developments of tomorrow – ensuring we remain the natural choice for innovative firms to prosper.

The platform will allow the Luton plant to produce the next generation of Vivaro vans, with the aim of increasing existing output from around 70,000 vehicles per year to 100,000. The platform will also optimise manufacturing processes allowing the plant to bid for future vehicle lines as they become available.

Business Secretary Greg Clark said:

Today's decision is a vote of confidence in Vauxhall's high skilled workforce and the UK's world leading automotive sector. This investment in upgrading the production platform will safeguard and grow jobs, ensuring the future of the Luton plant well into the next decade and help ensure the plant is well positioned for future Vauxhall models to be made in the UK.

We have been clear in our commitment to the automotive sector which is why, through the Industrial Strategy, we established a landmark Automotive Sector Deal that will see us working with industry to put the UK at the forefront of new technologies.

Through our ambitious Industrial Strategy the government is building on our existing strengths. Our landmark [Sector Deal](#) in January between government and the automotive industry was a vital moment in establishing the UK's leadership in meeting the Future of Mobility and Clean Growth Grand Challenges. Today's announcement will help secure the jobs of more than 1,400 people in Luton and builds on the firm's strong association with the town for more than a century.

SMMT CEO Mike Hawes said:

This announcement is great news for the UK automotive sector and, especially, the Luton plant. The UK continues to be a centre of excellence for vehicle production thanks to our engineering expertise, high levels of productivity and a collaborative relationship with government which has enabled us to build a robust industrial strategy and a sector deal.

We will continue to work with policy makers to ensure the UK remains as competitive as possible now and in the future so we can continue to build on our long heritage in vehicle manufacturing.

The UK's automotive sector continues to thrive with the UK currently the fourth largest European car producer with the highest productivity among Europe's automotive producing nations. The sector generates £14.6 billion, representing 8.2% of the UK's total manufacturing gross value added. The sector deal lays the framework for further UK investment in our world-class automotive industry such as Toyota's announcement in February that they will build the next generation Auris at their Burnaston plant in Derby.

The UK's Industrial Strategy is a long term plan to build a Britain fit for the future through a stronger, fairer economy. Through this we will help businesses to create better, higher-paying jobs – setting a path for Britain to lead in the high-tech, highly-skilled industries of the future.