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UK Faces Industrial Decline Without Stronger EV Strategy

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The UK automotive sector risks long-term decline unless it strengthens its industrial strategy and secures its position in the electric vehicle (EV) supply chain, a new report warns.

The study, *Europe's Car Industry in Transition: Stuck in Neutral or Shifting into Gear?*, published by the Jacques Delors Centre, highlights the urgent need for coordinated action as the global car industry accelerates its shift towards battery-electric vehicles. The report stresses that delaying this transition “does not stabilise the industry – it accelerates its decline.”

While the report's primary focus is on the European Union, it identifies the United Kingdom as particularly vulnerable. UK car production has dropped to its lowest level since 1954, with post-Brexit supply chain challenges, rapidly tightening EV mandates, and inconsistent policy signals creating uncertainty for manufacturers.

The report suggests that demand for EVs is not the issue. Consumer interest across Europe is rising, but the main obstacle remains cost. Battery-electric vehicles in the Eurozone are, on average, 22% more expensive than comparable petrol cars, a gap largely caused by manufacturers prioritising premium models over affordable mass-market vehicles.

Several EU nations have taken steps to address this gap through industrial strategies designed to attract investment. Poland's early investment in battery manufacturing has created a growing regional cluster, while France's “Battery Valley” initiative and Spain's EV

recovery programmes have drawn billions in new projects. In contrast, the UK risks being left out of these emerging value chains.

The report also warns that without a strong, coordinated approach, national efforts alone will be insufficient to compete with global leaders such as China, which maintains dominance in both battery production and low-cost EV manufacturing.

Industry experts emphasise that the UK must adopt policies that promote consistency, affordability, and collaboration. “Frequent changes to incentives and shifting targets erode confidence,” the report states, urging policymakers to provide stable and long-term signals to encourage investment and support domestic production.

As the European Union accelerates its transition to electric mobility, the UK faces a critical choice: to align with this momentum or risk falling further behind in the race towards electrification.