



Department for
Business & Trade



Department for
Energy Security
& Net Zero

Sarah Jones MP

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The Rt Hon Liam Byrne MP
Chair, Business and Trade Committee
House of Commons
London
SW1A 0AA

30 June 2025

Dear Liam,

Government Support for UK Automotive Sector

Last week, the Government published the Industrial Strategy, outlining a vision for long-term growth across eight key sectors including Advanced Manufacturing.

As Minister for Industry I am delighted to confirm, through our Advanced Manufacturing Sector Plan, the announcement of a new £2bn automotive programme: DRIVE35 (Driving Research and Investment in Vehicle Electrification).

Building on the successes of the Automotive Transformation Fund and Advanced Propulsion Centre R&D programmes, DRIVE35 will support the latest research and development, accelerate commercial scale up, and unlock capital investment in zero emission vehicles, batteries and the wider supply chain.

DRIVE35 will provide long-term certainty to investors, with capital funding over five years and R&D funding for ten years, to 2035. This long-term commitment is a vote of confidence in the sector, supporting its transformation to unlock growth and transition to green technologies.

DRIVE35 will ensure continuity in Government support while transitioning to a new funding offer that is much simpler, clearer and faster. The new programme will work alongside the National Wealth Fund, as part of a comprehensive offer to attract strategic investments.

We will release further detail in the coming weeks and will continue to engage with industry as we take forward our plans.

Yours sincerely,

SARAH JONES MP

Minister of State for the Department for Business and Trade and
the Department for Energy Security and Net Zero