

Classic car-parts trade really motoring

By Jeremy Grant

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Many of Britain's manufacturing companies may be on their knees but the wheels of commerce still turn in an obscure but expanding corner of industry: keeping classic-car buffs supplied with vehicle parts. The companies that sell clutches, radiator grilles and sweeping body wings for some of the most iconic names in motoring history say they are thriving as people put some of their cash into classic cars, instead of into banks, with savings rates at rock bottom. They are also reaping the benefits of a relatively weak pound against the euro, shipping truckloads of UK-made parts to Germany and to France, home to a large community of classic car enthusiasts.

John Keener, chairman of the owners' club for the Austin Healey sports car, says he knows of one parts supplier for the iconic 1950s cars who is driving a lorry to Europe "on a weekly basis". "I have no idea who he is selling them to - but there are people over there restoring cars and there hasn't been any pullback in the amounts they are selling," he says. Parts4 Group, a west Midlands-based company selling parts for the iconic Jaguars of the 1960s, as well as for Daimlers and MGs, has added five staff - to the 43 already on board - in the last two months to cope with high levels of demand. Ninety-five per cent of the parts the company sells are made in Britain, while 60 per cent of the business is exported. David Manners, managing director, says: "Demand's across the board. We could do with another three experienced sales people." He says domestic demand is being boosted by a rise in numbers of people in Britain choosing to save money by repairing their own vehicles rather than handing them over to a specialist restorer.

It could be seen as a cottage industry, but there are more than 2,500 businesses in Britain offering goods and services to the "historic vehicle movement", as the Federation of British Historic Vehicle Clubs styles it. Such businesses generated £3.2bn in annual revenues in 2006, the latest period for which statistics are available, according to a study carried out by the group and Brighton University. Some politicians have seized on evidence classic car-parts suppliers appear to be thriving even as Britain's car industry is on its knees to argue that some niche manufacturing industries are finding ways to survive in the downturn. Last week John Spellar, Labour MP for Warley, made his second visit to Parts4 Group in a month, describing it as "a beacon of hope in the recession". "There are still quite large numbers of SMEs [small-

and medium-sized enterprises] out there, particularly in niches, who are battling away - and constantly looking for new niches," Mr Spellar says.

One business tactic that has distinguished the parts makers is a conscious decision to work cooperatively with their suppliers - rare behaviour at a time when many businesses are squeezing their suppliers, either by delaying payment or by demanding price cuts as a condition of maintaining the business relationship. Parts4 Group makes a small number of parts itself and orders most of its products from specialists, including the original suppliers to the original car companies - such as Lucas, famous for its lamps and now part of TRW of the US, and Spax, an Oxfordshire maker of suspension established in 1959 as a supplier to Triumph, Jaguar and MG. Mr Manners says last week he gave one supplier a £19,000 order, telling the company that while he did not need the whole order manufactured at once, he was willing to take delivery of the whole order and keep some parts in stock, if this helped to fill his supplier's order book.

"You've got to help your suppliers or you won't have suppliers," he says. "Everybody's pulling back. They are talking themselves into a bloody recession."

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