



SMMT Update

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Welcome

At this week's SMMT Open Forum members, heard Richard Parry Jones, Bill Parfitt and Jerry Hardcastle describe the aims, objectives and work plans for the UK Automotive Council. They made it clear that there were new opportunities for the UK supply chain, both in the delivery of conventional technologies and those that will power the emerging ultra-low carbon vehicle market. The team was clear that improvements in petrol and diesel technologies would provide the bulk of any carbon savings in the next decade. They were also certain that government initiatives to support an early market for ultra-low carbon vehicles were essential if the UK was to exploit the industrial opportunities from this transition. Whilst times remain tough for the UK automotive, collaboration across industry and with government provides grounds for cautious optimism.



Paul Everitt, SMMT chief executive

Plug-in Car Grant

The Office for Low Emissions Vehicles (OLEV) this week announced the 'Plug-In Car Grant'. From January 2011 to March 2014, motorists will be entitled to a 25% discount, up to the value of £5,000, on the purchase of an electric, plug-in hybrid or hydrogen fuel cell car that meets safety, reliability, performance and warranty standards set in consultation with industry. Also announced were the winners (London, Milton Keynes, North East England) of the Plugged-In Places scheme which saw UK cities and regions bid for investment to further the development of infrastructure required to support ultra-low carbon vehicles. A total of £30 million has been allocated to the project. For more information, click [here](#).

Scrappage scheme final stage

The Department for Business Innovation and Skills (BIS) this week announced that vehicle manufacturers have been allocated a proportion of the remaining scrappage funding. In earlier communications, BIS has set out that Phase One of the exit scheme will see 80% of remaining funds allocated to vehicle manufacturers, distributed according to the total private retail sales from May to December 2009. After some time, not yet set by BIS, the remaining 20% of the funds will be distributed based on sales performance during Phase One. For more information, click [here](#).

Policy update

This week, SMMT chief executive Paul Everitt appeared before the House of Lords Select Committee on Communications to give evidence on the migration to digital radio and SMMT submitted a response to a consultation on the Mayor of London's draft electric vehicle infrastructure Strategy. For more information, click [here](#).

New members

SMMT is pleased to welcome Future Transport Systems and Ryder Limited to SMMT membership. Each will benefit from market information, political influence, networking, legislative advice and business development opportunities. For more on SMMT membership please visit www.smmt.co.uk

Open Forum and webinar

Over 100 people attended SMMT's Open Forum and webinar exploring opportunities for suppliers. The event was held at the Department for Business Innovation and Skills and included presentations from the chairmen of the Automotive Council, the Supply Chain Council and the Technology Council, joined by SMMT chief executive Paul Everitt. The event also showcased an independent report looking into the opportunities for UK-based suppliers. Throughout 2010, SMMT will hold monthly webinars focussing on different areas of the automotive industry. In 2009 the series covered business opportunities, the UK scrappage incentive scheme, the outlook for 2010 and commercial vehicles. More information from SMMT [member services](#)



Automechanika Dubai

SMMT has organised a UK pavilion at Automechanika Dubai, 25-27 May 2010. The Middle East's largest aftermarket trade event will focus on automotive car and truck parts and systems, vehicle accessories and tuning, repair and maintenance, tyres, batteries and garage workshop equipment. Up to ten suitable participating companies will be supported by UKTI-sponsored £1,400 Tradeshow Access Programme grants. SMMT member TruckProtect attended the show in 2008 and said, "The trip was extremely well managed in all aspects from the preparation and funding assistance to management of the event during the stay in Dubai. It became apparent very quickly during our visit that business in the UAE can only be done with an effective local agent. We made a number of very good contacts and from the show we found the agent we needed. The UAE has since become one of our most important regions." More from dcroxson@smmt.co.uk

Dates for your diary

New car CO₂ report 2010 launch, Forbes House, 9 March 2010 - cbaich@smmt.co.uk
Commercial Vehicle Operator Show, NEC Birmingham, 13-15 April 2010 - enquiries@cvoperatorshow.com

Week in Westminster and Brussels

In Westminster, government named the successful bidders under the Plugged-In Places infrastructure programme, the Department for Business, Innovation and Skills announced that the scrappage incentive scheme has entered its exit phase, and the Department for Transport set out payments under its Urban Congestion Performance Fund.



In Brussels, Jaguar Land Rover secured a £340 million loan from the European Investment Bank, the European Commission recommended opening enlargement talks with Iceland, and the UN Framework Convention on Climate Change announced the next round of negotiations on securing a global deal to reduce carbon emissions. For more information, click [here](#).

MVRIS vehicle registration data

Cheshire Data Limited has recently signed up as a customer of SMMT's vehicle registration data services, extending the scope of its vehicle provenance checking services. The Motor Vehicle Registration Information System (MVRIS) is the most comprehensive and authoritative source of new registration details in the UK. MVRIS and Motorparc produce standard and tailored reports for SMMT members and other customers. For more information, click [here](#).

Nanomaterials for Low Carbon Transport

NanoCentral, in association with the Low Carbon KTN and SMMT Foresight Vehicle, invites automotive companies to join a networking conference on nanotechnologies for low carbon transport. The event, to be held at Loughborough University on 2 March 2010, will present an overview of the challenges facing low carbon transport. Attendees will benefit from opportunities for new collaborative partnerships involving nanomaterials and the supply chain. To register for the event, please click [here](#).

RAC Foundation low carbon debate

The Royal Automobile Club (RAC) Foundation has organised a debate on 17 March to delve into the challenge of lowering CO₂ emissions. The debate will focus on whether electric vehicles or refinements to existing technology are the way forward. The high level issues will be addressed by a collection of experts who will provide insightful evidence to a panel of leading journalists and commentators at the event. The list of panellists and speakers includes SMMT chief executive Paul Everitt, WhatCar? editor Steve Fowler, Committee on Climate Change chief executive, David Kennedy and environment editor of The Times, Ben Webster. More from info@racfoundation.org.

Economics update

Last week's update on current UK economic data gave broad-based evidence of a continuing stabilisation in economic activity, a weak exit from recession and a disjointed recovery ahead. The quick lead from a pick-up in export growth remained lacklustre. This is not surprising as domestic spending and activity in the economies of our chief trading partners in the EU remains weak or geared to exporting as their immediate recovery route. However, some recent business surveys have raised an optimistic note that firmer growth may lie ahead for UK exports. In general balance-type data from private-based business surveys has been interpreted as signalling more of a bounce-back from recession for the UK economy than data and surveys tracked through official data sources. Sentiment has improved in housing and asset markets and this still holds. Also, recently further downward pressure on sterling has eased as concerns on the pace of growth and scale of debt in some eurozone states has affected currency trading. A key view on the immediate setting was given by the governor of the Bank of England this week, in evidence to Parliament's Treasury Select Committee. There have also been timely reminders over the past couple of weeks that consumers are still cautious on any bounce-back for the UK economy. Some positive signs remain in growth from aspects of the manufacturing sector, where output has fallen in real terms by about 15% from peak to trough and the labour market where unemployment levels are not as bad as expected. Confidence is likely to remain low and fragile for some months to come. The removal of government-driven incentives on the VAT rate, the exit phase from car scrappage scheme and the end of stamp duty holiday are testing consumers' resolve and ability to maintain spending. If the current rise in inflation is slow to abate, the wait and see sentiment on non-essential spending may be slow to lift. The Office for National Statistics' flash estimate of GDP for Q4 2009 was a 0.1% rise on Q3 2009 – marking the technical end to recession for the UK. This week saw the first revision to this estimate and it was up to 0.3%. This is not a significant change, but it may reignite the debate on the accuracy of our measurement of activity and growth across the economy. At present it seems most likely that the recession ended over the summer, but there has been no quick or material progress on recovery since.

More from economics@smmt.co.uk