



ALL-PARTY PARLIAMENTARY
MOTOR GROUP

UK Automotive - Driving Ahead

REPORT OF THE APMG 2013-2014



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Introduction - from APMG Chair

The publication of the Automotive Strategy was a breakthrough for the sector last year. There can be no doubt that automotive is a leading sector in the UK's economy, attracting impressive levels of investment and growth. The Automotive Council, a unique collaboration mechanism between Government and industry, is seen as a pioneering approach across the world.

But as our discussions of the APMG this year have shown there can be no room for complacency. From ultra low emissions vehicles, to the barriers SMEs face in attracting funding, our meetings have explored a wide range of issues in this vital sector.

Policy makers at all levels, including nationally and locally, are addressing key automotive issues - such as securing investment, advancing skills initiatives, developing the market for low emission vehicles, and improving air quality in our towns and cities. Technology, innovation, and changing travel behaviour are all important aspects in tackling these challenges, and we need continued cooperation between Government, Parliament and industry to overcome them.

Richard Burden MP – Chair, All-Party Parliamentary Motor Group

DID YOU KNOW?

- UK automotive is a vital part of the UK economy and typically generates more than £59.3 billion in annual turnover, delivering around £12 million in net value-added to the economy.
- The UK is home to 8 Formula One teams and the largest concentration of motorsport firms found within the Motorsport Valley, located in the centre of the UK
- The automotive industry is the UK's largest sector in terms of exports, accounting for 10% of UK trade in goods with exports worth £30.7 billion.
- There are now over 20 different ultra low emission cars to choose from. All top 10 of the bestselling car manufacturers in the UK will have ULEV option available in 2014.

Summary

This report outlines some of the findings of meetings of the All-Party Parliamentary Motor Group (APMG) in its discussions from October 2013 to June 2014.

The APMG has discussed a range of issues and highlights to Government and members of both houses that:

1. The publication of the joint Government-industry Automotive Sector Strategy is an important statement of long-term commitment to the UK automotive industry and its priorities must be taken forward across Government departments and adopted by all political parties.
2. £500 million funding for ultra-low emission vehicles is a huge opportunity and the Government must maximise this for industrial benefit, positioning the UK as a world leader in low carbon technology
3. A collaborative approach, and concerted action to boost skills and supply chain capacity, is critical for attracting investment into the automotive industry.
4. Air pollution poses a serious risk to health and the Government must show leadership to promote the uptake of new technology and implement measures that drive behaviour change.



Driving Success?

The UK's Automotive Strategy, the business environment and the EU

In October 2013, the APMG took an in-depth look at the recently launched Automotive Strategy, which outlined government and industry's long-term vision for the sector, with the Secretary of State for Business, Innovation and Skills the Rt Hon Dr Vince Cable MP.

He noted the strength of the industry and the critical role of the Automotive Council in delivering long-term cooperation between government and industry. Key to the Group's discussion was the need to maintain both a competitive business environment in the UK and a strong voice in Europe.

DISCUSSION KEY POINTS

- Long-term, cross-party support is needed to implement the Automotive Sector Strategy and ensure that the UK automotive industry can continue to grow and strengthen its position as a leading sector of the economy.
- Government should ensure that its policies promote a competitive business environment in the UK to encourage investment and support manufacturing. This approach should be led by the Department for Business, Innovation and Skills but buy-in from all government departments is crucial.
- Priority should be given to boosting supply chain and skills capacity. The strategy provides an opportunity to identify key gaps in capability and provide solutions through collaboration between government and industry.



“Gaining the leading edge”

Priorities for Government’s Ultra Low Emissions Funding Package

On 11 December 2013, the APMG discussed the Department for Transport’s (DfT) funding package for ultra-low emission vehicles. A call for evidence had been launched which invited views on how Government should prioritise £500 million for low emission vehicles from 2015 to 2020.

Rt Hon Patrick McLoughlin MP, Secretary of State for Transport, attended the meeting and stressed Government’s commitment to the low emission vehicle sector. He noted that DfT’s package of funding was the most comprehensive in the world.

DISCUSSION KEY POINTS

- Long-term Government commitment is very welcome to support the growing low emission vehicle market and bolsters UK ambitions to be a world-leader in this sector.
- Government should ensure that its funding package promotes opportunities for industrial growth, including increased investment in UK R&D.
- More can be done to use public procurement to boost the uptake of ultra-low emission vehicles, and Government should explore options for spending in this area.
- Continuation of consumer grants and support for electric vehicle infrastructure will remain important from 2015 as the market gathers pace.



Destination UK:

Where will future automotive investment come from?

Discussing investment in the automotive sector, the APMG held a meeting on 26 March 2014 to explore where future growth in the sector was likely to come from. The group was joined by Joe Greenwell CBE, Chief Executive, Automotive Investment Organisation to outline priorities for attracting inward investment into UK automotive.

Hal Reisiger, Chief Executive, Cosworth also gave his perspective on investment into the motorsport and automotive engineering sectors.

- DISCUSSION KEY POINTS**
- APMG members noted the importance of collaborative approaches between Government, industry and trade unions in securing investment in UK automotive.
 - A focus on SMEs and the supply chain is critical in enhancing capabilities in the UK and they need to be given more support to expand. Government funding schemes that promote investment in this area must be made more accessible.
 - A long-term approach is needed to provide confidence for continued inward investment, including by securing funding certainty for the Automotive Investment Organisation to ensure it continues to promote UK automotive to potential foreign investors - particularly suppliers.



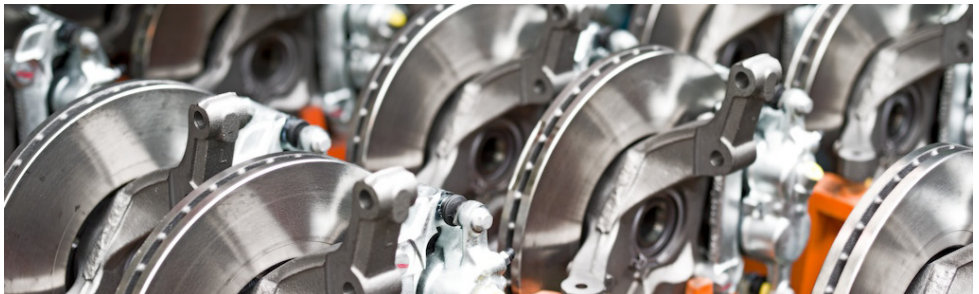
Air Quality and Road Transport

The APMG's 4 June 2014 meeting focussed on air quality and road transport, an issue of increasing public and political concern

Isabel Dedring, Deputy Mayor of London for Transport outlined London's plans for reducing emissions in the capital. Prof. Stephen Glaister CBE, Director, RAC Foundation highlighted key recommendations from its latest report on air quality and road transport.

DISCUSSION KEY POINTS

- Action to address immediate air quality concerns should be a top priority for policy makers, particularly where the UK is in breach of EU air quality limits.
- Industry has achieved significant reductions in CO₂ and other pollutants, however technology has an important role to play in achieving greater emission reductions from vehicles and the government needs to incentivise their uptake further.
- Successful policies that promote behaviour change and improve traffic flow should be considered, such as the trial of out-of-hours deliveries during the 2012 Olympic Games in London
- A focus on promoting uptake of ultra-low emission vehicles will be crucial for the long term, as well as putting in place policies to reduce emissions from other vehicle types such as buses, taxis and trucks.



ALL-PARTY PARLIAMENTARY MOTOR GROUP

The purpose of the group is to debate and address issues of strategic importance to the UK automotive industry, the motorsport industry and vehicle users; to focus on the role of the motor vehicle, including the environmental impact; and to promote dialogue between politicians, industry, vehicle users and other stakeholders.

APMG Officers

Chair: Richard Burden MP
Vice-chairs: Lorely Burt MP, Heather Wheeler MP, Lord Drayson
Treasurer: Neil Carmichael MP
Secretary: Gavin Shuker MP

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Seminars, receptions, events and activities take place inside and outside of Parliament throughout the year. For more information on joining the group or its forthcoming programme, please do not hesitate to contact the officers or the secretariat on the details below.

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