

## WEEK IN WESTMINSTER

Week ending Friday 13 January

### UK automotive registration 2011 figures

2011 proved to be a challenging year for the UK automotive industry with total new car registrations slightly ahead of industry expectations at 1.94 million units, but still down 4.4% on 2010. Bus and coach registrations also suffered from the challenging market conditions, down 12.8% in 2011. The vans and truck market, however, enjoyed a year of consistent growth, with registrations up 17.8% in 2011, to 303,097 units. Renewed business confidence fuelled the month-on-month rises, while innovative developments in vehicle design and technologies provided solid business reasons for companies to upgrade their vehicles in 2011. Production figures showed mixed results, with new car production up 6.1% over the first 11 months of 2011, commercial vehicle output down 2.3%, and engine production up 5.3%. Weak economic growth will make trading conditions tough in 2012, but record numbers of new and updated models, significantly improved fuel efficiency and exciting new technologies will help to encourage consumers into showrooms. Business and consumer confidence will be the key to a successful year, so it will be important that government delivers on its growth strategy and helps to resolve instability in the Euro Zone. The new car market is forecast to reach 1.964 million units, up 2.1% on the 2011 forecast, but still significantly down on pre-recession numbers. In addition light commercial vehicle registrations are forecast to reach 257,100 units, down 1.2% on the 2011 forecast. In addition figures have been released for new car CO<sub>2</sub> emissions in 2010, with a 4.5% drop in the UK, down to 138.4g CO<sub>2</sub>/km (Source: SMMT)

<http://www.smmt.co.uk/2012/01/new-car-market-betters-forecast-but-was-down-4-4-in-2011-to-1-94-million/>

### Government launches 'Going for Growth' campaign to support mid-sized businesses

Government has launched a campaign aimed at supporting and raising the profile of mid-sized businesses. The campaign, 'Going for Growth',

focuses specifically on 'mid-sized businesses', which represent just 0.2% of all UK firms, yet account for around one fifth of private sector employment and turnover, says BIS. In conjunction with the announcement, government has set up a non-bank lending taskforce, which has been commissioned to examine structural and behavioural barriers to the development of alternative debt markets in the UK. It will make evidence-based recommendations to government ahead of the 2012 Budget on practical measures to facilitate the development of these markets. The taskforce is inviting views from business and other industry members on how government can support a stronger non-bank lending landscape in the UK. The taskforce will cover mid-sized businesses: turnover between £25-500m; SMEs (Small and Medium sized Enterprises): businesses with a turnover of less than £25m; and Micro-businesses: Businesses with fewer than 10 employees. In addition the Department of Business, Innovation and Skills (BIS) have launched a new national programme to help small and medium manufacturing businesses to grow. BIS estimate that the Manufacturing Advisory Service will help generate £1.5 billion in economic growth, 23,000 jobs and safeguard 50,000 jobs. (Source: BIS)

<http://www.bis.gov.uk/news/topstories/2012/Jan/mid-sized-businesses>



### Large vans and minibuses low emission zone introduced

Drivers of large vans, minibuses and other specialist diesel vehicles are required to pay a daily charge to drive within London's Low Emission Zone unless their

vehicle meets new 'Euro 3' emission standards as part of new regulations being rolled out across the capital. Typically, Euro 3 vehicles are those registered after 1 January 2002 and research by SMMT has shown that of the 3.57 million vans on UK roads at the end of 2010, 31.1% are not eligible to meet today's new emission standards and of those, 37% (almost 85,000) are registered in London. The LEZ will continue to apply to Heavy Commercial Vehicles (HCVs) but the regulations will demand an increase from Euro III to Euro IV standards. Vehicles first registered as new on or after 1 October 2006 will meet the Euro IV standard, but the 2010 Motorparc shows that 32% nationally, and 29% in Greater London, do not meet the LEZ threshold. In further efforts to improve air quality in the capital, Transport for London has announced a new campaign urging drivers to switch off their engines when parked, loading or waiting at the roadside, stating that If all the vehicles in central London turned off their engines for as little as one minute per day, it could annually save PM10 pollution equivalent of a medium sized diesel car travelling 2.5 million kilometres, or making three return trips to the moon. (Source: SMMT)

<http://www.smmt.co.uk/2012/01/new-low-emission-zone-regulations-for-large-vans-and-minibuses-introduced-today/>

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## Ed Miliband delivers key policy speech

Labour leader Ed Miliband has delivered a key policy speech outlining Labour's outlook on rebalancing the economy and economic growth. In his first major political appearance of 2012, Mr Miliband said that Labour would be defining a new political battleground in the UK, shifting the emphasis on government cuts from how much or how little, to how reductions can be made more fairly. On business policy, Mr Miliband said that Labour's vision was not anti- but pro-business, stating that government contracts should only go to those companies taking on apprentices, stressing the importance of long-term business decision making. (Source: Labour Party)

<http://www.labour.org.uk/labour-will-deliver-fairness,2012-01-10>

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## Transport Committee report on motor insurance published

The House of Commons Transport Select Committee has published a report, 'Cost of Motor Insurance', following on from government's response to their original report. In the report, the Transport Committee warns that the spiralling cost of motor insurance is

primarily the result of market dysfunction and, in particular, the escalation of uncontested claims for whiplash injury. The report calls on government to establish a cross-departmental ministerial committee on reducing the cost of motor insurance and publish a plan to address each aspect of the problem, and to send a clear message to the insurance industry that it expects 2008 data protection legislation to be fully respected and impose stricter penalties for any breach. Launching the report, Louise Ellman MP, Transport Committee Chair stated: "The insurance industry must abandon sharp practices that push up premiums such as passing drivers' personal data to other parties or taking secretive referral fees from solicitors, garages and car hire firms". With regards road safety, the Transport Committee will be holding two sessions later this month to hear from road user groups and road safety campaigners as part of an inquiry into the Government's Strategic Framework for Road Safety. (Source: parliament.uk)

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/transport-committee/news/cmi---report/>

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## UK manufacturing figures published

The Markit/CIPS Purchasing Managers' Index (PMI), shows UK manufacturing in December rose to 49.6 (any figure above 50 indicates growth), from a revised reading of 47.7 in November. The PMI has nonetheless remained below the 50.0 no-change mark throughout Q4 2011 and its average during this quarter is the weakest since Q2 2009. (Source: CIPS)

<http://www.cips.org/en-GB/aboutcips/news/UK-manufacturing-stabilises-in-December/>

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## Week ahead

### Commons Committees

Monday 16 January

Public Accounts Committee – Reducing costs in the Department for Transport (3:15pm, room 15)

Tuesday 17 January

Transport Committee – Road Safety (10:05am, Grimond room)

Energy & Climate Change Committee – Consumption-based emissions reporting (10:20am, room 8 )

### Lords Committees

Tuesday 17 January

Science and Technology: Sub-Committee I - Subject: Higher education in STEM subjects (3:30pm, room 4A)