

WEEK IN WESTMINSTER

Week ending Friday 24 January

2013 sees strong growth in UK car and engine manufacturing

Figures published by SMMT show that UK car and engine production both posted strong growth in 2013, whilst commercial vehicle manufacturing fared less well, posting negative growth on the year.

UK car manufacturing

UK car manufacturing hit a six year high on 2013 with production up 3.1% surpassing 1.5 million units. Industry analysts have predicted that output will reach record levels of around two million units by 2017. 2013 figures showed that the UK still exports approximately 80% of cars produced and whilst the European market has struggled with tough economic conditions, overall export volumes have been bolstered by strong growth in demand for UK-built cars in other locations. Commenting on the announcement, Business Secretary Vince Cable stated: "Today's figures are another sign that the British car industry is going from strength to strength – with one vehicle rolling off a production line somewhere in the UK every 20 seconds.....It also highlights the benefits of industry and government working together and we want to continue this partnership through a long-term strategy." <http://www.smmt.co.uk/2014/01/uk-car-manufacturing-hits-six-year-high/>

UK commercial vehicle production

Production of commercial vehicles fell 21.7% in the UK in 2013, down to 87,671 units. This fall can be attributed to weak demand in Europe and the restructuring of manufacturing operations. Commenting on the announcement, SMMT Chief Executive, Mike Hawes, stated: "With early signs of recovery on the continent and better performance in the truck and bus sectors, there are reasons to be positive, but we expect overall volumes to remain subdued for some months yet". <http://www.smmt.co.uk/2014/01/weak-demand-hampers-2013-cv-manufacturing/>

UK engine manufacturing

UK engine production rose 2.3% to 2,553,316 units in 2013 – the highest total since 2008. The growth in the market was supported by 9.0% increase in output for domestic market, while exports fell 1.7%. In the fourth quarter of the year output rose 3.6%, despite a dip in December.

<http://www.smmt.co.uk/2014/01/engine-manufacturing-powers-ahead-2013/>

(Source: SMMT)



Government introduces new Consumer Rights Bill

Consumer Minister Jenny Willott MP has introduced a new Consumer Rights Bill to Parliament. The Bill, which has been estimated to boost the economy by £4 billion over the next decade will, streamline overlapping and complicated areas of consumer law from eight pieces of legislation into one consumer Bill. It also introduces new rights for consumers and businesses. Consumers will have the right to:

- get some money back after 1 failed repair of faulty goods (or 1 faulty replacement)
- demand that substandard services are redone or failing that get a price reduction
- a set 30 day time period to return faulty goods and get a full refund
- challenge terms and conditions which aren't fair or are hidden in the small-print:

Commenting on the Bill, Jenny Willot stated: "Well-informed, confident consumers are vital to building a stronger economy. Our plans will mean consumers can be confident about their rights in everyday

situations and businesses will spend less time working out their legal obligations when they get complaints from customers.” (Source: BIS)

<https://www.gov.uk/government/news/consumers-and-businesses-1-step-closer-to-new-bill-of-rights>



CBI report shows new manufacturing orders growing at fastest rate since 2011

The latest CBI quarterly Industrial Trends Survey shows that growth in new manufacturing orders was the strongest since April 2011. The report highlights that manufacturing companies are increasingly confident in the recovery, which is feeding through to investment plans. Optimism about business conditions rose strongly, while the number of firms feeling that demand uncertainty was constraining investment dropped back sharply. Firms' plans for growth in capital expenditure on buildings in the year ahead were the highest in three years. Key findings included:

- 34% of businesses reported an increase in total orders and 21% a decrease, giving a balance of +13%, the highest since April 2011 (+20%).
- The balance for new domestic orders (+11%) was the highest since April 2011 (+15%), but the balance for new export orders (0%) was down on the three months to October (+3%).
- 38% of firms reported a rise in output volumes and 20% a decline, giving a balance of +18%. This is weaker than the +29% balances recorded in November and December, but still well above the long-run average of +2%.
- Domestic and export output prices changed little this quarter (+2% and -4% respectively) while unit costs grew a little (+7%).

(Source: CBI)

<http://www.cbi.org.uk/media-centre/press-releases/2014/01/new-manufacturing-orders-growing-at-fastest-rate-since-2011-cbi-survey/>

Government launches Reshore UK

UK Trade & Investment and the Manufacturing Advisory Service (MAS) have launched Reshore UK, which is a government service to help companies bring production back to the UK. Reshore UK will provide a matching and location service, access to advice and support and a named individual to help each company. MAS's role is to help support small and medium sized businesses to be globally competitive and to ensure there is capacity in the UK supply chain to take advantage of the reshoring opportunities. UKTI's role will be to use its global networks to attract foreign companies to invest. Announcing the new initiative at the World Economic Forum in Davos, Prime Minister David Cameron said: "For years UKTI has played a vital role helping our businesses to export and encouraging inward investment. Now, as part of our long-term economic plan, I also want us to help businesses bring back production to Britain. This new service will offer dedicated support for businesses that want to capitalise on the opportunities of reshoring, creating new jobs and ensuring that hard-working people can reap the benefits of globalisation."

IMF raises UK economic growth forecast

The International Monetary Fund (IMF) has sharply increased its growth forecast for the UK economy. It now expects the economy to grow 2.4% this year - faster than any other major European economy - against its previous forecast of 1.9%. In 2015, it expects growth of 2.2%. The IMF also raised its global growth outlook slightly to 3.7%.

(Source: BBC News)

<http://www.bbc.co.uk/news/business-25823217>

Week ahead

Commons Chamber

Tuesday 29 January

Consumer Rights Bill: Second reading

Thursday 30 January

Backbench business debate: Transatlantic trade and investment partnership (members in charge: John Healey, Lab, Wentworth and Dearne; Guto Bebb, Con, Aberconwy)

Commons Committees

Tuesday 28 January

Business, Innovation and Skills Committee (9.30am,
room 6) Business-university collaboration: The
Fraunhofer UK model

House of Lords

No relevant activity