

## WEEK IN WESTMINSTER

Week ending Friday 8 March

### New car and commercial vehicle markets up in February

Figures published by SMMT show that new car registrations rose 7.9% to 66,749 units in February 2013, with registrations over the year-to-date also increasing, up 10.3% to 210,392 units. Growth was boosted by private demand, with February securing the highest growth in the private market since the end of the Scrappage Incentive Scheme in Spring 2010. February is typically the smallest volume monthly market, ahead of the registration plate-change in March. The commercial vehicle market also posted positive results in February, up 5% to 11,336 units and up 5.4% on the year-to-date to 5.4% at 30,267 units. Van registrations were up 11.7% whilst truck registrations fell 16.3%. The bus and coach market fared less well, with registrations down 22% to 405 units in February with year-to-date registrations down 10%. (Source: SMMT)

<http://www.smmt.co.uk/2013/03/new-car-market-posts-12th-successive-month-of-growth-in-february/>  
<http://www.smmt.co.uk/2013/03/cv-market-moves-up-in-february-but-truck-buyers-delay-decisions/>

### Labour Party publish Cox Review on short-termism in British business

The Labour Party has published an independent review by Sir George Cox into Overcoming Short-termism within British Business. The report states that short-termism – the pressure to deliver quick results to the potential detriment of the longer-term development of a company – has become an entrenched feature of the UK business environment, which curtails ambition, inhibits long-term thinking and provides a disincentive to invest in research, new capabilities, products, training, recruitment and skills. The review also states that short-termism results in drastic cost-cutting and staff-shedding whenever revenue growth fails to keep up with expectation and that it militates against the development of internationally competitive businesses and industries that are essential to the UK's future

economic prosperity. The report includes a number of recommendations, key of which are:

- Extending the governance code so that sufficient long-term incentives are incorporated in the pay of executive and non-executive directors;
- Changes to the rules on takeovers and reporting requirements so that investors and businesses can build for the long-term;
- Improving the functioning of equity markets through changes to the tax system;
- Measures to encourage support for, and investment in, small businesses;
- A mechanism to ensure that decisions on infrastructure investment are made for the long-term and not just based on political cycles;
- Building research capability through increased spending on improved post-graduate education;
- Improvements in public procurement including better engagement with smaller companies and more concern with the long-term effect of decisions.

(Source: Labour Party)

<http://www.labour.org.uk/impact-of-short-termism-on-british-business,2012-06-16>



### Jaguar Land Rover confirms £150m investment in new engine manufacturing plant

Jaguar Land Rover has announced an additional £150m investment to the £355m already committed to its new Engine Manufacturing Centre in Wolverhampton. Announced at the Geneva Motor Show, the investment will almost double the number

of highly-skilled engineering and manufacturing jobs at the plant, taking the total number of people employed at the site to almost 1,400. Jaguar Land Rover's new Engine Manufacturing Centre is essential to support the company's long-term strategic growth plans and will be the home for a new generation of technologically advanced, lightweight 4-cylinder low emission diesel and petrol engines. Speaking at the show, Jaguar Land Rover's Chief Executive Officer, Dr Speth stated: "Jaguar Land Rover's new Engine Manufacturing Centre in the UK is a clear demonstration of our business strategy guiding our investment plans. Not only does it bring our engine supply back to our production doorstep, but it gives us significant new resource as we continue to innovate with new products and markets". (Source: SMMT) <http://www.smmt.co.uk/2013/03/jaguar-land-rover-confirms-additional-150m-investment-in-its-new-engine-manufacturing-plant/>

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## New Higher Apprenticeship in R&D launched

Pera Training, one of the UK's largest providers of apprenticeships in the manufacturing and professional sectors, is launching a new Higher Apprenticeship in R&D (Research & Development) to coincide with National Apprenticeship week. At present no vocational qualification that specifically supports R&D exists in the UK with Pera Training's new qualification aiming to fill this gap and provide an effective way to recruit or develop highly skilled employees, as well as benefiting the growth and competitiveness of British business. The Higher Apprenticeship will be a nationally recognised qualification leading to a degree. (Source: Pera Training)

<http://www.peratraining.com/news/article.php?id=102>

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## EEF launch report 'Invest for Growth'

EEF, the manufacturers' organisation has launched a report entitled 'Invest for Growth - Encouraging more globally focused companies to expand in the UK'. The report, launched ahead of EEF's second annual Manufacturing Conference, contains a major survey that shows manufacturers have ambitious strategies but raises questions as to whether they are investing enough to deliver them. These strategies focus on bringing new products and services to new overseas markets. According to the survey of over 250 companies nearly nine in ten firms want to invest to improve productivity, three-quarters to adopt new

technology and seven in ten to develop capacity to manufacture new products. Firms have been upping their capital expenditure with half of companies increasing investment in the last three years and only one in ten reducing it. Investment is being made not just in modern machinery but also in skills, R&D, marketing and innovation. However, the report states that whilst these trends are positive, they are not enough to make up for a decade of declining investment, which saw pre-recession investment levels fall the UK's competitors. Reflecting this, the report shows that a fifth of manufacturers feel they are falling behind their international competitors. In addition a third said the gap between what they want to invest and what they actually invest is growing. The report calls for a number of measures to address this issue, including: a competitive tax environment for all companies investing in the UK; improved access to external finance; increased availability of suitably qualified staff; competitive energy costs; and more support to commercialise technology. (Source: EEF) <http://www.eef.org.uk/releases/uk/2011/EEF-report-shows-growing-gap-between-ambition-and-reality-on-investment.htm>



## Week ahead

### Commons Chamber

Tuesday 12 March

Opposition day debate: apprenticeships

### Commons Committees

Monday 11 March

Transport Committee (4:10pm Grimond room) –

Disabled access to transport

Tuesday 12 March

Environmental Audit Committee (2:15pm Thatcher

room) – Transport and accessibility to public services

### House of Lords

No relevant activity