

SMMT Report Launch: New Car CO₂ and 'Future of motoring taxation'

This week saw the launch of SMMT's 14th New Car CO₂ Report. At an event chaired by Andy Sharman from the Financial Times, panellists from Jaguar Land Rover, the Committee on Climate Change, the Centre for Economics and Business Research (Cebr) and SMMT discussed the key trends witnessed in 2014 with respect to new car CO₂ emissions. In conjunction with the launch of the CO₂ report, and ahead of next week's General Election, SMMT commissioned the Cebr to produce a report assessing the 'Future of motoring taxation'. The report presents itself as a key document to inform those in government and industry on the challenges faced with regards motoring taxation in the next Parliament, focussing specifically on Vehicle Excise Duty (VED). The two reports were launched at the same event, in-house at SMMT. Key headlines within the CO₂ report included UK average new car CO₂ emissions falling to an all-time low of 124.6g/km, beating the EU 2015 target by 4.2%. In addition, the total volume of alternative fuelled vehicles grew to nearly 52,000, a 58.1% increase since 2013. With 68.6% of new car buyers now paying zero first year VED, in-line with continually falling emission levels, this fall in revenue for the exchequer has highlighted the need for future reform within the VED banding system.

(Source: SMMT)

<http://www.smmt.co.uk/2015/04/uk-co2-emissions-fall-for-17th-consecutive-year-as-record-two-thirds-of-new-car-buyers-enjoy-0-first-year-tax/>



Supreme Court Ruling on air quality

On Thursday 29 April, the Supreme Court passed its judgement on the case between Client Earth and the UK government in relation to compliance of EU air quality standards. As part of the ruling, the Supreme Court has said that UK government must speed up efforts to meet European pollution standards and submit new air quality plans to Brussels no later than 31 December 2015, regardless of the outcome of the May 7 General Election. The move stems from an EU air quality directive that gave the UK until 2010 to curb pollutant levels. The government said it could take until 2030 before NO₂ levels meet EU standards in several cities, including London, prompting the legal case with ClientEarth, an environmental law group. Mike Hawes, Chief Executive of SMMT, said the industry recognised the country's air quality problems but stressed that diesel engines were cleaner than ever and urged policy makers to take account of "other sources, such as electricity generation and heating, which between them account for more than half of NO₂ emitted in the UK".

(Source: Supreme Court)

https://www.supremecourt.uk/decided-cases/docs/UKSC_2012_0179_PressSummary.pdf

Switch to diesel drives down sales of petrol

Figures released by Her Majesty's Revenue and Customs show that petrol sales fell 10% in March to a record low of 1.31bn litres following a 4% growth in February when drivers took advantage of prices 22p a litre lower than the year before, according. Sales of diesel also dropped by 7% from the bumper February figures to 2.26bn litres making for a combined 8% dip in fuel sales in March with 3.57bn litres. RAC fuel spokesman Simon Williams said: "Fuel usage statistics from February clearly demonstrated increased vehicle use from both petrol and diesel drivers, but these figures show this has been reversed. March is traditionally one of the lowest months of the year for petrol consumption, as a result of families using their cars less ahead of greater use in the Easter holidays. This March, however, has seen

the lowest petrol sales in 25 years, no doubt driven by rising pump prices. Diesel sales are, of course, always buoyed by the fact lorries, vans, buses and many company cars are fuelled by it. The decline in petrol sales has been apparent for several years as motorists switched to diesel for better fuel economy and lower carbon dioxide emissions.”

(Source: RAC)

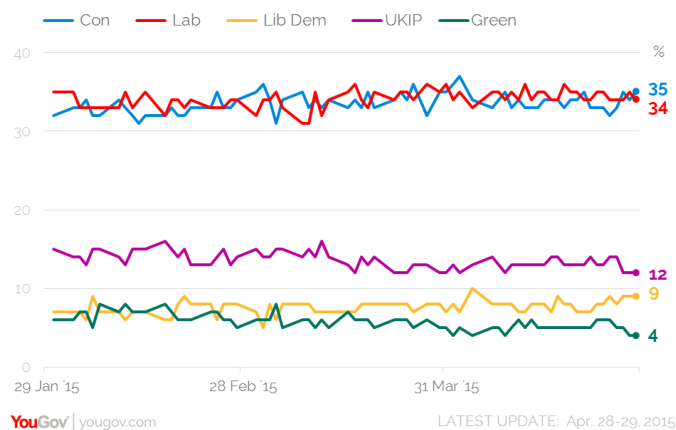
<http://www.rac.co.uk/press-centre/press-releases/switch-to-diesel-leads-to-lowest-petrol-sales-in-2?feed=Press-Releases>

General Election Update: the final stretch

With six days to go until the UK General Election, it is still unclear as to who will be Prime Minister after 7 May. Labour and the Conservatives remain close in the polls, however, yesterday (Thursday 31 May) seven of the ten leading polling organisations put the Conservatives ahead, with Ipsos Mori showing a five point lead for the Tories. Campaigning in the final week is therefore likely to increase in intensity, with the Conservatives continuing to push lines on the economy and the dangers of a Lab-SNP deal and Labour focussing on the NHS and Milliband’s credibility as a future PM..

Voting intention, past three months

If there were a general election tomorrow, which party would you vote for?



The Guardian newspaper currently has seat predictions at:

- Conservative = 276
- Labour = 267
- SNP = 55
- Liberal Democrats = 27
- Green = 1 UKIP = 3 Others = 21

Last night (Thursday 31 May), a special version of Question Time was aired where a studio audience

questioned David Cameron, Ed Miliband and Nick Clegg for a little under half an hour each. A key announcement to emerge was that the Labour leader Ed Miliband said he would rather not be in government than form a coalition with the Scottish National Party. In addition, Miliband argued that the last Labour government did not overspend whilst in power. David Cameron reaffirmed his position on providing a referendum on EU membership, whilst also facing questioning on his party’s plans to cut welfare benefits. Nick Clegg, the final person to be questioned, was grilled on the credibility of his policies, in light of the tuition fee “broken promise” from the 2010 general election.

(Source: YouGov)

<https://yougov.co.uk/news/2015/04/30/conservatives-lead-1/>

(Source: Guardian Newspaper)

<http://www.theguardian.com/politics/general-election-2015>

(Source: BBC)

<http://www.bbc.co.uk/news/election-2015-32533048>

CBI: Industrial Trends Survey

Figures released by the CBI show that the recovery in British manufacturing continued in the three months to April, but the pace of growth eased and export orders growth remained sluggish. The survey of 468 firms reported an easing of growth in total new orders, as expected from January’s quarterly survey, but this still remained well above average. Domestic orders rose modestly, whilst exports growth remained subdued. Meanwhile output growth fell to its lowest since January 2013, but above the long-run average. Firms have stronger expectations for the three months ahead, with output and orders growth anticipated to firm up and predictions for exports growth at their strongest since July 2014. Numbers employed continued their record run of growth, albeit rising at the slowest pace in over two years, but are expected to be flat next quarter.

(Source: CBI)

<http://news.cbi.org.uk/news/manufacturing-recovery-continues-but-exports-weigh-on-growth/>

Week ahead

Monday 18 May

- The new Parliament will meet – swearing-in of Members of the Parliament

Wednesday 27 May

- State Opening and Queens Speech