

WEEK IN WESTMINSTER

Week ending Friday 30 May

UK European Parliament and local election results announced

The results of the European Parliament elections, held on 22 May, have been announced. UKIP is now the UK's largest party in the European Parliament, securing a total of 24 MEPs and increasing their share of the vote by over 10% to 27.5%. Labour and the Conservatives came in second and third respectively, with less than 2% of the vote between them – Labour now has 20 MEPs with the Conservatives on 19. The Liberal Democrats lost all but one of their previous 11 seats, gaining just 6.9% of the vote and coming in fourth place behind the Greens who now have a total of 3 MEPs. The UK local elections were also held on 22 May with Labour and the UK Independence Party (UKIP) gaining the most and increasing their share of councillors by 338 and 161 respectively. The Conservatives lost 230 councillors and the Liberal Democrats 310 councillors. Labour remain the largest party, holding 82 Councils, the Conservatives second with 41 Councils and the Liberal Democrats third with six Councils. Despite UKIP's councillor gains the party did not take overall control of any Councils.

(Source: BBC News)

<http://www.bbc.co.uk/news/events/vote2014>

UK car manufacturing boosted by a fifth

Figures published by SMMT show UK car production increased by a fifth in April, while the volume of commercial vehicle production during the same period declined.

Car manufacturing and engine output

UK car production rose 21.3% in April to 133,437 units, the biggest monthly rise since July 2012. Year-to-date volumes also increased by 6.9%, and January-April exports were up 8.7% from 390,918 units in 2013, to 424,805 in 2014. Output at car plants nationwide has been boosted by full-scale production of new models. Engine output also rose in April by 2.9% to 217,599 units, ensuring the year-to-date volumes remain stable.

Commercial vehicle manufacturing

Restructuring continued to have an impact on commercial vehicle production, as it fell by 27.3% in April, with year-to-date volumes also down by 20.6%. The figures also showed a reduced output for both home and export markets. However, with eight consecutive months of growth within the European market, output is expected to stabilise in the second half of the year.

(Source: SMMT)

<http://www.smmt.co.uk/category/manufacturing/>



CBI: Strong outlook for the manufacturing sector

The latest CBI Industrial Trends Survey shows that activity in the UK manufacturing sector remained solid in May. Output volumes continued to grow at the same rate as in the previous two months with stronger growth anticipated for the coming quarter. The key findings of the survey show that:

- 36% of firms said the volume of output over the last three months was up and 21% said it was down, giving a balance of +15% for the third consecutive month. This was +2% above average.
- Firms expect output to grow in the coming quarter, with 39% predicting growth, and 7% a decline, giving an overall balance of +32%.
- 22% of firms reported that total order books were above normal and 22% said they were below normal, giving a balance of 0%. This was similar to April (-1%).

- 19% of firms said their export order books were above normal and 28% said they were below normal, giving an overall balance of -9%.
- Output price expectations moderated (+4%), compared with April (+9%).
- 16% of firms said their present stocks of finished goods were more than adequate, and 8% reported they were less than adequate, giving a balance of +8%.

(Source: CBI)

<http://www.cbi.org.uk/media-centre/press-releases/2014/05/strong-outlook-for-manufacturing-sector/>



MAS: Record number of small manufacturers looking to recruit new workers

The Manufacturing Advisory Service (MAS) has published a survey which shows that as recruitment confidence hits a three-year high a record number of UK small manufacturers are looking to take on staff. Of the firms questioned by MAS 54% said they are looking to create new jobs, marking a 14% increase on the same period last year. This is the highest level of confidence in staff recruitment seen in the history of the report. Firms are looking to take advantage of new opportunities, including expansion and reshoring of supply chains in automotive, aerospace and nuclear sectors. Responses also reveal a record appetite for investment in new plant and machinery (59%) and in developing new technologies (52%). Business Minister Michael Fallon commented on the figures, saying “Britain’s manufacturers are helping drive the UK economic recovery. Through our industrial strategy and economic plan, government will continue work closely with this vital sector to ensure that confidence stays high”. Over the next few years manufacturing volumes are expected to reach record levels, with UK automotive companies investing billions of pounds each year in expanding production

facilities. It is estimated that a further 100,000 new jobs will have been created by the end of the decade. (Source: SMMT)

<http://www.smmmt.co.uk/2014/05/small-manufacturers-to-create-new-jobs-2/>

£23m investment aims to bring home more local jobs

Local Growth Minister Kris Hopkins has announced that £23million of infrastructure investment will bring more jobs to Bristol, Manchester, New Anglia and Leicestershire as part of government’s long-term economic plan. The investment will be used to fund essential road, utility line and building construction. This will create 5,700 square meters of new road and new commercial floorspace which is essential for increasing business opportunities at enterprise zone sites. As well as enterprise zones in other areas, the investment will provide the MIRA Technology Park Enterprise Zone with £7.4million for the construction of a new spine and distribution roads with a roundabout to increase access to their Hinckley site. Local Growth Minister Kris Hopkins said, “Enterprise Zones are showing that our long term economic plan... is spreading business, jobs and skills training across the country”.

(Source: DCLG)

<https://www.gov.uk/government/news/23-million-to-build-up-enterprise-zones-will-bring-home-more-local-jobs>

Week ahead

Houses of Parliament

Wednesday 4 June

11:30am - State Opening of Parliament: formal start of the parliamentary year and the Queen's Speech setting out government’s agenda for the coming session, outlining proposed policies and legislation. Main Chamber – debate on the address.
3:30pm House of Lords Main Chamber – Debate on the Queen’s Speech.

Thursday 5 June

9:30 am - House of Commons Main Chamber – Debate on the address.
11:00am - House of Lords Main Chamber – Debate on the address including transport, infrastructure and energy.