

## WEEK IN WESTMINSTER

Week ending Friday 10 June

### ACEA Board of Directors meets Prime Minister

The Board of Directors of ACEA, the motor industry's European trade association, met with Prime Minister David Cameron, and State Secretary for Business Vince Cable in London this week, to discuss the importance of a strong manufacturing base underpinning innovation and economic growth in the UK and in Europe. ACEA representatives were in London for their Annual General Assembly, held at SMMT. Prime Minister David Cameron said "It's very much part of our ambition as a government to rebalance our economy. We've been too reliant on financial services, too reliant on one part of the country. We want to see more manufacturing, and I'm delighted that so many automotive manufacturers are bringing production and supply chain onshore. We want to do everything we can to encourage that". Dieter Zetsche, President of ACEA, and Chairman of Daimler AG said "We acknowledge the positive approach taken by the UK government towards automotive innovation. It is first and foremost the responsibility of the automobile manufacturers to ensure competitiveness, and we pursue that goal head-on. But some issues are beyond our reach, whereas governments do play an important role". (Source: SMMT)  
<http://www.smmt.co.uk/2011/06/prime-minister-david-cameron-meets-european-automotive-industry-chiefs-at-downing-street/>



### BMW to invest £500 million in UK car manufacturing

BMW have announced plans to invest £500 million in UK car manufacturing over the next 3 years, funding the production of the new MINI, and safeguarding 5000 UK jobs. Norbert Reithofer, CEO of BMW AG, said that the investment is proof that "the UK will remain the heart of MINI production". The majority of the investment will be used to create new production facilities and equipment at MINI Plant Oxford, and will safeguard jobs in Oxford, Swindon and Hams Hall, near Birmingham. Prime Minister David Cameron said "I welcome this major investment by BMW Group in UK manufacturing. The production and export of iconic British cars like the MINI is making a real contribution to the rebalancing of the economy that this government is determined to achieve. It's a tremendous vote of confidence in the skills and capabilities of the company's British workforce and in the future of UK manufacturing. The MINI plant in Oxford has been one of our great manufacturing success stories, they should be hugely proud of their achievements. They have shown once again that the UK is a major player in the global automotive industry". (Source: Number 10)  
<http://www.number10.gov.uk/news/topstorynews/2011/06/pm-welcomes-further-500m-investment-in-uk-car-manufacturing-64528>

### Nissan to build new Qashqai model in Sunderland

Nissan have announced plans to design, engineer and build its best-selling Qashqai model in Britain, representing a £192 million investment and safeguarding 6,000 jobs in the UK. The announcement was made by Nissan Motor Co. CEO, Carlos Ghosn, at a meeting with Prime Minister David Cameron. Mr Cameron said "This investment from Nissan is fantastic news and a great demonstration of the strength and vitality of the UK car industry. That future manufacturing and R&D has been secured is a

tribute to the skill, expertise and hard work of Nissan's UK workforce. It is vital that we have a strong manufacturing base to rebalance our economy and secure sustainable economic growth, and it is this Government's determination that we do all we can to enable businesses to invest, to grow and create jobs". The Qashqai will be developed at Nissan's design centre in London and at its technical site in Cranfield, Bedfordshire, before being built in Sunderland. John Cridland, CBI Director-General, said "UK manufacturing has already been shown to be at the vanguard of the economic recovery and the strength and world-class reputation of the car-building sector here will make it a valuable contributor to growth and job creation". The news follows Nissan's announcement earlier this year to build the Leaf, its electric model, in the UK, part of a £420 million investment in electric cars. (Source: Number 10) <http://www.number10.gov.uk/news/latest-news/2011/06/192m-boost-for-uk-car-manufacturing-64510>



## May 2011 new car registrations on par with 2010

New car registration figures have been released by SMMT for May 2011. In May the new car market fell by 1.7% to 150,431 units. This was the 11th consecutive month of decline in volume, however these figures show the smallest fall reported since registrations began to contract in July 2010. Registrations over the first five months were down 7.3% to 846,513 units. Despite the economic outlook remaining uncertain, the market is still on track to achieve the full year forecast of 1.93 million units, with the May total 2%, or almost 3,000 units, ahead of expectations. Fleet demand has continued its strong performance, showing an 11.1% rise in May, whilst private demand is down 15.3%. Diesel cars represented 52.9% of the market, up from 46.9% in

May 2010. Paul Everitt, SMMT Chief Executive, stated "Consumers remain cautious, but with significantly improved fuel economy, service plans and more affordable finance, there is great value on offer across the market". (Source: SMMT) [www.smmt.co.uk/2011/06/may-2011-new-car-market-on-par-with-2010/](http://www.smmt.co.uk/2011/06/may-2011-new-car-market-on-par-with-2010/)

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## Government launches next phase of growth review

Government has announced the next phase of the Growth Review, which will focus on infrastructure, education and skills, logistics, the rural economy, medium sized businesses and open data. The logistics growth review aims to fundamentally examine the conditions for logistics sector success, addressing the barriers to growth of the industry and putting private sector growth first when making decisions on tax, regulation and spending. The Government, supported by the major trade bodies in the sector including SMMT, will work closely with businesses to ensure that policy outcomes are as relevant as possible. The announcement was made by Business Secretary Vince Cable, during his visit to Rolls Royce in Derby to celebrate the announcement of work beginning on a new state-of-the-art Apprentice Academy, which will double the number of apprentices it can train each year. Dr Cable said "We are launching the second stage of the plan for growth with one central purpose - creating the right conditions for business to start up, invest, grow and create jobs". George Osborne, Chancellor of the Exchequer, said "By committing to this second phase of the Plan for Growth the Government is continuing its mission to make the UK a great place to do business. A private sector-led recovery is already underway, with more than 400,000 new jobs created this year, and this next phase is an opportunity for Government to work with business to promote more growth and create more jobs". The second phase of the Growth Review will involve an intensive programme of engagement with business over the coming months. Based on the evidence collected, action plans for growth in each review area will be presented to a Ministerial Group chaired by the Chancellor and Business Secretary, with final plans due for report in the autumn. (Source: BIS)

[http://nds.coi.gov.uk/content/Detail.aspx?ReleaseID=419858&NewsAreaID=2&utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+bis-news+%28BIS+News%29](http://nds.coi.gov.uk/content/Detail.aspx?ReleaseID=419858&NewsAreaID=2&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+bis-news+%28BIS+News%29)

## CBI publishes assessment of first year of the coalition government

The CBI has published “The Coalition Government One Year On: the Business Perspective”, its assessment of the first year of the coalition government. In this document the government is given credit for its swift and decisive action on the deficit, for its reform of business taxes, for prioritising trade and investment, and its approach to enterprise and industrial policy. However, the CBI believes that government policy has been less effective in reforming the energy market, and that only slow progress has been made on a number of policies, including moving to a low-carbon economy, increasing labour market flexibility, and reforming public services. (Source: CBI)

[http://www.cbi.org.uk/ndbs/press.nsf/0363c1f07c6ca12a8025671c00381cc7/872132a3e4968889802578a20033782a/\\$FILE/CBI%20-%20The%20coalition%20government%20one%20year%20on%20-%20the%20business%20perspective.pdf](http://www.cbi.org.uk/ndbs/press.nsf/0363c1f07c6ca12a8025671c00381cc7/872132a3e4968889802578a20033782a/$FILE/CBI%20-%20The%20coalition%20government%20one%20year%20on%20-%20the%20business%20perspective.pdf)



## Week ahead

### Commons Chamber

No relevant activity

### Commons Committees

Monday 13 June

Public Accounts Committee (4.00pm, room 15)

Subject: The use of information to manage the Logistics supply chain

Tuesday 14 June

Transport Committee (10.45am, room 5)

Subject: Effective road and traffic management, with Norman Baker MP and Mike Penning MP – Transport Ministers

Wednesday 15 June

Environmental Audit Committee (3.10pm, Thatcher room)

Subject: Carbon budgets, with Chris Huhne MP, Secretary of State for Energy and Climate Change

### Westminster Hall

Tuesday 15 June

1.00pm - 1.30pm: Motoring fuel costs (Robert Halfon, Con, Harlow)

### Lords Chamber

No relevant activity