

WEEK IN WESTMINSTER

Week ending Friday 10 August

Government highlights £3bn automotive supply chain opportunity

The Department for Business, Innovation and Skills has published a new automotive industry-wide commodity survey that identifies over £3 billion of opportunities for domestic suppliers and overseas companies wanting to invest in new facilities in the UK. The survey has originated from work conducted by the Automotive Council, a consultative forum between government and industry. The survey highlights that for highly sought-after components, significant supplier capability already exists in the UK, but for others, continued inward investment is required to ensure that UK suppliers can meet demand and close sourcing gaps. As part of the next steps following the report, the Automotive Council will actively pursue this £3 billion of new business opportunity, raising awareness of the scale of demand and facilitating engagement with potential suppliers. These will include existing UK-based automotive suppliers, domestic suppliers in other sectors looking to enter the automotive market and overseas-owned companies and investors. Commenting on the announcement, Business Secretary Dr Vince Cable MP stated: "The strength and depth of the supply chain has not been keeping pace with the level of investment we've recently seen by vehicle manufacturers in the UK. Growing capacity in the automotive supply chain or bringing it back from overseas is a priority. Through the Automotive Council, we are working together to make UK supply chain companies aware of how much more business they could win in the UK". (Source: BIS)

<http://news.bis.gov.uk/Press-Releases/Survey-finds-increased-opportunity-for-UK-automotive-supply-chain-67e78.aspx>

Bank of England cuts UK growth forecast

The Bank of England's quarterly inflation report has indicated no growth for 2012, compared with the 2% growth predicted a year ago, and the 0.8% growth predicted in May. The Office of National Statistics has

also published its Index of Production for June which shows that the seasonally adjusted index of manufacturing fell by 4.3% in June 2012 compared with June 2011. In addition, production fell by 2.5% between May 2012 and June 2012, with manufacturing production falling by 2.9%.

(Source: ONS)

<http://www.ons.gov.uk/ons/rel/iop/index-of-production/june-2012/stb-iop-june-2012.html#tab-Key-points>

July new car registrations up 9.3%

Figures published by SMMT show that new car registrations rose 9.3% in July to 143,884 units, the fifth monthly gain in a row, and the strongest gain since the Scrapage-boosted increase of July 2010. All fuel types saw an increase in volumes in July, most notably the market for alternatively-fuelled cars, up 45.9% as new products entered the marketplace. Year to date figures are also up, 3.5% higher than 2011 at 1,201,564 units. The positive first half performance has encouraged SMMT to revise its full year forecast upwards to 1.97 million units, representing at 1.6% increase on 2011 21.94 million unit market.

(Source: SMMT)

<http://www.smmt.co.uk/2012/08/new-car-registrations-continue-to-improve-up-9-3-in-july/>

DECC announce scrapping of regulation as part of Red Tape Challenge

Charles Hendry, Minister of State for Energy, has announced the scrapping of 86 regulations and the improvement of 48 regulatory regimes as part of the Red Tape Challenge. It has been estimated that coupled with other reforms, the Department for Energy and Climate Change's reform package will deliver around £400 million of savings to business over the next 20 years. Announcing the reforms, Charles Hendry stated: "It is vital that we have a regulatory regime which promotes fairness and consumer and environmental protection, but does not impose unnecessary costs or barriers to generating

the necessary investment, innovation and skills we need to build the low carbon economy". (Source: DECC)

http://www.decc.gov.uk/en/content/cms/news/pn12_093/pn12_093.aspx

Automotive investment announced at Global Business Summit

The Department for Business, Innovation & Skills has announced a series of deals by UK companies as part of the Global Business Summit on Advanced Engineering. The announcement will be made by Deputy Prime Minister Nick Clegg in his keynote address to the summit, held at Lancaster House. Investment announcements included £20 million from Pirelli Group for R&D and new process machinery, and over £12 million of investment by GKN plc to increase capacity of its facilities in Birmingham and Telford. (Source: BIS)

<http://news.bis.gov.uk/Press-Releases/Deputy-Prime-Minister-announces-new-jobs-and-investment-for-UK-advanced-engineering-excellence-67e75.aspx>

Commercial vehicle market up 8.1% in July

Figures published by SMMT show the commercial vehicle market rose 8.1% in July to 22,353 registrations. This rise was largely fuelled by strong van registrations, up 10.2% on the month to 18,913 units. The commercial vehicle market is also up on the rolling year to 296,221 units or 2.9%. In addition, the bus and coach market rose 90.2% to 622 registrations in July, and is up 65% over the first seven months of 2012. (Source: SMMT)

<http://www.smmt.co.uk/2012/08/van-registrations-boost-sees-july-market-rise-8-1/>



UK trade deficit at 15 year high

The UK's trade deficit widened sharply in June to £4.3 billion, up from £2.7 billion in May, with the rise being attributed to a 4.5% month-on-month fall in the value of UK exports to eurozone and non-European Union countries. The deficit with non-EU nations rose from £3.9 billion in May to £5.2 billion in June, with exports to non-EU nations falling 9.6% whilst imports from non-EU nations remained unchanged. (Source: ONS)

<http://www.ons.gov.uk/ons/rel/uktrade/uk-trade/june-2012/stb-uk-trade--june-2012.html>



Week ahead

House of Commons

The House of Commons is in recess until Monday 3 September

House of Lords

The House of Lords is in recess until Friday 1 September