

## WEEK IN WESTMINSTER

Week ending Friday 28 September

### SMMT and KPMG launch report on opportunities in UK automotive

SMMT has launched a new report, compiled by KPMG, setting out why the UK has become a destination of choice for global vehicle manufacturers. The report also explains the major supply chain opportunities that exist and what makes the UK an increasingly attractive market. The report highlights that the UK's key strengths lie in the varied mix of manufacturers that have all built reputations for quality and engineering excellence. Additionally, with the UK exporting to more than 150 countries around the world, the broad spread of export markets was cited as a positive factor in the country's stability and future prosperity. Commenting on the report, SMMT Chief Executive said: "With unprecedented levels of investment committed to UK automotive in recent years, the future for our industry is bright. It is clear that domestic suppliers have the potential to benefit significantly from increasing output volumes, but they need the right mix of government support and private investment". Business Minister Michael Fallon said, "This report reinforces the message that investing in the UK auto sector makes good business sense. We have some of the most productive plants in Europe, a highly skilled and flexible workforce and one of the lowest corporation tax rates in Europe. We have a good track record with global vehicle manufacturers investing £6 billion in UK projects over the last two years. However, there is no room for complacency. Government and industry are working together to make sure our supply chain companies exploit the £3 billion of opportunities that have been identified by the Automotive Council." (Source: SMMT) <http://www.smmmt.co.uk/2012/09/uk-destination-of-choice-for-global-automotive-investment/>

### Vince Cable announces British Business Bank

Business Secretary Vince Cable MP has announced at the Liberal Democrat Party Conference that government will set up a British Business Bank. Further detail will be outlined in the Autumn Statement

on 5 December, however the Bank will look to support £10 billion of new and additional business lending, bringing together government support schemes and £1 billion of new government capital. The Bank will aim to support small and medium-sized businesses. Dr Cable said: "For decades British industry has lacked the sort of diverse, long-term finance that is quite normal elsewhere. We need a British business bank with a clean balance sheet and a mandate to expand lending rapidly and we are now going to get it. Alongside the private sector, the bank will get the market lending to manufacturers, exporters and growth companies that so desperately need support. It will be a lasting monument to our determination to reshape finance so it can finally serve industry the way it should. Its success will not be the scale of its own direct interventions but how far it shakes up the market in business finance and helps to ease constraints for high-growth firms." (Source: BIS) <http://www.bis.gov.uk/news/topstories/2012/Sep/new-business-bank-to-boost-lending>



### SMMT meets Liberal Democrats at conference

SMMT has met with key Liberal Democrats as the party gathered for its annual conference in Brighton. Hosting a breakfast event, SMMT discussed a recently published paper on industrial strategy and the sector's commitment to growth. Gordon Birtwistle MP, former PPS to Danny Alexander as Chief Secretary to the Treasury opened the round table, discussing the Liberal Democrat perspective on industrial policy. Mr

Birtwistle spoke of increasing exports and securing greater investment from outside the UK to stimulate further growth in the sector. He also spoke of the need to pursue supply chains from within the UK. (Source: SMMT)

<http://www.smmt.co.uk/2012/09/smmt-meets-liberal-democrats-at-brighton-party-conference/>

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## OFT refers motor insurance market to Competition Commission

The OFT has referred the UK's private motor insurance market to the Competition Commission for further investigation. OFT undertook a market study into motor insurance in May and concluded that there were reasonable grounds to suspect that there are features of the market that prevent, restrict or distort competition. Clive Maxwell, OFT Chief Executive, said: "Competition appears not to be working effectively in the private motor insurance market. The insurers of at-fault drivers appear to have little control over the bills they must pay, and this may be leading to higher costs for them and ultimately higher premiums for motorists. Having publicly consulted on our provisional decision, we are still of the view that there is no quick fix to these problems, and that a more in-depth investigation by the Competition Commission is therefore appropriate." (Source: OFT)

<http://www.of.gov.uk/news-and-updates/press/2012/85-12>

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## Week ahead

**The Labour Party Conference commences on Sunday 30 September.**

### **House of Commons**

The House of Commons is in recess

### **House of Lords**

The House of Lords is in recess