

SMMT – Exports reach record high

British manufacturers made more cars in 2015 than any year since 2005 when 1,595,697 vehicles were produced, according to figures released today by the Society of Motor Manufacturers and Traders (SMMT). Production increased 3.9% on 2014, with output at 1,587,677 overtaking pre-recession levels for the first time. A record number of cars – representing 77.3% of total production – was exported, with 1,227,881 units leaving the UK, up 2.7% on 2014 levels. Challenges were experienced in some global markets such as China, where demand fell by 37.5%, and Russia, where export volumes declined 69.4%. However, the economic recovery in Europe, the UK's biggest trading partner, boosted demand for UK-built cars considerably by 11.3% in 2015. The region now accounts for 57.5% of all UK car exports.

(Source: [SMMT](#))

CV production rises by a third in 2015

British commercial vehicle manufacturing rose by a third in 2015, as almost 95,000 CVs rolled off the production line last year, according to figures released by the Society of Motor Manufacturers and Traders (SMMT) today. Both UK and overseas demand saw significant boosts in 2015, each growing by more than 31%. The sector closed 2015 on a positive note, with output for December up 7.7% compared to 2014, driven equally by British and overseas markets.

(Source: [SMMT](#))



Low carbon technology in the automotive sector receives £75 million funding

Five new innovative projects to develop new low carbon and energy efficient technology in the automotive sector have been awarded £75 million of joint government and industry funding to boost jobs and growth in the sector. The five projects are expected to design new products and systems that will change technology used in the automotive sector from vans to high-end sports cars. They are:

1. The London Taxi Corporation is embarking on a project to deliver a series of light-weight, zero-emission capable, range extended vehicles in a £46.5 million project
2. Morgan Motor Company has been awarded a £6 million grant to develop heavily down-sized, fuel efficient petrol engines coupled with the latest electrification technologies to produce hybrid sports cars and all-electric variants
3. A consortium led by AGM Batteries has been awarded £5.4 million for a project to develop the next generation of battery packs for high performance, low carbon vehicles
4. A consortium led by engineering firm Parker Hannifin has been awarded a £2.9 million grant to reduce the carbon footprint of electric forklift vehicles
5. An innovative research project of £13.1 million led by Jaguar Land Rover which will build up the automotive turbocharger supply-chain in the UK

The funding has been awarded by the Advanced Propulsion Centre, a 10-year, £1billion joint partnership between government and the automotive industry. The five projects are expected to create and protect 851 jobs and save over 4.2 million tonnes of CO₂. They build on 10 low carbon projects already awarded funding by the APC which are forecast to create 4,500 jobs and save 12 million tonnes of CO₂.

(Source: [BIS](#))

MAC review of Tier 2 migration

On 10 June 2015, government commissioned the MAC to review Tier 2 of the points-based system to address concerns about the rising number of migrants in that route and reliance on them to fill shortages. The MAC report on its review of balancing migrant selectivity, investment in skills and impacts on UK productivity and competitiveness for Tier 2 was published on 19 January. Their recommendations can be summarised as follows:

- The best way for government to achieve its aim of restricting volumes under Tier 2 and focusing on more highly skilled migrants is through price;
- The cost of Tier 2 recruitment be raised via higher overall minimum salary thresholds and the introduction of an Immigration Skills Charge;
- The use of Tier 2 (Intra-company Transfer) route for third-party contracting be moved into a separate route and a higher salary threshold (£41,500) be applied;
- Tier 2 should not be restricted only to occupations on an expanded shortage occupation list;
- They do not recommend restricting automatic work rights for dependants or an automatic sunset of occupations on the shortage occupation list. (Source: [MAC](#))

PM to urge business for EU reform support

David Cameron has urged business leaders who want Britain to remain in a reformed EU for support. He was speaking during his visit to the World Economic Forum in Davos. Mr Cameron said he hoped to get agreement on his reform demands at an EU summit next month, paving the way for referendum later this year, but he was in "no hurry" if the deal was not right. Prospects for a swift agreement were played down by French Prime Minister Manuel Valls, who warned that a deal "at any price" would not be acceptable. The Prime Minister will be seeking to reach a deal on a package of reforms at the European Council summit in Brussels on 18 and 19 February. He is expected to hold a cabinet meeting as soon as possible after the deal has been secured, to set a date for the vote. A number of cabinet ministers are expected to campaign to leave the EU, including Chris Grayling, the leader of the House of Commons.

(Source: [BBC](#), [The Guardian](#))

Week ahead

Commons Committees

Monday 25 January

- Transport Committee (4.15pm, Grimond Room) – Volkswagen Group emissions violations

Tuesday 26 January

- Science and Technology Committee (2:15pm, room 8) – Digital Skills

Commons Chamber

Tuesday 19 January

- Treasury questions (11:30am)

Wednesday 20 January

- Energy and Climate Change Committee (9:30am, Thatcher Room) – Future of carbon capture and storage in the UK
- Environmental Audit Committee (2:15pm, Thatcher Room) – Assessment of EU/UK environmental policy
- Environment, Food and Rural Affairs Committee (2:30pm, room 15) – Air Quality

Lords Committees

Tuesday 26 January

- European Union Committee (4.00pm, room 4) – Visions of EU reform

