

UK must maintain a strong voice in Europe says automotive industry

SMMT has released a new report, [*The UK Automotive Industry and the EU*](#), produced by KPMG, which examines the relationship between the UK and the European Union. The report was launched at a breakfast event on Wednesday 2 April, attended by senior industry executives, parliamentarians and industry stakeholders. An esteemed panel, chaired by journalist Justin Webb discussed the reports findings. The panel included Rt Hon Danny Alexander MP, Chief Secretary to the Treasury, Rt Hon Michael Fallon MP, Minister of State for Business and Energy, Iain Wright MP, Shadow Business Minister and Mike Hawes, Chief Executive of SMMT. The report identifies some of the key aspects of the UK's membership of the EU and how it affects the UK automotive sector, particularly in terms of investment, growth and job creation. These include:

- The attractiveness of the UK as a place to invest, and the competitiveness of the domestic automotive industry, is enhanced by the UK's membership of the EU.
- Access to the Single Market is fundamental to UK vehicle manufacturing, supporting sales and facilitating supply chain growth.
- EU bargaining power in trade negotiations is critical to improving access to international growth markets.
- In shaping regulations and standards, the UK needs a powerful voice at European level discussions to ensure the specific needs of the UK industry are met, safeguarding competitiveness and supporting its diverse nature.
- EU funding has boosted R&D and innovation at businesses and universities in the UK.
- Free movement of labour enables UK manufacturers and suppliers to blend domestic and international talent.
- Reform is still needed to remove burdensome EU regulations and reduce complexities which can undermine international competitiveness.

In addition to the report conducted by KPMG, a survey of SMMT members – covering companies of all sizes

in the industry including supply chain, aftermarket, manufacturing and distribution – showed that 92% of automotive companies believe that staying in the EU would be best for their business. More than 70% of respondents believe that withdrawal from Europe would negatively impact their business in the medium-to-long-term. SMMT members echoed the findings of the KPMG report, wanting to safeguard the benefits of EU membership but also calling for reform. One of the most important features of EU membership for the industry was the ability to deploy skills and expertise flexibly across the EU to meet local needs. However, members also said they wanted to see improvements in the way the EU operates, especially in the application of regulations, changes to the EU budget and in creating a stable and successful Eurozone. (Source: SMMT)

<http://www.smmt.co.uk/2014/04/uk-automotive-industry-europe/>



Car and commercial vehicle registrations post strong March growth

Figures published by SMMT show that new car and commercial vehicle registrations both posted strong growth in March 2014.

New car registrations

New car registrations posted the biggest monthly total in a decade in March, reaching 464,824 units, a rise of 17.7%. Year-to-date registrations were also up, reaching 688,122 units (+13.7%). In addition, March was the biggest-ever month for alternatively-fuelled

vehicles as volumes reach 8,713 units, growth of 63.8% on 2013.

Commercial vehicle registrations

Total commercial vehicle registrations grew 11.4% in March to 54,232 with the rolling year up 15.6% to 335,840. The combined March and September plate-changes typically account for around a third of the annual van market. The strong 14.6% rise to 50,064 van registrations is, therefore, in line with expectations. Truck registrations continued the Euro-6 lag, but the monthly shortfall fell to -16.5% from -27% in February and -37% in January. The 12 months to March remained up 23%.

(Source: SMMT)

<http://www.smmt.co.uk/smmt-membership/member-services/market-intelligence/vehicle-data/monthly-automotive-data/>

HGV road user levy charge comes into force

Secretary of State for Transport, Patrick McLoughlin, has announced the introduction of the HGV road user levy charge, which came into force on 1 April. The introduction of the Levy ensures all HGVs make a contribution to the costs of UK road maintenance, irrespective of their country of origin. The levy is structured in a series of bands to reflect vehicle type, maximum weight and axle configuration, with heavier, more road wearing HGVs paying the most. For a given vehicle type, the annual rates of levy and 6 month rate of levy are the same for foreign and UK-registered HGVs. Government has stated that the vast majority of UK hauliers will notice no difference in payments. For over 9 out of 10 UK-registered HGVs, the cost of the levy will be fully offset by reductions in Vehicle Excise Duty (VED). The levy will be paid alongside VED in a single transaction so that unnecessary administration costs are not incurred. Foreign HGVs must pay the levy before they use UK roads and can purchase for between a day and a year, with discounts available for longer periods.

(Source: DfT)

<https://www.gov.uk/government/speeches/introduction-of-the-hgv-road-user-levy>

77 new Tech levels, backed by business, announced

Skills and Enterprise Minister, Matthew Hancock, has announced 77 new Tech Levels backed by businesses. More than 200 gold-standard Tech Levels

will now be available for young people to study from September this year. In a speech to the Institute for Public Policy Research Minister Hancock stated the new Tech Levels - high-quality qualifications that put vocational education on a par with A levels - would bridge the gap between education and employment. The new Tech Levels, including qualifications in agriculture, engineering and IT, are backed by a wide range of top employers including Siemens, BAE and Canon. Commenting on the announcement the Skills Minister stated: "Tech Levels ensure young people are prepared to compete in the global jobs market, and give employers a crucial say in what skills they need. The previous system had become bloated with qualifications that were of no value. These have been stripped out of the league tables and now, under this government, young people can clearly see which courses will give them the vital skills they need to get on in life".

(Source: BIS)

<https://www.gov.uk/government/news/top-firms-back-new-tranche-of-tech-levels>



Week ahead

Week commencing Monday 7 April – no relevant activity

House of Commons

The House of Commons is in recess from Friday 11 April until Monday 28 April.

House of Lords

The House of Lords is in recess from Thursday 10 April until Tuesday 6 May.