

WEEK IN WESTMINSTER

Week ending Friday 17 May

Assessment of economic impact of EU-US Free Trade Agreement published

The Department for Business, Innovation and Skills has published an assessment of the economic impact on the UK of a Transatlantic Trade and Investment Partnership (T-TIP) between the EU and US, undertaken by the Centre for Economic Policy Research (CEPR). Selected key points from the report include:

- The value to the UK economy of a potential T-TIP is estimated to be between £4–10 billion annually, or up to £100 billion over a ten-year period (corresponding to a 0.14 to 0.35% increase in GDP levels)
- The assessment singles out automotive as the sector most strongly affected where vehicle output could increase by as much as 7.3% under the most ambitious scenario (or as little as 1.7%).
- The primary message is that non-tariff barriers (NTBs) are critical to UK gains, again singling out automotive where this has most significant impact in terms of output and employment gains.
- The study demonstrates that the tariff rates for motor vehicles are 8.0% in the EU and 1.2% in the US, however the estimate for total per cent trade costs when NTBs are taken into account are 17.2% in the EU and 21.3% in the US.

Prime Minister, David Cameron met with President Obama in Washington this week to discuss the trade agreement, with the UK government keen to highlight the significance and opportunity for key UK sectors, which were identified as automotive, financial services and chemicals. (Source: BIS)

<https://www.gov.uk/government/publications/trade-and-investment-agreement-between-eu-and-usa-estimated-impact-on-uk>

UK car manufacturing rises 16.6% in April

Figures published by SMMT show that UK car manufacturing rose 16.6% in April to 110,033 units. On the year-to-date, car output has increased 1.5% to 503,449 units with growth reflecting demand in the

home UK market, up 66.1% in April, and in economies outside of Europe. Weak demand within Europe, however, remains a concern for industry.

Manufacturing within the commercial vehicle sector fared less well, down 3.3% in April to 8,623 units, and down 15.2% on the year-to-date, whilst UK engine production rose 9.9% in April, but is down 2.1% on the year-to-date. (Source: SMMT)

<http://www.smmt.co.uk/2013/05/car-output-rebounds-in-april-to-lift-year-to-date-total/>



Technology Strategy Board Delivery Plan published

The Technology Strategy Board has published its 2013-14 Delivery Plan, setting out the Board's priorities for the coming year. In 2013-14 the TSB will have a record £440 million budget, an increase of more than £50 million on last year. The Delivery Plan sets out commitments to invest over £300 million through 75 new competitions that will help fund innovative projects across the economy. £55 million will go to programmes in the Healthcare sector, £25 million to Energy, £20 million to Transport and £25 million to support initiatives in High Value Manufacturing. SMEs remain a key focus, with a number of support mechanisms. The budget for the Small Business Research Initiative (SBRI) will be increased to £100 million in 2013/14 and £200 million the following year. Specific plans outlined in the Delivery Plan include:

- Transport: a focus on integrated transport systems, low carbon vehicles, rail systems, marine vessel efficiency, aerospace and supporting the government's strategies for the

automotive and aerospace industries – up to £35 million

- High Value Manufacturing: support for the High Value Manufacturing Catapult, collaborative R&D, Knowledge Transfer Partnerships (KTP) special interest groups, links with China, with a focus on resource efficiency, manufacturing systems, integration of new materials, manufacturing processes, and new business models – up to £63 million (further details available on p.45-47 of the Delivery Plan).

(Source: BIS/TSB)

<https://www.gov.uk/government/news/record-440-million-funding-for-innovative-companies>

Westminster Hall debate on engineering and careers guidance held

A Westminster Hall debate on engineering skills and careers guidance for young people was held on Thursday 16 May. Opening the debate, Andrew Miller MP, Chair of the Science and Technology Select Committee, stated that 'engineering is crucial to the economy', and went on to highlight the predicted shortfall in engineers in future years. Mr Miller also discussed the issue of the lack of female engineers and the new statutory duty on schools on the provision of careers guidance, which Mr Miller welcomed but noted the resource implications for schools, who have been given more responsibility but no additional budget to cater for this provision. Tristram Hunt MP, Shadow Minister for Education, stated that in a recent survey of more than 1,300 chief executive officers it was revealed that UK business leaders were more concerned about the availability of key skills than any of their western European counterparts. Mr Hunt stated his belief that a modern skills settlement in the Queen's speech would have been far more useful to British competitiveness than "grandstanding on a European referendum". Stephen Metcalfe MP, member of the Science & Technology Select Committee highlighted concerns that the proposed national curriculum changes would do little to inspire people to take up STEM subjects and that as design and technology were no longer being compulsory, people would not be able to take their enthusiasm for that subject further. Responding on behalf of government, Education Minister Elizabeth Truss MP stressed the need for a population that was "at least as mathematically skilled and technologically literate as those of China, Singapore, Brazil and all the other emerging countries, and we have a considerable way to go to achieve that". Ms Truss stated that government was committed to increasing

the number of young people studying STEM subjects, highlighting that government had been working on the D&T curriculum with engineering and other sectors to ensure that it was broad and high level, and encouraged students to apply the learning they received in mathematics and sciences.

(Source: www.parliament.uk)

<http://www.parliament.uk/>

Source London meets Mayor's commitment to provide 1,300 charging points

Source London, the capital's electric vehicle charge point network and membership scheme, has met the Mayor of London's commitment to provide 1,300 publicly accessible charging points. Since its launch two years ago, the charging points have been installed by a consortium of over 60 public and private partners, led by Transport for London (TfL), at over 300 sites in the capital. These include supermarkets, shopping centres, council and private car parks, hospitals and on the street - and make it Europe's largest urban charging network. TfL now believe that the electric vehicle market in London is sufficiently mature for private sector companies, who are well positioned to invest in electric vehicle charging in the capital, to successfully expand the scheme even further. TfL has therefore published a notice which will shortly appear in the Official Journal of the European Union (OJEU) seeking expressions of interest from potential bidders in order to take over the management and operation of the scheme, as they consider public subsidy no longer necessary. A private sector operator is being sought from summer 2014 after the current sponsorship deal between TfL and Siemens ends. In developing options for the future of the scheme, TfL will aim to work closely with government, partners and key stakeholders to protect the legacy of Source London and ensure it develops to meet the needs of all electric vehicle drivers in the capital. (Source: TfL)

<http://www.tfl.gov.uk/corporate/media/3119.aspx>

Week ahead

The House of Commons is in recess from Wednesday 22 May to Monday 3 June

The House of Lords is in recess from Thursday 23 May to Monday 3 June