

WEEK IN WESTMINSTER

Week ending Friday 7 August

SMMT – Steady growth for new car registrations in July

New car registrations saw steady growth in July, according to the latest figures from the Society of Motor Manufacturers and Traders (SMMT). 178,420 cars were registered – an increase of 3.2% on the same month last year – while registrations in 2015 so far have risen 6.5% to surpass 1.5 million. The UK new car market has seen consistent, strong growth since early 2012, with July marking the 41st consecutive month of increases, due to prevailing economic confidence combined with low interest rates and attractive finance deals. While the first six months of 2015 represented an all-time record high for registrations, the more modest increase in July suggests a more stable second half of the year as demand levels.

Modest growth for CV market in July

There was a rise of 3.67% in Commercial Vehicle (CV) registrations for July, with strong truck demand outweighing a small drop in vans. A positive year-to-date performance was recorded for the overall market with 2015-to-date registrations up 19.3%. Operators' continued the drive for maximum efficiency reflected in surging demand for heavier vans and trucks.

(Source: [SMMT](#))

Launch of 16 rapid chargepoints across Cornwall

Transport minister Andrew Jones visited the Eden Project in Cornwall this week to open the first rapid plug in car chargepoint at the site, part of 16 being installed across the county. The public will be able to use the new infrastructure to charge their plug in cars in as little as 30 minutes. DfT provided grants totalling up to £765,000 for a rapid charging network in Devon and Cornwall.

(Source: [DfT](#))

UK industrial output falls in June

UK industrial output fell 0.4% in June following a drop in oil, gas and mining production, according to figures from the Office for National Statistics (ONS). The ONS attributed part of the fall on maintenance in a major oil field. However, output from the manufacturing sector increased by 0.2% in June, following a 0.6% drop in May. UK manufacturers have struggled this year due to weak demand from Europe and a high pound.

(Source: [BBC](#))

Bank of England confirms interest rate hold

The Bank of England has announced interest rates will be held at their current level and published its Inflation Report. The Monetary Policy Committee voted by a majority of 8-1 to maintain UK interest rates at 0.5%. The Committee voted unanimously to maintain the stock of purchased assets financed by the issuance of central bank reserves at £375 billion, and so to reinvest the £16.9 billion of cash flows associated with the redemption of the September 2015 gilt held in the Asset Purchase Facility. The central bank said it expected inflation to be back to its 2% target in two years' time. The pound fell 0.6% against the dollar to \$1.5509 and the euro rose 0.7% to 70.38 pence.

(Source: [Bank of England](#))



KPMG – Global Manufacturing Outlook

KPMG has published its latest Global Manufacturing Outlook. The report is based on a survey of 386 senior executives – with 42 respondents from the UK. Respondents represented six industries: Aerospace & Defence, Automotive, Conglomerates, Medical Devices, Engineering and Industrial Products, and Metals. The report found that 48% of UK manufacturers said their company's strategic focus is on innovation and that 2% felt that UK taxes are a challenge to their business in the next 12 - 24 months. The survey of manufacturing executives found that encouragingly, half of the UK respondents said that they plan to spend more than 6% of revenue on research and development and innovation over the next two years, an increase of 21% from what they spent in the past two years. With innovations like 3D printing changing manufacturing, product development cycles (from concept to commercialisation) have reduced from years down to a few months. Yet 1-5 years is the time horizon for an innovation roadmap for 64% of UK manufacturers. Engineering talent in the UK is strong, but the availability of talent remains an issue. Respondents of the survey highlighted that by partnering with academic institutions (55%) and investing in internal training and apprenticeship programs (52%) is the way they are addressing their personnel shortage. (Source: [KPMG](#))

Week ahead

The House of Commons and House of Lords are on summer recess until 7 September

