

Removing blockages to growth

The government says it wants to promote growth. Growth is one of the Prime Minister's five aims. The latest budget confirming high tax rises on business will not help pursue this aim. I will write a series of pieces over the weeks ahead containing proposals for regulatory and tax change that could assist growth.

The car industry is under pressure from the wish of the government to ban the sales of new diesel and petrol cars from 2030. This is a bad idea which will mean premature closure of petrol and diesel car and van making facilities here, with more car companies taking their investment into diesel, petrol and hybrid elsewhere where there is no such time limit on the sales of the products. This ban should be lifted.

The government thinks an early ban will deliver more investment in all electric vehicles. This is proving difficult to land, with the car industry wanting to see established battery making lines here first whilst those considering battery investment want orders from car companies to make their big investment worthwhile.

They all need more evidence of the wish of many consumers to trade in old diesels and petrol vehicles for all battery models. I continue to meet many people who think the current electric cars have too short a range, are difficult to recharge and too expensive. Our generating and grid capacity is not up to most of us switching to electric vehicles.

The government needs to work with the industry to see what improvements can be made in the electric offerings to make them more attractive to more people. They need a more realistic timetable for expanding the grid and reliable power generation to service more electric cars. A 2030 ban is a very bad idea.