

Silence over the collapse of the car industry

During the long debates about Brexit Remain MPs and campaigners centred much of their argument on the plight of the car industry in the UK. They falsely claimed Brexit would disrupt supply chains from the continent, ignoring the fact that substantial numbers and volumes of components come into UK auto factories today from non EU sources with no border issues.

They often alleged we would end up with EU tariffs against our cars whilst presumably imposing the same 10% tariff against theirs. That is the tariff the EU makes us impose today on EU vehicles. They wrongly said this would be very damaging, refusing to accept that were that to happen UK factories would sell more to UK customers whilst losing some sales to continental ones.

They wanted to create the impression that an important industry would lose sales heavily and suffer loss of investment and jobs as a result. Instead major motor manufacturers pledged their continuing support for making cars here.

Over the last year or so there has been a large collapse in car sales, especially of diesels. This is a big loss to the UK which has done much to improve the cleanliness of diesel engines. The UK is a major diesel engine producer. This sales drop has nothing to do with Brexit. It is the direct result of the EU/UK policy of trying to get diesel and petrol cars off the road as part of the decarbonisation policy, and to switch as many people as possible from personal transport to public transport. In the last few weeks the impact of anti virus policies has exacerbated this trend and further worsened the plight of the industry.

In the first quarter of 2020, mainly before the lock down, sales of diesel cars in the UK fell by 51% and of petrol by 36%. In March the trend grew worse with a fall of 62% for diesels and 50% for petrol vehicles. There was scarcely a word from all those Remain campaigners and MPs about this disastrous plunge in sales and output by the industry, yet it has been on a scale out of all proportion to their falsely pessimistic forecasts about Brexit. Why the silence? If they truly cared about the car industry why are they not demanding policy change?

The government increased new vehicle taxes in the 2017 budget which harmed the industry. The Bank of England tightened credit for car loans which harmed output. Government announcements about the need to move on from diesel and petrol put people off buying new ones. Isn't it time those who shed false tears over a Brexit impact that was never likely to happen, shed some genuine ones over the current situation? All our car factories are presently closed. There will be reduced working re-opening of some next month. The problem is not just the virus, but also the underlying policies towards modern petrol and diesel cars.