

The resignation of AKK

The recent resignation of the Leader of the CDU in Germany, AKK, received little attention in the UK media compared say to the daily stories about the Democrat opposition in the USA. We should consider why the lead party in the German governing coalition has just lost its new Leader, who was meant to be taking over from Mrs Merkel as Chancellor candidate or as Chancellor before the next election. Germany is an important country and economy, and her current troubles will have an impact on our economy just as US politics has an impact on it.

The tribulations of AKK got worse late last October with the Thuringia State election. We are told far more about the Democrat caucus in Iowa than such Lander elections in Germany. In that election Mrs Merkel's CDU party fell to third place with just 21.7% of the vote, losing 13 of its 34 seats in the Parliament. The AFD came second with 23.4% of the vote, adding 11 seats to its existing 11. Its leader is a very contentious figure with views about Germany's past that all mainstream parties find unacceptable. Mrs Merkel's main coalition partner, the SPD (Social Democrats) sank to just 8.2% of the vote, losing 4 of their 12 seats. Die Linke, the left wing challenger party stayed top with 31% and 29 seats.

In this state election the combined forces of CDU and SPD (Traditional centre right and centre left dominant parties, Conservative and Labour in UK terms) polled just 29.9% of the vote. Two radical parties of left and right polled 54.4% between them. In the hung Parliament created in a recent vote CDU members helped the AFD throw out the Die Linke left radical Minister President and replace him with the Leader of the Free Democrats who got just 5% of the vote. This broke the Merkel rule that CDU members should not support the AFD, and led AKK to take the hit and resign, for the bad result and above all for the voting decision taken in the new Thuringia Parliament. Public protest soon led to the resignation of the new Minister President. The Parliament is currently unwilling to hold new elections which Mrs Merkel and some others want and has yet to appoint a new Minister President.

This tells us there is great unhappiness in Germany about current policy and the stance of the present government. It means there is a lack of leadership in the CDU who have been leading government for much of the time in recent years. Mrs Merkel clings to her pro EU green strategy, offering no support to her struggling car industry. The economy has plunged from good performance to little or no growth interspersed with the odd negative quarter. There is a big argument going on about how to spend the surplus on the budget within the coalition, with some CDU hawks still unhappy about the whole idea of fiscal reflation.

It is still not clear what will happen about who should govern Thuringia. Many Germans are alarmed at what has happened there.

Update on A1 Wokingham Car Spares

I recently met with Julia Simpson, Area Director at the Environment Agency (EA) on 27 January 2020.

During the meeting, I set out the concerns constituents have expressed about the noise and odour emanating from the site and emphasised the need for more to be done to ensure A1 is a good neighbour. I also raised a number of further points which Ms Simpson has addressed in her latest response (copy enclosed below).

She confirms that the EA has undertaken a programme of visits to Tiffany Close, Kent Close and Limmerhill Way over the last three weeks and at various times of the day in which the A1 site has been operating. The EA has also completed a noise assessment by their national noise expert, and they intend to publish their findings at the end of this month.

Ms Simpson also wishes to reassure constituents that the regular noise logs they have been sending to the EA are being actively considered as part of their overall assessment of the noise. These will be taken into account when the EA determines how to proceed further.

I will continue to make representations to the EA on this matter. I await the outcome of the noise assessment with interest.

Response from Julia Simpson:

Dear Sir John,

It was good to meet with you on 27 January 2020 to discuss the latest situation at A1 Wokingham Car Spares, alongside flood risk management issues within your constituency. Further to this, please find below my response to your letter dated 13 January 2020 to Sir James Bevan, which also includes our response to your follow up questions raised on 27 January, relating to both A1 and some more specific flood risk matters within the area.

In relation to your request of 13 January 2020 seeking further details of the noise monitoring we have undertaken, this has included completion of a proactive programme of officer visits to residential areas across 3 weeks from 03 September 2019 to 20 September 2019. The visits included Tiffany Close, Kent Close and Limmerhill Way and were at various times of day during the operating hours of the A1 site. We also completed a noise impact assessment by our National noise expert on 14 November 2019. This assessment included noise monitoring at the A1 site, at a location between the A1 site and the residential area and also at Kent Close and Dorset Way in the residential area.

Going forwards we will complete our assessment of the recent noise monitoring

and meet with the Site Operator to discuss the latest position and any potential next steps. We will also keep the residents who have reported their concerns updated on our findings and proposed next steps and plan to meet with them by the end of February 2020. I recognise that some residents are frustrated by the time our assessment is taking but we need to gather and assess our evidence of the current situation to evaluate if the A1 facility is compliant with its environmental permit and if additional actions are required to mitigate the noise generated on site.

Further to our meeting, and in relation to the email from your office dated 27 January 2020, seeking additional information on specific questions relating to A1 Wokingham Car Spares, I have set our response to the three questions below for ease / clarity.

Question 1: When do the EA intend to publish their conclusions on the noise report undertaken into A1 Wokingham Car Spares?

Response; The Environment Agency will inform the residents of the findings of the noise monitoring and our proposed way forward by the end of February 2020.

Question 2: A number of constituents are sending the EA regular noise logs via email. Are these being taken into account as part of the overall noise assessment?

Response; The reports by residents to our Incident Hotline have been the reason we have undertaken additional noise monitoring and site inspections. They are also being considered as part of our overall assessment and the proposed way forward.

Question 3: Is prior non-compliance by the site management, where this has occurred, factored into the decision making process by the EA when making determinations on whether A1 is in compliance with the site permit?

Response; our overall assessment of site compliance with the environmental permit is made on an annual basis and is dependent on the overall results of site inspections that we have made during that period. Hence a site's Compliance Band (A to F) is assessed and can vary from year to year.

I trust that this provides a helpful update on the information you requested. Please do not hesitate to contact me if you require any further information.

Kind regards,

Julia

Julia Simpson
Area Director – Thames
Environment Agency

Easing congestion?

I have received a reply to my congestion busting suggestions from the Roads Minister. She says:

The Department is “delivering the street manager project which will be a new digital service for planning and managing street and roadworks. ...every organisation will be using it from 1 April 2020”

“With regards to your suggestions about rephasing traffic lights, you will be pleased to know that we have advocated this approach for many years. Responsive systems monitor traffic flow using sensors and automatically adjust timings as needed. At busy times the main road will be prioritised with the signals working to reduce queue lengths on all approaches as far as possible. The default is usually to leave the signals resting on green on the main road in the absence of any demands for side roads, particularly at quiet times.”

Armed with this support for some of my ideas I will send this to Wokingham Borough where rephasing is needed on crucial junctions.

UK GDP growth slowed to zero in last quarter of 2019

As expected the twin squeezes on the UK from monetary and fiscal policy along with a weak world background produced no growth in the fourth quarter of 2019.

For the year as a whole the UK managed a creditable 1.4% growth, a bit higher than I expected given the policy background and a testimony to the underlying strength of the economy. This means the UK outgrew the Eurozone again last year. This happened despite the world car manufacturing recession and the impact of higher taxes on UK homes and cars.

Given the weakening world background the UK needs positive action from the authorities to support the uplift in confidence generated by the result of the election.

Interruptions to supply chains?

After years of being wrongly told UK supply chains will be disrupted when we leave the EU, today there is surprisingly little discussion of the impact of the corona virus on world output.

The Chinese had to extend their New Year holiday production shut downs this year. Yesterday there was some return to work, but there must still be many closed factories, and factories with reduced workforces. Some cities continue with restrictions on travel and activity, and some people in China are isolating themselves at home for 14 days after contact with someone who had the virus.

The South Korean car companies have announced periods of closure as they are short of Chinese components. It is highly likely other companies and countries face shortages which may entail closing their plants for a period.

Meanwhile the worries about the virus have led to a big decline in international travel, the loss of tourism business in China and other parts of Asia, some loss of luxury goods sales which accompany travel by the rich and other knock on effects from the epidemic.

The Chinese economy is the second largest in the world and was meant to grow at 6% this year, meaning it was forecast to provide the single largest boost to world growth of any economy. In the first quarter of 2020 it is very unlikely the Chinese economy will be able to achieve anything like this growth rate. The oil price is down 20% from its January peak as markets worry about lost Chinese consumption and orders.

All this implies the western economies need a bigger monetary and fiscal boost to offset these negative trends from China. It also acts as a reminder that dependence on components from far away can be an additional worry or weakness in manufacturing.