

[Damage to car industry confirmed](#)

Today's figures show that over the last year to end January new diesel car sales in the UK collapsed, falling by 36%, as a result of the heavily negative attitudes towards diesels. Petrol car sales also fell, whilst battery and hybrid sales rose strongly from a small base. Fully electric vehicles are still only 2.7% of the market. In the month of January alone overall new car sales fell by 7.3%.

It comes as no pleasure to report my forecasts proved accurate when I warned that the higher tax rates, squeeze on loans, new regulations and general hostility to diesels would do damage to the new car industry.

[Banning diesel, petrol and hybrid cars](#)

Norway wants to end diesel and petrol car sales by 2025. France intends to ban their sale from 2040. This week the UK announced a planned ban on their sale from 2035. Each country will be asked when they are going to ban these vehicles at COP26, the big international Green conference planned for the end of this year in Glasgow.

The thinking behind this is that if countries are serious about net zero carbon dioxide output by 2050, they need to phase out new vehicles, new heating systems and new machines that still produce CO2 soon. They need to do so well before the cut off date for ending their use. Many of these substantial investments or purchases last for many years. They are replaced with long gaps, particularly for domestic heating, so governments have to think ahead.

The issue of vehicles poses a range of problems for legislators as the government wishes to go this route. Will there be any exemptions for defined classic and vintage vehicles that people wish to keep as part of our heritage? When it comes to banning the use of these vehicles as opposed to just stopping the purchase of new ones, will there be any compensation to those who have old vehicles that still work and which they rely on? How will all these vehicles be scrapped to put them beyond use?

The aviation industry is suggesting that maybe it can meet targets if it is allowed to burn plant based fuel or fuel from waste rather than aviation spirit from oil. If planes are allowed this, presumably surface transport could also use this method rather than having to go electric. Electric vehicles still have problems with torque for larger vehicles and heavier loads. Different fuels may not in themselves offer zero carbon dioxide, so aviation may need other policy supplements.

The government is probably concerned that last year, 2019, only 1.6% of the cars registered in the UK were all electric despite a £3500 subsidy for each vehicle. Conventional diesel and petrol cars were over 90% of the market. The policy to move to banning these popular vehicles has already hit demand and factory output for them. This new announcement is likely to put more people off buying new diesel and petrol vehicles and hybrids as well, but may not persuade them yet to buy a new electric. It may also deter manufacturers from developing the new hybrid models some are planning, if the opportunity to sell them is now only through a narrow window before banning in 2035.

Many potential buyers are awaiting lower prices, more subsidy, some reassurance about how electric cars will be taxed, better range, more charging points, faster charging and many other features. Some are also waiting to see if an alternative technology emerges to meet the CO2 requirement without relying on a battery.

Meanwhile governments are impatient to reduce or remove subsidies to electric cars. The UK subsidy is scheduled to be phased out in due course, whilst China withdrew subsidy at the end of last year. There is also the large looming issue of how will the tax gap be made up if there is wholesale conversion to electric, which will hit the big taxes raised on petrol and diesel.

Meeting with Environment Agency

I held a recent review meeting with the Environment Agency over a constituency case and over the more general problems of flood risk.

I have asked for an up date on progress with schemes to reduce the risk of flooding throughout the constituency on low lying land, and to control the run off of water into rivers from developments to a pace the rivers can handle.

I looked in particular at the flows into the Emm and Loddon, and asked about areas at risk of flood in Wokingham, Winnersh, Shinfield and Earley. I will post their responses when they come.

The EU has learned nothing from the

negotiations so far

There is good news liberally written into practically every part of the EU's draft negotiating text for a future partnership. In most cases their plans for future conduct revolve around both parties observing international agreements that both are signed up to. So these matters do not need negotiating or even embedding in a new agreement.

We are told relatively friction free borders for goods will rely on the Facilitation of Trade Agreement from the WTO. Exporters and Importers will use the global system of Authorised Economic operators to speed their way across frontiers. The measures on technical barriers and Phytosanitary issues will be founded on the WTO model. The sanitary and phytosanitary requirements themselves will come from global agreements including Codex Alimentarius, the International Plant Convention, and the World Organisation for Animal Health standards.

Access to each other's government contracts will stem from both belonging to the WTO Government Procurement Agreement. Nuclear matters will be under global rules and controls. Law enforcement will be under the Council of Europe Conventions. Anti Money Laundering will be under FATF. In some cases the EU says it would like to go further than these world standards that we use today, but without saying how and why.

All this makes the excessive demands and threats more silly. The document is an attempt to recreate all the rules and regulations of the current Treaties and apply them to the UK after we have left, whilst of course the UK would have no vote or voice on any of them as they evolve. The UK government has already made clear it does not accept this "level playing field" view that we become rule takers.

The crudest threat is over the fish. We are told the fishing issues have to be settled by 1 July, before the rest of any Agreement is decided. The Union wishes to avoid loss of fish for its fishermen (sic) though one of the wins for the UK is to get control of our fishing stocks and to land more of the fish in the UK. They suggest we will be blocked on a Free Trade Agreement if we do not sacrifice the fish again.

There is also a continuing refrain that we must play by their rules on everything from the environment and state aids to tax and climate change to qualify for whatever access they think appropriate to their market. They do not ask for any access to our market, where they sell us a lot of food which can attract high tariffs under global rules. They forget that of course we will have plenty of access to their market under WTO rules anyway for the things we sell them.

They confirm that the UK will not be under their control in foreign and defence policy. They state that they will "enable the UK to participate on a case by case basis and upon invitation of the Union in CSDP mission and operations open to third countries". In other words it up to us and to them

if we wish to join in on any particular mission.

The final insult is in the provisions over dispute resolution. Whilst they propose a joint body with every effort to resolve disagreements, they cannot resist inserting the European Court of Justice into any reference to “independent” arbitration. This is a silly provocation.

[My contribution to the Statement on Global Britain, 3 February 2020](#)

John Redwood (Wokingham) (Con): Would the Government confirm that the European Union has misjudged the mettle of this Government and country in thinking we are going to give away our fish again and accept all their laws in return for a free trade agreement they need more than us. I congratulate him on his statement and say no more concessions.

Secretary of State for Foreign & Commonwealth Affairs (Mr Dominic Raab): Can I thank my Right Honourable Friend. I think I agree with all of those points. Of course, we were asked by the EU to make a choice. We’ve chosen a Canada style agreement. It seems to many of us that the EU would like to cherry pick by giving us the level of access of a Canada style agreement but wanting a level of alignment of a Norwegian style agreement and that is not on the table.