

Why doesn't the UK car industry fight for its future?

The 40% collapse in UK new car demand was intense from 2016 whilst we stayed in the EU and grew worse with covid lockdowns. The UK car industry lobbied furiously for the UK to stay in the EU, claiming exit with tariff barriers would cut its output. The industry got its way with the conclusion of a tariff free Agreement on leaving. Meanwhile domestic demand plunged far more than anti Brexit forecasters thought car exports to the EU could fall with a so called hard Brexit.

Had we left on WTO terms and had the EU imposed a 10% tariff on imported cars from the UK, the UK would have countered with a 10% tariff on imported EU cars to the UK. As we import so many, UK manufacturers would have been able to sell more to UK buyers whilst losing some continental market share.

What is odd is the industry has not lobbied strongly against the UK banning new ICE cars by 2030 nor against the penal Vehicle Excise taxes imposed on some vehicles. Why no voice, as these have done far more damage than any unlikely EU tariff would have done that caused so much concern?

It is also odd that the UK industry does not seek to sell more to UK customers. That should be the easiest tariff free market to serve, with lower transport costs and trade friction than exports to a variety of different EU countries using a range of languages and trading customs.

It is most unusual to watch a great industry accept that it must write off all its invested capital in the products it currently makes, and stop the development of ever better intellectual property for diesel and petrol cars. It is even stranger to hear them cover up the demand collapse and explain away bad figures by claiming it is all about microchips. Shouldn't we have a more honest debate about the costs and pace of change to an all electric car park? And shouldn't the industry listen to consumers who are making clear most are not ready to buy the electric product any time soon.

The collapse of the UK new car market

The UK new car sales figures peaked in 2016, just ahead of new more penal taxes on buying new vehicles came in with higher Vehicle Excise duties. Since then car sales have fallen by 1m cars a year to just 1.6 million. The industry seems to be in denial about this. It usually blames a semiconductor shortage which got in the way of making more vehicles.

Clearly the tax was a turn off, though never mentioned. So was the government

decision to ban new diesel and petrol car sales by 2030 allied to great pressure to buy all electric cars. The public was put off buying the traditional products by the uncertainties created by a future ban. They were not persuaded by the merits of EVs, fearing lack of range, lack of charging points and disliking high prices. They expect government to have to introduce taxes on electric power for cars when EV ownership takes off to offset the loss of fuel duty, making the total electric costs of owning and running even higher.

Why doesn't the industry recognise it is not offering the products people want at attractive prices? Why does it design the EV schemes without thinking about the practicalities for many of us of a reliable working car that can be refuelled in five minutes at a readily available filling station and has a 500 mile range ?

It seems the industry spends its time discussing product design with governments and not with customers. As a result it has a demand problem which government policy has helped create. Maybe the idea is to have far fewer new cars as a means of cutting CO₂, as scrapping an older diesel and buying a new electric is heavy on the CO₂.

The UK industry faces the prospect of closing all its current diesel and petrol car plants in the next few years. It is making slow progress at putting in replacement capacity for all the electric vehicles government wants us to buy instead. Maybe the industry idea is we should import even more vehicles once electric is all we are allowed.

NHS manpower plans

I have often called for an NHS manpower plan, and have been urging Ministers to agree a way forward over employment with senior NHS managers. The agenda for any talks between representatives of the 33,000 NHS managers and top Ministers should include:

1. How many medical and support staff will it take to get waiting lists down?
2. What will it take to fill existing vacancies?
3. Given the urgent need to put in more beds to hospitals, what extra staffing is needed for extra beds?
4. Are current arrangements for choice of shifts and timing of work sufficiently flexible?
5. Doctors retire early with some saying it is pension tax rules. Can these be eased?

6. The tax system hits people when they go over £100,000 a year where many doctors are. Can the anomalous 60% rate be reduced/ tapered better?
 7. Are nurses correctly graded for the band based pay system?
 8. How much use is made of promotions to boost the pay of good committed staff?
 9. Is enough being done to train more future nurses and doctors?
 10. Are there procedures and advice that can be handled by suitably trained and certified people who do not have full doctors qualification but are expert in the permitted field?
 11. What will the savings be from substituting permanent employees for Agency staff?
 12. How can quality and productivity overall be improved?
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[Postings to this site](#)

Three contributors who know the guidelines tried to post comments that violated my rules of decency by a wide margin on Christmas Eve and Christmas Day. I will not be posting their thoughts in future. It was particularly foolish to try this when the tone of the blog was taken from the Christmas message of goodwill.

Let me briefly remind those who want to post

No swear words

No false allegations against named individuals

No hatred of others because you disagree with their views

This site is very tolerant of different views and wishes to explore differing ways of tackling national issues. The aim is to further democratic debate and understanding.

[Tackling the strikes](#)

As the old year moves to a close I am urging Ministers to set out how they intend to create a new year less troubled by strikes. So far the government

has worked hard on ways to limit the damage strikes cause whilst declining to enter talks with Unions over pay.

The government needs to differentiate between the strikes and tailor its response to their differences. The railway disputes are taking place in an industry that has lost a lot of its passengers and fare revenue. It has become very reliant on state subsidy, and runs too many near empty trains at taxpayer expense. Now its main revenue earner, five day a week commuting, has been changed by more homeworking it has lost bargaining power as well as fare income. The government should expect management and Unions to settle with something for something deals to improve working practises and manning arrangements. It should continue to make clear there is no increased subsidy on offer.

The NHS strikes take place in a service that has many unfilled vacancies, has problems with retaining staff and has a big waiting list of work. The senior managers should be required to deliver the much delayed manpower plan which should set out how grading, rostering, pay scales and conditions of employment will be improved to ensure full numbers and a motivated workforce. The immediate talks need to be between Health Secretary, Chancellor and PM with the top management of the NHS to agree a plan and to create a common response to the strikes. The strikes are said to be about more than money. Managers have flex over grading, bands, increments and promotions. There needs to be a recruitment and retention solution. Some of the top management seem to be on the side of the Unions. There needs to be a common agreement between Ministers and senior executives which managers then need to implement. There needs to be an agreed way of getting more value for all the extra cash channelled into the NHS.