

Weak manufacturing in UK second quarter led by big fall in car output

As forecast here, the car industry accelerated a sharp decline in manufacturing in the second quarter. The overall manufacturing fall of 2.3% in the second quarter compared to the first was led by a 20% decline in car output, which was part of a 5.2% decline in transport equipment generally. The squeeze on car sales from higher VED, tougher conditions on car loans and above all the regulatory uncertainty created over the future of diesels that I have highlighted have taken their toll. Various manufacturers compounded this by closing their factories for the annual shut down early this year in the second quarter, after building stocks in the first quarter. It is also part of a wider world pattern, with poor figures from China, Germany and other leading manufacturing nations.

Household spending continued to rise, up 0.5% quarter on quarter, and services managed a weak expansion. The economy as a whole grew by 1.2% over the last year, with a 0.2% quarter on quarter fall after a decent quarter to start 2019. Gross Domestic Capital formation was weak in the second quarter, as businesses sought to destock after their big stock build at the start of the year in preparation for the March Brexit which the government cancelled late.

The overall performance of the UK economy is good by EU standards, especially considering the combined fiscal and monetary squeeze which the outgoing government undertook. Germany's economy is growing at an annualised 0.7% , 0.5% lower than the UK's latest, and Italy is not growing at all after a recession in the second half of 2018. The UK economy can do better and needs some monetary and fiscal relaxation. Money growth is under one quarter of the rate in the USA and half the rate in the Euro area. The fiscal stance is now going to be loosened a bit, which is important. The US tax cuts drove accelerated growth there in contrast to the European performances. The US has been growing well over 2% with its more pro growth approach, with the President wanting growth above 3%.

The Fed, the ECB, the Indian, Australian, New Zealand, Turkish and Russian Central Banks are all loosening policy to offset the general global manufacturing downturn. The UK has not yet taken such action.

The global picture for manufacturing remains poor, with Germany experiencing a 1.5% fall in industrial output in June with more poor orders for the second half of the year.

(I have posted this post for tomorrow early given the topicality of the item)

New Shop in Wokingham Town Centre

Best of luck to the new independent shoe and handbag shop, Elle Won, which has recently opened in Wokingham town centre.

It is great to see the resurgence of independent businesses in Peach Place and it is a pleasure to see a lively atmosphere in the town once again.

Illegal encampments

The Government has announced it is conducting a review of criminalising unauthorised encampments, setting this out on the DHLG website.

There have been a number of illegal encampments in Wokingham and West Berkshire in the last week. I and my office have been working closely with the police, residents and councils so that these illegal encampments are removed as quickly as possible. The police have powers where there is criminal activity involved. Where the Council owns the land they have direct rights as landowner to seek the removal of trespassers. The police have made contact with residents in one case where there are particular concerns, and are engaged in the problem.

Current powers include Section 61 of the Criminal Justice and Public Order Act:

“61 Power to remove trespassers on land.

(1) If the senior police officer present at the scene reasonably believes that two or more persons are trespassing on land and are present there with the common purpose of residing there for any period, that reasonable steps have been taken by or on behalf of the occupier to ask them to leave and—

(a) that any of those persons has caused damage to the land or to property on the land or used threatening, abusive or insulting words or behaviour towards the occupier, a member of his family or an employee or agent of his, or

(b) that those persons have between them six or more vehicles on the land,

he may direct those persons, or any of them, to leave the land and to remove any vehicles or other property they have with them on the land.

(2) Where the persons in question are reasonably believed by the senior police officer to be persons who were not originally trespassers but have become trespassers on the land, the officer must reasonably believe that the other conditions specified in subsection (1) are satisfied after those persons became trespassers before he can exercise the power conferred by that

subsection.

(3) A direction under subsection (1) above, if not communicated to the persons referred to in subsection (1) by the police officer giving the direction, may be communicated to them by any constable at the scene.

(4) If a person knowing that a direction under subsection (1) above has been given which applies to him—

(a) fails to leave the land as soon as reasonably practicable, or

(b) having left again enters the land as a trespasser within the period of three months beginning with the day on which the direction was given,

he commits an offence and is liable on summary conviction to imprisonment for a term not exceeding three months or a fine not exceeding level 4 on the standard scale, or both.”

I am also in touch with the Secretary of State at the Department of Housing, Communities and Local Government to press the Government to get on with their review, examining what has been done in the Republic of Ireland in their criminal law. Here in England there are civil law remedies for landowners.

[Don't let them eat meat?](#)

The UN report into land use and climate change makes interesting reading. According to the media it is about persuading more people to eat less meat, though they concede it fell short of requiring everyone to become vegans or vegetarians. It claims that the global surface temperature has risen by 0.87 degrees C comparing 2015 with the flat temperature average of 1850-1900, the so called pre industrial period. No-one told the Victorians to remain pre industrial. It argues that further rises in temperature could be damaging. It points out that in recent years there has been more greening than browning of the planet overall, though some areas have been dried to the point of becoming deserts whilst more places have become greener and more productive. It rightly states the importance of water and soil management to wellbeing and food production.

The detailed summary for policy makers is wide ranging and suggests various ways to lower the warming gases output of agriculture. It tells us food production accounts for 23% of the greenhouse gases released by human intervention. Most importantly it reads as a plea to limit population growth. It sets out how the 150% growth in population from 1961 to 2017 is the single biggest cause of more agricultural emissions. It also points to the 80% increase in obesity as a strain on the system and argues that livestock

account for half of the CO2 from agriculture. It asserts that there are 2bn overweight or obese adults worldwide.

The Report highlights the way that around 30% of food output goes to waste, and states that if this could be brought down it could make as useful a contribution to controlling gases as change of diet might make. It also urges more forests, and the retention of the forests we already enjoy, as good carbon sinks.

It sketches various scenarios for the future. The best is one where the population is stabilised at around 9bn, gets richer and better at managing soils, farming and diets. The worst is where the world population continues climbing to 13bn with continuing wide contrasts between rich and poor, some persistent poor diets and very varied farming including methods destructive of the environment.

It would be good if this Report triggered a proper debate about population growth, soil and water management as its authors probably wish. Instead the issue of should we eat meat is more eye catching and invites heated debate in the countries rich enough for meat eating to be a regular option.

[Maiden Erleigh Post Office](#)

I have received the e-mail below from the Post Office regarding the closure of McColl's who currently run the service there. The store will close in December 2019 and the Post Office is looking for an alternative operator.

Dear Mr Redwood

I'm contacting you to provide you with an update on Maiden Erleigh Post Office.

We have been advised that McColls, who operate the store and Post Office in Maiden Erleigh, will be closing their store in December 2019 which means that the Post Office in the store can no longer operate from there. I want to reassure you that we are currently looking for an alternative operator to provide a service and will share an update when we have a confirmed proposal.

We are also advertising the opportunity to run a Post office in the local area on our website. If you are aware of any retail businesses in the area who may be interested in running a branch please do pass on this link and encourage them to apply:

<https://runapostoffice.co.uk/home/result/show/maiden-erleigh-post-office-reading-rg6-7nz>

If you have any further questions then please don't hesitate to contact me,

Kind regards,

Laura

Laura Tarling
External Affairs Manager