

Honda loses out in Europe and worries about the change to electric cars

Honda's market share has fallen a long way in recent years in Europe. From selling 311,000 cars at the peak in 2007, last year it sold just 136,000.

The Swindon plant is only running one of the two lines, and at under 150,000 cars a year it is a small plant by world standards. Honda Europe is one of the casualties of the top down electrification policy pursued by the EU and UK governments. As Honda explained :

"This is not a Brexit related issue for us. This decision has been made on the basis of global issues. We have to move very swiftly to electrification of vehicles, because of demand of our customers and legislation".

Honda wishes to concentrate its investments in large plants making modern vehicles that meet changing legislation in the places where they sell most cars. That is Asia and the USA, not Europe, where their market share is now small. This is one example of the massive change being forced on the industry by governments with their requirement to sell many more electric vehicles. It is interesting that Honda mentioned legislation as an important factor, underlining that this abrupt change in the profile of cars to be sold results from a top down instruction from legislators as well as from some customers having a genuine preference for electric vehicles.

It follows hard on the heels of Nissan's decision to make one of its diesel cars only in Japan without adding a UK line , given the big drop off in demand following adverse legislation and threats of more to come from government. Nissan does have decent overall volumes in the UK and is committed to further investment in its UK business.

I forecast particular difficulties for the UK car industry in 2017 when the Bank of England adopted a tough stance on car loans, and the government launched a tax attack on new vehicles whilst pursuing an anti diesel policy. This was particularly damaging to the UK based car industry which had built centres of excellence for clean diesel engine technology here in the UK with government encouragement. Investment in car production is a long term business. The big switch in UK government attitudes to diesels will have a price that goes beyond its obvious impact on the large section of our car industry that makes diesel cars. Companies want consistent support for the industry and a predictable legislative and tax background, whether they are making diesel or petrol vehicles.

I trust the government will explore alternative uses for the Honda factory and work for the workforce. It could get a contractor that supplies vehicles to the state and or does deep maintenance on public sector vehicles to undertake it there, for example.

[My letter to the Minister regarding the proposed move of Wokingham Post Office to commercial premises](#)



John Redwood won a free place at Kent College, Canterbury, He graduated from Magdalen College Oxford, has a DPhil and is a fellow of All Souls College. A businessman by background, he has been a director of NM Rothschild merchant bank and chairman of a quoted industrial PLC.

- [Read more about John Redwood](#)

[Honda VP Europe confirms “This is not a Brexit related issue”](#)

I am deleting contributions to the site that wrongly ascribe the planned closure of Honda Swindon to Brexit given the very clear statements made by Honda that is about other matters. I will comment in more detail tomorrow.

The workforce at Swindon is skilled and capable, and I wish to see the government and Council offer all the help they can to ensure that in the run up to closure good jobs are found to replace the lost Honda jobs.

[An Independent group](#)

Seven Labour MPs resigned from their party in protest over its anti-Semitism and general attitudes. Several of them might not have been re-selected as Labour candidates, such is the gap between their thinking and that of their former party's leadership. None of them intend to put their new attitudes and affiliations to the test of the electorate in a by-election. So far they are

not saying they are forming a new party, and there are no current plans to put up Council candidates in May or put up a candidate to fight a Parliamentary by election when there is vacancy.

Their policy platform is also so far unclear. They come from the Blairite pro EU wing of the Labour party, but did not wish to play up support for a second referendum. Perhaps they grasped that that is not a very popular idea, and does not look very democratic. They were wishing to annex the idea of democracy to themselves, but would have some problem in explaining why they reject the biggest vote in our history when the people answered the question Leave or Remain on promise of Parliament implementing the decision. They said they did not wish to join the Liberal Democrats who showed that having as your main distinctive policy overturning the referendum on the EU commanded only 10% support in the last general Election.

UK politics has been substantially changed by the Brexit vote. It led to the two main parties defying the trend in the UK from 2010, and the trend on the continent, of declining vote shares for the two traditional left of centre and right of centre parties. Labour and Conservative together leapt up to 82% of the vote at a time when on the continent the two traditional parties in most countries is now well below 50% together and in some cases as in France down to under 20%. Labour gained votes by moving leftwards whilst saying they would implement Brexit, Conservatives gained votes by pledging we will leave the EU. The election did not show a large demand for a new party pro the EU along Lib Dem or Blairite lines.

UK politics this year will be about Brexit. Both main parties have to assist it or suffer electorally if they do not. Both promised voters they would implement the referendum, and both said they wanted an independent trade policy for the UK which means leaving the customs union. The Independent Group wisely avoided making Brexit the main point of their break from Labour, as they would be putting themselves in a difficult and unpopular position if that is their main grudge. They were after all willing to stand for election on a pro Brexit ticket in 2017. They also need differences that will last longer than the time to our departing the EU. So far they struggle to define them, but doubtless will do more to set them out in the weeks ahead. The biggest point of difference they highlighted is one of tone and approach to people, with their plea for a kinder more inclusive type of politics than they find in the modern Labour party.

[The Minister's response to my contribution to the consultation on](#)

the Aviation Strategy Green Paper and my comments on aircraft noise.



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