

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.