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Cross-party MPs call for immediate action to help the vehicle component industry

Earlier today, a group of MPs from all parties wrote to the Business Secretary, Peter Mandelson, asking for immediate action to save the vehicle component industry.

The industry, which employs 100,000 people faces a bleak future because of the economic downturn, yet with some targeted low-cost assistance now could be well positioned to lead the UK back into economic growth. The group is calling for:

1. Support to ensure staff can remain employed – a burden that needs to be shared between employees, employers and the Government
2. Support for car finance to stimulate the demand side
3. Appropriately structured scrappage – subsidising the replacement of old cars in favour of newer more environmentally friendly models, taking their full carbon footprint into account
4. Access to credit and liquidity – companies throughout the supply chain need specific help in addressing short-term problems and quick access to credit and liquidity is a priority.

George Howarth, Labour MP for Knowsley North and Sefton East, said:

“The UK’s vehicle component industry is fundamentally sound, yet the economic downturn has placed unprecedented pressure on the sector. Immediate action that saves jobs, gives better access to credit and supports consumers to buy more environmentally-friendly cars will ensure this high-tech industry is able to survive the downturn.”

Julie Kirkbride, Conservative MP for Bromsgrove, said:

“The British automotive sector is a world-class industry and needs help in these enormously difficult economic times. Other countries have already leapt to the aid of their automotive sector which makes our situation all the more urgent. I think these proposals provide a solid base from which we can secure a long-term future for the industry.”

Further information

Please contact Graham Kendall, Office of George Howarth MP, on 07957 390223 / kendallg@parliament.uk

Notes to editors

1. The report can be downloaded from www.georgehowarthmp.org.uk/component_industry
2. The report contains a list of the 25 MPs from all parties who have been involved in the work of the ad hoc group.