

# Andrew Large

## Director General CPI

# The Future of UK Manufacturing Political and Policy Issues

# The Future of UK Manufacturing

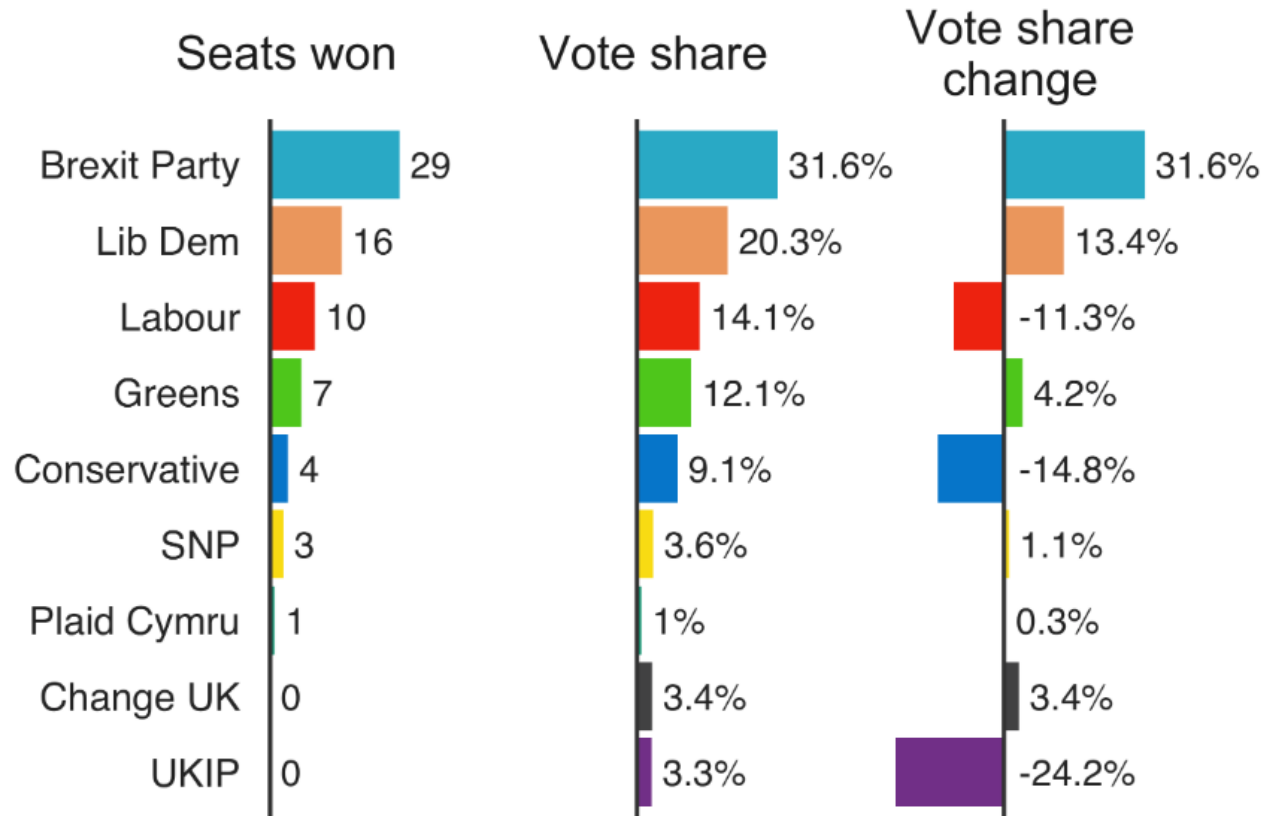
- Brexit
- Conservative Leadership
  
- Energy White Paper
- Net Zero Carbon Emissions by 2050
- Resources and Waste Consultations

# Brexit: Current Position

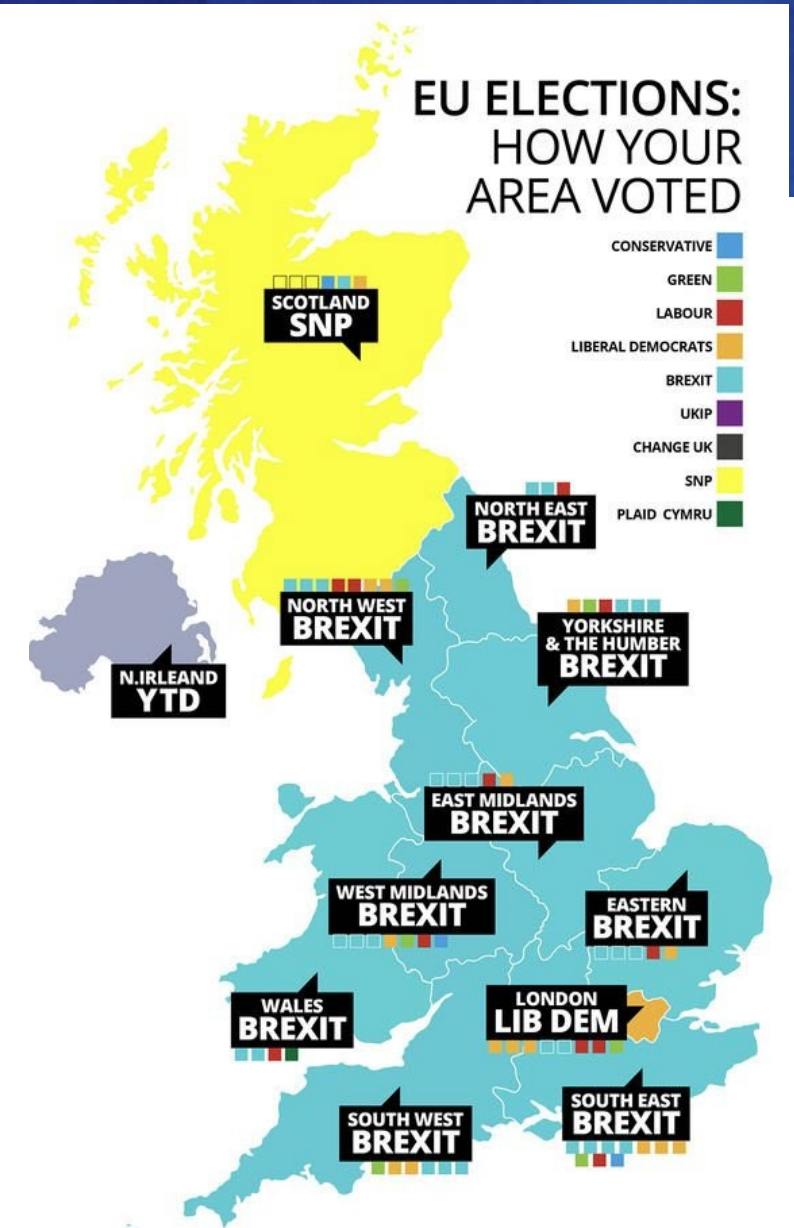
- The UK is scheduled to leave the EU on 31<sup>st</sup> October 2019
- No Deal is still very possible – business must continue to prepare
- UK politics is in complete flux and anything or everything could change
- EU election results
- Conservative leadership contest

# Brexit: UK EU Election Results

## How did the parties do in Great Britain?



Source: Press Association. Note: Vote share change shown as percentage points **BBC**



# Brexit: Conservative Leadership

Chance of winning



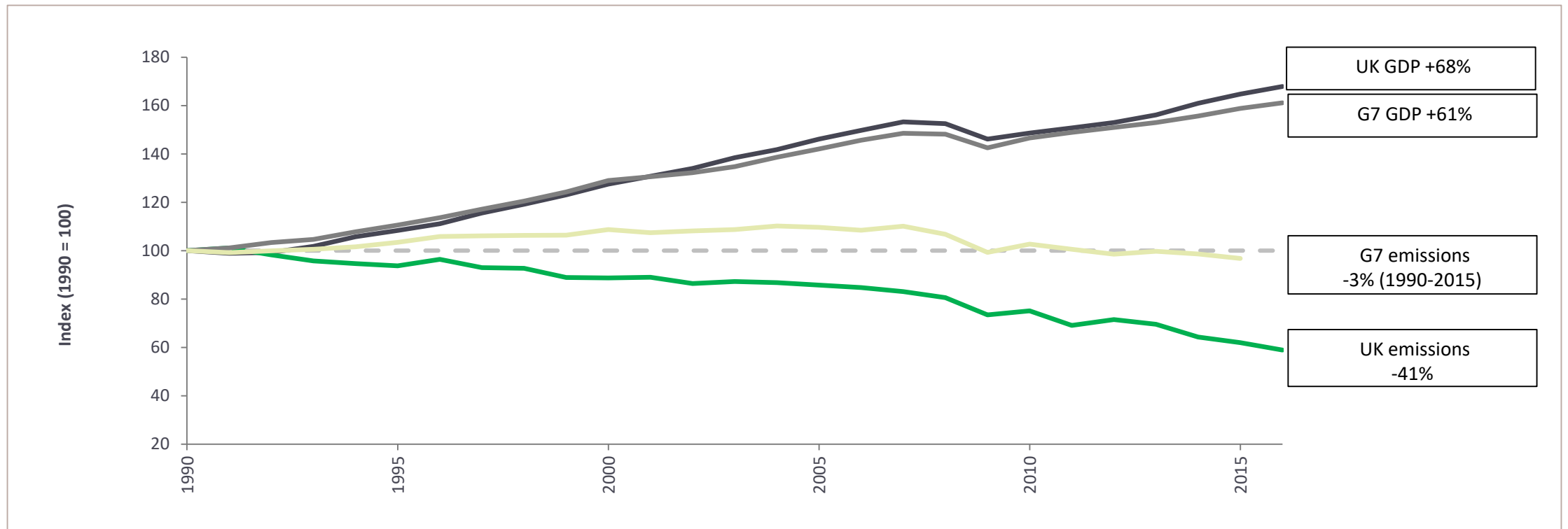
Support for “No Deal”

# Energy White Paper

- **2017 Helm Review**
- “This review has two main findings. The first is that the cost of energy is significantly higher than it needs to be to meet the government’s objectives and, in particular, to be consistent with the Climate Change Act (CCA) and to ensure security of supply. The second is that energy policy, regulation and market design are not fit for the purposes of the emerging low-carbon energy market, as it undergoes profound technical change.”
- **2019 (tbc) Energy White Paper**
- “...will outline the Government’s vision for the energy system in 2050 and outlines a series of actions needed to achieve our 2050 aims.”
- Real concern that the ambition of the White Paper will not match the importance of the issue

# Net Zero Carbon Emissions by 2050

## Decarbonising the economy with GDP Growth - **£1 trillion bill?**





# Resources and Waste Policy

- The biggest overhaul of resources and waste legislation in 25 years, with a significant potential impact on packaging.
  - Plastics Tax
  - Extended Producer Responsibility
  - Deposit Return Scheme
  - Separate Collections

# Resources and Waste Policy

- Welcome focus on separate collections of recovered paper from households – supports CPI's Our Paper campaign
- DRS schemes run the risk of hurting other recycling
- Big issue is cost of EPR. Could be £1 to £1.5 Bn...



# Conclusions

- CPI is lobbying against No Deal Brexit
- In the long term the investment case for the UK is strong, need to get over the short term hurdle of Brexit
- Near paralysis in UK politics – will a new PM make a difference?
- Major policy change on the horizon – bringing with it both huge costs and significant challenges to business
- Needs proper scrutiny from stakeholders and Parliament
- CPI will be your voice

# Thank You