



Speech

Low Carbon Vehicle Partnership Annual Conference

From: [Department for Transport, Baroness Kramer and Office for Low Emission Vehicles](#)

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The government is investing £500 million to support the development of low emission vehicles - creating jobs and cutting damaging emissions.



Good morning.

I was delighted to have been invited to speak this morning (16 July 2014).

For more than 10 years now the Low Carbon Vehicle Partnership has been shaping the agenda a powerful and persuasive advocate for cleaner, greener growth.

I'd like to take the opportunity this morning to set out why we will be investing £500 million to support the development of low emission vehicles and why I think partnership is important if we are going to get the best return on that investment.

Economy

We've been through a very difficult time. But now the British economy is healing.

The UK is expected to grow faster than any other G7 country this year.

The huge deficit we inherited is being cut in half and more people are now in work than ever before.

It took decisive action for the economy to recover from the 2008 financial crisis.

A crisis that was caused by years of living beyond our means and an unsustainable accumulation of public and private debt.

If you think about it, something similar has been happening to our environment.

We have been living beyond our means, consuming the earth's natural resources in a way that is simply unsustainable.

For too long, we've let greenhouse gases accumulate in our atmosphere, damaging the climate.

But the hard truth is this.

The costs of climate change could be far greater. Far, far worse than even the biggest financial crisis the world has ever seen.

However, I am an optimist.

The worst is neither inevitable nor unavoidable. If we act now, we can make a difference.

We need to make our energy more renewable, our homes and offices more efficient, and to decarbonise our transport.

So while our economy is growing once again the hard work that's needed to build long-term – sustainable – economic growth is not yet complete.

UK automotive sector

We can be very proud that this country has an incredibly successful automotive industry.

We've just seen the best half-year sales figures since 2005.

Exports have more than doubled and, according to the Society of Motor Manufacturers and Traders, 44,000 new jobs were created last year.

The size of Britain's transport manufacturing sector is now not only past its pre-recession peak it is growing even faster than before.

And at the same time, targets to cut emissions have been met well ahead of schedule.

That success has been founded on a genuine partnership between government and industry. A partnership based on a shared understanding of the challenges and opportunities that has taken an industry that had been in decline to record growth today.

Looking to the future, we want the sector to keep growing, for the UK to benefit from even more investment in production and from investment in cutting edge research and

development.

That means taking steps together to secure the next stage of the industry's growth.

Cleaner, greener, better

Because we are standing on the cusp of a once in a lifetime technological revolution.

By 2050, we expect effectively every car on the road will be ultra low emission. That's going to be as significant as the move from coal to petroleum.

So this is a great time to be a power train engineer. And it is a great time to be motorist.

Because whereas in the past, choosing an alternatively powered vehicle meant making a compromise, a compromise on convenience, a compromise on speed or a compromise on range that's increasingly no longer the case.

Today choosing a cleaner, greener car also means choosing a better, more cost effective model.

Don't just take my word for it.

Quentin Wilson described the Tesla Model S as 'searingly good' and BMW's i3 and i8 as 'wonderful'. (And the i8s engine is going to be built exclusively in the UK.)

That's just 2 examples of the many superlatives the latest low carbon vehicles have been attracting.

And at a time when everyone wants to make the pound in their pocket stretch further the prospect of saving 10 pence a mile becomes increasingly attractive. And that's why sales of alternatively-fuelled cars were up by more than half last year and the size of the global market was twice the size it was in 2012.

So the opportunity is there.

We want Britain to be the world's leading market for low-carbon vehicles.

Because it is good for the environment and because it is good for the economy.

There are signs this is happening. Because of your track record firms are choosing to invest in the UK. Detroit Electric have chosen to build the world's fastest electric vehicle here, Ford and Tesla are investing in British research and development and just last week Mahindra Group announced a £20 million investment.

Backing low emission

Now is the time to build on those foundations. To be confident in our potential and invest in the future.

We want to ensure that the high value, high technology, low emission vehicles of the future are designed and manufactured in Britain.

That's why, in partnership with industry, we created the new [Advanced Propulsion Centre](#).

And it is why the Deputy Prime Minister announced [a £500 million programme of investment](#) in ultra-low emission vehicles, that will create jobs, cut emissions, transform the landscape of our towns and cities, make motoring more affordable and ensure that Britain remains at the forefront of green technology

The programme is based around 3 priorities that we have developed in partnership with the industry.

The first, is to shape the emerging market. We will invest £200 million to cut the up-front cost of an ultra-low emission vehicle. Making the choice to go green, cheaper in the showroom as well as on the road.

The latest figures show that almost 10,000 claims have already been made through the scheme. And applications are accelerating, with over 650% more claims in January this year than there were last.

Second, we will provide the infrastructure necessary to end range anxiety. Investing £37 million to make it cheaper to install fast charging at home and on the street as well as £21 million to provide rapid charging at strategic locations - from stations to town centres.

And, third, we will be backing British businesses by providing at least £100 million for research and development.

We will also be investing to support the development of low emission trucks and increasing the number of gas refuelling stations, helping our vital freight sector cut emissions and cut costs.

And we will be investing £30 million to boost the market for low emission buses like those produced by Alexander Dennis, Optare and the Wright group.

Some vehicles are likely to continue to require low carbon liquid or gas fuels for years to come. Some countries are already producing advanced biofuels but not in the UK. That's why last year we announced a £25 million competition and we want to see up to three demonstration-scale advanced biofuel plants in the UK as a result.

Advanced fuel cells are another promising medium term development. So we have announced a call for evidence and will continue to monitor their exciting potential.

Local councils also have an incredibly important role to play. That's why we have created a £35 million competition. We want flagship cities to lead the way by introducing local incentives like free parking and access to bus lanes for low emission vehicles.

Partnership

What we've not done is allocated the full £500 million at this stage.

This is an incredibly fast moving market. With rapid technological developments. So we have kept some money to one side so we can invest quickly if necessary.

That's why partnership is so important. You're the experts. You know what is coming and where the opportunities lie.

Now I know you're all used to being asked for things by the government.

And it will not surprise you that I've got one big request today. Because for low emission vehicles to be a success it's the message customers receive in your dealerships that will really make a big difference.

Because a lot of people who buy a car rely on the advice of their local car dealer. They see them as the industry experts. Who really know the pros and cons of different models.

So it is very important your dealers give low emission vehicles a fair chance. They explain what models are available and what the running cost really is. And that there is a package of support with upfront costs and infrastructure available and while I am sure many do, my recent personal experience is this isn't always the case.

It is important that all dealerships are up to the standards of the best. So I'd be grateful if, when you go back to the office you could double check that your sales team are up to speed with the latest picture.

So to sum up, a cleaner, greener transport future is moving out of the research laboratories and into the mass market. And that is happening increasingly quickly.

We want to build on our existing strengths.

A world class automotive manufacturing sector.

We want to cut transport emissions.

To create the highly skilled manufacturing jobs of the future.

To make our cities more liveable.

And to make our economy more sustainable.

This will only happen if we continue to work in partnership.

Business and government, hand-in-hand, focussed on what's needed.

I look forward to working together to make that happen.

Thank you for listening.

I hope you enjoy the rest of the day.

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From:

Department for Transport

Baroness Kramer

Office for Low Emission Vehicles

Part of:

Achieving strong and sustainable economic growth

Reducing greenhouse gases and other emissions from transport

Reducing the UK's greenhouse gas emissions by 80% by 2050

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