

# Autumn statement brings New Year cheer

It may already seem an age ago, but the Chancellor's late November 2011 Autumn Statement – widely trailed as a mini budget in what were, and remain, troubled times – left the transport industry with some welcome surprises to celebrate and, on the face of it, relatively little to criticise.

Unquestionably top of the qualified good news stories were: £8 million of new funding for 2012, aimed at encouraging the purchase of low emission medium- and heavy-goods vehicles; cancellation of this month's 3.02 pence per litre fuel duty rise; and a full £25 million extension of the Green Bus Fund (GBF).

This year's £8 million investment in low emission transport is to be managed by the Technology Strategy Board (TSB) and includes £6.5 million for a low emission goods vehicle demonstration trial, as well as the supporting infrastructure, with a further £1.5 million funding for public gas refuelling hubs. According to the government, extensive work with the transport industry has convinced it of the veracity of what, to most, have seemed obvious market barriers, particularly to the uptake of low emission HGV technologies, such as hybrid, electric and gas trucks.

It would seem the powers-that-be now understand that failure to invest in the basics is likely to hold back development of potentially useful wealth-generating opportunities for the UK, in terms of manufacturing, but also lower cost, greener and more competitive transport operations. TSB says that facilitating investment in these technologies, and assisting UK operators in buying and using low emission medium- and heavy-goods vehicles, will assure the early stage market. The only issue: at just £8 million, it certainly won't do more.

Meanwhile, FTA (the Freight Transport Association) says it welcomes what it describes as the reprieve over what would have been a £325 million fuel duty hike for transport operators in the UK. FTA chief exec Theo de Pencier said at the time that the Chancellor's decision would provide a much needed lifeline for many operators, noting that the price of diesel had already risen by more than 13ppl (13.9%) in 12 months. That's an extra £1.4 billion burden for road freight operators, who are increasingly struggling to pass it on and seeing margins strangled.

No one is pretending life is suddenly about to become rosy. As de Pencier put it: "We have avoided a horrendous New Year's hangover. However, while we are relieved that the Chancellor has steered us out of immediate danger, it is obvious that getting the UK back on the road to recovery requires a long-term fuel duty strategy and one which doesn't make tough times that much tougher." Most worried hauliers, facing overall year-on-year cost increases nudging an average 7.8% (see page 8), would drink to that.

And finally there's the good news for our bus sector, in the form of that £25 million extension of the GBF, without which the immediate future for new eco-friendly buses would have been bleak indeed. Optare's CEO Jim Sumner said it all: "Everyone in the bus industry – operators and manufacturers alike – has been calling for the government to build on the success of its GBF initiative, which has significantly stimulated the use of low-emission vehicles. So it's great news that our views have been listened to." Happy New Year.



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