# UK government announces measures to support automotive industry amid US tariffs



The UK government has announced a series of measures aimed at alleviating the pressures faced by the automotive industry in response to newly imposed tariffs by the United States. Transport Secretary Heidi Alexander confirmed on Sunday that the government remains committed to banning the sale of new petrol and diesel cars by 2030, but will implement more flexible regulations to assist manufacturers in transitioning to electric vehicle (EV) production. This approach has been framed as a necessary step to "protect and create jobs" within the UK car sector, which has recently encountered significant challenges, particularly following the introduction of a 25% import tariff on UK vehicles by President Donald Trump.

This decision to impose tariffs has been characterised as not a temporary measure but a fundamental shift in trade policy that UK manufacturers must adapt to. In a statement to The Times, Prime Minister Sir Keir Starmer declared, “The world has fundamentally changed,” and underscored the urgency of supporting the beleaguered automobile sector as it navigates the implications of these tariffs. The changes to the regulatory framework are aimed at easing the transition process for car manufacturers while still holding them accountable for moving towards a greener future.

As part of the modifications to the electric vehicle mandate, penalties for non-compliance will be reduced. Starmer indicated that the fine would decrease from £15,000 to £12,000 per non-compliant vehicle sold, which is intended to alleviate concerns that the tariffs, combined with existing fines, could jeopardise British car manufacturing. The modifications will also allow smaller firms like Aston Martin and McLaren to continue producing petrol vehicles past the 2030 deadline, while certain hybrid models will be permitted to remain on the market until 2035.

Despite these adjustments, criticism from opposition parties has emerged. Shadow Business Secretary Andrew Griffith has labelled the measures as "half baked," questioning their effectiveness in genuine terms of support for the auto sector. Liberal Democrat transport spokespersons have urged for enhanced consumer incentives to encourage the adoption of electric vehicles, asserting that the current changes may not suffice to shield the industry from the adverse effects of Trump's tariffs.

The impact of the tariffs has already been felt in the industry, with Coventry-based Jaguar Land Rover announcing a suspension of all shipments to the U.S. as it assesses the new trading conditions. In January, figures revealed that just over 19% of car sales in the UK were electric, indicating a slow uptake that could hinder the industry's ability to meet the mandated targets.

In response to the industry's challenges, the government has pledged to keep "support for the car industry under review." The measures announced will be monitored closely as the repercussions of the U.S. tariffs unfold. The broader context of these changes ties into the government's ambition to stimulate growth in the sector while maintaining its commitment to phasing out petrol and diesel vehicles.

Starmer's government is continuing to pursue potential trade negotiations with the U.S. while preparing a list of retaliatory measures in the event that discussions do not yield favourable outcomes. Efforts are also being made to align British trade interests with those of other major economies, including ongoing talks with Indian officials and the possibility of new agreements with Australia. The situation remains fluid as stakeholders across the automotive industry assess the evolving landscape shaped by domestic regulations and international trade policies.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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2. <https://www.itv.com/news/2025-04-06/pm-announces-measures-to-support-uks-car-industry-after-trumps-tariffs> - This news piece confirms Prime Minister Keir Starmer's announcement to support British carmakers through regulatory changes following US tariffs. It highlights the continued commitment to phasing out petrol and diesel vehicles.
3. <https://www.gov.uk/government/news/backing-british-business-prime-minister-unveils-plan-to-support-carmakers> - This official government release outlines the adjustments to the Zero Emission Vehicle Mandate and other measures to support the UK car industry. It details exemptions for small manufacturers and hybrid vehicles.
4. <https://www.bbc.com/news/business-65442531> - This article typically covers the impact of global trade changes on industries, although it specifically doesn't match the current search results. Normally, it would provide insight into how tariffs affect international trade and business operations.
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6. <https://www.thetimes.co.uk/article/trump-tariffs-push-britain-to-boost-ev-industry-b0sssx3gh> - This article would likely cover Prime Minister Keir Starmer's statements and the UK's strategy to bolster its electric vehicle sector amidst trade challenges from US tariffs, aligning with the government's commitment to green policies.
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