

# CAVENDISH

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**Weekly Monitoring**  
**Friday 20th**  
**October**



## **EIA Update**

The EIA met with officials from the Department for Business & Trade (DBT) earlier this week, providing Departmental officials with a trading update for our sector. We were able to share headline data from the new Economic Impact Study, which is due to be passed over to their Business Intelligence Team. During this meeting we asked for an update on the progress of Martyn's Law, as the deadline for a response to the select committee was at the end of September, and were told by officials that almost all other sectors within the remit of the Department were also enjoying a strong economic recovery.

We also shared a broad update on our new EIA Manifesto and Policy Asks, which was launched this Tuesday at our Parliamentary reception which a DBT representative attended. This reception was a successful affair with both Minister for Tourism, John Whittingdale MP and Shadow Leader of the House of Commons Lucy Powell MP speaking, alongside the attendance of MPs and Department figures.

The EIA are thrilled to have launched our manifesto and key asks, and look forward to engaging with Parliamentarians to advocate for the industry.



*(Shadow Leader of the House of Commons, Lucy Powell MP, addressing the EIA Parliamentary Reception)*

## Political Update

Much of the weeks politics have been dominated by the situation in Israel-Palestine, with Prime Minister Rishi Sunak currently on a tour of the Middle East, meeting regional leaders to outline British support for both the Israeli state as well as aid for the people of the Gaza Strip.

PM Sunak might have been glad to have not been in the UK this week however, following last night's monumental pair of by-elections that both showed a significant swing from the Conservatives to Labour. The size of majorities overturned and the swings witnessed were each historic, with Mid Bedfordshire's previous Tory majority of 24,664 the largest to be upended and the Tamworth swing to Labour the second largest on record. Whilst there has long been debate regarding how much can be read into by-election results regarding General Election predictions, it is certain that Labour overperformed expectations last night, and Conservative MPs now know there is no such thing as a safe seat.

Ahead of the Autumn Statement, Chancellor of the Exchequer, Jeremy Hunt MP, it has been reported is preparing for the worst. The Office for Budget Responsibility's (OBR) has warned that its official economic forecasts for the Autumn Statement would be far worse than they were at the Spring Budget. This

may mean that there are spending cuts or tax rises ahead (with the former more likely in a party that only weeks ago called for tax cuts).

For the first time since January, wage growth has slowed which is a hopeful sign as there have been fears that high wage growth has been pushing inflation up, as seen by UK inflation unexpectedly holding steady at 6.7%.

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## News

### AI projects supporting small businesses get funding boost ahead of UK AI Safety Summit

Artificial intelligence projects in areas as diverse as fashion, farming and firefighting are being backed with a further £37 million, as the Science and Technology Secretary Michelle Donelan highlights how AI can be a force for good ahead of next month's AI Safety Summit. The £32 million competition is open now and closes on 8 November, days after the UK hosts leading AI nations, technology companies, researchers, and civil society groups at the world's first major summit on AI Safety, driving national and international action for the safe and responsible development of frontier AI around the world.

The AI Safety Summit will take place on 1 and 2 November at Bletchley Park.

### West and Central Africa Trade and Investment Forum begins in London

Senior government ministers, business leaders, and investors from seven African nations are gathered in London for the UK-Francophone West and Central Africa Trade and Investment Forum. Organized by UK Export Finance (UKEF) and DMA Invest, the event aims to promote economic growth and partnerships that benefit British businesses. This forum follows the success of last year's event, emphasizing the growing trade and commerce relations between the UK and Francophone markets in Africa.

### Government withdraws proposed reporting regulations following consultation

The Government has withdrawn proposed regulations that would have added more reporting requirements for large UK-listed and private companies. These new rules, published in July, included things like annual resilience statements and additional details in annual reports, which would have cost companies more. After a consultation and gathering feedback, the Government decided businesses wanted simpler reporting, so they withdraw these regulations. Instead, they will work on making it easier for companies to do business by

reducing bureaucracy and paperwork. The Government says it is still committed to improving audit and corporate governance but will do it in a way that's less burdensome for businesses.

### **Extension granted to UK-South Korea tariff agreement**

The UK has been granted a two-year extension to the regulations that facilitate British companies' access to lower or zero tariffs when trading goods with South Korea under their free trade agreement. This extension is significant for businesses, allowing them to continue avoiding the high import tariffs set by South Korea. Furthermore, it was announced that discussions are scheduled to commence for a new free trade agreement between the UK and South Korea, expected later this year. South Korea is a prominent and growing economy, with UK exports having more than doubled since the initial agreement. Goods make up the majority of UK exports to South Korea, having totaled £7.3 billion last year.

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## **Parliament**

### **House of Commons**

### **Liam Byrne MP elected Chair of Business and Trade Committee**

The Business and Trade has elected a new Chair, Liam Byrne MP following a ballot of the whole House. Also on the ballot paper were Dame Angela Eagle and Andy McDonald. Mr Byrne takes up the position with immediate effect and will serve until the end of the current Parliament.

Following his election he said:

*“I’m incredibly grateful to Andy, Angela and colleagues from across the House for such a friendly and good-natured election which has really helped to crystallise a shared agenda for action.*

*“It is now vital that we get straight down to work, sustaining the Committee’s forensic focus holding ministers to account, exposing corporate bad behaviour and advancing the fight against economic crime.*

*“Equally, there is a wide consensus that we need to provide serious long-term thinking on how the UK competes with Bidenomics, Brussels and Beijing, de-risks critical supply chains, backs our entrepreneurs and boosts exports, with a special focus on harnessing the net zero transition to re-industrialise Britain.*

*“Finally, we must develop the big thinking needed on how to best reconnect economic growth and social justice, to ensure the wealth we create is wealth that’s fairly shared.”*

#### House of Lords

#### Industry and Regulators Committee launches inquiry into independence and accountability of UK regulators

The UK's Industry and Regulators Committee is launching an inquiry into the overall functioning of regulators in the country, with a focus on their roles, independence, and accountability. This examination will assess whether regulators have clear responsibilities, distinct remits, and adequate independence from the government, while also exploring how their performance should be held to account, involving both the Government and Parliament.

On the announcement, Chair of the Industry and Regulators Committee, Lord Hollick stated:

*“The committee has recently conducted scrutiny of regulators including Ofwat, Ofgem, and the Office for Students. A common area of concern arising from all these inquiries is the relationship between the regulator and the Government, and the level of independence and accountability regulators have. Many regulators are public bodies funded by the taxpayer and have significant powers; it is therefore vital that they are scrutinised and held to account. This short, cross-cutting inquiry will shine a light on the UK regulatory ecosystem and how effective it is.”*

**For any queries regarding this round-up  
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