

Paper Reference 9EB0/01
Pearson Edexcel
Level 3 GCE

Economics B
Advanced
PAPER 1: Markets and how they work

Data Booklet

In the boxes below, write your name, centre number and candidate number.

Surname					
Other names					
Centre Number					
Candidate Number					

INSTRUCTIONS

There may be spare copies of some data sheets in case you need them.

THIS DATA BOOKLET *MUST* BE RETURNED WITH THE QUESTION PAPER AT THE END OF THE EXAMINATION.

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Extract A

UK market share figures (%) for car manufacturers in 2020

*Other consists of four smaller brands with market share figures between 0·05–0·08% each.

Key: DG = Daimler Group

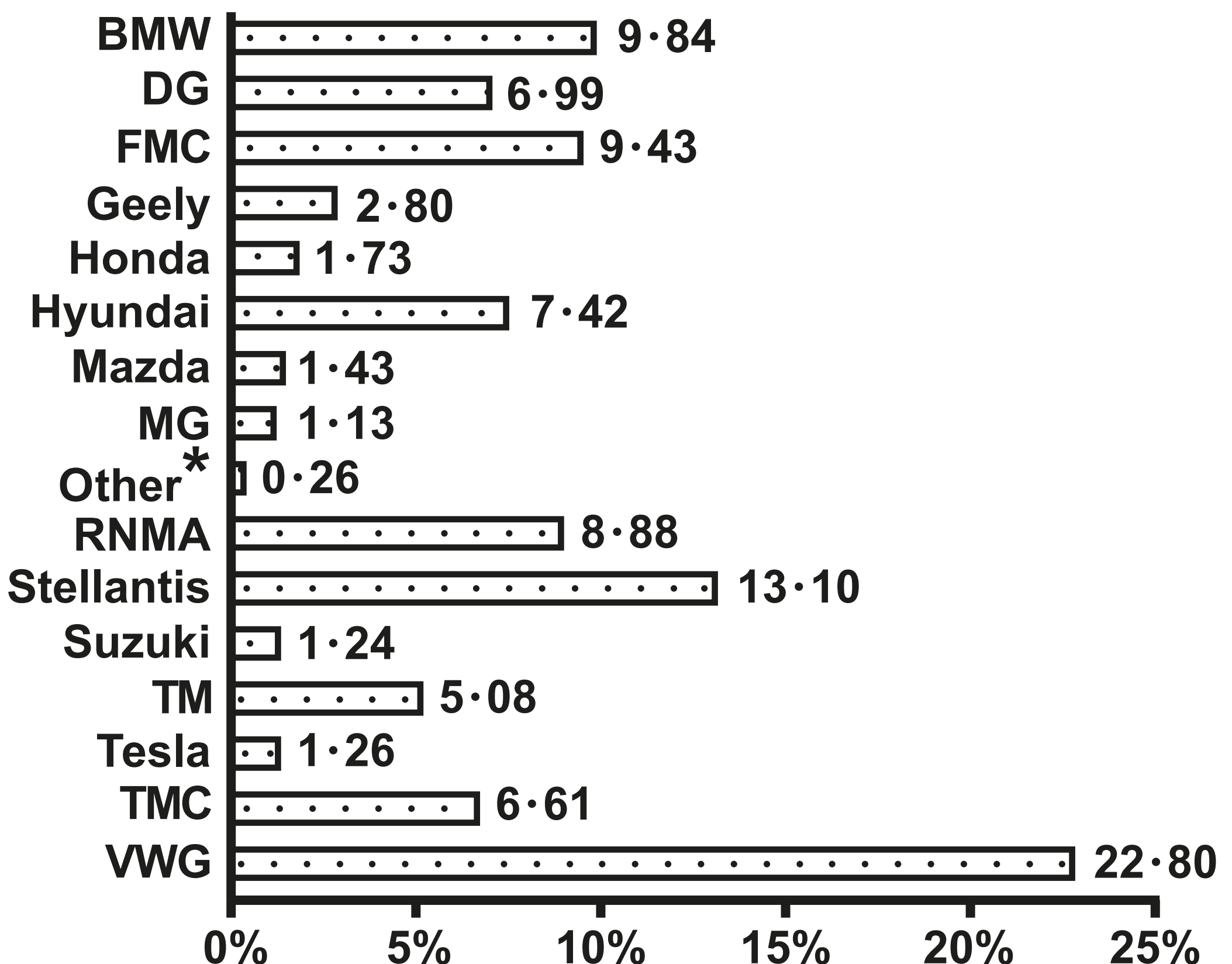
FMC = Ford Motor Company

RNMA = Renault–Nissan–Mitsubishi Alliance

TM = Tata Motors

TMC = Toyota Motor Corporation

VWG = Volkswagen Group



Extract B

What is Stellantis?

Stellantis is a new firm that has been formed by the merger of several leading car manufacturers. The creation of **Stellantis** in January **2021** created the fourth–largest car firm in the world and brought together some of the car industry’s most famous brands under one name.

Stellantis has **18** car brands in its business, these include **Peugeot, Citroen, Vauxhall, Fiat, Alfa Romeo, Ferrari** and **Maserati**. There are no plans to have the **Stellantis** name featured on any of the firm’s cars.

It is a diverse range of brands – some clearly compete against each other in the high volume sector while others occupy niche markets which, with the correct investment, could be hugely profitable to **Stellantis**. There are similarities with the **Volkswagen Group** in this respect.

Stellantis results for **2020** showed revenue of **€60 734** million with profit for the year of **€2 022** million.

Extract C

Ellesmere Port: Vauxhall plant's future secured with electric vehicle production

Vauxhall's parent firm, **Stellantis**, has revealed a new electric vehicle future for its Ellesmere Port plant in Cheshire, removing a threat of closure for the factory.

Stellantis confirmed that a government subsidy and a **£100** million investment of its own would safeguard the **1,000** jobs left at the site and **6,000** more jobs in the local supply chain. Ellesmere Port would become **Stellantis'** first manufacturing site dedicated to battery electric vans and some of its passenger car models.

The announcement follows months of talks between the company and officials on whether the plant was viable on several grounds, including the impact of Brexit.

However, the biggest issue for **Stellantis**, in the wake of the UK's trade deal with the EU, was the government's vision for an all-electric car future.

Chief executive Carlos Tavares had previously described the ban on the sale of new petrol and diesel-powered cars from **2030** as 'brutal' and ministers were warned the plant, which dates back to **1962**, may have to shut without state aid for an electric conversion. The amount of money given by the government was not disclosed for reasons of commercial sensitivity but has been reported to be around **£30** million.

Extract D

UK Government to ban the sale of new petrol and diesel cars by 2030

New petrol and diesel cars and vans are set to be banned from sale in **2030** in the UK with new plug-in hybrids
5 banned from **2035**.

After **2035**, the only new cars and vans that can be sold will be electric vehicles such as the **Tesla Model 3** and **Nissan Leaf**, plus any hydrogen-powered cars.

However, second-hand petrol and diesel cars will still be
10 able to be sold after **2030**.

To help facilitate the transition from petrol and diesel cars, **£1.3** billion is being invested in electric vehicle charging points for homes, streets and motorways across England. A further **£582** million is being set aside for grants to help
15 people buy electric vehicles.

The government is also investing **£500** million in the development and mass production of batteries, while **£525** million is earmarked for nuclear power plants, partly to help meet the demand for electricity that the
20 growing number of electric vehicles will bring.

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Turn over

Extract D continued.

Prime Minister Boris Johnson said: “My Ten Point Plan will create, support and protect hundreds of thousands of green jobs, whilst making strides towards carbon net zero by 2050.”

- 25 Sales figures for 2020 saw 2·3 million new cars sold and of these 6·3% were electric or plug-in hybrids.**

Extract E

Cost of running an electric car compared to a petrol car

*BMW i3 cost includes government grant of £2 500

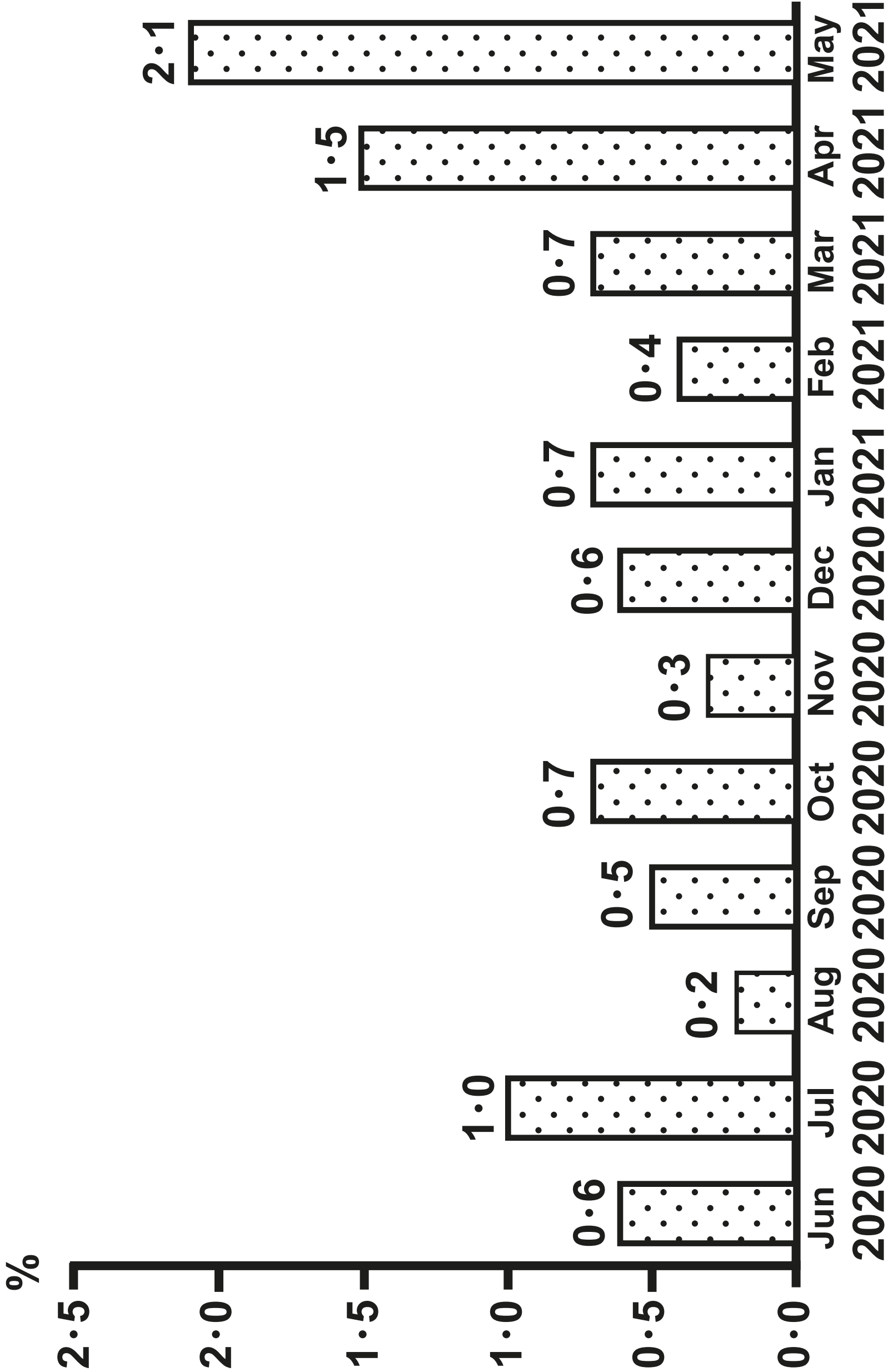
	Electric BMW i3 £29 570*	Petrol BMW 318i £29 600
Fuel	3·7 pence per mile + £354 home charger	14·2 pence per mile
Tax	£0	£445
Loss of value	£16 707	£15 066
Insurance	£1 089	£824
Servicing + tyres	£322 + £243	£528 + £87
TOTAL	67 pence per mile	74 pence per mile

Question 1(d)

Question 1(d)

Extract F

UK Consumer Price Index (CPI) inflation rate (%) June 2020 – May 2021



Extract G

UK inflation risk May 2021

The Bank of England (BoE) has sought to calm fears about inflation. It was 2·1% in May 2021 and is expected to exceed 4% in the coming months. The BoE
5 said the surge in prices was ‘transitory’ and should not affect monetary policy in 2021.

The central bank’s message came after data showed inflation rising much faster than it had previously forecast as the economy rebounded more strongly than expected.
10 The main upward pressure came from clothing, motor fuel, recreational goods and meals and drinks consumed outside of the home. The BoE’s Monetary Policy Committee (MPC) signalled that it would wait for inflation to subside rather than take action.

15 “The committee’s central expectation is that the economy will experience a temporary period of strong Gross Domestic Product (GDP) growth and above–target CPI inflation, after which growth and inflation will fall back,” the MPC said in its summary of its latest meeting
20 in June 2021.

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Turn over

Extract G continued.

The committee voted to keep interest rates at 0·1%, the lowest it has ever been in UK history, and to continue the programme of asset purchases, which is set to raise the total amount of quantitative easing to £895 billion.

Extract H

Thousands of Uber drivers to receive employee benefits

The move comes after the business lost a UK Supreme Court case in March 2021 which found that Uber was
5 wrong to class its drivers as independent contractors and should instead treat them as employees. It is believed that around 70 000 Uber drivers will benefit from the changes.

Uber has said that all of its drivers will now be paid at
10 least the national living wage of £8·91, irrespective of the driver's age. Drivers will also enjoy holiday time based on their earnings. Drivers will automatically be enrolled into a workplace pension scheme, with Uber contributing to the pension alongside driver contributions.

15 The GMB union, which represents Uber drivers, welcomed the move. Mick Rix, national officer at GMB, said "It's a shame it took the GMB winning four court battles to make them see sense. Other gig economy companies should take note – this is the end of the road
20 for bogus self–employment."

Extract I

Business secretary denies plans to rip-up workers' rights

Business secretary Kwasi Kwarteng has denied reports that the UK Government wants to reduce workers' rights now that the UK has left the EU. In January 2021, the Financial Times (FT) reported that some workers' protections and rules brought in under the EU's Working Time Directive – including the 48-hour limit on the working week – could be amended by the government.

10 Kwarteng has denied the claim, stating that his department wanted to “protect and enhance workers' rights”.

Labour's shadow Business Secretary Ed Milliband tweeted: “These proposals are not about cutting red tape for businesses but ripping up vital rights for workers.

15 People are already deeply worried about their jobs and health.”

“The labour market rules that exist in the UK already strike a good balance between providing protection for workers and flexibility for employers,” said Rachel Suff, employee relations adviser at the Chartered Institute of Personnel and Development (CIPD).

20

Sources

Extract A

(Source: adapted from <https://www.autocar.co.uk/car-news/features/winners-and-losers-2020-uk-car-market>)

Extract B

(Source: adapted from <https://cardealermagazine.co.uk/publish/stellantis-what-is-it-which-brands-does-it-have-and-what-does-it-mean-for-customers-and-dealers/214546>

<https://www.stellantis.com/en/investors/reporting/financial-reports>)

Extract C

(Source: adapted from <https://news.sky.com/story/ellesmere-port-vauxhall-plants-future-secured-with-electric-vans-12349750>)

Extract D

(Source: adapted from <https://www.autoexpress.co.uk/news/108960/2030-petrol-and-diesel-ban-what-it-and-which-cars-are-affected>)

Extract E

(Source: adapted from <https://www.buyacar.co.uk/cars/economical-cars/electric-cars/650/cost-of-running-an-electric-car>)

(continued on the next page)

Turn over

Sources continued.

Extract F

(Source: adapted from <https://tradingeconomics.com/united-kingdom/inflation-cpi>)

Extract G

(Source: adapted from <https://www.ft.com/content/a2df9e5c-2dd4-4295-9938-890329c4e61f>)

Extract H

(Source: adapted from <https://www.yourmoney.com/household-bills/thousands-of-uber-drivers-to-receive-employee-benefits/>)

Extract I

(Source: adapted from <https://www.personneltoday.com/hr/business-secretary-denies-plans-to-rip-up-workers-rights/>)