

Thursday 05 December 2013

Association Sees Little Support for Industry from Autumn Statement

Despite the Chancellor's promise to "fix the roof when the sun is shining", few signs of support for the construction industry came out of today's Autumn Statement.

Responding to the announcement, Dr Diana Montgomery, Chief Executive of the Construction Products Association, commented: "The cancellation of the fuel duty increase for next year, capping the business rates at 2% from next April whilst allowing 12 monthly instalment payments, all will help. In addition, we're encouraged by the further investment to promote exports, and the Chancellor's strong support for increasing apprenticeship schemes together with the scrapping of National Insurance for some under-21's, which could prove a boost.

"Missing from today's announcement was any mention of relief for our energy intensive manufacturers or changes to the Carbon Price Floor. The supply and cost of energy is as important an issue for business as it is for households, and the lack of attention in this regard will be sorely noted by investors and boards of directors alike.

"Another missed opportunity was the absence of clarity around the future of Help to Buy, the main driver in our industry's resurgence this year. This, together with the recent diminishing of government support for ECO – one of the only effective initiatives helping to improve the performance and energy efficiency of the existing housing stock – leads us to believe that this important sector both for construction and the wider economy is being ignored at great cost.

“We have consistently called for greater clarity and certainty from government in regards to investment in infrastructure, and so we actually were more encouraged by yesterday’s publication of the updated National Infrastructure Plan and the National Infrastructure Pipeline.

“It is excellent news that government has managed to draw in £25 billion of private investment from insurers at a time when public funding is highly constrained. The key question will be whether it is primarily focused on new or existing infrastructure.

“Given that the intention is for £5 billion per year for five years, it is unlikely to be solely in major new infrastructure, which would take years in planning and procurement, so it is more likely that it will be a combination of existing infrastructure, schools and hospitals. More interestingly for our members, however, is that it is likely to include housing as well.

“The confirmation that the construction of the A14 will begin in 2016, without tolling, means that it will be publicly funded but ensures that the project can take place with no further delays.

“Finally, the signing of the government agreement with Hitachi and Horizon for the second nuclear power station at Wylfa, and confirmation of strike prices for renewable energy, is also good news.”

Dr Montgomery concluded, “We will continue to remind government that the construction industry is a vital enabler of the wider economy. We hope that the government’s focus on a ‘responsible recovery’ will not jeopardise UK manufacturing nor the £20 billion per year market for repair, maintenance and improvements, both from a sustainability and an economic perspective.”

ENDS

NOTE TO EDITORS:

CONSTRUCTION PRODUCTS ASSOCIATION:

The [Construction Products Association](#) represents the UK's manufacturers and suppliers of construction products, components and fittings. The Association acts as a single voice for the construction products sector, representing the industry-wide view of its members. The sector has an annual turnover of more than £40 billion and accounts for over 1/3 of total construction output.

The Construction Trade Survey is one of a range of economic publications produced by the Association, including the Construction Industry Forecasts and the State of Trade Survey. These reports are available to Association members and interested parties via our website.

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