

Thursday, 13 November 2014

Association Reports on Ways to Encourage Investment in UK Manufacturing

Industry and government can work better together to develop policies that give greater certainty and confidence to industry and encourage investment, innovation and growth, according to a report from the Construction Products Association.

In the second in a series of projects that the Association is contributing to support the Industrial Strategy for Construction, the report – *A Study of the Factors Underpinning Investment in the Construction Products Industry* – seeks to understand the economic, political and regulatory risks which may be influencing investment, showcases examples of policies with positive and negative impacts, and advises on a best practice approach to regulation and policy.

The report also features results of two surveys of Association and industry executives regarding both the impact of energy costs, supply and security on investment and their views towards specific policies such as Part L, the National Infrastructure Plan, Help to Buy, the Energy Company Obligation, Green Deal and the EU Emissions Trading System.

The key findings of the report include:

- Effective regulations are clearly defined, target-driven and not prescriptive.
- Industry needs policy and regulation that is simple with minimal administrative burden.
- Policy works best when government consults industry early and regularly to identify problems, review measures, provide solutions and evaluate results.
- Government can create greater certainty for industry by providing a roadmap with a long term plan – not just over five-year parliamentary cycles – and clear goals which allow time for industry to prepare.
- Once the roadmap is implemented, unplanned changes should be avoided. Delivery according to the original plan is key. Consistency of policy helps industry to invest.
- Cross-party consensus should be sought in advance for policies which are key drivers in major markets (e.g., infrastructure and housing), to prevent changes occurring due to party politics.

John Sinfield, MD of Knauf Insulation and Chair of the Construction Products Association, said: “In the construction products industry, many companies trade on a multi-national scale and, as a result, have a choice of where they base their manufacturing. One of the major challenges faced today by both the UK government and UK business leaders is ensuring that this country is viewed as a favourable location to invest.

“There is such a thing as ‘good regulation’ and policy,” he continued. “It supports the market, sets high standards and provides industry with a clear view of the way forward. It motivates business to develop innovative products and solutions and invest in future opportunities.

“Ultimately however, the regulatory framework must be seen by business as stable, concise and predictable over the long-term. And always, industry must be consulted fully.”

The Association also offers several recommendations to industry which, it says, needs to demonstrate leadership and play its part in helping develop effective policy and regulation. This could be done by working together to establish a consensus and:

- Speaking with one united voice as a supply chain to government.
- Providing government with high-level, outcome-focussed, strategic input which avoids commercial differences.
- Supporting well-considered, effective regulations with credible, practical solutions which are fact and evidence-based.

ENDS

NOTE TO EDITORS:

The report – *A Study of the Factors Underpinning Investment in the Construction Products Industry* – was launched at the Construction Products Association’s Autumn Lunch today with nearly 600 senior industry executives, government officials and media in attendance. The event’s guest speaker was John Cridland, Director-General of the CBI.

A Study of the Factors Underpinning Investment in the Construction Products Industry is available on the Association’s website.

CONSTRUCTION PRODUCTS ASSOCIATION:

The [Construction Products Association](#) represents the UK’s manufacturers and distributors of construction products and materials. The sector directly provides jobs for 300,000 people across 20,000 companies, has an annual turnover of more than £40 billion and accounts for over 1/3 of total construction output. The Association acts as the leading voice to promote and campaign for this vital UK industry.

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