

**Wednesday 5 December 2012**

## **Construction Remains Key to Growth Following the Chancellor's Autumn Statement**

Construction activity remains a key plank in the government's growth strategy according to the Chancellor, who outlined several initiatives in his Autumn Statement, which he hopes will help stimulate the recovery the economy desperately needs.

The Chancellor also recognised the need to divert current expenditure savings into capital investment and announced an additional £5 billion investment over three years; however there is little evidence that this will have much impact, as the industry is currently contracting by more than double that amount every year.

Responding to this announcement, the Association's Chief Executive, Diana Montgomery said: 'The Chancellor clearly recognises the need to stimulate growth through construction activity and has made several announcements that are a step in the right direction. However if you put these announcements into context, the benefits to our sector are less clear. Construction has been contracting by £1 billion on average each quarter since Q4, so his announcement that there will be an additional £5 billion added to the capital budget over three years, will do very little to offset the losses we are already experiencing, especially as that £5 billion is not just for construction but includes IT, exports and skills.

'Although the Autumn Statement included a number of re-announcements we do welcome the emphasis on road maintenance and repair which will benefit from £725 million from April next year. This was something we called for in our letter to the Chancellor last month and we are pleased he has heeded our request.

'It is also very welcome that UKTI will have its budget increased by 25 per cent. Export activity to both existing and emerging markets must play an increasingly important role for the country over the coming years and this increase is an important recognition that the government is serious about supporting UK companies in their drive to succeed in new markets abroad.'

**ENDS**

**NOTE TO EDITORS:**

The Construction Products Association represents the UK's manufacturers and suppliers of construction products, components and fittings. The Association acts as the voice of the construction products sector, representing the industry-wide view of its members. The sector has an annual turnover of £50 billion and accounts for 44% of total construction output.

**FOR FURTHER INFORMATION CONTACT:**

Simon Storer      Communications and External Affairs Director  
Construction Products Association  
Tel :                020 7323 3770  
Fax :                020 7323 0307  
Mobile :            07702 862 257  
E-mail :            [simon.storer@constructionproducts.org.uk](mailto:simon.storer@constructionproducts.org.uk)