

Construction Sector urges Government to maximise potential of infrastructure investment in London

Contacts Stephen Ratcliffe Director 07798 650792
Simon Nathan 07931 467374

Publication: Immediate

23 January 2012

The UKCG today urged government and local decision-makers to do more to ensure London maximises the potential of infrastructure investment in the region.

The government has published a pipeline of national and local infrastructure projects worth over £250bn over the next decade. Over £31bn of this investment has been earmarked for projects in London, accounting for 43% of spending on programmes which are located in a specific region. In addition the area will benefit from schemes which have a nation-wide footprint.

Investing in major construction projects boosts economic growth and supports job creation. UKCG research shows that every £1 invested in construction generates £2.84 in wider economic activity. And as a labour intensive industry, construction generates significant employment opportunities – vital at a time when over 400,000 people are unemployed in the capital.

The construction industry in London performed comparatively well in the recession and is well placed to help kick-start regional economic growth. A recent UKCG report on the value of construction to local economies found:

- Construction contributes £28bn to the London economy, accounting for 4.1% of the region's GDP
- The sector supports over 308,000 full-time equivalent jobs – 5.2% of the regional workforce
- 89p in every £1 spent on construction in London is retained within the region, stimulating local growth and jobs

UKCG director Stephen Ratcliffe said: "The construction sector is uniquely placed to support economic growth and social change. Investing in local transport, energy and water networks will create jobs and re-start the local economy. The success of the Olympic site demonstrates what the industry can deliver, and major projects such as Crossrail and the planned Thames Tideway Tunnel will continue to bring jobs to the capital over the coming years".

Notes for editors

The UK Contractors Group (UKCG) represents leading contractors operating in the UK on construction specific issues. Its mission is to represent contractors' interests to government and key clients and to encourage contractors to work together to promote change and best practice, especially on health and safety and environmental issues. UKCG also works closely with the CBI Construction Council to ensure that contractors' interests are properly reflected in the wider business agenda.

A full copy of the report “making the economic case for construction” is attached. It builds on previous research looking at the importance of construction and its potential to kick start growth.

UKCG published in 2009 (and revised in 2010) a report on “Construction in the UK economy: The economic benefits of investment. This report can be downloaded using the following link:

http://www.ukcg.org.uk/fileadmin/documents/UKCG/pamphlets/LEK_report_Nov_2010.pdf

