

Press Release
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Standstill Budget Sprinkled with New Reviews

Construction Industry Council Chief Executive Graham Watts has made the following comments in response to the Chancellor's 2003 budget statement:

"The Chancellor has steadily sharpened the economic pencil since 1997. This year, he has hardly picked up the sharpener at all. It was very much a standstill budget in terms of fiscal policy with most of the meat contained in forthcoming reviews.

The budget speech was clearly focussed upon the needs of small businesses, for whom the damage was largely inflicted in last year's budget. It is unlikely that the measures announced today will ease the pain of the additional costs of employing staff about to take hold, which were inflicted last year.

CIC has recently given a report to the ODPM on the problems caused by the complex plethora of regulations affecting the construction industry. So it is very pleasing to hear the Chancellor give special mention to construction in his proposals to review rising red tape. The review needs to include appropriate expertise from the broader construction industry.

Also welcomed are the extension of work permit eligibility in construction and increasing R&D tax credits. The housing and mortgage review to be carried out by Kate Barker could be very significant.

The Chancellor has, as expected, stood his ground with relation to maintaining public expenditure on schools, hospitals and other public facilities. But in doing so he is taking a big risk in terms of planned borrowing and future forecasts. Let's hope that he has got it right."

Note to Editors

CIC is the representative forum for the professional bodies, research organisations and specialist trade association in the construction industry. It provides a single voice for professional in all sectors of the built environment through its collective membership of 500,000 individual professionals and 25,000 firms of construction consultants.

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