



Press Release

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CECA: Red Diesel Axe To Cost Construction More Than £280 Million A Year

Civils contractors have warned that cutting the rebate on from red diesel will cost the UK's construction industry at least £280 million a year.

Red diesel is used by contractors for off-road plant including excavators and generators. As this plant does use the road network the diesel currently has a 47p reduction in cost per litre.

The Civil Engineering Contractors Association (CECA) has written to the Chancellor of the Exchequer to outline how proposed plans to remove the rebate will negatively impact the construction supply chain, risking placing further pressures on a sector that has seen a spate of companies go out of business recently.

Commenting, CECA Director of External Affairs Marie-Claude Hemming said: "The construction sector accounts for more than half the companies that use red diesel.

"Removing the red diesel rebate could cost our industry between £280 million to £490 million a year.

"As the construction sector's largest customer, the Government will end up paying much of this cost, as well as inflicting additional pressure on the industry's supply chain, at a time when we need the sector to perform well and boost economic growth.

"We would welcome the opportunity to work with Government and others across the industry to undertake a phased approach to the development and roll-out of lower-carbon plant across construction sites.

"As more efficient machinery becomes available, we advocate a reasonable lead-in time to give our sector - especially our SMEs - the chance to manage the increased costs and work towards cleaner air for all.

"If the Government decides to proceed with the removal of the red diesel rebate, CECA will set up an emergency helpline for members to help tackle immediate difficulties.

"But we also call on the Government to maintain this exemption in the shorter term, to prevent construction businesses from going to the wall, and allowing industry to engage in a sustainable transition to greener fuels in the coming years."

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Notes to Editors

1. The Civil Engineering Contractors Association (CECA) represents over 300 contractors of all sizes, covering approximately 80% of the civil engineering market in Great Britain. Our members build infrastructure that provides the basis for economic sustainability and quality of life in communities across the country.

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Civil Engineering Contractors Association (CECA)

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