Cementing the future... sustaining an essential British industry

The Mineral Products Association is the trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar and silica sand industries.

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Our appeal to Government

- Recognise the industry’s strategic significance and potential to generate growth
- Acknowledge the industry’s role in delivering a low-carbon future for the UK
- Deliver an economic climate of investment security and reduce regulatory uncertainty in the industry
- Reduce the cumulative cost burden on the industry
- Lift unilateral UK green taxes

Our promises

- A secure supply of quality assured cement made in the UK
- Commitment to the UK Government’s infrastructure and built environment programme
- Continued investment in the future of a healthy domestic cement industry
- Sustained employment at our network of UK cement plants and the supporting supply chain
- Planned reduction of 81% in greenhouse gas as detailed in our Carbon Roadmap to 2050
Our promises in return

Cement plants are mainly located in rural areas and are often the central focus for local employment and substantial contributors to local economies and to community life. Given support, we can protect local jobs and play an active economic and community role well into the future.

By attracting the necessary investment to sustain our plants for the long term, we can underpin the country’s economic and social development by bringing security of supply to the all important UK construction industry. We also want to make sure that those using cement in this country have confidence that it is produced to the highest standards and in the most environmentally responsible way possible. Since 1998, the UK cement industry has reduced its emissions, per tonne of Portland Cement equivalent by:

- sulphur dioxide (SO2) - reduced by 84%
- oxides of nitrogen (NOx) - reduced by 59%
- dust - reduced by 82%

We have also reduced our emissions of carbon dioxide (CO2) by 55% in absolute terms, or 27% per tonne of Portland Cement equivalent, since 1990.

Going forward, the industry has recently published a “roadmap” to 2050 which could, with help, see it reduce its greenhouse gas emissions by 81% against a 1990 baseline - going beyond the Government’s own 80% target. We can only achieve all of this if the industry is economically sustainable, and for that we need the positive recognition and support of Government in helping us cement the future of an essential UK industry.

Summary

Cement is essential, not just to our way of life in the UK but to our economy. The growth that is now so urgently needed cannot happen without cement as a vital ingredient of concrete and one of the largest material inputs to the £120 billion construction industry. Government plans to build our way out of the difficult financial conditions of recent years depend upon a reliable domestic source of cement. For every £1 spent on construction in the UK, £2.84 is generated - economic activity we desperately need if we are to see a return to sustained long term growth.

The future of the UK cement industry is, however, far from assured. The global economic downturn since 2007 resulted in demand for domestically produced cement tumbling by 35% from 12 million tonnes to less than eight million tonnes by 2012 when over the same period imports by non-UK manufacturers have risen. UK factories have closed or been mothballed and jobs have been lost. In tandem with that, the industry is reeling from the cumulative impacts of rising energy costs and unilateral UK green taxes not faced by other European and global competitors.

The Government has recognised the need for action and has announced some measures that should help ease the cost burden on the industry, but these measures need to be implemented urgently and maintained for as long as necessary to avoid the risk of losing more of our strategically important industry to overseas production.
Portland Cement as we know it today was invented in the UK in the early 19th Century - it is a traditional industry that still keeps its place as a technical leader amongst the manufacturing elite globally. The modern industry has a network of 14 plants which currently produces around 8 million tonnes of Ordinary Portland Cement a year and between them employ a total of some 2000 people, directly and 15000 indirectly in mainly rural areas.

Cement is a critical ingredient in concrete - the most widely used of all the world’s man-made materials. Given the role of its end-product, cement helps underpin everyday life as well as the economy. Government plans to “build for economic growth” involving transport, energy and water infrastructure, homes, hospitals, schools and much more - all depend on a reliable domestic source of construction materials. Some of the most important construction materials are cement, aggregates and concrete.

Cement is strategically pivotal to the UK’s future economic and social development and needs to be recognised as such.

The Government has already recognised the cement industry as being strategically significant to the delivery of its future infrastructure and low carbon economy plans, but such efforts need to be coupled with a clear understanding of the global competitive environment in which the industry operates. That is why delivery on announced government support measures to shield the domestic industry from costs not faced by its international competitors is vital.

By working together, the industry and Government can help create a level playing field that will help secure the cement industry’s future in the UK and deliver the Government’s ambitious economic and social development plans.

### Factory/Site Owner Location

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<th>Number</th>
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<td>1</td>
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### Creating a long-term healthy domestic industry

Cement is strategically pivotal to the UK’s future economic and social development and needs to be recognised as such.
Prior to the global economic downturn in 2007, the UK cement industry was producing over 12 million tonnes a year to meet strong demand from a busy and growing construction industry. All that changed dramatically in 2008 when the cement industry, like so many others, was affected as the country moved into recession. Investment in construction was one of the first sectors to be hit as orders throughout the supply chain fell away. Cement factories closed, jobs were lost and consumption from domestic production dropped to an all-time low of less than eight million tonnes in 2012 - an overall fall of 35%. During the same period, the cumulative impact of rising energy costs, green taxes and the costs incurred through the implementation of new regulations spiralled.

The UK needs a healthy domestic cement industry if it is to maintain a secure supply of a strategically vital material. Without it, the UK would have to rely on uncertain imports, the transport of which would increase the UK's carbon footprint. Given that the UK has an abundant supply of limestone as the main raw material, it makes no sense to manufacture cement in other countries, (where the carbon footprint could be higher), with a resulting loss in mainly rural jobs.

The cement industry is highly capital intensive. If it is to have a sustainable long-term future in the UK, it must be allowed to compete on a level playing field with its European and global counterparts. High production costs due to the price of energy, taxes and regulation, that others do not have to meet, threaten to undermine our competitiveness.

Cement and concrete are key components in the wider UK mineral products family which includes aggregates, asphalt, lime, mortar and silica sand and supports over £400 billion of economic activity every year. These product groups are part of the Mineral Products Association (MPA) and together the MPA member company activities:

- Produce 250 million tonnes of materials every year
- Have an annual turnover of £9 billion
- Are critical to the £120 billion construction industry
- Employ 70,000 people
- Support industries that together employ 2.5 million people.

The mineral products industry has achieved major successes in terms of sustainability. In particular, it has reduced lost-time injuries by 86% in the last ten years, is the European leader in the recycling of aggregates and, through its habitat creation work, is making a major contribution to UK Biodiversity Action Plan targets.

In 2012, MPA launched a “Make The Link” campaign to achieve recognition for the industry’s role. You can view the campaign publication at www.mineralproducts.org.

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The bigger picture

Economically challenged on all fronts

Innovation

Although modern day cement was invented in the UK in the early 19th century, the industry has constantly striven to improve its production performance and product offering. Strict environmental standards have seen the industry close its older and less efficient wet kilns, which required large volumes of water and considerably more energy, and invest in newer and more efficient processes.

Step changes in the types of cement produced for different specialist applications have also resulted in customers getting exactly what they need for the job. Cements with varying degrees of added materials, such as wastes and by-products, which have complementary properties to cement, can provide a product that sets when you want it to. It also gives precisely the desired strength, which is critical when you are building a bridge or a high rise structure such as The Shard in London.

Domestically, cement can now be supplied in plastic packaging to minimise waste and help with recycling, while specially prepared cements in easy to use bags help the DIY enthusiast tackle their patios and fence post fixing jobs.

Looking ahead, the industry is already producing low carbon cements and concretes, as well as a wide range of special concretes that include ultra thin and high strength concretes, water permeable concrete that helps to prevent flooding and concretes that substantially improve the energy efficiency of buildings.

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It is no accident that the fastest growing economies in the world also have the highest cement production. China tops the table at over two billion tonnes of production in 2012, followed by India at 239 million tonnes and Brazil at nearly 68 million tonnes.

Cement production is a direct indicator of economic growth because it underpins the construction industry. When we look at developing countries, we don’t just look at the economic figures - we look at physical development built on cement and concrete. Cement is an enabling industry - the key to much else. Factories and offices built using cement generate economic activity.

Looking ahead, the Government has recognised that we need more homes, schools and hospitals; better roads, railways and airports; and crucial energy security from a mix of renewables, new nuclear and clean coal. None are possible without cement. We can only fulfil our ambitions for a low-carbon economy if we have the materials to build it with. A healthy, domestic cement industry can help secure supplies of this vital material for the very projects the Government is relying upon to stimulate short and long term economic growth.

Cement helps make our lives work. Along with aggregates and water, it is one of the critical ingredients in concrete, putting strength into our homes, schools, hospitals, roads, bridges and much more.

Flexible, adaptable, attractive modern concrete structures play a vital role in every community up and down the country. Behind them all stands a highly and technologically advanced cement industry.

Cement plants are also important to the communities in which they operate. In those mainly rural areas, they provide jobs and a make a major contribution to the local economy. Recognising that their operations have potential to impact on their neighbours, cement companies take the need for local liaison very seriously. They also support local causes where they can.