



The British Ceramic Confederation (BCC) represents the collective interests of all sectors of the UK ceramics manufacturing industry. BCC safeguards the industry's prosperity, acting on its behalf in discussions and negotiations with government and public authorities.

## Key Facts

- The sector includes industrial ceramics, refractories, table and giftware and materials suppliers. Bricks, clay roof tiles, clay drainage pipes, sanitaryware and wall / floor tiles are essential materials for the construction industry including house-building.
- Sales, including supply chain, of £2 billion.
- Export sales over £500 million.
- More than 20,000 employed in industry and suppliers.
- Production in over 90 parliamentary constituencies throughout the UK.
- A diverse sector of multinational and UK-based large and small companies.
- Ceramics are made at high temperature, so energy costs are up to a third of manufacturing costs. We strive to be as energy efficient as possible.
- The sector is an important solution provider for the low carbon economy. For example, industrial ceramics provide critical components for renewable energy and electricity production and distribution.
- Long-life refractory materials are essential for glass, steel and ceramic production – key materials in construction and low carbon energy generation.
- Ceramic products are durable and have low carbon footprints over their lifetime.
- All sectors of the UK ceramics industry use advanced innovative manufacturing technologies.

## KEY PRIORITIES FOR THE NEW GOVERNMENT

**We need a long term commitment to build homes for our future, ensure we have secure and affordable energy and drive investment during the recovery. This will ensure we can power the UK economy to keep businesses internationally competitive.**

The recession exposed the need for a stronger manufacturing industry in the UK to rebalance the economy, increase GDP and generate export income.

We recognise that these are not times when it will be easy to reduce tax, but neither is it right to impose yet greater burdens on business by raising taxes or increasing regulatory demands.

**We need the new government to concentrate on four key priority areas to support our manufacturing industry:-**

### 1 Economy and Recovery

- Manufacturing industry needs a stable and consistently, but slowly growing economy: we are recovering from a recession that destroyed significant manufacturing capacity.
- Investment in UK manufacturing requires long-term certainty of a supportive Government environment.
- As the economy recovers there is a need for increasing working capital requirements. Government will need to ensure there is no sharp withdrawal of finance by banks in this critical period.
- Tax incentives need to encourage long term investment and not short termism.
- Increased Annual Investment Allowances over a longer period will support growth and improvements, sustaining the recovery.
- We support free trade, but it has to be fair trade. Businesses appreciate Free Trade Agreements. The Transatlantic Trade Partnership (TTIP) needs to be progressed.
- Ensure all businesses, including SMEs, are not hampered by complex, unnecessary regulation.

## 2 Energy and Climate Change

- The UK needs a strategy for energy intensive industries working across Government departments to prevent carbon leakage. A combination of current policies is deterring investment.
- Energy security is essential. At times of energy shortage industrial users are particularly vulnerable. Loss of gas or electricity causes damage to kilns costing millions of pounds. We support the building of more gas storage, supported by a Public Service Obligation. This would also help reduce gas price volatility.
- We support a diverse energy mix including use of indigenous resources such as shale gas where this can be extracted in an environmentally responsible and safe manner.
- Our businesses compete internationally and are at high risk of carbon leakage from unilateral UK climate policy costs. The UK needs to simplify climate-related taxes and have an early repeal or phase out of the UK Carbon Price Floor as this tax is completely uncompensated for our sector and is a tax overseas competitors do not pay. The total of the UK “Levy Control Framework” should be reduced to ensure international competitiveness.
- We need enough support from government to allow our energy intensive businesses to have more of a level playing field in Europe on renewables. We need retention of the mineralogical and metallurgical exemption on the Climate Change Levy. Government needs to support more energy efficiency measures in manufacturing – including grants for industrial energy efficiency and decarbonisation measures and a broader technology scope for capital or investment allowances for energy efficient factories and self-generation.
- Carbon consumption, as well as carbon production, must be taken into account in UK and EU climate policy.
- We need realistic and achievable decarbonisation targets, taking sector roadmaps into account. This includes support for development and implementation of breakthrough technologies. At present the rules on extended capacity and new entrants within the EU Emissions Trading Scheme deter increased production levels and investment in new and upgraded state-of-the art energy-efficient plants. We need sensible reform here that helps rather than prevents this essential investment during the economic recovery.

## 3 Housing and Planning

- The UK is short of housing. In 2013 we completed 110,000 homes. But the UK needs 200,000-250,000 new homes each year for a decade. We need a long-term housing strategy.
- Help to Buy linked to new housing has boosted building. We need no discontinuities in this policy at this critical stage in the recovery to ensure companies making construction products are stable.
- Additional measures to boost supply of housing we support are: shared equity with government and investors; Help to Build for small and medium sized builders; action on stimulating investment for institutional investors in the build to rent market.
- To support housing, businesses and minerals extraction – all essential for the UK, the National Planning Policy Framework (NPPF) needs time in its current form to fulfil its potential as an effective mechanism for sustainable development.

## 4 Skills, Development and Innovation

- Businesses have a responsibility to develop talent and skills in the current and future workforce. Government can help ensure success here through supporting these needs nationally, including financial measures.
- To support the necessary innovation we encourage ring-fencing of government funding for technology development. It is essential to see funds available to a much broader range of manufacturing industries.

### Further information, please contact:

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