



# MANIFESTO 2024

THE NEXT FIVE YEARS





# Welcome

We are excited to share the Construction Equipment Association's 2024 Manifesto and Policy Cards. We encourage all members to share these and join us in advocating for the necessary changes to secure the future of the industry and strengthen our collective voice.

Our Manifesto covers critical areas such as decarbonisation, digital transformation, skills development, and regulatory consistency. We feel these underpin the need for a UK wide Industrial Strategy. With the upcoming General Election, we must strengthen our collective voice to influence policies that drive sustainable growth and innovation within our sector.

I want to express my sincere thanks to the CEA Policy Group for their hard work and dedication. Your efforts, and those of the entire membership, have been crucial in advancing our initiatives and supporting the industry's growth.

**Viki Bell**  
**Director of Operations**  
**Construction Equipment Association**



# Introduction

The Construction Equipment Association (CEA) is the trade association representing the UK construction equipment industry since 1942. We are recognised as the voice of the industry.

The CEA represents the £15 billion UK construction equipment sector, employing over 44,000 workers. This is part of the wider £125 billion UK construction sector, employing over 382,500 workers. The UK construction and construction equipment sectors are the backbone of the UK's manufacturing and building economies. UK construction equipment is vital for delivering the UK's built environments. Manufacturers supply many sectors beyond construction, including roads, mining and quarrying, agriculture, infrastructure (rails, airports, ports, and freight terminals), military, forestry, landscaping, utilities, demolition, and recycling.

With the General Election now scheduled for 4th July, it is paramount the CEA continues to be the voice of the industry to UK Government, Local & Devolved Governments, and Europe. The CEA Policy Group was established in Spring 2024 to prepare this Manifesto, which sets out our position for a clear and transparent approach to tackle the challenges facing the construction equipment sector, as well as the wider construction, engineering, manufacturing, and education sectors.

## Live demo at PlantWorx 2023



# The sector at a glance



**80%>**

export share of production

**44k+**

employees

**1.5k+**

companies



**£250m+**

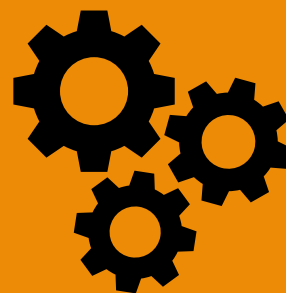
investment in R&D per year

**£15b**

total revenue 2022

**£2.5b**

total GVA 2022



**54k+**

UK machine production 2023 in units

# Objectives for Government

We back the call for a UK wide Industrial Strategy. To support this we have focused on four key areas that are critical for sustainable growth and innovation in the construction equipment industry.

## 1 Decarbonisation

Advocating for a technology-neutral approach, the CEA supports the development of electric, hydrogen and low-emission diesel technologies. Key asks include national planning for alternative fuel infrastructure, alignment of UK legislation, and further financial support for companies investing in low-emission technologies.

## 2 Skills development

Addressing the need for a skilled workforce, the CEA calls for wider collaboration with educational, professional, and trade organisations. We need a unified industry voice to ensure the ongoing development of the STEM agenda from primary, through to further and higher education, to deliver the engineers and skilled workforce the industry needs.

## 3 Digitalisation

Emphasising the need for the UK to maintain its competitive edge, the CEA calls for harmonised digital legislation and a co-ordinated effort to bridge the skills gap within the industry.

## 4 Regulatory consistency

The CEA urges the Government to maintain stability in infrastructure planning and regulatory alignment with the EU to avoid inadvertently making the UK an unattractive market for international manufacturers.

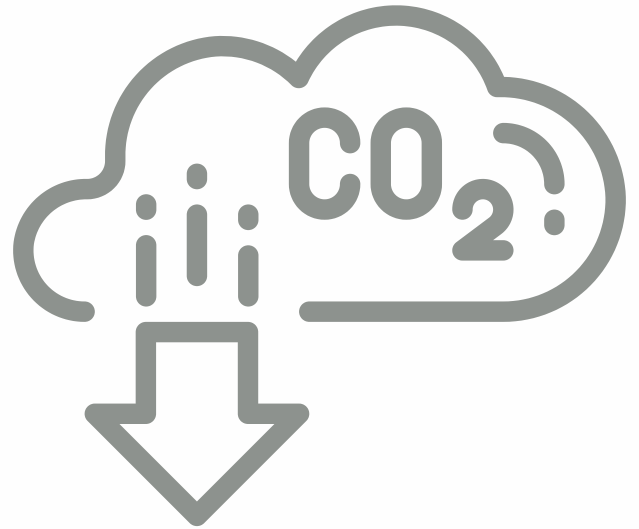
# 1 A manifesto for decarbonisation

The UK construction equipment sector is working hard to achieve decarbonisation targets. Leading manufacturers are developing a range of innovative solutions to support their customers' climate-related objectives, increase operational efficiency, and reduce emissions. The CEA maintains a technology-neutral position and believes legislation should do the same. Technology-neutral standards, regulations and/or incentives will help reduce barriers and improve the adoption of new lower carbon intensity technologies.

With a significant portion of commercial R&D stimulus spending directed towards decarbonisation efforts, OEMs have actively explored zero-emission technologies. These include full electric machines powered by both batteries and tethered systems, as well as the utilisation of hydrogen fuel cells and hydrogen combustion engines. Fuel is one of the key cost considerations for the sector, exploration of alternative technologies is key to achieving our goals.

The clean low-emissions diesel powered internal combustion engine (ICE) is here for the long-term on construction sites. A modern diesel engine produces around 98% less NOx and 95% less particulates than its predecessor. The CEA's CESAR ECV Scheme allows for instant identification of engine emission levels, highlighting equipment with the cleanest emissions technology. It is therefore a key tool in the management of ULEZ fleets. This Scheme can and should be expanded into more geographical territories to allow the Government to meet its targets.

For the UK market to thrive we must work hard to ensure synchronisation of decarbonisation policies with both Europe and globally.



## Our asks

- > Adopt technology-neutral regulation to encourage investment in lower carbon intensity technologies.
- > Adopt regulation that supports outcomes that are technologically feasible and cost-effective, rather than a technology-specific mandate.
- > Coherent planning for a national fuel infrastructure.
- > Further investment to bolster research and development of a range of alternative fuel technologies.
- > Support for companies wishing to invest in low-emission products which often attract a higher capital investment and a different talent acquisition profile than the development of traditional products.
- > Joined-up action on regulatory alignment to deliver regulatory stability and provide the sector with sufficient lead time from regulation enactment to implementation. For example, a statutory instrument has been drafted by the Department for Transport to allow hydrogen powered machinery to drive on public highways. This requires submission to committee stage to re-align UK legislation with that which has been amended by our European neighbours.
- > The development of hydrogen combustion engines aligns with the UK's Net Zero ambitions and presents a significant opportunity for the country. However UK legislation needs to be aligned to that in the EU, which considers a hydrogen fuelled internal combustion engine as a zero-emission technology. Last year, the 18 OEMs in the UK produced 2.5 million engines, supporting over 67,500 jobs.

# 2 A manifesto for skills development

The success of UK construction equipment manufacturing and engineering is critical to the country's overall economic growth. The 2022 GVA of the sector was £2.5 billion, employing over 44,000 people. Digitalisation, changes in technology, decarbonisation, AI, and automation are driving rapid change. We need to ensure we remain relevant and at the forefront of manufacturing.

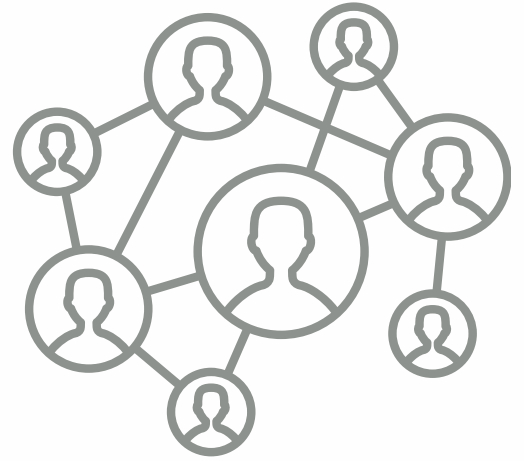
The wider industry has long suffered from a poor 'brand image'. Similarly, STEM (Science, Technology, Engineering and Mathematics) subjects in the UK are poorly understood, and despite years of campaigning, the gender gap in STEM remains high.

The skills agenda within manufacturing and engineering has suffered from a fragmented and disjointed approach. The view of the CEA is to provide a forum to connect members with reputable industry organisations that specialise in career advice and skills development, such as but not limited to:

- Primary Engineer
- STEM Ambassadors
- StemAlliance
- Enginuity
- Institute of Engineering & Technology
- Women's Engineering Society
- Women in Manufacturing
- Women into Construction
- Institution of Mechanical Engineers
- Institution of Agricultural Engineers.

A network of connected organisations will have more power to change the agenda.





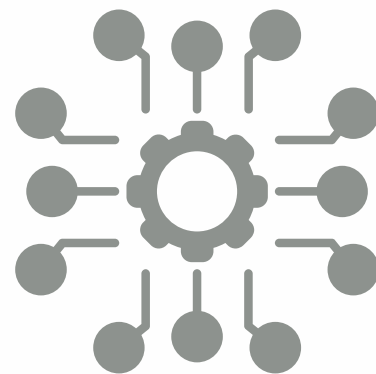
# Our asks

- Provide the skills ecosystem necessary to further enhance the UK's position as a centre of excellence for construction equipment manufacturing and technology.
- Avoid unnecessary changes to the education system and apprenticeship programmes, allowing business to fully understand and build on the current programme.
- Continue to develop a joined-up strategy to drive the STEM agenda in UK schools.
- Support further education institutions and technical colleges to attract and retain the quantity and quality of teaching staff required to train future talent.

## Primary Engineer at PlantWorx 2023



# 3 A manifesto for digitalisation



Digitalisation is key to improve sustainability, efficiency, and safety and the CEA views digitalisation as a positive benefit for the wider construction industry. CEA members are making huge developments in this area every day.

However, the UK is in danger of falling behind our global peers. For many years, the perception of the construction and engineering industries has been one of 'low paid and dirty work', yet we know this is far from the truth. Coupled with confusion over the UK skills agenda, it has proven difficult to attract younger people into engineering and manufacturing roles. This has led to an aging workforce, often lacking the relevant skills for digitalisation.

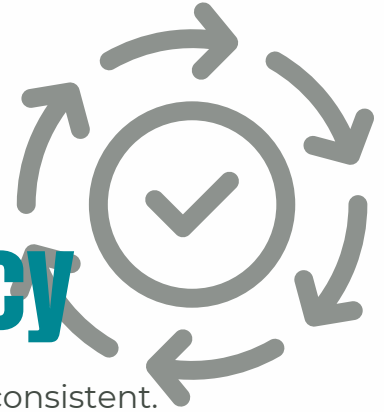
The CEA views this as an opportunity to attract top talent into the sector and upskill existing workforces. This is covered in more detail on Page 8.

Similarly, the rise of digitalisation in the sector is faced with challenges over synchronisation of legislation. Harmonisation of standards and consistent implementation across borders is key to remaining competitive.

## Our asks

- Support to maintain and promote the UK as a centre of excellence for technology, and to sustain high value engineering jobs, develop apprenticeships, and increase productivity.
- Funding for new technologies which aid the development of digital solutions for the sector.
- Harmonise UK digital legislation and cyber security in line with the EU Data Act, EU Cyber Resilience Act, and EU AI Act.
- Tackle the digital skills cap with a co-ordinated approach to attracting and developing talent in the construction equipment manufacturing sector.

# 4 A manifesto for regulatory consistency



Manufacturing requires the regulatory environment to be consistent. Unnecessary changes or U-turns should be avoided. Long-term stability in major infrastructure projects is needed, alongside a streamlining of the planning process. Geopolitical events such as the war in Ukraine and tensions in Gaza and the Middle East, as well as the pandemic, has financially impacted the global supply chain, calling for greater resilience.

## Our asks

- A formalised UK Industrial Strategy.
- Careful consideration of all current major infrastructure projects with the UK to maintain the forecast growth in the construction equipment sector.
- Maintain UK/EU regulatory alignment wherever possible. Avoid unnecessary UK legislation that differs from Europe which could inadvertently make the UK an unattractive market for international OEMs.
- Achieve a final settlement with the USA on the Steel and Aluminum tariffs, currently due for review in March 2025. The same with the Boeing/Airbus WTO dispute, scheduled a year later.
- Stabilisation and simplification of the import and export process documentation which is currently leaving the UK at a competitive disadvantage to global competitors.
- Increase supply chain resilience, supporting inward investment and reshoring or near shoring.
- Increase full expensing allowance for short-term rented plant in construction. Simplifying the rules between plant rented with or without an operator will support housebuilding and infrastructure projects while generating revenue for the Exchequer.
- Increase and enforce anti-dumping regulations and Country of Origin surveillance on non-compliant imported equipment and parts which are unfairly subsidised.



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