

Draft Press Release Tuesday 7th November 2000

Attention: Business/Political Correspondents

Environmental Taxation Set To Continue

Government Policy Confused

In advance of this afternoon's Pre-Budget Report, in which the Chancellor of the Exchequer, Gordon Brown, is expected to confirm the Government's plan for an aggregates tax, the BAA spoke out strongly on the apparent contradictions in government policy.

BAA Director Robert Durward said:

"Although the Prime Minister spoke recently at the CBI conference on the need to form a partnership with business to protect the environment, the Chancellor is still carrying on regardless with his aggregates levy – using public concerns over the environment to increase taxation."

"Over the past year the BAA has highlighted fundamental flaws in the aggregates tax, which will put many companies out of business, cripple exports and promote imports. The tax will have a huge impact on government building programmes, taking £550 million per annum out of the construction budget by 2004 and making a mockery of the recently announced roads programme. Rural areas will be hit hardest and many jobs will be lost."

Ends.

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A spokesman from the BAA is available on request.

Notes for Editors:

1. The British Aggregates Association was formed last year to represent independent quarry companies throughout mainland Britain and Northern Ireland. There are currently 65 member quarry companies, operating over 100 sites. Members also operate ready-mix concrete and asphalt plants as well as re-cycling and landfill operations.
2. The aggregates tax was announced by the Chancellor of the Exchequer in his budget of 21st March 2000 and will come into force in 2002. The tax is designed to reduce production of aggregates and will inevitably lead to job

losses in the quarrying industry. Smaller, independent operators will be disproportionately affected, given compliance costs. Furthermore, funds currently put into environmental programmes and research and development, which has historically produced improvements which protect the environment, will be diverted into payment of the aggregates tax. Less than 10% of revenue collected will be returned via the Sustainability Fund.

3. A review of the aggregates tax was prepared for the British Aggregates Association by Wardell Armstrong, Mining, Minerals, Engineering and Environmental Consultants. This and other related documents are available on the BAA website at www.british-aggregates.com