

FOR IMMEDIATE RELEASE FEBRUARY 2009

## Transport Infrastructure Construction and Refurbishment Market - UK 2009-2013

New AMA report provides a major review of this significant market

"With construction output set to fall over the next 2-3 years, infrastructure represents a key area where Government action can make a difference with an additional £1bn already brought forward under the November PBR. While some schemes still rely on PFI funding, it is anticipated the sector will remain a priority area for capital injection to help underpin the economy and provide some light in the current gloom."

A brief summary of the report is included on the following page.

Priced at £650, the report is currently available from AMA Research Ltd, Telephone 01242 235724 or e-mail at [sales@amaresearch.com](mailto:sales@amaresearch.com).

### **Editors Note:**

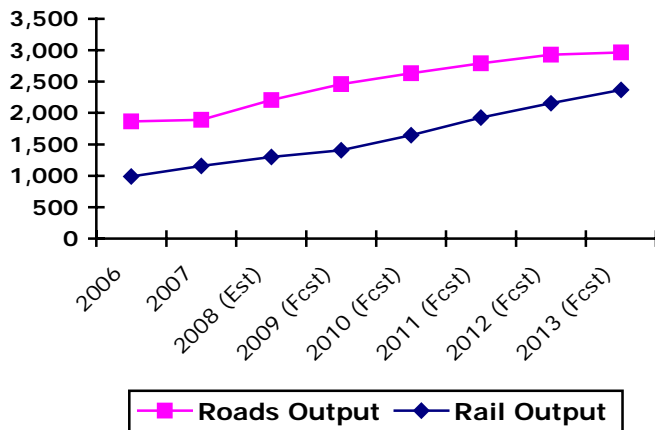
Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Andrew Hartley or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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# Transport Infrastructure Construction and Refurbishment Market UK 2009-2013



**Value of Road & Rail Construction Output  
2002-2013 (£ billion)**

Despite the current gloom, the sector creating the most significant growth opportunities in construction output over the next few years is **infrastructure**, which is forecast to grow at around 5-10% per year up to 2013.

This growth builds on the resurgence in 2007, as work begins on some significant expansion and refurbishment projects. There is a wide range of large transport infrastructure projects in the pipeline, many of which are scheduled to be completed, at least in part, in time for the start of the Olympic Games in July 2012.

Over the last two years, infrastructure output has grown steadily to reach almost £8 billion in 2008, a 15% rise on the previous year. In fact, 2008 has been a record year for infrastructure projects, with improvements across all sub-sectors, with further expansion planned – particularly in road and rail as seen in the chart. In the **roads sector**, total spending is likely to grow steadily between 2008 and 2013, with major improvements to the roads network. Projected capital expenditure in the highways sector is expected to be around £22bn between 2008 and 2012, with peak funding around 2011.

The Highways Agency **Programme of Major Schemes** (formerly known as Targeted Programme of Improvement), which comprises 113 schemes costing more than £5m, is designed to improve England's major trunk roads and motorways through the building of new roads and improving and widening existing ones.

In the **rail sector**, **Network Rail** has published its Strategic Business Plan for Control Period 4 (CP4), which will run from 1<sup>st</sup> April 2009 until March 2014. The **Office of Rail Regulation** has determined that Network Rail will need an income of around £26.7 billion in the 5 year period from 2009 to 2014 in order to operate, maintain and renew the railway network and deliver all required improvements.

The **Olympic Delivery Authority** is investing more than £500m to develop and deliver transport facilities needed for the **2012 Olympic Games**, which will also support the community after 2012. This investment is part of an estimated £17bn that will be spent upgrading London's transport system, as part of a long-established programme of renewal and development currently taking place in the Capital.

Aviation is a major UK industry, carrying over 238m passengers a year, 2.4m flights and over 2.1m tonnes of freight. While 2008/09 will be a tough period for the industry, longer term passenger growth projections will require additional capacity as exemplified by the recent decision on T6 at Heathrow. The demand for air travel is set to increase in the future, but UK airports currently operate at near full capacity and new investment will be critical.

With construction output set to fall over the next 2-3 years, infrastructure represents a key area where Government action can make a difference with an additional £1bn already brought forward under the November PBR. While some schemes still rely on PFI funding, it is anticipated the sector will remain a priority area for capital injection to help underpin the economy and provide some light in the current gloom.

AMA Research's report "**Transport Infrastructure Construction and Refurbishment Market – UK 2009-2013**" is available in hard copy or electronic format for £650 and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.