Transport. Pre-budget comment from Chris Selway, Director at BNP Paribas Real Estate:

The hot topic is fuel prices which have reached an all time high in the UK – diesel now averaging 145p per litre and the government’s proposed increase on 1st August has to be shelved if businesses and families are to avoid facing unprecedented transport costs.

Any further increases in logistics and distribution costs will put more pressure on profit margins – stifling growth and increasing prices for consumers.

The abolition of the old fuel duty escalator was intended to cut transport costs and stimulate the economy – this is backfiring and will cause more problems unless the Chancellor changes his intentions.

The National Infrastructure Plan identified £250bn and 500 projects, 40 of which are nationally significant, with 1/3rd of that investment promised from public funds for implementation before 2015, which is now only three years away. The Government needs to speed up its approval of road and rail projects to enable authorities to get their CPO’s underway without worrying about funding. It is ridiculous that schemes frozen in 2010 are still in limbo.

We need a comprehensive revitalised national logistics policy and transport plan from Justine Greening’s department that sets out more concessions for greener and more efficient travel and more incentives to transfer freight to rail. The Chancellor could look at bringing back Capital Freight Grants for developing new rail termini.

HS2 won’t be up and running for 15 years at best and action is needed more urgently. Funding to help towards the lengthening platforms and other enhancements to reduce over-crowding on our trains would be popular with hard pressed commuters.

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