

# And we march on

**Nigel Headford, chief executive, Council for Aluminium in Building, reflects on a month of change in the aluminium industry and highlights what's on the horizon**



**Nigel Headford**

**M**arch has been a month of movement in the aluminium sector.

ASSA ABLOY acquired Senior Architectural Systems as part of its strategy to align its pre-existing product offer with complementary building products. Eurocell acquired Alunet, part of its strategy to build on its residential aluminium offer, and building envelope specialist Bailey, acquired Comar, part of its plans to strengthen its commercial product portfolio.

It is an indication of the confidence in the aluminium building products sector. Things may have been tougher at the end of last year and trading conditions have been slower to improve at the start of this year than we might have hoped; long-term, however, forecasts for the sector are positive. Our partner, the Construction Products Association predicts a return to growth this year, and four percent growth next year. Glennigan meanwhile predicts an eight percent increase in project starts this year followed by a 10% rise next year.

The three major acquisitions we've seen in the last month [March], reflect the long-term confidence in the sector, and in constructions recovery more widely.

This doesn't mean that there aren't challenges on the horizon. Next month's increase in the national minimum wage and more significantly the increase in National Insurance from 13.8% to 15%, will add to the pressures faced by manufacturers.

The latter will lead to an increased overhead per employee of around £700. That is a significant increase at a time when employers already face increased energy and employment costs, something we have and are continuing to raise with government.

We have also seen the first shots in a potential trade war between the US and Europe as Donald Trump imposed a

25% tariff on steel and aluminium imports. While that is unlikely to interrupt supply here, it further destabilises the global economy and a fragile economic recovery.

We have already seen a number of recent failures this year. As positive as I am about long term growth, in the interim we need to recognise the challenges that we face, maximise opportunities and to continue to innovate.

We are working with the aluminium building products and construction sectors to support CAB members through what have been a challenging few months and to take advantage of market growth as it accelerates the second half of this year.

This includes the CAB closed-loop recycling scheme, which supports industry sustainability by isolating waste streams so that higher value aluminium alloys used in construction are ring-fenced. This also means that manufacturers can command a higher price from recycling specialists. Where specified as part of the national building specification (NBS) clause C20, it also generates a unique opportunity for CAB members, as it excludes non-members from tender.

If you're interested in finding out more, we'd encourage you to come and see us at the FIT Show, Stand R76 at the NEC Birmingham 29 April – 1st May. It's followed by the CAB technical conference at Loughborough University on 15th May.

So despite headwinds in the short term, we press on, we overcome challenges and we look forward to long-term growth, built on continuing high demand for our products and innovation in the aluminium sector. □

To learn more about the use of aluminium in construction contact CAB, join the association and be recognised as being involved in supporting your Industry and helping to shape its future. [www.c-a-b.org.uk](http://www.c-a-b.org.uk)