

Build us out of recession?

Yesterday we read of the forthcoming Prime Ministerial speech about the need to build new hospitals, transport systems and homes to help lift us out of the deep Covid 19 created recession we are living through. Investing in the future is a good idea. Better transport and some improvements to the health and schools estate are helpful.

There are many other things that are needed to get us out of the deep pandemic hole we and the rest of the world are in. The main drivers of our future success and prosperity will come from the private sector, expanding the goods and services we make and supply at home, and in turn paying more tax to support better public services.

I have drawn attention to the way health activity actually fell sharply over the lock down, despite the huge efforts some NHS staff put into fighting the virus, which we all admire. The large reduction in other NHS work to keep the hospitals clear for Covid 19 cases meant a big overall fall, which we now need to recover. We also need to get all the state schools back to work, either in classrooms or remotely, to regain that lost activity as well.

There is huge scope in the private sector to do more and to invest more. We need substantial investment in additional energy capacity, to remove our growing dependence on imports. There is the opportunity under our new independent trade policy from January to recapture much of the market share in temperate foods that we lost during our CAP years. We can aim to replace many of our timber imports, as the UK has good growing conditions for softwoods compared to our Canadian and Scandinavian suppliers. The UK has the liveliest and most promising tec sector in Europe, which needs more government contracts and full fast broadband rollout to assist it. The UK pharmaceutical industry has shown some of its strengths over the disease, and can achieve more.

Government can help by being an informed buyer, by setting a policy framework which advantages instead of disadvantaging UK based activity, by buying more UK sourced goods and services and by leading a movement to rely more on local output.