

RIA write open letter to the Chancellor asking him to safeguard investment in rail

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The Railway Industry Association (RIA), has written an open letter to the Chancellor, (currently the Rt Hon Jeremy Hunt MP), asking him and Treasury officials not to reduce investment in rail.

The letter, written by Darren Caplan, RIA's chief executive, accepts that the government is facing immense pressure to make cuts in public spending, however stresses that rail represents exceptional value for money in terms of public spending and is an essential generator of economic growth.

The letter reads:

Dear Chancellor

Congratulations on your new role. I am writing to you on behalf of trade body the Railway Industry Association (RIA) and our rail supply sector members.

We of course understand that there are incredibly difficult decisions to be made on the economy in the coming weeks and months. We wanted to point out to you and your officials that in terms of public

spending, rail represents impressive value for money.

A recent study published last year, commissioned by RIA and conducted by Oxford Economics, shows that the railway industry is an essential generator of economic growth, jobs and investment. In the UK, rail supports 710,000 jobs, contributes over £43bn Gross Value Added, provides up to £800mn in exports, and for every £1 spent on rail, £2.50 of investment is generated elsewhere in the economy. This means that rail is not just an important industrial sector in its own right, but that it also plays a major role in boosting economic growth in other sectors too, as well as connecting and levelling-up the country. Simply, rail is the cleanest form of mass transport and with the Government's currently planned investments will be able to contribute even more strongly to Net Zero and green, highly-skilled, jobs.

Rail also provides £14bn in tax revenue to the Treasury, meaning that annually it pays its way. So our 'ask' is simple: we ask that in your deliberations on spending in the coming days you and your officials regard rail as a generator of jobs, GVA, catalytic investment and tax revenues, and not simply as a cost on the public purse. We also urge you to look to the longer-term: building rail for the next 20-30 years – to deliver the capacity we're going to need in the future – means we should not take our foot off the pedal on investment now. Rail renewals, enhancements, rolling stock investments, and major projects like HS2, Northern Powerhouse Rail, Midlands Rail Hub and East West Rail will all generate jobs, GVA and growth both today and in the years to come.

We wish you well for your deliberations in the days ahead.

Your sincerely

Darren Caplan

RIA Chief Executive
