

The single market was never a level playing field

I have no problem with the idea that a quoted company can be bid for by potential new owners who value it more or who might run it better than the existing owners. I do have a problem with the U.K. offering this freedom to countries and companies who do not accept the same discipline. I particularly oppose the idea that nationalised industries or foreign states should be able to buy up U.K. based businesses.

One of the unfairnesses of the single market was we offered up most of our large businesses for sale to France and Germany but they offered up very little of theirs in return. Cultural obstacles, different ownership structures, EU rules and Court judgements and different national government approaches meant during our time in the market many of our companies were acquired from the continent whilst U.K. companies made little or no progress with either acquisition or organic growth strategies in the leading EU countries.

Just look at what happened to our building materials industry for example. In the 1970s we had large advanced companies mining China clay, producing cement and ready mix concrete, making tiles, kitchen units, glass, plasterboard, bricks and tarmac. They did pioneering work on ready mix, concrete tiles, glass and other processes. These items make sense to produce locally as transport costs are high and the travel intrusive. They created many jobs in the U.K. and did not add to the import bill.

Redlands tiles was bought up by French Lafarge. Marley Tiles was bought by Belgian Etex. BPB plasterboard was acquired by French St Gobain. Blue Circle Cement was bought by French Lafarge. Ready Mix Concrete was purchased by Mexican Cemex. Hanson Trust with wide ranging building material interests including bricks was taken over by German Heidelberg Cement. Magnet Joinery's kitchens and other wood products were snapped up by Swedish Nobia. Tarmac's aggregates and road materials were bought by French Lafarge. English China Clays was acquired by French Imetal. That just left Pilkington Glass with world leading technology to go to the Japanese, and our main scaffolding business to go to the USA.

In the case of the USA Hanson had acquired various materials companies as that is an open market. There were practically no successful U.K. bids for European companies given the constraints, apart from Braas bought by Redland only to be sold back to the continent as part of the sale of the larger group.

As we develop our own free trade and overseas investment policies we need to make sure there is reciprocal access for bids. In areas like defence, data and communications we also need to be aware of the needs of national security. There are some basic competencies and essential areas where we need a domestic capability. The extraordinary story of how the U.K. sold out of

practically all its leading building materials shows what can happen if our access is blocked. Once you lose control of the assets you can then be taken on a journey to much more dependence on imports, where you export the jobs elsewhere.