



HPC response to new restrictions – Tuesday 24th March 2020

Firstly, thank you to everyone at HPC for coming into work today. The rate of change in the measures being announced by the Prime Minister continues to accelerate and, inevitably, this will lead to confusion and questions as to how we at HPC need to respond. Yesterday afternoon, Jason sent a further update to all HPC staff and we will keep that guidance up to date as the situation continues to develop.

Boris Johnson's address to the nation on Monday evening limited leaving home to a small number of situations, one being "travelling to and from work, but only where this is absolutely necessary and cannot be done from home". For now, the government has only issued guidance on businesses that are being compelled to close and has not been prescriptive of those companies that are considered to be critical industries that must remain in operation. Here we must use our judgement and reflect on the small but important role that HPC plays in the operation of the UK economy.

Many will have heard the expression that "compressed air is the fourth utility" alongside electricity, gas and water. Compressed air differs from the other three utilities in that industrial companies generally buy compressors and generate compressed air themselves. Pretty much every industrial company will use compressed or blown air somewhere in its activities and will rely on the availability of air for the continued running of its operations.

Over the last half a century, HPC has supplied c. 25% of all industrial air compressors to UK industry. When it comes to larger machines and more complex air requirements, our market share is even greater. I estimate that there are as many as 40,000 HPC Kaeser machines throughout the UK, the majority being reliant on servicing, consumables, spare parts and breakdown support from HPC and our network of Authorised Distributors. Power stations, hospitals, water treatment works, fish farms, pharmaceutical manufacturers, and a myriad of other businesses are dependent on the continued running of HPC compressors. For this reason, we must continue to maintain our operations, throughout the supply chain, whether it be manufacturing air-end housings for Kaeser, unloading deliveries of equipment, spares and consumables, supplying and supporting our distributors, responding to customer enquiries, and providing service and breakdown support.

Within a couple of miles of Burgess Hill, HPC air compressors power both the milking parlour of Mid Sussex's largest dairy farm and distribute the feed at the county's largest pig farm. In the last two weeks, our service engineers have been working at two of London's largest trauma hospitals; they have been servicing the National Grid; we have been servicing vital compressed air equipment installations at essential waste and environmental sites, water treatment works, food and pharmaceutical manufacturing businesses plus transport systems. Yes, we have customers that will now be shutting down manufacturing operations, manufacturers of sports cars and luxury yachts etc, but where we have a vital support role within key industries and critical sectors we must continue to play it.

The compressed air industry is small, perhaps only a £200m sector within the UK economy. We will perhaps never make it onto any government listing of critical industries, but we know our worth and the difference we make. Two final examples - on Friday we consigned a large machine to a hospital on Jersey that was looking to increase its air capacity, and we have been asked by a major regional water company to commit to continuing to support their operations. We will make that commitment. Within HPC we will continue to provide every support to our staff, distributors, key accounts and customers, and we will be heedful of all new government advice.

With my very best wishes.

Ian Curtis
Chairman