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Latest Construction Output and New Orders Highlight Industry Optimism

Data published today by the ONS show that construction output in January rose 1.8% compared with December while new orders for the final quarter of 2013 rose 1.5% compared to the third quarter, providing positive signs for the industry going forward.

Commenting on the ONS figures, Dr Noble Francis, Economics Director at the Construction Products Association said, "The construction industry continued to see a recovery in activity. Output in January was 5.4% higher than snow-affected January 2013. New orders are an early indicator of future output, so the 1.5% rise during the final quarter of 2013 suggests that the growth in activity is also likely to continue over the next 12-18 months.

"Private housing was the key driver of construction growth in January with sector output 23.3% higher than a year earlier. New orders for private housing in Q4 rose 7.2% compared with Q3 and indicate growth for the sector in 2014 and 2015. The Association forecasts that private housing starts will rise 16% this year and a further 10% in 2015.

"Output in public non-housing, which primarily covers schools and hospitals work, has suffered greatly in recent years but looks set for a recovery. Output in the sector fell 34% between 2010 and 2013. In January, however, output was 2.2% higher than a year earlier and new orders in Q4 were 16.8% higher than in Q3, pointing towards sector growth this year."

Dr Francis warned, however, "Despite many government announcements of finance for large infrastructure projects over the last two years, output in the infrastructure sector fell by 2.3% in January compared with December and was 3.2% lower than a year earlier. Of greater concern, infrastructure new orders in Q4 were 22.2% lower than in Q3. Therefore, it is vital that the government focuses on delivery of existing projects in the pipeline rather than further announcements."

ENDS

NOTE TO EDITORS:

[The Construction Products Association](#) represents the UK's manufacturers and suppliers of construction products, components and fittings. The Association acts as a single voice for the construction products sector, representing the industry-wide view of its members. The sector has an annual turnover of more than £40 billion and accounts for over 1/3 of total construction output.

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