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## **Construction Product Sales Continue to Strengthen in Q3**

The Construction Products Association's latest State of Trade Survey released today indicates that sales of construction products continued to strengthen during the third quarter of 2013 following the recovery in Q2. Private housing and infrastructure were still the key drivers behind growth but building product manufacturers clearly signalled that the rise in sales was more widespread than in Q2.

Construction Products Association economist, Milja Keijonen commented: "The third quarter of 2013 saw sales significantly rise across the board. Exports supported the growth but even the domestic market showed signs of recovery. Heavy side products, commonly utilised early in construction projects, recorded widespread growth in sales both on an annual basis and quarter-on-quarter. Sales of light side products such as fittings and services also increased strongly after a broadly flat Q2.

"Looking ahead, product manufacturers are increasingly optimistic about Q4 sales growth and most are expecting higher sales over the next 12 months. The wider economic outlook has steadily become more positive, which should support recovery in construction and demand for building products. We note that employment for product manufacturers is still flat, though sentiment is increasingly positive.

"Altogether, the results highlight the improving state of the market; however, concerns do remain about the sustainability of the recovery with most manufacturers reporting that domestic demand could prove to be a future constraint."

Other key points include:

- Half of heavy side firms reported sales growth of over 5% quarter-on-quarter and year-on-year.
- Trading conditions among light side producers improved significantly and around 60% of companies, on balance, experienced a rise in sales from a year ago and quarter-on-quarter.
- Expectations suggest that conditions are set to improve further over the next three months with 67% of heavy and 66% of light side companies, on balance, expecting sales to rise in Q4.
- Exports continued to boost sales in Q3 with 27% of light and 25% of heavy side firms reporting a rise in exports quarter-on-quarter, on balance.
- Cost inflation was widespread across the industry with energy and transport costs driving higher unit costs.

**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 the voice of the construction products sector, representing the industry-wide view of its members. The sector has an annual turnover of more than £40 billion, accounts for over 1/3 of total construction output and directly provides jobs for more than 300,000 people.

The State of Trade Survey is one of a range of economic publications produced by the Association, including the Construction Trade Survey and the Construction Industry Forecasts.

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