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Product Manufacturers Hit in Weather-Affected Q1

The Construction Products Association's latest State of Trade Survey indicates that sales of construction products fell during the first three months of 2013 with poor weather exacerbating conditions for the industry.

Commenting on the figures, Construction Products Association economist, Milja Keijonen said: 'The poor weather in January and March certainly had an adverse affect on sales in Q1, with sales of heavy side products falling for the fourth consecutive quarter with 39% of firms reporting a fall in sales. Despite seeing a rise in light side sales in Q4, volumes were once again lower both on a quarterly basis and compared to a year ago.

'It is not all doom and gloom however, as both heavy and light side manufacturers anticipate a catch-up in sales in Q2 as improving weather conditions kick-start infrastructure and housing projects. Furthermore, a growth in sales is expected over the next 12 months. In addition, export sales continued to grow in Q1, with 15% of heavy and 21% of light side manufacturers reporting increased export volumes compared to Q4. Overall, 2013 is likely to be a challenging year for the industry but there are areas of optimism among the dark clouds.'

Other key points include:

- Light side sales volumes contracted both year-on-year and on a quarterly basis, on balance.
- Heavy side markets remained depressed with sales falling both quarter-on-quarter and year-on-year, according to 39% of firms, on balance.
- Both heavy and light side product manufacturers anticipate a recovery in sales in Q2, on balance.
- Export sales continued to grow in Q1. On balance, 21% of light and 15% of heavy side firms reported higher export sales on a quarterly basis.

- Low demand is expected to hinder sales growth in 2013 but raw material prices were also cited as a likely constraint by a small group of firms.

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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 £50 billion and accounts for 40% of total construction output.

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