

Friday 25 January 2013

Economy Contracts despite some Construction Growth

Today's GDP figures, published by ONS, show that the UK economy has fallen by 0.3 per cent in the final quarter of 2012 compared to the previous quarter and was flat compared to the same quarter a year ago. The main contributors to this fall were the manufacturing and mining and quarrying sectors, which fell 1.5 per cent and 10.2 per cent respectively. Construction overall fared slightly better, growing by 0.3 per cent quarter on quarter, however compared to the same period a year ago construction was 11 per cent down.

Commenting on these figures, Noble Francis, Economics Director at the Construction Products Association, said: 'The GDP figures released today show that the final quarter of last year was extremely difficult with the construction industry 11 per cent lower than a year ago. Recent figures for new orders, which are a forward looking indicator for the industry, were 7 per cent lower than a year ago and as a consequence the coming year is likely to see further contraction from what is already a very difficult position.'

'We welcome the Deputy Prime Minister's acknowledgement today for more investment in infrastructure, as this is something the industry has been calling for, for two years. However, he must turn this sentiment into real activity if we are not to experience further decline across the industry and the wider economy for many months to come.'

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

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