

Friday 7 December 2012

Construction New Orders Indicate Continuing Industry Contraction

Figures of construction new orders for the third quarter of 2012, which have been released today by ONS, are 7 per cent lower than the same quarter of 2011 and 5 per cent lower over the first three quarters of this year, when compared to the same period last year.

Although Q3 has seen some improvement against the second quarter in 2012, the overall level of construction new orders remains very poor, indicating continuing challenging conditions for construction in 2013.

Commenting on the ONS figures, Milja Keijonen, Senior Economist at the Construction Products Association said; 'Our intelligence of the trading conditions the industry is experiencing, has indicated a difficult market and these figures from ONS certainly endorse this position. However, there are some brighter areas, as both infrastructure and private industrial construction new orders are showing double digit increases of 46 and 24 per cent respectively for the first nine months of this year, compared to the same period last year.

'It would be very encouraging if this percentage growth was repeated across all sectors, but the figures for these two sectors are not unexpected and the overall figure of orders for all new work is negative.

'Commercial and private housing, that accounted for 36% of total construction output in 2011, saw orders decline both quarter-on-quarter and year-on-year in the third quarter. New orders for commercial work, the largest construction sector, were 18% lower in the first nine months of 2012 compared with the same period in 2011, whilst private housing saw orders decline by 7% from a year earlier.

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 44% of total construction output.

FOR FURTHER INFORMATION CONTACT:

Simon Storer Communications and External Affairs Director
Construction Products Association
Tel : 020 7323 3770
Fax : 020 7323 0307
Mobile : 07702 862 257
E-mail : simon.storer@constructionproducts.org.uk

Milja Keijonen Economist
Construction Products Association
Tel : 020 7323 3770
Fax : 020 7323 0307
Mobile : 07702 862 257
E-mail : milja.keijonen@constructionproducts.org.uk

Follow the Construction Products Association on Twitter: https://twitter.com/CPA_Tweets