

**Friday 7 September 2012**

## **Latest Construction New Orders Remain Depressed**

The latest quarterly ONS figures for construction new orders released today show that new orders for construction remained at a depressed level in the second quarter of 2012, despite having risen 1.5% in the first half of 2012 compared to the same period one year earlier. New orders remain 40% lower than the pre-recession peak.

Commenting on the new orders data, Noble Francis, Economics Director at the Construction Products Association said: 'The adverse effects of the public sector cuts are clearly highlighted in these ONS figures. New orders for public housing in the first half of the year were 24% lower than a year earlier and orders for public non-housing, which covers education and health, were 19% lower than a year earlier.

'The picture is brighter for infrastructure, where new orders in the first half of the year were 47% higher than a year earlier and this will feed through over the next few years through large projects such as Crossrail and Thameslink. However, this is not enough to offset the fall in orders in the public sector. In the private sector, new orders for commercial construction rose 1% in the first half of the year, which points towards a subsequent rise in output in 12-18 months' time, given the long lead time in the commercial sector.

'With new orders at such historic lows, it is imperative that government does more to stimulate construction and the economy. Despite numerous announcements and initiatives from government over the past 12 months, the private sector recovery remains sluggish, as public sector investment falls sharply. The economic recovery will only return when investment is made, therefore government must decide its priority between its current and capital spending whilst at the same time provide a robust model to attract private finance.'

## ENDS

### NOTE TO EDITORS:

#### CONSTRUCTION PRODUCTS ASSOCIATION:

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

#### FOR FURTHER INFORMATION CONTACT:

Simon Storer, Communications and External Affairs Director  
Construction Products Association

Tel: 020 7323 3770

Mobile 07702 862 257

Fax: 020 7323 0307

E-mail: [simon.storer@constructionproducts.org.uk](mailto:simon.storer@constructionproducts.org.uk)

Noble Francis, Economics Director  
Construction Products Association

Tel : 020 7323 3770

Mobile: 0791 261 2882

Fax : 020 7323 0307

E-mail : [noble.francis@constructionproducts.org.uk](mailto:noble.francis@constructionproducts.org.uk)

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