

Wednesday 25 July 2012

Sharp Construction Fall Causes Deepening UK Recession

Today's GDP figures from ONS show that the UK's recession deepened further in the second quarter of 2012, led predominantly by further sharp falls in construction activity. Whilst overall, the UK economy shrank by 0.7% between Q1 and Q2, construction fell 5.2% over that same period, indicating that the construction sector was now in a deep depression, despite a number of recent initiatives by government to spur growth.

Commenting on these figures, Noble Francis, Construction Products Association Economics Director said: 'Although the vast majority of commentators have been predicting continuing recession, very few will have expected such a sharp fall. For construction the position is now very worrying, as although we have known for some time that public sector activity would begin to decline, because of the government's deficit reduction plan, the hoped for recovery in the private sector has not materialised. As the construction sector is such a key part of the economy, until we see recovery in construction, we will not have the economic growth the UK needs.'

'According to our latest Forecasts, which were published this week, construction is unlikely to return to growth until 2014. Government has acknowledged that construction will be a part of the solution for our economic woes, but if they are serious then they must act now to stimulate growth and drive recovery.'

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.

FOR FURTHER INFORMATION CONTACT:

Simon Storer Communications and External Affairs Director
Construction Products Association
Tel : 020 7323 3770
Fax : 020 7323 0307
Mobile : 0770 286 2257
E-mail : simon.storer@constructionproducts.org.uk

Noble Francis Economics Director
Construction Products Association
Tel : 020 7323 3770
Fax : 020 7323 0307
Mobile: 0791 261 2882
E-mail: noble.francis@constructionproducts.org.uk

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