

Wednesday 25 April 2012

## Construction Re-enters Recession in Q1 with Further Falls Expected

Today's figures from ONS for GDP in the first quarter of 2012 show that the UK economy and construction industry returned to recession with a fall of 0.2% and 3% respectively.

Commenting on these figures, Noble Francis, Construction Products Association Economics Director said: 'Given the sharp effects of public sector spending cuts over the past 12 months it is unsurprising to see that construction returned to recession in the first quarter with a fall of 3% following the 0.2% fall in Q4. Furthermore, with new orders for construction falling 14% in 2011, the industry is likely to endure further falls near-term. Our latest forecasts for construction anticipate that the industry will fall considerably this year and remain flat in 2013, severely delaying recovery for the economy as a whole.'

'Given that independent economic analysis has shown clearly that for every £ spent in construction, £2.84 is generated for the wider economy, it is essential that government does its utmost to switch its current spending towards the more productive capital spending.'

**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:

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