

Friday, 11 September 2015

Construction Output Suffers Slight Decline but Orders Remain Positive

The latest ONS construction output figures, released today, have highlighted modest declines of 1.0% month-on-month and 0.7% year-on-year. Orders, however, have remained positive, with growth of 1.9% year-on-year.

Rebecca Larkin, Economist at the Construction Products Association, put the data into context:

“While it was disappointing to see the first annual decline in construction output since May 2013, we believe the industry is still fundamentally on course for growth over the coming years.

“The declines appear to be led by a weak public housing sector, which is no surprise given the government’s focus on austerity and the resulting decrease in starts. In addition, growth in the private housing sector was slightly less than we would have expected, though it remains a strong sector overall. Finally, the commercial sector was down 3.2% year-on-year, which may be a result of rising costs leading to project delays.

“On the positive side, output for both the infrastructure and industrial sectors was notably robust, up 17.3% and 4.9% on the previous year, respectively. These same sectors are also leading the rise in orders.”

Ms Larkin concluded: “Our own surveys along with many from across the industry, however, support our view that the outlook for the industry is positive. We forecast growth of 4.9% in 2015 and 4.2% in 2016, and 21.7% growth between 2015 and 2019.”

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NOTE TO EDITORS:

The [Construction Products Association](#) represents the UK's manufacturers and distributors of construction products and materials. The sector directly provides jobs for 300,000 people across 20,000 companies and has an annual turnover of more than £47 billion. The Association acts as the leading voice to promote and campaign for this vital UK industry.

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