

Friday, 27 April 2018

Construction Drags Down Q1 GDP

The ONS today published its preliminary estimate for GDP in the first quarter of 2018. The release shows that the economy grew by just 0.1%, down from 0.4% in 2016 Q4 and its slowest growth since 2012 Q4. Construction activity is estimated to have fallen 3.3% over the period, compared to growth of 0.7% for industrial production and 0.3% for the services sector. The preliminary estimate incorporates 45% of total data for the quarter and will be subject to revisions.

Rebecca Larkin, Senior Economist at the Construction Products Association, commented: “This preliminary estimate gives the first full indication of how construction was affected by the liquidation of Carillion in January and the adverse weather at the end of February and beginning of March. The quarterly decline of 3.3% was the worst since 2012 Q2 and implies a £1.3 billion loss of output in the opening months of 2018.

“Some degree of catch-up is expected throughout Spring and Summer, but on the CPA’s forecasts, amid continued economic uncertainty and weakness in commercial construction, output for the year is still expected to be flat at best.”

ENDS

NOTE TO EDITORS:

The data for the ONS preliminary estimate of Q1 GDP can be found [here](#).

The [Construction Products Association](#) represents the UK’s manufacturers and distributors of construction products and materials. We are committed to raising the profile of our industry and members’ businesses, helping grow the market and reducing regulatory risk. The sector directly provides jobs for 333,000 people across 23,000 companies and has an annual turnover of more than £56.5 billion. The CPA is the leading voice to promote and campaign for this vital UK industry.

The CPA produces a range of economic reports including the quarterly Construction Industry Forecasts, Construction Trade Surveys and the State of Trade Surveys. All are available to members or subscribers via our website.

Much of the CPA’s work is focused on serving as the first point of contact for politicians and policy makers requiring advice and information about matters that affect construction products or the wider construction industry. This includes understanding the need for investment into manufacturing or the built environment, new housing and energy-saving retrofitting of the existing housing stock; helping to develop effective, UK and

EU legislation, regulations and product standards; and promoting the role of manufacturers in delivering a resource efficient built environment.

FOR FURTHER INFORMATION CONTACT:

Rebecca Larkin, Senior Economist

Tel: 020 7323 3770

E-mail: rebecca.larkin@constructionproducts.org.uk

Emma Salmon, Senior Communications Executive

Tel: 020 7323 3770

E-mail: emma.salmon@constructionproducts.org.uk

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