

Monday, 11 June 2018

Latest Construction Output Data Raises Questions Over Industry Strength

ONS figures published today show that construction output increased 0.5% month-on-month in April. Output was, however, 3.3% lower compared to April 2017, and on a rolling three-month basis contracted by 3.4%, the largest fall since August 2012. Alongside this, new orders in Q1 fell 4.6% quarter-on-quarter and 6.6% in annual terms.

Rebecca Larkin, Senior Economist at the Construction Products Association, commented: “The 0.5% rise in April reflects an element of catch-up after the combination of Carillion’s liquidation and the bad weather in February and March. This seems like a false positive, however, as output remained weak compared to April last year, with the 3.3% fall equivalent to a £430 million reduction in construction work. Only the private housing and industrial sectors recorded growth, the former driven by the traditional spring selling season and the latter due to shorter lead times in factories and warehouses construction.

“The new orders data confirmed an underlying weakness at the start of the year unlikely to be due to the weather. Private housing, industrial and public non-housing new orders increased during Q1, but large falls in the infrastructure and commercial sectors, which account for almost one-third of total construction, are set to act as a drag on growth.”

ENDS

NOTE TO EDITORS:

The data for construction output 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.

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