

Monday, 28 April 2014

Construction Product Manufacturers Expect Sales to Rise in Q2 and Over the Next Year

The Construction Products Association's latest State of Trade Survey released today indicates that sales of construction products rose in Q1 and sales are expected to rise even further during Q2 and over the next 12 months. In addition, exports are anticipated to rise over the next year, boosting prospects for the industry further.

Dr Noble Francis, Economics Director at the Construction Products Association, said:

“Construction product sales have risen for the fourth consecutive quarter. Over three-quarters of product manufacturers, on balance, reported sales rising in Q1 compared with the previous quarter. This growth was not just driven by house building. Private sector offices and new infrastructure are also rising, adding to the recovery in the housing sector.

“Looking forward, product manufacturers anticipate the construction recovery to continue in Q2 and over the next year, again due to growth in housing, commercial and infrastructure. As a consequence, 86% of firms, on balance, expect sales to rise in the next 12 months.

“Exports of construction products rose in Q1 and industry is even more optimistic looking forward. With prospects improving in the Eurozone, 38% of heavy side firms and 61% of light side firms anticipate sales rising over the coming year despite the rising value of Sterling.

“The key concern for manufacturers in Q1 was rising costs. 65% of heavy side manufacturers and 54% of light side manufacturers reported that costs rose compared with a year earlier. These cost rises were due to energy and transport fuel costs, exacerbated by more recent rises in wages and salaries.”

Key points include:

- 76% of construction product manufacturing firms, on balance, reported a rise in sales in Q1 compared with the previous quarter
- 85% of product manufacturers reported that they anticipate sales rising over the coming year
- Half of all product manufacturers reported that they anticipate sales rising by over 5% in the next year
- Cost continue to rise with 60% of firms reporting a rise in costs primarily due to energy and fuel
- Over two-thirds of all product manufacturers reported that costs rose in Q4 and over 80% reported that costs would rise in 2014
- Half of product manufacturers anticipate investing in plant and equipment over the next year

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 more than £40 billion, accounts for over 1/3 of total construction output and directly provides jobs for more than 300,000 people.

The State of Trade Survey is one of a range of economic publications produced by the Association, including the Construction Trade Survey and the Construction Industry Forecasts.

FOR FURTHER INFORMATION CONTACT:

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