

Monday, 04 July 2016

CPA Statement re Markit/CIPS UK Construction PMI Drop

Markit/CIPS figures published today show that the UK Construction Purchasing Managers Index fell to 46.0 in June, down from 51.2 in May. This marks the first time since April 2013 that the index was below 50, above which denotes growth.

Professor Noble Francis, Economics Director at the Construction Products Association, commented: “This was a very sharp fall in the Markit/CIPS for construction activity in June overall and particularly in private housing and commercial, two of the largest sectors.

“In terms of what we have seen within the industry, commercial activity in central London still continues apace and there is also still a lot of activity in cities like Birmingham and Manchester. The uncertainty prior to the referendum, however, has had an impact on new contracts signed, especially for smaller projects.

“In terms of housing, private house building continues but we are seeing evidence that this same uncertainty has had an impact on new housing starts.

“Infrastructure activity was broadly flat, which is not surprising as it has a longer lead in time, so the majority of work occurring in this sector is on large projects based upon contracts signed in 2014 and 2015.

“Our own surveys in the months before the vote showed that uncertainty around the event was dampening business confidence and investment across the industry. Though today’s PMI figures were largely generated before 23 June, it will serve to highlight the impact of uncertainty on UK construction whilst government formulates a plan ahead.”

ENDS

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 313,000 people across 21,000 companies and has an annual turnover of more than £50 billion. The CPA acts as the leading voice to promote and campaign for this vital UK industry.

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