

Friday, 10 October 2014

Domestic Construction Product Sales Continue to Grow in Q3 but Exports Hit by Eurozone Woes

The Construction Products Association's latest State of Trade Survey reports continued growth in UK sales of construction products in the third quarter of 2014. In addition, manufacturers reported optimism going forward and the survey highlights anticipated domestic sales growth over the next quarter and the next year. However, manufacturers also suffered falls in export sales during Q3.

Dr Noble Francis, Economics Director at the Construction Products Association, said: "The latest results highlight the strength of the UK economy in Q3, with private sector construction and manufacturing both benefitting. A rise in third quarter sales was reported by 78% of heavy side firms and 50% of light side firms compared with the previous quarter, and all firms reported a rise in sales compared with 12 months ago.

"Furthermore, as recovery in the construction industry has become more broad-based – across private housing, commercial and infrastructure sectors – growth in construction products has become more sustainable and manufacturers are optimistic going forward. Rising sales in the coming years are anticipated by 72% of heavy side product manufacturers and 90% of light side product manufacturers.

"While product manufacturers reported growth in domestic sales, 27% of heavy side manufacturers suffered falls in export sales during Q3, and 40% of manufacturers reported that the key reason for this was the poor economic performance of the Eurozone, the key export destination for construction products. A further 20% of manufacturers reported that the appreciation of Sterling was a key factor in fall in export sales during Q3."

Key points include:

- 78% of heavy side firms and 50% of light side firms reported that sales rose during the third quarter
- 72% of heavy side product manufacturers and 90% of light side product manufacturers reported that they anticipate sales rising over the coming year
- 61% of heavy side firms and 20% of light side firms reported that costs rose in Q3 compared with a year earlier
- 67% of heavy side firms and 50% of light side firms anticipate costs rising further over the next year
- 27% of heavy side manufacturers reported that exports fell in Q3
- 40% of manufacturers reported that the economic conditions of export destinations was the key factor affecting exports

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 300,000 people across 20,000 companies, has an annual turnover of more than £40 billion and accounts for over 1/3 of total construction output. The Association acts as the leading voice to promote and campaign for this vital UK industry.

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
Mobile : 0791 261 2882
E-mail : noble.francis@constructionproducts.org.uk

Jeff May Marketing and Communications Manager
 Construction Products Association
Tel : 020 7323 3770
Mobile : 0790 447 6166
E-mail : jeff.may@constructionproducts.org.uk

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