

Embargoed until 00:01 Monday 21 January 2013

Construction Product Manufacturers Endure Mixed Q4

The Construction Products Association's latest State of Trade Survey indicates that, following a disappointing Q2 and Q3, heavy side sales fell once again in Q4 but light side sales rose.

Commenting on the figures, Construction Products Association economist, Milja Keijonen said: 'After two disappointing quarters, sales of heavy side products fell once again due to difficult market conditions in the construction industry, where output fell 9% in the past year. However, sales of light side products rose in Q4 as the difficult domestic market was offset by strong exports to fast growing Asian economies.'

'Looking to the year ahead, both heavy and light side manufacturers expect this to continue. Heavy side manufacturers anticipate sales to fall in 2013 due to a subdued domestic market, where construction output is forecast to fall by 2.2%. However, light side manufacturers predict sales will increase in 2013, once again driven by export growth.'

'2012 was a difficult year for the industry, certainly for heavy side manufacturers, and 2013 is also likely to be extremely challenging. Light side manufacturers are going to be heavily reliant upon exports if they are to achieve significant growth in the next 12 months. Yet, risks for product manufacturers are clearly on the downside due to the prevailing economic conditions and the effectiveness of government initiatives to boost construction'.

Other key points include:

- 13% of heavy side companies reported a fall in quarterly sales, whilst 46% of light side firms indicated that sales were higher compared with Q3.

- 9% of heavy side manufacturers experienced a decline in sales year-on-year, on balance, whilst 21% of light side companies stated that sales were higher on an annual basis.
- 72% of heavy side, and 79% of light side firms stated that costs had risen from a year ago.
- According to 6% of heavy side and 13% of light side manufacturers, employment fell, on balance. However, improvements in labour market conditions are anticipated in 2013.

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 £50 billion and accounts for 40% of total construction output.

FOR FURTHER INFORMATION CONTACT:

Simon Storer Communications and External Affairs Director
Construction Products Association
Tel : 020 7323 3770
Fax : 020 7323 0307
Mobile : 0770 286 2257
E-mail : simon.storer@constructionproducts.org.uk

Milja Keijonen Economist
Construction Products Association
Tel : 020 7323 3770
Fax : 020 7323 0307
Mobile: 0795 123 2157
E-mail: milja.keijonen@constructionproducts.org.uk

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