

Friday, 10 March 2017

Monthly Fall in Construction Output in January, but Still Higher than a Year Ago

ONS figures published today show that construction output in January fell by 0.4% but rose by 2.0% compared with one year earlier. In addition, new orders in Q4 were 2.8% lower than Q3 and flat compared to a year ago.

Rebecca Larkin, Senior Economist at the Construction Products Association, commented: “Following an increase in output in Q4 last year, the overall fall in construction output in the opening month of 2017 was disappointing, with a decrease in housing, industrial, commercial and RM&I activity over the month.

“Furthermore, the construction new orders data from the ONS suggests that there may be continued weakness in activity in some sectors during 2017. Commercial new orders tailed off in the second half of 2016 and in Q4 were 10.6% lower than in Q3 and fell 24.1% from a year ago, and new orders in the industrial sector were the lowest in two years. Building work in both sectors requires a large up-front investment for a long-term rate of return and it appears decision-making has been clouded by a rise in economic uncertainty.

“Taking total new orders growth of 2.9% in 2016 as a whole, however, shows there remains an impetus for construction activity over the next 12 months. As echoed in our forecasts, output during 2017 will be driven by higher orders for housing – both private and public – as well as infrastructure and new public sector buildings such as schools and hospitals.”

ENDS

NOTE TO EDITORS:

The data for construction output and new orders from the ONS 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 288,000 people across 22,000 companies and has an annual turnover of more than £55 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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