

Friday, 09 March 2018

## Construction Output – A Weak Start to 2018

ONS figures published today show that construction output fell by 3.4% in January, its worst monthly performance since June 2012. On a less volatile three-month basis, output declined 1.0%, led by falls in commercial, industrial, public non-housing and repair & maintenance. Data also showed that new orders in 2017 Q4 fell 25.0% over the quarter and were 1.3% lower on an annual basis.

Rebecca Larkin, Senior Economist at the Construction Products Association, commented: “After three quarters of decline last year, it appears that 2018 is unlikely to herald a resurgence in industry growth. The fall in activity in January is likely to have been worsened by any pause on projects due to the liquidation of Carillion in the middle of the month. The snow disruption in February and March adds to the downside forces on construction during the opening quarter of the new year.

“The news from the new orders data in 2017 Q4 did little to improve the mood. Although the headline 25.0% quarterly fall was reflective of the spike caused by the award of HS2 contracts in the previous quarter, outside of infrastructure, new orders declined in all sectors, including a 2.3% fall in private housing, which has previously been a strong driver of construction growth.”

**ENDS**

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### 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 333,000 people across 23,000 companies and has an annual turnover of more than £56.5 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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