

Latest Economic Data (Updated 18/07/19)

The ONS's final estimate showed that UK GDP rose 0.5% on a quarterly basis in Q1, up from 0.2% in 2018 Q4. Growth in the services sector slowed to 0.4% in Q1, whilst the production and construction sectors reported a pick-up, with quarterly growth rates of 1.1% and 1.4% respectively. For the production sector, this was highest growth since 2016 Q2, driven by Brexit-related stockpiling by manufacturers. The Markit/CIPS PMI for UK construction was 43.1 in June, down from 48.6 in May, indicating that construction activity contracted for a second consecutive month. This also marked the lowest reading since April 2009, with house building, commercial and civil engineering work all declining. The ONS construction new orders in Q1 rose 9.6% on a quarterly basis and 6.6% on a yearly basis. In May, in its quarterly Inflation Report, the Bank of England upgraded its UK GDP growth forecast for 2019 to 1.5% from 1.2% predicted in the February report, due to stronger than expected growth in Q1. Despite this upward revision, growth is expected to remain below potential due to subdued global growth and ongoing Brexit uncertainties. Looking ahead, growth is expected to pick up to 1.6% in 2020 (revised up from 1.5%) and 2.1% in 2021 (revised up from 1.9%), as global growth stabilises, business investment recovers and household spending continues to underpin demand. The forecasts assume a smooth withdrawal of the UK from the EU. CPI inflation is expected to dip further below 2% in the near-term, due to lower energy prices, before rising back above the target in 2021 as domestic inflationary pressures rise.

Green = Improvement on previous period

Black = No Change

Red = Deterioration on previous period

| GDP | | | |
|---|-------|------------------------|-------|
| 2019 Q1 vs Q4 | +0.5% | 2019 Q1 vs 2018 Q1 | +1.8% |
| CPA Forecast 2019 | +1.3% | CPA Forecast 2020 | +1.7% |
| Unemployment | | | |
| 3mths to May 2019 | 3.8% | 3mths to February 2019 | 3.9% |
| Employment – Construction | | | |
| 2019 Q1 vs Q4 | 0.0% | 2019 Q1 vs 2018 Q1 | +2.4% |
| Real Household Disposable Income | | | |
| 2019 Q1 vs Q4 | 0.5% | 2019 Q1 vs 2018 Q1 | +2.5% |
| CPA Forecast 2019 | +1.4% | CPA Forecast 2020 | +2.0% |
| CPI Inflation | | | |
| June 2019 | +2.0% | May 2019 | +2.0% |
| CPA Forecast 2019 | +2.0% | CPA Forecast 2020 | +2.0% |

Latest Construction Surveys

| CPA Trade Survey | | | |
|--|------|------------------------------|------|
| Heavy Side Sales Q1 | 46% | Light Side Sales Q1 | 46% |
| Heavy Side Expected Sales Q1 | 58% | Light Side Expected Sales Q1 | 68% |
| Building Contractors | | | |
| Workloads vs 2018 Q1 | -20% | Orders vs 2018 Q4 | -20% |
| SME Contractors | | | |
| | | Workloads vs 2018 Q1 | -7% |
| | | Enquiries | 16% |
| Markit/CIPS Construction Purchasing Managers Index : 50 = No Change | | | |
| June 2019 | 43.1 | May 2019 | 48.6 |

Construction Output and Orders & CPA Forecasts

| Construction New Work | | | |
|-----------------------|--------|----------------------------|--------|
| Output – Q1 vs Q4 | +0.6% | Output – Q1 vs 2018 Q1 | +2.6% |
| New Orders – Q1 vs Q4 | +9.6% | New Orders – Q1 vs 2018 Q1 | +6.6% |
| CPA Forecast 2019 | -0.5% | CPA Forecast 2020 | +1.5% |
| Private Housing | | | |
| Output – Q1 vs Q4 | -0.3% | Output – Q1 vs 2018 Q1 | +2.8% |
| New Orders – Q1 vs Q4 | -6.6% | New Orders – Q1 vs 2018 Q1 | -25.4% |
| CPA Forecast 2019 | -1.0% | CPA Forecast 2020 | +1.0% |
| Public Housing | | | |
| Output – Q1 vs Q4 | +3.8% | Output – Q1 vs 2018 Q1 | +20.1% |
| New Orders – Q1 vs Q4 | +28.6% | New Orders – Q1 vs 2018 Q1 | -7.8% |
| CPA Forecast 2019 | +2.0% | CPA Forecast 2020 | +3.0% |
| Public Non-housing | | | |
| Output – Q1 vs Q4 | +1.7% | Output – Q1 vs 2018 Q1 | +3.9% |
| New Orders – Q1 vs Q4 | +27.7% | New Orders – Q1 vs 2018 Q1 | +24.2% |
| CPA Forecast 2019 | -2.3% | CPA Forecast 2020 | +0.4% |
| Commercial | | | |
| Output – Q1 vs Q4 | -4.2% | Output – Q1 vs 2018 Q1 | -7.8% |
| New Orders – Q1 vs Q4 | +14.9% | New Orders – Q1 vs 2018 Q1 | +32.8% |
| CPA Forecast 2019 | -7.0% | CPA Forecast 2020 | -5.8% |
| Infrastructure | | | |
| Output – Q1 vs Q4 | +6.7% | Output – Q1 vs 2018 Q1 | +12.5% |
| New Orders – Q1 vs Q4 | +12.0% | New Orders – Q1 vs 2018 Q1 | +39.1% |
| CPA Forecast 2019 | +9.3% | CPA Forecast 2020 | +9.7% |
| Industrial | | | |
| Output – Q1 vs Q4 | +0.9% | Output – Q1 vs 2018 Q1 | -0.2% |
| New Orders – Q1 vs Q4 | +10.3% | New Orders – Q1 vs 2018 Q1 | -7.8% |
| CPA Forecast 2019 | +0.6% | CPA Forecast 2020 | +7.8% |
| Private Housing RM&I | | | |
| Output – Q1 vs Q4 | +4.7% | Output – Q1 vs 2018 Q1 | +3.2% |
| CPA Forecast 2019 | -2.0% | CPA Forecast 2020 | +2.0% |
| Public Housing RM&I | | | |
| Output – Q1 vs Q4 | -3.2% | Output – Q1 vs 2018 Q1 | -1.1% |
| CPA Forecast 2019 | 0.0% | CPA Forecast 2020 | 0.0% |