



# Monthly Statistics of Building Materials and Components

Commentary

February 2015

Coverage: UK and Great Britain  
Geographical area: Country, region and  
county  
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## Headline results:

- *Construction material prices decreased slightly in January.* The 'All Work' Construction Material Price Index for January 2015 decreased by 0.6% compared to January 2014, and was also down 0.7% compared to the previous month.
- *Brick production increased, but deliveries fell.* Deliveries of bricks fell by 15.5% in January 2015 compared to January 2014. Production increased by 5.0%.
- *Concrete block deliveries and production increased.* Deliveries of blocks rose by 3.8% in January 2015 compared to January 2014. Production increased by 4.4%.
- *Construction imports and exports both decreased in 2014Q4.* Imports of construction materials and products decreased by £88m in 2014Q4, whilst exports decreased by £25m.

## Introduction

Please note - we have recently updated the design of many of the charts in this publication, and welcome any feedback. Please send any comments to: [MaterialStats@bis.gsi.gov.uk](mailto:MaterialStats@bis.gsi.gov.uk).

This commentary accompanies the latest Monthly Statistics of Building Materials and Components bulletin, published on the BIS building materials [web page](#) on 4<sup>th</sup> March 2015. It aims to provide a brief overview of recent trends in the data presented in the bulletin.

The bulletin presents the latest detailed information on selected building materials and components. It covers the following building materials statistics (in parentheses, the data collection frequency and the geographical area covered):

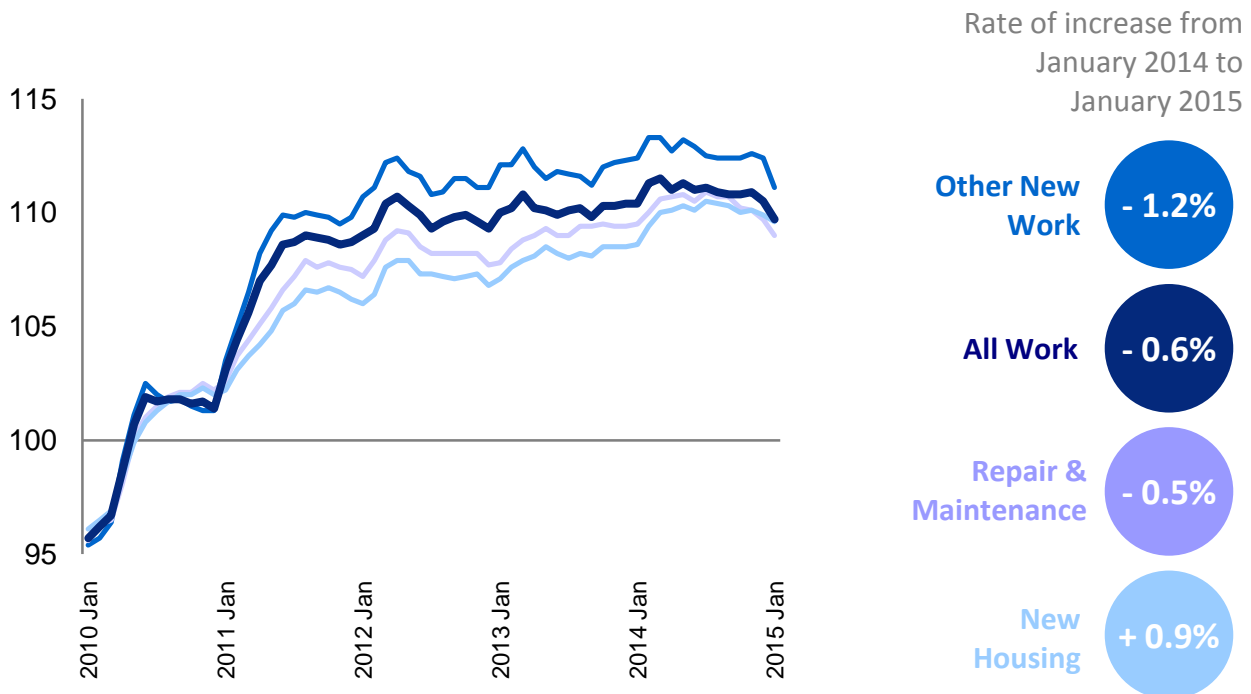
- Construction material price indices (monthly, UK)
- Sand and gravel sales (quarterly, GB\*)
- Slate production, deliveries and stocks (quarterly, GB)
- Cement and clinker production, deliveries and stocks (annual, GB)
- Bricks production, deliveries and stocks (monthly, GB\*)
- Concrete building blocks production, deliveries and stocks (monthly, GB\*)
- Concrete roofing tiles production, deliveries and stocks (quarterly, GB)
- Ready-mixed concrete deliveries (quarterly, UK)
- Values of overseas imports and exports trades for selected materials and components for use in construction (quarterly, UK)
- Value of EU and Non-EU Trade for selected materials and components for use in construction (annual, UK)

Note: \* Regional figures available

The statistics support analysis of the construction materials market and business planning. They are regularly reported in the construction press and are used for a variety of purposes, including policy development and evaluation concerning the construction products industry, as well as monitoring market trends. Further detail is available in this document under [Uses of the data](#).

## Summary of results

**Chart 1: Construction Material Price Indices, UK**  
Index, 2010 = 100



Source: Table 1, Monthly Statistics of Building Materials and Components

The headline 'All Work' Construction Material Price Index decreased by 0.7% in January 2015 compared to the previous month, after a 0.4% decrease in December. The index has fallen in 6 out of the past 12 months.

The 'All Work' material price index fell by 0.6% in January 2015 compared to the same month in the previous year, following a 0.1% increase in December. This is the largest year-on-year decrease since a fall of 2.8% in October 2009. The only sub-sector to record an increase in prices compared to January 2014 in prices was 'New Housing', at 0.9%. The rise in prices for 'New Housing' is consistent with recent increases in activity in this sub-sector.

From October 2009 to June 2011, construction material prices increased rapidly, rising by 15% over the period. The price of construction materials has increased more slowly since June 2011: by 1.0% overall for the headline 'All Work' index.

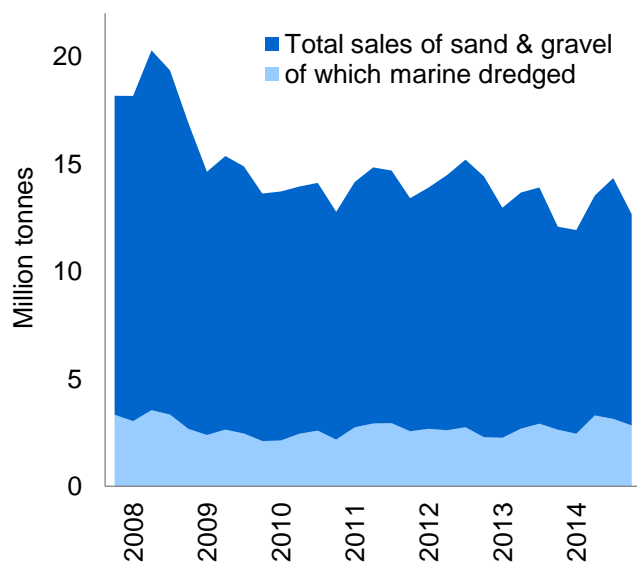
**Table 1: Construction materials experiencing the largest price increases and decreases in the 12 months to January 2015, UK**

Construction Materials	% change on a year earlier
<b>Largest price increases</b>	
Imported Plywood	9.0
All Bricks	7.0
Sawn Wood	6.2
<b>Largest price decreases</b>	
Concrete Reinforcing Bars	-8.4
Fabricated Structural Steel	-7.5
Sand & Gravel (excluding levy)	-2.3

The ‘All Work’ Construction Material Price Index shows that the year on year change in material costs for January 2015 was -0.6% (see chart 1). However, this aggregated figure hides larger price movements for some specific products and materials. The 3 largest increases and decreases are presented here.

Source: Table 2, Monthly Statistics of Building Materials and Components

**Chart 2: Volumes of Total and Marine Dredged Sand and Gravel sold, GB**

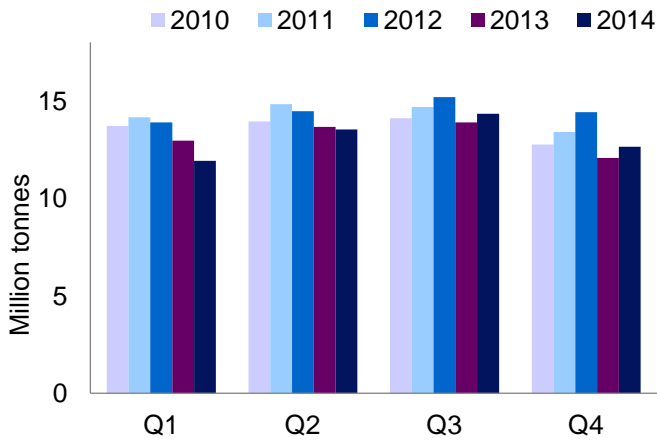


Volumes of sand and gravel sold in Great Britain fell by 11.7% in 2014Q4 compared to the previous quarter, with 12.6 million tonnes sold. This followed an increase of 6.0% in 2014Q3. Following the recession (from 2009Q3), quarterly sales have averaged 13.8 million tonnes.

The proportion of sand and gravel sold that was marine dredged has averaged 22.3% of total quarterly sales in 2014. This is higher than the average of 18.2% over the period 2009 to 2013.

Source: Table 4, Monthly Statistics of Building Materials and Components

**Chart 3: Volumes of Sand and Gravel sold, GB**

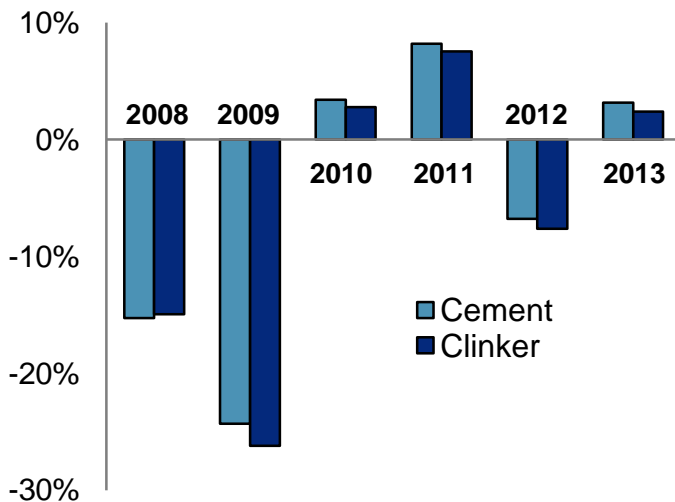


Source: Table 4, Monthly Statistics of Building Materials and Components

Sales of sand and gravel were up 4.8% in 2014Q4 compared with the same quarter in the previous year. This is the second quarterly rise on this basis. Volumes of sand and gravel sold declined from 2013Q1 to 2014Q2 on the same basis, with each of these six quarters recording year on year decreases. The decreases ranged from -1.0% (2014Q2) to -16.2% (2013Q4).

Seasonal effects may help to explain some of the differences between quarters. The number of working days in a quarter varies each year, which may affect comparisons over periods.

**Chart 4: Production of Cement and Clinker, GB**  
Percentage change over previous year (%)

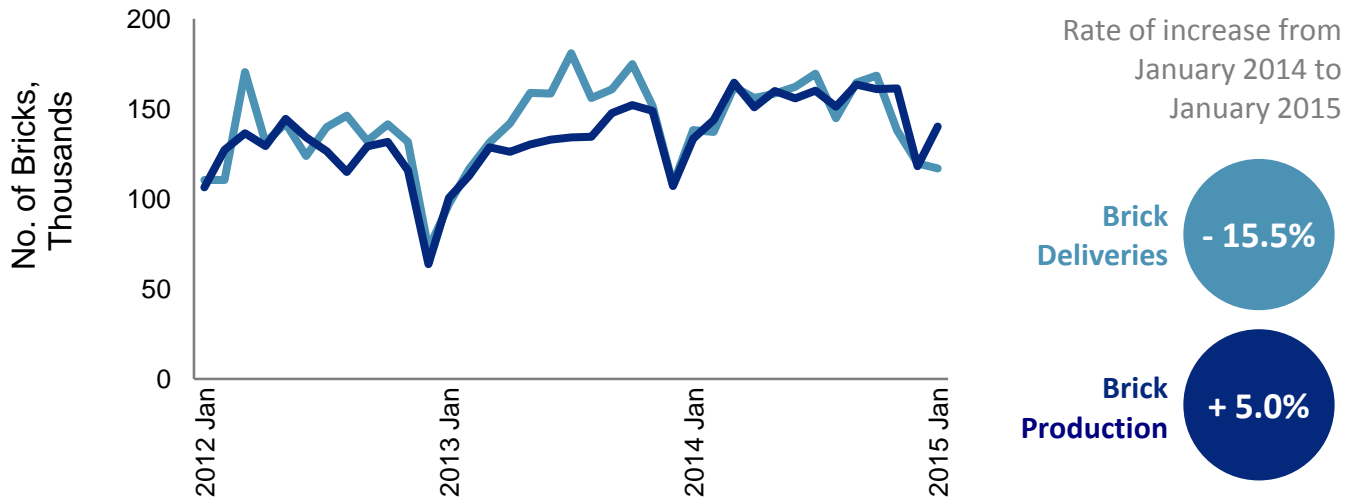


Source: Table 8, Monthly Statistics of Building Materials and Components

Cement production rose by 3.2% to 8.2 million tonnes in 2013, compared to the previous year. This growth in cement production follows a contraction of 6.8% to 8.0 million tonnes in 2012. Pre-recession production peaked in 2007 at 11.9 million tonnes.

Production of Clinker rose by 2.4% to 6.7 million tonnes in 2013, compared to the previous year. This growth in clinker production follows a contraction of 7.6% to 6.6 million tonnes in 2012. Pre-recession production, in 2007, stood at 10.2 million tonnes.

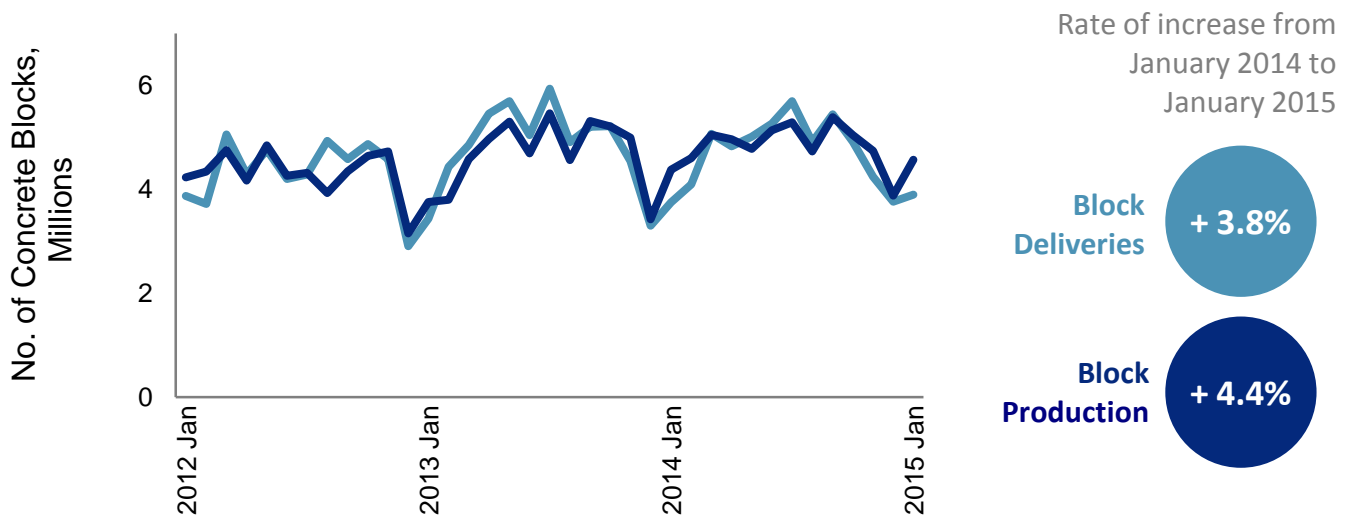
**Chart 5: Deliveries & Production of Bricks, GB**  
Monthly number of bricks



Source: Table 9, Monthly Statistics of Building Materials and Components

In the 12 months to January 2015, deliveries of bricks fell by 15.5%, following an increase of 10.9% in the 12 months to December. Brick production increased by 5.0% in the 12 months to January 2015, following an increase of 10.4% on the same basis in December. Brick deliveries were 19% lower in January 2015 than pre-recession levels in January 2008.

**Chart 6: Deliveries & Production of Concrete Blocks, GB**  
Monthly number of concrete blocks

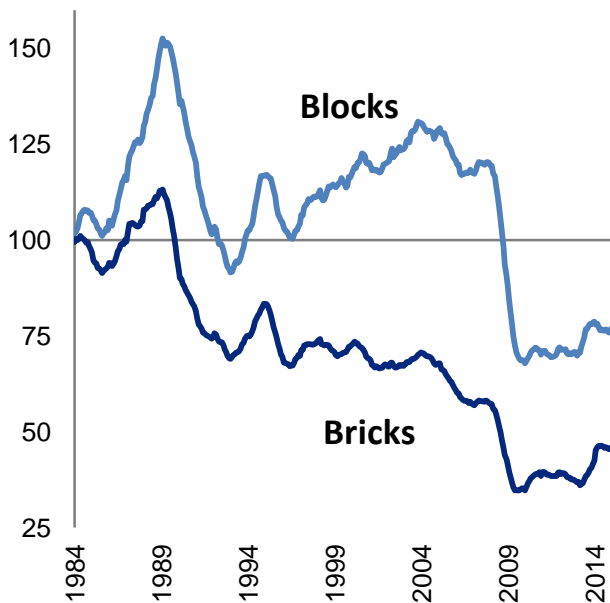


Source: Table 11, Monthly Statistics of Building Materials and Components

Deliveries of concrete blocks increased by 3.8% in January 2015 relative to the same month a year earlier, following an increase of 14.1% in December. Concrete block production increased by 4.4% in the 12 months to January 2015, after increasing by 13.4% in December. Concrete block deliveries were 30% lower in January 2015 than pre-recession levels in January 2008.

**Chart 7: Deliveries of Bricks and Blocks, GB.  
1984 to present.**

Index, 1983 = 100, 12 month moving totals



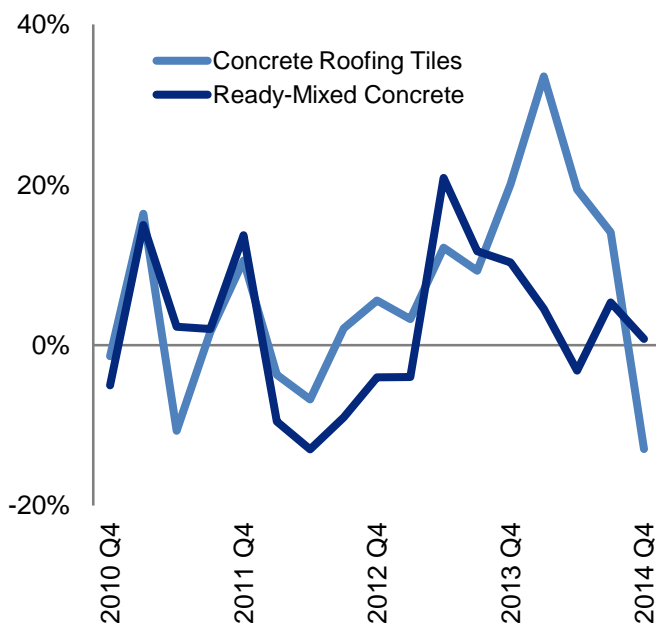
Source: Tables 9 and 11, Monthly Statistics of Building Materials and Components

Before the 2008 recession, brick deliveries were in long term decline. Brick deliveries fell sharply in the recession, with the 12 month moving total reaching a nadir in June 2009, 39.9% lower than the mean value for 2007. The subsequent recovery has seen deliveries increase by 30.6% since June 2009, but by January 2015 they remain 21.6% lower than the 2007 mean.

Prior to the 2008 recession, concrete block deliveries were increasing over the long term. Deliveries fell sharply in the recession, with the 12 month running total reaching a nadir in October 2009, 42.5% lower than the mean value for 2007. The subsequent recovery has seen deliveries increase by 12.2% since October 2009, but by November 2014 they remain 35.5% lower than the 2007 mean.

**Chart 8: Deliveries of Concrete Roofing Tiles (GB) and Ready-Mixed Concrete (UK)**

Percentage change over a year earlier (%)



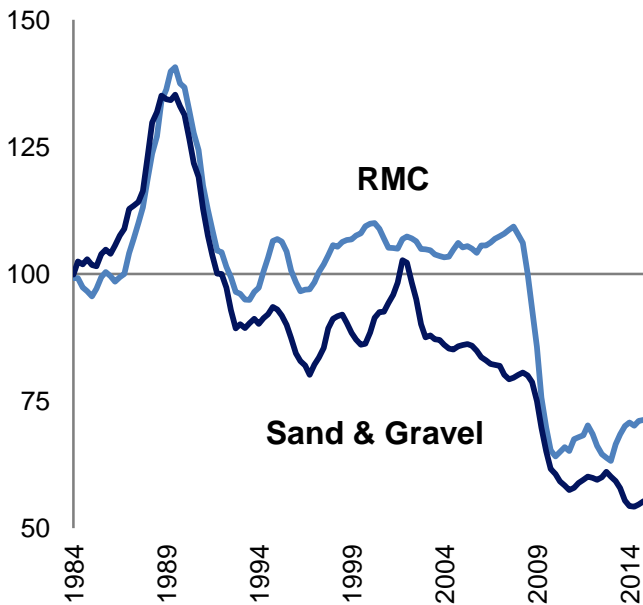
Source: Table 13, Monthly Statistics of Building Materials and Components

Deliveries of Concrete Roofing Tiles in 2014Q4 decreased by 13.0% compared to the same quarter the previous year. This followed 9 consecutive quarterly increases on this basis. Deliveries of concrete roofing tiles were 19.7% lower in 2014Q4 compared to pre-recession levels in 2007Q4.

Deliveries of Ready-Mixed Concrete rose by 0.8% in 2014Q4, compared to 2013Q4. This followed an increase of 5.3% in 2014Q3 on the same basis. Deliveries of ready-mixed concrete remain 34.7% below pre-recession levels in 2007Q4.

**Chart 9: Deliveries of Sand & Gravel (GB) and Ready-Mixed Concrete (UK)**

Index, 1983 = 100, 4 quarter moving totals



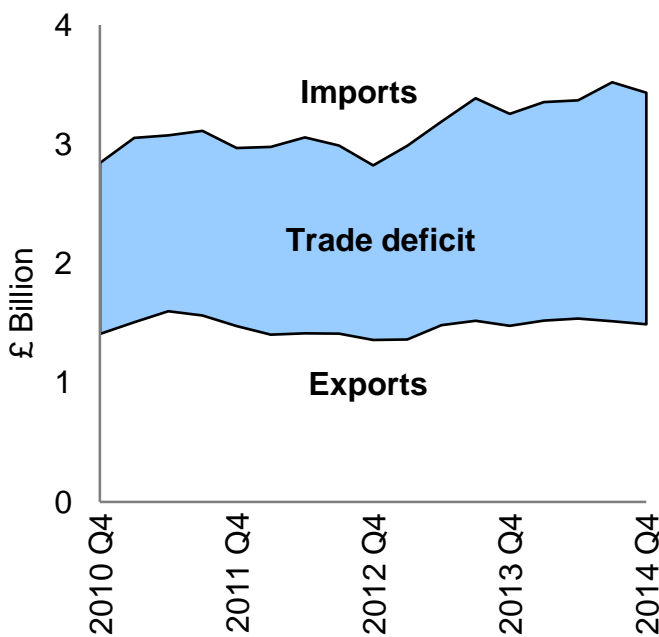
Deliveries of sand & gravel declined gradually in the period before the 2008 recession. Following an initial sharp decline in 2009 and 2010, deliveries have continued to decline. In 2014Q4, deliveries were 31.1% lower than the 2007 mean.

In the period leading up to the 2008 recession, deliveries of ready-mixed concrete were broadly stable. Deliveries fell sharply in 2008/9: by 2010Q1 they were 40.8% below the 2007 mean. There has been a modest recovery since, with deliveries in 2014Q4 now 34.2% below the 2007 mean.

Source: Tables 4 & 13, Monthly Statistics of Building Materials and Components

**Chart 10: Exports and Imports of Construction Materials, UK**

£ Billion



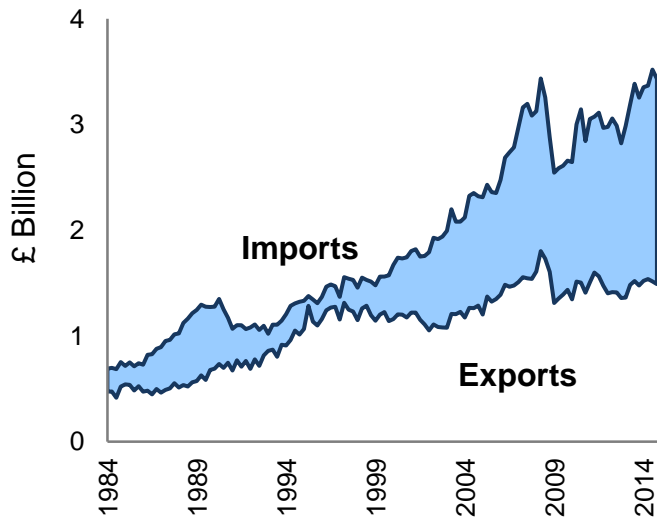
Exports of construction materials decreased by £25 million in the fourth quarter of 2014 (to £1,490 million), a decrease of 1.7% on the previous quarter. Imports also decreased, by £88 million (to £3,432 million), a 2.5% decrease. As a result, the trade deficit decreased by £62 million, to £1,942 million, in 2014Q4.

The decrease of the trade deficit in 2014Q4 was largely due to an decrease in the trade deficit for semi-manufactures of £34 million. For products and components, the trade deficit decreased by £25 million. The raw materials trade deficit also decreased, by £3 million.

Source: Table 14, Monthly Statistics of Building Materials and Components



**Chart 11: Exports and Imports of Construction Materials, UK. 1984 to present.**  
£ Billion



Over the period 1984Q1 to 2014Q4, construction materials imports have increased, on average, by 3.2% per quarter. Over the same period, exports increased by an average of 1.7% per quarter.

The trade deficit was historically at its smallest throughout the 1990s, with a mean of £0.3 billion over this period. This trade deficit was 24% of the value of imports. Currently (2014Q4) the trade deficit is £1.9 billion, 57% of the value of imports.

Source: Table 14, Monthly Statistics of Building Materials and Components

**Table 2: Top-5 UK Exported and Imported Construction Materials in 2014**

£ Million			
Top-5 Exported Materials		Top-5 Imported Materials	
Paints & Varnishes	669	Electrical Wires	1,571
Electrical Wires	641	Sawn Wood > 6mm thick	845
Plugs & Sockets	290	Lamps & Fittings	812
Lamps & Fittings	280	Central Heating Boilers	585
Air Conditioning Equip.	265	Air Conditioning Equip.	533

The top five exported materials in 2014 accounted for 34% of total construction material exports.

The top five imported construction materials in 2014 accounted for 32% of total construction material imports.

Source: Table 14, Monthly Statistics of Building Materials and Components

**Table 3: UK Trade of Construction Materials with EU and Non-EU Countries, 2014**

£ Million (% of total trade in italics)		
All Building Materials & Components	EU	Non-EU
Imports	3,574 <i>59%</i>	2,489 <i>41%</i>
Exports	8,478 <i>62%</i>	5,194 <i>38%</i>

Compared to pre-recession levels in 2007, the share of total UK construction material exports going to the EU has declined from 70% to 59%.

Source: Table 15, Monthly Statistics of Building Materials and Components

**Table 4: Top 5 UK Export and Import Markets for Construction Materials in 2014**

£ Million

Top-5 Export Markets		Top-5 Import Markets	
Ireland	780	China	2,171
Germany	575	Germany	2,034
France	524	Italy	893
USA	474	Spain	712
Netherlands	442	Netherlands	654

The top 5 export markets comprised 46% of total construction materials exports in 2014. Ireland remains the largest market, despite having shrunk from a pre-recession peak of 27% of total exports in 2007, to 13% in 2014.

The top 5 import markets comprised 47% of total construction materials imports in 2014. China has overtaken Germany as the leading source of UK construction material and component imports, with 16% of all imports.

The '[Rotterdam Effect](#)' (also known as the 'Antwerp Effect') may affect trade figures. This is explained in detail by [HM Revenue & Customs](#).

Source: HMRC Overseas Trade Statistics

## Economic background

The second estimate of GDP, published by the Office for National Statistics (ONS) on the 26<sup>th</sup> of February, reported that the economy grew by 0.5% on the quarter in 2014Q4 unchanged from the first release. Compared to 2013Q4, GDP increased by 2.7% in 2014Q4. Growth in 2014Q4 was recorded in three of the four main industrial groupings: services increased by 0.8%, production increased by 0.1%, and agriculture increased by 1.6%. Manufacturing output, which accounts for just over two-thirds of total production, rose by 0.2% over the same period, following growth of 0.3% in 2014Q3. However, output fell by 2.1% in construction. The 2.1% decrease in construction output contributed -0.1 percentage points to overall GDP growth, and followed a rise in construction output of 2.0% in 2014Q3.

The most recent construction output figures were published by the ONS on the 13<sup>th</sup> of February. The latest seasonally adjusted figures show that output rose by 0.4% in December 2014, compared to the previous month. This followed a decrease of 1.8% in November. December's increase was largely driven by increases in infrastructure (5.9%) and private commercial (4.5%) new work. The longer term trend remains for growth in the construction sector: comparing December 2014 with the same month in 2013 shows growth of 5.5%. Overwhelmingly, this rise was due to increases in new private housing (14.1%).

The latest monthly Consensus Economics forecasts in February 2015 (which uses an average of private sector forecasts) increased GDP growth expectations for 2015 to 2.7%. The forecast for 2016 also rose to 2.5%. The 2015 forecast is similar to those produced in December 2014 by the Office for Budget Responsibility (OBR) and in November by Organisation for Economic Co-operation and Development (OECD) who forecast GDP growth in 2015 of 2.4 and 2.7%, respectively.

The latest reports from the Bank of England's regional agents state that growth in construction was robust, but had eased slightly over previous months. Whilst activity in housebuilding had slackened, this was largely offset by increases in commercial construction. Small house builders advised that difficulties in obtaining funding, alongside materials and skills shortages, were restricting activity. Manufacturers of construction products have been experiencing good growth in output.

This winter two forecasters revised their expectations for the construction sector. Experian revised their prediction for 2015 upwards, to 6.0%. Growth in 2015 is expected to be more balanced than in 2014, with expansion predicted for every sector. Expectations for 2016 were also revised upwards slightly, to 3.6%, with a further 4.1% in 2017. On these predicted levels of growth, construction output will surpass its 2007 peak in 2016. Looking at the whole of the forecast period, 2015-17, the infrastructure sector is expected to be the best performer, with 44% growth over 3 years. However, this may prove optimistic if major projects in the infrastructure pipeline do not start as scheduled. The Construction Products Association (CPA) expects the construction sector to grow by 5.3% in 2015, unchanged from their last forecast. Subsequently, growth is predicted to slow to 4.2% in 2016, and 3.4% in 2017. CPA also predict strong growth in infrastructure over the next few years: up 7.9% in 2015 and 12.0% per year after.

## Background notes

### Quality information for the Building Materials bulletin

1. The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed. The full assessment [report](#), published on 22nd December 2011, can be found on the UK Statistics Authority website.

2. Quality issues related to the *Building Materials and Components* outputs are discussed in the review of the Building Material statistics that was carried out in 2010 by BIS's construction team. The review aimed to: ascertain user needs; examine whether existing data collection methodologies are fit for purpose; estimate compliance costs; assess compliance with the Code of Practice; and identify options for change.

The full [report](#) can be found on the BIS *Building Materials and Components* webpage.

Detailed information on data suppliers, coverage and data collection methodology can be found in sections 2.1-2.10. Quality issues (coverage and accuracy of sample panels, response rates, survey results processing, disclosure etc.) and potential measures that could be employed to improve the quality of the statistics are discussed in section 2.11 of the review. Users' views on the quality of the *Building Materials and Components* statistics are given in section 3.3.4. These are derived from a user survey carried out in early 2010, as part of the review (see section 3 for details).

3. Following the review, BIS acted on the recommendations including commissioning the Office for National Statistics Methodology Advisory Service (ONS/MAS) to address some of the recommendations from the 2010 review. In July 2011, MAS published their [interim report](#). In July 2012, MAS published their [final report](#). This will inform a full summary Quality Report that will be published by BIS shortly.
4. HM Revenue and Customs use administrative sources to produce Overseas Trade Statistics. A [Statement of Administrative Sources](#) used to compile construction material trade statistics is available on the BIS *Building Materials and Components* webpage:

Separately, HM Revenue and Customs also have a [Statement of Administrative Sources](#) which covers Overseas Trade Statistics.

5. [The pre-announcement of any major changes to samples or methodology](#) also details some methodological changes to the collection of data.

6. The following table gives a summary of response rates related to some of the latest survey results. Where the response rate is less than 100%, estimates are made for missing values.

Latest data used in December 2014 edition	Bulletin table number	Response rate
Quarterly Sand and Gravel	4, 5 & 6	89%
Quarterly Sand and Gravel – Land Won	4, 5 & 6	85%
Quarterly Sand and Gravel – Marine Dredged	4, 5 & 6	100%
Quarterly Slate	7	89%
Monthly Bricks Provisional data	9	98%
Monthly Bricks Final data	9 & 10	100%
Monthly Concrete Blocks Provisional data	11	85%
Monthly Concrete Blocks Final data	11	90%
Quarterly Concrete Blocks Final data	11 & 12	90%
Quarterly Concrete Roofing Tiles	13	100%

## Uses of the data

7. The *Building Materials and Components* statistics are used for a variety of purposes, including policy development and evaluation concerning the construction products industry, as well as monitoring market trends. In a wider context, the figures are regularly reported in the construction market press to facilitate market analysis and business planning for its wide range of readers. The statistics are also increasingly used by financial institutions for assessing market information and industry trends. For more information on the uses of the Building Materials statistics, their usefulness to users and users' views on the quality of these statistics, see Section 3 of the *Building Materials and Components* [review](#).

## Related Statistics

8. [Construction Statistics: Sources and Outputs](#) lists the known sources of information available on the construction industry and their outputs. These include information on employees, employment, enterprises, output and new orders in the construction industry as well as the contribution of the industry to the economy. Related information, for example housing, is also included.
9. The [Construction Statistics Annual](#) brings together a wide range of statistics currently available on the construction industry from a variety of sources and provides a broad perspective on statistical trends in the construction industry, with some international comparisons.
10. In its monthly **Index of Production (IoP)** publication, the ONS publishes Gross Value Added (seasonally adjusted, UK) data for the following two industries:
- SIC 23.1-4/7-9 which includes the manufacture of bricks, tiles and other construction products.
  - SIC 23.5-6 industry which includes the manufacture of concrete, cement and other products for construction purposes.

These data are not directly comparable with the data in this bulletin, due to differences in coverage and methodology. They are nevertheless useful in illustrating the latest output trends of related construction materials as measured by the ONS.

The latest IoP data show that output in the SIC 23.1-4/7-9 industry fell by 0.9% in the 12 months to December 2014, after a rise for November of 1.0%. In the past year, most months have recorded increases on this basis, 10 times out of 12. In 2014, the industry expanded by 11.7%, after an increase of 4.5% in 2013. Year on year for December 2014, output in the SIC 23.5-6 industry rose by 12.0%, after a rise for November 2014 of 11.5%. This was the 13<sup>th</sup> consecutive monthly increase on a year-on-year basis. The past 13 months of year on year increases follow a long period characterised predominantly by declines: 22 months in the past 36-month period have recorded year-on-year declines. In 2014 as a whole, the sector increased output by 20.1%, following a contraction of 7.7% in output recorded in 2013.

## Revisions

11. Our [revisions policy](#) can be found on the BIS Building Materials webpage.
12. [The pre-announcement of any major changes to samples or methodology](#) and [Summary of Revisions](#) give further information on revisions and other changes to data and can also be found on the BIS Building Materials webpage.

## Further information

The coverage of cement and cementitious statistics changed from UK to GB in 2002 due to data confidentiality issues in Northern Ireland as the number of manufacturers decreased. Where the coverage of figures for other building materials is limited to Great Britain (i.e. sales of sand and gravel, and production, deliveries and stocks of slate, clinker, bricks, concrete building blocks and concrete roofing tiles), no equivalent data are collected for Northern Ireland.

The most recently published bulletin and accompanying data tables can be found on BIS' *Building Materials and Components* [website](#)

Accompanying tables with data relating to 2011 are accessible from [this](#) link.

Accompanying tables for 2005 - 2010 are accessible from [this](#) link.

Requests for older data should be sent to [MaterialStats@bis.gsi.gov.uk](mailto:MaterialStats@bis.gsi.gov.uk)

Please send us any comments or feedback you may have about this commentary.

**Next publication:** 1<sup>st</sup> April 2015

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<https://www.gov.uk/government/organisations/department-for-business-innovation-skills/series/building-materials-and-components-monthly-statistics-2012>

Department of Business of Business, Innovation & Skills.

[www.bis.gov.uk](http://www.bis.gov.uk)

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