



Department for
Business, Energy
& Industrial Strategy



Monthly Statistics of Building Materials and Components

Commentary

May 2019

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Geographical area: Country, region and
county
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Headline results

Concrete block deliveries increased by 12.5% in April 2019 compared to April 2018, according to the seasonally adjusted figures. The month-on-month change shows a **3.6% increase** in April 2019.

Introduction

This commentary accompanies the latest Monthly Statistics of Building Materials and Components bulletin, published on the BEIS building materials [web page](#) on 5th June 2019. It provides an 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

These 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](#).

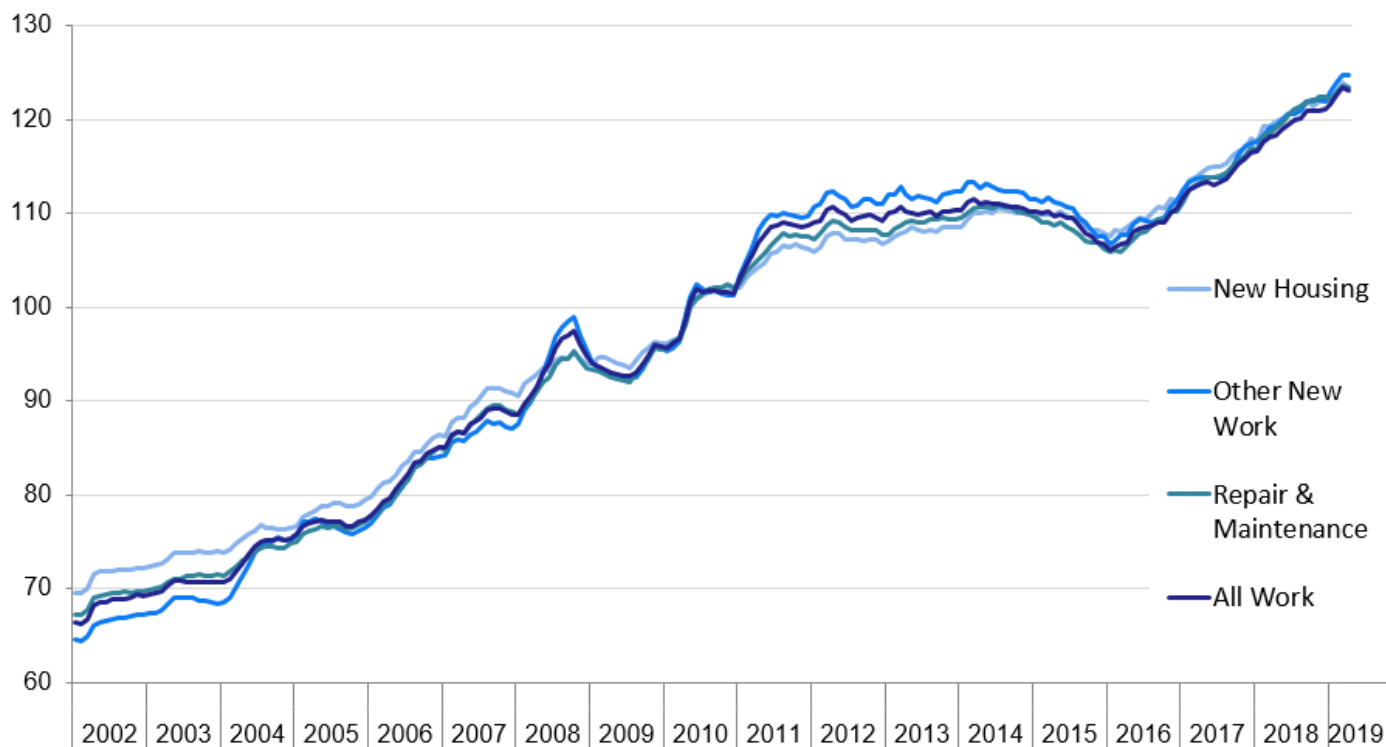
Seasonal Adjustment Review

Seasonally adjusted series for deliveries of bricks, concrete blocks, ready-mixed concrete and sales of sand & gravel are published in this bulletin. The purpose of correcting the reported series is to allow for seasonal factors such as winter weather (including the reduction in hours of daylight, and frost and rain) and other seasonal events such as Christmas and Easter. Thus, seasonally adjusted figures show the underlying trend more clearly. Further information can be found in Section 2 of the Background Notes on page 14 of this document.

Summary of Results

Material Price Indices

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



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

Year-on-year change

Change from April 2018 to April 2019	
New Housing	3.1%
Other New Work	4.6%
Repair & Maintenance	3.6%
All Work	4.1%

Month-on-month change

Change from March 2019 to April 2019	
New Housing	-0.3%
Other New Work	0.0%
Repair & Maintenance	-0.2%
All Work	-0.2%

Proposed Changes to Producer Price Index

The Office for National Statistics (ONS) have proposed ceasing publication of some low-level series for both Output and Input Producer Prices later in 2019.

ONS have launched a public consultation to ascertain effects of the proposed changes on users of the Producer Price Index. This will close on 26th June 2019.

Those wishing to contribute their views to the consultation, or obtain a list of the indices affected can do so [here](#).

Questions may be directed to the Business Prices Production Team at business.prices@ons.gov.uk

Looking at the longer-term change, the material price index of 'All Work' increased by 4.1% in April 2019 compared to the same month the previous year.

Table 1: Construction materials experiencing the greatest price increases and decreases in the 12 months to April 2019, UK

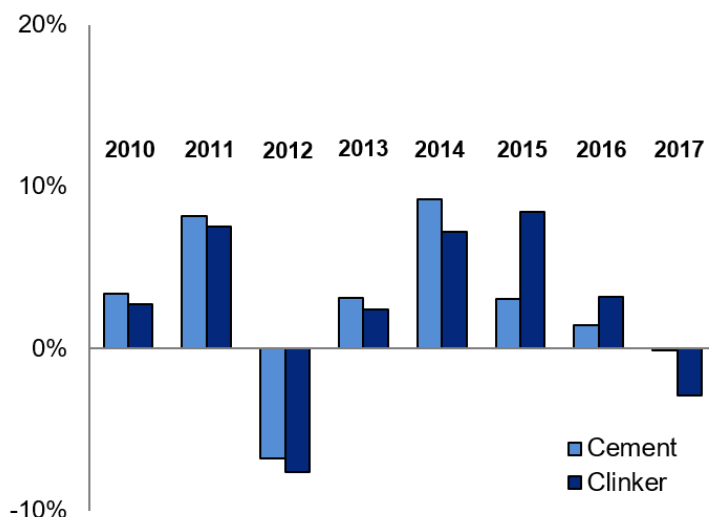
Construction Materials	% change on a year earlier
Greatest price increases	
Insulating materials (thermal or acoustic)	12.5
Kitchen furniture	5.4
Pre-cast concrete products	4.6
Greatest price decreases	
Concrete reinforcing bars	-0.5
Screws etc	-0.4

The aggregated construction material price index hides larger price movements for some specific products and materials. The three largest increases and decreases are presented here.

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

Cement & Clinker

Chart 2: Production of Cement and Clinker, GB
Percentage change over previous year (%)



Cement production fell by 0.1% to 9.4 million tonnes in 2017, compared to the previous year. This fall in cement production follows growth of 1.5% to 9.4 million tonnes in 2016. Pre-recession production peaked in 2007 at 11.9 million tonnes.

Production of Clinker fell by 2.9% to 7.8 million tonnes in 2017, compared to the previous year. This fall in clinker production follows growth of 3.2% to 8.1 million tonnes in 2016. Pre-recession production, in 2007, stood at 10.2 million tonnes.

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

Sand & Gravel

Chart 3: Seasonally Adjusted Sales of Sand & Gravel, GB
Weight of sand & gravel



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

- Sales of sand & gravel **decreased** by **2.1%** in Quarter 1 2019 compared to Quarter 4 2018, according to the seasonally adjusted data.
- This followed a decrease of 8.3% in Quarter 4 2018.
- Comparing Quarter 1 2019 to the same quarter in the previous year, sales have **increased** by **4.4%**.

Seasonally adjusted sales of sand & gravel have consistently remained below levels typically seen before the recession of 2008 to 2009.

From Quarter 1 2019, sand and gravel data reported in this publication includes recycled material.

Sand and gravel data for Quarters 1 2018 to Quarter 4 2018 contained some minor errors in Tables 4 to 6, and Chart 3 in previous editions of this publication. These have been corrected in this month's publication. For further details contact MaterialStats@beis.gov.uk.

Concrete

Chart 4: Seasonally Adjusted Sales of Ready-Mixed Concrete, GB
Volume of concrete



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

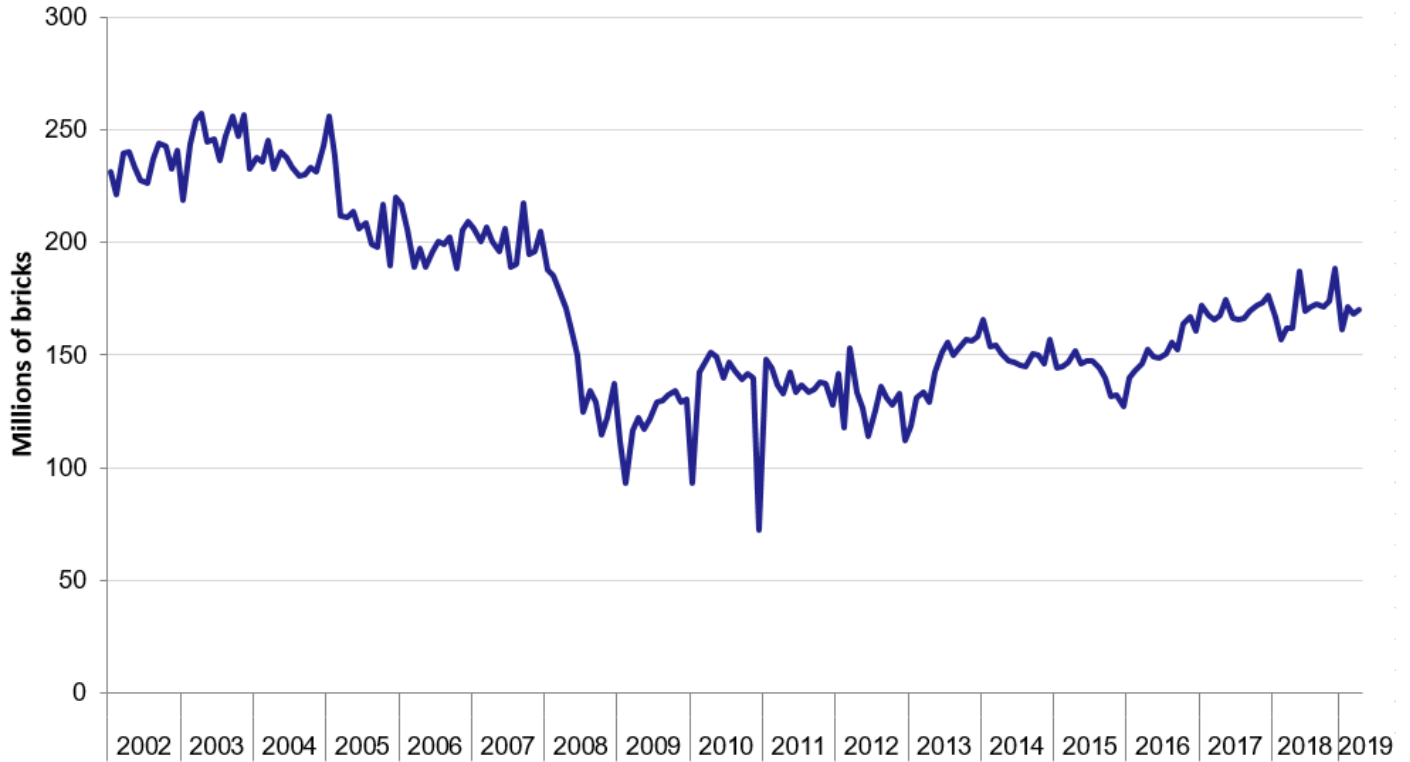
- Ready-mixed concrete sales **decreased** by **5.1%** in Quarter 1 2019 compared to Quarter 4 2018, according to the seasonally adjusted data.
- This followed a 0.8% increase in Quarter 4 2018.
- Sales in Quarter 1 2019 **increased** by **4.0%** compared to the same quarter in the previous year, following an 5.6% increase in Quarter 4 2018, on the same basis.

The seasonally adjusted data show that the lowest quarterly sales in the post-recession period occurred in Quarter 4 2010, which included extreme winter conditions.

Sales have steadily recovered since Quarter 2 2012, although they have failed to reach pre-recession levels.

Bricks

Chart 5: Seasonally Adjusted Deliveries of Bricks, GB
Number of bricks



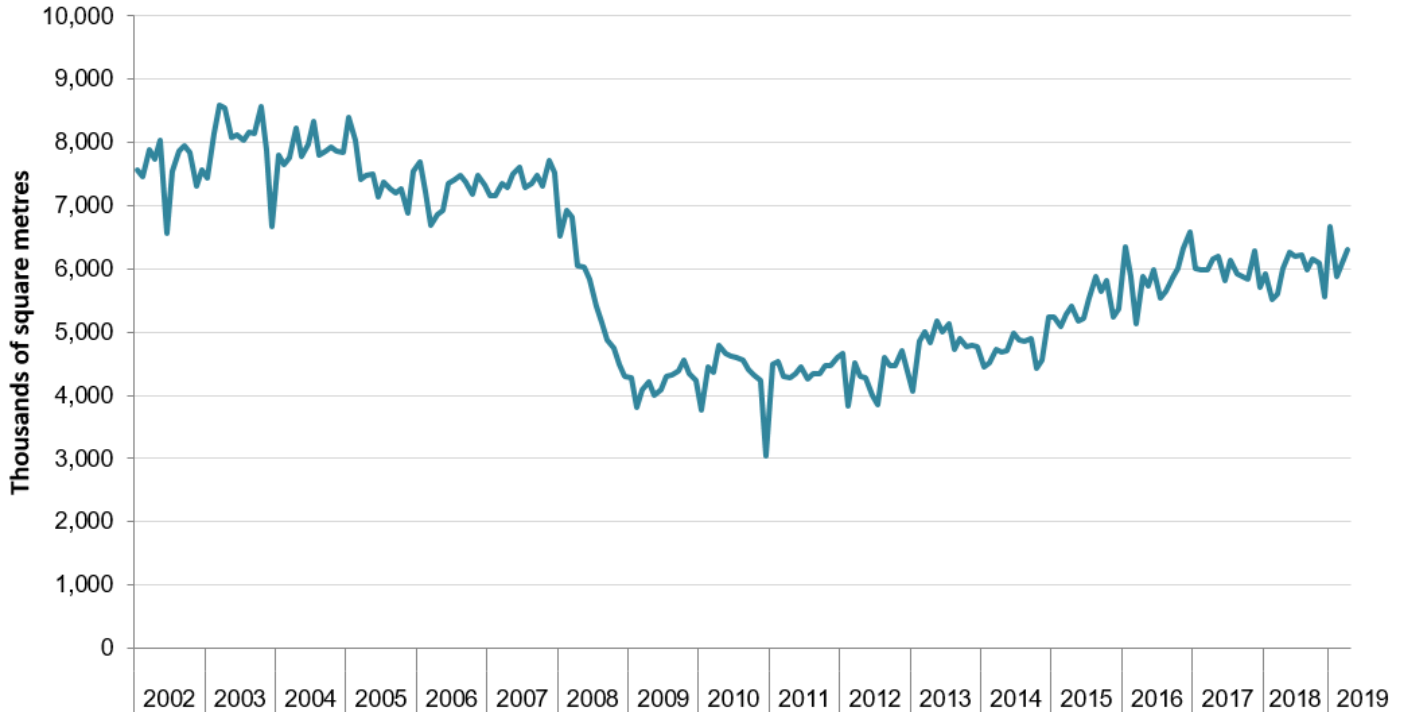
Source: Table 9, Monthly Statistics of Building Materials and Components

- There was a **5.2% increase** in brick deliveries in April 2019 compared to April 2018, according to the seasonally adjusted figures.
- This followed a 7.4% increase in March 2019, on the same basis.
- The month-on-month change shows a **1.0% increase** in April 2019.
- This followed a 1.8% decrease in March 2019, on the same basis.

Deliveries of bricks declined during the recession of 2008 to 2009 and have recovered slowly since 2013.

Blocks

Chart 6: Seasonally Adjusted Deliveries of Concrete Blocks, GB
Area of concrete blocks



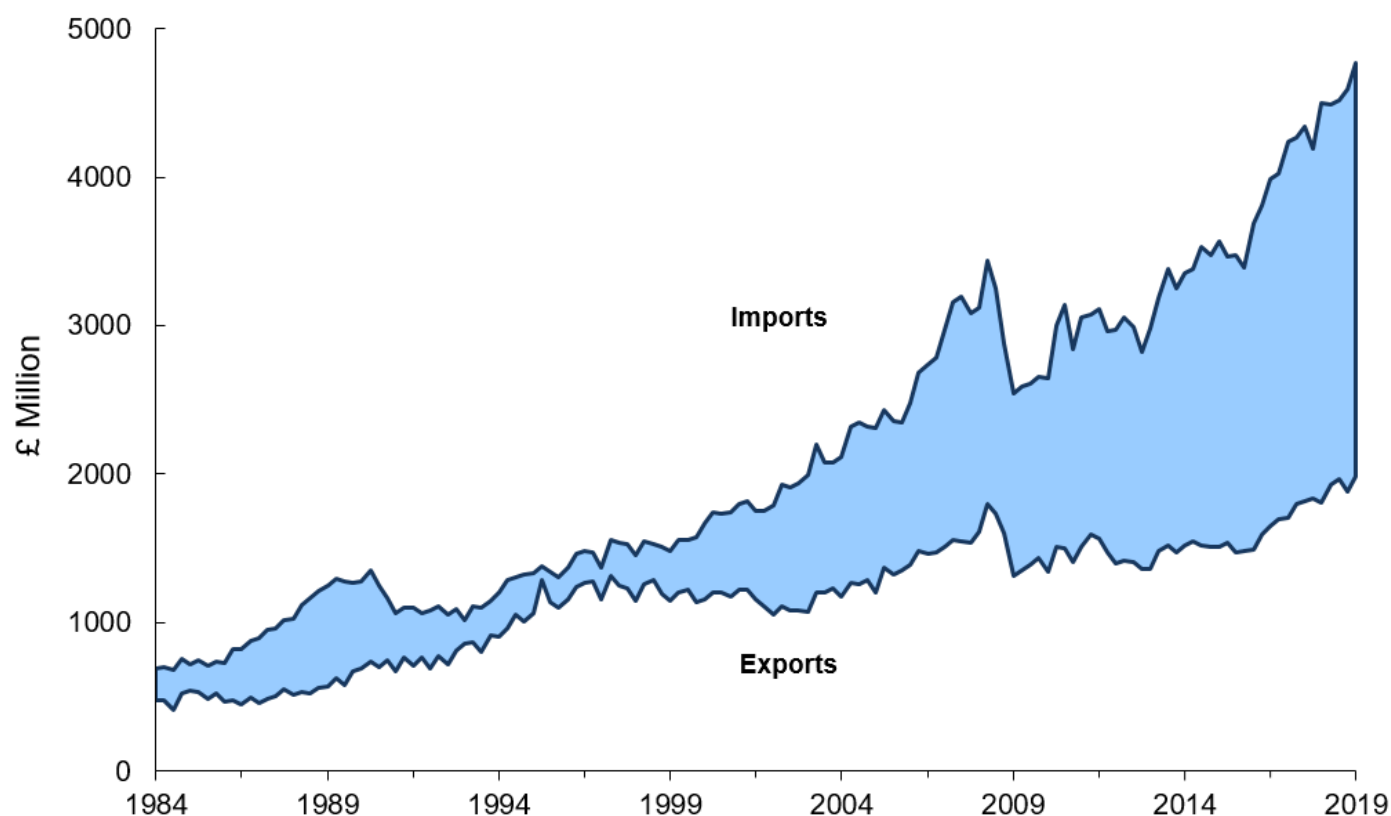
Source: Table 11, Monthly Statistics of Building Materials and Components

- There was an **12.5% increase** in concrete block deliveries in April 2019 compared to April 2018, according to the seasonally adjusted figures.
- This followed a 10.5% increase in March 2019, on the same basis.
- The month-on-month change shows a **3.6% increase** in April 2019.
- This followed a 3.6% increase in March 2019, on the same basis.

Concrete block deliveries declined during the recession of 2008 to 2009, though the general trend has been one of growth since 2013.

Imports and Exports of Construction Materials

Chart 7: Exports and Imports of Construction Materials, UK.
Value in pounds sterling



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

Imports of construction materials **increased** by £182 million in the first quarter of 2019 (to £4,772 million) compared to the previous quarter, **an increase** of 4.0%.

Exports of construction materials **increased** by £101 million in the first quarter of 2019 (to £1,984 million), a 5.4% increase.

As a result, the **trade deficit widened** by £81 million to £2,788 million in Quarter 1 2019, an increase of 3.0%.

Over the period from Quarter 1 1984 to Quarter 4 2018, construction materials imports have increased, on average (per quarter), by 4.2%. Over the same period, exports increased by an average of 2.3% 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. As of Quarter 1 2019, the trade deficit is £2,788 million, 58% of the value of imports.

Table 2: Top-5 Exported and Imported Construction Materials in 2018

<i>£ million</i>			
Top-5 Exported Materials		Top-5 Imported Materials	
Electrical Wires	866	Electrical Wires	1,896
Paints & Varnishes	717	Lamps & Fittings	912
Plugs & Sockets	455	Sawn Wood > 6mm thick	885
Air Conditioning Equipment	412	Structural Units (steel)	785
Lamps & Fittings	388	Central Heating Boilers	665

The top five exported materials in 2018 accounted for 37% of total construction material exports.

The top five imported construction materials in 2018 accounted for 28% 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, 2018

<i>£million (% of total trade in italics)</i>		
All Building Materials & Components	EU	Non-EU
Imports	11,278	6,828
	<i>62%</i>	<i>38%</i>
Exports	4,755	2,830
	<i>63%</i>	<i>37%</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 63%.

Source: Table 15 Monthly Statistics of Building Materials and Components

Table 4: Top 5 UK Export and Import Markets for Construction Materials in 2018

<i>£ million</i>			
Top-5 Export Markets		Top-5 Import Markets	
Republic of Ireland	1185	China	2831
Germany	805	Germany	2577
USA	642	Italy	1056
France	615	Spain	910
Netherlands	602	Netherlands	910

The top five export markets comprised 51% of total construction materials exports in 2018. The Republic of Ireland remains the largest market, despite having shrunk from a pre-recession peak of 27% of total exports in 2007, to 16% in 2018.

The top 5 import markets comprised 46% of total construction materials imports in 2018. 16% of all imports are from China.

Source: HMRC Overseas Trade Statistics

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

Economic Background

Construction Output

The most recent [construction output](#) figures for February 2019 were published by the **Office for National Statistics** on 10th May 2019.

Key points:

- Construction output increased by 1.0% in Quarter 1 (Jan to Mar) 2019; this increase was driven by repair and maintenance output, which increased by 2.9%.
- The rise in repair and maintenance output in Quarter 1 2019 was driven by increases in both private housing repair and maintenance and non-housing repair and maintenance, which increased by 4.0% and 3.5% respectively.
- New work experienced no growth (0.0%) across Quarter 1 2019, as increases in infrastructure and public other new work of 5.6% and 3.3% respectively were offset by decreases in private commercial and housing new work of 4.7% and 1.2% respectively.
- Construction output decreased by 1.9% in the month-on-month all work series in March 2019; driven by falls in both new work and repair and maintenance, which fell by 1.8% and 2.2% respectively.

Bank of England Summary of Business Conditions

The **Bank of England** published its latest update to the [Agents' Summary of Business Conditions](#) on 21st March 2019. It compares activity and prices over the past three months with a year ago.

Key points:

- Growth in the value of retail sales weakened. Uncertainty related to EU exit and subdued housing market activity weighed on demand, including for furniture and household appliances. However, spending on essential items held up, with supermarkets reporting better-than-expected food sales.
- Estate agent contacts reported a general weakening in activity levels in the housing markets, with excess supply, particularly in southern England, leading to a widening gap between asking and offered prices. Lettings remained buoyant, although there were some reports that tenants had been seeking shorter leases and break-clauses.
- Demand for UK commercial property from domestic and overseas investors slowed more sharply than in previous months and has become more broadly based across the UK commercial real estate market and UK regions.
- Construction output growth weakened, with some larger developers scaling back planned projects due to the softer housing market. Heightened caution around business investment had resulted in some commercial developments being paused or delayed.

Gross Domestic Product Estimate

The **Office for National Statistics** published the [monthly estimate](#) of gross domestic product for March 2019 on 10th May 2019. Further details of the new GDP publishing model can be found in the bulletin.

Key points:

- UK GDP grew by 0.5% in the first quarter of 2019 but fell by 0.1% in March.

- The services industries grew by 0.3% in the first quarter of 2019. Production rose by 1.4% over the same period and construction rose by 1.0%. Production also rose in March, by 0.7%, but services and construction both fell, by 0.1% and 1.9% respectively.
- Manufacturing growth was the highest in three decades, at 2.2% in the first quarter of 2019, driven by pharmaceuticals, food products and basic metals. Meanwhile, electricity contracted for the fifth month in a row, with a fall of 2.3%.
- The month-on-month gross domestic product (GDP) growth rate was 0.5% in January, 0.2% in February and -0.1% in March 2019.

Gross Domestic Product Forecast

The latest monthly **Consensus Economics** [forecast survey](#) (which uses an average of private sector forecasts) results were published in May 2019.

Key points:

- The mean GDP growth forecast for 2019 is 1.4% growth, up from 1.3% in the previous month's survey.
- The mean GDP growth forecast for 2020 is 1.4% growth, down from 1.5% in the previous month's survey.

The **Office for Budget Responsibility** published its most recent [Economic and Fiscal Outlook](#) on 13th March 2019.

Key point:

- The GDP growth forecast for 2019 was revised from 1.6% in October 2018, to 1.2%.

Construction Output Forecasts

In April 2019, **Experian** published their Spring [forecasts](#) for the construction sector.

Key points:

- Output is expected to increase by 0.3% in 2018, 0.9% in 2019, 2.3% in 2020 and 2.7% in 2021.
- Private housing will slow down but continue to rise steadily through the forecast period. Public housing will fall in 2018 but then recover strongly over the next three years.
- The infrastructure sector is forecast to continue to recover from a 3.4% downturn in 2016. It grew 5.5% in 2017 and is forecast to grow by 5.4% in 2018, 8% in 2019 and 9% in 2020 and 4% in 2021. The infrastructure work is expected to move from energy and water & sewage, to transport and sewage, led by Highways England's road upgrades and Thames Tideway.
- Private commercial building grew by 7.6% in 2017 but is forecast to decrease by 6.4% in 2018, 6% in 2019 and 4% in 2020. This decrease is thought to be due to a more cautious attitude from investors and developers in light of the EU Referendum vote in June 2016.

The **Construction Products Association** published their Spring 2019 [forecasts](#) for the construction sector in April 2019.

Key points:

- Overall, construction output is forecast to fall by 0.4% in 2019, downgraded from the Winter 2018 forecast of 0.3%. Output will then rise by 1.4% in 2020 and by 1.7% in 2021.
- Private housing starts are forecast to fall by 2% in 2019, although completions are expected to rise as house builders finish projects they started in 2018. Private housing starts are expected to rise by 1% in both 2020 and 2021. Public housing is forecasted to rise significantly over the forecast period, by 2% in 2019, 5% in 2020 and 2% in 2021.
- Infrastructure is expected to rise by 9.3% in 2019, followed by 9.7% in 2020 and 8.6% in 2021 due to several major projects. CPA expect this sector to be the key driver of growth for the construction industry.
- The private commercial sector is forecast to fall 7% in 2019, followed by falls of 5.8% in 2020 and 1.5% in 2021.

Manufacturing

The latest **Index of Production** data for March 2019 were published on 10th May 2019 by the Office for National Statistics.

Key points for the SIC 23.1-4/7-9 industry (includes the manufacture of bricks, tiles and other construction products):

- When comparing March 2019 with March 2018, **output decreased by 6.0%**.
- When comparing March 2019 with February 2019, **output decreased by 2.7%**

Key points for the SIC 23.5-6 industry (includes the manufacture of concrete, cement and other products for construction purposes):

- When comparing March 2019 with March 2018, **output increased by 15.8%**.
- When comparing March 2019 with February 2019, **output increased by 4.4%**.

Background Notes

Quality information for the Building Materials bulletin

1. National Statistics status means that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.

These statistics last underwent a full [assessment](#) against the [Code of Practice for Statistics](#) in 2011.

Since the latest review by the Office for Statistics Regulation, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

- carried out a public consultation and introduced publication of [seasonally adjusted](#) data on deliveries of sand and gravel, concrete blocks, bricks, and ready-mixed concrete
 - in response to the cessation of MHCLG’s Annual Minerals Raised Inquiry, which previously supplied the sampling frame for the land-won sand and gravel survey, we have:
 - changed the survey from sample survey to a census, increasing the panel from 200 sites to around 500 sites
 - refreshed the panel of sites annually using information from the British Geological Survey
 - made the survey statutory under the [Statistics of Trade Act 1947](#), bringing it into line with the marine-dredged sand and gravel survey
 - improved the design of the [blocks survey](#), making it fully monthly instead of a mixture of monthly and quarterly data collection
 - introduced the publication of the tables in an OpenDocument (ODS) spreadsheet, in addition to Microsoft Excel and PDF
2. In work done for the Department for Business, Innovation and Skills (BIS) on improving the quality of statistics published in the Monthly Statistics of Building Materials and Components, the Office for National Statistics’ Methodology Advisory Service (MAS) recommended that BIS should start seasonally adjusting key data series (see [ONS/MAS review of building materials statistics: final report](#) for more detail). Seasonal adjustment is widely used in official statistics and aids data interpretation by removing effects associated with the time of the year or arrangement of the calendar. Seasonal effects frequently obscure features of interest in data, such as long term trends and the effects of unusual occurrences. By removing seasonal effects, users can more readily identify the features of interest.

Following advice from the MAS, and the results of a consultation (see the [results of the BIS consultation on seasonal adjustment](#) for more detail), BIS agreed to publish seasonally adjusted data for the following series:

Sand and gravel, total sales
 Concrete blocks, all types deliveries
 Bricks, all types deliveries
 Ready-mixed concrete, deliveries

For the initial publication of seasonally adjusted data, data from 1983 onwards will be seasonally adjusted. Subsequently, for each monthly publication, data up to 12 months or 4 quarters previous to the new data point will be revised. Upon the completion of each year’s

data series, data for the previous 12 years will be revised. BEIS will publish both non-seasonally adjusted and seasonally adjusted data in the tables of this publication. From the June 2015 edition this publication will only use seasonally adjusted data in the commentary for these series.

- 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 BEIS *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).

- 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](#).
- 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 BEIS *Building Materials and Components* webpage:

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

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

For latest data used	Bulletin table number	Response rate
Quarterly Sand and Gravel	4, 5 & 6	84%
Quarterly Sand and Gravel – Land Won	4, 5 & 6	84%
Quarterly Sand and Gravel – Marine Dredged	4, 5 & 6	86%
Quarterly Slate	7	100%
Quarterly Concrete Roofing Tiles	13	100%
Monthly Bricks Provisional data	9	98%
Monthly Bricks Final data	9 & 10	100%
Monthly Concrete Blocks	11	90%

Uses of the data

8. 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 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

9. [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.
10. 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.
11. In its monthly **Index of Production (IoP)** [publication](#), the Office for National Statistics publishes Gross Value Added (seasonally adjusted, UK) data for the following two industries:
- SIC 23.1-4/7-9 industry, 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 Office for National Statistics.

Revisions

12. Our [revisions policy](#) can be found on the BEIS Building Materials webpage.
13. [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 BEIS Building Materials webpage.

Pre-release access

14. No [pre-release access](#) is granted to this publication.

Further information

The most recently published bulletin and accompanying data tables can be found on BEIS' *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@beis.gov.uk.

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

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