

# Monthly Statistics of Building Materials and Components

## Commentary

October 2012

Coverage: UK and Great Britain  
Geographical area: Country, region and county  
Date of publication: 7 November 2012

### Headline results:

- The 'All Work' Construction Material Price Index rose by 0.5% in the year to September, interrupting the downward trend observed since the start of the year.
- The construction materials experiencing the largest price increases in the year to September were Sand and Gravel excluding levy (up 9.2%), Metal Doors and Windows (up 8.9%) and Sand and Gravel including levy (up 7.8%).
- Production of bricks and blocks fell by 9.0% and 10.8%, respectively, in the year to September.
- Exports of construction materials rose by 0.7% on the quarter in 2012Q2 (to £1,409 million). Imports also rose, by more than exports (up 2.1% to £3,030 million). As a result, the trade deficit widened by £51 million, to £1,621 million, in 2012Q2.

## Introduction

This commentary accompanies the latest Monthly Statistics of Building Materials and Components bulletin, published on the BIS Construction [website](#) on 7 November 2012.

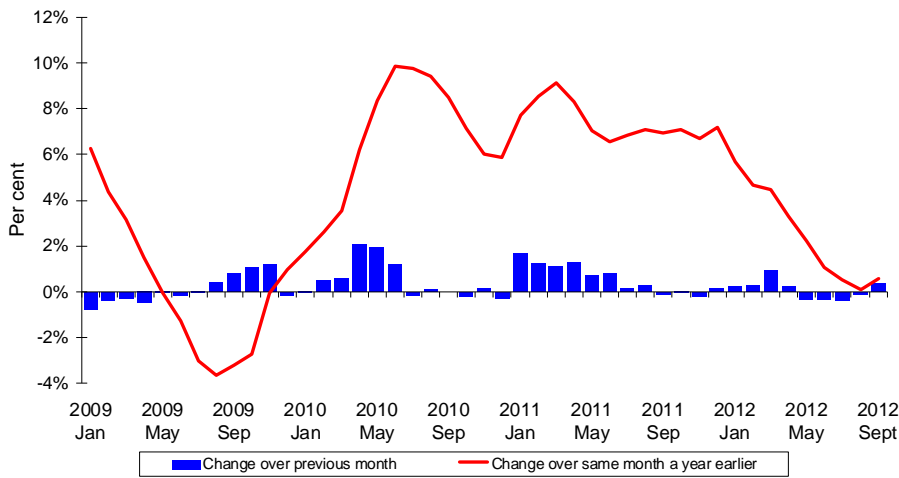
It aims to provide a brief overview of recent trends in the data presented in the bulletin. These data cover the following building materials statistics (in parentheses, the data collection frequency and the geographical area covered):

- 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 (monthly, 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

## Summary

**Chart 1: Growth in 'All Work' Construction Material Price Index, UK**  
Percentage change over previous month and a year earlier (%)

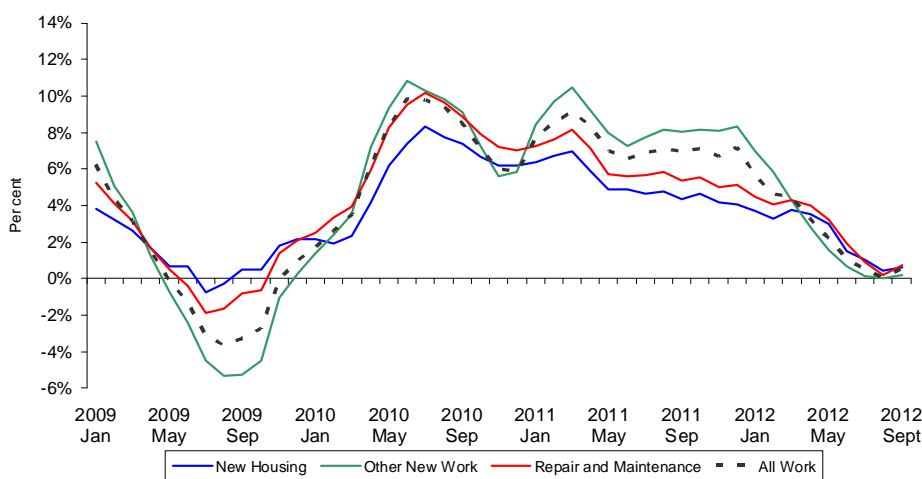


Source: Table 1 Monthly Statistics of Building Materials and Components

The headline 'All Work' Construction Material Price index rose by 0.4% on the month in September, the first monthly rise since April 2012.

Annual inflation rose to 0.5% in September, from 0.1% in August, interrupting the downward trend seen since January 2012.

**Chart 2: Growth in Construction Material Price Indices, UK**  
Percentage change over a year earlier (%)



Source: Table 1 Monthly Statistics of Building Materials and Components

Annual construction material price inflation saw a rise across all construction sub-sectors in August.

The 'Repair and Maintenance' sector saw annual inflation rising to 0.7% in September, from 0.2% in August. Over the same period, annual inflation in the 'New Housing' sector rose to 0.6%, from 0.4% and in the 'Other New Work' sector it rose to 0.2% from 0.0%.

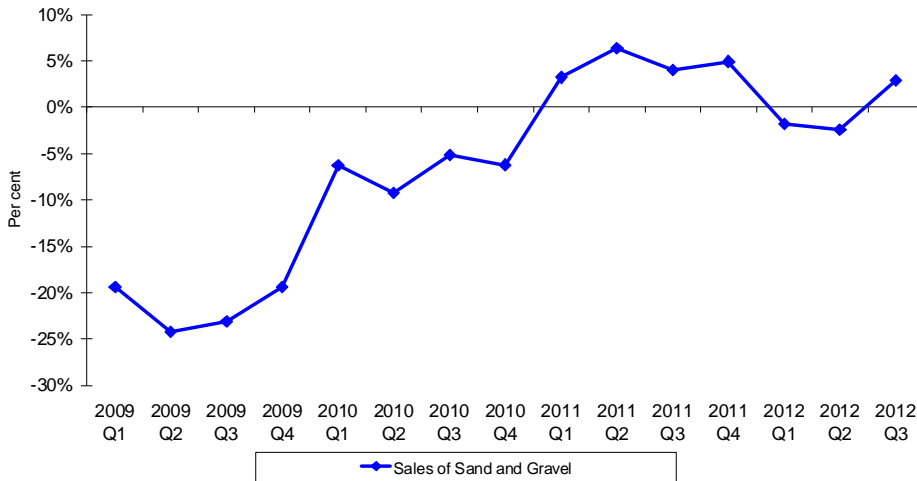
**Table 1: Construction materials experiencing the largest price increases and decreases in the year to September 2012, UK**

Construction Materials	% change on a year earlier
<b>Largest price increases</b>	
Sand and Gravel (excluding levy)	9.2
Doors and Windows (metal)	8.9
Sand and Gravel (including levy)	7.8
<b>Largest price decreases</b>	
Concrete reinforcing bars	-10.7
Crushed Rock (including levy)	-5.3
Crushed Rock (excluding levy)	-5.0

Source: Table 2 Monthly Statistics of Building Materials and Components

Sand & Gravel excluding levy (up 9.2%), Metal Doors & Windows (up 8.9%) and Sand & Gravel including levy (up 7.8%) experienced the largest price increases in the year to September. Over the same period, Concrete Reinforcing Bars (down 10.7%), Crushed Rock including levy (down 5.3%) and Crushed Rock excluding levy (down 5.0%) experienced the largest price falls.

**Chart 3: Sales of Sand and Gravel, GB**  
Percentage change over a year earlier (%)

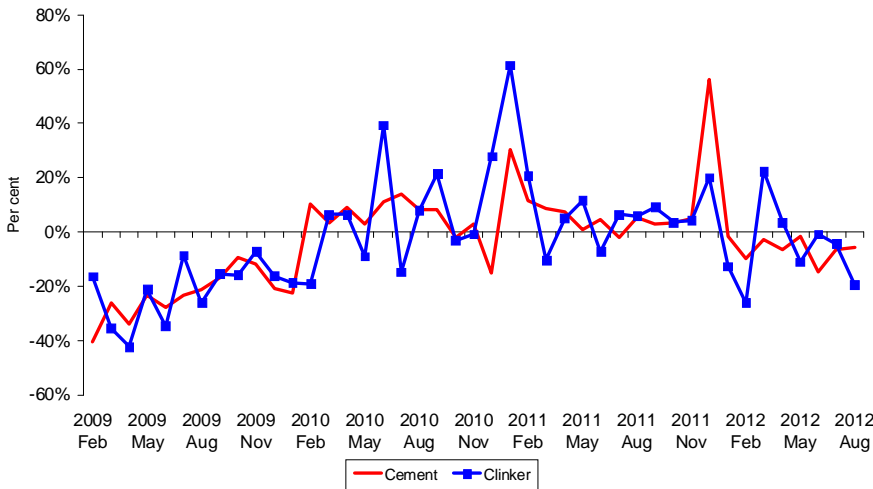


Source: Table 4 Monthly Statistics of Building Materials and Components

Sales of Sand and Gravel in Great Britain increased by 4.4% on the quarter in 2012Q3, to 15.1 million tonnes. This follows a quarterly increase of 4.2% in 2012Q2.

Compared to the same quarter last year, sales rose by 2.9% in 2012Q3, having fallen on this basis in the two previous quarters.

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

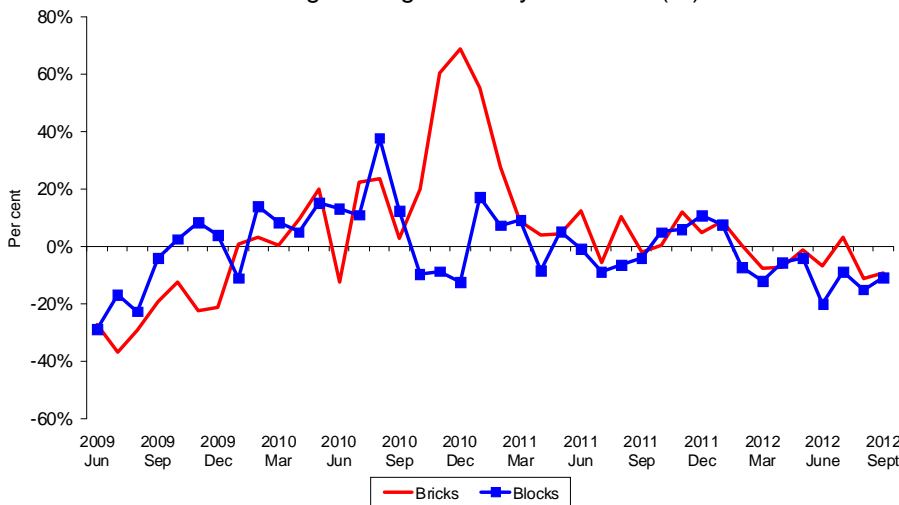


Source: Table 8 Monthly Statistics of Building Materials and Components

Cement production fell by 5.8% to 682 thousand tonnes in the year to August 2012. This is the eighth successive month in which production fell on a year-on-year basis and follows five successive months of positive year-on-year growth.

Production of Clinker also fell in the year to August, by 19.6%, following a decrease of 4.4% in the year to July.

**Chart 5: Production of Bricks and Blocks, GB**  
Percentage change over a year earlier (%)

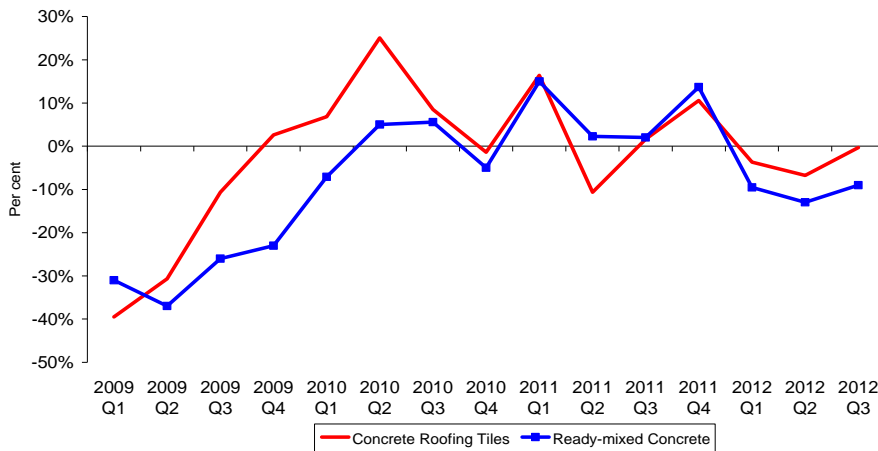


Source: Tables 9 and 11 Monthly Statistics of Building Materials and Components

In the year to September 2012, production of Bricks fell by 9.0%, the sixth decline on this basis in seven months.

Over the same period, production of Blocks fell by 10.8%, the eighth successive year-on-year fall.

**Chart 6: Deliveries of Concrete Roofing Tiles (GB) and Ready-mixed Concrete (UK)**  
Percentage change over a year earlier (%)

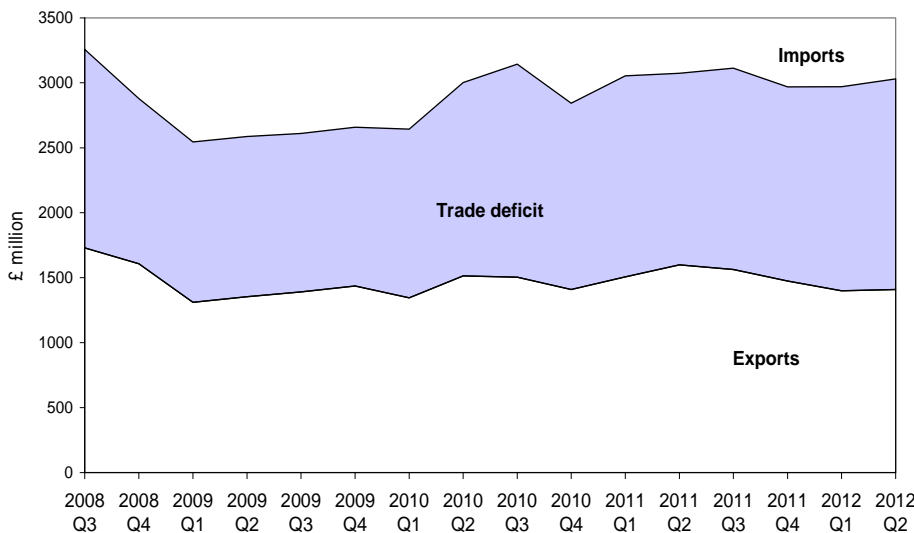


Source: Table 13 Monthly Statistics of Building Materials and Components

Deliveries of Concrete Roofing Tiles declined on a year-on-year basis for the third successive quarter in 2012Q3 (down 0.3%), after increasing on this basis in the second half of 2011.

Deliveries of Ready-mixed Concrete fell by 9.0% in the year to 2012Q3, after a year-on-year fall of 13.0% in 2012Q2 and 9.5% in 2012Q1.

**Chart 7: Exports and Imports of Construction Materials, UK**  
£million



Source: Table 14 Monthly Statistics of Building Materials and Components

Exports of construction materials rose by 0.7% on the quarter in 2012Q2 (to £1,409 million). But imports rose, by more than exports (up 2.1% to £3,030 million). As a result, the trade deficit widened by £51 million, to £1,621 million, in 2012Q2.

The increase in the trade deficit in 2012Q2 was due to a widening in the trade deficit in 'products and components' by £18 million and 'semi-manufactures' by £35 million. By contrast, the deficit for 'raw materials' narrowed slightly, by £1 million.

**Table 2: Top-5 UK Exported and Imported Construction Materials in 2011**

<i>£ million</i>			
Top-5 Exported Materials		Top-5 Imported Materials	
Paints & Varnishes	622	Electrical Wires	1,347
Electrical Wires	572	Structural Units (Steel)	648
Structural Units (Steel)	473	Sawn Wood > 6mm thick	623
Lamps & Fittings	267	Air Conditioning Equip.	576
Air Conditioning Equip.	263	Central Heating Boilers	572

Source: Table 14 Monthly Statistics of Building Materials and Components

The top five exported materials in 2011 were Paints and Varnishes, Electrical Wires, Structural Units (Steel), Lamps & Fittings and Air Conditioning Equipment.

The top five imported construction materials in 2011 were Electrical Wires, Structural Units (Steel), Sawn Wood (thicker than 6mm), Air Conditioning Equipment and Central Heating Boilers.

**Table 3: UK Trade of Construction Materials with EU and Non-EU Countries, 2011**

<i>£million (% of total trade in italics)</i>			
All Building Materials & Components		EU	Non-EU
		Exports	3,836 <i>62%</i>
Imports		7,791 <i>64%</i>	4,415 <i>36%</i>

In 2011, around 64% of all building material imports were from EU countries, while 62% of exports were to EU countries.

Source: Table 15 Monthly Statistics of Building Materials and Components

**Table 4: Top 5 UK Export and Import Markets for Construction Materials in 2011**

<i>£ million</i>			
Top-5 Export Markets		Top-5 Import Markets	
Ireland	837	Germany	1,912
Germany	634	China	1,664
France	562	Italy	899
Netherlands	469	Netherlands	702
USA	373	Spain	586

UK's largest export market for building materials was Ireland, followed by Germany, France, the Netherlands and the USA.

The largest import market was Germany, followed by China, Italy, the Netherlands and Spain.

Source: HMRC Overseas Trade Statistics

## Economic background

Preliminary estimates of GDP, published by the Office for National Statistics (ONS) on 25 October, showed that the UK economy emerged from recession in 2012Q3 growing by 1.0% on the quarter. The ONS noted that this relatively strong growth may be, in part, down to temporary factors. More specifically, growth may have been flattered by an extra day's work in the third quarter, compared to the second quarter which had seen a lost working day due to the celebrations for the Queen's Diamond Jubilee. Additionally, the ONS reported that ticket sales for Olympics and Paralympics events alone are likely to have contributed 0.2ppts to Q3 growth since National Accounts principles require that all ticket sales are allocated to the time the service is consumed, rather than at the time of purchase throughout 2011-12.

The largest contribution to the increase in GDP in 2012Q3 came from the services sector, with output increasing by 1.3% from the previous quarter. Industrial production also made a positive contribution, with output up 1.1% on the previous quarter. Within production, manufacturing output rose by 1.0% on the quarter, having contracted 2.2% from 2011Q2 to 2012Q2. However, the construction sector continued to act as a drag on growth. Following falls of 5.9% in 2012Q1 and 3.0% in 2012Q2, construction output contracted by a further 2.5% in 2012Q3.

Going forward, most forecasters (including UK's private sector forecasters, as polled by Consensus Economics, and IMF) expect the UK economy to contract this year. In the last month the International Monetary Fund has downgraded its expectations for the UK economy, expecting it to shrink by 0.4% this year and grow by 1.1% in 2013. Consensus Economics forecasts (the average of private sector forecasts) were similar, predicting a 0.2% contraction for 2012 and growth of 1.2% next year. This partly reflects expectations of negative growth in both construction and manufacturing, two sectors that have seen activity weakening in recent quarters.

In construction, two major forecasters have recently downgraded their expectations for growth in the sector. The Construction Products Association (CPA) now expects a fall in construction output of 6.3% in 2012 and 1.4% in 2013 before output rebounds to positive growth of 2.4% in 2014; each representing downgrades to their previous forecasts made in July. Similarly, in its latest forecasts, Experian expects the sector to contract by 7.5% in 2012 and by 2.5% in 2013 (rather than by 5.6% and 2.4%, respectively, estimated in July), and growth only returning to positive territory (0.8%) in 2014. Both forecasters cite deep public sector cuts and weak private sector activity as reasons for their downbeat forecasts.

The near-term outlook is also weak for the manufacturing sector. According to the latest Consensus Economics forecasts (the average of private sector forecasts), output in the sector is expected to decline by 1.1% in 2012. A return to growth is expected in 2013, by 1.1%, although this has been revised down considerably from an expectation of 1.8% growth three months ago.

## 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 preliminary [findings](#). 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 Amendments](#) to the May 2011 'Monthly Statistics of Building Materials and Components' Publication 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 October 2012 edition	Bulletin table number	Response rate
Quarterly Sand and Gravel	4, 5 & 6	83%
Quarterly Sand and Gravel – Land Won	4, 5 & 6	48%
Quarterly Sand and Gravel – Marine Dredged	4, 5 & 6	91%
Quarterly Slate	7	83%
Monthly Bricks Provisional data	9	100%
Monthly Bricks Final data	9 & 10	97%
Monthly Concrete Blocks Provisional data	11	83%
Monthly Concrete Blocks Final data	11	95%
Quarterly Concrete Blocks Final data	11 & 12	100%
Quarterly Roofing Tiles	13	71%

## 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 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. 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 23.5-66 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 14.9% in the year to August 2012. This was the eighth successive month in which output fell on this basis, following a 12-month period in which the sector recorded uninterrupted year-on-year growth. In 2011 as a whole, the industry expanded by 7.3%, up from 2.5% in 2010.

In the year to August 2012, output in the SIC 23.5-6 industry fell by 13.0%, also the eighth consecutive fall on this basis. In 2011 as a whole, the sector suffered a 6.3% decline in output, more than offsetting a 4.7% increase in output recorded in 2010.

Turning to the **construction contracting sector**, the latest (non-seasonally adjusted) ONS data indicate that construction output fell by 11.6% in the year to August, a faster pace of decline than

in the year to July (down 10.1%). The fall in the year to July was driven by declines in private commercial, repair and maintenance and public non-residential output. In 2011 as a whole, the construction sector achieved growth of 2.3%, down substantially from 8.3% in 2010.

## Revisions

9. Our [revisions policy](#) can be found on the BIS Building Materials webpage.
10. [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:** 5 December 2012

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