

Press Release

NFB welcomes growth in GDP but cautions about the tougher times ahead

The National Federation of Builders (NFB) today welcomed the growth in GDP, with the second quarter of 2010 seeing an increase of 1.1%, compared with an increase of 0.3% in the previous quarter. Construction accounted for 0.4% of the total 1.1% growth.

Construction output rose 6.6% in the second quarter, compared with a decrease of 1.6% in the previous quarter. Part of the reason for this is the bringing forward of projects ahead of the new Coalition Government's anticipated cuts in public spending and the Emergency Budget.

Julia Evans, Chief Executive of the NFB commented: "Any increase in the contribution that construction can make to the UK economy is always good news.

"We hope that the government takes into account the resulting benefit to the wider economy of a sustained investment in construction when it makes further decisions on spending."

The NFB believes that there are other factors that will have an impact on future growth: mortgage lending remains modest, lending to businesses has fallen and major, national construction projects such as Building Schools for the Future are being re-thought. Furthermore, the uncoordinated suspension of much of the planning system will put this tentative growth at risk as investment in housing projects is shelved.

Source: Office of National Statistics