

# Press Release

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For immediate release

## **NFB WARNS OF DOWNWARD SPIRAL IN CONSTRUCTION**

### **Fall in construction orders is warning to curtail public cuts, advises builders' body**

Construction, the cornerstone of the economy, is in a downward spiral as public spending cuts translate into lower demand and lending conditions remain tough, said the National Federation of Builders today.

Figures out today from the Office of National Statistics (ONS) show that the total volume of new construction orders in the second quarter of 2010 fell by 14 per cent compared with the first quarter of 2010 and fell by 9 per cent compared to the same period in 2009.

Julia Evans, Chief Executive of the NFB said:

“The importance of investment is clearly demonstrated by the fact that the only part of the sector to show a rise in orders was private industrial. But it is clear that private orders are not going to be enough to offset the losses facing the industry in the public sector arena. The government needs to do two things: it needs to look at value, rather than just the sticker price, when finalising the comprehensive spending review. It also needs to take radical action to create the conditions that will help private investment to increase. For example it should reduce regulatory burdens and costs that would enable private investment to replace public funding of new homes.

“When there is investment in construction, both public and private, the rest of the economy benefits as seen in the contribution made by the industry to the growth in GDP in quarter 2. “

## **ENDS**

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For further information please contact Sameena Thompson, External Affairs Director, on 01293 586719 or email: [sameena.thompson@builders.org.uk](mailto:sameena.thompson@builders.org.uk)

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Notes to editor:

1. The NFB is one of the UK's longest established trade federations for small to medium-sized (SME) builders, contractors and house builders across England and Wales. It was created 150 years ago to represent the building profession and to help create the conditions for its members to thrive and contribute to the economic success of the UK. Its members range from the sole trader to large, multi-million pound construction companies, with turnover ranging from below £500k to £100m plus. The NFB provides advice, training and business solutions to ensure members stay up to date.
2. The NFB campaigns on the issues that impact the construction industry such as procurement, utilities, sustainability and funding. It represents the industry at government and industry forums and is an active media commentator and policy influencer.