

Press Release

NFB warns of tough times ahead

The National Federation of Builders today warned of tough times ahead for construction, despite the better than estimated GDP figures for construction announced by the Office of National Statistics.

The fall in GDP overall was worse than estimated. GDP contracted by 0.6 per cent in the fourth quarter of 2010, revised down from the previously estimated fall of 0.5 per cent. However the fall in construction output was less severe than estimated. Construction output fell by 2.5 per cent, revised up from an estimated fall of 3.3 per cent. The fall of 2.5 per cent compares with a rise of 3.9 per cent in the previous (third) quarter of 2010.

Julia Evans, Chief Executive of the NFB, said: 'Whilst the decline in construction output in the last quarter of 2010 was less severe than first thought, output has nonetheless fallen fast. This is without the full impact of the spending cuts working their way through the system.

'With rising prices, less work, lower margins and continued lending restrictions, this amounts to a very bleak outlook for construction, and therefore the whole economy. I urge the Chancellor to tackle the barriers to growth for small and medium sized businesses in his forthcoming Budget. We need to avoid a chill wind turning into a hurricane.'

For further information please contact the NFB press office on 01293 586664 or email marketing@builders.org.uk