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## **Unprecedented Decline in Aggregates Markets in Fourth Quarter of 2008**

The results of the QPA's latest survey indicate an unprecedented decline in sales volumes in the final quarter of 2008, and very significant reductions in aggregates and ready mixed concrete volumes for the year.

In the final quarter, sales volumes of crushed rock and sand and gravel aggregates fell by 29% and 28% respectively compared with the same period of the previous year. Looking at the major value added products, ready mixed concrete sales fell by 26% and asphalt by 15% in the final quarter.

For the year as a whole, sales volumes of crushed rock sales fell by 12%, sand and gravel by 15%, ready mixed concrete by 14% and asphalt by 3%.

The aggregates and concrete markets turned down very significantly in 2008 and this trend accelerated in the fourth quarter as the slowdown in construction activity spread well beyond the well documented housing collapse. The asphalt market started the year positively, but again declined rapidly towards the year end.

QPA Director General Simon van der Byl commented, *"We thought 2008 would be difficult but the reduction in markets in recent months has been very rapid and very substantial. The outlook for 2009 is grim as there is no prospect of recovery in construction activity until well into 2010, with plenty of downside risk to potentially extend the construction recession."*

*It is absolutely vital that Government takes action to ensure a significant improvement in the functioning of credit markets and implements a far more substantial initiative of construction investment and maintenance, if the worst case projections for the economy and the construction industry are to be avoided. Government announced a programme of accelerated construction work in the November Pre Budget Report, but market conditions are now significantly worse and this work will have little impact on construction activity over the next 18 months. Unless further action is taken there is a great risk that the construction sector will be forced to reduce its capacity and skills base to such an extent that it will be difficult to respond effectively when the economy recovers."*

**QUARRY PRODUCTS ASSOCIATION  
QUARTERLY CONSTRUCTION MATERIAL TRENDS  
October - December 2008**

The figures give sales trends by volume of material for a consistent sample of Quarry Products Association members comprising the following proportions of total industry output of construction materials.

**Crushed Rock (approx 80% industry sample)**  
**Sand & Gravel (approx 80% industry sample)**  
**Asphalt (approx 80% industry sample)**  
**Ready-mixed concrete (approx 90% industry sample)**

**RESULTS  
SURVEY PERIOD: October - December 2008**

% change over same period of previous year

	2006 QTR 4	2006 YEAR	2007 QTR 1	2007 QTR 2	2007 QTR 3	2007 QTR 4	2007 YEAR	2008 QTR 1	2008 QTR 2	2008 QTR 3	<b>2008 QTR 4</b>	<b>2008 Year</b>
<b>Crushed Rock</b>	+2	+1	+2	+6	+8	+6	+5	NC	-5	-15	<b>-29</b>	<b>-12</b>
<b>Sand &amp; Gravel</b>	NC	-2	NC	+1	-1	+2	+1	-8	-8	-17	<b>-28</b>	<b>-15</b>
<b>Asphalt</b>	-9	-8	-5	+1	+3	+3	NC	-1	+6	-2	<b>-15</b>	<b>-3</b>
<b>Ready mixed Concrete</b>	+2	+2	+2	+2	+3	+3	+2	-7	-5	-19	<b>-26</b>	<b>-14</b>

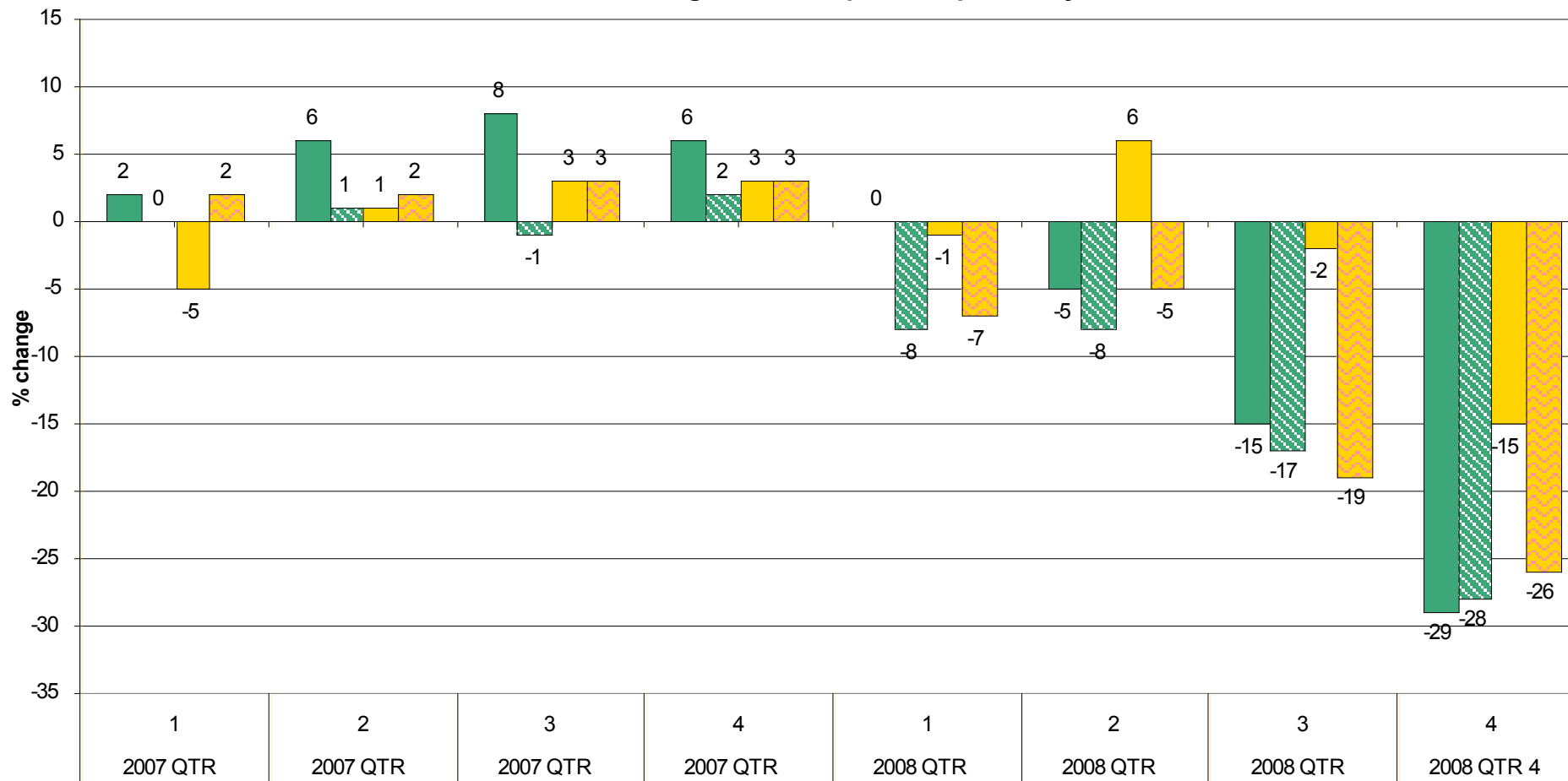
**ENDS**

**Notes to Editors**

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QPA is the principal trade association representing the UK aggregates industry. Our members produce over 90% of aggregates extracted - sand and gravel and crushed rock - as well as silica sand, recycled aggregates, agricultural and industrial lime, asphalt, mortar, and ready-mixed concrete.

QPA Trends - % change over same period of previous year



Reporting Period

Crushed Rock Sand & Gravel Asphalt Ready mixed Concrete