

**No: 04-10**

12 February 2010

**Mineral Products Association Ltd**

Gillingham House  
3B - 44 Gillingham Street  
London SW1V 1HU  
Tel 020 7963 8000  
Fax 020 7963 8001  
info@mineralproducts.org  
www.mineralproducts.org

### **MPA Calls for Government Investment as Industry Sales Volumes Plummet**

The dramatic reduction in aggregates and cement industry sales in 2008 and 2009 provides further evidence of the scale of the construction recession and highlights the need for Government to preserve investment as a driver of economic recovery.

Crushed rock and sand and gravel aggregates sales volumes declined by 25% and 23% respectively in 2009, cement fell by 25%, ready-mixed concrete by 30% and asphalt by 18%. Although the sales volume decline moderated towards the end of 2009, this reflected a comparison with declining markets in 2008, and actual volumes remained extremely low throughout the year. The cumulative effect of 2008 and 2009 is even more marked, with aggregates and cement sales falling by 35% over the two years, ready mixed concrete by 40% and asphalt by 20%.

The unprecedented reduction in sales is a consequence of the severe contraction in construction activity through 2008 and 2009, and it has occurred despite some government construction spending being brought forward following the 2008 Pre Budget Report. Although the economic recession may have technically ended in the final quarter of 2009, the outlook for construction remains negative, with orders for new construction down 14% in the first eleven months of 2009. ConstructionSkills estimates 375,000 construction jobs have been lost in 2008 and 2009, a figure which will continue to worsen this year.

Commenting on the implications of these data, Simon van der Byl, Executive Director of the MPA, warned:

“The danger for the economy is that current Government plans to focus public spending cuts on investment will stifle the chances of any recovery in construction

activity. This in turn would limit the potential for economic recovery and badly hit much needed investment in areas such as housing, transport, health and education. For example, in recent weeks we have all seen how the cold weather has exposed the already poor condition of much of the road network and highlighted the need for sustained investment in this area.

Construction activity is one of the most effective means of stimulating economic growth and employment, but the evidence from our sector and elsewhere is that industry workload is still declining. We all recognise the scale of the public sector deficit but sustaining public investment in construction as much as possible over the next five years is absolutely critical to economic recovery and the quality of public services.”

**MINERAL PRODUCTS ASSOCIATION  
QUARTERLY CONSTRUCTION MATERIAL TRENDS**

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

- Cement (approx 90% industry sample)
- 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**

% change over same period of previous year

	2008 QTR 1	2008 QTR 2	2008 QTR 3	2008 QTR 4	2008 Year	2009 QTR 1	2009 QTR 2	2009 QTR 3	2009 QTR 4	2009 YEAR
<b>Cement</b>	-7	-7	-17	-26	-14	-31	-32	-20	-16	-25
<b>Crushed Rock</b>	NC	-5	-15	-29	-12	-32	-29	-22	-12	-25
<b>Sand &amp; Gravel</b>	-8	-8	-17	-28	-15	-27	-27	-20	-19	-23
<b>Asphalt</b>	-1	+6	-2	-15	-3	-19	-24	-17	-13	-18
<b>Ready mixed Concrete</b>	-7	-5	-19	-26	-14	-33	-37	-26	-23	-30

## Notes to Editors

1. The MPA was formed through the merger of the British Cement Association (BCA), the Concrete Centre and the Quarry Products Association.
2. Its membership covers landbased, marine, recycled and secondary aggregates, asphalt, cement, ready-mixed concrete, agricultural lime, industrial lime, mortar, silica sand and The Concrete Centre. It represents 261 members of all sizes across the UK.
3. The MPA represents 100% of GB cement production, 90% of GB aggregates production and 95% of GB asphalt and ready-mixed concrete production.
4. British Precast, the trade federation for the UK concrete products industry, signed an Affiliation agreement on 4 June 2009.
5. MPA members supply around £5bn of essential materials to the UK economy; by far the largest single supplier of materials to the construction sector.
6. The industry operates from around 2000 locations in the UK.

For more information please contact Jerry McLaughlin by tel: 0207 9638000 or e-mail [jerry.mclaughlin@mineralproducts.org](mailto:jerry.mclaughlin@mineralproducts.org) [www.mineralproducts.org](http://www.mineralproducts.org)

### MPA Trends - % change over same period of previous year

