



PRESS RELEASE
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Orders Continue To Fall But Government Commitment May Help Recovery

The road to recovery for Specialist Contractors is likely to be a bumpy one according to the latest NSCC State of Trade Survey. The results for the fourth quarter of 2009 show further reductions in both enquiries and orders, despite previous signs of stabilisation returning to the marketplace. Converting enquiries into orders is proving particularly difficult and 60% of respondents reported a fall in orders in the last quarter. This has impacted on business capacity with only 44% of Specialist Contractors currently working at over 75% capacity compared with 60% in quarter 3.

Concern about cuts in public spending following the Chancellor's Pre-Budget Report in December and the prospect of a General Election this year is not helping to smooth the path out of recession and a member of the Contract Flooring Association (CFA) warned that:

"It is imperative that the Government recognises the importance of the contribution that the construction industry will make to any recovery. Cutting public expenditure after the election by any political party will spell disaster for our industry."

However, Government is increasingly using its influence as a buyer of construction to improve conditions for the supply chain and, at the end of January, Ian Lucas MP, Minister for Business and Regulatory Reform, announced his intention to make fair payment a contractual requirement in the public sector as early as possible this year. The implementation of 30-day payment periods throughout the supply chain, one of the objectives of the NSCC Fair Payment Campaign, would provide a huge boost for Specialist Contractors.

The NSCC survey also revealed that workforce patterns seem to be stabilising with 68% expecting to make no further changes to employment levels. The average numbers of direct employees and apprentices both rose slightly and almost a quarter of respondents indicated they were planning to take on an apprentice over the next 12 months.

NSCC now contributes its findings to the State of Trade Survey published by the Construction Products Association (CPA) to enable the experiences of the specialist sector to be compared with the wider industry.

~ Ends ~

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Notes to Editors:

1. The National Specialist Contractors Council (NSCC) brings together the common aims of specialist trade organisations within the construction industry and is the authoritative voice of Specialist Contractors in the UK.
2. The NSCC State of Trade Survey is carried out quarterly across the specialist sectors represented by NSCC and the results are analysed by the School of the Built Environment at Northumbria University.
3. A full copy of the latest NSCC State of Trade report is available on the News page of the NSCC website at www.nsc.org.uk.
4. Further information regarding the NSCC Fair Payment Campaign can be found at www.fairpaymentcampaign.co.uk.
5. The Construction Products Association (CPA) represents the UK's manufacturers and suppliers of construction products, components and fittings, acting as the voice of this £40 billion sector to represent the views of its members.