

UK cement production dropping to lowest levels since 1950s, says BCIS chief economist

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In response to news about UK cement production dropping to their lowest levels since the 1950s, Dr David Crosthwaite, chief economist at the <u>Building Cost Information Service</u> (BCIS), has shared his comments.

David suggests manufacturers of construction materials have to adjust their own output in line with demand, so there's also an element of production responding to a cooler market.

He said: "Manufacturers of construction materials have to adjust their own output in line with demand, so there's also an element of production responding to a cooler market.

"Brick deliveries, for example, remain well below pre-pandemic levels, while stocks are higher, suggesting that availability itself is not the primary issue.

"One of the main challenges we've been hearing from our expert panels of consultants and contractors is not material shortages, but the lack of visibility about what is coming.

"Uncertainty around the project pipeline, combined with wider economic headwinds and planning delays, has led many clients to pause or slow schemes.

That inevitably flows back through the supply chain and into production levels.

For government, a crucial form of support is to provide a clear, consistent pipeline of work.



That visibility would give developers and funders the confidence to proceed and, in turn, manufacturers the confidence to align supply with the housing and infrastructure ambitions that have been set out.

If demand strengthens and the flow of work becomes more predictable, production is likely to respond.

That visibility could be just as important as tackling cost pressures in ensuring materials are available to meet future building needs.