

News Release – immediate use

## **Scottish construction employment hits 2 year low as industry output falls by more than £1bn**

Overall performance of the Scottish construction industry deteriorated during the first quarter of 2019, recording an annual decline of more than £1 billion as employment within the sector dropped by 8,000 to reach its lowest level since June 2017.

The downturn in industry output and employment has been highlighted by leading industry trade body the Scottish Building Federation as providing further evidence of continuing tough trading conditions for Scotland's building industry and the impact of weakened economic confidence at the current time.

On the positive side, output from the housebuilding sector reached a record high of £3.5 billion over the 12 months to March 2019, including more than £1 billion of public investment in new social sector housing. Output from the repair and maintenance sector of the industry also remained strong with annual output reaching £4.3 billion over that same period.

However, output from the private commercial sector of the industry fell by 21% to reach a five year low of less than £2 billion. An ongoing decline in infrastructure output, down £730 million or 24% year on year, contributed to an overall reduction in annual industry output of £1.1 billion or 8%.

Commenting on the latest figures, Scottish Building Federation Managing Director Vaughan Hart said:

“The latest official figures show a mixed picture of industry performance over the 12 months to March 2019. The housebuilding sector of the industry continues to perform very strongly and has reached a record high and we've also seen continuing strong performance in repair and maintenance.

“At the same time, declines in private commercial activity as well as private industrial and other public sector new work excluding infrastructure are a particular cause for concern and point to ongoing economic uncertainty hampering investment in these areas. Clearly this has had a knock-on effect on industry jobs with Scottish construction employment falling by 4% to stand at 178,000 as of March this year.”

Vaughan Hart concluded:

“Every effort is now needed to restore economic confidence and help bring investment back into the Scottish industry so that the private commercial sector in particular is able to demonstrate some future growth and levels of industry employment can be positively stimulated as a result.”

**ENDS**

### **Notes to Editors**

1. Latest monthly regional labour market statistics were published by the Office for National Statistics on Tuesday the 11<sup>th</sup> June, including a quarterly update on workforce jobs by industry in Scotland for the first quarter of 2019:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/headlinelabourforcesurveyindicatorsforscotlandhi11>

2. Latest monthly statistics on output in the UK construction industry were published on Monday the 10<sup>th</sup> June by the Office for National Statistics, including a quarterly update on output from the Scottish construction industry, broken down by sector, for the first quarter of 2019:

<https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/datasets/outputintheconstructionindustrysubnationalandsubsector>

3. Founded in 1895, the Scottish Building Federation (SBF) is the lead voice of the construction industry in Scotland, an industry which is the largest source of private investment north of the border and contributes around £10 billion (c.10%) to Scotland's GDP. The overall aim of the organisation is to ensure that the important contribution of the Scottish construction industry to Scotland's economy and society is recognised

and valued, which it does through working with industry, government and the media, and that industry standards are raised.

4. The SBF promotes the interests of the construction industry to a diverse range of stakeholders and is the leading employers' federation for the industry, representing hundreds of individual companies from Orkney to the Borders.

5. The SBF provides an exclusive range of invaluable support services to a wide range of member companies, whether these are small single trade firms or major regional and national contractors. The shared objective that all members have in common is their commitment to health and safety, skills and integrity, ensuring the delivery of the highest standards of performance, professionalism and quality within the industry in Scotland.

6. For further information, please contact: