

UK Economy and Construction

Margaret Fitzsimons
CEO



EDA Pillars of Work and Team

Business Community



Nancy Adolpho
Executive Assistant



Diana Gaina
Marketing & Events Executive

Industry Insight



Anne Vessey
Head of Marketing
& Communications

Education & Training



Tracy Hewett
Head of E&T



Sabina Shaid
E&T Administrator



Nikki Hunt
Business Operations Officer

Digitalisation



Richard Appleton
Head of Digitalisation



Javier Garcia
Head of Systems & Processes
/Onboarding & Data Manager



Julie Houghton
Data Consultant



Industry Insight in 90 Minutes (Talking Shop)

- **Construction Industry Forecasts**
- **Important updates from our supply chain association colleagues**
- **State of the Sector Survey**
- **Quarterly**
 Q1 2026: Friday 30 January
 Q2 2026: Friday 24 April
 Q3 2026: Friday 24 July
 Q4 2026: Friday 23 October
 11.00am – 12.30pm

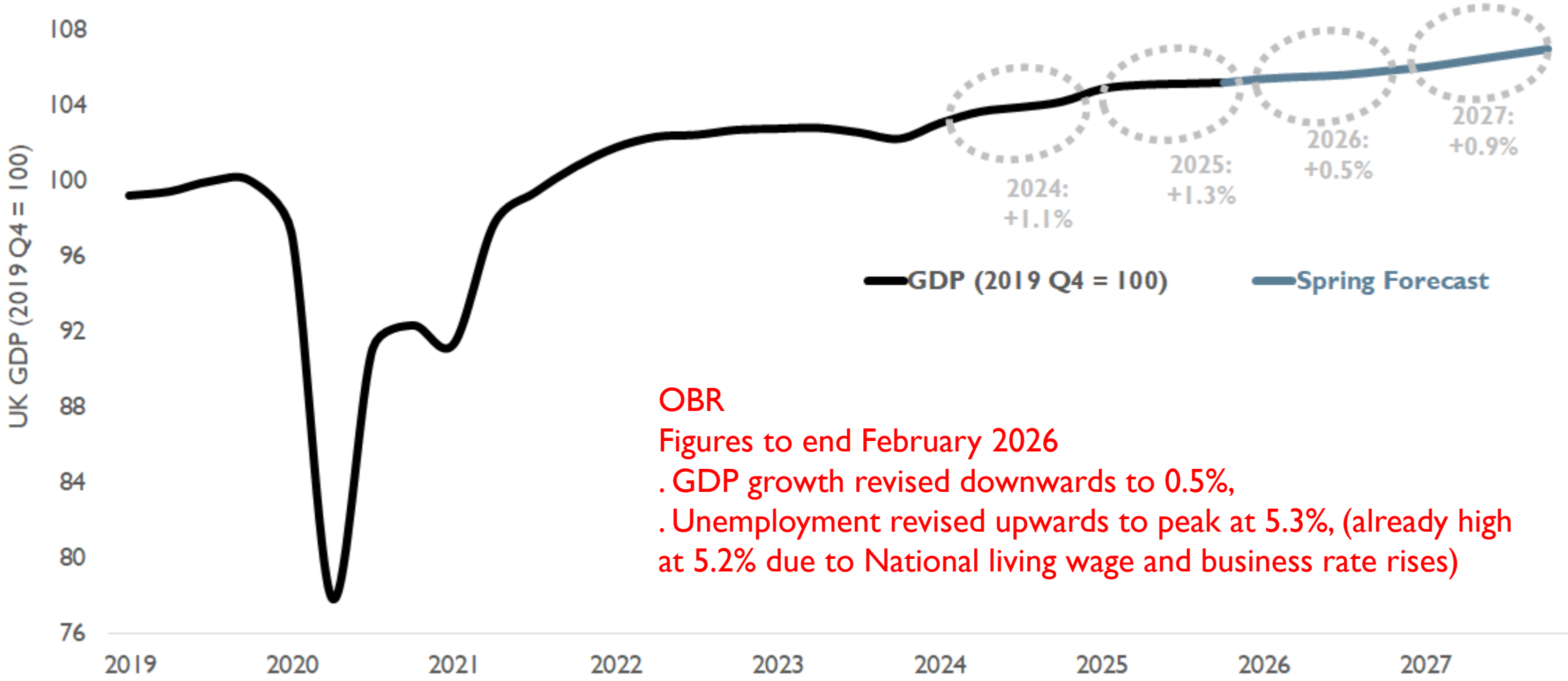


UK Economy & Construction Slides For the EDA

(Updated 15th May 2026)



Spring Draft GDP Forecast – Marginal Growth At Best in 2026

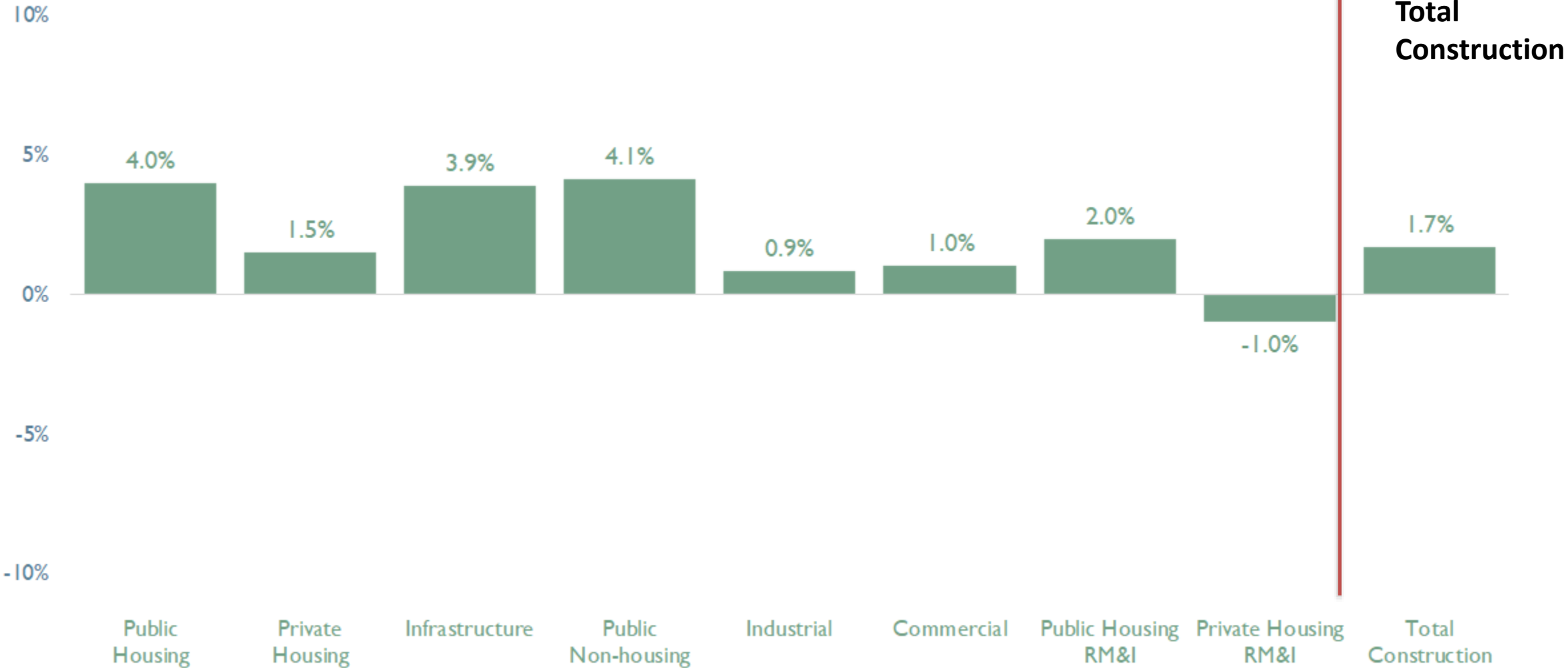


OBR
Figures to end February 2026
. GDP growth revised downwards to 0.5%,
. Unemployment revised upwards to peak at 5.3%, (already high at 5.2% due to National living wage and business rate rises)

Source: ONS, CPA Estimates

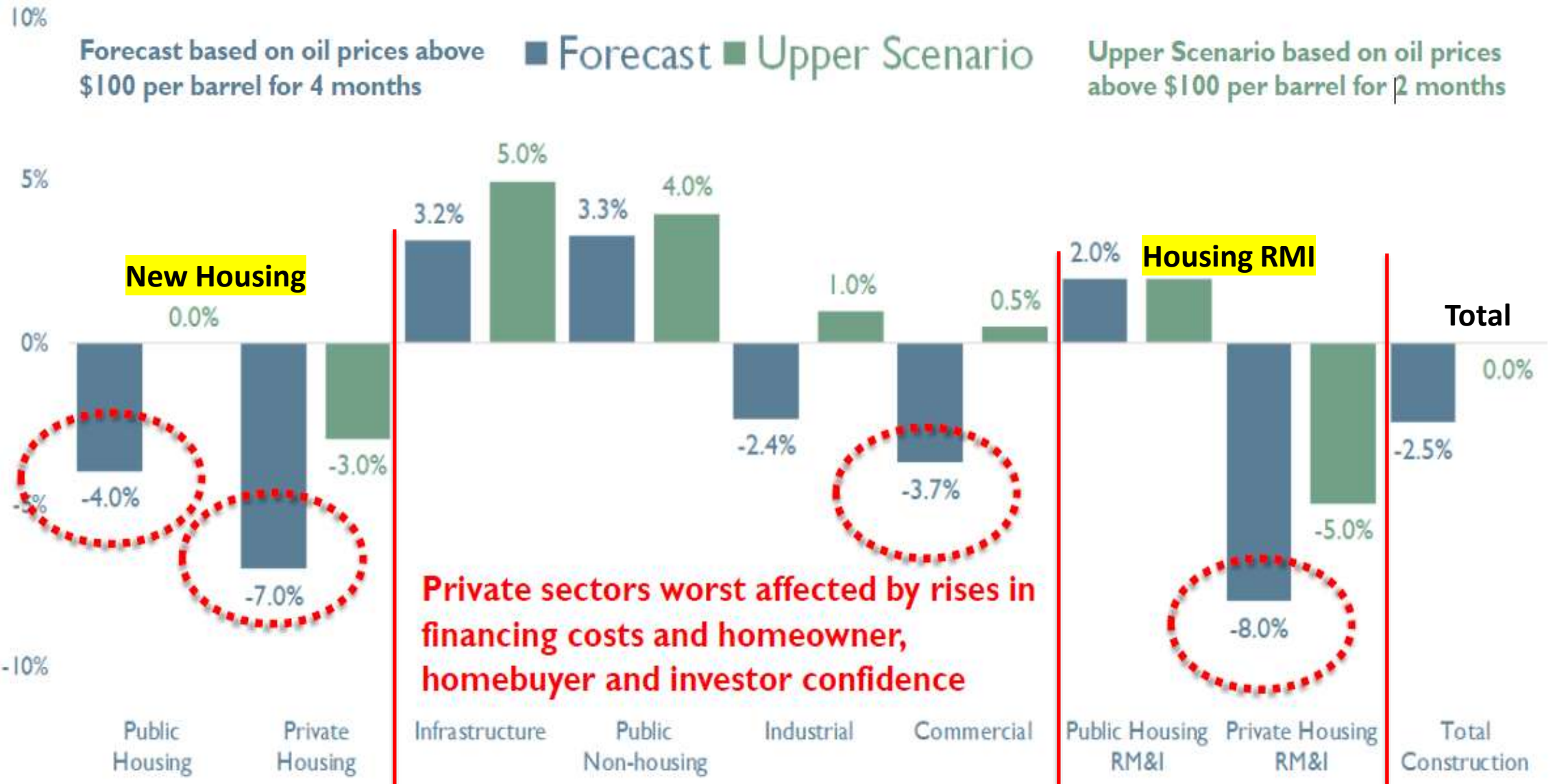
Construction Forecast and issues

CPA Winter Forecast for 2026



Source: CPA

Spring Forecast and Upper Scenario for 2026



Source: CPA

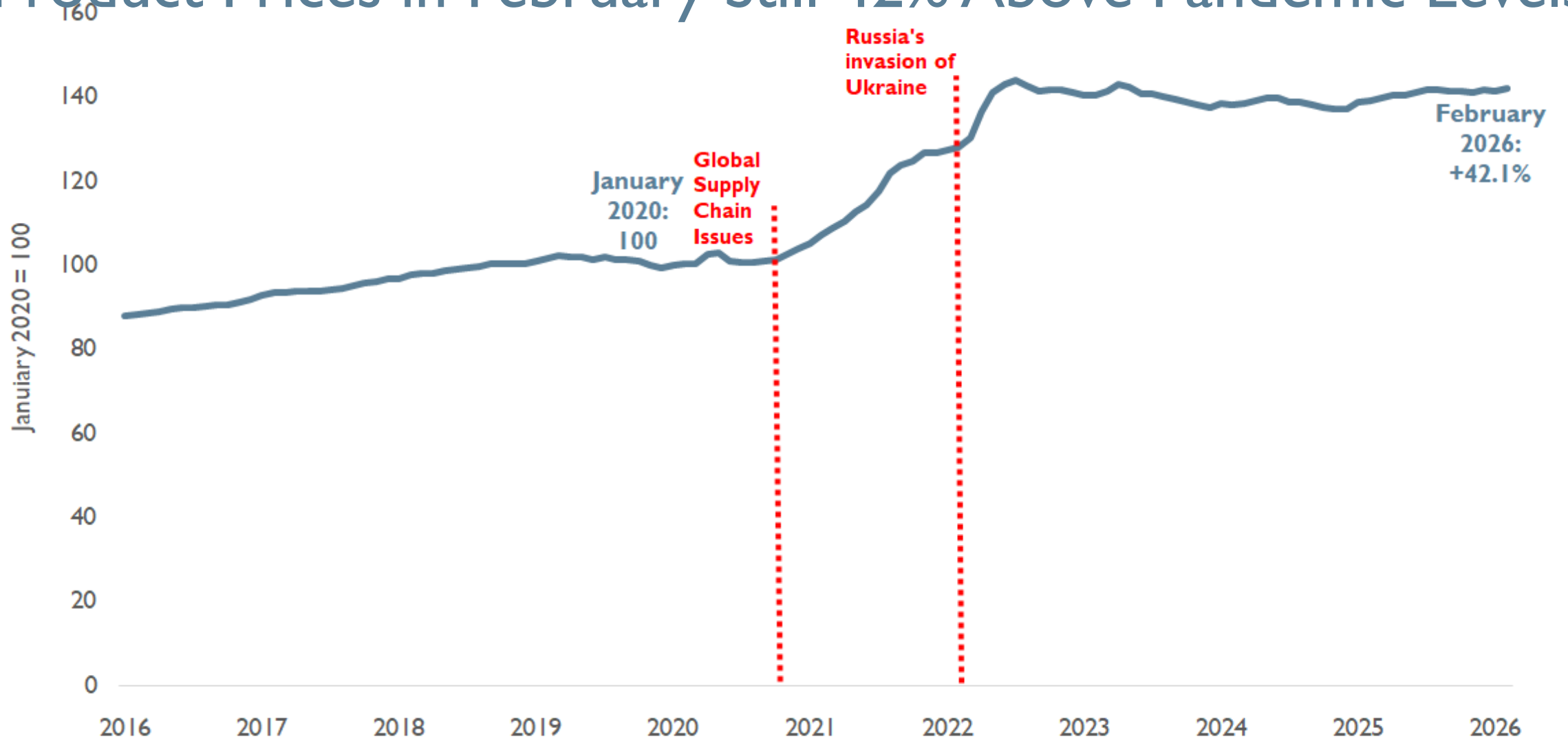
Key Risks – Heavily Weighted to the Downside

- **Significant revisions down to UK economic growth and private sector construction growth due to Middle Eastern conflict**
- **Costs** – the Landfill Tax lower rate doubled in April, the Building Safety Levy starts in Autumn and the Future Homes and Building Standards come in March 2027
- **Homebuyer and homeowner confidence** – expected to fall due to economic uncertainty and interest rate rises
- **Small house builder, specialist contractor and merchant insolvencies** – expected to rise in 2026

Middle Eastern Conflict Issues

- It is dependent on how long disruption lasts, how long oil and energy prices remain high
- Risk and uncertainty negative effect on consumer, homebuyer, homeowner, business, client and investor confidence – continue to ‘wait-and-see’, not sign off new projects
- Imports prices from China (electrics, lighting) are also likely to rise double-digit as it relies on Iranian energy and shipping costs have also risen sharply
- Double-digit price rises and surcharges initially on oil-based products, but also on energy-intensive heavyside products, input materials and component prices

Product Prices in February Still 42% Above Pandemic Levels



Other Raw Material issues

Existing issues

- Record high copper prices
- Silver Prices increased by 139% in last 12 months (normally £20 tonne, now £58. Record high of £74 at end Jan 2026) widely used in electrical switches, contacts and circuit protection components)
- High brass and sheet metal prices (enclosures)

Issues that could develop due to conflict

- Many electrotechnical components rely on oil derived materials including:
 - PVC insulation for cables
 - Plastic conduit and trunking
 - Electrical enclosures
 - Wiring accessories



A sustained oil price increase would feed into material costs over time. Higher energy prices influence manufacturing costs particularly for metals and component manufacturing. Prices rises may have to be implemented in due course.

The situation is fluid and communication is key

Transparency about delays, price increases or surcharges is crucial to enable each step in the supply chain to plan and to share with customers and build long term trust.

Opportunity for building better long-term relationship.

Impact of Steel Tariffs and Quotas



- 72 page document published 19th March 2026 taking supply chain by surprise.
- Major areas that could significantly impact steel procurement:
 - Tariff-free quotas reduced by 60% from 1st July
 - 50% tariffs imposed on sale price of all categories exceeding the reduced quotas
 - Covers all product codes. Excludes fabricated products

<https://assets.publishing.service.gov.uk/media/69bbd096f7b1c24d8e23ce06/uk-steel-strategy.pdf>

Impacts of Quotas and Tariffs

- Reduced market competition.
- Price Increases: immediate 10-12% increase. Talk of increasing from £800 to £1500 per tonne.
- Lead Time Delays: Increased reliance on a handful of UK mills (Tata Steel or British Steel)
- Lead Time and Costs for steel products not manufactured in UK:
- Low Carbon targets for buildings may not be achievable with UK Steel.
- Some sizes and grades not available in UK so may have to deliver more to achieve same strengths.
- 'Pre-Fabrication' Loophole - Loose drafting may allow minor processing (e.g., drilling or small plate fixes) to qualify as 'fabricated' steel and avoid intended protections. Some talk of taking minor fabrication off-shore and importing into UK.

Talks ongoing with minister to make implementation gradual to allow industry to gear up.

Latest Construction Industry Forecasts from the CPA

**Talking Shop
Live Online:
Industry Insight
in 90 Minutes**



CPA Quarterly Forecast – Spring 2026
Edition

Published: Tuesday 4 May 2026

Normally £250

Copies available from
Margaret.fitzsimons@eda.org.uk