



UK Brexit¹

No review of the UK market is possible without considering the looming shadow of BREXIT. The uncertainty as to whether there will be a deal or not, has adversely impacted the manufacturing and commercial construction markets.

However, the domestic housing market, both in terms of new buildings and repair and home improvement, has continued to grow. The UK manufacturing sector has had to cope with the slowing economic growth in the UK and globally; stocking buildings in anticipation of a BREXIT in March followed by destocking as the deadline moved; uncertainty delaying investment; and a marked slowdown in the automotive sector. These challenges passing on to the fastener industry having the financial stability to cope with these peaks and troughs have been important to UK fasteners' continuing success.

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Housing Starts Statistics of UK



UK Economy²

UK economy is recovering and expected to reach pre-crisis levels at the beginning of 2022. Its output is projected to rise by 6.9% in 2021, with the growth moderating to 4.7% in 2022 and 2.1% in 2023. Consumption is the main driver for growth during the projection period. Business investment will improve but continues to be held back by uncertainty. Increased border costs following the exit from the EU Single Market are weighing on imports and exports. Unemployment will continue to decline. Inflation will keep increasing due to higher energy and commodity prices and continuing supply shortages. It is expected to peak at 4.9% in the first half of 2022 and then fall back towards the 2% target by the end of 2023.



UK Housing Statistics³

The number of homes being built since the lifting of the first period of national coronavirus restrictions continues to rise, as the latest house building figures published (March 2021) show. **New data show new housing starts were estimated to be 42,110 in the latest quarter (October – December 2020), a 16% increase on the previous quarter (July – September 2020). The number of new homes completed was 46,950 in the latest quarter, a 4% increase compared to the last quarter, and the highest completions figure since its peak in the March 2007 quarter.**



UK House Prices⁴

House prices, as measured by the UK House Price Index, increased by 10.1% between October 2020 and October 2021. On a seasonally adjusted basis, average house prices decreased by 1.0% between September and October 2021. House prices grew at different rates across the UK over the year to October 2021. House prices grew by 15.5% in Wales, 11.7% in the East Midlands and 11.3% in Scotland. Growth was slowest in London at 6.2%, the West Midlands at 8.4% and the Northeast at 9.7%.

1. <https://www.fastenerandfixing.com/insight/united-kingdom-european-fastener-market-insight/>
2. <https://www.oecd.org/economy/united-kingdom-economic-snapshot/>
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5. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1036289/21-cs12_-_Construction_Building_Materials_-_Commentary_November_2021.pdf
6. <https://www.pbctoday.co.uk/news/planning-construction-news/uk-housing-construction/95520/>





Construction Fasteners⁵

The size of the fastener industry is USD 80 billion and the UK market share is 2.5% of the whole world's market; therefore, the size of UK fasteners is USD 2 billion. Construction fasteners take up 14.5% of this number in UK; and therefore, their market size is around USD 288 million.

- ▲ Monthly construction fastener output grew 1.3% in volume terms in September 2021; new work and repair and maintenance both grew on the month, increasing by 1.3% and 1.2% respectively.
- ▲ The level of construction fasteners output in September 2021 was 1.0% below the level of February 2020, before the coronavirus (COVID-19) pandemic; new work was 3.5% below the February 2020 level, while repair and maintenance work were 3.9% above the February 2020 level.
- ▲ In contrast to the monthly growth, quarterly construction fasteners output fell 1.5% in Quarter 3 (July to Sep) 2021, compared with Quarter 2 (Apr to Jun) 2021; both new work and repair and maintenance saw a decline by (0.3%) and (3.6%) respectively.
- ▲ Total new orders for construction fasteners fell 9.2% in Quarter 3 of 2021, compared with Quarter 2 of 2021.
- ▲ The annual growth rate of construction fasteners output price was 5.1% in September 2021; this was the strongest annual growth rate of construction fasteners output price since records began in 2014.
- ▲ At the type of work level of construction fasteners, the annual rate of price growth in the 12 months to September 2021 was at its strongest in new housing (7.5%) and private industrial new work (6.3%).

Last Words⁶:

It's been a turbulent period for the construction industry over the past year. With the ongoing pandemic and the continuing uncertainty surrounding post-Brexit trade deals, it has been somewhat difficult for companies to plan their projects.

The future of UK housing and construction is going to be one with a lot of changes. With the government pledging to build 300,000 homes a year, the onus is on housebuilders to carry out a number of projects at a rate that they may not have seen before. This means they will have to look towards new ways of doing things. □



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