

Northern Ireland Quarterly Construction Enquiry

Latest revisions to estimates

The estimates of the value of construction output in Northern Ireland published in the Northern Ireland Construction Bulletin on 12 May 2005 have been revised as a result of recent revisions to the Output Price Indices (OPIs) produced by Department of Trade and Industry (DTI). These OPIs are used to adjust current construction output to constant prices to measure changes in output over time.

DTI have advised us of the following:

The OPIs published by DTI in their quarterly Building Price and Cost Indices for 2000 onwards under-estimated the levels of price inflation in construction. From 2000, doubts about the apparent levels of price inflation in the construction sector resulted in OPIs being “lagged” as a precaution in the absence of more complete data. With complete data now available, it has become apparent that the original levels of price inflation were in fact accurate. DTI has now produced revised OPIs to correct for this under-deflation.

This has led to revisions to growth levels in the value of construction output in Northern Ireland for 2001, 2002, 2003 and 2004. Time series that are converted to constant prices (deflated) and subjected to seasonal adjustment now report a lower value of construction output than previously published. This has changed the overall trend in construction output levels. The Index of Construction (IOC) now shows a decrease in construction output levels in recent years compared to base year 2000 (Figure 1).

Figure 1 Northern Ireland Index of Construction (2000=100)

