



EUROPEAN CONSTRUCTION  
INDUSTRY FEDERATION

A construction worker wearing a white hard hat and a dark shirt is seen from behind, looking up at a large white mechanical unit being lowered into place by a red crane. The worker is holding a yellow strap. The scene is set on a rooftop with a clear blue sky and some clouds. In the background, another worker in blue overalls is visible on a different part of the roof.

**CONSTRUCTION ACTIVITY IN EUROPE**  
L'ACTIVITÉ DE LA CONSTRUCTION EN EUROPE  
DIE BAUTÄTIGKEIT IN EUROPA

EDITION 2019

TOTAL CONSTRUCTION

**€ 1,427  
BILLION**

**43.7%**

**OF GROSS FIXED  
CAPITAL  
FORMATION**

**3.3 MILLION  
ENTERPRISES**

OF WHICH:

**95% ARE SME'S  
WITH FEWER THAN 20**

**93% WITH FEWER  
THAN 10 OPERATIVES**



**29.0%**

**OF INDUSTRIAL  
EMPLOYMENT**

**6.4%**

**OF EUROPE'S  
TOTAL  
EMPLOYMENT**

**9.0%**

**OF EU GDP**

**14.8  
MILLION  
WORKERS**

**MULTIPLIER EFFECT:  
1 PERSON WORKING IN THE  
CONSTRUCTION INDUSTRY**

≈

**2 FURTHER PERSONS  
WORKING IN OTHER SECTORS\***

\* Study for the European Commission (DG EMPL)  
'Monitoring of sectoral employment' (VC/2010/0064  
- 2012)

**Created in 1905**

International non-profit-making association  
established under Belgian Law (aisbl BE 0688 919.140)

**27 countries** (25 EU, Norway and Turkey)

**31 National member federations** representing firms:

- of all sizes
- of all building and civil engineering specialties
- practising all kind of working methods (whenever operating as general contractors or as sub-contractors)

**Associate members:**

EFFC European Federation of Foundation Contractors  
EOAR European Quality Association for Recycling e.V.





**Partnerships**

	Sectoral Social Dialogue	Social Partner in the European Sectoral Social Dialogue of the Construction Industry together with FETBB-EFBWW-EFBH (European Federation of Building and Woodworkers) <a href="http://ec.europa.eu/social/main.jsp?catId=480">http://ec.europa.eu/social/main.jsp?catId=480</a>
	EIC	Cooperation with EIC (European International Contractors) for activities beyond Europe's borders <a href="http://www.eic-federation.eu">www.eic-federation.eu</a>
	CICA	The European founding member of CICA (Confederation of International Contractors' Associations) <a href="http://www.cica.net">www.cica.net</a>
	ECF	Participant in the ECF (European Construction Forum) <a href="http://www.ecf.be">www.ecf.be</a>
	EHF	Member of EHF (European Housing Forum) <a href="http://www.europeanhousingforum.eu">www.europeanhousingforum.eu</a>
	CEN	Partner Organisation of CEN (European Committee for Standardisation) <a href="http://www.cen.eu">www.cen.eu</a>
	ECCREDI	Member of ECCREDI (European Council for Construction Research, Development and Innovation) <a href="http://www.eccredi.org">www.eccredi.org</a>
	ECTP	Member of the European Construction, built environment and energy efficient building Technology Platform - <a href="http://www.ECTP.org">www.ECTP.org</a>

**Campaigns & Portals**

	More EU budget for transport	Campaign "More EU budget for transport – the best Investment Plan for Europe" <a href="http://www.moreeubudget4transport.org">www.moreeubudget4transport.org</a>
	Healthy Workplaces (OSHA)	Partner in the OSHA (European Agency for Health and Safety at Work) Campaign on "Healthy Workplaces - Manage Dangerous Substances" <a href="http://www.healthy-workplaces.eu">www.healthy-workplaces.eu</a>
	BUILD UP	Partner of BUILD UP (The european Portal for energy efficiency in Buildings) <a href="http://www.buildup.eu">www.buildup.eu</a>

**Projects**

		Skills Blueprint for the Construction Industry <a href="https://twitter.com/EUConstruction">https://twitter.com/EUConstruction</a>
	Construction for youth	FIEC-EFBWW website on "Construction for youth" <a href="http://www.construction-for-youth.eu">www.construction-for-youth.eu</a>
		Partner in "SKILLCO - Skills sector alliance for transfer of knowledge and skills of VET workforce in construction" <a href="http://www.skillco.eu">www.skillco.eu</a>
	BIM-Speed	BIM-Speed <a href="https://www.bim-speed.eu/en">https://www.bim-speed.eu/en</a>

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## ■ FOREWORD

It is a great pleasure for me to introduce this new edition (no. 62) of the annual FIEC Statistical Report.

The report provides an overview of recent developments and perspectives in the construction industry in the various EU Member States, as well as a series of indicators with figures, both for each country and for the EU as a whole. The map shown opposite gives an overall view of the performance of the construction industry in the various European countries in 2018.

The EU economy is estimated to have grown by 1.9% in 2018. This is a more moderate growth compared to 2017 (+2.4%). This is due to temporary domestic factors in Member States (e.g. "yellow jackets" in France, disruption of the car production in Germany), as well as international trade tensions. Of course, the "Brexit" process remains a source of high uncertainty for the EU. However, the European economy will continue to benefit from the improving labour market, favourable financing conditions and a robust domestic demand.

In 2018, overall construction output in the EU amounted to €1,427 billion, which represents 9.0% of EU GDP. The recovery observed in the sector since 2014 continued at a more moderate pace in 2018, with a 3.5% growth. The main driving forces in 2018 were the new housebuilding (+4.0%) and the civil engineering (+4.7%) segments.

Although the situation continues to vary from one country to another, the overall picture is currently positive, with activity in new housebuilding sometimes even booming in several Northern EU countries. Only a minority of countries experienced a drop in the construction activity in 2018. Others, like Italy, Portugal or Spain are slowly recovering, but these increases in activity are measured against historically low baselines.

The full recovery of the sector depends on the overall economic and political situation within the EU, in particular with regard to long-term public and private investment. But it is also up to us to seize opportunities and to mobilise our forces at all levels (EU, national, regional, local) in order to convince our political leaders of the importance of investment, both public and private, for the sake of the EU's competitiveness.

I would like to thank all the people in FIEC and from our Member Federations who have contributed to this report and I sincerely hope that its content will be useful and interesting for all readers.

Prof. Thomas Bauer - Chairman of the Economic and Legal Commission

## ■ AVANT-PROPOS

C'est avec grand plaisir que je vous présente cette nouvelle édition (N° 62) du rapport statistique annuel de la FIEC.

Il dresse l'inventaire des récentes avancées et perspectives pour le secteur de la construction dans les différents États membres européens et fournit divers indicateurs chiffrés, tant pour chaque membre que pour l'Union européenne dans son ensemble. Par ailleurs, la carte ci-jointe donne un aperçu global des performances du secteur de la construction dans les différents pays européens en 2018.

Il est estimé que l'économie de l'UE a enregistré une croissance de 1,9 % en 2018. Cependant, cette évolution est plus modérée qu'en 2017 (+2,4 %). Dans certains États membres, cela s'explique par des facteurs domestiques temporaires (comme le mouvement des « Gilets jaunes » en France ou la perturbation de la production automobile en Allemagne), mais aussi par des tensions en matière de commerce international. Bien entendu, le processus de « Brexit » reste une source d'incertitude considérable pour l'UE. Cependant, l'économie européenne devrait continuer à bénéficier de l'amélioration des conditions du marché du travail, de conditions de financement favorables et d'une demande domestique robuste.

En 2018, la production de l'activité globale de construction dans l'UE s'est élevée à 1 427 milliards € soit 9 % du PIB de l'UE. La reprise constatée dans le secteur depuis 2014 s'est poursuivie à un rythme plus modéré en 2018, avec une croissance de 3,5 %. Les principaux moteurs de croissance en 2018 étaient le secteur du résidentiel neuf (+4 %) et celui du génie civil (+4,7 %).

Bien que la situation varie toujours d'un pays à l'autre, le tableau d'ensemble est actuellement positif, avec un réel essor de la construction résidentielle neuve dans plusieurs pays du nord de l'UE. Aussi, un déclin de l'activité de construction n'a été constaté que dans une minorité de pays en 2018. D'autres, comme l'Italie, le Portugal ou l'Espagne, se redressent lentement, mais ces augmentations de l'activité sont mesurées par rapport à des références historiquement basses.

Le redressement total du secteur dépend de la situation économique et politique globale au sein de l'UE, et plus particulièrement en ce qui concerne les investissements publics et privés à long terme. Cependant, il nous incombe également de saisir les opportunités et de mobiliser nos forces à tous les niveaux (européen, national, régional, local) afin de convaincre nos dirigeants politiques de l'importance des investissements, tant publics que privés, au nom de la compétitivité européenne.

Je souhaiterais remercier toutes les personnes de la FIEC et de nos fédérations membres qui ont participé à ce rapport, et j'espère sincèrement que tous ses lecteurs trouveront son contenu utile et intéressant.

Professeur Thomas Bauer - Président de la Commission économique et juridique

## ■ VORWORT

Es ist mir eine große Freude, Ihnen diese neue Ausgabe (Nr. 62) des jährlichen Statistikberichts der FIEC zu präsentieren.

Der Bericht enthält einen Überblick über die jüngsten Entwicklungen und Perspektiven der Bauwirtschaft in den einzelnen EU-Mitgliedstaaten sowie eine Reihe von Indikatoren mit Zahlen auf Länder- und EU-Ebene. Die Karte auf der gegenüberliegenden Seite bietet eine Gesamtübersicht über die Leistungen der Bauwirtschaft in den einzelnen europäischen Ländern im Jahr 2018.

Den Schätzungen zufolge betrug das Wachstum der EU-Wirtschaft 2018 1,9%. Im Vergleich zu 2017 (+2,4%) fiel das Wachstum demnach mäßiger aus. Dies ist auf vorübergehende inländische Faktoren in einzelnen Mitgliedstaaten zurückzuführen (z. B. die „Gelbwesten“ in Frankreich, die Unterbrechungen in der Automobilproduktion in Deutschland) sowie auf Spannungen im internationalen Handel. Und natürlich ist der „Brexit“ weiterhin eine Quelle großer Ungewissheit für die EU. Nichtsdestotrotz wird die europäische Wirtschaft weiterhin von einer sich verbessernden Arbeitsmarktlage, günstigen Finanzierungsbedingungen und einer robusten Binnennachfrage profitieren.

Im Jahr 2018 betrug die Gesamtleistung der Bauwirtschaft in der EU 1,427 Mrd. Euro bzw. 9,0% des BIP der EU. Diese seit 2014 in der Bauwirtschaft zu beobachtende Erholung setzte sich 2018 mit einem Zuwachs von 3,5% in einem mäßigeren Tempo fort. 2018 waren die Hauptantriebskräfte die Segmente Wohnungsneubau (+4,0%) und Tiefbau (+4,7%).

Die Situation weist zwar weiterhin große Unterschiede zwischen den einzelnen Ländern auf, das Gesamtbild ist aber derzeit ein positives und im Wohnungsneubau kann in mehreren nordeuropäischen EU-Ländern sogar von einem Bauboom gesprochen werden. Nur in einer Minderheit der Länder war die Bautätigkeit 2018 rückläufig. Andere, wie Italien, Portugal oder Spanien, erholen sich langsam, wobei diese Zunahmen in der Bautätigkeit allerdings mit historisch niedrigen Ausgangssituationen in Verhältnis zu setzen sind.

Die vollständige Erholung des Sektors hängt von der wirtschaftlichen und politischen Gesamtlage in der EU und von der oben erwähnten internationalen Lage ab, insbesondere was die langfristigen öffentlichen und privaten Investitionen betrifft. Aber es liegt auch bei uns, Chancen zu ergreifen und unsere Kräfte auf allen Ebenen (EU, national, regional, lokal) zu mobilisieren, um unsere politischen Entscheidungsträger davon zu überzeugen, wie wichtig öffentliche und private Investitionen für die Wettbewerbsfähigkeit der EU sind.

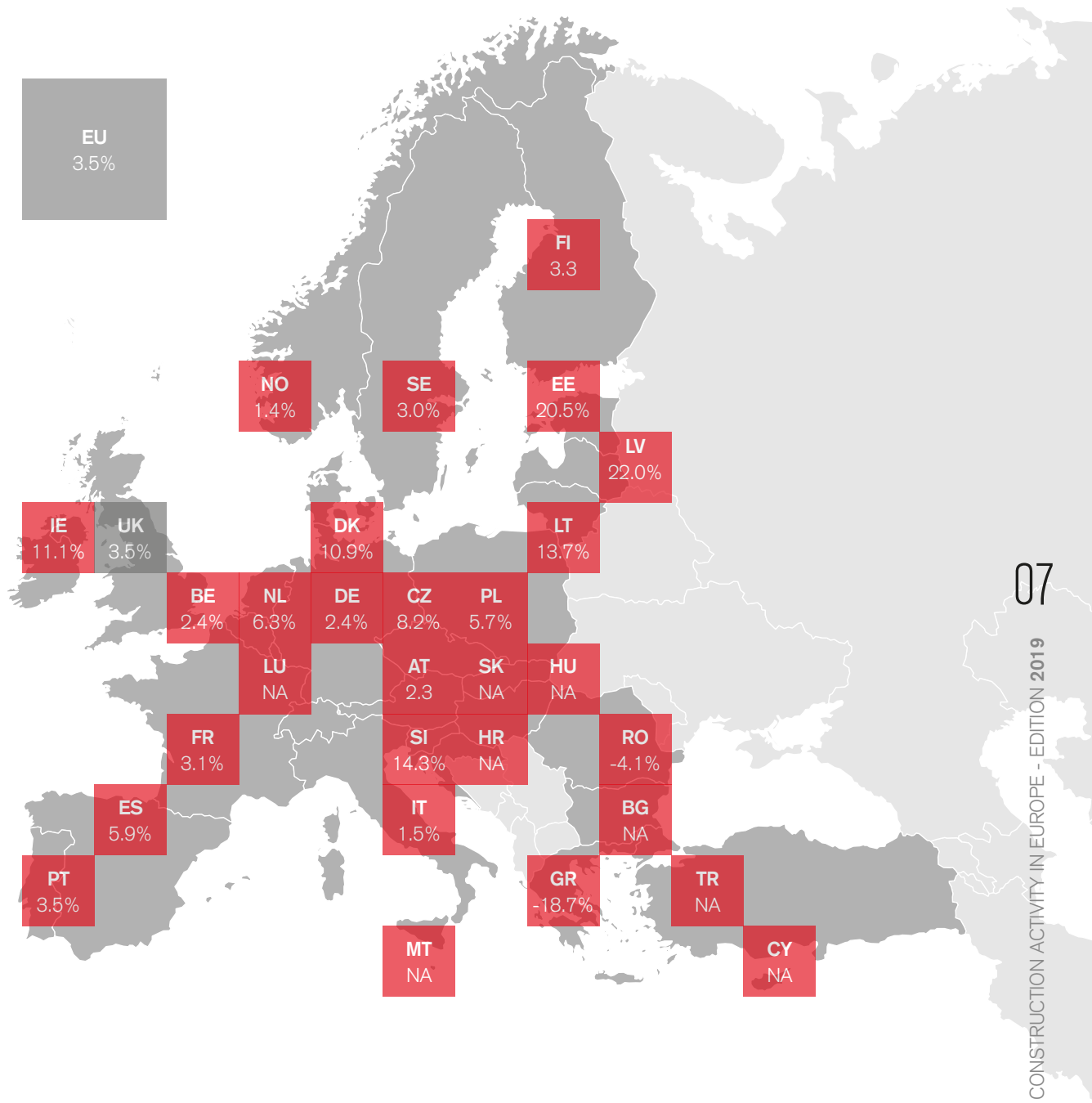
Ich möchte allen bei FIEC und unseren Mitgliedsverbänden danken, die an diesem Bericht mitgewirkt haben und ich hoffe, dass er für alle Leser Nützlich und Interessant enthält.

Prof. Thomas Bauer - Vorsitzender der Kommission Wirtschaft und Recht

Variation of production in real terms on previous year (2018/2017)

Variation du volume de la production sur l'année précédente (2018/2017)

Reale Veränderungsrate im Vergleich zum Vorjahr (2018/2017)



NB:  
The text and data contained within the European report have been drawn up on the basis of the national reports supplied by the FIEC Member Federations.

NB:  
Le texte et les données du chapitre Union Européenne ont été élaborés sur la base des rapports nationaux envoyés par les fédérations membres de la FIEC.

NB:  
Der Text und die Zahlen des Kapitels „Europäische Union“ beruhen auf den von den FIEC-Mitgliedsverbänden zur Verfügung gestellten nationalen Berichten.

## 1. General economic overview

According to the European Commission's February 2019 economic forecast, economic activity moderated in the second half of 2018 as global trade growth slowed, uncertainty sapped confidence and output in some Member States was adversely affected by temporary domestic factors, such as disruptions in car production, social tensions and fiscal policy uncertainty. As a result, GDP growth in both the euro area and the EU slipped to 1.9% in 2018, down from 2.4% in 2017.

Economic growth will continue, albeit more moderately, as the fundamentals remain sound. The European economy is set to continue to benefit from the improving labour market, favourable financing conditions – as the pace of monetary policy normalisation is expected to be very gradual – and a slightly expansionary fiscal stance. Many Member States continue to benefit from robust domestic demand, also supported by EU funds. Private consumption should remain the main growth driver, benefiting from continued but slower labour market improvements and a pick-up in wage growth. Against this backdrop, Euro area GDP is forecast to grow by 1.3% in 2019 and 1.6% in 2020; and the EU GDP growth is forecast to grow by 1.5% in 2019 and 1.7% in 2020.

In recent years, the labour market has improved across almost all Member States, but substantial differences in unemployment rates remain. Employment rose by 1.6% in 2018 in the euro area. The number of employed persons has reached the highest level ever recorded in the euro area and is now above the pre-crisis peak observed in Q1 2008. Recently, the strongest increase in employment has been seen in the construction sector. In December 2018, the unemployment rate in

## 1. Aperçu économique général

Selon les prévisions économiques de février 2019 de la Commission européenne, l'activité économique a ralenti lors du second semestre 2018, en raison de l'essoufflement des échanges internationaux, de l'atténuation de la confiance et de l'effet négatif de facteurs domestiques temporaires sur les résultats de certains États membres : perturbations au niveau de la production automobile, tensions sociales, certaine hésitation au niveau de la politique fiscale. Par conséquent, la croissance du PIB dans la zone euro et au sein de l'UE a ralenti pour atteindre 1,9 % en 2018, contre 2,4 % en 2017.

Néanmoins, la croissance économique va se poursuivre, quoique de manière plus modérée, étant donné que les fondamentaux ne sont pas remis en cause. L'économie européenne devrait continuer à bénéficier de l'amélioration du marché du travail, de conditions de financement favorables (étant donné que la normalisation de la politique monétaire sera très progressive) et d'une position budgétaire légèrement expansionniste. Bon nombre d'États membres profitent encore d'une demande domestique robuste, également soutenue par des fonds européens. La consommation privée devrait rester le principal moteur de croissance, en profitant d'améliorations continues, bien que plus lentes, du marché du travail et d'un redressement de la hausse des salaires. Dans ce contexte, il est prévu que le PIB de la zone euro augmente de 1,3 % en 2019 et de 1,6 % en 2020, tandis que l'évolution du PIB de l'UE devrait croître de 1,5 % en 2019 et de 1,7 % en 2020.

Au cours de ces dernières années, nous avons pu constater une amélioration du marché du travail dans presque tous les États membres. Cependant, il subsiste certaines différences considérables en matière de taux de chômage. L'emploi a grimpé de 1,6 % en 2018 dans la zone euro. Le nombre de personnes disposant d'un emploi a atteint le plus haut niveau jamais enregistré dans la zone euro et est à

## 1. Allgemeine Konjunkturlage

Laut der Konjunkturprognose der Europäischen Kommission vom Februar 2019 flaute die Wirtschaftstätigkeit im zweiten Halbjahr 2018 mit der weltweiten Verlangsamung des Handelswachstums ab. Ungewissheiten untergruben das Vertrauen und in manchen Mitgliedstaaten wurden das Wirtschaftswachstum durch vorübergehende inländische Faktoren beeinträchtigt, wie z. B. Unterbrechungen in der Automobilproduktion, soziale Spannungen und steuerpolitische Ungewissheit. Infolgedessen ging das Wachstum für den Euroraum und die EU 2018 auf 1,9% zurück, im Vergleich zu 2,4% im Vorjahr.

Das Wirtschaftswachstum wird sich 2019, wenn auch gemäßigter, fortsetzen, da das Fundament intakt ist. Die europäische Wirtschaft wird weiterhin von sich verbessernden Arbeitsmarktbedingungen – günstigen Finanzierungsbedingungen – bei einer zu erwartenden schrittweisen Normalisierung der Währungspolitik – und einem leicht expansiven finanzpolitischen Kurs profitieren. Viele Mitgliedstaaten haben weiterhin eine starke Nachfrage auf dem Inlandsmarkt, die auch anhand von EU-Mitteln unterstützt wird. Der Verbrauch der privaten Haushalte bleibt der wichtigste Wachstumsmotor und profitiert von fortgesetzten, wenn auch langsameren Verbesserungen auf dem Arbeitsmarkt und einem stärkeren Lohnzuwachs. Vor diesem Hintergrund lautet die Wachstumsprognose für das BIP des Euroraums 1,3% für 2019 und 1,6% für 2020, für das BIP der EU wird ein Wachstum von 1,5% im Jahr 2019 und von 1,7% im Jahr 2020 erwartet.

In den letzten Jahren hat sich die Situation auf dem Arbeitsmarkt in fast allen Mitgliedstaaten verbessert aber es verbleiben erhebliche Unterschiede bei den Arbeitslosenquoten. Die Beschäftigung ist 2018 im Euroraum um 1,6% gestiegen. Die Anzahl der erwerbstätigen Personen hat das höchste Niveau erreicht, das je im Euroraum gemessen wurde, und hat die Rekordzahlen vor der Krise, die im ersten Quartal 2008 zu verzeichnen gewesen waren, nunmehr überschritten. In letzter Zeit war der stärkste Beschäftigungszuwachs

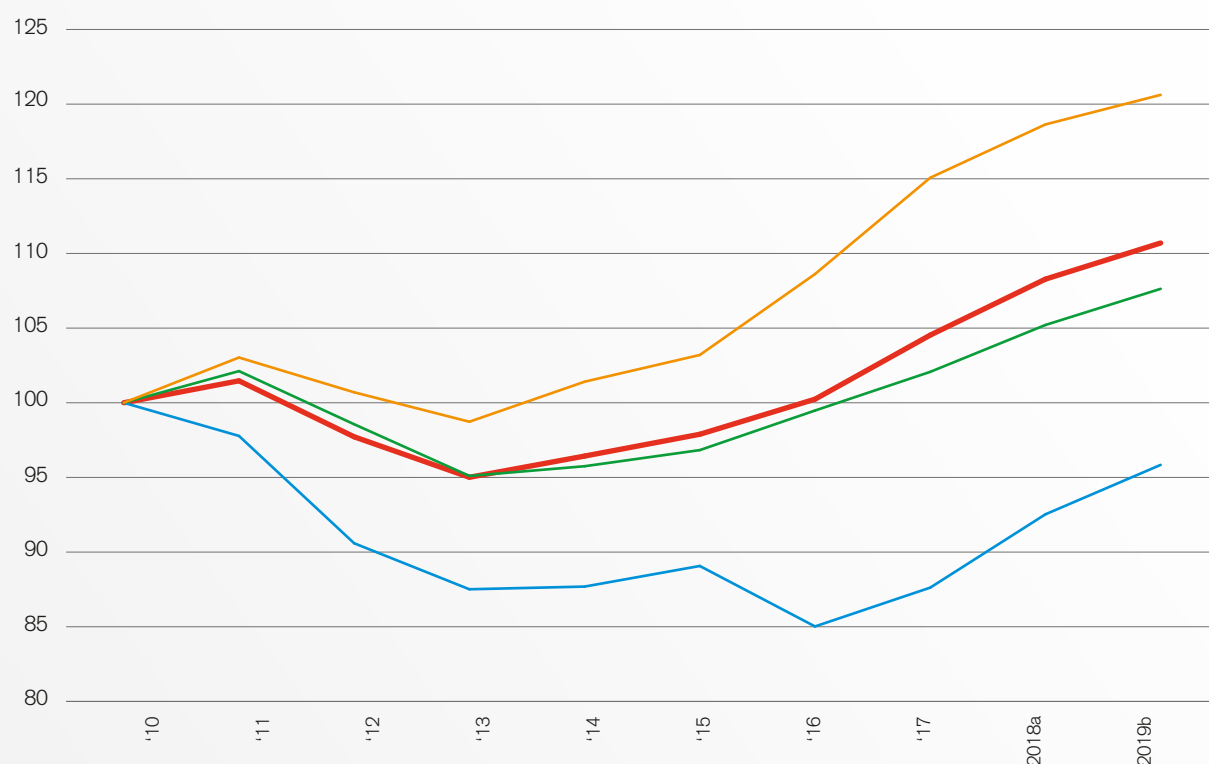



**VARIATION OF PRODUCTION IN REAL  
TERMS ON PREVIOUS YEAR (%)**
**VARIATION DU VOLUME DE LA PRODUCTION  
SUR L'ANNÉE PRÉCÉDENTE (%)**
**REALE VERÄNDERUNGSRATE IM VERGLEICH  
ZUM VORJAHR (%)**

Sectors	2010	2011	2012	2013	2014	2015	2016	2017	2018a	2019b
<b>1. Building</b>	<b>-2.5</b>	<b>2.7</b>	<b>-2.8</b>	<b>-2.3</b>	<b>2.6</b>	<b>1.4</b>	<b>4.2</b>	<b>4.8</b>	<b>2.9</b>	<b>1.9</b>
1.1. Housebuilding	1.2	3.5	-2.7	-1.3	4.3	2.0	5.6	6.7	2.7	1.6
1.1.1. New	1.6	7.0	-5.2	-1.4	5.1	3.9	7.3	9.1	4.0	1.7
1.1.2. R&M	1.7	2.6	0.2	-0.3	3.7	1.4	3.6	4.9	2.0	1.8
1.2. Non residential **	-5.4	2.0	-3.2	-3.2	0.8	0.5	2.8	2.8	2.9	2.3
1.2.1. Private	68.3	3.3	-2.0	-2.8	1.3	1.5	4.0	3.6	3.3	1.9
1.2.2. Public	-18.7	-2.5	-7.1	-1.9	0.0	-2.0	-0.3	-0.9	1.0	4.0
<b>2. Civil Engineering</b>	<b>10.8</b>	<b>0.5</b>	<b>-5.7</b>	<b>-2.2</b>	<b>0.0</b>	<b>1.4</b>	<b>-2.2</b>	<b>3.0</b>	<b>4.7</b>	<b>3.1</b>
<b>(1 + 2) Total Construction *</b>	<b>-1.1</b>	<b>2.2</b>	<b>-3.4</b>	<b>-2.2</b>	<b>1.7</b>	<b>1.4</b>	<b>2.5</b>	<b>4.2</b>	<b>3.5</b>	<b>2.2</b>

\* without: CY, EE, GR, HR, HU, IE, LU, MT, SK

\*\* incl. R&M

**CONSTRUCTION PRODUCTION**
**PRODUCTION DANS LA CONSTRUCTION**
**BAUINVESTITIONEN**


GDP 2018

**€ 15,901  
BILLION**

TOTAL  
CONSTRUCTION  
OUTPUT 2018

**€ 1,427 BILLION**

2010 = 100

— Housebuilding - Logement - Wohnungsbau  
— Non residential - Non-résidentiel - Nichtwohnbau  
— Civil Engineering - Génie Civil - Tiefbau  
— Total Construction - Bauwesen

the euro area stood at 7.9%, its lowest level since October 2008. At the same time, there are signs of labour shortages in some Member States and sectors (i.e. construction), implying that employment growth in these economies will moderate.

However, a high level of uncertainty surrounds the economy. International trade tensions remain a concern. China's economy may be slowing more sharply than anticipated and global financial markets and many emerging markets are vulnerable to abrupt changes. For the EU, the "Brexit" process remains a source of high uncertainty. In the Euro area, the risks of a resumption of negative sovereign-bank loops remain in some Member States. Temporary factors currently holding back growth could turn out to be more lasting than expected. On the positive side, a more extensive use of EU funds in recipient countries could trigger additional investments and the still favourable labour market conditions could result in stronger domestic demand.

## 2. Overall construction activity

Against this background, overall construction output in the EU in 2018 amounted to €1,427 billion, which represented 9% of GDP.

The recovery observed since 2014 (+1.7%) continued in 2015 (+1.4%) and accelerated in 2016 (+2.5%) and 2017 (+4.2%). It continued at a more moderate pace in 2018, with a 3.5% growth. The new housebuilding segment remained a driving force in 2018 (+4%), although in the aftermath of the 2008 economic crisis, this segment has now been overtaken by the renovation and maintenance segment in terms of share in the overall construction activity (22.7% against 25.8%). Also, the civil engineering segment performed very well in 2018 (+4.7%), after years of subdued activity.

présent supérieur au pic observé avant la crise au premier trimestre 2008. Nous avons récemment constaté la plus forte augmentation du taux d'emploi dans le secteur de la construction. En décembre 2018, le taux de chômage dans la zone euro était à 7,9 %, son niveau le plus bas depuis octobre 2008. Parallèlement, des indicateurs de pénurie de main-d'œuvre sont présents dans certains secteurs (en particulier la construction) et États membres, ce qui signifie que la croissance de l'emploi dans ces économies va se poursuivre, mais à un rythme modéré.

Cependant, l'économie baigne dans un climat de haute incertitude. En effet, les tensions en matière de commerce international restent problématiques. Il se peut que l'économie chinoise ralentisse plus nettement que prévu, et les marchés financiers mondiaux, tout comme bon nombre de marchés émergents, sont sensibles aux changements brusques. En ce qui concerne l'UE, le processus de « Brexit » reste une source d'incertitude considérable. Dans la zone euro, il demeure des risques de résurgence de boucles négatives de banques souveraines dans certains États membres. Aussi, il est possible que des facteurs temporaires qui freinent actuellement la croissance durent plus longtemps que prévu. Du côté positif, un recours plus large aux fonds européens par les pays bénéficiaires pourrait donner lieu à des investissements supplémentaires, tandis que les conditions toujours favorables sur le marché du travail pourraient être à l'origine d'une demande domestique plus soutenue.

## 2. Activité globale de construction

Dans ce contexte, la production de l'activité globale de construction dans l'UE s'est élevée en 2018 à 1 427 milliards €, ce qui représente 9 % du PIB.

La reprise constatée depuis 2014 (+1,7 %) s'est poursuivie en 2015 (+1,4 %) et a pris de l'ampleur en 2016 (+2,5 %) et en 2017 (+4,2 %). Elle s'est ensuite maintenue à un rythme plus modéré en 2018, avec une croissance de 3,5 %. Le segment du résidentiel neuf a continué de jouer un rôle moteur en 2018 (+4 %). Cependant, au lendemain de la

in der Bauwirtschaft zu beobachten. Im Dezember 2018 lag die Arbeitslosenquote im Euroraum bei 7,9%, der niedrigste Stand seit Oktober 2008. Gleichzeitig zeigen sich in manchen Mitgliedstaaten und Sektoren (insbesondere in der Bauwirtschaft) Anzeichen für Arbeitskräftemangel, die bedeuten, dass der Beschäftigungszuwachs abnehmen wird.

Wie dem auch sei, ein hoher Grad der Ungewissheit umgibt die Wirtschaft. Internationale Handelsspannungen geben weiterhin Anlass zur Sorge. Die Konjunkturabschwächung in der chinesischen Wirtschaft könnte schärfer ausfallen als erwartet und die globalen Finanzmärkte sowie viele Schwellenmärkte reagieren empfindlich auf abrupte Veränderungen. Was die EU betrifft, bleibt der „Brexit“ eine Quelle großer Ungewissheit. Im Euroraum besteht in manchen Mitgliedstaaten weiterhin das Risiko eines erneuten Eintretens von Negativspiralen in den Beziehungen zwischen Banken und Staat. Die vorübergehenden Faktoren, die das Wachstum derzeit bremsen, könnten sich als andauernder erweisen als erwartet. Auf der positiven Seite könnte ein größerer Einsatz von EU-Mitteln in Empfängerländern zusätzliche Investitionen mobilisieren und die noch stets günstigen Arbeitsmarktbedingungen könnten eine stärkere Inlandsnachfrage nach sich ziehen.

## 2. Bauwirtschaft insgesamt

Vor diesem Hintergrund erreichten die Bauinvestitionen in der EU im Jahr 2018 ein Volumen von 1427 Mrd. Euro, ein Anteil von 9% am BIP.

Die seit 2014 zu beobachtende Erholung (+1,7%) setzte sich 2015 fort (+1,4%) und beschleunigte sich 2016 (+2,5%) und 2017 (+4,2%). 2018 dauerte sie mit 3,5% Zuwachs bei einem etwas gemäßigeren Tempo an. Das Marktsegment Wohnungsneubau blieb auch 2018 die treibende Kraft (+4%), wobei dieses Segment im Nachhall der Wirtschaftskrise von 2008 allerdings mittlerweile anteilmäßig vom Segment Modernisierung und Instandhaltung überholt wurde, welches nunmehr 25,7% der Gesamtbautätigkeit stellt, gegenüber


**GROSS VALUE ADDED - CONSTRUCTION /  
TOTAL ECONOMY**
**VALEUR AJOUTEE BRUTE - CONSTRUCTION  
/ TOTAL ECONOMIE**
**BRUTTOWERTSCHÖPFUNG - BAUGEWERBE  
/ GESAMTWIRTSCHAFT**

Country	2017 Current prices in Bln. €			%
	(1) Constr.	(2) Total economy	(1)/(2)	
Germany	144.3	2,955	4.9%	
United Kingdom	127.6	2,080	6.1%	
France	112.1	2,044	5.5%	
Italy	72.2	1,538	4.7%	
Spain	64.8	1,057	6.1%	
Poland	30.4	437	7.0%	
Netherlands	29.3	660	4.4%	
Sweden	26.7	420	6.4%	
Austria	21.0	330	6.4%	
Belgium	20.5	392	5.2%	
Finland	13.8	193	7.1%	
Denmark	12.4	251	4.9%	
Romania	11.0	170	6.5%	
Czech Republic	9.2	172	5.3%	
Ireland	7.2	276	2.6%	
Portugal	6.8	169	4.0%	
Slovakia	6.3	76	8.2%	
Hungary	4.5	105	4.3%	
Greece	3.7	158	2.3%	
Luxembourg	2.6	50	5.2%	
Lithuania	2.5	38	6.7%	
Croatia	2.1	40	5.2%	
Slovenia	2.1	37	5.6%	
Bulgaria	1.8	45	4.1%	
Estonia	1.5	20	7.1%	
Latvia	1.4	24	6.1%	
Cyprus	0.8	17	4.7%	
Malta	0.4	10	4.1%	
<b>EU28</b>	<b>595</b>	<b>10,811</b>	<b>5.5%</b>	
Norway	27.6	305	9.0%	
Turkey	64.6	669	9.7%	

**CONSTRUCTION PRODUCTION / GDP**
**PRODUCTION DANS LA CONSTRUCTION / PIB**
**BAUINVESTITIONEN / BIP**

Country	2018a Current prices in Bln. €			%
	(1) Constr.	(2) GDP	(1)/(2)	
Germany	351	3,392	10.3%	
United Kingdom	194	2,391	8.1%	
France	182	2,352	7.8%	
Italy	128	1,767	7.2%	
Spain	124	1,213	10.3%	
Netherlands	73	773	9.4%	
Sweden	57	467	12.1%	
Poland	50	495	10.1%	
Belgium	47	455	10.3%	
Austria	42	386	10.9%	
Denmark	32	295	10.8%	
Finland	30	232	13.0%	
Ireland	24	323	7.5%	
Czech Republic	20	206	9.5%	
Portugal	12	202	6.0%	
Slovakia	10	91	10.8%	
Romania	9	203	4.2%	
Greece	8	185	4.2%	
Hungary	8	130	5.9%	
Bulgaria	6	55	11.5%	
Luxembourg	6	58	9.6%	
Estonia	3	26	13.3%	
Lithuania	3	45	6.5%	
Slovenia	2	46	5.0%	
Latvia	2	29	7.5%	
Cyprus	2	21	10.1%	
Croatia	2	52	3.9%	
Malta	1	12	9.2%	
<b>EU28</b>	<b>1,427</b>	<b>15,901</b>	<b>9.0%</b>	
Norway	53	359	14.7%	
Turkey	114	654	17.5%	

NB: The absolute value figures concerning the total volume of construction are given for guidance only and are provisional. The reason for this is that in the various countries these figures are not necessarily calculated on the same basis.

Against this positive background, construction employment kept growing in 2018 (+1.8%). There were about 14.8 million construction workers in the whole EU in 2018 – working in more than 3.3 million construction enterprises – which represents 6.4% of the EU's total employment. In a growing number of EU countries, the shortage in skilled labour is seen as an obstacle for the sector's future growth.

Although the situation continues to vary from country to country, the overall picture is currently positive. In 2018, only Greece and Romania experienced a drop in the construction activity (respectively -18.7% and -4.1%).

Germany and the United Kingdom remained the engines of the EU in the sector, recording growth of +2.4% and +3.5% respectively. In terms of weight in the overall EU activity, they are followed by France, whose recovery is however slowing down (3.1%). Moreover, Italy and Spain seem to be back on track now (respectively +1.5% and +5.9%) although they are recovering from historically low baselines and their internal political situation generates uncertainties.

In parallel, activity is booming in the North of Europe (+20.5% in Estonia, +22% in Latvia, +13.7% in Lithuania, +10.9% in Denmark, +11.1% in Ireland, +6.3% in the Netherlands). Only Sweden and Finland report slowing-down trends after a few years of very strong recovery (respectively +3% and +3.3%). Most Eastern European countries also experienced growing trends (+5.7% in Poland, +8.2% in the Czech Republic, +14.3% in Slovenia), thanks to the support of EU funds.

However, in several countries, the expansion is concentrated on specific regions: e.g. "Great Paris" in France, Greater Dublin Area in Ireland as well as capitals and bigger cities in the Nordic countries. Finally, the full recovery of the

crise économique de 2008, ce segment a été supplanté par celui de la rénovation et de la maintenance en termes de part de l'activité globale de construction (22,7 % par rapport à 25,8 %). De même, le secteur du génie civil a enregistré d'excellentes performances en 2018 (+4,7 %) après plusieurs années de ralentissement de l'activité.

Compte tenu de ce contexte positif, l'emploi dans le secteur de la construction n'a cessé d'augmenter en 2018 (+1,8 %). Ainsi, en 2018, le nombre de travailleurs dans le secteur de la construction à l'échelle de l'UE était d'environ 14,8 millions de personnes actives dans plus de 3,3 millions d'entreprises de construction, soit 6,4 % de l'emploi total de l'UE. Dans de plus en plus de pays de l'UE, la pénurie de main-d'œuvre qualifiée est considérée comme un obstacle à la croissance future du secteur.

Bien que la situation varie toujours d'un pays à l'autre, le tableau d'ensemble est actuellement positif. Ainsi, en 2018, la Grèce et la Roumanie furent les seules à enregistrer une baisse de l'activité de construction (-18,7 % et -4,1 % respectivement).

L'Allemagne et le Royaume-Uni sont restés les moteurs de l'UE dans le secteur, avec une progression de respectivement 2,4 % et 3,5 %. En termes de poids dans l'activité globale européenne, ils sont suivis par la France, dont la reprise ralentit toutefois (+3,1 %). Qui plus est, il semble que l'Italie et l'Espagne se soient désormais remises sur les rails (+1,5 % et +5,9 % respectivement), bien qu'elles se relèvent de niveaux d'activité historiquement faibles et que leurs situations politiques internes soient source d'incertitudes.

Parallèlement, l'activité est en plein essor dans le nord de l'Europe (+20,5 % en Estonie, +22 % en Lettonie, +13,7 % en Lituanie, +10,9 % au Danemark, +11,1 % en Irlande et +6,3 % aux Pays-Bas). Seules la Suède et la Finlande affichent un ralentissement après plusieurs années de reprise très soutenue (respectivement +3 % et +3,3 %). La plupart des pays d'Europe de l'Est ont enregistré des tendances à la hausse (+5,7 % en Pologne, +8,2 % en République tchèque et +14,3 % en Slovaquie), grâce au soutien de fonds européens.

22,7% für den Wohnungsneubau. Auch das Tiefbausegment erzielte 2018 nach Jahren gedämpfter Bautätigkeit gute Zahlen (+4,8%).

Vor diesem positiven Hintergrund nahm 2018 auch die Beschäftigung in der Bauwirtschaft weiter zu (+1,8%). In der gesamten EU waren 2018 rund 14,8 Millionen Arbeitnehmer in den über 3,3 Millionen Unternehmen am Bau beschäftigt, ein Anteil von 6,4 % an der Gesamtbeschäftigung in der EU. In einer steigenden Anzahl von Ländern wird der Mangel an Fachkräften als Hindernis für das künftige Wachstum des Sektors angesehen.

Zwar stellt sich die Lage in den einzelnen Ländern weiterhin recht unterschiedlich dar, aber das Gesamtbild ist positiv. 2018 hatten nur Griechenland und Rumänien Einbrüche in der Bauproduktion zu verzeichnen (-18,7%, bzw. -4,1%).

Deutschland und das Vereinigte Königreich bleiben die Wachstumsmotoren der EU in diesem Sektor mit Zuwächsen von +2,4% bzw. +3,5%. Was ihr Gewicht in der EU-weiten Wirtschaftstätigkeit betrifft, werden sie gefolgt von Frankreich, wo die Konjunkturerholung jedoch an Tempo verliert (3,1%). Darüber hinaus scheinen Italien und Spanien mit +1,5% und +5,9% wieder auf Kurs gekommen zu sein, wobei sie sich jedoch von historischen Tiefs erholen und ihre innenpolitische Lage Ungewissheiten schafft.

Parallel dazu blüht die Bauwirtschaft im Norden Europas (+20,5% in Estland, +22% in Lettland, +13,7% in Litauen, +10,9% in Dänemark, +11,1% in Irland, +6,3% in den Niederlanden) auf. Nur Schweden und Finnland haben nach einem einige Jahre anhaltenden, sehr starken Aufschwung (+3% bzw. 3,3%) einen Trend zur Verlangsamung des Tempos zu verzeichnen. Auch die meisten osteuropäischen Länder weisen dank der Unterstützung durch EU-Mittel Wachstumstrends auf (+5,7% in Polen, +8,2% in der Tschechischen Republik, +14,3% in Slowenien).

In mehreren Ländern beschränkt sich das Wachstum jedoch auf bestimmte Regionen, z.B. die Großregion Paris in Frankreich, das Ballungsgebiet um Dublin



## TOTAL CONSTRUCTION

## TOTAL CONSTRUCTION

## BAUWESEN

		production (Mln. € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2018a	2015	2016	2017	2018a	2019b
AT	Austria	40,991	0.1	0.4	3.5	2.3	1.5
BE	Belgium	40,011	2.2	3.5	2.4	2.4	1.8
BG	Bulgaria	5,852	21.4	-40.3	23.1	-1.8	16.1
CZ	Czech Rep.	18,400	5.3	-8.4	3.7	8.2	3.8
DE	Germany	280,770	-1.4	3.8	2.9	2.4	2.2
DK	Denmark	26,940	2.2	3.8	2.7	10.9	1.6
EE	Estonia	2,917	-3.8	4.8	25.2	20.5	NA
ES	Spain	128,451	4.9	2.0	4.4	5.9	4.2
FI	Finland	31,380	3.4	8.1	5.0	3.3	0.4
FR	France	166,293	-3.0	1.3	4.8	3.1	0.3
GR	Greece	7,820	-12.8	25.2	-1.2	-18.7	NA
IE	Ireland	22,572	7.6	12.5	42.8	11.1	6.0
IT	Italy	119,121	-1.4	-0.4	0.8	1.5	2.0
LT	Lithuania	2,786	-3.4	-9.3	9.2	13.7	NA
LV	Latvia	1,866	-1.6	-17.7	19.6	22.0	15.0
NL	Netherlands	70,225	7.0	6.0	5.3	6.3	5.1
PL	Poland	47,900	2.2	-10.3	3.4	5.7	5.0
PT	Portugal	11,993	1.5	-3.3	5.9	3.5	4.0
RO	Romania	8,500	9.9	-4.8	-5.4	-4.1	8.7
SE	Sweden	54,749	8.6	7.7	8.1	3.0	-3.2
SI	Slovenia	1,924	-3.3	-17.6	20.8	14.3	-4.8
UK	United Kingdom	194,011	5.1	8.4	7.1	3.5	NA
<b>EU</b>	<b>European Union</b>	<b>1,285,472</b>	<b>1.4</b>	<b>2.5</b>	<b>4.2</b>	<b>3.5</b>	<b>2.2</b>
NO	Norway	41,819	-1.4	4.8	5.8	1.4	3.6

## BUILDING

## BÂTIMENT

## HOCHBAU

		production (Mln. € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2018a	2015	2016	2017	2018a	2019b
AT	Austria	32,816	0.7	1.5	3.8	2.4	1.5
BE	Belgium	32,461	2.0	3.6	2.3	0.7	1.6
BG	Bulgaria	3,310	13.3	-11.2	37.4	-1.8	6.2
CZ	Czech Rep.	10,800	0.0	6.6	5.2	5.9	3.7
DE	Germany	240,850	-1.2	3.8	2.5	2.4	2.1
DK	Denmark	19,267	4.0	4.9	4.0	10.2	3.0
EE	Estonia	1,972	-1.8	9.1	22.9	23.4	NA
ES	Spain	108,172	5.4	4.1	5.5	6.5	4.5
FI	Finland	25,525	2.4	10.8	5.3	3.5	1.0
FR	France	127,358	-2.5	2.0	5.0	2.0	-0.6
GR	Greece	1,228	-28.2	-14.9	-7.1	15.3	NA
IE	Ireland	19,048	9.1	13.5	59.3	11.9	6.3
IT	Italy	106,198	-1.9	0.2	1.8	2.1	2.0
LT	Lithuania	1,530	4.8	-2.2	4.7	10.9	NA
LV	Latvia	1,042	-7.1	-2.4	12.0	NA	NA
NL	Netherlands	52,575	9.8	8.7	6.8	6.7	4.3
PL	Poland	31,400	6.5	-10.8	0.3	1.9	3.5
PT	Portugal	6,331	2.1	1.4	5.8	4.9	5.0
RO	Romania	4,030	-4.9	6.1	19.0	-15.9	5.2
SE	Sweden	45,271	10.5	10.0	9.9	2.6	-4.6
SI	Slovenia	951	9.5	-1.7	31.8	12.3	-6.9
UK	United Kingdom	159,617	3.6	10.9	7.0	2.8	NA
<b>EU</b>	<b>European Union</b>	<b>1,031,752</b>	<b>1.4</b>	<b>4.2</b>	<b>4.8</b>	<b>2.9</b>	<b>1.9</b>
NO	Norway	29,495	-1.0	3.8	6.3	-3.3	-0.4

sector depends on the overall economic and political situation within the EU and on the international picture mentioned above, in particular with regard to long-term public and private investment. In this respect, projects financed under the Investment Plan for Europe (also known as the "Juncker Plan" and soon to be transformed into an "Invest EU" programme) should increasingly support private and public investment. This Plan is expected to trigger up to €500 billion by the end of 2020.

In view of this, the overall level of activity is forecast to continue growing at a more moderate pace in 2019 (+2.2%). Contrary to the few previous years, the main drivers will be the public non-residential (+4%) and the civil engineering segments (+3.1%).

### 3. New housebuilding

In 2018, this segment represented 22.7% of the EU's total construction activity. As the interest and mortgage rates remained very low, the labour market kept improving and disposable income for households kept rising, and hence new housebuilding grew by 4% in 2018. Contrary to the past few years, where this segment was clearly the main engine of the whole construction sector in many Member States, it is now losing its pace in several of them. Consequently, a further but slower increase of 1.7% is expected in 2019.

In particular, new housebuilding activity has been losing momentum in France (+2.9% compared to +13.4% last year) due to some supporting programmes which have been cut. This was even more the case in Sweden (-2.2% compared to +13.8% last year) due to the introduction of tight credit restrictions on mortgages in 2017. Activity also fell in Poland (-15%) and Romania (-42.9%) and growth slowed down significantly in Denmark (+3% compared to +10.1% last year) and Slovenia

Cependant, dans plusieurs pays, l'expansion se concentre sur des régions spécifiques, comme le « Grand Paris », en France, « Greater Dublin », en Irlande, ainsi que les capitales et les plus grandes villes de pays nordiques. Enfin, le redressement total du secteur dépend de la situation économique et politique globale au sein de l'UE et de la situation internationale susmentionnée, et plus particulièrement en ce qui concerne les investissements publics et privés à long terme. À cet égard, les projets financés par le Plan d'investissement pour l'Europe (également appelé « Plan Juncker » et qui va bientôt être transformé en programme InvestEU) doivent soutenir de plus en plus les investissements privés et publics. Ce plan devrait rapporter jusqu'à 500 milliards d'euros d'ici la fin de l'année 2020.

Dès lors, il est prévu que le niveau d'activité global poursuive sa croissance à un rythme plus modéré en 2019 (+2,2 %). Contrairement aux années précédentes, les principaux moteurs seront le secteur non-résidentiel public (+4 %) et le génie civil (+3,1 %).

### 3. Résidentiel neuf

En 2018, ce segment représentait 22,7 % de la totalité de l'activité de construction européenne. Ainsi, tandis que les taux d'intérêt et hypothécaires sont restés à un niveau plancher, le marché du travail a poursuivi son amélioration, tout comme le revenu disponible des ménages, ce qui a permis au secteur du résidentiel neuf d'augmenter de 4 % en 2018. Contrairement à ces dernières années, lorsque ce secteur était clairement le principal moteur de l'ensemble du secteur de la construction dans de nombreux États membres, il s'essouffle à présent dans certains d'entre eux. Dès lors, une augmentation supplémentaire, mais plus lente, de 1,7 % est prévue en 2019.

En particulier, le résidentiel neuf a été en perte de vitesse en France (+2,9 % par rapport à +13,4 % l'année dernière) en raison de l'interruption de certains programmes d'aide. Ceci est encore plus vrai en Suède (-2,2 % par rapport à +13,8 % l'année dernière), suite à de sévères restrictions en matière de crédit hypothécaire en 2017. L'activité a également dévissé

in Irland sowie Haupt- und Großstädte in den nordeuropäischen Ländern. Letztendlich hängt die vollständige Erholung des Sektors von der wirtschaftlichen und politischen Gesamtlage in der EU und von der oben erwähnten internationalen Lage ab, insbesondere was die langfristigen öffentlichen und privaten Investitionen betrifft. Diesbezüglich sollten private und öffentliche Investitionen in zunehmendem Maße von den unter dem Investitionsplan für Europa (auch als „Juncker-Plan“ bekannt und demnächst unter dem Namen „Invest EU“ laufend) finanzierten Projekte angekurbelt werden. Mit diesem Plan sollen bis Ende 2020 Investitionen in Höhe von 500 Mrd. € mobilisiert werden.

Angesichts all dessen wird für 2019 insgesamt ein Wachstum in einem etwas gemäßigeren Tempo für die Bautätigkeit prognostiziert (+2,2%). Im Gegensatz zu den letzten Jahren wird der wichtigste Antrieb vom nichtöffentlichen Hochbau (+4%) und Tiefbau (+3,1%) kommen.

### 3. Wohnungsneubau

2018 entfielen auf dieses Segment 22,7% der gesamten Bautätigkeit in der EU. Da die Hypothekenzinssätze weiterhin sehr niedrig sind, der Arbeitsmarkt sich weiter verbessert hat und das verfügbare Einkommen der Haushalte weiter gestiegen ist, wuchs der Wohnungsneubau 2018 um 4%. Im Gegensatz zu den letzten Jahren, wo dieses Segment in vielen Mitgliedstaaten eindeutig die Hauptantriebskraft für die gesamte Bauwirtschaft war, verliert es nun in mehreren von ihnen an Tempo. Infolgedessen wird für 2019 ein weiterer, aber schwächerer Anstieg in Höhe von 1,7% erwartet.

Insbesondere hat der Wohnungsneubau in Frankreich an Tempo verloren (+2,9% im Vergleich zu +13,4% im Vorjahr) und dies aufgrund der Streichung einiger Förderprogramme. Für Schweden gilt das in einem noch höheren Maße (-2,2% im Vergleich zu +13,8% im Vorjahr), wo 2017 enge Beschränkungen für Hypothekendarlehen eingeführt wurden. Rückläufig war die Bautätigkeit in diesem Segment auch in Polen (-15%) und Rumänien (-42,9%) und der Zuwachs fiel erheblich geringer aus in Dänemark (+3%



## HOUSEBUILDING

## LOGEMENT

## WOHNUNGSBAU

		production (Mln. € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2018a	2015	2016	2017	2018a	2019b
AT	Austria	17,776	0.9	2.3	4.0	2.5	1.5
BE	Belgium	18,628	3.7	3.1	3.3	3.3	1.7
BG	Bulgaria	1,697	5.6	30.7	53.1	-1.9	16.7
CZ	Czech Rep.	3,300	12.0	28.6	-16.7	10.0	6.1
DE	Germany	171,050	-0.7	5.0	3.0	2.9	2.5
DK	Denmark	11,609	5.3	6.4	4.0	11.2	2.7
EE	Estonia	NA	-6.1	35.8	22.1	NA	NA
ES	Spain	70,852	5.8	4.8	6.8	7.9	5.2
FI	Finland	14,729	2.6	11.4	4.5	4.0	1.4
FR	France	78,822	-1.2	3.3	6.7	1.5	-1.6
GR	Greece	NA	NA	NA	NA	NA	NA
IE	Ireland	11,231	8.8	9.8	34.4	22.9	12.5
IT	Italy	61,083	-2.5	-0.8	0.1	1.2	1.5
LT	Lithuania	482	38.3	10.4	-8.3	12.6	NA
LV	Latvia	231	-8.5	2.1	-10.1	NA	NA
NL	Netherlands	28,825	16.3	13.4	9.0	6.2	3.3
PL	Poland	11,900	-11.5	-3.2	19.3	-12.5	3.4
PT	Portugal	3,214	2.5	5.0	8.0	7.0	7.5
RO	Romania	1,887	-12.2	12.0	34.5	-26.9	-7.3
SE	Sweden	26,847	18.0	10.9	11.6	-0.7	-9.2
SI	Slovenia	310	24.8	5.6	24.2	6.0	-3.5
UK	United Kingdom	83,923	4.4	9.4	12.2	5.0	NA
<b>EU</b>	<b>European Union</b>	<b>618,396</b>	<b>2.0</b>	<b>5.6</b>	<b>6.7</b>	<b>2.7</b>	<b>1.6</b>
NO	Norway	16,003	-0.4	7.9	9.4	-5.9	-4.8

## NEW HOUSEBUILDING

## LOGEMENT NEUF

## WOHNUNGSNEUBAU

		production (Mln. € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2018a	2015	2016	2017	2018a	2019b
AT	Austria	12,333	1.2	2.5	4.5	2.7	1.4
BE	Belgium	8,121	3.0	4.0	4.0	6.4	0.6
BG	Bulgaria	1,459	4.9	34.4	57.1	-1.8	19.4
CZ	Czech Rep.	2,300	11.1	15.0	-4.3	4.5	8.7
DE	Germany	59,900	8.0	7.3	1.5	5.4	5.2
DK	Denmark	3,413	32.5	10.8	10.1	3.0	4.6
EE	Estonia	NA	5.4	50.3	12.4	NA	NA
ES	Spain	43,314	4.5	4.5	6.5	8.5	5.5
FI	Finland	7,099	0.8	19.0	7.0	9.9	0.8
FR	France	37,050	-3.3	6.4	13.4	2.9	-4.5
GR	Greece	NA	NA	NA	NA	NA	NA
IE	Ireland	8,150	12.7	13.2	63.6	32.1	16.0
IT	Italy	17,289	-9.2	-5.1	0.5	3.0	3.5
LT	Lithuania	317	5.2	29.2	2.5	24.8	NA
LV	Latvia	177	-17.8	10.7	13.6	NA	NA
NL	Netherlands	13,350	23.8	11.5	12.6	9.0	5.4
PL	Poland	8,500	-9.6	5.9	11.1	-15.0	3.5
PT	Portugal	1,928	1.7	2.6	4.6	5.2	9.3
RO	Romania	1,017	-28.6	12.1	88.4	-42.9	-21.3
SE	Sweden	16,137	25.9	20.1	13.8	-2.2	-16.2
SI	Slovenia	178	24.3	0.0	50.7	6.0	-5.6
UK	United Kingdom	49,852	6.1	13.5	15.1	8.2	NA
<b>EU</b>	<b>European Union</b>	<b>291,886</b>	<b>3.9</b>	<b>7.3</b>	<b>9.1</b>	<b>4.0</b>	<b>1.7</b>
NO	Norway	10,117	-2.8	11.8	13.6	-9.8	-8.4

(+6% compared to +50.7% last year). In these countries, this trend was compensated by growing activity in civil engineering.

In the Netherlands (+9%), the government and representatives of the sector have signed the National Housing Agenda 2018-2021, committing themselves to increase efforts to reduce the housing shortages, with the aim of realising 75,000 dwellings yearly. In Finland (+9.9%), growing urbanisation is also pushing this trend up. In Ireland (+32.1%), activity was boosted, amongst others, by the "Help to Buy" scheme for first-time buyers, this is however due to end by the end of 2019.

In Germany (+5.4%), activity is being boosted by the shortage of flats in cities and to remedy this problem, the government enacted several subsidies in autumn 2018. In Spain, this segment grew by 8.5% in 2018, driven in particular by foreign investment and from the savings of families looking for better profitability compared to other alternatives. Even in Italy, where activity in this segment was still decreasing until last year, a 3% growth was recorded, as the number of permits for new construction finally took off.

#### 4. Rehabilitation and maintenance

In 2018, rehabilitation and maintenance activity (R&M) represented 25.8% of overall construction activity. It had a stabilising effect throughout the crisis, thereby cushioning the entire building segment. This trend is expected to decrease in the future, now that new housebuilding has recovered in many Member States. R&M activities grew by 2%. A further increase of 1.8% is expected in 2019.

In particular, in 2018 R&M activities declined in Poland (-5.6%), Lithuania (-5.2%) and Finland (-1%). In the latter, we can assume that this is the counter effect of the strong development in new housebuilding, combined with low

en Pologne (-15 %) et en Roumanie (-42,9 %), tandis que la croissance a considérablement diminué au Danemark (+3 % par rapport à +10,1 % l'année dernière) et en Slovénie (+6 % contre +50,7 % l'an dernier). Néanmoins, dans ces pays, la croissance de l'activité de génie civil a permis de compenser cette tendance.

Aux Pays-Bas (+9 %), le gouvernement et des représentants du secteur ont signé le Plan national du logement (National Housing Agenda) 2018-2021, en s'engageant à intensifier les efforts de réduction des pénuries de logements, dans le but de construire 75 000 habitations chaque année. En Finlande (+9,9 %), la hausse de l'urbanisation pousse également cette tendance vers le haut. En Irlande (+32,1 %), l'activité a notamment été stimulée par le programme « Help to buy » (Aide à l'achat) destiné aux primo-accédants, qui devrait toutefois prendre fin au terme de l'année 2019.

En Allemagne (+5,4 %), l'activité est renforcée par la pénurie d'appartements dans les villes. Aussi, afin de remédier au problème, le gouvernement a accordé quelques subventions à l'automne 2018. En Espagne, ce segment a enregistré une hausse de 8,5 % en 2018, surtout en raison de l'investissement étranger et des économies des familles à la recherche d'une meilleure rentabilité par rapport à d'autres alternatives. Même en Italie, où l'activité dans ce secteur était toujours à la baisse jusqu'à l'an dernier, une croissance de 3 % a été constatée, tandis que le nombre de permis de bâtir s'est enfin envolé.

#### 4. Réhabilitation et maintenance

En 2018, l'activité de réhabilitation et de maintenance (R&M) représentait 25,8 % de l'activité globale de construction. Elle a eu un effet de stabilisation tout au long de la crise, jouant ainsi un rôle d'amortisseur pour tout le secteur de la construction. Cette tendance devrait diminuer à l'avenir, maintenant que le secteur du résidentiel neuf s'est redressé dans de nombreux États membres. La R&M a augmenté de 2 %. Une augmentation supplémentaire de 1,8 % est prévue en 2019.

im Vergleich zu +10,1% im Vorjahr) und Slowenien (+6% im Vergleich zu +50,7% im Vorjahr). In diesen Ländern wurde der Trend durch zunehmende Bautätigkeit im Tiefbau ausgeglichen.

In den Niederlanden (+9%) haben die Regierung und Branchenvertreter eine National Housing Agenda 2018-2021 unterzeichnet, mit der sie sich zu verstärkten Anstrengungen zur Reduzierung des Wohnungsmangels verpflichten, mit dem Ziel, jährlich 75.000 Wohnungen zu schaffen. In Finnland (+9,9%) wird dieser Trend außerdem von der zunehmenden Urbanisierung angetrieben. In Irland (+32,1%) wurde die Bautätigkeit unter anderem von dem „Help to Buy“-Programm für Erstkäufer angekurbelt, das allerdings Ende 2019 ablaufen wird.

In Deutschland (+5,4%) erhielt die Bautätigkeit Aufwind durch den Wohnungsmangel, der die Regierung im Herbst 2018 zur Verabschiedung mehrerer Fördermaßnahmen veranlasst hat. In Spanien verzeichnete dieses Segment 2018 einen Anstieg von 8,5%, der insbesondere von ausländischen Investoren Antrieb erhielt, sowie von den Rücklagen privater Haushalte auf der Suche nach profitableren Anlagealternativen. Sogar in Italien, wo die Bautätigkeit in diesem Segment noch im letzten Jahr rückläufig war, war ein Zuwachs von 3% zu verzeichnen, da die Anzahl der Baugenehmigungen für Neubauten letztendlich doch gestiegen ist.

#### 4. Modernisierung und Instandhaltung

2018 entfielen auf das Segment Modernisierung und Instandhaltung (Rehabilitation and Maintenance - R&M) 25,8% der Gesamtbautätigkeit. Es hatte eine stabilisierende Wirkung während der Krise und fungiert somit als Polster für das gesamte Hochbausegment. Es ist zu erwarten, dass sich dieser Trend in der Zukunft abschwächt, da der Wohnungsneubau sich in vielen Mitgliedstaaten wieder erholt hat. Das Modernisierungs- und Instandhaltungssegment verzeichnete einen Zuwachs von 2%. Für 2019 wird ein weiterer Anstieg von 1,8% erwartet.

Rückläufig war das Segment 2018 in Polen (-5,6%), Litauen (-5,2%),





## REHABILITATION &amp; MAINTENANCE

## RÉHABILITATION &amp; MAINTENANCE

## RENOVIERUNG &amp; UNTERHALTUNG

Country		production	Per cent variation of production in real terms on previous year				
		(Mln. € fixed prices)	2015	2016	2017	2018a	2019b
		2018a					
AT	Austria	5,443	0.1	1.8	2.9	2.0	1.7
BE	Belgium	10,507	4.2	2.5	2.8	1.0	2.5
BG	Bulgaria	238	8.8	14.4	32.8	-2.1	0.4
CZ	Czech Rep.	900	14.3	62.5	-38.5	12.5	0.0
DE	Germany	111,150	-4.6	3.8	3.7	1.6	1.1
DK	Denmark	8,215	-2.8	4.6	1.4	15.3	1.9
EE	Estonia	NA	-19.2	14.2	41.3	NA	NA
ES	Spain	27,537	7.9	5.2	7.3	6.9	4.7
FI	Finland	7,630	3.9	5.9	2.5	-1.0	2.0
FR	France	41,772	0.3	1.0	1.5	0.4	0.9
GR	Greece	NA	NA	NA	NA	NA	NA
IE	Ireland	3,078	4.6	5.8	-1.9	3.7	3.2
IT	Italy	43,793	0.5	1.0	0.0	0.5	0.7
LT	Lithuania	165	87.5	-5.2	-20.6	-5.2	NA
LV	Latvia	54	6.6	-8.6	-46.6	NA	NA
NL	Netherlands	15,475	10.9	15.0	6.2	3.9	1.5
PL	Poland	3,400	-15.4	-27.3	50.0	-5.6	2.9
PT	Portugal	1,285	4.0	9.4	13.8	9.7	4.8
RO	Romania	870	13.0	11.8	-17.8	8.8	9.2
SE	Sweden	10,710	9.9	0.1	8.2	1.6	1.5
SI	Slovenia	132	25.2	11.2	0.4	6.0	-0.7
UK	United Kingdom	34,071	2.6	4.7	8.4	0.6	NA
<b>EU</b>	<b>European Union</b>	<b>326,426</b>	<b>1.4</b>	<b>3.6</b>	<b>4.9</b>	<b>2.0</b>	<b>1.8</b>
NO	Norway	5,885	3.6	1.8	2.0	1.8	1.3

## NON RESIDENTIAL

## NON-RÉSIDENTIEL

## NICHTWOHNBAU

Country		production	Per cent variation of production in real terms on previous year				
		(Mln. € fixed prices)	2015	2016	2017	2018a	2019b
		2018a					
AT	Austria	15,040	0.5	0.7	3.6	2.3	1.6
BE	Belgium	13,833	-0.1	4.3	1.1	-2.6	1.4
BG	Bulgaria	1,613	17.1	-30.2	24.0	-1.8	-5.0
CZ	Czech Rep.	7,500	-4.5	-3.2	18.0	4.2	2.7
DE	Germany	69,800	-2.3	1.3	1.5	1.1	1.1
DK	Denmark	7,657	2.1	2.8	3.9	8.7	3.4
EE	Estonia	NA	0.1	-2.4	23.4	NA	NA
ES	Spain	37,320	4.8	2.8	3.3	3.9	3.2
FI	Finland	10,796	2.1	10.0	6.3	2.8	0.5
FR	France	48,535	-4.4	0.0	2.2	2.8	1.2
GR	Greece	NA	NA	NA	NA	NA	NA
IE	Ireland	7,814	11.8	18.2	102.8	-0.9	-2.7
IT	Italy	45,115	-1.0	1.7	4.1	3.4	2.8
LT	Lithuania	1,049	-5.7	-8.0	11.9	10.1	NA
LV	Latvia	811	-6.6	-4.1	20.4	NA	NA
NL	Netherlands	23,750	3.7	3.7	4.1	7.3	5.5
PL	Poland	19,500	18.9	-14.6	-10.9	13.4	3.6
PT	Portugal	3,118	1.7	-1.7	3.7	2.8	2.4
RO	Romania	2,143	2.1	1.3	4.9	-3.2	16.2
SE	Sweden	18,424	1.7	8.9	7.4	7.7	1.9
SI	Slovenia	633	3.2	-5.5	36.1	14.3	-7.5
UK	United Kingdom	75,694	2.7	12.3	2.1	0.5	NA
<b>EU</b>	<b>European Union</b>	<b>410,144</b>	<b>0.5</b>	<b>2.8</b>	<b>2.8</b>	<b>2.9</b>	<b>2.3</b>
NO	Norway	13,493	-1.7	-0.7	2.6	-0.1	5.0

energy prices, which renders renovation and retrofitting less attractive as regards "energy efficiency" purposes.

In contrast, in Denmark, Spain and Portugal, R&M activities were very strong (+15.3%, +6.9% and +9.7% respectively). This has been driven by the increase in housing transactions and the growing capacity of households to invest in improving their newly-bought homes.

Almost everywhere else, R&M activities kept playing their stabiliser role, with sometimes very moderate growth rates. This was the case in particular in the United Kingdom (+0.6%), France (+0.4%) and in Italy (+0.5%), mostly due to tax incentives. Activity was more significant in Germany (+1.6%), Austria (+2%), in Belgium (+1% namely due to the implementation of new energy requirements), in Ireland (+3.7%) and in the Netherlands (+3.9%).

### 5. Non-residential buildings

The non-residential segment represented 32.1% of overall construction activity. The contrast between its private and its public components tends to decrease (+3.3% and +1% respectively), as the overall economic expansion continues, and the level of public investment increases again in several Member States. Overall, the segment increased by 2.9% in 2018 and will further increase by 2.3% in 2019.

In Sweden, the non-residential segment (+7.7%) is boosted by its public component (+9.4%) as the municipalities remain strong investors in public facilities. In the Netherlands (+7.3%), while most market-oriented sectors continued to expand strongly, the growth acceleration in 2018 was brought about by a significant recovery of sectors relying on public financing. In the Czech Republic (+4.2%), the construction of schools,

La R&M en 2018 a surtout fléchi en Pologne (-5,6 %), en Lituanie (-5,2 %) et en Finlande (-1 %). Pour cette dernière, nous pouvons supposer qu'il s'agit du contrecoup de l'important développement du résidentiel neuf associé aux faibles prix de l'énergie, qui rend la rénovation et la modernisation moins attractives du point de vue de « l'efficacité énergétique ».

En revanche, au Danemark, en Espagne et au Portugal, la R&M a été très solide (+15,3 %, +6,9 % et +9,7 % respectivement). Ceci a été influencée par l'augmentation des transactions immobilières et par la capacité croissante des ménages à investir dans l'amélioration de leurs logements récemment acquis.

Presque partout ailleurs, la R&M a continué de jouer un rôle stabilisateur, avec des taux de croissance parfois très modérés. Cela fut tout particulièrement le cas au Royaume-Uni (+0,6 %), en France (+0,4 %) et en Italie (+0,5 %), principalement en raison d'incitants fiscaux. L'activité a été plus soutenue en Allemagne (+1,6 %), en Autriche (+2 %), en Belgique (+1 %, notamment en raison de l'application de nouvelles exigences énergétiques, en Irlande (+3,7 %) et aux Pays-Bas (+3,9 %).

### 5. Construction non-résidentielle

Le segment non-résidentiel représentait 32,1 % de l'activité globale de construction. Le contraste entre ses composantes privée et publique a tendance à diminuer (+3,3 % et +1 % respectivement), tandis que l'expansion économique globale se poursuit et que le niveau de l'investissement public augmente à nouveau dans plusieurs États membres. Globalement, le segment a progressé de 2,9 % en 2018 et continuera à croître de 2,3 % en 2019.

En Suède, le secteur non-résidentiel (+7,7 %) est stimulé par sa composante publique (+9,4 %), étant donné que les communes restent des investisseurs majeurs dans les installations publiques. Aux Pays-Bas (+7,3 %), tandis que la plupart des secteurs privés ont poursuivi leur expansion, l'accélération de la croissance en 2018 s'expliquait par un net redressement des secteurs publics.

und Finnland (-1%). Bei Letzteren ist anzunehmen, dass es sich um den Gegeneffekt des starken Wachstums im Wohnungsneubau in Verbindung mit niedrigen Energiepreisen handelt, wodurch Renovierungen und Modernisierungen im Hinblick auf Zwecke der „Energieeffizienz“ weniger attraktiv erscheinen.

Im Kontrast dazu war das Segment in Dänemark, Spanien und Portugal sehr stark (+15,3%, +6,9% bzw. 9,7%). Treibende Kraft dafür waren der Anstieg bei den Wohnungstransaktionen und die wachsende Kapazität der Haushalte, in die Verbesserung ihrer Wohnungen zu investieren.

Beinahe überall sonst hat das Modernisierungs- und Instandhaltungssegment weiterhin eine stabilisierende Rolle gespielt, wobei die Wachstumsraten manchmal sehr moderat ausfielen. Das war der Fall insbesondere im Vereinigten Königreich (+0,6%), Frankreich (+0,4%) und in Italien (+0,5%), größtenteils aufgrund von Steueranreizen. Erheblicher war die Tätigkeit in Deutschland (+1,6%), Österreich (+2%), Belgien (+1%, vor allem aufgrund der Einführung neuer Energieauflagen), in Irland (+3,7%) und in den Niederlanden (+3,9%).

### 5. Nichtwohnungsbau

Der Nichtwohnungsbau stellte 2018 32,1% der gesamten Bautätigkeit. Mit der fortschreitenden konjunkturellen Expansion schwächt sich der Unterschied zwischen der privaten und der öffentlichen Komponente dieses Segments ab (+3,3% bzw. +1%) und steigen die Investitionen der öffentlichen Hand wieder in mehreren Mitgliedstaaten. Insgesamt lag das segmentspezifische Wachstum 2018 bei 2,9% und wird auch 2019 noch um 2,3% wachsen.

In Schweden wird das Nichtwohnungsbausegment (+7,7%) durch die öffentliche Komponente (+9,4%) angekurbelt, da die Städte und Gemeinden weiterhin starke Investoren für öffentliche Einrichtungen sind. In den Niederlanden (+7,3%) expandierten die meisten marktorientierten Sektoren zwar stark, jedoch war die Wachstumsbeschleunigung 2018 auf eine bedeutende Erholung in den



## NON RESIDENTIAL PRIVATE

## NON-RÉSIDENTIEL PRIVÉ

## NICHTWOHNBAU PRIVAT

Country		production	Per cent variation of production in real terms on previous year				
		(Mln. € fixed prices)	2015	2016	2017	2018a	2019b
AT	Austria	NA	NA	NA	NA	NA	NA
BE	Belgium	9,012	-0.1	4.3	1.1	-2.6	1.4
BG	Bulgaria	NA	NA	NA	NA	NA	NA
CZ	Czech Rep.	4,800	0.0	18.2	20.5	2.1	4.2
DE	Germany	58,790	-1.8	0.9	1.9	1.1	1.0
DK	Denmark	4,036	8.1	1.6	3.5	7.1	3.2
EE	Estonia	NA	NA	NA	NA	NA	NA
ES	Spain	32,765	7.1	5.9	5.5	4.4	3.3
FI	Finland	7,619	2.1	10.0	7.0	3.0	0.5
FR	France	26,226	-2.8	1.1	3.6	2.7	0.2
GR	Greece	NA	NA	NA	NA	NA	NA
IE	Ireland	NA	NA	NA	NA	NA	NA
IT	Italy	37,525	-1.8	3.4	6.7	4.8	3.0
LT	Lithuania	665	-2.5	-9.5	15.4	12.3	NA
LV	Latvia	NA	NA	NA	NA	NA	NA
NL	Netherlands	NA	NA	NA	NA	NA	NA
PL	Poland	NA	NA	NA	NA	NA	NA
PT	Portugal	1,934	1.5	1.0	3.0	2.0	2.0
RO	Romania	1,930	-2.3	3.7	12.4	6.6	3.1
SE	Sweden	10,951	3.4	7.4	2.9	6.6	-0.3
SI	Slovenia	NA	NA	NA	NA	NA	NA
UK	United Kingdom	57,745	5.0	15.0	2.4	1.4	NA
<b>EU</b>	<b>European Union</b>	<b>254,000</b>	<b>1.5</b>	<b>4.0</b>	<b>3.6</b>	<b>3.3</b>	<b>1.9</b>
NO	Norway	8,346	-6.3	-3.5	4.7	1.4	2.8

## NON RESIDENTIAL PUBLIC

## NON-RÉSIDENTIEL PUBLIC

## NICHTWOHNBAU ÖFFENTLICH

Country		production	Per cent variation of production in real terms on previous year				
		(Mln. € fixed prices)	2015	2016	2017	2018a	2019b
AT	Austria	NA	NA	NA	NA	NA	NA
BE	Belgium	4,820	-0.1	4.3	1.1	-2.6	1.4
BG	Bulgaria	NA	NA	NA	NA	NA	NA
CZ	Czech Rep.	2,700	-6.3	-23.3	8.7	8.0	0.0
DE	Germany	11,010	-4.8	3.3	-0.6	1.2	1.7
DK	Denmark	3,619	-4.3	4.3	4.3	10.6	3.8
EE	Estonia	NA	NA	NA	NA	NA	NA
ES	Spain	4,555	-5.5	-12.4	-9.9	0.5	2.2
FI	Finland	3,177	2.1	10.0	4.8	2.3	0.5
FR	France	22,309	-6.1	-1.2	0.6	2.9	2.3
GR	Greece	NA	NA	NA	NA	NA	NA
IE	Ireland	NA	NA	NA	NA	NA	NA
IT	Italy	7,590	1.9	-4.7	-6.0	-3.2	1.8
LT	Lithuania	383	-10.3	-5.5	6.6	6.5	NA
LV	Latvia	NA	NA	NA	NA	NA	NA
NL	Netherlands	NA	NA	NA	NA	NA	NA
PL	Poland	NA	NA	NA	NA	NA	NA
PT	Portugal	1,184	2.0	-6.0	5.0	4.0	3.0
RO	Romania	213	17.3	-5.7	-19.2	-47.3	134.7
SE	Sweden	7,473	-1.4	11.5	14.8	9.4	5.0
SI	Slovenia	NA	NA	NA	NA	NA	NA
UK	United Kingdom	17,949	-3.1	4.5	1.1	-2.3	NA
<b>EU</b>	<b>European Union</b>	<b>86,982</b>	<b>-2.0</b>	<b>-0.3</b>	<b>-0.9</b>	<b>1.0</b>	<b>4.0</b>
NO	Norway	5,146	6.6	3.8	-0.4	-2.3	8.4

universities and healthcare facilities is increasing, as well as the demand for industrial buildings and storage facilities. Also, in Poland (+13.4%), Slovenia (+14.3%), Lithuania (+10.1%) and Denmark (+8.7%), both private and public components increased due to business optimism and improving public finances, leading to notably strong overall activity in the segment.

In contrast, a decrease was recorded in Romania (-3.2%). In Belgium (-2.6%), this segment suffers from the substantial volatility seen in recent years concerning the number of successful planning-permission applications which is a cause of considerable uncertainty. In Ireland (-0.9%), the slight decrease is due to the high volume of commercial buildings that has been constructed in 2015-2017, as well as the wait-and-see phenomenon due to Brexit.

## 6. Civil engineering

Civil engineering activity grew by 4.7% in 2018 and is forecast to grow again in 2019 (+3.1%). Overall, it represented 19.4% of construction activity in 2018. Throughout the crisis, this segment has been very much influenced by the overall under-capacity in terms of (long-term) public investment. And in some Member States, there is still pressure on public finances from public deficits that are too high according to the rules of the Stability and Growth Pact.

However, the overall trend is evolving towards a brighter future, as in a majority of Member States, the overall economic expansion started to become a reality in this segment too. Also, the Investment Plan for Europe is playing its part and projects financed under this umbrella increasingly stimulate public and – above all – private investment. In the Cohesion countries (i.e. mostly the Eastern European countries), infrastructure projects benefit from the lifeline of the European

En République tchèque (+4,2 %), la construction d'écoles, d'universités et d'établissements de soins de santé est en hausse, tout comme la demande de bâtiments industriels et d'entrepôts. De même, en Pologne (+13,4 %), en Slovénie (+14,3 %), en Lituanie (+10,1 %) et au Danemark (+8,7 %), tant les composantes publique que privée ont augmenté en raison de l'optimisme des entreprises et de l'amélioration des finances publiques, ce qui a donné lieu à une activité globale particulièrement soutenue dans ce secteur.

Par contre, une diminution a été enregistrée en Roumanie (-3,2 %). En Belgique (-2,6 %), ce segment pâtit de la volatilité considérable constatée au cours des dernières années à propos du nombre de réponses favorables aux demandes de permis de bâtir, qui est source de considérables incertitudes. En Irlande (-0,9 %), le léger recul s'explique par l'important volume de bâtiments commerciaux construits entre 2015 et 2017, ainsi que par l'attentisme en raison du Brexit.

## 6. Génie civil

L'activité du génie civil a augmenté à raison de 4,7 % en 2018 et devrait à nouveau en faire de même en 2019 (+3,1 %). Globalement, elle représentait 19,4 % de l'activité de construction en 2018. Tout au long de la crise, ce segment a été très fortement influencé par la sous-capacité globale en termes d'investissement public (de long terme). En outre, dans certains États membres, les finances publiques sont toujours mises sous pression à cause des déficits publics qui sont trop élevés selon les règles du Pacte de stabilité et de croissance.

Néanmoins, la tendance globale semble indiquer un avenir prometteur, étant donné que dans la majorité des États membres, l'expansion économique globale a commencé à se concrétiser également dans ce segment. En outre, le Plan d'investissement pour l'Europe joue son rôle et les projets financés dans ce cadre stimulent de plus en plus les investissements publics, et surtout privés.

Sektoren zurückzuführen, die von staatlicher Finanzierung abhängen.

In der Tschechischen Republik (+4,2%) nimmt der Bau von Schulen, Universitäten und Gesundheitseinrichtungen zu wie auch die Nachfrage nach Gewerbegebäuden und Lagern. Auch in Polen (+13,4%), Slowenien (+14,3%), Litauen (+10,1%) und Dänemark (+8,7%) hatten sowohl die private als auch die öffentliche Komponente Zuwachs zu verzeichnen. Zurückzuführen war dies auf eine optimistische Stimmung in der Wirtschaft und die sich verbessernde finanzielle Lage der öffentlichen Hand, was zu einer besonders starken Aktivität in dem Segment geführt hat.

Im Gegensatz dazu war der Trend in Rumänien rückläufig (-3,2%). In Belgien (-2,6%) leidet dieses Segment unter der erheblichen Volatilität, die in den letzten Jahren in Bezug auf die Anzahl der erfolgreichen Anträge auf Baugenehmigungen zu beobachten war und erhebliche Ungewissheit verursacht. Die leichte Rückläufigkeit in Irland (-0,9%) hat ihre Ursache in der hohen Anzahl von Geschäftsgebäuden, die 2015-2017 gebaut wurde, sowie in einer abwartenden Haltung in Bezug auf den Brexit.

## 6. Tiefbau

Im Tiefbau war 2018 ein Anstieg von 4,7% zu verzeichnen, der sich 2019 fortsetzen soll (+3,1%). Insgesamt stellte er 19,4% der Bautätigkeit im Jahr 2018. Während der Krise wurde dieses Segment stark von den insgesamt ungenügenden (langfristigen) öffentlichen Investitionen beeinträchtigt. In einigen Mitgliedstaaten steht die öffentliche Hand noch immer unter Druck der Staatsverschuldung, die gemäß den Regeln des Stabilitäts- und Wachstumspakts zu hoch ist.

Insgesamt entwickelt sich der Trend jedoch positiv, da in der Mehrheit der Mitgliedstaaten die wirtschaftliche Expansion auch in diesem Segment langsam Wirklichkeit wird. Auch der Investitionsplan für Europa spielt dabei eine Rolle und die unter seinem Dach finanzierten Projekte stimulieren zunehmend die öffentlichen und vor allem privaten Investitionen. In den Kohäsionsländern (d. h. vor allem die osteuropäischen Länder) profitieren Investitionsvorhaben



## CIVIL ENGINEERING

## GÉNIE CIVIL

## TIEFBAU

Country	production (Mln. € fixed prices)	Per cent variation of production in real terms on previous year					
		2018a	2015	2016	2017	2018a	2019b
AT	Austria	8,175	-2.3	-3.8	2.2	2.0	1.3
BE	Belgium	7,550	2.9	3.0	3.1	10.4	2.8
BG	Bulgaria	2,542	26.1	-55.3	8.5	-1.9	29.0
CZ	Czech Rep.	7,600	11.4	-23.9	1.5	11.8	3.9
DE	Germany	39,920	-2.9	3.6	5.7	2.6	2.7
DK	Denmark	7,658	-1.9	1.2	-0.3	12.3	-1.5
EE	Estonia	945	-7.3	-3.1	30.0	14.9	NA
ES	Spain	20,279	2.5	-7.0	-1.0	3.0	2.5
FI	Finland	5,855	7.6	-2.4	4.0	2.8	-2.5
FR	France	38,935	-4.6	-0.8	4.4	7.0	3.0
GR	Greece	6,592	-8.7	33.7	-0.4	-22.9	NA
IE	Ireland	3,524	3.5	9.6	-6.9	7.0	4.3
IT	Italy	12,924	1.9	-4.7	-6.0	-3.2	1.8
LT	Lithuania	1,256	-11.7	-17.9	15.5	17.4	NA
LV	Latvia	825	4.8	-33.1	30.7	NA	NA
NL	Netherlands	17,650	0.3	-0.9	1.4	5.2	7.5
PL	Poland	16,500	-7.1	-9.0	10.7	13.8	7.9
PT	Portugal	5,661	1.0	-8.0	6.0	2.0	3.0
RO	Romania	4,470	21.9	-11.6	-23.8	9.8	11.9
SE	Sweden	9,478	1.7	-1.8	-0.1	5.3	3.9
SI	Slovenia	973	-9.9	-27.7	11.4	16.3	-2.6
UK	United Kingdom	34,394	12.2	-2.2	7.7	6.7	NA
<b>EU</b>	<b>European Union</b>	<b>253,705</b>	<b>1.4</b>	<b>-2.2</b>	<b>3.0</b>	<b>4.7</b>	<b>3.1</b>
NO	Norway	12,323	-2.3	7.8	4.5	14.8	13.1

## TOTAL EMPLOYMENT IN CONSTRUCTION\*

## EMPLOI TOTAL DANS LA CONSTRUCTION\*

## GESAMTBESCHÄFTIGUNG IM BAUWESEN\*

Country	Thousand units	Variation on previous year				
		2018a (x1000)	2016 (%)	2017 (%)	2018a (%)	2019b (%)
AT	Austria	286	2.3	2.3	3.4	2.6
BE	Belgium	281	1.0	0.8	0.8	0.7
BG	Bulgaria	184	-3.8	0.6	4.5	-0.5
CY	Cyprus	34	18.8	3.9	7.7	NA
CZ	Czech Rep.	370	-2.6	0.9	0.5	0.5
DE	Germany	2,529	1.0	1.6	1.6	1.2
DK	Denmark	190	3.2	3.3	4.1	1.7
EE	Estonia	50	4.6	3.2	5.1	NA
ES	Spain	1,222	0.0	5.1	8.3	5.0
FI	Finland	207	5.8	4.9	5.7	0.0
FR	France	1,765	-1.7	-0.3	1.9	0.8
GR	Greece	152	1.3	1.5	1.5	NA
HR	Croatia	77	NA	NA	NA	NA
HU	Hungary	381	2.6	8.8	10.4	NA
IE	Ireland	143	10.2	10.2	7.9	NA
IT	Italy	1,395	-4.4	0.9	-1.5	NA
LT	Lithuania	100	-1.4	-4.3	1.1	NA
LU	Luxembourg	45	NA	NA	NA	NA
LV	Latvia	68	-8.0	5.4	7.1	5.9
MT	Malta	12	NA	NA	NA	NA
NL	Netherlands	461	1.6	2.8	3.6	3.3
PL	Poland	1,188	1.3	-0.2	1.6	1.5
PT	Portugal	313	4.5	6.1	1.8	2.0
RO	Romania	455	5.2	4.1	-0.9	2.7
SE	Sweden	350	5.5	4.3	3.3	0.1
SI	Slovenia	58	-0.7	3.3	4.8	4.1
SK	Slovakia	170	NA	NA	NA	NA
UK	United Kingdom	2,333	8.3	3.5	-1.4	NA
<b>EU28</b>	<b>European Union</b>	<b>14,818</b>	<b>1.5</b>	<b>2.2</b>	<b>1.8</b>	<b>NA</b>
NO	Norway	220	-1.9	2.9	4.8	4.6
TR	TR - Turkey	1,992	3.8	5.4	-4.9	-4.6

\* NACE Section F

Structural and Investment Funds which have a major impact on activity.

In particular, civil engineering activity experienced significant growth in Poland (+13.8%) which benefits from considerable EU funding, making civil engineering the big driving force of the overall construction market. The growth was also significant in Belgium (+10.4%), largely due to local authorities stepping up investments in the run-up to the 2018 municipal elections.

On the other side of the spectrum, in Greece (-22.9%), this segment continues to be affected by the liquidity problems of the State, the overall economy problems and the consecutive public spending cuts due to the austerity measures. Italy also experienced a decrease of 3.2% due to delays in the implementation of several governmental measures to support public investment in civil engineering works.

Amongst the other "big five", in France, this segment (+7%) is being dominated by the "Great Paris" project. In Germany, civil engineering grew by 2.6%, mostly due to investment from the Federal Government in transport infrastructure (both new and R&M). In the United Kingdom, this segment (+6.7%) is also positively influenced by a number of major railway projects.

At present, two issues seem to be particularly sensitive: the necessary renovation and maintenance of EU's ageing transport infrastructure, which has been very sadly illustrated by the collapse of the bridge in Genoa in August 2018, and the application of public procurement rules<sup>1</sup>, whose complexity seem to represent an obstacle to public investment in several Member States.

Dans les pays de la cohésion (principalement les pays d'Europe de l'Est), les projets d'infrastructure bénéficient des Fonds structurels et d'investissement européens, qui ont un impact majeur sur l'activité.

En particulier, le génie civil a enregistré une forte croissance en Pologne (+13,8%), qui bénéficie d'un financement européen considérable, ce qui fait du génie civil le principal moteur de tout le marché de la construction. L'activité était également importante en Belgique (+10,4 %), principalement en raison du renforcement des investissements des pouvoirs locaux dans la course aux élections communales de 2018.

De l'autre côté du spectre, en Grèce (-22,9 %), ce segment reste affecté par les problèmes de liquidités de l'État, ses problèmes économiques d'ordre général et les réductions des dépenses publiques en raison des mesures d'austérité. L'Italie a également connu une diminution de 3,2 % en raison de retards au niveau de la mise en œuvre de plusieurs mesures gouvernementales pour soutenir l'investissement dans les travaux publics.

Parmi les « big five », ce segment (+7 %) en France est dominé par le projet du « Grand Paris ». En Allemagne, le génie civil a progressé de 2,6 %, principalement en raison d'investissements du gouvernement fédéral dans l'infrastructure de transport (tant dans le neuf que dans la réhabilitation et la maintenance). En outre, au Royaume-Uni, ce segment (+6,7 %) bénéficie de l'influence positive de plusieurs projets ferroviaires de grande ampleur.

Aujourd'hui, deux sujets semblent être particulièrement sensibles ; la rénovation et la maintenance nécessaires de l'infrastructure de transport européenne vieillissante, comme l'a malheureusement montré l'effondrement du pont à Gènes en août 2018, ainsi que l'application des règles en matière de marchés publics<sup>1</sup>, dont la complexité semble constituer un obstacle à l'investissement public dans plusieurs États membres.

vom Rettungsanker des europäischen Struktur- und Investitionsfonds, der die Bautätigkeit stark beeinflusst.

Ein signifikantes Wachstum im Tiefbau war insbesondere in Polen zu verzeichnen (+13,8%). Dem Land kommen erhebliche EU-Gelder zugute, die den Tiefbau zum Motor der gesamten Bauwirtschaft machen. Das Wachstum war auch in Belgien erheblich (+10,4%) und ist zu weiten Teilen auf die Erhöhung der Investitionen in den Städten und Gemeinden im Vorfeld der Gemeindewahlen 2018 zurückzuführen.

Am anderen Ende des Spektrums, in Griechenland (-22,9%) wird dieses Segment weiterhin von den Liquiditätsproblemen des Staates, den wirtschaftlichen Problemen insgesamt und den sich daraus ergebenden Einschnitten in die Staatsausgaben aufgrund der Sparpolitik beeinträchtigt. Auch in Italien war das Wachstum um 3,2% rückläufig und dies aufgrund der verzögerten Umsetzung mehrerer Regierungsmaßnahmen zur Unterstützung von öffentlichen Tiefbauinvestitionen.

In Frankreich, das ebenfalls zu den „big five“ gehört, wird dieses Segment (+7%) vom Projekt „Großraum Paris“ beherrscht. In Deutschland verzeichnete der Tiefbau ein Wachstum von 2,6 %, das hauptsächlich auf Investitionen der Bundesregierung in die Verkehrsinfrastruktur (Neubauten sowie Modernisierung und Instandhaltung) zurückzuführen ist. Im Vereinigten Königreich wird dieses Segment (+6,7%) auch von einer Reihe bedeutender Eisenbahnvorhaben positiv beeinflusst.

Zurzeit scheinen zwei Punkte besonders heikel: die erforderliche Modernisierung und Instandhaltung der alternden Verkehrsinfrastruktur der EU, eine Tatsache, die im August 2018 auf bedauernswerte Weise vom Einsturz der Brücke in Genua in den Mittelpunkt der Aufmerksamkeit gerückt wurde, und die Anwendung der öffentlichen Vergaberegeln<sup>1</sup>, deren Komplexität in mehreren Mitgliedstaaten ein Hindernis für Investitionen der öffentlichen Hand darzustellen scheint.

<sup>1</sup> From the 2014 EU public procurement directives

<sup>1</sup> Selon les directives européennes de 2014 en matière de marchés publics

<sup>1</sup> In den EU-Richtlinien für die öffentliche Auftragsvergabe von 2014



## VOLUME OF INTERNATIONAL TURNOVER 2017

	Companies from...												(In million €)
	Austria	Belgium	Denmark	Finland	France	Germany	Italy	Netherlands	Portugal	Spain	Sweden <sup>2)</sup>	Turkey	Total
<b>International Total</b>	<b>16,301</b>	<b>5,305</b>	<b>686</b>	<b>1,201</b>	<b>37,572</b>	<b>27,755</b>	<b>14,389</b>	<b>9,531</b>	<b>5,058</b>	<b>15,634</b>	<b>14,405</b>	<b>28,485</b>	<b>187,145</b>
without Europe	1,272	2,691	16	0	15,434	24,405	10,366	3,069	4,532	11,167	6,385	21,809	<b>111,969</b>
without Europe and North America	1,243	2,684	16	0	10,628	12,662	8,604	2,545	4,532	6,241	0	21,808	<b>81,786</b>
without Europe, North America and Australia	1,235	2,607	16	0	9,097	1,730	8,089	2,366	4,532	4,832	0	21,796	<b>56,300</b>
<b>Regional Total</b>													
<b>Europe</b> (EU, non-EU and Russia)	15,029	2,614	670	1,201	22,138	3,350	4,023	6,462	526	4,467	8,020	6,676	<b>75,176</b>
<b>North America</b> (USA and Canada)	29	7	0	0	4,806	11,743	1,762	524	0	4,926	6,385	1	<b>30,183</b>
<b>America</b> (Central and South)	356	533	0	0	1,599	483	2,134	687	2,094	3,318	0	8	<b>11,212</b>
<b>Oceania/Australia</b>	8	77	0	0	1,531	10,932	515	179	0	1,409	0	12	<b>25,486</b>
<b>Asia</b> (Without Middle East)	103	520	1	0	2,977	402	740	778	0	156	0	5,146	<b>10,823</b>
<b>Africa</b> (Without Middle East)	49	617	15	0	3,594	229	3,072	248	2,438	325	0	5,495	<b>16,082</b>
<b>Middle East<sup>1)</sup></b>	727	937	0	0	927	616	2,143	653	0	1,033	0	11,147	<b>18,183</b>

<sup>1)</sup> Afghanistan, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi-Arabia, Syria, United Arab Emirates and Yemen (North and South)

<sup>2)</sup> EIC's own research

Source: EIC - European International Contractors



## 1. Overall construction activity

Austria's economy experienced a further increase in its growth rate to 2.7% in 2018. While this continues the upswing phase of the recent years, economic dynamics are expected to be dampened notably in 2019 (+2%) as well as 2020 (+2%). WIFO short-term forecast foresees that Austrian economic growth will exceed that of the EU average in 2018 and 2019.

Together with the economic upswing which will achieve the highest GDP growth rate in 2018, the labour market situation continues to improve. The increase in the number of employed persons in Austria is, after a growth rate of 1.8% in 2017, reinforced in 2018 and expected to amount to 2.2%. Due to the still stable national and international demand, unemployment rate will decrease from 5.5% in 2017 to 4.8% in 2018. The good labour market dynamics will be dampened in 2019 in line with Austrian overall economic growth performance. According to WIFO short-term forecasts, unemployment rate stagnates and will amount to 4.5% in 2019.

Total construction output is expected to grow in 2018 (+2.3%) and 2019 (+1.5%). The lower increase in 2019 is explained by the expected weakening of momentum in residential construction and by the dampening of the overall economic development in Austria. Civil engineering, in which public investment plays an important role, is expected to develop most favourably in the medium term.

## 2. Housebuilding

The residential construction market in Austria continues to expand. While its growth rate of 4% (in constant prices) outpaced the overall economic growth in 2017, it is estimated to diminish to the rate of 2.5% in 2018 (2019: +1.5%). Albeit further contractions in the annual changes of residential construction are expected for the years after, ongoing population growth and steadily rising housing prices seem to decelerate the development due to continuously expanding residential renovation. Building permits are forecasted to stagnate (at a high level) after 2017. Together with the expectation that the European Central Bank will initiate the first rise in the interest rate for main refinancing operations since the crisis in 2019, this makes drops in residential construction growth in future years more likely.

## 3. Non-residential construction

Output in non-residential construction was slightly raised upwards in 2018 and is expected to grow by a total of 2.2% year-on-year change (2019: +1.6%). New office construction developed better than forecasted (+3.3%), with major projects in the capital Vienna playing an important role. The further improvement in economic conditions also had a positive effect on industrial and commercial construction. Private consumption, corporate confidence and order backlogs reached a high level in the first half of 2018, with a lack of employment being the main obstacle for the construction industry. Private investment in new non-residential building construction is expected to increase until 2021, as the economic environment remains favourable. Nevertheless, growth in the coming years, together with overall economic development, will be lower in the privately financed segments of non-residential construction.

Construction of educational buildings is expected to increase in 2018 and 2019, mainly due to budgeted investments in federal schools and university projects. The pace of construction activity in the healthcare sector is likely to slow down in 2018 and 2019, as major hospital projects (such as Hospital North in Vienna) will be completed. Nevertheless, total construction relevant investments in the Austrian healthcare system are expected to increase more strongly in 2020 and 2021, because of the strong private engagement.

## 4. Civil engineering

The prospects for civil engineering are much more positive in 2018 (+2%) and 2019 (+1.3%), as investments in transport and telecommunications infrastructure remain high. The most important growth driver is transport construction. Railway construction projects is expected to increase by 4.3% in 2018, by 6.3% in 2020 and by 4.7% in 2021 according to the public infrastructure framework plan until 2023. The outlook for investment in the road network is also positive, with strongest expansion expected in 2019. Telecommunication works will continue to benefit from the broadband subsidy programs in 2018 and 2019, recording significant growth. Energy and waterworks, in contrast, show comparatively low investment activity in the forecast period. Energy utilities continue to suffer from low energy prices, while growth in water utilities is hampered by weak demand due to ongoing tight municipal finances and the already high degree of interconnection.



**PER CENT VARIATION OF PRODUCTION IN REAL  
TERMS OF PREVIOUS YEAR**

production  
Mln. €  
fixed prices

variation of production on previous year (%)

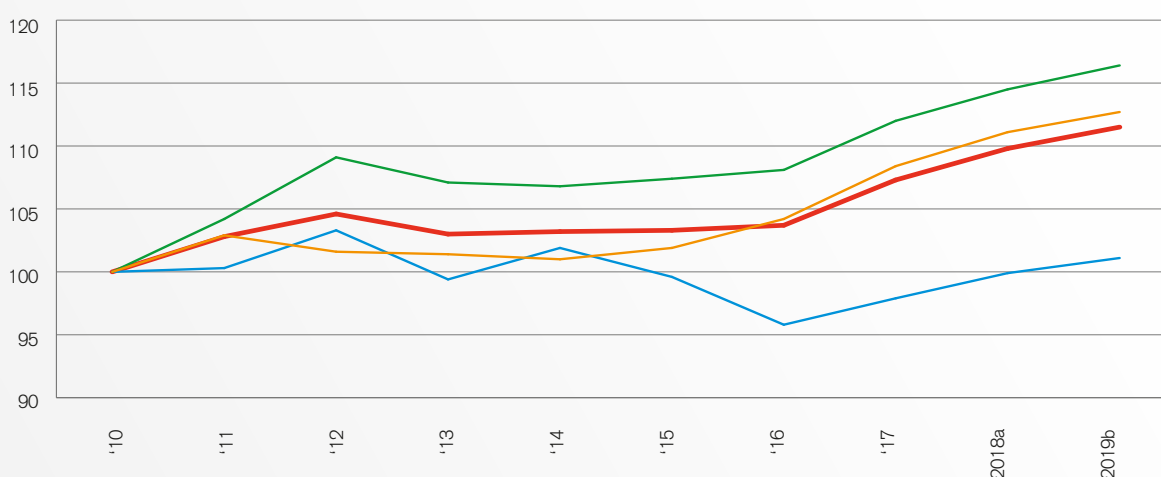
Sectors	2018a	2015	2016	2017	2018a	2019b
<b>1. Building</b>	<b>32,816</b>	<b>0.7</b>	<b>1.5</b>	<b>3.8</b>	<b>2.4</b>	<b>1.5</b>
1.1. Housebuilding	17,776	0.9	2.3	4.0	2.5	1.5
1.1.1. New	12,333	1.2	2.5	4.5	2.7	1.4
1.1.2. R&M	5,443	0.1	1.8	2.9	2.0	1.7
1.2. Non residential (c)	15,040	0.5	0.7	3.6	2.3	1.6
1.2.1. Private	NA	NA	NA	NA	NA	NA
1.2.2. Public	NA	NA	NA	NA	NA	NA
<b>2. Civil Engineering</b>	<b>8,175</b>	<b>-2.3</b>	<b>-3.8</b>	<b>2.2</b>	<b>2.0</b>	<b>1.3</b>
<b>(1 + 2) Total Construction</b>	<b>40,991</b>	<b>0.1</b>	<b>0.4</b>	<b>3.5</b>	<b>2.3</b>	<b>1.5</b>

a: estimate - b: forecast - c: incl. R&M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	16,500	18,000	17,500	17,400	17,500
collective dwelling	34,300	40,000	45,200	44,100	44,100
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>50,800</b>	<b>58,000</b>	<b>62,700</b>	<b>61,500</b>	<b>61,600</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**


GDP 2018

**€ 386  
BILLION**

POPULATION 2018

**8,822,000**

2010 = 100

— Housebuilding  
— Non residential  
— Civil Engineering  
— Total Construction

## 1. Overall construction activity

In the construction industry as a whole, paid employment (falling under Belgian social security) rose by 0.5% in 2018, confirming the recovery that began in 2017. This growth in employment levels is directly related to a buoyant business climate for construction, as illustrated by various economic indicators for the industry (in particular the level of business confidence and the length of activities in company order books). In this context, the volume of work carried out is estimated to have grown by 2.3% in 2018.

The most recent reports from the Federal Planning Bureau forecast stable overall economic growth in 2019 (+1.3%, i.e. similar to the rate recorded in 2018), which may bring about another fall in unemployment figures (following the net decrease in unemployment since 2016) and prompt companies to invest more.

Against this backdrop, the volume of work as a whole can be expected to continue growing in 2019 (approximately 1.7%), which should be enough to ensure that paid employment in the Belgian construction industry can maintain the resurgence witnessed in 2017.

## 2. Housebuilding

2018 saw a short-lived but sharp upswing in the number of new homes awarded planning permission. Contractors had sought to get around the new energy requirements that apply to applications submitted in Flanders from 1 January 2018; as a result, many applications were submitted in late 2017 and received planning permission in the first few months of 2018.

Even just as a one-off, this EPB 2018 effect nevertheless had a positive impact on residential construction in 2018 and this should continue into 2019 (given the deadlines for construction and assembly), though to a lesser extent.

Alongside this EPB effect, residential construction has likely continued to be supported by an upturn in renovation works bolstered by a structural dynamic linked to the continued growth in housing stock and the improvement thereof, especially in terms of energy performance.

All in all, the volume of residential works is estimated to have grown by around 3% to 3.5% in 2018 and could grow further by approximately 1.5% to 2% in 2019.

## 3. Non-residential buildings

The volume of work involving non-residential buildings fell by approximately 2.5% in 2018 due to the sharp drop in demand for new buildings of this type (down by around 15% following the 25% increase recorded in 2017).

Fortunately, this decline in demand mainly pertains to buildings involving low levels of work per unit of volume (industrial and agricultural buildings). There appears to have been an increase in demand in 2018 for buildings generating more work per unit of volume (e.g. office buildings).

As such, the non-residential segment overall can seemingly expect a 1% to 1.5% increase in 2019. However, the substantial volatility seen in recent years concerning the number of successful planning-permission applications for non-residential buildings (with fluctuations of sometimes up to 30% to 40% from one six-month period to another) is a cause of considerable uncertainty for new non-residential construction in 2019.

## 4. Civil engineering

The civil engineering sector grew by around 10% in 2018, largely due to local authorities stepping up investments in the run-up to the 2018 municipal elections. The traditional investment cycle at local authority level indicates that municipal works are expected to decline in 2019. In contrast, the Federal Planning Bureau expects an increase in regional investment and various specific projects should bolster the civil engineering segment, such as an intensification of work on the regional express network GEN/RER, the start of work on a tram network in Liège, or the ramping-up of work on the Oosterweel link. Overall, the volume of civil engineering works (including renovations and new construction) should rise by around 2% in 2019.



**PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR**

production  
Mln. €  
fixed prices  
variation of production on previous year (%)

Sectors	2018a	2015	2016	2017	2018a	2019b
<b>1. Building</b>	<b>32,461</b>	<b>2.0</b>	<b>3.6</b>	<b>2.3</b>	<b>0.7</b>	<b>1.6</b>
1.1. Housebuilding	18,628	3.7	3.1	3.3	3.3	1.7
1.1.1. New	8,121	3.0	4.0	4.0	6.4	0.6
1.1.2. R&M	10,507	4.2	2.5	2.8	1.0	2.5
1.2. Non residential (c)	13,833	-0.1	4.3	1.1	-2.6	1.4
1.2.1. Private	9,012	-0.1	4.3	1.1	-2.6	1.4
1.2.2. Public	4,820	-0.1	4.3	1.1	-2.6	1.4
<b>2. Civil Engineering</b>	<b>7,550</b>	<b>2.9</b>	<b>3.0</b>	<b>3.1</b>	<b>10.4</b>	<b>2.8</b>
<b>(1 + 2) Total Construction</b>	<b>40,011</b>	<b>2.2</b>	<b>3.5</b>	<b>2.4</b>	<b>2.4</b>	<b>1.8</b>

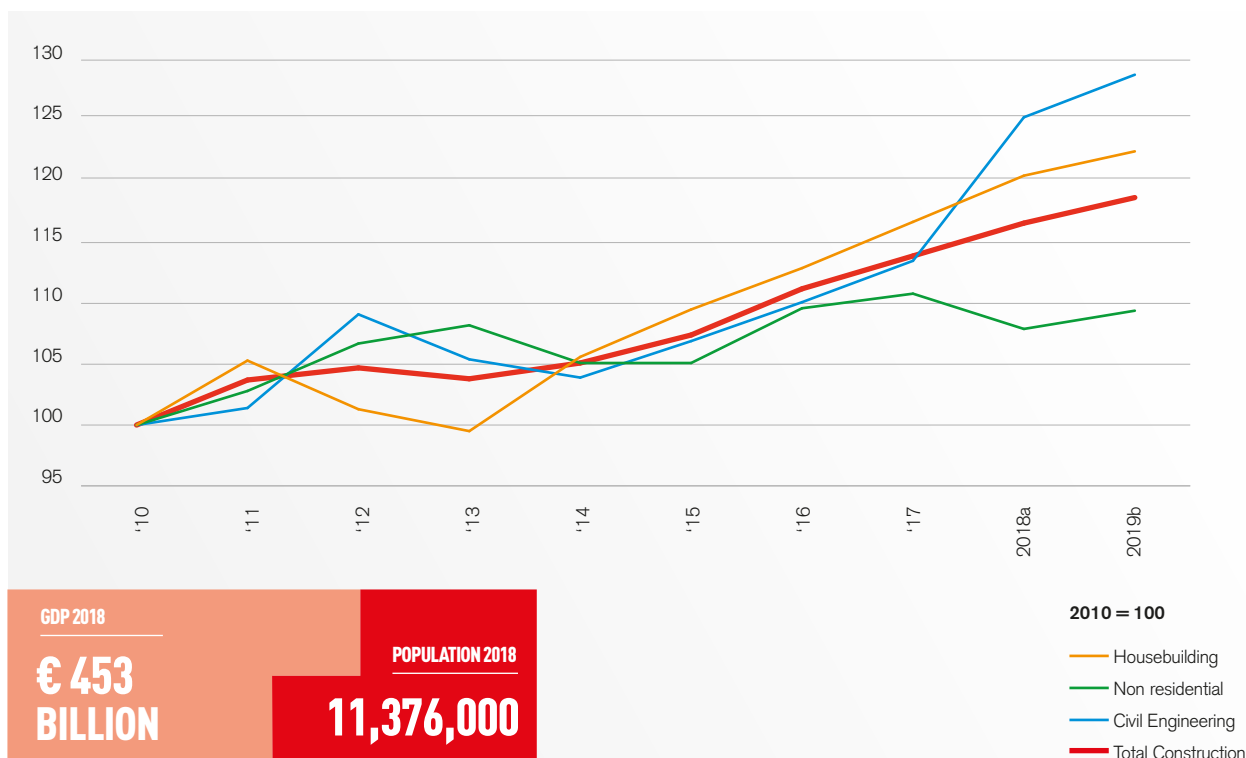
a: estimate - b: forecast - c: incl. R&M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	18,522	19,718	18,930	20,307	19,025
collective dwelling	27,045	31,024	31,243	34,064	31,912
other types of dwelling	614	235	246	276	251
<b>Total</b>	<b>46,181</b>	<b>50,977</b>	<b>50,419</b>	<b>54,647</b>	<b>51,188</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**



## 1. Overall construction activity

Bulgaria is in a phase of economic upswing and growth. The gross domestic product (GDP) amounts to €55.2 billion representing an increase of €3.5 billion, compared to 2017. The gross value added (GVA) for the economy in 2018 amounts to €47.8 billion at current prices with an increase of €3 billion compared to 2017.

For 2018, the relative share of GVA in the construction industry is 3.7% of the GDP and amounts to €2 billion whereas the recorded economic growth is €199 million on an annual basis.

According to preliminary statistical data, the expected growth in the construction sector in 2018 is confirmed by the achieved positive results of some basic indicators. The output of the construction industry for 2018, as per preliminary data of the Statistics Institute, amounts to €7.6 billion and shows a growth of 10.2% compared to 2017.

The operating revenue of construction entities for 2018 is expected to be positive. The expected share of residential construction is 29% of the construction industry total operating revenue. It is 27.6% for non-residential construction and 43% for civil engineering.

The expenses on tangible fixed assets in the construction of the entities for 2018 decreased by 17.8% compared to the previous year which shows that the investing activity of the entities for acquisition of tangible fixed assets is low.

Direct foreign investments in the construction industry for 2018, as per preliminary data, decreased by €102.8 million, which is a significant decline of 243.6% on an annual basis compared to 2017.

The people employed in the construction industry represent 5.2% of all employed in the economy of the country and their number has increased by 5.2% compared to 2017. Unemployment in the construction industry for 2018 represents 9.9% of the total unemployment for the country. There is a trend of decrease in unemployment by 16.2% in total for the country and by 9% for the construction industry compared to the preceding year.

5,124 construction companies are registered in the Central Register of Professional Builders at the Bulgarian Construction Chamber (BCC) as at 20 March 2019 based on year 2017, including 5,077 Bulgarian legal entities and 47 foreign companies. Based on personnel criteria, 84.9% of the registered construction companies are small, 13.8% are medium-sized and 1.3% are large companies.

## 2. Housebuilding

The registered growth of 11% in buildings construction continues to drive the total construction business by

achieving an output of €4.3 billion and share of 56.4 % of the total industry output.

The total number of issued construction permits for 2018 shows a decrease of 3.8% on an annual basis while the total floor area is increased by 22.2%. For residential buildings they increased by 3.8% and the total floor area by 39%.

The started construction of residential buildings for 2018 showed a growth of 3.9%, growth in the number of dwellings therein by 50.9% as well as growth in the total floor area by 40.7% compared to 2017.

The number of residential buildings brought into use for 2018 has increased by 4.9% while the number of dwellings therein shows a decline by 3.3% and the total floor area is increased by 2.3% compared to 2017.

Out of the total number of residential buildings brought into use 74.4% are made of reinforced concrete and they showed a growth of 3.6%. The share of brick buildings was 22.2% with a registered growth of 7.5%. Panel and other types of completed buildings hold 3.3%.

## 3. Non-residential buildings

For administrative/office buildings, construction permits have decreased by 0.8% and the total floor area increased by 129.5%. The decline for other buildings is 11.6% as well as a reduction in the total floor area by 2.4% compared to 2017.

Construction starts of administrative/office buildings show a decline of 1.2% with a growth in the total floor area of 12.1% on an annual basis.

## 4. Civil engineering

Civil engineering accelerates its growth at the amount of €3.3 billion or share of 43.6% of the total construction industry output and showed a growth of 9.2% compared to the preceding year. This growth trend should continue in 2019.

The European funds from the new programming period related to the construction of road and water infrastructure are entering a decisive phase. The projects funded under EU operational programs and investment funds remain the moving force for progress in the construction sector.

The announced public procurement procedures in the construction sector for 2018 amounted to 2,172 units of €4.9 billion, compared to the previous year, registering a growth: 30.5% of the number and 66.4% of the value. The concluded contracts under public procurement procedures in the construction industry for 2018 are 3,049 at the total amount of €1.5 billion with a registered growth: of 8.5% in their number and 21% in their value on an annual basis.



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### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	4,310	4,514	5,562	5,774	6,275
collective dwelling	NA	NA	NA	NA	NA
other types of dwelling	4,539	4,848	5,587	4,954	5,850
<b>Total</b>	<b>8,849</b>	<b>9,362</b>	<b>11,149</b>	<b>10,728</b>	<b>12,125</b>

(Collective dwellings and other types of buildings: in number of flats)

### CONSTRUCTION PRODUCTION

GDP 2018

€ 55  
BILLION

POPULATION 2018

6,998,000

## 1. Overall construction activity

According to the national statistical service (CYSTAT) the GDP growth rate in real terms during Q3 2018 was positive and estimated at +3.7% above the corresponding quarter of 2017.

The increase in the GDP growth rate is mainly attributed to the following sectors: hotels and restaurants, retail and wholesale trade, construction, manufacturing, transport and storage, professional, scientific and technical activities and administrative and support service activities. Negative growth rate was recorded by the financial and insurance sectors.

For the period January to December 2018, the Consumer Price Index increased by 1.4%, compared to the corresponding period of the previous year.

The labour force in Q3 2018 amounted to 442,456 persons or 63.1% of the population, in comparison to 429,128 persons (61.9%) in Q3 2017. The number of employed persons was 407,728 and the employment rate 58.2%, in comparison to 386,408 persons (55.8%) in Q3 2017. The number of unemployed persons amounted to 34,728 and the unemployment rate to 7.8% of the labour force, in comparison with 42,720 persons (10%) in Q3 2017.

In general, the number of job vacancies is increasing.

For the age group 20-64, the employment rate was 74.6% in Q3 2018. According to the distribution of employment by sector, the biggest percentage of employed persons was in services (81.1%), followed by manufacturing (16.4%) and agriculture (2.5%). 86.7% or 353,662 of the total employed persons were employees, of which 14% (49,499 persons) had a temporary job.

The number of persons employed in the construction sector in Q3 2018 was 33,752 persons, an increase of 8.2% compared to 30,968 in Q3 2017.

## 2. Housebuilding

4,702 building permits for residential buildings were issued from Q1 to Q3 2018, (compared to 3,034 issued during the same period of 2017) providing for the construction of 4,500 dwelling units. The number of these dwelling units represents an increase of 24.1% compared to 3,413 in the same period of 2017. These building permits comprise 2,520 single houses corresponding to 2,169 dwelling units and 750 buildings with two or more housing units corresponding to 2,331 dwelling units.

The total value of these permits increased by 31.4% and the total area by 24.3%. The number of dwelling units increased by 24.2%.

By type of project, an increase of 2.8% was observed for buildings and of 10.1% for civil engineering projects in Q3 2018 compared to Q3 2017.

## 3. Non-residential buildings

During the period Q1 to Q3 2018, 816 building permits were issued for non-residential buildings, recording an increase of 4.5% compared to 779 in the same period of 2017. The total area of these buildings reached 291,731 m<sup>2</sup> and the total value €404.2 million.

These included building permits providing for the construction of 156 hotels and similar buildings (compared to 181 in the same period of 2017), 65 office buildings (compared to 52), 120 industrial buildings and warehouses (compared to 114), 123 public entertainment buildings and buildings used for recreational, educational or medical purposes (compared to 113), 89 wholesale and retail trade buildings (compared to 81) and 260 other non-residential buildings (compared to 235).

## 4. Civil engineering

187 building permits were issued for civil engineering projects from Q1 to Q3 2018 (compared to 133 in the same period of 2017). The total area of these projects represented 17,716 m<sup>2</sup>, a decrease of 49.8% compared to 35,349 m<sup>2</sup> in the same period of 2017. Their total value reached €181.7 million, an increase of 39.4% compared to €100.1 million in the same period of 2017.

In the same period, 100 building permits were issued providing for the execution of road construction projects in addition to the above civil engineering projects, in comparison to 74 building permits issued during the corresponding period of 2017. The total value of these projects reached €6.6 million recording an increase of 31.3% compared to €4.5 million in the same period of the previous year.

In the same period, 394 building permits were issued for big projects including 1,936 dwelling units (each with an area greater than 900 m<sup>2</sup>) an increase of 38% compared to 244 in the same period of 2017. The total area of these projects represented 681,128 m<sup>2</sup>, an increase of 33.2% compared to 454,635 m<sup>2</sup> in the same period of 2017. Their total value reached €936.4 million, an increase of 43.6% compared to €528 million in the same period of 2017.

In the same period, 4,308 building permits were issued for small projects including 2,564 dwelling units, an increase of 6.3%, compared with 4,037 in the corresponding period of 2017. The total area of these projects represented 592,707 m<sup>2</sup>, an increase of 14.1% compared to 509,090 m<sup>2</sup> in the same period of 2017. Their total value amounted €615.7 million, an increase of 12.6% compared to €536.7 million in the same period of 2017.

The number of permits providing for the division of plots during Q1 to Q3 2018 increased to 322, 18.9% above the 261 in the same period of 2017.



### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	1,635	2,022	2,302	2,444	NA
collective dwelling	1,454	1,360	2,155	2,521	NA
other types of dwelling	108	267	482	152	NA
<b>Total</b>	<b>3,197</b>	<b>3,649</b>	<b>4,939</b>	<b>5,117</b>	<b>NA</b>

(Collective dwellings and other types of buildings: in number of flats).

GDP 2018

€ 21  
BILLION

POPULATION 2018

865,000

## 1. Overall construction activity

In comparison with other branches, the previous economic crises lasted longer in the construction sector, that is, until 2013. A short-term recovery took place in 2014 and 2015, when the first EU budget period ended and when buildings financed from the EU funds were completed. Only 2017 saw a return to the trend of gradual growth, which continued also in 2018.

The forecast for 2019 is also favourable as can be concluded from the positive developments with regard to public contracts. Long-term prediction is, however, very uncertain, as there are many risks that may negatively affect future developments.

This may be the impact of economic fluctuation and its manifestation in the reduction of public finances and thus the need to reduce investment from the State budget. Another important factor is the unsatisfactory quality of construction legislation, which is currently undergoing a demanding process of recodification. This has a negative impact on the investment preparation of buildings, both in the private and public sectors, and in particular for transport infrastructure. One of the riskiest factors is the lack of labour capacity stemming from the natural decline of workers.

## 2. Housebuilding

The development of housing construction – in the number of completed and started dwellings – mirrors to a large extent the development of the construction industry as a whole. The gradual increase since 2013 has been much slower than the fall since the year 2007. It is likely that in 2018 the number of completed dwellings will again reach 30,000. The largest share will be in Prague and Central Bohemia.

Due to the age of the buildings, the demographic and social composition of the population and the increasing demand for housing of a higher quality, the average annual demand for new flats was calculated to be around 37,000 per annum. This was achieved only in the years 2007-2010. The trend of a faster increase in the number of dwellings in multi-dwelling buildings is slowly growing, even though the number of flats completed in family houses per year is predominant.

Reconstruction, modernisation, repairs and maintenance of dwellings also form a significant share of production in this segment of construction output. The decreasing trend is registered in the number of new dwellings in superstructures, outbuildings and built-in flats.

Ongoing attention is being paid to increasing the energy efficiency of apartments. For newly completed dwellings, the proportion of those that meet category “A” (extremely economical) and category “B” (very economical) is increasing. Also, the additional insulation of older buildings, especially from the period of panel construction, is

continuing very intensively. Increasing attention is being paid to the construction of passive houses.

56% of private dwellings are in one's own home, but a large proportion of flats that are privately owned also exist in apartment buildings.

## 3. Non-residential buildings

Construction of non-residential buildings has been stagnating in recent years, with even declining trends in some categories. A slowdown has been registered concerning administrative buildings and large shopping malls. However, the construction of schools, university campuses, healthcare buildings, sports and cultural objects is increasing, as well as their repair, maintenance and energy efficiency improvement. This trend concerns not only big cities but also regional ones.

The revival of the economy also positively influenced the reconstruction and extension of industrial buildings and storage facilities, as well as new areas including a complete infrastructure network. A great deal of attention is also being paid to the completion of buildings and facilities that ensure compliance with increased environmental protection requirements.

## 4. Civil engineering

In the years 2016-2018, civil engineering recorded a significant decrease in the volume of performed works. The main reason is that the public sector – i.e. the main contracting and ordering authority in civil engineering – decreased its orders very significantly. In 2017, the public sector accounted for 45-50% of all orders. This share dropped to only 32% in 2018.

This sharp decline is mostly reflected in the works performed on the transport infrastructure network, particularly concerning the construction of the highway network. This is due to both the buying up of land and obstructions from civic initiatives. Both are the result of imperfect legislation.

The situation is better in the construction and modernisation of the railway infrastructure, where the works are carried out on the investor's own land.

Improvements have been made in technical refurbishments and repairs of lower-class roads, including bridges, to which more funds have been directed.

For the coming years, enhanced investors' training is creating, in the transport infrastructure segment, a prerequisite for stronger budgeting, including the use of European funds.

However, the issue of modernising both the long-distance and local power lines, water distribution networks, sewage and gas networks remains unresolved.



**PER CENT VARIATION OF PRODUCTION IN REAL  
TERMS OF PREVIOUS YEAR**

 production  
Mln. €  
fixed prices  
variation of production on previous year (%)

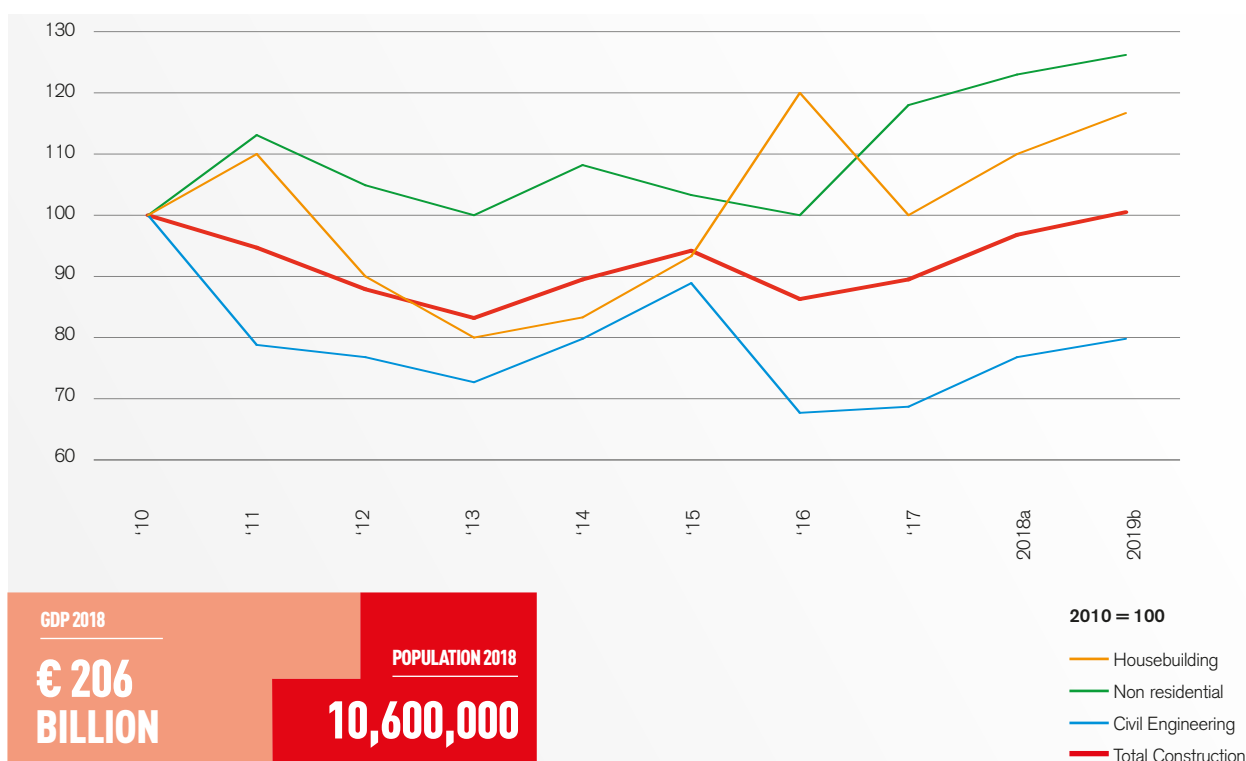
Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>10,800</b>	<b>0.0</b>	<b>6.6</b>	<b>5.2</b>	<b>5.9</b>	<b>3.7</b>
	1.1. Housebuilding	3,300	12.0	28.6	-16.7	10.0	6.1
	1.1.1. New	2,300	11.1	15.0	-4.3	4.5	8.7
	1.1.2. R&M	900	14.3	62.5	-38.5	12.5	0.0
	1.2. Non residential (c)	7,500	-4.5	-3.2	18.0	4.2	2.7
	1.2.1. Private	4,800	0.0	18.2	20.5	2.1	4.2
	1.2.2. Public	2,700	-6.3	-23.3	8.7	8.0	0.0
<b>2.</b>	<b>Civil Engineering</b>	<b>7,600</b>	<b>11.4</b>	<b>-23.9</b>	<b>1.5</b>	<b>11.8</b>	<b>3.9</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>18,400</b>	<b>5.3</b>	<b>-8.4</b>	<b>3.7</b>	<b>8.2</b>	<b>3.8</b>

a: estimate - b: forecast - c: incl. R&amp;M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	13,890	14,567	15,170	17,000	17,500
collective dwelling	7,356	8,998	9,264	9,500	10,500
other types of dwelling	3,849	3,757	4,135	4,000	4,000
<b>Total</b>	<b>25,095</b>	<b>27,322</b>	<b>28,569</b>	<b>30,500</b>	<b>32,000</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**


## 1. Overall construction activity

The first published figures for 2018 by the Stats Office show once more a substantial growth in total construction investment in real terms of 3%. The new all-time high of the volume of growth-fixed capital formation construction was €352 billion. The growth was fuelled both by residential construction and civil engineering works with a rate of 3.7%. As in the previous years, non-residential building (+1%) grew with a lower rate. The surplus in overall employment in the construction sector lagged behind with a growth of 1.5%, as construction companies were not able to get enough skilled workers from the labour market.

Once again, expectations for the construction sector in 2019 are more positive than for overall economic activity. Economic research institutes predict a real growth rate for GDP of 1.5%, due to international problems (US trade policy, BREXIT, slowdown in China). On the other hand, consumption and investment in Germany are expected not to suffer from these external problems. The construction federations expect total construction investment to grow at a rate of 2.3% in real terms. Thus, the volume at current prices is expected to reach a level of €378 billion.

In 2018, new orders for the construction industry had a value of €79 billion (+10%), the highest volume since reunification in 1991. The volume of permits for new buildings (excluding civil engineering) was close to €90 billion (+9%).

## 2. Housebuilding

The biggest subsector (61% of all construction investment) showed a remarkable development since it reached its lowest point in 2009. Until 2018, investment in real terms grew by 35%, the number of flats and houses coming new to the market doubled to about 300,000 units. The most important reasons for this development were the high number of immigrants (about 3 million in the past 9 years), ongoing very low mortgage rates, extremely high demand for new flats in agglomeration areas, rising disposable incomes of private households and the search for investments with higher yields than the capital market has to offer.

Between 2010 and 2018 investment in new houses grew by more than 8% in real terms. Nevertheless, in 2018 the subsector stood for just one third of total investment in the residential sector. House building is still dominated by rehabilitation and maintenance works although the growth rate since 2010 was far less impressive with only 12%.

Political decisions concerning the housebuilding sector focus on two issues. First to bring the number of new flats and houses to a level of 375,000 units per year. To reach this goal, the Government enacted several subsidies in autumn 2018. Second the Government wants to reduce CO<sub>2</sub> emissions from the residential sector. Since the

implementation of the subsidy programme in 2006, the State-owned KfW-Bank has pumped more than €50 billion into the market for investment into the existing housing stock (especially better insulation and modern heating systems).

It is expected that in 2019 about 320,000 flats or houses will be finished. Once again, demand of about 375,000 units will be clearly missed. Therefore, prospects for the future remain positive.

## 3. Non-residential buildings

Production in this sector is dominated by private investors and therefore closely linked to overall economic development. German GDP had a real growth rate of 1.5% in 2018, actual forecasts predict a growth at the same rate for 2018. Both building permits for private investors and new orders from this group showed a clear upward trend in 2018 with growth rates of more than 10%.

In particular, investment from the commercial side is largely dominated by all kinds of services which represent more than 50% of the demand. This subsector should not be hit by international problems and therefore remain on its stable growth path.

Investment by the public sector stands for only 15% of non-residential buildings. With tax revenues, which are expected to rise by 3.6% to a new record level in 2019, Federal Government, Federal States and the local sphere will have the financial capability to put more money into public buildings. New orders in this sector rose by about 10% last year. More money should be spent on neglected educational buildings and schools, both on repair and maintenance works as well as on new buildings.

## 4. Civil engineering

In 2017 and 2018 the sector had a very dynamic development with an aggregated growth rate of nearly 10%, much higher than in the building sector, which had a growth rate of 5.5%. The Federal Government widened its investment into traffic infrastructure from €12.1 billion in 2016 to €14.4 billion in 2018. Over the past decade, focus on investment has been shifted. In 2005, two thirds of the money was invested into new roads. In 2018 most of the money (62%) went into repair and maintenance works. This trend will be maintained in the future.

Also, after years of cutbacks in their budgets, local communities expanded their investment from 2015 to 2018 by about 20%, which was nearly 10% in real terms. Due to another rise in tax revenues of about 4% this year, it is to be expected that the positive trend will go on in 2019.

Investment by public utilities and the German railway company showed a more stable development in the past 10 years. Although growth in investment will slow down, it will still have a positive impact on civil engineering investment in 2019.



### PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production  
Mln. €  
fixed prices

variation of production on previous year (%)

Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>240,850</b>	<b>-1.2</b>	<b>3.8</b>	<b>2.5</b>	<b>2.4</b>	<b>2.1</b>
	1.1. Housebuilding	171,050	-0.7	5.0	3.0	2.9	2.5
	1.1.1. New	59,900	8.0	7.3	1.5	5.4	5.2
	1.1.2. R&M	111,150	-4.6	3.8	3.7	1.6	1.1
	1.2. Non residential (c)	69,800	-2.3	1.3	1.5	1.1	1.1
	1.2.1. Private	58,790	-1.8	0.9	1.9	1.1	1.0
	1.2.2. Public	11,010	-4.8	3.3	-0.6	1.2	1.7
<b>2.</b>	<b>Civil Engineering</b>	<b>39,920</b>	<b>-2.9</b>	<b>3.6</b>	<b>5.7</b>	<b>2.6</b>	<b>2.7</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>280,770</b>	<b>-1.4</b>	<b>3.8</b>	<b>2.9</b>	<b>2.4</b>	<b>2.2</b>

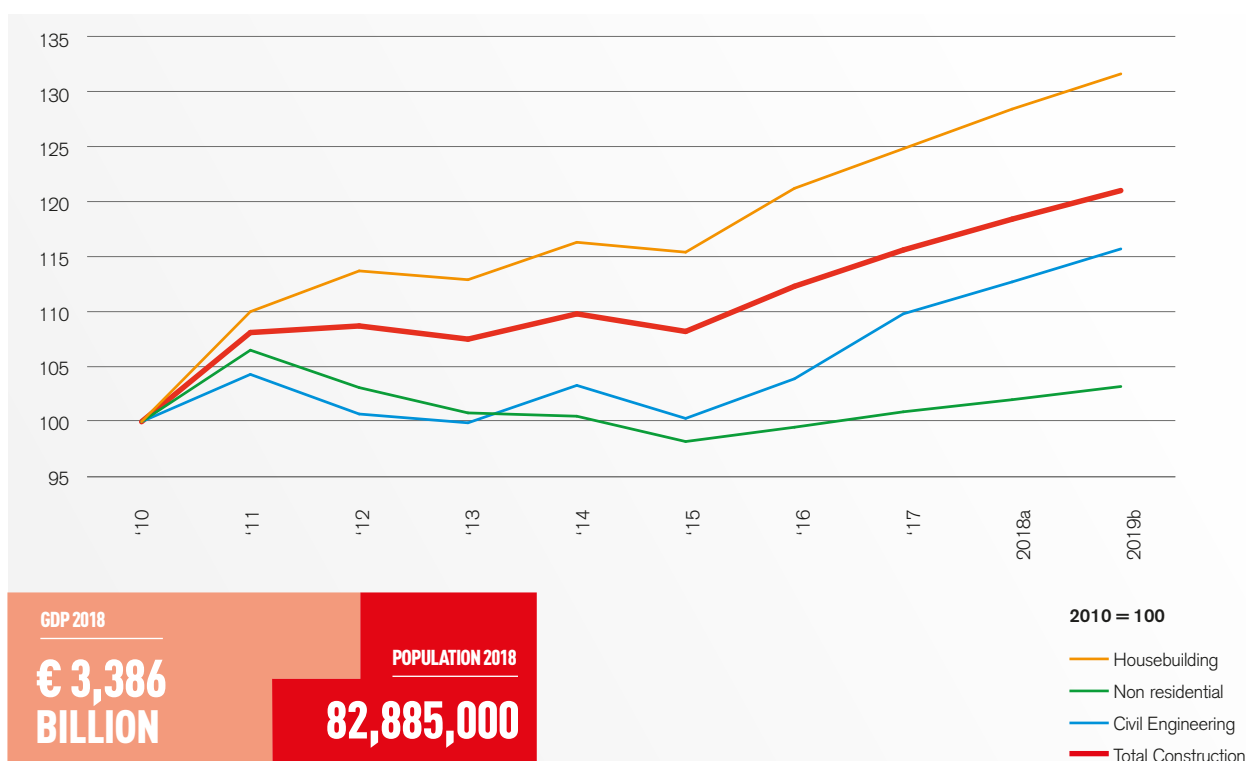
a: estimate - b: forecast - c: incl. R&M

### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	116,020	118,367	113,019	110,647	110,000
collective dwelling	139,355	172,679	172,630	180,667	190,000
other types of dwelling	57,921	84,342	62,479	55,978	55,000
<b>Total</b>	<b>313,296</b>	<b>375,388</b>	<b>348,128</b>	<b>347,292</b>	<b>355,000</b>

(Collective dwellings and other types of buildings: in number of flats)

### CONSTRUCTION PRODUCTION



## 1. Overall construction activity

The Danish economy is in a phase of a stable recovery. The growth is broad based, driven mainly by private consumption and investments. As a result, both the labour market and the housing market are experiencing an upswing.

The inflation is stable at around 1% and the interest rates remain low. The public debt is relatively low at 34% of GDP, and the public budget had a surplus of around 1% of GDP in 2017 and 2018. Thus the public sector balance is not the binding constraint of the fiscal policy.

The real GDP growth has risen from an average annual level of around 1% in 2010-2014 to around 2% in 2015-2018 and is forecasted to be around 1.7% in 2019.

Consequently, the political focus has shifted from the stimulus packages of the early post-crisis years to structural reforms addressing the risks of bottlenecks etc. in the labour market.

Zooming in on the construction industry, employment has risen significantly by 20% from 2013 to 2018. New construction of dwellings rose, and activity of civil works – especially the new so called “super hospitals” - went up, too. Maintenance works were stimulated by the growth in the housing market as well as by political measures: rehabilitation works of dwellings in the social housing sector with public grants, and a tax deduction scheme, allowing deduction in tax for some of the labour costs associated with repair and maintenance work of private owned houses/flats.

The Danish Construction Association expects construction employment to reach a temporary zenith in 2019. After an annual rise in jobs growth of around 3-4% a year in 2013-2018, we expect a more moderate growth of 1.7% in 2019 and a small decline of employment in 2020.

The construction companies reporting constraints on production due to labour shortage rose to around 30% in 2017 and 2018 but has in 2019 fallen back to around 20%. Nevertheless, access to skilled labour remains a big challenge in the construction sector in 2019-20 and the years to come.

## 2. Housebuilding

The historically low interest rates have led to strong house price increases – initially in the major urban areas, but eventually in most parts of the country. In 2014-18, prices on owner-occupied apartments rose more than prices on single-family houses. However, this trend has been reversed in 2019.

The future level of housing taxation (from 2021 and onwards) was agreed by a broad majority in the Parliament in 2017, which is good for the stability in the market. On the other hand, the agreement could potentially lead to some unintended stop-and-go-activity in the construction market in the years surrounding the introduction of the new tax regime in 2020-2021.

Residential construction has risen significantly but is expected to peak in 2019. The total building starts of dwellings has tripled from 11,500 in 2013 to 33,500 in 2019. But the number of dwellings is expected to decline to 28,500 in 2020.

The activity of rehabilitation and maintenance works is less volatile. The employment within this branch of the industry rose by around 2% in 2018, and the Danish Construction Association expects it to rise at the same speed in 2019.

## 3. Non-residential buildings

Business investments in non-residential buildings were reduced to a historically low level during the financial crisis in 2009-2013 but has picked up at moderate speed since then.

We expect a further real annual growth rate of around 4-5% of the production value of new business buildings in 2019 and 2020, mainly for administration, tourism and other service sector purposes. Furthermore, there is a trend of optimising the energy performance of existing buildings.

## 4. Civil engineering

The civil engineering activity peaked back in 2012-14 but remained high up until 2018. However, the forecast of the Danish Construction Association shows a significant decline in civil engineering activity in 2019 and 2020 as some big infrastructure investment projects are now finished: the new circular Metro Line in the centre of Copenhagen and investments in a new railroad line in the TEN priority corridor between Copenhagen and Ringsted.

Denmark lack a long-term investment plan of infrastructure projects. But it is expected, that we reach such an agreement of infrastructure projects 2022-2030 after the general election has been held in the summer of 2019. But that will not be in time to avoid a dip in civil engineering activity in 2019 and 2020.

The biggest investment of them all, the planned fixed link Femern Belt Tunnel connecting Denmark and Germany, has so far been postponed by 5 years. This project, with an estimated cost of approximately €7 billion, was originally planned with a construction start in 2016 but is now expected to begin in 2021.



### PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production  
Mln. €  
fixed prices

variation of production on previous year (%)

Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	19,267	4.0	4.9	4.0	10.2	3.0
	1.1. Housebuilding	11,609	5.3	6.4	4.0	11.2	2.7
	1.1.1. New	3,413	32.5	10.8	10.1	3.0	4.6
	1.1.2. R&M	8,215	-2.8	4.6	1.4	15.3	1.9
	1.2. Non residential (c)	7,657	2.1	2.8	3.9	8.7	3.4
	1.2.1. Private	4,036	8.1	1.6	3.5	7.1	3.2
	1.2.2. Public	3,619	-4.3	4.3	4.3	10.6	3.8
<b>2.</b>	<b>Civil Engineering</b>	<b>7,658</b>	<b>-1.9</b>	<b>1.2</b>	<b>-0.3</b>	<b>12.3</b>	<b>-1.5</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>26,940</b>	<b>2.2</b>	<b>3.8</b>	<b>2.7</b>	<b>10.9</b>	<b>1.6</b>

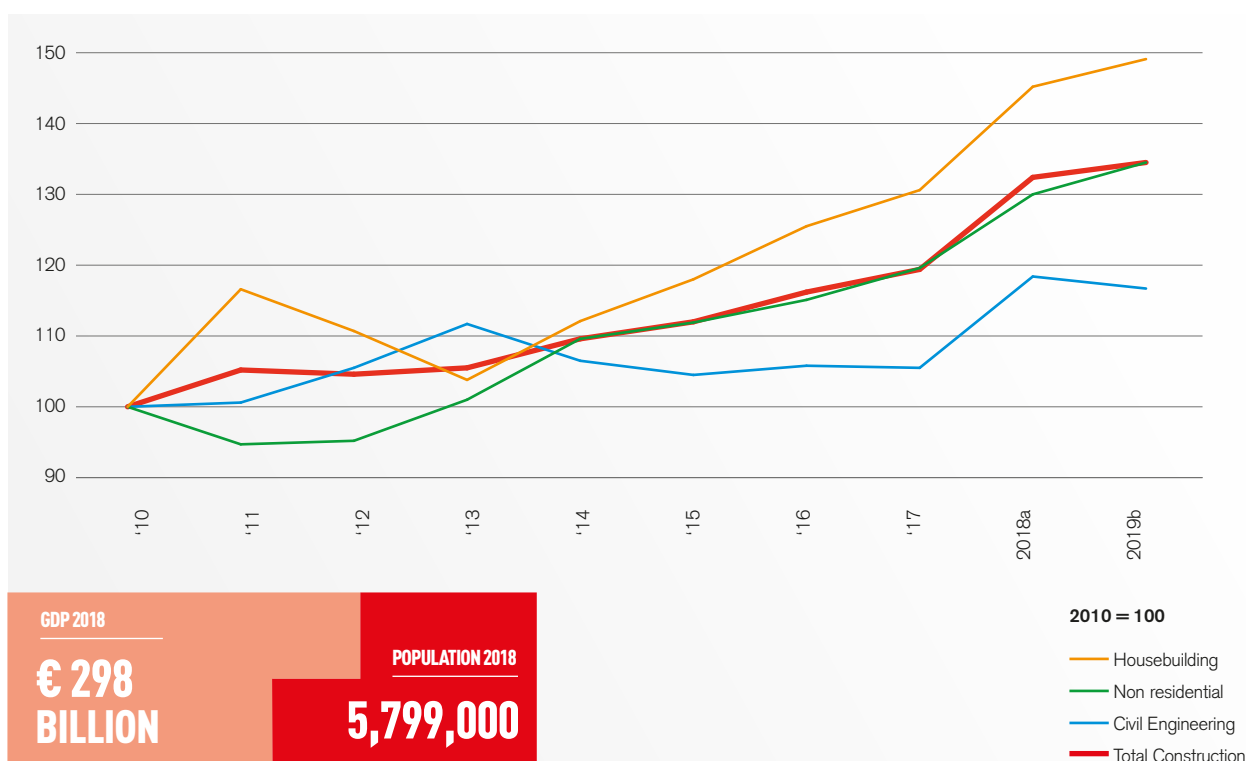
a: estimate - b: forecast - c: incl. R&M

### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	5,035	5,587	5,599	5,479	NA
collective dwelling	12,158	16,255	12,829	10,915	NA
other types of dwelling	7,025	9,626	8,069	6,225	NA
<b>Total</b>	<b>24,218</b>	<b>31,468</b>	<b>26,497</b>	<b>22,619</b>	<b>NA</b>

(Collective dwellings and other types of buildings: in number of flats)

### CONSTRUCTION PRODUCTION





### PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production  
Mln. €  
fixed prices

variation of production on previous year (%)

Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>1,972</b>	<b>-1.8</b>	<b>9.1</b>	<b>22.9</b>	<b>23.4</b>	<b>NA</b>
	1.1. Housebuilding	NA	-6.1	35.8	22.1	NA	NA
	1.1.1. New	NA	5.4	50.3	12.4	NA	NA
	1.1.2. R&M	NA	-19.2	14.2	41.3	NA	NA
	1.2. Non residential (c)	NA	0.1	-2.4	23.4	NA	NA
	1.2.1. Private	NA	NA	NA	NA	NA	NA
	1.2.2. Public	NA	NA	NA	NA	NA	NA
<b>2.</b>	<b>Civil Engineering</b>	945	-7.3	-3.1	30.0	14.9	NA
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>2,917</b>	<b>-3.8</b>	<b>4.8</b>	<b>25.2</b>	<b>20.5</b>	<b>NA</b>

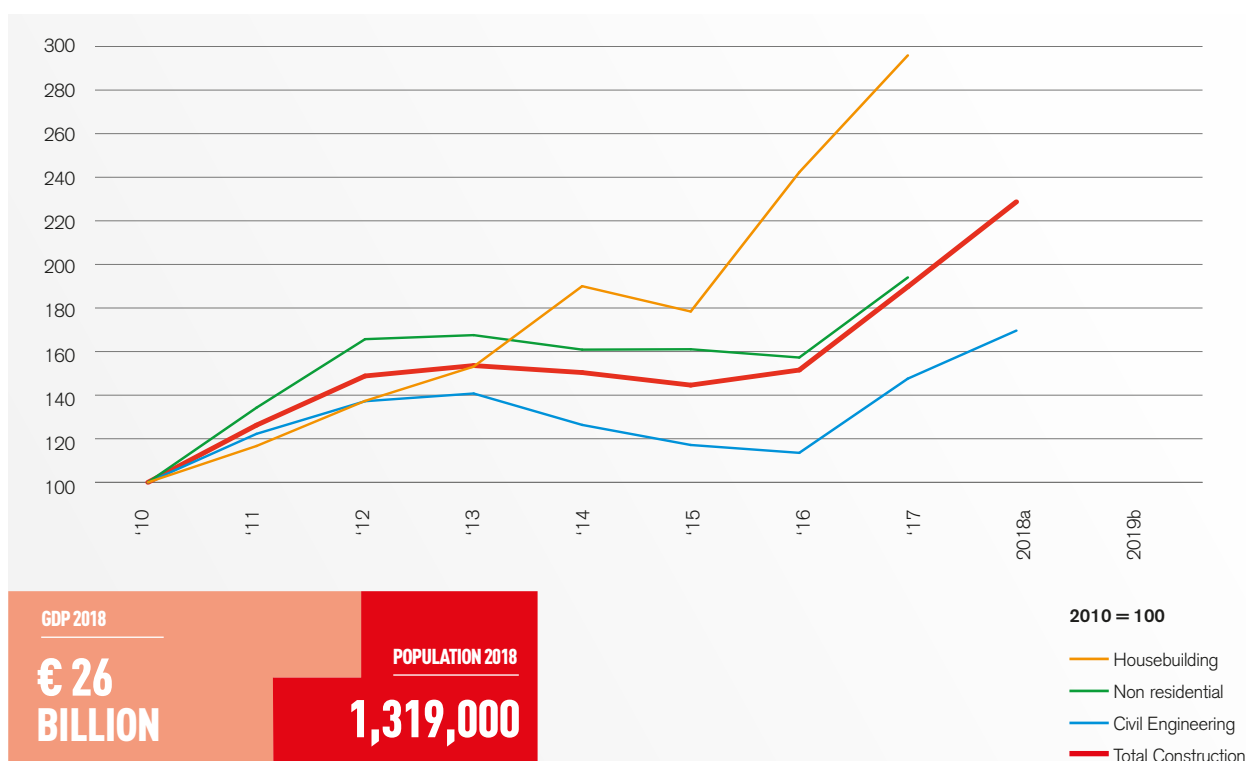
a: estimate - b: forecast - c: incl. R&M

### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	1,386	1,606	1,908	1,745	NA
collective dwelling	4,202	4,415	5,969	5,245	NA
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>5,588</b>	<b>6,021</b>	<b>7,877</b>	<b>6,990</b>	<b>NA</b>

(Collective dwellings and other types of buildings: in number of flats)

### CONSTRUCTION PRODUCTION



## 1. Overall construction activity

The economy continued to grow at a consistent pace throughout 2018, with an average growth rate of 2.5%, lower than the 3% of the previous year. On the demand side, its strength is established, with a growth that is slightly higher than the previous year, supported by a greater dynamism than expected in most of its components, especially consumption and investment in capital goods. Regarding residential building, it moderated its growth, although maintaining high rates. In relation to the foreign sector, a negative contribution to aggregate growth of 0.4% is confirmed, compared to the slightly positive contribution of the previous year, which is attributable to the significant moderation in exports.

Last year, job creation in Spain was set at 503,000 people, up 2.7% in comparison to 2017. In the construction sector, the continuity in building activity momentum has boosted job creation by 8.3%, up to 94,000 people in 2018, which represents 19% of the total employment creation in the country. This rise is provoking some difficulties in finding specialists in construction in certain geographical areas.

The consensus among analysts foresees an ongoing moderation of growth in 2019, with an average growth rate set at 2%. This projection is based on the accommodative monetary policy, low oil prices and the neutral or slightly expansive tone of fiscal policy. In this scenario, the main internal risks focus on the uncertainty in the political horizon in the coming months, while beyond the domestic market the high uncertainty about Brexit, social tensions in France and doubts generated by fiscal discipline in Italy must be highlighted.

This projection considers a lower growth of private consumption and the continuity of the residential investment strength. Regarding the foreign sector, a negative contribution of less intensity is estimated in comparison to the previous year.

The construction sector in 2018 reached a production volume of €124.5 billion, up 5.9% year on year. In value-added terms, its recent evolution shows a severe loss, currently standing at 5.8% of GDP.

Forecasts for 2019 show a moderation of growth however confirm the continuity of housebuilding activity strength and, with lesser impact, non-residential building activity. Regarding the evolution of civil engineering works, an upward trend is expected to continue, substantially due to the recovery in demand from regional public administrations and likely the incorporation of central public administration. The evolution of construction activity will confirm the

progress of housing demand, especially in tourist areas, and the vigour of the export activity.

## 2. Housebuilding

Following the intense crisis in the sector, since 2015 there has been a substantial recovery raising the number of new housing permits in 2017 to nearly 74,000, compared to the minimum of 35,000 in 2014. This result is leading to an increase of the percentage of housebuilding investment in relation to GDP, currently set at 5.6%, a level close to European average. With regards to the real estate market, it is worth noting the important ongoing recovery throughout 2018, with small price increases in those regions with a more dynamic demand, driven in particular by foreign investment and from the savings of families looking for better profitability compared to other alternatives.

Activity in 2018 experienced a 7.9% increase. The outlook for 2019 foresees a slight moderation in the activity pace, supported by new housing segment, and characterised by the recovery in prices and the demand of new housing in areas with greater activity. This clear trend in the residential market still has a significant potential demand and it is worth highlighting the positive contribution of the demand of foreign citizens.

With respect to the rehabilitation and maintenance segment, the improving household income and confidence levels are encouraging families to keep increasing spending, which is expected to continue in the current year.

## 3. Non-residential buildings

Its recovery is based on the growth of business activity, especially in the areas of leisure and tourism, transport services and commerce, which are experiencing important growth in demand. On the other hand, public activity confirms its recovery and will register a light improvement in 2019.

## 4. Civil engineering

Estimations related to the civil engineering segment, following the moderate recovery recorded in the last year, confirm a growth similar to 2017 fostered by the activity in regional public administrations and in central public administration, particularly in rail infrastructures. Among the factors that have determined its recent evolution are the temporary nature and weakness of the central government, which have impeded the promotion of the infrastructure policy, coupled with the need to contain public spending in order to meet the deficit target.



**PER CENT VARIATION OF PRODUCTION IN REAL  
TERMS OF PREVIOUS YEAR**

production  
Mln. €  
fixed prices

variation of production on previous year (%)

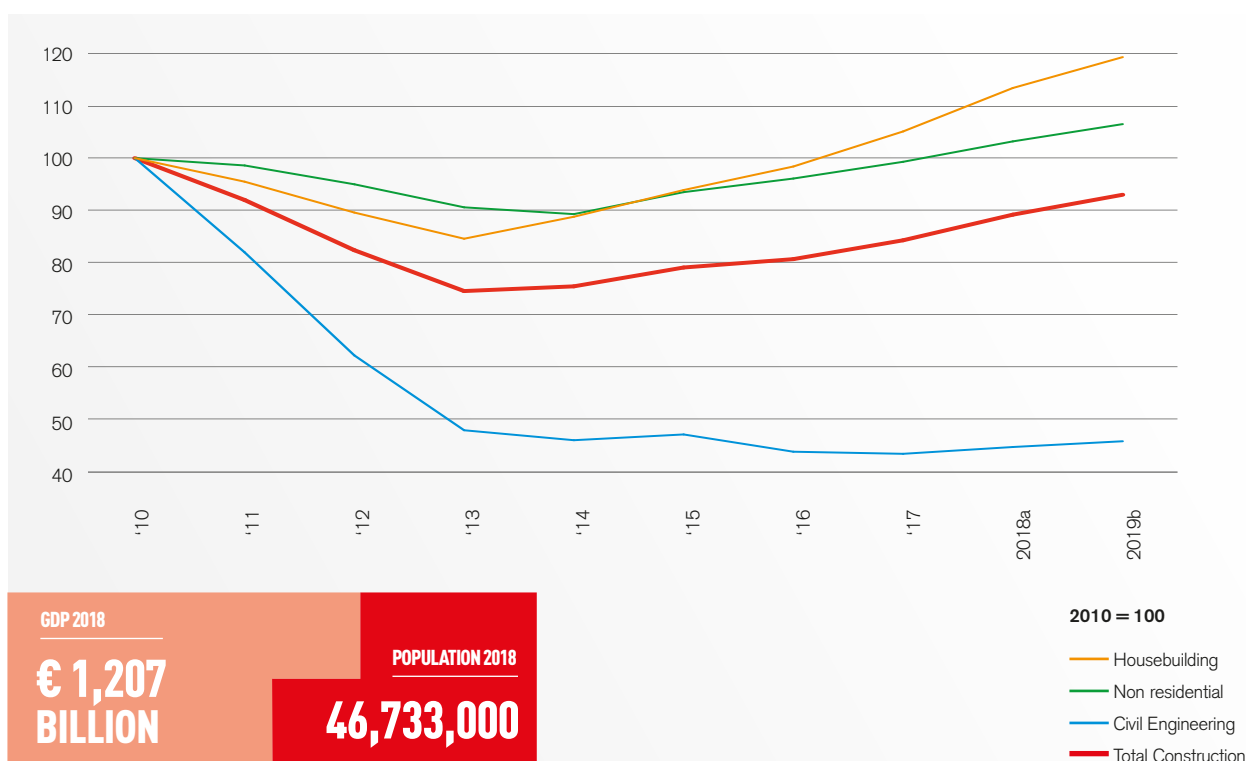
Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>108,172</b>	<b>5.4</b>	<b>4.1</b>	<b>5.5</b>	<b>6.5</b>	<b>4.5</b>
	1.1. Housebuilding	70,852	5.8	4.8	6.8	7.9	5.2
	1.1.1. New	43,314	4.5	4.5	6.5	8.5	5.5
	1.1.2. R&M	27,537	7.9	5.2	7.3	6.9	4.7
	1.2. Non residential (c)	37,320	4.8	2.8	3.3	3.9	3.2
	1.2.1. Private	32,765	7.1	5.9	5.5	4.4	3.3
	1.2.2. Public	4,555	-5.5	-12.4	-9.9	0.5	2.2
<b>2.</b>	<b>Civil Engineering</b>	<b>20,279</b>	<b>2.5</b>	<b>-7.0</b>	<b>-1.0</b>	<b>3.0</b>	<b>2.5</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>128,451</b>	<b>4.9</b>	<b>2.0</b>	<b>4.4</b>	<b>5.9</b>	<b>4.2</b>

a: estimate - b: forecast - c: incl. R&M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	15,338	19,502	21,909	23,333	24,383
collective dwelling	20,721	37,680	41,147	50,199	54,717
other types of dwelling	6	27	7	7	8
<b>Total</b>	<b>36,059</b>	<b>57,209</b>	<b>63,063</b>	<b>73,539</b>	<b>79,108</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**


## 1. Overall construction activity

Construction in Finland returned to a growth path in 2015 after many years of recession. In 2018 the volume grew 3.3%. New building construction continued its rapid growth. New residential construction was the main driver in 2018. New non-residential construction also increased but at a slower pace. Investments in civil engineering kept growing in 2018 but at a slower pace than in 2017. Finland's economy grew 2.3% in 2018. GDP will continue to grow but at a slower pace, around 1.5% in 2019. GDP growth is based on private consumption as exports grow at a slower pace.

In 2019 total construction output will stay at last year's level. New residential construction and new non-residential construction are both expected to stay at last year's level. The growth rate of housebuilding renovations is anticipated to be around 2%. The volume of civil engineering is expected to decrease in 2019 by 2.5%.

Employment in construction averaged 198,000 people at the end of 2018 according to the Labour Force Survey. In 2018 the average unemployment rate in the construction sector fell to 5.6%. Employment in the construction sector is expected to stay the same in 2019.

## 2. Housebuilding

The level of housing starts decreased from its high level in 2018. Households and especially investors demand are expected to decrease. We estimate 39,000 housing starts in 2019. The overall picture of the housing markets will stay positive as interest rates continue to remain at a low level, employment is growing, and consumer confidence is at good level. In the long run, the Finnish housing market is boosted by urbanisation. The number of residential building completions will remain high during 2019.

In 2018 the market was heavily driven by investors' demand and projected towards small apartments especially near public transportation. During 2018 drawings of new mortgage loans continued to increase from previous years. Loans to housing corporations have increased rapidly in past years due to active new housebuilding of block of flats. The level of housing corporate loans is expected to decrease as housebuilding construction cools down.

The prices of old dwellings have picked up. The price gap is still widening between the Helsinki area and other regions. Urbanisation will pick up pace in coming years as it is at low level in Finland compared to other countries.

Residential repair, maintenance and improvement work is increasing steadily. In 2018 the sector growth was quite modest. The pace will pick up in 2019.

## 3. Non-residential buildings

The new non-residential construction activity slowed down to 5.1% in 2018. Non-residential construction was boosted by large projects and public construction.

The construction of commercial and office buildings is expected to slow down in 2019 as large projects have been completed in the Helsinki area. In the Helsinki region, hotel investments will also cool down from a historically high level. Office building starts will slow down as the overall activity in Finnish economy slows down. While digitalisation transforms the commercial sector there is still demand for high quality commercial and office buildings in attractive locations. The population growth in the biggest cities is ensuring that demand increases.

Public sector new building has been growing steadily from the 90's. The main driver has been the ageing population and ageing buildings. In 2018 particularly large hospital projects were under construction and schools were newly constructed and renovated. Public building will slow down in a few years.

The construction of industrial buildings has been at a fairly low level since 2009. In 2019 industrial building is expected to grow due to investments in forest, marine and battery industries. Construction in warehouses will decrease in 2019 after large projects are completed.

Overall, we expect the volume of non-residential construction to stay at last year's level.

## 4. Civil engineering

The civil engineering sector increased by 1.6% in 2018. Even though there are ongoing big infrastructure projects, the public finance sets constraints to the whole civil engineering sector. New investments are very low as the government austerity program cuts the finances. In 2015 the government agreed a three-year finance package for the maintenance of roads which will last till 2018. Government spending on civil engineering will decrease in 2019 and 2020, almost €500 million compared to 2018.

Investments in civil engineering are driven by the needs of energy, water and sewer sectors. Major communities are also investing in streets and roads, despite the investment limits. Investments on road and railway got a lot of attention in the Finnish parliamentary elections in May.

The government is also starting long-term infrastructure planning, which was agreed among political parties in the beginning of 2017. In 2019 we expect civil engineering to decrease 2.5% and around 1% in 2020.

### PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production  
Mln. €  
fixed prices

variation of production on previous year (%)

Sectors	2018a	2015	2016	2017	2018a	2019b
<b>1. Building</b>	<b>25,525</b>	<b>2.4</b>	<b>10.8</b>	<b>5.3</b>	<b>3.5</b>	<b>1.0</b>
1.1. Housebuilding	14,729	2.6	11.4	4.5	4.0	1.4
1.1.1. New	7,099	0.8	19.0	7.0	9.9	0.8
1.1.2. R&M	7,630	3.9	5.9	2.5	-1.0	2.0
1.2. Non residential (c)	10,796	2.1	10.0	6.3	2.8	0.5
1.2.1. Private	7,619	2.1	10.0	7.0	3.0	0.5
1.2.2. Public	3,177	2.1	10.0	4.8	2.3	0.5
<b>2. Civil Engineering</b>	<b>5,855</b>	<b>7.6</b>	<b>-2.4</b>	<b>4.0</b>	<b>2.8</b>	<b>-2.5</b>
<b>(1 + 2) Total Construction</b>	<b>31,380</b>	<b>3.4</b>	<b>8.1</b>	<b>5.0</b>	<b>3.3</b>	<b>0.4</b>

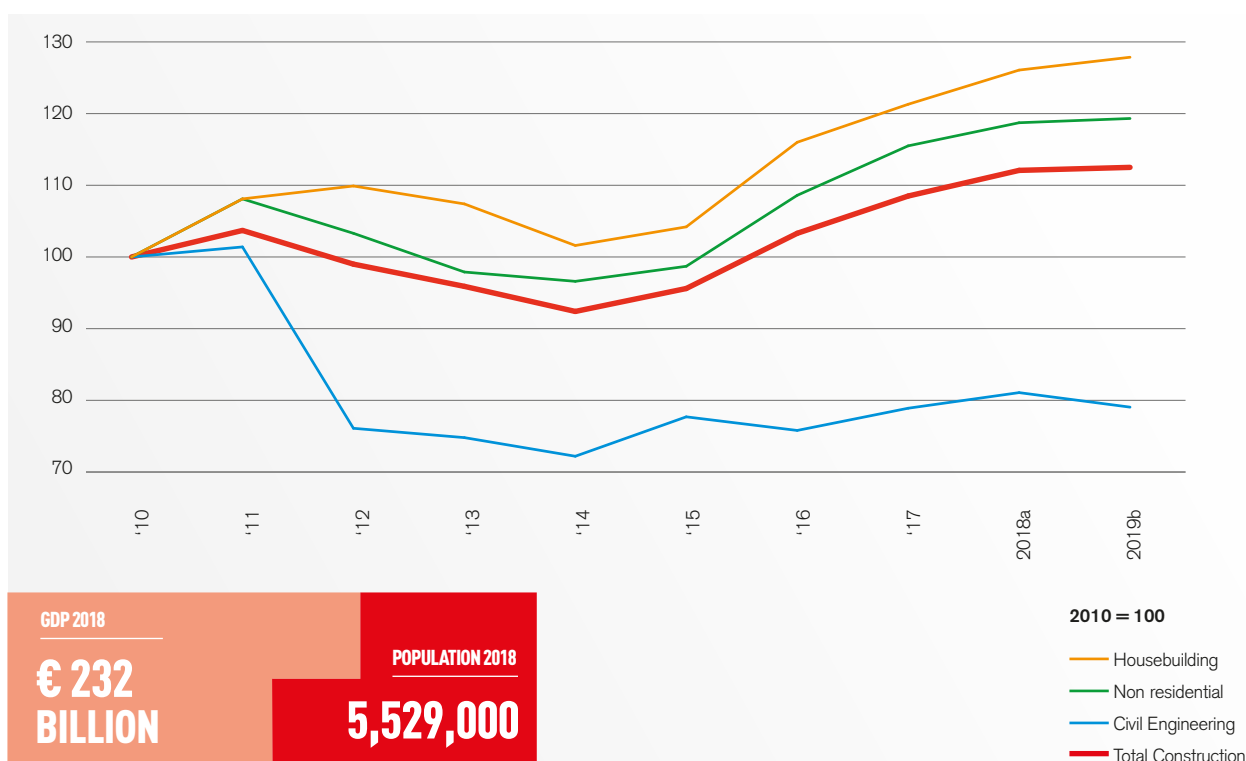
a: estimate - b: forecast - c: incl. R&M

### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	6,323	6,919	7,400	7,200	7,000
collective dwelling	25,553	32,927	41,000	35,000	32,500
other types of dwelling	600	700	600	500	500
<b>Total</b>	<b>32,476</b>	<b>40,546</b>	<b>49,000</b>	<b>42,700</b>	<b>40,000</b>

(Collective dwellings and other types of buildings: in number of flats)

### CONSTRUCTION PRODUCTION



## 1. Overall construction activity

Following a very dynamic year in 2017 with a 4.8% increase in volume, and then a slowdown of 3.1% in 2018, the growth of French construction activity is expected to further decline to 0.3% in 2019.

This overall trend masks significant disparities between market segments. The housebuilding market will decrease in 2019, while non-residential buildings and especially civil engineering should continue to grow.

Employment in the construction sector rose sharply in 2018, with the creation of 40,000 new jobs (+1.9%), for the most part salaried jobs (+34,000). In 2019, construction employment should rise again and generate 15,000 new jobs.

## 2. Housebuilding

Housebuilding turnover slowed down sharply in 2018, with an increase of 2.9% in volume compared to 13.4% the year before. Currently, activity growth has been hampered by several institutional measures:

- the limitation and refocusing on specific areas (where the demand for housing is supposed to be the most important) of incentives such as the zero rate loan ("PTZ") and the "Pinel" device in favour of rental investment at the end of 2017;
- in the social housing sector, the increase of the VAT reduced rate and the lowering of collected rents for social landlords required after the reduction of housing subsidies;
- the replacement of the former solidarity tax on global wealth ("ISF") by a tax on real estate assets only ("IFI").

Housing starts reached 420,000 units in 2018, which represents a 3.9% decrease compared to 2017, but this level remains above the long-term average of 358,000 units. Individual dwellings were slightly more affected by the downturn, with a 5.1% decrease compared to 3% for collective housing. In terms of permits, a drop of 6.1% was recorded in 2018. Both collective and single dwellings figures show similar trends.

For 2019, in the absence of any new incentives to support the demand and households' solvency, the number of dwellings' starts is expected to decline further by 6.6%. Thus, due to the drop in permits and construction starts last year, housebuilding activity will decrease by 4.5%.

Lastly, in volume, housing renovation and maintenance turnover grew by 0.4% in 2018. Projections for 2019 remain positive with a 0.9% increase expected.

## 3. Non-residential buildings

Conversely, non-residential buildings' activity accelerated in 2018 with a 7.6% increase in volume compared to the growth by 3.5% in 2017. The number of surfaces started (excluding agricultural buildings) slightly rose by 0.2% and reached a total floor area of 19.6 million m<sup>2</sup>.

All market segments contributed to this growth, mainly offices (+12.7%), administrative buildings (+8.7%), and, to a lesser extent, industrial buildings (+5.4%) and retail stores (2%).

Overall, the growth of non-residential activity is expected to slow down in 2019, with a smaller increase of 3%. Affected by the e-commerce expansion, which cut permits by 22.5% in 2018, the production of retail stores will decline by 9.5% in 2019. Industrial buildings will also decrease by 4.3%, while the other market segments, i.e. administrative buildings (+5.9%) and offices (+14%), should remain strong in 2019.

Concerning the renovation and maintenance of non-residential buildings, activity slightly decreased by 0.5% in 2018, and is forecasted to remain stable in 2019.

## 4. Civil engineering

In 2018, French civil engineering turnover grew by 7% (in real terms) driven by private investment and local government investment spending. In this context, 10,000 new jobs were created.

In 2019, activity in the public works sector is expected to continue rising (3% in real terms). Local government spending, accounting for 41% of the overall production, will be one of the main growth drivers and major infrastructure projects will continue to boost activity (Greater Paris project, the French very high-speed broadband plan, the French motorway plan, ...).

Regarding overseas activity, exports amounted to €30 billion in 2017 and represented 44% of the overall civil engineering turnover. Within 10 years, French public works exports have increased by more than 45%. Even though Europe remains the main export market (51% of total exports), French companies are increasingly targeting new markets (Oceania, Asia...).

**PER CENT VARIATION OF PRODUCTION IN REAL  
TERMS OF PREVIOUS YEAR**

production  
Mln. €  
fixed prices

variation of production on previous year (%)

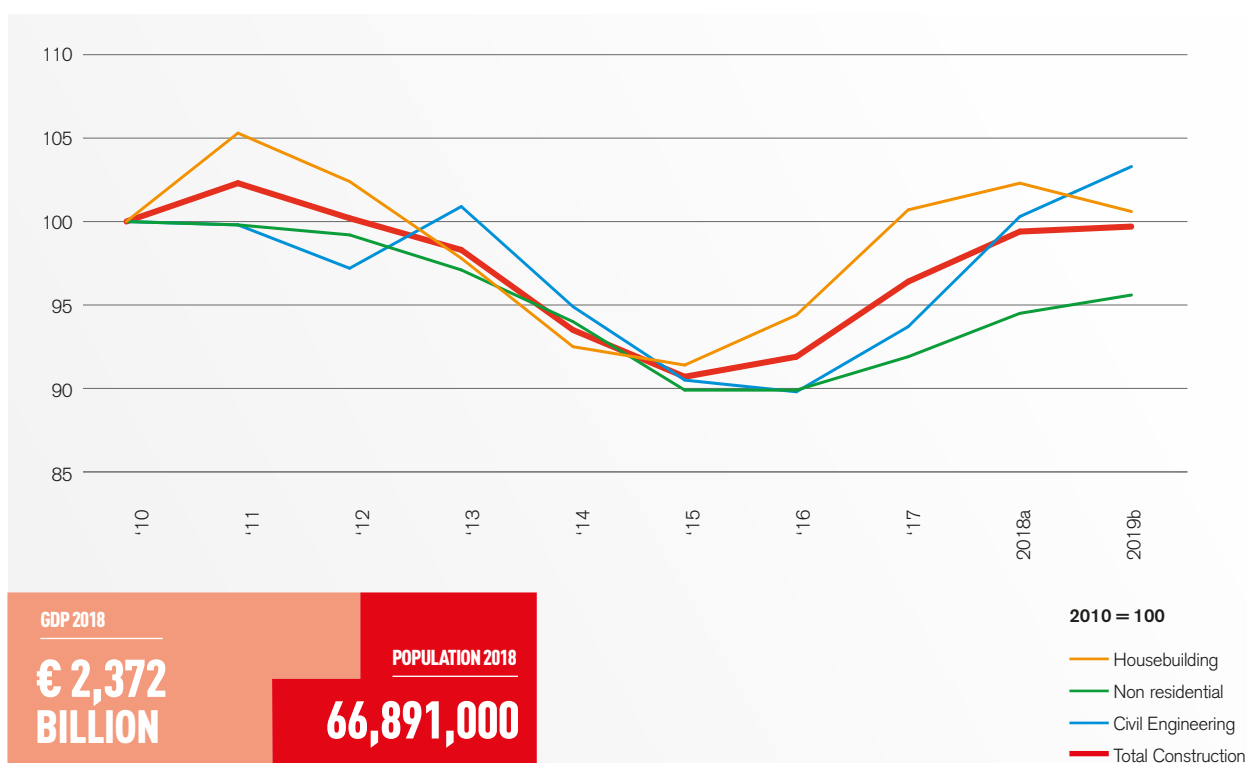
Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>127,358</b>	<b>-2.5</b>	<b>2.0</b>	<b>5.0</b>	<b>2.0</b>	<b>-0.6</b>
	1.1. Housebuilding	78,822	-1.2	3.3	6.7	1.5	-1.6
	1.1.1. New	37,050	-3.3	6.4	13.4	2.9	-4.5
	1.1.2. R&M	41,772	0.3	1.0	1.5	0.4	0.9
	1.2. Non residential (c)	48,535	-4.4	0.0	2.2	2.8	1.2
	1.2.1. Private	26,226	-2.8	1.1	3.6	2.7	0.2
	1.2.2. Public	22,309	-6.1	-1.2	0.6	2.9	2.3
<b>2.</b>	<b>Civil Engineering</b>	<b>38,935</b>	<b>-4.6</b>	<b>-0.8</b>	<b>4.4</b>	<b>7.0</b>	<b>3.0</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>166,293</b>	<b>-3.0</b>	<b>1.3</b>	<b>4.8</b>	<b>3.1</b>	<b>0.3</b>

a: estimate - b: forecast - c: incl. R&M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	179,854	196,738	210,238	198,031	182,981
collective dwelling	225,346	265,462	279,862	262,069	240,579
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>405,200</b>	<b>462,200</b>	<b>490,100</b>	<b>460,100</b>	<b>423,560</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**


## 1. Overall economy

Greece's economy is growing again with annual GDP growth expected to have reached 2% in 2018, compared to 1.5% in 2017. It is expected to continue growing at over 2% in the coming years, although the economy's recovery remains heavily contingent on the continuing implementation of reforms.

Provisional data showed real GDP grew by 1% in Q3 2018, corresponding to a growth of 2.2% compared to Q3 2017 and providing a 2.1% growth rate in Q1-Q3 2018.

By taking advantage of spare capacity and benefitting from strong external demand, Greece managed to increase its market shares in global trade. Net exports thus became the main driver of growth in Q1-Q3 2018, and likely for the whole year. Another major driver of aggregate demand was the growth of private consumption, which was supported by employment growth. Investment remained subdued compared to 2017, at least in part due to a base effect from the revision of the annual national accounts. On a positive note, activity in the real estate sector and hence investment in housing grew throughout the year.

Real GDP growth is forecast to reach 2.2% in 2019 and 2.3% in 2020. Consumer confidence had almost returned to pre-crisis heights by the end of 2018, thus private consumption is likely to remain a major contributor to growth in 2019. Export growth is expected to moderate, as the tourism sector faces slowing demand growth and renewed competition from Turkey. Goods exports are also set to weaken but should remain on an increasing trajectory despite the slowdown in the EU.

The labour market has been improving steadily with unemployment falling to 18.6% in October 2018, down from 21% a year earlier. Full-time and dependent employment growth remains the main driver of employment gains, while part-time employment and self-employment growth remains subdued. The national accounts suggest that employment rose by 1.5% in Q1-Q3 2018, which indicates improvements in labor productivity. Headline inflation reached 0.8% in 2018 and is forecast to remain moderate in 2019 on the back of subdued energy prices, before increasing in 2020 as core inflation rises.

## 2. Overall construction activity

The 10-year financial crisis has shrunk all sectors of the economy, including the construction sector; where the construction of buildings industry has practically been wiped out. Investments in order to initiate growth in the economy are needed more than ever and aligned with this need is the effort of the government to "inflate" the economy by pushing the utilisation of the existing fund lines into new projects. In this context, several new significant civil engineering projects, have been planned and their outset is

expected to assist the initiation of economic growth. Overall construction activity has decreased by €1.7 billion, from €9.6 billion in 2017 to €7.9 billion in 2018. Moreover, the overall decline by €19.1 billion from €27 billion in 2009 is worth noting.

## 3. Housebuilding

The present situation in the housebuilding sector besides still existing capital controls and limited access to mortgages has shown a slight increase to €1.2 billion in 2018, mainly because of the "Airbnb" effect. However, the overall decline by €14.3 billion from €15.5 billion in 2009 is worth noting. All these factors are being reflected in the housebuilding statistics:

- (Output) Price Index of Work Categories (2010=100.0) has increased by 0.34/100.0 from 90.54 in 2017 to 90.9 in 2018.
- Construction Costs Index (2010=100.0) has increased by 0.53/100.0 from 92.86 in 2017 to 93.38 in 2018.
- Material Costs Index (2010=100.0) has increased by 0.90/100.0 from 95.44 in 2017 to 96.34 in 2018.
- Labour Costs Index (2010=100.0) has decreased by 0.04/100.0 from 88.85 in 2017 to 88.81 in 2018.

## 4. Non-residential buildings

The sector of non-residential buildings is closely influenced by the overall economic activity and consequently has followed the same path. Even though there are no formal national statistics available for the sector, it is expected to be analogous to housebuilding trend, since hotel construction and hotel renovation are the predominant non-residential building related works for the last year.

## 5. Civil engineering

This sector, consisting mainly of public investment and joint EU projects, showed a significant drop in figures, which has mainly influenced the overall construction trend. Civil engineering activity has decreased by €1.9 billion, from €8.5 billion in 2017 to €6.6 billion in 2018 reflecting the liquidity problems of the State, the overall economy problems mentioned earlier and the consecutive public spending cuts due to the austerity measures and the government decision for Public Investments Program cut, in order to meet the specification required to end the loan agreement between EU and Greece in August 2018. Moreover, the overall decline by €4.9 billion from €11.5 billion in 2009 is worth noting. These figures are very low compared to earlier years and more investments in civil engineering projects are required in order to build a sustainable growth.

For 2019, the sector's figures are expected to decline further due to cuts in public spending and the absence of EU funding in new infrastructure projects.

**PER CENT VARIATION OF PRODUCTION IN REAL  
TERMS OF PREVIOUS YEAR**

production  
Mln. €  
fixed prices

variation of production on previous year (%)

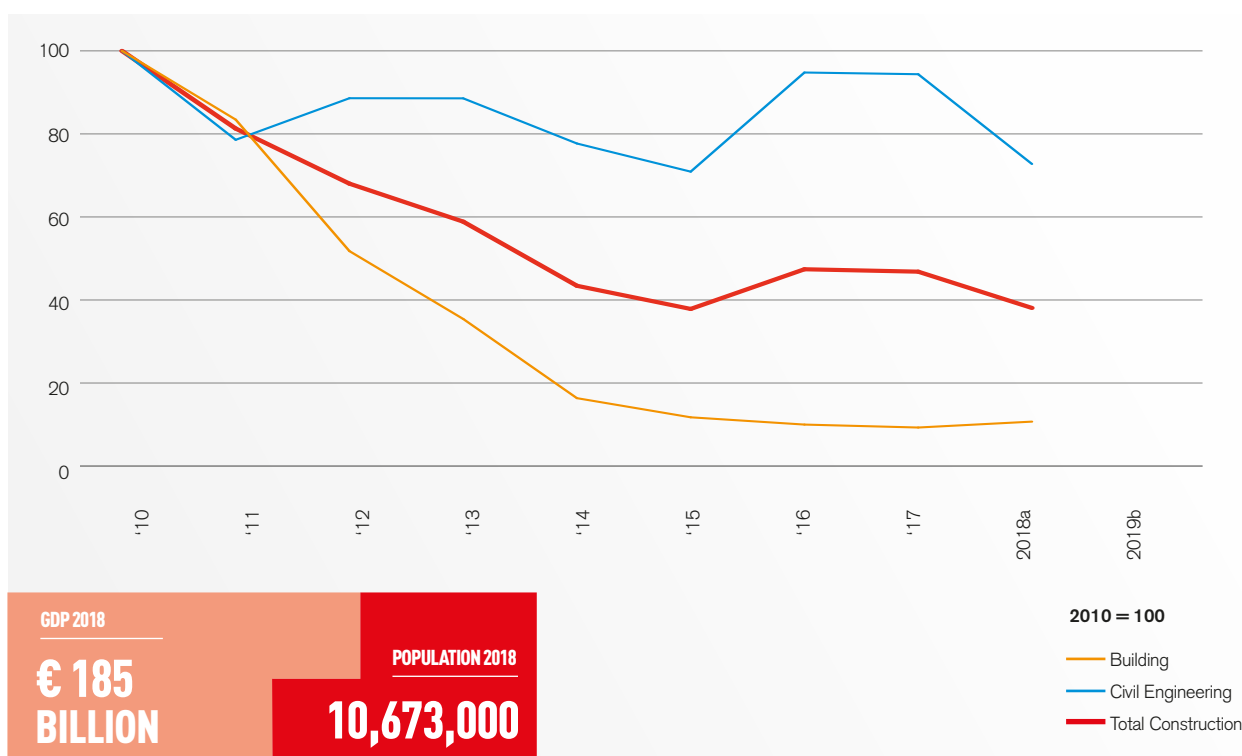
Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>1,228</b>	<b>-28.2</b>	<b>-14.9</b>	<b>-7.1</b>	<b>15.3</b>	<b>NA</b>
	1.1. Housebuilding	NA	NA	NA	NA	NA	NA
	1.1.1. New	NA	NA	NA	NA	NA	NA
	1.1.2. R&M	NA	NA	NA	NA	NA	NA
	1.2. Non residential (c)	NA	NA	NA	NA	NA	NA
	1.2.1. Private	NA	NA	NA	NA	NA	NA
	1.2.2. Public	NA	NA	NA	NA	NA	NA
<b>2.</b>	<b>Civil Engineering</b>	<b>6,592</b>	<b>-8.7</b>	<b>33.7</b>	<b>-0.4</b>	<b>-22.9</b>	<b>NA</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>7,820</b>	<b>-12.8</b>	<b>25.2</b>	<b>-1.2</b>	<b>-18.7</b>	<b>NA</b>

a: estimate - b: forecast - c: incl. R&M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	NA	NA	NA	NA	NA
collective dwelling	NA	NA	NA	NA	NA
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>9,264</b>	<b>9,286</b>	<b>10,335</b>	<b>13,336</b>	<b>NA</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**


## 1. General economic overview

In 2018, the volume of GDP grew by 4.9% compared to a year earlier in Hungary. From the production approach, gross value added increased by 23% in construction, by 5.3% in agriculture, by 4.4% in services and by 3.2% in industry. Services contributed by 2.4%, construction by 0.8%, industry by 0.7% and agriculture by 0.2% to the growth of GDP.

The total number of employees increased by 48,000 and reached 4.5 million people. The increment in the domestic primary labour market was 99,000, while the number of people declaring to work in public employment decreased by 46,000 and that of those working at local units abroad fell within the limits of the sampling error, by 5,000.

From the expenditure approach, the actual final consumption of household was up by 4.6%, the actual final consumption of the government decreased by 2.1% and as a total result of these, actual final consumption rose by 3.7%. Both gross capital formation and gross fixed capital formation within these became 17% higher. Exports grew by 4.7% and imports by 7.1%.

The volume of investments in the national economy grew by 17% and within it the volume of construction investments grew by 22%, investments in machinery and equipment increased by 11%.

## 2. Overall construction activity

In 2018, construction output grew by 22.3% compared to 2017. In the year as a whole, construction producer prices were on average 9.5% higher than in the previous year. Out of the divisions of construction, output volume increased by 24.2% in the construction of buildings, by 35.6% in civil engineering and by 13.6% in specialised construction activities.

The volume of the December month-end stock of contracts at construction enterprises decreased by 7.7% year-on-year. The stock of contracts volume decreased by 7.3% for the construction of buildings and went down by 7.8% for the construction of civil engineering works compared to the December 2017 data.

## 3. Housebuilding

In 2018, 17,681 new dwellings were built which was 23% more than the previous year. Based on dwelling construction permits and simple declarations, the number of homes to be built fell by 3.4% to 36,719 compared to 2017. Nearly half of new homes were put to use in Budapest and Pest county, where 40% and 39% more homes were built respectively. At the same time, several counties in the Great Plain and Northern Hungary saw a significant recovery in home building in 2018.

In new home construction, the share of private individuals fell from 51% to 46% and that of enterprises grew from 49% to 53% compared to 2017. 53% of dwellings built in new residential buildings were put to use in detached houses, 38% in multi-dwelling buildings and 5% in residents' parks. 54% of all new homes are planned to be built in the capital and in Pest County. Budapest saw an 18% fall, towns of county showed no change, other towns an 8% growth and villages a 10% rise in the number of dwelling to be built. Builders used simple declarations in 42% of cases. This share was 7.4% in Budapest and grew higher moving towards smaller settlement reaching 80% in villages.

Based on new construction permits (declarations): 4% more, i.e. a total of 13,743 residential buildings are planned to be built, while the number of permits issued for non-residential buildings decreased year-on-year by 15% to 4,346 units.

2,149 homes were demolished in 2018.





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### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	5,153	9,420	10,078	10,163	NA
collective dwelling	NA	NA	NA	NA	NA
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>6,526</b>	<b>12,206</b>	<b>13,216</b>	<b>13,743</b>	<b>NA</b>

(Collective dwellings and other types of buildings: in number of flats)

GDP 2018

€ 132  
BILLION

POPULATION 2018

9,778,000

## 1. Overall construction activity

Gross Fixed Capital Formation (GFCF) in Building and Construction was estimated at €26 billion by the Department of Finance in 2018. GFCF in the sector is forecast to increase to €41 billion by 2023. Growth in overall building and construction investment is forecast to average 15.6% this year, close to the outturn for 2018, before moderating to 10% in 2020.

On an annual basis, the volume of output in building and construction increased by 12.2% in 2018 when compared to 2017. Output volumes increased in civil engineering work (+24%), non-residential building work (+12%) and residential building work (+4%). The economy grew by approximately 7% in 2018. Overall economic growth is expected to moderate to 4.2% of GDP in 2019 followed by 3.6% in 2020.

Unemployment has fallen from 15% in 2012 to a forecast of 5.3% in 2019. Persons employed in direct construction grew by 7.9% or 10,600 persons to 145,500 persons by the end of Q4 2018. Key risks to the downside include the capacity in the industry to meet anticipated growth levels and to advance construction projects with the current availability of skilled labour. In general, the medium-term prospects for construction are positive following the introduction of the longer-term spatial planning framework (National Planning Framework (NPF)/ Project Ireland 2040) and capital investment plan (National Development Plan (NDP) 2018-2027).

## 2. Housebuilding

Housing investment increased by 24.1% in 2018, with strong increases in new dwellings and spending on home improvements. House building investment is expected to increase by 19.6% in 2019 and 11.9% in 2020. A total of 18,072 new housing units were completed in 2018 (+25% year on year). A total of 22,467 new housing units were commenced in 2018 (+28% year on year). Based on investment levels CIF forecast completions will increase to 23,000 in 2019 and 28,500 in 2020.

The NPF's National Policy Objective 32 targets the delivery of 550,000 additional households until 2040. Capital investment of €89 million is provided in 2019 for a Serviced Sites Fund, which will speed up the delivery of new housing development. The fund will reach €310 million by 2021 and deliver 6,000 new affordable homes. The Local Infrastructure Housing Activation Fund is also allocated €41 million in 2019 to fund 30 key infrastructure projects to unlock land for development. Approximately 28 projects will reach construction stage in 2019. The National Regeneration programme is allocated €72 million in 2019 to enable deep retrofit works in 28,000 homes.

Nationally, the house building data indicates that activity picked up again in urban areas during 2018. However, demand for new homes is still far outpacing supply, which is resulting in continued upward pressure on prices and rents.

The Government introduced a 'Help to Buy' incentive scheme which is due to end on 31st December 2019, becoming a concern amongst housebuilders as many first-time buyers rely upon the scheme.

## 3. Non-residential buildings

Private non-residential construction has recovered strongly since 2016 and continued in 2018, although at a slightly slower rate than previous years. For the private non-residential sector, activity is forecast to increase by 7% and 6%, respectively, in 2019 and 2020.

Private non-residential construction activity is led by the commercial building sector, followed by the industrial and FDI sectors which have been generating significant opportunities for the construction industry. However, the high volume of non-residential output is set to decline from 2018 following the sheer volume of commercial building that has been constructed during the years 2015-2017. Challenges facing the private non-residential construction sector fall into the same categories as private residential construction. Brexit may result in new investment opportunities arising in the years ahead, or on the other hand, have an adverse effect.

## 4. Civil engineering

The industry welcomed 'Ireland 2040', the new NPF together with a new NDP 2018-2027, in February 2018. The NDP is a blueprint, setting out a strategic framework for public capital investment over the next ten years. A new funding model for Exchequer-funded public investment is in place to ensure that resources are allocated to projects and programmes that are focused on meeting NPF priorities. Overall funding of €116 billion will be allocated. The 'Capital Tracker' ensures full public transparency on infrastructure project priorities, timelines and performance targets. It includes 271 major projects and programmes to date. Three of the largest infrastructure projects included in the tracker are:

- Metro Link (€3 billion) – estimated completion date is 2027
- Busconnects Dublin (€2 billion) – estimated completion date is 2027
- Water Supply Project – Eastern and Midlands Region (€1.18 billion) proposed completion is 2025

Investment in commercial and civil construction increased by 12.1% in 2018. Output volumes increased in civil engineering work (+24%) in 2018 according to the CSO's Production in Building and Construction Index. This represented a significant departure from output levels recorded in previous years.

Finally, industry has raised its concerns relating to the current public procurement regime, which is considered by some to be complex and onerous and could discourage some firms from bidding for public sector work, given recovery in the private non-residential sector.

### PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production  
Mln. €  
fixed prices

variation of production on previous year (%)

Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>19,048</b>	<b>9.1</b>	<b>13.5</b>	<b>59.3</b>	<b>11.9</b>	<b>6.3</b>
	1.1. Housebuilding	11,231	8.8	9.8	34.4	22.9	12.5
	1.1.1. New	8,150	12.7	13.2	63.6	32.1	16.0
	1.1.2. R&M	3,078	4.6	5.8	-1.9	3.7	3.2
	1.2. Non residential (c)	7,814	11.8	18.2	102.8	-0.9	-2.7
	1.2.1. Private	NA	NA	NA	NA	NA	NA
	1.2.2. Public	NA	NA	NA	NA	NA	NA
<b>2.</b>	<b>Civil Engineering</b>	<b>3,524</b>	<b>3.5</b>	<b>9.6</b>	<b>-6.9</b>	<b>7.0</b>	<b>4.3</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>22,572</b>	<b>7.6</b>	<b>12.5</b>	<b>42.8</b>	<b>11.1</b>	<b>6.0</b>

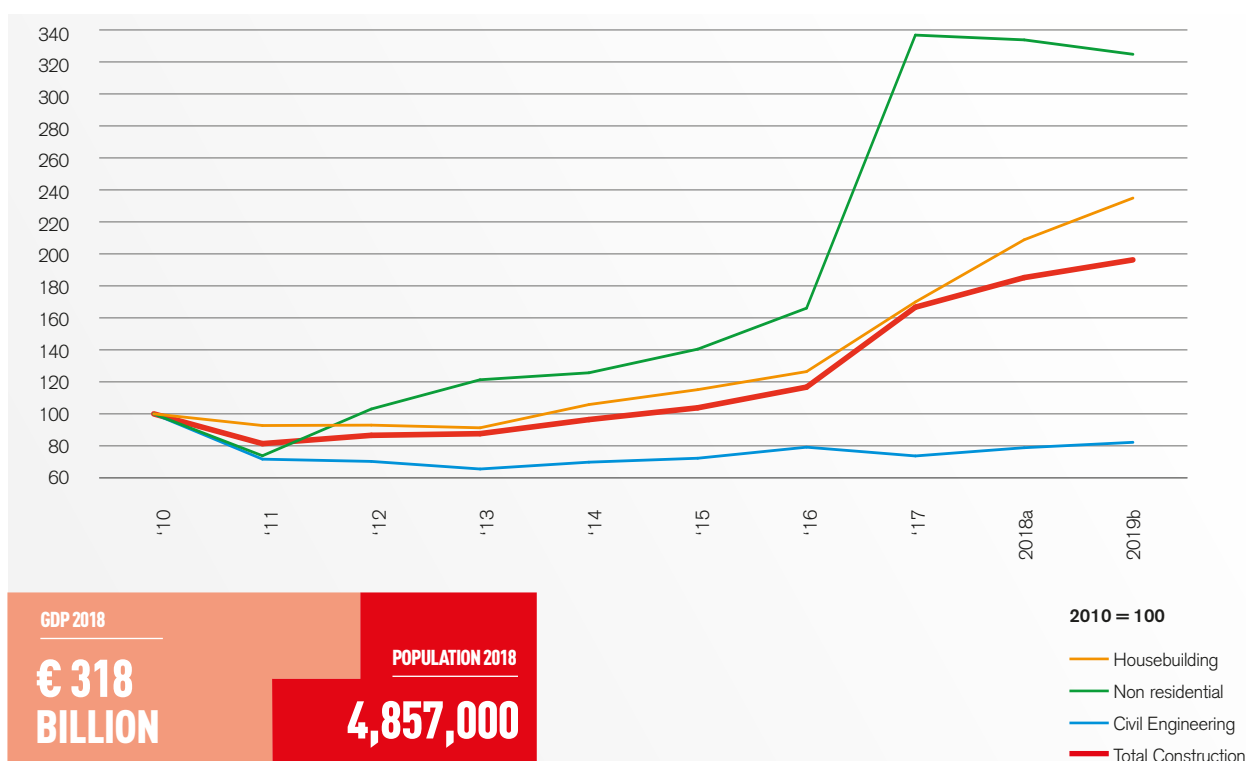
a: estimate - b: forecast - c: incl. R&M

### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	10,250	12,481	15,440	20,019	NA
collective dwelling	2,794	3,894	5,336	9,224	NA
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>13,044</b>	<b>16,375</b>	<b>20,776</b>	<b>29,243</b>	<b>NA</b>

(Collective dwellings and other types of buildings: in number of flats)

### CONSTRUCTION PRODUCTION



## 1. Overall construction activity

Italy's 2018 GDP remains 4.4% below its pre-crisis 2007 peak. The fundamental contribution of the construction industry to a consolidated recovery of the economy has been lacking.

Sector dynamics continued to be deeply uncertain in 2018. The recovery in civil engineering investment has not been realised while at the same time, the shy positive signals in private residential and non-residential building have not managed to offset the missed growth in civil engineering. The National Association of Italian Constructors (ANCE) estimates a 1.5% increase in real terms for 2018 overall construction investment. Since 2008, production levels deteriorated by almost a third. The sector lost almost 600,000 jobs; over 120,000 companies were driven out of the construction market; and 35.1% of sector overall investments was lost. New housebuilding declined by 66.1%, non-residential building by 27.3%, and civil engineering by 54.1%.

Only housing redevelopment, which currently accounts for 37% of the overall construction activity, as compared to 19.9% in the pre-crisis years, retains its growth pace (+20.9% in 2018). This is due to the stimulus effect produced by the tax relief programme providing a 55% tax rebate for the redevelopment and requalification, and a 65% tax rebate for energy efficiency works on the housing stock. There is a positive trend in the housing market since 2014. Transactions increased by 6.7% in 2018. This is sustained by the low interest rates, as well as by the willingness of the private financial system to support lending. According to the Bank of Italy, the mortgages issued to households in 2018 increased by 6.1% compared to 2017.

Companies are still experiencing difficulties in accessing credit as loans issued to companies for financing housebuilding investments dropped by over 77%, in the period 2008-2017 (from €31.5 billion in 2007 to just €7 billion in 2017). In 2018, for the first time in a decade, the market registered a 6.6% increase.

Loans issued to companies for non-residential building investment have, instead, been on a positive trend since 2014 with a 15.8% growth in 2018.

For 2019, ANCE envisions a 1.1% increase in the overall construction production, in real terms driven by a continued growth in the redevelopment of the existing stock for housing purposes as well as by the first timid positive signals in private investment for residential and non-residential building.

However, the sudden deterioration of the economic conditions – also due to the choices made by the Government with the last Budget Law – seriously jeopardises the possibility of a positive growth in 2020.

## 2. Housebuilding

ANCE estimates that investment in housebuilding has increased in 2018 (+1.2%), due to a recovery in new housebuilding investment (+3%) that probably suffered the most from the crisis. According to ISTAT data for

2016, following a decade of negative trend, the number of constructions permits, both for new constructions and extensions, increased by 4% to 50,520 units. Moreover, data from H1 2018 show a 4.7% increase, following the 11.3% increase in 2017.

At the same time, investments for the redevelopment of the existing housing stock continue in their positive trend (+0.5%).

For 2019, ANCE envisions a real term 3.5% growth in housebuilding investment and a 0.7% growth in investment for the redevelopment of the existing housing stock. Overall, the annual forecast for 2019 predicts an increase of 1.5% in housebuilding investment.

## 3. Non-residential buildings

In 2018, private investments in non-residential building rose by 4.8%.

The estimate takes into consideration the positive trend in non-residential building permits started in 2015. The ISTAT data for H1 2018 show a further 38.3% increase in the number of building areas. This growth is also due to the increase in the number of transacted units (+5%), as well as the 28% rise in loans issued from Q1 to Q3 2018 for non-residential buildings.

The outlook for 2019 is positive, with a further increase of 3% in private investment for non-residential building.

## 4. Civil engineering

ANCE estimates a real term decrease of 3.2% in 2018 civil engineering investment due to delays in the implementation of several governmental measures to support public investment in civil engineering works. The last Budget Laws, following a period of continued cuts, provided an increase in allocated resources (+10.4% in 2016, +23.9% in 2017, and 26.2% in 2018).

In 2018, nearly 23,000 calls for tenders in civil engineering have been issued, for a total value of roughly €25 billion. Compared to 2017, this represents a 19.6% increase in numbers and a 14.2% increase in value, making 2018 the second consecutive positive year following the slowdown in 2016, which was mainly due to the introduction of the new Public Contract Code.

Nevertheless, this was not reflected in the data for the actual government expenditures on infrastructure, that still lag behind expectations.

For 2019, ANCE estimates a 1.8% increase.

On the positive side are infrastructure investment by local authorities, thanks to large public resources allocated by the government; new public finance regulations which eliminate constraints on expenditure and introduce accounting simplification; as well as the implementation of calls for tenders published in the period 2017-2018.

Among the negative factors are the difficulties experienced by many large Italian companies that risk hindering the whole industry and slowing down the progress of some works; as well as the inefficient legal and bureaucratic framework that does not allow the transformation of allocated resources into effective expenditures.

**PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR**

production  
Mln. €  
fixed prices  
variation of production on previous year (%)

Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>106,198</b>	<b>-1.9</b>	<b>0.2</b>	<b>1.8</b>	<b>2.1</b>	<b>2.0</b>
	1.1. Housebuilding	61,083	-2.5	-0.8	0.1	1.2	1.5
	1.1.1. New	17,289	-9.2	-5.1	0.5	3.0	3.5
	1.1.2. R&M	43,793	0.5	1.0	0.0	0.5	0.7
	1.2. Non residential (c)	45,115	-1.0	1.7	4.1	3.4	2.8
	1.2.1. Private	37,525	-1.8	3.4	6.7	4.8	3.0
	1.2.2. Public	7,590	1.9	-4.7	-6.0	-3.2	1.8
<b>2.</b>	<b>Civil Engineering</b>	<b>12,924</b>	<b>1.9</b>	<b>-4.7</b>	<b>-6.0</b>	<b>-3.2</b>	<b>1.8</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>119,121</b>	<b>-1.4</b>	<b>-0.4</b>	<b>0.8</b>	<b>1.5</b>	<b>2.0</b>

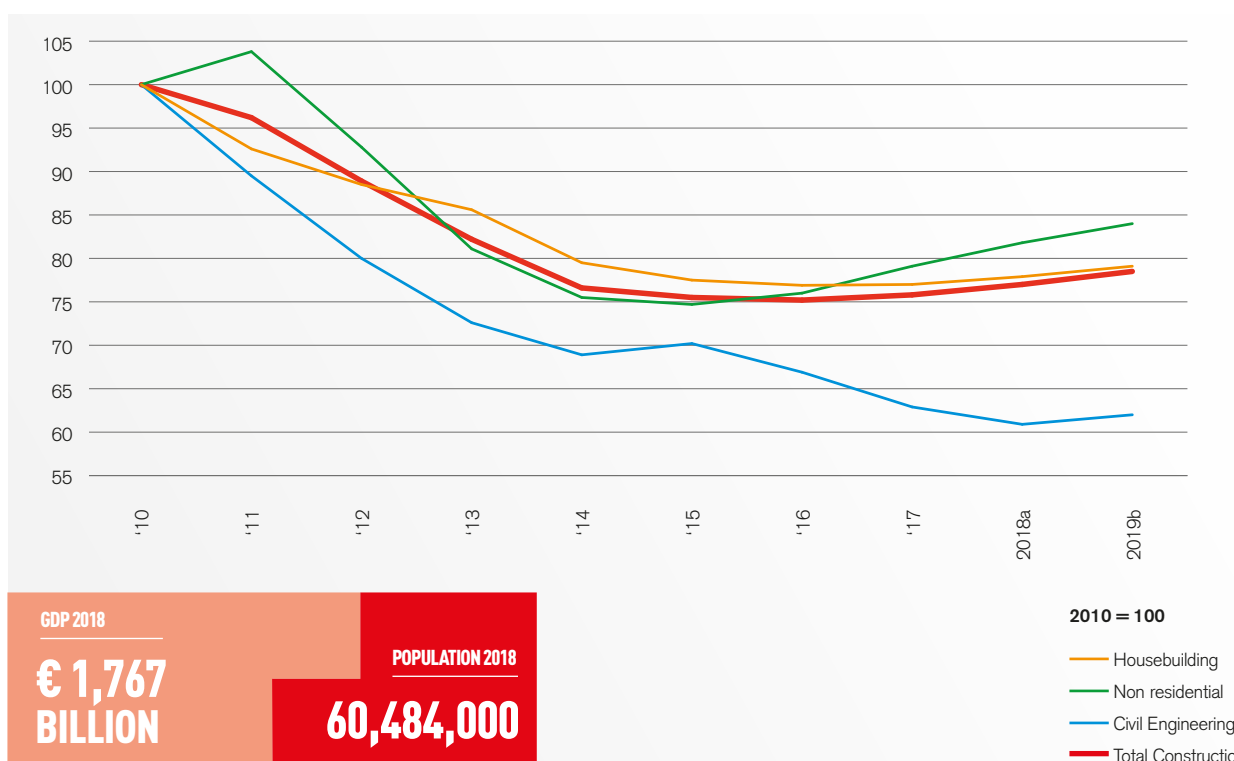
a: estimate - b: forecast - c: incl. R&M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	10,112	10,221	NA	NA	NA
collective dwelling	5,625	6,004	NA	NA	NA
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>15,737</b>	<b>16,225</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**



GDP 2018

**€ 1,767  
BILLION**

POPULATION 2018

**60,484,000**

2010 = 100

— Housebuilding  
— Non residential  
— Civil Engineering  
— Total Construction



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### PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production  
Mln. €  
fixed prices

variation of production on previous year (%)

Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>1,530</b>	<b>4.8</b>	<b>-2.2</b>	<b>4.7</b>	<b>10.9</b>	<b>NA</b>
	1.1. Housebuilding	482	38.3	10.4	-8.3	12.6	NA
	1.1.1. New	317	5.2	29.2	2.5	24.8	NA
	1.1.2. R&M	165	87.5	-5.2	-20.6	-5.2	NA
	1.2. Non residential (c)	1,049	-5.7	-8.0	11.9	10.1	NA
	1.2.1. Private	665	-2.5	-9.5	15.4	12.3	NA
	1.2.2. Public	383	-10.3	-5.5	6.6	6.5	NA
<b>2.</b>	<b>Civil Engineering</b>	<b>1,256</b>	<b>-11.7</b>	<b>-17.9</b>	<b>15.5</b>	<b>17.4</b>	<b>NA</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>2,786</b>	<b>-3.4</b>	<b>-9.3</b>	<b>9.2</b>	<b>13.7</b>	<b>NA</b>

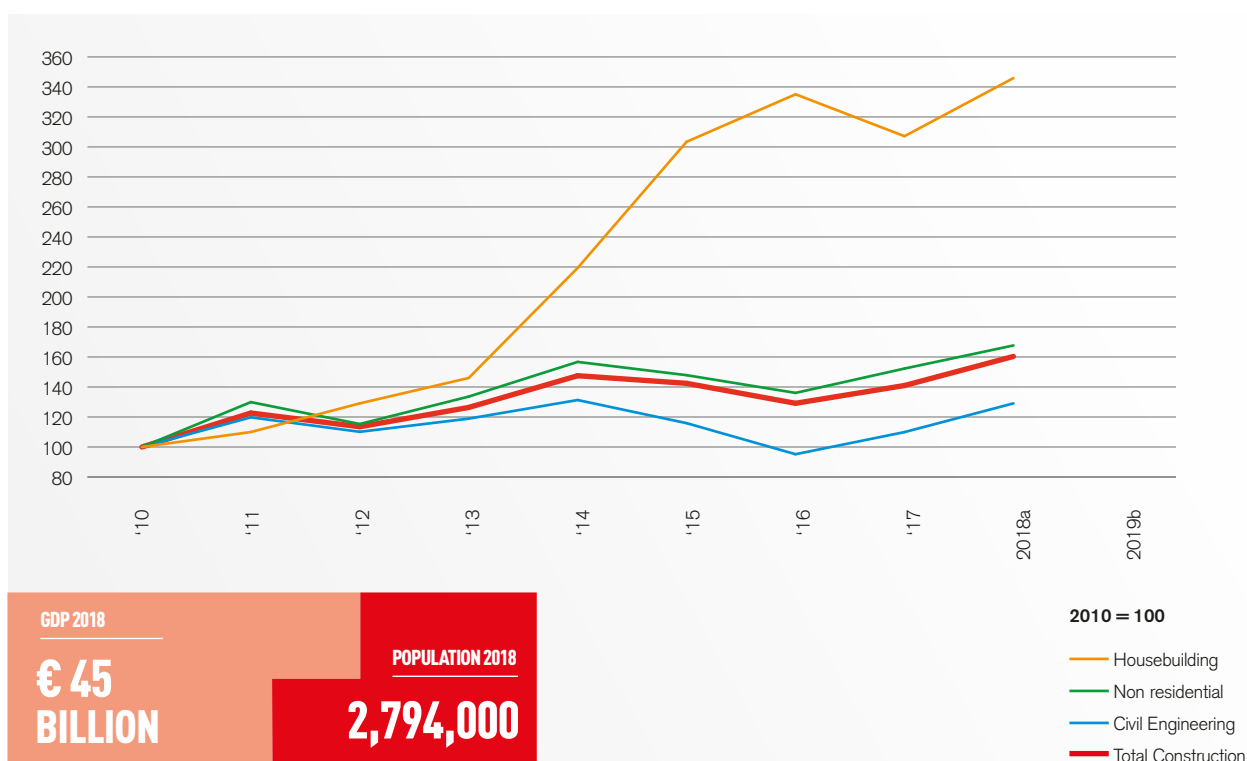
a: estimate - b: forecast - c: incl. R&M

### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	6,041	6,981	6,258	6,507	NA
collective dwelling	115	142	134	144	NA
other types of dwelling	2	3	1	4	NA
<b>Total</b>	<b>6,158</b>	<b>7,126</b>	<b>6,393</b>	<b>6,655</b>	<b>NA</b>

(Collective dwellings and other types of buildings: in number of flats)

### CONSTRUCTION PRODUCTION



## 1. Overall construction activity

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In 2018 the economy in Latvia continued to grow and reached a rate of 4.8% (in 2017 GDP increased by 4.6%). The most important factors influencing economic growth were the exports, as well as domestic consumption and investment activity. We forecast that Latvia's economy will continue to grow in 2019, despite a slowdown in dynamics, and will reach a rate of around 3%.

Latvia's economic growth covered most of the sectors, of which construction, information and communications technology, manufacturing and transport have mostly contributed to the increase of value-added. The development of exporting industries is now being positively influenced by external demand – the economy is growing in the European Union, which is Latvia's main export market.

The total population in Latvia declined by 0.8% in 2018 compared to the previous year and was estimated at 1.9 million people. In parallel, the economically active population is also decreasing. The unemployment rate is the lowest for the last 10 years at 7.7%. Therefore, companies in Latvia more often encounter labour shortages, which creates pressure on wage costs.

Compared to 2017, construction output in 2018 increased by 21.9%. The increase was in all construction sectors – building construction (25.6%), civil engineering (11.6%) and specialised construction (27.8%). Growth was fueled by both Latvia's economic development and EU funded projects. In recent years construction export has grown significantly – in 2018 it reached around €250 million. The gross value added of the construction industry in 2018 was around €1.8 billion, its share in total gross value added was 7%.

In 2018 the construction industry's total employment was 68,000, including 58,000 employed workers and 10,000 self-employed workers.

The overall investment level in Latvia's economy in recent years has been quite low – mainly a result of the slow

recovery of private investment in the post-crisis period. In 2018 changes in the tax system took place, resulting in a 0% income tax rate on reinvested earnings. Most likely it can give an extra stimulus to investment activity in the next few years, that will promote the increase in construction volume.

## 2. Housebuilding

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The construction of residential buildings accounts for around 10-15% of total construction output. The construction costs for residential buildings have increased rapidly by 11.9% since 2015 (+6% in the last year). In 2018, there were 3,130 building permits issued for the construction, capital repair, reconstruction and restoration of residential buildings for a total area of 877,000 m<sup>2</sup>.

## 3. Non-residential buildings

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Construction of non-residential buildings activity constitutes around 40% of total construction output. The construction costs for non-residential buildings have increased by 9.5% since 2015 (+5.8% in the last year). 1,273 building permits were granted for construction starts, capital repairs, reconstruction and restoration of non-residential buildings for a total area of 1,030,000 m<sup>2</sup>.

## 4. Civil engineering

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Civil engineering constitutes around 55% of industry's total activity. It is substantially influenced by public procurement and EU funding availability. The break in absorption of EU funding in 2016 significantly affected industry's overall indicators. After the recovery of the availability of EU funds, construction output of civil engineering began to increase. In civil engineering, there was an increase in road and rail construction – by 22.5% and in the construction of urban infrastructure objects – by 15.3%, but the drop in the rest of civil engineering (including waterways, port and river piers, industrial complexes, outdoor sports grounds, etc.) was 35.2%.



**PER CENT VARIATION OF PRODUCTION IN REAL  
TERMS OF PREVIOUS YEAR**

 production  
Mln. €  
fixed prices  
variation of production on previous year (%)

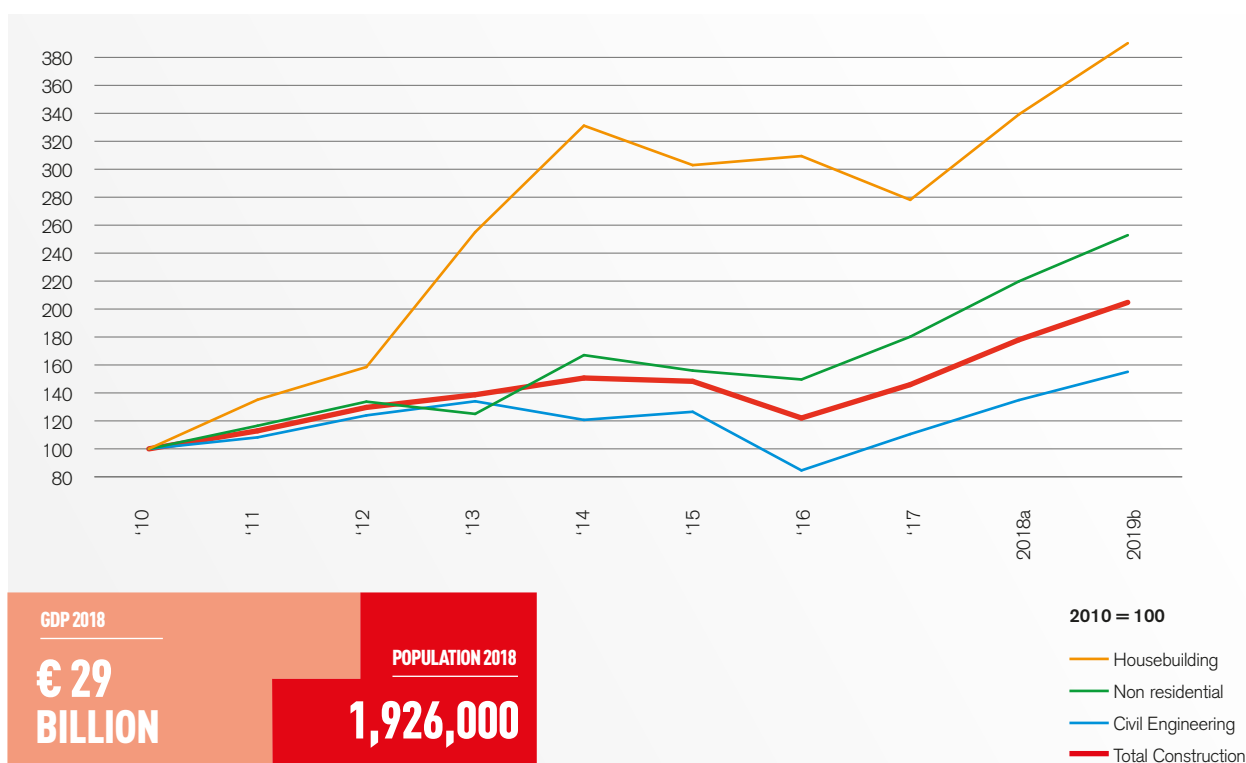
Sectors	2018a	2015	2016	2017	2018a	2019b
<b>1. Building</b>	<b>1,042</b>	<b>-7.1</b>	<b>-2.4</b>	<b>12.0</b>	<b>NA</b>	<b>NA</b>
1.1. Housebuilding	231	-8.5	2.1	-10.1	NA	NA
1.1.1. New	177	-17.8	10.7	13.6	NA	NA
1.1.2. R&M	54	6.6	-8.6	-46.6	NA	NA
1.2. Non residential (c)	811	-6.6	-4.1	20.4	NA	NA
1.2.1. Private	NA	NA	NA	NA	NA	NA
1.2.2. Public	NA	NA	NA	NA	NA	NA
<b>2. Civil Engineering</b>	<b>825</b>	<b>4.8</b>	<b>-33.1</b>	<b>30.7</b>	<b>NA</b>	<b>NA</b>
<b>(1 + 2) Total Construction</b>	<b>1,866</b>	<b>-1.6</b>	<b>-17.7</b>	<b>19.6</b>	<b>22.0</b>	<b>15.0</b>

a: estimate - b: forecast - c: incl. R&amp;M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	1,386	1,329	1,948	1,495	1,700
collective dwelling	719	1,239	1,065	1,074	1,300
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>2,105</b>	<b>2,568</b>	<b>3,013</b>	<b>2,569</b>	<b>3,000</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**


## 1. Overall construction activity

The economy is returning to a standard growth rate. The rather high growth of the past years is over. International influences are cooling down the economy. Uncertainties for the global economy – such as US trade policy, Brexit and the state of China's economy – are impacting the real economy. This cooling can be seen particularly in exports. This is also true for private consumption and investments. Total domestic spending, however, remains steady, as the expansive budget policy will largely compensate for the lower growth in private spending. After years of a growth percentage of over 2%, the projection for 2019 shows a GDP growth of 1.5%. The government will still have a sizeable budget surplus. The favourable economy and not being able to realise large budgeted public expenditures (underspending) are two of the main causes for the surpluses in 2018 (1.4% GDP) and 2019 (1.2% GDP).

The construction industry continues to perform strongly. After a forceful expansion in 2018 (6.5%), the construction output is expected to increase by some 5% this year. However, employment growth in the sector lagged far behind production growth in recent years, implying a very strong productivity increase which cannot be seen continuing at the same pace for much longer. This suggests that output growth will be restricted due to qualified labour shortages in 2019.

## 2. Housebuilding

For eight years now, the number of dwellings added to the housing stock has been lower than the number of new households. The delayed demand amounted to more than 100,000 dwellings at the beginning of last year. The inadequate volumes of housing construction have recently come high on the political agenda. In May 2018, the government and representatives of organisations of developers, investors, housing corporations, construction firms, home owners and tenants have signed the National housing agenda 2018-2021, committing themselves to increase efforts to reduce the housing shortages, with the aim of realising 75,000 dwellings yearly.

New construction output has contracted by more than a half during the crisis. Following the increase of building permits in 2014 and the first months of 2015, the output in 2015 rose by a spectacular 23%. The strong recovery continued in 2016 and 2017 with a growth in double figures. The strong expansion continued last year (9%) and a further substantial increase of new construction output is expected this year. The number of completions is expected to increase to some 66,000 in 2019, which is still lower than the level needed to satisfy demand created every year (70,000-75,000 dwellings).

While renovation and maintenance construction strongly benefits from an increase in household income and increasing efforts to make dwellings more energy efficient, a decline in the number of housing transactions and the exhaustion of the stock of offices that can be transformed into dwellings exercise a significant negative effect on the output. On balance a substantial slowing down of the growth rates in residential renovation and maintenance – from 4% in 2018 to 1.5% in 2019 - is expected.

## 3. Non-residential buildings

The economic environment is favourable for new non-residential construction. Household income growth, consumer confidence, rising house prices and low interest rates are stimulating a strong and increasing consumer demand. Foreign demand increased steadily, while low interest rates and solid profits ensure that businesses have little difficulty to find financial means to respond to the growing demand with investments. While most market-oriented sectors continued to expand strongly, the growth acceleration in 2018 was brought about by a significant recovery of sectors relying on public financing.

As a result, non-residential construction has grown some 7.5% last year, with new construction expanding forcefully by 11% and renovation and maintenance increasing solidly by 4%. Due to a slightly weakening dynamic in new construction the construction of total non-residential output will decrease to some 5.5% in 2019.

## 4. Civil engineering

The performance of civil engineering was poor in recent years. However, civil engineering growth will accelerate from some 5% in 2018 to 7.5% in 2019. Expansion is mainly expected in new construction, but the maintenance market will show improvement as well. The main drivers for the improving civil engineering market are the economic growth, a more favourable financial position of local authorities and the construction of large infrastructure projects. Additionally, the government last year devoted €2 billion to combat the increasing mobility problems. The strongest expansion will accordingly take place in new construction of roads and railways.

Furthermore, the climate change will increase the risk of floods, which requires extra investments in water protection. Civil engineering output is also stimulated in the coming years by significant investments in energy networks as a result of the Paris agreement on climate. For instance, the plans of the national government will stimulate the construction of many windmills at sea.

**PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR**

production  
Mln. €  
fixed prices  
variation of production on previous year (%)

Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>52,575</b>	<b>9.8</b>	<b>8.7</b>	<b>6.8</b>	<b>6.7</b>	<b>4.3</b>
	1.1. Housebuilding	28,825	16.3	13.4	9.0	6.2	3.3
	1.1.1. New	13,350	23.8	11.5	12.6	9.0	5.4
	1.1.2. R&M	15,475	10.9	15.0	6.2	3.9	1.5
	1.2. Non residential (c)	23,750	3.7	3.7	4.1	7.3	5.5
	1.2.1. Private	NA	NA	NA	NA	NA	NA
	1.2.2. Public	NA	NA	NA	NA	NA	NA
<b>2.</b>	<b>Civil Engineering</b>	<b>17,650</b>	<b>0.3</b>	<b>-0.9</b>	<b>1.4</b>	<b>5.2</b>	<b>7.5</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>70,225</b>	<b>7.0</b>	<b>6.0</b>	<b>5.3</b>	<b>6.3</b>	<b>5.1</b>

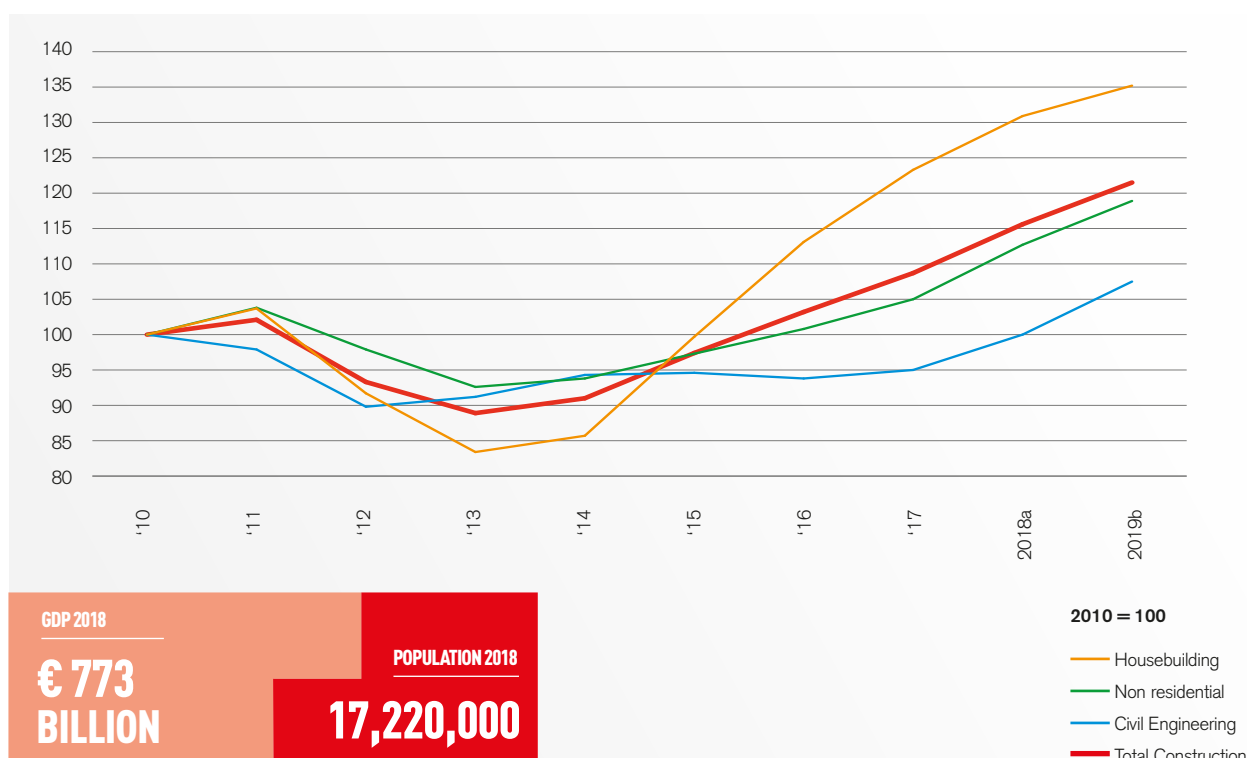
a: estimate - b: forecast - c: incl. R&M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	NA	NA	NA	NA	NA
collective dwelling	NA	NA	NA	NA	NA
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>55,599</b>	<b>53,567</b>	<b>69,741</b>	<b>69,910</b>	<b>75,000</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**



## 1. Overall construction activity

The general economic development is on a steady growth path, which will continue in 2019. GDP in constant prices rose by 3.1% last year and is expected to grow another 2.8% in 2019. Since 2009, GDP growth rates in fixed prices amount to 37%, compared to only 15% in the EU-28. A similar development can be observed in the construction sector, where the accumulated growth was 12%, compared to 4% in the EU-28.

Nevertheless, growth of construction investment has slowed down in the past 15 years. Figures show a rise in fixed prices of 3.3% in 2017 and of 5.8% last year, compared to rates between 7% and 12% until 2009. Construction investment is expected to grow at a rate of about 5% in 2019, nearly double the rate of GDP-growth. The volume of total construction investment will reach €53.8 billion. The share of GDP, used for construction activity, will be at about 10%.

Due to the slowdown in output and high competition, construction prices fell by 10% from 2012 until 2016. In 2017 a significant growth of 2% was recorded and an even higher rate of 5% last year. Another 4% rise is likely to be seen in 2019.

## 2. Housebuilding

Last year the number of permits for houses and flats was only slightly higher than 2017, the total figure rising to 257,000 units. Growth was only observed in the market for collective dwellings, constructed by developers and investors. One and two family dwellings for private households showed a stagnation. The complete residential market has been in a highly volatile development for years. Since 2014 the market has seen rises and falls both in the double digit figures.

Demand for new houses should be stimulated by growing employment and wages, low interest rates and a high profitability of home rental, compared to other forms of fund allocations. Nevertheless, production fell in 2018 whereas on the other hand sales of those houses reached a new all-time high. It seems that potential house owners prefer to buy existing houses rather than build a new one.

The government programme "Home for the Young", initiated in 2014, will be substituted with a new programme for activation of residential construction called "Flat Plus" this year. In addition to the construction of houses with cheap rents, the government plans to support social housing as well as subsidies for housing savings.

In 2019, investment into new residential construction will see a recovery with a growth rate of about 3.5% and investment into the existing housing stock at nearly the same rate with 3%. With a share of only 38% the influence of residential construction on the overall construction activity is much smaller than in Western Europe with 51%.

## 3. Non-residential buildings

Investment in this sector showed a significant increase of more than 10% last year which will reduce to a growth rate of 4% in 2019.

Corporate investments will be driven by a very favourable situation of the companies, because they are able to finance these investments from their own sources. Parallel, access to loans with low interest rates is no problem. The development is as well supported by a stable economic development and a positive consumer mood. A vast majority of the investment will still be based on foreign capital, especially from America.

The growing importance of e-commerce is creating a higher demand for warehouse facilities. Production of storage buildings is likely to expand by nearly 10%. On the other hand, supply is higher than demand in some regions and building categories, which results in decreasing rents and rising vacancy rates.

Polish railways have announced a programme to either renovate or replace about 200 railway stations which need modernising. The cost of this programme is estimated at €350 million.

For years, public sector investment was heavily related to the absorption of EU-funds. This will continue in 2019. All in all, Poland will receive more than €70 billion from the EU funds in the years 2014 until 2020. In 2018 the investment into buildings for education and health will dominate the development with growth rates in the double digit figures.

## 4. Civil engineering

In 2015 and 2016 the civil engineering sector experienced a sharp downfall of nearly 15%. To some extent, this was based on the effect that the government could not realise plans for the use of money from EU funds. This problem was solved and the production in civil engineering grew by 25% in the past two years. 2019 will see another rise of nearly 8%.

In 2019, local governments will receive about €1.5 billion from the federal government in order to build local roads. This is part of a plan that reaches until 2028 and is going to provide the municipalities with a total sum of nearly €9 billion. Additionally, works on the A2, A4 and A18 motorways will continue, as the absorption of money from EU funds is making more and more progress.

The government is planning the creation of a railway network, connecting 120 cities with 13 million inhabitants, to ensure that all residents are within a 30 km distance of a train station. Furthermore, high-speed rail lines are to be build. This will produce the need of restructuring the rail traffic. The complete investment sum until 2023 is announced to reach a volume of €15 billion.

### PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production  
Mln. €  
fixed prices

variation of production on previous year (%)

Sectors	2018a	2015	2016	2017	2018a	2019b
<b>1. Building</b>	<b>31,400</b>	<b>6.5</b>	<b>-10.8</b>	<b>0.3</b>	<b>1.9</b>	<b>3.5</b>
1.1. Housebuilding	11,900	-11.5	-3.2	19.3	-12.5	3.4
1.1.1. New	8,500	-9.6	5.9	11.1	-15.0	3.5
1.1.2. R&M	3,400	-15.4	-27.3	50.0	-5.6	2.9
1.2. Non residential (c)	19,500	18.9	-14.6	-10.9	13.4	3.6
1.2.1. Private	NA	NA	NA	NA	NA	NA
1.2.2. Public	NA	NA	NA	NA	NA	NA
<b>2. Civil Engineering</b>	<b>16,500</b>	<b>-7.1</b>	<b>-9.0</b>	<b>10.7</b>	<b>13.8</b>	<b>7.9</b>
<b>(1 + 2) Total Construction</b>	<b>47,900</b>	<b>2.2</b>	<b>-10.3</b>	<b>3.4</b>	<b>5.7</b>	<b>5.0</b>

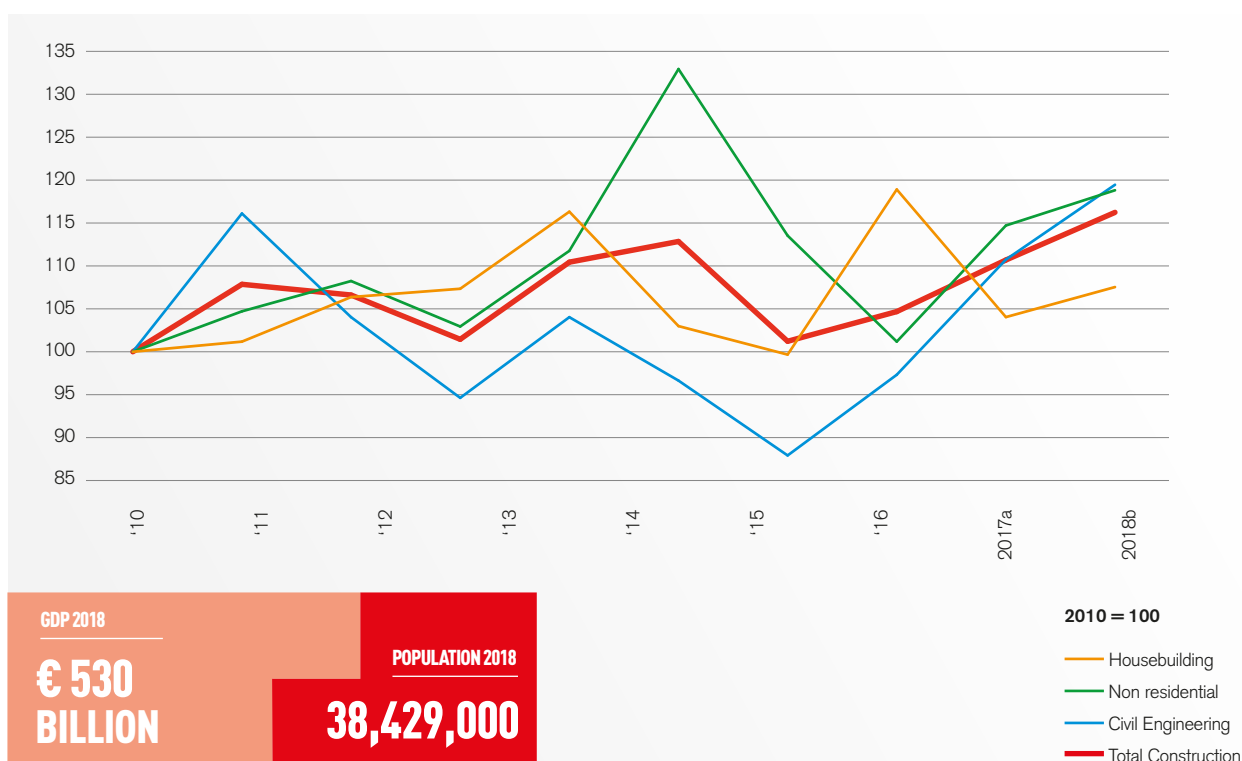
a: estimate - b: forecast - c: incl. R&M

### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	87,736	98,450	114,864	97,149	95,000
collective dwelling	101,062	113,035	136,042	159,923	160,000
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>188,798</b>	<b>211,485</b>	<b>250,906</b>	<b>257,072</b>	<b>255,000</b>

(Collective dwellings and other types of buildings: in number of flats)

### CONSTRUCTION PRODUCTION



## 1. Overall construction activity

In 2018, GDP grew by 2.1% (-0.7% than the year before). The main reason for this lower pace is that investment grew by only 3.9% in 2018, after an evolution of 9.2% in 2017.

For the coming years, the economy should continue to run positively, but at a progressively lower pace. The Bank of Portugal points to GDP growth rates of 1.8%, 1.7% and 1.6% over the next three years.

In line with the economic evolution, labour market conditions improved in 2018, with an increase in total employment (+2.3%) and a reduction in the unemployment rate of the economy, from 8.9% in 2017 to 7% in 2018, the lowest rate registered since 2005. In 2019, total employment is expected to grow by 1.2%, while the unemployment rate should decrease from 7% to 6.2%.

According to FEPICOP estimates, construction sector production should have amounted to more than €12 billion in 2018 (+3.5% compared to 2017).

According to the National Statistics Institute, investment in construction grew by 2.7% in real terms from Q1 to Q3 2018, showing a significant slowdown against the same period of the previous year, when the comparative increase of this variable reached 8.9%.

Construction sector employment decreased along the year, from an average of 307,500 workers in 2017 to 307,000 in 2018. At the same time, construction unemployment decreased in 2018 (-26%). According to data provided by the Institute of Employment and Vocational Training (IEFP), 26,127 unemployed people from the construction sector were registered at the end of the year, representing 8.5% of the total unemployed persons (306,600).

Construction sector production is expected to increase by 4% in 2019, performing slightly better than in 2018.

## 2. Housebuilding

Housebuilding production should have exceeded €3.2 billion in 2018, increasing by 7% compared to 2017.

In 2018, rehabilitation and maintenance (R&M) was the most dynamic component, due to the strong dynamism in the transactions of residential buildings. Thus, it grew by around 10%, to an amount of €1.3 billion, while new residential production is expected to have increased by 5.2%, to €1.9 billion.

In 2018, new housing permits grew sharply (+40%). Almost 20,000 new housing permits were issued, the most for the last 8 years. The number of completed houses also grew sharply (+42%).

This evolution is in line with the very dynamic performance of the real estate market, reflected in sharp increases in housing sales. In 2017, there were 153,300 house transactions, 85% of which were "second hand". From

Q1 to Q3 2018, there was an increase of 19% in the total number of sales, with a higher increase in the transactions of "second hand" houses (+20.5%).

In 2019, housebuilding is forecast to grow by 7.5%, mainly due to the increased activity in new construction. As a result of the very positive evolution in the number of new building permits, new housebuilding is expected to rise sharply (+9.3% in 2019, after +5.2% in 2018). In contrast, R&M is expected to grow at lower pace (+4.8% in 2019, after +9.7% in 2018).

## 3. Non-residential buildings

Non-residential output amounted to €3.1 billion in 2018, as a result of a 2.8% growth compared to 2017.

The public component recorded 4% growth in 2018 (compared to 2% for the private component), benefiting from the public investment recovery. The amount of public investment should have reached €4.3 billion in 2018, reflecting a growth rate of 3.6% over the previous year. In volume terms, the private component reached €1.9 billion in 2018, while the public component amounted to €1.2 billion.

Non-residential building permits registered a significant increase in 2018 (+13% m<sup>2</sup>, up to the end of November). The areas licensed for industry, "non-market use" and for trade purposes registered the highest increases (+25%, +32% and +59%, respectively), while the areas approved for transport and logistics and for "general utilisation" decreased (-72% and -16%, respectively). In 2018, industrial buildings were the main type for which permits were issued (40% of the total surface).

Non-residential production is expected to grow again in 2019 (+2.4% in volume), a more moderate evolution than last year, mainly due to a smaller increase in its public component (+3% in 2019). Private non-residential production is expected to maintain the same pace as last year.

## 4. Civil engineering

Civil engineering production increased by 2% in 2018 and its output amounted to €5.7 billion. This scenario reflects a sharp slowdown compared to 2017 (+6%).

Along 2018, the performance of the public works market was weaker than in the previous year, since the number and the value of bids decreased when compared with 2017 figures (-18% and -7.3% respectively). In what concerns public contracts, its total value increased by 2.5% in comparative terms, while its number dropped 41%.

For 2019, the evolution of the civil engineering segment is expected to be positive (+3% - compared to +2% in 2018). The main contribution to this optimistic forecast comes from the expected increase in public investment and from a more intensive use of the Portugal 2020 funds, the availability of which comes to an end.



**PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR**

production  
Mln. €  
fixed prices  
variation of production on previous year (%)

Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>6,331</b>	<b>2.1</b>	<b>1.4</b>	<b>5.8</b>	<b>4.9</b>	<b>5.0</b>
	1.1. Housebuilding	3,214	2.5	5.0	8.0	7.0	7.5
	1.1.1. New	1,928	1.7	2.6	4.6	5.2	9.3
	1.1.2. R&M	1,285	4.0	9.4	13.8	9.7	4.8
	1.2. Non residential (c)	3,118	1.7	-1.7	3.7	2.8	2.4
	1.2.1. Private	1,934	1.5	1.0	3.0	2.0	2.0
	1.2.2. Public	1,184	2.0	-6.0	5.0	4.0	3.0
<b>2.</b>	<b>Civil Engineering</b>	<b>5,661</b>	<b>1.0</b>	<b>-8.0</b>	<b>6.0</b>	<b>2.0</b>	<b>3.0</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>11,993</b>	<b>1.5</b>	<b>-3.3</b>	<b>5.9</b>	<b>3.5</b>	<b>4.0</b>

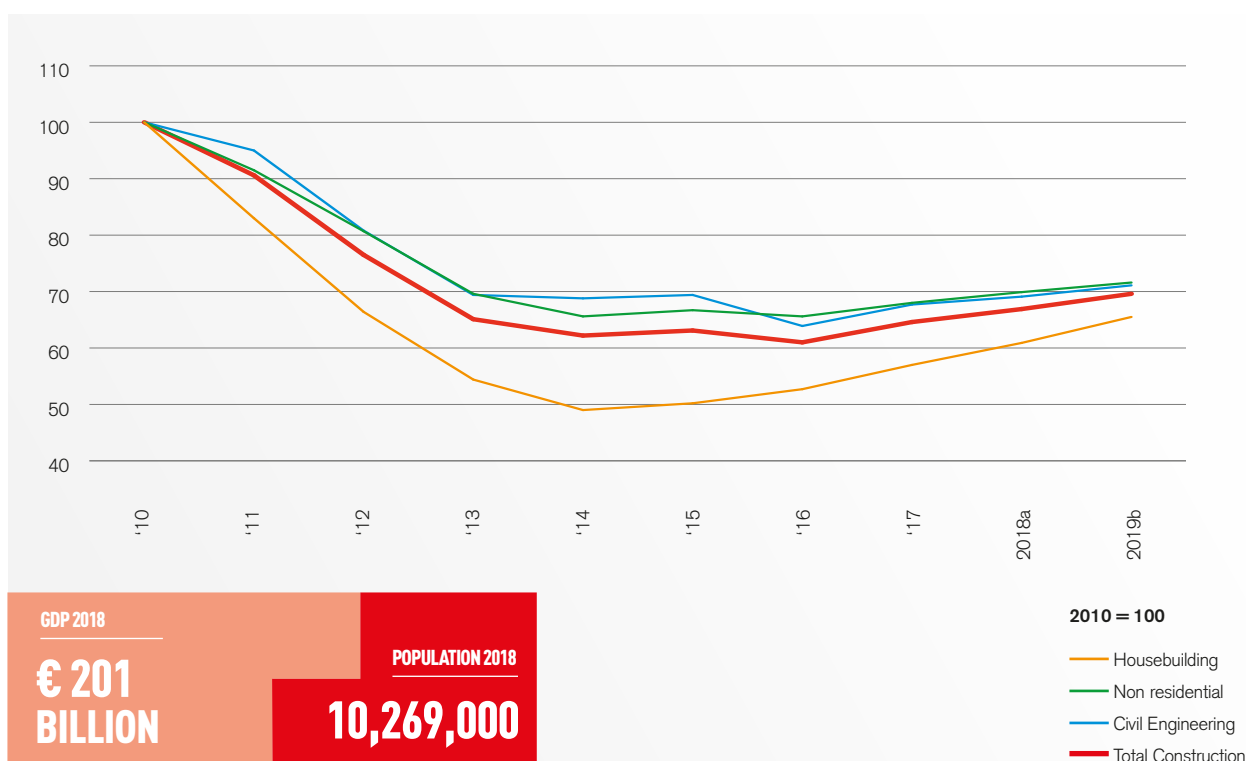
a: estimate - b: forecast - c: incl. R&M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	6,033	7,322	8,728	11,465	13,521
collective dwelling	2,350	4,236	5,415	8,303	10,200
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>8,383</b>	<b>11,558</b>	<b>14,143</b>	<b>19,768</b>	<b>23,721</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**



## 1. Overall construction activity

The construction industry declined in 2018 compared to 2017. It reached €8.5 billion in output volume against €8.6 billion in 2017 (-4.1%). In December 2018, the volume of construction works increased by 15.5% compared to November 2018. Investments in new constructions accounted for 44.9% in 2018 compared to the same period in 2017 when it reached a 47.3% share.

In December 2018, compared to December 2017, the volume of construction works decreased by 6.5%. Structural elements recorded decreases in new construction works (-12.7%), capital repair works (-6.2%) and increases in maintenance and repair works by 12.3%. As regards the various construction segments, the volume of works increased by 0.4% in civil engineering and by 20.8% in non-residential buildings. Residential buildings registered a decrease of 3.3%.

In 2018, compared with 2017, the volume of construction works decreased by a total of 4.1%.

For structural elements:

- New construction declined by 8.4%
- Capital repairs increased by 1.5%
- Current maintenance and repairs increased by 7.9%

Volume of construction works in construction segments:

- Residential buildings declined by 23.6%.
- Non-residential buildings declined by 5.5%.
- Engineering construction increased by 8%.

Against the backdrop of lower output in the construction sector than in 2017, the average number of employees in the sector was 385,300, almost the same as in 2017, when there were 384,600 people. The gross average income in 2018 was €713, compared to €520 in 2017, which is due to the passage of labor-related social contributions from the employers to the employees. The lower number of works in 2018 due to a low volume of investment has also highlighted an acute manifestation of a labour force crisis faced by this sector of activity. For 2019, it is estimated that this crisis will become even more acutely.

Construction cost indices, by structural elements and by building types:

Total construction: 104.3% (2018/2017)

From which:

- Cost of material 103.3%

On structural elements:

- new constructions 105.2%
- residential buildings 105.6%
- non-residential buildings 103.8%
- civil engineering 104.6%

## 2. Housebuilding

In December 2018, the volume of construction works in residential buildings has declined by 3.3% compared to December 2017, but increased by 30.4% compared to November 2018. In 2018, 42,904 building permits were issued for residential buildings compared to 2017, when 41,807 permits were issued.

## 3. Non-residential buildings

In December 2018, the volume of non-residential buildings declined by 20.8% compared to December 2017, but has increased 17.9% from November 2018. In 2018, compared to 2017, the volume of non-residential buildings decreased by 5.5%.

## 4. Civil engineering

The volume of civil engineering works increased by 8% in 2018 compared to the previous year. In December 2018 there was an increase of 0.4% compared to December 2017 and 9.1% compared to November 2018. Similar to the year 2017, the low level of public works funding in 2018 resulted in the realisation of a small number of objectives in large infrastructure programs.

Completed works:

- Works at the 5th Metro Station by commissioning the depot, the liaison grid with the Straulesti station and the intermodal passenger terminal.
- Timisoara - Lugoj - Lot 2 Highway: 25.6 km
- Transilvania - Ungheni - Ogra Highway: 13.7 km
- Bucharest - Brasov - Bucharest Highway Section Ploiesti - Bucharest
- The bypass variant of Carei City
- Integrated waste system for Ploiesti Municipality
- The 3rd hydropower plant (12 MW) of the Strei river Hydropower facility

News contracts were signed:

- Craiova - Pitesti Express Road - 3 lots
- Bucharest South Motorway - lot no.3
- The Belt of Timisoara Municipality





### PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production  
Mln. €  
fixed prices

variation of production on previous year (%)

Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>4,030</b>	<b>-4.9</b>	<b>6.1</b>	<b>19.0</b>	<b>-15.9</b>	<b>5.2</b>
	1.1. Housebuilding	1,887	-12.2	12.0	34.5	-26.9	-7.3
	1.1.1. New	1,017	-28.6	12.1	88.4	-42.9	-21.3
	1.1.2. R&M	870	13.0	11.8	-17.8	8.8	9.2
	1.2. Non residential (c)	2,143	2.1	1.3	4.9	-3.2	16.2
	1.2.1. Private	1,930	-2.3	3.7	12.4	6.6	3.1
	1.2.2. Public	213	17.3	-5.7	-19.2	-47.3	134.7
<b>2.</b>	<b>Civil Engineering</b>	<b>4,470</b>	<b>21.9</b>	<b>-11.6</b>	<b>-23.8</b>	<b>9.8</b>	<b>11.9</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>8,500</b>	<b>9.9</b>	<b>-4.8</b>	<b>-5.4</b>	<b>-4.1</b>	<b>8.7</b>

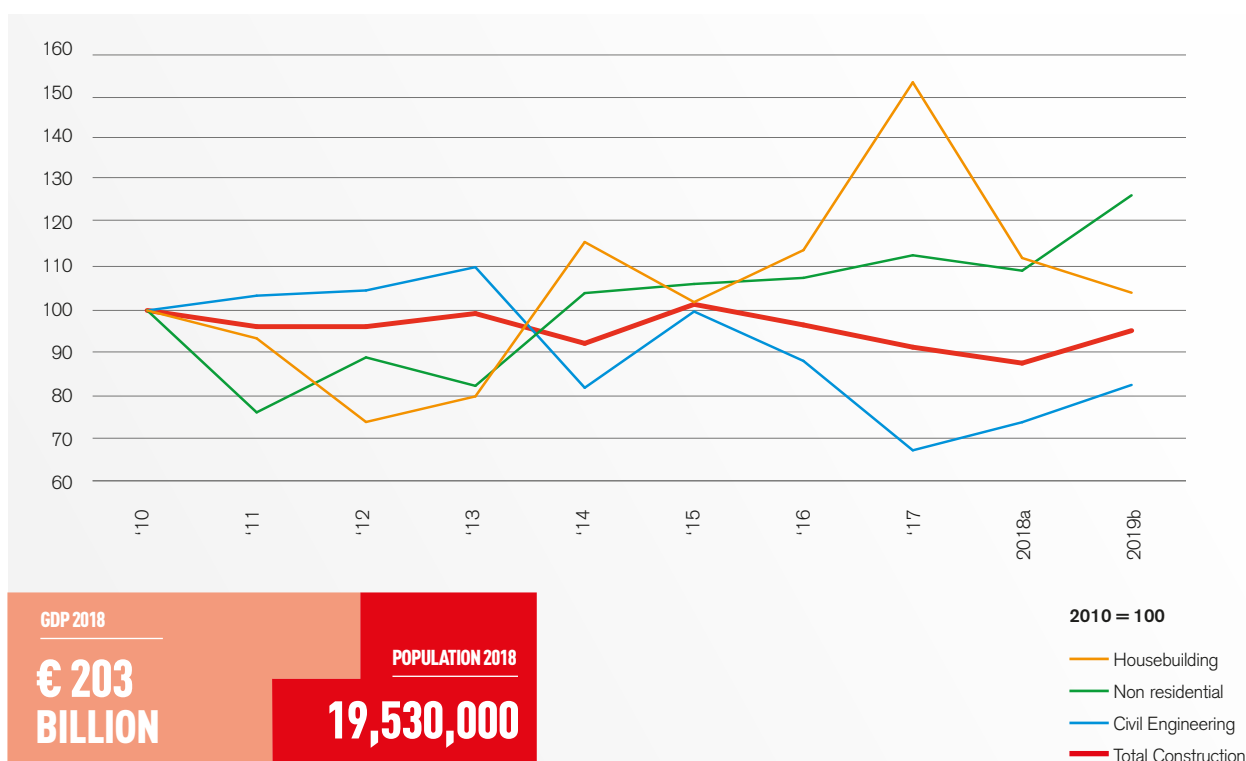
a: estimate - b: forecast - c: incl. R&M

### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	39,112	38,653	41,612	42,694	43,500
collective dwelling	188	73	195	210	230
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>39,300</b>	<b>38,726</b>	<b>41,807</b>	<b>42,904</b>	<b>43,730</b>

(Collective dwellings and other types of buildings: in number of flats)

### CONSTRUCTION PRODUCTION



## 1. Overall construction activity

The outlook for the Swedish economy has turned from bright to gloomy in just a few months. Foreign trade is sluggish, and the upturn in Europe is weakening and will not give the same positive support to the Swedish export during 2019 as it did in the beginning of last year. The main driver for the Swedish economy in recent years, i.e. the demand from the domestic market, is weakening. A sharp decrease in residential construction and households that have tightened their spending will dampen the Swedish GDP growth from 2.1% last year to 1.9% in 2019.

The GDP slowdown is to some extent due to a decreasing residential construction. This implies that total construction investments will begin to drop in 2019. Last year construction investment began to slow down due to decreasing investments in residential construction. This year, it is still the residential investments that are the main obstacle due to the sharp fall of the housing starts. All in all, the total construction investments will decrease by 3% in 2019. Employment-wise, 2018 was quite a strong year and within this time construction employment grew by 3.4%. However, the positive employment growth will stop, and the employment level will remain unchanged in 2019 due to the weaker construction market in the housebuilding sector.

## 2. Housebuilding

Residential investments fell during Q3 2018 after rising in 21 consecutive quarters. Decreasing investments in multi-family dwellings were the main factor to the decline in the sector. The decline will continue throughout the forecast period, as a result of tight credit restrictions on mortgages which was introduced in 2017.

For newly constructed buildings the forecast is 52,000 dwelling starts in 2018 and an expected 42,500 this year. Expressed in investment terms this means that new construction fell by 5% last year and will continue to decrease by 16% this year.

The repair and maintenance investment increased by 4% in 2018. The main reason for this was increased investment from the private and public property owners regarding renovation of rental properties. This positive development is

expected to continue during 2019. All in all, total investment in housebuilding decreased by 2% last year, and will continue to decrease by 9% in 2019.

## 3. Non-residential buildings

The market-oriented construction of non-residential buildings only increased slightly last year despite the booming economy in Sweden. It was mainly increasing investment in the commercial and real estate sector that gave the sector a positive growth. The reason for the weak growth was that some tax proposals from the government during 2017 provided an uncertainty in the real estate sector, which hampered the growth conditions. This uncertainty no longer exists but instead it is the overall slowdown in the Swedish economy that causes the investments to level out during 2019.

According to the local authorities and regions, the combined plans in the Swedish municipalities is to build 250 sports facilities, 400 schools and 750 pre-schools between 2018-2021. This is one of the reasons for continued growth for public investment in non-residential buildings. Another important reason for continuous growth is that the municipalities still have the economy to go forward with most of their plans. Overall, total investment in non-residential buildings increased by 10% in 2018, and will continue to increase by 5% in 2019.

## 4. Civil engineering

The civil engineering investment had a relatively good growth rate last year. It was the private investment in the sectors of energy, transport and telecommunications that gave a positive impact in the civil engineering sector. This year, investments in energy will decline, but a strong increase in the sectors of transport and telecommunications will lead to investment in the private civil engineering sector increasing by 3% in 2019. The public civil engineering investment had a positive growth rate in 2018 due to increasing investments in roads and streets. The public sector investments will continue to go up this year thanks to increased public spending on infrastructure. Total civil engineering investments rose by 6% last year and will continue to increase by 4% in 2019.



**PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR**

production  
Mln. €  
fixed prices  
variation of production on previous year (%)

Sectors	2018a	2015	2016	2017	2018a	2019b
<b>1. Building</b>	<b>45,271</b>	<b>10.5</b>	<b>10.0</b>	<b>9.9</b>	<b>2.6</b>	<b>-4.6</b>
1.1. Housebuilding	26,847	18.0	10.9	11.6	-0.7	-9.2
1.1.1. New	16,137	25.9	20.1	13.8	-2.2	-16.2
1.1.2. R&M	10,710	9.9	0.1	8.2	1.6	1.5
1.2. Non residential (c)	18,424	1.7	8.9	7.4	7.7	1.9
1.2.1. Private	10,951	3.4	7.4	2.9	6.6	-0.3
1.2.2. Public	7,473	-1.4	11.5	14.8	9.4	5.0
<b>2. Civil Engineering</b>	<b>9,478</b>	<b>1.7</b>	<b>-1.8</b>	<b>-0.1</b>	<b>5.3</b>	<b>3.9</b>
<b>(1 + 2) Total Construction</b>	<b>54,749</b>	<b>8.6</b>	<b>7.7</b>	<b>8.1</b>	<b>3.0</b>	<b>-3.2</b>

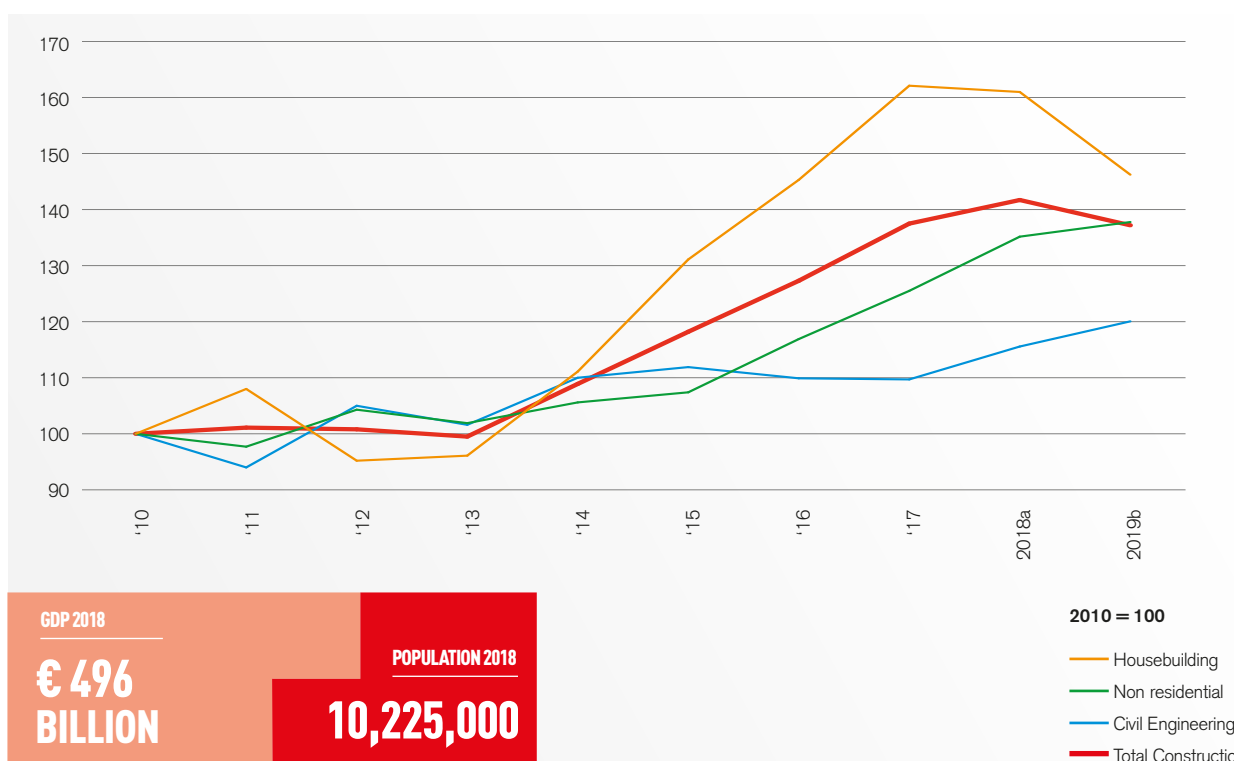
a: estimate - b: forecast - c: incl. R&M.

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	11,786	14,469	14,078	11,900	10,000
collective dwelling	36,830	45,044	50,750	48,200	38,000
other types of dwelling	7,744	5,864	6,134	6,200	6,000
<b>Total</b>	<b>56,360</b>	<b>65,377</b>	<b>70,961</b>	<b>66,300</b>	<b>54,000</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**



## 1. Overall construction activity

The strong growth of activity in the service and construction sectors continued in 2018 while growth of activity in manufacturing remained lower than in 2017. Activity in sectors that are more dependent on domestic demand continued to rise rapidly in recent months. Amid increased investment by the government and municipalities, the strong growth in construction mainly arose from the civil-engineering works segment. The continuation of turnover growth in trade continued to be supported by growth in household disposable income, rising consumer loans, higher spending by foreign tourists and vigorous construction investment. All of this also fostered turnover growth in other service activities.

After acceleration in 2017, a slight moderation of economic growth in 2018 was recorded reaching value of +4.4%. Economic growth of 3.7% is expected in 2019.

In 2018 employment continued to rise (2.8%), despite the increasing shortage of appropriately skilled workers. Difficulties in finding workers on the domestic labour market is reflected in the increasing number of foreign nationals being hired. The number of registered unemployed persons declined by 11.5% in 2018 while wages grew by 3.3%. In 2019, further growth in employment in most activities is expected, but is expected to ease due to the decreasing pool of labour. 1.3% growth of employment is expected. Growth in wages will continue, reflecting favourable economic developments and the increasingly limited supply of skilled labour.

The last quarter of 2018 saw further growth in the net wage bill, social transfers (including pensions) and new consumer loans. This encouraged households to increase spending in several segments (particularly on durable goods, accommodation and food services).

In 2018, growth of construction activity continued, particularly in the segment of civil-engineering works. Growth was related to higher investment by the government, municipalities and infrastructure companies, which was reflected by the strong growth in the segment of civil-engineering works. The construction of buildings, having strengthened significantly towards the end of 2017, stabilised at a somewhat lower level in the last months of 2018, though still higher than in the same period of 2017. Amid signs of labour shortages, the high growth of activity also showed an upward pressure on prices.

A significant 19.9% was achieved in 2018 in overall growth of construction works. It was the second consecutive year with very high growth after an extremely low volume of construction works executed in 2016. Consequently, the volume of construction works in absolute numbers is approaching the long-term sustainable values for the

Slovenian economy. Growth in buildings was 17%. Demand for residential and non-residential buildings remains high due to favourable economic conditions, growing purchasing power and available bank credits. Civil engineering reached a 21.2% growth due to intensive state investments in traffic infrastructure.

Growth of construction market led to higher employment in the construction industry of 5.3% and wage growth of 4.2% in 2018. In 2019, slight decline of construction activity is expected due to a relatively high level of construction work achieved in 2018 and the increased prices in housebuilding. The investments in construction of the state infrastructure will remain unchanged while private investors (industry, trade, citizens) would become less optimistic. We estimate total decline of the construction market in 2019 to be at 3%. Limiting factors will be the building permissions according to new construction law and the available capacities of the construction industry, especially labour force.

## 2. Housebuilding

In 2018, a 10.4% growth on works in the residential buildings sector was recorded and what was already the third consecutive year of intensive growth. Growth of employment, available new jobs and available loans on the banks were maintaining optimism on housing market, even though prices of new housing grew.

Slight decline of housebuilding of about 1% is expected in 2019.

## 3. Non-residential buildings

In 2018, non-residential buildings recorded growth of 19.1%. It was the consequence of increased investment activity in the public as well as the private sector based on raised economic optimism in Slovenia. In 2019, we expect a decline on non-residential buildings by 5%, due to reduced optimism among private investors especially those who are active on the main export markets.

## 4. Civil engineering

Civil engineering reached 21.2% growth, what was the second consequent year of intensive growth (+14.4% in 2017). After the extremely low public investment activity in 2016, intensive growth in 2017 and 2018 began due to an increased EU funding from the 2014-2020 financial framework and a better financial situation of the state helping to reach the long term sustainable volume of investments in infrastructure. National Plans for Infrastructure for 2019 will remain unchanged compared to 2018 and therefore we do not expect any changes of the production volume.

**PER CENT VARIATION OF PRODUCTION IN REAL  
TERMS OF PREVIOUS YEAR**

 production  
Mln, €  
fixed prices

variation of production on previous year (%)

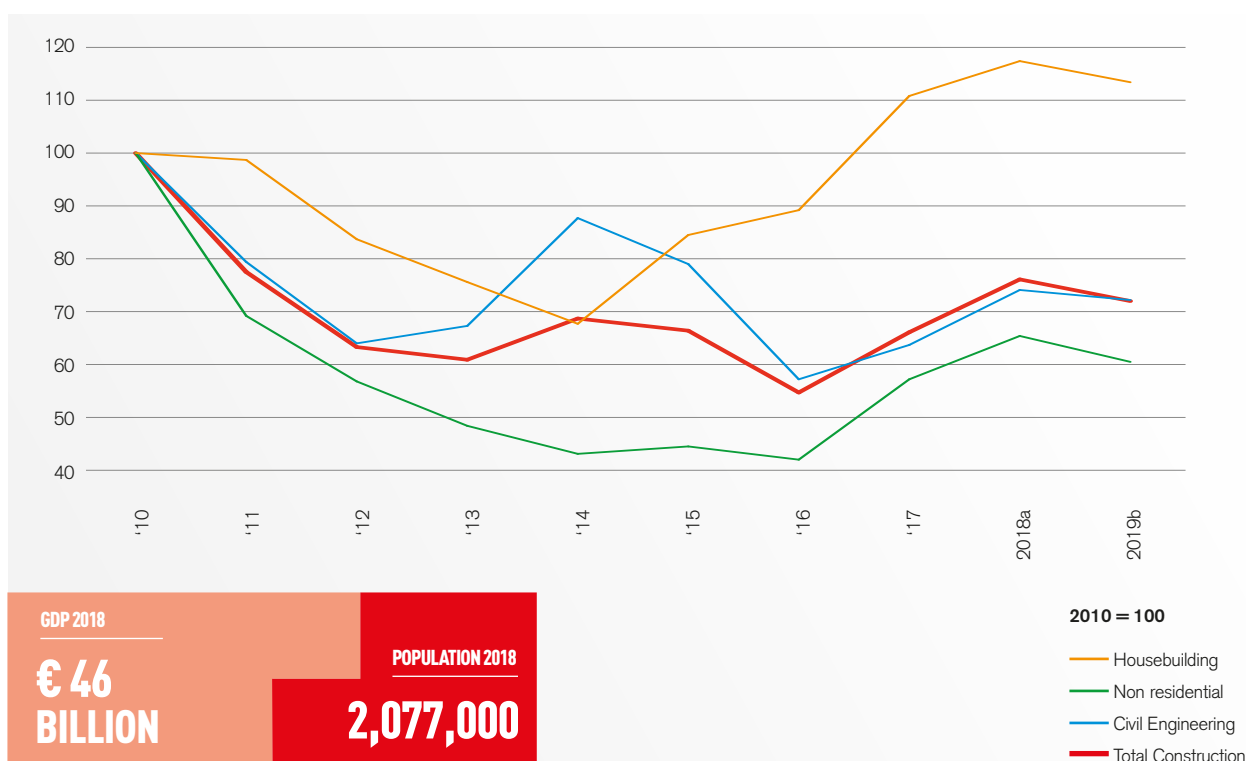
Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1,</b>	<b>Building</b>	<b>951</b>	<b>9.5</b>	<b>-1.7</b>	<b>31.8</b>	<b>12.3</b>	<b>-6.9</b>
	1.1. Housebuilding	310	24.8	5.6	24.2	6.0	-3.5
	1.1.1. New	178	24.3	0.0	50.7	6.0	-5.6
	1.1.2. R&M	132	25.2	11.2	0.4	6.0	-0.7
	1.2. Non residential (c)	633	3.2	-5.5	36.1	14.3	-7.5
	1.2.1. Private	NA	NA	NA	NA	NA	NA
	1.2.2. Public	NA	NA	NA	NA	NA	NA
<b>2,</b>	<b>Civil Engineering</b>	<b>973</b>	<b>-9.9</b>	<b>-27.7</b>	<b>11.4</b>	<b>16.3</b>	<b>-2.6</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>1,924</b>	<b>-3.3</b>	<b>-17.6</b>	<b>20.8</b>	<b>14.3</b>	<b>-4.8</b>

a: estimate - b: forecast - c: incl, R&amp;M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	2,330	2,454	2,540	2,586	2,638
collective dwelling	247	359	470	786	825
other types of dwelling	18	21	11	15	16
<b>Total</b>	<b>2,595</b>	<b>2,834</b>	<b>2,919</b>	<b>3,114</b>	<b>3,479</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**


### 1. Overall construction activity

The United Kingdom's economy continued to grow in 2018, albeit at an increasingly slower pace than in previous years. The Office for Budget Responsibility (OBR) predicted that the UK's GDP grew by 1.3% in 2018 down from 1.7% in 2017, 2% in 2016 and 2.5% in 2015.

However, the OBR also forecasts that the UK's GDP will grow by 1.6% in 2019, 1.4% in 2020 and 2021, 1.5% in 2022 and 1.6% in 2023.

Unemployment continued to fall throughout 2018 to a record low of 4% compared to 4.3% in 2017, 4.8% in 2016 and 5.1% in 2015.

After the House of Commons rejected the withdrawal agreement negotiated between the Prime Minister and the European Union, there is much uncertainty amongst businesses about what the future holds.

Without a withdrawal agreement in place, the United Kingdom is heading for reversion to WTO rules from 30th March 2019 when it officially leaves the European Union. Although the majority of parliamentarians are against the prospect of the country leaving the European Union without a deal, there does not seem to be any conclusive majority for any alternative course of action.

### 2. Housebuilding

The shortage of housing showed no signs of easing in 2018, with the demand for homes continuing to outstrip supply. The average house price in the country has gone up from £224,287 in November 2017 to £230,630 in November 2018.

The Ministry for Housing, Communities and Local Government reported that 222,194 new homes were built in 2017-2018, up from 217,345 in 2016-2017. These figures still fall far short of the 300,000 homes a year that are needed to tackle the housing crisis.

### 3. Non-residential buildings

Construction output for non-residential building amounted to €75.69 billion in 2018, up from €75.34 billion in 2017. Overall, €57.74 billion came from the private sector and €17.94 billion came from the public sector.

### 4. Civil engineering

Infrastructure output across 2018 increased to €34.22 billion from €32.22 billion in 2017.



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**PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR**

production  
Mln. €  
fixed prices  
variation of production on previous year (%)

Sectors	2018a	2015	2016	2017	2018a	2019b
<b>1. Building</b>	<b>159,617</b>	<b>3.6</b>	<b>10.9</b>	<b>7.0</b>	<b>2.8</b>	<b>NA</b>
1.1. Housebuilding	83,923	4.4	9.4	12.2	5.0	NA
1.1.1. New	49,852	6.1	13.5	15.1	8.2	NA
1.1.2. R&M	34,071	2.6	4.7	8.4	0.6	NA
1.2. Non residential (c)	75,694	2.7	12.3	2.1	0.5	NA
1.2.1. Private	57,745	5.0	15.0	2.4	1.4	NA
1.2.2. Public	17,949	-3.1	4.5	1.1	-2.3	NA
<b>2. Civil Engineering</b>	<b>34,394</b>	<b>12.2</b>	<b>-2.2</b>	<b>7.7</b>	<b>6.7</b>	<b>NA</b>
<b>(1 + 2) Total Construction</b>	<b>194,011</b>	<b>5.1</b>	<b>8.4</b>	<b>7.1</b>	<b>3.5</b>	<b>NA</b>

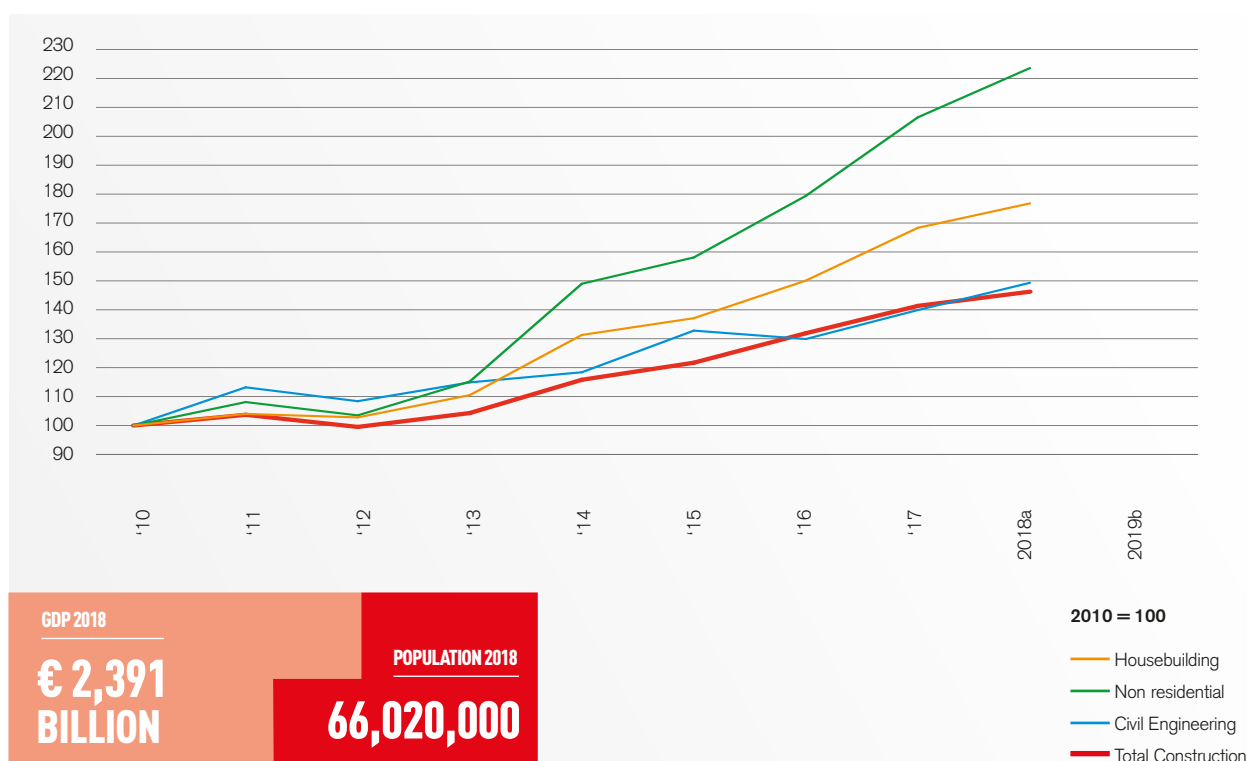
a: estimate - b: forecast - c: incl. R&M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	127,400	128,600	133,000	135,000	NA
collective dwelling	43,100	41,400	43,000	45,000	NA
other types of dwelling	NA	NA	NA	NA	NA
<b>Total</b>	<b>170,500</b>	<b>170,000</b>	<b>176,000</b>	<b>180,000</b>	<b>NA</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**



## 1. Overall construction activity

Construction activity boomed in 2017 along with a significant improvement in the economic outlook. The Norwegian economy seems to have passed the setback caused by the oil price dropping to \$30 a barrel in early 2016. Even though the oil price was twice this level by the end of 2017, it was far from the pre-crisis level. GDP mainland Norway (excl. petroleum sector) grew by 2% in 2017 after poor growth of 1.1% in 2016. Growth is also estimated at 2% in 2018, and then forecasted to be around 2.7% in 2019.

Total construction amounted to €50.9 billion with 5.8% growth in 2017. The historically low interest rates and strong growth in public investments stimulated construction activity. In the coming years, growth is expected to slow down. Estimated construction activity in 2018 suggests 1.4% growth, driven by civil engineering only, as activity in residential buildings fell from the year before and non-residential remained unchanged. This trend is likely to continue in 2019, when growth is forecasted to reach 3.6%. Activity in 2018 is estimated to be €52.8 billion and the forecast for 2019 is €54.2 billion.

There were 220,000 people employed in construction in 2018, of which 21,000 were self-employed. Latest estimates suggest that total employment in construction increased by 4.8% in 2018 and is forecasted to grow by 4.6% in 2019.

## 2. Housebuilding

In 2018, building permits amounted to 34,500 units and starts to 31,500 units. Housing starts fell by almost 11% from 2017 and were 13% below the level of 2016, which was the year with the most housing starts since 1982. As residential units take approximately one to two years to build, the high level of starts in 2016 and 2017 will eventually lead to increased completion rates. The rise in housing completions began after summer 2018 and continued throughout the autumn. The higher supply triggered a fall in housing prices from August to December. As a result, the annual growth in housing prices was negligible even though prices grew moderately during H1 2018.

Both housing starts and sales of new houses fell less than expected in 2018. This may imply that housing demand is still strong, in despite of lower population growth and rising interest rates in 2018. It also suggests that the continuation of the mortgage rules from 2017 is well implemented in the market. The forecast for 2019, on the other hand, suggests a decline in housing starts of 9.5%, which amounts to 28,500 new units. Building permits are forecasted to be 31,000 units, a decrease of 10%.

New residential construction (dwellings, garages and holiday homes) amounted to €13.9 billion in 2017 and €12.9

billion in 2018. The estimated decline in 2018 is 9.8%. The forecast for 2019 is also weak. Activity is expected to drop by 8.4%. Growth is also forecasted to be weaker in the market for residential renovation and maintenance (R&M) in 2019. Residential R&M grew by 1.8% in 2018, from €7.1 billion in 2017 to €7.4 billion in 2018. In 2019, residential R&M is forecasted to grow by 1.3%.

## 3. Non-residential buildings

The market for non-residential buildings amounted to €16.7 billion and 2.6% growth in 2017. The private sector grew by 4.7%, while public sector build declined by 0.4%. The strong growth in private sector build may seem attributable to the tendency to demolish relatively new buildings and build new ones, rather than renovate existing buildings. Although the economic projections for the coming years are good, we expect less growth in this kind of activity in the business sector, and therefore growth in private sector build is likely to slow down. In 2018, the public sector reduced its counter-cyclical measures which slowed down R&M activity. The extraordinary governmental grants of €135 million awarded in 2016-2017 to fund R&M of public buildings, has left the activity level in the public sector at a high level, leaving very little room for further growth. As a result, overall activity in non-residential build is estimated to decline by 0.1% in 2018, the equivalent of €17 billion.

A few large public projects in the health sector will cause strong growth in public sector activity in 2019. Overall activity in the private sector, however, is likely to grow moderately. Total non-residential building activity is thus forecasted to grow by 5% in 2019.

## 4. Civil engineering

Growth in civil engineering activity has been strong for many years and the market reached a record high level in 2017 of €13.2 billion. Growth was only 4.5%, which is lower than anticipated and is due to some large projects being postponed, as well as progress being slower on large projects such as Follobanen railway. Civil engineering activity is expected to increase further in the next few years. In 2018, the market is estimated at €15.5 billion and the forecast for 2019 suggests €17.5 billion. In growth terms, this translates to 14.8% and 13.1% growth in 2018 and 2019, respectively.

Going forwards, civil engineering will be the key growth driver for the overall construction market. Investments in infrastructure and transportation have been on the political agenda for a long time. The field is prioritised both to reduce transportation costs and improve transportation facilities, as the quality of Norwegian roads and railway systems continues to lag behind the rest of Europe.



**PER CENT VARIATION OF PRODUCTION IN REAL  
TERMS OF PREVIOUS YEAR**

 production  
Mln. €  
fixed prices  
variation of production on previous year (%)

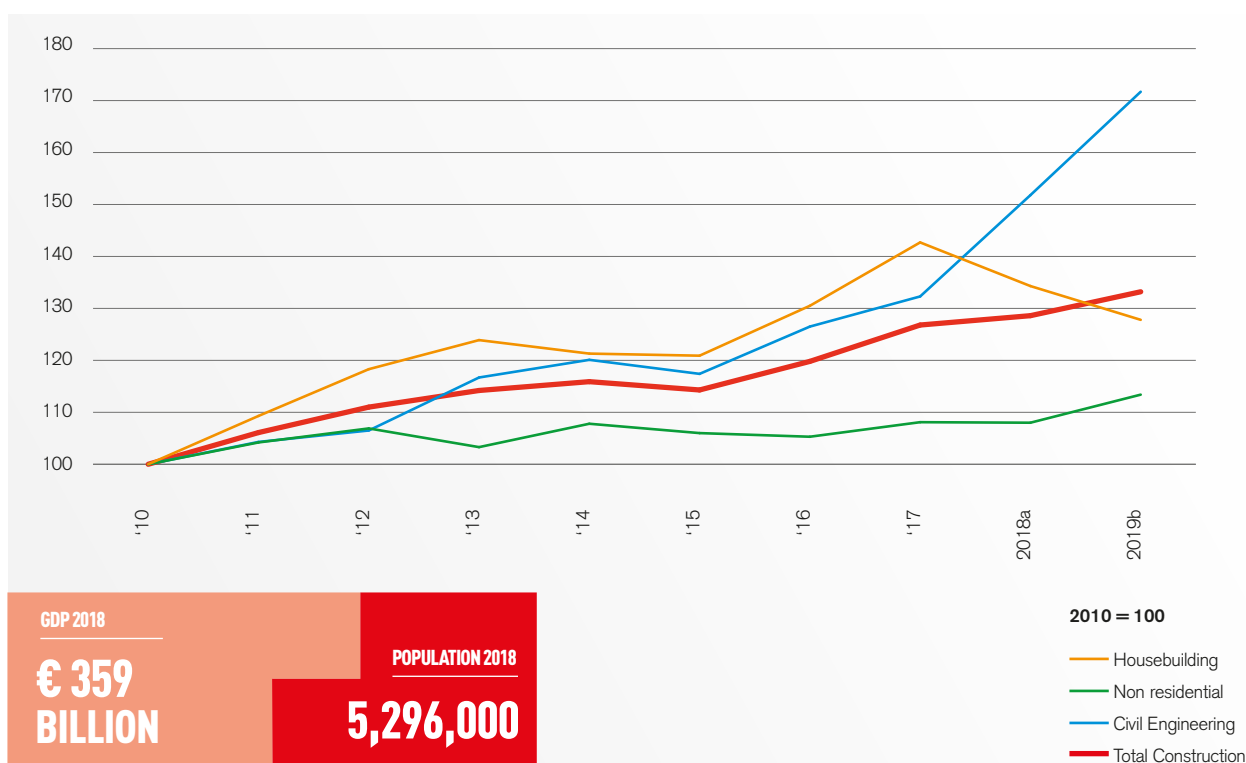
Sectors		2018a	2015	2016	2017	2018a	2019b
<b>1.</b>	<b>Building</b>	<b>29,495</b>	<b>-1.0</b>	<b>3.8</b>	<b>6.3</b>	<b>-3.3</b>	<b>-0.4</b>
	1.1. Housebuilding	16,003	-0.4	7.9	9.4	-5.9	-4.8
	1.1.1. New	10,117	-2.8	11.8	13.6	-9.8	-8.4
	1.1.2. R&M	5,885	3.6	1.8	2.0	1.8	1.3
	1.2. Non residential (c)	13,493	-1.7	-0.7	2.6	-0.1	5.0
	1.2.1. Private	8,346	-6.3	-3.5	4.7	1.4	2.8
	1.2.2. Public	5,146	6.6	3.8	-0.4	-2.3	8.4
<b>2.</b>	<b>Civil Engineering</b>	<b>12,323</b>	<b>-2.3</b>	<b>7.8</b>	<b>4.5</b>	<b>14.8</b>	<b>13.1</b>
<b>(1 + 2)</b>	<b>Total Construction</b>	<b>41,819</b>	<b>-1.4</b>	<b>4.8</b>	<b>5.8</b>	<b>1.4</b>	<b>3.6</b>

a: estimate - b: forecast - c: incl. R&amp;M

**NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION**

	2015	2016	2017	2018a	2019b
single dwelling	8,391	8,611	7,861	7,080	7,875
collective dwelling	20,532	25,527	26,904	26,472	22,050
other types of dwelling	2,222	1,654	1,147	912	1,575
<b>Total</b>	<b>31,145</b>	<b>35,792</b>	<b>35,912</b>	<b>34,464</b>	<b>31,500</b>

(Collective dwellings and other types of buildings: in number of flats)

**CONSTRUCTION PRODUCTION**


## 1. Overall construction activity

The construction sector in Turkey is one of the major carrying forces behind the national economy due to the added value and employment it creates. It has many important interconnections with other key industries, creating investment opportunities across the entire economic spectrum.

The construction industry accounts for 7.2% of the total GDP and employs nearly 2 million people in Turkey. The share of the sector in the overall economy reaches 30% with the direct and indirect impacts on the related industries, like production of building materials and construction machinery, engineering and architecture.

The construction sector is in a position to create demand for the goods and services produced by more than 200 sub-sectors, and this widespread impact is a sample indicator of the sector being the locomotive of the economy.

Due to the economic slowdown in the country, the construction sector shrank more than expected in 2018. Within this scope, the Turkish economy grew by 2.6% and the construction sector decreased by 1.9% in this year.

On the other hand, the Turkish construction firms have been increasing their footprint in the international market for decades. They realised so far 9,600 projects on five continents and 123 countries with a total business volume of €337 billion.

## 2. Housebuilding

Turkey has one of the most promising real estate markets in Europe. Strategically situated at the crossroads of Europe, the Middle East, and Central Asia, Turkey offers great opportunities for real estate developers and investors by combining a large construction sector with growing commercial and industrial output.

The real estate sector accounted for 6.8% of the total GDP in 2018.

In Turkey rural-urban migration continues. The urbanisation rate in Turkey is around 78% and the related population

is over 60 million. It is expected that urban migration will continue until 2023 and the rate of urbanisation will increase by over 84%. Due to this migration-based urbanisation, it is thought that housing demand will continue to rise until 2025.

In 2018, 1,375,398 houses were sold with a decrease of 2.4% compared to 2017 when 1,409,314 houses were sold. According to the residential sales figures, Istanbul with 270,156 units and a share of 18.5% has the highest rate followed by Ankara with 131,161 units and a share of 9.5%.

The housing sold to foreigners reached the level of 39,663 in 2018 with an increase of 78.4% compared to 2017 and its share in total sales was recorded at 2.9%. In 2018, regarding the housing sales to foreigners Istanbul took the first place with 14,270 units and was followed by Antalya with 7,938 houses.

## 3. Non-residential buildings

Office building construction growth maintained its rising trend especially in the big cities of the country in the past years.

As of 2018, new office areas of 92,750 m<sup>2</sup> entered the market in Istanbul, the total areas allocated to offices introduced to market increased by 376,631 m<sup>2</sup> and the total supply went up to 6.18 million m<sup>2</sup>.

455 shopping centres are operational in Turkey with a total gross leasable area of 13.4 million m<sup>2</sup>. The cities with a higher number of shopping centres are respectively; Istanbul with 147, Ankara with 39 and Izmir with 28. Istanbul constitutes approximately 39% of the total leasable area stock.

## 4. Civil engineering

Turkey has witnessed the completion of many mega projects in the last couple of years. A series of investments for the infrastructure development was also planned both as public investments and PPP projects for the coming years.

However, within the context of increasing financing costs, new investment plans and projects may move slowly depending on market conditions.



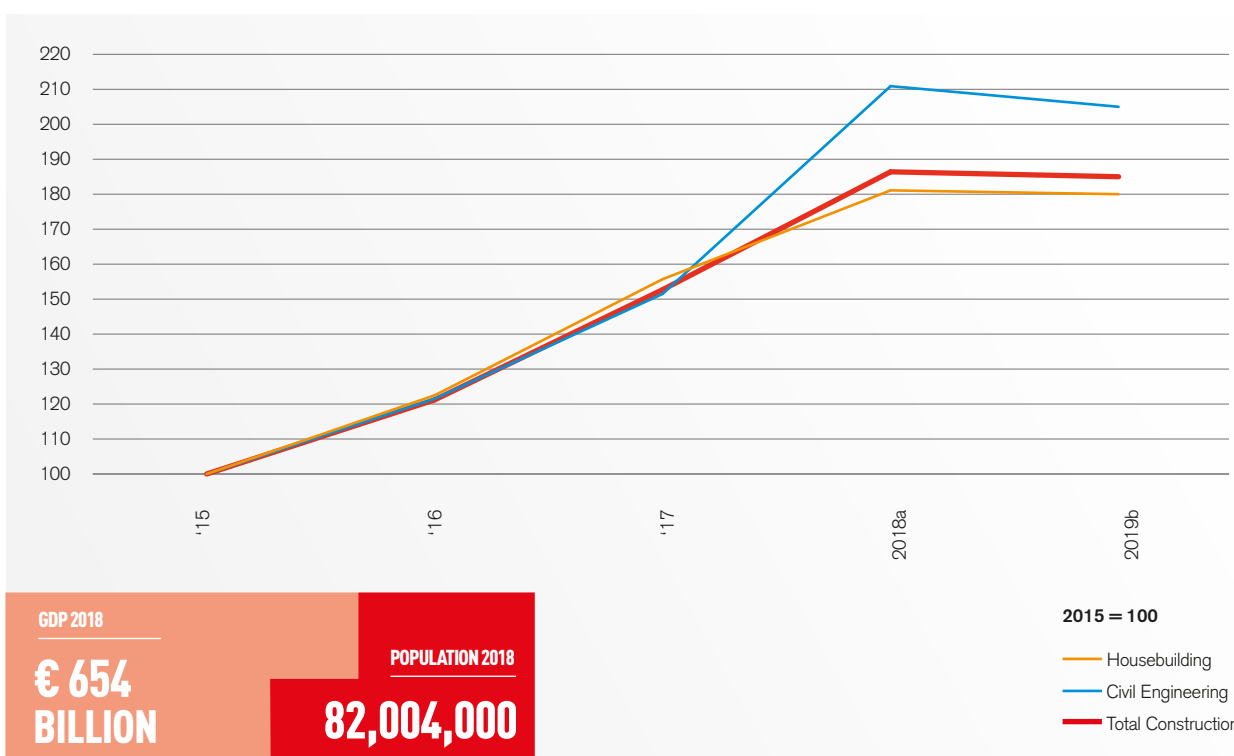
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### NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2015	2016	2017	2018a	2019b
single dwelling	22,315	21,910	25,513	21,223	15,000
collective dwelling	871,112	980,815	1,344,047	618,807	400,000
other types of dwelling	3,803	3,925	7,501	3,095	2,000
<b>Total</b>	<b>897,230</b>	<b>1,006,650</b>	<b>1,377,061</b>	<b>643,125</b>	<b>417,000</b>

(Collective dwellings and other types of buildings: in number of flats)

### CONSTRUCTION PRODUCTION



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Christine Le Forestier - FIEC

Design inxtremis.be mp6028

Traduction / Translation / Übersetzung  
DSDB, Bruxelles



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EU Register Number: 92221016212-42  
 aisbl - Nr Entreprise: BE 0688 919.140