Producing organisation: INSEE

• Read the "Informations Rapides" related to this indicator.

Introduction

The building (BT) and civil engineering (TP) indices provide the cost of different activities in the construction sector, and are used mainly for contract indexing. The "all-trades" indices BT01, BT50 and TP01 are also used for statistical purposes. Until January 2014, when the October 2013 indices came out, these series of indices (pdf file) were published and calculated by the department of economy, evaluation, and integration of sustainable development in the Ministry of Ecology, Sustainable Development and Energy. Decree no. 2014-114 of 7 February 2014 concerning the national index in the building industry - all trades - and the circular of 21 February from the Ministry of the Economy and Finances NOR EFIS 1404646 C transferred this responsibility to INSEE. From February 2014, with the production of the November 2013 indices, the general methodology, weightings and the 1974 (BT) or 1975 (TP) reference for these indices have been retained, but the all basic indices now correspond to indices produced from public statistics for evolving calculations.

Goals

These indices can be used:

• By businesses and local authorities for contract indexing.

Businesses and local authorities can use these official indices for construction work bids, by selecting the activity that is closest to the subject of their bid. These "indices" consist of parametric formulae representing changes in costs for different inputs, as recommended in the guide *Le prix dans les marchés publics* ("Prices in public procurement") published by the legal department of the Ministry of Economy and Finances in April 2013 (version 1.1). However, other better adapted parametric formulae are also permissible, such as using the "miscellaneous costs" and "transport" headings published under "various indices in the construction industry";

• By national accountants to deflate production in the construction sector from the structural statistics from businesses and thus break down the figures into change in activity in volume (quantity, quality, effect of structure) and pure price change ("volume-price breakdown"). The "all-trades" indices, BT01, BT50 and TP01 complement the price index for the production of new housing for residential use (derived from the cost-of-construction index, which is in fact a price index) and the maintenance and improvements work price index;

• By economists to assess and analyse business tendencies.

The BT01 index is particularly useful as an advance indicator for the reference price in the construction sector. Under two of its headings it provides data for the French response to the European regulation on short-term statistics ("STS" EC regulation no. <u>1165/98</u> of the Council of 19 May 1998, amended by EC regulation no. <u>1158/2005</u> of the Council of 6 July 2005) for variables 320 "construction costs", 321 "material costs" and 322 "labour costs" from appendix B "Construction" of this regulation.

Scope and list of BT and TP indices calculated

When they were first produced, the BT and TP indices were coordinated with the classification of activities and products at the time, NAP 73. Although subsequently they were not adjusted to the NAF and CPF classifications, they were listed thereafter by activity code in <u>NAF 2008</u> and <u>CPF 2008</u> to make it easier to select the correct index, using the explanatory notes on the classification that can be found on the INSEE website:

NAF / CPF, rev. 2 of 2008		Building Index					
41.20	BT01	All trade works					
43.12.12	BT02	Earthworks					
43.21	BT47	Electricity					
43.22.11	BT38	Plumbing (including apparatus)					
43.22.12	BT40	Central heating (excluding electrical heating)					
43.22.12	BT41	entilation and air conditioning					
43.29.19	BT48	Elevators					
43.31	BT08	Plaster and prefabricated plaster					
	BT19a	Wooden joinery including external hardware, tropical wood stairs					
	BT20a	Wooden joinery including external hardware; oak wood stairs					
43.32A	BT18a	Wooden joinery including internal hardware including walls and flooring					
	BT26	Plastic bay closing works including PVC window					
	BT51	PVC joinery					
	BT27	Aluminium bay window closing works					
43.32B	BT28	Ferrous metals bay closing works					
4 3.3 2D	BT42	Steel joinery and locksmiths					
	BT43	Aluminium alloy joinery					
43.33.10	BT09	Tile and ceramic					
43.33.21	BT14	Coatings in cut natural stone plate and similar products					
	BT10	Plastic coatings					
43.33.29	BT11	Synthetic textile coatings					
	BT12	Natural textile coatings					
43.34.10	BT46	Painting, wall hanging, wall coverings					
43.34.20	BT45	Glazing works-Mirror works					
43.91.11	BT16a	Softwood timber frame					
-5.51.11	BT17a	Oak wood frame					
43.91.19	BT30	Schist slate roofing and accessories					
	BT32	Baked clay tile roofing and accessories					
	BT33	Concrete tile roofing and accessories					
	BT34	Zinc and metal roofing and accessories (excluding copper)					
	BT35	Asphalt shingles roofing and accessories					
	BT49	Ribbed sheet steel roofing and cladding with waterproofing					

List of BT indices

		membrane
42.00.10	BT52	Exterior waterproofing coatings
43.99.10	BT53	Asphalt sealing - multilayer
43.99.40	BT06	Framework, reinforced concrete structures
43.99.50	BT07	Framework and metal frames
43.99.60	BT03	Masonry and pipes (except frame, reinforced concrete, tiling, coatings and plastering) in concrete
43	BT50	Renovation-all trades maintenance

List of TP indices

NAF / CPF, rév. 2 de 2008		Civil Engineering Index
42 + 43.1	TP01	All works general index
	TP08	Roads and airfields with supplies
	TP08bis	Roads and airfields without supplies
42.11	TP09	Road resurfacing works
42.11	TP09bis	Road resurfacing works (manufacturing and implementation without supplies)
	TP09ter	Roads and airfields maintenance works
42.13A	TP02	Engineering works on land, river or sea site and special foundation works
40.100	TP05a	Traditional underground works
42.13B	TP05b	Underground works in tunnel-boring machines
	TP10a	Drains, sewers, sanitation and water supply works, pipes supplied
42.21	TP10bis	Drains, sewers, sanitation and water supply works, pipes not supplied
	TP11	Long-distance pipelines and irrigation works, pipes supplied
42.22	TP12	Electrification networks
	TP06	River dredging
42.91	TP07b	Civil engineering works, concrete and steel for maritime works
	TP14	Underwater works in diving suits
42.99	TP13	Carpentry and metal engineering works
43.12B	TP03	General earthworks
43.13Z	TP04	Drilling and boring

Technical characteristics

Methodology

The building (BT) and civil engineering (TP) indices give the costs of the different activities in the construction sector, derived from 6 line-items in an analytical accounting process: "cost of labour", previously called "wages and charges", "materials", "assets", "energy", "transport", "miscellaneous costs"; these are similar to the "KLEMST" approach used by economists in relation to productivity (where K = capital for "assets", L = labour, E = energy, M = materials, S = services for "miscellaneous costs", T = transport).

The links between the items in the indices and the lines in the general accounting plan are as follows, given that subcontracting has been removed from production, the heading "miscellaneous costs" has been capped, and only costs that can be linked to a specific construction site are assumed to be taken into account :

Items		General financial accounting					
	605	Purchase of capital assets, equipment and work					
	606 \ 6061	Purchases not stored (small items)					
V	612 \ partial	Leasing excluding transport equipment					
K Capital	6131 \ partial	Equipment hire excluding transport equipment					
Cupitui	615 \ partial	Maintenance and repairs excluding transport equipment					
	68 \ partial	Depreciation and amortisation of fixed assets excluding transport equipment					
	604	Purchases of services					
L	621	Temporary staff					
Labour	6311	Payroll tax					
	64	Personnel expenses					
E	60221 \ partial	Combustibles excluding fuels					
Energy	6061	Non-stockable supplies (water, energy, electricity)					
M	601	Stored purchases					
M Materials	602 \ 60221	Other supplies					
Water lais	609	Rebates and allowances on purchases					
S	61	External services minus 611 "general subcontracting", minus 612 "leasing", minus 6131 "Equipment hire", minus 615 "maintenance and repairs", minus 6163 "transport insurance"					
Services	622	Remuneration of intermediaries and professional fees					
(miscellaneous	623	Advertising, public relations					
costs)	625	Travel and entertaining					
	626	Postal and telecommunication charges					
	68 \ partial	Depreciation and amortisation of fixed assets					
	60221 \ partial	Fuel					
	Part of 612	Leasing transport equipment					
T	Part of 6135	Hire of trucks without drivers					
T Transport	Part of 6155	Maintenance and repair of transport equipment					
	6163	Transport insurance					
	624	Transport of goods and employee transport					
	68 \ partial	Depreciation and amortisation of transport equipment					

Each item consists of basic indices, from now on all derived from public statistics.

The weightings for the items and the basic indices that make up the items are fixed for the duration of the base.

Aggregation and reference

Items are calculated using a chained Lowe aggregation technique: change in an item is a weighted mean of changes in the basic indices that make up the item.

Although the structure and weighting of the BT and TP indices have been revised periodically, the BT indices are still expressed with reference to 1974, and the TP with reference to 1975.

Weightings

The tables for which the links are provided below give the weightings for the different indices according to each item and within the materials budget item for the BT indices:

Weighting of Building indices, item by item

Weightings (in %)

		Items							
	Index	Cost of labour	Equipment	Transport	Energy	Misc. costs	Materials	Total	
BT01	All trade works	43	4	3	3	15	32	100	
BT02	Earthworks	36	36	0	10	18	0	100	
BT03	Masonry and pipes (except frame, reinforced concrete, tiling, coatings and plastering) in concrete	55	7	2	2	11	23	100	
BT06	Framework, reinforced concrete structures	47	8	3	1	13	28	100	
BT07	Framework and metal frames	42	6	2	3	6	41	100	
BT08	Plaster and prefabricated plaster	50	3	2	0	10	35	100	
BT09	Tile and ceramic	45	3	2	0	10	40	100	
BT10	Plastic coatings	35	3	2	0	10	50	100	
BT11	Synthetic textile coatings	30	3	2	0	10	55	100	
BT12	Natural textile coatings	10	3	2	0	10	75	100	
BT14	Coatings in cut natural stone plate and similar products	44	3	4	0	10	39	100	
BT16a	Softwood timber frame	37	4	5	0	11	43	100	
BT17a	Oak wood frame	45	3	3	0	11	38	100	
BT18a	Wooden joinery including internal hardware including walls and flooring	47	4	3	0	17	29	100	
BT19a	Wooden joinery including external hardware, tropical wood stairs	48	4	3	0	18	27	100	
BT20a	Wooden joinery including external hardware; oak wood stairs	48	4	3	0	18	27	100	

BT26	Plastic bay closing works including PVC window	41	3	2	0	7	47	100
BT27	Aluminium bay window closing works	38	4	2	0	8	48	100
BT28	Ferrous metals bay closing works	43	4	2	0	8	43	100
BT30	Schist slate roofing and accessories	40	3	4	0	13	40	100
BT32	Baked clay tile roofing and accessories	40	3	4	0	13	40	100
BT33	Concrete tile roofing and accessories	40	3	4	0	13	40	100
BT34	Zinc and metal roofing and accessories (excluding copper)	40	3	4	0	13	40	100
BT35	Asphalt shingles roofing and accessories	40	3	4	0	13	40	100
BT38	Plumbing (including apparatus)	42	3	3	0	12	40	100
BT40	Central heating (excluding electrical heating)	40	2	2	0	15	41	100
BT41	Ventilation and air conditioning	35	2	2	0	15	46	100
BT42	Steel joinery and locksmiths	42	3	2	1	12	40	100
BT43	Aluminium alloy joinery	42	5	3	0	7	43	100
BT45	Glazing works-Mirror works	35	3	4	0	10	48	100
BT46	Painting, wall hanging, wall coverings	58	3	0	0	12	27	100
BT47	Electricity	45	2	0	0	14	39	100
BT48	Elevators	60	3	2	0	10	25	100
BT49	Ribbed sheet steel roofing and cladding with waterproofing membrane	35	5	4	3	12	41	100
BT50	Renovation-all trades maintenance	58	4	3	2	15	18	100
BT51	PVC joinery	27	2	2	0	7	62	100
BT52	Exterior waterproofing coatings	54	3	3	3	3	34	100
BT53	Asphalt sealing - multilayer	36	5	3	3	10	43	100

Weighting of Civil Engineering indices, item by item

Weightings (in %)

		Items							
	Index	Cost of labour	Equipment	Transport	Energy	Misc. costs	Materials	Total	
TP01	All works general index	44	18	4	6	6	22	100	
TP02	Engineering works on land, river or sea site and special foundation works	55	18	1	3	3	20	100	
TP03	General earthworks	40	25	5	7	3	20	100	
TP04	Drilling and boring	46	23	3	5	3	20	100	
TP05a	Traditional underground works	53	20	3	2	9	13	100	
TP05b	Underground works in tunnel-boring machines	33	20	7	6	8	26	100	
TP06	River dredging	45	30	0	20	5	0	100	
TP07b	Civil engineering works, concrete and steel for maritime works	20	13	2	3	5	57	100	
TP08	Roads and airfields with supplies	35	12	12	8	8	25	100	
TP08bis	Roads and airfields without supplies	49	23	1	12	15	0	100	
TP09	Road resurfacing works	24	9	12	9	7	39	100	
TP09bis	Road resurfacing works (manufacturing and implementation without supplies)	43	30	0	17	10	0	100	
TP09ter	Roads and airfields maintenance works	65	20	0	5	10	0	100	
TP10-a	Drains, sewers, sanitation and water supply works, pipes supplied	41	15	4	3	3	34	100	
TP10bis	Drains, sewers, sanitation and water supply works, pipes not supplied	51	18	4	4	5	18	100	
TP11	Long-distance pipelines and irrigation works, pipes supplied	22	8	2	2	5	61	100	

TP12	Electrification networks	51	15	6	3	7	18	100
TP13	Carpentry and metal engineering works	45	6	2	3	10	34	100
TP14	Underwater works in diving suits	50	25	5	5	5	10	100

- See pdf file: Note methodologique-Structure du poste Matériaux des Index BT-base1974
- See pdf file : Note methodologique-Structure des Index TP.-base1975.

Information sources

The item "wages and charges" is now made up from the hourly labour cost index in the construction sector, produced by INSEE, with a lag of 3 months.

The basic indices for the other items are made up for the most part from producer price indices, and in particular the <u>Producer price indices of French industry for the French market (base 2010) -</u> <u>Purchaser's price for contract escalation</u>, produced by INSEE. All the other indices are derived from public statistics.

Statistical units

The BT and TP indices do not give rise to a new survey; they use existing public statistics, and especially the <u>OPISE</u> survey, to make up the basic indices. Conceptually, the unit observed in relation to costs is a branch, or a sub-branch, of activity in French construction companies.

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Frequency of survey
Monthly.
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Dissemination

The BT and TP indices are disseminated on the last working day of each month, at m+90, on the Macro-economic database (BDM) website page, under the topic "Prices and price indices", heading "Production and import price indices", sub-heading "Construction producer price and costs indices" then "Producer cost indices for construction (contract escalation)". They are also published in the *Journal Officiel* on the last day of the month. These indices are never revised.