

# Informations *Rapides*

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## ■ Producer cost indices for construction – September 2015

### In September 2015, producer costs for construction decreased again

In September 2015, producer costs in construction decreased compared to the previous month (–0.6% after –0.3%). They decreased sharply in civil engineering (–1.4%), more moderately in specialised construction activities (–0.4%) and in building construction (–0.4%).

Over a year, producer costs in construction continued to decline (–1.9%). In civil engineering the drop was more marked (–6.2% after –4.7%). To a lesser extent, prices also decreased in construction of buildings (–1.1%) and in specialised construction activities (–1.1%).

#### Producer cost indices for construction

NAF	Heading	Weights (in %)	Sept. 15/ Aug. 15	Sept. 15 / Sept. 14
F	Construction	100.0	-0.6	-1.9
41.2	Construction of buildings	10.1	-0.4	-1.1
42	Civil engineering	16.2	-1.4	-6.2
43	Specialised construction works	73.7	-0.4	-1.1
43BT	Buildings	64.2	-0.3	-0.5
43BTC	New buildings	24.6	-0.4	-1.0
43BTR	Existing buildings	39.6	-0.3	-0.3
43TP	Specialised works for civil engineering	9.5	-1.0	-4.6
BT	Buildings (41.2 + 43BT)	74.3	-0.3	-0.6
TP	Public works (42 + 43TP)	25.7	-1.3	-5.6

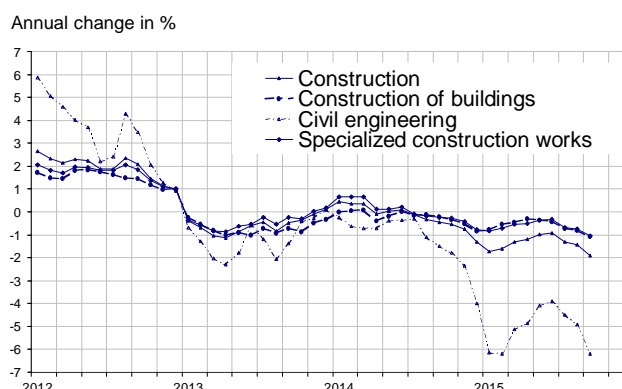
Source: INSEE

#### Items of producer cost indices for construction

Costs items		Q2 15 / Q1 15	Q3 15 / Q2 15	Sept. 15 / Aug. 15	Sept. 15 / Sept. 14
Equipment	Buildings	+0.1	+0.5	+0.2	+3.2
	Public works	-0.3	-0.1	-0.1	+0.7
Labour	Labour costs in construction	-0.2	0.0	0.0	+0.1
Energy	Buildings	+4.3	-6.3	-1.8	-14.4
	Public works	+5.8	-8.4	-0.9	-17.2
Material	Construction of buildings	-0.1	-0.6	-0.8	-2.7
	Existing buildings	-0.3	-0.1	-0.5	-1.5
	Civil engineering	+2.5	-1.5	-3.8	-13.9
	Specialised works for civil engineering	0.0	-0.1	-0.5	-1.2
Services	Construction	+0.2	+0.6	-1.4	+0.2
Transport	Buildings	+1.3	-1.6	-0.4	-3.4
	Public works	+0.8	-0.4	0.0	-1.4

Source: INSEE

#### Production costs in construction

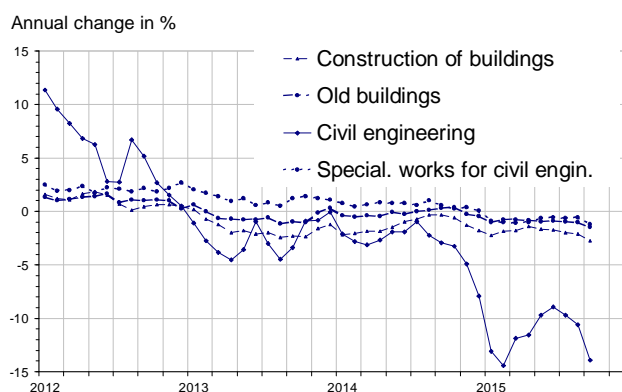


Source: INSEE

#### Materials

In September 2015, materials costs decreased sharply in civil engineering (–3.8%). They dipped more moderately in construction of buildings (–0.8%), specialised works for civil engineering (–0.5%) and in the renovation of existing buildings (–0.5%). The drop of prices of bitumen (–14.8%) and of ready-mixed concrete (–3.0%) explain most of the fall of material costs.

#### Materials costs

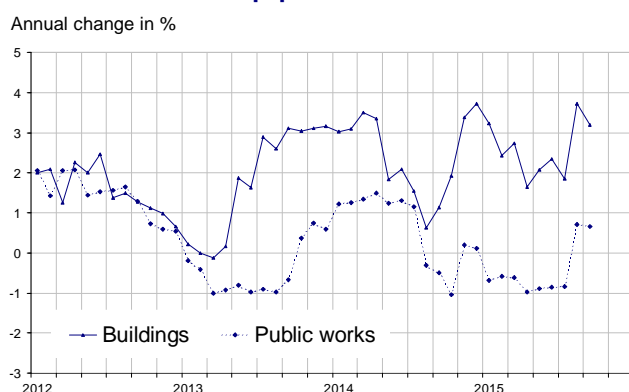


Source: INSEE

## Equipment

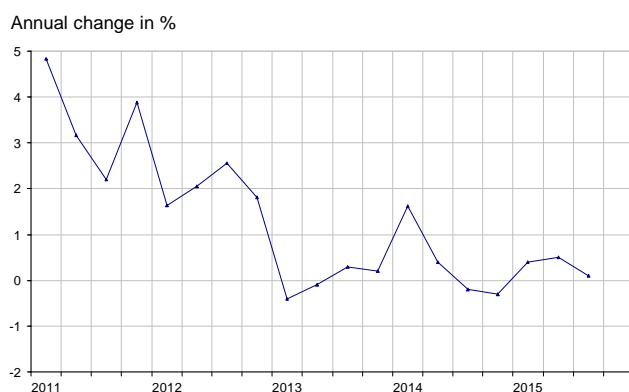
In September 2015, material costs rose slightly in construction of buildings (+0.2%) following the change in the prices of machine tools. They remained virtually stable in public works (-0.1%).

### Equipment cost



Source: INSEE

### Labour cost in construction

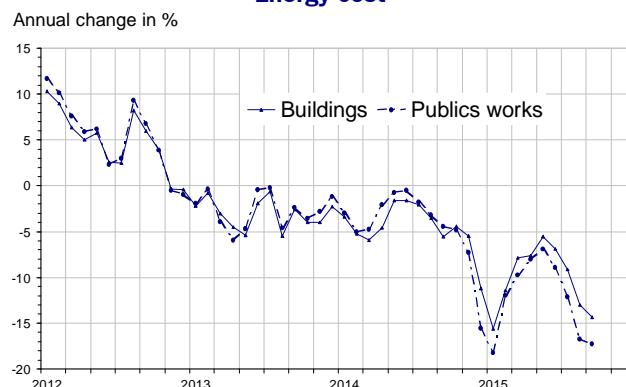


Source: INSEE

## Energy

In September 2015, the cost of energy declined less steeply in building construction (-1.8% after -5.1%), echoing the decline of the prices of diesel oil. The cost of energy also decreased less quickly in public works (-0.9% after -5.9%) because the fall of the prices of fuel oil lessened. Over a year, the cost of energy fell markedly in construction of buildings (-14.4%) and in public works (-17.2%).

### Energy cost



Source: INSEE

### Revisions of costs of production indices in construction

		In points		
		June 15	July 15	August 15
F	Construction	///	-0.1	0.1
41.2	Construction of buildings	///	-0.1	///
42	Civil engineering	///	///	0.1
43	Specialised construction works	///	-0.1	0.1

Source: INSEE

How to read it: producer cost for construction between June and July 2015 published in November 2015 has been updated from 0.0% to -0.1%, that is to say an downward revision by 0.1 points, taking into account the latest values of the labour cost index published in the meantime.

## For more information:

### Definition

Production cost indices in construction are composite statistical indices, aggregating cost indices by expenses items. These indices are subject to revision. They are primarily used for national accounts and macroeconomics analyses.

### Method of calculation

The six cost items are defined according to the "KLEMS" analytical accounting approach (K = capital goods "equipment", L = "labour", E = "energy", M = "materials", S = "services"), with the supplementary item T = "transport".

Each cost item is itself made up of elementary indices issued from public statistics.

The composition of "equipment" item is adapted to the construction of buildings (structural works), specialised construction works for existing buildings (finishing) and public works respectively. "Equipment" item of specialised construction works for new buildings is a weighted average of the "equipment" items for structural works and finishing.

The composition of "materials" item is adapted to the construction of buildings, specialised construction works for existing buildings (finishing), civil engineering and specialised works for civil engineering respectively.

The composition of "energy" item is different between buildings (diesel oil) and public works (road diesel and heavy fuel oil). Building companies generally use their trucks, while those of public works resort to freight transport companies. Thus, transport indices of the two activities are different.

The weights of cost items and elementary indices are normally fixed for the duration of the base.

Cost indices and cost items are aggregated using a Laspeyres chain-linked technique, reference 100 in 2010.

"Buildings" group activities "41.2: Building Construction" and "43 except 43.1, 43.21B and 43.99E: Specialised construction works except demolition, site preparation, electrical installation on the highway and rental and leasing services of construction and civil engineering machinery and equipment with operator".

"Public Works" include activities "42: civil engineering", "43.1: Demolition, site preparation" and "43.21B: electrical installation on the highway".

- Complementary information (historical data, methodology, weblinks, etc.) is available on the web page of this index: <http://www.insee.fr/en/themes/info-rapide.asp?id=120>
- Historical data are available on the BDM : [G1605](#)
- Follow us also on TwitterInseeFr: [Twitter @InseeFr](#) : <https://twitter.com/InseeFr>
- Press contact : [bureau-de-presse@insee.fr](mailto:bureau-de-presse@insee.fr)

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