

Informations *Rapides*

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■ Producer cost indices for construction – August 2015

In August 2015, producer costs for construction decreased

In August 2015, producer costs in construction decreased compared to July 2015 (–0.3%), quite clearly in civil engineering (–0.9%), moderately in specialised construction activities (–0.2%). They were virtually unchanged in building construction (–0.1%). Over a year, producer costs in construction continued to decline (–1.1%), due to a sharp drop in civil engineering (–4.7%), and a moderate one in the construction of buildings (–0.4%) and specialised construction activities (–0.3%).

Producer cost indices for construction

NAF	Heading	Weights (in %)	August 15/ July 15	August 15/ August 14
F	Construction	100.0	- 0.3	- 1.1
41.2	Construction of buildings	10.1	- 0.1	- 0.4
42	Civil engineering	16.2	- 0.9	- 4.7
43	Specialised construction works	73.7	- 0.2	- 0.3
43BT	Buildings	64.2	- 0.1	+ 0.1
43BTC	New buildings	24.6	- 0.1	- 0.3
43BTR	Existing buildings	39.6	- 0.1	+ 0.4
43TP	Specialised works for civil engineering	9.5	- 0.7	- 3.4
BT	Buildings (41.2 + 43BT)	74.3	- 0.1	+ 0.1
TP	Public works (42 + 43TP)	25.7	- 0.8	- 4.2

Source: INSEE

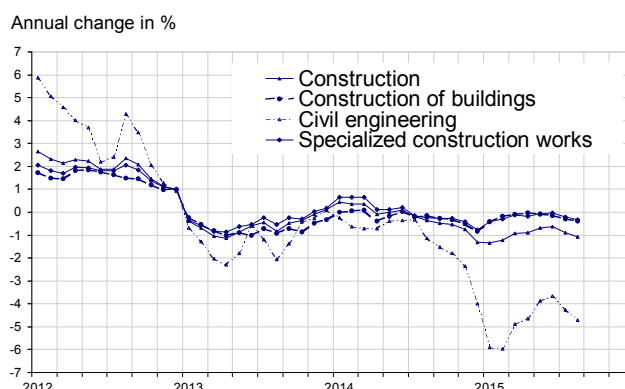
Items of producer cost indices for construction

Costs items		Q2 15 / Q1 15	Q3 15 / Q2 15	July 15 / June 15	July 15 / July 14
Equipment	Buildings - structural works	+ 0.1	- 0.2	- 0.3	+ 2.7
	Buildings - finishing	0.0	- 0.4	- 0.7	+ 4.1
	Public works	- 0.1	- 0.1	+ 0.1	+ 0.8
Labour	Labour costs in construction	- 0.4	///	///	///
Energy	Buildings	+ 4.3	- 5.8	- 5.1	- 13.0
	Public works	+ 5.8	- 8.3	- 6.0	- 16.9
Material	Construction of buildings	- 0.1	- 0.4	+ 0.0	- 2.1
	Existing buildings	- 0.3	+ 0.1	+ 0.1	- 1.0
	Civil engineering	+ 2.5	- 0.6	- 1.6	- 11.0
	Specialised works for civil engineering	- 0.0	+ 0.1	+ 0.4	- 0.7
Services	Construction	+ 0.2	+ 1.1	- 0.3	+ 0.5
Transport	Buildings	+ 1.3	- 1.2	- 1.1	- 2.7
	Public works	+ 1.0	0.0	0.0	- 0.9

///: Non-published estimation

Source: INSEE

Production costs in construction

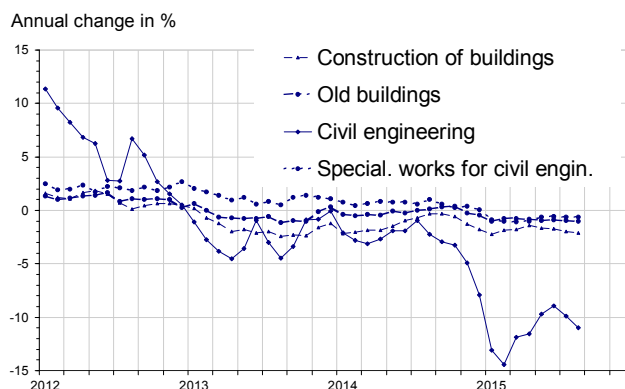


Source: INSEE

Materials

In August 2015, materials costs decreased sharply in civil engineering (–1.6%) whereas they increased in specialised works for civil engineering (+0.4%). They were stable in construction of buildings and virtually stable in the renovation of existing buildings (+0.1%); the price falls of bitumen (–7.4%) and of copper tubes and pipes (–3.3%) were almost offset by the increase in prices of other materials (notably electrical materials, painting).

Materials costs

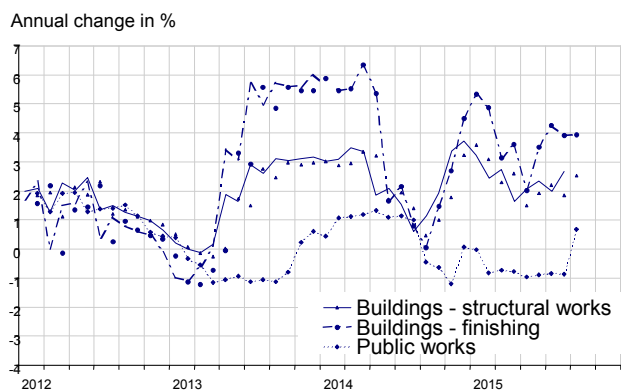


Source: INSEE

Equipment

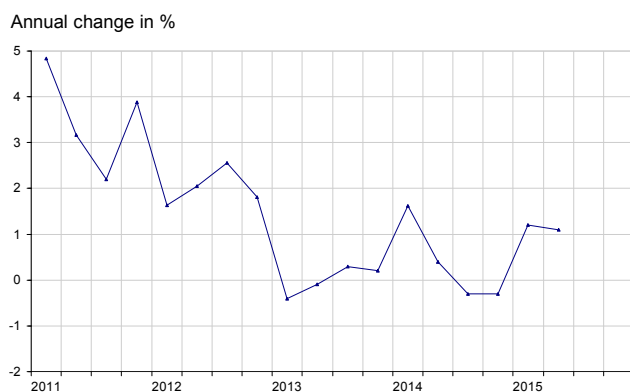
In August 2015, equipment costs fell back in finishing (−0.7% as in the previous month) due to lower prices of machine tools. To a lesser extent, they also declined in structural works (−0.3% after −0.4%). They were virtually flat in public works (+0.1% after −0.1%).

Equipment cost



Source: INSEE

Labour cost in construction



Source: INSEE

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".

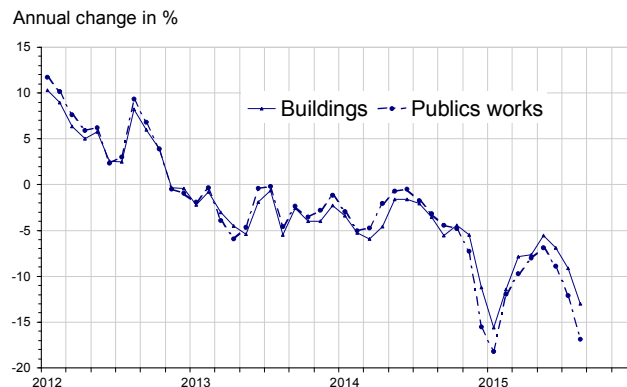
"Public Works" include activities "42: civil engineering", "43.1: Demolition, site preparation" and "43.21B: electrical installation on the highway".

- 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>
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Energy

In August 2015, energy costs fell more sharply in construction of buildings (−5.1% after −2.3%, −13.0% over a year), due to the decrease in diesel oil prices. The cost of energy decreased even more in public works (−6.0% after −3.9%; −16.9% over a year), due to a further decline in the price of heavy fuel oil.

Energy cost



Source: INSEE

Revisions of costs of production indices in construction

		In points		
		May 15	June 15	July 15
F	Construction	///	0.1	///
41.2	Construction of buildings	///	///	///
42	Civil engineering	0.1	0.4	-0.1
43	Specialised construction works	///	0.1	///

Source: INSEE

Reading note: producer cost for construction between May and June 2015 published in October 2015 has been updated from −0.1% to 0.0%, that is to say an upward revision by 0.1 points.

Next issue: 18 December 2015 at 12:00 pm.