

Informations Rapides

7 septembre 2015 - n° 228



■ Producer cost indices for construction – June 2015

In June 2015, producer cost indices for construction were stable

In June 2015, production costs in construction were stable (after +0.2% in May), being unchanged or virtually unchanged in the different fields of activity. Over a year, the production costs in construction were down (-0.7%) due to a sharp decrease in civil engineering (-3.9%), while they were almost stable in the construction of buildings (-0.1%) and stable in specialised construction works.

Producer cost indices for construction

In %				
NAF	Heading	Weights (in %)	June 15/ May 15	June 15/ June 14
F	Construction	100.0	- 0.0	- 0.7
41.2	Construction of buildings	10.1	- 0.1	- 0.1
42	Civil engineering	16.2	+ 0.0	- 3.9
43	Specialised construction works	73.7	- 0.0	- 0.0
43BT	Buildings	64.2	- 0.0	+ 0.4
43BTC	New buildings	24.6	- 0.1	- 0.0
43BTR	Existing buildings	39.6	+ 0.0	+ 0.6
43TP	Specialised works for civil engineering	9.5	- 0.0	- 2.8
BT	Buildings (41.2 + 43BT)	74.3	- 0.0	+ 0.3
TP	Public works (42 + 43TP)	25.7	- 0.0	- 3.5

Source: INSEE

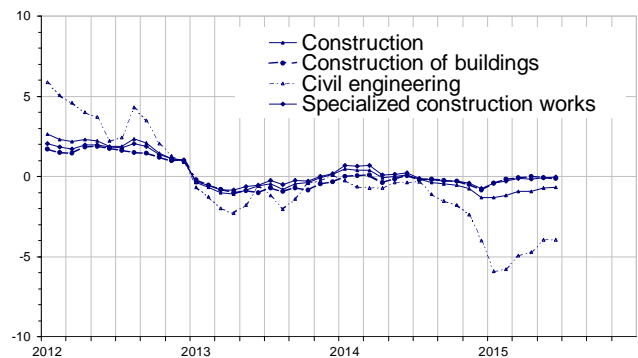
Items of producer cost indices for construction

In %					
Costs items		Q1 15 / Q4 14	Q2 15 / Q1 15	June 15 / May 15	June 15 / June 14
Equipment	Buildings - structural works	+ 0.2	+ 0.1	+ 0.3	+ 2.3
	Buildings - finishing	+ 0.3	0.0	+ 0.6	+ 4.4
	Public works	+ 0.5	- 0.1	0.0	- 0.7
Labour	Labour costs in construction	+ 0.7	- 0.4	0.0	+ 1.1
Energy	Buildings	- 5.1	+ 4.3	- 1.3	- 6.9
	Public works	- 4.6	+ 5.7	- 1.6	- 9.1
Material	Construction of buildings	- 0.8	- 0.1	- 0.4	- 1.7
	Existing buildings	- 0.7	- 0.3	- 0.0	- 0.8
	Civil engineering	- 8.9	+ 2.0	+ 0.3	- 9.6
	Specialised works for civil engineering	- 0.4	- 0.1	- 0.4	- 0.8
Services	Construction	+ 0.4	+ 0.2	+ 0.3	+ 0.7
Transport	Buildings	- 1.4	+ 1.3	- 0.3	- 1.0
	Public works	- 1.3	+ 1.0	0.0	- 1.0

Source: INSEE

Production costs in construction

Annual change in %



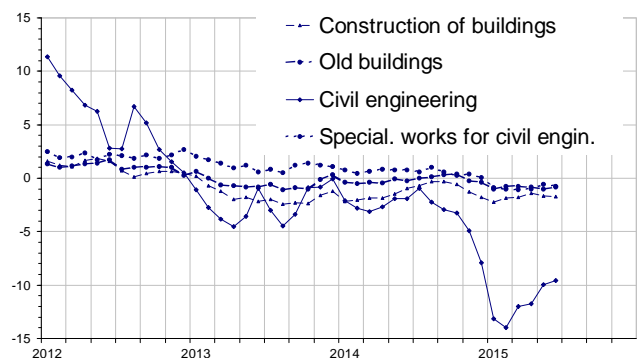
Source: INSEE

Materials

In June 2015, materials costs for construction of buildings and specialised works for civil engineering decreased (-0.4%), in particular because of the fall of ready-mixed concrete prices (-0.6%). In civil engineering, materials costs continued to rise (+0.3% after +1.4%) due to higher prices of bitumen (+2.6% in June after +6.5% in May, but -30.0% over a year).

Materials costs

Annual change in %



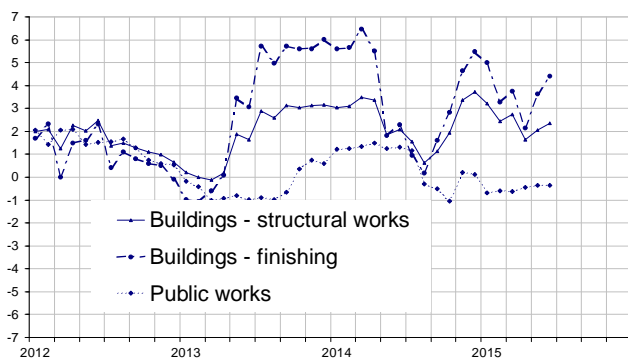
Source: INSEE

Equipment

In June 2015, material costs picked up in finishing (+0.6% after 0.2%) due to higher prices of machine tools. They levelled off in public works.

Equipment cost

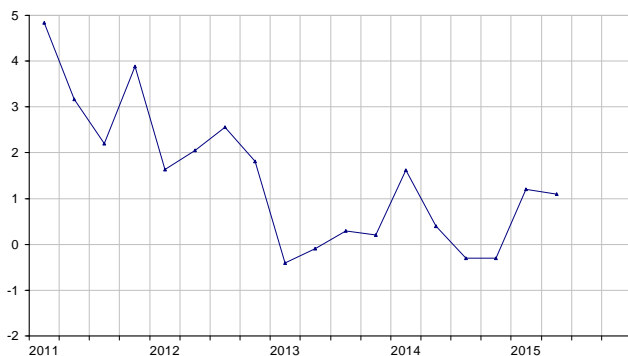
Annual change in %



Source: INSEE

Labour cost in construction

Annual change in %



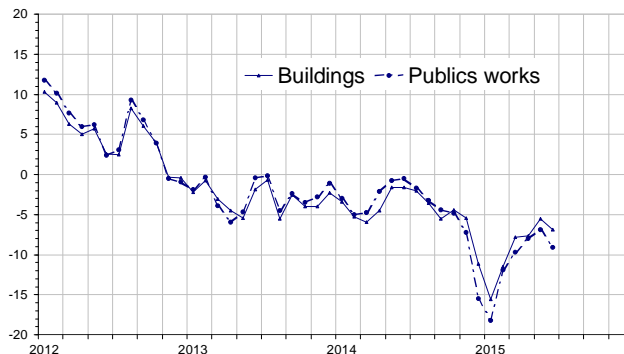
Source: INSEE

Energy

In June 2015, energy cost fell back in construction of buildings (-1.3% after +2.1%, -6.9% over a year), due to the decrease in diesel prices. It slipped a bit more in public works (-1.6% after +1.3%; -9.1% over a year), due to a further decline in the price of heavy fuel oil.

Energy cost

Annual change in %



Source: INSEE

Revisions of costs of production indices in construction

In points

		Mar. 15	Apr. 15	May. 15
F	Construction	///	-0.3	+0.1
41.2	Construction of buildings	///	-0.2	///
42	Civil engineering	///	-0.1	///
43	Specialised construction works	///	-0.3	///

Source: INSEE

Reading note: producer cost for construction between March and April 2015 published in July 2015 has been updated from +0.1% to -0.2%, that is to say a downward revision by 0.3 point, in line with the dissemination of the last values of the labour cost index.

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 old 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](#)
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Next issue: 15 October 2015 at 12:00 pm.