

# Informations *Rapides*

5 octobre 2015 - n° 252



## ■ Producer cost indices for construction – July 2015

### In July 2015, producer costs for construction were stable

In July 2015, production costs in construction were on the whole stable ; they were virtually stable in each field of activity. Over a year, the production costs in construction continued to decrease (–1.0%) due to a sharp decrease in civil engineering (–4.6%), and to a moderate decline in the construction of buildings (–0.3%) and in specialised construction works (–0.2%).

#### Producer cost indices for construction

In %				
NAF	Heading	Weights (in %)	July 15/ June 15	July 15/ July 14
F	Construction	100.0	+ 0.0	– 1.0
41.2	Construction of buildings	10.1	+ 0.1	– 0.3
42	Civil engineering	16.2	– 0.2	– 4.6
43	Specialised construction works	73.7	+ 0.1	– 0.2
43BT	Buildings	64.2	+ 0.1	+ 0.2
43BTC	New buildings	24.6	+ 0.1	– 0.2
43BTR	Existing buildings	39.6	+ 0.2	+ 0.5
43TP	Specialised works for civil engineering	9.5	– 0.2	– 3.4
BT	Buildings (41.2 + 43BT)	74.3	+ 0.1	+ 0.2
TP	Public works (42 + 43TP)	25.7	– 0.2	– 4.2

Source: INSEE

#### Items of producer cost indices for construction

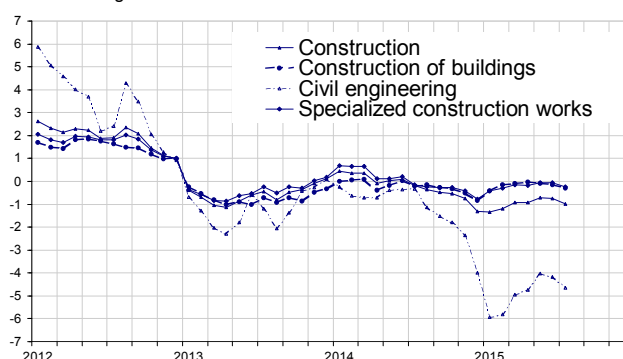
In %					
Costs items		Q2 15 / Q1 15	Q3 15 / Q2 15	July 15/ June 15	July 15/ July 14
Equipment	Buildings - structural works	+ 0.1	+ 0.1	– 0.3	+ 2.1
	Buildings - finishing	0.0	+ 0.1	– 0.7	+ 4.0
	Public works	– 0.1	0.0	+ 0.1	– 0.6
Labour	Labour costs in construction	– 0.4	///	///	///
Energy	Buildings	+ 4.3	2.5	– 2.3	– 9.1
	Public works	+ 5.7	4.5	– 3.8	– 12.2
Material	Construction of buildings	– 0.1	– 0.4	– 0.1	– 2.0
	Existing buildings	– 0.3	0.0	0.0	– 0.9
	Civil engineering	+ 1.7	– 0.1	– 0.3	– 11.0
	Specialised works for civil engineering	– 0.1	– 0.3	– 0.2	– 0.9
Services	Construction	+ 0.2	+ 1.3	+ 1.1	+ 1.0
Transport	Buildings	+ 1.3	– 0.5	– 0.4	– 1.7
	Public works	+ 1.0	0.0	0.0	– 0.9

///: Non-published estimation

Source: INSEE

#### Production costs in construction

Annual change in %



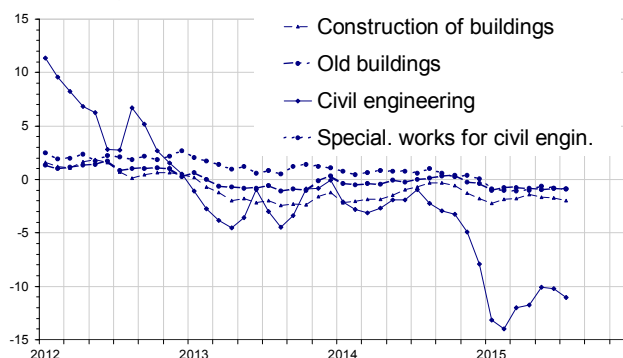
Source: INSEE

#### Materials

In July 2015, materials costs decreased slightly in civil engineering (–0.3%) and in specialised works for civil engineering (–0.2%). They were virtually stable in construction of buildings (–0.1%); the fall in prices of bitumen (–4.2%) and cement prices (–0.6%) were almost offset by the increase in prices of other materials (notably blocks and slabs, ribbed bars, sandstone tiles). Material costs were stable in the renovation of existing buildings.

#### Materials costs

Annual change in %



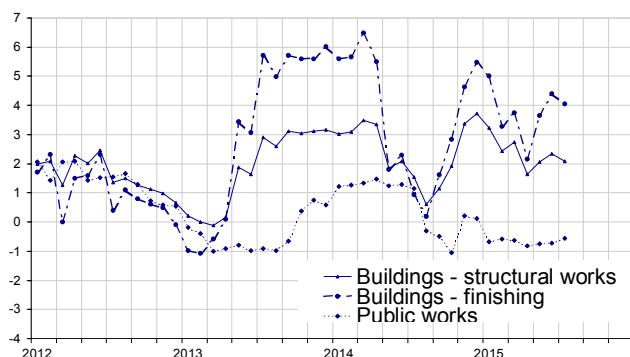
Source: INSEE

## Equipment

In July 2015, equipment costs fell back in finishing (-0.7% after +0.6%), due to lower prices of machine tools. To a lesser extent, they also declined in structural works (-0.3%). They were flat in public works (+0.1%).

### Equipment cost

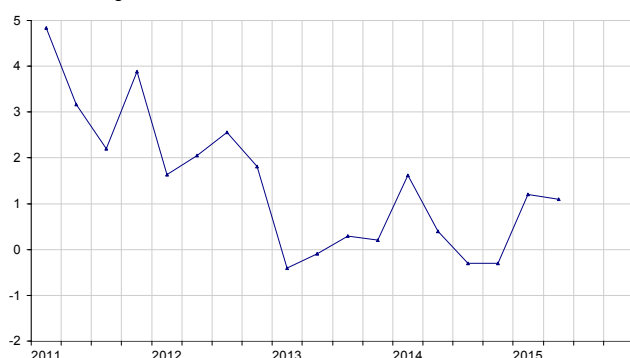
Annual change in %



Source: INSEE

### Labour cost in construction

Annual change in %



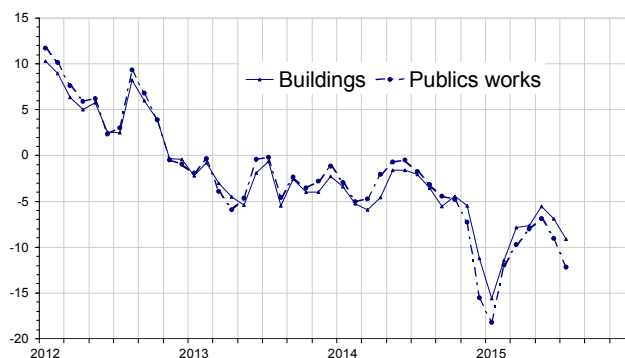
Source: INSEE

## Energy

In July 2015, energy costs fell again in construction of buildings (-2.3% after -1.3%, -9.1% over a year), due to the decrease in diesel oil prices. It slipped somewhat more in public works (-3.8% after -1.6%; -12.2% over a year), due to a new 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
<b>F</b>	<b>Construction</b>	///	///	-0.1
<b>41.2</b>	<b>Construction of buildings</b>	///	///	-0.1
<b>42</b>	<b>Civil engineering</b>	///	///	-0.2
<b>43</b>	<b>Specialised construction works</b>	///	///	-0.1

Source: INSEE

Reading note: producer cost for construction between May and June 2015 published in September 2015 has been updated from 0.0% to -0.1%, that is to say a downward revision by 0.1 point.

## 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](#)
- Follow us also on TwitterInseeFr: [Twitter @InseeFr](#) : <https://twitter.com/InseeFr>
- Press contact : [bureau-de-presse@insee.fr](mailto:bureau-de-presse@insee.fr)

Next issue: 13 November 2015 at 12:00 pm.