

Informations *Rapides*

14 janvier 2016 – n° 11



■ Producer cost indices for construction – October 2015

In October 2015, producer costs for construction decreased slightly

In October 2015, producer costs in construction decreased slightly (+0.2%) after a steeper decline in September (–0.6%). They decreased more in civil engineering (–0.5%) than in building construction (–0.2%) and in specialised construction activities (–0.1%).

Over a year, producer costs in construction continued to decline (–2.1%), mainly in civil engineering (–6.3%). They also decreased in construction of buildings (–1.4%) and in specialised construction activities (–1.3%).

Producer cost indices for construction

In %				
NAF	Heading	Weights (in %)	Oct. 15 / Sept. 15	Oct. 15 / Oct. 14
F	Construction	100.0	–0.2	–2.1
41.2	Construction of buildings	10.1	–0.2	–1.4
42	Civil engineering	16.2	–0.5	–6.3
43	Specialised construction works	73.7	–0.1	–1.3
43BT	Buildings	64.2	–0.1	–0.8
43BTC	New buildings	24.6	–0.2	–1.3
43BTR	Existing buildings	39.6	–0.0	–0.6
43TP	Specialised works for civil engineering	9.5	–0.4	–4.5
BT	Buildings (41.2 + 43BT)	74.3	–0.1	–0.9
TP	Public works (42 + 43TP)	25.7	–0.4	–5.6

Source: INSEE

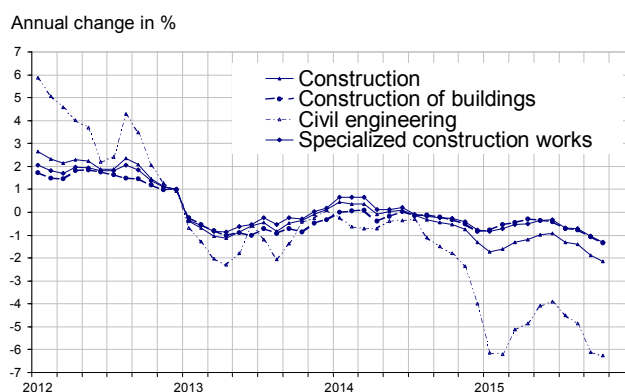
Items of producer cost indices for construction

In %				
Costs items		Q3 15 / Q2 15	Oct. 15 / Sept. 15	Oct. 15 / Oct. 14
Equipment	Buildings	+0.7	–0.2	+2.3
	Public works	+0.4	–0.3	+1.1
Labour	Labour costs in construction	0.0	///	///
Energy	Buildings	–6.3	0.0	–13.0
	Public works	–8.4	–0.5	–14.8
Material	Construction of buildings	–0.7	–0.6	–3.1
	Existing buildings	–0.1	–0.2	–1.7
	Civil engineering	–1.6	–1.2	–14.5
	Specialised works for civil engineering	–0.1	–0.5	–1.4
Services	Construction	+0.6	+0.3	+0.4
Transport	Buildings	–1.6	+0.3	–2.9
	Public works	–0.4	0.0	–1.0

///: non published estimation

Source: INSEE

Production costs in construction

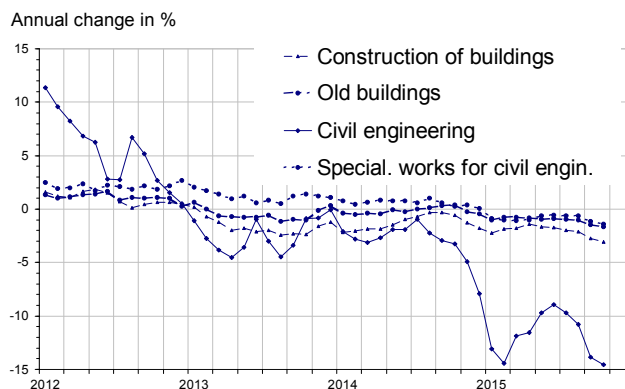


Source: INSEE

Materials costs continued to decline

In October 2015, materials costs decreased again clearly in civil engineering (–1.2% after –3.8%); over a year, they fell by almost 15% in this sector. They dipped more moderately in construction of buildings (–0.6%), specialised works for civil engineering (–0.5%) and in the renovation of existing buildings (–0.2%). The drop of prices of bitumen (–4.5% after –14.1%) and that of serrated or ribbed bars for reinforced concrete (–3.5%) explain most of the fall of material costs.

Materials costs

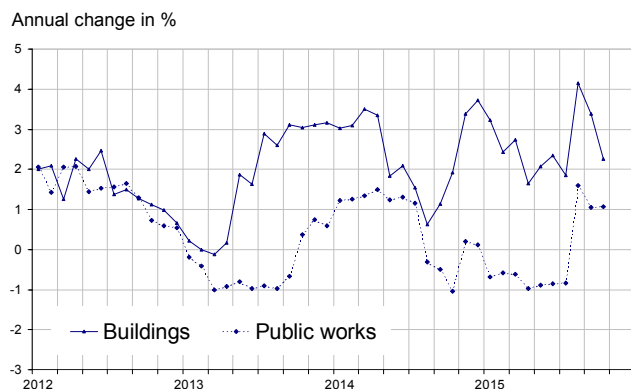


Source: INSEE

Equipment cost dipped slightly

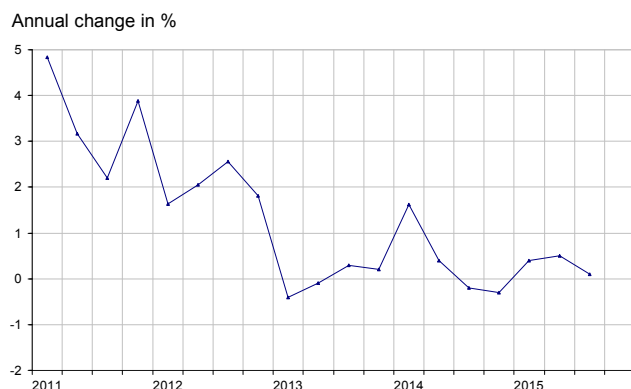
In October 2015, equipment costs decreased slightly in construction of buildings (−0.2%) and in public works (−0.3%) reflecting the fall in the prices of machine for construction.

Equipment cost



Source: INSEE

Labour cost in construction

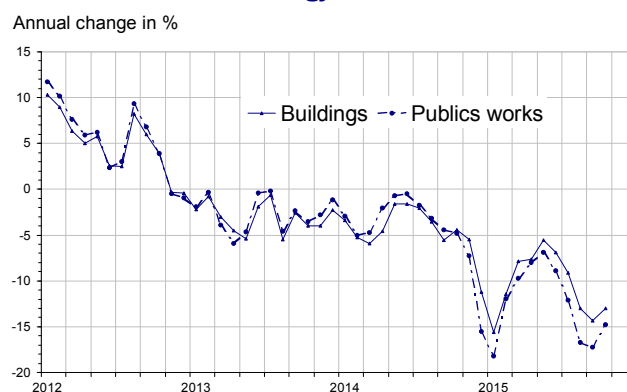


Source: INSEE

Energy cost stopped plummeting

In October 2015, the cost of energy was flat in building construction (0.0% after −1.8%) after five months of decrease. They still declined in public works (−0.5%) but at a slower pace than in the previous month (−0.9%), reflecting the slighter drop in prices of non-road diesel fuel. Energy costs remained lower than a year ago in public works (−14.8%) as in the building construction (−13.0%); however, this decrease tends to diminish.

Energy cost



Source: INSEE

Revisions of costs of production indices in construction

		In points		
		July 15	August 15	September 15
F	Construction	///	///	///
41.2	Construction of buildings	///	+0.1	−0.1
42	Civil engineering	///	///	0.1
43	Specialised construction works	///	///	///

Source: INSEE

How to read it: producer cost for construction of buildings between July and August 2015 published in December 2015 has been updated from −0.1% to 0.0%, that is to say an upward revision by 0.1 points.

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

Next issue: 12 February 2016 at 12:00 pm.