

Informations *Rapides*

■ Producer cost indices for construction – January 2016

In January 2016, producer costs for construction decreased slightly (–0.2%)

In January 2016, producer costs in construction decreased slightly (–0.2%). They slipped again in civil engineering (–0.9%), while they were stable in construction of buildings and in specialised construction activities.

Over a year, producer costs in construction continued to decline (–0.4% after –0.9%). They fell significantly in civil engineering (–2.7%) and more moderately in construction of buildings (–0.3%). However, they recovered slightly in specialised construction activities (+0.2%).

Variations in producer cost indices for construction

In %				
NAF	Heading	Weights (in %)	Jan. 15/ Dec. 15	Jan. 16 / Jan. 15
F	Construction	100.0	-0.2	-0.4
41.2	Construction of buildings	10.1	0.0	-0.3
42	Civil engineering	16.2	-0.9	-2.7
43	Specialised construction works	73.7	0.0	+0.2
43BT	Buildings	64.2	+0.1	+0.5
43BTC	New buildings	24.6	-0.1	-0.2
43BTR	Existing buildings	39.6	+0.2	+1.0
43TP	Specialised works for civil engineering	9.5	-0.5	-1.7
BT	Buildings (41.2 + 43BT)	74.3	0.0	+0.3
TP	Public works (42 + 43TP)	25.7	-0.8	-2.3

Source: INSEE

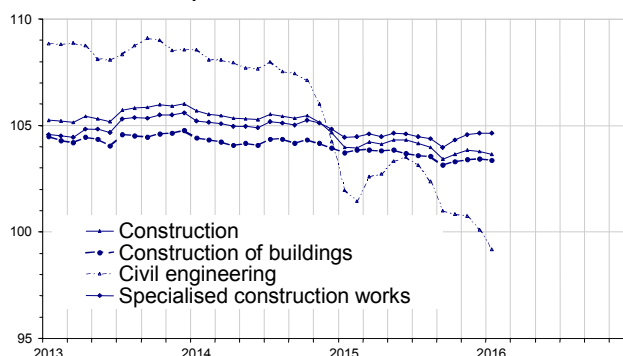
Items of producer cost indices for construction

In %				
Costs items		Q4 15 / Q3 15	Jan. 16/ Dec. 15	Jan. 16 / Jan. 15
Equipment	Buildings	+2.7	-0.4	+2.7
	Public works	-0.3	0.0	0.0
Labour	Labour costs in construction	+1.3	+0.6	+2.1
Energy	Buildings	-4.2	-4.1	-8.2
	Public works	-5.5	-1.6	-9.2
Materials	Construction of buildings	-1.5	-0.5	-3.4
	Existing buildings	-0.8	-0.1	-1.6
	Civil engineering	-4.9	-2.8	-8.6
	Specialised works for civil engineering	-1.0	+0.5	-1.7
Services	Construction	-0.9	-0.4	+0.1
Transport	Buildings	-0.7	-0.7	-1.2
	Public works	+1.0	0.0	+1.4

Source: INSEE

Production costs in construction

Raw data, Reference year = 2010



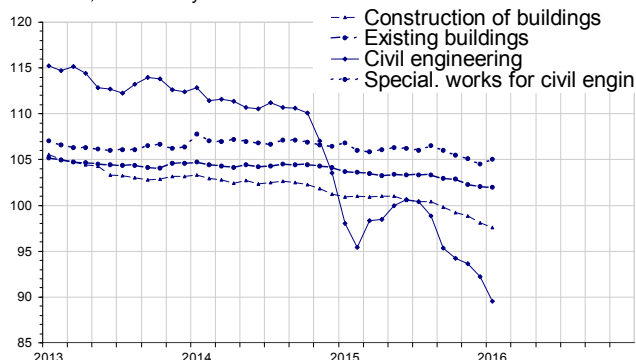
Source: INSEE

Material costs declined again except in specialised works for civil engineering

In January 2016, material costs decreased sharply in civil engineering (–2.8%); over a year, they fell by 8.6%. Materials cost a little less in construction of buildings (–0.5%) and in renovation of existing buildings (–0.1%). These decreases were mainly explained by the drop in prices of steel products (–4.4 %) and ribbed bars (–3.7 %). On the contrary, material costs in specialised construction activities increased by 0.5% notably due to the rise in prices of cement (+2.7%) and of gravel and sand (+0.4%).

Materials costs

Raw data, Reference year = 2010



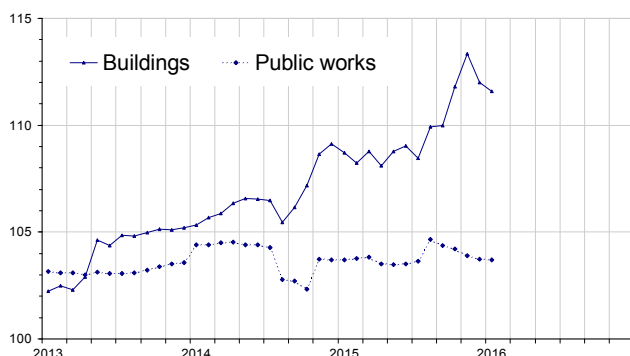
Source: INSEE

Equipment costs decreased slightly

In January 2016, equipment costs decreased slightly in construction of buildings (-0.4%) after a stronger decline in December. They were stable in public works.

Equipment cost

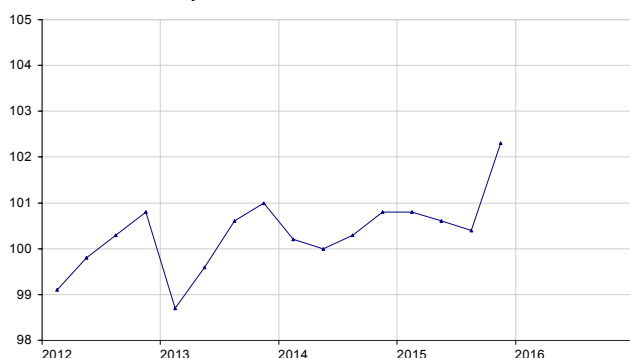
Raw data, Reference year =2010



Source: INSEE

Labour cost in construction

Raw data, Reference year =2010



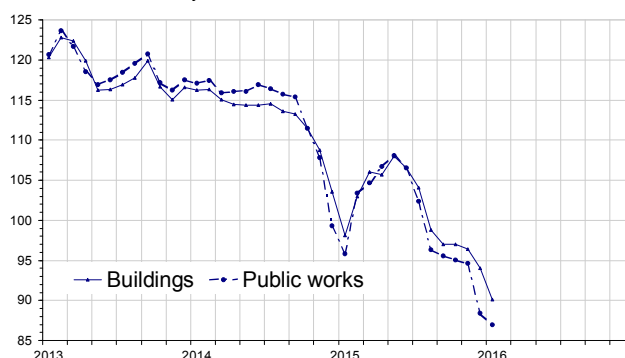
Source: INSEE

Energy costs diminished further

In January 2016, the cost of energy declined markedly again in building construction (-4.1 %) due to the fall in prices of diesel fuel. They shrank less in public works (-1.6%) on account to the increase in prices of heavy fuel (+10,6 %), consecutive to the rise of TIPCE (tax on energy). Energy costs remained much lower than a year ago in public works (-9.2%) as in building construction (-8.2%).

Energy cost

Raw data, Reference year =2010



Source: INSEE

Measure of variations' revisions

(in percentage points)

		Oct. 15	Nov. 15	Dec. 15
F	Construction	0.1	-0.1	0.1
41.2	Construction of buildings	0.1	///	-0.1
42	Civil engineering	0.1	-0.1	0.1
43	Specialised construction works	///	///	///

How to read it: producer cost variation for construction in October 2015 published in March 2016 has been updated from +0.1% to +0.2%, that is to say an upward revision by 0.1 points.

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 "KLEMST" 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](#)
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Next issue: 12 May 2016 at 12:00 pm.