

Informations Rapides

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■ Producer cost indices for construction – February 2016

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

In February 2016, producer costs in construction declined slightly again (–0.2%). Their fall slowed in civil engineering (–0.4% after –0.9%). Production costs were slightly down in the construction of buildings (–0.2%) and virtually stable in specialised construction activities (–0.1%).

Over a year, producer costs in construction continued to decline (–0.5% after –0.3%). Like last month, they fell significantly in civil engineering (–2.7%) and more moderately in construction of buildings (–0.7%). They were stable in specialised construction activities.

Variations in producer cost indices for construction

In %				
NAF	Heading	Weights (in %)	Feb. 16 / Jan. 16	Feb. 16 / Feb. 15
F	Construction	100.0	-0.2	-0.5
41.2	Construction of buildings	10.1	-0.2	-0.7
42	Civil engineering	16.2	-0.4	-2.7
43	Specialised construction works	73.7	-0.1	0.0
43BT	Buildings	64.2	-0.2	+0.2
43BTC	New buildings	24.6	-0.2	-0.5
43BTR	Existing buildings	39.6	-0.1	+0.8
43TP	Specialised works for civil engineering	9.5	-0.2	-1.9
BT	Buildings (41.2 + 43BT)	74.3	-0.1	+0.2
TP	Public works (42 + 43TP)	25.7	-0.3	-2.4

Source: INSEE

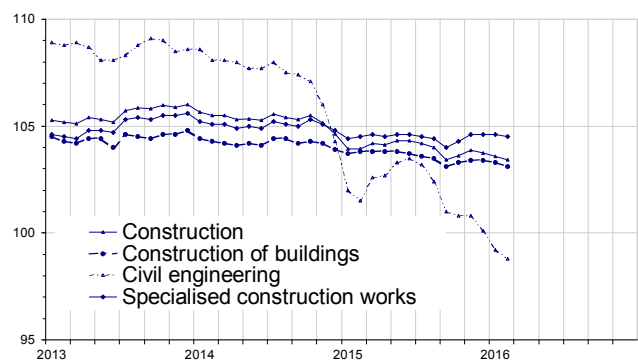
Items of producer cost indices for construction

In %				
Costs items		Q4 15 / Q3 15	Feb. 16 / Jan. 16	Feb. 16 / Feb. 15
Equipment	Buildings	+2.7	+0.2	+3.1
	Public works	-0.3	+0.1	-0.2
Labour	Labour costs in construction	+1.9	///	///
Energy	Buildings	-4.2	-0.9	-13.3
	Public works	-5.6	-0.6	-16.2
Materials	Construction of buildings	-1.5	-0.5	-4.2
	Existing buildings	-0.8	-0.4	-2.2
	Civil engineering	-4.9	-1.1	-7.2
	Specialised works for civil engineering	-1.1	-0.6	-1.4
Services	Construction	-1.0	+0.1	-0.3
Transport	Buildings	-0.7	-0.2	-2.3
	Public works	+1.0	0.0	+1.4

Source: INSEE

Production costs in construction

Raw data, Reference year = 2010



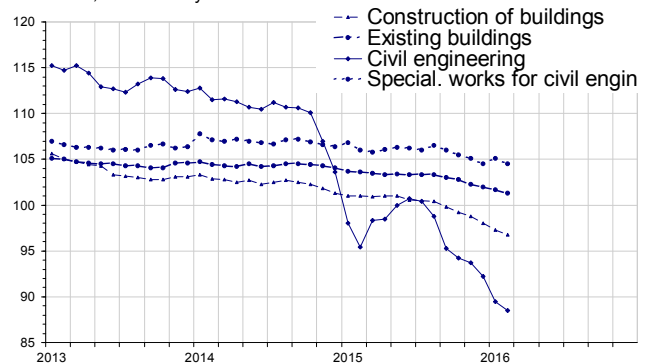
Source: INSEE

Material costs continue to decline

In February 2016, material costs decreased sharply in civil engineering (–1.1%); over a year, they slumped by 7.2%. Costs of materials also shrank in construction of buildings (–0.5% in February) and in renovation of existing buildings (–0.4%). These decreases were mainly explained by the drop in prices of ribbed bars (–5.9%) and of electric wire (–2.1%). Costs in specialised construction activities decreased by 0.6% notably due to the fall in prices of ribbed bars (–5.9%), of cement (–0.8%) and of gravel and sand (–0.5%).

Materials costs

Raw data, Reference year = 2010



Source: INSEE

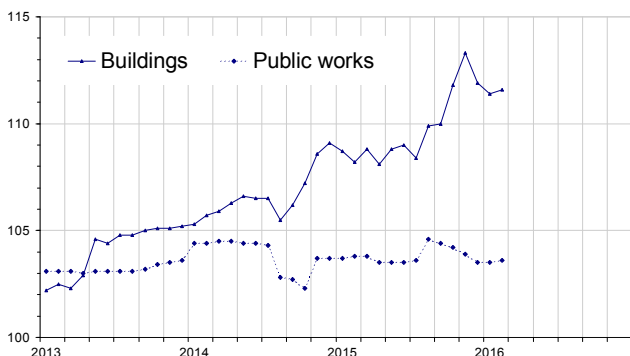
Equipment costs recovered slightly

In February 2016, equipment costs recovered slightly in construction of buildings (+0.2% after -0.4%).

They were virtually stable in public works (+0.1% after 0.0%) because prices of rental of civil engineering machinery and equipment were flat.

Equipment cost

Raw data, Reference year =2010



Source: INSEE

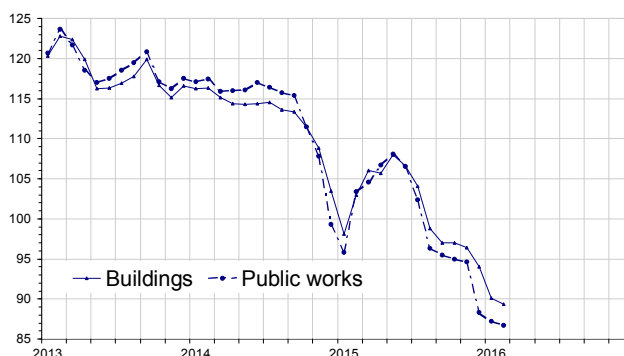
Energy costs diminished again

In February 2016, the costs of energy declined again in building construction (-0.9%) due to the fall in prices of road diesel fuel.

In public works, they decreased less (-0.6%) since the 0.5% increase in the price of non-road diesel (+0.5%) partly offset the decline in price heavy fuel oil (-2.1%).

Energy cost

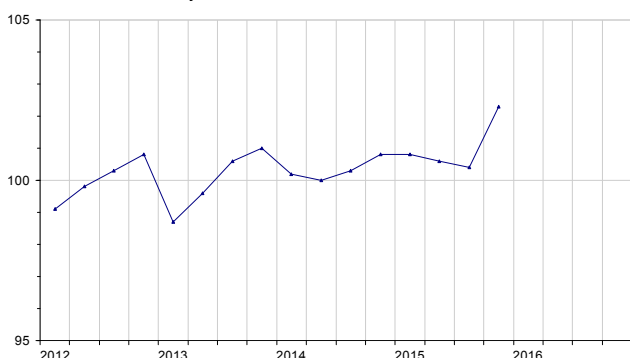
Raw data, Reference year =2010



Source: INSEE

Labour cost in construction

Raw data, Reference year =2010



Source: INSEE

Measure of variations' revisions

(in percentage points)

		Nov. 15	Dec. 15	Jan. 16
F	Construction	0.2	-0.2	0.1
41.2	Construction of buildings	///	///	-0.1
42	Civil engineering	0.1	-0.1	///
43	Specialised construction works	///	///	///

How to read it: producer cost variation for construction in January 2016 published in April 2016 has been updated from -0.2% to -0.1%, 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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