

# Informations *Rapides*

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## ■ Producer cost indices for construction – March 2016

### In March 2016, producer costs for construction increased slightly (+0.3%)

In March 2016, producer costs in construction rose slightly (+0.3%). Prices increased by 0.3% in construction of buildings, and in civil engineering and by 0.4% in specialised construction works.

Over a year, producer costs in construction continued to decline (–0.5% like the previous month) mostly driven by a significant fall in civil engineering (–3.4%). They decreased more moderately in construction of buildings (–0.4%). They rose slightly in specialised construction works (+0.2%).

#### Variations in producer cost indices for construction

In %				
NAF	Heading	Weights (in %)	Mar. 16/ Feb. 16	Mar. 16 / Mar. 15
F	Construction	100.0	+0.3	-0.5
41.2	Construction of buildings	10.1	+0.3	-0.4
42	Civil engineering	16.2	+0.3	-3.4
43	Specialised construction works	73.7	+0.4	+0.2
43BT	Buildings	64.2	+0.3	+0.5
43BTC	New buildings	24.6	+0.3	-0.3
43BTR	Existing buildings	39.6	+0.4	+1.0
43TP	Specialised works for civil engineering	9.5	+0.4	-2.2
BT	Buildings (41.2 + 43BT)	74.3	+0.4	+0.5
TP	Public works (42 + 43TP)	25.7	+0.4	-2.9

Source: INSEE

#### Items of producer cost indices for construction

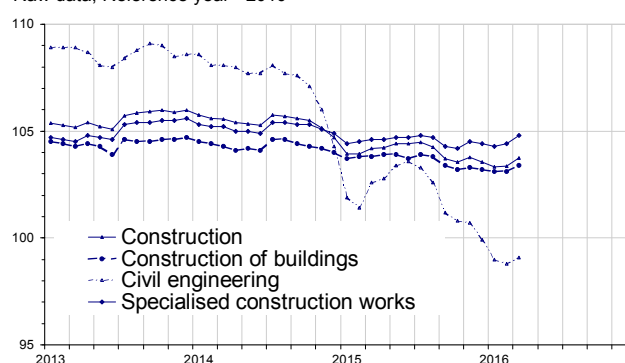
In %				
Costs items		Q1 16 / Q4 15	Mar. 16/ Feb. 16	Mar. 16 / Mar. 15
Equipment	Buildings	-1.6	0.0	+1.6
	Public works	-0.4	+0.1	-0.2
Labour	Labour costs in construction	+1.5	///	+2.6
Energy	Buildings	-5.4	+3.4	-12.9
	Public works	-5.0	+4.2	-13.8
Materials	Construction of buildings	-1.8	-0.1	-4.2
	Existing buildings	-0.9	+0.1	-2.0
	Civil engineering	-5.0	0.0	-10.1
	Specialised works for civil engineering	-0.5	-0.6	-1.8
Services	Construction	0.0	+0.1	0.0
Transport	Buildings	-0.9	+0.6	-2.4
	Public works	0.0	0.0	+1.4

///: non published estimation

Source: INSEE

#### Production costs in construction

Raw data, Reference year = 2010



Source: INSEE

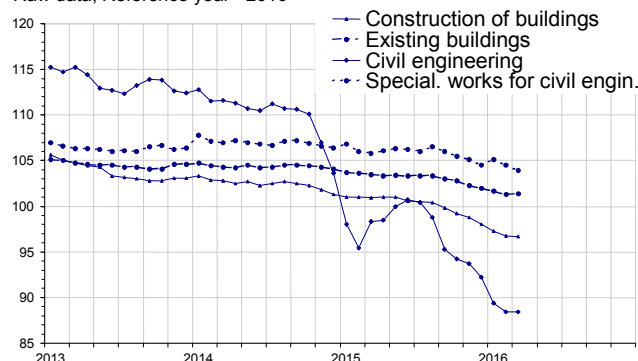
#### The fall in prices of materials costs eased

In March 2016, material costs were stable in civil engineering, after an uninterrupted decrease since July 2015; over a year, however they fell down by 10.1%.

Likewise, material costs almost stabilised in construction of buildings (–0.1% after –0.5%) and in renovation of existing buildings (+0.1% after –0.4%). On the other hand, in specialised works for civil engineering, these costs still declined (–0.6%, like in the previous month), due to the fall in prices of iron tubes (–3.7%) and of transformed flat glass for building use (–1.6%).

#### Costs of materials

Raw data, Reference year = 2010



Source: INSEE

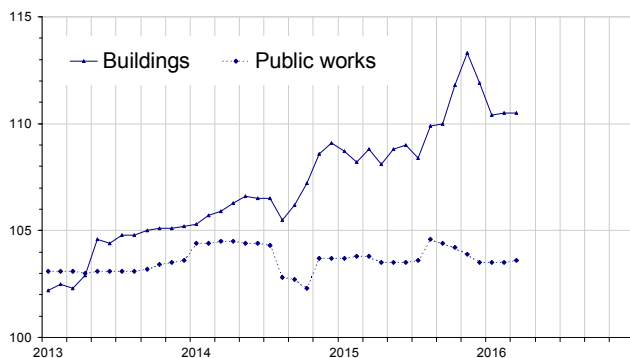
### Equipment costs were flat

In March 2016, equipment costs were virtually stable in civil engineering (+0.1% after 0.0%).

They were stable in building construction (+0.0% after +0.1%) with unchanged prices of rental of civil engineering machinery and equipment.

#### Equipment cost

Raw data, Reference year =2010



Source: INSEE

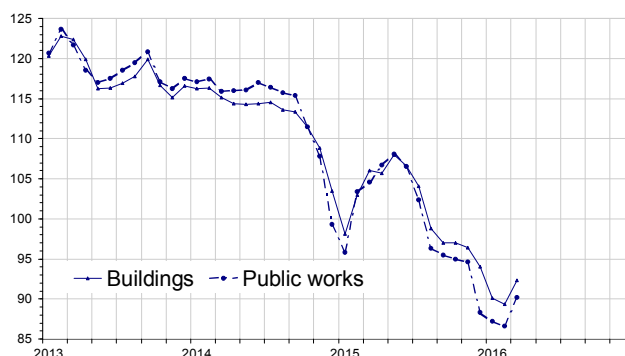
### Energy costs recovered

In March 2016, the costs of energy bounced back in building construction (+3.4% after -0.9% in February) due to the rise in prices of road diesel fuel (+3.4%).

In public works, they recovered even more (+4.2%), the increase in the price of non-road diesel (+9.2%) being stronger.

#### Energy cost

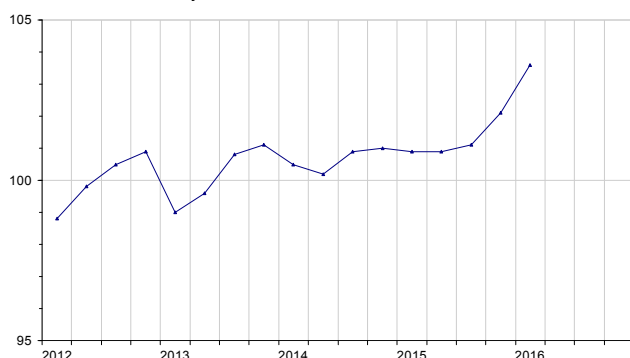
Raw data, Reference year =2010



Source: INSEE

### Labour cost in construction

Raw data, Reference year =2010



Source: INSEE

### Measure of variations' revisions

(in percentage points)

		Dec. 15	Jan. 16	Feb. 16
<b>F</b>	<b>Construction</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.3</b>
<b>41.2</b>	<b>Construction of buildings</b>	<b>-0.1</b>	<b>///</b>	<b>0.2</b>
<b>42</b>	<b>Civil engineering</b>	<b>-0.1</b>	<b>///</b>	<b>0.2</b>
<b>43</b>	<b>Specialised construction works</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.2</b>

How to read it: producer cost variation for construction in February 2016 published in May 2016 has been updated from -0.2% to +0.1%, that is to say an upward revision by 0.3 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](#)
- Follow us also on TwitterInseeFr: Twitter @InseeFr : <https://twitter.com/InseeFr>
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Next issue: 13 July 2016 at 12:00 pm.