

Informations *Rapides*

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■ Producer cost indices for construction – April 2016

In April 2016, producer costs for construction increased again slightly (+0.1%)

In April 2016, producer costs in construction rose again slightly (+0.1% after +0.4% in March). Costs rose by 0.1% in specialised construction works and by 0.3% in civil engineering. They were stable in construction of buildings.

Over a year, producer costs in construction continued to decline (-0.4% after -0.5% in the previous month) mostly driven by a significant fall in civil engineering (-3.4%). They decreased more moderately in construction of buildings (-0.5%). They rose in specialised construction works (+0.3%). They rose in specialised construction works (+0.3%).

Variations in producer cost indices for construction

In %				
NAF	Heading	Weights (in %)	April 16 / Mar. 16	April 16 / April 15
F	Construction	100.0	+0.1	-0.4
41.2	Construction of buildings	10.1	0.0	-0.5
42	Civil engineering	16.2	+0.3	-3.4
43	Specialised construction works	73.7	+0.1	+0.3
43BT	Buildings	64.2	0.0	+0.7
43BTC	New buildings	24.6	0.0	-0.3
43BTR	Existing buildings	39.6	+0.1	+1.2
43TP	Specialised works for civil engineering	9.5	+0.2	-2.2
BT	Buildings (41.2 + 43BT)	74.3	0.0	+0.5
TP	Public works (42 + 43TP)	25.7	+0.2	-3.0

Source: INSEE

Items of producer cost indices for construction

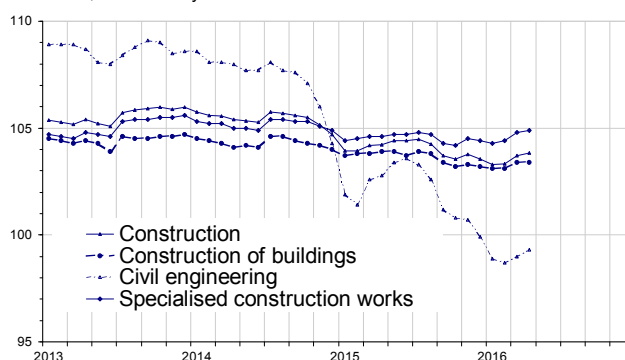
In %				
Costs items		Q1 16 / Q4 15	April 16 / Mar. 16	April 16 / April 15
Equipment	Buildings	-1.4	-0.1	+2.6
	Public works	-0.1	-0.2	0.0
Labour	Labour costs in construction	+1.5	///	+2.7
Energy	Buildings	-5.4	+0.8	-12.0
	Public works	-4.8	+0.6	-14.8
Materials	Construction of buildings	-1.8	-0.2	-4.5
	Existing buildings	-0.9	-0.3	-2.1
	Civil engineering	-5.0	+0.6	-9.7
	Specialised works for civil engineering	-0.5	+0.3	-1.8
Services	Construction	0.0	+0.3	+0.1
Transport	Buildings	-0.9	+0.2	-2.4
	Public works	-1.6	0.0	-1.0

///: non published estimation

Source: INSEE

Production costs in construction

Raw data, Reference year = 2010



Source: INSEE

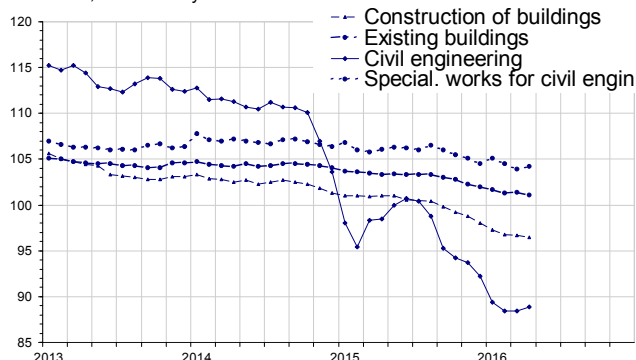
Material costs picked up in civil engineering and decreased again in buildings

In April 2016, material costs increased in civil engineering (+0.6%) after an uninterrupted decrease since July 2015. Over a year, however, they fell down by 9.7%. In specialised works for civil engineering, these costs picked up (+0.3% after -0.6%) due to a further increase in bitumen prices (+3.5%) and to a rebound in prices of ribbed bars (+4.3%).

By contrast, material costs decreased slightly again in building construction (-0.2% after -0.1%) reflecting the fall in prices of concrete (-0.9%). They also decreased in renovation of buildings (-0.3% after +0.1%) mostly due to the drop in the price of electrical equipment.

Materials costs

Raw data, Reference year = 2010



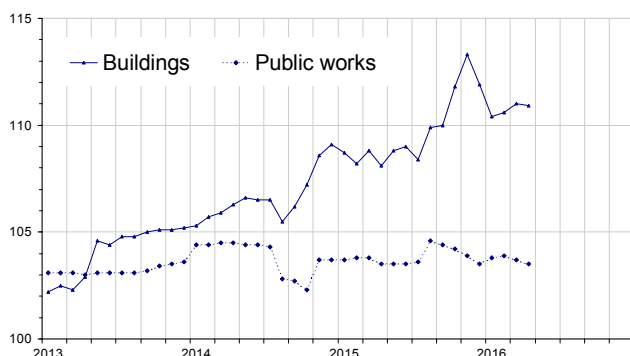
Source: INSEE

Equipment costs were virtually stable

In April 2016, equipment costs remained virtually stable in civil engineering (−0.2% after +0.1%) and in building construction (−0.1% after 0.0%).

Equipment cost

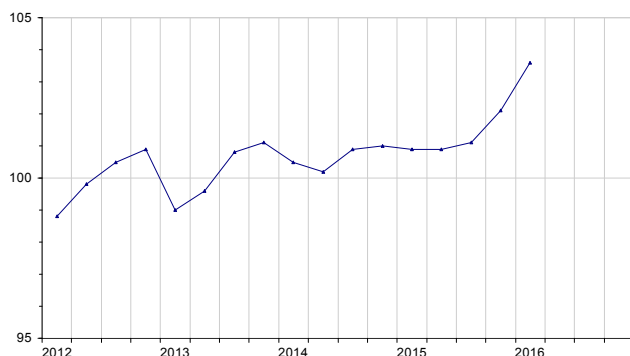
Raw data, Reference year =2010



Source: INSEE

Labour cost in construction

Raw data, Reference year =2010



Source: INSEE

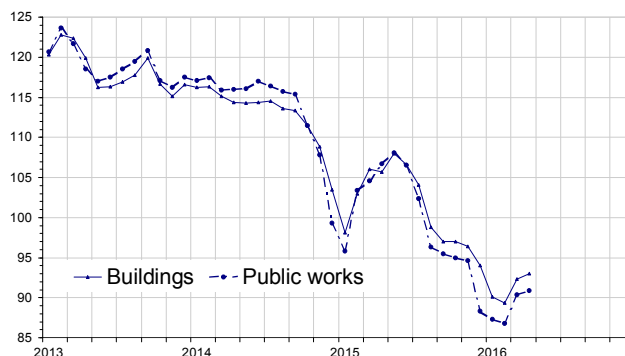
Energy costs increased again

In April 2016, the costs of energy continued to increase in building construction (+0.8% after +3.4%) due to the rise in prices of road diesel fuel.

In public works, these costs slowed clearly (+0.6% after +4.2 %), the increase in the price of heavy fuel (+12.1%) being mitigated by the drop in prices of electricity (−3.2%).

Energy cost

Raw data, Reference year =2010



Source: INSEE

Measure of variations' revisions

(in percentage points)

		Jan. 16	Feb. 16	Mar. 16
F	Construction	///	−0.1	0.1
41.2	Construction of buildings	///	///	///
42	Civil engineering	−0.1	///	///
43	Specialised construction works	///	///	///

///: unchanged

How to read it: producer cost variation for construction in March 2016 published in June 2016 has been updated from +0.3% to +0.4%, 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](#)
- Follow us also on TwitterInseeFr: Twitter @InseeFr : <https://twitter.com/InseeFr>
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Next issue: 12 August 2016 at 12:00 pm.