

Informations Rapides

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■ Producer cost indices for construction – July 2016

In July 2016, producer costs for construction were stable

In July 2016, producer costs in construction were stable following two monthly increases (including +0.5% in June). In particular, costs remained unchanged in specialised construction works and they were virtually stable in the construction of buildings sector (+0.1%). However, costs slightly rose in civil engineering (+0.3%). Over a year, producer costs remained practically unchanged in construction (-0.1% after 0.0% in June). They were virtually stable in building construction (+0.1% after +0.2%). They slowed slightly in specialised construction works (+0.4% after +0.5%) and they continued to decrease in civil engineering (-2.0% after -2.6%).

Variations in producer cost indices for construction

In %				
NAF	Heading	Weights (in %)	July 16 / June 16	July 16 / July 15
F	Construction	100.0	0.0	-0.1
41.2	Construction of buildings	10.1	+0.1	+0.1
42	Civil engineering	16.2	+0.3	-2.0
43	Specialised construction works	73.7	0.0	+0.4
43BT	Buildings	64.2	0.0	+0.7
43BTC	New buildings	24.6	+0.1	+0.2
43BTR	Existing buildings	39.6	0.0	+0.9
43TP	Specialised works for civil engineering	9.5	+0.1	-1.3
BT	Buildings (41.2 + 43BT)	74.3	0.0	+0.7
TP	Public works (42 + 43TP)	25.7	+0.2	-1.7

Source: INSEE

Items of producer cost indices for construction

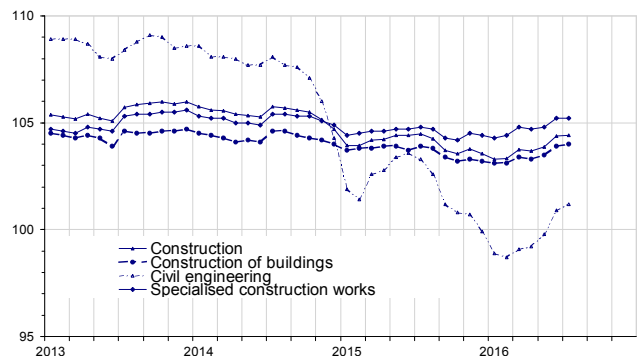
In %				
Costs items		Q2 16 / Q1 16	July 16 / June 16	July 16 / July 15
Equipment	Buildings	-0.2	-0.9	+1.6
	Public works	0.0	-0.1	+0.2
Labour	Labour costs in construction	-0.5	///	///
Energy	Buildings	+7.5	-2.4	-4.4
	Public works	+6.0	-2.7	-7.9
Materials	Construction of buildings	+0.4	+0.1	-2.2
	Existing buildings	+0.1	-0.2	-1.3
	Civil engineering	+2.0	+1.3	-6.6
	Specialised works for civil engineering	-0.1	-0.1	-1.4
Services	Construction	+0.3	+1.1	0.0
Transport	Buildings	+1.5	-0.4	-0.5
	Public works	+0.4	0.0	-0.2

///: non published estimation

Source: INSEE

Production costs in construction

Raw data, Reference year = 2010



Source: INSEE

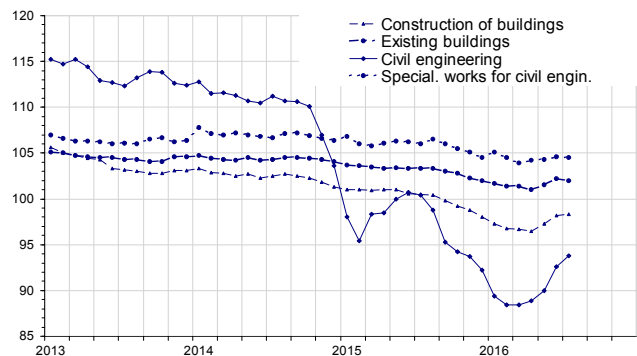
Material costs slowed down

In July 2016, material costs were virtually stable in building construction (+0.1% after +0.9% in June). Over a year, however, they fell by 2.2%. In civil engineering, they slowed down (+1.3% after +2.9%) due to decelerating bitumen prices. Year-on-year, however, they kept declining sharply (-6.6%).

In specialised works for civil engineering, the costs of materials were virtually stable (-0.1% after +0.3%) but, year-on-year, they decreased further (-1.4%).

Materials costs

Raw data, Reference year = 2010



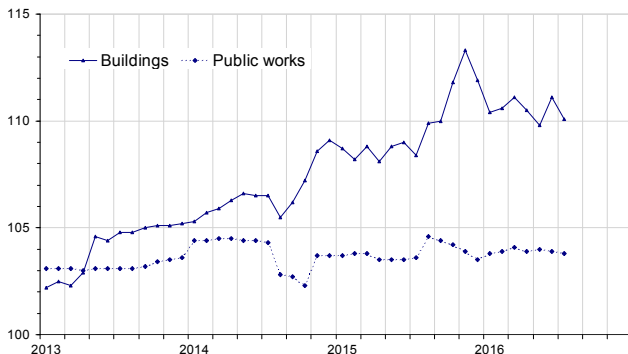
Source: INSEE

Equipment costs decreased in building construction

In July 2016, equipment costs decreased again in building construction (-0.9%) after rebounding in June (+1.2%). They were virtually stable in public works (-0.1% like in the previous month).

Equipment cost

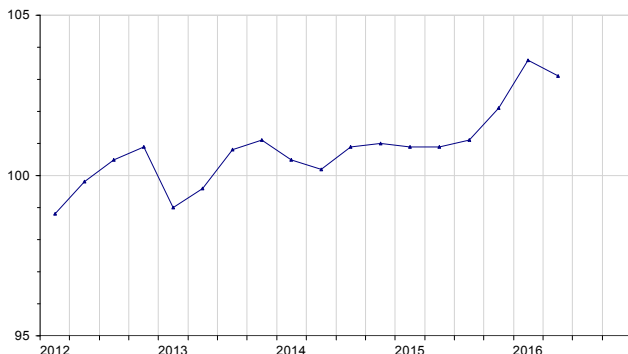
Raw data, Reference year =2010



Source: INSEE

Labour cost in construction

Raw data, Reference year =2010



Source: INSEE

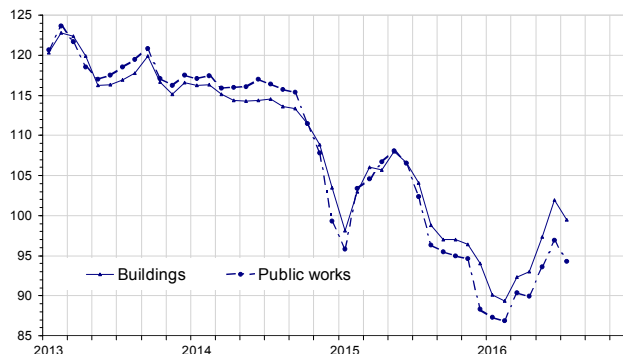
Downturn in energy costs

In July 2016, the costs of energy fell back in building construction (-2.4% after +4.7%) and in public works (-2.7% after +3.5%), because of the decrease in the prices of petroleum products and electricity.

Over a year, the costs of energy retreated again in building construction (-4.4%) and in public works (-7.9%).

Energy cost

Raw data, Reference year =2010



Source: INSEE

Variations' revisions

(in percentage points)

		Apr. 16	May 16	June 16
F	Construction	///	+0.1	///
41.2	Construction of buildings	///	///	+0.1
42	Civil engineering	///	///	+0.1
43	Specialised construction works	///	+0.1	-0.1

///: unchanged

How to read it: producer cost variation for building construction in June 2016 published in September 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](#)
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- Press contact : bureau-de-presse@insee.fr

Next issue: 15 November 2016 at 12:00 pm.