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■ Producer cost indices for construction – August 2016

In August 2016, producer costs for construction were virtually stable (+0.1%)

In August 2016, producer costs in construction were virtually stable again (+0.1%). They rose slightly in construction of buildings (+0.2% after +0.1%) and were virtually stable in specialised construction works (+0.1% like in the previous month) and in civil engineering (−0.1% after five consecutive months of rise). Over a year, producer costs increased in construction (+0.3 %) for the first time since the spring of 2014 : they rose again in building construction (+0.4% after +0.2%) and in specialised construction works (+0.6% after +0.5%) while they decreased less steeply in civil engineering (−1.4% after −2.0%).

Variations in producer cost indices for construction

In %

NAF	Heading	Weights (in %)	Aug. 16/ July 16	Aug. 16/ Aug 15
F	**Construction**	**100.0**	**+0.1**	**+0.3**
41.2	**Construction of buildings**	10.1	+0.2	+0.4
42	**Civil engineering**	16.2	-0.1	-1.4
43	**Specialised construction works**	73.7	+0.1	+0.6
43BT	Buildings	64.2	+0.1	+0.8
43BTC	New buildings	24.6	+0.2	+0.4
43BTR	Existing buildings	39.6	+0.1	+1.1
43TP	Specialised works for civil engineering	9.5	-0.1	-0.8
BT	**Buildings (41.2 + 43BT)**	74.3	+0.1	+0.8
TP	**Public works (42 + 43TP)**	25.7	-0.1	-1.2

Source: INSEE

Items of producer cost indices for construction

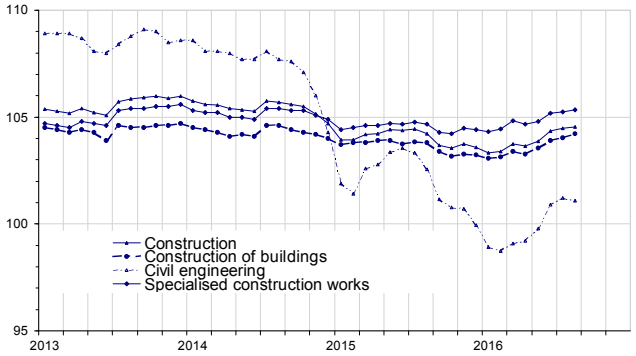
In %

Costs items		Q2 16 / Q1 16	Aug. 16/ July 16	Aug. 16/ Aug 15
Equipment	Buildings	-0.2	0.0	+0.2
	Public works	0.0	0.0	-0.8
Labour	Labour costs in construction	-0.5	///	///
Energy	Buildings	+7.5	-3.2	-2.5
	Public works	+6.2	-0.9	-2.6
Materials	Construction of buildings	+0.4	+0.6	-1.6
	Existing buildings	+0.1	+0.3	-1.0
	Civil engineering	+2.0	-0.4	-5.4
	Specialised works for civil engineering	-0.2	0.0	-1.9
Services	Construction	+0.4	-0.2	+0.2
Transport	Buildings	+1.5	-0.6	-0.1
	Public works	+0.4	0.0	-0.2

///: non published estimation
Source: INSEE

Production costs in construction

Raw data, Reference year =2010



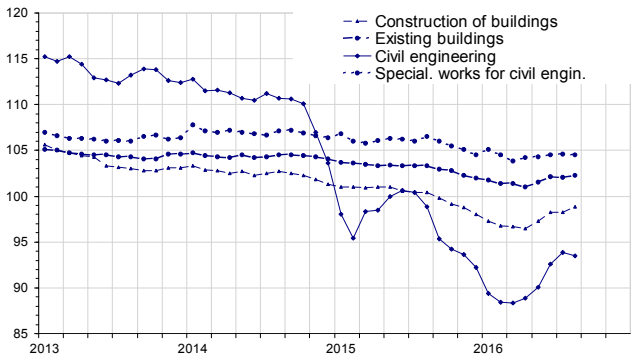
Source: INSEE

Material costs rose in construction of buildings

In August 2016, material costs rose in building construction (+0.6% after 0.0%) and in renovation of existing buildings (+0.3% after −0.1%). In civil engineering, these costs declined (−0.4%), after four months of rise, due to the downturn in bitumen prices. In specialised works for civil engineering, they were stable like in July. Material costs remained lower than a year before in all sectors : in construction of buildings (−1.6%) as well as in renovation of existing buildings (−1.0%), in civil engineering (−5.4%) and in specialised works for civil engineering (−1.9%).

Materials costs

Raw data, Reference year =2010



Source: INSEE

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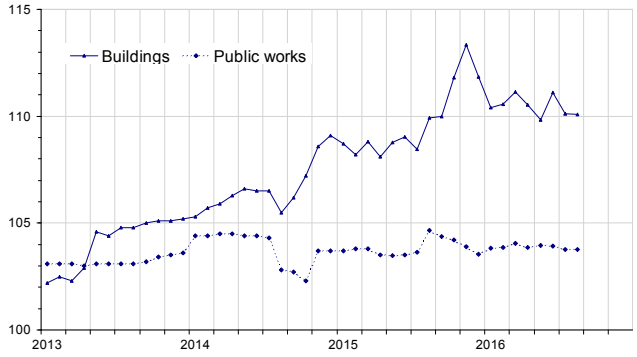
Equipment cost was stable

In August 2016, equipment cost was stable in building construction after a decline in July (−0.9%). It was stable in public works too (after −0.2% in July).

Equipment cost

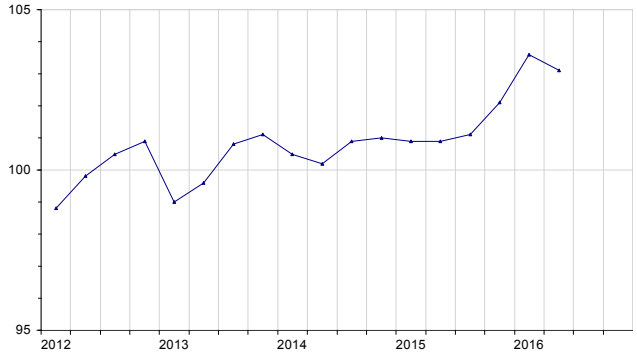
Raw data, Reference year =2010



Source: INSEE

Labour cost in construction

Raw data, Reference year =2010



Source: INSEE

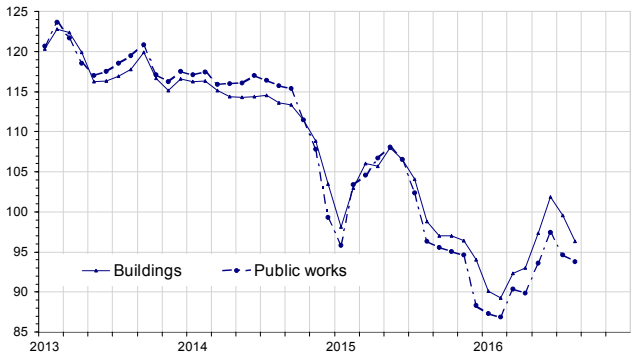
Energy cost declined

In August 2016, the cost of energy continued to decline in building construction (−3.2% after −2.3%) and to a lesser extent in public works (−0.9% after −2.9%), because of the decrease in the prices of diesel.

Over a year, the cost of energy decreased in building construction (−2.5%) as well as in public works (−2.6%).

Energy cost

Raw data, Reference year =2010



Source: INSEE

Variations' revisions

(in percentage points)

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

///: unchanged

How to read it: the variation producer cost for construction in July 2016 has been upward by 0.1 points, from 0.0% published in October 2016 to 0.1%.

Source: INSEE

For more information:

Definition

Production cost indices in construction aggregate the cost indices of six factors of production. These indices are subject to revision. They are primarily used for national accounts and macroeconomics analyses.

Method of calculation

The six factors of producton 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 factors of producton is itself made up of elementary indices issued from public statistics.
Cost indices and factors of production are aggregated using a Laspeyres chain−linked technique. reference 100 in 2010.
For more information, please refer to the methodology joined with the publication.

- 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: 20 December 2016 at 12:00 pm.