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■ Producer cost indices for construction – September 2016

In September 2016, producer costs for construction increased slighlty (+0.2%)

In September 2016, producer costs in construction increased slighlty (+0.2% as in the last two months). They rose somewhat in the construction of buildings (+0.2% after +0.3%) like in civil engineering (+0.2% after 0.0%) and they were virtually stable in specialised construction works (+0.1% after +0.2%). Over a year, producer costs accelerated in the entire construction sector (+1.3 % after +0.6%). This trend held for building construction (+1.2% after +0.6%) as well as for specialised construction works (+1.3% after +0.9%). Producer costs recovered in civil engineering, the first increase since the end of 2012 (a year-on-year rise of 0.4%).

Variations in producer cost indices for construction

In %

NAF	Heading	Weights (in %)	Sep. 16/ Aug. 16	Sep. 16/ Sep. 15
F	**Construction**	**100.0**	**+0.2**	**+1.3**
41.2	**Construction of buildings**	10.1	+0.2	+1.2
42	**Civil engineering**	16.2	+0.2	+0.4
43	**Specialised construction works**	73.7	+0.1	+1.3
43BT	Buildings	64.2	+0.2	+1.5
43BTC	New buildings	24.6	+0.2	+1.3
43BTR	Existing buildings	39.6	+0.1	+1.7
43TP	Specialised works for civil engineering	9.5	+0.2	+0.7
BT	**Buildings (41.2 + 43BT)**	74.3	+0.1	+1.4
TP	**Public works (42 + 43TP)**	25.7	+0.2	+0.5

Source: INSEE

Items of producer cost indices for construction

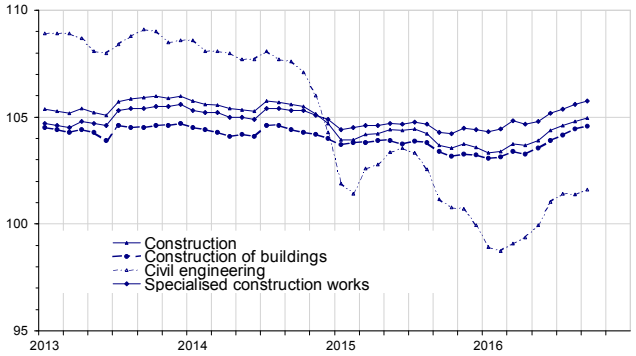
In %

Costs items		Q3 16 / Q2 16	Sep. 16/ Aug. 16	Sep. 16/ Sep. 15
Equipment	Buildings	-0.3	+0.3	+0.4
	Public works	-0.2	0.0	-0.6
Labour	Labour costs in construction	+1.0	///	///
Energy	Buildings	+0.5	+1.6	+0.8
	Public works	+0.9	+1.1	-0.7
Materials	Construction of buildings	+1.4	+0.1	-0.9
	Existing buildings	+0.6	-0.1	-0.7
	Civil engineering	+3.5	+0.3	-1.6
	Specialised works for civil engineering	+0.3	+0.1	-1.2
Services	Construction	+0.9	-1.1	+0.6
Transport	Buildings	+0.2	+0.3	+0.7
	Public works	-0.3	0.0	+1.3

///: non published estimation
Source: INSEE

Production costs in construction

Raw data, Reference year =2010



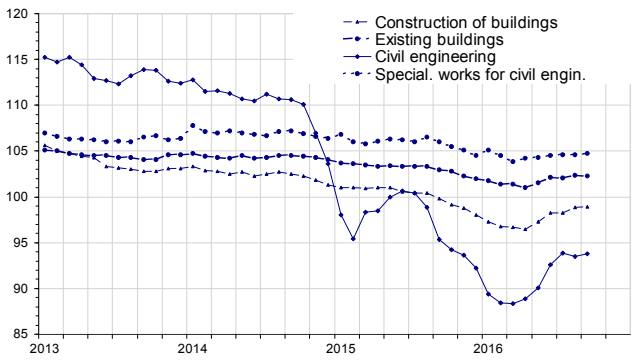
Source: INSEE

Material costs were virtually stable in the construction of buildings

In September 2016, material costs were virtually stable in building construction (+0.1% after +0.5%) and in specialised works for civil engineering (+0.1% after 0.0%). They rebounded in civil engineering (+0.3% after −0.3%). Over a year, material costs still decreased in all sectors : in the construction of buildings (−0.9%) as well as in the renovation of existing buildings (−0.7%), in civil engineering (−1.6%) and in specialised works for civil engineering (−1.2%).

Materials costs

Raw data, Reference year =2010



Source: INSEE

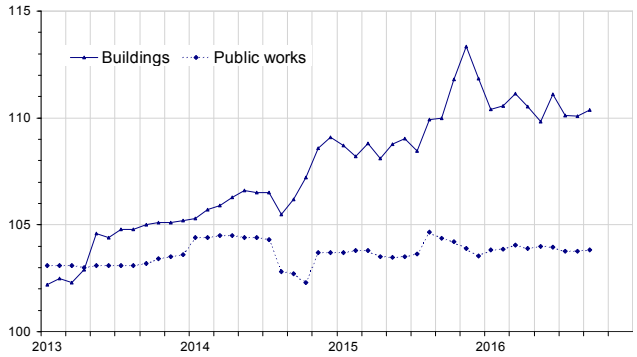
Institut national de la statistique et des études économiques
Direction générale 18 bd A. Pinard 75675 Paris Cedex 14
Directeur de la publication : Jean-Luc Tavernier
http://www.insee.fr

Equipment cost increased moderately

In September 2016, equipment cost increased moderately in building construction (+0.3% after a stability in August). It was unchanged in public works as in August.

Equipment cost

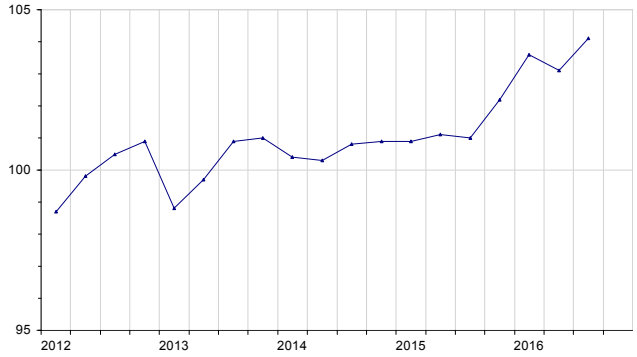
Raw data, Reference year =2010



Source: INSEE

Labour cost in construction

Raw data, Reference year =2010



Source: INSEE

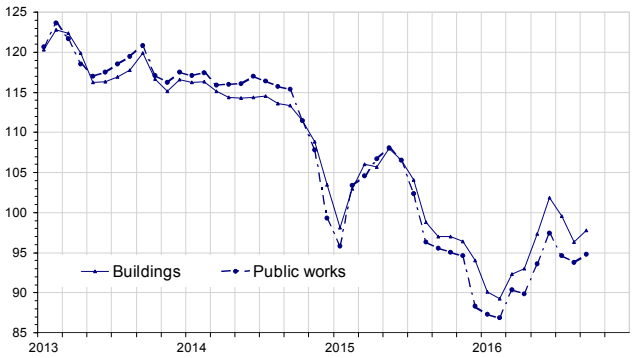
Energy cost bounced back

In September 2016, the cost of energy increased in building construction (+1.6%) and in public works (+1.1%) following two consecutive months of decline.

Over a year, the cost of energy remained on a downward trend in public works (−0.7% after −2.6%). In building construction, it was higher than a year ago (+0.8%) for the first time since the end of 2012.

Energy cost

Raw data, Reference year =2010



Source: INSEE

Variations' revisions

(in percentage points)

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

///: unchanged

How to read it: the variation in producer cost for construction in August 2016 has been revised upward by 0.1 points, from +0.1% published in November 2016 to +0.2%.

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: https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=54
- Historical data are available on the BDM : G1605
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Next issue: 12 January 2017 at 12:00 pm.