

Informations *Rapides*

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■ Producer cost indices for construction – First quarter 2017

In Q1 2017, producer costs for construction increased again (+1.1%)

Warning : Monthly production cost indices in construction are now released on a quarterly basis. The comments provided below concern the first quarter of 2017.

In Q1 2017, producer costs for construction increased by 1.1% after +0.3% in Q4 2016. They considerably accelerated in civil engineering (+2.1 % after +0.9%) and to a lesser extent in building construction (+0.8% after +0.3%) and in specialised construction works (+0.8% after +0.3%). Over a year, these costs accelerated too (+2.8% after +1.5% in Q4 2016). They were very dynamic in civil engineering (+5.7% after +1.9% in Q4 2016) and slightly less dynamic in building construction (+2.1% after +1.3%) and in specialised construction works (+2.2% after +1.5%).

Materials cost rose

In Q1 2017, materials cost rose by 1.4% in building construction and in renovation of existing buildings. It sharply increased in civil engineering (+4.1%) due to soaring bitumen prices (needed in road development works and in making of mixes). It recovered in specialised works for civil engineering (+0.7% after -0.4% in Q4 2016).

Over a year, materials cost strongly accelerated in civil engineering (+11.2% after +1.6%) due bitumen prices. Materials cost recovered significantly in building construction (+2.8% after -0.4%) as well as in renovation of existing buildings (+1.8% after -0.4%) and more moderately in specialised works for civil engineering (+0.4% after -0.8%).

Energy cost dramatically accelerated

In Q1 2017, the cost of energy accelerated in building construction (+9.1% after +3.5%) and in public works (+8.0% after +6.3%) due to a rise in fuel products at the end of 2016 and at the beginning of 2017.

Over a year, the acceleration is even more vigorous (+22.9% after +8.3% in public works and +22.0% after +5.8% in building construction) due to an improvement in diesel and fuel oil prices.

Variations in producer cost indices for construction

In %

Heading	Weights (in %)	Q1 2017/ Q4 2016	Q1 2017/ Q1 2016
F Construction	100.0	+1.1	+2.8
41.2 Construction of buildings	10.1	+0.8	+2.1
42 Civil engineering	16.2	+2.1	+5.7
43 Specialised construction works	73.7	+0.8	+2.2
43BT Buildings	64.2	+0.7	+1.8
43BTC New buildings	24.6	+0.8	+2.1
43BTR Existing buildings	39.6	+0.7	+1.7
43TP Specialised works for civil engineering	9.5	+1.8	+4.7
Buildings (41.2 + 43BT)	74.3	+0.8	+1.9
Public works (42 + 43TP)	25.7	+1.9	+5.3

Source: INSEE

Items of producer cost indices for construction

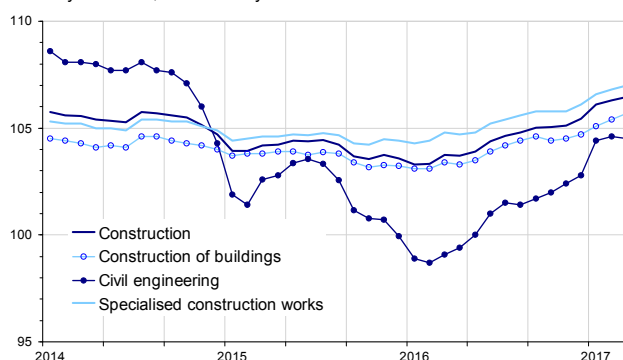
In %

Costs items	Q1 2017/ Q4 2016	Q1 2017/ Q1 2016
Equipment		
Buildings	-0.7	-0.7
Public works	+0.7	+0.4
Labour		
Labour costs in construction	+0.7	+1.8
Energy		
Buildings	+9.1	+22.0
Public works	+8.0	+22.9
Materials		
Construction of buildings	+1.4	+2.8
Existing buildings	+1.4	+1.8
Civil engineering	+4.1	+11.2
Specialised works for civil engineering	+0.7	+0.4

Source: INSEE

Production costs in construction

Monthly raw data, Reference year = 2010



Source: INSEE

Equipment cost decreased in building construction and increased in public works

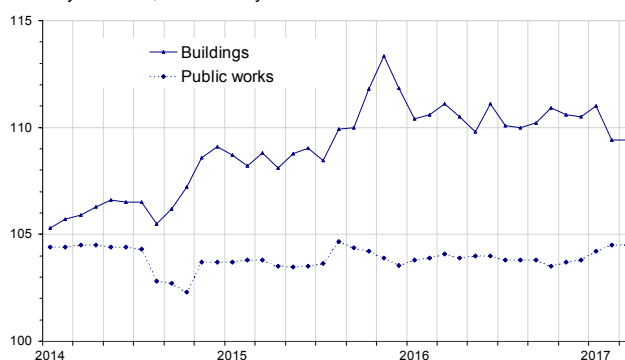
In Q1 2017, equipment cost decreased in building construction (−0.7% after +0.5%); it declined by 0.7% yoy (after −1.5%). In public works, it rose over the quarter (+0.7% after −0.1% in Q4 2016) and it increased slightly over a year (+0.4% after −0.2%).

The variation in production costs in construction is slightly revised downward

The variation in producer costs in construction between the third quarter of 2016 and the fourth quarter of 2016 is revised downward by 0.1 points.

Equipment cost

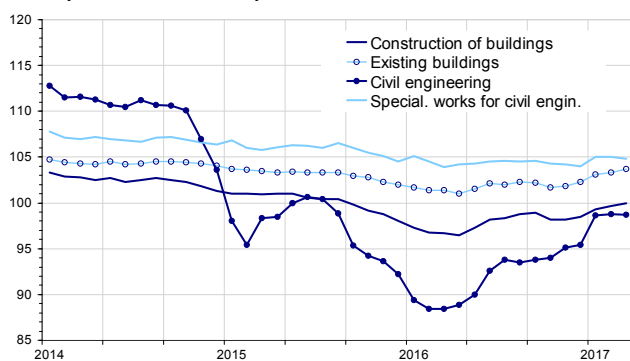
Monthly raw data, Reference year =2010



Source: INSEE

Materials cost

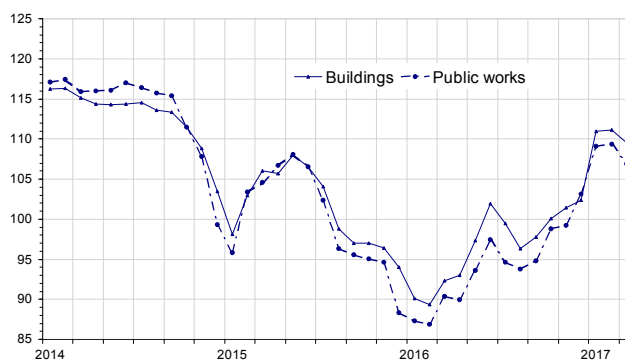
Monthly raw data, Reference year =2010



Source: INSEE

Energy cost

Monthly raw data, Reference year =2010



Source: INSEE

For more information:

Monthly production cost indices are released every three months.

These indices aggregate the cost indices of six factors of production, four of which are commented here (equipment, labour, energy and materials) and account for more than 8/9 in the calculation of the producer costs in construction.

These indices are subject to revision. They are primarily used for national accounts and macroeconomics analyses.

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 is available on the BDM : http://www.bdm.insee.fr/bdm2/choixCriteres?request_locale=en&codeGroupe=1605
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