

Informations *Rapides*

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■ Producer cost indices for construction – Second quarter 2017

In Q2 2017, producer costs for construction slowed down (+0.3%)

Warning : Monthly production cost indices in construction have been released on a quarterly basis since June 2017. The comments provided below concern the second quarter of 2017.

In Q2 2017, producer costs for construction increased slightly, not as much as in Q4 2016 (+0.3% after +1.0%). They slowed down in building construction (+0.4% after +0.8%) and in specialised construction works (+0.3% after +0.8%) while they decreased in civil engineering (-0.3%) after four quarters of growth. Over a year, though, these costs remained dynamic (+2.6% after +2.8% in Q1 2017). Again, they rose sharply in civil engineering (+4.1% after +5.7%) and to a lesser extent in building construction and in specialised construction works (+2.3% in both sectors as in the previous quarter).

Materials cost increased in buildings, it decreased in civil engineering

In Q2 2017, the cost of materials rose again, albeit to a lesser extent than in Q1 2017, in building construction (+0.8% after +1.4%) and in renovation of existing buildings (+0.7% after 1.4%). However, it fell back in civil engineering (-0.5% after +4.0%) due to a downturn in bitumen prices. It was stable in specialised works for civil engineering (after +0.7% in Q1 2017).

Over a year, materials cost was still dynamic in civil engineering (+8.4% after +11.2%). It accelerated in building construction (+3.2% after +2.8%) and in renovation of existing buildings (+2.5% after +1.8%).

Energy cost fell back sharply

In Q2 2017, the cost of energy declined in building construction (-3.7%) and in public works (-5.2%) due to a decrease in fuel oil and gas oil.

Over a year, the increase in the cost of energy was less marked than at the beginning of the year but it remained significant (+9.9% after +23.0% in public works and +9.3% after +22.0% in building construction).

Variations in producer cost indices for construction

Heading	Weights (in %)	Q2 2017/ Q1 2017	Q2 2017/ Q2 2016
F Construction	100.0	+0.3	+2.6
41.2 Construction of buildings	10.1	+0.4	+2.3
42 Civil engineering	16.2	-0.3	+4.1
43 Specialised construction works	73.7	+0.3	+2.3
43BT Buildings	64.2	+0.4	+2.1
43BTC New buildings	24.6	+0.4	+2.3
43BTR Existing buildings	39.6	+0.4	+2.0
43TP Specialised works for civil engineering	9.5	-0.3	+3.5
Buildings (41.2 + 43BT)	74.3	+0.4	+2.2
Public works (42 + 43TP)	25.7	-0.3	+3.9

Source: INSEE

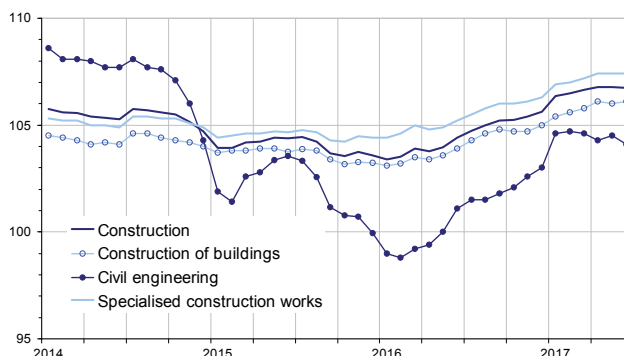
Items of producer cost indices for construction

Costs items	Q2 2017/ Q1 2017	Q2 2017/ Q2 2016
Equipment		
Buildings	-0.5	-0.8
Public works	-0.1	+0.4
Labour		
Labour costs in construction	+0.4	+2.7
Energy		
Buildings	-3.7	+9.3
Public works	-5.2	+9.9
Materials		
Construction of buildings	+0.8	+3.2
Existing buildings	+0.7	+2.5
Civil engineering	-0.5	+8.4
Specialised works for civil engineering	0.0	+0.6

Source: INSEE

Production costs in construction

Monthly raw data, Reference year =2010



Source: INSEE

Equipment cost slightly decreased in building construction and was practically stable in public works

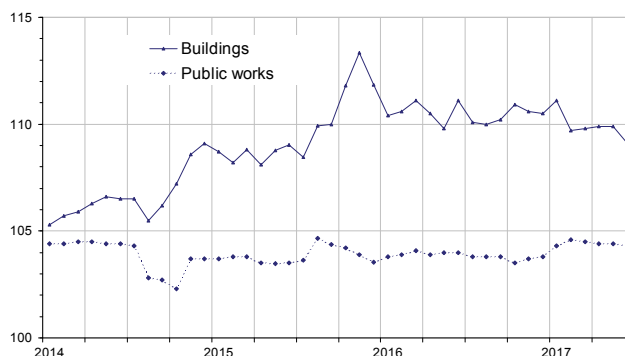
In Q2 2017, equipment cost decreased again in building construction (−0.5% after −0.4%); it declined by 0.8% yoy (after −0.5%). In public works, it was practically stable over the quarter (−0.1% after +0.8% in Q1 2017) and it increased slightly over a year (+0.4% after +0.5%).

The variation in production costs in construction has been slightly revised downward for Q1 2017

The variation in producer costs in construction between the fourth quarter of 2016 and the first quarter of 2017 has been revised downward by 0.1 points, to 1.0%.

Equipment cost

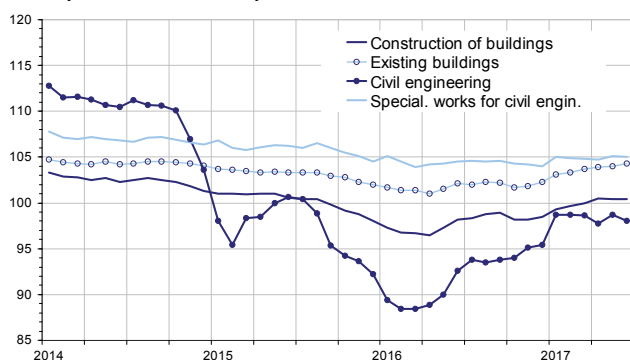
Monthly raw data, Reference year =2010



Source: INSEE

Materials cost

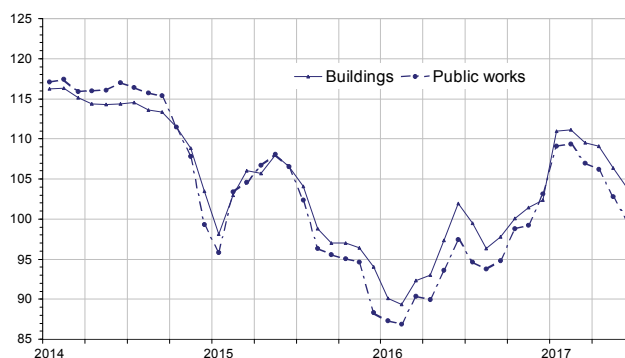
Monthly raw data, Reference year =2010



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 : <https://www.insee.fr/en/statistiques/series/102327749>
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