

# Informations Rapides

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## ■ Producer cost indices for construction – Third quarter 2017

### In Q3 2017, producer costs for construction slightly increased (+0.2%)

In Q3 2017, producer costs for construction increased slightly (+0.2% after +0.3%). They increased in building construction (+0.3% after +0.4%) and in specialised construction works (+0.3% as in the previous quarter). They recovered very modestly in civil engineering (+0.1% after -0.3%). Over a year, though, these costs remained dynamic (+2.0% after +2.7% in Q2 2017). Again, they rose sharply in every sectors, although at a lower rate than in the previous quarters: in civil engineering (+2.8% after +4.2%), in building construction (+1.8% after +2.4%) and in specialised construction works (+1.9% after +2.4% in Q2 2017).

#### **Materials cost decreased slightly in buildings, it was stable in civil engineering**

In Q3 2017, the cost of materials decreased slightly in building construction (-0.2% after +0.7%) whereas it increased in renovation of existing buildings (+0.2% after +0.7%). It was stable in civil engineering (after -0.5%) and almost unchanged in specialised works for civil engineering (+0.1% after a stability).

Over a year, materials cost was still dynamic in civil engineering (+4.7% after +8.5%). It slowed down in building construction (+1.6% after +3.2%) and in renovation of existing buildings (+2.1% after +2.5%).

#### **Energy cost feel back**

In Q3 2017, the cost of energy continued to decline in building construction (-1.5% after -3.7%) and in public works (-1.7% after -5.0%).

Over a year, the increase in the cost of energy was less marked than at the beginning of the year but it remained significant (+7.3% after +10.0% in public works and +7.1% after +9.3% in building construction).

#### Variations in producer cost indices for construction

| Heading                                      | Weights (in %) | Q3 2017/Q2 2017 | In % | Q3 2017/Q3 2016 |
|--|----------------|-----------------|------|-----------------|
| <b>F Construction</b>                        | <b>100.0</b>   | <b>+0.2</b>     |      | <b>+2.0</b>     |
| <b>41.2 Construction of buildings</b>        | 10.1           | +0.3            |      | +1.8            |
| <b>42 Civil engineering</b>                  | 16.2           | +0.1            |      | +2.8            |
| <b>43 Specialised construction works</b>     | 73.7           | +0.3            |      | +1.9            |
| 43BT Buildings                               | 64.2           | +0.3            |      | +1.9            |
| 43BTC New buildings                          | 24.6           | +0.3            |      | +1.8            |
| 43BTR Existing buildings                     | 39.6           | +0.5            |      | +2.0            |
| 43TP Specialised works for civil engineering | 9.5            | +0.1            |      | +2.6            |
| <b>Buildings (41.2 + 43BT)</b>               | <b>74.3</b>    | <b>+0.3</b>     |      | <b>+1.8</b>     |
| <b>Public works (42 + 43TP)</b>              | <b>25.7</b>    | <b>+0.1</b>     |      | <b>+2.7</b>     |

Source: INSEE

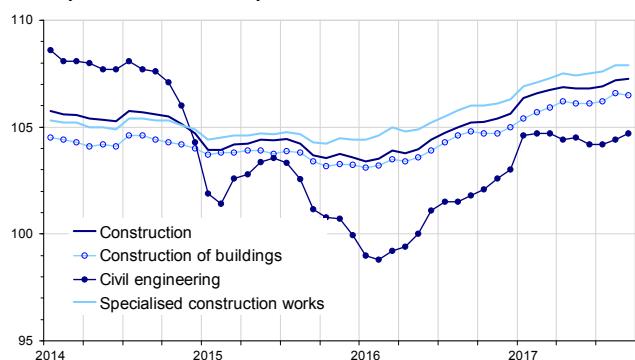
#### Items of producer cost indices for construction

| Costs items      | Q3 2017/Q2 2017                         | In % | Q3 2017/Q3 2016 |
|------------------|---|------|-----------------|
| <b>Equipment</b> | Buildings                               | -0.2 | -0.5            |
|                  | Public works                            | -0.2 | +0.4            |
| <b>Labour</b>    | Labour costs in construction            | +0.8 | +2.3            |
| <b>Energy</b>    | Buildings                               | -1.5 | +7.1            |
|                  | Public works                            | -1.7 | +7.3            |
| <b>Materials</b> | Construction of buildings               | -0.2 | +1.6            |
|                  | Existing buildings                      | +0.2 | +2.1            |
|                  | Civil engineering                       | 0.0  | +4.7            |
|                  | Specialised works for civil engineering | +0.1 | +0.4            |

Source: INSEE

#### Production costs in construction

Monthly raw data, Reference year = 2010



Source: INSEE

## **Equipment cost slightly decreased in building construction and in public works**

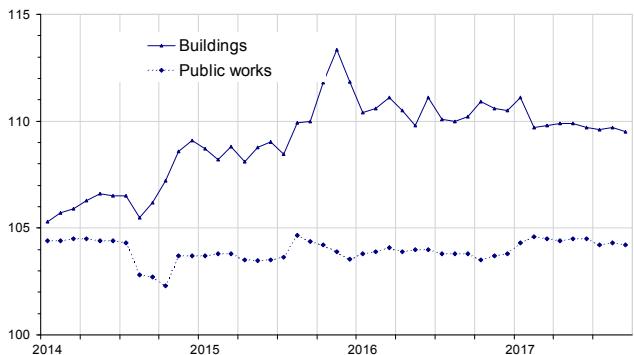
In Q3 2017, equipment cost slightly decreased in building construction (-0.2% after -0.3%); it declined by 0.5% yoy (after -0.6%). In public works, it slightly declined too (-0.2% after a stability in Q2 2017) and it increased slightly over a year (+0.4% after +0.5%).

## **The variation in production costs in construction was not revised in Q2 2017**

In Q2 2017, the variation in producer costs in construction remained at 0.3%.

### **Equipment cost**

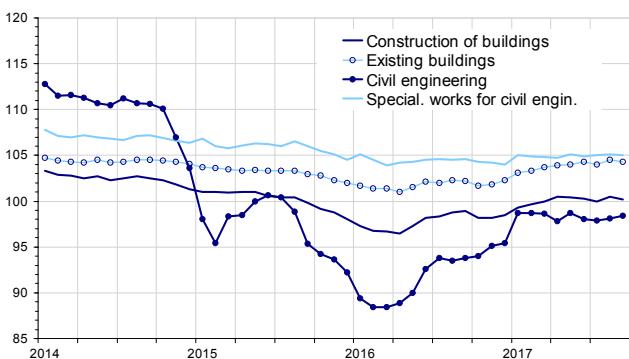
Monthly raw data, Reference year =2010



Source: INSEE

### **Materials cost**

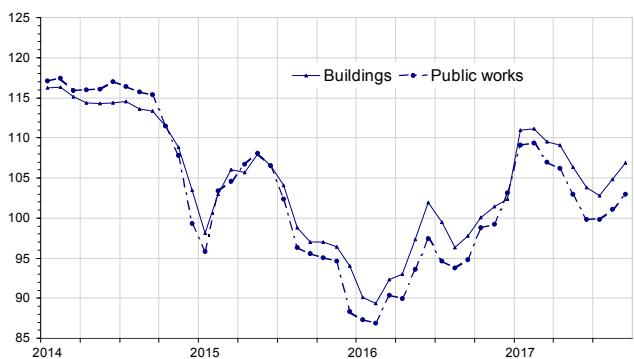
Monthly raw data, Reference year =2010



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 are available on the BDM: <https://www.insee.fr/en/statistiques/series/102327749>
- Follow us also on Twitter @InseeFr\_News: [https://twitter.com/InseeFr\\_News](https://twitter.com/InseeFr_News)
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Next issue: Mid-March 2018