



## 87th EUROCONSTRUCT conference

Rome, 13 June 2019

# Press release

**EMBARGO UNTIL THURSDAY, 13 JUNE 2019**

---

The total construction output in the Euroconstruct area grew by 3.1 % in 2018, slightly better than expected six months ago, while the forecast period is now predicted to be an even slower development, in a context of a weakening economic expansion.

New construction continues to be the leading force of the expansionary cycle (+4.3% last year, for an overall increase from 2014 set at +17.5%), with new civil engineering approaching a +6% growth rate, and that of new residential construction passing +5%.

If 2017 represented the year, after the recovery, of positive development for all 19 countries, which resulted in the most vigorous increase for more than 20 years (+4.2%), in 2018 the first signals of a new slowing down materialised, halting in some case sectorial production (UK and some of the Nordic countries).

The level of construction output in 2018 is set at 1.610 million euro that, after five years growth, is still far below peak level, with relevant differences among countries. In seven countries the pre-crisis level has already been overtaken, in six others the market capacity last year was at the same level as 2007, while in the remaining six, among which three of the five big countries are included, still have to re-absorb a more than 10% negative gap.

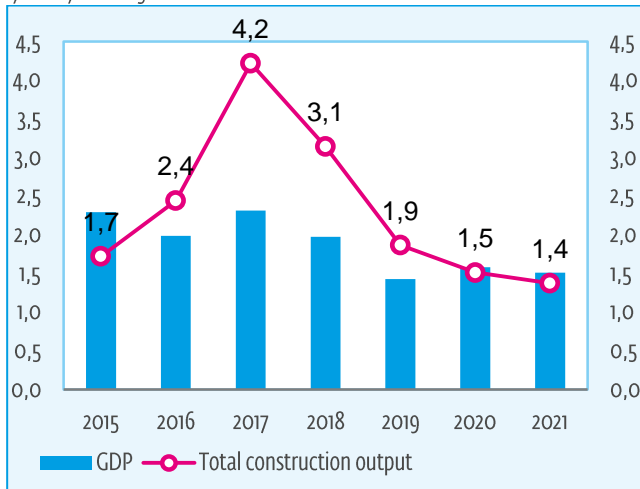
The new short term outlook defines a slowing growth: the European construction output should increase by less than 2% this year, and by no more than 1.5 p.p. in the next two-year period. Some of the downward risks in fact have materialised since the autumn conference, adding elements of concerns and uncertainty to an overall scenario characterised by structural factors, like demographic pressure, saturation of the market, slow realisation process and other bottlenecks.

The leading market in the next three year period will be that of infrastructures, expected to sustain the European construction market with an average of more than 3%, against a little more than 1% increase forecasted for the building sector.

At a country level, the positive development will be sustained by the strong growth (about +6%) in all eastern countries, excluding Slovakia; similar increase for Ireland, even if decelerating in the forecast period, and, on a more moderate extent, by positive rates in the Netherlands, Portugal and Spain (close to 4%). This last one being the best performing among the big five countries. For two others, Germany and France, the market is expected to be stagnating, while in the UK and in Italy it will increase by less than 2% on average.

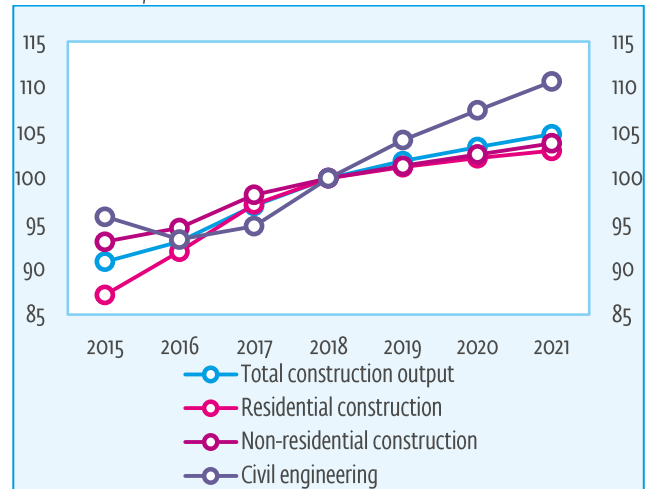
### GDP and Total construction output (EC-19)

year to year change in %



### Construction output by sector (EC-19)

Index at constant price



Source: EUROCONSTRUCT, June 2019

TOTAL CONSTRUCTION OUTPUT							(% change in real terms)	
Country/Year					Forecasts		Outlook	
	2015	2016	2017	2018	2019	2020	2021	
Austria	0,1	0,4	3,5	2,8	1,8	1,2	1,1	
Belgium	1,8	2,7	3,0	3,3	2,6	2,3	4,7	
Denmark	5,7	5,4	5,7	4,3	1,9	1,6	1,6	
Finland	0,4	7,1	2,7	2,0	-1,9	-2,6	-1,6	
France	-2,0	2,6	3,9	3,1	0,8	1,2	-0,5	
Germany	0,0	2,6	2,6	1,9	0,2	-0,7	-0,8	
Ireland	6,8	15,8	16,3	8,7	8,0	6,0	2,5	
Italy	0,9	1,0	0,5	2,2	1,9	2,0	1,7	
Netherlands	8,2	6,9	4,3	6,4	4,9	4,3	2,6	
Norway	-0,1	2,9	5,7	-0,2	4,7	1,9	3,2	
Portugal	3,4	-1,6	9,0	7,3	4,8	3,6	2,6	
Spain	2,9	1,8	4,7	6,3	5,0	4,0	2,5	
Sweden	5,8	5,9	7,2	-0,7	-3,2	-2,9	1,2	
Switzerland	1,7	0,2	1,2	1,3	0,4	1,1	1,4	
United Kingdom	4,0	4,2	6,9	0,2	0,7	2,2	2,6	
<b>Western Europe (EC-15)</b>	<b>1,5</b>	<b>3,0</b>	<b>4,0</b>	<b>2,5</b>	<b>1,5</b>	<b>1,4</b>	<b>1,1</b>	
Czech Republic	8,0	-3,7	2,7	13,2	4,1	3,1	6,0	
Hungary	1,8	-18,3	27,0	22,4	9,2	5,4	3,5	
Poland	4,1	-5,0	8,6	12,9	8,9	4,2	5,4	
Slovak Republic	18,7	-11,4	3,8	8,0	0,7	-0,7	-0,9	
<b>Eastern Europe (EC-4)</b>	<b>5,6</b>	<b>-6,9</b>	<b>9,0</b>	<b>14,0</b>	<b>7,4</b>	<b>3,9</b>	<b>4,9</b>	
<b>Euroconstruct Countries (EC-19)</b>	<b>1,7</b>	<b>2,4</b>	<b>4,2</b>	<b>3,1</b>	<b>1,9</b>	<b>1,5</b>	<b>1,4</b>	

Source: EUROCONSTRUCT, June 2019