

Second Quarter 2001

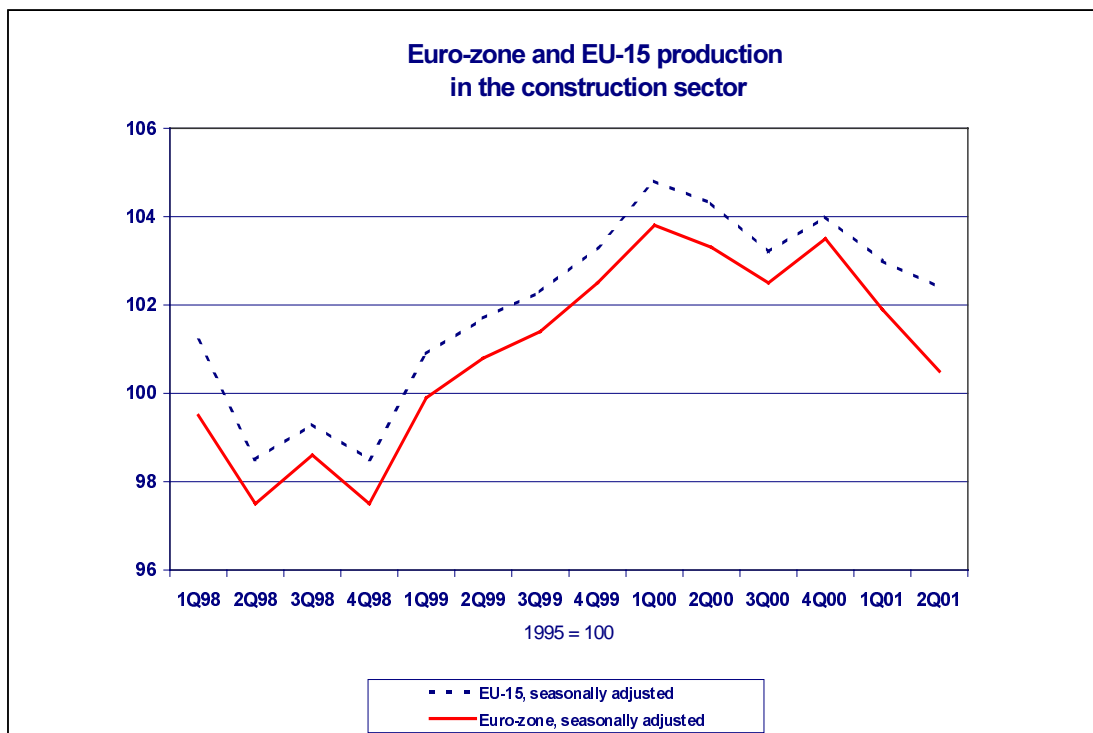
## Production in the construction sector down by 1.4% in euro-zone and by 0.6% in EU15

A new euro-indicator published quarterly by Eurostat

Seasonally adjusted production<sup>1</sup> in the construction sector decreased by 1.4% in the **euro-zone**<sup>2</sup> and by 0.6% in the **EU15** in the second quarter of 2001 compared to the first quarter, **Eurostat, the Statistical Office of the European Communities in Luxembourg**, estimates today. This follows a decrease of 1.5% in the **euro-zone** and of 1.0% for the **EU15** in the first quarter of 2001.

On a yearly basis, output fell in the second quarter of 2001 by 2.7% in the **euro-zone** and by 2.0% in the **EU15** after -2.0% and -1.9% respectively in the first quarter of 2001.

The construction index is one of the indicators reflecting the evolution of the business cycle. It responds to information needs on current output trends within the **euro-zone** and the **EU15**. The quality of the information available on the construction sector enables Eurostat to publish from now on this new euro-indicator every quarter. A description of the methodology is provided in annex.



## Quarterly comparison

In the second quarter of 2001 total construction index declined in five of the nine Member states for which data were available, **Germany** registering the highest drop (-5.4%). The index also fell in **Austria** (-3.7%), **Finland** (-3.3%), **Belgium** (-1.2%) and **France** (-0.6%). The other Member states registered a positive growth rate with +2.7% in the **United Kingdom**, +2.2% in **Luxembourg**, +2.1% in **Spain** and +0.1% in the **Netherlands**.

Building activity was down by 0.9% in the **euro-zone** and by 0.8% in the **EU15** after -2.0% and -1.8% respectively in the first quarter of 2001. Civil engineering decreased by 0.7% in the **euro-zone** and 0.5% in the **EU15**, after -0.7% and -0.4% in the previous quarter .

One quarter compared with the previous quarter*						
<i>Total Construction</i>	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01
<b>Euro-zone</b>	1.3	-0.5	-0.8	1.0	-1.5	<b>-1.4</b>
<b>EU15</b>	1.5	-0.5	-1.1	0.8	-1.0	<b>-0.6</b>
<b>Belgium</b>	2.0	-1.2	-1.6	4.1	-0.9	<b>-1.2</b>
<b>Germany</b>	1.5	-4.1	-2.7	-0.1	-5.7	<b>-5.4</b>
<b>Spain</b>	1.4	1.0	2.9	2.1	2.1	<b>2.1</b>
<b>France</b>	1.2	0.6	0.5	0.6	-0.6	<b>-0.6</b>
<b>Italy</b>	1.3	1.5	3.3	-2.8	2.1	:
<b>Luxembourg</b>	2.7	-2.0	1.1	1.0	-1.6	<b>2.2</b>
<b>Netherlands</b>	0.8	1.2	-0.3	1.0	-0.3	<b>0.1</b>
<b>Austria</b>	-2.3	-0.1	0.2	1.5	1.0	<b>-3.7</b>
<b>Finland</b>	6.5	-1.1	-4.0	4.2	4.8	<b>-3.3</b>
<b>United Kingdom</b>	1.5	-1.4	-1.4	1.2	0.5	<b>2.7</b>

One quarter compared with the previous quarter*						
<i>Building Construction</i>	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01
<b>Euro-zone</b>	1.9	0.0	-0.9	0.1	-2.0	<b>-0.9</b>
<b>EU15</b>	2.2	-0.5	-1.0	0.5	-1.8	<b>-0.8</b>
<b>Belgium</b>	2.2	-4.5	-3.4	15.8	-9.3	<b>3.7</b>
<b>Germany</b>	0.7	-2.9	-2.5	-1.3	-7.4	<b>-6.1</b>
<b>Spain</b>	2.8	1.4	1.1	0.8	2.1	<b>3.2</b>
<b>France</b>	1.8	0.8	-0.2	1.2	-1.4	<b>-0.5</b>
<b>Italy</b>	6.4	2.3	2.2	-5.3	5.6	<b>0.8</b>
<b>Luxembourg</b>	5.3	-4.5	5.7	4.7	2.7	<b>3.2</b>
<b>Netherlands</b>	0.6	0.8	0.6	-0.2	-1.2	<b>-1.2</b>
<b>Austria</b>	0.2	-0.4	-0.1	0.1	-0.5	<b>-1.4</b>
<b>Finland</b>	7.0	0.1	-4.9	3.5	6.1	<b>-2.7</b>
<b>United Kingdom</b>	1.9	-1.4	-1.3	1.3	-0.2	<b>2.0</b>

One quarter compared with the previous quarter*						
<i>Civil Engineering</i>	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01
<b>Euro-zone</b>	-0.2	-0.5	-1.2	0.9	-0.7	<b>-0.7</b>
<b>EU15</b>	-0.9	-1.0	-1.4	2.2	-0.4	<b>-0.5</b>
<b>Belgium</b>	-0.2	-5.5	-7.9	12.4	-12.5	<b>1.8</b>
<b>Germany</b>	3.0	-6.2	-2.9	2.0	-2.7	<b>-4.1</b>
<b>Spain</b>	-0.5	-0.9	1.1	6.1	4.7	<b>2.6</b>
<b>France</b>	-0.1	1.7	-0.8	0.6	0.0	<b>-1.0</b>
<b>Italy</b>	-5.9	0.2	4.0	0.3	-1.8	:
<b>Luxembourg</b>	10.2	-7.0	-5.5	0.4	-2.6	<b>-1.3</b>
<b>Netherlands</b>	4.5	1.0	-5.4	5.8	1.3	<b>0.7</b>
<b>Austria</b>	-8.6	0.8	0.9	2.5	6.5	<b>-7.1</b>
<b>Finland</b>	4.7	-5.7	-0.5	6.9	-0.2	<b>-5.9</b>
<b>United Kingdom</b>	-1.7	-3.3	-2.7	2.4	7.2	<b>7.0</b>

\* Seasonally adjusted, missing values for euro-zone and EU15 aggregates are estimated.

: No data available.

## Annual comparison

Among the Member states for which data were available, the strongest decrease for total construction in the second quarter of 2001, compared with the same quarter of 2000, was recorded in **Germany** (-12.3%). The highest increases were registered in **Spain** (+10.5%), **Luxembourg** (+3.4%) and the **United Kingdom** (+3.1%).

The index for building activities fell by 3.7% in the **euro-zone** and by 3.1% in the **EU15**. Civil engineering followed the same trend with -1.9% in the **euro-zone** and -0.1% in the **EU15**.

One quarter compared with same quarter one year ago*						
<i>Total Construction</i>	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01
<b>Euro-zone</b>	4.4	2.4	1.1	1.0	-2.0	<b>-2.7</b>
<b>EU15</b>	4.7	2.3	0.8	0.8	-1.9	<b>-2.0</b>
<b>Belgium</b>	6.3	4.2	1.2	2.6	0.1	<b>-0.1</b>
<b>Germany</b>	0.4	-2.5	-5.2	-5.5	-14.4	<b>-12.3</b>
<b>Spain</b>	6.6	6.3	7.2	7.1	8.5	<b>10.5</b>
<b>France</b>	5.6	3.8	2.5	4.1	0.7	<b>-1.0</b>
<b>Italy</b>	8.7	8.6	10.0	3.1	4.0	:
<b>Luxembourg</b>	7.2	2.2	3.6	4.1	-3.6	<b>3.4</b>
<b>Netherlands</b>	3.1	4.5	1.2	4.7	1.0	<b>-0.6</b>
<b>Austria</b>	4.1	-3.5	-2.7	0.0	3.9	<b>-1.8</b>
<b>Finland</b>	11.3	6.1	4.0	6.5	4.1	<b>1.5</b>
<b>United Kingdom</b>	5.3	2.2	-1.1	-0.3	-1.2	<b>3.1</b>

One quarter compared with same quarter one year ago*						
<i>Building Construction</i>	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01
<b>Euro-zone</b>	5.7	3.3	1.6	1.6	-3.1	<b>-3.7</b>
<b>EU15</b>	5.6	3.1	1.3	1.4	-3.0	<b>-3.1</b>
<b>Belgium</b>	13.7	6.3	-3.2	9.1	-3.1	<b>5.2</b>
<b>Germany</b>	-0.1	-2.6	-5.1	-6.1	-15.8	<b>-15.2</b>
<b>Spain</b>	11.3	9.8	8.4	6.1	5.4	<b>7.5</b>
<b>France</b>	6.4	4.4	3.4	4.7	0.2	<b>-1.3</b>
<b>Italy</b>	11.6	11.3	12.4	5.4	4.5	<b>3.0</b>
<b>Luxembourg</b>	0.7	0.1	9.5	11.4	9.4	<b>15.0</b>
<b>Netherlands</b>	0.8	2.9	3.4	4.5	-0.1	<b>-1.6</b>
<b>Austria</b>	4.3	-3.0	-2.5	1.3	1.7	<b>-3.4</b>
<b>Finland</b>	11.9	9.4	6.1	6.5	4.9	<b>1.7</b>
<b>United Kingdom</b>	5.2	1.9	-1.0	0.4	-1.7	<b>1.8</b>

One quarter compared with same quarter one year ago*						
<i>Civil Engineering</i>	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01
<b>Euro-zone</b>	2.8	0.5	-1.7	-0.5	-1.3	<b>-1.9</b>
<b>EU15</b>	3.5	0.9	-1.7	-1.0	-0.7	<b>-0.1</b>
<b>Belgium</b>	12.1	6.8	-9.5	-2.4	-14.5	<b>-7.8</b>
<b>Germany</b>	1.8	-2.8	-5.6	-4.5	-11.7	<b>-6.9</b>
<b>Spain</b>	-2.4	-2.2	2.1	6.0	11.6	<b>15.5</b>
<b>France</b>	2.8	3.4	0.8	1.8	2.2	<b>-1.7</b>
<b>Italy</b>	1.8	2.6	4.8	-1.5	2.6	:
<b>Luxembourg</b>	14.2	4.3	-1.5	-2.7	-16.0	<b>-7.4</b>
<b>Netherlands</b>	15.2	9.9	-4.7	5.2	3.7	<b>1.6</b>
<b>Austria</b>	2.8	-5.1	-3.4	-3.8	12.6	<b>2.6</b>
<b>Finland</b>	8.4	-6.2	-2.8	6.3	0.0	<b>0.4</b>
<b>United Kingdom</b>	6.8	5.1	-1.9	-5.1	3.5	<b>14.2</b>

\* Working day adjusted; missing values for euro-zone and EU15 aggregates are estimated.

: No data available.

1. The production index in construction shows the evolution of output within the sector, subdivided in building construction and civil engineering. For the Member states which produce the construction index, but do not provide data for the reference quarter, Eurostat estimates missing values in order to calculate euro-zone and EU15 aggregates.

For total construction and according to the Council Regulation 1165/98 Eurostat publishes national seasonally adjusted data if available (currently Belgium, Germany, France and Finland). For Spain, Italy, Luxembourg, the Netherlands, Austria and UK, Eurostat performs the adjustment.

The seasonally adjusted euro-zone and EU15 series are calculated by aggregating the working days adjusted series from individual Member States and performing an adjustment for seasonal effects on these series. Therefore the seasonally adjusted figures for total construction is based directly on the working day adjusted series coming from the Member States and **not on an aggregation of the seasonally adjusted indices from the Member States**. The euro-zone and EU15 seasonally adjusted growth rates might differ from the weighted growth rates of the individual Member States (see Methodology of the production index in Annex 2).

Working days adjusted figures are currently transmitted by Belgium, Germany, France, Luxembourg, the Netherlands, Austria and Finland. For the remaining Member States (Spain, Italy and UK), Eurostat performs the working days adjustment.

2. Euro-zone: Belgium, Germany, Greece (since January 2001), Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland. Euro-zone data up to end 2000 cover the eleven Member States; with Greece's entry into the euro-zone from the beginning of 2001, they cover the twelve Member states. The euro-zone is treated as an entity regardless of its composition. For analytical purposes, Eurostat has made available in its database NewCronos historic series covering the current twelve Member States of the euro-zone since 1990.

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**Quarterly production indices for total construction,  
seasonally adjusted**

(1995 = 100)

	4Q99	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01
<b>Euro-zone</b>	102.5	103.8	103.3	102.5	103.5	101.9	<b>100.5</b>
<b>UE15</b>	103.3	104.8	104.3	103.2	104.0	103.0	<b>102.4</b>
<b>B</b>	112.0	114.2	112.8	111.0	115.5	114.5	<b>113.1</b>
<b>D</b>	87.5	88.8	85.2	82.9	82.8	78.1	<b>73.9</b>
<b>E</b>	123.4	125.1	126.3	130.0	132.7	135.5	<b>138.4</b>
<b>F</b>	107.4	108.7	109.3	109.8	110.5	109.8	<b>109.1</b>
<b>I</b>	103.4	104.7	106.3	109.8	106.7	108.9	:
<b>L</b>	101.3	104.0	101.9	103.0	104.0	102.3	<b>104.6</b>
<b>NL</b>	112.1	113.0	114.3	113.9	115.0	114.7	<b>114.8</b>
<b>A</b>	128.5	125.5	125.4	125.7	127.6	128.9	<b>124.1</b>
<b>FIN</b>	141.8	151.0	149.3	143.3	149.3	156.5	<b>151.3</b>
<b>UK</b>	110.3	111.9	110.3	108.8	110.1	110.6	<b>113.6</b>

**Quarterly production indices for total construction,  
working days adjusted**

(1995 = 100)

	4Q99	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01
<b>Euro-zone</b>	105.8	92.3	108.8	105.1	106.9	90.5	<b>105.9</b>
<b>UE15</b>	106.5	94.5	108.9	105.6	107.4	92.7	<b>106.7</b>
<b>B</b>	118.3	112.8	127.5	103.8	121.4	112.9	<b>127.4</b>
<b>D</b>	87.1	70.0	93.2	93.7	82.3	59.9	<b>81.7</b>
<b>E</b>	135.4	112.8	126.8	129.7	145.0	122.4	<b>140.1</b>
<b>F</b>	108.1	107.4	116.3	101.9	112.5	108.1	<b>115.1</b>
<b>I</b>	103.0	103.3	107.0	110.9	106.2	107.4	:
<b>L</b>	99.7	97.4	119.4	92.3	103.8	93.9	<b>123.4</b>
<b>NL</b>	115.4	112.7	126.7	97.8	120.8	113.8	<b>125.9</b>
<b>A</b>	159.8	84.4	124.6	135.8	159.8	87.7	<b>122.3</b>
<b>FIN</b>	164.3	113.3	144.4	160.4	174.9	117.9	<b>146.5</b>
<b>UK</b>	111.4	110.6	109.8	109.6	111.1	109.3	<b>113.2</b>

**Monthly production indices for total construction,  
seasonally adjusted**

(1995=100)

	Dec-00	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01
<b>Euro-zone</b>	104.4	102.1	103.1	100.3	100.1	101.0	101.7
<b>B</b>	126.0	117.3	120.5	116.0	114.1	117.9	117.6
<b>D</b>	85.0	77.9	84.6	71.6	72.3	75.0	74.3
<b>F</b>	111.4	110.4	109.9	109.1	109.6	109.1	108.6
<b>L</b>	106.7	98.3	105.1	103.9	101.7	104.8	109.7
<b>A</b>	127.5	132.6	126.4	123.4	122.9	123.6	124.7

# Methodology of the production index in the construction sector

The production index in construction shows the evolution of output within the construction sector. In the year 2000 construction represented about 19% of industrial production and roughly 5% of the total economic output. However, its economic significance goes beyond that, since construction activity has an impact on the labour market and specially the construction of residential buildings induce additional spending on consumer goods. Due to the specificities of the construction sector, the index is slightly more volatile than the overall industrial production series.

The legal basis is the Council Regulation No 1165/98 of 19 May 1998 concerning short-term statistics, which is currently under implementation<sup>1</sup>.

### Definition and coverage

The Production Index<sup>2</sup> provides a measure of the volume trend in value added at factor cost over a given reference period. In practice, the ideal production index can only be approximated using either input data (consumption of typical raw materials, energy or labour) or output data (production quantities, deflated production values or deflated sales values).

This index of production (net output at constant prices) takes into account:

- variations in type and quality of the commodities and of the input materials;
- changes in stocks of finished goods and services and work in progress;
- changes in technical input-output relations (processing techniques);
- services such as the assembling of production units, mounting, installations, repairs, planning, engineering, creation of software.

### Building and civil engineering

The division of production between building construction and civil engineering is based on the classification of types of construction (CC). These indices aim to show the evolution of value added for each of the two main sections in construction namely buildings and civil engineering works. In terms of EU15 the building and civil engineering sub-sectors account for roughly 64% and 36% respectively of the activity in total construction.

According to the Short Term Statistics Regulation, the Production index for Construction shall cover Section F of the NACE Rev.1 classification<sup>3</sup>.

### Data transmission and calculation

Data are transmitted to Eurostat by the Member States who are required to transmit working days adjusted series and are encouraged to also transmit seasonally adjusted and trend data. Eurostat calculates the adjustment only if nationally adjusted data are not available.

Eurostat aggregates working days adjusted data from Member States in order to compile the euro-zone and EU15 series. Seasonally adjusted euro-zone and EU15 series are calculated by using TRAMO/SEATS. Missing components for the euro-zone and EU15 aggregates are estimated using an ARIMA method.

The reference period should be at least a quarter. Currently five Member States (Belgium, Germany, France, Luxembourg and Austria) publish monthly data, five others (Spain, Italy, the Netherlands, Finland and United Kingdom) publish quarterly data and data for five Member States are currently not available (Denmark, Greece, Ireland, Portugal and Sweden). The available data represent around 97% of the total sector of the euro-zone and 95% of the EU15. The missing Member states should provide data for mid-2003 at the latest.

Data are to be provided to Eurostat no later than two months after the end of the reference period. This deadline may be extended by 15 supplementary calendar days for those Member States whose total value added in Sections F of NACE Rev.1 represents less than 3% of the EU total.

The weights used for aggregations are based on information from the Structural Business Statistics database or on information coming directly from the Member States. Weights and base year are revised every five years. The current base year is 1995.

#### Weights for Total Construction (%)

	EUR12	EUR11	EU15
<b>Belgium</b>	4.2	4.2	3.6
<b>Denmark</b>	-	-	1.8
<b>Germany</b>	38.2	38.5	32.6
<b>Greece</b>	0.8	-	0.7
<b>Spain</b>	11.3	11.4	9.6
<b>France</b>	17.7	17.8	15.1
<b>Ireland</b>	0.3	0.3	0.3
<b>Italy</b>	14.7	14.8	12.5
<b>Luxembourg</b>	0.3	0.3	0.3
<b>The Netherlands</b>	5.9	5.9	5.0
<b>Austria</b>	4.0	4.1	3.4
<b>Portugal</b>	1.6	1.7	1.3
<b>Finland</b>	1.0	1.0	0.9
<b>Sweden</b>	-	-	1.6
<b>United Kingdom</b>	-	-	11.2

#### Data sources in the Member States

**Belgium:** Statistical surveys supplemented by administrative data.

**Denmark:** Partly a survey on "number of persons employed in construction" and partly an administrative source, BBR (Register of buildings and dwellings).

**Germany:** Statistical survey applied to 'Unternehmensregister System (URS) 95'. Data collection is made monthly for the sector of main construction works in building and civil engineering corresponding approximately to Groups 45.1 and 45.2 of Section F of NACE Rev 1 and on a quarterly basis for completion and installations which correspond approximately to Groups 45.3, 45.4 and 45.5.

**Spain:** Statistical survey. New register from 2001 onwards.

**France:** Statistical survey.

**Italy:** Statistical surveys.

- For the building sub-sector based on questionnaire "Statistical survey Building construction – Building permits". Data are supplied from municipalities and coverage is based on Section 1 (Buildings) of Classification of types of Construction (CC). Reporting unit is the issuer of building permit request.
- For civil engineering "Statistical survey on public works"; coverage based on Section 2 (Civil Engineering) of Classification of types of Construction (CC); reporting unit is the administration responsible for collecting information on public work.
- Maintenance work is not included, though it accounts for about 55% of the output of the sector.

**Luxembourg:** Statistical survey.

**Austria:** Statistical survey.

**Finland:** Obtained from the aggregation of building and civil engineering production indices.

### **United Kingdom:** Statistical surveys:

- Quarterly output and employment survey of contractors providing data on total new work and repair and maintenance
- Quarterly project based survey providing data on work done on sampled projects from the new orders survey, enabling estimates to be made of how the total new work is broken down by type of work
- Quarterly DLO (Direct Labour Organisations in the public sector) output and employment survey .

The geographical area of Northern Ireland is excluded .

### **Dissemination**

Eurostat will publish the quarterly figures approximately 75 days after the reference period; the publication of the third quarter 2001 is foreseen for 12 December. Between the quarterly releases, Eurostat will continue to publish a monthly figure for the euro-zone in its web site, and for the five countries that supply monthly figures in the Theme 4/EBT-domain Newcronos (approximately 60 days after the reference period). The figures referring to July will be disseminated the 17 October.

1. Official Journal No L 162, of 5<sup>th</sup> June 1998. Also available via the "Business Methods" Internet site: <http://forum.europa.eu.int/Public/irc/dsis/bmethods/home>. The deadline for the full implementation of the Short Term Statistics Regulation regarding the Production Index is mid-2003.
2. This abbreviated version of the definition of the Production Index for Construction is based on the Commission Regulation on the Definition of Variables that is currently in the process of implementation. The Member States have to comply to this definition no later than 2003.
3. NACE Rev.1 – Statistical classification of economic activities in the European Community, Eurostat, 1996 (ISBN 92-826-8767-8).