



93RD EUROCONSTRUCT SUMMER CONFERENCE WARSAW, 10TH JUNE 2022 PRESS RELEASE

After an unexpected decline in construction products in 2020 caused by negative socio-economic implications (lockdowns of countries and many industries) aimed at halting the development of the global COVID-19 pandemic in 2021, the construction industry of the EC-19 countries recovered.

After a decline of 4.4% in 2020, construction output in EC-19 increased by 5.6% in 2021, and the 2019 gap has been closed.

In 2021, among the 15 western EC-15 countries, six achieved higher total construction volume than in the pre-pandemic year 2019. Among the BIG Five countries, only Italy managed to exceed pre-crisis levels by 13.9% (after a 4.8% decline in 2020).

In Germany, the production level was close to 2019 (+ 0.1%), while in France, production was lower by 4.9%, in Spain by 2.6%, and in the United Kingdom by 1.3%.

Apart from Denmark, the remaining 3 Nordic countries achieved a higher total construction volume than in 2019 in the pre-pandemic year, of which Sweden had the highest double-digit increase (by 10.8%).

Of the four western EC-4 countries, only one achieved a higher total construction volume than in 2019, namely Poland, by 1.6%. The construction industry in Slovakia is experiencing a deep regression of 17.4%.

According to estimates of Summer EUROCONSTRUCT, in 2022, the value of construction production in 19 EUROCONSTRUCT countries will amount to EUR 1,896 billion. After an increase of 5.6% in the previous year, the total production growth rate will slow down to 2.3% this year, similar to 2023.

Market instability resulting from the war in Ukraine and high inflation weaken the ability of economies to invest and undertake new construction projects.

Within the forecast horizon in the years 2022-2024, EUROCONSTRUCT predicts that the cumulative growth for EC-19 and the EC-15 countries of Western Europe will amount to 6.1% and be slightly lower than in the countries of Central and Eastern Europe EC-4, 6.4%.

The strongest cumulative growth is expected in Ireland (+ 15.1%), followed by Spain (+ 14.3%) and Slovakia (+ 13.5%).

Stagnant forecasts are predicted for the largest European construction market, i.e. Germany, which in 2021 has not yet compensated for the losses incurred in 2020 (a decrease by - 4.6%),

after an increase by 2.9% in 2021) and in 2022-2024 they will increase production construction in less than 1.5%.

The expectations towards the Scandinavian countries, i.e. Finland and Sweden, are much more damaging, where the production level is to decrease in the next three years, and a slight increase is expected for Norway by only 2% in 3 years.

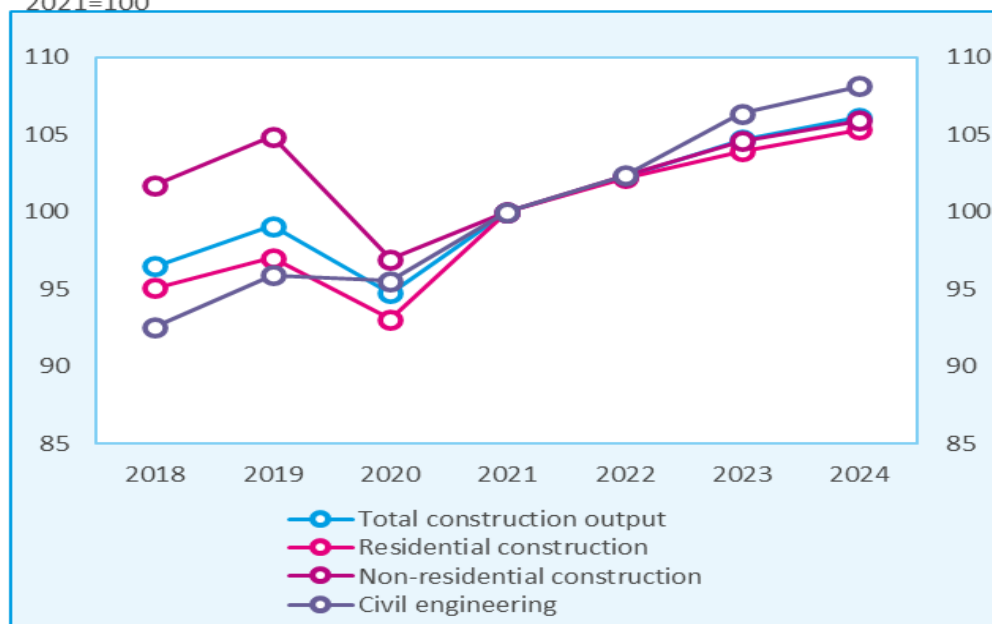
All three main segments of the construction market in the EC-19 countries will increase in real terms in 2022-2024, but the prospects for their growth are not very optimistic as the expected growth rate does not exceed 2-3%. This applies to building construction, as well as engineering, as well as investment and renovation. Projected stagnant growth in construction over the forecast horizon reflects a high level of uncertainty about the directions of further economic development in European countries.

The further intensification and duration of the war in Ukraine, let alone the recurrence of the pandemic in the autumn, brings with it the possibility of deepening economic difficulties in the world and Europe, leading to a recession in the construction industry in some countries and construction segments.

In the line current projection for the years 2022-2024, EUROCONSTRUCT predicts a significant slowdown in the growth rate in the residential construction segment to 1.3% in 2024 as a result of the intensification of stagnation trends in both constructions of new apartments and renovation (in 2024 the growth will amount to 1.5 % and 1.2%, respectively).

Construction output by sector (EC-19)

index at constant price,
2021=100



Source: EUROCONSTRUCT, June 2022

After the deep collapse in 2020 total non-residential EUROCONSTRUCT, construction is not expected in the next 2022-2024 to recover significantly in this segment and return to the pre-pandemic level in many EC-15 min countries. in France, Great Britain, Spain and Belgium, as well as in two EC-4 countries, Slovakia and the Czechia.

Total civil engineering was least affected by the adverse effects of the pandemic in 2020 (a decrease in production by only 0.4%) thanks to the implementation of many large infrastructure projects financed from national budgets and EU funds.

EUROCONSTRUCT is expected to grow by an average of 2.7% per annum in construction engineering between 2022 and 2024, including after some acceleration to 3.9% in 2023, the annual growth rate will drop significantly to 1.7% next year.

TOTAL CONSTRUCTION OUTPUT								(% change in real terms)
Country/Year					Forecasts		Outlook	
	2018	2019	2020	2021	2022	2023	2024	
Austria	5,6	4,0	-3,7	3,1	1,1	1,2	1,0	
Belgium	2,6	1,1	-5,1	8,3	2,6	2,2	2,3	
Denmark	1,5	3,4	10,8	6,4	1,3	1,3	1,6	
Finland	3,9	-2,5	-0,6	1,8	2,3	-4,3	-3,4	
France	3,1	2,2	-11,6	6,7	3,3	1,6	1,3	
Germany	2,0	1,4	1,3	-1,2	0,0	1,0	0,4	
Ireland	10,2	5,8	-4,4	-4,2	4,9	4,1	5,4	
Italy	1,8	3,5	-4,5	18,4	2,6	5,4	0,5	
Netherlands	8,2	5,4	-1,3	2,1	3,7	2,9	2,2	
Norway	-0,9	0,9	-1,7	2,6	1,8	0,7	0,4	
Portugal	10,2	8,6	3,4	3,0	0,5	1,2	1,4	
Spain	6,4	4,6	-9,3	6,7	5,2	5,5	3,0	
Sweden	1,8	0,2	2,4	8,4	2,1	-2,2	-0,5	
Switzerland	0,9	-0,2	-0,3	1,0	0,2	0,4	0,4	
United Kingdom	0,5	3,0	-13,2	11,9	4,3	3,9	3,2	
Western Europe (EC-15)	2,8	2,5	-4,4	5,7	2,3	2,3	1,3	
Czechia	7,0	3,5	-3,3	2,1	0,8	1,5	2,5	
Hungary	20,0	16,8	-6,6	6,7	0,0	1,3	2,5	
Poland	14,3	5,0	-2,1	3,7	0,9	2,7	3,4	
Slovakia	8,0	-4,6	-12,7	-4,7	3,5	5,9	3,6	
Eastern Europe (EC-4)	12,8	5,9	-3,8	3,4	0,9	2,3	3,1	
Euroconstruct Countries (EC-19)	3,3	2,7	-4,4	5,6	2,3	2,3	1,4	

Source: EUROCONSTRUCT, June 2022

More information's on the results of 93rd EUROCONSTRUCT conference in Warsaw and construction development in Europe by 2024 can be found in two reports from the Conference: "Summary Report" and "Country Report".

You can order them either from the organizer of the conference or from your local EUROCONSTRUCT member (see www.euroconstruct.org).

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