



EUROPEAN CONSTRUCTION
INDUSTRY FEDERATION

A large photograph of three construction workers on a yellow lift platform, working on a white metal structure. The workers are wearing white hard hats and high-visibility yellow vests. The background shows a complex network of blue and white metal beams. The image is overlaid with a grid of semi-transparent colored squares in shades of red, orange, and white.

EDITION
2015

CONSTRUCTION ACTIVITY IN EUROPE

L'ACTIVITÉ DE LA CONSTRUCTION EN EUROPE
DIE BAUTÄTIGKEIT IN EUROPA

ALL KEY FIGURES
AS AT 2014 (EU 28)

TOTAL CONSTRUCTION

**€ 1,211
BILLION**

CONSTRUCTION WORKERS:

14.1 MILLION

45.1%

OF GROSS FIXED
CAPITAL
FORMATION

**3 MILLION
ENTERPRISES**

OF WHICH:

**95% ARE SME'S
WITH FEWER THAN 20**

**93% WITH FEWER
THAN 10 OPERATIVES**

28.7%

OF INDUSTRIAL
EMPLOYMENT



8.8%

OF EU GDP

**MULTIPLIER
EFFECT:***

**42.3 MILLION
WORKERS**

**IN THE EU DEPEND,
DIRECTLY OR INDIRECTLY,
ON THE CONSTRUCTION SECTOR**

* Source: Communication from the Commission "The Competitiveness of the Construction Industry" COM(97) 539 of 4/11/1997, chapter 2

6.5%

**OF EUROPE'S
TOTAL
EMPLOYMENT**

Created in 1905

Legal personality under French law

27 countries (24 EU, Switzerland, Norway and Turkey)

30 National member federations representing firms:

- of all sizes
- of all building and civil engineering specialties
- practising all kind of working methods (whenever operating as general contractors or as sub-contractors)

Associate members:

BFW Bundesverband Freier Immobilien- und Wohnungsunternehmen e.V.
 EFFC European Federation of Foundation Contractors
 EQAR European Quality Association for Recycling e.V.

Cooperation Agreement:



NFB National Federation of Builders (UK)






Partnerships

	Sectoral Social Dialogue	Social Partner in the European Sectoral Social Dialogue of the Construction Industry together with FETBB-EFBWW-EFBH (European Federation of Building and Woodworkers) http://ec.europa.eu/social/main.jsp?catId=480&
	EIC	Cooperation with EIC (European International Contractors) for activities beyond Europe's borders www.eic-federation.eu
	CICA	The European founding member of CICA (Confederation of International Contractors' Associations) www.cica.net
	ECF	Participant in the ECF (European Construction Forum) www.ecf.be
	EHF	Member of EHF (European Housing Forum) www.europeanhousingforum.eu
	CEN	Partner Organisation of CEN (European Committee for Standardisation) www.cen.eu
	ECCREDI	Member of ECCREDI (European Council for Construction Research, Development and Innovation) www.eccredi.org
	EEN	Associate Member of the Enterprise Europe Network of the European Commission http://een.ec.europa.eu/
	WorldSkill Europe	Member of WorldSkills Europe www.euroskills.org

Campaigns & Portals

	Renovate Europe	Partner in the Renovate Europe Campaign www.renovate-europe.eu
	Healthy Workplaces (OSHA)	Partner in the OSHA (European Agency for Health and Safety at Work) Campaign on Healthy Workplaces www.healthy-workplaces.eu
	BUILD UP	Partner of BUILD uP (The European Portal for energy efficiency in Buildings) www.buildup.eu

Projects

	ProductInfoX	Partner of Product InfoX www.productxchange.com/en/International/Partners/ProductinfoX/projectdescription/
	Posting of workers	FIEC-EFBWW website on "Posting of workers" www.posting-workers.eu
	Construction for youth	FIEC-EFBWW website on "Construction for youth" www.construction-for-youth.eu

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	Total construction output by country	9
EU	European Union	10
AT	Austria	26
BE	Belgium	28
BG	Bulgaria	30
CY	Cyprus	32
CZ	Czech Republic	34
DE	Germany	36
DK	Denmark	38
EE	Estonia	40
ES	Spain	42
FI	Finland	44
FR	France	46
GR	Greece	48
HR	Croatia	50
HU	Hungary	52
IE	Ireland	54
IT	Italy	56
LT	Lithuania	58
NL	The Netherlands	60
PL	Poland	62
PT	Portugal	64
RO	Romania	66
SE	Sweden	68
SI	Slovenia	70
UK	United Kingdom	72
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TR	Turkey	78
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■ It gives me great pleasure to present this new edition (no. 58) of the annual FIEC Statistical Report. It has been slightly revised but retains the design we introduced last year.

Once again this year we are presenting a series of indicators with figures both for each country (business trends, number of planning permission applications granted) and for the EU as a whole (overall business trends by branch of the industry, the outlook for jobs in the construction industry). The map shown opposite gives an overview of the performance of the construction industry in the various European countries in 2014.

It looks as though the consequences of the recession and their impact on the real economy are still destabilising the construction sector in many European countries. The efforts made by certain Member States to combat this deterioration clash with the necessary budgetary consolidation measures which always lead to very significant cuts in investment. This "blind" austerity is slowing down the process of restoring confidence among businesses, consumers and investors in many EU countries.

In spite of this, it looks as though business in the construction industry hit rock bottom in 2013 and that last year was a turning point, with a return to growth which is still very fragile and which started from a very low level. As a result, business in the construction industry in Europe grew very slightly in 2014 (+0.7%) and a similar trend is predicted for 2015 (+0.8%).

In the middle of the recession, FIEC never stopped reminding political decision makers of the importance of investment – including public investment. The key message of our Manifesto for the European institutions' 2014-2019 term of office was that, after all, there can be no growth without investment!

Indeed this is the whole purpose of the Juncker Plan, which sets out to take the brakes off investment – especially long-term investment – in order to give greater visibility to projects which can be implemented over the next three years and to channel private funding towards infrastructure and SMEs. Some EU Member States have not waited to take steps to promote the upgrading of energy efficiency or access to housing and these steps have benefited the residential sector, with their positive impact being felt in 2014 (+2.3%).

Although overall business in the construction industry in the EU is likely to see a slight rise for the next few years, supported particularly by the British and German markets, and to a lesser extent, by the end of the decline of the Spanish market, the arrival of a more marked recovery (which will stop the decline in France and Italy) will depend largely upon whether all of the stakeholders are able to get behind the political will embodied in the Juncker Plan, and also upon the effectiveness of the tools which are meant to support it.

I hope you will all enjoy reading this report, and I would like to offer my warmest thanks to all the people both from within FIEC and from our member federations who have contributed to producing it.

Jean-Louis Marchand
Chairman of the Economic and Legal Commission

■ C'est avec un grand plaisir que je vous présente cette nouvelle édition (n°58) du Rapport Statistique annuel de la FIEC – légèrement remaniée mais gardant le design inauguré l'année dernière.

A nouveau cette année, nous vous présentons une série d'indicateurs chiffrés par pays (évolution de l'activité, nombre de permis de construire) et pour l'UE dans son ensemble (évolution globale de l'activité par branche, évolution de l'emploi dans la construction) ; la carte ci-contre vous donne une vue d'ensemble sur la performance de la construction dans les différents pays européens en 2014.

Il apparaît que les conséquences de la crise et leur impact sur l'économie réelle continuent de déstabiliser le secteur de la construction dans nombre de pays européens. Les efforts entrepris aux niveaux de certains Etats pour lutter contre cette dégradation se heurtent aux nécessaires mesures de consolidation budgétaires qui entraînent systématiquement des coupes très significatives dans les investissements. Cette austérité « aveugle » retarde dans nombre de pays de l'UE le retour de la confiance des entreprises, des consommateurs et des investisseurs.

Malgré cela, il semble que l'activité de construction ait touché le fond en 2013 et que l'année passée marque une inflexion et un retour à une croissance encore très fragile, à partir d'un niveau très bas : en 2014, l'activité de construction en Europe a ainsi très légèrement progressé (+0.7%) et une tendance similaire est prévue pour 2015 (+0.8%).

Au cœur de la crise, la FIEC n'a eu de cesse de rappeler aux décideurs politiques l'importance des investissements, publics notamment. Message phare de notre Manifeste pour le mandat 2014-2019 des Institutions Européennes : il ne peut y avoir de croissance sans investissements !

C'est d'ailleurs tout le sens du Plan Juncker, qui s'efforce justement de lever les freins à l'investissement, notamment de long terme, de donner une plus grande visibilité aux projets réalisables dans les trois ans qui viennent, et d'orienter les financements privés vers les infrastructures et les PME. Certains Etats Membres de l'UE n'ont pas attendu pour prendre des mesures en faveur de la rénovation énergétique ou l'accès des ménages au logement, mesures qui ont profité au résidentiel et dont l'impact positif a été ressenti en 2014 (+2.3%).

Même si pour les prochaines années, l'activité globale de construction dans l'UE devrait connaître une légère hausse, soutenue en particulier par les marchés britannique et allemand, et dans une moindre mesure, par la fin du déclin du marché espagnol. La matérialisation d'une reprise plus franche (qui suppose l'arrêt de la dégradation en France et en Italie) dépendra pour une large part de la capacité de l'ensemble des acteurs à s'inscrire dans la volonté politique qu'incarne le Plan Juncker, et dans l'efficacité des outils sensés l'accompagner.

Je souhaite à chacun de tirer le plus grand profit de la lecture de ce rapport, et je remercie vivement toutes les personnes des services de la FIEC ou de nos Fédérations Membres qui ont contribué à sa réalisation.

Jean-Louis Marchand
Président de la Commission économique et juridique

■ Es ist mir eine große Freude, Ihnen diese neue Ausgabe (Nr.58) des jährlichen Statistikberichts der FIEC vorstellen zu dürfen. In leicht überarbeiteter Form behält er sein neues, im letzten Jahr eingeführtes Design.

Auch in diesem Jahr präsentieren wir Ihnen wieder eine Reihe von Indikatoren für jedes Land (Geschäftsentwicklung, Anzahl der Baugenehmigungen) und für die EU als Ganzes (Geschäftsentwicklung nach Sparten, Beschäftigungsentwicklung in der Bauwirtschaft). Die nebenstehende Karte gibt Ihnen einen Überblick über die Entwicklung der Bauwirtschaft in den einzelnen europäischen Ländern im Jahr 2014.

Es zeigt sich, dass die Folgen der Wirtschafts- und Finanzkrise und ihre Auswirkungen auf die reale Wirtschaft den Bausektor in vielen europäischen Ländern weiterhin destabilisieren. Die in einigen Ländern unternommenen Bemühungen, diese Entwicklung zu bekämpfen, kollidieren mit den erforderlichen Maßnahmen zur Konsolidierung der Haushalte, die systematisch tiefe Einschnitte in die Investitionen nach sich ziehen. Diese „blinde“ Sparpolitik bringt in vielen Ländern der EU die Wiedererstarkung des Vertrauens der Unternehmen, Verbraucher und Investoren in Verzug.

Dennoch scheint es, dass die Bauwirtschaft 2013 den Tiefpunkt erreicht hat und sich im vergangenen Jahr eine Trendwende und eine noch unsichere und auf einem sehr niedrigen Niveau beginnende Rückkehr zum Wachstum abzeichnet: So hat die Bautätigkeit in Europa 2014 ein wenig zugenommen (+0,7%) und die Vorhersagen für 2015 zeigen einen ähnlichen Trend (+0,8%).

Auf dem Höhepunkt der Krise hatte die FIEC den politischen Entscheidungsträgern ohne Unterlass wiederholt, wie wichtig Investitionen, insbesondere der öffentlichen Hand, sind. Hauptbotschaft unseres Manifests für die Amtsperiode 2014-2019 der Europäischen Institutionen: Ohne Investitionen kann es kein Wachstum geben!

Darin liegt im Übrigen auch der Sinn des Plans des EU-Kommissionspräsidenten Juncker, der ja gerade versucht, die Hemmnisse insbesondere für langfristige Investitionen zu beseitigen, Projekten, die in den drei kommenden Jahren verwirklicht werden können, mehr Nachdruck zu verleihen, und private Finanzierungen auf Infrastrukturen und KMU zu lenken. Manche Mitgliedstaaten der EU haben mit Maßnahmen zugunsten von energetischen Sanierungen und dem erleichterten Zugang zu Wohnraum für private Haushalte nicht gewartet. Diese Maßnahmen kamen dem Wohnungsbau zugute und ihre positive Wirkung (+2,3%) waren 2014 zu spüren.

Zwar dürfte die globale Bautätigkeit in der EU einen leichten Aufschwung erfahren, der insbesondere vom britischen und deutschen Markt, und in geringerem Maße auch vom Ende des Abschwungs auf dem spanischen Markt getragen wird. Ob ein deutlicher Aufschwung Gestalt annehmen wird (was voraussetzt, dass sich die Situation in Frankreich und Italien nicht weiter verschlechtert), hängt zu einem großen Teil von der Fähigkeit aller Akteure ab, sich dem im Juncker-Plan verkörpert politischen Willen anzuschließen, und von der Wirksamkeit der Instrumente, die ihn begleiten sollen.

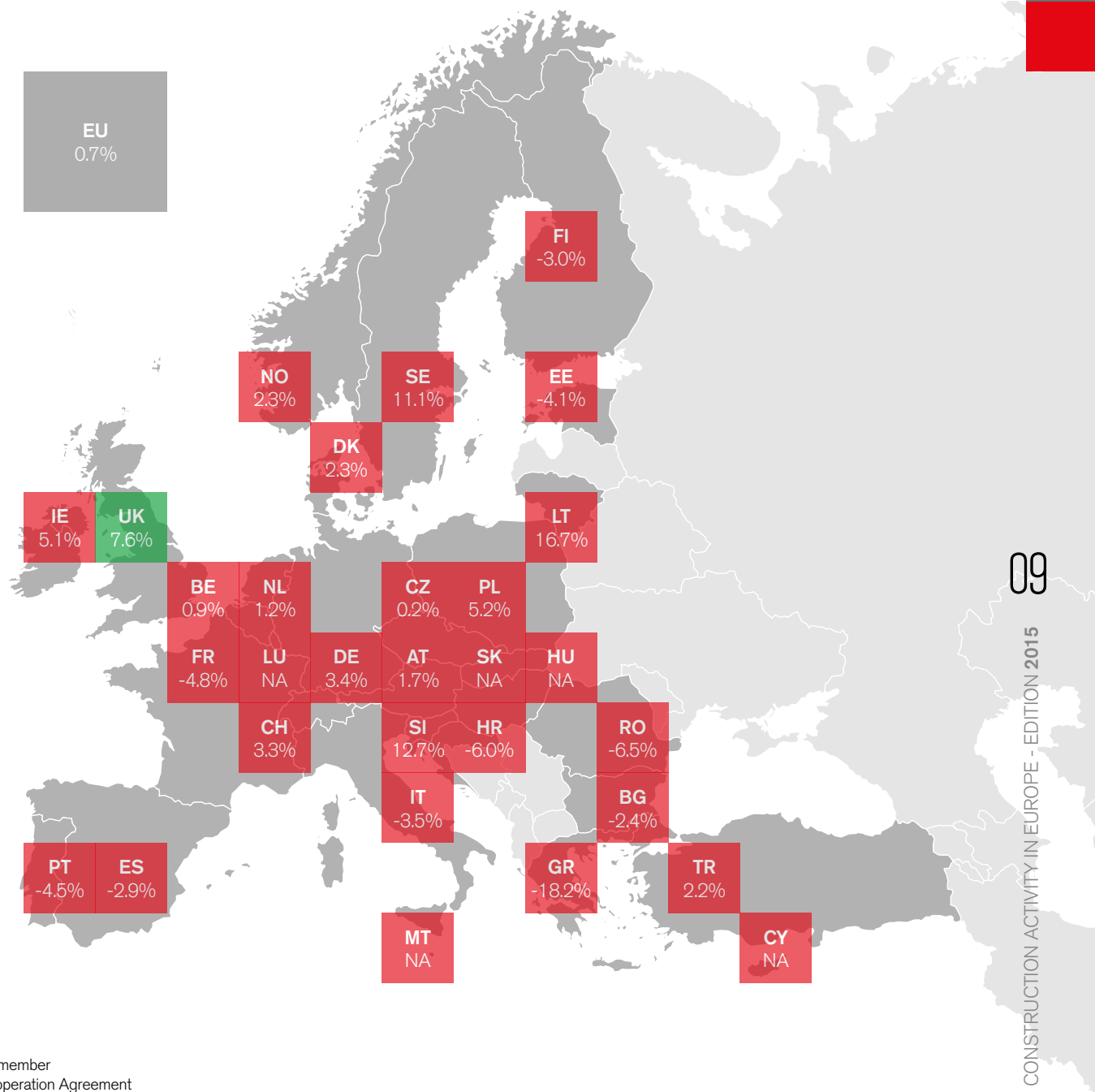
Ich wünsche allen, dass sie aus der Lektüre dieses Berichts den besten Nutzen ziehen und danke allen, die in den Abteilungen der FIEC oder in unseren Mitgliedsverbänden zu seiner Realisierung beigetragen haben.

Jean-Louis Marchand
Vorsitzender Wirtschafts- und Rechtsausschuss

Variation of production in real terms
on previous year (2014/2013)

Variation du volume de la production
sur l'année précédente (2014/2013)

Reale Veränderungsrate im
Vergleich zum Vorjahr (2014/2013)



NB:

The text and data contained within the European report have been drawn up on the basis of the national reports supplied by the FIEC Member Federations.

NB:

Le texte et les données du chapitre Union Européenne ont été élaborés sur la base des rapports nationaux envoyés par les fédérations membres de la FIEC.

NB:

Der Text und die Zahlen des Kapitels „Europäische Union“ beruhen auf den von den FIEC-Mitgliedsverbänden zur Verfügung gestellten nationalen Berichten.

1. General economic overview

According to forecasts drawn up in February 2015 by the European Commission and EUROSTAT, GDP grew by 1.3% in the EU and by 0.8% in the euro zone in 2014. Also these forecasts foresee a continuation of the economic recovery in most Member States and the EU as a whole in 2015 (+1.7%), further accelerating in 2016 (+2.1%).

The pace of the recovery remains slow as Europe continues to struggle to leave the legacy of the crisis behind it. Also, growth prospects across Europe are still limited by a weak investment environment and high unemployment. However, since the autumn, a number of key developments have brightened the short-term outlook. Oil prices have declined faster than in the recent past, the euro has depreciated noticeably compared to the US dollar, the European Central Bank has announced quantitative easing and the European Commission has presented its Investment Plan for Europe. All these factors are set to have a positive impact on growth.

While all Member States are expected to have positive growth rates this year, the divergence in economic performance across the EU is likely to continue. For instance, the positive effect of low oil prices on growth will vary according to each country's energy mix. Also, the support to exports from the euro's depreciation will depend on national trade orientation. All in all, in 2015, the range of Member States' growth rates is expected to remain broad. Among the larger Member States, activity is forecast to be dynamic in the United Kingdom, Spain and Poland, with growth rates well above the EU average, as well as in Germany, to a lesser extent, while France, Italy and the Netherlands are still lagging behind.

The significant fiscal efforts undertaken since 2010 in the EU's

1. Aperçu économique général

Selon des prévisions établies en février 2015 par la Commission européenne et EUROSTAT, le PIB a augmenté de 1,3 % dans l'UE et de 0,8 % dans la zone euro en 2014. Ces prévisions laissent aussi présager une poursuite de la reprise économique dans la plupart des États membres et pour l'UE dans son ensemble en 2015 (+1,7 %), avec une accélération en 2016 (+2,1 %).

La reprise reste lente car l'Europe éprouve encore des difficultés à sortir de la crise. De même, les perspectives de croissance dans toute l'Europe restent limitées à cause d'un environnement peu propice à l'investissement et d'un chômage élevé. Toutefois, un certain nombre de développements importants survenus depuis l'automne ont amélioré les prévisions à court terme. Les prix du pétrole ont baissé plus rapidement qu'au cours des dernières années, l'euro s'est considérablement déprécié par rapport au dollar américain, la Banque centrale européenne a annoncé un programme d'assouplissement quantitatif et la Commission européenne a présenté son Plan d'investissement pour l'Europe. Tous ces facteurs devraient avoir un impact positif sur la croissance.

Alors que tous les États membres s'attendent à enregistrer des taux de croissance positifs cette année, l'écart entre les performances économiques des pays de l'UE risque de se maintenir. Par exemple, l'impact positif de la baisse des prix du pétrole variera en fonction du mix énergétique de chaque pays. De même, l'appui apporté aux exportations par la dépréciation de l'euro dépendra de l'orientation commerciale nationale. Globalement, en 2015, la fourchette des taux de croissance des États membres devrait rester très large. Parmi les plus grands États membres, l'activité devrait être dynamique au Royaume-Uni, en Espagne et en Pologne, avec des taux de croissance supérieurs à la moyenne de l'UE, ainsi qu'en Allemagne, dans une moindre mesure, tandis que la France, l'Italie et les Pays-Bas restent à la traîne.

Les efforts fiscaux importants entrepris depuis 2010 dans les États membres de

1. Allgemeine Konjunkturlage

Den von der Europäischen Kommission und EUROSTAT im Februar 2015 erstellten Prognosen zufolge ist das BIP 2014 in der EU um 1,3 % und in der Eurozone um 0,8 % gestiegen. Für das Jahr 2015 wird eine Fortsetzung der Konjunkturerholung in den meisten Mitgliedstaaten und der EU insgesamt (+1,7 %) prognostiziert, die 2016 voraussichtlich sogar noch anziehen wird (+2,1 %).

Das Tempo der Erholung bleibt gemäßigt, da Europa immer noch mit den Folgen der Wirtschaftskrise zu kämpfen hat. Zudem werden die Wachstumsaussichten für Europa nach wie vor von einem schwachen Investitionsklima und der hohen Arbeitslosenquote gebremst. Seit Herbst lassen einige Schlüsselindikatoren jedoch auf eine baldige positive Trendwende hoffen: Die Ölpreise sind schneller gefallen als in der jüngeren Vergangenheit, der Euro hat gegenüber dem US-Dollar merklich an Wert verloren, die Europäische Zentralbank hat eine quantitative Lockerung angekündigt und die Europäische Kommission hat ihre Investitionsoffensive für Europa vorgestellt. All diese Faktoren werden sich zweifellos positiv auf das Wachstum auswirken.

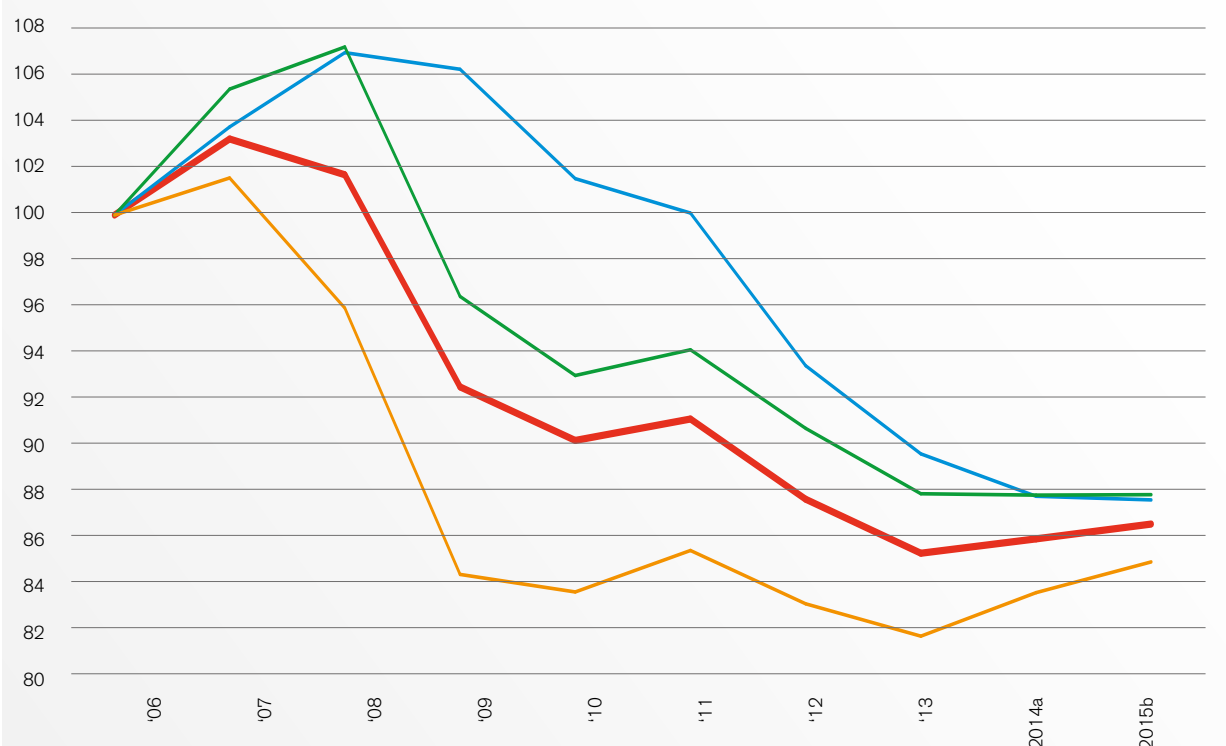
Obgleich für alle Mitgliedstaaten in diesem Jahr positive Wachstumsraten erwartet werden, wird das Gefälle bei der Wirtschaftsleistung innerhalb der EU wohl bestehen bleiben. So werden beispielsweise die positiven Auswirkungen der niedrigen Ölpreise auf das Wachstum entsprechend dem Energiemix der einzelnen Länder variieren. Inwieweit die Exporte aufgrund der Abwertung des Euro steigen werden, wird zudem von der Ausrichtung des nationalen Außenhandels abhängig sein. Insgesamt wird erwartet, dass sich die Schere bei den Wachstumsraten der einzelnen Mitgliedstaaten nicht nennenswert verändern wird. Bei den größeren Mitgliedstaaten wird eine dynamische Wirtschaftsentwicklung in dem Vereinigten Königreich, Spanien und Polen erwartet, mit Wachstumsraten weit über dem EU-Durchschnitt. Gleiches gilt in geringem Umfang für Deutschland, während Frankreich, Italien und die Niederlande weiterhin zurückbleiben.


**VARIATION OF PRODUCTION IN REAL
TERMS ON PREVIOUS YEAR (%)**
**VARIATION DU VOLUME DE LA PRODUCTION
SUR L'ANNÉE PRÉCÉDENTE (%)**
**REALE VERÄNDERUNGSRATE IM VERGLEICH
ZUM VORJAHR (%)**

Sectors	2006	2007	2008	2009	2010	2011	2012	2013	2014a	2015b
1. Building	5.2	3.2	-2.7	-11.4	-2.0	1.8	-3.1	-2.3	1.3	1.0
1.1. Housebuilding	5.3	1.6	-5.6	-12.2	-0.9	2.2	-2.7	-1.7	2.3	1.6
1.1.1. New	4.9	-0.6	-10.0	-19.6	-3.8	1.4	-6.4	-3.5	1.8	1.8
1.1.2. R&M	3.9	4.1	-0.9	-4.9	1.4	2.8	0.1	-0.4	2.7	1.5
1.2. Non residential **	5.0	5.5	1.8	-10.2	-3.6	1.2	-3.7	-3.2	-0.1	0.0
1.2.1. Private	5.4	5.9	1.6	-12.7	-4.6	2.9	-2.4	-3.1	0.1	0.4
1.2.2. Public	4.2	4.7	2.1	-4.4	-1.5	-2.2	-6.3	-3.3	-0.4	-0.8
2. Civil Engineering	3.2	3.9	3.1	-0.7	-4.5	-1.5	-6.7	-4.1	-2.1	-0.2
(1 + 2) Total Construction *	4.9	3.3	-1.5	-9.1	-2.5	1.0	-3.9	-2.7	0.7	0.8

* without : CY, EE, GR, HR, HU, LT, LU, LV, MT, SK

** incl. R&M

INVESTMENT IN CONSTRUCTION
INVESTISSEMENT DANS LA CONSTRUCTION
INVESTITIONEN IN BAUWESEN


GDP 2014

**€ 13,758
BILLION**

TOTAL
CONSTRUCTION
OUTPUT 2014

€ 1,211 BILLION

2006 = 100

Housebuilding - Logement - Wohnungsgebau
Non residential - Non résidentiel - Nichtwohnbau
Civil Engineering - Génie Civil - Tiefbau
Total Construction - Bauwesen

Member States are bearing fruit since the overall deficit-to-GDP ratio is expected to have decreased to 3% in 2014. Governments' deficits are forecast to continue falling over 2015 and 2016, helped by strengthening economic activity, cost-containment in public wages and lower interest expenditure.

At the same time, the trend towards low inflation continued in 2014 (+0.6% in the EU) and it is set to remain subdued in 2015 (+0.2%), as low commodity prices dampen the headline figure. It should increase again from 2016, as economic activity gradually strengthens and wages rise.

Finally, the labour market is currently characterised by very moderate growth, as the strength of economic growth is expected to be insufficient for a marked improvement. However, major reforms in the labour market are expected to support job creation in the near future. Also, the unemployment rate is set to fall to 9.8% in the EU and to 11.2% in the euro zone in 2015.

2. Overall construction activity

Against this slowly improving economic scenario, forecasts for construction activity in the European Union show that production bottomed out in 2013. 2014 represents the starting point, from low levels of production, for a renewed very modest recovery, which is expected to consolidate in the next few years.

In 2014, the overall construction output amounted to approximately €1,211 billion. Also, the share of the construction sector in EU GDP stabilised at 8.8%.

It is obvious that the consequences of the financial crisis and their impact on the real economy continue to destabilise the construction sector in many EU countries. In particular, national efforts to relaunch the

l'UE portent leurs fruits vu que le ratio du déficit global par rapport au PIB a baissé à 3 % en 2014. Les déficits des gouvernements devraient continuer à diminuer en 2015 et 2016 grâce, notamment, à un renforcement de l'activité économique, à un contrôle des coûts dans les salaires du secteur public et à une baisse des charges d'intérêts.

En même temps, la tendance vers une faible inflation s'est maintenue en 2014 (+0,6 % dans l'UE) et devrait rester à un niveau modeste en 2015 (+0,2 %), vu que le faible prix des produits de base réduit le chiffre de l'inflation. L'inflation devrait à nouveau augmenter dès 2016 suite à un renforcement progressif de l'activité économique et à une hausse des salaires.

Enfin, le marché du travail est actuellement caractérisé par une croissance très modérée vu que la vigueur de la croissance économique s'avère insuffisante pour générer une amélioration marquée. Toutefois, des réformes importantes sur le marché du travail devraient stimuler la création d'emplois dans un avenir proche. Le taux de chômage devrait aussi reculer à 9,8 % dans l'UE et à 11,2 % dans la zone euro en 2015.

2. Activité globale de construction

Face à ce scénario économique de lente amélioration, les prévisions pour l'activité de construction dans l'Union européenne indiquent que la production a atteint son niveau le plus bas en 2013. Partant ainsi de niveaux de production très bas, l'année 2014 marque le départ vers une nouvelle reprise très modeste qui devrait se renforcer au cours des prochaines années.

En 2014, la production de l'activité globale de construction s'est élevée à près de 1 211 milliards €. La part du secteur de la construction dans le PIB de l'UE s'est quant à elle stabilisée à 8,8 %.

Il est évident que les conséquences de la crise financière et leur impact sur l'économie réelle continuent à déstabiliser le secteur de la construction dans de nombreux pays européens. En particulier, les efforts nationaux visant à relancer le secteur de la

Die umfangreichen finanzpolitischen Anstrengungen, die seit 2010 in den EU-Mitgliedstaaten unternommen wurden, zeigen offenbar Wirkung, da für 2014 insgesamt ein Rückgang des Leistungsbilanzdefizits auf 3 % erwartet wird. Die Haushaltsdefizite sollen den Prognosen zufolge dank steigender Wirtschaftsaktivität, Kosteneinsparungen bei Löhnen und Gehältern im öffentlichen Sektor und niedrigeren Zinsaufwendungen 2015 und 2016 weiter abnehmen.

Gleichzeitig setzte sich der Trend hin zu einer niedrigen Inflationsrate im Jahr 2014 fort (+0,6 % in der EU). Dies sollte auch 2015 so bleiben (Prognose +0,2 %), da das niedrige Preisniveau bei Rohstoffen die tatsächliche Inflationsrate (Headline Inflation) bremst. Sie dürfte ab 2016 wieder ansteigen, wenn die Konjunktur langsam anzieht und die Löhne steigen.

Zudem ist die Entwicklung auf dem Arbeitsmarkt aktuell sehr moderat, da das Wirtschaftswachstum für eine spürbare Verbesserung wohl nicht ausreichen wird. Allerdings wird erwartet, dass umfangreiche Reformen auf dem Arbeitsmarkt schon bald die Schaffung neuer Arbeitsplätze vorantreiben werden. Den Prognosen zufolge soll die Arbeitslosenquote 2015 in der EU auf 9,8 % und in der Eurozone auf 11,2 % sinken.

2. Entwicklung in der Bauwirtschaft

Im Kontext dieses leichten Konjunkturanstiegs zeigen die Prognosen für die Bautätigkeit in der Europäischen Union, dass die Produktion 2013 ihren Tiefpunkt erreicht hatte. Ab 2014 ging es wieder aufwärts. Ausgehend von einem sehr niedrigen Produktionsniveau zeichnete sich eine leichte Erholung ab, die sich in den kommenden Jahren stabilisieren soll.

Im Jahr 2014 lag das Gesamtergebnis des Bausektors bei rund 1,211 Mrd. €. Auch der Anteil der Bauwirtschaft am BIP der EU stabilisierte sich bei 8,8 %.

Offensichtlich führen die Auswirkungen der Finanzkrise und ihre Folgen für die Realwirtschaft in vielen EU-Staaten weiterhin zu einer Destabilisierung der Bauwirtschaft. Insbesondere die nationalen Bemühungen, der Baubranche



TOTAL CONSTRUCTION OUTPUT

PRODUCTION TOTALE DE LA CONSTRUCTION

BAUINVESTITIONEN

Country	2013		2014a	
	€	%	€	%
Germany	279	23.5	293	24.2
France	172	14.5	164	13.5
United Kingdom	142	12.0	157	13.0
Italy	139	11.7	135	11.1
Spain	100	8.4	95	7.8
Netherlands	54	4.5	55	4.5
Sweden	48	4.0	54	4.5
Poland	45	3.8	47	3.9
Belgium	38	3.2	40	3.3
Austria	32	2.7	33	2.7
Finland	30	2.5	29	2.4
Denmark	21	1.8	22	1.8
Czech Republic	17	1.4	17	1.4
Portugal	12	1.0	11	0.9
Romania	10	0.8	9	0.7
Ireland	7	0.6	9	0.7
Greece	10	0.8	8	0.7
Slovakia	6	0.5	6	0.5
Bulgaria	6	0.5	6	0.5
Hungary	4	0.3	5	0.4
Luxembourg	4	0.3	4	0.3
Lithuania	2	0.2	3	0.2
Croatia	2	0.2	2	0.2
Latvia	3	0.3	2	0.2
Estonia	2	0.2	2	0.2
Slovenia	2	0.2	2	0.2
Cyprus	0.6	0.1	0.5	0.0
Malta	0.5	0.0	0.5	0.0
EU27	1,188	100.0	1,211	100.0
Switzerland	50		52	
Norway	52		55	
Turkey	56		56	

CONSTRUCTION/GDP

CONSTRUCTION/PIB

BAU/BIP

Country	2014a	
	(1) GDP	(2) Constr, (2)/(1)
Germany	2,903	293 10.1
France	2,133	164 7.7
United Kingdom	2,060	157 7.6
Italy	1,619	135 8.3
Spain	1,059	95 9.0
Netherlands	655	55 8.4
Sweden	408	54 13.2
Poland	430	47 10.9
Belgium	402	40 10.0
Austria	330	33 10.0
Finland	204	29 14.2
Denmark	257	22 8.6
Czech Republic	157	17 10.8
Portugal	175	11 6.3
Romania	150	9 6.0
Ireland	184	9 4.9
Greece	180	8 4.4
Slovakia	75	6 8.0
Bulgaria	42	6 14.3
Hungary	103	5 4.9
Luxembourg	47	4 8.5
Lithuania	36	3 8.3
Croatia	43	2 4.7
Latvia	24	2 8.3
Estonia	20	2 10.0
Slovenia	37	2 5.4
Cyprus	17	0.5 2.9
Malta	8	0.5 6.3
EU27	13,758	1,211 8.8
Switzerland	515	52 10.1
Norway	400	55 13.8
Turkey	601	56 9.3

NB: The absolute value figures concerning the total volume of construction are given for guidance only and are provisional. The reason for this is that in the various countries these figures are not necessarily calculated on the same basis.

construction sector keep being undermined by budget consolidation measures, together with major cuts in investment. This "blind austerity" across most of the European Union is still representing a threat for the still fragile business and consumer confidence.

Moreover, the credit crunch is persisting and late payments – in particular from public authorities – still represent a major problem in many Member States, for the survival of construction companies and in particular SMEs, a high number of which have gone bankrupt because of it.

Against this mixed background, the macro-regional picture shows, in very broad terms, that Northern and Eastern European countries are recovering better – the latter strongly supported by EU funds – than Western and Southern European countries, which are still fighting to come out of the construction recession.

Hence, construction activity experienced growth in 2014 in Austria (+1.7%), Belgium (+0.9%), Denmark (+2.3%), Ireland (+5.1%), the Netherlands (+1.2%), Poland (+5.2%), Sweden (+11.1%) and in the volatile Lithuanian and Slovenian markets (+16.7% and +12.7% respectively). The Czech market just stabilised at 0.2%.

In contrast, falls were again recorded amongst the following countries: Greece (-18.2%), Portugal (-4.5%), Finland (-3.0%), as well as Bulgaria (-2.4%), Romania (-6.5%), Croatia (-6.0%) and Estonia (-4.1%).

Amongst the "big five", Germany and the United Kingdom steered the activity (+3.4% and +7.6% respectively), while France, Italy and Spain kept declining in 2014 (-4.8%, -3.5% and -2.9% respectively), albeit at a slower pace for the latter two.

As regards construction employment, in 2014 the level of employment

construction continuait à être ébranlé par des mesures d'assainissement budgétaire ainsi que par des coupes sombres dans les investissements. Cette « austérité aveugle » dans la plupart des pays de l'Union européenne continue à représenter une menace pour la confiance toujours fragile des entreprises et des consommateurs.

De plus, le resserrement du crédit persiste et les retards de paiement – en particulier des pouvoirs publics – représentent toujours un problème majeur dans de nombreux États membres pour la survie des entreprises de construction, et plus particulièrement des PME, dont beaucoup ont fait faillite à cause de cela.

Face à ce bilan mitigé, l'image macro-régionale montre, dans les très grandes lignes, que les pays d'Europe du Nord et de l'Est s'en sortent mieux – les derniers étant fortement soutenus par des fonds européens – que les pays d'Europe de l'Ouest et du Sud qui continuent à se battre pour sortir de la récession dans la construction.

Ainsi, l'activité de construction a enregistré une progression en 2014 en Autriche (+1,7 %), en Belgique (+0,9 %), au Danemark (+2,3 %), en Irlande (+5,1 %), aux Pays-Bas (+1,2 %), en Pologne (+5,2 %), en Suède (+11,1 %) et sur les marchés volatils de la Lituanie et de la Slovaquie (+16,7 % et +12,7 %). Le marché tchèque s'est stabilisé à 0,2 %.

Par contre, une baisse de l'activité a de nouveau été enregistrée dans les pays suivants : Grèce (-18,2 %), Portugal (-4,5 %), Finlande (-3,0 %), ainsi que la Bulgarie (-2,4 %), la Roumanie (-6,5 %), la Croatie (-6,0 %) et l'Estonie (-4,1 %).

Parmi les « cinq grands », l'Allemagne et le Royaume-Uni ont vu leur activité de construction progresser (+3,4 % et +7,6 %), tandis que la France, l'Italie et l'Espagne ont poursuivi leur déclin en 2014 (-4,8 %, -3,5 % et -2,9 %), à un rythme toutefois moins soutenu pour les deux derniers.

En ce qui concerne l'emploi dans la construction, on estime que le taux de

Auftrieb zu verleihen, werden von Haushaltskonsolidierungsmaßnahmen und drastischen Investitionskürzungen auch weiterhin konterkariert. Diese „blinde Sparpolitik“ in weiten Teilen der Europäischen Union stellt immer noch eine Bedrohung für das weiter instabile Vertrauen der Unternehmen und Verbraucher dar.

Darüber hinaus hält die Kreditkrise an und Zahlungsrückstände – insbesondere von Seiten öffentlicher Auftraggeber – bilden in vielen Mitgliedstaaten weiterhin ein großes Problem, das die Existenz von Bauunternehmen gefährdet. Betroffen sind vor allem die KMU, von denen bereits viele aufgrund ausbleibender Zahlungen Insolvenz anmelden mussten.

Vor diesem gemischten Hintergrund zeigt das makroregionale Bild als grobe Tendenz, dass die nord- und osteuropäischen Staaten sich besser erholen (letztere dank umfangreicher EU-Fördermittel) als die Länder im Westen und Süden der EU, die immer noch schwer mit der Baurezession zu kämpfen haben.

So erlebte die Bauwirtschaft 2014 einen Aufschwung in Österreich (+1,7 %), Belgien (+0,9 %), Dänemark (+2,3 %), Irland (+5,1 %), den Niederlanden (+1,2 %), Polen (+5,2 %) und Schweden (+11,1 %) sowie an den volatilen Märkten von Litauen und Slowenien (+16,7 % bzw. +12,7 %). Der tschechische Markt blieb mit +0,2 % stabil.

Im Gegensatz hierzu verzeichneten folgende Staaten einen deutlichen Abschwung : Griechenland (-18,2 %), Portugal (-4,5 %), Finnland (-3,0 %), Bulgarien (-2,4 %), Rumänien (-6,5 %), Kroatien (-6,0 %) und Estland (-4,1 %).

Bei den „Big Five“ erzielten Deutschland und das Vereinigte Königreich ein Plus (+3,4 % bzw. +7,6 %), während Frankreich, Italien und Spanien 2014 erneut einen Rückgang hinnehmen mussten (-4,8 %, -3,5 %, bzw. -2,9 %), wobei der Verlauf bei den beiden Letzteren etwas gemäßigter ausfiel.

2014 ist das Beschäftigungsniveau innerhalb der EU auf geschätzte 14,1 Millionen Arbeitnehmer in der Bauwirtschaft



TOTAL CONSTRUCTION

TOTAL CONSTRUCTION

BAUWESEN

		production (Mln, € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2014a	2011	2012	2013	2014a	2015b
AT	Austria	32,192	2.5	2.5	1.2	1.7	1.0
BE	Belgium	35,593	4.4	0.2	-0.9	0.9	1.0
BG	Bulgaria	5,547	-2.0	1.5	-6.4	-2.4	-2.1
CZ	Czech Rep.	16,580	-3.8	-3.1	-6.9	0.2	-5.5
DE	Germany	267,190	8.4	0.6	-0.1	3.4	1.4
DK	Denmark	21,883	5.2	-6.2	1.1	2.3	-3.3
EE	Estonia	1,878	26.2	17.9	3.2	-4.1	NA
ES	Spain	108,311	-7.8	-10.3	-9.3	-2.9	2.3
FI	Finland	25,904	3.7	-4.5	-3.6	-3.0	-0.5
FR	France	154,751	2.2	-1.7	-0.4	-4.8	-3.1
GR	Greece	8,022	-15.8	-31.8	-16.6	-18.2	NA
HR	Croatia	1,853	-6.1	-4.8	-5.6	-6.0	NA
IE	Ireland	8,489	-18.6	-15.3	-3.8	5.1	5.8
IT	Italy	124,856	-3.8	-6.7	-6.9	-3.5	-2.4
LT	Lithuania	2,196	22.7	-7.5	11.3	16.7	NA
NL	Netherlands	54,175	2.1	-7.3	-5.3	1.2	2.9
PL	Poland	47,600	7.8	-1.0	-3.6	5.2	5.0
PT	Portugal	9,364	-9.4	-15.5	-15.0	-4.5	1.5
RO	Romania	22,650	0.1	10.3	8.4	-6.5	4.9
SE	Sweden	49,961	1.1	-0.3	-2.6	11.1	3.6
SI	Slovenia	1,100	-22.0	-16.2	-4.1	12.7	-6.0
UK	United Kingdom	113,818	1.3	-9.1	-0.1	7.6	3.2
EU	European Union	1,099,964	1.0	-3.9	-2.7	0.7	0.8
CH	Switzerland	51,228	0.7	3.0	0.7	3.3	-0.7
NO	Norway	47,587	6.3	4.6	0.4	2.3	4.2

BUILDING

BÂTIMENT

HOCHBAU

		production (Mln, € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2014a	2011	2012	2013	2014a	2015b
AT	Austria	25,465	3.1	2.9	1.5	1.8	1.0
BE	Belgium	29,717	4.1	-0.2	0.0	1.2	2.0
BG	Bulgaria	2,256	-21.0	-0.2	-7.7	-8.4	-5.0
CZ	Czech Rep.	10,290	-1.0	2.6	-5.4	4.1	-5.4
DE	Germany	228,940	8.8	1.2	0.0	3.2	1.3
DK	Denmark	14,143	7.3	-7.3	-1.9	-0.7	-4.2
EE	Estonia	1,216	29.4	22.0	3.6	3.5	NA
ES	Spain	88,477	-3.3	-5.2	-5.3	-1.4	2.3
FI	Finland	18,940	4.2	-5.9	-4.9	-3.7	-0.3
FR	France	117,110	2.9	-1.5	-1.7	-5.1	-1.5
GR	Greece	1,908	-16.4	-34.0	-32.2	-55.5	NA
HR	Croatia	769	-11.5	-13.2	-12.6	-6.0	NA
IE	Ireland	5,728	-13.0	-17.8	-3.5	7.5	NA
IT	Italy	110,230	-2.8	-6.1	-6.5	-3.3	-2.2
LT	Lithuania	1,102	26.3	-6.8	15.3	23.7	NA
NL	Netherlands	38,100	-1.9	-8.4	-5.1	0.8	3.7
PL	Poland	31,900	5.7	2.7	1.3	3.2	2.5
PT	Portugal	4,630	-13.1	-16.0	-15.9	-7.8	1.1
RO	Romania	10,000	-10.5	4.3	2.1	37.9	8.8
SE	Sweden	27,876	3.2	-3.5	-2.1	12.9	3.8
SI	Slovenia	411	-24.1	-15.0	-13.7	-2.2	-3.0
UK	United Kingdom	98,366	0.1	-8.5	0.0	9.0	3.3
EU	European Union	862,578	1.8	-3.1	-2.3	1.3	1.0
CH	Switzerland	40,258	1.4	2.2	1.0	4.4	-0.9
NO	Norway	34,263	6.7	4.5	-1.2	0.5	3.1

in overall EU construction is estimated to have amounted to about 14.1 million workers, which marks a very moderate growth of 0.2% for the first year since the beginning of the crisis. It is too early however to conclude that it is the starting point of a stable upturn as companies remain extremely cautious when it comes to hiring new workers. All in all, the sector has lost more than 2.5 million workers between 2008 and 2013! At present, growth in construction employment has been recorded in particular in the United Kingdom (+1.9%), Germany (+0.7%), Poland (+7.5%), Ireland (+11%), Hungary (+5.2%), and Austria (+0.3%). While employment in the sector is still – sometimes dramatically – on the decline in Greece (-6.6%), Portugal (-4.8%), Croatia (-3.3%), the Netherlands (-4.0%), Finland (-3.8%), the Czech Republic (-2.3%), Belgium (-1.5%), as well as France (-1.9%), Spain (-3.5%) and Italy (-6.7%).

Thanks to the improving macro-economic factors which are positively influencing confidence and demand in the building segment in particular, total construction activity is forecast to continue its modest recovery in 2015 (+0.8%). Moreover, the situation is expected to slowly keep improving in the next few years.

3. New housebuilding

After seven years of strong decline due to the persistent restricted access to credit, as well as the fragile confidence of householders, caused by the austerity measures – and except for a short rebound in 2011 when it unexpectedly became the leading segment – new residential construction regained significant momentum in 2014 (+1.8%) and this trend is expected to continue at the same pace in 2015 (+1.8%).

This is mostly thanks to the buoyant British and German new residential markets (respectively +23% and +8% in 2014). In the United Kingdom in particular, private

chômage dans la construction européenne en 2014 s'est élevé à près de 14,1 millions de travailleurs, ce qui représente une augmentation très modeste de 0,2 %, pour la première fois depuis le début de la crise. Il est cependant encore trop tôt pour conclure que nous sommes à l'aube d'une reprise stable car les entreprises restent extrêmement prudentes lorsqu'il s'agit d'engager de nouveaux travailleurs. Dans l'ensemble, le secteur a perdu plus de 2,5 millions de travailleurs entre 2008 et 2013 ! À l'heure actuelle, on a enregistré une croissance de l'emploi dans la construction en particulier au Royaume-Uni (+1,9 %), en Allemagne (+0,7 %), en Pologne (+7,5 %), en Irlande (+11 %), en Hongrie (+5,2 %) et en Autriche (+0,3 %). L'emploi dans le secteur continue par contre à diminuer – parfois de façon spectaculaire – en Grèce (-6,6 %), au Portugal (-4,8 %), en Croatie (-3,3 %), aux Pays-Bas (-4,0 %), en Finlande (-3,8 %), en République tchèque (-2,3 %), en Belgique (-1,5 %) ainsi qu'en France (-1,9 %), en Espagne (-3,5 %) et en Italie (-6,7 %).

Grâce à l'amélioration des facteurs macroéconomiques qui influencent positivement la confiance et la demande dans le segment du bâtiment en particulier, l'activité globale de construction devrait poursuivre sa reprise modeste en 2015 (+0,8 %). La situation devrait en outre continuer à s'améliorer lentement au cours des prochaines années.

3. Construction résidentielle

Après sept années de forte baisse due à l'accès toujours restreint au crédit ainsi qu'à la confiance fragile des ménages suite aux mesures d'austérité – et à l'exception d'un bref sursaut en 2011 quand elle est devenue, contre toute attente, le segment prédominant – la construction résidentielle a retrouvé un élan important en 2014 (+1,8 %) et cette tendance devrait se poursuivre au même rythme en 2015 (+1,8 %).

Cela est essentiellement dû au dynamisme des marchés britannique et allemand de la construction résidentielle (+23 % et +8 % en 2014). C'est surtout au Royaume-Uni que la construction de logements privés

gestiegen, was einem geringen Anstieg von 0,2 % entspricht – das erste Plus seit Beginn der Krise. Allerdings ist es noch zu früh, um zu schlussfolgern, dass es sich hier um den Beginn eines stabilen Aufschwungs handelt, da die Unternehmen nach wie vor sehr zurückhaltend bei der Einstellung neuer Arbeitskräfte sind. Insgesamt gingen im Bausektor zwischen 2008 und 2013 mehr als 2,5 Mio. Arbeitsplätze verloren !

Aktuell steigt die Beschäftigung in der Bauwirtschaft insbesondere im Vereinigten Königreich (+1,9 %), Deutschland (+0,7 %), Polen (+7,5 %), Irland (+11 %), Ungarn (+5,2 %) und Österreich (+0,3 %). Demgegenüber steht nach wie vor eine – teilweise dramatisch – sinkende Beschäftigung in Griechenland (-6,6 %), Portugal (-4,8 %), Kroatien (-3,3 %), den Niederlanden (-4,0 %), Finnland (-3,8 %), der Tschechischen Republik (-2,3 %), Belgien (-1,5 %) sowie in Frankreich (-1,9 %), Spanien (-3,5 %) und Italien (-6,7 %).

Dank der sich verbessernden Konjunkturlage, die sich positiv auf das Vertrauen und die Nachfrage in der Baubranche auswirkt, wird für 2015 eine Fortsetzung der moderaten Erholung der Wirtschaftsaktivität prognostiziert (+0,8 %). Zudem wird eine weitere allmähliche Verbesserung in den nächsten Jahren erwartet.

3. Wohnungsneubau

Nach sieben Jahren massiver Einbrüche aufgrund des anhaltend restriktiven Zugangs zu Krediten und der Zurückhaltung der Bauherren infolge der staatlichen Sparpolitik hat der Wohnungsneubau (abgesehen von einer kurzen Erholungsphase im Jahr 2011, als der Wohnungsneubau unerwartet zum führenden Sektor der Branche wurde) 2014 einen deutlich Aufschwung erlebt (+1,8 %), ein Aufwärtstrend, der sich im Jahr 2015 in gleichem Umfang fortsetzen sollte (+1,8 %).

Diese positive Entwicklung ist hauptsächlich den boomenden Wohnungsneubaumärkten im Vereinigten



HOUSEBUILDING

LOGEMENT

WOHNUNGSBAU

		production (Mln, € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2014a	2011	2012	2013	2014a	2015b
AT	Austria	15,825	2.9	3.8	3.1	2.6	1.2
BE	Belgium	16,119	5.4	-3.2	-1.7	4.0	2.9
BG	Bulgaria	754	-25.8	-16.6	-4.2	-8.2	-5.0
CZ	Czech Rep.	2,960	1.0	-8.2	-16.1	20.8	-15.5
DE	Germany	158,130	10.0	3.3	0.6	3.7	1.5
DK	Denmark	9,213	16.6	-5.3	-1.5	0.6	-7.0
EE	Estonia	NA	16.7	17.7	11.5	NA	NA
ES	Spain	54,184	-4.5	-6.2	-5.6	-2.1	2.8
FI	Finland	11,107	3.8	-3.6	-2.2	-2.8	0.8
FR	France	71,315	5.0	-2.1	-1.3	-6.0	-0.3
GR	Greece	NA	NA	NA	NA	NA	NA
HR	Croatia	240	-10.6	-20.6	-11.7	-3.6	NA
IE	Ireland	4,023	-7.3	-20.8	-4.6	6.9	8.8
IT	Italy	62,159	-7.4	-6.9	-5.7	-2.4	-1.3
LT	Lithuania	260	10.0	17.3	13.2	50.2	NA
NL	Netherlands	18,800	-4.7	-9.6	-6.5	-1.1	4.9
PL	Poland	10,600	3.4	10.6	-3.7	2.6	2.8
PT	Portugal	2,171	-17.0	-20.0	-18.0	-10.0	1.3
RO	Romania	4,875	-2.5	-13.2	0.9	62.5	7.7
SE	Sweden	15,531	8.0	-11.8	2.1	19.3	4.9
SI	Slovenia	93	-0.8	-12.9	-10.1	-25.5	-6.8
UK	United Kingdom	57,651	2.2	-4.7	2.7	15.6	5.5
EU	European Union	515,509	2.2	-2.7	-1.7	2.3	1.6
CH	Switzerland	24,398	1.4	1.2	1.6	3.4	-3.0
NO	Norway	15,646	12.5	6.3	2.1	-3.0	0.1

NEW HOUSEBUILDING

LOGEMENT NEUF

WOHNUNGSNEUBAU

		production (Mln, € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2014a	2011	2012	2013	2014a	2015b
AT	Austria	10,750	3.4	4.5	4.0	3.2	1.5
BE	Belgium	6,669	-1.2	-1.9	-1.5	5.2	2.3
BG	Bulgaria	659	-28.5	-18.8	-5.8	-4.2	-1.2
CZ	Czech Rep.	2,010	48.9	-10.0	-15.1	-6.1	-6.0
DE	Germany	39,980	18.0	5.5	4.2	8.0	3.8
DK	Denmark	1,712	33.5	-24.4	-13.6	-8.9	7.9
EE	Estonia	NA	6.5	19.1	4.5	NA	NA
ES	Spain	32,918	-5.5	-7.5	-7.0	-3.0	3.0
FI	Finland	4,623	5.3	-9.6	-7.5	-13.0	-5.0
FR	France	31,925	9.9	-3.6	-1.2	-10.8	-3.8
GR	Greece	NA	NA	NA	NA	NA	NA
HR	Croatia	NA	NA	NA	NA	NA	NA
IE	Ireland	NA	NA	NA	NA	NA	NA
IT	Italy	19,228	-16.0	-16.9	-19.0	-10.2	-8.8
LT	Lithuania	193	14.7	-1.3	41.2	47.7	NA
NL	Netherlands	7,900	-6.2	-12.2	-11.6	-7.9	11.1
PL	Poland	7,400	0.0	11.4	-7.7	2.8	2.7
PT	Portugal	1,411	-18.1	-23.4	-23.3	-19.9	-2.6
RO	Romania	3,000	-5.2	-24.7	0.1	76.5	8.3
SE	Sweden	7,473	24.0	-21.1	6.6	33.9	7.5
SI	Slovenia	48	-11.8	-30.6	-20.1	-25.5	-6.8
UK	United Kingdom	30,992	7.4	-6.4	8.3	23.0	6.7
EU	European Union	210,709	1.4	-6.4	-3.5	1.8	1.8
CH	Switzerland	18,857	-0.4	1.4	1.4	3.4	-3.0
NO	Norway	10,339	18.3	6.8	3.1	-6.3	-0.3

housebuilding has clearly been the key driver for growth in 2014. This growth was largely driven by rising confidence in the sector, backed by government mortgage guarantee schemes, like "Help to Buy" and "Funding for Lending" for instance. As in the previous year, this segment also represented the driving force of the German construction market in 2014. Low mortgage rates, a stable labour market, rising disposable income of private households and risk-averse investors supported this development. Sweden is also experiencing a construction boom in this segment since last year. New housebuilding grew by 33.9% in 2014. Investment in houses in Stockholm and the major university towns sustained this strong recovery. The other leading countries in this segment are Poland (+2.8%), as well as Austria (+3.2%) and Belgium (+5.2%).

On the other side of the spectrum, the Finnish, Danish and Dutch housing markets remained subdued in 2014 (-13%, -8.9% and -7.9% respectively), in spite of historically low lending rates. Portugal, Italy and Spain also continued to experience significant downward trends in this segment (-18.4% and -21.9% respectively), although at a slower pace than in the previous years, especially for Spain, which is expected to come back to growth in this segment in 2015. More worrying is the continuous decline observed in the French market in this segment (-10.8%), with no signs of recovery yet, in spite of forthcoming new stimulus measures.

Overall, this segment, which accounts for 19.4% of total construction activity, will play a positive role for the sector's recovery over the next few years.

4. Rehabilitation and maintenance

Renovation building activity continues to have an important cushioning effect for the entire construction sector. Indeed it has been able to absorb part of the decline in the past

a clairement été le principal moteur de croissance en 2014. Cette croissance a été largement stimulée par un regain de confiance dans le secteur, soutenu par des mécanismes de garantie hypothécaire proposés par le gouvernement, comme le programme « Help to Buy » et « Funding for Lending » par exemple. Comme l'année précédente, ce segment a de nouveau joué le rôle de force motrice pour le marché allemand de la construction en 2014. Des taux hypothécaires bas, un marché du travail stable, une augmentation des revenus disponibles des ménages privés et des investisseurs peu enclins à prendre des risques ont soutenu cette évolution. La Suède connaît aussi un essor de l'activité de construction dans ce segment depuis l'année passée. La construction résidentielle a augmenté de 33,9 % en 2014. Cette forte reprise a été soutenue par des investissements dans des maisons à Stockholm et dans les grandes villes universitaires. Les autres pays en tête du classement dans ce segment sont la Pologne (+2,8 %), ainsi que l'Autriche (+3,2 %) et la Belgique (+5,2 %).

De l'autre côté du spectre, les marchés du logement finnois, danois et néerlandais sont restés atones en 2014 (-13 %, -8,9 % et -7,9 %), malgré des taux d'intérêt historiquement bas pour les crédits. Le Portugal, l'Italie et l'Espagne ont aussi continué à enregistrer des tendances significatives à la baisse dans ce segment (-18,4 % et -21,9 %), bien qu'à un rythme moins soutenu qu'au cours des années précédentes, surtout pour l'Espagne qui devrait renouer avec la croissance dans ce segment en 2015. La baisse persistante observée sur le marché français dans ce segment (-10,8 %), sans aucun signe apparent de reprise, est plus préoccupante malgré de nouvelles mesures de relance imminentes.

Globalement, ce secteur qui représente 19,4 % de l'activité globale de construction jouera un rôle positif dans la reprise du secteur au cours des prochaines années.

4. Réhabilitation et maintenance

L'activité de rénovation des bâtiments continue à avoir un important effet amortisseur pour l'ensemble du secteur de la construction. Elle a en effet pu absorber une partie de la baisse enregistrée ces

Königreich und Deutschland (+23 % bzw. +8 % im Jahr 2014) zu verdanken. Insbesondere im Vereinigten Königreich war der private Wohnungsbau 2014 wichtigster Wachstumsmotor. Treiber waren vor allem das steigende Vertrauen in die Branche, gestützt durch staatliche Hypothekengarantieprogramme wie „Help to Buy“ und „Funding for Lending“. Wie bereits im Vorjahr war dieses Segment 2014 die treibende Kraft in der deutschen Bauwirtschaft. Niedrige Hypothekenzinsen, ein stabiler Arbeitsmarkt, steigende verfügbare Einkommen der Privathaushalte und risikoaverse Anleger zeichneten für diese Entwicklung verantwortlich. Schweden erlebt seit dem vergangenen Jahr ebenfalls einen Bauboom in dieser Sparte. Hier legte der Wohnungsneubau 2014 um 33,9 % zu. Diese Erholung wurde durch Investitionen in Wohngebäude in Stockholm und den großen schwedischen Universitätsstädten gestützt. Weitere führende Länder in diesem Segment sind Polen (+2,8 %), Österreich (+3,2 %) und Belgien (+5,2 %).

Demgegenüber verbuchten die Wohnungsbaumärkte in Finnland, Dänemark und den Niederlanden trotz des extrem niedrigen Zinsniveaus im Jahr 2014 rückläufige Zahlen (-13 %, -8,9 % bzw. -7,9 %). Auch in Portugal, Italien und Spanien setzte sich der deutliche Abwärtstrend in diesem Segment fort (-18,4 % bzw. -21,9 %), wenn auch langsamer als in den vergangenen Jahren, insbesondere in Spanien, wo für 2015 in diesem Segment wieder mit einem Wachstum gerechnet wird. Besorgniserregender ist der anhaltende Abschwung am französischen Markt (-10,8 %), der trotz angekündigter Fördermaßnahmen bislang keinerlei Anzeichen für eine Erholung in diesem Segment zeigt.

Insgesamt wird dieses Segment, das 19,4 % der gesamten Bauaktivität ausmacht, in den kommenden Jahren eine positive Rolle bei der Erholung der Branche einnehmen.

4. Modernisierung und Instandhaltung

Das Renovierungssegment hat weiterhin eine wichtige Pufferwirkung für die gesamte Bauwirtschaft. Tatsächlich konnte diese Sparte in den letzten Jahren einen Teil der Einbrüche auffangen, und es wird



REHABILITATION & MAINTENANCE

RÉHABILITATION & MAINTENANCE

RENOVIERUNG & UNTERHALTUNG

		production (Mln, € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2014a	2011	2012	2013	2014a	2015b
AT	Austria	5,075	2.1	2.5	1.2	1.4	0.6
BE	Belgium	9,450	10.5	-4.1	-1.8	3.2	3.4
BG	Bulgaria	95	0.8	-0.8	4.7	-28.6	-31.6
CZ	Czech Rep.	950	-70.1	5.3	-22.5	206.5	-35.8
DE	Germany	118,150	7.9	2.7	-0.5	2.3	0.7
DK	Denmark	7,501	10.8	2.7	2.2	3.1	-10.5
EE	Estonia	NA	25.6	16.8	16.7	NA	NA
ES	Spain	21,266	-2.6	-4.0	-3.4	-0.8	2.6
FI	Finland	6,484	2.1	3.1	2.9	6.0	5.0
FR	France	39,390	0.8	-0.7	-1.4	-1.7	2.5
GR	Greece	NA	NA	NA	NA	NA	NA
HR	Croatia	NA	NA	NA	NA	NA	NA
IE	Ireland	NA	NA	NA	NA	NA	NA
IT	Italy	42,930	0.6	0.8	2.9	1.5	2.0
LT	Lithuania	66	-0.5	65.5	-30.1	58.0	NA
NL	Netherlands	10,900	-3.2	-7.0	-1.9	4.6	0.5
PL	Poland	3,200	10.6	7.4	6.9	3.2	3.1
PT	Portugal	760	-11.8	-4.9	0.6	16.7	8.5
RO	Romania	1,875	3.5	9.3	2.0	44.2	6.7
SE	Sweden	6,469	-3.3	-3.3	1.2	9.4	3.2
SI	Slovenia	45	49.0	34.2	3.8	-25.5	-6.8
UK	United Kingdom	26,659	-2.3	-3.0	-2.5	8.0	4.0
EU	European Union	303,210	2.8	0.1	-0.4	2.7	1.5
CH	Switzerland	5,541	7.9	0.5	2.4	3.4	-3.0
NO	Norway	5,306	2.0	5.1	0.1	4.0	1.0

NON RESIDENTIAL

NON RÉSIDENTIEL

NICHTWOHNBAU

		production (Mln, € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2014a	2011	2012	2013	2014a	2015b
AT	Austria	9,640	3.4	1.6	-1.0	0.6	0.7
BE	Belgium	13,598	2.6	3.6	1.9	-1.9	1.0
BG	Bulgaria	1,504	-17.4	9.6	-9.3	-8.2	-0.1
CZ	Czech Rep.	7,330	-1.8	7.4	-1.2	-1.3	-1.4
DE	Germany	70,810	6.4	-3.1	-1.5	1.9	1.0
DK	Denmark	4,930	-5.3	-10.8	-2.8	-3.0	1.0
EE	Estonia	NA	34.3	23.4	1.1	NA	NA
ES	Spain	34,293	-1.4	-3.7	-4.6	-0.1	1.3
FI	Finland	7,833	5.6	-9.6	-8.9	-1.0	-2.0
FR	France	45,796	-0.1	-0.5	-2.3	-3.7	-3.5
GR	Greece	NA	NA	NA	NA	NA	NA
HR	Croatia	529	-16.0	-9.5	-13.8	-6.2	NA
IE	Ireland	1,705	-26.2	-9.0	-0.6	9.0	NA
IT	Italy	48,072	3.8	-5.0	-7.6	-4.4	-3.2
LT	Lithuania	842	29.9	-11.2	15.8	17.3	NA
NL	Netherlands	19,300	1.3	-7.2	-3.7	2.7	2.5
PL	Poland	21,300	6.9	-1.2	4.1	3.6	2.3
PT	Portugal	2,459	-8.5	-11.8	-13.8	-5.7	0.9
RO	Romania	5,125	-22.2	29.6	3.0	20.6	9.8
SE	Sweden	12,345	-2.3	6.7	-6.3	5.9	2.3
SI	Slovenia	318	-30.4	-15.8	-15.2	7.8	-1.9
UK	United Kingdom	40,715	-2.0	-12.6	-3.2	0.9	0.3
EU	European Union	347,072	1.2	-3.7	-3.2	-0.1	0.0
CH	Switzerland	15,860	1.3	3.8	-0.1	6.1	2.4
NO	Norway	18,617	2.4	3.0	-3.9	3.7	5.6

few years, and it is expected to keep stabilising the trend in the near future. In 2014, R&M activities in the house-building segment grew by 2.7%, reflecting growth in this segment in the majority of EU countries. A further increase of 1.5% is expected in 2015.

In particular, in Italy and Portugal, this segment has been the only driving force for the whole of construction activity in 2014 (respectively +1.5% and +16.7%), as the incentives introduced are having positive effects. This segment is also an important stabiliser in Finland, where it continues its steady increase (+6% in 2014). This development is sustained by stimulus measures introduced in 2013. In the United Kingdom, this segment also did well in 2014 (+8%), mainly due to the "Green Deal" aimed at promoting energy efficiency in buildings, launched by the Government in October 2012. Sweden, the Netherlands and Poland also experienced significant growth rates in this segment (respectively +9.4%, +4.6% and +3.2% in 2014), but as regards the latter, with a share of only 1/3 of total residential investment, its influence on residential construction is much smaller than in Western Europe.

In contrast, R&M activities in Bulgaria and Slovenia declined sharply in 2014 (-28.6% and -25.5% respectively) because of the lack of confidence and demand in this market, in spite of opportunities for financing energy efficiency works thanks to European co-financing schemes. Spain and France also experienced continued downward trends in this segment in 2014 (respectively -0.8% and -1.7%). However, both countries are expected to experience recovery in this segment in 2015 thanks to new stimulus measures.

5. Non-residential buildings

Following five years of decline – except for a temporary improvement in 2011 – non-residential building construction is now operating a process

dernières années et cette tendance devrait se maintenir dans un proche avenir. En 2014, les activités de R&M dans le segment résidentiel ont augmenté de 2,7 %, ce qui reflète une progression de ce segment dans la majorité des pays de l'UE. Une augmentation supplémentaire de 1,5 % est prévue en 2015.

En Italie et au Portugal surtout, ce segment a représenté la seule force motrice de toute l'activité de construction en 2014 (+1,5 % et +16,7 %) car les mesures d'incitation prises ont eu des effets positifs. Ce segment est aussi un stabilisateur important en Finlande, où il continue sa progression régulière (+6 % en 2014). Cette évolution est soutenue par des mesures de relance introduites en 2013. Au Royaume-Uni, ce segment s'est aussi bien comporté en 2014 (+8 %), principalement grâce au « Green Deal » lancé par le gouvernement en octobre 2012 et visant à promouvoir l'efficacité énergétique dans les bâtiments. La Suède, les Pays-Bas et la Pologne ont aussi connu des taux de croissance importants dans ce segment (+9,4 %, +4,6 % et +3,2 % en 2014), mais en ce qui concerne la Pologne, avec 1/3 seulement des investissements résidentiels totaux, son influence sur la construction résidentielle est bien moins grande qu'en Europe de l'Ouest.

Par contre, les activités de R&M en Bulgarie et en Slovaquie ont connu une forte chute en 2014 (-28,6 % et -25,5 %) à cause du manque de confiance et de demande sur ce marché et ce, malgré les possibilités de financement de travaux en matière d'efficacité énergétique offertes par des programmes de cofinancement européens. L'Espagne et la France ont aussi continué à afficher une tendance à la baisse dans ce segment en 2014 (-0,8 % et -1,7 %). Toutefois ces deux pays devraient connaître une reprise de l'activité dans ce segment en 2015 grâce à de nouvelles mesures de relance.

5. Construction non résidentielle

Après cinq années de déclin – à l'exception d'une amélioration temporaire en 2011 –, la construction non résidentielle se trouve à présent dans un processus de

attendu, qu'elle contribue également à la stabilisation de la construction dans le futur. En 2014, le secteur de la rénovation et du marché de l'entretien a augmenté de 2,7 %, ce qui reflète la croissance de ce secteur dans la plupart des États de l'UE. Pour 2015, on s'attend à une augmentation supplémentaire de 1,5 %.

Insbesondere in Italien und Portugal zeigten die neuen Fördermaßnahmen 2014 die gewünschte Wirkung in diesem Segment (+1,5 % bzw. +16,7 %), das als Einziges der gesamten Bauwirtschaft anzog. Diese stetig wachsende Sparte dient auch in Finnland als wichtiger Stabilisator (+6 % im Jahr 2014). Die Entwicklung wird durch weitere Fördermaßnahmen gestützt, die 2013 eingeführt wurden. Im Vereinigten Königreich entwickelte sich das Segment 2014 ebenfalls gut (+8 %), hauptsächlich aufgrund des von der Regierung im Oktober 2012 zur Förderung der Energieeffizienz von Gebäuden eingeführten „Green Deal“. Schweden, die Niederlande und Polen verzeichneten ebenfalls erhebliche Wachstumsraten in diesem Segment (+9,4 %, +4,6 % bzw. 3,2 % im Jahr 2014), auch wenn hier mit einem Anteil von nur 1/3 am Gesamtinvestitionsvolumen der Einfluss auf den Wohnungsbau geringer war als in Westeuropa.

Im Gegenzug erfuhren die Aktivitäten im Modernisierungs- und Instandhaltungssegment in Bulgarien und Slowenien aufgrund des mangelnden Vertrauens und der dementsprechend geringen Nachfrage trotz europäischer Kofinanzierungsprogramme für Energiesparmaßnahmen im Wohnungsbau 2014 drastische Einbrüche (-28,6 % bzw. -25,5 %). Auch in Spanien und Frankreich setzte sich der Abwärtstrend 2014 fort (-0,8 % bzw. -1,7 %). Aufgrund neuer Förderprogramme wird aber in beiden Ländern für 2015 mit einer Erholung des Segments gerechnet.

5. Nichtwohnungsbau

Nach fünf Jahren des Abschwungs (abgesehen von einer vorübergehenden Erholung im Jahr 2011) erlebt die Wirtschaftsaktivität im



NON RESIDENTIAL PRIVATE

NON RÉSIDENTIEL PRIVÉ

NICHTWOHNBAU PRIVAT

		production (Mln, € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2014a	2011	2012	2013	2014a	2015b
AT	Austria	NA	NA	NA	NA	NA	NA
BE	Belgium	8,376	2.6	3.6	1.9	-1.9	1.0
BG	Bulgaria	1,498	-17.3	9.7	-9.3	-8.4	-0.1
CZ	Czech Rep.	3,590	17.0	-12.5	-17.8	3.8	13.6
DE	Germany	59,300	8.4	-0.6	-1.9	2.8	1.2
DK	Denmark	2,525	-8.2	-19.2	-3.1	-3.7	0.1
EE	Estonia	NA	NA	NA	NA	NA	NA
ES	Spain	27,153	-1.4	-0.9	-0.5	0.1	0.5
FI	Finland	5,071	0.2	-10.9	-14.6	-3.0	-3.0
FR	France	24,429	-0.8	-0.8	-2.1	-3.0	-1.6
GR	Greece	NA	NA	NA	NA	NA	NA
HR	Croatia	NA	NA	NA	NA	NA	NA
IE	Ireland	690	-14.3	17.2	0.4	2.1	NA
IT	Italy	39,482	8.0	-3.6	-7.2	-4.3	-3.0
LT	Lithuania	839	29.7	-11.1	15.5	17.4	NA
NL	Netherlands	NA	NA	NA	NA	NA	NA
PL	Poland	NA	NA	NA	NA	NA	NA
PT	Portugal	1,509	-14.0	-13.0	-13.0	-2.0	1.5
RO	Romania	3,970	-21.1	29.5	2.5	0.9	3.9
SE	Sweden	7,880	-6.2	7.8	-8.5	3.1	3.6
SI	Slovenia	NA	NA	NA	NA	NA	NA
UK	United Kingdom	30,036	0.9	-8.3	-0.4	2.1	0.5
EU	European Union	240,787	2.9	-2.4	-3.1	0.1	0.4
CH	Switzerland	9,345	0.4	3.4	0.8	3.9	2.0
NO	Norway	12,543	5.3	4.9	-8.4	2.1	0.8

NON RESIDENTIAL PUBLIC

NON RÉSIDENTIEL PUBLIC

NICHTWOHNBAU ÖFFENTLICH

		production (Mln, € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2014a	2011	2012	2013	2014a	2015b
AT	Austria	NA	NA	NA	NA	NA	NA
BE	Belgium	5,222	2.6	3.6	1.9	-1.9	1.0
BG	Bulgaria	6	NA	NA	NA	NA	NA
CZ	Czech Rep.	3,740	-27.5	51.1	19.9	-5.8	-15.8
DE	Germany	11,510	-1.7	-14.0	0.9	-2.4	-0.1
DK	Denmark	2,405	-1.2	0.3	-2.4	-2.2	1.9
EE	Estonia	NA	NA	NA	NA	NA	NA
ES	Spain	7,140	-1.6	-11.5	-17.5	-1.0	4.5
FI	Finland	2,761	21.9	-6.1	4.7	3.0	0.0
FR	France	21,367	0.6	-0.2	-2.5	-4.5	-5.7
GR	Greece	NA	NA	NA	NA	NA	NA
HR	Croatia	NA	NA	NA	NA	NA	NA
IE	Ireland	1,015	-30.9	-22.0	-1.3	14.3	NA
IT	Italy	8,590	-10.5	-10.6	-9.3	-5.1	-4.3
LT	Lithuania	3	NA	NA	NA	NA	NA
NL	Netherlands	NA	NA	NA	NA	NA	NA
PL	Poland	NA	NA	NA	NA	NA	NA
PT	Portugal	950	1.0	-10.0	-15.0	-11.0	0.0
RO	Romania	1,155	-34.7	31.2	10.1	266.7	29.9
SE	Sweden	4,466	6.6	4.6	-1.7	11.0	0.0
SI	Slovenia	NA	NA	NA	NA	NA	NA
UK	United Kingdom	10,679	-7.5	-21.6	-10.0	-2.5	-0.2
EU	European Union	106,285	-2.2	-6.3	-3.3	-0.4	-0.8
CH	Switzerland	6,515	2.6	4.3	-1.4	9.3	3.0
NO	Norway	6,075	-3.9	-1.5	7.4	7.0	15.6

of stabilisation which should keep going next year (respectively -0.1% in 2014 and 0.0% in 2015%). This trend will be sustained by both the timid improvement in the private component of this segment (respectively +0.1% in 2014 and +0.4% in 2015) and by smaller declines in the public component (respectively -0.4% in 2014 and -0.8% in 2015). As regards this latter branch, the situation is still influenced by the implementation of austerity measures and the subsequent significant scaling back of public investment from the end of 2011.

The situation is however quite contrasted amongst the various EU countries. The situation has indeed improved in a group of countries. For instance, Austria, Ireland, the Netherlands and Sweden are back to an upward trend (respectively +0.6%, +9.0%, +2.7% and +5.9%). As regards Ireland in particular, the return of private investors in Dublin and projects of urban renovation supported by Dublin City Council are sustaining this trend. Romania and Lithuania also experienced buoyant activity in this segment in 2014 (+20.6% and +17.3% respectively).

On the other hand, in Belgium, Denmark, Bulgaria, the Czech Republic and Croatia, non-residential activity remained subdued (-1.9%, -3.0%, -8.2%, -1.3% and -6.2% respectively in 2014), altogether impacted by still very cautious private investors, remaining empty stocks of office buildings and low levels of public investment for public facilities.

Amongst the "big five", the situation is again divided, with the United Kingdom and Germany on one side, which have experienced renewed growth – although still modest – in this segment in 2014 (with +0.9% and +1.9% respectively); and France, Italy and Spain on the other side, which are still struggling against very low levels of public investment in this segment (-3.7%, -4.4% and -0.1% respectively). Spain is however expected to also experience renewed growth from 2015.

stabilisation qui devrait perdurer au cours de l'année prochaine (-0,1 % en 2014 et 0,0 % en 2015). Cette tendance sera soutenue à la fois par une timide amélioration de la composante privée de ce segment (+0,1 % en 2014 et +0,4 % en 2015) ainsi que par des baisses moins conséquentes dans la composante publique (-0,4 % en 2014 et -0,8 % en 2015). Concernant cette dernière composante, la situation reste toujours influencée par l'application de mesures d'austérité et par l'importante diminution consécutive des investissements publics depuis la fin 2011.

La situation est toutefois relativement contrastée parmi les différents pays de l'UE. Elle s'est en effet améliorée dans un groupe de pays. Ainsi, l'Autriche, l'Irlande, les Pays-Bas et la Suède reprennent leur tendance à la hausse (+0,6 %, +9,0 %, +2,7 % et +5,9 %). En ce qui concerne l'Irlande en particulier, le retour des investisseurs privés à Dublin et des projets de rénovation urbaine soutenus par le Dublin City Council renforcent cette tendance. La Roumanie et la Lituanie ont aussi connu une activité florissante dans ce segment en 2014 (+20,6 % et +17,3 %).

Par contre, en Belgique, au Danemark, en Bulgarie, en République tchèque et en Croatie, l'activité non résidentielle est restée faible (-1,9 %, -3,0 %, -8,2 %, -1,3 % et -6,2 % en 2014), le tout influencé par des investisseurs privés toujours très prudents, des immeubles de bureaux qui restent inoccupés et de faibles niveaux d'investissement public pour des infrastructures publiques.

Parmi les « cinq grands », la situation est de nouveau divisée, avec le Royaume-Uni et l'Allemagne d'un côté, qui ont enregistré un regain de croissance – bien que modeste – dans ce segment en 2014 (+0,9 % et +1,9 %) ; et la France, l'Italie et l'Espagne de l'autre côté, qui continuent à faire face à des niveaux très bas d'investissement public dans ce segment (-3,7 %, -4,4 % et -0,1 %). L'Espagne devrait toutefois connaître aussi un retour à la croissance dès 2015.

Nichtwohnungsbau aktuell einen Stabilisierungsprozess, der sich auch im Folgejahr fortsetzen dürfte (-0,1 % im Jahr 2014 und 0,0 % im Jahr 2015). Dieser Trend wird gestützt werden vom leichten Anstieg der privaten Investitionen in diesem Segment (+0,1 % im Jahr 2014 und +0,4 % im Jahr 2015) sowie von geringeren Rückgängen bei den öffentlichen Baumaßnahmen (-0,4 % im Jahr 2014 und -0,8 % im Jahr 2015). Im letzteren Segment macht sich immer noch die strikte Sparpolitik mit den hieraus folgenden drastischen Kürzungen der öffentlichen Investitionen seit Ende 2011 bemerkbar.

Allerdings präsentiert sich die Lage in den einzelnen EU-Staaten sehr unterschiedlich. Tatsächlich hat sich die Situation in einigen Ländern deutlich entspannt. So verzeichneten beispielsweise Österreich, Irland, die Niederlande und Schweden wieder einen Aufwärtstrend (+0,6 %, +9,0 %, +2,7 % bzw. +5,9 %). Insbesondere in Irland wird dieser Trend gestützt von Privatinvestitionen in Dublin sowie von städtischen, vom Dublin City Council geförderten Renovierungsprojekten. Rumänien und Litauen konnten in diesem Segment 2014 ebenfalls einen sehr deutlichen Aufschwung (+20,6 % bzw. +17,3 %) verbuchen.

Demgegenüber war die Wirtschaftsaktivität im Nichtwohnungsbau in Belgien, Dänemark, Bulgarien, der Tschechischen Republik und Kroatien rückläufig (-1,9 %, -3,0 %, -8,2 %, -1,3 % bzw. -6,2 % im Jahr 2014). Dies lag offensichtlich weiterhin an der extremen Zurückhaltung privater Investoren, dem hohen Büroleerstand und dem geringen öffentlichen Finanzierungsumfang für staatliche Einrichtungen.

Bei den „Big Five“ ist die Lage sehr unterschiedlich. Im Vereinigten Königreich und in Deutschland hat dieses Segment 2014 erneut ein leichtes Plus verzeichnet (+0,9 % bzw. +1,9 %), während Frankreich, Italien und Spanien nach wie vor mit extrem geringen öffentlichen Investitionen in diesem Segment zu kämpfen haben (-3,7 %, -4,4 % bzw. -0,1 %). Spanien rechnet allerdings für 2015 wieder mit einem Plus in diesem Segment.



CIVIL ENGINEERING

GÉNIE CIVIL

TIEFBAU

		production (Mln, € fixed prices)	Per cent variation of production in real terms on previous year				
Country		2014a	2011	2012	2013	2014a	2015b
AT	Austria	6,727	0.4	1.0	0.0	1.2	1.0
BE	Belgium	5,876	5.5	2.1	-5.2	-0.6	-4.3
BG	Bulgaria	3,291	21.6	2.8	-5.4	2.2	-0.1
CZ	Czech Rep.	6,290	-7.2	-10.0	-9.1	-5.7	-5.7
DE	Germany	38,250	5.8	-2.6	-0.2	4.9	2.0
DK	Denmark	7,740	0.7	-3.7	7.8	8.3	-1.5
EE	Estonia	662	22.3	12.2	2.6	-15.5	NA
ES	Spain	19,835	-18.0	-24.0	-23.0	-9.0	2.5
FI	Finland	6,964	2.3	-0.2	0.0	-1.0	-1.0
FR	France	37,640	-0.2	-2.6	3.9	-4.0	-8.0
GR	Greece	6,114	-15.0	-29.1	1.7	10.8	NA
HR	Croatia	1,084	-0.2	3.3	0.2	-6.1	NA
IE	Ireland	2,761	-28.3	-10.2	-4.4	0.4	NA
IT	Italy	14,626	-10.5	-10.6	-9.3	-5.1	-4.3
LT	Lithuania	1,095	19.8	-8.1	8.0	10.4	NA
NL	Netherlands	16,075	13.5	-4.3	-5.7	2.1	1.1
PL	Poland	15,700	11.3	-7.3	-12.2	9.0	10.2
PT	Portugal	4,735	-5.0	-15.0	-14.0	-1.0	2.0
RO	Romania	12,550	8.1	11.6	11.3	-26.1	2.6
SE	Sweden	7,802	-6.0	11.7	-4.4	5.1	2.8
SI	Slovenia	689	-20.1	-17.3	4.6	24.0	-7.8
UK	United Kingdom	15,453	8.4	-12.6	-0.4	-0.7	2.7
EU	European Union	223,004	-1.5	-6.7	-4.1	-2.1	-0.2
CH	Switzerland	10,971	-1.8	5.9	-0.3	-0.6	0.0
NO	Norway	13,324	5.1	5.1	4.8	7.1	7.2

TOTAL EMPLOYMENT IN CONSTRUCTION*

EMPLOI TOTAL DANS LA CONSTRUCTION*

GESAMTBESCHÄFTIGUNG IM BAUWESEN*

		Thousand units	Variation on previous year			
Country		2014a (x1000)	2012 (%)	2013 (%)	2014a (%)	2015b (%)
AT	Austria	266	1.0	-0.4	0.3	0.1
BE	Belgium	276	0.9	-1.0	-1.5	-0.8
BG	Bulgaria	178	-6.1	-3.8	-0.6	0.0
CY	Cyprus	22	-15.4	-12.2	-12.0	NA
CZ	Czech Rep.	378	-2.0	-8.8	-2.3	-2.4
DE	Germany	2,447	1.4	0.8	0.7	0.5
DK	Denmark	170	0.8	-0.2	1.6	-1.8
EE	Estonia	59	4.0	1.6	NA	NA
ES	Spain	994	-17.3	-11.3	-3.5	3.5
FI	Finland	182	-0.3	-2.0	-3.8	-1.1
FR	France	1,791	-0.3	-1.4	-1.9	-2.1
GR	Greece	152	-18.3	-19.2	-6.6	NA
HR	Croatia	93	-6.9	-6.4	-3.3	NA
HU	Hungary	258	-6.7	0.9	5.2	NA
IE	Ireland	115	-4.3	0.4	11.0	NA
IT	Italy	1,484	-5.0	-9.3	-6.7	NA
LT	Lithuania	99	5.2	10.9	0.0	NA
LU	Luxembourg	40	NA	NA	NA	NA
LV	Latvia	64	NA	NA	NA	NA
MT	Malta	9	NA	NA	NA	NA
NL	Netherlands	458	-2.9	-5.9	-4.0	0.4
PL	Poland	1,230	-2.8	-5.5	7.5	3.3
PT	Portugal	274	-18.9	-15.9	-4.8	0.5
RO	Romania	389	11.7	1.9	5.1	3.8
SE	Sweden	311	2.5	-0.5	0.0	1.7
SI	Slovenia	54	-11.8	-9.7	-0.4	-2.0
SK	Slovakia	223	NA	NA	NA	NA
UK	United Kingdom	2,100	-1.4	1.0	1.9	NA
EU28	European Union	14,116	-2.8	-4.0	0.2	NA
CH	Switzerland	358	1.2	0.9	2.0	-1.4
NO	Norway	201	2.1	1.5	2.0	2.5
TR	TR - Turkey	1,912	2.0	4.3	7.3	3.8

* NACE Section F

6. Civil engineering

In a similar fashion to the public non-residential segment, civil engineering also suffered from the significant public investment cuts in most EU countries, in the aftermath of the crisis. In 2014, civil engineering was overall the worst performing segment (-2.1%). As the segment's declining trend has been smaller year on year since 2012, activity is finally expected to stabilise from 2015 (-0.2%).

For now, civil engineering activity remains subdued in many EU countries. In Portugal, it seems that this segment will bottom out in 2014 (-1.0%) before finally growing again from 2015 (+2.0%). In Finland, the situation remains bleak (-1.0%) in spite of on-going big infrastructure projects. In particular, the Government is cutting investment dedicated to the maintenance of roads. In Belgium (-0.6%), the situation is being influenced by the traditional drop in public investment in roads and railways following the local elections of 2012.

Amongst the "big five", only Germany performed well in 2014 (+4.9%), due to a rise in public investment from the federal government, namely due to the huge need for the renovation and maintenance of road and rail infrastructure. The United Kingdom and Spain should go back to positive trends in this segment from 2015 (+2.7% and +2.5% respectively), but starting from extremely low levels for the latter.

In Eastern European countries, civil engineering tends to be supported by significant EU funding. Although not all of them manage to make the most of this manna (e.g. -5.7% in the Czech Republic and -15.5% in Estonia), some success can be observed for instance in Lithuania (+10.4%) and Slovenia (+24%), where the Government had to absorb a high remaining amount of EU funds from the financial programming period 2007-2013. Poland is still

6. Génie civil

De la même manière que pour le segment non résidentiel public, le génie civil a souffert des réductions importantes dans les investissements publics de la plupart des pays de l'UE au lendemain de la crise. En 2014, le génie civil a dans l'ensemble été le segment qui a réalisé les moins bons résultats (-2,1 %). Vu que la tendance baissière du segment n'a cessé de s'affaiblir d'année en année depuis 2012, l'activité devrait enfin connaître une stabilisation en 2015 (-0,2 %).

À l'heure actuelle, l'activité du génie civil reste limitée dans la plupart des pays européens. Au Portugal, il semble que ce segment ait atteint son niveau le plus bas en 2014 (-1,0 %) avant de finalement renouer avec la croissance en 2015 (+2,0 %). En Finlande, la situation reste morose (-1,0 %) malgré de gros projets d'infrastructure en cours. Le gouvernement réduit en particulier ses investissements consacrés à la maintenance routière. En Belgique (-0,6 %), la situation est influencée par la baisse traditionnelle des investissements publics dans les infrastructures routières et ferroviaires suite aux élections communales de 2012.

Parmi les « cinq grands », seule l'Allemagne a obtenu de bons résultats en 2014 (+4,9 %), suite à une hausse des investissements publics du gouvernement fédéral, notamment due à un besoin énorme de rénovation et de maintenance des infrastructures routières et ferroviaires. Le Royaume-Uni et l'Espagne devraient renouer avec des tendances positives dans ce segment à partir de 2015 (+2,7 % et +2,5 %), mais en démarrant à des niveaux extrêmement bas pour l'Espagne.

Le génie civil dans les pays d'Europe de l'Est a tendance à être soutenu par un financement important de l'UE. Bien que tous ne parviennent pas à profiter au maximum de cette manne financière (ex. -5,7 % en République tchèque et -15,5 % en Estonie), on peut voir que certains pays y arrivent néanmoins, comme la Lituanie (+10,4 %) et la Slovaquie (+24 %), où le gouvernement a dû absorber un montant

6. Tiefbau

Wie im öffentlichen Nichtwohnungsbau litt der Tiefbau infolge der Wirtschaftskrise ebenfalls unter massiven Einschnitten bei öffentlichen Investitionen in den meisten EU-Staaten. Im Jahr 2014 schnitt der Tiefbau von allen Segmenten der Bauwirtschaft am schlechtesten ab (-2,1 %). Da der Abschwung jedoch seit 2012 im Vorjahresvergleich jeweils geringer ausgefallen ist, wird für 2015 eine Stabilisierung erwartet (-0,2 %).

Im Augenblick ist die Wirtschaftsaktivität im Tiefbau in vielen EU-Staaten noch sehr bescheiden. In Portugal rechnet man damit, dass im Jahr 2014 die Talsohle erreicht wurde (-1,0 %) und das Segment ab 2015 wieder wächst (+2,0 %). In Finnland bleibt die Situation trotz laufender großer Infrastrukturprojekte angespannt (-1,0 %). Die öffentliche Hand hat hier insbesondere die Mittel für die Straßeninstandhaltung drastisch gekürzt. In Belgien (-0,6 %) erfolgte nach den nationalen Wahlen 2012 ein traditioneller Rückgang der öffentlichen Investitionen im Straßen- und Schienenwegebau.

Bei den „Big Five“ konnte 2014 nur Deutschland dank eines Anstiegs der staatlichen Investitionen aufgrund dringend erforderlicher Renovierungs- und Instandhaltungsmaßnahmen in der Straßen- und Schieneninfrastruktur ein Plus verzeichnen (+4,9 %). Im Vereinigten Königreich und in Spanien dürfte dieses Segment ab 2015 wieder anziehen (+2,7 % und +2,5 %), allerdings in Spanien ausgehend von einem extrem niedrigen Niveau.

In den osteuropäischen Ländern wird der Tiefbau durch umfangreiche EU-Mittel gefördert. Obgleich es nicht allen Staaten gelingt, diese Zuschüsse optimal zu nutzen (z. B. -5,7 % in der Tschechischen Republik und -15,5 % in Estland), zeigt sich beispielsweise in Litauen (+10,4 %) und Slowenien (+24 %), wo der Staat hohe EU-Zuschüsse aus der Förderperiode 2007-2013 investieren musste, ein deutliches Anziehen der Bauaktivitäten in diesem Segment. Polen streicht nach wie vor den Löwenanteil an EU-Mitteln in diesem



VOLUME OF INTERNATIONAL TURNOVER 2013

	Companies from...													(In million €)
	Austria	Belgium	Denmark	Finland	France	Germany	Great Britain ²	Italy	Nether-lands	Portugal	Spain	Sweden ³	Turkey	Total
International Total	14,044	5,809	473	3,808	32,062	31,011	4,477	9,505	12,428	5,321	1,500	15,378	13,708	163,029
without Europe	904	4,271	43	6	14,693	27,753	3,329	7,643	4,875	4,943	10,028	6,041	9,003	93,532
without Europe and North America	768	4,259	43	3	10,284	19,129	3,209	7,091	3,901	4,855	6,311	982	8,963	69,799
without Europe, North America and Australia	753	3,295	43	3	9,159	1,966	2,748 ⁴	6,938	2,812	4,855	6,103	982	8,821	45,730
Regional Total														
Europe	13,140	1,538	430	3,802	17,369	3,258	1,148	1,862	7,553	378	4,977	9,337	4,705	69,497
North America (USA and Canada)	136	12	0	3	4,409	8,624	120	552	974	88	3,717	5,059	40	23,733
America (Central and South)	131	649	1	0	1,050	557	237	2,890	724	1,053	4,438	982	106	12,819
Oceania/Australia	15	964	0	0	1,125	17,163	923	153	1,089	0	208	0	142	30,186
Asia (Without Middle East)	93	792	19	3	2,955	304		369	775	0	404	0	2,690	
Africa (Without Middle East)	165	509	21	0	4,278	548	532	2,127	506	3,790	690	0	1,661	14,827
Middle East¹	364	1,345	2	0	876	557	1,517	1,553	807	12	571	0	4,364	11,967

¹ Afghanistan, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi-Arabia, Syria, United Arab Emirates and Yemen (North and South)

² Source: ENR; The Top 225 International Contractors 2013, published on August 25, 2014 - Currency rate: 1 EUR = 1.33 US\$; Official rate for 2013 of the European Central Bank

³ EIC's own research

⁴ As figures for the U.K. cannot be split between Australia and Asia, the total figure is an approximate value.

Source : EIC - European International Contractors



taking the lion's share of EU funds in this field (about 1/9 of the overall EU budget for the financial period 2014-2020, the majority of it dedicated to infrastructure projects). While 2012 and 2013 continued to see a decline following the tailing off of the positive effects of the 2012 European Football Championship, the modernisation of transport and energy infrastructure, still largely co-financed by EU funds, created a renewed growth of 9.0% in 2014 - growth which should be further sustained in 2015 (+10.2%).

résiduel élevé de fonds européens provenant de la période de programmation financière 2007-2013. La Pologne se taille toujours la part du lion des fonds européens dans ce domaine (près de 1/9e du budget global de l'UE pour la période financière 2014-2020, la majorité étant consacrée à des projets d'infrastructure). Tandis que 2012 et 2013 ont été marquées par un déclin du segment suite à l'affaiblissement des effets positifs du Championnat d'Europe de football, la modernisation des infrastructures de transport et d'énergie, largement cofinancée par des fonds européens, a généré une reprise de la croissance de 9,0 % en 2014 - croissance qui devrait se poursuivre en 2015 (+10,2 %).

Segment ein (etwa 1/9 des EU-Budgets für die Förderperiode 2014-2020, wobei der Großteil Infrastrukturprojekten zugedacht ist). Während sich 2012 und 2013 nach dem Abflauen der positiven Effekte der Fußball Europameisterschaft 2012 ein Abwärtstrend bemerkbar machte, sorgte die immer noch umfangreiche Kofinanzierung aus EU-Mitteln im Bereich der Modernisierung von Transport- und Energieinfrastrukturen im Jahr 2014 für ein Plus von 9,0 % – ein Aufwärtstrend, der sich 2015 fortsetzen dürfte (+10,2 %).

1. Overall construction activity

Following a cyclical downturn in 2014, the Austrian economy is set to grow at a moderate pace of 1.3% per year over the period from 2015 to 2019. Private consumption and investment will experience a sluggish growth, while the external contribution to GDP growth will remain modest.

Stable population growth, the increasing number of households, as well as the high level of real estate prices should support private housing investment. Non-residential construction is expected to grow but only at a minor rate because of the sluggish economic environment. Given a tight public budget no significant input can be expected from civil engineering within the coming years. The entire construction sector will therefore only moderately evolve in 2015 (1%).

Under the condition of increasing foreign trade it is likely that construction output in Austria will grow slightly stronger in 2016 and 2017 with growth rates of about 1.3% and 1.5% respectively.

2. Housebuilding

The housing market has been a major stabilising force for overall construction output since the economic slowdown in 2009. While other construction segments reacted more sensitively and followed the downward trend of the overall economy, residential construction remained robust and even picked up pace in the aftermath of the crisis. After continuous growth of almost 3% annually since 2011, the housing market will remain strong and is expected to grow by 2.6% in 2014. The low interest rate environment, rising house prices and growing demand through demographic changes favour new housing production.

As these factors are expected to prevail over the next few years, the segment will continue to grow within the forecasting period. However, there are several signs indicating that residential construction has already reached its peak and will grow less strongly from 2014 onwards. On the one hand, a number of economic stimulus measures are about to phase out. This is particularly relevant for restoration activities, which benefited largely from public investment subsidies. On the other hand, the envisaged fiscal consolidation, affecting both the federal as well as state governments, could lead to a retrenchment of the housing subsidy scheme. Because housing subsidies and the public sector play an important role for new construction and renovation activities, a reduction in public activity will inevitably exert adverse effects on housing construction output.

3. Non-residential buildings

The repeated deferral of economic recovery in Europe is the main hindrance for non-residential construction in Austria. After the strong growth in 2011 and 2012, the faltering economic upswing has led firms to postpone investments, resulting in a 1% decline in 2013 and a forecast of almost zero growth in 2014 and 2015. Given that additional demand from the public sector in terms of health and education construction is highly unlikely, the situation of moderate growth rates in non-residential construction is poised to remain until 2016. The forecast for 2016 and 2017 predicts a more dynamic development, with growth rates of 1.7% in 2016 and by 1.8% in 2017, but are highly conditional on actual improvements in economic conditions, particularly exports.

4. Civil engineering

Civil engineering is expected to increase by around 1% in 2014 and 2015 which is mainly based on growth in road and railway construction. Demand from the telecom sector can be expected in 2016 and 2017 because of public investment aid for broadband network expansion. Nevertheless, the higher construction volume in telecom cannot outweigh the expected reduction in traffic infrastructure investments. Civil engineering is therefore expected to grow at a minor rate of 0.8% in 2016. Investments in energy will be low throughout the forecasting period because of the sufficient electricity capacity. Investment in water works is forecasted to decline on average because large investments into new systems were already made in the last decades and public subsidy programs are likely to phase out. To sum up, the outlook for civil engineering will mainly depend on the realisation of big transport infrastructure programs. Given the current situation total civil engineering will grow slightly above one percent in 2017.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	25,465	3.1	2.9	1.5	1.8	1.0
1.1. Housebuilding	15,825	2.9	3.8	3.1	2.6	1.2
1.1.1. New	10,750	3.4	4.5	4.0	3.2	1.5
1.1.2. R&M	5,075	2.1	2.5	1.2	1.4	0.6
1.2. Non residential	9,640	3.4	1.6	-1.0	0.6	0.7
1.2.1. Private	NA	NA	NA	NA	NA	NA
1.2.2. Public	NA	NA	NA	NA	NA	NA
2. Civil Engineering	6,727	0.4	1.0	0.0	1.2	1.0
(1 + 2) Total Construction	32,192	2.5	2.5	1.2	1.7	1.0

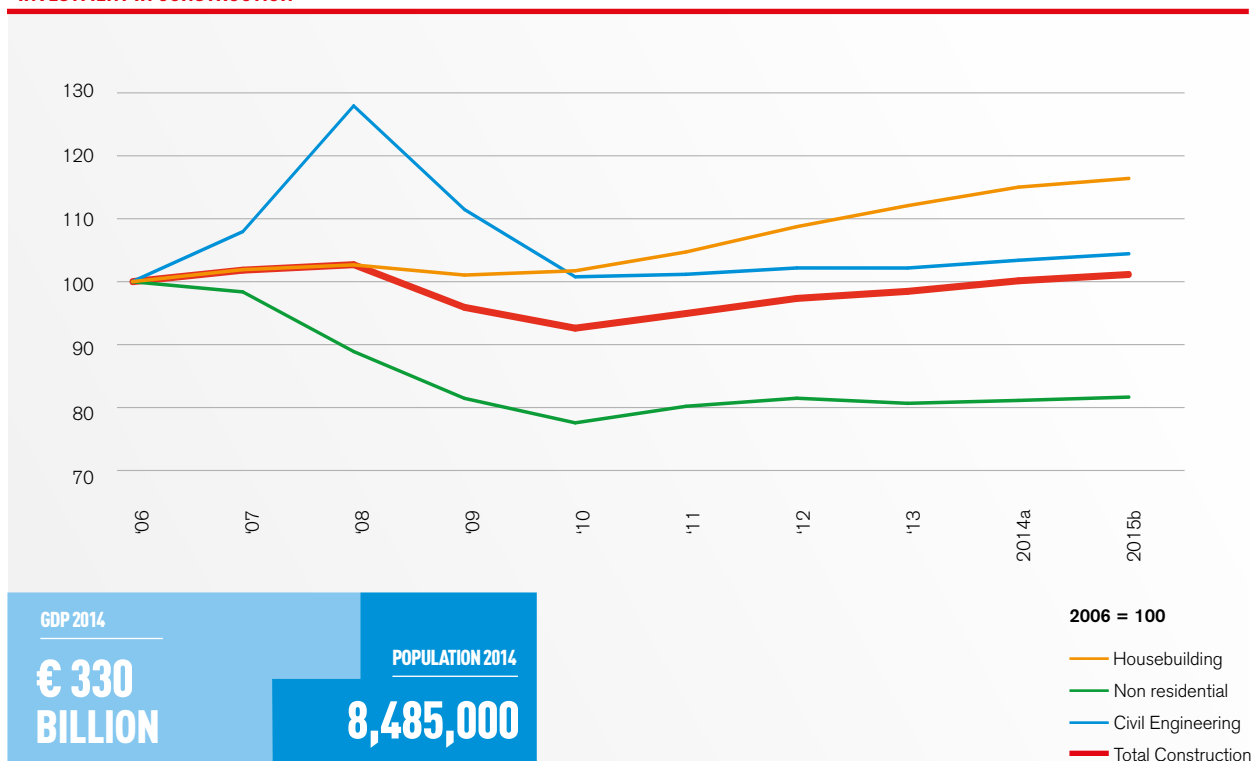
a: estimate - b: forecast

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	18,000	16,500	16,500	16,100	16,700
collective dwelling	27,700	23,300	29,600	29,000	27,700
other types of dwelling	NA	NA	NA	NA	NA
Total	45,700	39,800	46,100	45,100	44,400

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

Initial estimates from the Institute of National Accounts show that, in 2014, construction (+3.2%) outperformed the average for the Belgian economy (+1%) by a long way. However, various indicators, such as the trend in paid employment (-2.9%) or in the order books of construction firms, show that the situation in the sector remained difficult. On the other hand, it clearly benefited from favourable weather conditions, particularly in Q1 2014.

Building contractors' assessments of the current economic climate have remained largely pessimistic during Q1 2015 and have even worsened again. The general economic outlook is not very promising and civil engineering is expected to decline, in particular due to measures to stabilise public finances. Construction should, on the other hand, benefit from favourable trends recorded for planning permissions issued in 2014, although they are not a sign of a lasting improvement in demand. Taking all sub-sectors together, construction can, therefore, hope for a slight upturn in 2015, of around 1% at best. This is unlikely to be enough to avoid new job losses.

2. Housebuilding

The number of new dwellings for which planning permission was granted in 2013 and 2014 was sustained by the projects of Flemish would-be builders who hurried to submit their planning applications before 31/12/2013 – that is to say before new, stricter and therefore more expensive energy performance requirements came into force on 01/01/2014 – and by various secondary phenomena. So, although it does not signal a recovery in demand, this increase in the number of planning permissions issued did, at least partially, translate into activity. The construction of new dwellings is thus estimated to have risen by around 5% in 2014.

In this context, it is quite difficult to predict the level of demand for 2015, particularly since various factors could, once again, interfere with its spontaneous development. However, it seems that new housing can count on an increase in output of around 2% in 2015, because the high number of dwellings granted planning permission in 2014 represents a stock of works to be carried out. This should sustain activity in 2015, even if new planning permissions granted fell by around 10%.

During the years 2012-2013, renovation had been hit by the scrapping of a series of tax relief benefits for energy-saving renovation. In 2014, it returned to growth (+3.2%) and it is expected to continue to rise in 2015 (+3% to 3.5%), sustained, in particular, by the anticipation effect. This is due to the government's decision to raise, from 6% to 21%, the VAT rate applicable to the renovation of dwellings from 5 to 10 years old on 01/01/2016.

3. Non-residential buildings

The construction of new non-residential buildings declined in 2014 (-3.8%) following the clear drop in the volume of buildings granted planning permission in the second half of 2013. This is the case even though the planning permissions curve recovered to some degree during 2014.

A normalisation of the course of planning permissions in 2014 might have suggested a slight increase in 2015 (+0.6%), but the latest statistics indicate that this projection will probably have to be downgraded. This is because it seems that the recovery observed for industrial buildings has not been as strong as predicted. There also appears to have been a shift towards industrial or agricultural buildings, generating less work per built cubic metre than offices or shops would. A growth of 0.6% therefore appears rather optimistic. Inevitably then, the fear is that non-residential will see a second year of decline, although it is reasonable to hope that it will be less pronounced than it was in 2014.

4. Civil engineering

Civil engineering is estimated to have declined by 0.6% in 2014. Therefore, while it suffered less than in 2013 (-5.2%), that is mainly due to the unexpected growth in the investment budget for railways. Roadworks saw a considerable drop for the second year running as a result of the traditional fall in investments by the local authorities following the local government elections (in 2012).

Local governments, like the regions for that matter, have begun reducing the share of their resources dedicated to investment. The combination of this trend and the cyclical fluctuation in local government investment indicates that civil engineering will face new difficulties in 2015. These difficulties could, in addition, be magnified by the financial problems that the regions and local governments face.

What is more, the drop does not look like being limited to roadworks, because, in its economic plan, the government has decided to cut the allocation for SNCB (the national railway company). This will probably result in a reduction of approximately 10% in the railway investment budget. All in all, civil engineering works are expected to fall again in 2015, by around 4%.



PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	29,717	4.1	-0.2	0.0	1.2	2.0
1.1. Housebuilding	16,119	5.4	-3.2	-1.7	4.0	2.9
1.1.1. New	6,669	-1.2	-1.9	-1.5	5.2	2.3
1.1.2. R&M	9,450	10.5	-4.1	-1.8	3.2	3.4
1.2. Non residential	13,598	2.6	3.6	1.9	-1.9	1.0
1.2.1. Private	8,376	2.6	3.6	1.9	-1.9	1.0
1.2.2. Public	5,222	2.6	3.6	1.9	-1.9	1.0
2. Civil Engineering	5,876	5.5	2.1	-5.2	-0.6	-4.3
(1 + 2) Total Construction	35,593	4.4	0.2	-0.9	0.9	1.0

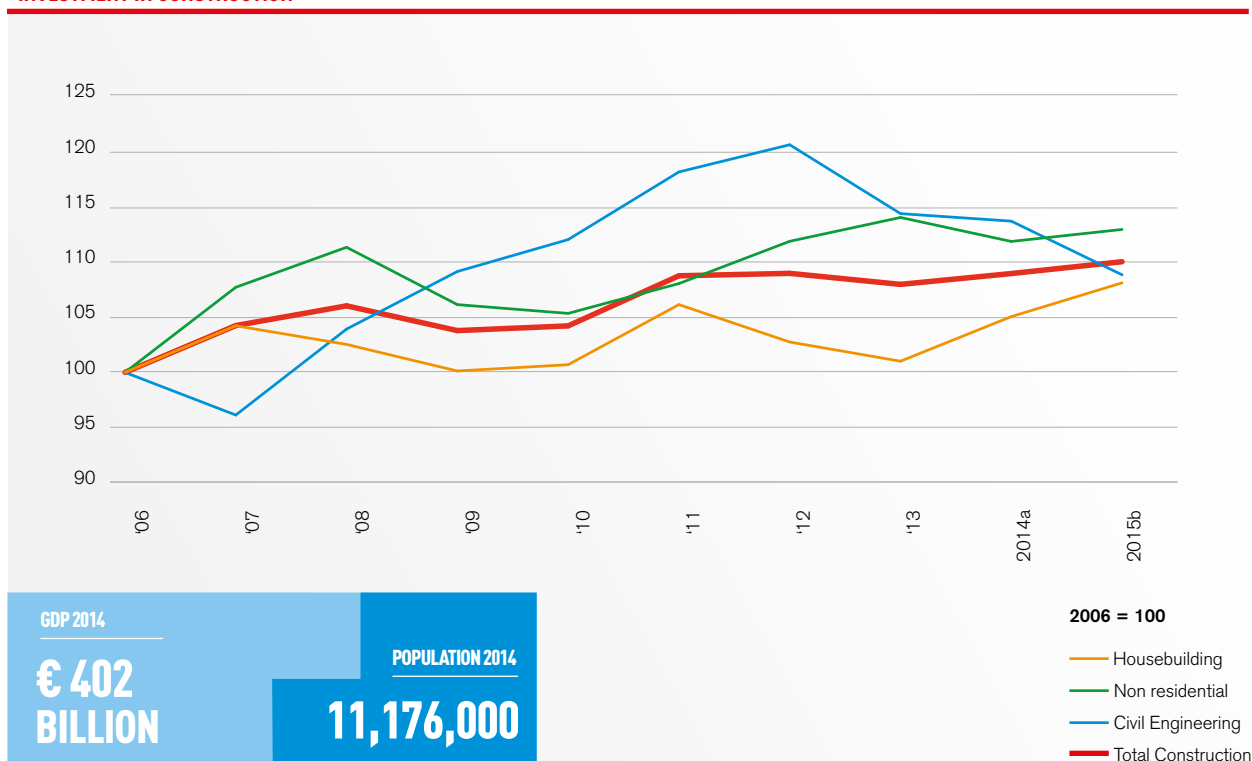
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	20,694	21,623	20,692	21,591	18,101
collective dwelling	23,369	24,806	27,917	31,720	24,422
other types of dwelling	273	319	357	616	302
Total	44,336	46,748	48,966	53,927	42,825

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

In 2014, the construction industry was characterised by low activity and a negative trend that has been established now for many years. The sector is suffering from the unstable macro-financial and economic situation. For more than 4 years investment in construction has been falling. Finding mechanisms to better absorb European funds remains a priority and a key factor of growth in the construction sector. The sector is expected to maintain the current volume of works until 2016.

In particular, the following negative trends were observed: lack of a stable business-friendly and investment-friendly environment, high business-to-bank and business-to-business debt levels, a persisting trend to freeze on-going works, increasing intra-company liquidity deficit, Government and municipalities' outstanding debt, owed to construction businesses, discontinued payments under EU operational programmes, and the most severe banking crisis for decades.

Most of the construction companies have fallen in the banking crisis trap. Major construction businesses manage to stay in the market, but only after having seriously reassessed their business programmes. About 100 construction companies account for 60-65% of the aggregated volume of construction works.

Overall, in 2014, the production of construction enterprises stood at €6.4 billion, representing a decrease of 1% compared to 2013.

Production generated by the building segment stood at €3.5 billion, representing 53.9% of the aggregated output. It registered a decrease of 7.3% compared to 2013.

Production generated by the civil engineering segment stood at €2.9 billion, representing 41.6% of the 2014 aggregated output. It registered a growth of 7.6% compared to 2013.

Employment in construction accounted for 5.2% of total employment. It decreased by 0.8%, compared to 2013. The workforce is ageing and young people are leaving the profession. Also, unemployment in construction accounted for 10.5% of total unemployment in the country.

2. Housebuilding

This segment accounts for only 13.6% of the total construction business. It has decreased by 32.4%, compared to the pre-crisis period. Despite the lower prices and the affordable housing loans for the upper middle class, most buyers are still very cautious.

In 2014, the number of new dwellings started registered a growth of 5%. The number of finished residential buildings increased by 12%, compared to 2013. The total floor area also registered an upward trend of 8.2%, compared to 2013.

Although positive, these figures are negligible in terms of growth for builders. Growth in H2 2014 gave some hope for an

increase in dwelling construction in 2015. However, all in all, the downward trend in dwelling construction is expected to persist in 2015.

Energy efficiency renovation is a major priority for this segment, with various European co-financing schemes available. In 2014, new projects were launched which focused mainly on R&M and energy efficiency of existing buildings.

In 2014, the property market started to wake up, but results were negative on the whole. Holiday properties registered the highest decline in prices, down by 50%. Prices of luxury homes were also on a more moderate downward trend (down by 20%). Prices of other homes maintained their levels, with a slight downward adjustment.

3. Non-residential buildings

Non-residential construction makes up 27.1% of revenues in the construction sector. It decreased by 8% in 2014, compared to 2013. In particular, there are currently high levels of unoccupied areas in finished office buildings. Investors have less interest in this segment.

In spite of this, the segment is expected to register positive growth in late 2015 and in 2016, with industrial construction taking the lead, together with healthcare, education and agriculture facilities. This is shown by significant increases in building permits.

The number of building permits also grew as regards administrative buildings (+19.9%), whereas the total floor area increased by 27.2%. However, construction starts are stagnating as investors wait for a more favourable market situation.

As regards tourist facilities, there were some major projects in 2014, but new projects are much more measured, with more appropriate business plans.

4. Civil Engineering

It has now been several years since the construction industry changed direction and focused on infrastructure projects. According to provisional data, civil engineering accounts for 59% of total revenues from sales of construction products or €2.5 billion, registering a growth of 2.5% compared to 2013.

Civil engineering is fully dependent on the Government budget, local structures and EU funds. The positive trend observed in this segment is expected to stop at the end of 2015, due to the transitional period of the EU 2014-2020 financial programming period.

Energy construction forecasts for the next years are hesitant due to the uncertain start of construction works on South Stream and on nuclear power energy projects. This situation is preventing the sector from achieving its full potential.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	2,256	-21.0	-0.2	-7.7	-8.4	-5.0
1.1. Housebuilding	754	-25.8	-16.6	-4.2	-8.2	-5.0
1.1.1. New	659	-28.5	-18.8	-5.8	-4.2	-1.2
1.1.2. R&M	95	0.8	-0.8	4.7	-28.6	-31.6
1.2. Non residential	1,504	-17.4	9.6	-9.3	-8.2	-0.1
1.2.1. Private	1,498	-17.3	9.7	-9.3	-8.4	-0.1
1.2.2. Public	6	NA	NA	NA	NA	NA
2. Civil Engineering	3,291	21.6	2.8	-5.4	2.2	-0.1
(1 + 2) Total Construction	5,547	-2.0	1.5	-6.4	-2.4	-2.1

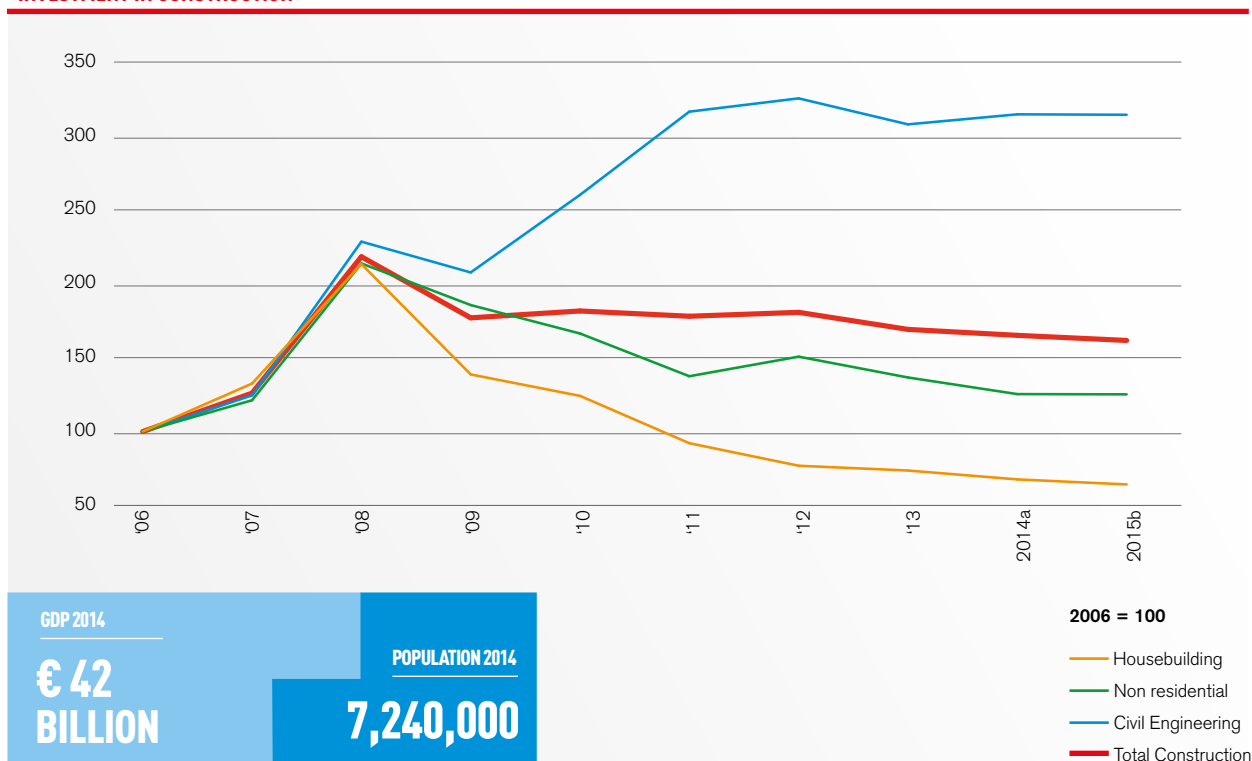
a: estimate - b: forecast

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	NA	NA	NA	NA	NA
collective dwelling	NA	NA	NA	NA	NA
other types of dwelling	NA	NA	NA	NA	NA
Total	4,799	4,238	4,120	4,245	NA

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

According to the national statistical service (CYSTAT), the GDP growth rate in real terms during Q3 2014 was estimated to have decreased by 1.9%, compared to the corresponding quarter of 2013. Based on seasonally and working day adjusted data, the annual GDP growth rate was estimated to have decreased by 2%.

Positive growth rates were recorded by the sectors of trade, hotels and restaurants, as well as legal and accounting activities. Negative growth rates were recorded by the secondary sectors of the economy (manufacturing, construction), as well as in the sectors of banking, transport and other services.

During the period January–September 2014, 3,714 building permits were issued, which represents a decrease of 7%, compared to the corresponding period of the previous year. The total value of these permits decreased by 25.9% and the total floor area by 26.8%. 139 of these building permits were issued for big projects and 3,575 for small projects, recording a decrease of 35.3% and 5.4% respectively, compared to 215 and 3,781 in the same period of 2013. The total value of these projects reached €641.3 million and the total area 573,700 m².

The output prices index in construction for Q3 2014 reached 100.2 units (base year 2010=100), recording an increase of 1% over Q2 2014. Compared to the same quarter of the previous year, the index recorded a decrease of 0.4%.

By type of segments, a decrease of 0.3% was observed for buildings and of 0.8% for civil engineering projects in Q3 2014, compared to the corresponding quarter of 2013.

The inflation rate, based on the Consumer Price Index 1960–2014, was recorded at -1.4% in December 2014, following an increase of 1%, compared to December 2013. The general Consumer Price Index in December 2014 was 115.77 compared to 117.49 in December 2013.

In Q3 2014, the employment rate for people aged 20-64 was 67.9%, remaining at the same level as the previous quarter of 2014 (67.8%) and recording an increase of 0.9% from the corresponding quarter of 2013 (67%). The number of employed people amounted to 366,307.

As regards unemployment, in Q3 2014, the rate amounted to 16%, recording an increase of 0.6% from the previous quarter of 2014 (15.4%) and a decrease of 0.2% from the corresponding quarter of 2013 (16.2%). The number of unemployed people amounted to 69,895.

In particular, the unemployment rate for young people aged 15-24 amounted to 33.4% recording a decrease of 3.8% against the previous quarter of 2014 (37.2%) and of 5.1% against the corresponding quarter of 2013 (38.5%).

2. Housebuilding

The building permits issued during the period January–September 2014, provide for the construction of 2,082 dwelling units, a decrease of 34.1%, compared to 3,163 in the same period of 2013. It comprised 1,999 single houses corresponding to 1,165 dwelling units and 512 buildings with two or more housing units corresponding to 917 dwelling units.

In September 2014, the number of building permits authorised by municipal authorities and district administration offices stood at 407, compared to 422 during September 2013, a decrease of 3.5%. The total value of these permits reached €77.9 million, an increase of 9.6%, compared to €70.4 million in September 2013.

The total area represented 70,100 m², an increase of 10.1% compared to 63,020 m² in September 2013. These building permits provide for the construction of 308 dwelling units, the same as the number (308) of building permits issued for dwelling units in September 2013.

3. Non-residential buildings

During the period January–September 2014, 757 building permits were issued for non-residential buildings, an increase of 14.8% compared to 645 in the same period of 2013. These included building permits providing for the construction of 151 hotels and similar buildings, 41 office buildings, 92 industrial buildings and warehouses, 124 public entertainment buildings and buildings used for recreational, educational or medical purposes, 84 wholesale and retail trade buildings and 265 other non-residential buildings.

4. Civil engineering

The number of building permits issued for civil engineering projects during the period January–September 2014 fell to 172, recording a decrease of 19.6% compared to 214 in the same period of 2013.

In addition to the above civil engineering projects, 57 building permits provided for the execution of road construction projects during the period January–September 2014, an increase of 8.7% compared to 42 road construction projects during the same period of 2013.

During the period January–September 2014, the number of building permits providing for the division of plots fell to 275, a decrease of 13.24% compared to 317 during the same period of 2013.

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	3,731	2,761	2,019	1,321	NA
collective dwelling	4,426	2,806	1,941	972	NA
other types of dwelling	682	312	181	60	NA
Total	8,839	5,879	4,141	2,353	NA

(Collective dwellings and other types of buildings: in number of flats). Note: 2014, data Jan.-Oct. only



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GDP 2014

**€ 17
BILLION**

POPULATION 2014

865,000

1. Overall construction activity

The Czech Republic has not yet recorded significant improvement in the economic situation. However, the decline in GDP, which started in 2012, stopped in 2014. Moreover, estimates are optimistic. In 2014, there was slight economic growth and a similar trend is forecasted for the period up to 2017.

After the early parliamentary elections in October 2013, a new coalition government has been created. It plans to eliminate the negative factors of the recession. Domestic demand resumed in 2014. The country also succeeded in increasing the absorption of EU funds. The current coalition government is seeking a consensus to release the country's economic potential. However, the stability of the governing team is fragile. The coalition government has agreed on a few priorities. The main priority is to efficiently use EU funds and promote investment. These elements are incorporated in the State budget for 2015.

In 2014, the construction sector entered a new phase. After seven years of deep crisis, when the market lost more than 24%, 2014 finally showed recovery in construction output. This slight recovery is expected to continue in the next two years.

The construction sector currently represents 7.5% of total employment. However, the number of employees in the construction industry decreased by more than 9% over the period 2008–2013. This trend halted in 2014.

In the past years, the construction industry has been suffering from a shortage of high-quality craftsmen. This is due to the general decline of interest in apprenticeship. Also, the average wage in construction is lower than the overall average.

The rise in construction prices stopped with the start of the recession. The declining trend continued in 2012 and 2013. In 2015, prices should rise again.

R&M grew, in volume, in all segments.

2. Housebuilding

Negative recession factors initially fell most heavily on the construction of residential and commercial buildings. Since 2007, both segments essentially registered a steady decline.

Housing construction is still suffering from a low demand for apartments. Especially in multi-dwelling buildings, the developers have to take into consideration – in order to maintain the interest of buyers – the attractiveness of the location. Prices of apartments declined and together with low mortgage loan rates are positive factors, which are

arresting further decline in demand. A particularly negative factor for residential building was an increase in VAT rates, at the beginning of 2012.

A turnaround can be expected in this segment in 2015.

3. Non-residential buildings

Non-residential construction financed from private sources is being affected by the caution of investors. Also, the banking sector is much stricter in providing funds to developers for new construction. Non-residential construction financed from public resources is being adversely affected by the introduction of austerity measures aimed at reducing the State budget deficit. The main source of funding for this segment is subsidies from European funds. Unfortunately, even this source of financing is failing ineffective spending.

In spite of these factors, a positive change could occur in this segment, as early as 2015.

4. Civil engineering

Engineering construction is suffering greatly from its dependency on public finances, where austerity measures are evident. Since 2010, civil engineering has registered an ongoing decline.

In particular, the sector copes with difficulties with the very low level of investment in transport infrastructure (i.e. roads). Continuing government cuts are inhibiting the development of engineering works financed from public sources.

Moreover, complicated public procurement procedures and corruption scandals in connection with public structures are limiting growth in the construction sector. These factors are also limiting the inflow of funds from private sources.

A positive trend shows the construction of more flood protection infrastructure. With respect to the semi-public or private sectors, some necessary investment is being made to increase the stability of energy systems, increase strategic reserves of gas or shift to new types of data networks. Regarding the construction of new energy infrastructure, investors are generally being discouraged by economic uncertainty and the lack of clarity of the state energy policy.

In the last months of 2014, confidence in the future development of the construction sector significantly increased again. A positive change is therefore expected over the period 2015–2016.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	10,290	-1.0	2.6	-5.4	4.1	-5.4
1.1. Housebuilding	2,960	1.0	-8.2	-16.1	20.8	-15.5
1.1.1. New	2,010	48.9	-10.0	-15.1	-6.1	-6.0
1.1.2. R&M	950	-70.1	5.3	-22.5	206.5	-35.8
1.2. Non residential	7,330	-1.8	7.4	-1.2	-1.3	-1.4
1.2.1. Private	3,590	17.0	-12.5	-17.8	3.8	13.6
1.2.2. Public	3,740	-27.5	51.1	19.9	-5.8	-15.8
2. Civil Engineering	6,290	-7.2	-10.0	-9.1	-5.7	-5.7
(1 + 2) Total Construction	16,580	-3.8	-3.1	-6.9	0.2	-5.5

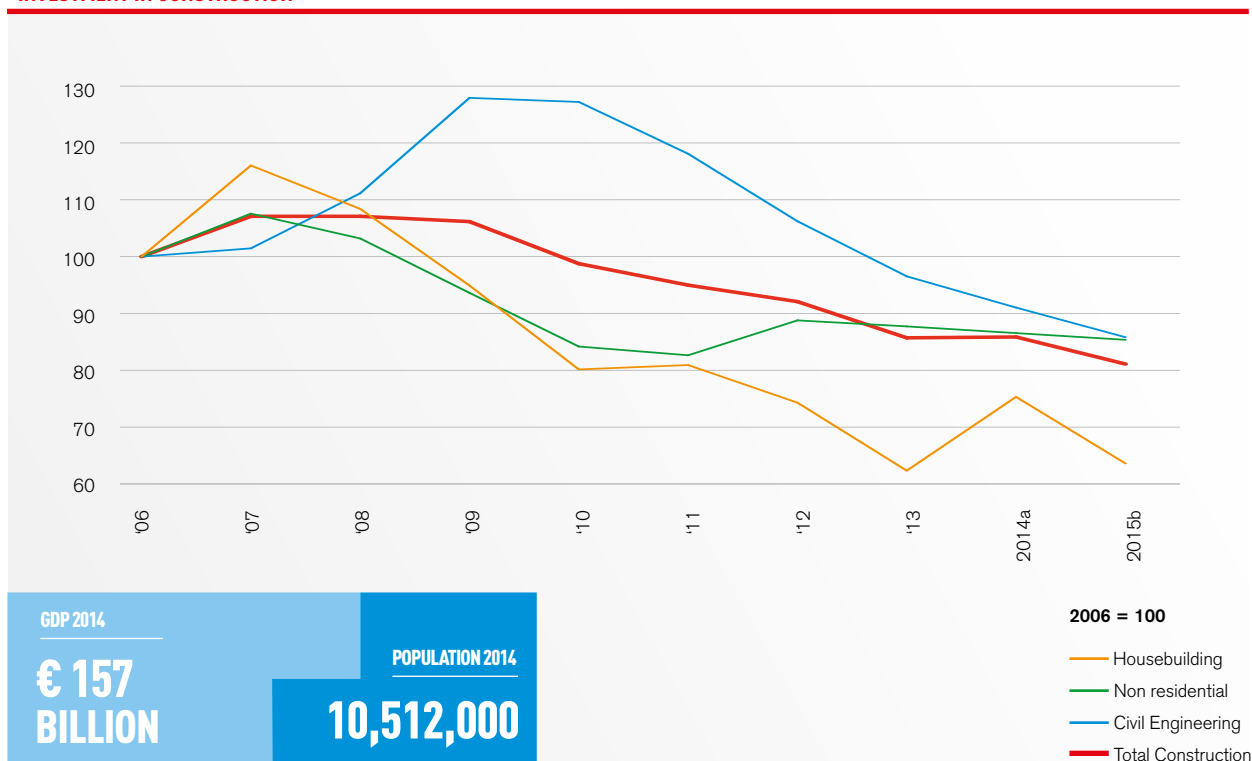
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	18,897	16,000	13,700	13,200	13,000
collective dwelling	8,600	7,800	8,400	11,100	11,800
other types of dwelling	38	168	NA	NA	NA
Total	27,535	23,968	22,100	24,300	24,800

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

Preliminary figures for 2014 show a growth of total construction output in real terms of 3.4 %, reaching a volume of €293 billion. This growth can be found in all segments : residential construction had a surplus of 3.7 %, non-residential building of 1.9 % and civil engineering of 4.8 %. To some extent the growth was due to very good weather conditions throughout the whole year, from which especially civil engineering works benefitted. Parallel to production, employment in construction (2,447 million) rose by 0.6 %. Compared to the low in 2008, employment was 6.4 % higher.

Expectations for total construction output in 2015 are not as good as last year, but the growth trend is sound. Economic research institutes predict a real growth rate for GDP of 1.5 %. Construction federations expect total construction output to grow as well by 1.5 % in real terms. The volume at current prices is expected to reach €300 billion for the first time. The share of GDP, from construction activity, will be stable at about 10 %.

New orders for the construction industry in 2014 had a volume of €58 billion (+2 %), the highest volume since 2001. The value of building permits (excluding civil engineering) was €78 billion (+5 %).

2. Housebuilding

This segment clearly dominates construction activity with a share of nearly 60 % of total construction output, with 2/3 of the investment going into the existing stock and 1/3 into new construction. The latter will be once again the driving sector, as it has been for the past 5 years. Historically low mortgage rates, a labour force which is still growing, combined with rising disposal incomes of private households and the sharply rising demand for rented flats in cities support the development.

2015 is going to show different results. Stagnation is expected only for single family houses (permits 2014 : -2 %), while high and still rising prices for developed properties will have a braking effect. On the other hand, permits for flats in multi-family houses grew by nearly 10 % to 125,000 in 2014, the highest figure for the last 15 years. In the 10 biggest cities demand was much stronger, with a surplus in permits of 30 %.

Medium-term prospects are still positive, although growth rates will slow down. Net immigration, which reached a new peak of more than 470,000 people in 2014, is not going to hold that high level, thus reducing the pressure on the rental market a little. On the other hand, potential investors into residential construction still have no trouble finding banks willing to engage in the sector with mortgage rates remaining at a very low level.

Demand for new flats or houses is expected to be about 250,000 completed units per year. This figure will be reached in 2015 for the first time since 2004. This will partially solve the problems on the rental market. In rural areas with declining population, vacancy rates are often higher than 10 %. In cities with booming labour market, the surplus is not high enough to meet the demand.

3. Non-residential buildings

The share of non-residential buildings of total construction output was nearly 27 % in 2014, the sub-sector itself largely dominated by private investors. Although the predictions for a real GDP growth of 1.5 % in 2015 are positive, investors are hesitant with regards to external risks (Ukraine-crisis, turbulences on the capital markets, Euro-crisis).

Building permits (estimated construction costs) had a negative tendency in 2014 (-4 %). Permits for private investors were positive (+2 %) with a special focus on industrial buildings (+16 %). New orders for the construction industry in this sub-sector had a surplus of about 4 % last year, thus indicating a growth trend for 2015.

On the other hand, permits for public investors were down by 20 % in 2014, following a boom in 2013 (+30 %). The outlook for 2015 is not positive, despite another new record in expected tax revenues (+3.1 %). Whereas federal government and federal states are planning to reduce their investment into buildings, local authorities have announced arise in their building budgets of about 2 %. Output in this sub-sector is going to stagnate in 2015.

4. Civil engineering

In 2014, the sector stood for 14 % of total construction output, compared to more than 20 % in most European countries. After a significant rise in real terms of 4.8 % last year, growth will slow down in 2015 to 2 %.

The federal government will raise its investment in highways, waterways and the railway system by more than 3 % in 2015. The combined budget for these infrastructure works has a volume of nearly €11 billion, which is 1/4 of all civil engineering production. The government plans to raise its spending until 2017, to nearly €12 billion.

Both policy and economic research institutes predict a huge deficit in public investment, especially in infrastructure works. The investment gap per year in traffic infrastructure has exceeded €7 billion. To close this gap more private investment is necessary. Public Private Partnerships can be very attractive for funds or insurance companies looking for investment alternatives.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	228,940	8.8	1.2	0.0	3.2	1.3
1.1. Housebuilding	158,130	10.0	3.3	0.6	3.7	1.5
1.1.1. New	39,980	18.0	5.5	4.2	8.0	3.8
1.1.2. R&M	118,150	7.9	2.7	-0.5	2.3	0.7
1.2. Non residential	70,810	6.4	-3.1	-1.5	1.9	1.0
1.2.1. Private	59,300	8.4	-0.6	-1.9	2.8	1.2
1.2.2. Public	11,510	-1.7	-14.0	0.9	-2.4	-0.1
2. Civil Engineering	38,250	5.8	-2.6	-0.2	4.9	2.0
(1 + 2) Total Construction	267,190	8.4	0.6	-0.1	3.4	1.4

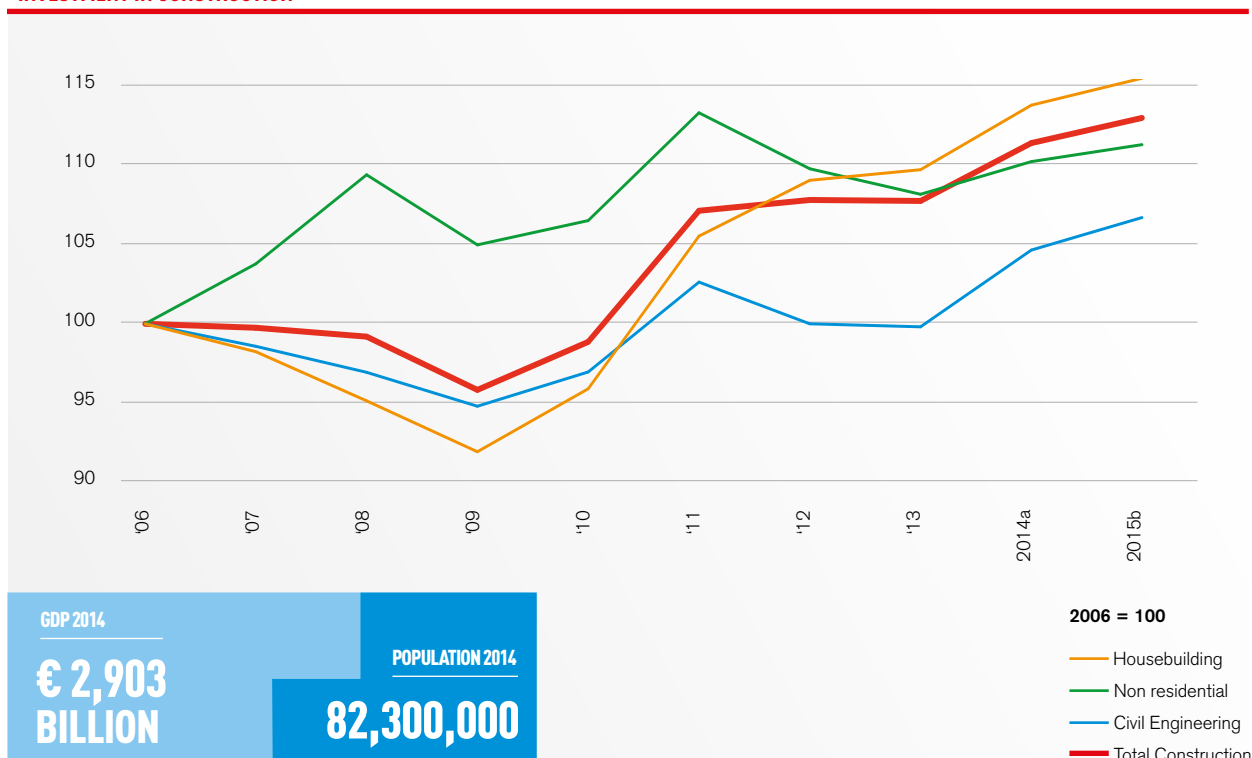
a: estimate - b: forecast

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	111,260	106,410	109,764	107,500	107,000
collective dwelling	84,913	96,177	117,666	127,000	132,000
other types of dwelling	32,222	36,878	42,934	47,000	48,000
Total	228,395	239,465	270,364	281,500	287,000

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

After several years of slow recovery the economy seems to be picking up. In 2014 real GDP growth was about 1%, while the unemployment rate experienced a downward trend.

In 2015 we expect that GDP will increase by about 1.5%. The recovery is expected to be driven by both domestic demand and exports.

Domestic demand is expected to be supported by growth in household disposable income, stable and high levels of consumer confidence, low interest and inflation rates.

The surplus of the current account balance will remain at a high level due to a high savings surplus in the private sector and weak domestic demand, even though it is rising. The fixed exchange rate regime has been the monetary anchor of economic policy for more than 30 years. The objective of monetary policy is to keep the krone stable against the euro. The budget deficit will stay below 3% in 2015.

In 2014 the level of total employment in the construction industry rose by nearly 3% as a result of an extraordinary rise in rehabilitation and maintenance works (R&M), while the activity of new construction and of civil works were about the same as in 2013.

2. Housebuilding

The housing market is improving, but there are marked regional differences with significant increases in house prices in the largest cities, with the strongest growth in the capital area. Prices of owner-occupied apartments are rising much more than prices of single-family houses.

House sales are still slow, however they are rising. This positive trend is a result of very low mortgage rates and improved labour market conditions, i.e. growth in employment and real wages.

Residential construction is increasing. The total starts of dwellings rose from 10,000 in 2013 to 11,500 in 2014 and this year we expect a rise to about 12,500 dwellings due to a rise in the construction of private dwellings, while construction of dwellings with public grants will be about the same as last year.

Rehabilitation and maintenance works for private dwellings are still at a low level as a result of the deterioration of the asset position and also the fact that many banks are reluctant to offer new loans, especially in areas outside the largest cities.

However, in 2014 the total of rehabilitation and maintenance works rose as a result of extraordinary and temporary events. Firstly, rehabilitation and maintenance works due to injuries after two storms in late 2013. Secondly, political stimulus measures for more rehabilitation works of dwellings with public grants. Thirdly, a special tax rule in the form of a deduction in tax for some of the labour costs associated with the repair of private housing, but this special rule was also in force in most of 2013.

None of the three temporary effects in 2014 will continue this year, so we expect a fall in the employment level of rehabilitation and maintenance works from 2014 to 2015.

3. Non-residential buildings

Business investments in non-residential buildings have been reduced to a very low level due to the economic crisis and the fact that, years ago during the economic upturn, Denmark had large investments in new buildings. So now the stock of empty commercial buildings is at a very high level.

In 2015 we expect in the non-agricultural industries that both the level of starts of new buildings (buildings for distributive and professional traders and for administration as well as for factories and workshops) and the level of rehabilitation works for existing buildings will be about the same as in 2014.

However, this year we expect a decrease in starts of agricultural construction due to a fall in exports and also a strained economy at many farms and difficulties in obtaining credit.

An increasing part of the activity of new non-residential construction is a rise in investments in buildings for institutional and educational use, especially new universities and new hospitals.

4. Civil engineering

In 2015 the activity of civil engineering works is expected to continue to show an increasing trend due to many large projects, especially in traffic infrastructure.

The Parliament has agreed on a number of principles and initiatives as part of a green transport policy that applies until 2020. The political accord states that the train must be a viable alternative to the car, and most of the traffic growth must be absorbed by public transport.

The agreement has been followed by a number of accords, which have produced a large number of projects and infrastructure investments. For instance there are large investments in a new Metro Line in Copenhagen, investments in European Rail Traffic Management System and investments in a new line in the TEN priority corridor between Copenhagen and Ringsted.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

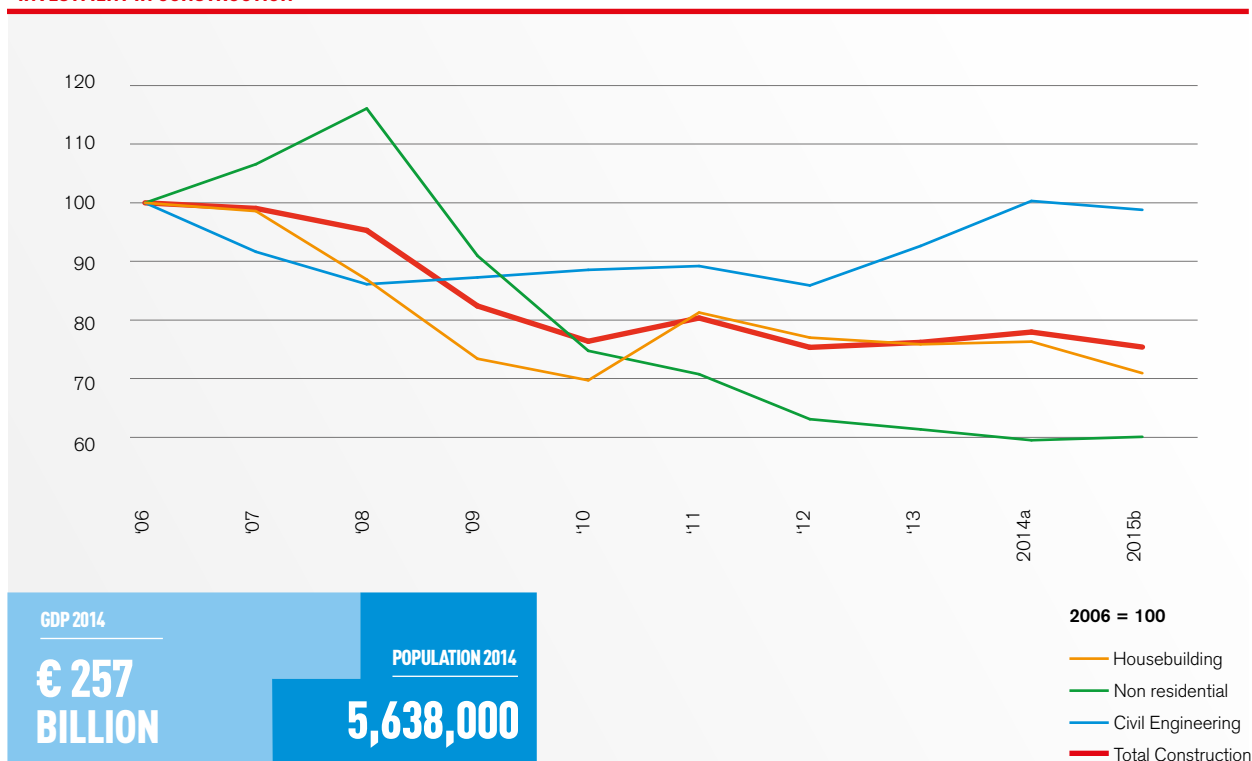
Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	14,143	7.3	-7.3	-1.9	-0.7	-4.2
1.1. Housebuilding	9,213	16.6	-5.3	-1.5	0.6	-7.0
1.1.1. New	1,712	33.5	-24.4	-13.6	-8.9	7.9
1.1.2. R&M	7,501	10.8	2.7	2.2	3.1	-10.5
1.2. Non residential	4,930	-5.3	-10.8	-2.8	-3.0	1.0
1.2.1. Private	2,525	-8.2	-19.2	-3.1	-3.7	0.1
1.2.2. Public	2,405	-1.2	0.3	-2.4	-2.2	1.9
2. Civil Engineering	7,740	0.7	-3.7	7.8	8.3	-1.5
(1 + 2) Total Construction	21,883	5.2	-6.2	1.1	2.3	-3.3

a: estimate - b: forecast

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
Independant one-family houses	6,200	3,700	3,800	3,800	4,000
Other one-family houses (rowhouses)	3,200	2,000	1,600	2,000	2,000
Flats in multi-family houses	10,000	7,000	5,600	7,000	8,000
Total	19,400	12,700	11,000	12,800	14,000

INVESTMENT IN CONSTRUCTION





PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	1,216	29.4	22.0	3.6	3.5	NA
1.1. Housebuilding	NA	16.7	17.7	11.5	NA	NA
1.1.1. New	NA	6.5	19.1	4.5	NA	NA
1.1.2. R&M	NA	25.6	16.8	16.7	NA	NA
1.2. Non residential	NA	34.3	23.4	1.1	NA	NA
1.2.1. Private	NA	NA	NA	NA	NA	NA
1.2.2. Public	NA	NA	NA	NA	NA	NA
2. Civil Engineering	662	22.3	12.2	2.6	-15.5	NA
(1 + 2) Total Construction	1,878	26.2	17.9	3.2	-4.1	NA

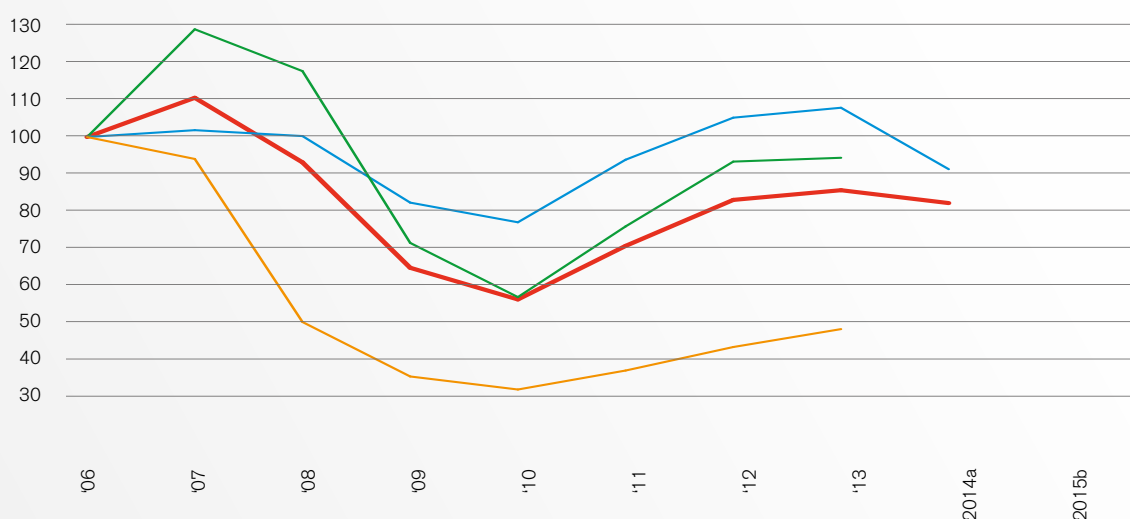
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	950	960	1,168	1,228	NA
collective dwelling	1,880	2,075	1,881	2,713	NA
other types of dwelling	NA	NA	NA	NA	NA
Total	2,830	3,035	3,049	3,941	NA

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



GDP 2014

€ 20
BILLION

POPULATION 2014

1,316,000

2006 = 100

— Housebuilding
— Non residential
— Civil Engineering
— Total Construction

1. Overall construction activity

The Spanish economy consolidated its recovery as 2014 progressed, reaching an average growth of 1.4%. This growth rate was supported by improved financial conditions and a strengthening of domestic demand. Among the most remarkable features, it is worth mentioning the stabilisation of the real estate market, the improvement of the labour market, the continuation of private deleveraging and the likely fulfilment of the public deficit goal. Additionally, it is also worth noting the beginning of investment recovery in residential building, which already saw some growth at the end of last year although the average annual rate was still negative.

The recovery of employment in Spain throughout last year, over 200,000 people, constitutes a positive development. Even so, at this time, accumulated job losses are still over 3.2 million, and 1.7 million of those are in the construction sector. This process has led to a rise in the unemployment rate, from the 8% recorded in 2007 to 27% in early 2013, easing to 24% at the end of 2014.

The consensus amongst analysts anticipates a growth rate for 2015 of over 2%, although they warn about the persistence of a substantial vulnerability due to the high levels of debt and there is concern about political stability.

The factors supporting the above projection are improved consumption and investment levels, sustained by continuity in the increase of exports (aided by the recovery of competitiveness). In the case of public investment, a moderate increase with respect to the previous year is expected. Meanwhile, private investment spending, amidst more favourable financial conditions, is expected to keep on rising, albeit at moderate rates.

Taking into account SEOPAN estimates, the construction sector reached a production volume of €94.6 billion in 2014, down 3% in comparison with 2013. In terms of added value, a significant loss of weight is confirmed, from its peak of 10.4% of GDP in 2006, to currently 5.1% of GDP, in line with the European average.

Within the recent evolution of the construction industry trend, it is worth highlighting the progressive improvement in housing demand, the continued strength of export activity and the recovery of employment in the latter part of 2014.

The fall in activity in 2014 was due to the decline in residential building, although at milder rates than in the previous year, and, to a lesser extent, to the decline in non-residential building. The change in the civil engineering cycle deserves special mention, by pointing out a clear slowdown in the decrease of activity, based on an increased demand ahead of several regional elections to be held in 2015.

After 7 years of adjustment, investment in construction will grow for the first time in 2015, in the housing component as well as in the other subsectors.

2. Housebuilding

A historical analysis shows that between 1996 and 1998 the number of annual new housing starts was 350,000. Subsequently, it gradually grew to reach 865,000 in 2006. Throughout 2007 a change in the demand cycle was confirmed, with the number dropping to 651,000 dwellings. This trend became more pronounced in later years, declining to 34,000 in the past two years.

During the adjustment period, residential investment accumulated close to a 55% decrease, which led to a reduction in its contribution to GDP of almost 7 points and set it at 4%, lower than the European average. With regards to the real estate market, the adjustment stabilised during 2014 and, in fact, there were slight price increases in the most touristic regions.

It is estimated that the activity in 2014 experienced a 2% decline. Forecasts for 2015 predict a rise close to 3%. The demand level is expected to slowly progress towards the potential demand level, despite the disappearance of fiscal incentives.

With respect to the rehabilitation and maintenance segment, measures aimed at reactivating activity and higher confidence levels are stimulating its performance.

3. Non-residential buildings

An improved business activity, this casts a more positive outlook. In relation to public activity, a greater demand will enable a recovery in this area.

4. Civil engineering

The civil engineering segment experienced a 9% decrease in 2014, a considerably milder decline than the previous year. Estimates for 2015 anticipate a slight increase, encouraged by the electoral cycle, the loosening of the fiscal consolidation process and an improvement in the financial framework.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	88,477	-3.3	-5.2	-5.3	-1.4	2.3
1.1. Housebuilding	54,184	-4.5	-6.2	-5.6	-2.1	2.8
1.1.1. New	32,918	-5.5	-7.5	-7.0	-3.0	3.0
1.1.2. R&M	21,266	-2.6	-4.0	-3.4	-0.8	2.6
1.2. Non residential	34,293	-1.4	-3.7	-4.6	-0.1	1.3
1.2.1. Private	27,153	-1.4	-0.9	-0.5	0.1	0.5
1.2.2. Public	7,140	-1.6	-11.5	-17.5	-1.0	4.5
2. Civil Engineering	19,835	-18.0	-24.0	-23.0	-9.0	2.5
(1 + 2) Total Construction	108,311	-7.8	-10.3	-9.3	-2.9	2.3

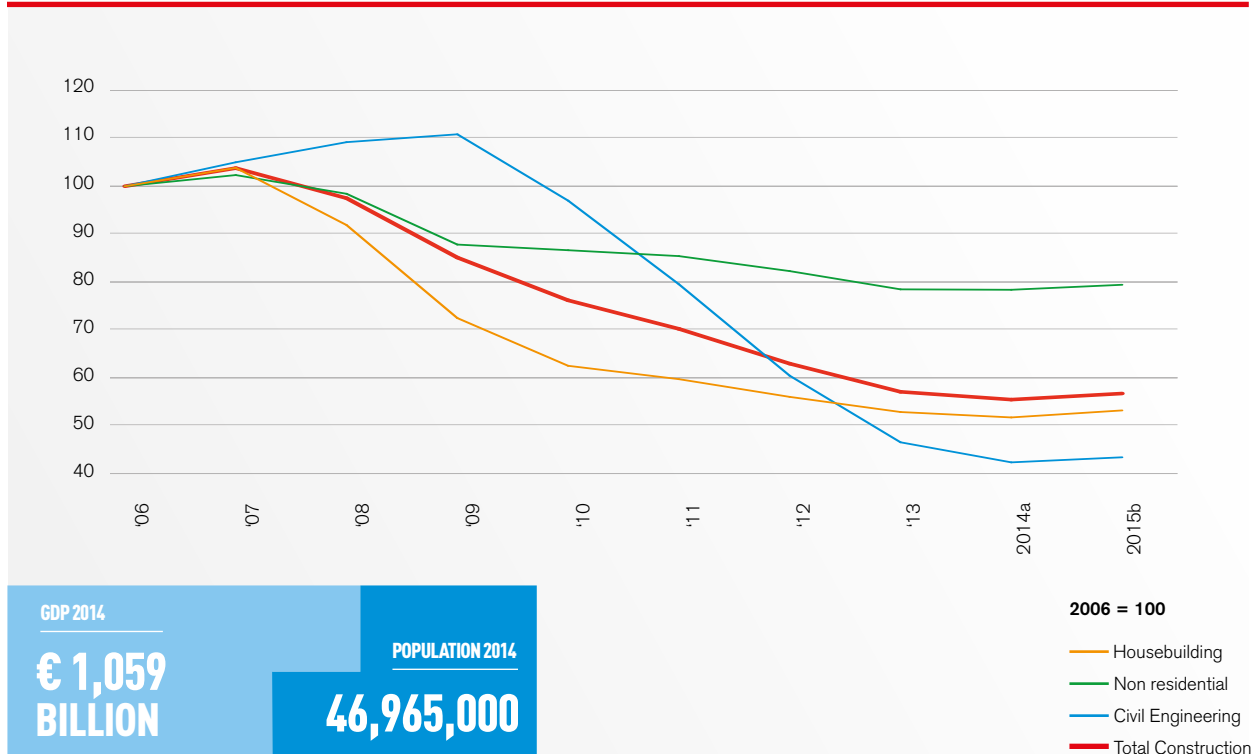
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	25,982	18,223	14,231	13,050	13,600
collective dwelling	49,912	39,263	16,982	18,650	20,000
other types of dwelling	NA	NA	NA	NA	NA
Total	75,894	57,486	31,213	31,700	33,600

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

For 2014, total construction volume is expected to decrease for the 3rd consecutive year by some 3%. New residential construction volume will continue to decline. New non-residential construction is also expected to decrease in year 2014. Investments in civil engineering are expected to decrease slightly. In the weak economic environment building renovation is the only sector that will have a steady growth in the construction sector.

In 2015 total construction output will again decline modestly by 0.5%. New residential construction is expected to decrease by 5%. The volume of new non-residential construction will continue to decline. Housebuilding renovations are anticipated to increase by 5%. The volume of civil engineering will also drop by 1% in 2015.

Employment in construction averaged 169,800 people at the end of 2014 according to the Labour Force Survey. Employment has started to react on diminishing construction volumes. In 2014 the average unemployment rate in the construction sector was 10.5% which is higher than in the previous year (9%). Employment outlook in construction sector for 2015 is still worsening. We expect the average employment in 2015 to be 167,000 people.

2. Housebuilding

Residential start-ups expected to be numbered at around 24,500 in 2014. The level of starts is low and volume is still heavily supported by different real estate investment trusts and housing funds. Investors' demand has concentrated on small apartments in blocks of flats as the need for small apartments chronically exceeds the supply. Consumer demand suffers from poor outlook which is clearly evident in starts of detached houses.

In January, we estimated that there will be 24,500 housing starts in 2015. Statistics Finland has up-dated the data process in the beginning of 2015 which complicated the forecasting of housing production. We expect that 2015 might reach the bottom in housing production since there are minor positive signs in Finland's economy at the beginning of the year.

Households in Finland have taken significantly less mortgage loans in 2014 compared to previous years. This is a consequence of the uncertain economic outlook, tightening banking regulation and discussions about macroeconomic balance. The households' debt ratio was 122.2% in Q3 2014.

The prices of old dwellings have continued to slow down. The divergence price path between blocks of flats and other residential types is continuing. Large apartments are harder to sell in uncertain times and the housing chain is still stuck.

Transaction volumes have continued to decrease. The price gap is also widening between Helsinki region and other parts of Finland. Urbanisation will continue in coming years, which is at a low level in Finland compared to other countries.

Residential repair, maintenance and improvement work is increasing steadily in Finland. In 2014 the government stimulated the renovation of residential buildings. This increased the demand for renovation loans by housing corporations.

3. Non-residential buildings

New non-residential construction is expected to decrease in 2014. Non-residential construction is suffering from the uncertain economic outlook. Investment decisions are being postponed to the future.

The construction of commercial and office buildings is expected to decline in 2014 by 10%. The poor outlook is partly explained by the structural change as digitalisation reforms especially the commercial sector. Still, high quality commercial and office buildings with attractive locations are still facing an increasing demand.

The brighter outlook in the non-residential sector at the end of 2014 was in the construction of public buildings and industrial buildings. In many towns hospitals are under construction. Also new schools are being constructed. The construction of industrial buildings is so low that single investments decisions can lift the level. Also investments in the energy sector are supporting the construction of warehouse buildings.

The outlook for the non-residential construction in 2015 is still gloomy. We expect the volume of non-residential construction to decrease by 1% in the next year. However, as the level of non-residential investments is so low, the brighter economic outlook can pick up this sector rather rapidly.

4. Civil engineering

The civil engineering sector declined in 2014. Even though there are ongoing big infrastructure projects, public finance constrains the whole civil engineering sector. The outlook for civil engineering is not bright. Thus, investment in this sector will fall in both 2014 and 2015. Government has decreased the finance for maintenance of roads as a result of general fiscal tightening. The weak outlook for building construction will also decrease infrastructure investments in 2015.



PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	18,940	4.2	-5.9	-4.9	-3.7	-0.3
1.1. Housebuilding	11,107	3.8	-3.6	-2.2	-2.8	0.8
1.1.1. New	4,623	5.3	-9.6	-7.5	-13.0	-5.0
1.1.2. R&M	6,484	2.1	3.1	2.9	6.0	5.0
1.2. Non residential	7,833	5.6	-9.6	-8.9	-1.0	-2.0
1.2.1. Private	5,071	0.2	-10.9	-14.6	-3.0	-3.0
1.2.2. Public	2,761	21.9	-6.1	4.7	3.0	0.0
2. Civil Engineering	6,964	2.3	-0.2	0.0	-1.0	-1.0
(1 + 2) Total Construction	25,904	3.7	-4.5	-3.6	-3.0	-0.5

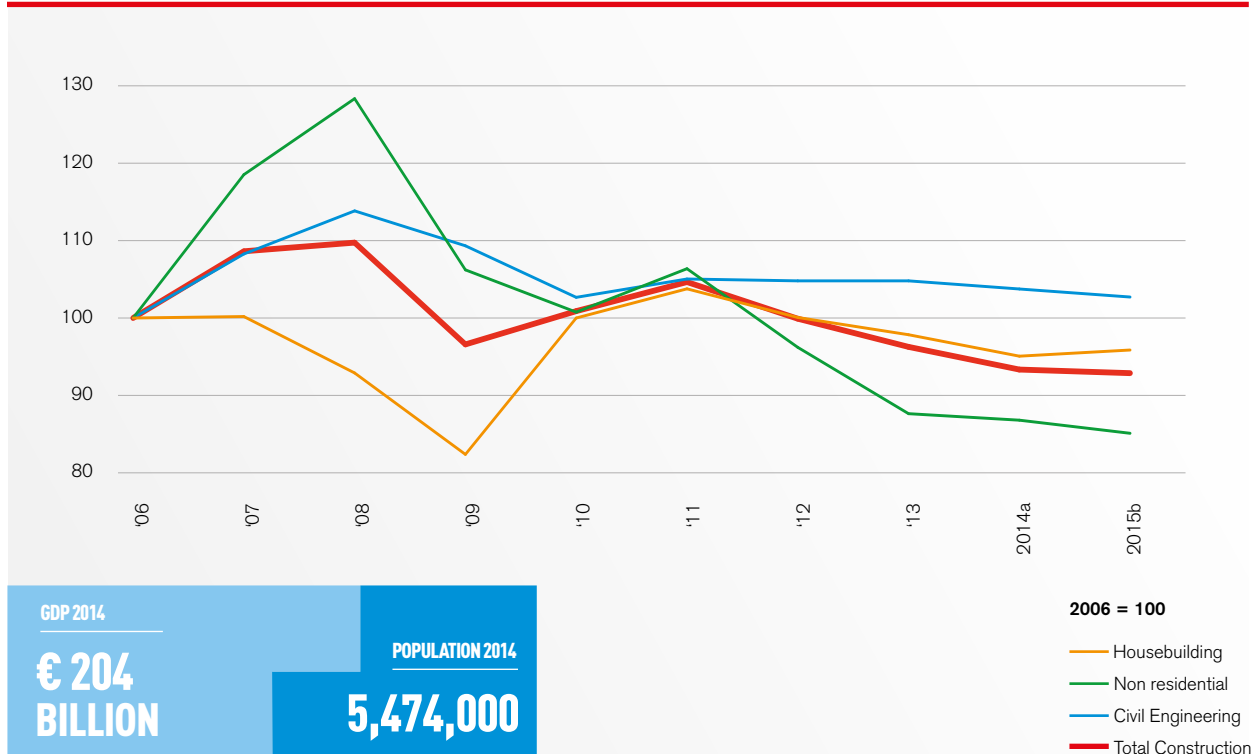
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	11,758	10,149	7,795	6,000	5,800
collective dwelling	22,585	21,533	18,375	21,000	21,200
other types of dwelling	NA	NA	NA	NA	NA
Total	34,343	31,682	26,170	27,000	27,000

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

In France, the construction industry faced, in 2014, a sharp decline in activity of 4.8% in volume terms, in a context of a sluggish economy and a rise of unemployment. In 2015, the decrease will continue (-3.1% in volume terms), but at a slower pace than 2014.

Thus, between 2007 and 2015, the overall activity of the construction industry will have fallen by 20.8% in volume terms.

Concerning employment, around 34,000 salaried jobs were lost in 2014. In 2015, another 39,000 jobs will be destroyed even though many of them will not be layoffs, but due to the non-replacement of retiring employees and sector moves.

2. Housebuilding

The housebuilding market continued to fall in 2014 by 10.8% in volume, despite historically low lending rates. The decline in housing starts of 11.4%, with only 356,000 units, appears to be equal to overall activity. In the same time, building permits decreased by 10.1%.

In 2015, housing permits should increase by 4.1% with 391,000 units and construction starts more slightly (+1.1%) to reach 360,000 units. At first glance, the level remains quite low. However, without the recovery plan announced by the Prime Minister in August 2014, activity would have collapsed in 2015. Thus, considering the usual time to complete building constructions, the activity on the housing market will still decrease by 3.8% in 2015.

Concerning housing renovation and maintenance, in 2014, the production dropped by 1.7% according to contractors' opinions. In 2015, it will register an increase of 2.5% in volume terms, thanks to the combination of positive factors.

The new tax credit for energy efficient renovation (CITE) is much more attractive than the former one. It should encourage households to undertake "green" construction works, despite the drop in oil prices which is delaying the return on investment.

Moreover, the severe limitation of the rent control system introduced by the "loi Duflot" which would have been a deterrent for landlords and the stability of the VAT reduced rate in 2015 should reduce the uncertainty experienced in 2014.

3. Non-residential buildings

The non-residential building market has decreased by 6.4% in 2014. Excluding agricultural buildings, construction starts fell by 12.2% (18.2 million m²) and permits declined by 11.2%. The gap between permits and construction starts, which exploded between 2010 and 2012, still remains far from its long-term average.

Non-residential building permits, excluding agricultural buildings, will decrease slightly by 1.3% in 2015. Thus, 24.5 million m² will be authorised in 2015, which is the lowest level since 1998. Considering the usual time between permits and construction starts, the last ones will slightly fall by 1.6% in 2015 to achieve only 17.9 million m². This level has not been observed for the last thirty years. Thus, the decline of the global output of non-residential building construction (including agricultural buildings) will sink further in 2015 (-9.4%).

For non-residential building renovation and maintenance, the market should remain quite steady in 2015 at the same low level as in 2014.

4. Civil engineering

Public works turnover amounted to €40.5 billion in 2014, decreasing by 4% in constant price compared to 2013. As a consequence, employment is badly positioned: job destruction will rise to 10,000 workers in 2014 (among which 5,000 temporary workers). However, earthworks and civil engineering works created by the construction of high speed train infrastructure (LGV between Tours and Bordeaux and between Le Mans and Rennes), still sustained 2014 activity and prevented a sharper drop.

2015 will be worse than 2014 on public works market: business is expected to fall by 8% in volume according to FNTF. "Ecotaxe" cancellation (road user charge for heavy goods vehicles), which was dedicated to infrastructures financing, is a bad signal. Moreover, municipalities' investment efforts will be affected by lower provisions from State. Activity on LGV projects will also strongly decrease and it will not be compensated by new projects such as the "Grand Paris" which is only just starting. In this context, French companies are very concerned about employment evolution next year.

On foreign markets, French public works companies' activity was stable in 2013: turnover amounted to €24.6 billion. Technical know-how and financial engineering is still an advantage for complex projects all over the world. As a consequence of crisis in Europe, French companies are increasingly targeting new markets, especially in emerging countries.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	117,110	2.9	-1.5	-1.7	-5.1	-1.5
1.1. Housebuilding	71,315	5.0	-2.1	-1.3	-6.0	-0.3
1.1.1. New	31,925	9.9	-3.6	-1.2	-10.8	-3.8
1.1.2. R&M	39,390	0.8	-0.7	-1.4	-1.7	2.5
1.2. Non residential	45,796	-0.1	-0.5	-2.3	-3.7	-3.5
1.2.1. Private	24,429	-0.8	-0.8	-2.1	-3.0	-1.6
1.2.2. Public	21,367	0.6	-0.2	-2.5	-4.5	-5.7
2. Civil Engineering	37,640	-0.2	-2.6	3.9	-4.0	-8.0
(1 + 2) Total Construction	154,751	2.2	-1.7	-0.4	-4.8	-3.1

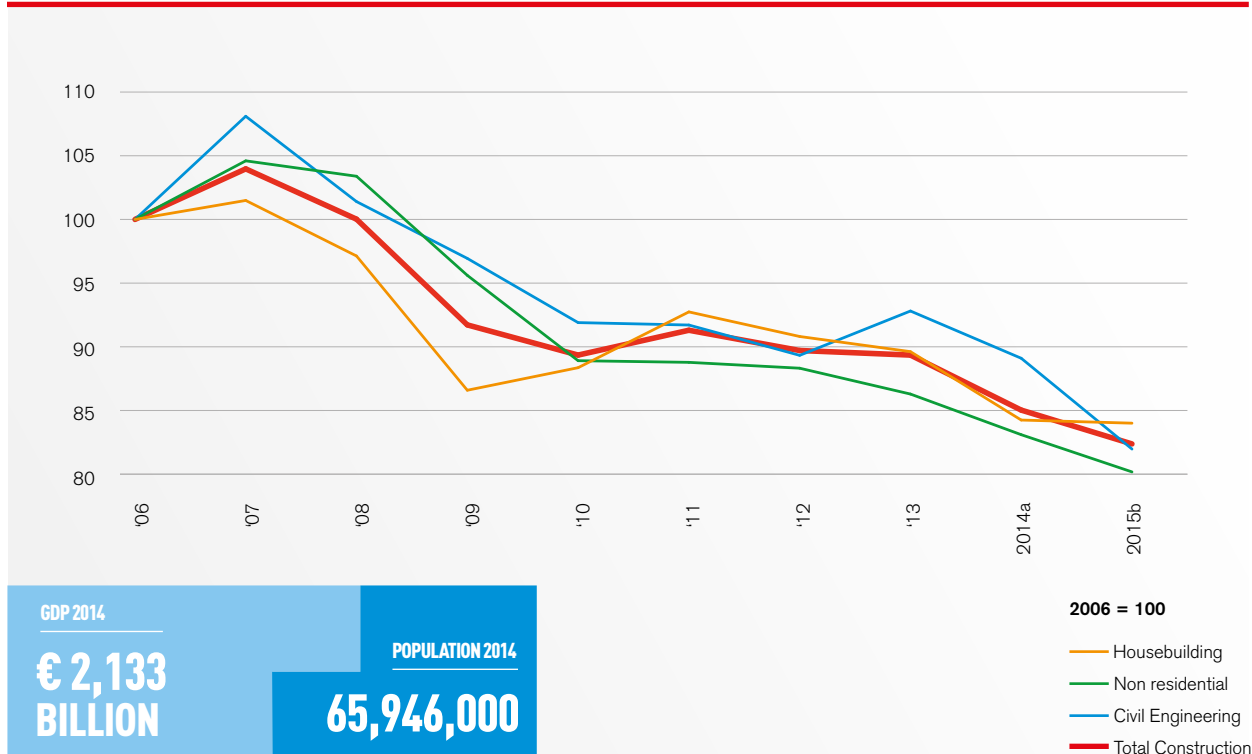
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	252,425	229,834	199,268	172,266	183,116
collective dwelling	263,375	247,066	218,632	203,534	207,987
other types of dwelling	NA	NA	NA	NA	NA
Total	515,800	476,900	417,900	375,800	391,103

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

After six years of recession, the country's economy returned to growth in the last three quarters of 2014. However, its annual GDP decreased by a further 1.85% in 2014, making a total decrease of 26% since the 2008 peak. Despite the growth momentum in the second half of 2014, the uncertainty of the fragile financial and political environment of the country are threatening the first visible signs of economic recovery. Uncertainty is expected to weigh on growth in the first quarter of 2015; the anticipation of a 2.5% GDP growth for 2015 is not certain, and the early election has affected confidence and investment and hence no safe predictions can be made while the financial and political uncertainties are not being resolved. The seven-year downturn has dramatically eroded all sectors of the economy, including the construction sector; where the construction of buildings has practically been wiped out.

The need for investment in order to initiate growth in the economy is crucial and aligned with this need is the effort of the government to "inflate" the economy by pushing the utilisation of the existing fund lines into new projects. In this context, several significant civil engineering projects, earlier frozen due to the lack of funds, have re-started and many new projects have been implemented.

The cost of construction materials has slightly dropped by 1.2%, while the cost of labour has fallen significantly (-7%).

The index of production for overall construction dropped by a further 18% in 2014, or 76% from its peak at 2007.

The situation in the buildings sector is dramatic, whereas a drop of 55% from last year and of 92% from the 2007 peak has practically eradicated the whole sector. In civil engineering projects we have a promising +11% from last year but -25% from the 2007 peak.

The general unemployment rate seems to have stabilised at a very high level of 26.5%, giving a sign of only a slight recovery from 27.5% last year. The unemployment rate for young people (up to 24 years old) is at the shocking level of 56%.

2. Housebuilding

The relatively easy access to bank loans/mortgages prior to the recession created a huge demand for housebuilding, which in turn lifted housing prices and led to over-activity in the sector and oversupply of housing. This has created a huge stock of unsold houses, and as the crisis escalated, we arrived at the present situation of housing oversupply and a crisis-driven lack of demand in the market, which consequently led to a plunge in house prices. This low, almost zero-demand was created by the recession, high unemployment and lack of access to bank loans/mortgages. This situation is being reflected in the housebuilding statistics, and the obvious halt of any new housebuilding projects.

The index of production in buildings decreased by 55% compared to 2013 and by 92% against 2007. The number of permits decreased by 18% compared to 2013 or by 77% compared to 2009. The number of flats per permit is also falling.

3. Non-residential buildings

The sector of non-residential buildings is closely influenced by the overall economic activity, so has followed the same path, although somewhat less alarming than the housebuilding sector.

4. Civil engineering

This sector, consisting mainly of public investment and joint EU projects, is showing the first signs of recovery. It reflects the efforts of the State to put the economy back to growth, despite the fact that the sector's figures are very low in comparison to previous years and more investment in civil engineering projects is required in order to build sustainable growth.

The sector's index has gone up by 11% compared to 2013, or by 25% compared to the 2007 peak.

For 2015, if the government overcomes the liquidity problem of the economy and given that the budget has returned to a positive figure, we anticipate that the recession will be left behind and from this low level most indices will improve and the proportion of civil engineering works in GDP will increase to foster growth.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	1,908	-16.4	-34.0	-32.2	-55.5	NA
1.1. Housebuilding	NA	NA	NA	NA	NA	NA
1.1.1. New	NA	NA	NA	NA	NA	NA
1.1.2. R&M	NA	NA	NA	NA	NA	NA
1.2. Non residential	NA	NA	NA	NA	NA	NA
1.2.1. Private	NA	NA	NA	NA	NA	NA
1.2.2. Public	NA	NA	NA	NA	NA	NA
2. Civil Engineering	6,114	-15.0	-29.1	1.7	10.8	NA
(1 + 2) Total Construction	8,022	-15.8	-31.8	-16.6	-18.2	NA

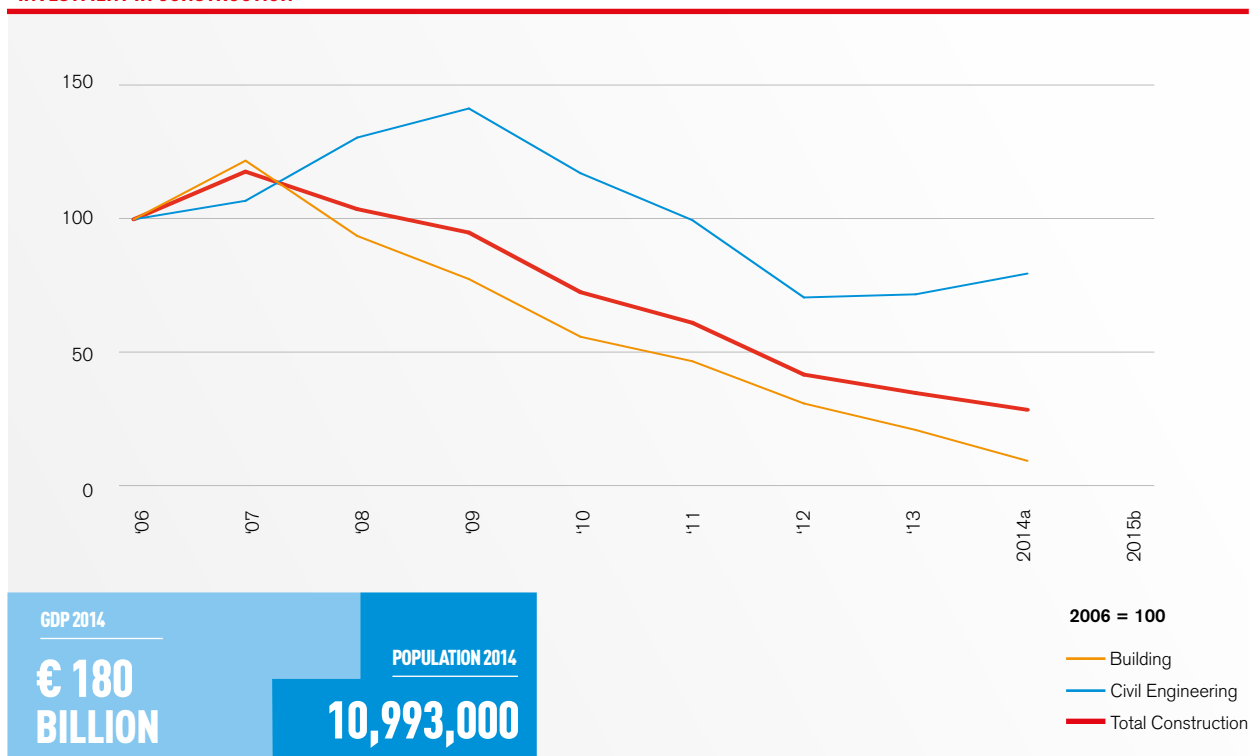
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	NA	NA	NA	NA	NA
collective dwelling	NA	NA	NA	NA	NA
other types of dwelling	NA	NA	NA	NA	NA
Total	35,746	22,627	16,384	13,383	NA

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

The country is now entering its sixth year of recession. In 2014, Croatia's economy declined for the sixth year in a row and although the recession is expected to come to an end in 2015, the economic outlook remains bleak.

The Croatian economy is less competitive than its peers. To achieve private sector-led growth and faster EU convergence, actions are needed to liberalise the labour market, complement enterprise restructuring and the kind of new business the economy should reorient itself toward is one reliant on knowledge, innovation, and transit-related services to maximise its geo-economic advantage as Europe's transport hub.

Croatia had proposed about 25 projects worth €9 billion to be financed under the Juncker Investment Plan, and expects some €2.2 billion from the implementation of those projects in the next three years.

In 2014, Croatia's construction work volume fell by 6.6%, going down six years in a row. 2015 will also be tough for the construction sector in Croatia.

The sector has been battered by the long crisis. Although some positive trends appeared in this sector at the start of 2015, they still do not herald recovery.

The main negative impact was created by the decrease in all investments, both private and public.

Wages in the sector are lower than average national wages. Dumping practices increased.

As a consequence, there is a fall in interest for careers in construction, resulting in low numbers of students in dedicated schools for construction workers.

2. Housebuilding

The residential building segment saw a decline in demand. There are many newly built flats which cannot be sold. High and growing unemployment contributed to the real estate market crisis, together with uncertain economic and job situations. The announced introduction of property tax and the introduction of VAT on building land is also reflected in lower demand.

Only 10.6% of all construction works in the period January-December 2014 came from residential building.

Due to market saturation, the revival of new housebuilding is not to be expected. However, the subsector of renovation and maintenance might grow, particularly energy efficiency refurbishment.

In the period from January to December 2014, business entities employing 20 or more people completed 1 991 dwellings, which was 26.9% less than in the same period in 2013.

At the end of December 2014, those entities were working on 3 814 dwellings (uncompleted dwellings), which was 18.4% more than in the same period of 2013.

3. Non-Residential buildings

The share of non-residential buildings in the overall building activity amounted to 31.3%, in the period January-December 2014.

Public investment in social facilities (schools, health facilities, etc.) is on the decline.

4. Civil engineering

Road building was on the rise in the period 2001-2008. Recently, civil engineering has been suffering from a decrease in public investment.

As Croatia joined the EU, the country now has access to funding in order to support such projects. There are some projects which will be financed by the EU funds: the Đivo bridge near Split and nearby roads, for instance.

The airport sector is also seeing a fair amount of growth with the expansion of the Dubrovnik and Zagreb airports. The projects are in progress: Dubrovnik airport is to be finished by 2019 and Zagreb Airport by 2016.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	769	-11.5	-13.2	-12.6	-6.0	NA
1.1. Housebuilding	240	-10.6	-20.6	-11.7	-3.6	NA
1.1.1. New	NA	NA	NA	NA	NA	NA
1.1.2. R&M	NA	NA	NA	NA	NA	NA
1.2. Non residential	529	-16.0	-9.5	-13.8	-6.2	NA
1.2.1. Private	NA	NA	NA	NA	NA	NA
1.2.2. Public	NA	NA	NA	NA	NA	NA
2. Civil Engineering	1,084	-0.2	3.3	0.2	-6.1	NA
(1 + 2) Total Construction	1,853	-6.1	-4.8	-5.6	-6.0	NA

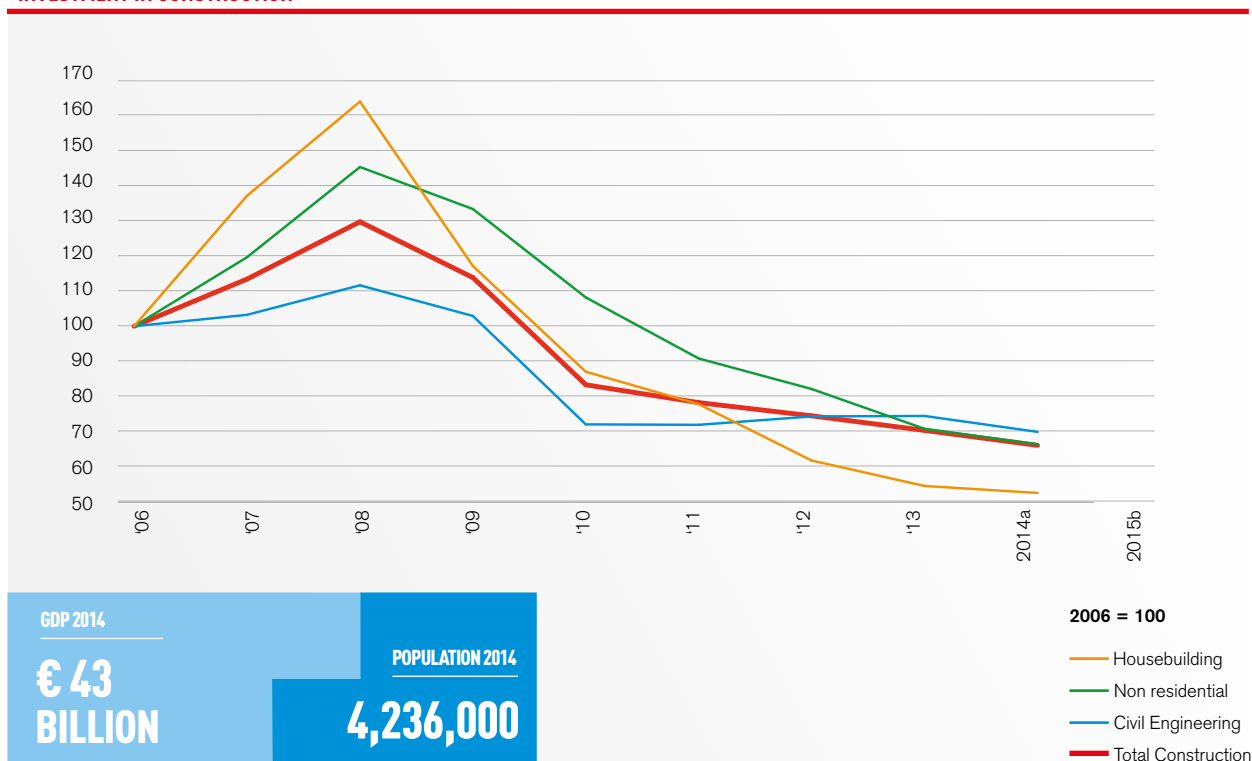
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	3,478	2,812	2,063	1,747	1,700
collective dwelling	1,984	1,430	1,029	1,017	6,700
other types of dwelling	NA	NA	NA	NA	NA
Total	5,462	4,242	3,092	2,764	2,700

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

In 2014 output of the economy grew 3.6% compared to 2013 and the value of gross domestic product amounted to HUF31,890 billion (€103.3 billion) at current prices. The 3.6% growth of gross domestic product was owing first of all to agriculture, engineering industry and the construction industry.

Actual household consumption has increased by 1.6% and community consumption has increased by 3.4%. As a result, final consumption was up 1.8%. Gross fixed capital formation and gross capital formation have improved by 12% and 14%, respectively. Domestic consumption has grown by 4.3%. The growth of exports was 8.7% and imports was 10%.

In 2014 the annual average number of employees was 4,101,000, i.e. 208,000 higher than in 2013. The rate of employment of people aged 15-64 was 61.8% on average in 2014, i.e. 3.7% higher than the previous year.

In 2014 construction of both buildings and other structures showed an increase (4.2% and 24.8%, respectively) and construction companies concluded new contracts at a volume of 29.5% higher than a year earlier. The whole construction industry implemented construction works at a value of HUF2,070 billion (€6.7 billion) at current prices, the volume of which was 14.2% higher than in 2013.

In 2014 producer prices in the construction industry were 2.1% higher on average than in the previous year.

At the end of November 2014 there were 92,389 construction companies registered in the sector, including private entrepreneurs. The number of existing undertakings included in the above figure is around 82,000. The number of construction undertakings registered by the Hungarian Chamber of Commerce and Industry was 54,000 at the end of 2014.

According to the population employment data of KSH [Central Statistical Office of Hungary], the number of construction workers is 270,300, representing 6.5% of the total number of employees in the whole national economy. This figure includes 110,000 employees.

Based on the volume of orders as of the end of 2014 and of new contracts, revival of the construction industry will be hardly sustainable in 2015. The estimated output of the Hungarian Construction Industry in 2014 will be approximately HUF2,000 billion (€6.5 billion).

2. Housebuilding

In 2014, 8,358 new homes were built in the country, i.e. 15% more than a year ago, although this growth is compared to a very low base value. In order to sustain the value of the national property assets this year, 30-40 thousand new dwellings should be built.

The proportion of dwellings built by private investors increased and that of homes built by real estate investors decreased in 2014.

Since the 2008 downturn in home-building, from year to year less and less new homes have been constructed. In 2014 the number of newly built homes was only one fifth of that in 2008. The number of building permits for residential construction was 9,633 in 2014 which is 28% higher than a year earlier.

The proportion of new family homes within newly built residential buildings showed a decrease from 57% to 56% and multi-storey condominium buildings decreased from 39% to 35%. The proportion of homes in residential parks increased from 1% to 7%.

The average floor space of dwellings that were built in 2014 is 101 m² and this value is practically the same as it was a year earlier.

In 2014, 1,724 homes were demolished.

Home renovation and building is at a historically low level and housing companies had lost 80% of their market by the beginning of 2014 compared to 2006.

3. Civil engineering

The 2014 acceleration was primarily due to public works – dominated by road and railway construction, other infrastructure, sporting facilities and health-care projects – supported by EU funds. The proceeds of companies engaged in this subsector have considerably increased. The market of companies engaged in private works has stagnated.



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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	5,756	5,019	3,654	4,133	NA
collective dwelling	NA	NA	NA	NA	NA
other types of dwelling	NA	NA	NA	NA	NA
Total	12,488	10,600	7,536	9,633	NA

(Collective dwellings and other types of buildings: in number of flats)

GDP 2014

€ 103
BILLION

POPULATION 2014

9,887,000

1. Overall construction activity

The volume of output in building and construction increased by 11.2% in 2014. There was an increase of 6.6% in the value of production in the same period. Growth in output in 2015 is likely to be driven primarily by construction in the private sector, i.e. residential and commercial property building due to continuing fiscal constraints in Government Capital Expenditure. The total output in the construction industry amounted to almost €39 billion in 2007. By 2013, the size of the sector had fallen to €7 billion or 5.6% of GNP.

2014 brought growth and output of approximately €8.95 billion in value. The industry began its slow transition back to a more sustainable position. The strengthening of labour market fundamentals and the improving domestic economy will help to underpin the construction industry in 2015.

The construction sector has been one of the largest contributors to growth in unemployment. The total number of persons unemployed in Ireland at December 2014 was 356,112 compared to 156,000 persons in December 2007. Direct construction employment rose slightly at the end of 2014.

2. Housebuilding

A total of 11,103 housing units were completed in 2014. While residential construction activity appears to be slowly picking up in the principal urban centres in 2014, demand continues to far outstrip supply, which in turn is putting upward pressure on prices and rents.

With limited development finance available and increasing costs of production, it is highly unlikely that the residential construction sector can respond during 2015 with supply to meet potential housing demand of approximately 25,000 per annum.

Moreover, the continuing lack of access to credit for those seeking mortgages was further impacted by the introduction of new Central Bank regulations in relation to limiting loan-to-value (LTV) and loan-to-income (LTI) ratios in early 2015.

As a result housebuilding activity in 2015 is expected to remain broadly in line with output levels in 2014, albeit with a slight increase.

Figures from the Central Statistics Office indicate that the population will significantly grow from 2016 to 2031. This projected population increases will have a direct impact on future demand for housing. The Housing Agency published a report predicting that the requirement for new housing in urban settlements nationally ranged from 9,526 units in 2014 to 20,853 units in 2018. This trend will be even more important within the Dublin region.

3. Non-residential building

As regards the public non-residential segment, over 80% of the Exchequer capital expenditure is targeted towards education and health facilities. However, in practice, there are significant backlogs in respect of publicly procured projects.

As regards the private segment, some recovery has taken place and demand for prime office buildings (particularly in Dublin) and industrial facilities as a result of foreign direct investment did continue to increase for a second year. However, access to funding and strategic planning issues delayed a fuller recovering during 2014. International investors are continuing to focus on prime office, retail and long-term residential opportunities, but primarily in key urban locations.

The National Asset Management Agency plans to develop new commercial and residential projects as part of its €2 billion investment programmes in response to emerging demand in key property markets, focusing on the Dublin Central Business District. This is positive news for all sectors of the construction industry. The Dublin City Council adopted the docklands Strategic Development Zone (SDZ) in 2014. The north and south docks in the city should witness significant new construction activity in the coming years.

4. Civil engineering

Cutbacks to the public capital programme since 2009 have reduced output in this previously vibrant sector by in excess of 50%. Notwithstanding the continuing deficit in infrastructure, particularly in the areas of transportation, water services and energy, the aim of the Government to reduce the Government deficit to 3% of GDP by 2015 will have an ongoing impact in the area.

Civil engineering output decreased by 2.9% in volume terms in 2014. Companies operating in the sector are continuing to report overall reductions in investment. In addition, a number of planned major transport projects (Metro North, Metro West and the Western Rail Corridor) were deferred indefinitely at the end of 2011.

The current five-year capital investment programme 2012-2016 provides for a budget of €17.1 billion, of which €3.3 billion (2.4% of GNP) was allocated during 2014. The allocation includes: €600 million for road investment; €0.5 billion for investment in schools; €400 million for health infrastructure; €300 million for public transport and approximately €300 million for social housing.

The establishment of Irish Water reflects one of the areas which are increasing. These being energy (i.e. renewables) and water (i.e. installation of over 1 million m³ of water flood relief works). Budgetary estimates, if allocated under Irish Water, are forecast to lead to an increase of 5% in the civil engineering sector.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	5,728	-13.0	-17.8	-3.5	7.5	NA
1.1. Housebuilding	4,023	-7.3	-20.8	-4.6	6.9	8.8
1.1.1. New	NA	NA	NA	NA	NA	NA
1.1.2. R&M	NA	NA	NA	NA	NA	NA
1.2. Non residential	1,705	-26.2	-9.0	-0.6	9.0	NA
1.2.1. Private	690	-14.3	17.2	0.4	2.1	NA
1.2.2. Public	1,015	-30.9	-22.0	-1.3	14.3	NA
2. Civil Engineering	2,761	-28.3	-10.2	-4.4	0.4	NA
(1 + 2) Total Construction	8,489	-18.6	-15.3	-3.8	5.1	5.8

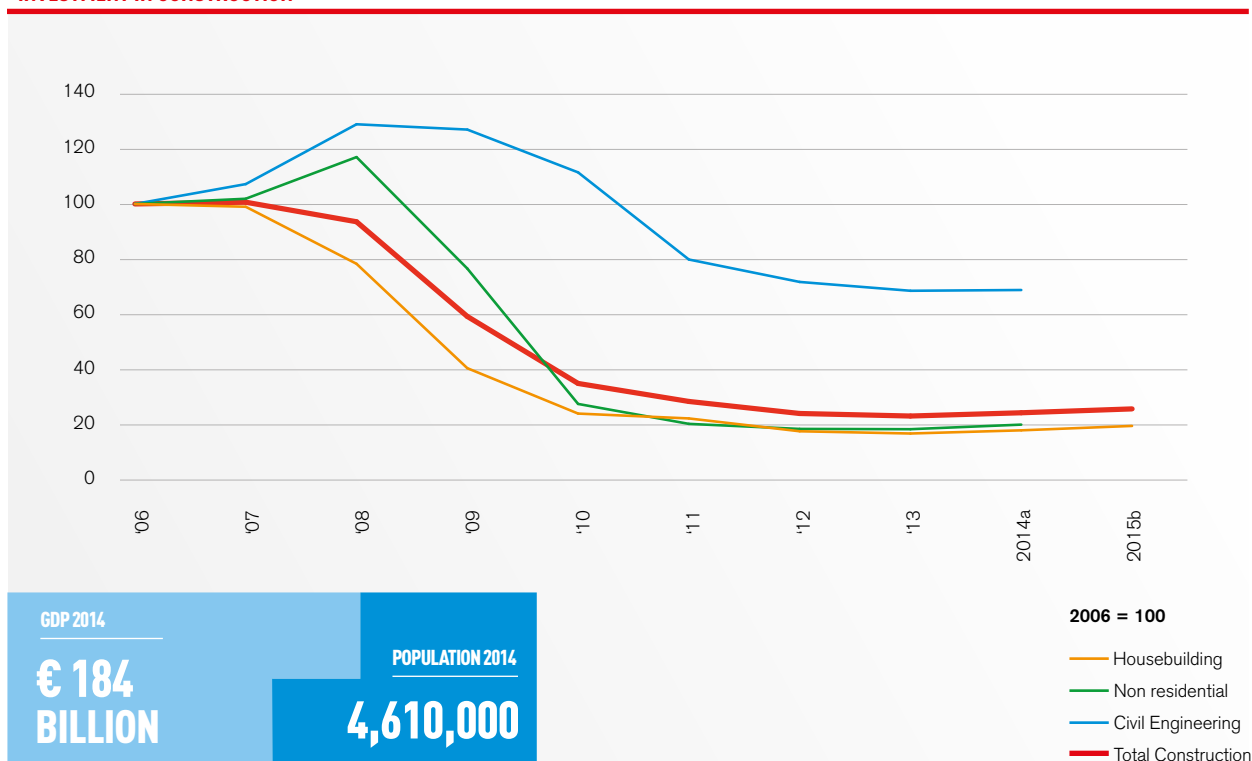
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	9,098	5,389	6,001	1,783	NA
collective dwelling	2,547	861	1,197	361	NA
other types of dwelling	NA	NA	NA	NA	NA
Total	11,645	6,250	7,198	2,144	NA

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

According to the National Association of Italian Constructors (ANCE), sector investment in 2014 declined by 3.5%.

The sector experienced its 7th consecutive year of crisis since 2008, generating an overall investment loss of 32%, amounting to roughly €64 billion. Over the last 7 years (2008-2014), housebuilding declined by 62.3%, non-residential building by 23.6%, and civil engineering by 48.1%. Only R&M in housing, amounting to 34% of overall construction investment, increased by 18.5% over the same time period, also due to the stimulus effect produced by the extension of the tax relief provision for R&M of the housing stock. Without this segment, construction investment would have decreased by 44.2%.

In 2015, in the absence of any radical economic policy intervention or solution regarding the credit crunch, the construction sector's dramatic crisis will continue for the 8th consecutive year, with a further decline of 2.4% in investment.

The decline in overall construction activity considerably affected employment, leading to an estimated 552,000 job cuts in the sector since the beginning of the crisis (i.e. 790,000 job cuts if related economic sectors are taken into account).

Moreover, between 2008 and 2013, approximately 68,000 construction firms with more than one employee have gone bankrupt.

However, in spite of the further decline in overall production in 2014, some first positive signs have been observed in the housing market, in the number of housing mortgages provided to households, as well as in the number and value of calls for tenders in civil engineering.

In the first three quarters of 2014, housing transactions increased by 2.2% compared to the same period in the previous year. Such early positive signals were undoubtedly influenced by a change in attitude from credit institutions which seemed to be less sceptical towards the housing sector. Housing mortgages provided to households recorded a 9.8% increase during this period.

By contrast, no solution has been found yet to the credit crunch for companies. Over the period 2007-2013, mortgages issued to private companies for financing property investments dropped by 64% in housebuilding and by 73% in non-residential buildings.

Following years of severe slumps, an increase in calls for tenders in civil engineering was registered in 2014 both in numerical terms (+30.4%) and in value terms (+18.3%).

Evidently, it is too early to suggest that there is an economic recovery based on such fragile positive signals.

2. Housebuilding

For 2014, ANCE estimates a 2.4% decline in real terms in housebuilding, as a combined result of the decrease of investment in new constructions (-10.2%) and the increase in R&M (+1.5%). The fall in new housebuilding is affected by the downward trend in construction permits, which have been steadily declining since 2006. According to the National Institute of Statistics (ISTAT), the number of house construction permits issued in the H1 2014 declined by 11.4% compared to H1 2013, confirming the negative trend, which started in 2006. The estimate for 2014 is 50,000 permits, an overall decline of over 80% from the 2005 peak of approximately 300,000 permits.

New contracts are expected to continue to decline in 2015, due to a further fall in the development of new housing units (-8.8% in real terms), only modestly compensated by the increase in R&M in the existing stock (+2%). Overall, investment in housebuilding is expected to fall by 1.3% in real terms in 2015.

3. Non-residential building

In 2014, the production levels of private investments in non-residential buildings continued their negative trend (-4.3%). This followed the already severe falls in previous years.

This segment is still heavily affected by a substantial credit rationing for financing new investments. Mortgages to private companies for financing non-residential property investment dropped by 14.7% in the first three quarters of 2014, following a sharp decline (-73.4%) in the period 2007-2013.

The volume of private investments in this segment is expected to contract further in 2015 (-3%).

4. Civil engineering

According to ANCE's estimates for 2014, civil engineering investment decreased by 5.1% in real terms, a further decline in the negative trend underway since 2005.

This negative outcome is strongly influenced by the austerity policies of the past few years, aimed at rebalancing public finances. These policies caused systematic cuts in public expenditure in infrastructure, which the country really needs.

ANCE expects civil engineering investment in 2015 to decline by 4.3%.

A change of direction could result from the implementation of Quantitative Easing (QE) measures by the European Central Bank (ECB), provided that the resources generated by such measures are actually allocated to new investments.



PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	110,230	-2.8	-6.1	-6.5	-3.3	-2.2
1.1. Housebuilding	62,159	-7.4	-6.9	-5.7	-2.4	-1.3
1.1.1. New	19,228	-16.0	-16.9	-19.0	-10.2	-8.8
1.1.2. R&M	42,930	0.6	0.8	2.9	1.5	2.0
1.2. Non residential	48,072	3.8	-5.0	-7.6	-4.4	-3.2
1.2.1. Private	39,482	8.0	-3.6	-7.2	-4.3	-3.0
1.2.2. Public	8,590	-10.5	-10.6	-9.3	-5.1	-4.3
2. Civil Engineering	14,626	-10.5	-10.6	-9.3	-5.1	-4.3
(1 + 2) Total Construction	124,856	-3.8	-6.7	-6.9	-3.5	-2.4

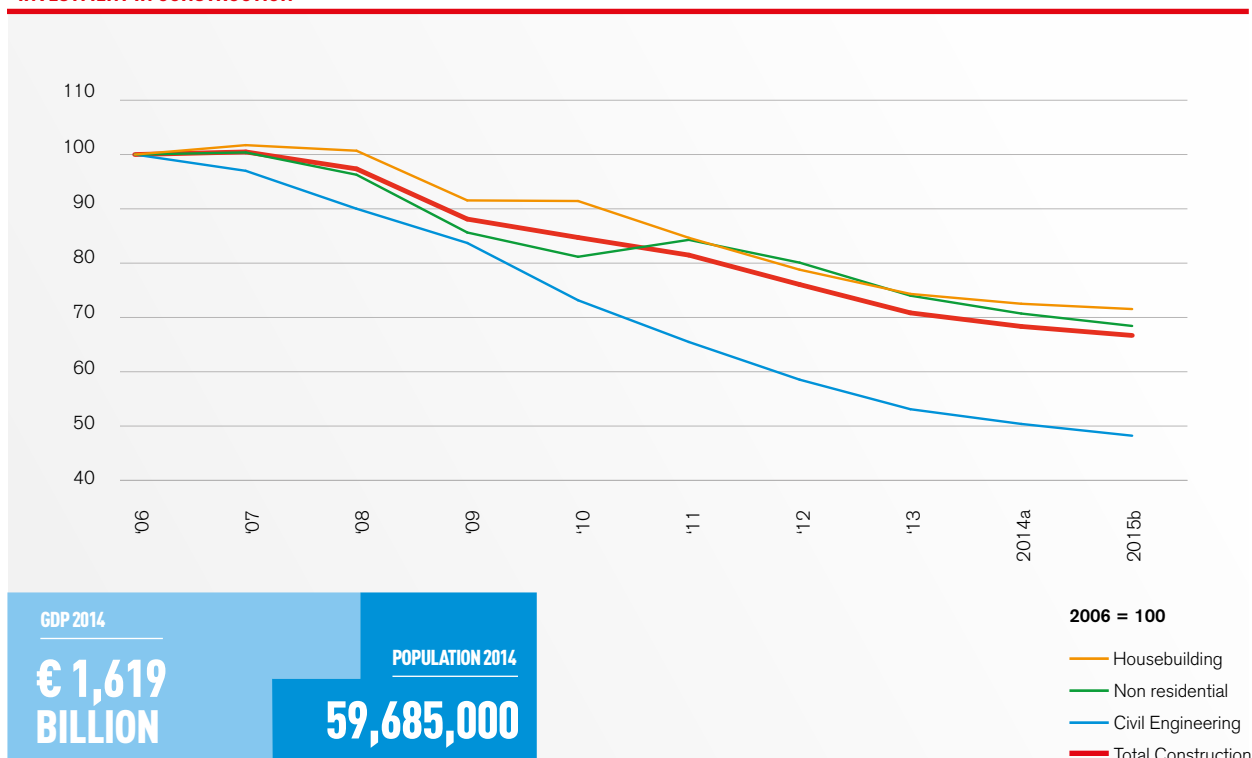
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	15,902	14,123	NA	NA	NA
collective dwelling	14,474	10,471	NA	NA	NA
other types of dwelling	NA	NA	NA	NA	NA
Total	30,376	24,594	NA	NA	NA

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION





PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	1,102	26.3	-6.8	15.3	23.7	NA
1.1. Housebuilding	260	10.0	17.3	13.2	50.2	NA
1.1.1. New	193	14.7	-1.3	41.2	47.7	NA
1.1.2. R&M	66	-0.5	65.5	-30.1	58.0	NA
1.2. Non residential	842	29.9	-11.2	15.8	17.3	NA
1.2.1. Private	839	29.7	-11.1	15.5	17.4	NA
1.2.2. Public	3	NA	NA	NA	NA	NA
2. Civil Engineering	1,095	19.8	-8.1	8.0	10.4	NA
(1 + 2) Total Construction	2,196	22.7	-7.5	11.3	16.7	NA

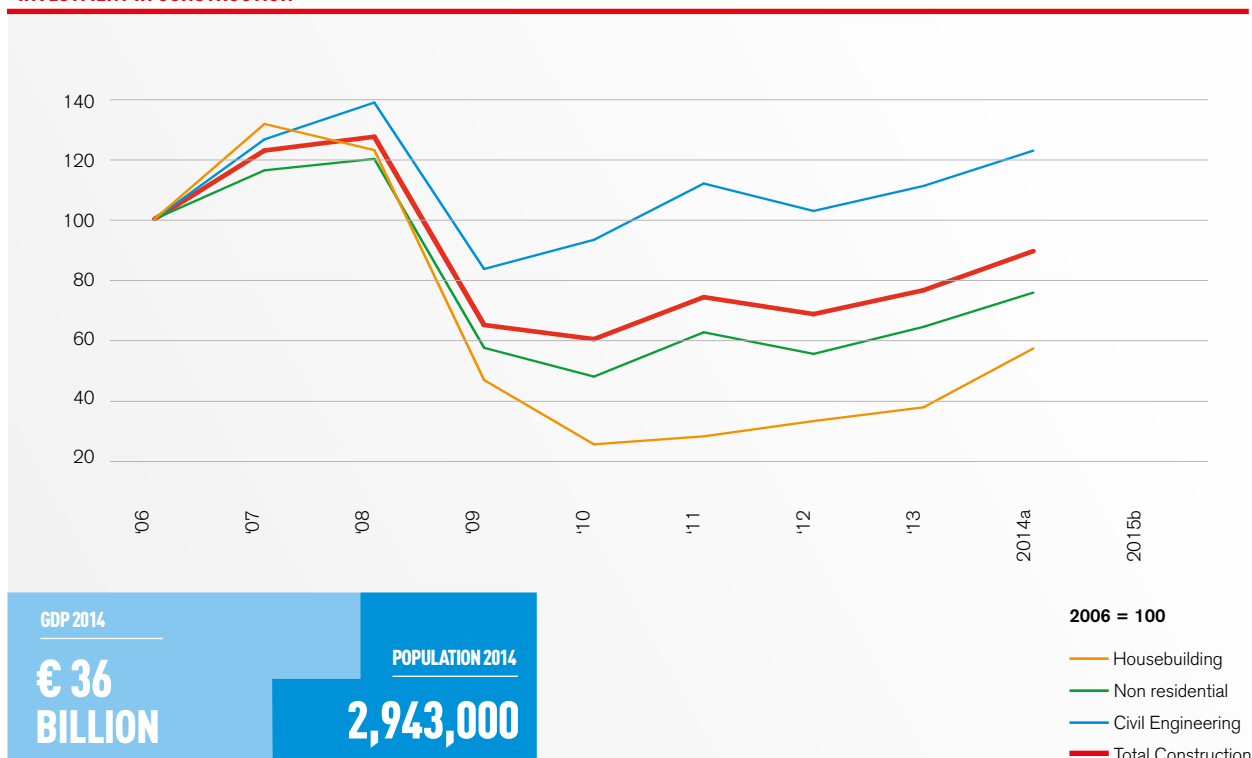
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	4,734	5,277	6,447	5,846	NA
collective dwelling	86	91	114	85	NA
other types of dwelling	4	10	10	14	NA
Total	4,824	5,378	6,571	5,945	NA

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

The steady recovery of the global economy seems to have slightly increased in strength, under the influence of low energy prices. This recovery, together with the euro's decline against the dollar, is positive for the Dutch economy, which is projected to grow this year by 1.7% and next year by 1.8%. The economy grew by 0.8% in 2014. Consumer and producer confidence has improved markedly. Thanks to increasing domestic spending, the Dutch economy has become less dependent on foreign countries; the economy has two sources of growth again. Unemployment is declining slowly. Government finances are improving. The government deficit will decline to 1.8% of GDP this year and to 1.2% in 2016.

The construction industry showed the first signs of recovery at the end of 2013. This year-end upturn could not, however, prevent a drop in production for the year as a whole. Production fell by 5.2%. Hampered by a lack of work in new residential construction, expansion was only modest last year (+1.2%). The years 2015-2017 will show a robust recovery with annual growth rates of some 3.5%. However, the recovery will be very uneven between the sectors, with new residential construction expanding very strongly and non-residential construction and civil engineering increasing only at a modest rate. Although construction output is rising again, employment will hardly increase this year and operating margins are still under pressure.

2. Housebuilding

For six years now, the number of dwellings added to the housing stock has been lower than the number of new households. This will also be the case this year. Given an increasing consumer confidence, production of dwellings will develop at an accelerated pace to satisfy the delayed demand as well as new demand. Consequently, even given a limited growth by housing associations, the total number of building permits will increase from 28,100 in 2013 to 60,000 this year up to some 85,000 in 2020. The revival of building permits, however, will not yet lead to a substantial increase of building completions. The completions in 2014 were particularly low and will continue to be low in 2015 (44,000 and 45,000).

The very low number of building permits in recent years cast its shadow on new construction output last year (-8.5%). In 2015 a strong increase is expected. The low propensity of households to spend and the financial pressure on housing corporations will continue to suppress the volume of R&M works in the years ahead. At the same time, the output of the sector will be enhanced by measures stimulating energy saving renovations and by the temporary lower rate of VAT on renovation works (extended by six month until July 2015).

3. Non-residential buildings

Non-residential construction output shrank by some 20% during the last six years, with new construction even falling by almost a third. From 2014 on, non-residential construction is beginning to recover some of the losses. Besides the improving economic situation, this recovery will be driven by a strong need for new care facilities, the construction of which is below the necessary levels at the moment. The expansion of new non-residential construction will, however, remain very modest in comparison to the losses suffered, due to a lack of substantial increase in consumer expenditure, the continuing governmental austerity measures and the excessive vacancy rates in some types of buildings. For more than a decade, the Netherlands has struggled with overcapacity in the office buildings sector. Almost one in six office buildings is vacant and one in ten has already been vacant for several years. However, since the existing stock often does not have the qualities demanded by the market, there is still demand for some new construction, but its volume in the years ahead will be very modest.

The output in R&M has fallen strongly in recent years. In the years to come output will be driven by the necessity to catch up on postponed maintenance work, by rebuilding existing logistical facilities to make them suitable for e-commerce and by expanding reconstruction of office buildings into other uses (mostly hotels and student flats).

4. Civil engineering

In 2014, the civil engineering market showed a modest recovery, mainly due to mild weather conditions in the winter. Construction volume is expected to increase some 1% this year. Local governments, which commission around 45% of all civil engineering activities, are still experiencing pressure and uncertainty concerning their financial position, to a large extent due to budgetary rules and to decentralisation of a number of government tasks accompanied by a reduction of resources available for their execution. Total spending on infrastructure by the central government is expected to decrease. The budget cuts will mainly affect new construction. Maintenance of infrastructure is a priority for the central government, mainly the maintenance of roads and waterways. The improving economic and business outlook will lead to growth in private investments from 2015 on.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	38,100	-1.9	-8.4	-5.1	0.8	3.7
1.1. Housebuilding	18,800	-4.7	-9.6	-6.5	-1.1	4.9
1.1.1. New	7,900	-6.2	-12.2	-11.6	-7.9	11.1
1.1.2. R&M	10,900	-3.2	-7.0	-1.9	4.6	0.5
1.2. Non residential	19,300	1.3	-7.2	-3.7	2.7	2.5
1.2.1. Private	NA	NA	NA	NA	NA	NA
1.2.2. Public	NA	NA	NA	NA	NA	NA
2. Civil Engineering	16,075	13.5	-4.3	-5.7	2.1	1.1
(1 + 2) Total Construction	54,175	2.1	-7.3	-5.3	1.2	2.9

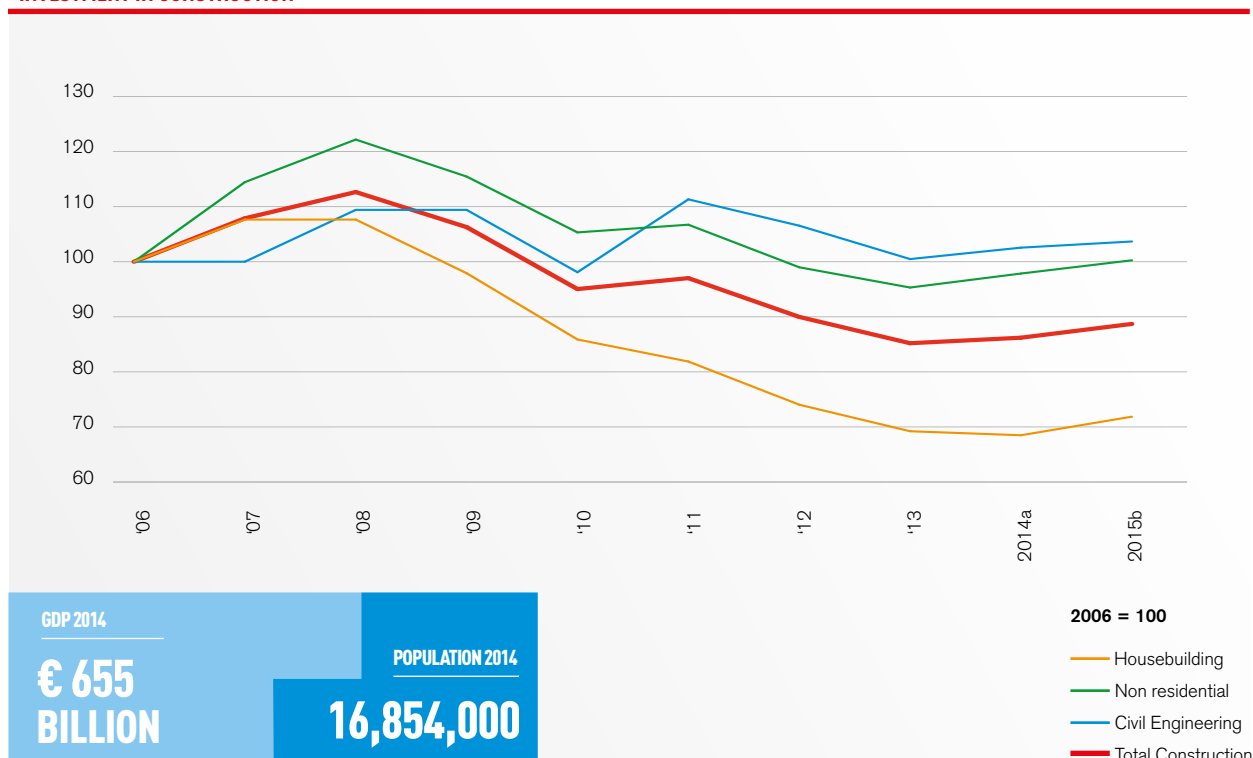
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	NA	NA	NA	NA	NA
collective dwelling	NA	NA	NA	NA	NA
other types of dwelling	NA	NA	NA	NA	NA
Total	55,804	38,752	28,131	40,170	60,000

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

For nearly 20 years Poland showed remarkably strong economic development. Whereas the positive growth in the economy was continuous, construction output fell by 5 % in the years 2012 and 2013. This was a response to the completion of projects for the European Football Championships in 2012, especially in civil engineering (-19 %). Preliminary figures for 2014 show that the Polish construction sector has returned to the growth path: construction investment grew by about 5 % in real terms.

This growth is expected to continue in 2015. Experts predict another real growth rate of nearly 5 %, accompanied by GDP growth of more than 3 %. The volume of total construction output is expected to reach €50 billion. The share of GDP coming from construction activity, will be about 11 %, compared to the peak of 12.9 % in 2008.

2. Housebuilding

Residential construction gained momentum in H2 2014, which will carry on this year. Mortgage rates fell from nearly 5 % at the end of 2012 to about 2 % at the end of last year. The availability of loans to private households will improve in accordance with rising disposable incomes. Prices for dwellings have stabilised and are expected to rise, thus supporting the demand for new houses. Additionally a new government programme, initiated in 2014, is aimed at younger people aged up to 35 and delivers subsidies to buy the first home, if the permit is issued after 1/1/2014. More than 10,000 loan agreements were made as a result of this programme last year.

Building permits, which rose by nearly 20 % in 2014, are expected to grow by 6 % to 165,000 flats or houses this year. The recovery will be driven predominantly by single dwellings (+9 %) whereas flats in collective dwellings will show a surplus of only 2%. New residential construction is expected to grow by 2.5 % in real terms.

Investment into the existing housing stock had a stabilising effect over the past years with a surplus in real terms of more than 30 % since 2009, compared to a minimal growth of less than 5 % in new housebuilding in the same period. 2015 will once again show a higher growth rate of 3 %. With a share of only 1/3 of total residential investment, its influence on residential construction is much smaller than in Western Europe (more than 60 %).

3. Non-residential buildings

Investment in this sector by private investors is closely linked to economic development. After two years at a lower pace (real GDP 2012 and 2013 +1.7 %) economic growth in 2014 and 2015 will be more than 3 %, despite problems in exports to the Russian market. Additionally, the situation on the labour market is stabilising with a surplus of 300,000 jobs between 2013 and 2015. Therefore the investment climate improved last year, helped by an easing in financing conditions for companies.

The decline in the office market will turn into a slight growth this year. Space in shopping centres has nearly reached West-European level, with much lower purchasing power of private households, thus limiting growth. The best performance is expected to be in industrial buildings, closely followed by the logistics sector (storage buildings). As in the past years foreign investors will be largely present on the commercial construction market. They regard Poland as a hub for Eastern Europe, still benefitting from large payments from the EU structural funds to attract investment.

In 2015, the programme to make better use of money from the EU Cohesion Funds (€73 billion for 2014-2020) will come into full speed. Regions will receive 60 % more revenue than in the previous programme. Furthermore, local authorities will benefit from higher tax revenues, which will allow them to concentrate investment on buildings for education and health.

4. Civil engineering

The ongoing modernisation of transport infrastructure is still high on the political agenda of the federal government. In 2009 the infrastructure ranking of the World Economic Forum listed Poland in position 120 worldwide. Although much progress has been achieved (2014: position 79), a lot of improvements need to be made, especially in road and railroad construction where the quality is among the lowest in the Middle and Eastern European countries.

The government is therefore concentrating its efforts on these sectors, 2015 investment into traffic infrastructure is likely to grow by more than 10 %, with more than 50 % in railways alone. The investment will primarily go into the upgrading and modernisation of existing lines rather than expanding the railway network.

Another field of high activity is energy supply. This includes new power units as well as improving the quality of transmission lines to raise the security of energy supplies. A Memorandum of Understanding has been signed with authorities from the Czech Republic, Slovakia, Hungary and Romania to integrate the electricity markets of these countries. Investment into this sector is likely to grow by double digit figures in the next three years.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	31,900	5.7	2.7	1.3	3.2	2.5
1.1. Housebuilding	10,600	3.4	10.6	-3.7	2.6	2.8
1.1.1. New	7,400	0.0	11.4	-7.7	2.8	2.7
1.1.2. R&M	3,200	10.6	7.4	6.9	3.2	3.1
1.2. Non residential	21,300	6.9	-1.2	4.1	3.6	2.3
1.2.1. Private	NA	NA	NA	NA	NA	NA
1.2.2. Public	NA	NA	NA	NA	NA	NA
2. Civil Engineering	15,700	11.3	-7.3	-12.2	9.0	10.2
(1 + 2) Total Construction	47,600	7.8	-1.0	-3.6	5.2	5.0

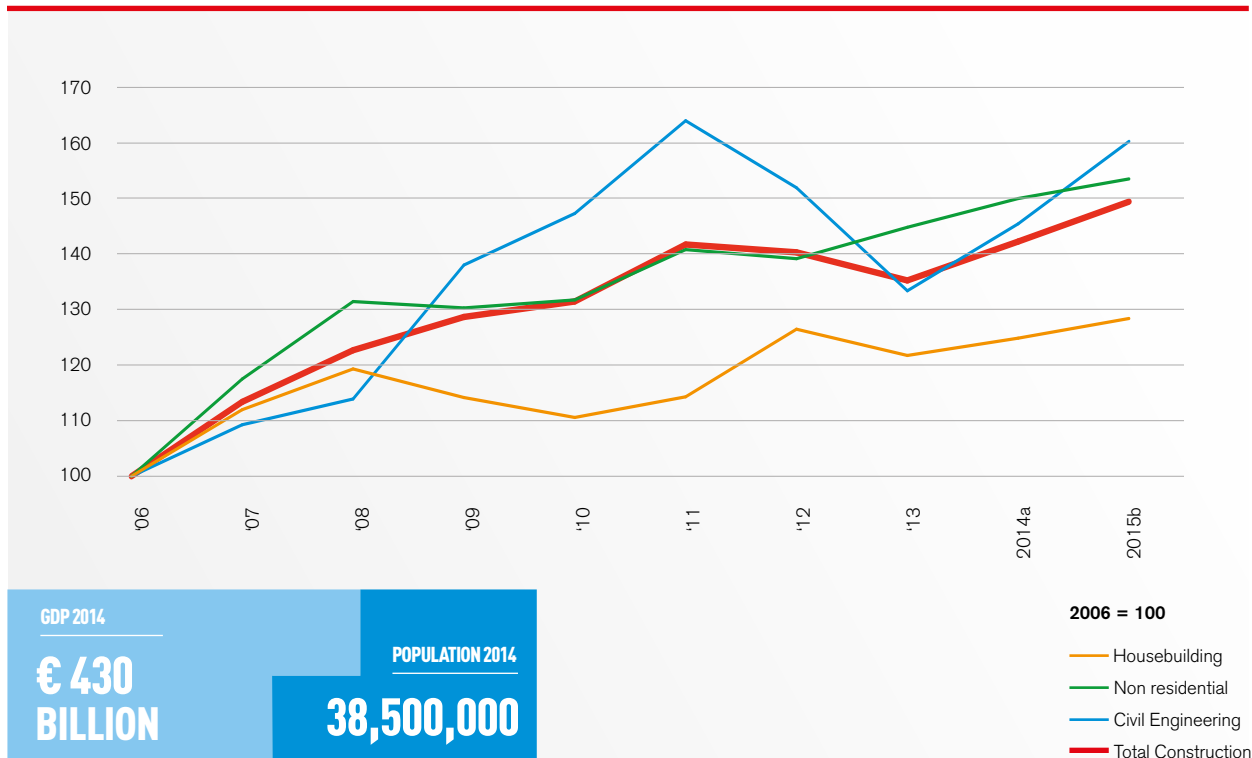
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NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	93,087	81,999	71,740	79,000	86,000
collective dwelling	82,023	74,453	59,753	77,000	79,000
other types of dwelling	NA	NA	NA	NA	NA
Total	175,110	156,452	131,493	156,000	165,000

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

After performing negatively for 3 years, the economy began a slight recovery, in 2014, with a GDP growth rate of around 1%.

Unlike previous years, domestic demand contributed positively to GDP in 2014. Private consumption was particularly dynamic, with a 1.6% growth rate, after drops of 3.6%, 5.2% and 1.4% in 2011, 2012 and 2013, respectively. Total investment also performed positively, with a variation of around 2% during the year, although there was a drop of 4.5% in construction investment. In 2014, the public deficit decreased to 4.8% of GDP, slightly lower than the 4.9% observed in 2013.

The labour market performed in line with the economy, with the number of active workers growing around 2% over the year, and the unemployment rate dropping from 16.2% in 2013 to 14% in 2014. According to the National Statistics Office, construction sector employment was an exception, with a contraction of 4.5%. In 2014, an average of only 275,000 persons worked in construction (10,000 less than in 2013).

In 2014, the production value of the construction sector fell by 4.5%, a result that, although negative, was much more moderate than observed in previous years (-15.5% in 2012 and -15% in 2013). Cement consumption dropped by 9% during the year (-23% in 2013). 907 construction firms went bankrupt (1,129 during the previous year). Bank credit to the construction sector fell by 10% (-13% in 2013).

Construction output is expected to grow in 2015, after 13 years of consecutive falls, with a forecast growth rate of 1.5%.

2. Housebuilding

The housebuilding segment production fell by 10% in 2014. This represents the lowest decrease for the last 7 years, a period during which this segment dropped by 70%, in real terms.

New construction was particularly affected by the economic crisis and its output suffered the biggest cut in the period 2008-2014: -77% in real terms. In contrast, R&M works began to perform positively in recent years and is expected to have grown more than 15% in 2014.

Until September 2014, the number of dwelling completions (only 7,600) reflected a drop of 55%, while new dwelling construction permits declined 8% until the end of November.

Nowadays, the decline in new construction permits is much lower than in the past years (-31%, -35% and -34% in 2011, 2012 and 2013, respectively and -8% in 2014). The R&M works segment is expected to grow in the coming

years and the available real estate indicators show a strong dynamism in the market.

All in all, a positive growth rate is expected in this segment in 2015: +1.3%, with a slight fall in the new construction component (-2.6%) and a recovery in R&M (+8.5%).

3. Non-residential buildings

In 2014, the production of the non-residential segment fell by 5.7%: -11% in terms of public buildings and -2% in terms of private buildings.

Concerning private investment, construction permits decreased (-3.2% in m²), but more moderately than in 2012 (-24%) and in 2013 (-5%). The biggest declines were in tourism and transportation buildings (-26% and -31% respectively, compared with the previous year). In contrast, industrial and commercial buildings grew by 4% and 3% respectively.

On the other hand, in 2014, the value of public contracts awarded in this segment increased (+11%).

For 2015, the non-residential construction segment is expected to perform slightly positively, with a forecast growth rate of 0.9%. Private investment in non-residential buildings is expected to grow (+1.5% in real terms) in line with the positive GDP performance anticipated for 2015. The public component is expected to remain static in 2015 (0%, in real terms).

4. Civil engineering

The civil engineering segment performed negatively in 2014, with a fall of 1% in real terms, a decrease much more moderate than in the past two years however (-15% in 2012 and -14% in 2013). This former poor performance resulted from the significant cuts in public investment made in the framework of the financial assistance programme that Portugal signed in 2011 with the European Union, the European Central Bank and the International Monetary Fund.

In May 2014, the Economic Adjustment Programme that Portugal signed with those three entities came to an end, and Portugal resumed direct access to the financial markets. Notwithstanding, the Government maintained the austerity policy, in order to achieve the public deficit goals.

In spite of this, in 2014, the public works market experienced a significant recovery, with an increase of 30% of public contracts awarded for civil engineering works.

For 2015, this segment is expected to increase (+2% in real terms), due to the forecast for better economic conditions and the launch of the new European Structural Funds Package.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	4,630	-13.1	-16.0	-15.9	-7.8	1.1
1.1. Housebuilding	2,171	-17.0	-20.0	-18.0	-10.0	1.3
1.1.1. New	1,411	-18.1	-23.4	-23.3	-19.9	-2.6
1.1.2. R&M	760	-11.8	-4.9	0.6	16.7	8.5
1.2. Non residential	2,459	-8.5	-11.8	-13.8	-5.7	0.9
1.2.1. Private	1,509	-14.0	-13.0	-13.0	-2.0	1.5
1.2.2. Public	950	1.0	-10.0	-15.0	-11.0	0.0
2. Civil Engineering	4,735	-5.0	-15.0	-14.0	-1.0	2.0
(1 + 2) Total Construction	9,364	-9.4	-15.5	-15.0	-4.5	1.5

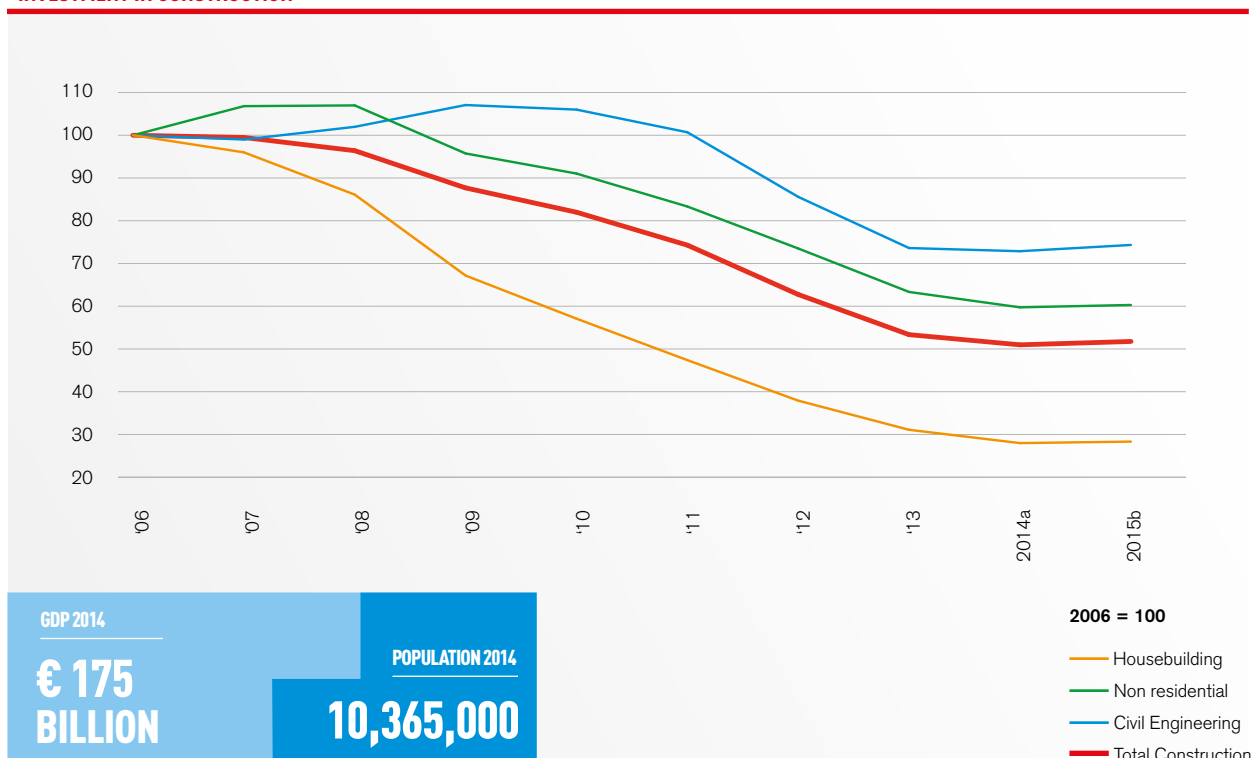
a: estimate - b: forecast

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	11,184	8,478	5,608	5,339	5,582
collective dwelling	5,934	2,764	1,678	1,335	1,225
other types of dwelling	NA	NA	NA	NA	NA
Total	17,118	11,242	7,286	6,674	6,807

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

The construction industry remained the most affected economic sector in 2014, noting that during 2012-2013 there was relative stagnation.

During the first three quarters of 2014, investment in new construction works amounted to €4.5 billion, a decline of 7.4% against the same period in 2013 (i.e. €4.8 billion in current prices).

In 2014, there were 37,672 building permits issued for residential buildings, compared to the 37,776 recorded in 2013.

In December 2014 compared to November 2014, the volume of construction works increased by 22.2%. New construction works increased by 30.7%, capital repair works increased by 5.4% and small R&M works increased by 11%. As regards the various segments, works in residential buildings increased by 36.6%, works in non-residential buildings increased by 18.7% and works in civil engineering increased by 15.5%.

Overall in 2014, the volume of construction works decreased by 6.7%, compared to 2013.

Looking in more detail, new construction works decreased by 3.2%, capital repair works decreased by 17.9% and smaller R&M works decreased by 9%.

As regards the various construction segments, the volume of construction works increased by 16.6% in non-residential buildings, increased by 32.6% in residential buildings and decreased by 21.8% in civil engineering.

As regards employment in construction, there were 345,000 employees registered in the sector in 2014, compared to 350,000 persons registered in 2013. Wages remain very low. The gross average wage was €398 in November 2014, down by 1% compared to November 2013. The average gross hourly wage was €2.42 per hour in November 2014, compared to €2.45 per hour in November 2013.

As regards construction cost indices, the figures are as follows:

- Total construction: 102.8% (2014/2013), of which material cost: 101.7%

On structural elements:

- new construction works: 103.2%
- residential buildings: 102.4%
- non-residential buildings: 102.7%
- civil engineering: 101.6%

2. Housebuilding

In December 2014, the volume of construction works in residential buildings increased by 12.7%, compared to December 2013.

Overall in 2014, the volume of works in residential buildings increased by 32.6%, compared to 2013.

In 2014, 37,672 building permits for residential buildings were issued, compared to 2013 (i.e. 37,776 permits). Estimates for the first quarter of 2015 show a decrease in the volume of residential building works, as well as in the number of permits to be issued.

3. Non-residential buildings

In December 2014, the volume of non-residential buildings increased by 62.4%, compared to December 2013. This result was obtained by the significant increase in investment in the development of shopping centres and office buildings.

4. Civil engineering

In 2014, the volume of construction works in civil engineering decreased by 21.8%, compared to 2013. An increase of 3.1% was recorded in December 2014 compared to December 2013.

In order to reduce the budget deficit while finding a solution to the lack of public investment, the Government tried to collect unused EU funds from the different operational programmes.

As regards energy infrastructure, there is a support scheme in favour of green energy. 3,200 MW of power was generated by wind farms in 2014, compared to 2,780 MW in 2013. Also, photovoltaic energy production reached a total capacity of 1,310 MW. Moreover, the natural gas station of Brazi was put into operation. It produced power of 860 MW.

As regards transport infrastructure: work is continuing on the Bucharest subway line 5. In 2014, 60 km of motorway were built, compared to 100 km in 2013. The total motorway network is 646 km.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	10,000	-10.5	4.3	2.1	37.9	8.8
1.1. Housebuilding	4,875	-2.5	-13.2	0.9	62.5	7.7
1.1.1. New	3,000	-5.2	-24.7	0.1	76.5	8.3
1.1.2. R&M	1,875	3.5	9.3	2.0	44.2	6.7
1.2. Non residential	5,125	-22.2	29.6	3.0	20.6	9.8
1.2.1. Private	3,970	-21.1	29.5	2.5	0.9	3.9
1.2.2. Public	1,155	-34.7	31.2	10.1	266.7	29.9
2. Civil Engineering	12,550	8.1	11.6	11.3	-26.1	2.6
(1 + 2) Total Construction	22,650	0.1	10.3	8.4	-6.5	4.9

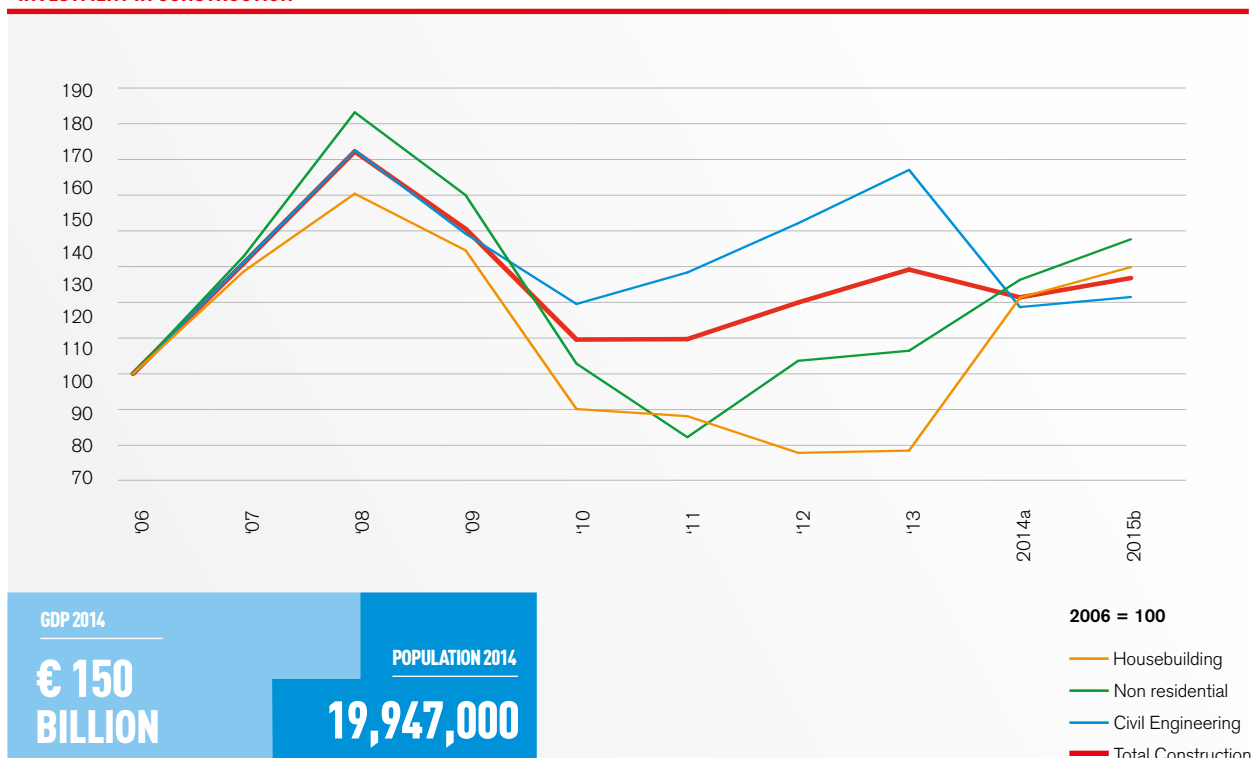
a: estimate - b: forecast

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	NA	NA	NA	NA	NA
collective dwelling	NA	NA	NA	NA	NA
other types of dwelling	NA	NA	NA	NA	NA
Total	39,440	37,863	39,900	44,600	47,500

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

The outlook for the Swedish economy improved during autumn 2014. Growth is therefore expected to be relatively good in 2015. Foreign trade is still sluggish, the reason being the slow recovery in Europe, which accounts for nearly 70% of the Swedish export market. It is mainly households which drive the recovery of the Swedish economy and consumer spending is rising at a relatively good pace. Large savings, stock market rally, rising house prices and an improved labour market are some of the reasons for the improved growth conditions. The result is that GDP growth will gradually improve throughout the forecast period 2014-2015.

The stronger GDP development will further improve total construction investment growth in 2015. Last year, construction investment rose significantly, with rising investments in residential construction being the main driving force. This year there will be a broad upturn and total construction investment will increase by 4%. It is still the residential construction segment which is the main engine. The public non-residential construction segment will have unchanged investment levels. The reason is due to strained finances in the county council and municipal sector. As regards employment, 2014 was a relatively weak year. Construction employment remained unchanged. Employment growth in the sector will continue to be weak in 2015.

2. Housebuilding

Investment in residential construction began to rise in Q2 2013. Investment in both single and multi-family dwellings has contributed to the turnaround. The recovery will continue throughout the forecast period, thanks to the housing construction boom in 2014.

For newly constructed buildings the forecast is 34,200 dwelling starts in 2014 and 34,500 this year. Expressed in investment terms, this means that new construction rose by 34% last year and will continue to increase by 7% this year.

Investment in repair and maintenance (R&M) increased by 9% during 2014 after a weak 2013. This year an increased demand from households will have a beneficial effect on the R&M segment and therefore, investment in this segment will continue to rise. Also, the renovation of rental housing by private property owners will provide a positive contribution to this development in 2015. All in all, total investment in housebuilding increased by 19% last year, and will continue to increase by 5% in 2015.

3. Non-residential buildings

The market-oriented construction of non-residential buildings experienced an upturn in 2014 after a very weak 2013. It was mainly the commercial, real estate and industrial sectors which experienced increasing investment. These three sectors together drove the upturn. This year, the improved economic outlook will give more fuel to private non-residential investment. It is primarily the commercial and real estate construction sectors which will contribute to the positive growth rate. A sign of this is that earlier postponed projects are now being scheduled to start again.

Local authorities and regions expect a very strained economy in the county council and municipal sector in both 2014 and 2015. This is one of the reasons why the investment volume in the public non-residential sector will level out. Another important reason for unchanged investment levels is that several large public sector projects (i.e. hospitals) are about to be completed, and new projects are smaller compared to the former ones. Overall, total investment in non-residential buildings increased by 11% in 2014 and will have an unchanged level in 2015.

4. Civil engineering

Also civil engineering investment increased in 2014. It was mainly private investment in the sectors of post, telecommunications and energy which had a sharp increase. The positive growth in the private civil engineering sector will continue this year through increased investment in the transport and energy sectors. It was railway investment that acted as a drain for public civil engineering investment in 2014. Public sector investment will increase this year when public spending on infrastructure increases. Total civil engineering investment rose by 5% last year and will continue to rise by 3% in 2015.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	27,876	3.2	-3.5	-2.1	12.9	3.8
1.1. Housebuilding	15,531	8.0	-11.8	2.1	19.3	4.9
1.1.1. New	7,473	24.0	-21.1	6.6	33.9	7.5
1.1.2. R&M	6,469	-3.3	-3.3	1.2	9.4	3.2
1.2. Non residential	12,345	-2.3	6.7	-6.3	5.9	2.3
1.2.1. Private	7,880	-6.2	7.8	-8.5	3.1	3.6
1.2.2. Public	4,466	6.6	4.6	-1.7	11.0	0.0
2. Civil Engineering	7,802	-6.0	11.7	-4.4	5.1	2.8
(1 + 2) Total Construction*	49,961	1.1	-0.3	-2.6	11.1	3.6

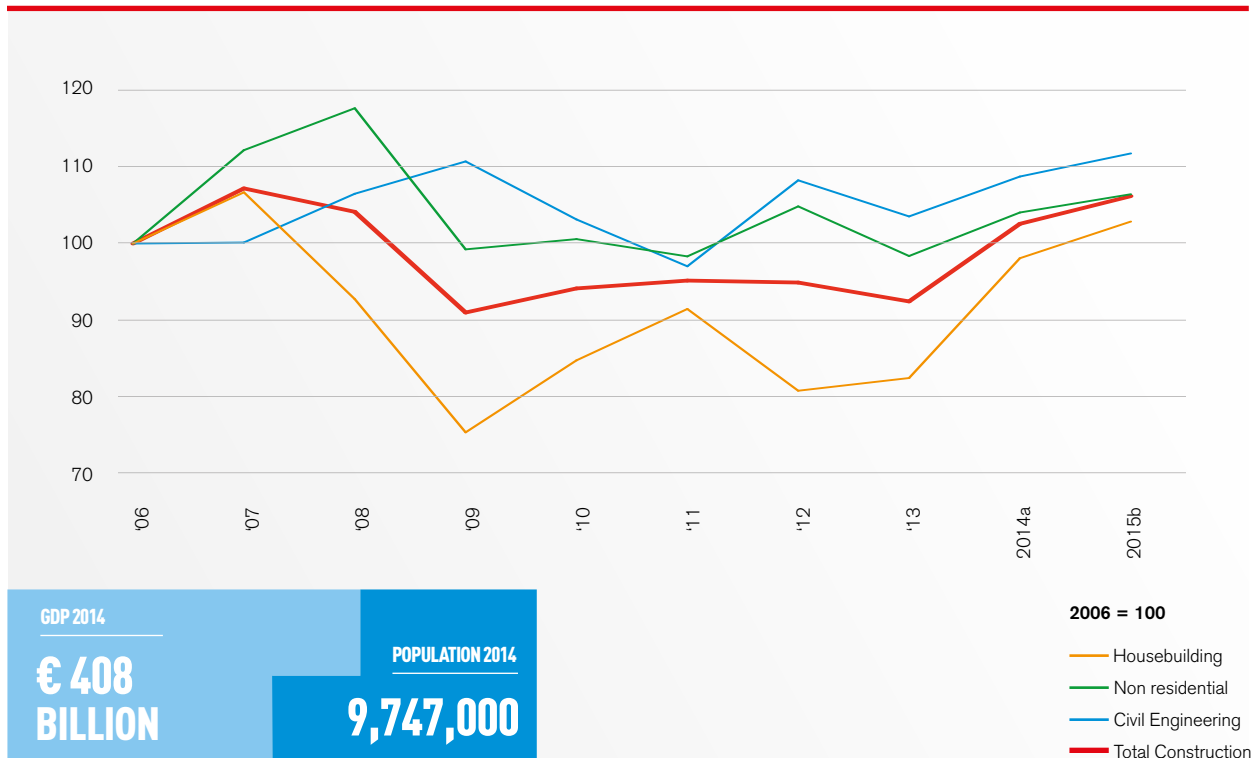
a: estimate - b: forecast. * Total construction is multiplied by 1.4 in order to include R&M.

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	8,481	6,609	7,122	9,511	10,000
collective dwelling	18,522	17,284	23,288	26,816	28,000
other types of dwelling	4,988	3,867	4,869	6,879	7,000
Total	31,991	27,760	35,279	43,206	45,000

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

In 2014, Slovenia experienced unexpectedly high growth in the economy (+2.5%). It was mostly driven by growth of exports (+6.6%) and growth of the construction industry (+19.4%).

In 2014, for the first time since 2009 when the crisis began, growth in construction (+19.4%) was recorded. It was especially high in H1 2014, while at the end of the year, there was already a small decline recorded. Annual growth was particularly pronounced in civil engineering (+26.4%), growth was recorded in the building segment too (+3.8%). It was propelled by non-residential buildings (+9.9%), while a significant drop was recorded in the residential segment (-24.1%).

But in Q4 2014, there was a sign that the construction market was calming down. A negative trend in new orders was recorded (approximately -10%).

The main reason for the improved situation in the sector was primarily a rush of public contracts for the construction of municipal and environmental infrastructure projects, in order to catch the deadlines for using EU funds from the financial programming period 2007-2013. The process intensively started at the end of 2013 and achieved its culmination in 2014. Its momentum will steadily decrease until the end of 2015 when all these projects should be completed.

Consequently, overall construction activity is expected to decline again in 2015.

In particular, a special regulation on bank guarantees in public procurement was adopted in 2014 in order to limit the unusually high requirements of public purchasers for bank guarantees. In spite of this, the lengthy bank guarantee period requirements from public purchasers have not been reduced.

In 2014, the average cost for housing construction increased by 0.75%. At the same time, labour costs increased by 3.65% and material costs decreased by -0.21%.

Despite nearly 20% growth in the construction industry, there was no positive effect on employment in the construction industry. We were faced even with a slight decline in employment (-0.4%). It seems that the companies did not take the risk of employing new workers considering the rigid labour force market in Slovenia and unpredictable market volume.

All in all, in 2015, a decline in overall construction activity is expected (approximately -5.6%). In the building segment, a decline of approximately 5% and in civil engineering a decline of 6% is expected.

2. Housebuilding

The average decline of 24.1% in the residential market in 2014 is the consequence of a progressive decline of

demand in housing and expectations of lower prices in the near future.

High unemployment among young people, wide spread short term labour contracts and oversupply on the housing market have a negative influence on the housebuilding segment. Moreover, banks remain cautious regarding the financing of building projects.

The oversupply of buildings constructed in recent years and the intensified process of their sales through the so called "bad bank" (Bank Assets Management Company - BAMC) has been influencing the market. BAMC was established in March 2013 as a government-owned company with the task of facilitating the restructuring of State-owned banks. The result is that potential buyers still expect good value for money for residential and non-residential buildings from BAMC auctions.

In 2015, the residential building market is expected to further decline (-5%).

3. Non-residential buildings

In the non-residential segment, growth of 9.9% was recorded. It seems that it was influenced by the local elections organised in 2014 – which usually have a positive effect on the construction market – as well as EU funds from the financial programming period 2007–2013, the national fund for investment support in energy efficiency measures in public buildings, etc.

The predicted relatively fragile economic growth of 2% in the Slovenian economy in 2015 will not be enough to enable new growth in non-residential buildings construction.

The only segment where a positive trend could occur is in the deep renovation of public and residential buildings, using national funds collected for energy efficiency measures in buildings, but this will not be enough to compensate for the lack of new investment.

4. Civil engineering

Very high growth on civil engineering projects in H1 2014 (above 50% compared to H1 2013) subsided in Q3 2014, while a decline was already recorded in the last quarter of the year. It was clear from the very beginning that the growth would be short term, as it was based on EU funds from the financial programming period 2007–2013, for the financing of municipal and environmental infrastructure projects, which should all be completed in 2015.

Anyway the average growth of 26.4% in civil engineering in 2014 was still extremely high.

In 2015, the above mentioned projects should be completed, so that steady decline is expected (-6%).

Hence, in 2014, a growth in civil engineering work is expected (+65%).

**PER CENT VARIATION OF PRODUCTION IN REAL
TERMS OF PREVIOUS YEAR**

 production
Mln. €
fixed prices

variation of production on previous year (%)

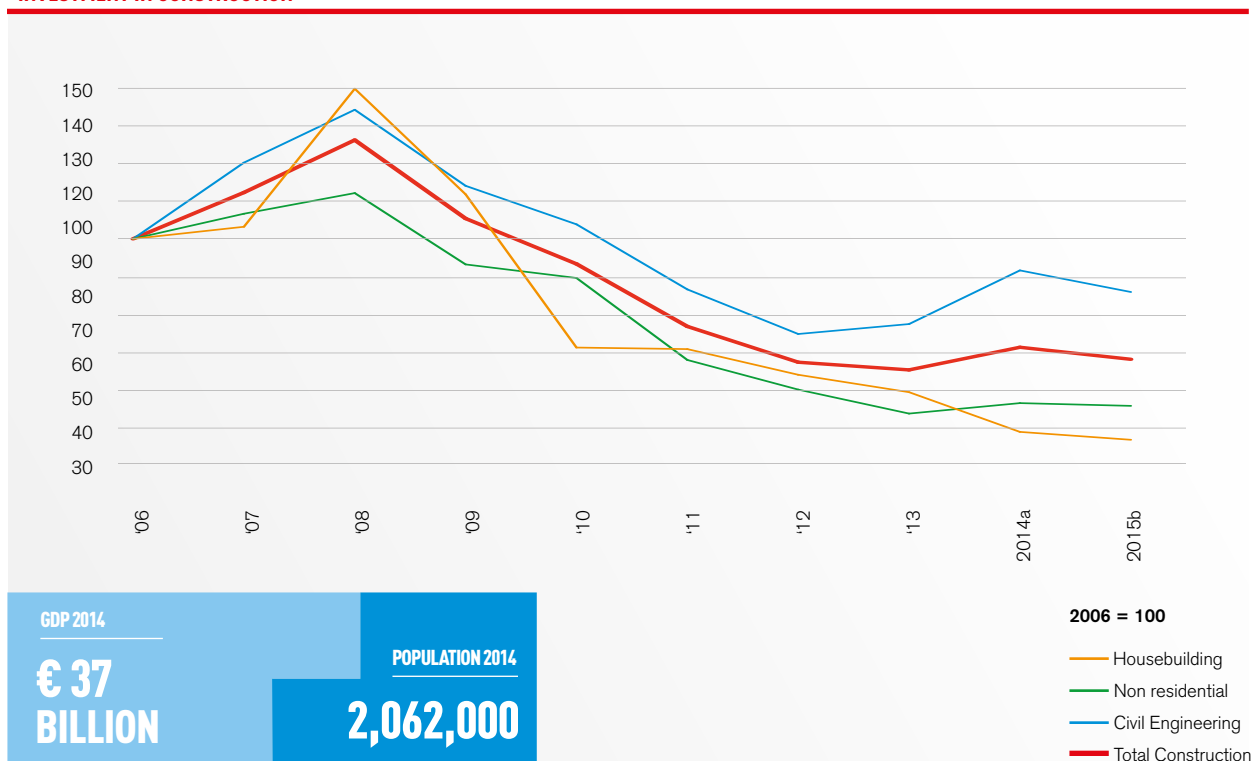
Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	411	-24.1	-15.0	-13.7	-2.2	-3.0
1.1. Housebuilding	93	-0.8	-12.9	-10.1	-25.5	-6.8
1.1.1. New	48	-11.8	-30.6	-20.1	-25.5	-6.8
1.1.2. R&M	45	49.0	34.2	3.8	-25.5	-6.8
1.2. Non residential	318	-30.4	-15.8	-15.2	7.8	-1.9
1.2.1. Private	NA	NA	NA	NA	NA	NA
1.2.2. Public	NA	NA	NA	NA	NA	NA
2. Civil Engineering	689	-20.1	-17.3	4.6	24.0	-7.8
(1 + 2) Total Construction	1,100	-22.0	-16.2	-4.1	12.7	-6.0

a: estimate - b: forecast

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	2,397	2,236	2,426	2,217	2,106
collective dwelling	1,239	846	606	340	323
other types of dwelling	77	0	49	0	19
Total	3,713	3,082	3,081	2,557	2,448

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION


1. Overall construction activity

In 2014, the United Kingdom showed remarkable signs of economic improvement. According to the Office of National Statistics (ONS), the UK economy grew by 2.6% in 2014, thus registering the fastest rate of growth since 2008. Additionally, the decline in unemployment to a record low rate of 5.8% continues to prove the good condition of the British economic landscape in spite of growing concerns regarding several EU member states.

The coalition government, led by David Cameron, hailed these numbers as proof that the contentious Conservative policies, focused on cutting public expenditure in order to reduce the budget deficit and providing tax cuts for people on low income, are setting Britain on a sustainable path to long-term prosperity. However, the opposition Labour Party has criticised the government's austerity measures and is pledging to reverse course.

The uncertain outcome of the next general election, scheduled for 7 May 2015, constitutes the single largest hurdle to long-term economic stability. Opinion polls forecast another hung parliament, where no single party holds an absolute majority. Since neither another Conservative-Liberal Democrat coalition nor a Labour-SNP pact might obtain the 326 seats required for a majority, protracted coalition negotiations constitute a real concern for businesses and the economy.

Although construction activity fluctuated throughout 2014, activity in this sector increased by 3.6% in November 2014 compared with November 2013; this growth seems bound to continue in the long-term.

There were 2.10 million people employed in the UK construction industry in Q3 2014, equivalent to 6.3% of all jobs, with 40,000 more jobs compared to the same period in 2013. Construction made up 6.1% of the economy in 2013 and early estimates indicate a slight increase to 6.4% in 2014.

2. Housebuilding

The chief challenges that affected housebuilding continued to be the limited access to finance for property purchases, with an undersupply of affordable housing, and the difficulty to meet the annual housing demand with targets set between 200,000 and 245,000 new homes a year.

There were 139,500 new starts between September 2013 and September 2014, consisting of a 17% increase from the previous year. Private sector and housing associations starts were respectively 113,020 and 24,210, registering respective increases over the previous year of 19% and 3%.

Over the same time period, a total of 117,070 houses were completed, a growth of 8% from 2013. Private and housing associations surged by 8% and 7%, amounting respectively to 93,090 and 22,920 completions in 2014.

In terms of economic output, new housing brought a total €30.99 billion to the UK economy in 2014, which is approximately €5.80 billion more than the previous year. The largest share of new housing (78.5%) came from the private sector with €24.97 billion, while the public sector's stake accounted for €6.56 billion (21.5%).

3. Non-residential building

The government continued to provide funding for non-residential building frameworks, especially for the construction of new schools. The Priority School Building Programme (PSBP) was set up to help school buildings in need of repair, as well as to allow the construction of new schools where most needed. Phase one delivered 214 schools through capital funding and 46 using private finance funding. The second phase, running from 2015 to 2021, set out rebuilding and refurbishment project for 277 schools with government spending estimated at approximately €6.99 billion on this phase of the project.

In 2014, the chained volume measure of UK construction output for non-residential building amounted to €68.33 billion, an increase from the €66.29 billion registered during the previous cycle. A total €40.71 billion came from new work, with the public sector accounting for €10.68 billion and the private sector for €30.03 billion. The remaining €27.62 billion came from non-residential repair and maintenance work.

4. Civil engineering

Infrastructure output saw a minor decline in 2014 by registering €15.45 billion as opposed to the €15.55 billion reported in the previous period. There are certain factors that must be taken into account when assessing these figures. The planning of HS2 – the proposed high-speed railway link between London and the northern regions of the country – has generated much interest both on the side of local contractors and large construction firms. It is therefore very likely that infrastructure and civil engineering output will increase greatly over the next five years.

At the same time, it should be noted that the prolonged decision-making process over airport expansion in London and the south-east constitutes a relatively significant block to further infrastructure capacity growth. It might be some time before a more definite agreement is reached.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	98,366	0.1	-8.5	0.0	9.0	3.3
1.1. Housebuilding	57,651	2.2	-4.7	2.7	15.6	5.5
1.1.1. New	30,992	7.4	-6.4	8.3	23.0	6.7
1.1.2. R&M	26,659	-2.3	-3.0	-2.5	8.0	4.0
1.2. Non residential	40,715	-2.0	-12.6	-3.2	0.9	0.3
1.2.1. Private	30,036	0.9	-8.3	-0.4	2.1	0.5
1.2.2. Public	10,679	-7.5	-21.6	-10.0	-2.5	-0.2
2. Civil Engineering	15,453	8.4	-12.6	-0.4	-0.7	2.7
(1 + 2) Total Construction	113,818	1.3	-9.1	-0.1	7.6	3.2

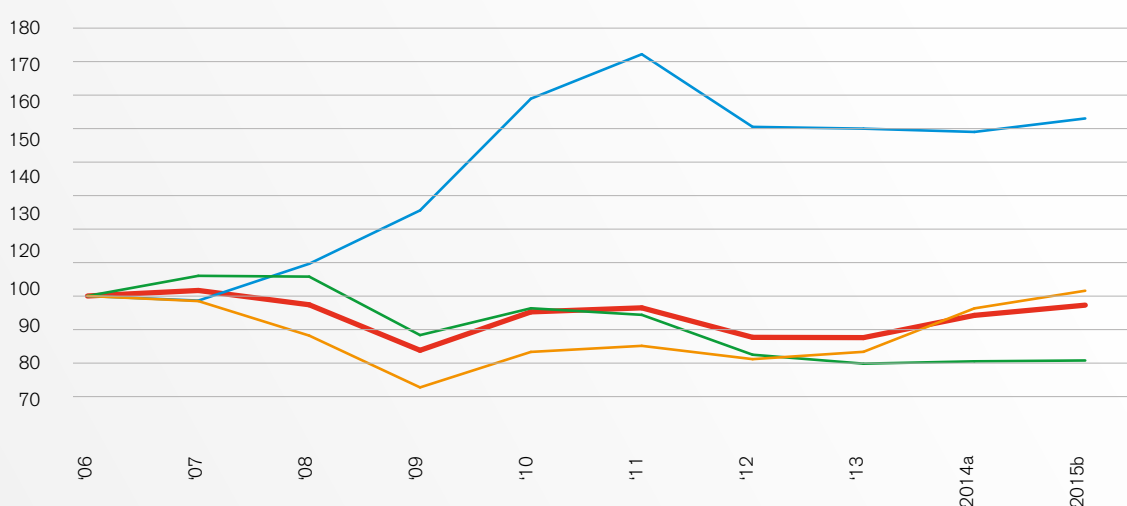
a: estimate - b: forecast

NUMBER OF BUILDING STARTS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	84,500	76,000	NA	NA	NA
collective dwelling	44,000	39,000	NA	NA	NA
other types of dwelling	NA	NA	NA	NA	NA
Total	128,500	115,000	149,662	163,932	NA

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



GDP 2014

€ 2,060
BILLION

POPULATION 2014

64,400,000

2006 = 100

Housebuilding
Non residential
Civil Engineering
Total Construction

1. Overall construction activity

The Swiss construction sector is profiting from the solid economic situation in Switzerland. GDP growth is estimated to be about 1.5-2% in 2014 and 2% in 2015. It also profits from healthy public finances, which allow steady public consumption. The unemployment rate is expected to remain stable at a low level of about 4.5% (using the ILO definition) in the present year.

The mild winter, both at the beginning and the end of the year, stimulated construction activity in 2014. We estimate a rise of about 4% to €52.1 billion (with €1 = CHF1.25). However, 2014 seems to have been the last year of a decade of sustained growth. Capacities have grown slightly, but steadily during this decade. The market has now reached saturation. In addition, we cannot expect such favourable weather conditions every year. For 2015, we therefore expect a slight decrease in construction activity of about 1%.

Despite high demand and capacity problems observed in recent years, construction prices have hardly risen. Enterprises have been faced with low margins and benefits, particularly in main construction work. With the expected consolidation in the construction sector, these problems might even be aggravated.

2. Housebuilding

Housing prices have risen sharply in the last decade. Some market observers see a bubble in the Swiss real estate market. However, the rise in prices lessened in 2014. In some regions, prices even dropped. Increasing construction activity as well as several measures taken by the Swiss National Bank and the Swiss government aiming to lower demand and limiting risks seem to be having their expected effects. At the moment, there are only few signs of a hard landing. In any case, the construction sector is still far from being oversized, which limits the danger. What is more, in contrast with housing prices, construction prices have increased only marginally. The increase in housing prices is mainly due to an increase in land prices.

Estimated spending in housebuilding reached €24.8 billion in 2014, 4% more than the year before. The most important factor was the mild winter which boosted activity. As building permits have somewhat declined since mid-2013, we expect the output to drop by 3% in 2015.

The outlook is way more severe in the mountainous regions of Switzerland. In the next two years, some regions will face drops of more than 50% in house building. They will feel the full effects of a successful popular initiative forbidding new secondary residences in communities with more than 20% of the total number of flats as secondary residences. Since the vote in March 2012, construction companies have lived off their remaining projects, providing them with a period of grace. This is now over.

3. Non-residential buildings

The non-residential sector profited from high investments in public buildings and in office buildings. The estimated activity grew about 7%, amounting to €16.1 billion. But in many regions, there is an oversupply in the office sector. Vacancies are growing. Yet, there are still many projects under construction or at the planning stage. Therefore, we are optimistic for the near future. For 2015, we expect the non-residential sector to grow about 2%.

4. Civil engineering

Due to overall balanced public budgets, there is no general need for cutting down infrastructure spending like in many countries of the EU. But at the same time, the alpine rail transversal (NEAT), the biggest railway infrastructure project of the past decades in Switzerland, including the Gotthard Base Tunnel with its 57km length, is nearly complete. This means that possible growth in civil engineering is now limited. Activity was stable in 2014, amounting to €11.2 billion. For 2015, we expect activity in civil engineering to remain at the same level.

In the long run, prospects are good. In February 2014, a new financing fund for railway infrastructure was accepted in a popular vote. It will get additional resources amounting to 1 billion Swiss francs (€800 million) a year. However, it will be the end of the decade before the first additional projects are ready for construction. A similar fund is planned for road transport infrastructure, but it still has to pass the legislative procedure.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	40,258	1.4	2.2	1.0	4.4	-0.9
1.1. Housebuilding	24,398	1.4	1.2	1.6	3.4	-3.0
1.1.1. New	18,857	-0.4	1.4	1.4	3.4	-3.0
1.1.2. R&M	5,541	7.9	0.5	2.4	3.4	-3.0
1.2. Non residential	15,860	1.3	3.8	-0.1	6.1	2.4
1.2.1. Private	9,345	0.4	3.4	0.8	3.9	2.0
1.2.2. Public	6,515	2.6	4.3	-1.4	9.3	3.0
2. Civil Engineering	10,971	-1.8	5.9	-0.3	-0.6	0.0
(1 + 2) Total Construction	51,228	0.7	3.0	0.7	3.3	-0.7

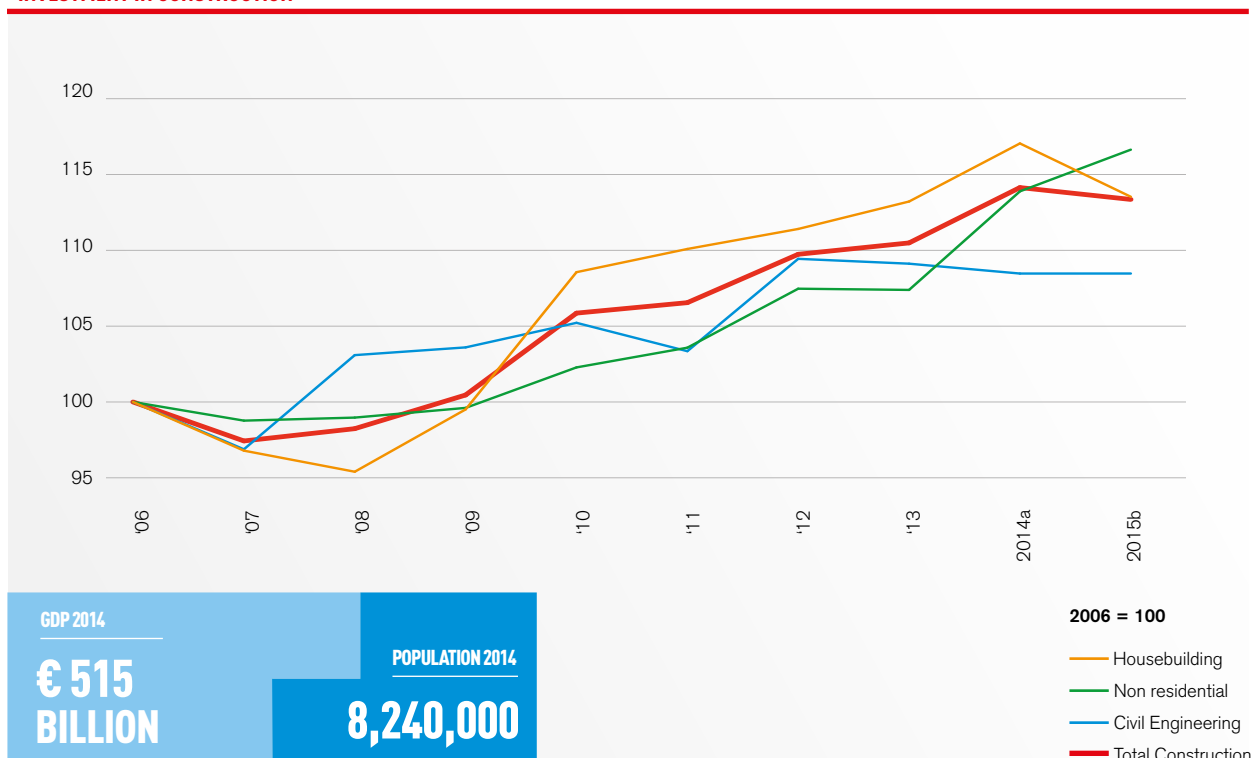
a: estimate - b: forecast

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	11,460	11,280	10,578	9,000	8,500
collective dwelling	39,645	40,258	42,762	40,700	40,700
other types of dwelling	600	1,000	800	800	800
Total	51,705	52,538	54,140	50,500	50,000

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

The construction sector has been growing every year since 2005, except from 2009 and 2010 when the consequences of the financial crisis hit the sector. Our estimate for 2014 shows that gross fixed capital formation in construction equals €42.6 billion (in current market prices), which is an increase of 3.8% from the previous year. Measured in constant 2010-prices, the amount equals €37 billion or a 1.3% increase from 2013. The exchange rate used is the yearly average for the reference year 2010 (€1 = NOK 8.0068). All the following growth rates are measured in constant prices. Our forecast for 2015 is 4.8% growth in gross fixed capital formation (construction only). Considering total construction activity (investments and R&M), growth in 2014 is estimated to be 2.3% and the forecast for 2015 is 4.3% growth. Estimated total employment in construction was 200,000 people in 2014, which is a 2% increase from 2013. This year we expect 2.5% growth in employment.

The downside risks for our forecasts are mainly related to the price of oil and gas. These forecasts are based on macroeconomic projections for the Norwegian economy assuming higher average oil prices than the latest development suggests. If petroleum investments in 2015 drop more than the 10-15% already expected, the negative effect on mainland businesses could hurt building demand in the short-run. Luckily, Norway is in a position to counter these negative effects to some extent by expansionary monetary and fiscal policy.

2. Housebuilding

The number of building starts in residential construction was low in the beginning of 2014, due to a credit crunch in autumn 2013. Although production of new dwellings has increased considerably since then, 2014 as a whole seems to have resulted in a reduction of about 11% compared to 2013. We expect a very small increase in dwelling starts in 2015, equal to 250 more dwellings than in 2014, which gives a yearly growth of barely 1%. Investments in housebuilding (incl. holiday houses and private garages), decreased by 6% in 2014, and we expect a further 1% decrease this year.

Strong growth in house prices in 2014 indicates that the fundamentals of demand for new housing are present. Demographic factors also indicate that the underlying growth in housing demand will remain high, although population growth seems to be lower than previously expected. The market for new flats will be the primary contributor to fluctuations in building activity in 2015 and the upcoming years. As far as residential R&M is concerned, we estimate 4% growth in 2014 and 1% in 2015.

3. Non-residential buildings

Business confidence is being rocked by the recent dramatic fall in oil prices. The Norwegian mainland economy has received considerable boosts from offshore activities in recent years, but petroleum investments are expected to decrease by 10-15% in 2015. The increased macroeconomic uncertainty could lead to stagnation in non-residential building investments, especially industrial and office buildings. However, neither business cycle indicators nor registered permits have so far revealed signs of a downturn in non-residential building. In total, non-residential starts (in square meters) are estimated to have grown by 7% in 2014. Some large, public funded projects for culture and education will contribute to an expected growth of 2.5% in 2015. Construction activity (investments and R&M) in non-residential buildings increased by 3.7% in 2014, and this year the forecast is 5.6% growth.

In recent years, the R&M market has been more affected by repair works after damages related to natural disasters. Additionally, political measures aimed at improving energy efficiency in existing buildings could stimulate demand and thus contribute to growth in the R&M-markets in the years ahead. Non-residential R&M is estimated to have grown by 4% in 2014, and this year we expect 3% growth.

4. Civil engineering

The total activity in civil engineering in 2014 was estimated to be about €15 billion in current prices, or €13.8 billion in constant 2010 prices. Considering the Norwegian population is 5.1 million, the market value per capita is among the highest in Europe. Estimated growth in 2014 was 7 % in constant prices, and we expect the same growth rate for 2015. The strong growth in 2014 was partly caused by an extraordinary increase in government grants to maintenance of classified roads and railway tracks, according to the approved state budget for 2014.

If we divide civil engineering into investment and maintenance, investment in new projects has been the main driver behind growth in recent years. We estimate 6.3% growth in investments in 2014, and a further 9% growth is expected this year. Maintenance on existing plants has also been growing in recent years, but at a slower rate. However, maintenance picked up dramatically in 2014 and grew by an estimated 8.7 %. This year we expect 2.6 % growth in maintenance.

PER CENT VARIATION OF PRODUCTION IN REAL TERMS OF PREVIOUS YEAR

production
Mln. €
fixed prices

variation of production on previous year (%)

Sectors	2014a	2011	2012	2013	2014a	2015b
1. Building	34,263	6.7	4.5	-1.2	0.5	3.1
1.1. Housebuilding	15,646	12.5	6.3	2.1	-3.0	0.1
1.1.1. New	10,339	18.3	6.8	3.1	-6.3	-0.3
1.1.2. R&M	5,306	2.0	5.1	0.1	4.0	1.0
1.2. Non residential	18,617	2.4	3.0	-3.9	3.7	5.6
1.2.1. Private	12,543	5.3	4.9	-8.4	2.1	0.8
1.2.2. Public	6,075	-3.9	-1.5	7.4	7.0	15.6
2. Civil Engineering	13,324	5.1	5.1	4.8	7.1	7.2
(1 + 2) Total Construction	47,587	6.3	4.6	0.4	2.3	4.2

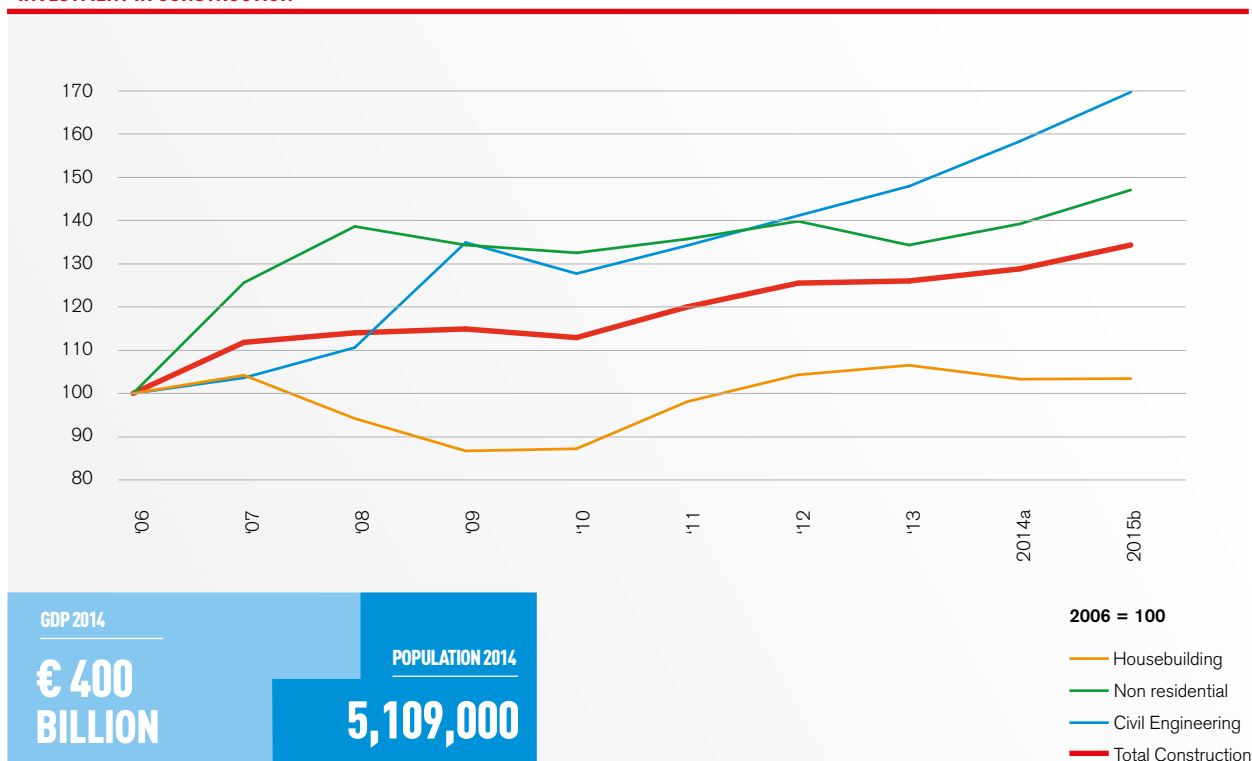
a: estimate - b: forecast

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	8,764	8,772	8,704	8,175	8,700
collective dwelling	20,486	20,454	21,113	17,713	18,850
other types of dwelling	969	1,648	1,612	1,363	1,450
Total	30,219	30,874	31,429	27,250	29,000

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



1. Overall construction activity

The construction industry plays a crucial role in Turkey's economic development, accounting for almost 6.0% of total GDP and employing more than 1.9 million people. When the direct and indirect impacts on sub-sectors (construction materials, logistics etc.) are taken into account, the share of the construction sector in the Turkish economy amounts to 30%.

Political and financial risks which have grown recently over the globe, especially for emerging markets, are expected to lead the Turkish economy to a trend of moderate growth in the following years. However, the Turkish construction market is expected to further expand over the next few years as a result of the government's continued support by debt guarantees and construction of large-scale infrastructure projects.

In line with the GDP growth trend, the Turkish construction sector growth has fluctuated over recent years. It slowed down to a moderate 2.2% growth in 2014 from a high rate of 7.4% in 2013, a low rate of 0.6% in 2012, and a significantly high rate of 11.5% in 2011.

2. Housebuilding

The residential market has developed significantly in recent years mainly due to the Urban Transformation Programme introduced by the government in 2012, aiming to replace or reinforce thousands of buildings in earthquake-prone regions. Some 6.5 million buildings should be demolished and reconstructed over the next 15 to 20 years with an estimated budget of USD 400 billion. The project is expected to bring an additional impetus to the demand in the construction and related industries, such as cement manufacturing.

Furthermore, favourable demographic profile, migration from rural regions to cities, together with changes in lifestyle increases the demand for construction of housing units in urban areas.

On the other hand, restrictions for foreigners acquiring property in Turkey have been eased with the enactment of the "Reciprocity Law" in 2012 which may also have a potentially positive impact on the residential industry increasing housing sales for foreign individuals, especially in the touristic regions of Turkey.

At the same time the biggest obstacles preventing the sector from growing more are the revised increased amount of VAT charged for the purchase of new housing as well as growth of housing stocks at a time of tight credit conditions which have seriously constrained the affordability of mortgages for the Turkish consumer.

According to the figures from the Turkish Statistical Institute (TurkStat) 1.165.381 housing units were sold in 2014, which is 0.7% above 2013 sales. 1.014.678 building permits were issued in 2014, indicating 21% growth compared to 2013. The number of housing units with occupancy certificates also showed an increase of 6% in 2014 compared to 2013.

3. Non-residential buildings

The non-residential segment keeps growing in Turkey.

The strong demand for offices, especially in the main business districts is boosted by multinational companies establishing their regional offices in Istanbul, as well as continuous business expansion and institutionalising trends of national companies.

The retail market is continuing to grow as well, with an increasing number of shopping centres throughout the country. Although the three largest cities of Ankara, Istanbul and Izmir have reached a certain saturation point in terms of gross leasable area, there are still many opportunities for development in cities with a population of more than 1 million.

4. Civil engineering

Turkey's construction sector growth in the last years was driven mainly by the government's extensive infrastructure development projects implemented under the PPP model. In addition to public-private partnership projects worth over USD 46 billion launched in 2013, 16 new PPP projects with a total value of USD 14 billion went out to tendered in 2014. The Third Istanbul Airport, the Third Bosphorus Bridge and several health centres are considered to be the largest ongoing projects.

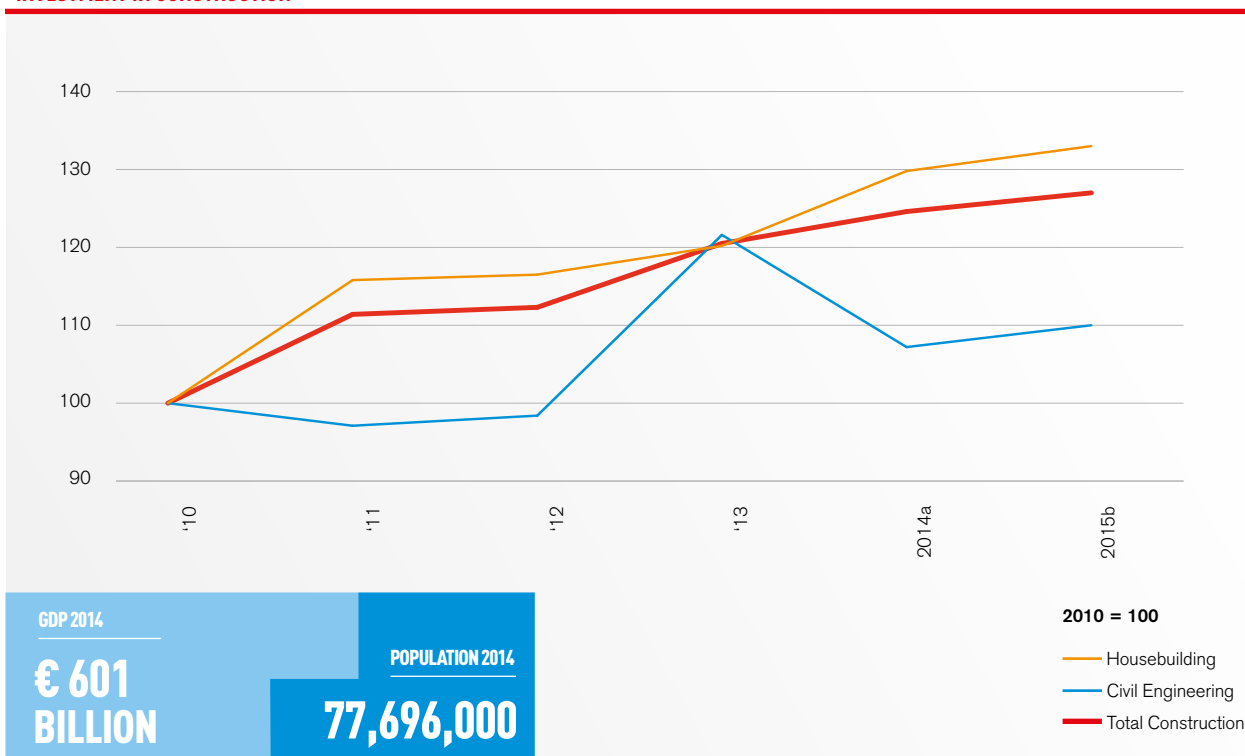
Moreover, Turkey has become one of the fastest growing energy markets in the world. The total amount of investment required to meet the energy demand in Turkey by 2023 is estimated to be around USD 120 billion. Situated between one of the world's largest gas deposits and one of the world's biggest gas markets (EU), Turkey plays a crucial part in international energy infrastructure. The list of future projects include construction of the Trans Anatolian Pipeline (TANAP) and several renewable energy and nuclear power plants.

NUMBER OF BUILDING PERMITS IN RESIDENTIAL CONSTRUCTION

	2011	2012	2013	2014a	2015b
single dwelling	20,702	19,507	23,124	24,538	26,000
collective dwelling	626,991	747,919	810,658	985,266	1,150,000
other types of dwelling	2,434	4,452	3,500	4,874	6,000
Total	650,127	771,878	837,282	1,014,678	1,182,000

(Collective dwellings and other types of buildings: in number of flats)

INVESTMENT IN CONSTRUCTION



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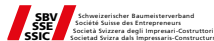
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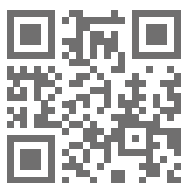
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