15 March 2019

Annual Decline in Construction Production of No Surprise

Construction – January 2019

In January 2019 the working days adjusted construction output dropped by 13.2% year-on-year (y-o-y), in real terms. The seasonally adjusted construction output grew by 2.9%, month-on-month. The planning and building control authorities granted by 0.5% more building permits, y-o-y, and the approximate value of permitted constructions grew by 17.3%, y-o-y. The number of started dwellings rose by 15.3%, y-o-y; and the number of completed dwellings jumped up by 28.2%, y-o-y.

In January 2019 the seasonally adjusted, including working days, **construction output**1 increased by 2.9%, month-on-month, in real terms. January 2018 was extraordinary warm in the Czech Republic and favourable weather conditions enabled construction workers to carry out all types of construction work without any limitation. The production in building construction dropped by 13.1% (contribution -10.8 percentage points (p.p.)), y-o-y. The production of civil engineering construction declined by 13.7% (contribution -2.4 p.p.), y-o-y. The unadjusted construction output decreased by 13.2%, y-o-y. January 2019 had the same number of working days as January 2018.

The **average registered number of employees**2 in construction in January 2019 grew by 0.3%, y-o-y. Their **average gross monthly nominal wage** increased by 4.2%, y-o-y.

In January 2019 the number of building permits granted increased by 0.5%, y-o-y. The planning and building control authorities granted 6 078 **building permits**. The **approximate value** of the permitted constructions attained CZK 30.8 billion and jumped up by 17.3% compared to the same period of 2018.

The **number of dwellings started** in January 2019 grew by 15.3%, y-o-y, to attain 2 797 dwellings. The number of dwellings started in family houses decreased by 5.5% and that of dwellings started in multi-dwelling buildings soared by 67.1%.

The **number of completed dwellings** jumped up by 28.2%, y-o-y, in January 2019 and was 2 753 dwellings. The number of completed dwellings in family houses jumped up by 29.1%. The number of completed dwellings in multi-dwelling buildings jumped up even more by 34.5%.

According to Eurostat the working days adjusted (WDA) **construction output in the EU28** increased by 0.5%, y-o-y, **in December 2018**. Buildings decreased by 0.9% and civil engineering works grew by 5.1%. According to the preliminary schedule, Eurostat shall release the data for January 2019 on 19 March 2019.

\* \* \*

The text on the construction production index was modified and, as a novelty, working days adjusted data are emphasised in the News Release on construction. Simultaneously, there are changes to the publishing of data on employment, in which solely year-on-year indices for the whole population of businesses with prevailing construction activities have replaced the formerly published absolute values for the sample of businesses with 50+ employees.

*Notes:*

1 The year-on-year trend in construction production is published as a working days adjusted value, unless otherwise stated. Month-on-month and quarter-on-quarter indices are also seasonally adjusted. Increments of a growth or decline are also calculated on the basis of working days adjusted figures.

*2* *The indicator of registered number of employees does not include persons working under various contracts for work, working owners of enterprises and cooperating household members, who do not have contracts of employment. Data on the registered number of employees in construction also exclude agency workers, who have contracts of employment, yet within activities of services (CZ-NACE 78.2).*

*In accordance with the CZSO revision policy the data for 2018 were revised along with the processing of data for January 2019.*

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*Method of data acquisition: the CZSO direct surveys of Stav 1-12 and Stav 2-12*

*End of data collection: 4 March 2019*

*Following outcomes:* [*https://www.czso.cz/csu/czso/sta\_ts*](https://www.czso.cz/csu/czso/sta_ts)

[*https://www.czso.cz/csu/czso/bvz\_ts*](https://www.czso.cz/csu/czso/bvz_ts)

*Next News Release will be published on: 8 April 2019*

Annexes:

Table 1 Construction production indices, construction permits granted, and housing construction (year-on-year indices for the month)

Graph 1 Construction production indices (year-on-year indices for the month)

Graph 2 Construction production indices (base indices)

Graph 3 Construction production indices, international comparison