8 July 2016

Year-on-Year Decline in Construction Production Slowed Down

Construction – May 2016

In May 2016 the construction output decreased by 4.3% year-on-year (y-o-y), in real terms. The planning and building control authorities granted by 9.7% more building permits, y-o-y, and the approximate value of permitted constructions jumped up by 41.2%, y-o-y. The number of started dwellings jumped up by 44.6%, y-o-y, and the number of completed dwellings soared by 61.4%, y-o-y.

In May 2016 the **construction output** decreased by 4.3%, y-o-y, in real terms. The working days adjusted construction output in May 2016 was by 8.4% lower, y-o-y. May 2016 was by three working days longer compared to May 2015. The seasonally adjusted construction output in May 2016 was by 2.8% higher, month-on-month (m-o-m). The production in building construction decreased by 1.8% (contribution -1.2 percentage points (p.p.)), y-o-y. The production of civil engineering construction declined by 9.1% (contribution -3.1 p.p.), y-o-y.

The **average registered number of employees\***), in construction enterprises with 50+ employees fell by 2.2%, y-o-y, in May 2016. Their **average gross monthly nominal wage** increased by 5.6%, compared year-on-year, and reached CZK 31 919.

In May 2016 the **number of building permits granted** increased by 9.7%, y-o-y; the planning and building control authorities granted 7 907 building permits. The **approximate value** of the permitted constructions attained CZK 30.8 billion and soared by 41.2% compared to the same period of 2015.

The **number of dwellings started** in May 2016 soared by 44.6%, y-o-y, and attained 2 632 dwellings. The number of dwellings started in family houses grew by 24.4% and that of dwellings started in multi-dwelling buildings almost doubled due to a low comparison basis of 2015.

The **number of completed dwellings** soared by 61.4%, y-o-y, in May 2016 and was 2 500 dwellings. The number of completed dwellings in family houses grew by 16.9%. The number of completed dwellings in multi-dwelling buildings tripled in part due to a low basis of comparison.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** decreased by 1.5%, y-o-y, **in April 2016**. Buildings decreased by 0.8% and civil engineering works fell by 5.2%. According to the preliminary schedule Eurostat shall release the data for May 2016 on 19 July 2016 (at 11:00 a.m.).

*Notes:*

\*) *The indicator of the 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).*

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

*End of data collection: 1 July 2016*

*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 August 2016*

Annex:

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