

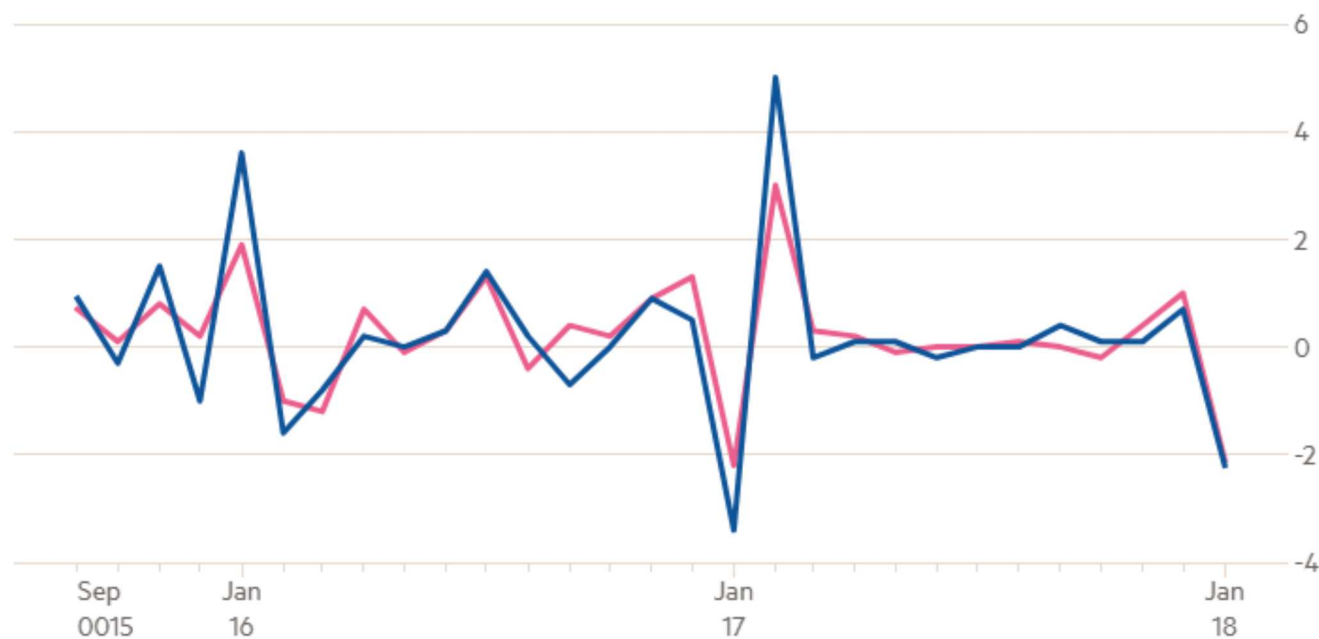
fastFT European Union

European construction takes a pause in January

Production in construction down 2 per cent

Month-on-month % change, seasonally adjusted

— Eurozone
— EU28



Source: Eurostat

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Federica Cocco MARCH 19, 2018

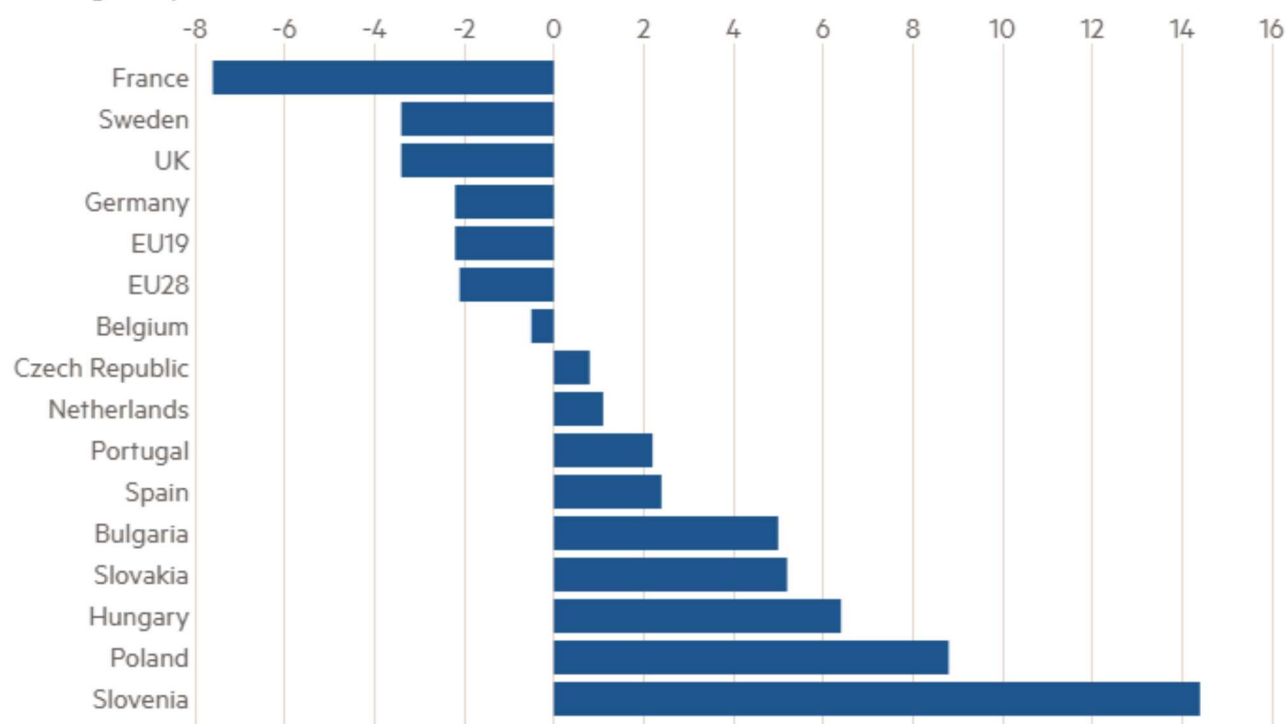
A sharp pullback in France has dragged down the latest reading of European construction, with production sinking by 2.2 per cent across the Eurozone and by 2.1 per cent across the EU in January.

A decline is not unusual for the first month of the year, but still adds to a run of [downbeat measures for the month](#).

Among the countries for which data is available, the greatest monthly falls were seen in France, Sweden and the UK.

France, Sweden and UK see largest decreases in production construction

% change on previous month



Source: Eurostat

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Across the EU, the fall is largely due to a 2.8 per cent fall in building construction, while civil engineering fell by just 0.3 per cent.

However, when compared year on year the figures provide a much brighter picture with a 3.7 per cent increase in production in construction across the euro area compared with January 2017, in large part thanks to a 9.3 per cent in civil engineering. Building construction in the eurozone countries is up by 2 per cent on the year.

Across the whole of the EU production in construction increase by 2.5 per cent on the year, with civil engineering rising by 8.4 per cent, and building construction by 0.9 per cent. These last figures can be explained by huge rises in construction in Slovenia (76 per cent on the year), the Czech Republic (33.6 per cent) and Poland (31.6 per cent).

Spain and the UK were the only two countries to experience year on year falls of 3.6 and 3.2 per cent respectively.

Pantheon Macroeconomics writes:

Activity in the construction sector was stung by falling production in Germany and France, but strong data elsewhere mean that the headline was less bad than we expected. Output rose 2.2% month-to-month in Spain, and jumped 14.4% and 5.4% in Slovenia and Slovakia, respectively.

The monthly construction numbers are currently underperforming the survey data

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