

Working Group M – Economic Development & International Trade

ARGE 2013 Conference

5 - 6 September 2013
Budapest

Working Group M – Economic Development & International Trade

AGENDA

1. Introduction
2. Summary Euroconstruct/Eurostat information on the market
3. ARGE Questionnaire 2013
4. Results ARGE Questionnaire/discussion
5. Questions

A handout will be published on the ARGE website

www.arge.org

Working Group M – Economic Development & International Trade: European construction market

Key Indicators Euroconstruct countries

(AT, BE, DK, FI, FR, GE, IE, IT, NO, PT, ES, SE, CH, NL, UK, CZ, HU, PL and SK)

| Source: Euroconstruct June 2013) | 2010 | 2011 | 2012 | 2013 (forecast) | 2014 (forecast) |
|---|---------------------|-------------|-------------|----------------------------|----------------------------|
| GDP (real annual % change) | 2,3 | 1,7 | -0,1 | 0,2 | 1,4 |
| Export (annual % change) | 10,2 | 6 | 2,3 | 2 | 4,5 |
| Total construction | 1.392.958 (mill. €) | 0,3% | -5,3% | -2,8% | 0,5% |
| No. of housing completions | 1.555.600 | 1.465.700 | 1.453.800 | 1.330.200 | 1.314.200 |
| New non- residential market volume | 242.107 (mill. €) | -0,6% | -5,7% | -5,7% | -1,6% |

Statistics – general information

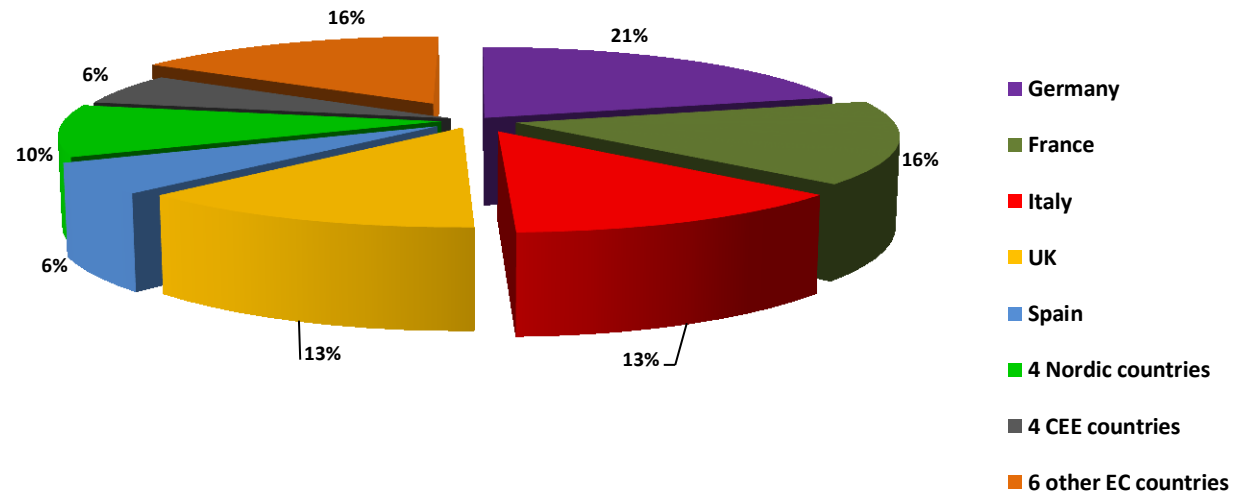
- **Figures of construction sector are based on information from 19 Euroconstruct countries:**
Western Europe: AT, BE, DK, FI, FR, GE, IE, IT, NO, PT, ES, SE, CH, NL and UK
Eastern Europe: CZ, HU, PL and SK
- **Figures of export are based on Eurostat (EU-27)**
- **Values are based on Euroconstruct information of June 2013**
- **Values for 2013 – 2014 are forecasts**
- **Most values are changed in comparison with last years report**

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Construction sector total (billion euro 2012)

- Market size : € 1,322.7 (9,9% of GDP)
- Total residential construction: : € 596.9
- Total non-residential construction: € 431.1
- Renovation share: 50%

Construction volume in Europe by countries 2012



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Construction sector total

2012

- 6 growing countries and 13 decreasing countries
- Total market decrease: **-5,3%** (expectation last year was **0,0%**)

2013 (forecast)

- 6 growing countries and 13 decreasing countries
- Total market decrease: **-2,8%** (expectation last year was **-2,1%**)

2014 (forecast)

- 12 growing countries and 7 decreasing countries
- Total market increase: **0,5%** (expectation last year was **0,4%**)

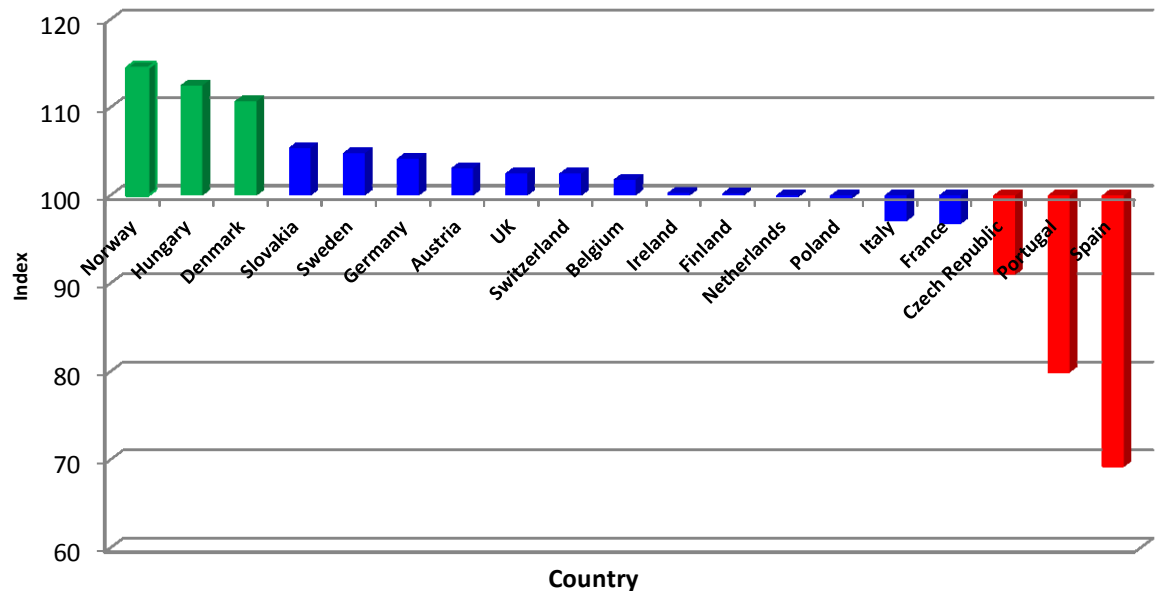
2015 (outlook)

- 18 growing countries and 2 decreasing country (ES and CZ)
- Total market increase: **1,7%**

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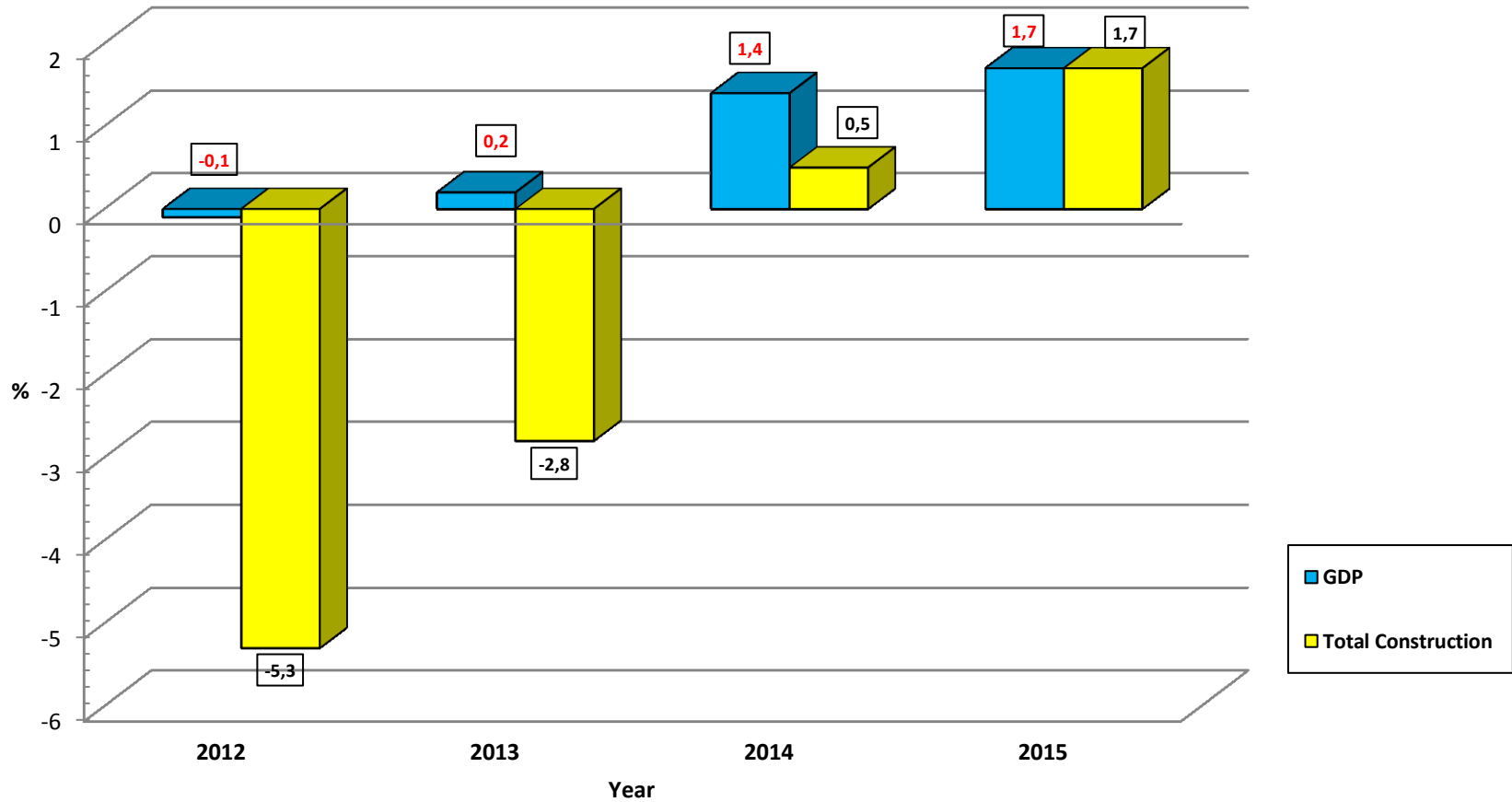
Expectations 2012-2015 – 3 groups can be distinguished

- Growth 2015 > 8% above 2012:
Norway, Hungary & Denmark
- +/- 8% growth from 2012 to 2015:
Austria, Belgium, Finland, France, Germany, Italy, Ireland, Netherlands, Poland, Slovakia, Sweden, Switzerland & United Kingdom
- 2015 < 92% of 2012
Czech Republic, Portugal & Spain



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Construction and Economic growth % change

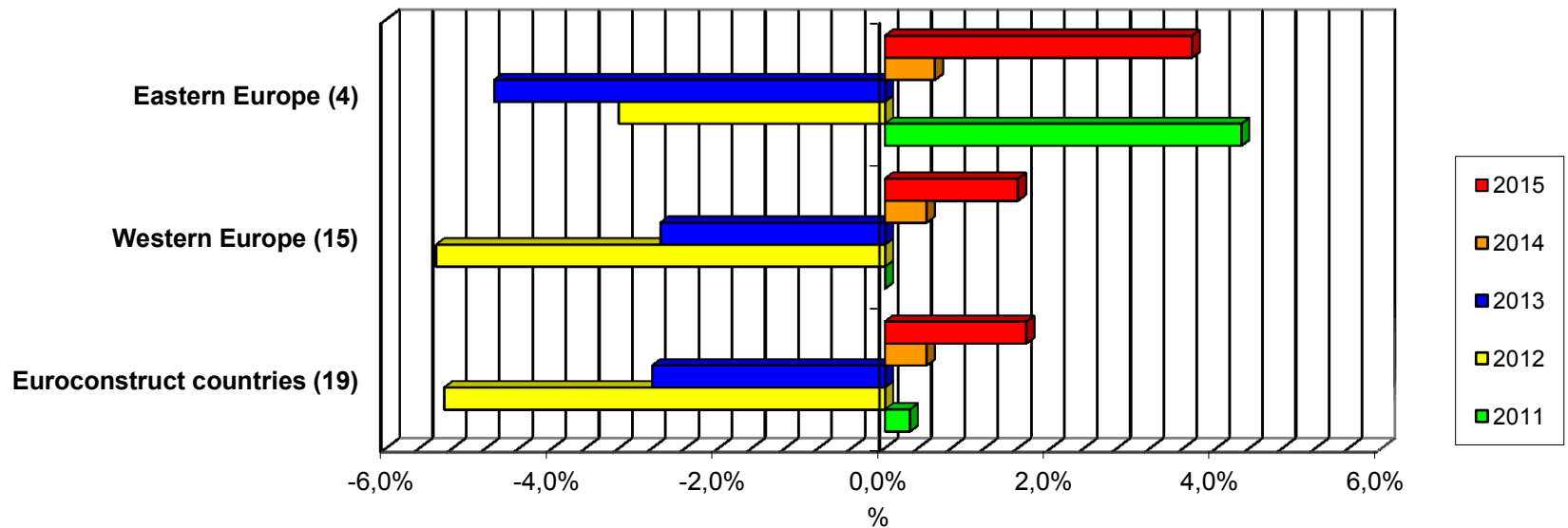


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Western Europe: AT, BE, DK, FI, FR, GE, IE, IT, NO, PT, ES, SE, CH, NL and UK

Eastern Europe: CZ, HU, PL and SK

% change construction sector volume



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Residential construction sector (housing completions)

2011

- Number of 1+2 family dwellings: 681.800 (+23.300)
- Number of flats: 783.900 (-113.200)

2012

- Number of 1+2 family dwellings: 657.200 (-24.600)
- Number of flats: 796.600 (+12.700)

2013 (forecast)

- Number of 1+2 family dwellings: 630.200 (-27.000)
- Number of flats: 700.000 (-96.600)

2014 (forecast)

- Number of 1+2 family dwellings: 634.900 (+4.700)
- Number of flats: 674.200 (-25.800)

2015 (outlook)

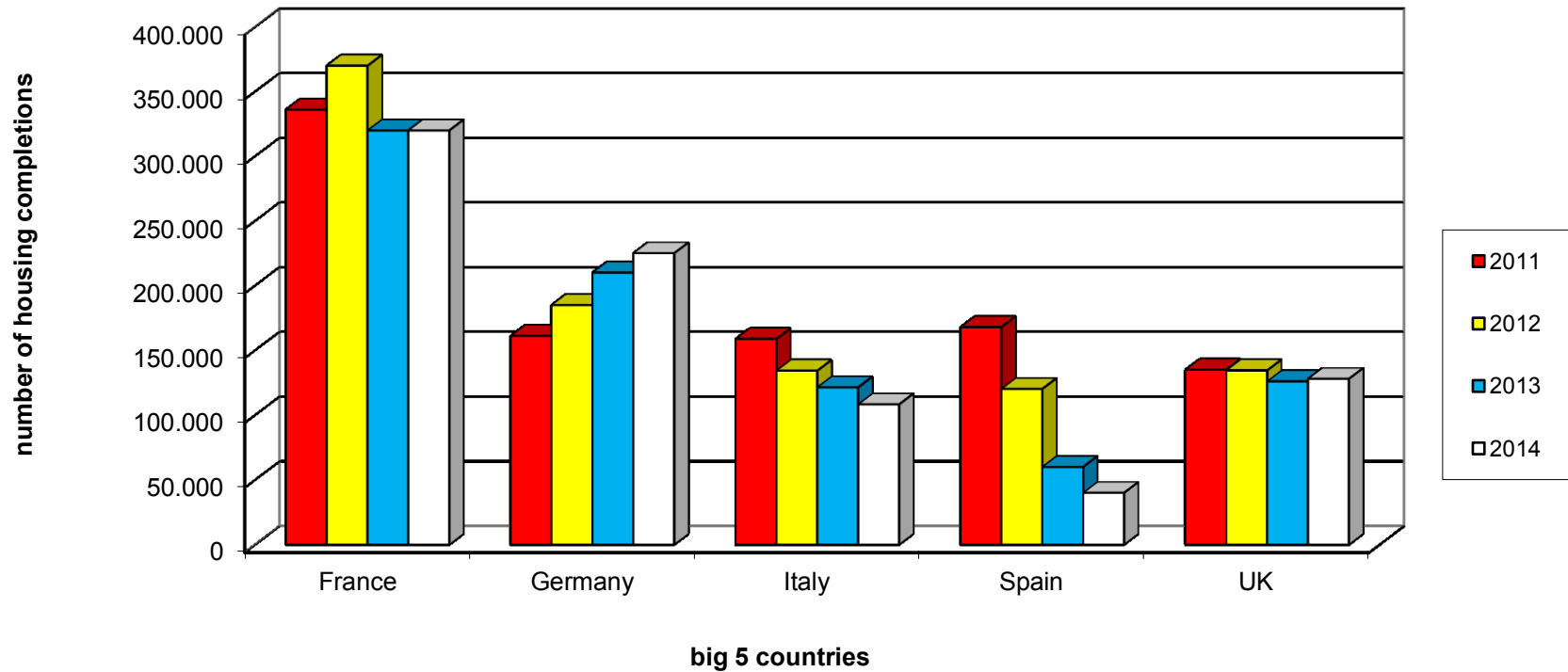
- Number of 1+2 family dwellings: 669.200 (+34.300)
- Number of flats: 703.400 (+29.200)

**Total housing market
decline
2008 – 2013**

43,2%

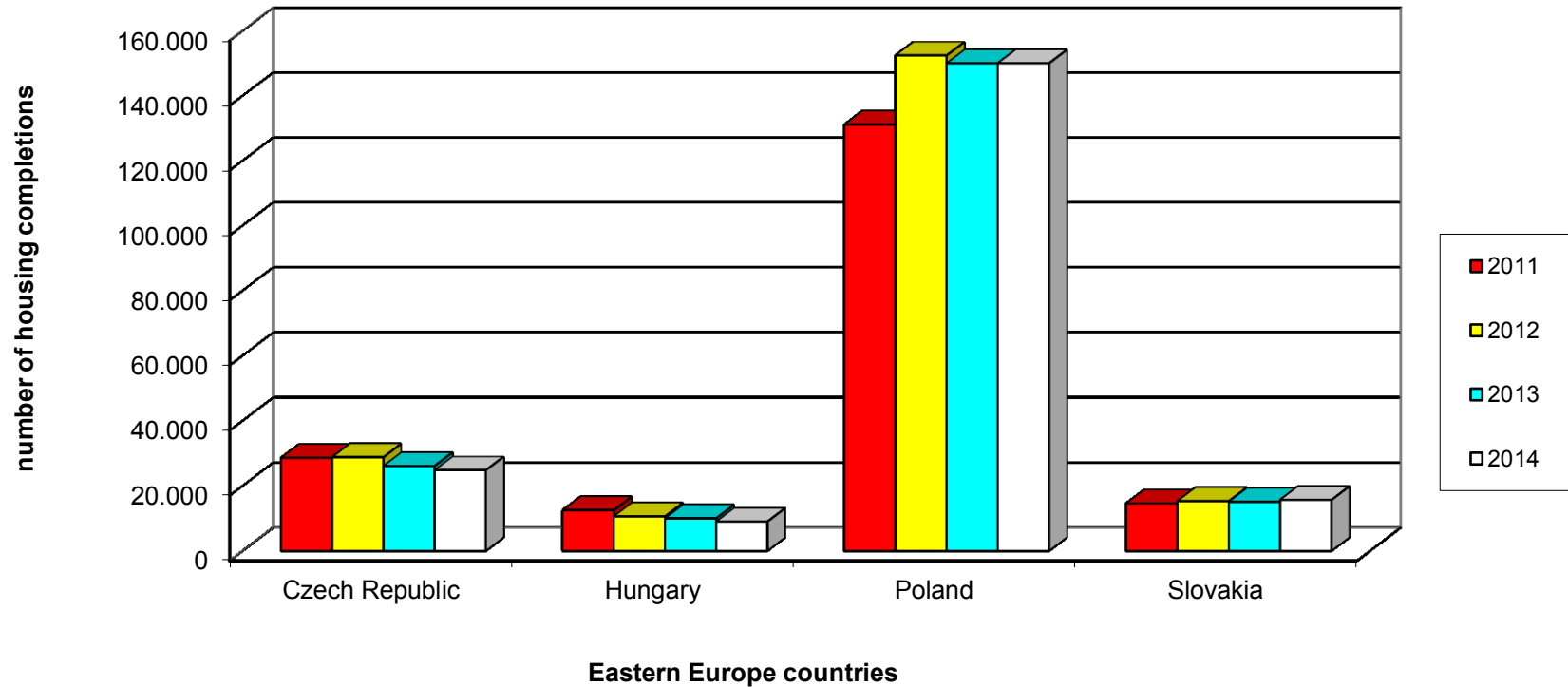
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Residential construction



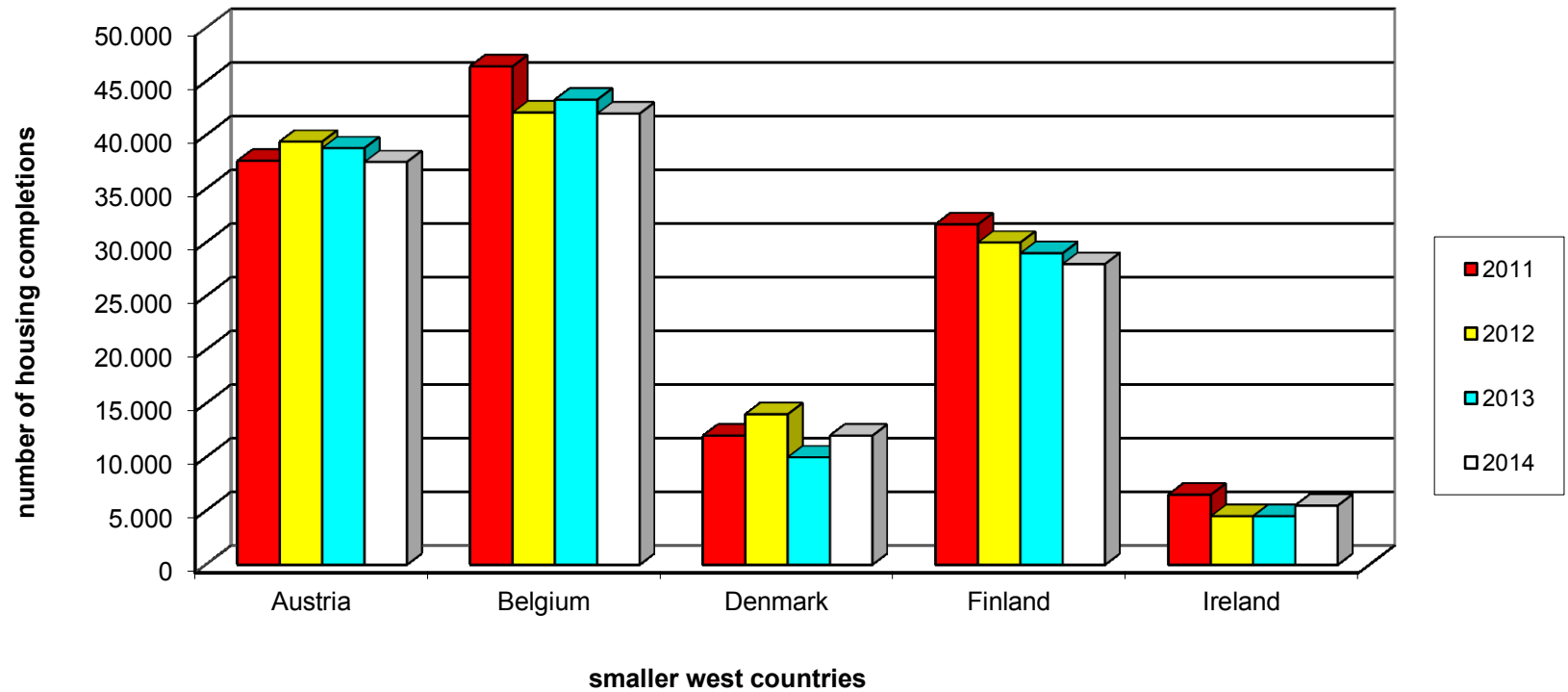
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Residential construction



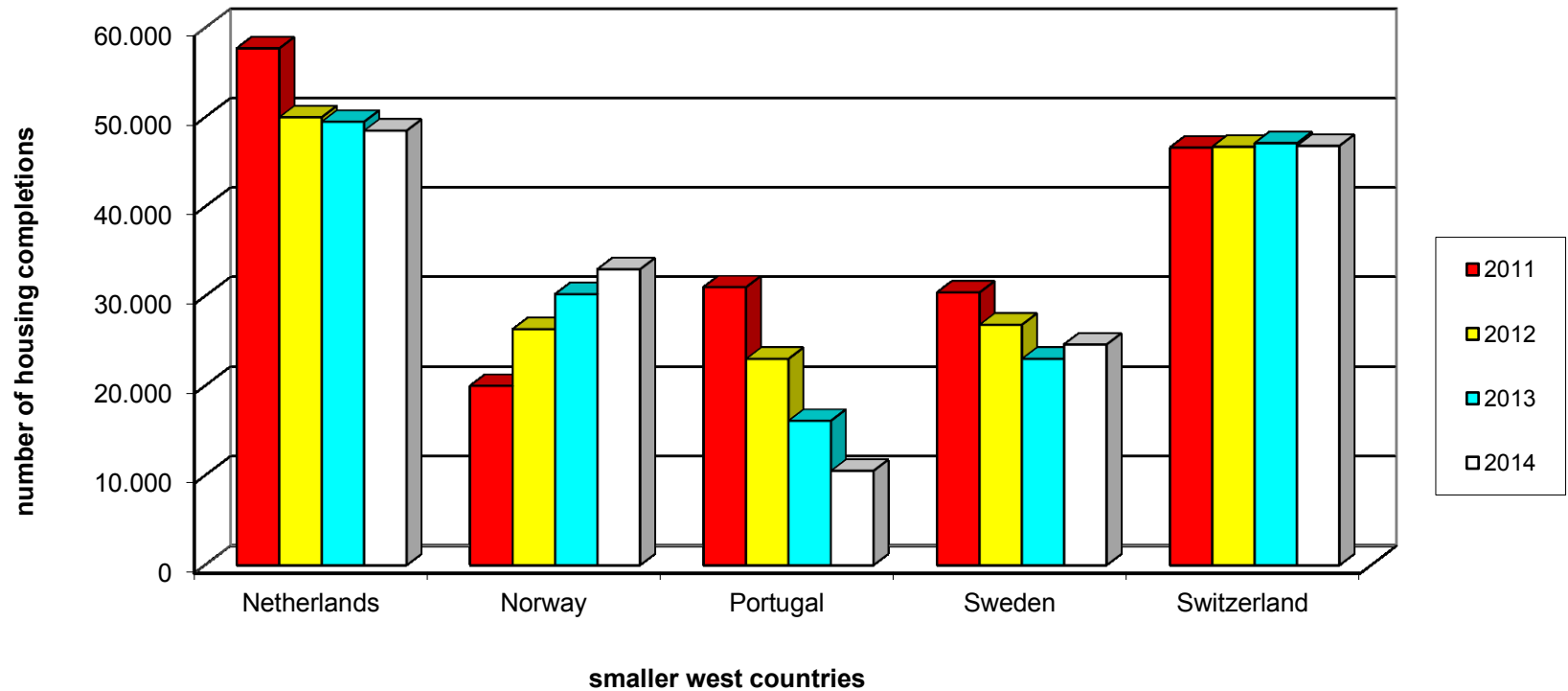
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Residential construction



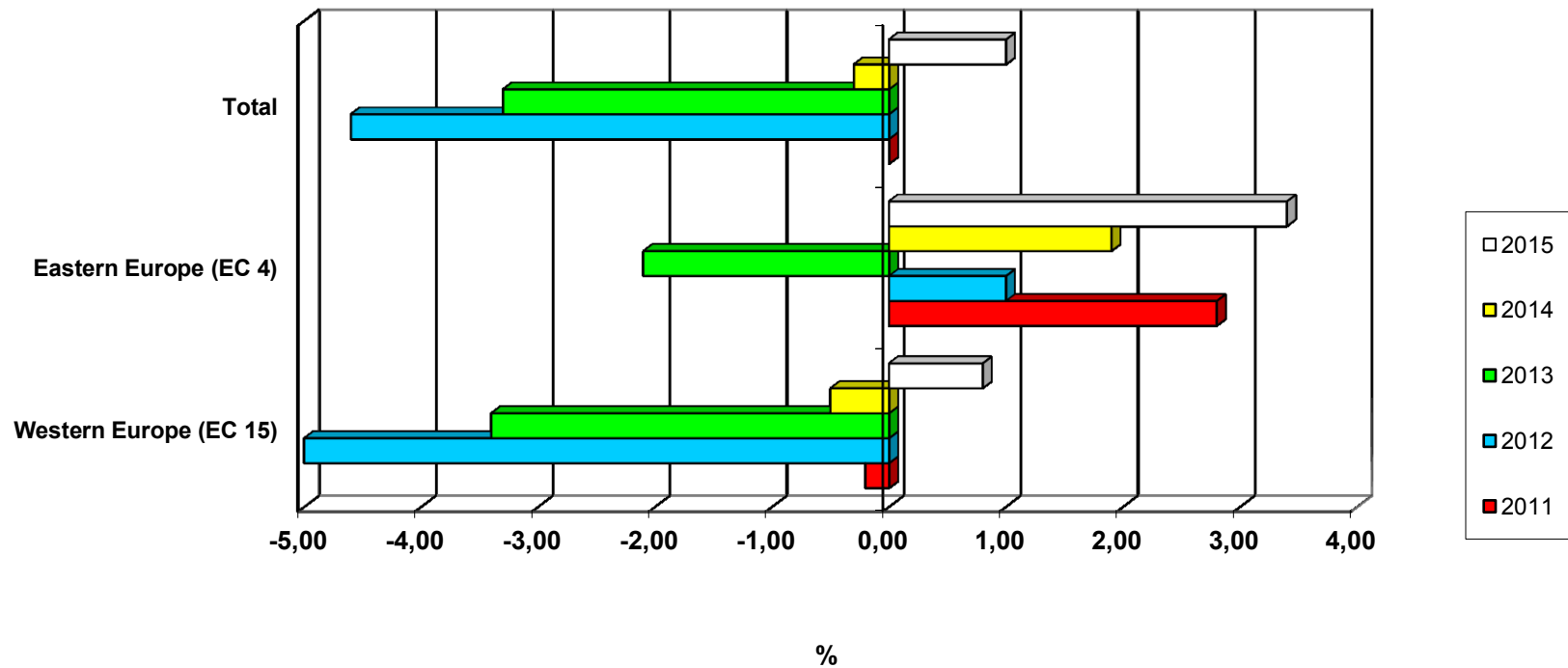
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Residential construction



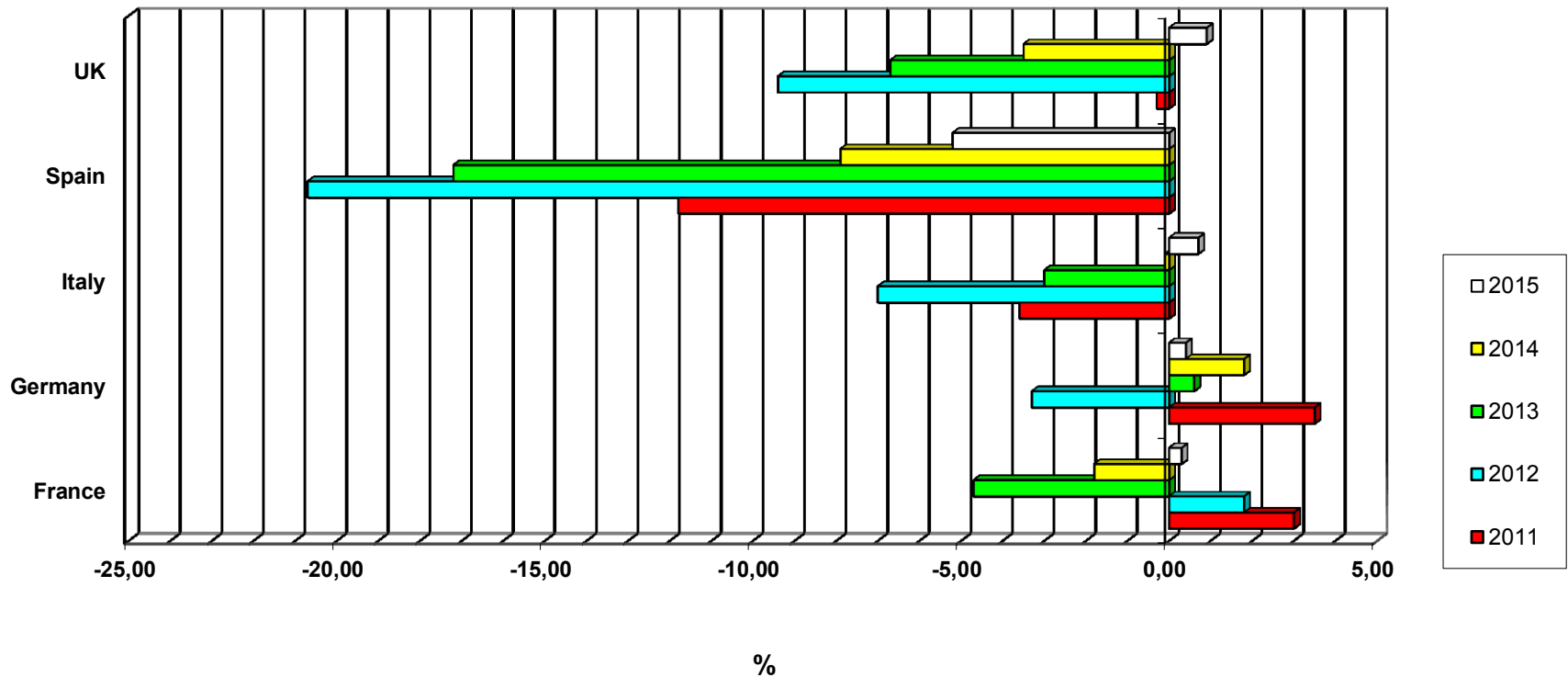
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Total non-residential construction annual growth rate



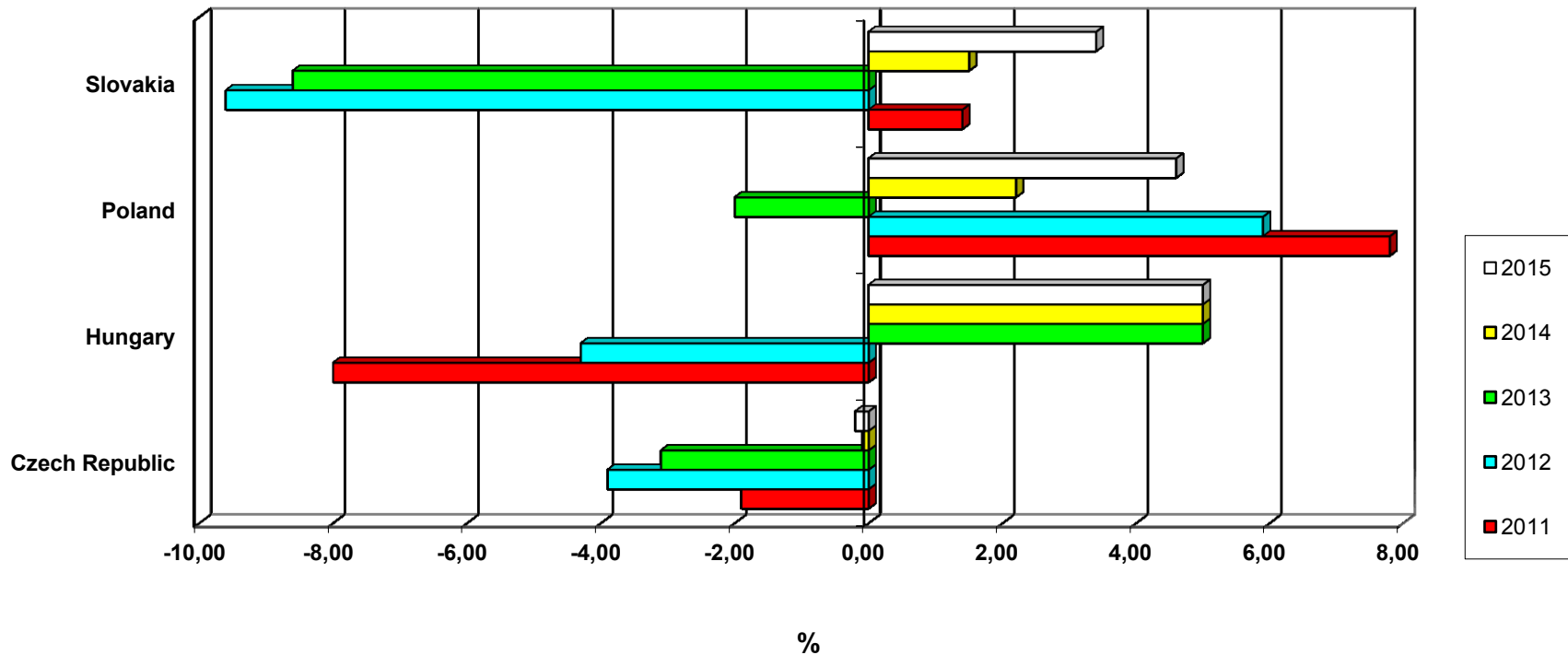
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Total non-residential construction annual growth rate (big 5 countries)



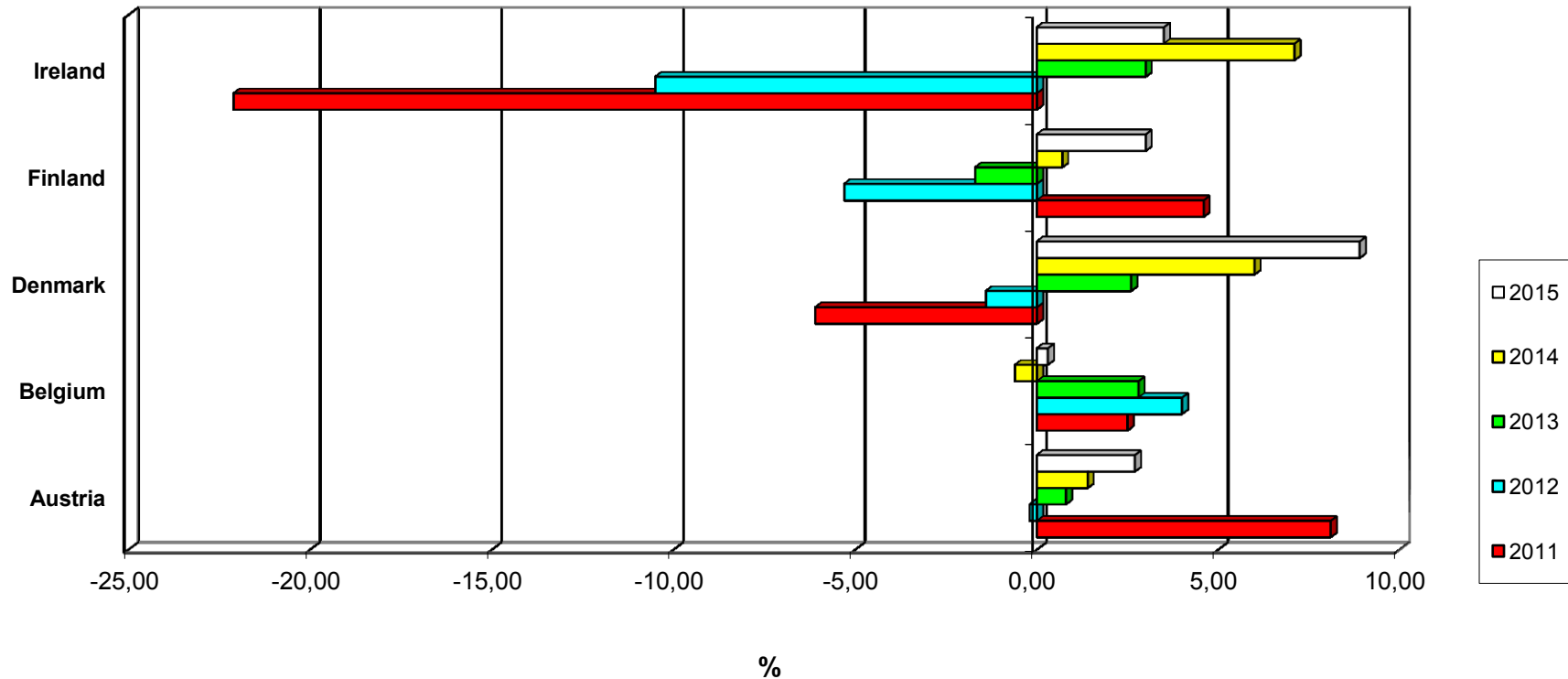
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Total non-residential construction annual growth rate
(Eastern Europe countries)



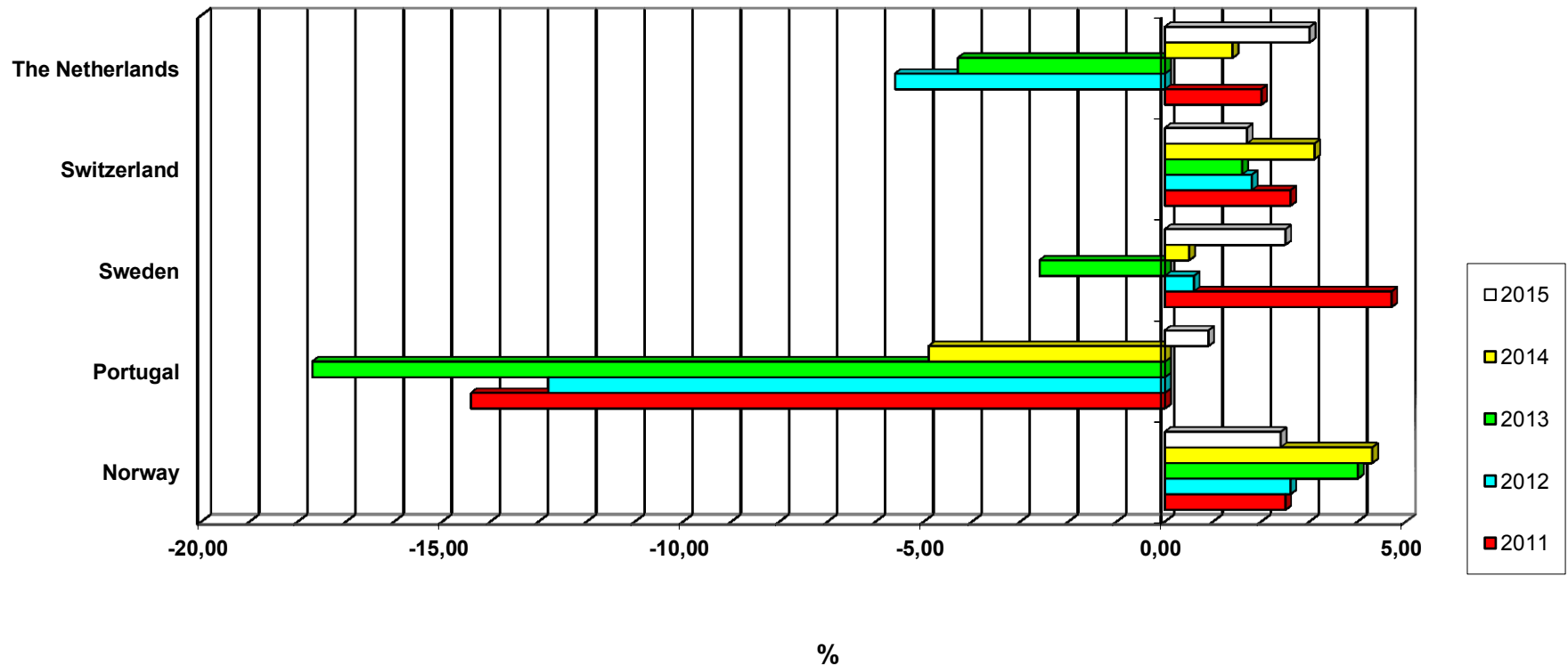
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Total non-residential construction annual growth rate (smaller west countries)



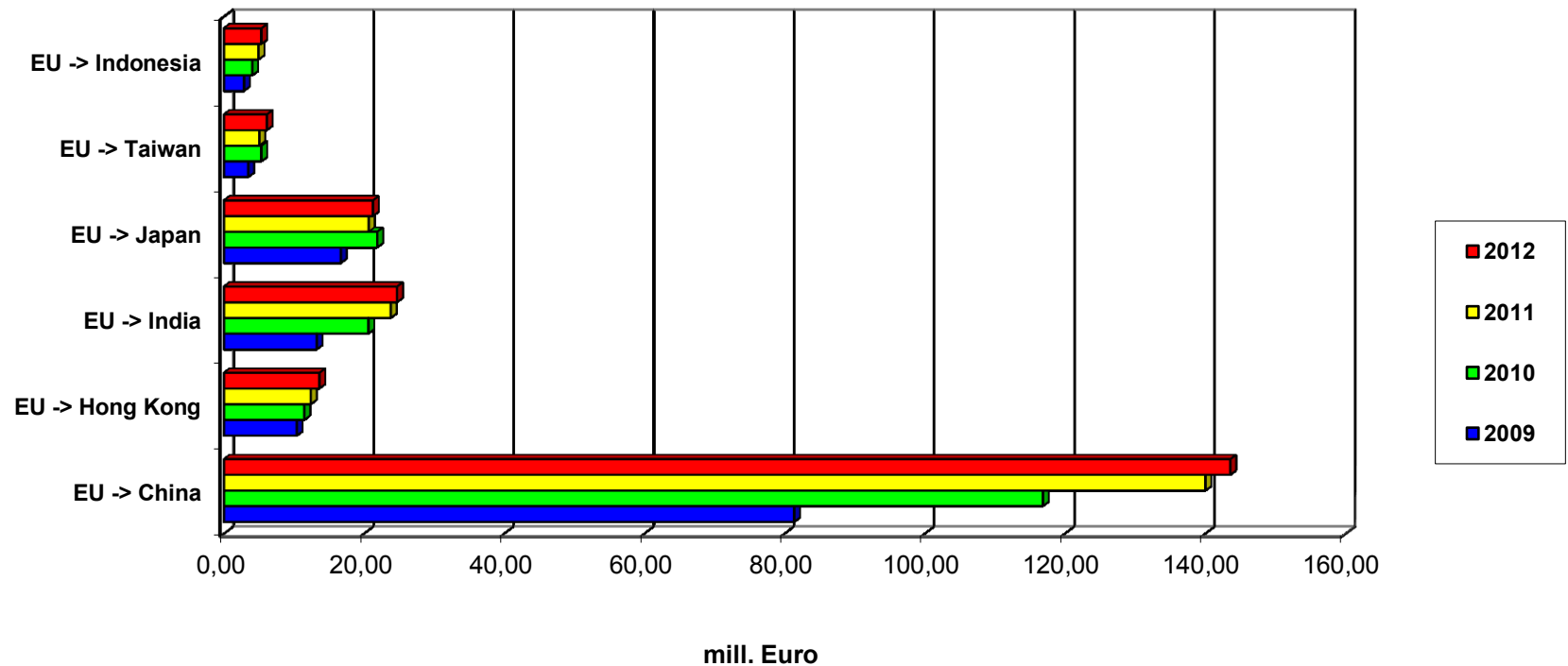
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Total non-residential construction annual growth rate
(smaller west countries)



Working Group M – Economic Development & International Trade : Export

Export (mill. Euro)



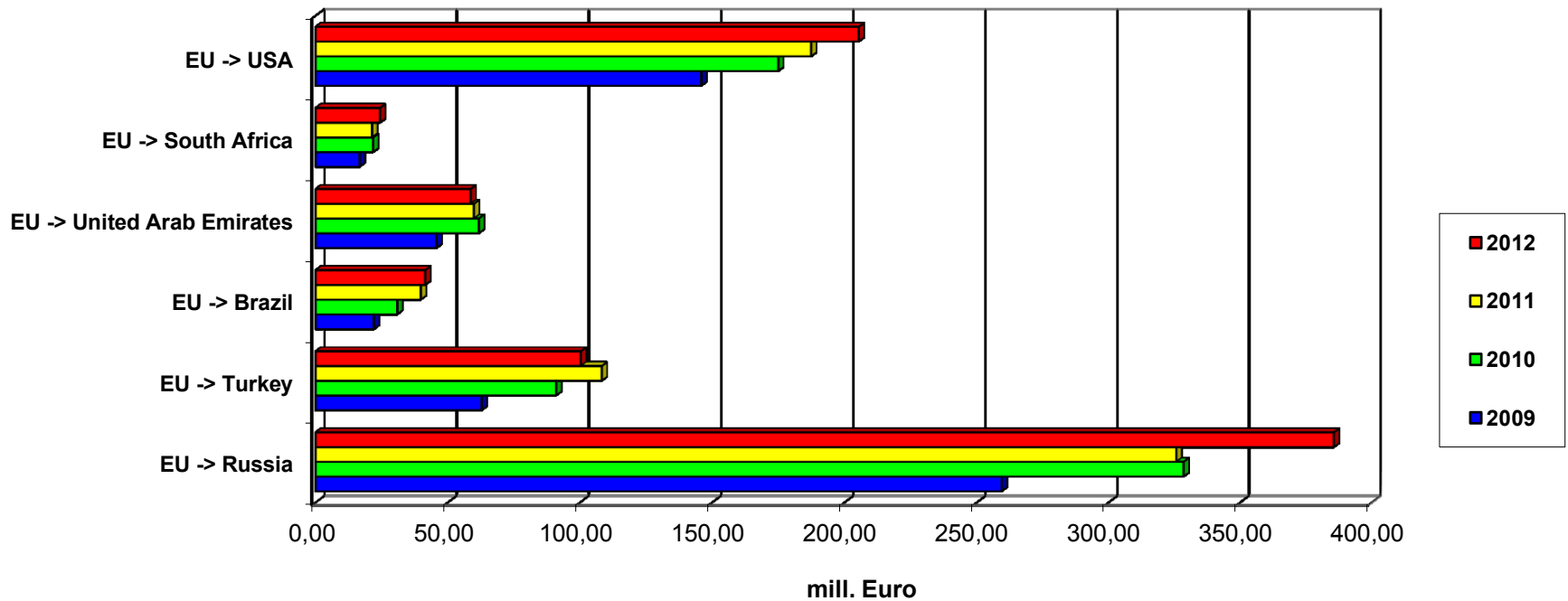
Working Group M – Economic Development & International Trade : Export

Export % change year before



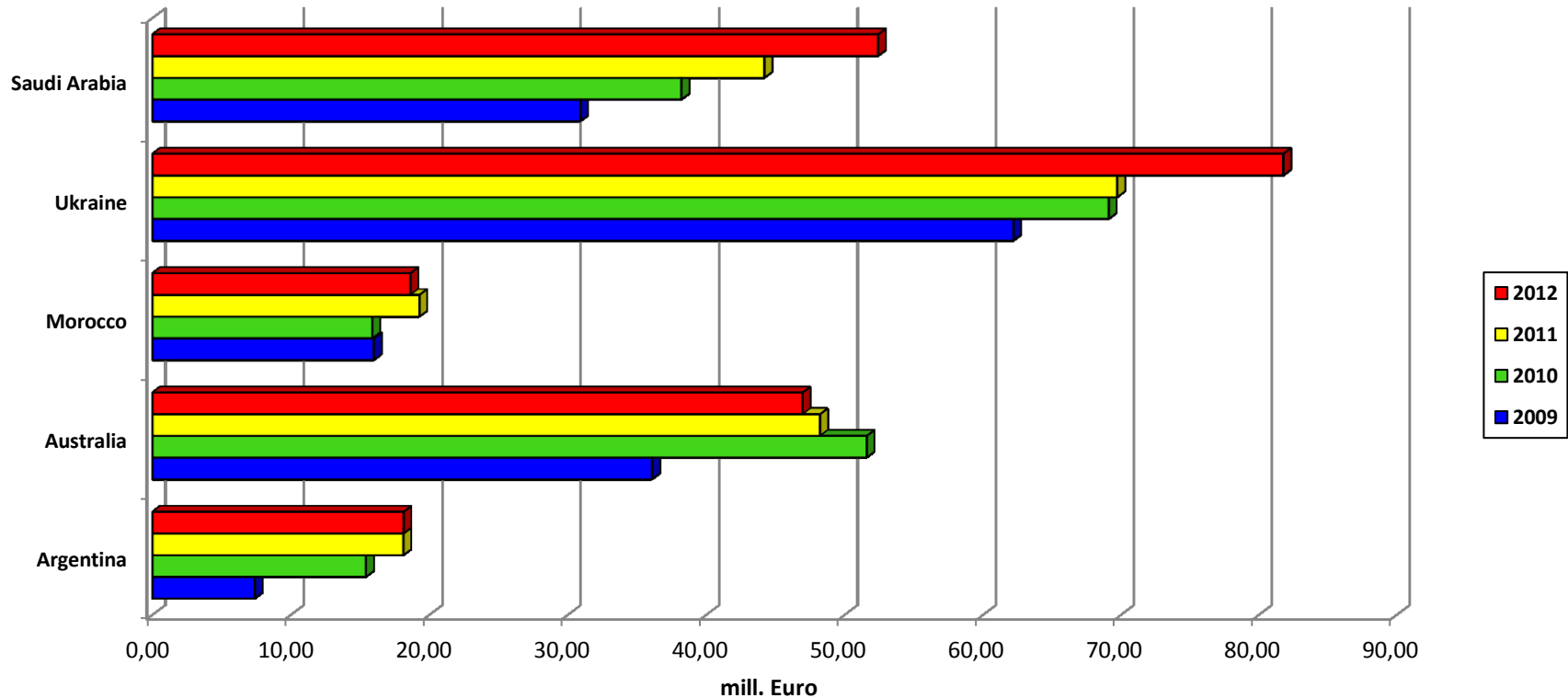
Working Group M – Economic Development & International Trade : Export

Export (mill. Euro)



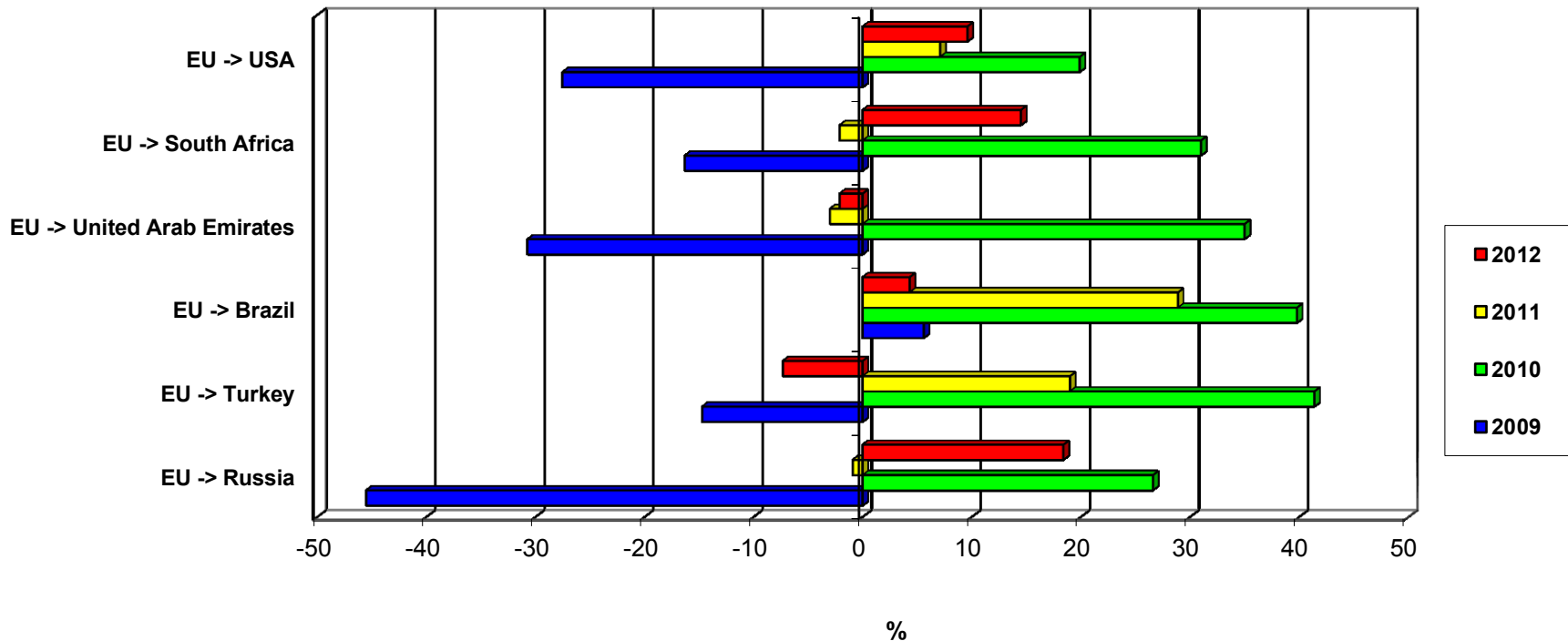
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Export (mill. Euro)



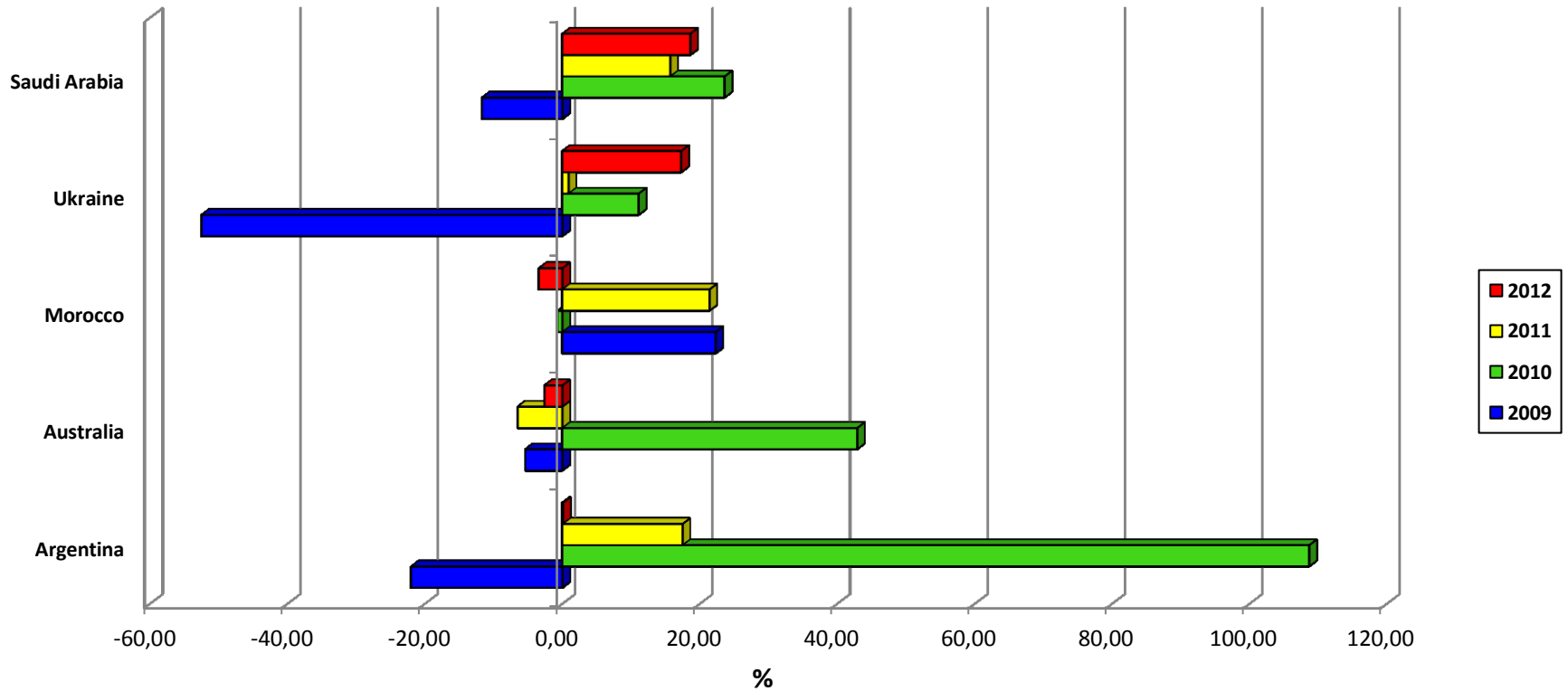
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Export % change year before



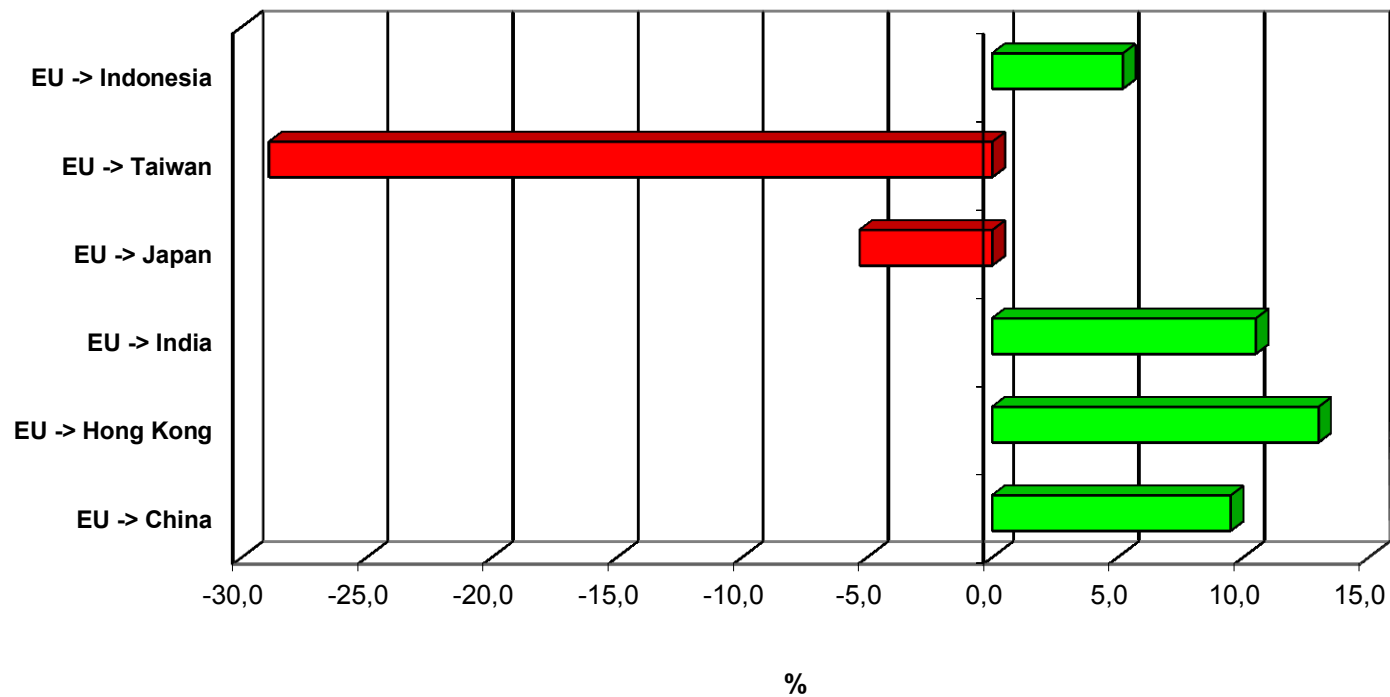
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Export % change year before



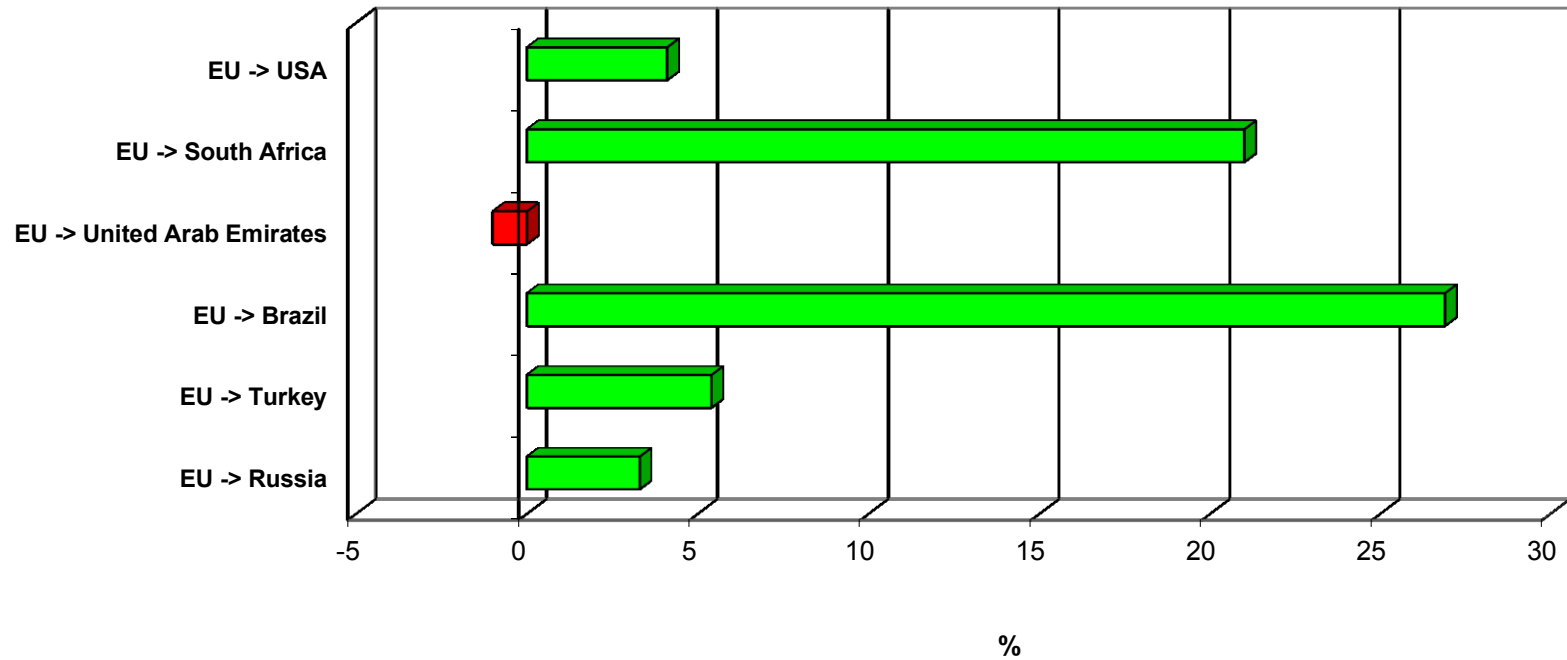
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% change Q1/12 vs. Q1/13 (building hardware)



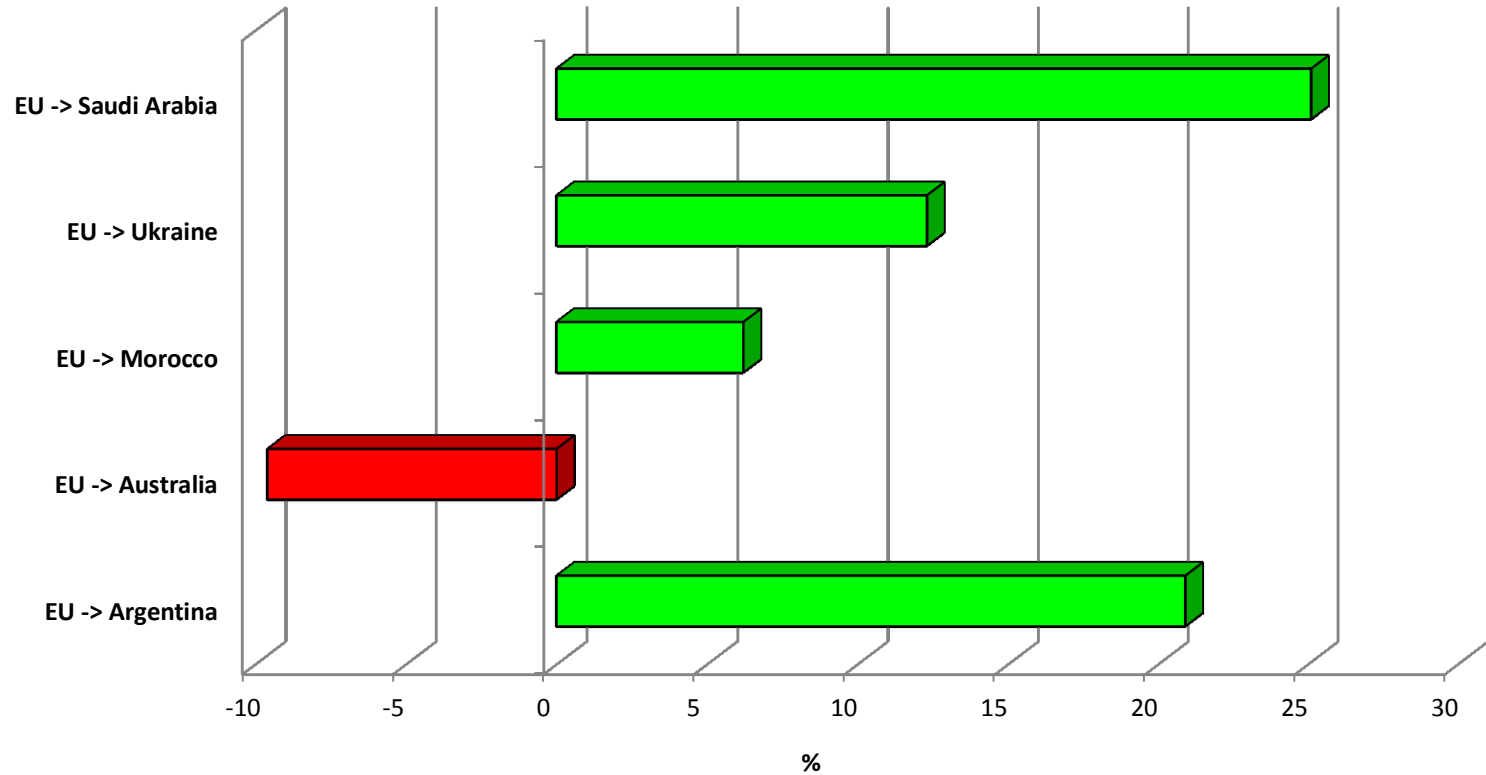
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% change Q1/12 vs. Q1/13 (building hardware)



Working Group M – Economic Development & International Trade : Export

% change Q1/12 vs. Q1/13 (building hardware)



Working Group M – Economic Development & International Trade: Conclusions

General

- The downward spiral continues, three more challenging years expected
- 2012 was worse than expected last year. It is expected that 2014 will be the year of the turning point, and small growth will occur in 2015
- Substantial disparity between country performance (north/south divide)
- Construction growth keeps behind the economic growth figures.

Housing market

- No overall growth expected before 2015;
- Strong housing markets in Austria, Germany, Norway & Switzerland;

Non-residential construction market

- Downgraded developments no growth expected before 2015 (Western European Countries) and 2014 (Eastern European Countries);
- Renovation share is almost equal to new construction share

Working Group M – Economic Development & International Trade: Conclusions

Export

- Overall average export growth in 2012
- Double digit export growth in 2012 (%) to Russia, Ukraine, South Africa and Saudi Arabia;
- Export to USA is still growing steadily and again above the 2008 level;
- Export decline for Turkey in 2012 (- 7,3%);
- Export figures 1st quarter 2013 are more divers (both growth and decline)

Working Group M – Economic Development & International Trade: Questionnaire

- In 2012 we changed the questionnaire in a way that should make it possible to compare the result more easily over the forthcoming years and especially to be able to show trends in developments within our industry
- The 2013 questionnaire therefore was basically the same as the one in 2012
- The numbers shown are the answers given last year (2010 & 2011) and the **updated** answers given this year (2012, 2013, 2014 & 2015)

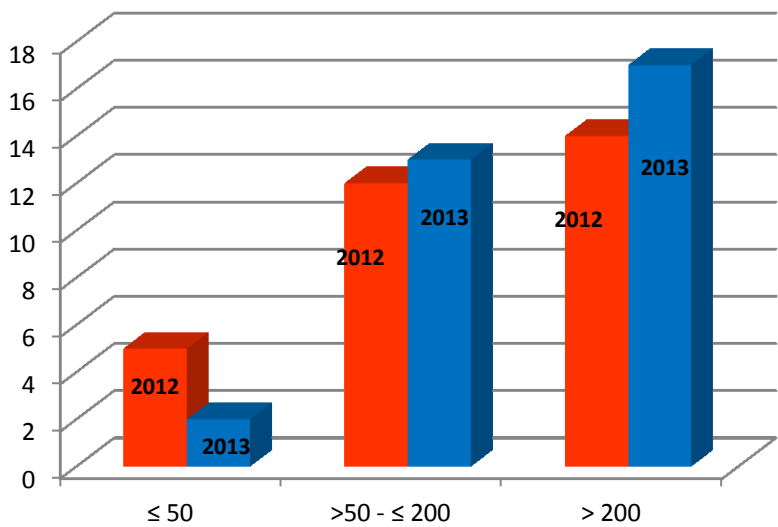
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Results

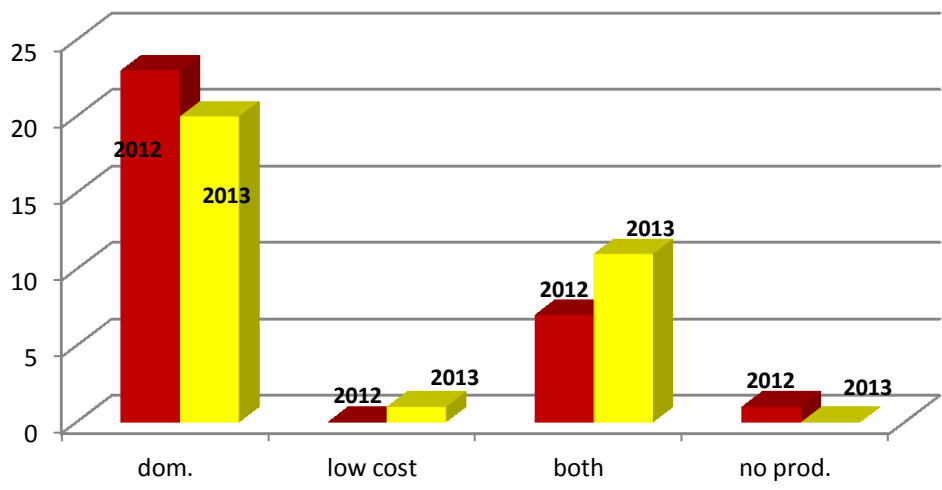
- Number of Answers: **32 (from 7 countries)**
- No answer from: **Belgium, Denmark, Finland, Hungary, Italy, Norway, Poland, Spain and Sweden**
- The complete results will be made available to those companies/associations that have participated

Working Group M – Economic Development & International Trade : Questionnaire

Number of employees

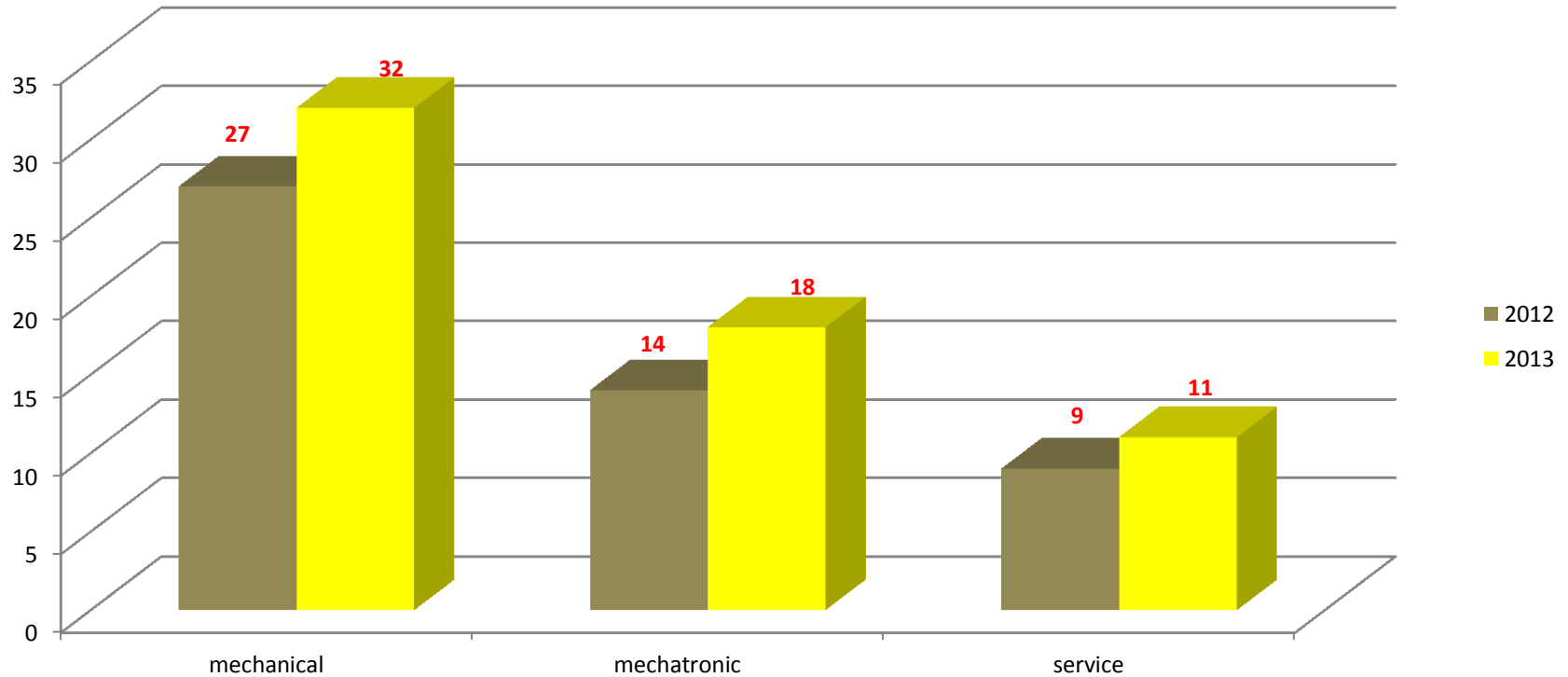


Production



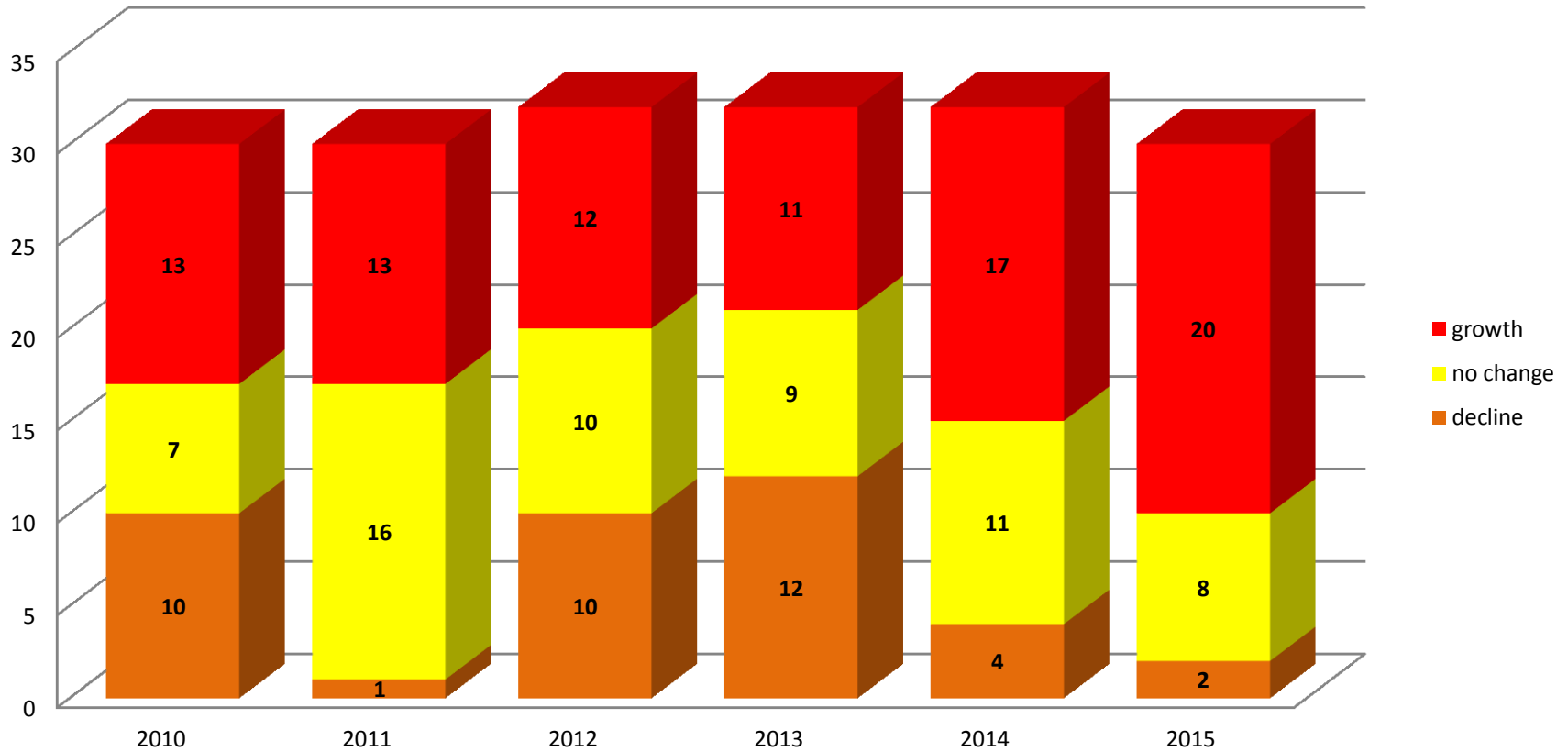
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Producttypes



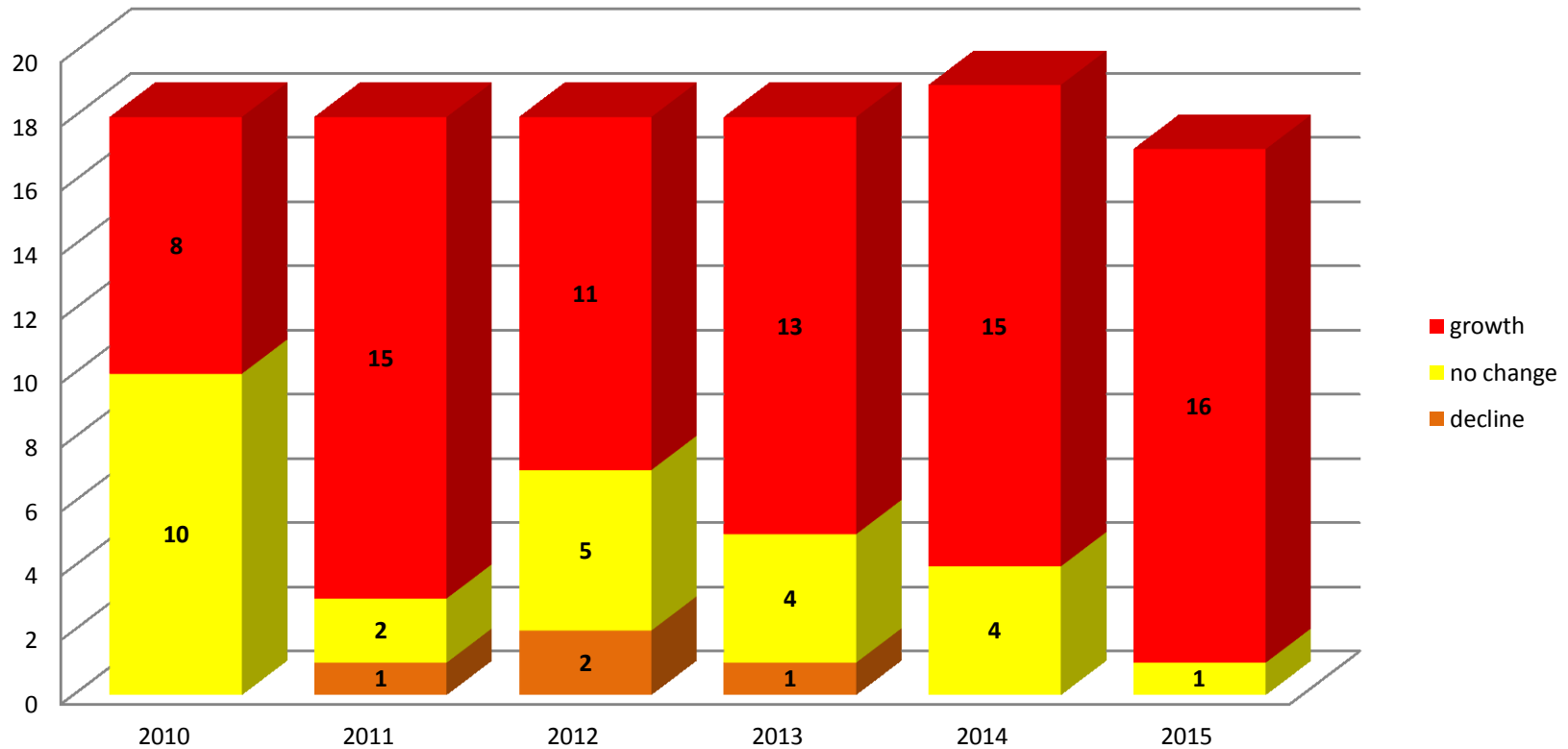
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Mechanical product share



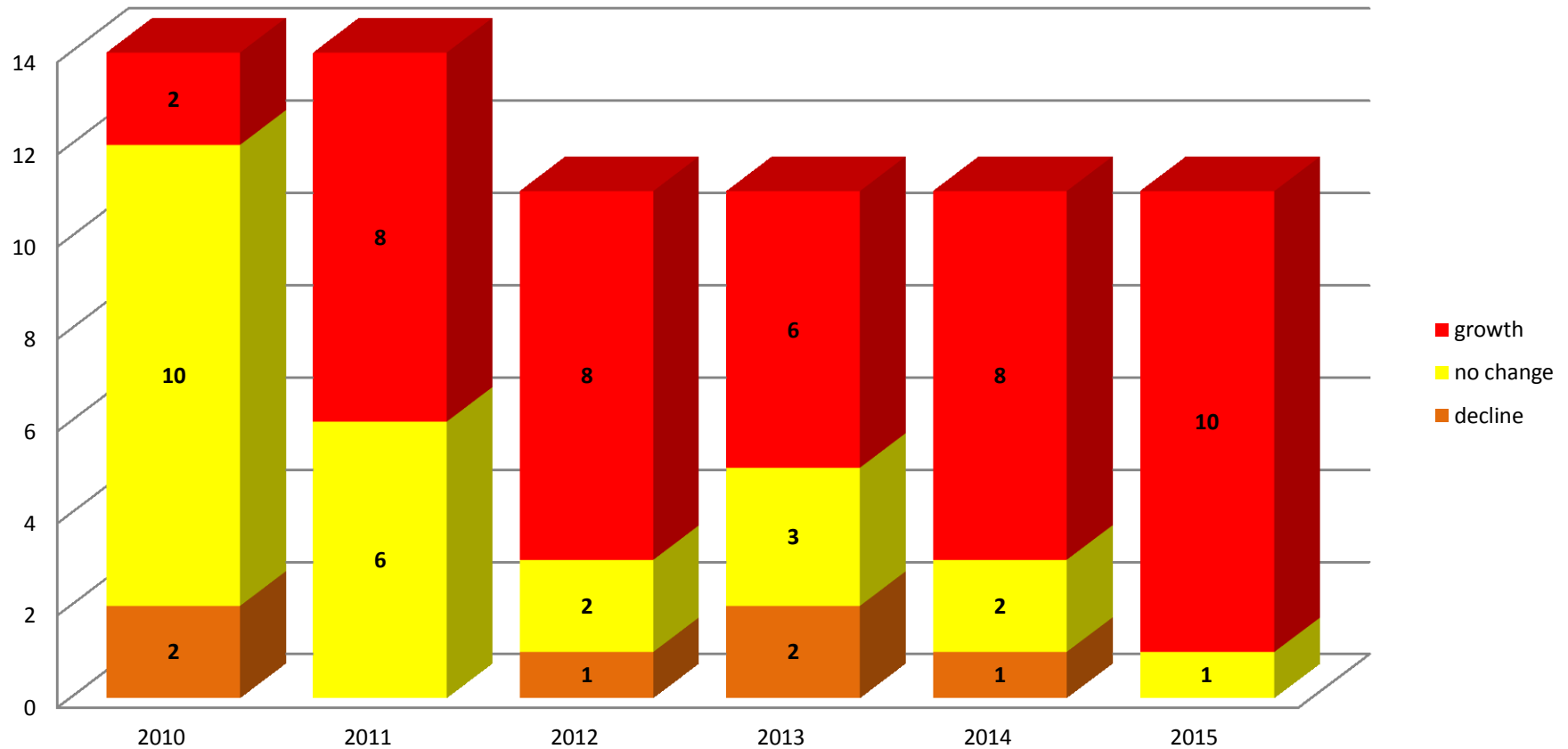
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Mechatronic/electronic product share



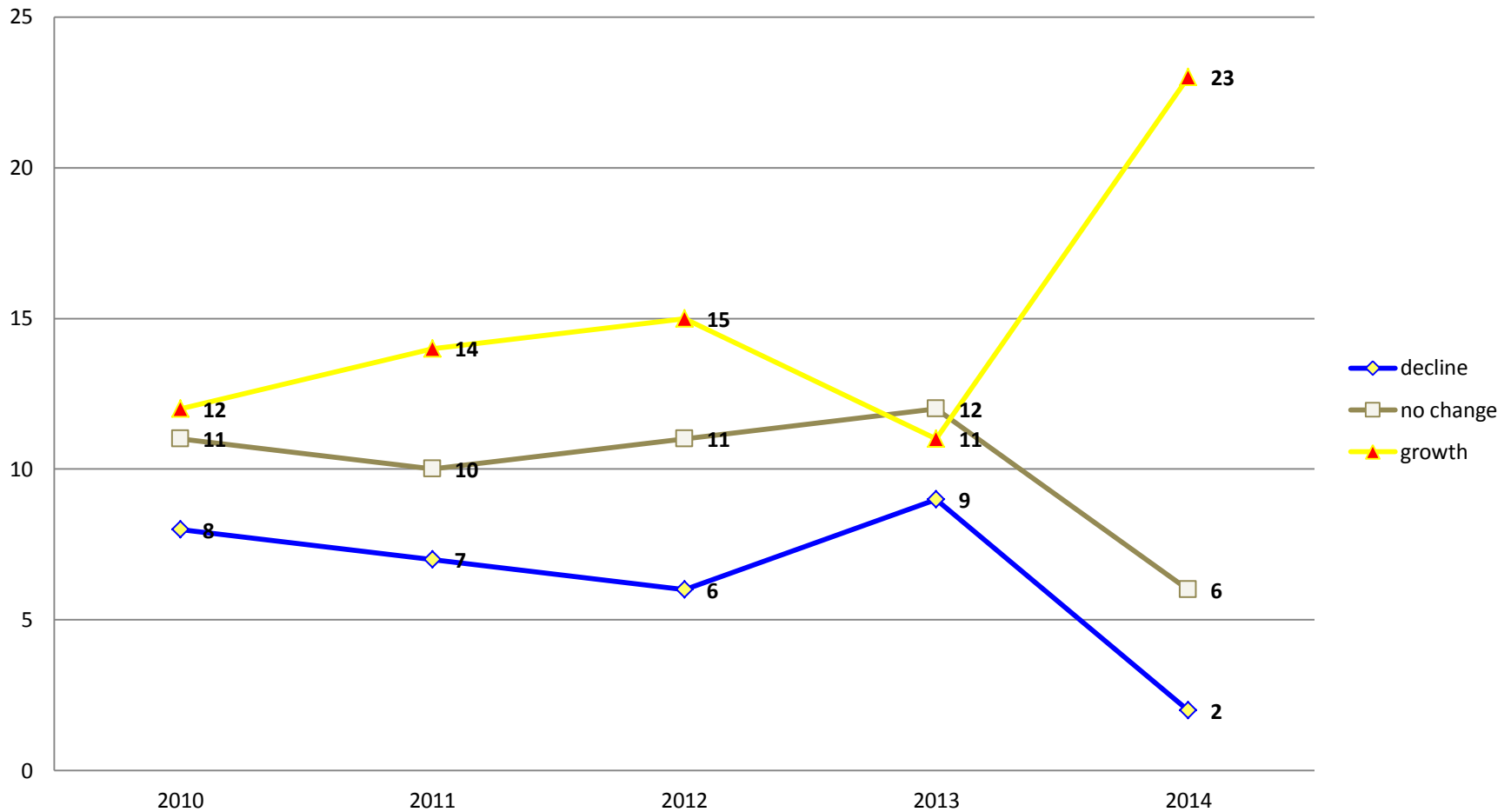
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Service share



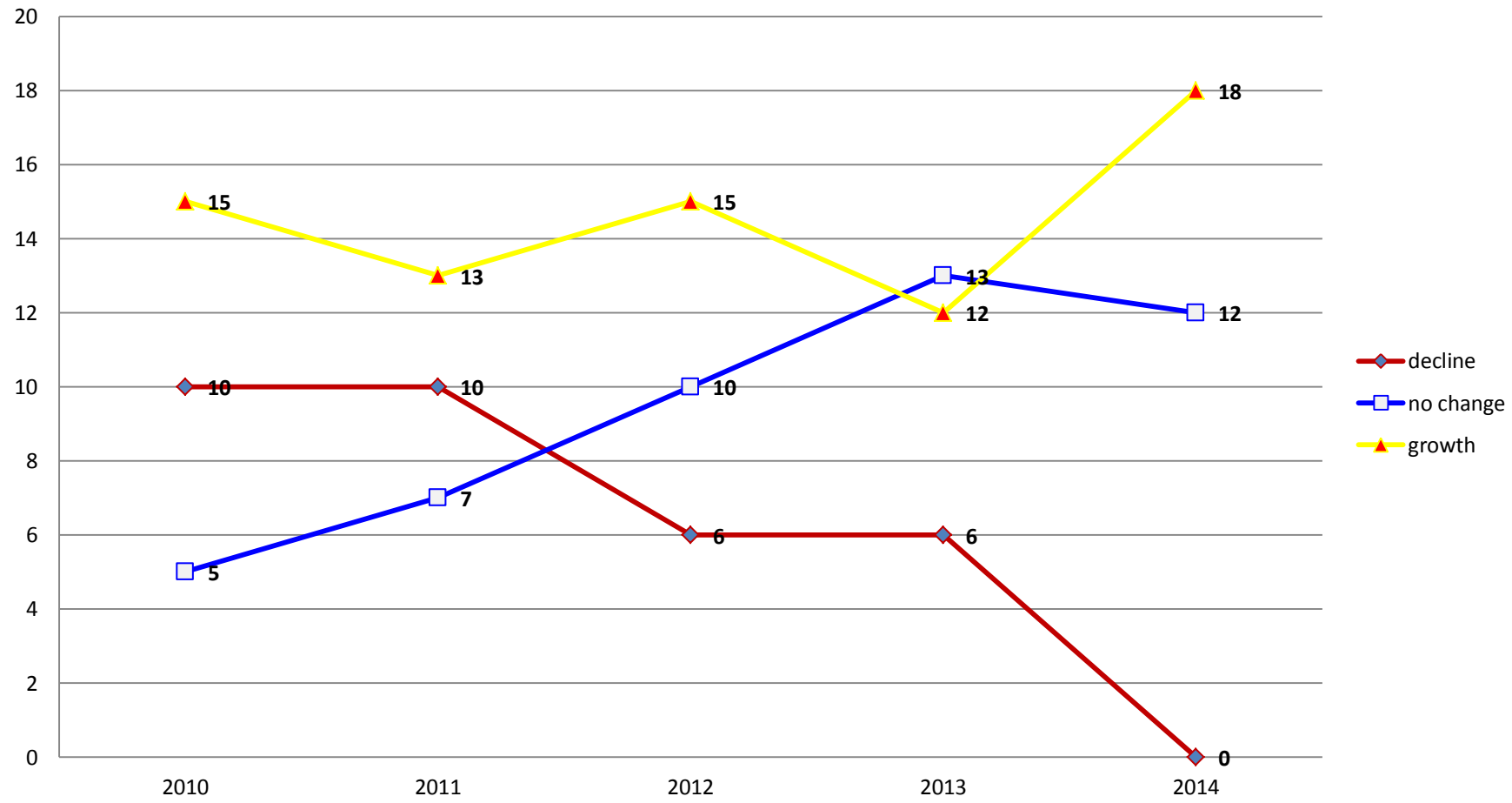
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Turnover



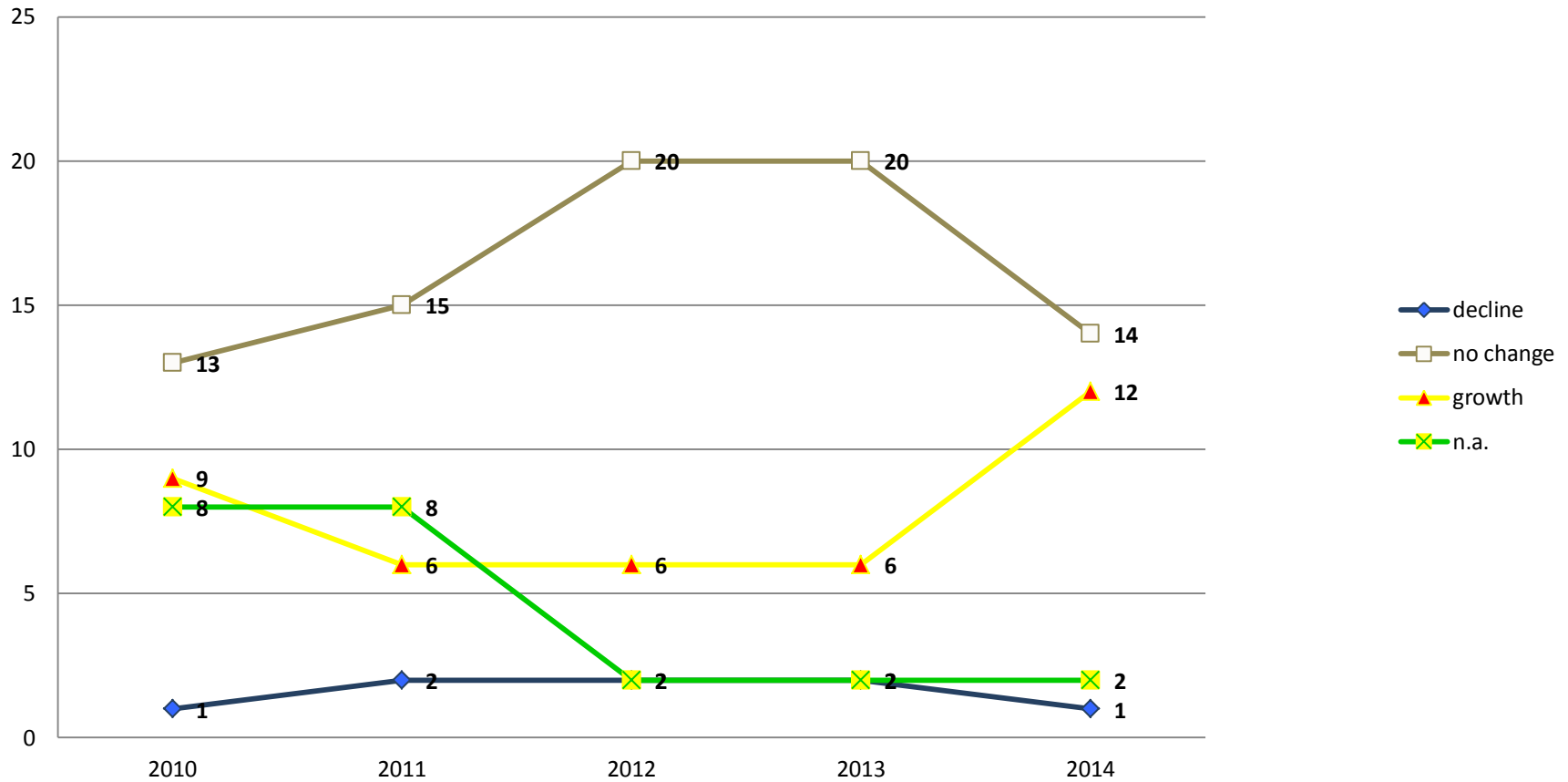
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Profit



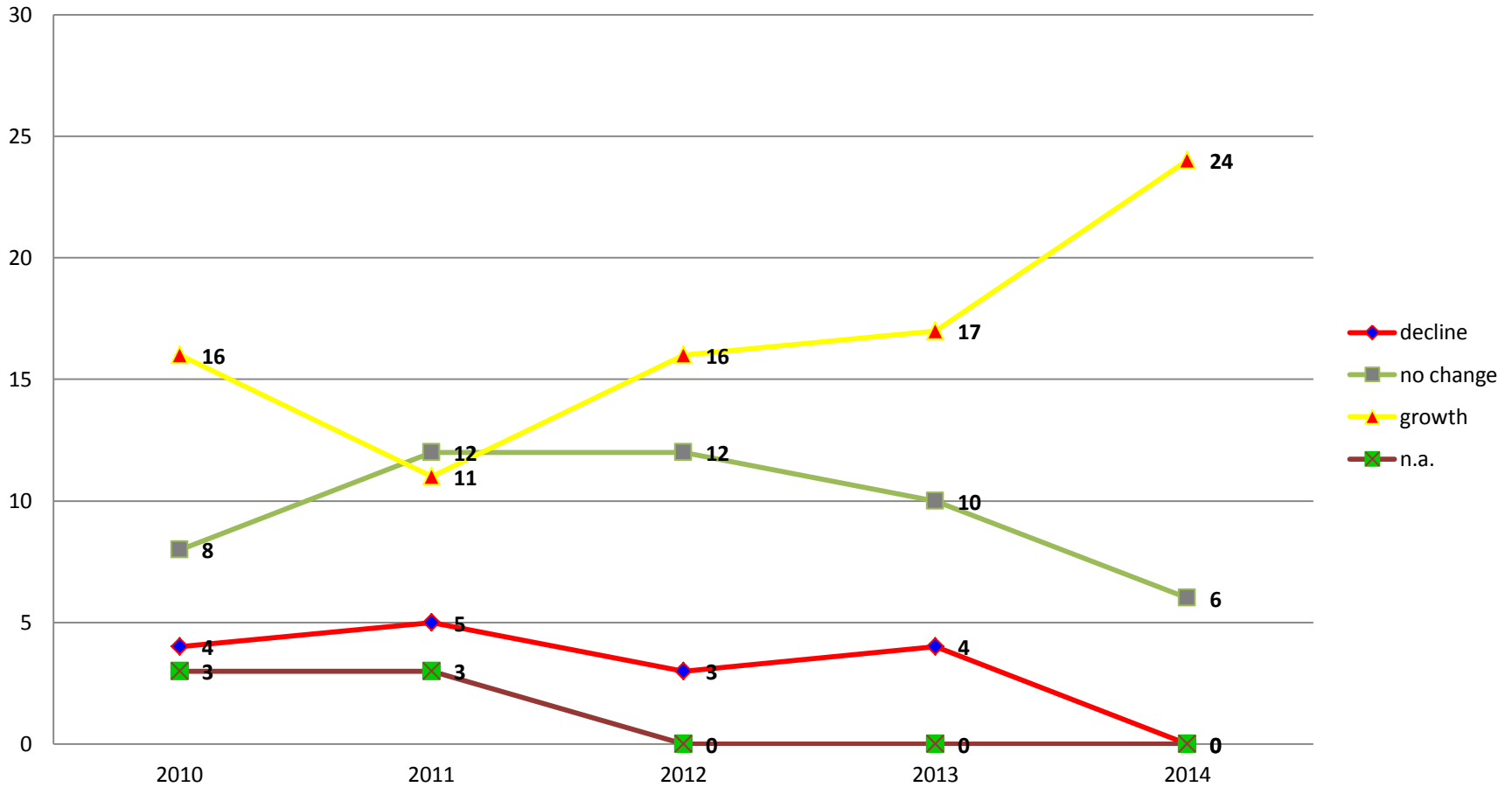
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Import



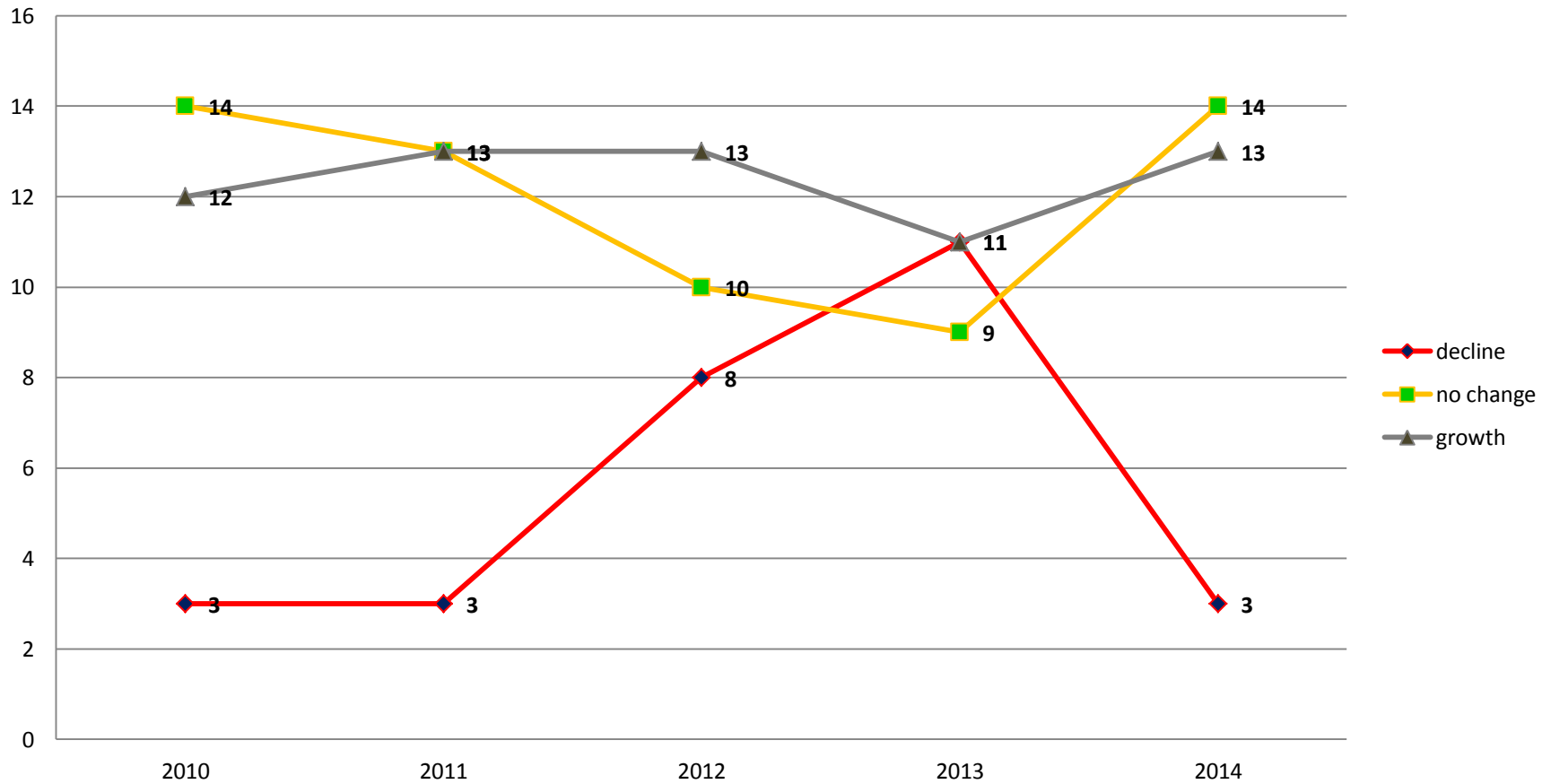
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Export



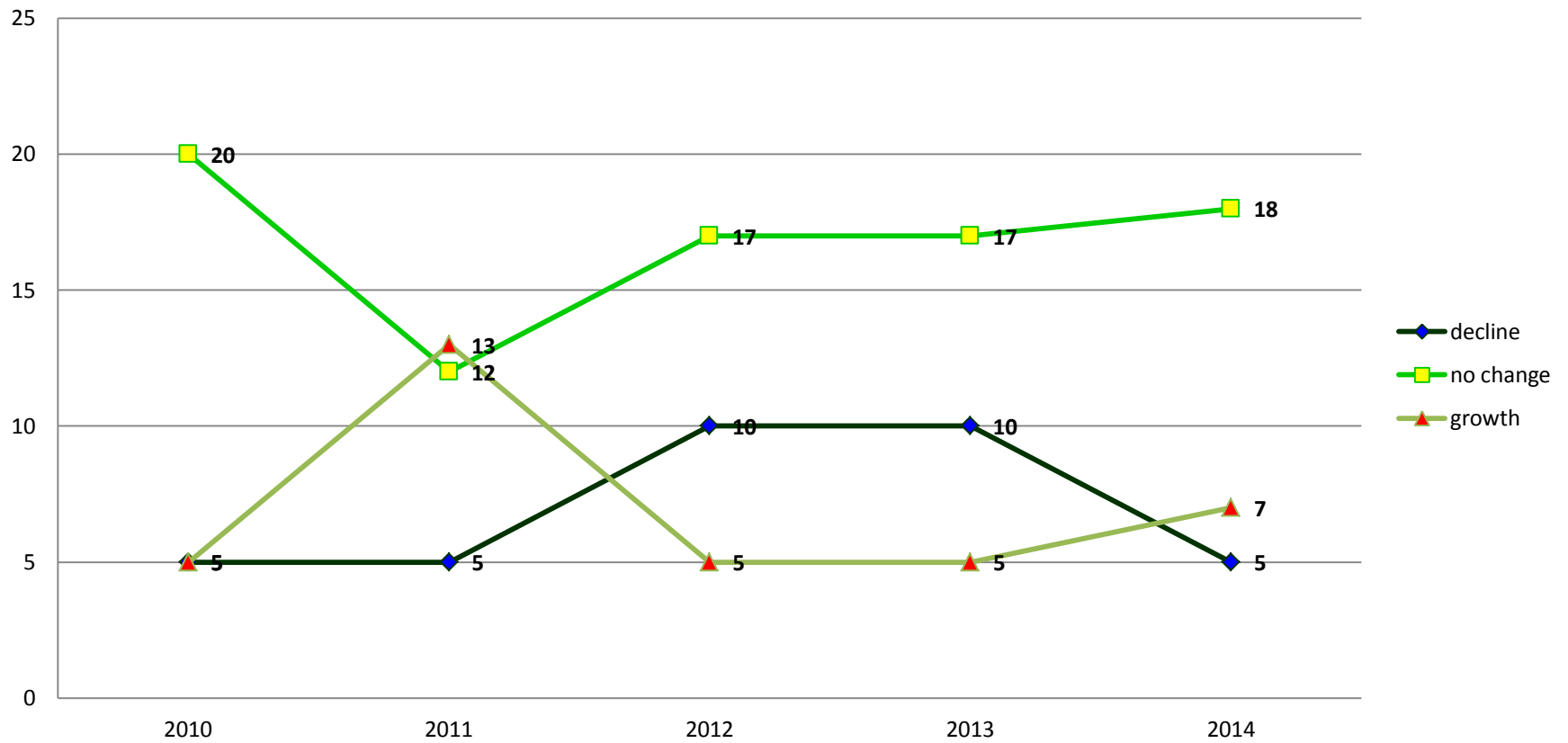
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Investments



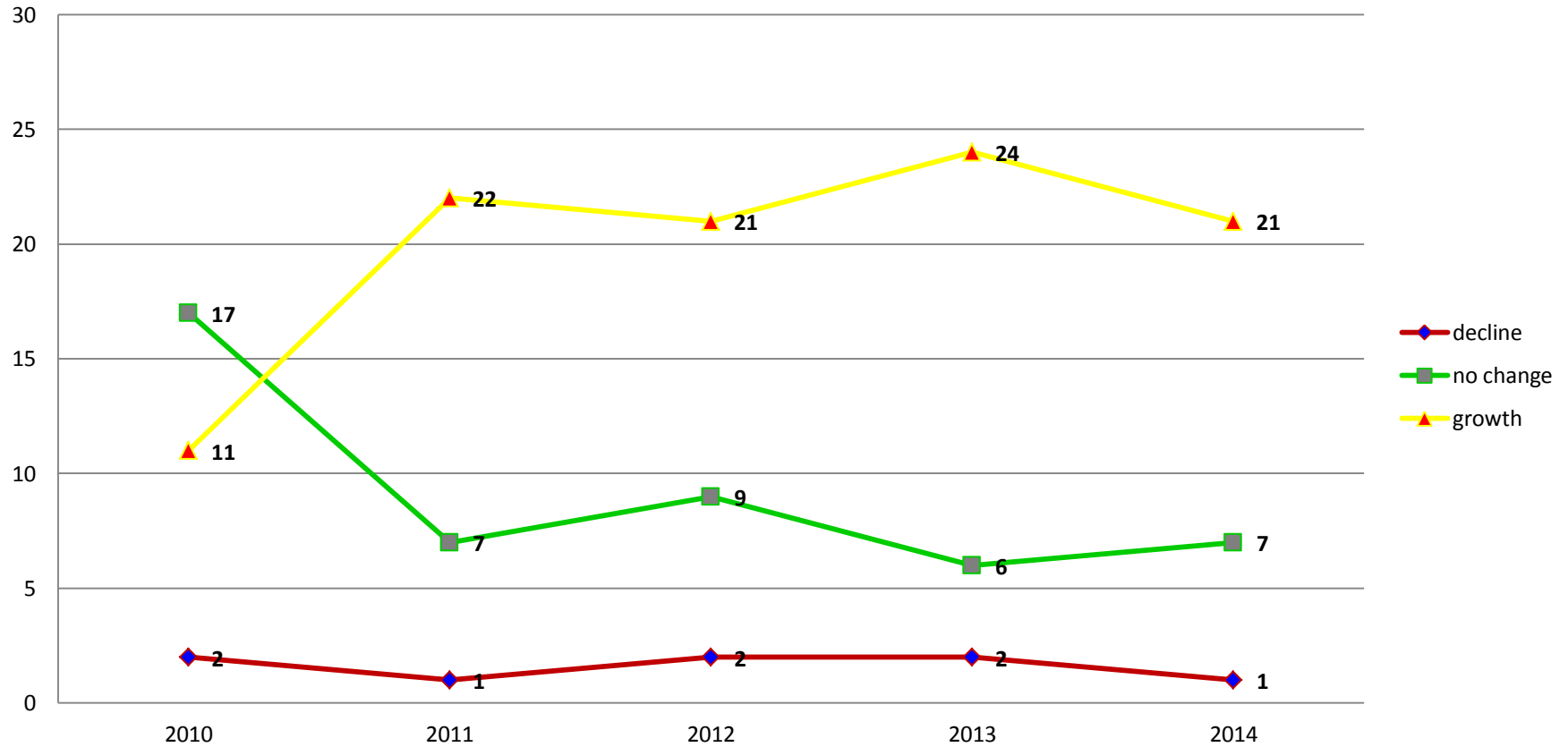
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Personel



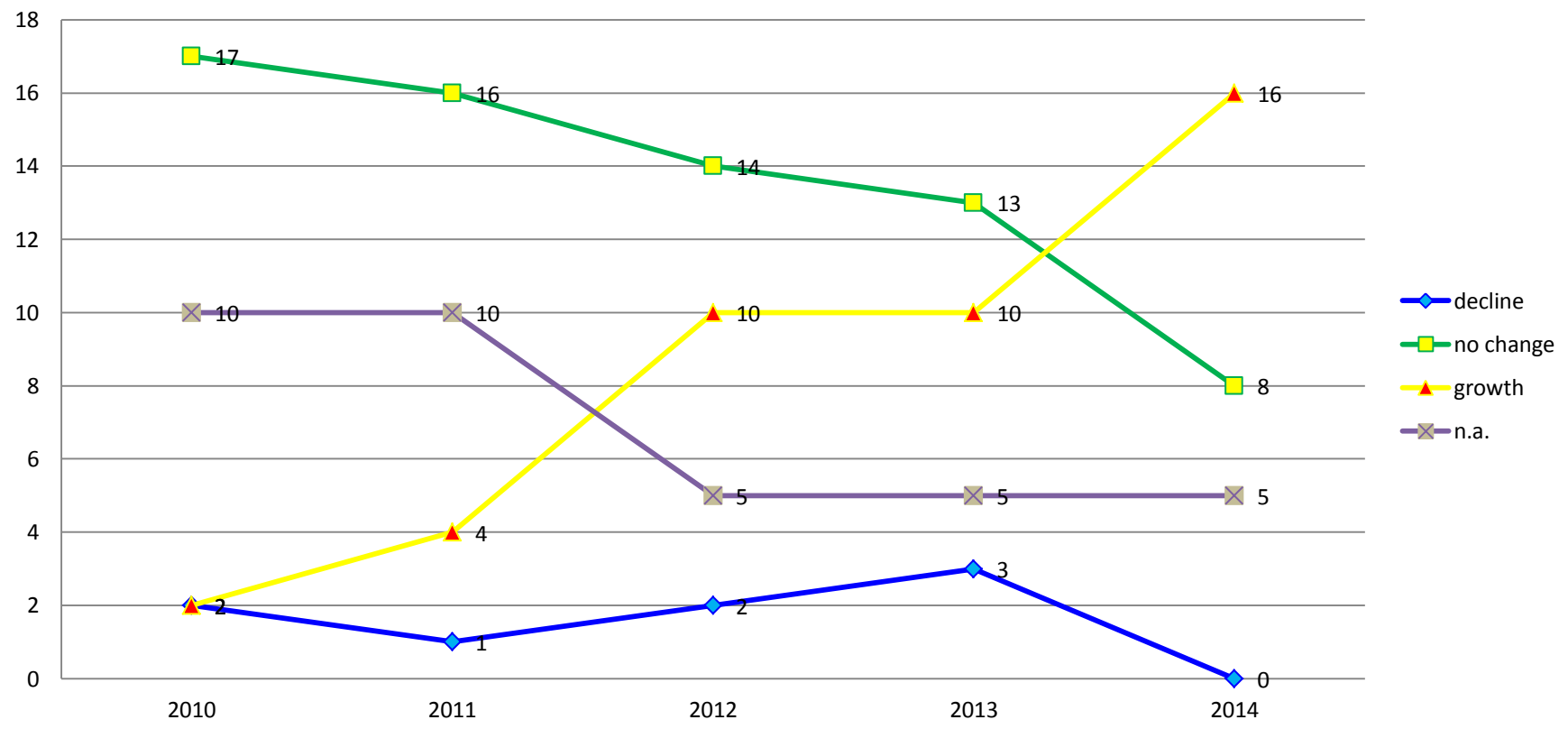
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Competition



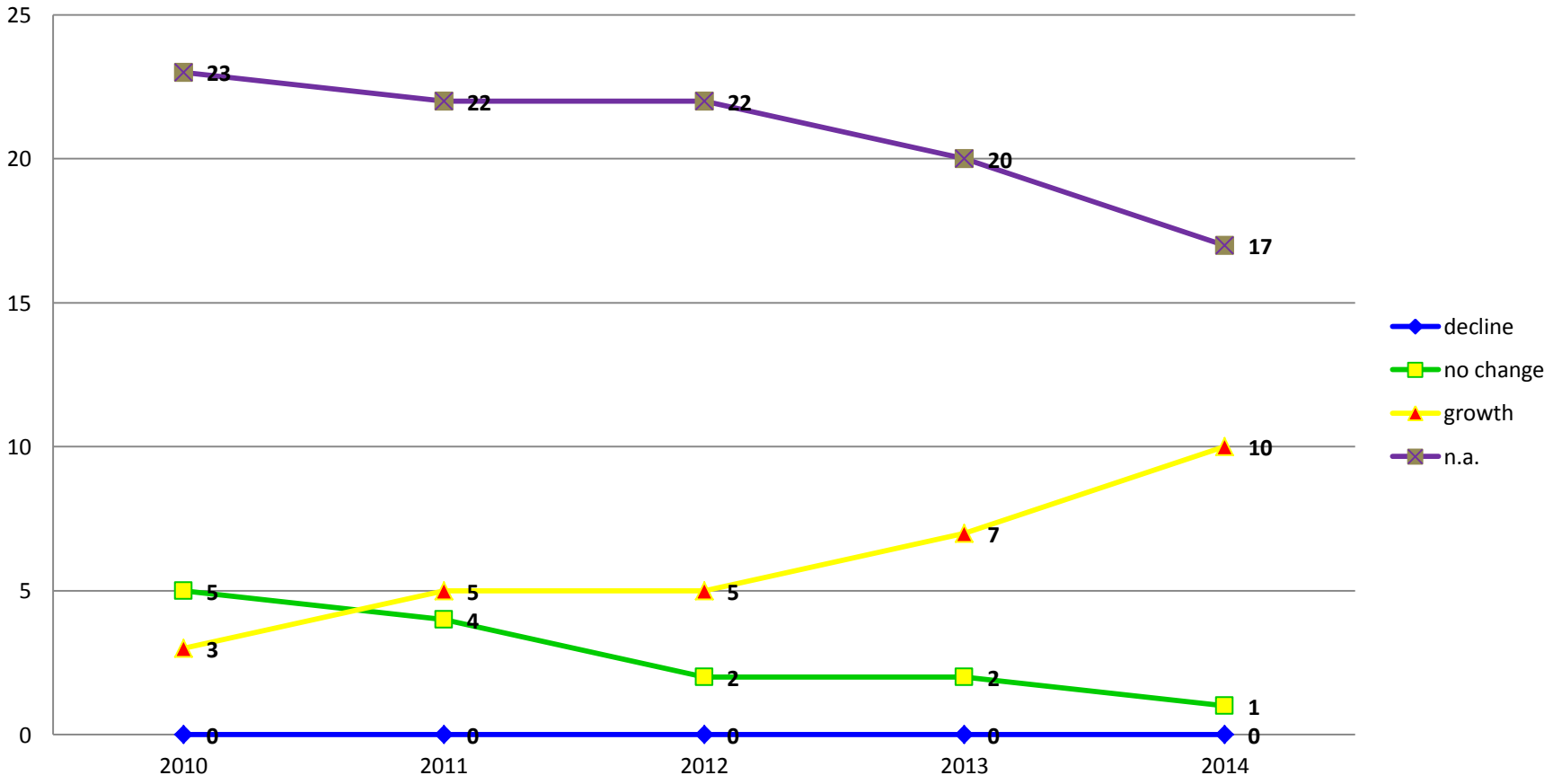
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Direct sales

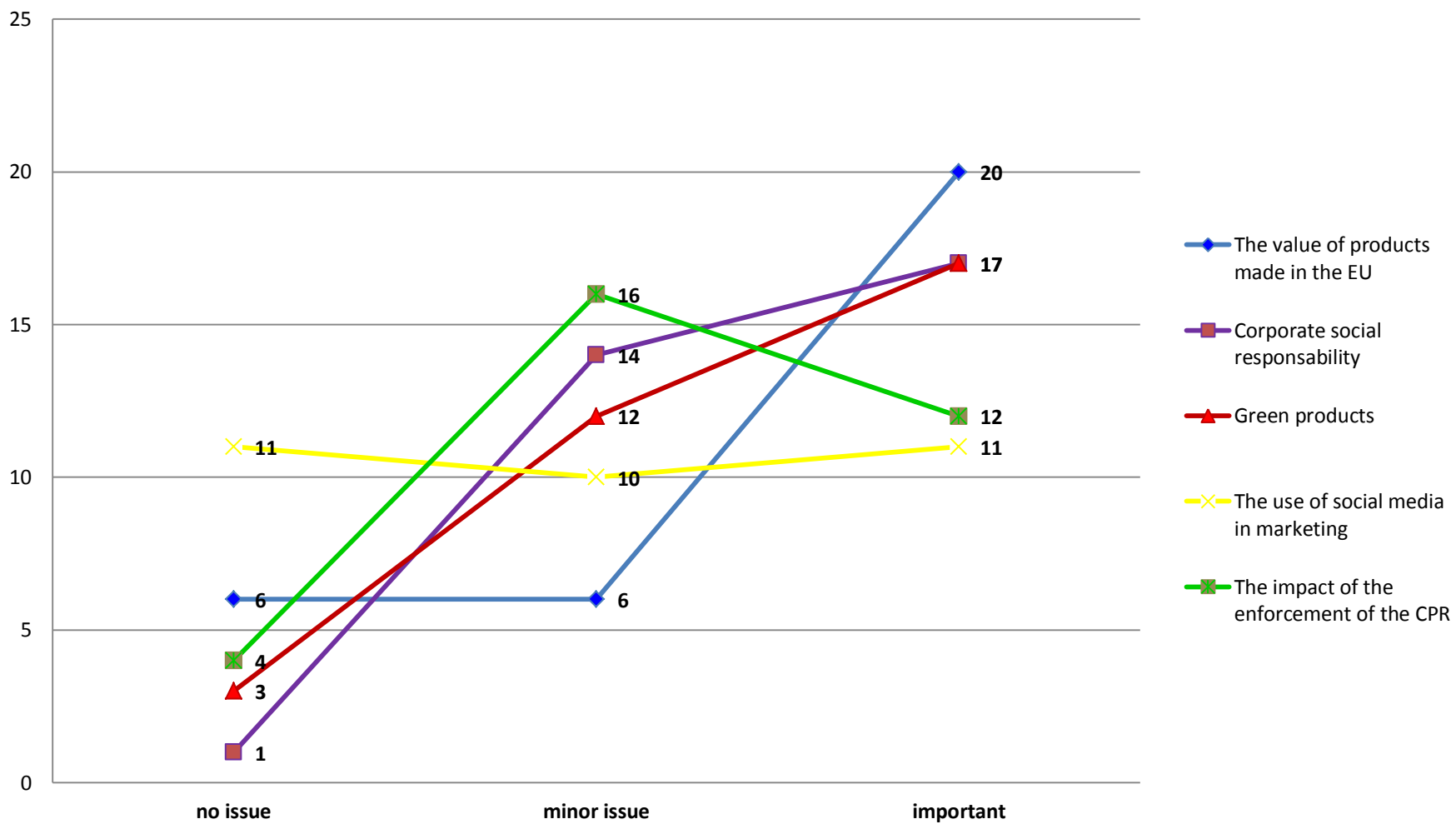


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Internet sales



Working Group M – Economic Development & International Trade : Questionnaire



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Questions?