Construction

Selected construction indicators, real indexes	Mar 2004/ Mar 2003	Q1 2004/ Q1 2003	2003/ 2002
Value of construction put in place[1]	103.1	109.0	108.0
Building	123.3	127.2	100.7
Residential building	178.3	199.2	88.1
Non-residential building	113.9	117.2	103.2
Civil engineering	85.9	92.3	115.6
Value of contracts[1]	95.3	89.5	96.7
Value of new contracts[1]	81.2	97.8	99.7
Average number of construction workers	100.6	100.4	100.6
Average gross wage per construction worker[2, 3]	107.2	104.8	102.4

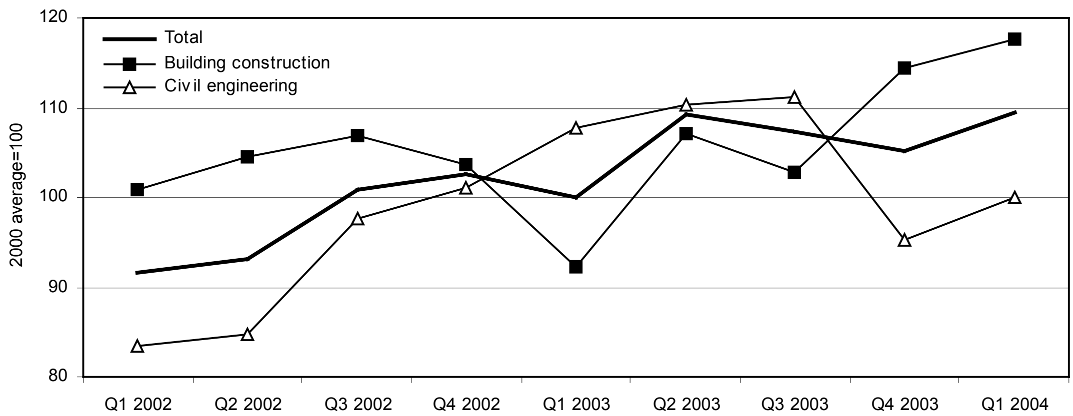
Sources of data: SORS, CCIS, calculations by the IMAD. *Notes:* [1]the analysis covers enterprises whose value of construction put in place totalled at least SIT 300 million according to the financial statements for 2002, divisions engaged in construction activity employing at least 20 workers, and some non-construction enterprises which carry out construction activity; [2]applies to enterprises and organisations employing three or more workers; [3]deflated by the consumer price index.

Construction activity gained momentum in the **first quarter** of this year compared to the last quarter of last year. After declining in the third and last quarters of 2003, construction activity not only returned to the historically high levels of the second quarter of 2003 but it exceeded this level by 0.2% in the first quarter (according to seasonally-adjusted data). The **value of construction put in place** (seasonally-adjusted data) by larger businesses (see notes in the table) climbed by 4.0% quarter on quarter and 9.0% year on year in the first quarter in real terms. Construction activity, however, slowed down in March probably due to the unfavourable weather conditions. In **civil engineering**, the value of output increased by 5.0% quarter on quarter after it had slumped in the last quarter of 2003 (see graph), while it dropped by 7.7% year on year. The value of output in **building construction** rose by 2.8% over the preceding quarter, according to seasonally-adjusted data, and peaked in the last two years. The available figures show that residential building construction soared by 99.2% year on year in the first quarter in real terms, while non-residential building construction climbed by 17.2%. It should be noted that enterprises included in this analysis represent a relatively small share of the entire housing construction.

In the **sector of individual private entrepreneurs**, the number of people in employment fell by 1.2% in the first quarter over the same period last year, while the number of entrepreneurs and their employees rose in 2003, especially in the second and third quarters.

The total useful floor space planned for in issued building permits continued to increase in the first quarter. According to provisional **figures on building permits**, 1,251 permits were issued to construct buildings in the **first quarter**, 8.7% less than a year ago, while the planned useful floor space contained therein was 3.7% larger. The floor space in new buildings or extensions of old ones increased by 12.2%; the floor space in residential buildings increased by a significant 27.9%, while the floor space in non-residential buildings shrank by 1.1%. The number of permits issued for the construction of new **dwellings** totalled 1,393 (new construction projects or extensions), 11.5% more than a year ago, while their useful floor space was 8.9% larger. This increase in floor space was chiefly due to the larger floor space envisaged in two- or multi-dwelling houses, which rose by as much as 60.7% over the same period last year.

Graph: **Seasonally-adjusted real indexes of the value of construction put in place**



Source of data: SORS, calculations by the IMAD.