Impact of Covid-19 crisis on construction

Statistics Explained

Data from March 2022
No planned update for this article

" In January 2022, construction production increased by 3.9% in the EU compared with December 2021; in the euro area construction production also grew by 3.9%. "

" After an unprecedented decline in March and April (-25.9%), construction production in the EU increased by 20.4% in May 2020 and recovered some of the losses of the crisis. Since then construction production increased in most months but not very dynamically. In January 2022 the production level stood was only 1.9% higher than in February 2020. "

This article is part of an Eurostat online publication presenting the development of short-term business statistics (STS) indicators in the Covid-19 crisis. The results presented in this article concern the development of the construction production index. For the publication of new data see the STS release calendar .*Please also see the monthly Eurostat News Release of 18 August 2022 .*

Covid-19 containment measures in Europe

Covid-19 infections have been diagnosed in all European Union Member States . To fight the pandemic, EU Member States have taken a wide variety of measures, including restrictions on travel into the EU and between EU Member States, cancellation of public events, restrictions on private gatherings, closing of schools, bars, restaurants, hotels and many shops. In Italy and Spain, non-essential production was stopped but the imposed measures in general had a negative effect on demand and thus on production in many areas.

The large majority of the prevention measures were taken during mid-March 2020. Most of the prevention measures and restrictions were kept for the whole of April. In May, several of the measures were abandoned, or at least reduced in scope and severity, which had a strong effect on construction production. This recovery effect continued during the summer.

With increasing Covid-19 cases after the summer holidays, several countries re-introduced some containment measures in September and October. The measures were further increased in November. In December, several countries (partially) lifted the measures during the Christmas season. In January and February, containment measures were re-introduced or increased in many countries due to rising infection rates. Since spring 2021, measures have gradually been rolled back.

In general, the strictness, lengths and nature of the Covid-19 measures in the EU has been relatively heterogeneous. In early 2022, many measures were further reduced or even phased out. The Covid-19 measures clearly affected the construction production in a number of countries and also impacted the European aggregates.

Development of construction production in January 2022

In January 2022, construction production in the EU increased by 3.9 % compared with the month before and increased by 37.6 % compared with April 2020 (the end of the most severe part of the crisis). In the euro-area , there was also an increase of 3.9 % compared with December 2021 and an increase of 47.0 % compared with April

2020.

While construction production showed strong growth in May 2020 (20.4 %), the growth during the subsequent months was only moderate and only recently have the losses from the crisis been recovered. Currently, the level of construction activity in the EU is about 101.9 % of the level in February 2020 (euro area also 101.5 %).

Figure 1 shows the development of construction activities between January 2020 and January 2022 for total construction, buildings and civil engineering .

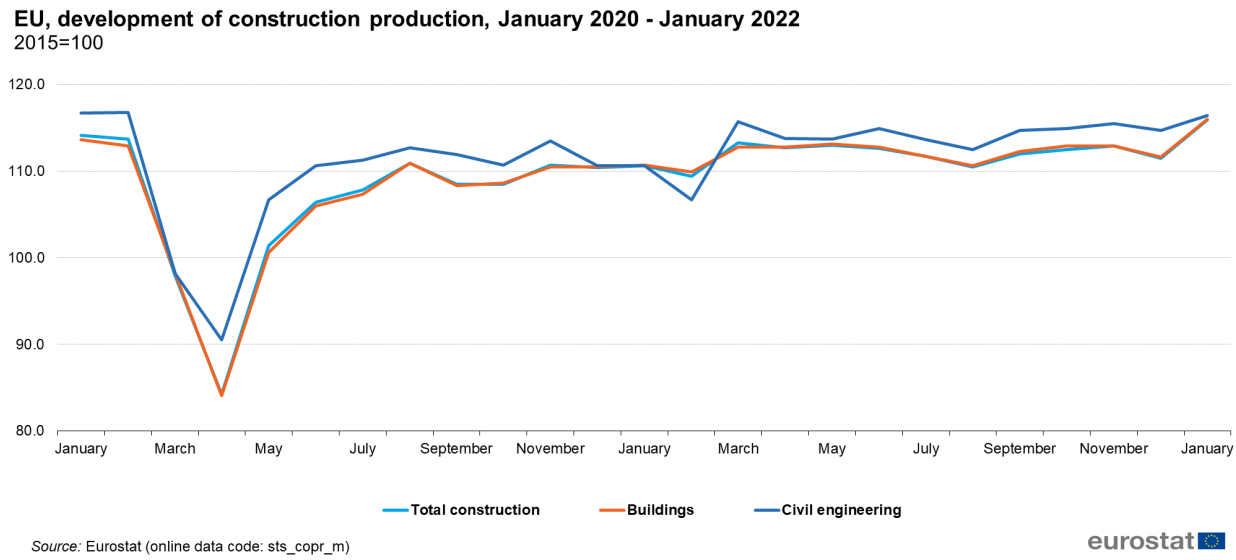

Figure 1: EU, development of construction production, January 2020 to January 2022, monthly data, seasonally and calendar adjusted (2015=100) - Source: Eurostat (sts_copr_m)

In the EU, the construction of buildings showed an increase of 3.9 % in January 2022 compared with December 2021, civil engineering grew by 1.5 %. For the euro area, the construction of buildings went up by 4.2 %, civil engineering by 1.4 %.

The development in early 2020 was quite unprecedented. For comparison, Figure 2 shows the average monthly development of total construction, building construction and civil engineering works for the years 2010 – 2019 in the EU (to make the various index levels comparable, all years have been re-referenced to an average of 100). On average, the construction indices drop about one or two index points between January and February to regain the former level in March and surpass it in April and May. With the beginning of winter, construction activities are then again somewhat reduced. The index changes between the months are about one point.

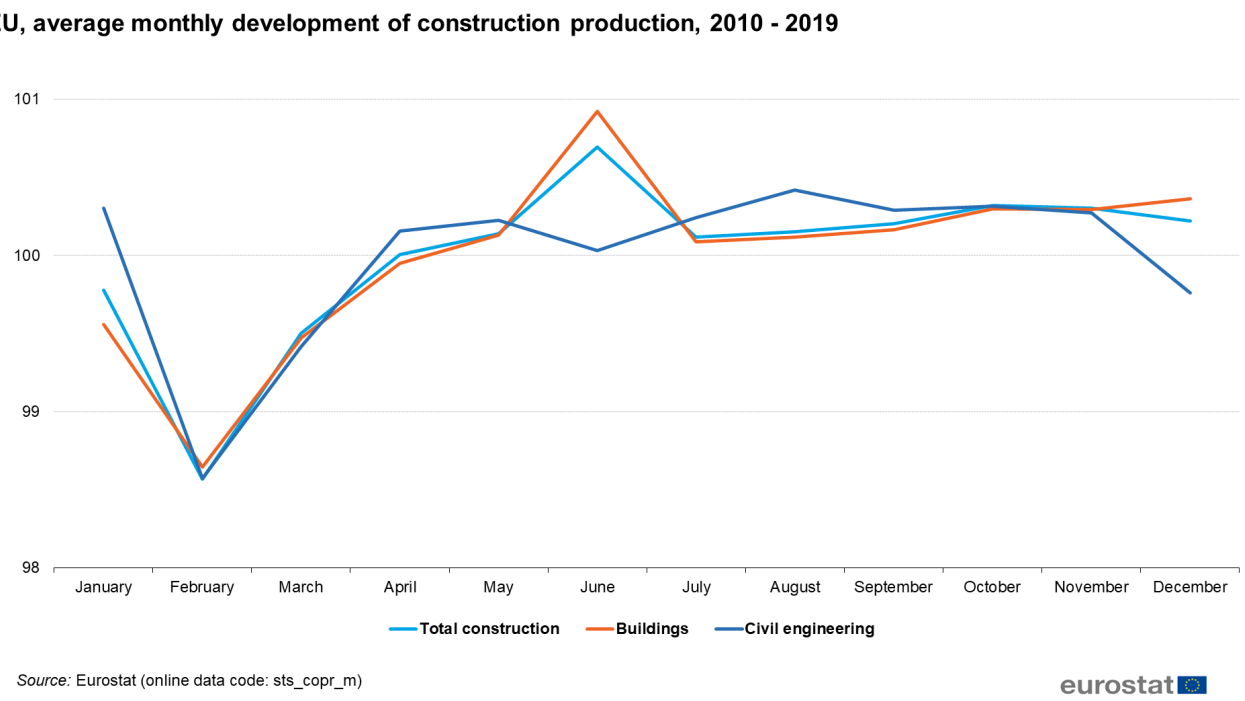

Figure 2: EU, average monthly development of construction production, 2010 – 2019, monthly data, seasonally adjusted. Source: Eurostat (sts_copr_m)

Comparison with 2008

The global financial crisis in 2008 had quite a strong effect on the production in industry and construction (for a detailed analysis of the 2008 crisis on STS indicators see here).

Between February and April 2008, the index for total construction in the EU fell by 6.6 points (the buildings-index fell by 5.8 points, the index for civil engineering works by 9.0 points). In the months that followed, the total construction index and the sub-indices dropped again, although the reductions were generally smaller and there were also occasional increases. Over the following five years (until spring 2013), the construction index was, however, on a clear downward trend, reaching its lowest level of about 95 points in March 2013. During these five years, the total construction index lost almost 33 points; only afterwards did it start to slowly recover, although without regaining its former peak of over 127 points that it had reached in February 2008.

During the peak of the Covid-crisis, between February and April 2020, however, the construction index had dropped by almost 30 points in the EU and by almost 35 points in the euro area. In other words: during the first wave of the Covid-19 crisis, the construction index lost about as much as during the five years in the aftermath of the economic and financial crisis.

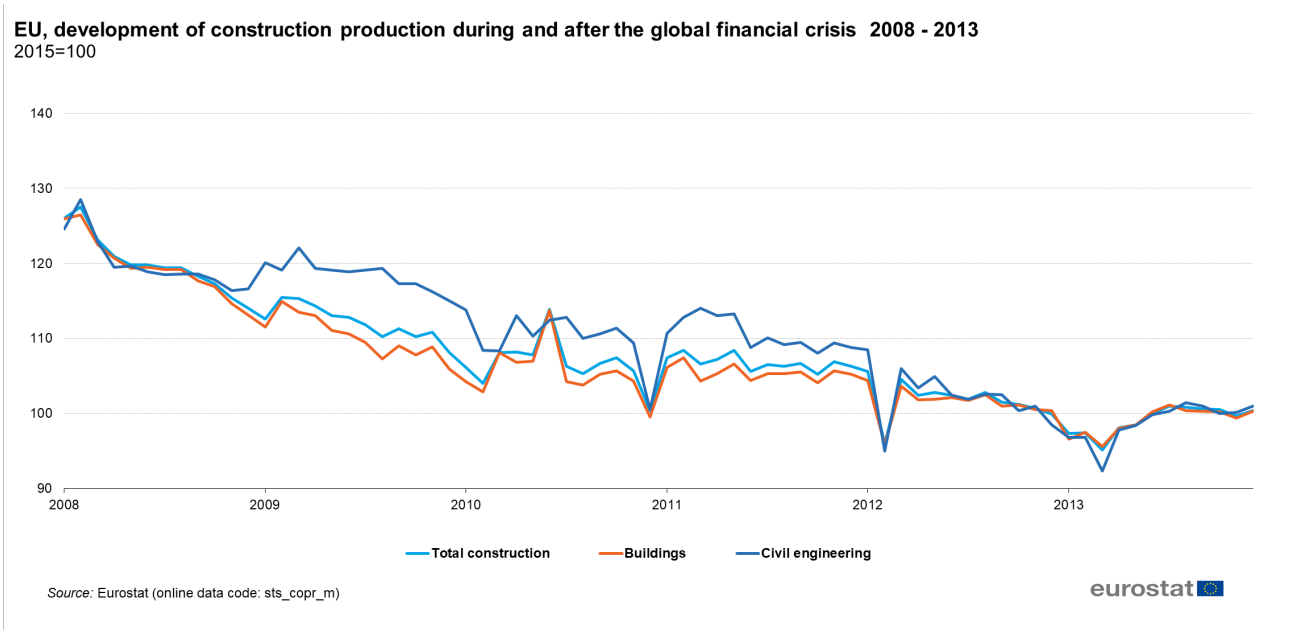

Figure 3: EU, development of construction production during and after the global financial crisis (2008-2013), monthly data, seasonally adjusted (2015=100). Source: Eurostat (sts_copr_m)

Development by country

Since the Covid-19 containment measures differed between countries as to timing and strictness, it was to be expected that the effects on construction production would also vary. Table 1 shows the growth rates for January 2022 compared with April 2020, i.e. generally for the ongoing recovery phase, and for April 2020 compared with February 2020, i.e. the peak of the crisis. The table also shows the rate of recovery, i.e. the ratio of the index levels of January 2022 and of February 2020.

The Covid-19 crisis was particularly strongly felt in Italy, France and Luxembourg, where construction activities fell by 71.5 %, by 63.9 % and by 55.0 % respectively between February and April 2020. In Italy, the recovery between April 2020 and January 2022 was quite strong (303.2 %) – mainly as a result of the extremely low index level of April 2020. By now the Italian construction production volume has clearly surpassed the pre-crisis level. In France, despite a high growth performance since the crisis, the production is still only at 97.6 % of February 2020 (no data for Luxembourg).

In several other countries where early lock-down measures had been less drastic, the construction activity dropped only moderately between February and April 2020 (e.g. Finland) or even increased (Denmark, Romania, Sweden).

In January 2022, only half of the 16 countries for which data are available had regained the February 2020 pre-crisis level of construction activities (Germany, Italy, Hungary, the Netherlands, Poland, Romania, Finland, Sweden). Some countries are relatively close to the pre-crisis activity level (Bulgaria, Czechia, France, Portugal) while some countries (Belgium, Spain, Austria, Slovakia) are still more than three percent away from the former levels. It should be noted however that since the crisis, the ranking of countries in the recovery has changed from one month to the next to a considerable degree.

Construction growth rates, January 2022-April 2020, April-February 2020 and recovery
(%)

	Total construction			Buildings			Civil engineering		
	Jan 2022/ Apr 2020	Apr 2020/ Feb 2020	Recovery	Jan 2022/ Apr 2020	Apr 2020/ Feb 2020	Recovery	Jan 2022/ Apr 2020	Apr 2020/ Feb 2020	Recovery
EU	37.6	-25.9	101.9	37.9	-25.5	102.7	28.6	-22.5	99.7
Euro area	47.0	-30.9	101.5	47.0	-30.7	101.9	38.4	-27.4	100.4
Belgium	13.7	-15.8	95.7	9.5	-13.1	95.2	11.8	-13.0	97.3
Bulgaria	14.8	-14.4	98.3	13.0	-15.2	95.8	17.3	-13.4	101.6
Czechia	3.8	-3.9	99.8	3.5	-3.8	99.6	4.9	-4.1	100.7
Denmark	:	1.6	:	:	4.6	:	:	-0.2	:
Germany	6.4	-3.7	102.5	6.6	-4.3	102.1	5.4	-0.3	105.0
Spain	29.6	-25.8	96.2	32.8	-27.5	96.3	5.5	-7.1	98.1
France	170.1	-63.9	97.6	163.6	-62.9	97.8	204.5	-68.1	97.1
Croatia	:	-13.4	:	:	-14.1	:	:	-12.1	:
Italy	303.2	-71.5	115.0	:	:	:	:	:	:
Luxembourg	:	-55.0	:	:	:	:	:	:	:
Hungary	9.3	-5.9	102.9	9.6	-7.3	101.6	5.5	-5.6	99.6
Netherlands	3.9	-3.8	100.0	:	:	:	:	:	:
Austria	29.4	-25.5	96.4	33.1	-24.7	100.2	18.1	-23.2	90.6
Poland	13.6	-7.8	104.7	12.7	-8.5	103.1	-4.6	0.6	95.9
Portugal	12.4	-11.6	99.4	8.4	-11.0	96.5	18.8	-12.7	103.8
Romania	5.5	2.4	108.0	:	-7.2	:	:	6.5	:
Slovenia	:	-15.0	:	:	-25.7	:	:	-16.1	:
Slovakia	2.6	-14.8	87.5	:	-12.8	:	:	-13.2	:
Finland	6.9	-1.5	105.2	3.3	-1.7	101.5	10.6	-2.8	107.6
Sweden	-0.2	2.7	102.4	1.8	0.0	103.9	-29.5	15.4	81.4
North Macedonia	:	-2.4	:	:	-32.5	:	:	8.5	:

Note: Estonia, Ireland, Greece, Cyprus, Latvia, Lithuania and Malta are not obliged to transmit monthly construction production data to Eurostat
(:) data not available
Source: Eurostat (online data code: sts_copr_m)

eurostat

Table 1: Construction growth rates, January 2022/April 2020, April/February 2020 and recovery, monthly data, seasonally adjusted. Source: Eurostat (sts_copr_m)

Figure 4 shows the two-years rate of change between January 2020 and January 2022 for those countries for which monthly data are available (different from the other rates in this article, these rates are calculated on the basis of calendar adjusted data.)

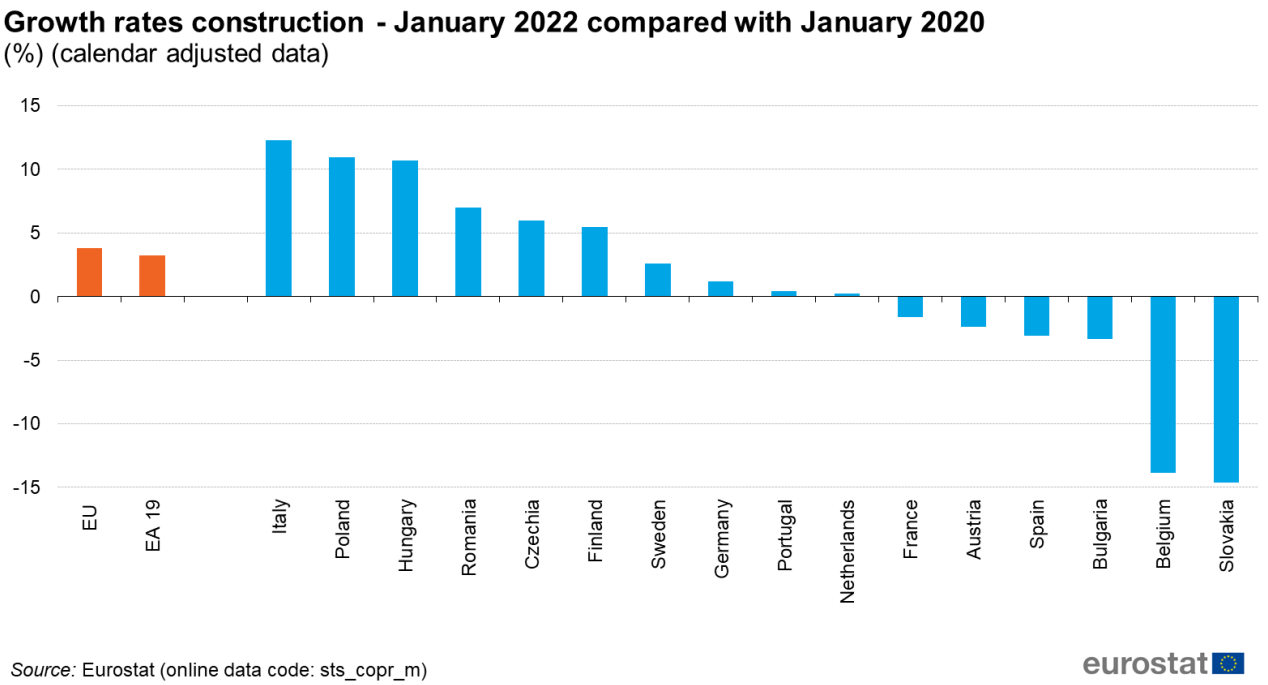

Figure 4: Growth rates construction – January 2022 compared with January 2020 (%), monthly data, calendar adjusted. Source: Eurostat (sts_copr_q)

Source data for tables and graphs

- Impact of Covid-19 crisis on short-term business statistics: tables and figures

Data sources

The latest results for the development of industrial production are published in monthly news releases by Eurostat.

A number of countries are not obliged to transmit monthly construction production data to Eurostat (Estonia, Greece, Croatia, Cyprus, Latvia, Lithuania, Luxembourg, and Malta).

According to the EBS-Regulation and the EBS-Implementing Regulation the construction production index is published around 45 days after its reference months. At this early stage it is normal that no complete coverage of data can be ensured by National Statistical Institutes and that data have to be estimated to some degree. As a consequence, revisions occur during the publications that follow.

The Covid-19 crisis posed additional problems for data collections, since, for example, closed shops and production sites could not be reached or did not supply any data. Moreover, it was not clear if missing data might not be due to businesses being permanently closed. As a consequence, it may be expected that revisions of the first data could be subject to greater revisions than is usually the case.

The data in this article are, for several Member States, based on fewer statistical observations than usual or alternative sources. For missing data, imputation and estimation methods were applied. Information on the compilation of short-term business statistics during the COVID-19 crisis can be found here and (specifically for STS) here .

Main tables

- Short-term business statistics (t_sts) , see:

Construction, building and civil engineering (NACE F) (t_sts_cons)

Production in construction (t_sts_cons)

Database

- Short-term business statistics (sts) , see:

Construction, building and civil engineering (sts_cons)

Production in construction (sts_cons_pro)

Dedicated section

- Short-term business statistics

Methodology

- Methodology of short-term business statistics – interpretation and guidelines
- Methodology of short-term business statistics – associated documents
- Short-term business statistics - Metadata in SDMX format (ESMS metadata file — sts_esms)
- More information on Metadata in Eurostat

Publications

- All News Releases related to short-term statistics
- Recession in the EU-27: output measures, Statistics in Focus 17/2009