

## Downward revision: EECFA's Winter Construction Forecast (Eastern Europe outside EUROCONSTRUCT)

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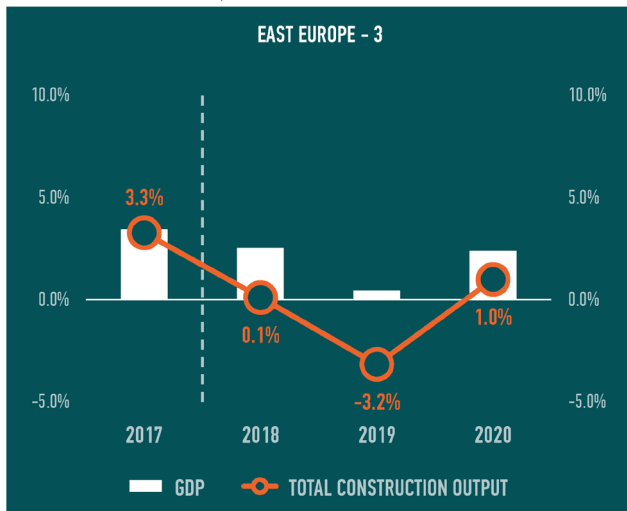
Buildecon, the Hungarian member to EUROCONSTRUCT, is also the founder and Research Centre of EECFA (Eastern European Construction Forecasting Association), an organization publishing construction forecast bi-annually on 8 Eastern European countries (Bulgaria, Croatia, Romania, Russia, Serbia, Slovenia, Turkey, Ukraine). The latest EECFA Construction Forecast Report was released in December. We have revised our forecast downwards across the board, which I have summarized in this post. Full reports can be purchased, and a sample report can be viewed at [www.eecfa.com](http://www.eecfa.com).

pessimistic one. Unlike the stop-and-go like reactions to previous crises, we tend to believe in a stop-and-stay scenario this time. In Russia, we are less pessimistic thanks to a recently announced governmental program expected to affect the market positively.

Optimism still prevails in the Eastern and Western Balkan countries of EECFA. For the region as a whole, the new forecast sees just a little downward revision. However, on country level, the stories are different. Less optimism in Croatia and more optimism in Serbia and Slovenia compared to the previous forecast round. In Romania, the largest construction market of this region, the outlook of the building construction submarket has been adjusted downward.

### EECFA 2018 WINTER FORECAST: DOWNWARD REVISION

GDP AND CONSTRUCTION OUTPUT FORECAST IN EE COUNTRIES OF EECFA  
RUSSIA, TURKEY, UKRAINE  
ANNUAL GROWTH AT CONSTANT PRICE, %

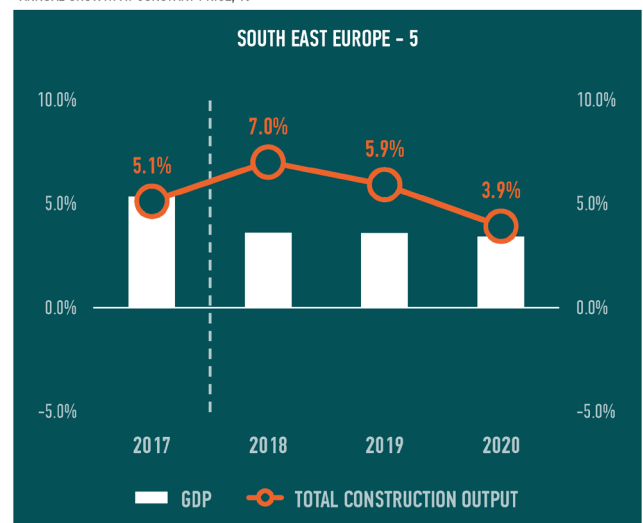


SOURCES OF DATA: GDP - EUROPEAN COMMISSION, IMF WEO, RUSSIA MINISTRY OF ECONOMIC DEVELOPMENT, MINISTRY OF ECONOMIC DEVELOPMENT AND TRADE OF UKRAINE  
CONSTRUCTION OUTPUT - EECFA 2018 WINTER REPORTS

In many previous forecast rounds we argued for a soft-landing scenario in Turkey. However, the dramatic fashion of the currency depreciation in summer 2018 unearthed many structural problems of the construction industry and has made us revise our forecast to an even more

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GDP AND CONSTRUCTION OUTPUT FORECAST IN SEE COUNTRIES OF EECFA  
BULGARIA, CROATIA, ROMANIA, SERBIA, SLOVENIA  
ANNUAL GROWTH AT CONSTANT PRICE, %



SOURCES OF DATA: GDP - EUROPEAN COMMISSION, NATIONAL MACRO FORECASTERS  
CONSTRUCTION OUTPUT - EECFA 2018 WINTER REPORTS



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EECFA COUNTRIES CONSTRUCTION MARKET SIZE AND DEVELOPMENT	VALUE (EUR MLN)	GROWTH RATES AT CONSTANT PRICE (%)						
	2017	2014	2015	2016	2017	2018(F)	2019(F)	2020(F)
BULGARIA	5 772	17.3	21.0	-40.2	6.5	7.4	7.0	6.4
CROATIA	3 355	-7.2	10.7	2.7	1.7	4.9	2.8	2.1
ROMANIA	16 498	1.0	19.4	-12.3	4.3	5.9	5.7	3.1
SERBIA	2 409	1.9	18.0	7.7	7.1	12.7	8.0	4.9
SLOVENIA	2 530	9.8	-3.3	-10.7	10.8	10.8	7.0	4.6
<b>SOUTH-EAST EUROPE-5</b>	<b>30 564</b>	<b>4.5</b>	<b>16.9</b>	<b>-16.8</b>	<b>5.1</b>	<b>7.0</b>	<b>5.9</b>	<b>3.9</b>
RUSSIA	133 673	0.3	-2.1	-1.8	-0.5	0.5	-0.8	1.1
TURKEY	128 453	4.9	6.1	4.2	7.2	-0.6	-6.1	0.7
UKRAINE	7 072	-19.0	-12.1	12.3	7.7	4.4	2.8	3.1
<b>EAST EUROPE-3</b>	<b>269 197</b>	<b>1.6</b>	<b>1.1</b>	<b>1.2</b>	<b>3.3</b>	<b>0.1</b>	<b>-3.2</b>	<b>1.0</b>
<b>EECFA-8</b>	<b>299 762</b>	<b>1.9</b>	<b>2.8</b>	<b>-1.0</b>	<b>3.5</b>	<b>0.8</b>	<b>-2.2</b>	<b>1.3</b>

SOURCE: EECFA 2018 WINTER

**Source of data:** EECFA Construction Forecast Report, 2018 Winter