

## PRESS RELEASE

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#### **Strong rebound in European construction in 2021**

The recovery of the European construction industry is more rapid than initially expected, with much of the losses from the Corona pandemic expected to be recovered in 2021. According to the latest estimates, construction volume in the EUROCONSTRUCT area will grow by 3.8% in 2021, following a slump of 5.1% in 2020. Compared to the previous forecasts, the decline in 2020 was less than expected, and the pre-crisis level will thus be reached again by 2022 at the latest. Against the backdrop of significantly more favourable economic conditions in the EC-19, the construction industry is also benefiting from an overall rapid economic recovery. Unlike the past years, however, the construction industry will show a lower growth dynamic than the overall economy from 2022 onwards: while the growth rates of the construction industry in 2022 and 2023 will be 3.0% and 2.1%, the economies of the EC-19 will expand by 4.4% and 2.0%.

The past year 2020 brought drastic declines in total construction output in almost all EC countries - apart from Denmark, Finland, Portugal and Sweden. The countries France, Ireland, Spain, the United Kingdom, Hungary and Slovakia recorded high single-digit or even double-digit declines.

The construction industry in the Nordic countries was more resilient to the pandemic, with positive growth rates in several countries. This contrasts with a negative growth trend in the Eastern European countries, where the Czech Republic and Poland came off somewhat more lightly. The picture in continental and southern Europe is very heterogeneous. While construction output plummeted in France, growth in Germany was only just below zero, as it was in Switzerland. Moderate losses were recorded in Austria and Belgium. Portugal was also able to decouple itself from the negative dynamics in neighbouring Spain. In the Anglo-Saxon countries, there was a very significant slump overall in 2020.

Nevertheless, the (almost) unanimous negative growth rates of the construction industry in the Euroconstruct countries in 2020 should not hide the fact that the recovery paths are very different. It is by no means the case that stronger losses in 2020 will automatically be compensated for in 2021. This becomes particularly clear in the case of Ireland, Hungary, Slovakia, Spain and France, which suffered very high declines in total construction output in 2020 and will only be able to compensate for part of them in 2021. Ireland and Hungary even expect further declines in 2021. The situation is reversed in Portugal and the Northern European countries (Denmark, Finland, Sweden and Norway): after very robust results in 2020, there should be further increases in 2021.

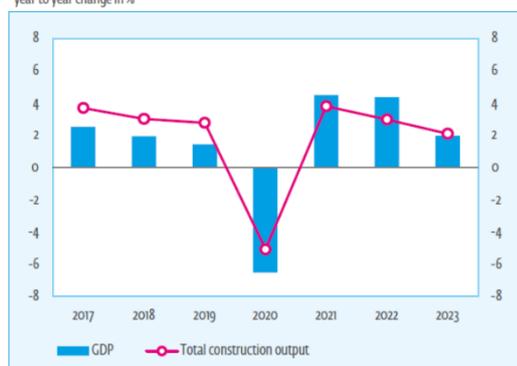
From a sectoral perspective, civil engineering, which has already shown significantly above-average growth momentum in recent years, has the most promising growth prospects in the years until 2023. Non-residential construction, which was most strongly hit by the crisis, exhibits

a relatively weak recovery path in the coming years. Residential construction, on the other hand, will continue to deliver stable growth rates but the growth dynamic drops noticeably after 2021.

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**GDP and Total construction output (EC-19)**  
 year to year change in %



Source: EUROCONSTRUCT, June 2021

**Construction output by sector (EC-19)**  
 index at constant price,



Source: EUROCONSTRUCT, June 2021

TOTAL CONSTRUCTION OUTPUT		(% change in real terms)					
Country/Year					Forecasts		Outlook
	2017	2018	2019	2020	2021	2022	2023
Austria	2.5	3.6	3.6	-3.3	3.5	2.4	1.9
Belgium	2.1	3.3	1.6	-4.7	6.1	1.9	2.4
Denmark	3.0	1.3	7.8	6.1	2.9	1.8	2.0
Finland	1.9	1.7	-1.8	1.4	1.1	-0.8	-3.0
France	3.9	3.1	2.2	-12.7	7.0	3.3	1.5
Germany	2.1	2.0	2.0	-0.9	-0.6	0.2	0.2
Ireland	14.9	13.1	8.4	-8.6	-6.4	14.6	9.5
Italy	0.5	1.9	3.4	-4.6	8.7	4.7	3.6
Netherlands	3.9	6.6	3.1	-2.5	-1.6	4.4	4.0
Norway	3.5	-2.0	1.8	-0.1	5.4	2.0	0.2
Portugal	11.2	10.3	8.4	3.4	0.4	1.0	1.4
Spain	5.1	6.4	4.5	-10.4	5.5	6.0	3.5
Sweden	6.2	-1.0	1.2	1.4	2.7	1.4	1.9
Switzerland	1.2	0.9	-0.3	-0.7	0.5	-0.6	0.6
United Kingdom	6.0	-0.1	2.4	-11.1	11.4	5.2	3.2
Western Europe (EC-15)	<b>3.4</b>	<b>2.5</b>	<b>2.6</b>	<b>-5.2</b>	<b>4.1</b>	<b>2.9</b>	<b>2.0</b>
Czechia	4.5	7.0	1.1	-3.6	-0.9	2.8	2.3
Hungary	25.5	19.8	16.3	-7.1	-1.3	7.9	7.6
Poland	7.2	14.4	4.9	-2.0	-0.2	2.9	3.3
Slovakia	3.8	8.0	-4.7	-12.7	1.9	8.3	4.3
Eastern Europe (EC-4)	<b>8.5</b>	<b>12.8</b>	<b>5.1</b>	<b>-3.8</b>	<b>-0.5</b>	<b>3.9</b>	<b>3.8</b>
Euroconstruct Countries (EC-19)	<b>3.7</b>	<b>3.0</b>	<b>2.8</b>	<b>-5.1</b>	<b>3.8</b>	<b>3.0</b>	<b>2.1</b>

Source: EUROCONSTRUCT, June 2021