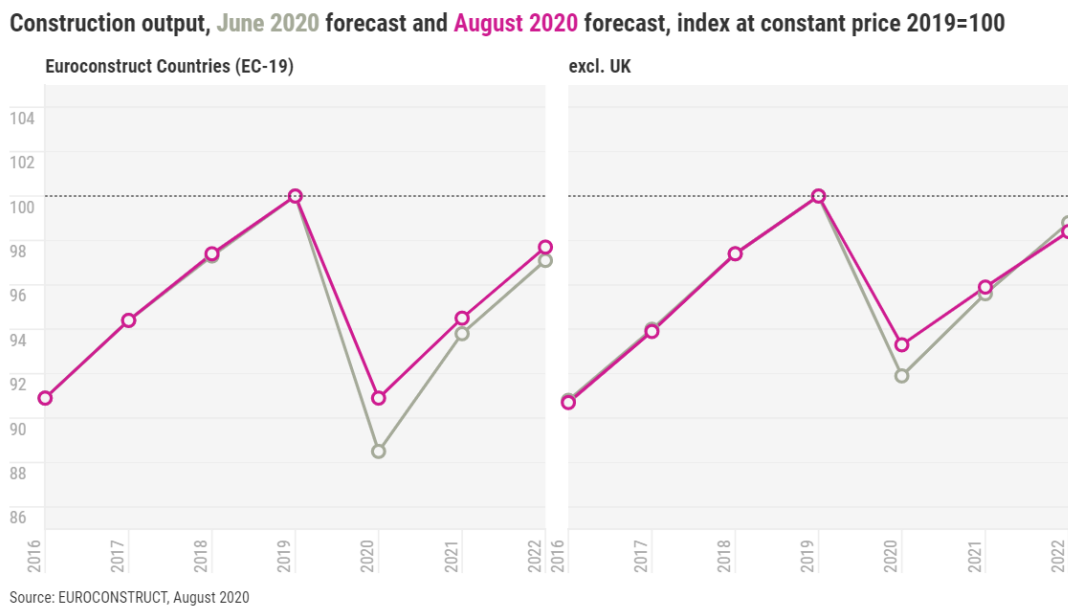


EUROCONSTRUCT Special Update August 2020 – Visual Summary

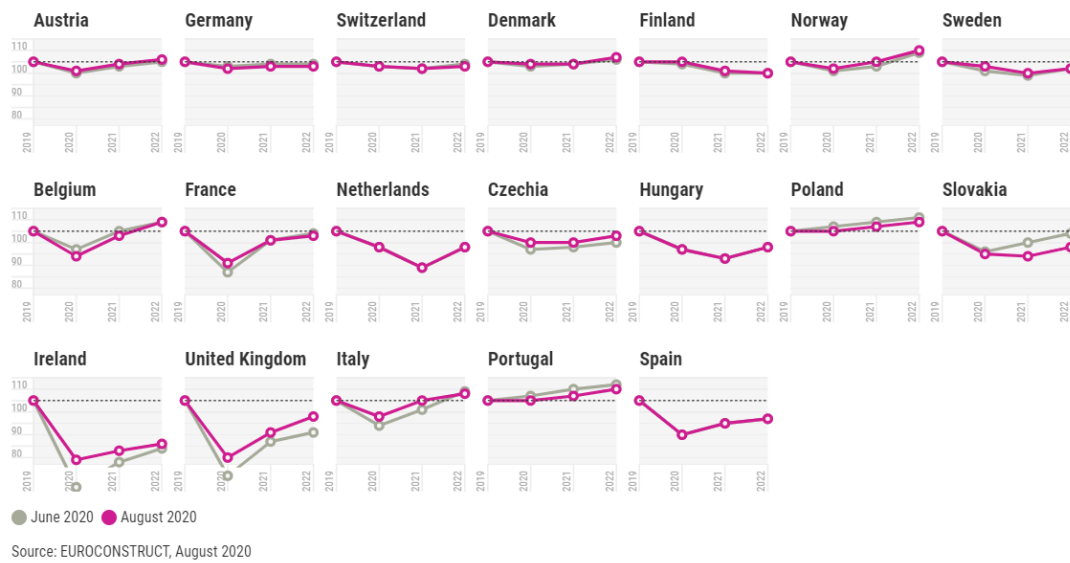
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1. The shrinkage of the total construction market in 2020 is expected to be less harsh according to the August 2020 forecast, and recovery is on from 2021. This recovery is not superfast, though, as the 2022 level is still foreseen to be below the 2019 level. In our latest outlook 2020 could end up with an around 9% decline in the EUROCONSTRUCT area. Among the biggest markets, the UK seems to be hardest hit by the consequences of the pandemic. Excluding the UK (chart on the right) the decline in real terms is around 7% this year.



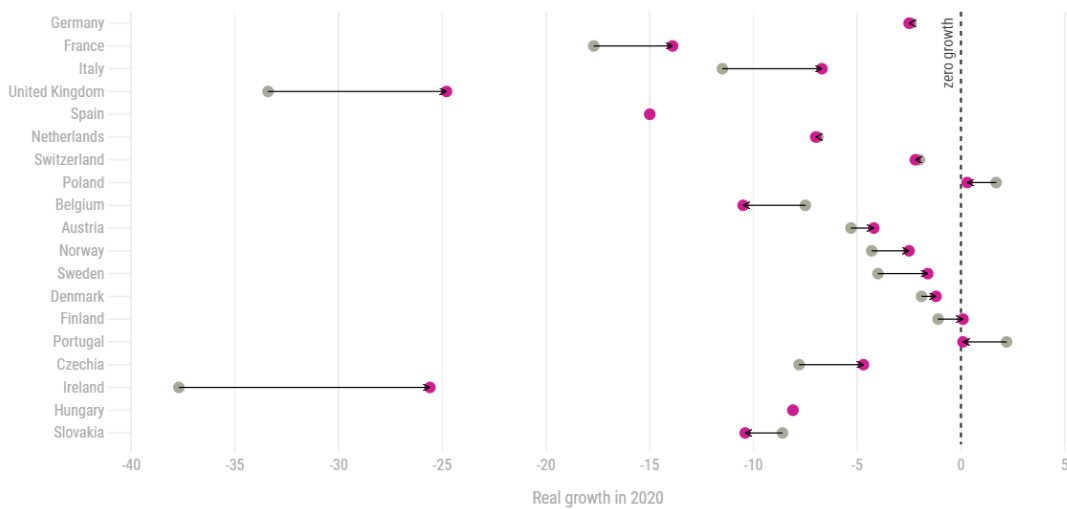
2. In most countries the stories after the revision remained pretty similar to those we forecast in June. Charts below are organized by region; the dotted black line represents the 2019 level. At Europe' heartland and in the Nordic countries (in the top row) there are very stable markets. Except for Finland and Sweden, each of them foresees the total market in 2021 to be around the level of 2019. Out of the largest countries, the most sluggish recovery could be in the Netherlands, in the UK and in Spain. Poland seems to be crisis-resistant.

Construction output, June 2020 forecast and August 2020 forecast, index at constant price 2019=100



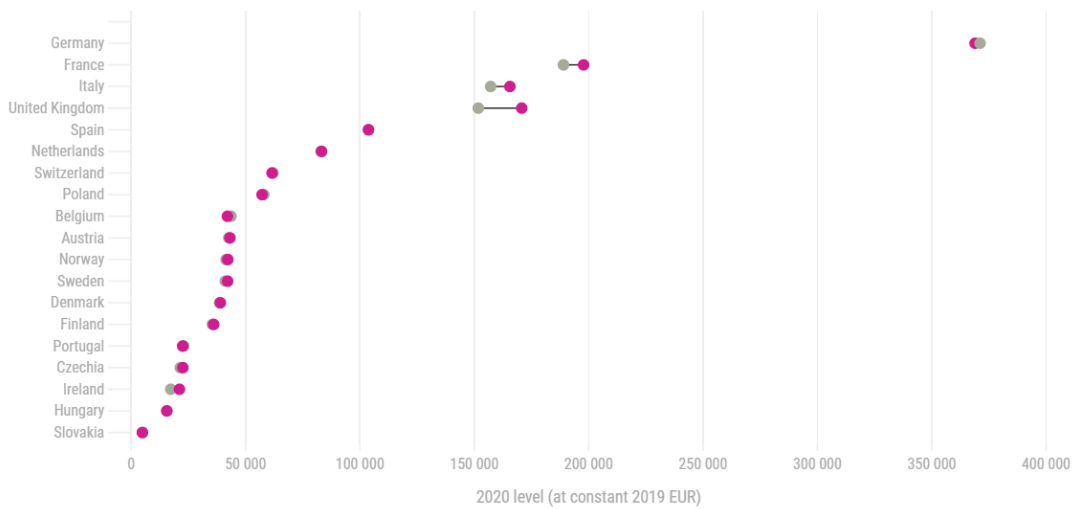
3. The countries here are ranked by market size. Poland, Belgium, Portugal and Slovakia revised its 2020 growth rate downward. Two of them, Poland and Portugal, were the most optimistic in the June 2020 forecast round. Among those having been the most pessimistic in June, France, Italy, the UK, Spain and Ireland, only Spain remained unchanged. The 4 other countries have revised upward. But what does it mean in money?

Construction output, June 2020 forecast and August 2020 forecast, real growth in 2020, %



4. In money terms, it may seem that the difference is not so big. But it is, indeed. (Countries are in the same order as before). From bird's eye view, the revision of France, Italy and the UK are the most influential. What seems almost indifferent on European level, though, means a lot on county level. Belgium's downward revision is around EUR 1.5bln more output loss (in constant 2019 EUR). While Ireland could be better off by EUR 4bln in 2020 according to the current view.

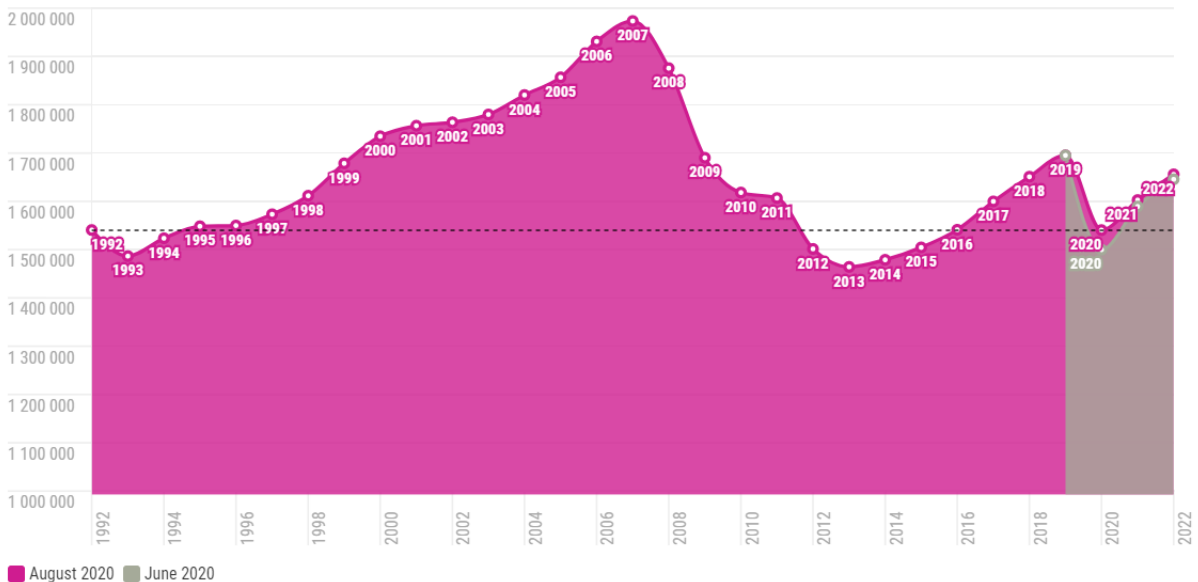
Construction output, June 2020 forecast and August 2020 forecast, 2020 level, million EUR



Source: EUROCONSTRUCT, August 2020

- The size of revision amounts to actually a yearly growth between 2013 and 2016. Nonetheless, for 2020 the August 2020 forecast still expects a drop that was hardly seen in the past 30 years. And the market size could fall back to the 2016 level before recovery starts. (Unconventionally, the dates are shown on the chart). An interim EUROCONSTRUCT forecast was issued on 24 August 2020. If you are interested; please turn to your local member. In case you have interest in Eastern Europe as well, you may turn to EECFA or me.

Construction output since 1992, June 2020 forecast and August 2020 forecast, level at constant 2019 EUR



Source: EUROCONSTRUCT, August 2020



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