

Construction Profile in ITC Group Countries

N. 1 – March 10th 2010

Highlights

Country Focus

Main Construction Indicators

Countries:

United States

Canada

France

Italy

Spain

Belgium

Greece

Bulgaria

Turkey

Morocco

Egypt

China

Thailand

India

Key to Abbreviations

ar	annual rate
bn	billion
ch	change
d	day
lhs	left hand side
m	month
ma	moving average
mn	million
mom	month-on-month
nsa	not seasonally adjusted
Q	quarter
rhs	right hand side
sa	seasonally adjusted
saar	seasonally adjusted at annual rate
tn	trillion
wda	working days adjusted
y	year
yoy	year-on-year

Based on all information up to March, 10th 2010
Available in @Gold

HIGHLIGHTS

- The worst seems over for construction as Q4 09 data show that the pace of decline is softening in all the Group's advanced economies.
- However, earlier indications on the current year are far from reassuring on both Atlantic sides. In the US confidence and leading indicators have hinted to a turnaround at mid-year 2009 but since then have stopped improving (housing market index, housing starts, permits) or also shown renewed weakness (home sales, building materials production, home vacancies and months' supply of homes), which does not bode well for short-term prospects of the construction industry particularly in the residential segment.
- In Europe, the housing sector remains in the doldrums and the boost supplied from additional public works seems set to lose traction. Confidence indicators in France and Italy have stopped faltering but a clear-cut rebound is not materialising yet and construction production continues to decline (see also the Country Focus section below for a more troublesome country such as Greece).
- In the emerging region most countries keep growing at a robust pace (Egypt, Morocco, China, India among them, see also the Country Focus below). In this regard Thailand is continuing to recover while also Turkey is showing early signs of improvement in its construction performance.

COUNTRY FOCUS

- In **Greece**, private construction continues to experience a protracted slump and a stabilisation is not expected in the next few months as reflected by leading indicators. As a matter of fact, demand remains extremely weak, with the value of housing transactions reaching historical lows in the last months of 2009. Tighter lending conditions and increasing concerns about the economic outlook are weighting down on housing demand thus widening the still large supply overhang. As for public spending, the current fiscal tightening should have a significant negative impact, as the government has unveiled its third austerity programme since October 2009. The new set of measures is expected to cut the fiscal deficit by €4.8bn in 2010 also through a severe contraction in public investment.
- In **Morocco**, construction value added declined marginally in Q3 09 (-0.1% yoy). According to sectoral indicators, construction is estimated to have remained subdued also in Q4 09. However, activity is set to improve in the next few months mainly driven by strong public spending. As a matter of fact, also thanks to a sound fiscal position, the government has planned a 20% yoy increase in public investment largely focused on lower income housing (totalling US\$7.5bn over the coming ten years) and transport infrastructure (highway networks, ports and railways).
- In **India**, construction activity surprised on the upside in Q4 09 accelerating to 8.7% yoy (up from 7.1% in Q3 09). The building industry is continuing to benefit from the boom in low-cost housing as well as from additional measures taken by policymakers. As for the latter, the government has launched a number of stimulus plans mainly focussed on infrastructure. In turn, the World Bank has recently approved US\$4.3bn for India's Economic Stimulus, with a vast portion of it going to infrastructure. The Bank has also approved US\$1.2bn for the India Infrastructure Finance Company Ltd to support its role in catalysing private financing for PPPs including roads, ports, airports, railways and the power sector.

COUNTRY FOCUS

MAIN CONSTRUCTION INDICATORS

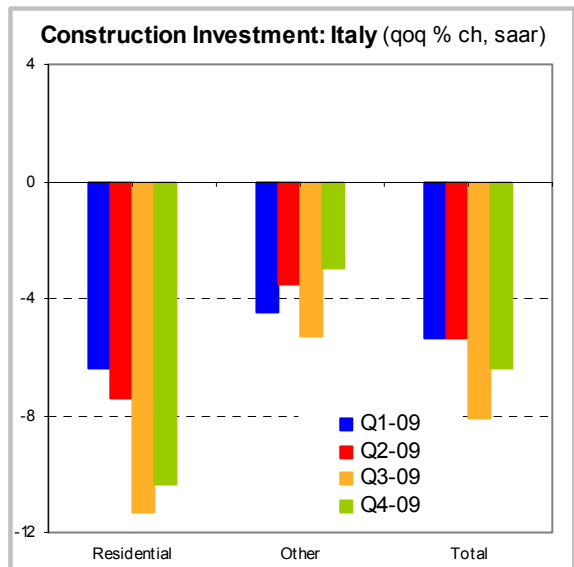
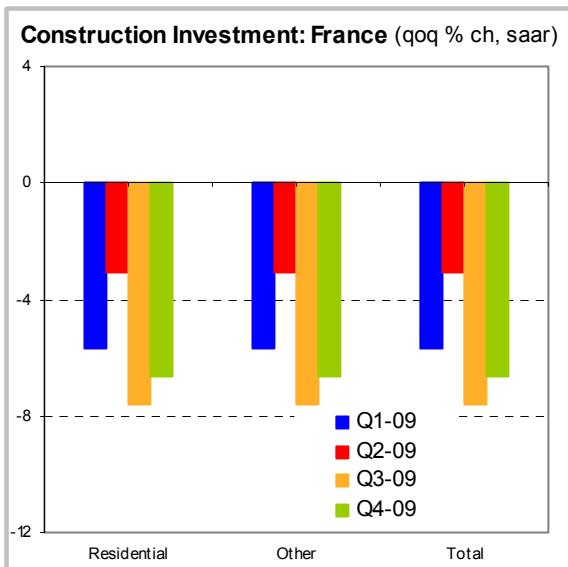
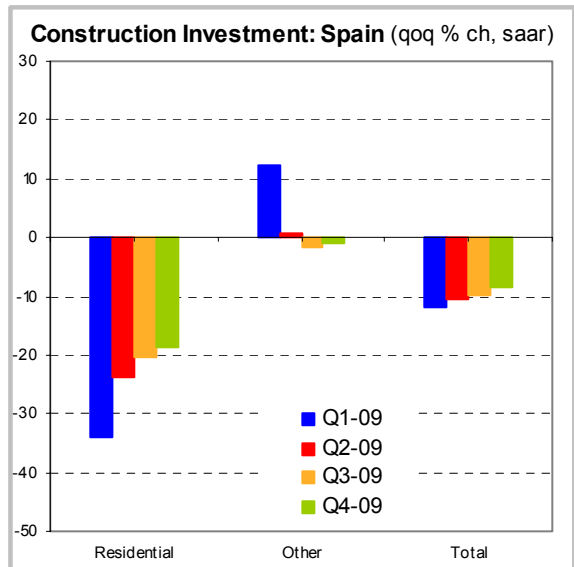
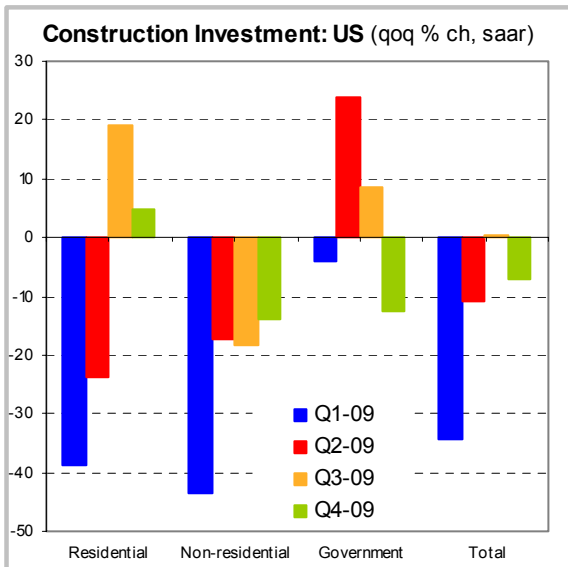
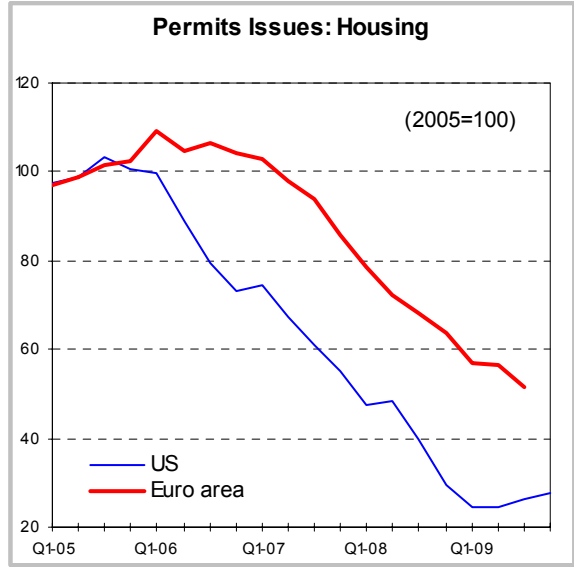
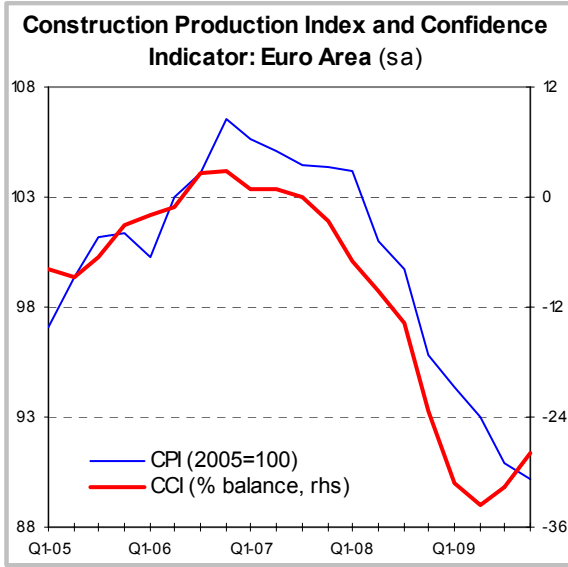
Indicators*	Construction Production				Construction Investment				House Prices			
	2007	2008	2009	Latest	2007	2008	2009	Latest	2007	2008	2009	Latest
USA	-17.9	-30.4	-28.3	-12.0 Dec ⁽¹⁾	-5.1	-7.0	-15.3	-14.1 Q4	-3.8	-15.8	-13.3	-3.1 Dec
Canada	3.9	3.0		-4.8 Nov	3.1	0.7		-6.3 Q3	7.4	2.9	-3.0	-0.4 Dec
France	1.7	0.7	-6.5	-6.3 Jan	4.8	-0.2	-5.9	-5.9 Q4	6.6	1.2	-7.1	-4.4 Q4
Italy	6.3	-0.4	-11.4	-7.9 Q4	0.1	-3.4	-7.9	-6.3 Q4	5.3	2.7	-3.8	-4.1 H2 09
Spain	-3.7	-15.8	-12.0	-5.3 Dec	3.2	-5.1	-10.5	-10.2 Q4	5.8	0.7	-7.4	-6.3 Q4
Belgium	2.3	-1.9		-7.8 Nov	3.4	1.3		-3.8 Q3 ⁽²⁾				-
Greece	14.3	7.8		-14.2 Q3	-5.3	-19.1		-19.4 Q3	3.8	2.6		-0.7 Q3 ⁽³⁾
Bulgaria	27.5	-3.2	-15.1	-31.5 Dec	21.7	20.4	-24.9	-28.9 Q4 ⁽⁴⁾	28.9	24.9	-21.4	-26.3 Q4
Turkey			-		5.8	-7.0		-18.0 Q3				-
Morocco			-		10.3	9.4		-0.1 Q3 ⁽²⁾				-
Egypt			-		16.2	11.9		13.8 Q3 ⁽²⁾				-
China			-		23.8	3.0	45.5	57.6 Dec ⁽⁵⁾	7.6	6.5	2.4	9.5 Jan ⁽⁶⁾
Thailand			-		2.6	-4.2	0.5	5.7 Q4	-4.3	-13.9	-9.2	-13.9 Q4
India			-		11.5	7.2	7.3	8.7 Q4 ⁽²⁾				-

Notes:

* yoy % ch, sa, unless otherwise indicated; ⁽¹⁾ Production of dwellings ; ⁽²⁾ Gross value added; ⁽³⁾ Urban areas excluding Athens;

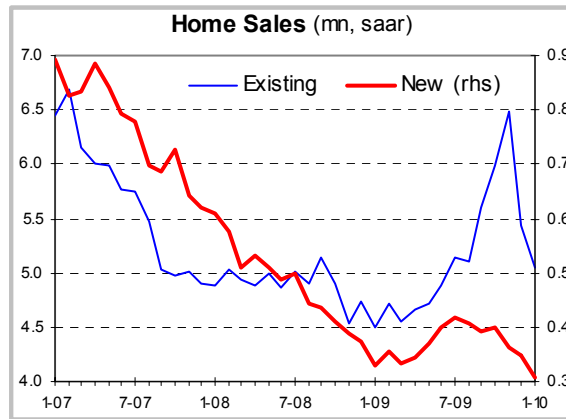
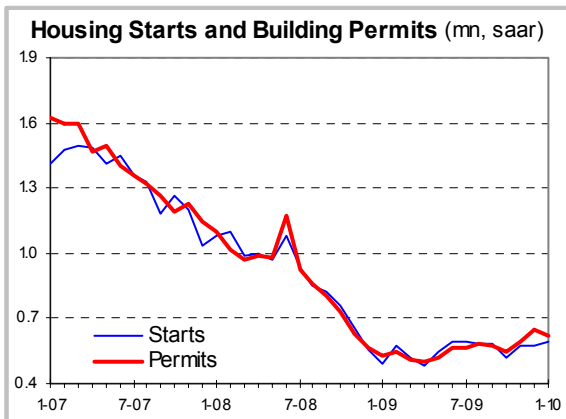
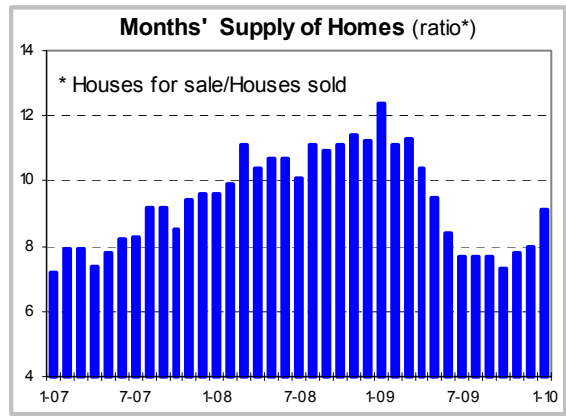
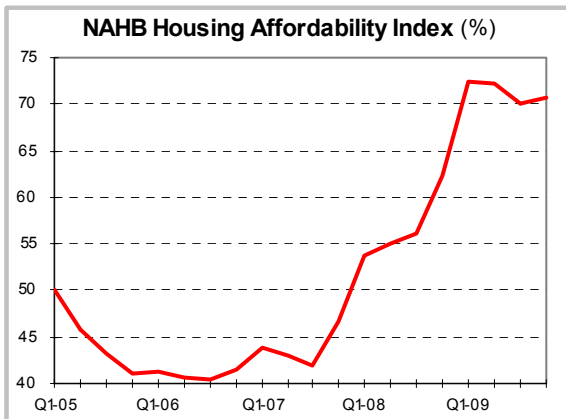
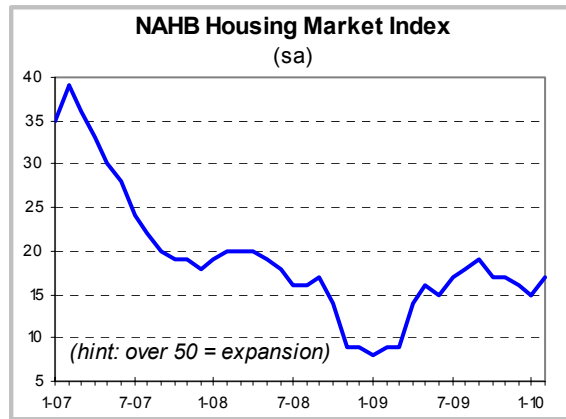
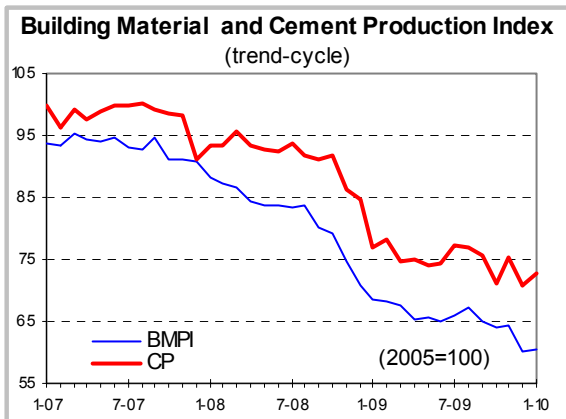
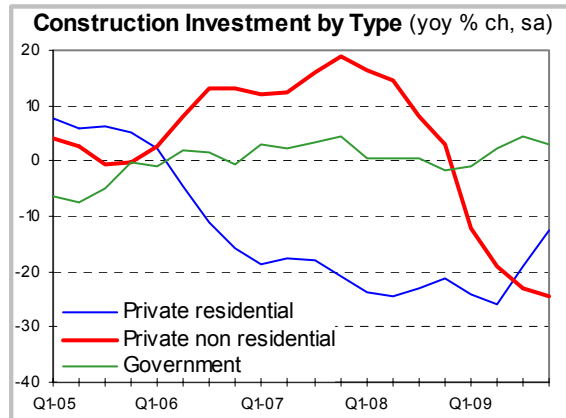
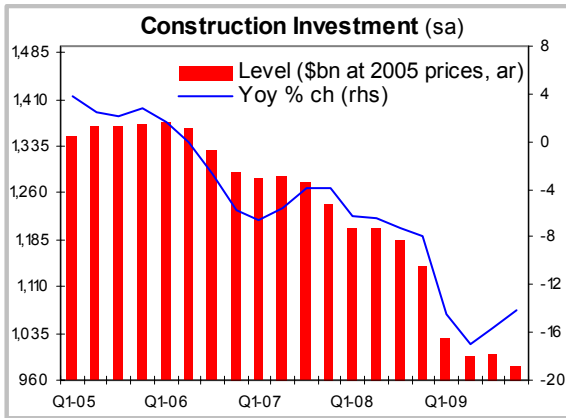
⁽⁴⁾ Gross fixed capital investment; ⁽⁵⁾ Investment in fixed assets: construction; ⁽⁶⁾ 70 major cities

MAIN CONSTRUCTION INDICATORS

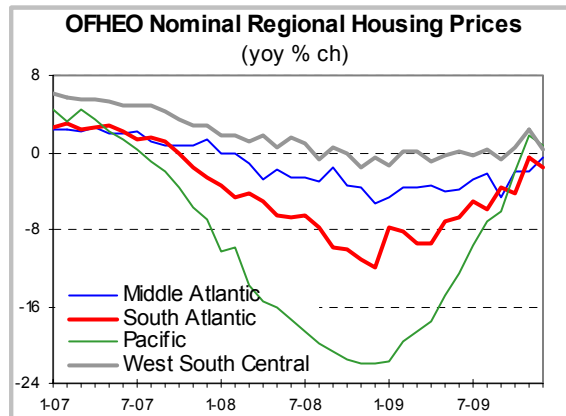
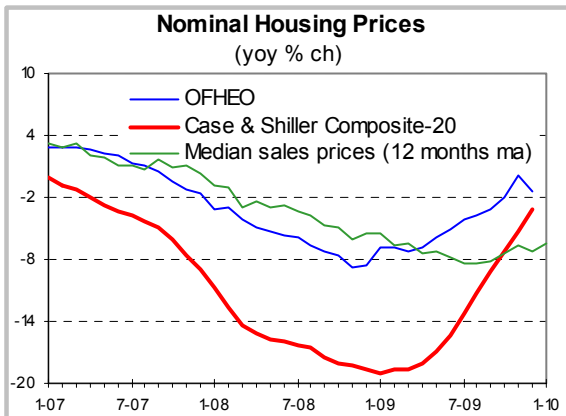
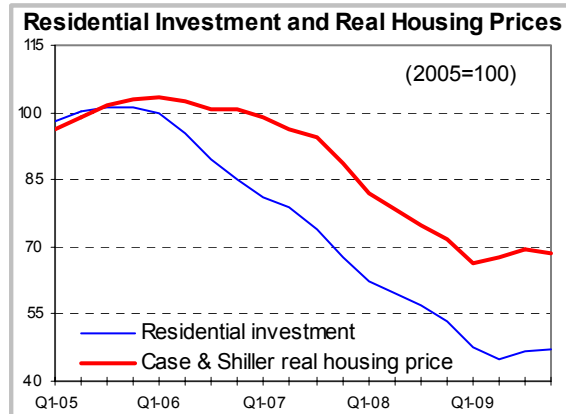
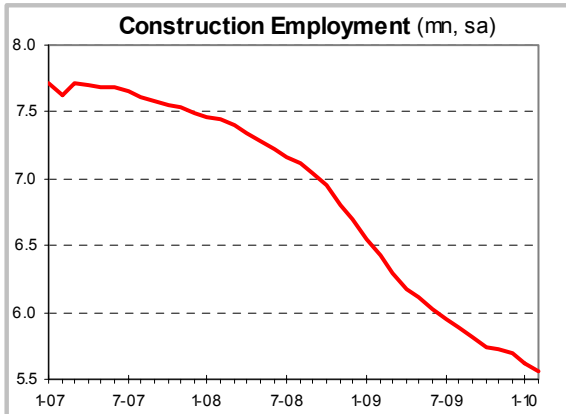
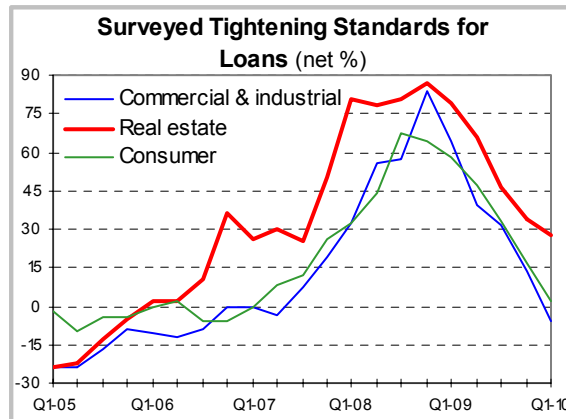
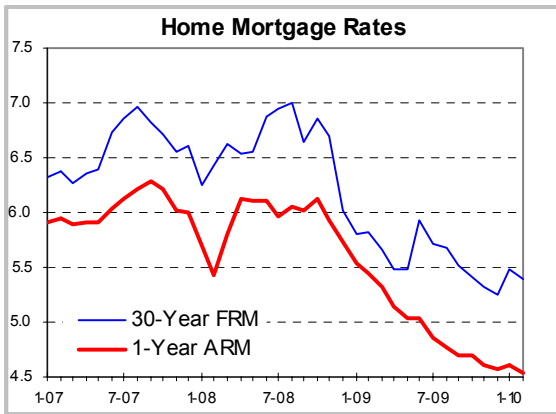
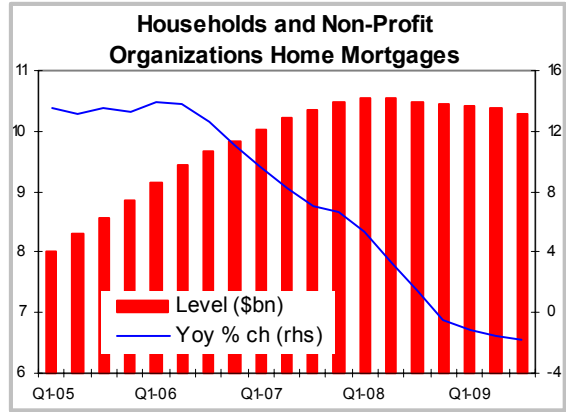
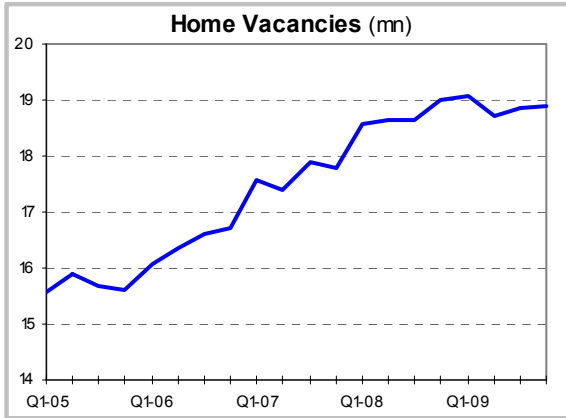


Sources: BEA, Eurostat, US Census

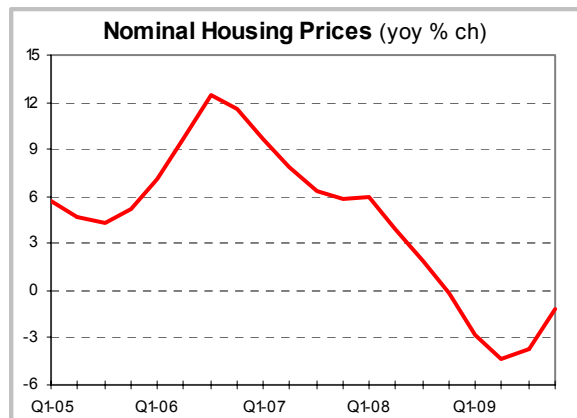
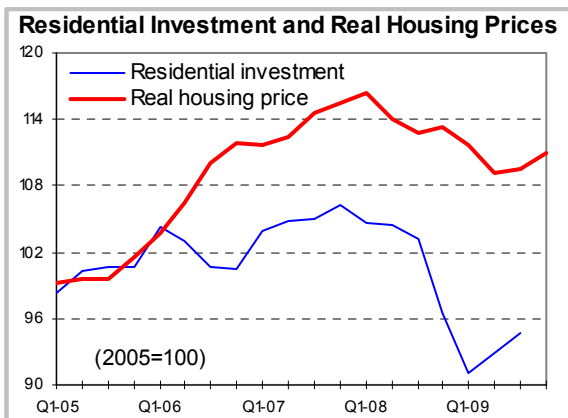
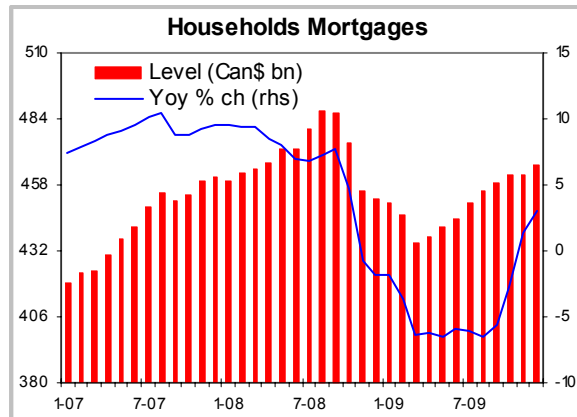
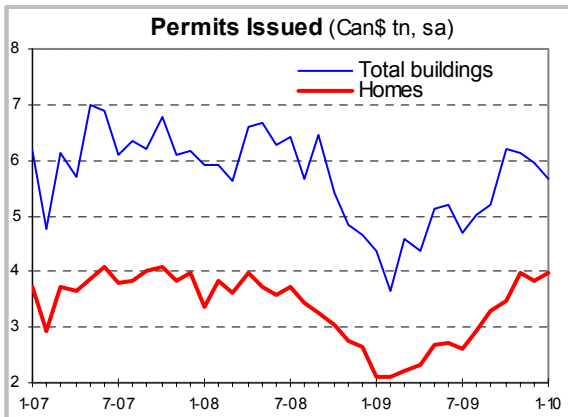
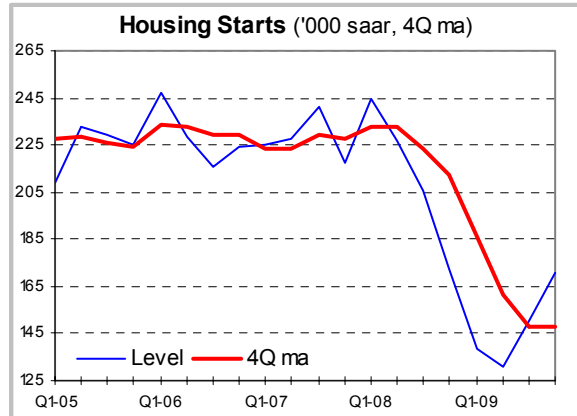
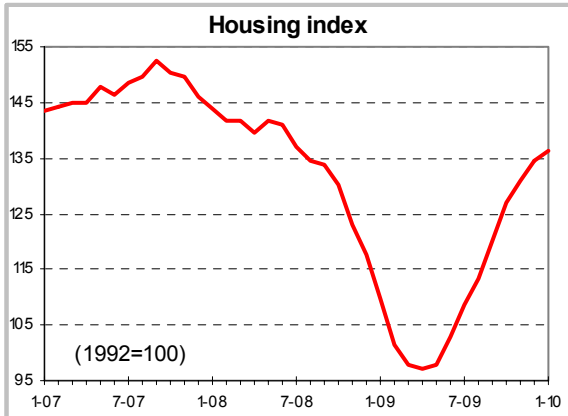
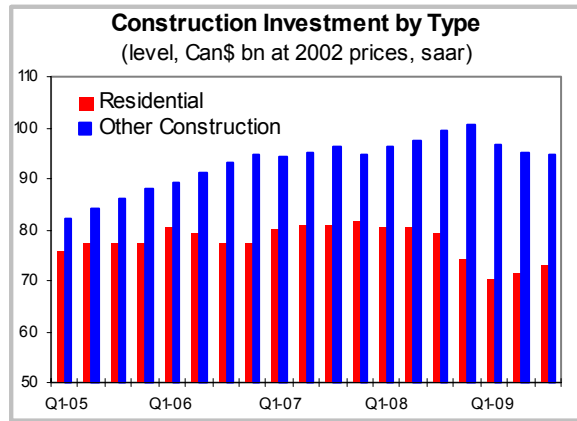
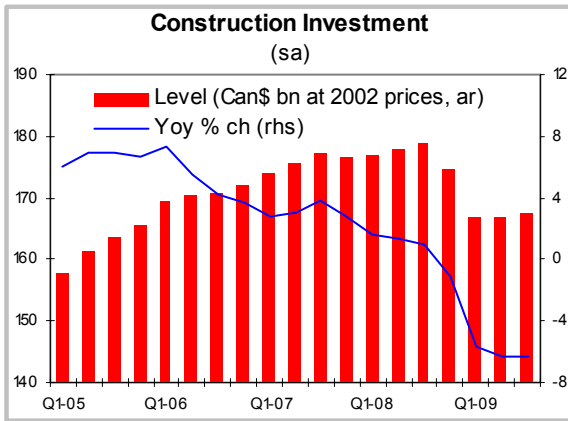
UNITED STATES



UNITED STATES

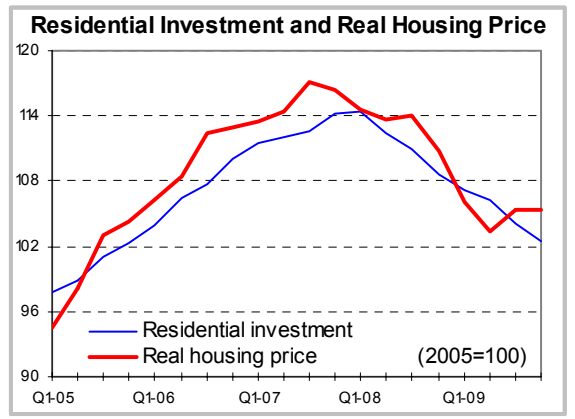
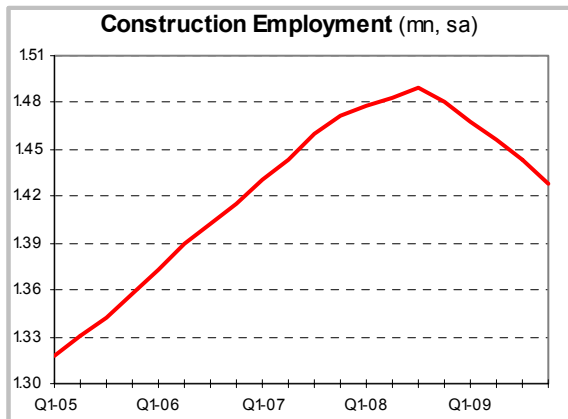
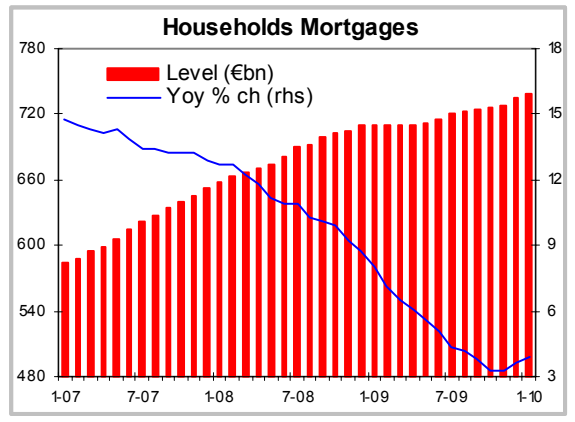
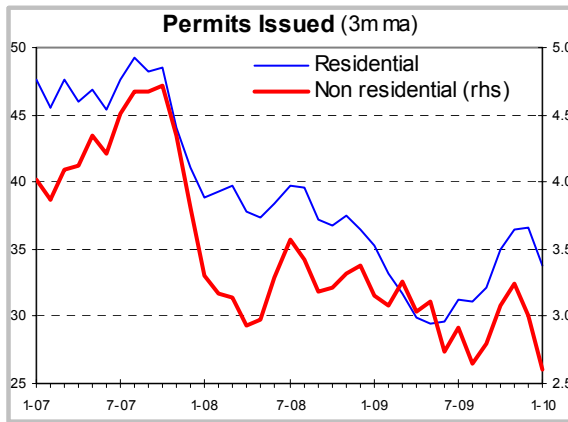
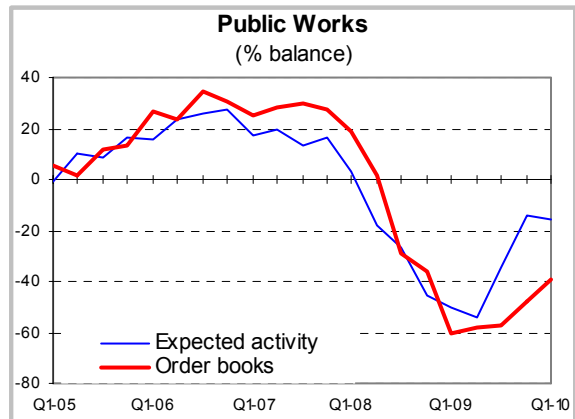
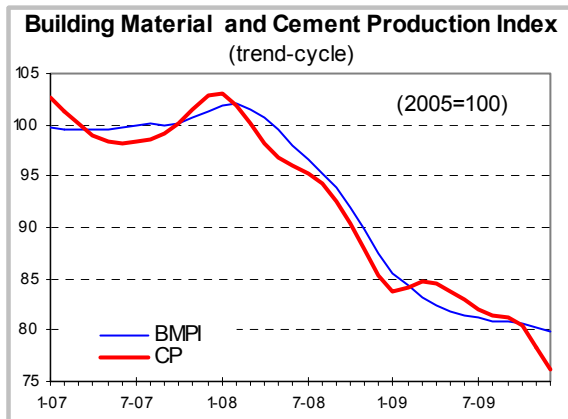
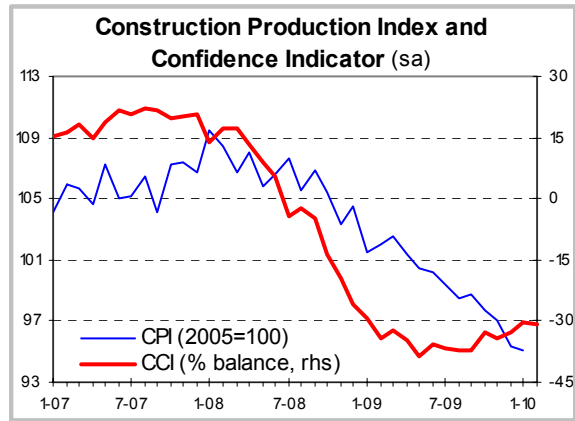
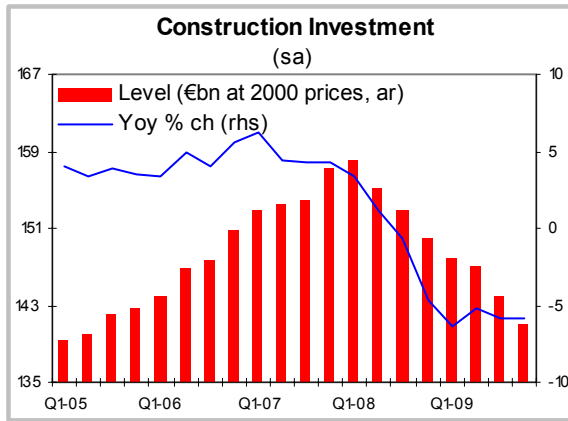


Sources: US Census, National Association of Home Builders, Dept. of Labour, HSH Associates, Bureau of Economic Analysis, Standard & Poor's, Bureau of Labour Statistics, OFHEO

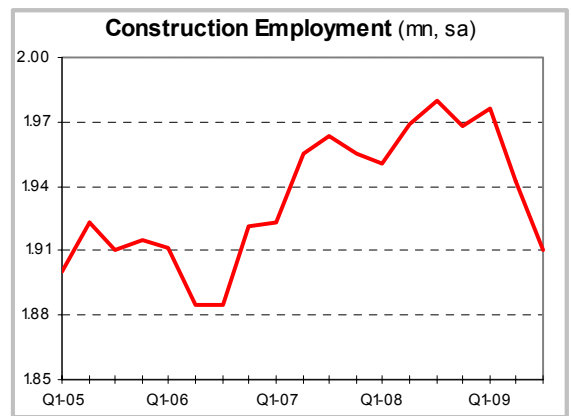
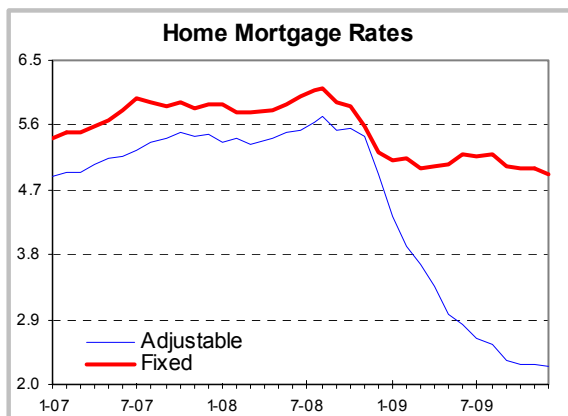
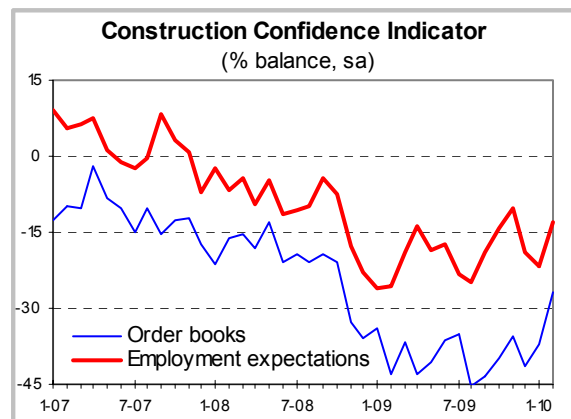
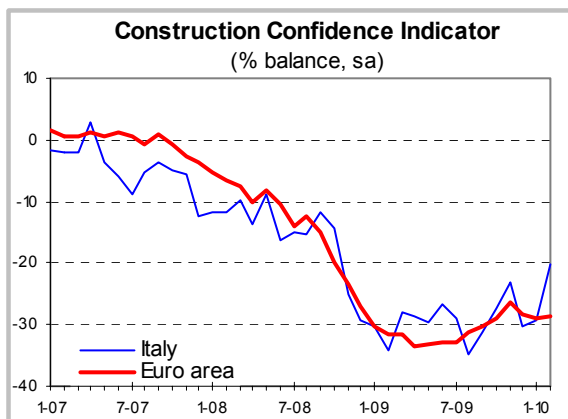
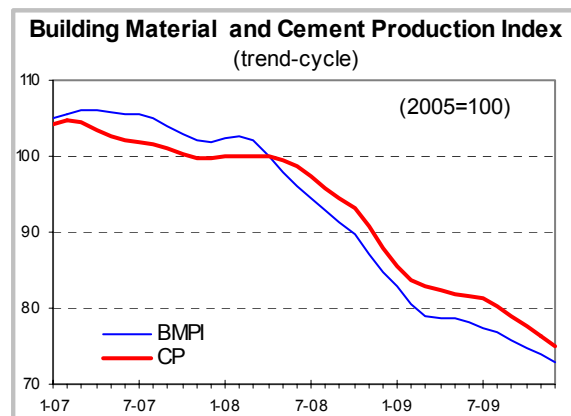
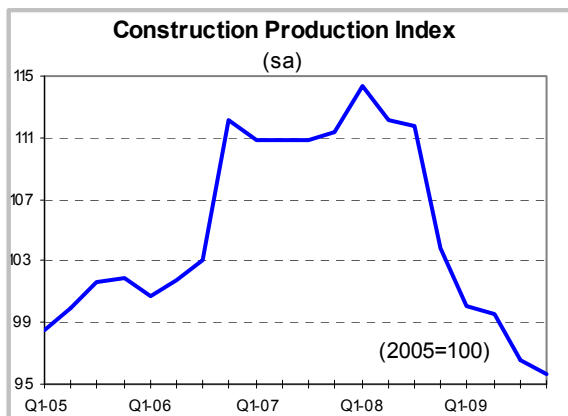
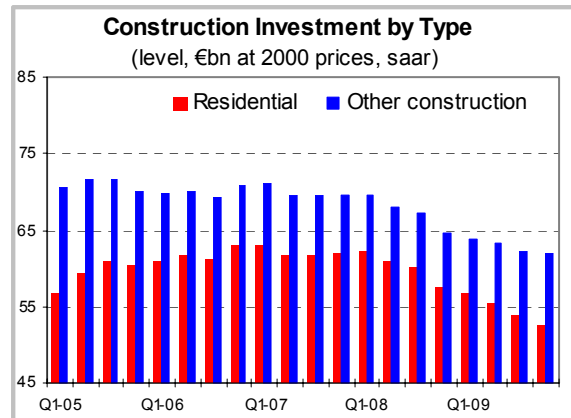
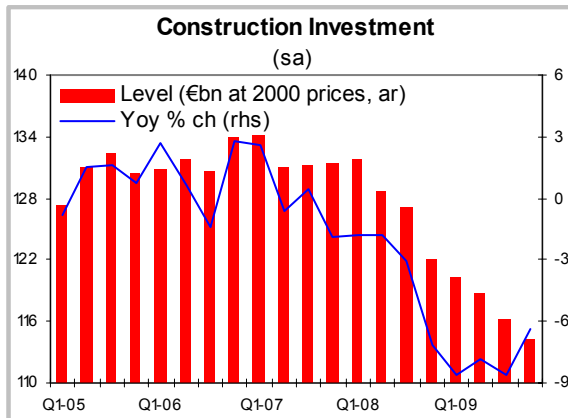


Sources: OECD, Canada's Statistics Agency, CMHC, Bank of Canada

FRANCE

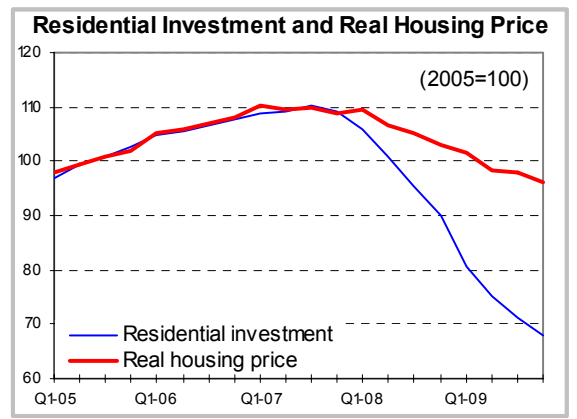
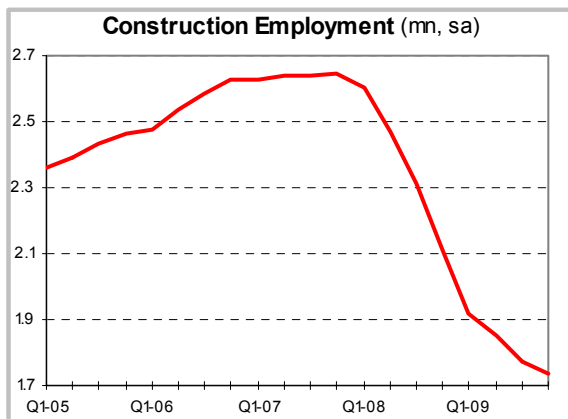
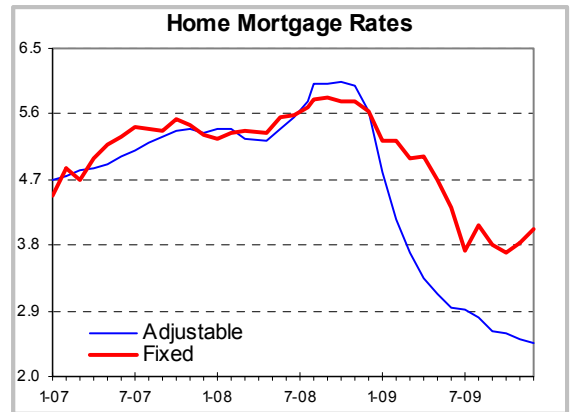
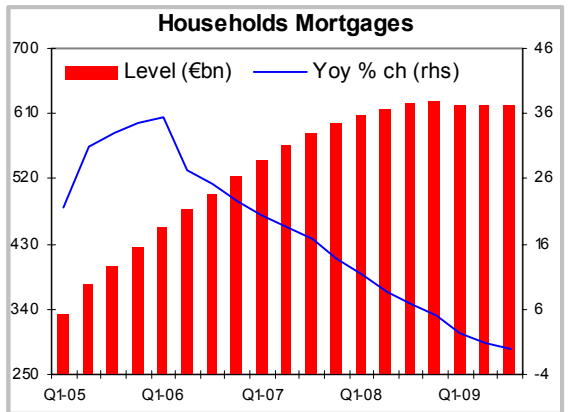
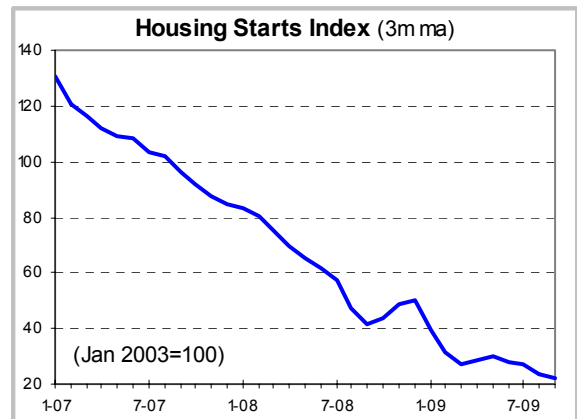
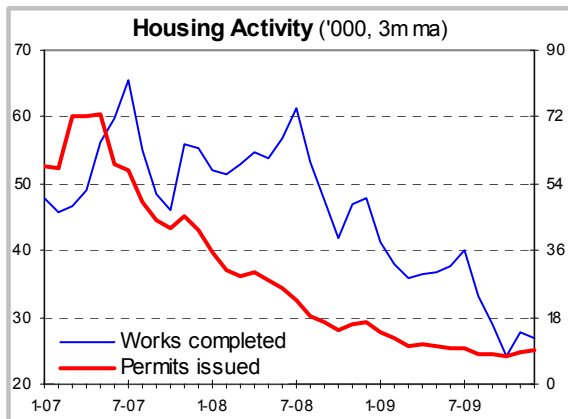
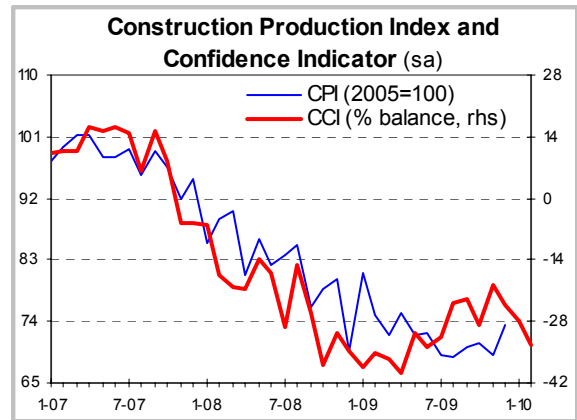
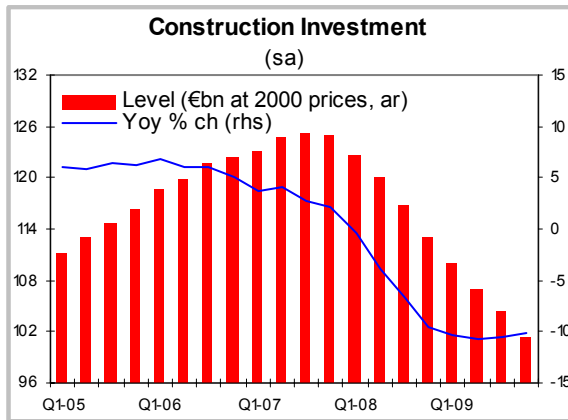


Sources: OECD, Ministère de l'Équipement, INSEE, European Commission, Banque de France, Eurostat



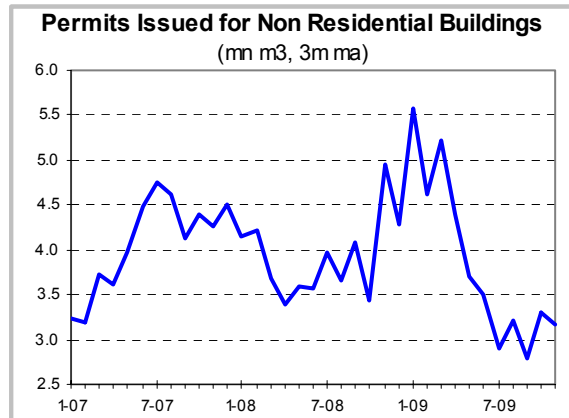
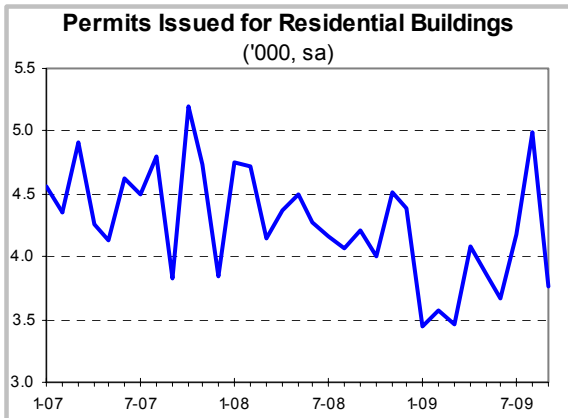
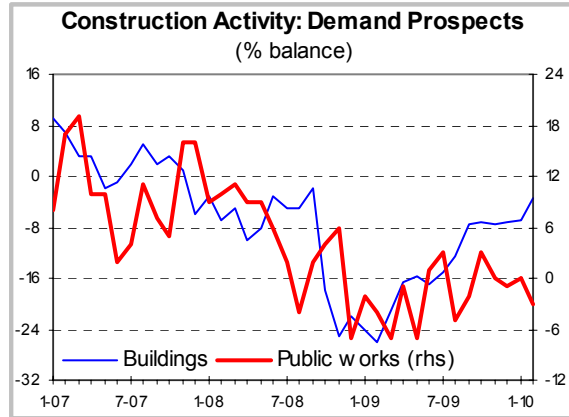
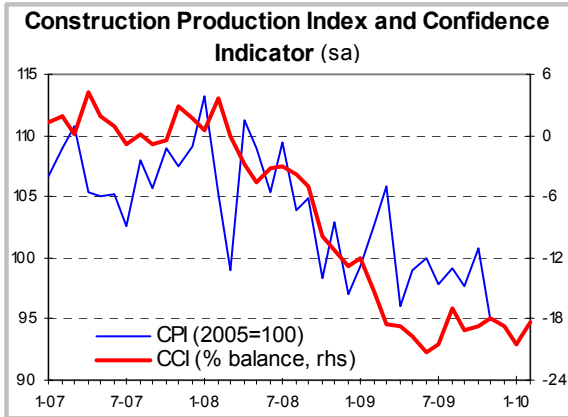
Sources: ISTAT, European Commission, Banca d'Italia, ISAE, Eurostat

SPAIN



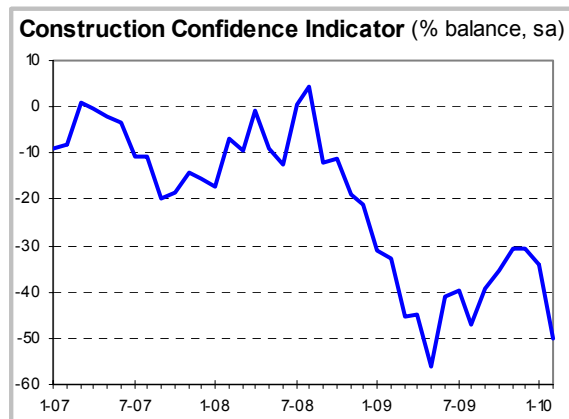
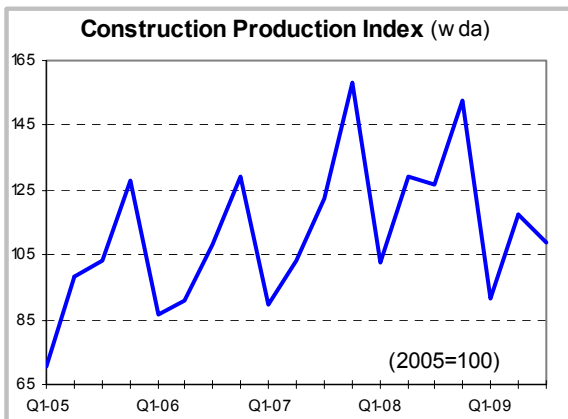
Sources: INE, European Commission, Banco de Espana, OECD

BELGIUM

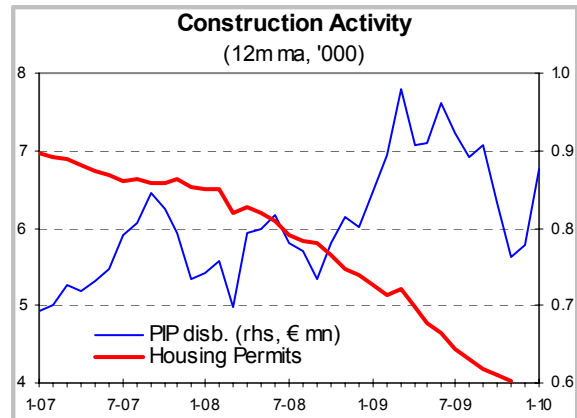
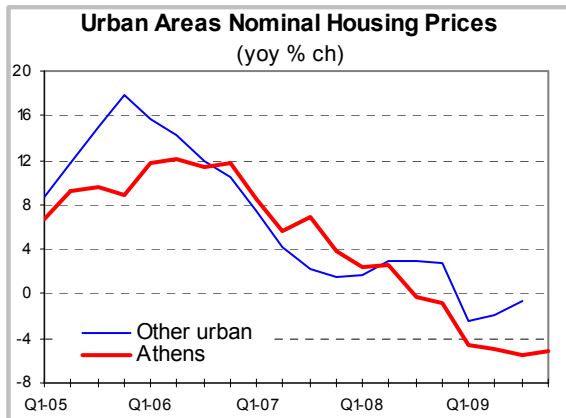


Sources: European Commission, Belgostat

GREECE

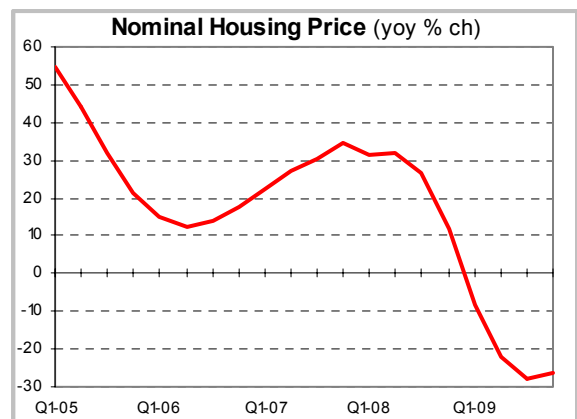
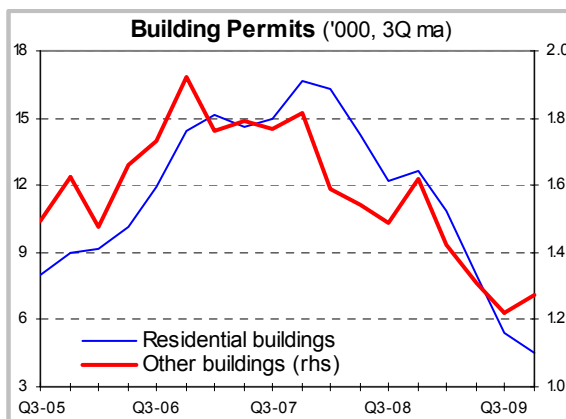
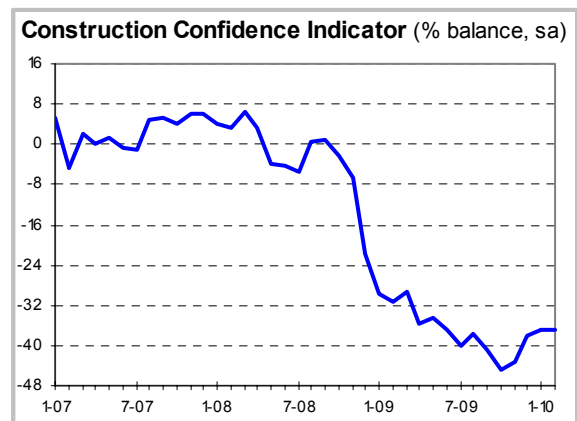
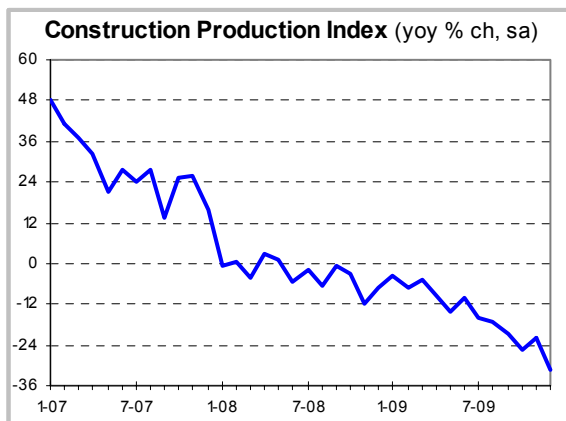


GREECE (cont.)



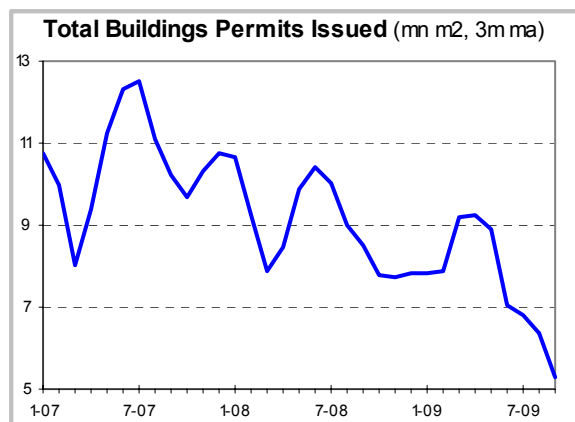
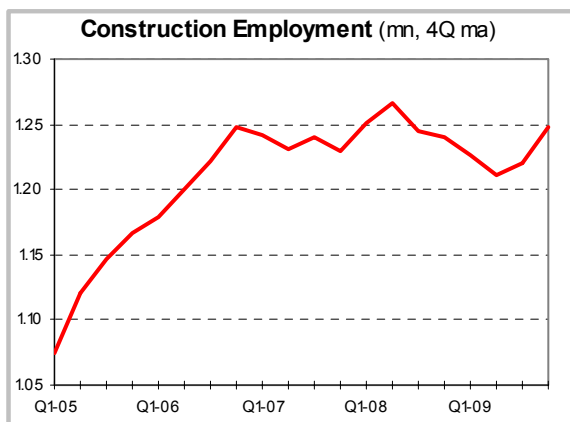
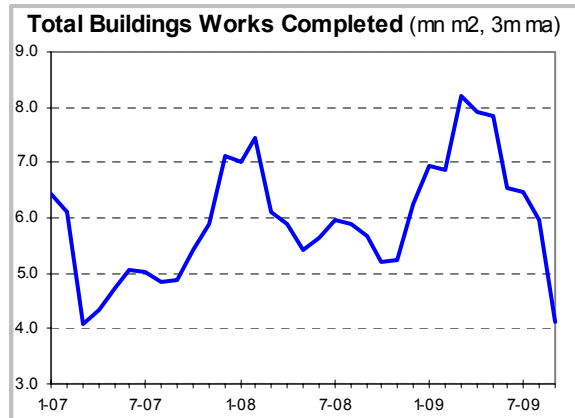
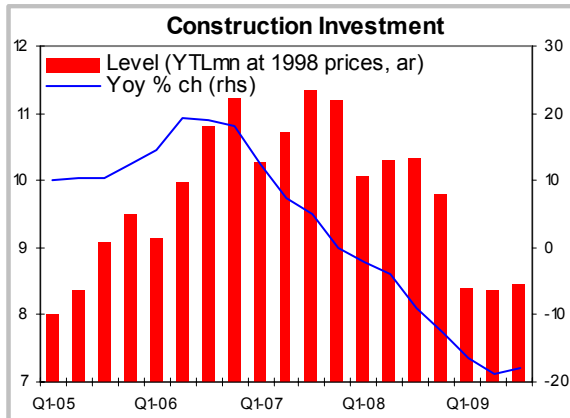
Sources: European Commission, Bank of Greece, Ministry of Economy and Finance, National Statistical Service

BULGARIA



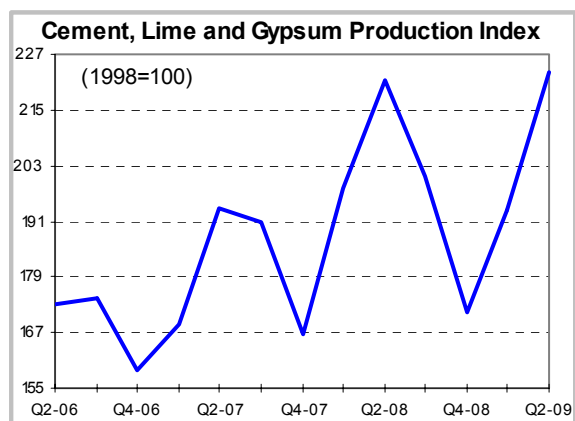
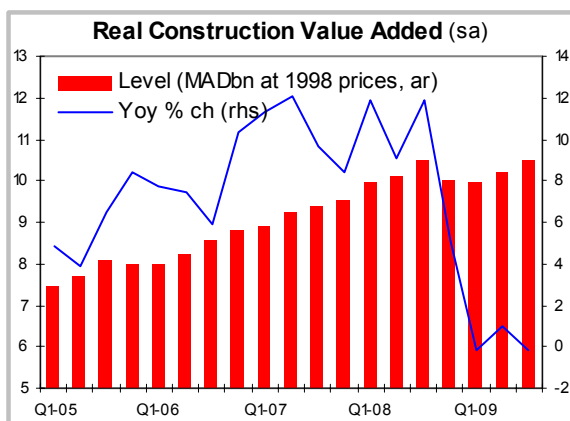
Sources: Eurostat, European Commission, National Institute of Statistics

TURKEY



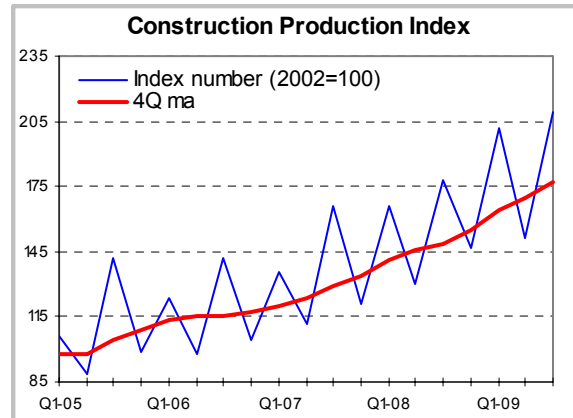
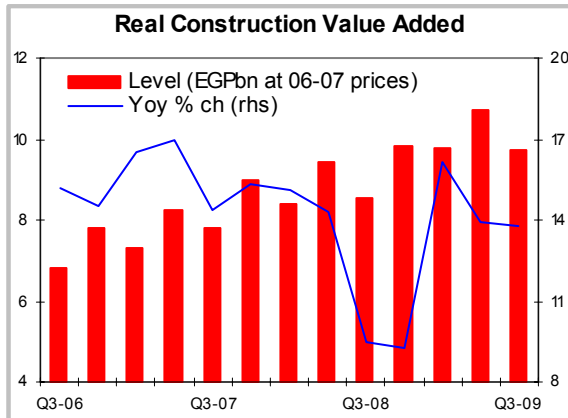
Sources: OECD, SIS (State Institute of Statistics)

MOROCCO



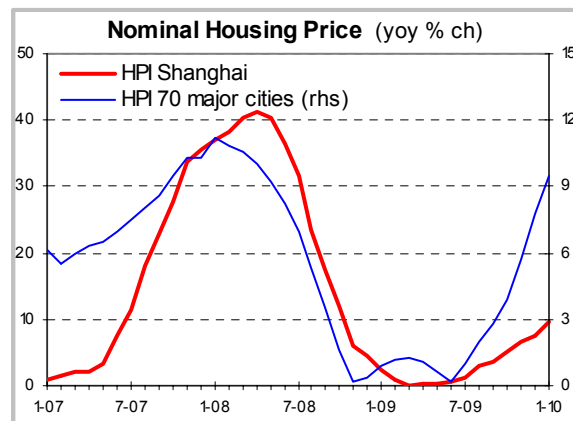
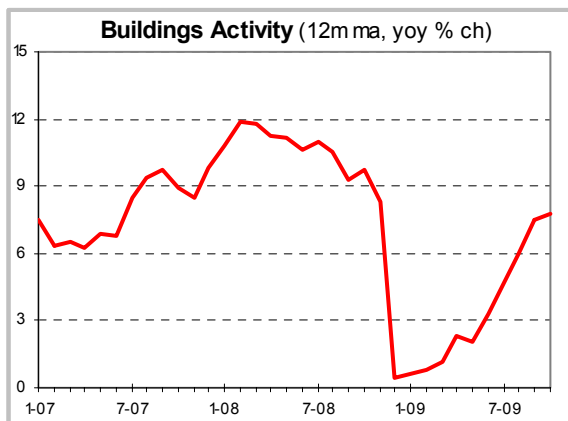
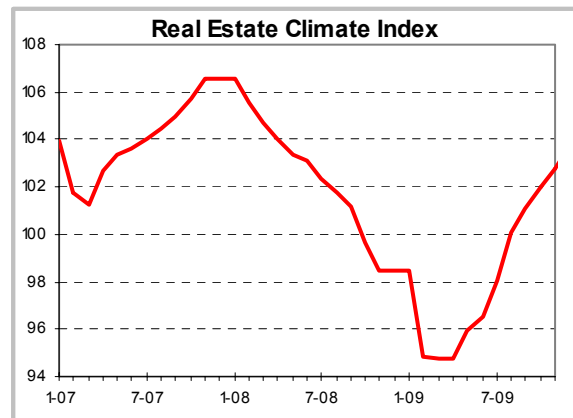
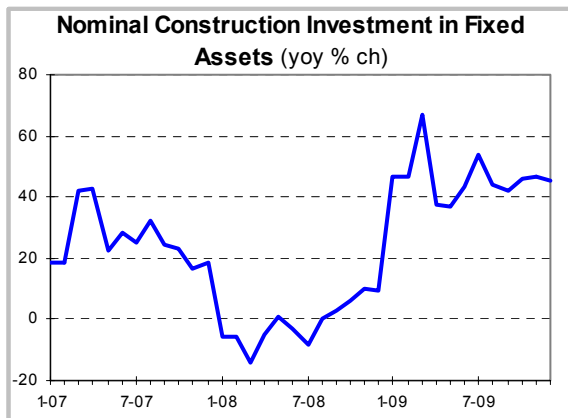
Source: Haut-Commissariat au Plan

EGYPT

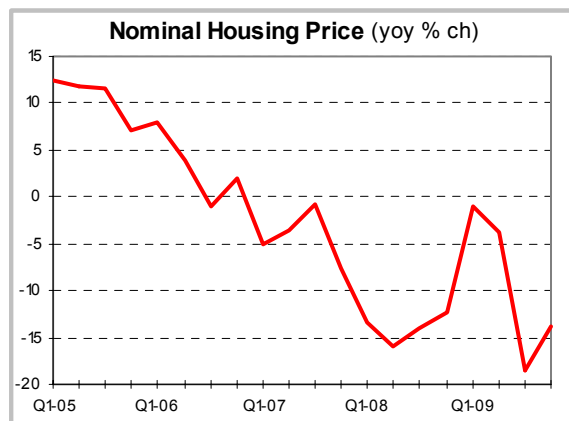
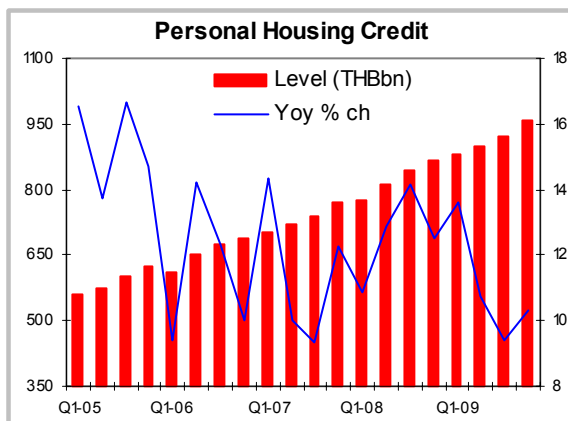
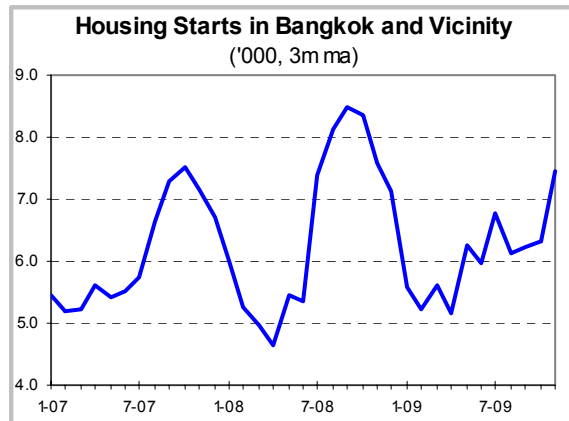
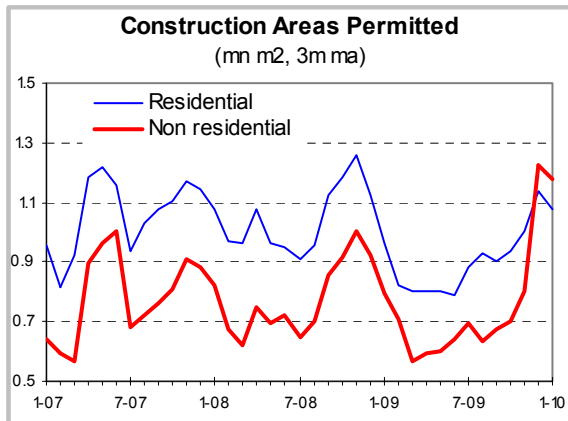
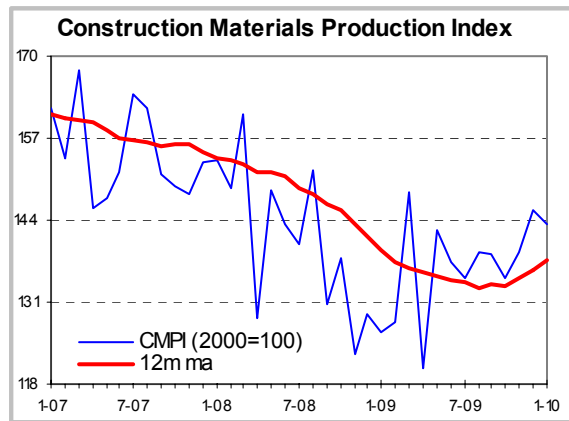
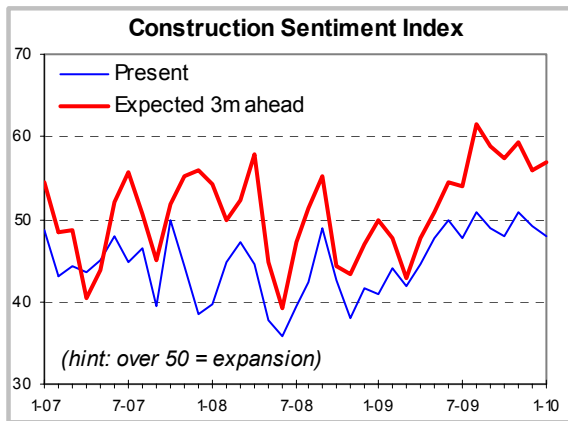
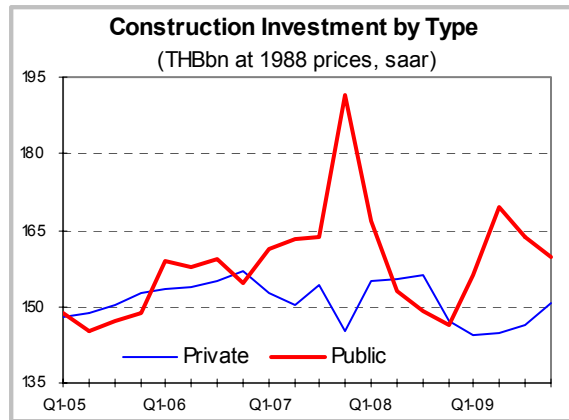
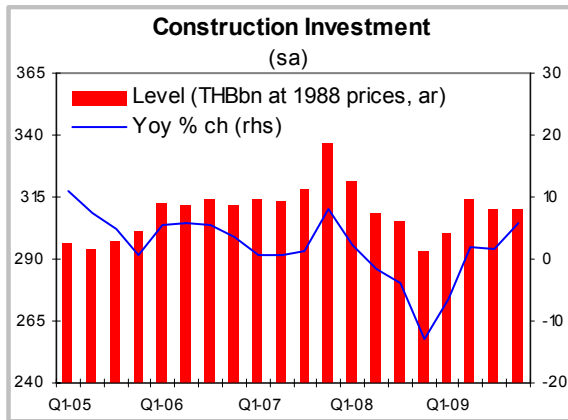


Source: Ministry of Finance

CHINA

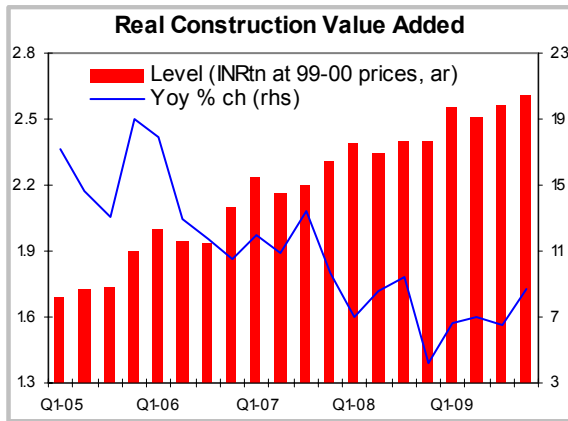


Sources: OECD, National Bureau of Statistics, Ehomeday



Source: Bank of Thailand

INDIA



Sources: OECD, Office of Economic Advisor

