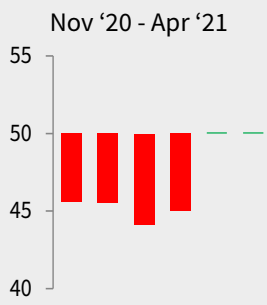
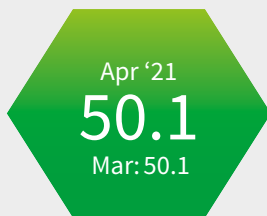




Eurozone Construction Total Activity Index



New orders unchanged in April

Renewed reduction in employment levels

Business optimism softest for three months

The IHS Markit Eurozone Construction PMI® is compiled by IHS Markit from responses to questionnaires sent to purchasing managers in a panel of around 650 construction firms in the eurozone. The headline figure is the Total Activity Index, which tracks changes in the total volume of construction activity compared with one month previously.

The IHS Markit Eurozone Construction Total Activity Index was unchanged at 50.1 in April, signalling a fractional expansion in eurozone construction activity for the second successive month. Firms often linked this to a resumption of work on paused projects, although were increasingly concerned about the impact that renewed COVID-19 restrictions had on overall demand in the construction sector. April data pointed to a further rise in home building activity, as well as a softer reduction in commercial construction. Civil engineering work, meanwhile, fell at a faster pace in April.

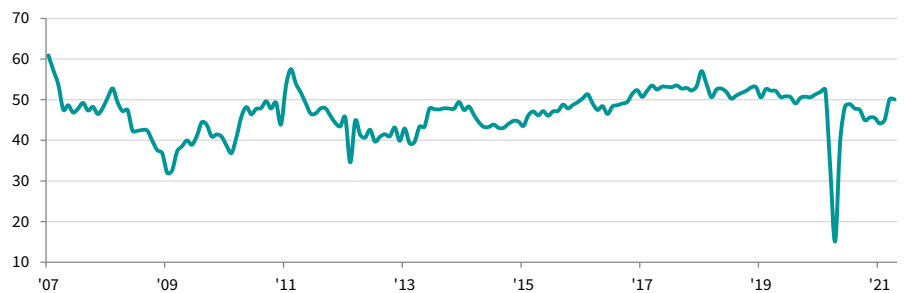
Commenting on the latest results, Usamah Bhatti, Economist at IHS Markit, said:

"Eurozone construction firms reported a further rise in construction output during April. The increase remained fractional, while incoming business eased slightly and was unchanged in comparison to the previous survey period. That said, eurozone constructors signalled near term uncertainty as firms pointed to a renewed decline in staffing levels. Moreover, businesses reported that the level of positive sentiment surrounding the outlook for activity over the coming year eased in April, as the initial bounce from earlier lifting of COVID-19 restrictions gave way to renewed lockdown measures and disruption to activity on site."

"By country, Italian firms remained buoyant, as overall activity expanded at the fastest pace in over 14 years in the latest survey period, while firms in France indicated the softest fall in activity for ten months. At the same time, German constructors signalled a further, solid contraction in activity, extending the current sequence of decline to 14 months."

Eurozone Construction Total Activity Index

sa, >50 = growth since previous month



Construction activity

Activity by sector

Work undertaken on housing by eurozone construction firms increased for a second successive month in April. The rate of growth quickened from March and was the strongest recorded since February 2020. A renewed contraction in home building activity in Germany was offset by a survey record expansion among Italian housebuilders. French firms, meanwhile, reported stable conditions in housebuilding for the second month in a row.

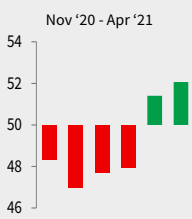
Commercial construction activity contracted again in the latest survey period, extending the current sequence of decline to 14 months. That said, the pace of the reduction eased from March and was the softest in the sequence. A softer fall in commercial activity in France and a stronger rise in Italy contributed to the easing in the rate of decline. However, firms in Germany signalled a further, marked decline in commercial building.

The downturn in eurozone civil engineering activity continued in April, as work undertaken on infrastructure projects contracted at a modest pace. The rate of the decline quickened from March and was the twenty-first in as many months. A renewed contraction in France, coupled with a further solid decline in Germany offset a sharper increase in Italian civil engineering work.

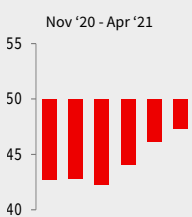
Activity by nation

April data pointed to a strong expansion at Italian constructors, as activity rose at the strongest pace since January 2007. Activity in France fell only fractionally, and at the softest pace in the 10-month sequence of decline. However, German construction activity fell further, and at a solid pace.

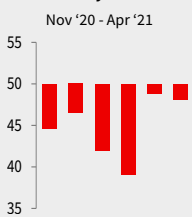
Housing Activity Index



Commercial Activity Index



Civil Engineering Activity Index



Housing Activity Index

sa, >50 = growth since previous month

52.1

Apr '21



Commercial Activity Index

sa, >50 = growth since previous month

47.3

Apr '21



Civil Engineering Activity Index

sa, >50 = growth since previous month

48.1

Apr '21



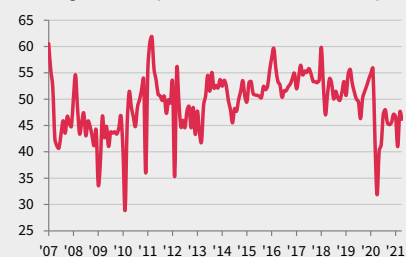
Total Construction Activity Index

Germany

sa, >50 = growth since previous month

46.2

Apr '21



France

sa, >50 = growth since previous month

49.8

Apr '21

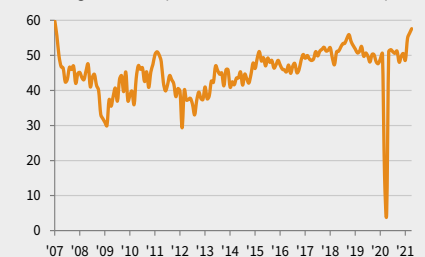


Italy

sa, >50 = growth since previous month

57.6

Apr '21



Demand, jobs and outlook

New orders

The amount of new business received by eurozone construction companies was stable in April, marking a softer reading of the seasonally adjusted New Orders Index in comparison to March. Where a rise was reported, it was commonly attributed to some new projects being brought to tender, although this was offset by a general lack of demand in the construction sector. German firms reported the most acute weakness, as new orders fell at the fastest pace for two months. Meanwhile, French firms noted a second successive marginal increase, while firms in Italy reported a softer, but marked, rise.

Employment

There was a renewed reduction in employment levels among eurozone constructors in the latest survey period. Though marginal overall, job shedding has now occurred in 13 of the last 14 months. On a national basis, there was a renewed decline in staffing levels in France, as well as a quicker fall in Germany. Italian firms indicated a further, moderate rise in workforce numbers.

Future activity

The degree of optimism regarding the outlook for activity over the coming 12 months eased in April, and was the softest recorded for three months. German constructors signalled renewed pessimism regarding the year ahead outlook, with projections at their weakest since December 2020. French firms indicated a lower level of positive sentiment, though Italian firms signalled the strongest projections since August 2001.

New Orders Index

sa, >50 = growth since previous month

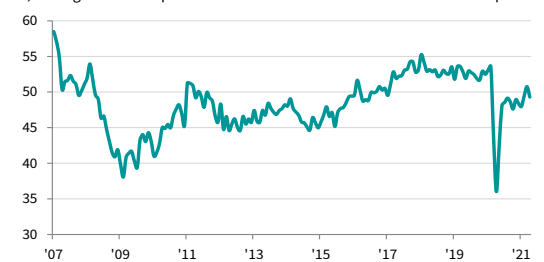
50.0
Apr '21



Employment Index

sa, >50 = growth since previous month

49.3
Apr '21



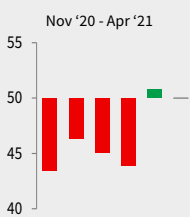
Future Activity Index

>50 = growth expected over next 12 months

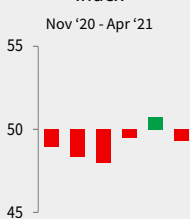
53.3
Apr '21



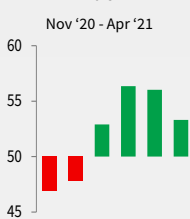
New Orders Index



Employment Index



Future Activity Index



Purchasing

Quantity of purchases

April data signalled a second consecutive rise in buying activity among eurozone construction companies. The latest increase was the fastest reported since March 2019 and was solid overall. All three monitored economies registered an increase in purchasing activity, led by the strongest rise in Italy since January 2007. Panel members commonly attributed this to rising demand.

Suppliers' delivery times

Disruption to supply chains worsened in the latest survey period, with a further lengthening of supplier delivery times. The latest deterioration in vendor performance was the strongest since the first peak of the pandemic in April 2020, with delays widespread across the eurozone's largest economies. The sharpest lengthening in average lead times was evident in Germany, which reported a survey-record low in April.

Input prices

Average cost burdens faced by eurozone constructors increased at a record pace in April. The rate of input price inflation accelerated from the previous survey period to reach the highest level since the survey began in January 2000. All three monitored countries in the bloc signalled a rapid rise in average costs, with survey-record increases in both Germany and Italy, as firms highlighted widespread rises in raw material prices.

Quantity of Purchases Index

sa, >50 = growth since previous month

54.1
Apr '21



Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

23.6
Apr '21



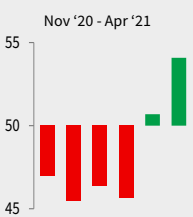
Input Prices Index

sa, >50 = inflation since previous month

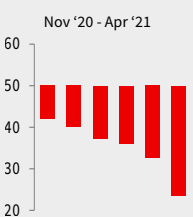
84.9
Apr '21



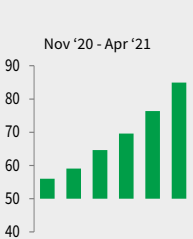
Quantity of Purchases Index



Suppliers' Delivery Times Index

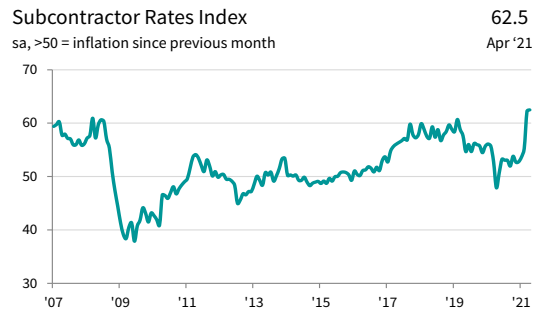
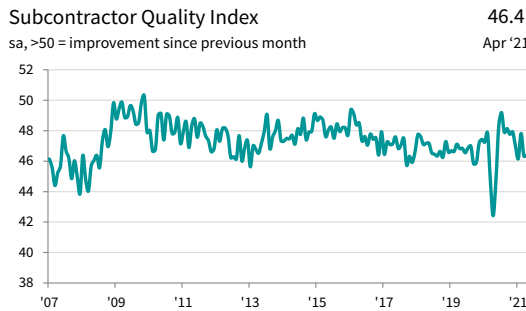
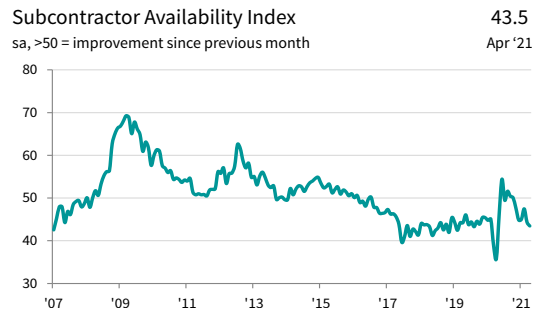
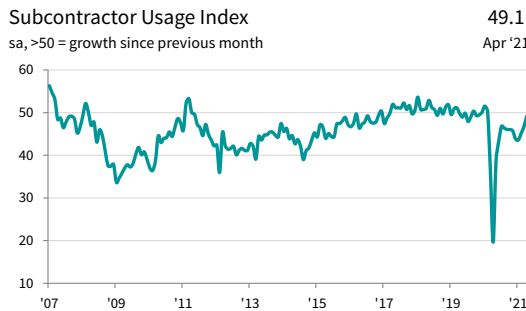
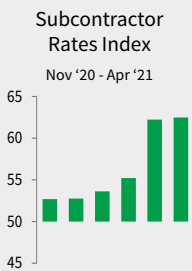
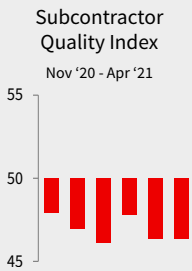
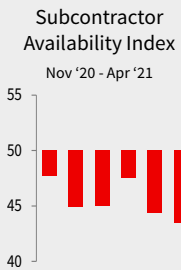
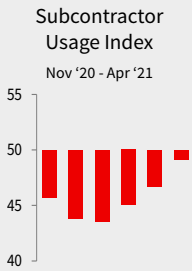


Input Prices Index



Subcontractors

April data signalled a softer, more marginal fall in the use of subcontractors, though the decline in subcontractor availability quickened to a sharp pace. At the same time, subcontractor quality worsened once again, with the pace of decline broadly unchanged from the previous survey period. Finally, rates charged by subcontractors increased further in April, with the pace of the increase the sharpest recorded since the survey began in January 2000.



Survey panel size

650

construction firms

Index calculation

% 'Higher'
+
(% 'No change')/2
+
(% 'Lower') x 0

Survey methodology

The IHS Markit Eurozone Construction PMI® is compiled by IHS Markit from responses to questionnaires sent to purchasing managers in a panel of around 650 construction firms in Germany, France, Italy and Ireland. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable, at the country level. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted. Eurozone level indices are calculated by weighting together the national indices. Weights are calculated from national construction value added.

The headline figure is the Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction PMI'.

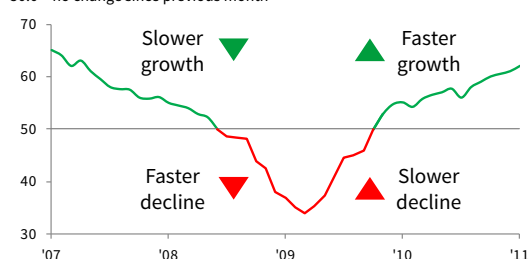
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

Survey questions	
Total activity	Quantity of purchases
Housing activity	Suppliers' delivery times
Commercial activity	Input prices
Civil engineering activity	Subcontractor usage
New orders	Subcontractor availability
Employment	Subcontractor quality
Future activity	Subcontractor rates

Index interpretation

50.0 = no change since previous month



Survey dates and history

April data were collected 12-30 April 2021.

Survey data were first collected January 2000.

Sector coverage

Construction PMI data include responses from companies operating in the entire manufacturing sector, including the following ISIC Rev.4 codes:

41 Construction of buildings	and telecommunications	43.29 Other construction installation
41.10 Development of building projects	42.91 Construction of water projects	43.31 Plastering
41.20 Construction of residential and non-residential buildings	42.99 Construction of other civil engineering projects n.e.c.	43.32 Joinery installation
42 Civil engineering	43 Specialised construction activities	43.33 Floor and wall covering
42.11 Construction of roads and motorways	43.11 Demolition	43.34 Painting and glazing
42.12 Construction of railways and underground railways	43.12 Site preparation	43.39 Other building completion and finishing
42.13 Construction of bridges and tunnels	43.13 Test drilling and boring	43.91 Roofing activities
42.21 Construction of utility projects for fluids	43.21 Electrical installation	43.99 Other specialised construction activities n.e.c.
42.22 Construction of utility projects for electricity	43.22 Plumbing, heat and air-conditioning installation	

Index summary

sa, 50 = no change over previous month. *50 = no change over next 12 months.

	Total Activity	Housing Activity	Commercial Activity	Civil Engineering Activity	New Orders	Employment	Future Activity*	Quantity of Purchases	Suppliers' Delivery Times	Input Prices	Usage	Subcontractors		
												Availability	Quality	Rates
Nov '20	45.6	48.3	42.7	44.7	43.4	48.9	46.9	47.0	41.9	56.0	45.7	47.7	47.9	52.7
Dec '20	45.5	47.0	42.8	46.5	46.4	48.4	47.8	45.5	40.2	59.1	43.8	44.9	47.0	52.8
Jan '21	44.1	47.7	42.3	41.9	45.1	48.0	52.9	46.4	37.3	64.7	43.6	45.0	46.2	53.6
Feb '21	45.0	47.9	44.1	39.1	43.9	49.5	56.3	45.6	36.1	69.6	45.0	47.5	47.8	55.2
Mar '21	50.1	51.4	46.2	48.8	50.8	50.8	56.0	50.7	32.6	76.4	46.7	44.4	46.3	62.2
Apr '21	50.1	52.1	47.3	48.1	50.0	49.3	53.3	54.1	23.6	84.9	49.1	43.5	46.4	62.5

By sector, Apr '21

sa, 50 = no change over previous month. *50 = no change over next 12 months.

	Total Activity	Housing Activity	Commercial Activity	Civil Engineering Activity	New Orders	Employment	Future Activity*	Quantity of Purchases	Suppliers' Delivery Times	Input Prices	Usage	Subcontractors		
												Availability	Quality	Rates
Germany	46.2	49.5	42.0	46.4	44.5	47.9	44.0	55.2	14.0	89.8	48.4	40.2	43.2	66.7
France	49.8	50.0	47.9	48.4	50.8	48.7	50.8	51.3	27.8	83.3	47.2	45.9	48.2	61.5
Italy	57.6	60.0	56.0	51.1	58.1	52.7	73.0	57.0	33.7	79.4	53.7	45.3	49.2	56.9

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