



Europe

Country Insights and
Commodity Reports

Q1 2023 A series of white icons representing various industrial and economic sectors: a factory, a warehouse, a truck, a gear, a group of people, a network of nodes, and a percentage sign.

Europe Country Commodity Reports



EUROPE

Belgium

Italy

Denmark

Netherlands

Finland

Norway

France

Spain

Germany

Sweden

Ireland

Switzerland

Israel

United Kingdom



Belgium

Country Insights and Commodity Report

Q1 2023      

Belgium

Q1 2023

Despite a marginal growth rate of 0.1% in Q4 2022, Belgium managed to achieve a 3.1% GDP growth in 2022. With slight improvements in economic activity, GDP is expected to grow at a 0.4% in Q1 2023. However, given the global economic outlook, GDP growth for 2023 is likely to remain around 0.7%. With energy prices falling from their peak in last year, the inflation rate is expected to fall from 10.33% in 2022 to 4.7% in 2023.

The Belgian construction industry decreased by 0.4% in 2022, following the growth of 1.6% year-on-year in 2021. The industry's slowdown is expected to continue in 2023, due to rising energy and interest rates, as well as high construction costs caused by inflated material prices, supply chain disruptions, and labour shortages. However, the industry is expected to grow at a 2.4% annual rate in the period 2024-2027 driven by investments in the energy and transportation sectors. Additionally critical sectors such as life sciences and data centers will continue to grow, as a result of private investments, and support from the public sector particularly for the R&D activities in the Bio-tech sector.



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Lumber

Lumber prices edged up marginally in Q1 2023. The decline in construction output will however contribute to an easing in price pressure in Q2 2023. In the longer term, demand for lumber is expected to increase given the growing popularity of wood as a construction material. Lumber accounts for around a 2% share of total construction value in Belgium, which is amongst the highest in Europe.



Cement and aggregates

Following a sharp increase in Q1 2023, cement prices are expected to stabilise at a high level in the coming quarter. The weakening of demand in the Belgian construction industry is expected to keep the prices of cement and concrete in check in the short term. Several construction companies had suspended projects due to supply chain disruptions, rise in cost of materials, or due to the cancellation of contracts.



Concrete blocks and bricks

The prices of brick – which is an energy-intensive building material – is estimated to have increased by over 10% quarter-on-quarter in Q1 2023, owing to higher cost of production. In Q2 2023, a weaker demand will be a factor in containing upward price pressures, given the wider economic slowdown and rising interest rates; however, a marked reversal in materials prices is not expected.



Steel (rebar and structural)

Steel rebar prices have fallen from the highs reached during the second quarter of 2022. Prices had been falling continuously since Q3 2022, owing to a fall in steel consumption amid weakening economic growth. Steel prices are however expected to improve over the longer term, supported by the Belgian government's commitment to greater infrastructure investment.



Copper

Copper prices rebounded in Q1 2023, due to improving demand from China and tight inventories are expected to exert upward pressure on copper prices in Q2 2023. However, global macroeconomic headwinds and the risk of global recession could pose a downside risk to the demand recovery, thereby capping further price gains.

Belgium - Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2023 (e)
	€	€	2022-23 % change	% change
Copper (€/MT)	8,834	9,212	-4.1% ↓	7.1% ↑ ●
Steel rebar (€/MT)	779	1,268	-38.6% ↓	-8.9% ↓ ●
Steel flat (€/MT)	1,126	1,274	-11.7% ↓	-1.1% ↓ ●
Stainless steel (€/MT)	4,055	NA	NA	4.9% ↑ ●
Lumber (€/M3)	110	108	2.2% ↑	1.2% ↑ ●
Asphalt (€/MT)	79.5	79.7	-0.3% ↓	1.2% ↑ ●
Limestone (€/MT)	96.0	76.3	25.9% ↑	14.0% ↑ ●
Cement (€/MT)	256	206	24.3% ↑	9.7% ↑ ●
Concrete (€/M3)	144	95	51.1% ↑	15.8% ↑ ●
Welded mesh (€/unit)	24.3	37.6	-35.3% ↓	-7.0% ↓ ●
Bricks (€/000 unit)	744	627	18.7% ↑	10.2% ↑ ●
Plasterboard (€/unit)	6.14	4.93	24.5% ↑	15.9% ↑ ●
Diesel (€/litre)	1.75	2.07	-15.2% ↓	-10.2% ↓ ●

(f) Forecast (e) Estimated

- Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
- Q4 2022 to Q1 2022 % change less than estimation in our Q4 2022 report

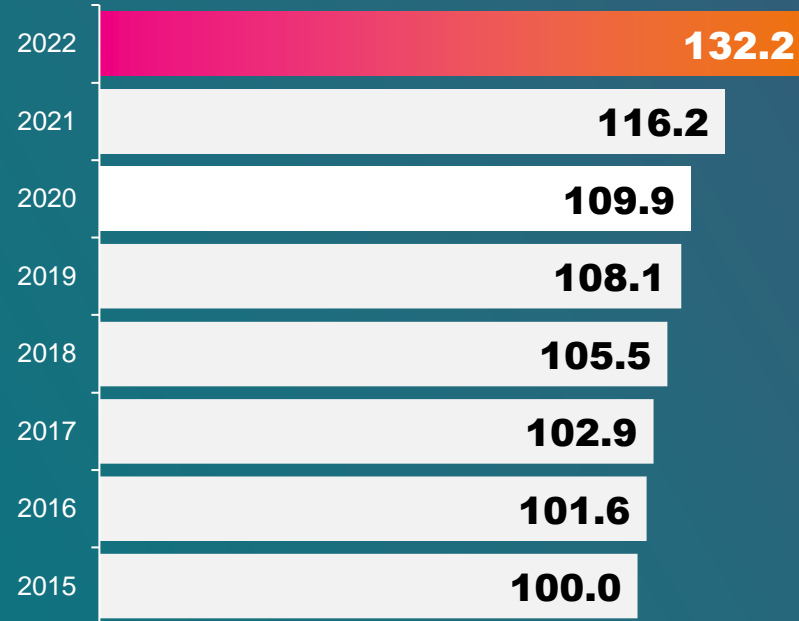
Welded mesh: 200 x 300cm, dia.-6mm Plasterboard: 260 x 60 x 1.3cm (L x W x T)





Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	+1.8% ↑	Moderate	Copper prices are estimated to have increased by 7.1% quarter-on-quarter in Q1 2023, due to increased demand from China following the removal of its zero-COVID policy. Copper prices are expected to remain high in the coming quarters, owing to an anticipated increase in demand for the commodity in line with the global clean energy transition efforts.
 Steel prices - Steel rebar - Flat steel	-2.2% ↓ -1.0% ↓	Low	Steel rebar and steel-flat product prices have been falling since the second half of 2022, owing to weak steel demand, which is expected to continue in 2023.
 Stainless steel	+2.6% ↑	Low	Stainless steel prices are estimated to have increased by 4.9% quarter-on-quarter in Q1 2023, with the increase in prices expected to continue into Q2 2023, with high energy and input costs offsetting impact of weak demand.
 Lumber	-0.5% ↓	Low	Following a rise in 2022, lumber prices have levelled off and are expected to remain stable in Q2 2023. Price pressures have eased owing to economic uncertainty and declining housing demand, as a result of rising interest rates.
 Asphalt	+0.8% ↑	Low	Asphalt prices are estimated to have increased marginally with strong demand from road construction keeping prices high. Moreover, the new asphalt program that will be undertaken by the Brussels-Capital Region to renovate regional roads is further expected to keep asphalt prices relatively high in the coming quarters.
 Limestone	-0.9% ↓	Low	Limestone prices are estimated to have increased sharply by 14% quarter-on-quarter in Q1 2023, as a result of an increase in transportation and production costs. Prices are however expected to stabilise, owing to subdued demand in the construction industry.

Belgium - Commodity Report



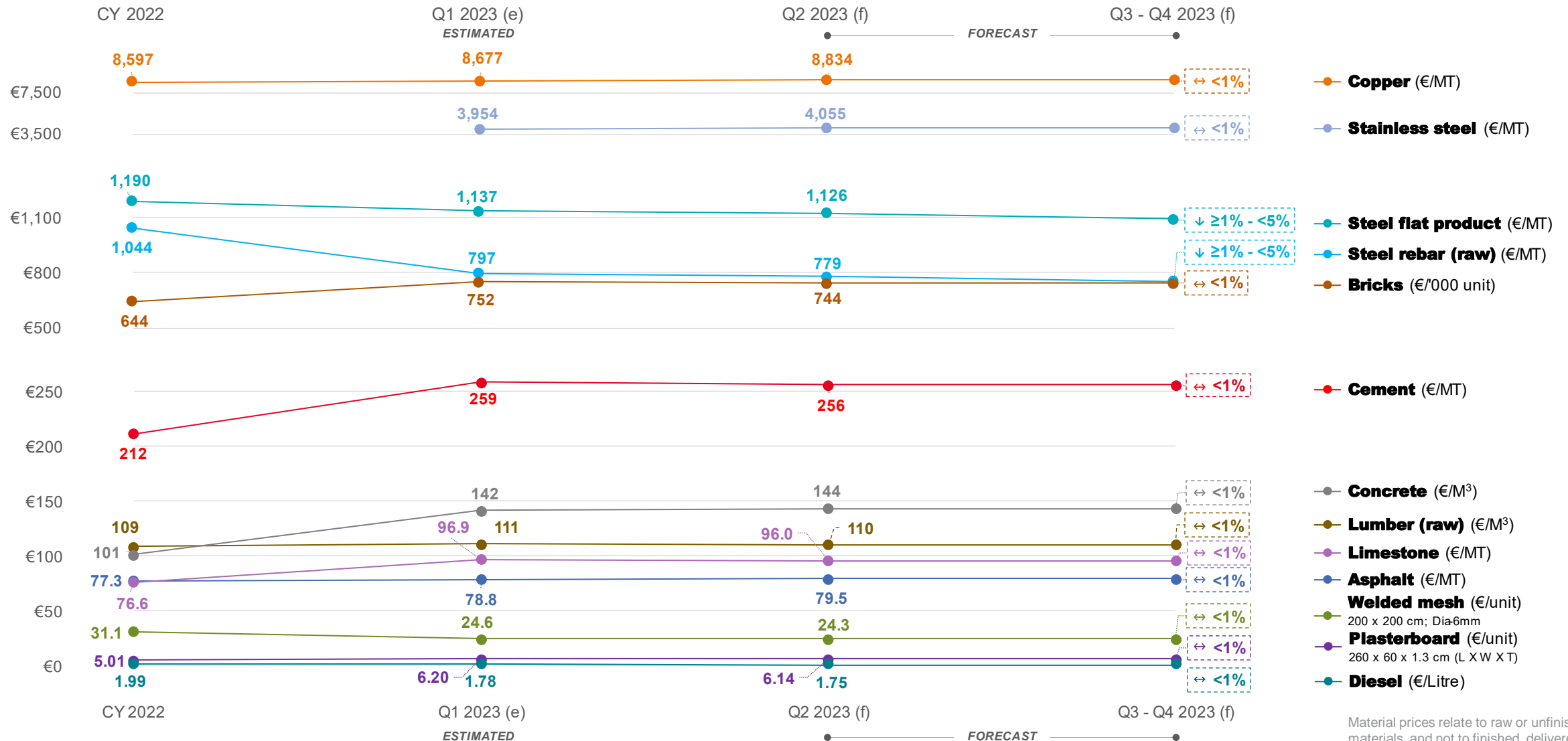
Construction Output Price Index 2015-2022 (2015=100)



Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *
 Cement Concrete	-1.0% ↓ +1.2% ↑	 Moderate Cement and concrete prices are expected to remain elevated, with producers managing to pass on high costs to buyers. However, weakened demand and a drop in construction projects will result in prices levelling off later this year.
 Welded mesh	-1.3% ↓	 Low Mesh prices declined in Q1 2023 as compared to levels of Q4 2022 reflecting the trend in rebar. Soft demand from the construction sector and expected decline in rebar prices will further contribute to weaker mesh prices in the coming quarters.
 Bricks	-1.0% ↓	 Low Brick prices jumped sharply in early 2023, reflecting a surge in production costs. Embuild, Belgium's construction association, expects prices to remain way above pre-COVID levels in 2023, with energy-intensive building materials such as bricks continuing to rise in price in the coming months.
 Plasterboard	-1.0% ↓	 Moderate The price of Plasterboard has increased moderately reflecting the passing on of increased manufacturing cost due to elevated energy prices. However, even with energy prices stabilizing, the price of plasterboard is expected to remain at current high levels in short term despite weak demand.
 Diesel	-1.6% ↓	 Low Diesel prices rose above the Q1 2023 average of EUR1.78 per litre in the first week of April 2023, reaching EUR1.81 per litre. Fluctuations are expected to continue in the coming quarter as OPEC nations decided to cut production in early April 2023, which is expected to keep prices around current levels.

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Belgium - Construction Materials Pricing (2022-2023)



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Belgium – Macroeconomic overview



Economic indicators



0.70%

GDP growth in 2023 (f)
and **3.09%** in 2022



4.68%

inflation rate in 2023 (f) and
10.33% for 2022



5.17M

people employed in 2023 (f)
and **5.17M** in 2022



6.02%

unemployment rate for 2023 (f)
and **5.50%** in 2022



127.67

Consumer Price Index in Mar
2023 and **119.69** in Mar 2022



180.20

Wholesale Price Index in Feb
2023 and **170.70** in Feb 2022

National holidays

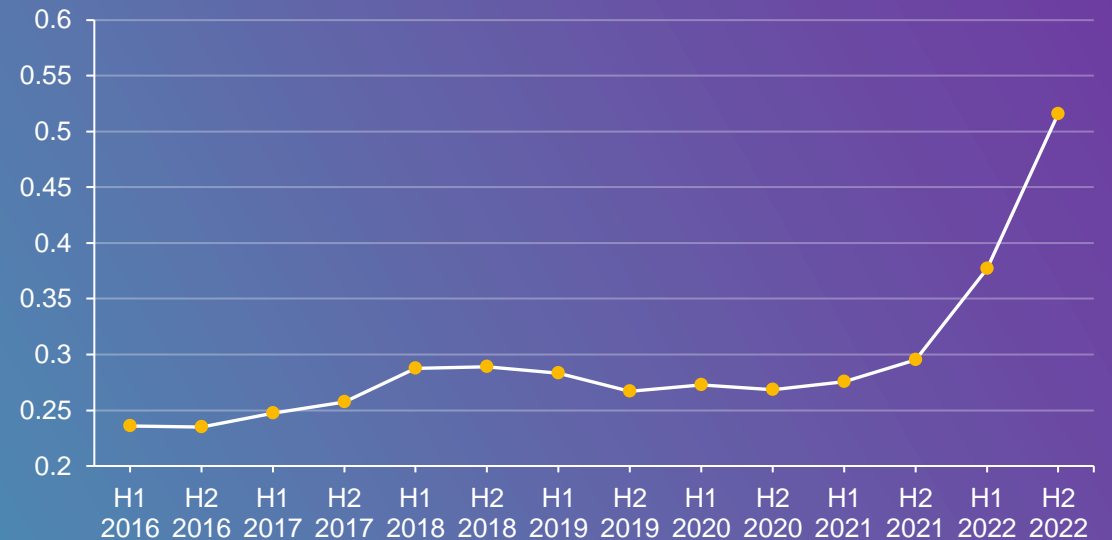


10 public holidays

in Belgium in 2023.

Energy prices

Electricity prices for non-household consumers,
consumption < 20 MWh (€ per kWh)









Note: All taxes and levies included

Belgium – Construction overview



Output 2022 and 2023 (in € millions)*

Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	12,012	11,488	11,861
Energy and utilities 	6,130	6,474	6,674
Industrial 	4,724	4,473	4,590
Infrastructure 	16,301	17,291	17,900
Institutional 	4,386	4,144	4,235
Residential 	31,736	31,012	31,503

*The output is in real terms at constant prices with 2017 as base year

Long lead equipment (LLE) - Supply Chain Overview

2022 was a turbulent year for the global supply chain with the fallout from the global pandemic combined with the emergence of the Russia-Ukraine conflict, leading to supply chain disruptions across the globe. However, 2023 is showing signs of relief in the market for long lead equipment (LLE). The following are the specifics of the LLE supply chain dynamic:

- Demand:** Demand for LLE has remained exceptionally high across all regions and industry sectors. Organizations have moved to expand their supply chain portfolios and include secondary and tertiary suppliers, whilst most are continuing to invest in inventory management systems to prevent any supply chain disruptions. There is no sign of reduced demand, so the constraints to the supply chain will continue for the remainder of 2023.
- Supply:** The stock levels of raw materials have finally started to stabilise, alleviating some recent pressures on manufacturers and suppliers. However, it is worth noting that most LLE suppliers have reported being at operational capacity, with order books full up to Q3 2024, which may cause some concern for those relying on their products. Nevertheless, there is some hope as Tier 2 and Tier 3 supply chains have started to increase their capacity and support the larger demand within the market, which may help to mitigate any negative impact of capacity restrictions.
- Freight durations and costs:** Freight durations have begun to shorten in early 2023 as the global infrastructure and operations have developed to meet the rising demand and freight companies are shipping much faster than they did during the pandemic. Average freight costs have also reduced to align with pre-pandemic levels suggesting a return to normality within the industry. The benefits have been experienced in early 2023 and further reductions are expected throughout the rest of 2023.

Belgium – Report methodology



Linesight has commissioned independent global research to track construction materials and commodity prices. The approach and methodology for the collection of construction material pricing and other indicators is based on primary and secondary research.

Primary and secondary research

Primary research is conducted on a quarterly basis with stakeholders in the value chain, including manufacturers and suppliers/distributors of the target materials, to ascertain market information on prices in recent quarters, and also on projections for changes in the coming quarter and remainder of the year. The market analysis also involves a thorough assessment of secondary sources of data on materials and labour prices, in addition to underlying demand and supply trends that will impact market prices.

Sources include GlobalData's Construction Intelligence Center (CIC), the World Bank, IMF, OECD, as well as country specific national statistics offices, such as the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, and also industry specific associations and publications.

Definitions

- Commodity prices are net of taxes for all the countries
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- Nominal and real data

Nominal data series do not exclude changes in prices and are also referred to as current prices series.

Annual changes in nominal data for construction output will include changes in construction activity, as well as changes in costs for materials and equipment.

Real data series are calculated by keeping prices constant (so, are also referred to as constant price series), and therefore, they reflect changes in activity only. Growth rates in nominal terms can overstate the pace of growth in construction activity if there is high inflation stemming from rising prices for key inputs.

Sample sources – Belgium

For Belgium, sources for this report include, but are not limited to:

- National Bank of Belgium
- Organisation for Economic Co-operation and Development (OECD)
- GlobalData's Construction Intelligence Center (CIC)
- STATBEL (the Belgian Statistical Office)
- Economic Research Institute
- Public Holidays
- Eurostat

Linesight 





Denmark

Country Insights and Commodity Report

Q1 2023      

Denmark

Q1 2023

Despite a decline in private consumption, Denmark witnessed a GDP growth of 3.6% in 2022, primarily led by high employment and strong pharmaceutical exports. However, amidst a weak global outlook, the IMF recently projected a GDP growth of just 0.5% in 2023. Nonetheless, inflationary pressures are easing, with the inflation rate expected to fall from 8.5% in 2022, to 4.8% in 2023.

In 2023, construction output in Denmark is expected to fall by 4.3% due to inflation, high interest rates, and geopolitical tensions. However, the industry is expected to regain its momentum, with annual growth of 3% from 2025 to 2027, fuelled by investments in transportation, renewable energy, and housing infrastructure. With a focus on sustainability, Denmark has become the first Nordic country to incorporate embodied carbon limits into building regulation.



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Lumber

Lumber prices have been stable at elevated levels in recent quarters as a result of lingering supply disruptions. Despite supply-side challenges, upward pressure will be contained by weak levels of activity in the construction sector. The residential construction sector, which accounts for a large proportion of the industry's wood usage, is expected to be hit heavily by rising interest rates, notwithstanding the government's push to address the country's affordable housing shortage. Long-term demand for lumber will be strengthened by this policy, however, coupled with developments in Copenhagen under the EU's 'Build-in-Wood' initiative.



Cement and aggregates

Despite the easing of energy costs which fed heavily into high concrete and cement prices in the second half of 2022, prices have continued to edge upward in recent months due in part to low competition in the domestic cement and concrete market. However, weak demand from the construction industry will limit the extent to which prices can be raised further over the coming quarters.



Concrete blocks and bricks

Strong demand and high production and transportation owing to high energy costs caused brick prices to increase in the second half of 2022. However, prices have continued to rise despite weakening growth and easing energy costs. In large part, limited competition in

the Danish brick market has allowed producers to increase prices and keep stocks low to increase profits. Although prices are expected to remain elevated over the coming quarters, weak demand due to falling levels of homebuilding activity will force producers to bring prices down.



Steel (rebar and structural)

Following the spike in prices in mid-2022, steel prices in Denmark have been on a declining trend in the following quarters, with prices standing around 30% lower than Q2 2022 levels, in Q1 2023. As a net importer of steel, Denmark is highly exposed to global market volatility which could impact on prices in the coming quarters. However, weak demand from the construction and manufacturing sectors, coupled with increasing steel production in exporting countries such as China and Turkey have eased pressure on steel supplies.



Copper

Copper prices in Denmark have come under renewed pressure in recent months amid China's reopening following the lifting of its "zero-COVID" policy. Prices in Q1 2023 reached the highest levels since Q2 2022, as a result of the continued volatility in the global copper market. Weak demand amid the global economic slowdown will partially ease pressure on prices, but strong underlying demand amid the green transition, coupled with low global stockpiles will keep prices volatile over the coming quarters.

Denmark – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2022 (e)
	DKK	DKK	2022-23 % change	% change
Copper (DKK/MT)	62,599	66,527	-5.9% ↓	6.2% ↑ ●
Steel rebar (DKK/MT)	6,450	9,099	-29.1% ↓	0.0% ↔ ■
Steel flat (DKK/MT)	5,317	8,201	-35.2% ↓	0.0% ↔ ■
Stainless steel (DKK/MT)	29,895	NA	NA	6.3% ↑ ●
Lumber (DKK/M3)	795	800	-0.5% ↓	-0.1% ↓ ■
Asphalt (DKK/MT)	2,365	2,215	6.8% ↑	1.2% ↑ ●
Limestone (DKK/MT)	1,455	1,648	-11.7% ↓	1.5% ↑ ●
Cement (DKK/MT)	1,679	1,585	5.9% ↑	2.1% ↑ ●
Concrete (DKK/M3)	1,175	1,078	9.1% ↑	2.1% ↑ ●
Welded mesh (DKK/unit)	209	334	-37.3% ↓	-19.9% ↓ ●
Bricks (DKK/000 unit)	8,181	7,335	11.5% ↑	9.2% ↑ ●
Plasterboard (DKK/unit)	91.0	83.0	9.7% ↑	1.2% ↑ ●
Diesel (DKK/litre)	13.0	15.4	-16.1% ↓	-10.7% ↓ ●

(f) Forecast (e) Estimated

● Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
 ■ Q4 2022 to Q1 2023 % change less than estimation in our Q4 2022 report

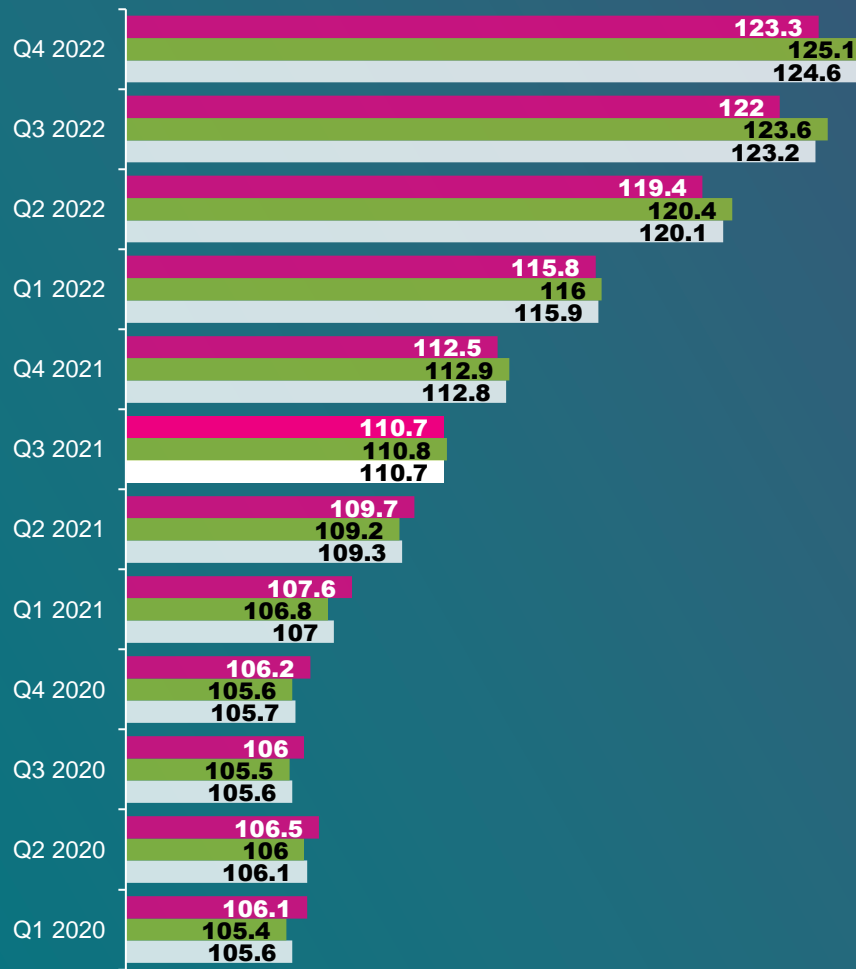
Welded mesh: 250 x 215cm, dia.-6mm Plasterboard: 240 x 90 x 1.3cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
Copper	+1.0% ↑	Moderate	Following a 6% rise in January 2023 compared to the previous month, copper prices have risen to the highest levels since Q2 2022, reflecting renewed upward pressure from China's re-opening. Although prices in Denmark retracted slightly in March, the average price in Q1 2023 was 6.2% higher than average prices in the previous quarter. Strong underlying demand and supply-side fragility will keep prices volatile over the coming quarters.
Steel prices - Steel rebar - Flat steel	-0.5% ↓ -0.5% ↓	Low	Steel prices in Denmark faced some resurgence in February 2023 following nine consecutive months of decline. However, prices remain around 30% below highs reached in April 2022 and further upward pressure is expected to be limited due to weaker demand.
Stainless steel	+1.5% ↑	Low	Although demand for stainless steel has weakened amid slowing economic growth and subdued construction activity in recent months, the price of stainless steel continues to edge upward owing to an increase in the price of alloying materials such as nickel, which is expected to remain high due to volatile global supplies. An increase in the supply of low-cost nickel from Asia could ease supply-side pressures and help bring prices down.
Lumber	+0.5% ↑	Low	Prices have been stable in recent quarters but have remained relatively high compared to historical levels due to supply disruptions stemming from the Russia-Ukraine conflict. Prices are expected to remain stable over the coming quarters as weakness in the construction sector will offset disruptions on the supply side.
Asphalt	+1.5% ↑	Low	Although asphalt prices remain elevated, the stabilization of crude oil prices and weakening demand has eased further upward pressure on prices in recent quarters. However, price volatility is expected to increase over the coming quarters, due to uncertainty over global supplies.
Limestone	-1.0% ↓	Low	Limestone prices have retracted from Q2 2022 highs but remain elevated compared to historical levels. Prices are expected to remain stable over the coming quarters as production cuts by domestic producers will offset weaker demand from the construction industry.

Denmark – Commodity Report



Construction cost index 2020-2022 (2015=100)

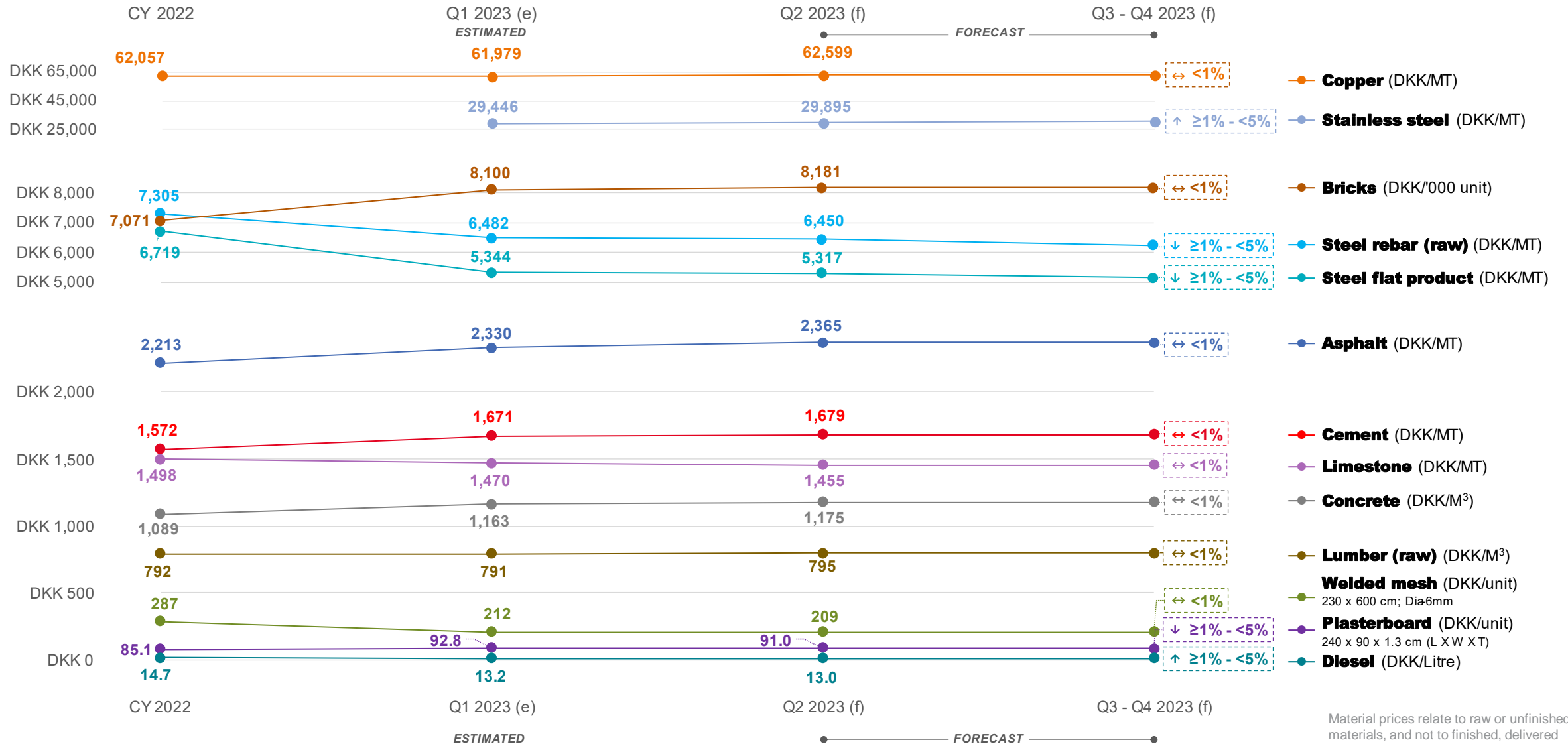


■ Multi-family houses ■ One-family houses ■ Residential

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Cement Concrete	+0.5% ↑ +1.0% ↑	Moderate	Cement and concrete prices have continued to edge upward in recent quarters following the initial spike in prices as a result of high energy costs. Prices rose by 2.1% quarter-on-quarter in Q1 2023, marking a continuation of the upward trend. Price hikes and production cuts by producers are expected to keep prices elevated but weak demand will limit further upward pressure.
 Welded mesh	-1.0% ↓	Low	The decline in steel rebar prices from mid-2022 highs has significantly eased pressure on welded mesh prices, which dropped by around 20% quarter-on-quarter in Q1 2023. Weak demand from the construction industry and greater availability of cheap steel imports will also keep prices relatively low in the coming quarters.
 Bricks	+1.0% ↑	Low	Brick prices have continued to edge upwards in recent quarters despite the reduction in energy costs and falling demand from the construction sector. In large part, this reflects the higher production costs faced by producers in 2022. Prices are expected to remain elevated in the coming quarters before beginning to normalize.
 Plasterboard	-1.9% ↓	Moderate	Plasterboard prices have risen sharply over the past year. However, price pressure will be contained going forward by weakening demand in the construction sector.
 Diesel	-2.1% ↓	Low	Diesel prices in Denmark have recorded steady consecutive month-on-month declines since October 2022, owing to falling crude oil prices and weakening demand. Prices in February fell by 5.6% MoM, followed by a further 2% decline in March. However, growing uncertainty over global crude oil supplies is expected to limit further downward pressure on prices over the coming months and price volatility is likely to increase.

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Denmark – Construction Materials Pricing (2022-2023)



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Denmark – Macroeconomic overview



Economic indicators



0.10%

GDP growth in 2023 (f)
and **3.62%** in 2022



4.8%

inflation rate in 2023 (f) and
8.53% for 2022



2.96M

people employed in 2023 (f)
and **2.98M** in 2022



5.10%

unemployment rate for 2023 (f)
and **4.47%** in 2022



117.30

Consumer Price Index in Mar
2023 and 109.90 in Mar 2022



149.60

Producer Price Index in Feb 2023
and **143.30** in Feb 2022

National holidays

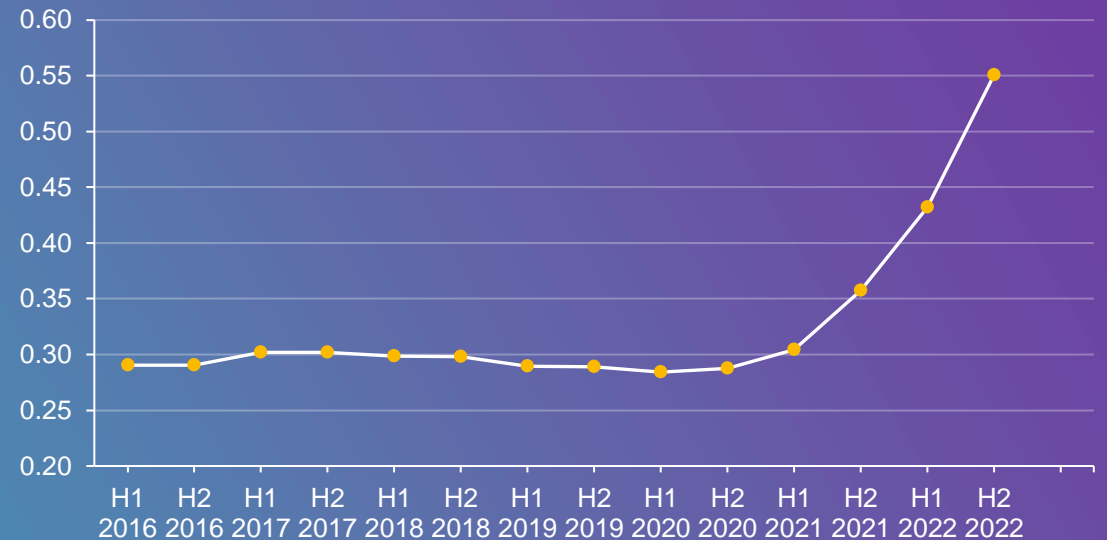


11 public holidays

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Energy prices







Electricity prices for non-household consumers,
consumption < 20 MWh (€ per kWh)



Note: All taxes and levies included

Denmark – Construction overview



Output 2022 and 2023 (in DKK millions)*			
Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	62,366	59,430	57,725
Energy and utilities 	46,421	47,810	48,585
Industrial 	17,175	16,778	16,205
Infrastructure 	49,301	49,634	49,690
Institutional 	11,056	10,750	10,373
Residential 	152,038	139,423	134,059

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- 3. Freight durations and costs:** Freight durations have begun to shorten in early 2023 as the global infrastructure and operations have developed to meet the rising demand and freight companies are shipping much faster than they did during the pandemic. Average freight costs have also reduced to align with pre-pandemic levels suggesting a return to normality within the industry. The benefits have been experienced in early 2023 and further reductions are expected throughout the rest of 2023.

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- Public Holidays
- Eurostat
- Trading Economics

Linesight 





Finland

Country Insights and Commodity Report

Q1 2023      

Finland

Q1 2023

Finland's economy grew by 2.1% in 2022, but it is expected to contract by 0.2% in 2023, according to the latest Bank of Finland update, with the IMF expecting almost no growth this year. The expected slowdown is attributed to elevated inflation rates, a reduction in exports, the energy crisis exacerbated by Russia-Ukraine conflict and the surge in the cost of living. However, growth will return to 1.1% as the global economic outlook improves. Though inflation is expected to fall to 5.3% this year from 7.2% in 2022, underlying inflation, excluding food and energy, continues to rise, indicating that despite a reduction in energy prices, higher production costs are still being reflected in end-user pricing.

In 2022, the Finnish construction industry grew by 0.7%, but it is expected to contract by 3% in real terms in 2023. Rising construction costs and liquidity issues for ongoing projects are weighing on the industry. However, due to the government's investments in transport and renewable energy, an annual average growth rate of 1.9% is expected from 2024 to 2027. The institutional sector in real estate is a bright spot, expected to grow at around a 2% annual rate in 2023, supported by public and private investment plans in healthcare and education projects.



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Lumber

Due to the popularity of wood products in Finland's construction industry, strong underlying demand will limit downward pressure on lumber prices. Despite slowing levels of activity in the construction sector amid deteriorating economic conditions, the availability of wood will play a key role in sustaining activity in the sector. Global supply-side disruption has caused some volatility in prices over the past year despite domestic production being able to meet domestic demand. Greater external demand for Finnish lumber to fill the global supply gap will increase pressure on Finland's domestic supply.



Cement and aggregates

The price of ready-mixed concrete soared in Q1 2023, while cement prices continue to edge upwards despite the easing of energy costs. This reflects price hikes and production cuts by domestic producers which are trying to recover losses from 2022. However, over the longer term, growing popularity of recycled materials will help to bring prices down.



Concrete blocks and bricks

Following the easing of energy costs which factored heavily in the rise in brick prices in the second half of 2022. Prices are on a downward trend due to a fall in demand for housing and low confidence among investors and developers. However, prices remain elevated compared to 2021 levels and could see some resurgence once demand picks up again.



Steel (rebar and structural)

Finland has been in a precarious position over the last year due to its reliance on imported Russian steel. However, with weakening demand combined with an increase in exports from China, prices have been declining and stand at 30% below Q2 2022 levels. Plans by the Finnish government to develop transport infrastructure over the coming years, however, will spur demand and renew upward pressure on prices.



Copper

Copper prices have been volatile over the past year and price fluctuations are expected to continue over the coming quarters due to uncertainty over global supplies, the performance of the global economy and strong underlying demand amid the green transition. The recent spike in global copper prices in Q1 2023 resulted from the increase in demand from China following the reopening of its economy from its "zero-Covid" policy.

Finland – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2023 (e)
	€	€	2022-23 % change	% change
Copper (€/MT)	8,337	8,942	-6.8% ↓	3.6% ↑ ●
Steel rebar (€/MT)	820	1,223	-33.0% ↓	-6.6% ↓ ●
Steel flat (€/MT)	918	1,102	-16.7% ↓	3.3% ↑ ●
Stainless steel (€/MT)	4,014	NA	NA	3.7% ↑ ●
Lumber (€/M3)	73.8	67.0	10.2% ↑	2.6% ↑ ●
Asphalt (€/MT)	72.7	79.8	-9.0% ↓	-4.8% ↓ ●
Limestone (€/MT)	62.7	56.2	11.6% ↑	7.1% ↑ ●
Cement (€/MT)	300	288	4.4% ↑	0.9% ↑ ■
Concrete (€/M3)	163	139	17.5% ↑	7.7% ↑ ●
Welded mesh (€/unit)	81.3	107.5	-24.4% ↓	-6.6% ↓ ●
Bricks (€/000 unit)	783	803	-2.5% ↓	-3.4% ↓ ●
Plasterboard (€/unit)	17.8	12.3	45.3% ↑	20.2% ↑ ●
Diesel (€/litre)	2.00	2.27	-12.1% ↓	-4.8% ↓ ●

(f) Forecast (e) Estimated

- Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
- Q4 2022 to Q1 2022 % change less than estimation in our Q4 2022 report

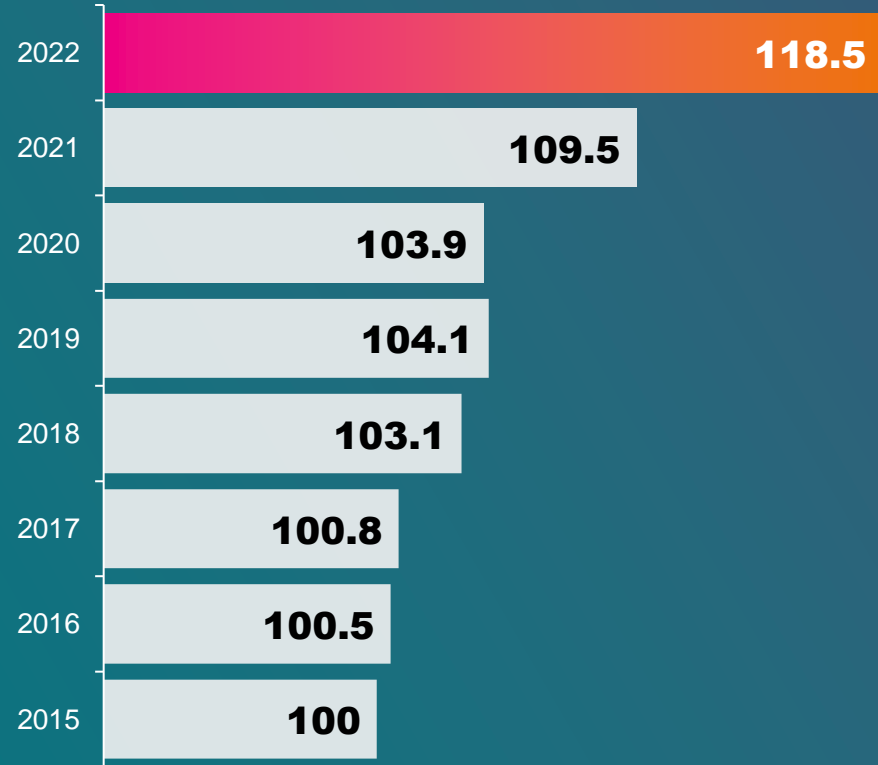
Welded mesh: 235 x 500cm, dia.-8mm Plasterboard: 120 x 240 x 1.3cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	+0.2% ↑	Low	Increasing demand from China following the re-opening of its economy has renewed upward pressure on copper prices. Prices jumped by around 6% in January 2023 compared to the previous month and remain elevated compared to Q4 2022 despite a slight easing of prices in February and March. Prices are expected to remain volatile over the medium term.
 Steel prices - Steel rebar - Flat steel	-1.0% ↓ -0.5% ↓	Low	Steel prices in Finland have been in decline in recent quarters owing to weak demand amid falling levels of economic and construction activity. Rebar prices in January 2023 were over 30% lower than the highs of Q2 2022 but rose marginally in February. Flat steel, however, has remained relatively stable at around €900/Ton since falling from highs of €1,254/Ton in April 2022.
 Stainless steel	+1.5% ↑	Low	Stainless steel prices are expected to continue to edge upward over the coming quarters as a result of high prices for raw materials used in the alloying process. Weak demand for steel from the construction sector amid slowing economic growth will limit rapid price hikes in the short-to-medium term.
 Lumber	+1.5% ↑	Low	Lumber prices have been relatively stable at high levels in recent quarters, despite falling demand from the construction sector. Global supply issues amid the Russia-Ukraine conflict have increased external demand for Finnish lumber, while the popularity of wood as a construction material in Finland has helped sustain underlying demand for domestic supplies.
 Asphalt	+2.0% ↑	Low	Stabilizing crude oil prices have eased further upward pressure on asphalt prices in recent quarters. Weaker demand amid slowing economic growth has caused prices to decline in the previous two quarters. Price volatility is expected to increase over the coming quarters, however, due to uncertainty over supplies from OPEC+.
 Limestone	+2.0% ↑	Low	Limestone prices were pushed up by high energy and transportation costs in Q2 2022 and have remained elevated in the following quarters. In the second half of 2022, prices were stable at around €57/MT but have since increased by 7.1% quarter-on-quarter in Q1 2023, reflecting supply cuts and price increases by domestic producers recuperating profits amidst the easing of energy prices.

Finland – Commodity Report



Building cost index 2015-2022 (2015=100)

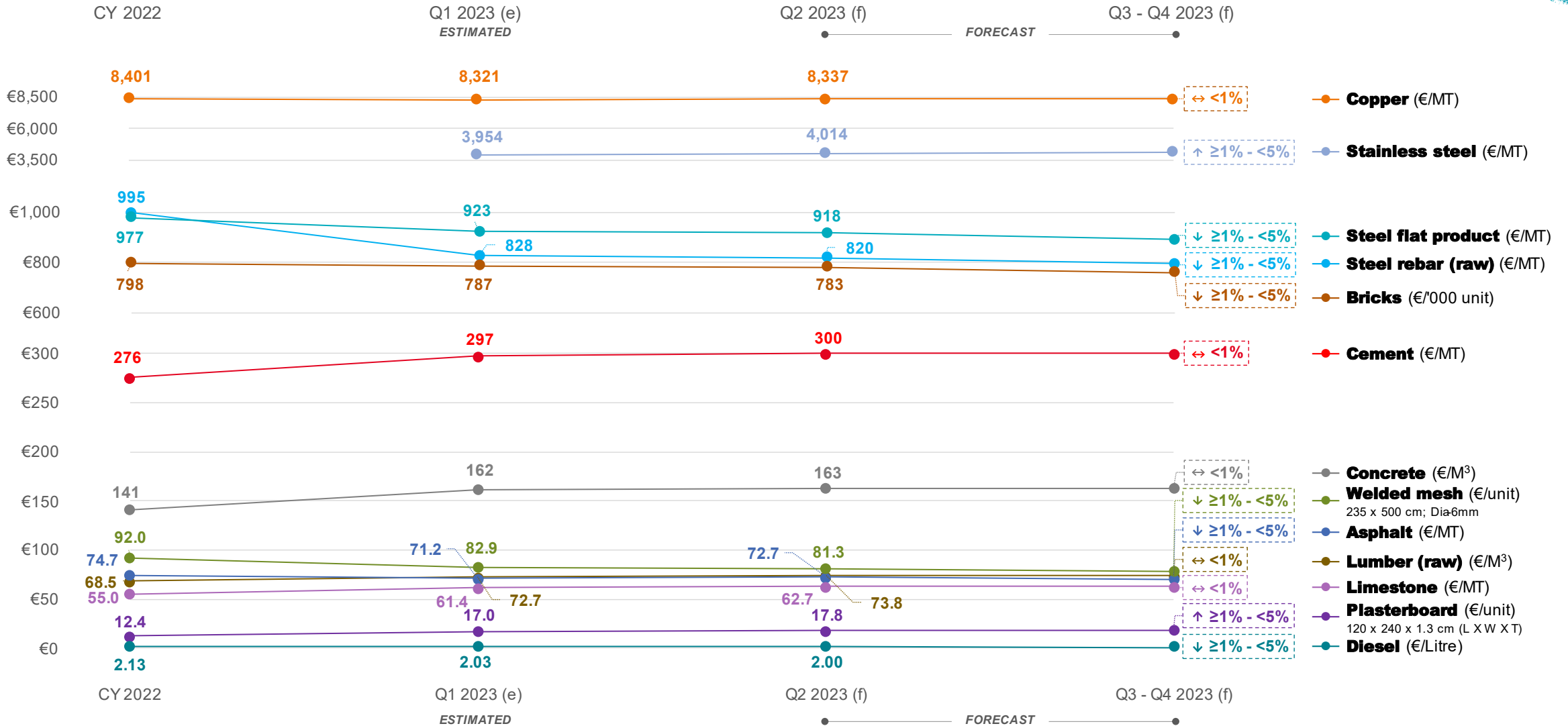


Note: 2015=100

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Cement Concrete	+1.0% ↑ +1.0% ↑	Moderate	High energy and transportation costs have impacted on supplies, putting upward pressure on prices in the second half of 2022. Prices are continuing to edge upwards due to low production and price hikes by domestic producers. Ready-mixed concrete recorded the sharpest increase among cement and concrete products in Q1 2023, rising by an estimated 8% compared to Q4 2022.
 Welded mesh	-2.0% ↓	Low	Declining steel rebar prices are expected to cause mesh prices in Finland to fall over the coming quarters. Weak demand amid falling levels of construction activity, coupled with an influx of cheaper imports is limiting price elevation. Supply-side uncertainty over the medium term will limit downward pressure beyond Q3 2023.
 Bricks	-0.5% ↓	Low	Brick prices in Finland have been in decline in recent quarters as energy and transportation costs have eased following the highs of mid-2022. Weak demand from the construction industry has forced domestic producers to reduce prices, which are expected to continue to weaken over the coming quarters.
 Plasterboard	+5.0% ↑	Low	Plasterboard prices in Finland rose sharply by 20% quarter-on-quarter in Q1 2023, following quarter-on-quarter growth of 13% in Q4. Building construction activity has slowed, but producers have still been able to pass on the higher energy costs that have fed into production. The easing of energy prices will limit the further acceleration of prices in the coming quarters, which are expected to lose momentum and stabilise.
 Diesel	-1.5% ↓	Low	Diesel prices have fallen back from highs reached in mid-2022 and have maintained a downward trend in recent months, aided by falling crude oil prices. Prices in March dipped below €2/litre for the first time in a year.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability. Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Finland – Construction Materials Pricing (2022-2023)



Material prices relate to raw or unfinished materials, and not to finished, delivered and erected on-site prices.

Finland – Macroeconomic overview



Economic indicators



0.05%

GDP growth in 2023 (f)
and **2.08%** in 2022



5.30%

inflation rate in 2023 (f) and
7.17% for 2022



2.62M

people employed in 2023 (f)
and **2.62M** in 2022



7.47%

unemployment rate for 2023 (f)
and **6.78%** in 2022



119.75

Consumer Price Index in
March 2023 and **110.95** in
March 2022



134.20

Producer Price Index in
March 2023 and **140.10** in
March 2022

National holidays

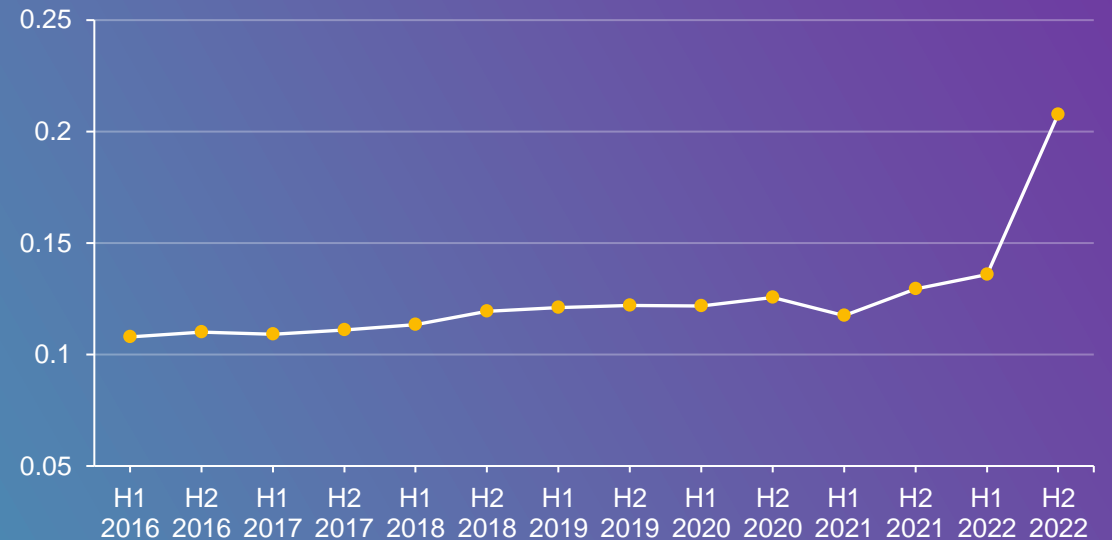


15 public holidays

in Finland in 2023.

Energy prices

Electricity prices for non-household consumers ,
consumption < 20 MWh (€ per kWh)









Note: All taxes and levies included

Finland – Construction overview



Output 2022 and 2023 (in € millions)*

Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	8,810	8,166	8,409
Energy and utilities 	4,656	4,760	4,882
Industrial 	2,607	2,438	2,463
Infrastructure 	6,458	6,635	6,775
Institutional 	2,643	2,697	2,791
Residential 	14,017	13,337	13,035

*The output is in real terms at constant prices with 2017 as base year

Long lead equipment (LLE) - Supply Chain Overview

2022 was a turbulent year for the global supply chain with the fallout from the global pandemic combined with the emergence of the Russia-Ukraine conflict, leading to supply chain disruptions across the globe. However, 2023 is showing signs of relief in the market for long lead equipment (LLE). The following are the specifics of the LLE supply chain dynamic:

- Demand:** Demand for LLE has remained exceptionally high across all regions and industry sectors. Organizations have moved to expand their supply chain portfolios and include secondary and tertiary suppliers, whilst most are continuing to invest in inventory management systems to prevent any supply chain disruptions. There is no sign of reduced demand, so the constraints to the supply chain will continue for the remainder of 2023.
- Supply:** The stock levels of raw materials have finally started to stabilise, alleviating some recent pressures on manufacturers and suppliers. However, it is worth noting that most LLE suppliers have reported being at operational capacity, with order books full up to Q3 2024, which may cause some concern for those relying on their products. Nevertheless, there is some hope as Tier 2 and Tier 3 supply chains have started to increase their capacity and support the larger demand within the market, which may help to mitigate any negative impact of capacity restrictions.
- Freight durations and costs:** Freight durations have begun to shorten in early 2023 as the global infrastructure and operations have developed to meet the rising demand and freight companies are shipping much faster than they did during the pandemic. Average freight costs have also reduced to align with pre-pandemic levels suggesting a return to normality within the industry. The benefits have been experienced in early 2023 and further reductions are expected throughout the rest of 2023.

Construction Health and Safety practices and culture



23 deaths in the workplace reported in Finland in 2022

according to the Finnish Workers' Compensation Center, while in 2021 this number was 12.

Finland – Report methodology



Linesight has commissioned independent global research to track construction materials and commodity prices. The approach and methodology for the collection of construction material pricing and other indicators is based on primary and secondary research.

Primary and secondary research

Primary research is conducted on a quarterly basis with stakeholders in the value chain, including manufacturers and suppliers/distributors of the target materials, to ascertain market information on prices in recent quarters, and also on projections for changes in the coming quarter and remainder of the year. The market analysis also involves a thorough assessment of secondary sources of data on materials and labour prices, in addition to underlying demand and supply trends that will impact market prices.

Sources include GlobalData's Construction Intelligence Center (CIC), the World Bank, IMF, OECD, as well as country specific national statistics offices, such as the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, and also industry specific associations and publications.

Definitions

- Commodity prices are net of taxes for all the countries
- Prices are not customer delivered
- All commodities are raw materials
- Nominal and real data

Nominal data series do not exclude changes in prices and are also referred to as current prices series.

Annual changes in nominal data for construction output will include changes in construction activity, as well as changes in costs for materials and equipment.

Real data series are calculated by keeping prices constant (so, are also referred to as constant price series), and therefore, they reflect changes in activity only. Growth rates in nominal terms can overstate the pace of growth in construction activity if there is high inflation stemming from rising prices for key inputs.

Sample sources – Finland

For Finland, sources for this report include, but are not limited to:

- IMF
- Statistics Finland
- Finnish Institute of Occupational Health (FIOH)
- GlobalData's Construction Intelligence Center (CIC)
- Conference-board.org
- Economic Research Institute
- Public Holidays
- Eurostat

Linesight





France

Country Insights and Commodity Report

Q1 2023



France

Q1 2023

French GDP grew by 2.6% in 2022 but the growth is expected to slow to 0.7% in 2023, following weak economic performance in the second half of last year. However, business sentiment has improved as supply chain challenges and inflationary pressures have eased, with headline inflation falling to 5.6% in March from 6.3% in February 2023..

France's construction industry is expected to shrink by 0.6% in 2023. However, the industry is expected to rebound in 2024, driven by investments in transport and renewable energy infrastructure projects. While other real estate sectors face challenges, niche sectors, such as data centres and research facilities, are expected to maintain the growth momentum.



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Lumber

In the short term, weaker demand will limit further upward pressure on lumber prices, which edged upward in recent quarters following a decline from mid-2022 highs. Demand will remain strong assisted by a recent law passed in 2020, requiring developers for half of materials to be wood in the construction of public buildings. Furthermore, new buildings for the 2024 Summer Olympics (measuring eight stories or less) are required to be made entirely from wood.



Cement and aggregates

Concrete and cement prices were driven up in the second half of 2022 by high production costs owing to the sharp rise in energy costs. Weakening demand and easing energy costs have since caused prices to retract from mid-2022 highs. Nevertheless, due to a time lag in reflecting price changes in these commodities, prices are expected to remain elevated for some time. Weakening demand from France's residential and commercial construction sectors, which are both set to contract in 2023, will limit further upward pressure on prices in 2023 which are expected to gradually fall.



Concrete blocks and bricks

Rising production costs were the primary driver of high brick prices throughout the second half of 2022. Falling energy prices and weakening levels of construction activity in the residential and commercial sectors will limit further upward pressure on brick prices over the coming quarters, but prices are likely to be sticky over short to medium term.



Steel (rebar and structural)

Domestic steel prices have remained high in recent quarters despite the global steel market cooling after reaching record highs in mid-2022, largely due to production cuts. Increasing use of competitively priced imported steel is likely to ease pressure on prices over the coming quarters, but prices are expected to remain relatively high as global steel demand strengthens. Moreover, France's large pipeline of rail projects and infrastructure spending commitments will keep steel demand high over the medium to long term.



Copper

Copper prices continued on an upward trend in early 2023, reflecting trends on the London Metal Exchange (LME). Following a sharp jump in January owing largely to a rebound in demand from China, copper prices retracted in March, exemplifying the volatility in the copper market. Prices are expected to remain volatile over the coming quarters, with strong underlying demand stemming from net-zero commitments likely to sustain upward pressure on prices over the long term.

France – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2023 (e)
	€	€	2022-23 % change	% change
Copper (€/MT)	8,736	9,173	-4.8% ↓	7.0% ↑ ●
Steel rebar (€/MT)	727	880	-17.4% ↓	-2.0% ↓ ■
Steel flat (€/MT)	825	901	-8.4% ↓	0.9% ↑ ■
Stainless steel (€/MT)	4,082	NA	NA	4.4% ↑ ●
Lumber (€/M ³)	102	100	2.0% ↑	0.8% ↑ ■
Asphalt (€/MT)	84.1	86.0	-2.2% ↓	1.6% ↑ ●
Limestone (€/MT)	59.7	52.0	14.7% ↑	10.0% ↑ ●
Cement (€/MT)	196	163	20.5% ↑	10.1% ↑ ●
Concrete (€/M ³)	175	145	20.9% ↑	10.1% ↑ ●
Welded mesh (€/unit)	146	169	-13.4% ↓	-2.0% ↓ ■
Bricks (€/000 unit)	1,106	900	22.8% ↑	0.0% ↔ ■
Plasterboard (€/unit)	3.74	3.00	24.6% ↑	17.6% ↑ ●
Diesel (€/litre)	1.93	1.96	-1.64% ↓	2.5% ↑ ■

(f) Forecast (e) Estimated

● Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
 ■ Q4 2022 to Q1 2023 % change less than estimation in our Q4 2022 report

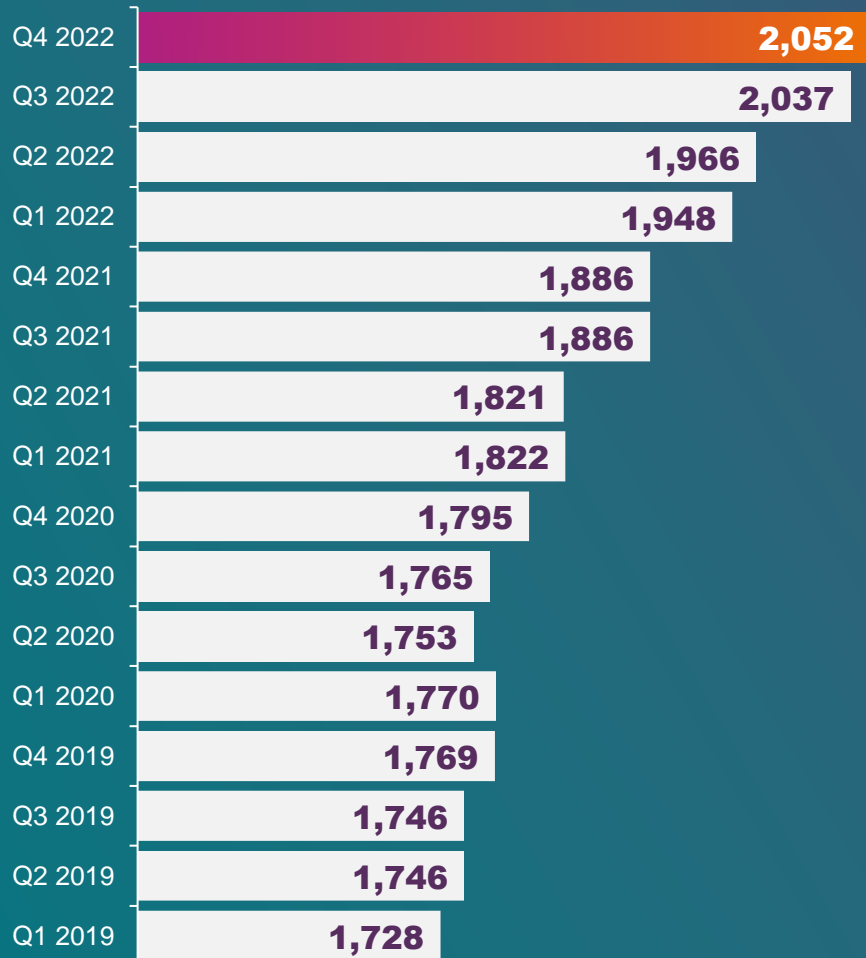
Welded mesh: 240 x 600cm, dia.-7mm Plasterboard: 250 x 120 x 1.3cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	+1.0% ↑	High	Copper prices jumped in mid-January 2023 owing to the sudden increase in demand from China, which has renewed upward pressure on copper prices following a period of relative price stability in Q3 and Q4 2022. The re-opening of China's economy following the end of its "Zero Covid" Policy has significantly increased pressure on global supplies, leading to increased copper prices in France as well as globally.
 Steel prices - Steel rebar - Flat steel	+0.5% ↑ +1.0% ↑	Moderate	Steel prices have been in decline since June 2022, and are expected to stabilise over the coming quarters. Despite falling demand, prices however rose by 8.6% in March compared to February, driven by increase in prices by the domestic producers. However, falling demand is expected to sustain downward pressure on prices.
 Stainless steel	+1.0% ↑	Low	Despite subdued demand for stainless steel limiting further significant upward pressure on prices in the short term, high prices for key raw materials used for alloying will keep prices high over the coming quarters. Owing to the expectation of rising raw material prices, stainless steel prices remain on a long-term upward trend.
 Lumber	+0.5% ↑	Low	Lumber prices had eased from the highs of mid-2022 but have since begun to edge upward in Q1 2023. Despite subdued demand from the construction sector, supply-side issues continue to weigh on the lumber market in France. However, slowing growth in the construction sector will limit upward pressure on prices, which are expected to remain around current levels over the coming quarters.
 Asphalt	+2.0% ↑	Low	Asphalt prices have stabilised in recent quarters, owing primarily to stable crude oil prices. However, industrial action by energy workers in response to the French government's pension reform is expected to hit the volume of crude oil imports in France over the coming months. This could lead to asphalt shortages which will exert upward pressure on prices.
 Limestone	-0.5% ↓	Low	Although limestone prices have edged upward in recent quarters owing to production costs, an increase in supply and relatively weak demand have caused prices to stabilise in recent months. Prices are expected to fall marginally but remain high compared to historical levels over the coming quarters.

France – Commodity Report



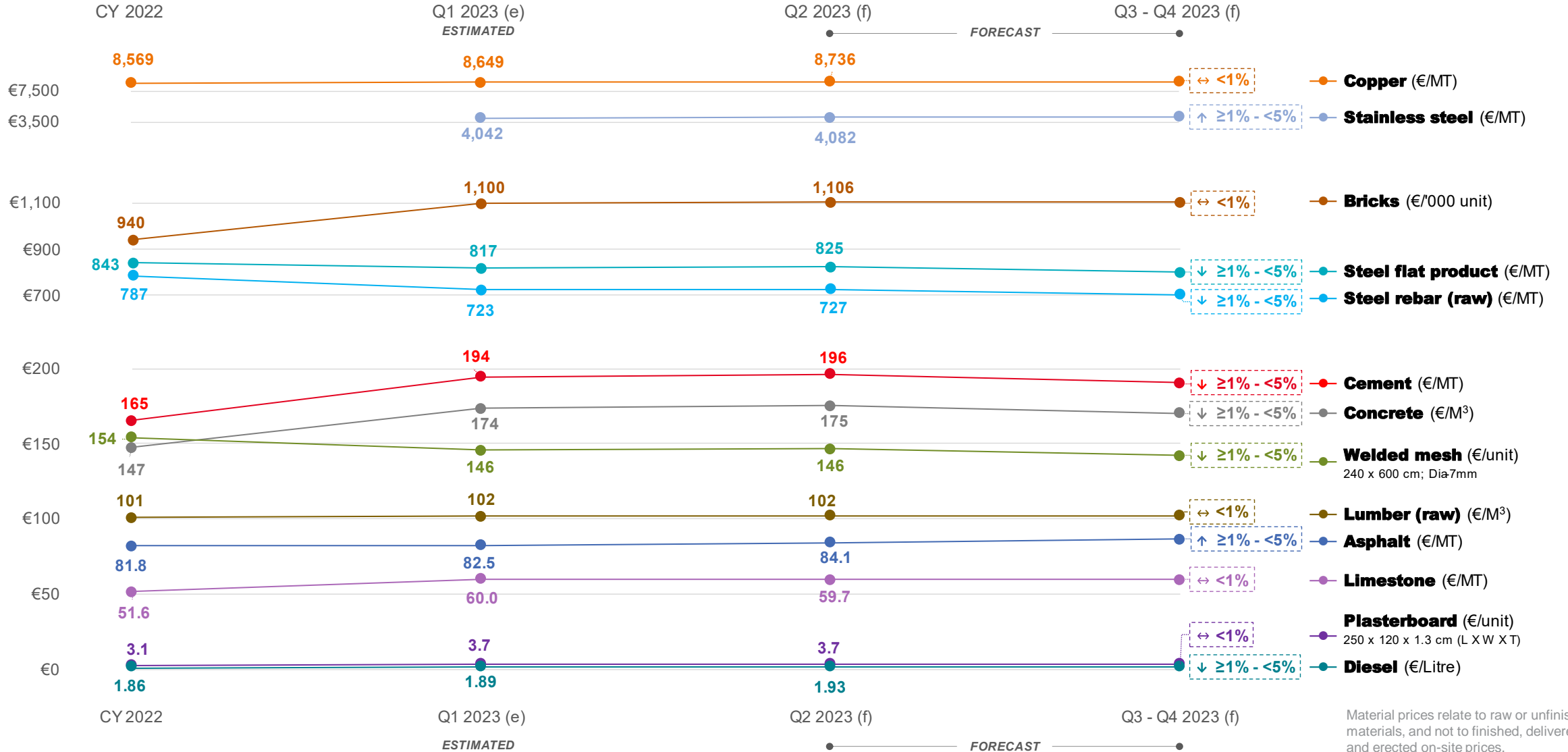
Cost of Construction Index (CCI) 2019-2022 (2010=100)



Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *
 Cement Concrete	+1.0% ↑ +1.0% ↑	 High High energy and raw materials costs caused prices to rise rapidly in mid-2022 as producers passed on higher prices to consumers. Despite input costs decreasing in recent months, the same has not been reflected in the selling prices. However, in coming quarters prices are expected to gradually fall.
 Welded mesh	+0.5% ↑	 Moderate The price of welded mesh is expected to remain elevated in the short-term owing to high rebar prices. Prices are likely to begin to decline beyond Q3 2023.
 Bricks	+0.5% ↑	 Moderate Despite the decline in energy prices, the prices for bricks remained high at the start of the year and the trend continued throughout the first quarter. The prices are expected to steadily decline but remain elevated over the coming quarters.
 Plasterboard	+0.5% ↑	 Moderate Plasterboard prices rose sharply in Q1 2023, with prices standing around 17% higher than in Q2 2022. This has largely been due to high production costs stemming from high energy costs. Over the coming months, the easing of energy prices will limit further upward pressure on plasterboard prices, which are expected to remain elevated.
 Diesel	+2.0% ↑	 Low Diesel prices have retracted slightly from mid-2022 highs amid the easing of crude oil prices and have been stable in recent months. Diesel prices in Q1 2023 were 3.4% lower than in Q2 2022 on average. However, risks to supplies stemming from striking energy sector workers and global oil production cuts are likely to put upward pressure on diesel prices over the coming quarters, which are expected to be volatile.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability. Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

France – Construction Materials Pricing (2022-2023)



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France – Macroeconomic overview



Economic indicators



0.70%

GDP growth in 2023 (f)
and **2.61%** in 2022



5.05%

inflation rate in 2023 (f) and
5.90% for 2022



28.36M

people employed in 2023 (f)
and **28.36M** in 2022



7.36%

unemployment rate for 2023 (f)
and **7.29%** in 2022



116.79

Consumer Price Index in March
2023 and **110.49** in March 2022



152.40

Producer Price Index in Feb
2023 and **135.00** in Feb 2022

National holidays

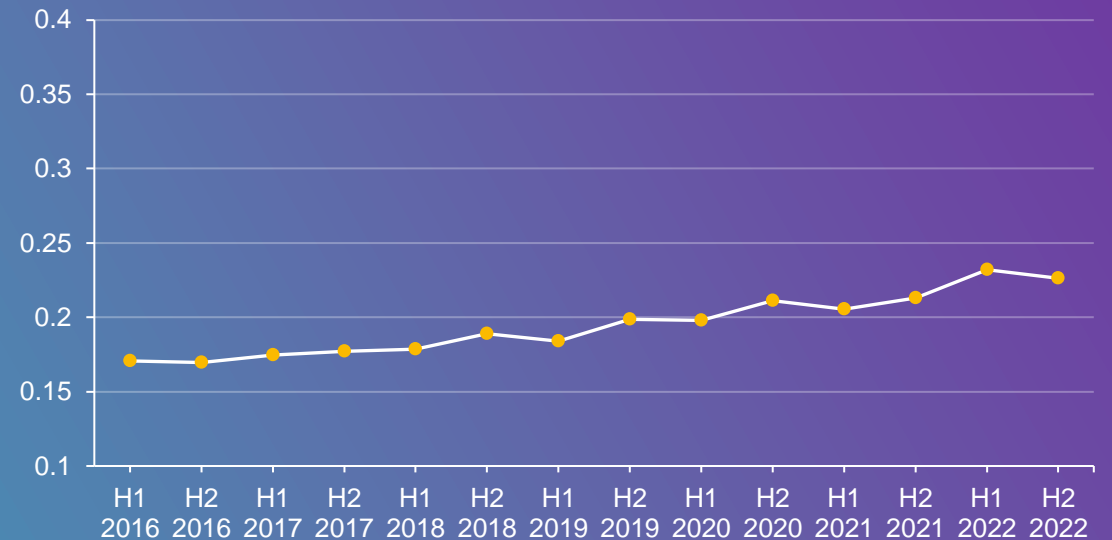


11 public holidays

in France in 2023.

Energy prices

Electricity prices for non-household consumers,
consumption < 20 MWh (€ per kWh)









Note: All taxes and levies included

France – Construction overview



Output 2022 and 2023 (in € millions)*

Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	45,635	45,294	47,155
Energy and Utilities 	24,018	24,149	24,615
Industrial 	27,769	27,340	27,925
Infrastructure 	56,537	56,907	57,408
Institutional 	23,313	23,106	23,456
Residential 	118,668	117,268	120,880

*The output is in real terms at constant prices with 2017 as base year

Long lead equipment (LLE) - Supply Chain Overview

2022 was a turbulent year for the global supply chain with the fallout from the global pandemic combined with the emergence of the Russia-Ukraine conflict, leading to supply chain disruptions across the globe. However, 2023 is showing signs of relief in the market for long lead equipment (LLE). The following are the specifics of the LLE supply chain dynamic:

- Demand:** Demand for LLE has remained exceptionally high across all regions and industry sectors. Organizations have moved to expand their supply chain portfolios and include secondary and tertiary suppliers, whilst most are continuing to invest in inventory management systems to prevent any supply chain disruptions. There is no sign of reduced demand, so the constraints to the supply chain will continue for the remainder of 2023.
- Supply:** The stock levels of raw materials have finally started to stabilise, alleviating some recent pressures on manufacturers and suppliers. However, it is worth noting that most LLE suppliers have reported being at operational capacity, with order books full up to Q3 2024, which may cause some concern for those relying on their products. Nevertheless, there is some hope as Tier 2 and Tier 3 supply chains have started to increase their capacity and support the larger demand within the market, which may help to mitigate any negative impact of capacity restrictions.
- Freight durations and costs:** Freight durations have begun to shorten in early 2023 as the global infrastructure and operations have developed to meet the rising demand and freight companies are shipping much faster than they did during the pandemic. Average freight costs have also reduced to align with pre-pandemic levels suggesting a return to normality within the industry. The benefits have been experienced in early 2023 and further reductions are expected throughout the rest of 2023.

France – Report methodology



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Definitions

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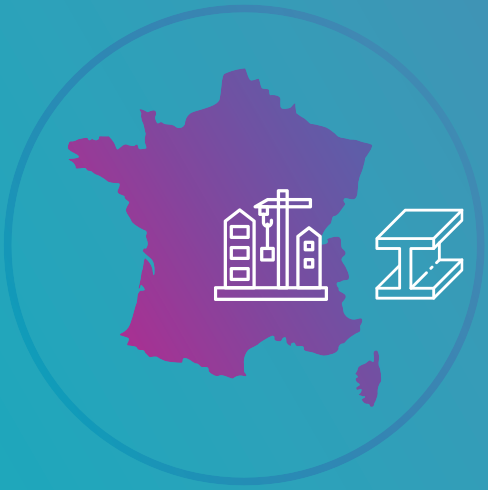
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Sample sources – France

For France, sources for this report include, but are not limited to:

- IMF
- Eurostat
- French National Institute of Statistics and Economic Studies (INSEE)
- GlobalData's Construction Intelligence Center (CIC)
- The Conference Board Total Economy Database™
- Economic Research Institute
- Public Holidays

Linesight 





Linesight



Germany

Country Insights and Commodity Report

Q1 2023



Germany

Q1 2023

Despite facing challenges from rising inflation and supply chain disruptions, Germany registered an economic growth rate of 1.8% in 2022, supported by an improvement in energy prices and policy support to businesses and households. However, amid weak global outlook the economy is expected to contract by 0.1% in 2023. Nonetheless, according to the latest estimates by the IMF, Germany's GDP is projected to increase by 1.1% in 2024. Energy prices, which have been a major contributor to inflation, have now begun to fall, resulting in a drop in the Consumer Price Index to 7.4% in March 2023, after continuing highs in the first two months of 2023.

Germany's construction industry is expected to contract by 3.6% in real terms in 2023 due to higher material and energy prices, labour shortages, and monetary policy tightening. However, it is expected to regain momentum from 2024, aided by investments in transport, renewable energy, housing, and manufacturing projects. The government has set aside a budget of €28 billion, focusing on developing renewable energy sources. The main objective is for 80% of electricity production to be generated from renewable sources by 2030, with a further goal of climate neutrality targeted by 2045.



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Lumber

Germany's buildings construction industry has continued to weaken. However, for some key building materials, such as lumber, prices have been held at a relatively high-level. This is mostly due to squeezed supplies, made worse by bans on Russian imports contributing to the sustained high price points.



Cement and aggregates

Cement prices have recently risen, owing to key producers' ability to pass on higher production costs. Although Heidelberg Materials, a major German cement manufacturer, expects sales volume to increase, it is concerned that raw material and energy cost volatility will reduce operating profit.



Concrete blocks and bricks

Brick prices have rocketed in recent months, up by 30% in Q1 2023 compared to the same period in 2022. The trend has been primarily supply-side driven, given the weakness in demand in the construction industry.



Steel (rebar and structural)

Steel prices continued on a downward trend in early 2023, with prices falling sharply when compared to the highs of mid-2022. There could be some renewed upward pressure in the coming quarters given the prospect of constrained supplies and producers cut back on output.



Copper

Copper prices have picked up again on the back of expectations of improved demand in China and disruptions in supply stemming from instability in key producing markets in Latin America. The weak outlook for global economy will contain upward pressure, but demand will be bolstered by investment in energy transition projects.

Germany – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2023 (e)
	€	€	2022-23 % change	% change
Copper (€/MT)	8,872	8,900	-0.3% ↓	11.1% ↑ ●
Steel rebar (€/MT)	538	626	-14.0% ↓	-10.2% ↓ ●
Steel flat (€/MT)	721	714	1.1% ↑	-8.0% ↓ ●
Stainless steel (€/MT)	3,943	NA	NA	3.0% ↑ ●
Lumber (€/M ³)	132	114	15.6% ↑	1.0% ↑ ●
Asphalt (€/MT)	75.6	60.0	26.0% ↑	0.6% ↑ ■
Limestone (€/MT)	40.1	35.7	12.4% ↑	5.2% ↑ ●
Cement (€/MT)	193	130	47.9% ↑	19.4% ↑ ●
Concrete (€/M ³)	213	168	27.2% ↑	16.8% ↑ ●
Welded mesh (€/unit)	65.0	75.6	-14.0% ↓	-10.2% ↓ ●
Bricks (€/000 unit)	793	610	30.0% ↑	11.0% ↑ ●
Plasterboard (€/unit)	3.61	2.89	25.0% ↑	7.6% ↑ ●
Diesel (€/litre)	1.80	1.78	0.8% ↑	-9.9% ↓ ●

(f) Forecast (e) Estimated

- Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
- Q4 2022 to Q1 2023 % change less than estimation in our Q4 2022 report

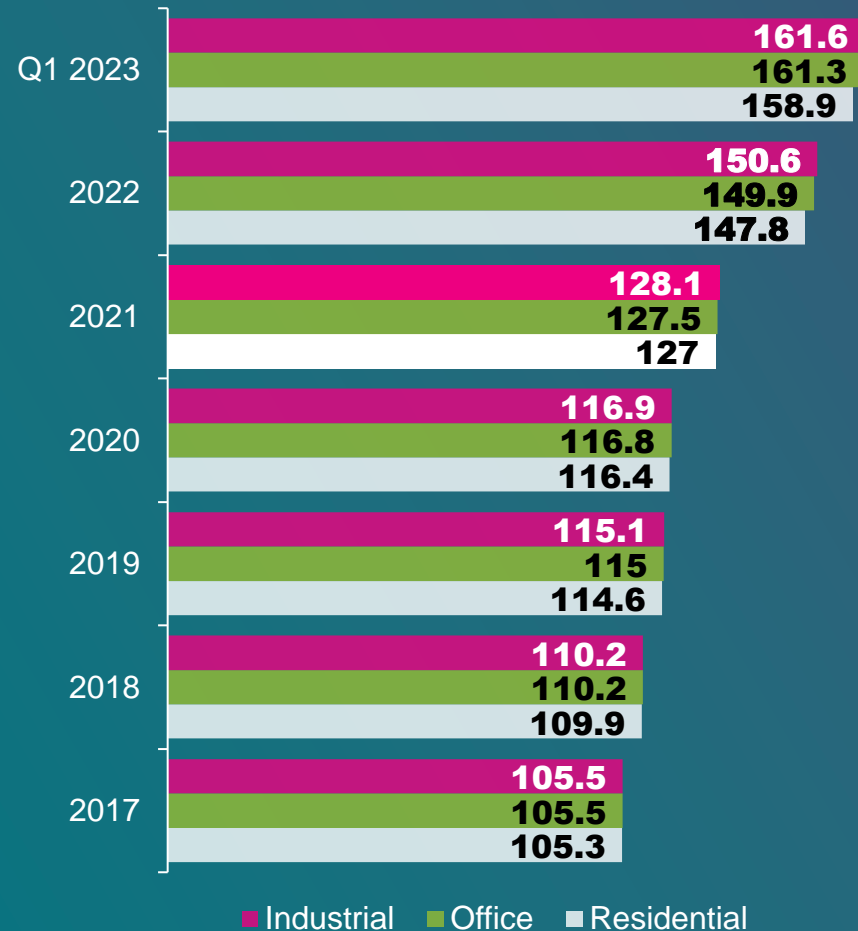
Welded mesh: 600 x 230cm, dia.-6mm Plasterboard: 200 x 60 x 1.25cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	-0.71% ↓	High	The quarterly average copper prices increased by more than 11% quarter-on-quarter in Q1 2023 owing to the tight supply and improving demand from China. Prices will remain elevated in the coming quarters, with demand bolstered by investment in energy transition projects.
 Steel prices - Steel rebar - Flat steel	-1.00% ↓ +0.50% ↑	Moderate	Steel prices were still relatively low in early 2023, but have started to regain ground on the back of improving order books and constrained supplies owing to the import ban on Russian steel and limited production due to the energy crisis. However, generally weak domestic demand on account of sluggish performance of key steel end-user sectors is expected to contain growth in demand.
 Stainless steel	+2.00% ↑	Low	The price for stainless steel has continued on an upward trend, and a further increase is expected in the coming quarter owing to volatility in supply of nickel, given the economic sanctions placed on imports from Russia.
 Lumber	+1.00% ↑	Low	Lumber prices have remained relatively high, with weak demand from the construction sector being offset by tight supply and ongoing disruptions stemming from the Russia-Ukraine conflict.
 Asphalt	+1.00% ↑	Moderate	Asphalt prices edged upwards in Q1 2023, despite relatively weak demand recently. However, with the government allocating €1.3 billion for federal road projects in the 2023 Budget, there is scope for a pick up in demand for asphalt, but as a portion of which will be met by recycled materials upward price pressure will be contained.
 Limestone	+0.80% ↑	Low	Although the overall buildings construction industry remains in decline, prices for materials including limestone have trended upwards reflecting ongoing upward pressure on production.

Germany – Commodity Report



Construction price indices 2017-2023 (2015=100)

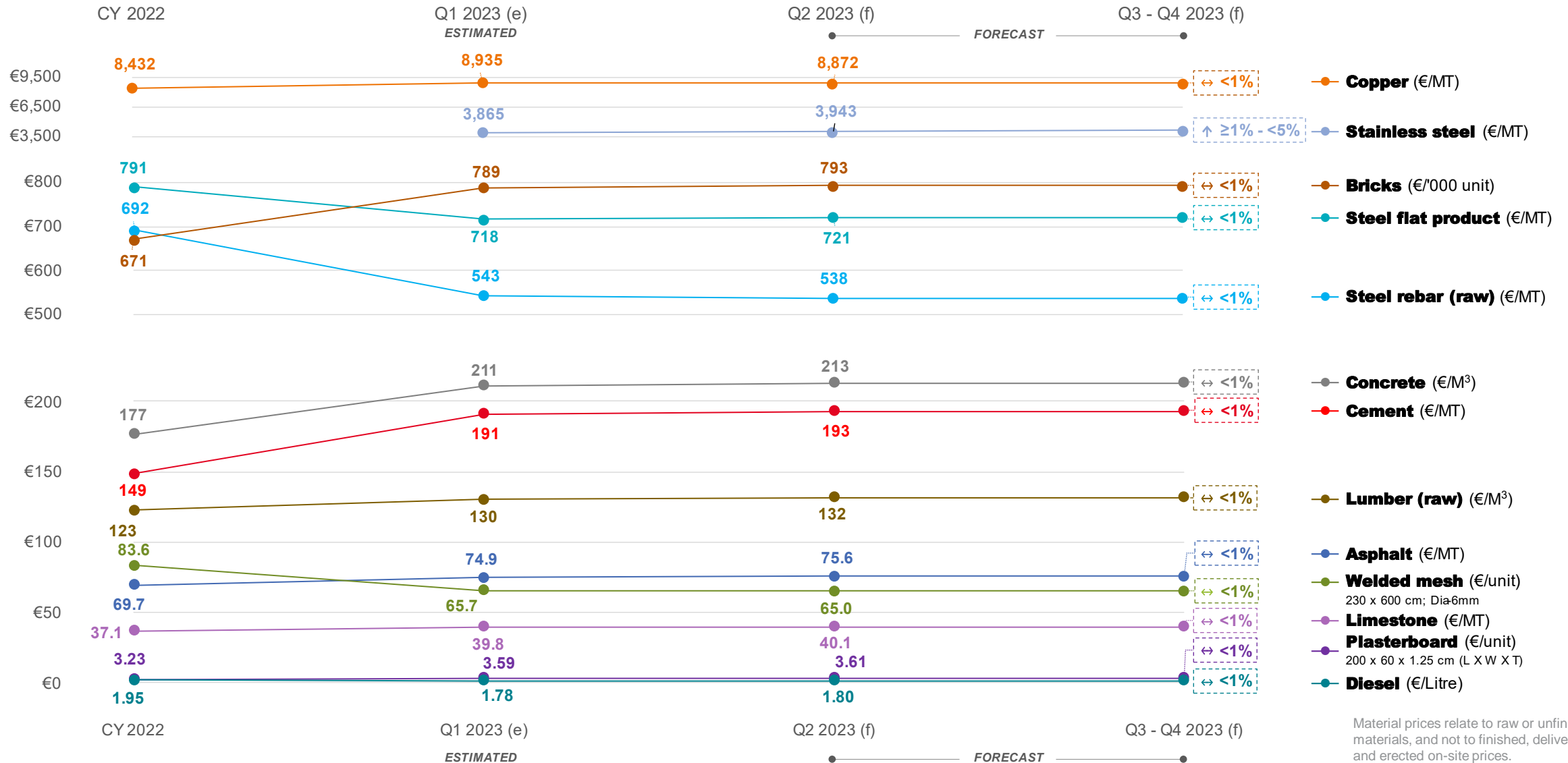


Figures included represent the average indices of quarter-on-quarter each year. Q1 2022 to Q1 2023 represents a circa 15% increase for the 12-month period.

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *
 Cement Concrete	+1.00% ↑ +1.00% ↑	 High Cement and concrete prices have risen sharply in recent months, with prices for cement in February 2023 being 24% higher than in December last year and 52% up from levels in February last year. High gas and electricity prices continue to keep producer prices high, with major cement manufacturers passing on these costs to buyers.
 Welded mesh	-1.00% ↓	 Moderate Welded mesh prices dropped by 10% in Q1 2023 compared to the average of Q4 last year. Local producers have been seeking to push up prices, but demand has been limited.
 Bricks	+0.50% ↑	 Moderate Brick prices jumped by an estimated 11% in Q1 2023 compared to the average price in the previous quarter. Despite limited growth in demand, high production costs continue to beset manufacturers.
 Plasterboard	+0.50% ↑	 Moderate Owing to high production costs, including energy and raw materials, plasterboard prices remain relatively high, rising by 7.6% on a quarterly average basis in Q1 2023.
 Diesel	+1.00% ↑	 Low Diesel prices have continued to fall in recent months, dropping below €1.70 per litre at the end of March, the lowest level since February last year and down from highs of €2.15 per litre in October. Weak domestic demand will contain upward price pressures, but the recent decision by OPEC+ to cut crude oil production could generate renewed price volatility in the short term.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability. Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Germany – Construction Materials Pricing (2022-2023)



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Germany – Macroeconomic overview



Economic indicators



-0.11%

GDP growth in 2023 (f)
and **1.77%** in 2022



6.19%

inflation rate in 2023 (f) and
8.66% for 2022



42.44M

people employed in 2023 (f)
and **42.41M** in 2022



3.27%

unemployment rate for 2023 (f)
and **3.07%** in 2022



116.10

Consumer Price Index in Mar
2023 and **108.80** in Mar 2022



134.90

Wholesale Price Index in Feb
2023 and **132.50** in Feb 2022

National holidays

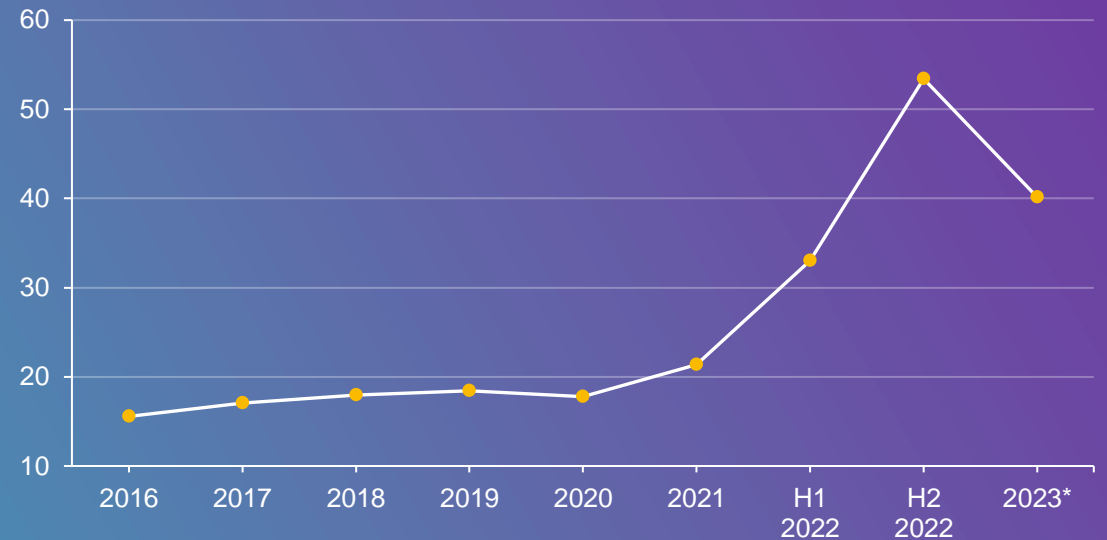


9 public holidays

in Germany in 2023.

Energy prices

Average electricity price for small to medium-sized
industrial companies (cent per kWh)









Note: Included taxes

* Till Feb 2023

Germany – Construction overview



Output 2022 and 2023 (in € millions)*

Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	49,093	48,309	48,920
Energy and Utilities 	16,610	16,623	16,802
Industrial 	18,275	18,329	18,562
Infrastructure 	44,422	43,820	44,752
Institutional 	19,699	19,266	19,354
Residential 	153,902	144,672	148,413

*The output is in real terms at constant prices with 2017 as base year

Long lead equipment (LLE) - Supply Chain Overview

2022 was a turbulent year for the global supply chain with the fallout from the global pandemic combined with the emergence of the Russia-Ukraine conflict, leading to supply chain disruptions across the globe. However, 2023 is showing signs of relief in the market for long lead equipment (LLE). The following are the specifics of the LLE supply chain dynamic:

- Demand:** Demand for LLE has remained exceptionally high across all regions and industry sectors. Organizations have moved to expand their supply chain portfolios and include secondary and tertiary suppliers, whilst most are continuing to invest in inventory management systems to prevent any supply chain disruptions. There is no sign of reduced demand, so the constraints to the supply chain will continue for the remainder of 2023.
- Supply:** The stock levels of raw materials have finally started to stabilise, alleviating some recent pressures on manufacturers and suppliers. However, it is worth noting that most LLE suppliers have reported being at operational capacity, with order books full up to Q3 2024, which may cause some concern for those relying on their products. Nevertheless, there is some hope as Tier 2 and Tier 3 supply chains have started to increase their capacity and support the larger demand within the market, which may help to mitigate any negative impact of capacity restrictions.
- Freight durations and costs:** Freight durations have begun to shorten in early 2023 as the global infrastructure and operations have developed to meet the rising demand and freight companies are shipping much faster than they did during the pandemic. Average freight costs have also reduced to align with pre-pandemic levels suggesting a return to normality within the industry. The benefits have been experienced in early 2023 and further reductions are expected throughout the rest of 2023.

Germany – Report methodology



Linesight has commissioned independent global research to track construction materials and commodity prices. The approach and methodology for the collection of construction material pricing and other indicators is based on primary and secondary research.

Primary and secondary research

Primary research is conducted on a quarterly basis with stakeholders in the value chain, including manufacturers and suppliers/distributors of the target materials, to ascertain market information on prices in recent quarters, and also on projections for changes in the coming quarter and remainder of the year. The market analysis also involves a thorough assessment of secondary sources of data on materials and labour prices, in addition to underlying demand and supply trends that will impact market prices.

Sources include GlobalData's Construction Intelligence Center (CIC), the World Bank, IMF, OECD, as well as country specific national statistics offices, such as the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, and also industry specific associations and publications.

Definitions

- Commodity prices are net of taxes for all the countries
- Prices are not customer delivered
- All commodities are raw materials
- Nominal and real data

Nominal data series do not exclude changes in prices and are also referred to as current prices series.

Annual changes in nominal data for construction output will include changes in construction activity, as well as changes in costs for materials and equipment.

Real data series are calculated by keeping prices constant (so, are also referred to as constant price series), and therefore, they reflect changes in activity only. Growth rates in nominal terms can overstate the pace of growth in construction activity if there is high inflation stemming from rising prices for key inputs.

Sample sources – Germany

For Germany, sources for this report include, but are not limited to:

- IMF
- Destatis
- GlobalData's Construction Intelligence Center (CIC)
- BDEW Federal Association of Energy and Water - Germany
- The Conference Board Total Economy Database™
- Economic Research Institute
- Public Holidays
- Eurostat

Linesight 





Ireland

Country Insights and Commodity Report

Q1 2023      

Ireland

Q1 2023

The latest updates from IMF show that Ireland's GDP is expected to grow by 5.6% in real terms, which is higher than the previous forecast made in autumn 2022. There was a strong 26% increase in investment growth in 2022, partially driven by multinationals. Although inflation pressures are easing, with a predicted inflation rate of 5% for 2023, compared to the average of 8.1% in the previous year, there is still a disparity between supply and demand that is expected to keep inflation elevated in 2023 and 2024.

The Irish construction industry is expected to contract by 4% in 2023, but to grow by 2% in real terms by 2024. Despite ongoing challenges such as a skilled labour shortages, elevated construction costs, and supply chain issues, the construction industry in Ireland is expected to grow in medium to long term as the economy grows, particularly in Dublin, Cork, and Galway. With government's emphasis on affordable housing development, the residential sector is expected to grow at a 4% annual rate in 2024. Mission-critical industries such as data centres and life sciences are expected to continue to expand.



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Lumber

Lumber prices have fallen from the highs of mid-2022 when supply disruptions caused prices to spike, and there are signs of stabilisation and possibly upwards price movements. A recent report from the Irish Farmer's Association highlighted ongoing concerns relating to forestry licensing issues.



Cement and aggregates

Although still high compared to early 2022, cement prices are expected to fall in the coming quarters assuming energy costs decline. However, a 5% levy on concrete products is still due to come into effect in September this year to fund the defective blocks scheme for redress for homeowners affected by mica.



Concrete blocks and bricks

High interest rates will contribute to the slowdown in the construction industry in the short term, which will contain any further upward pressure on brick prices. Energy costs are also expected to fall. Given the energy intensive nature of brick production, high energy costs in recent quarters has been a key factor driving up brick prices.



Steel (rebar and structural)

Steel prices will be on a general downward trend in the coming quarters given a combination of weaker demand in the construction industry and an expected easing in production costs pressures as energy prices fall from recent highs.



Copper

Reflecting trends on the London Metal Exchange (LME), copper prices continued on an upward trend in early 2023. However, a decline in March is indicative of a degree of volatility that can be expected in the coming quarters.

Ireland – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2023 (e)
	€	€	2022-23 % change	% change
Copper (€/MT)	8,988	9,044	-0.6% ↓	12.6% ↑ ●
Steel rebar (€/MT)	795	919	-13.5% ↓	-3.4% ↓ ●
Steel flat (€/MT)	1,271	1,030	23.4% ↑	8.7% ↑ ●
Stainless steel (€/MT)	3,044	NA	NA	-2.9% ↓ ●
Lumber (€/M ³)	88.4	106.3	-16.8% ↓	-2.8% ↓ ●
Asphalt (€/MT)	960	876	9.6% ↑	0.7% ↑ ●
Limestone (€/MT)	94.0	91.4	2.9% ↑	0.2% ↑ ■
Cement (€/MT)	273	235	16.1% ↑	2.5% ↑ ●
Concrete (€/M ³)	91.0	78.2	16.4% ↑	0.7% ↑ ■
Welded mesh (€/unit)	53.8	62.2	-13.5% ↓	-8.8% ↓ ●
Bricks (€/000 unit)	878	802	9.5% ↑	0.9% ↑ ■
Plasterboard (€/unit)	14.7	11.7	25.6% ↑	0.0% ↔ ■
Diesel (€/litre)	1.68	1.96	-14.5% ↓	-23.5% ↓ ●

(f) Forecast (e) Estimated

● Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
 ■ Q4 2022 to Q1 2023 % change less than estimation in our Q4 2022 report

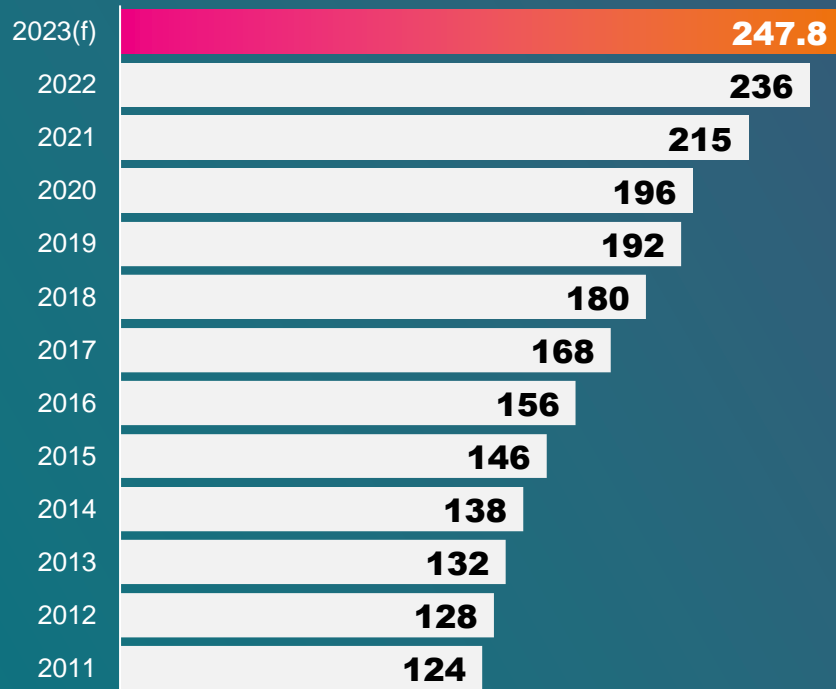
Welded mesh: 240 x 480cm, dia.-6mm Plasterboard: 240 x 120 x 1.25cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	-0.7% ↓	Moderate	Copper prices picked up again in the first few months of 2023, posting an increase of 4% in Q1 2023 compared to Q4 last year. Global copper demand will be strengthened by China's reopening. There will be an improvement in global supply, which should keep prices relatively stable on a quarterly average basis, but there will still be volatility around these levels.
 Steel prices - Steel rebar - Flat steel	-1.0% ↓ -1.0% ↓	Moderate	Steel rebar prices have continued to trend downward in recent months, as domestic demand in the construction industry has weakened. February's price was 14% lower than the May 2022 high. However, compared to early 2022 levels, prices are still slightly higher, a reflection of the higher input costs faced by the producers. Flat steel prices jumped in January, but edged down in February, and are expected to continue to ease back from recent highs given sluggish demand growth.
 Stainless steel	-1.0% ↓	Low	While pressure on demand has eased, ongoing high prices for raw materials such as nickel will prevent a marked decline in stainless steel.
 Lumber	+0.5% ↑	Moderate	Weak demand has contributed to the steady decline in lumber prices, which were down by 21% in February 2023 compared to the mid-2022 highs. A recent survey of timber prices conducted by the Irish Farmers' Association suggested a recovery in prices, but this will be from a low base.
 Asphalt	+0.5% ↑	Moderate	Asphalt prices have continued to rise in recent months, with prices in February 17% higher than in the same month last year. Although civil engineering construction has been fairly flat over the past year, significant road infrastructure spending was outlined in the current National Development Plan (NDP) 2021–30.
 Limestone	+1.0% ↑	Low	Although prices have edged up steadily on a quarterly average basis, there has been some volatility in monthly pricing levels for aggregates in general.

Ireland – Commodity Report



Linesight tender price index 2011-2023(f)

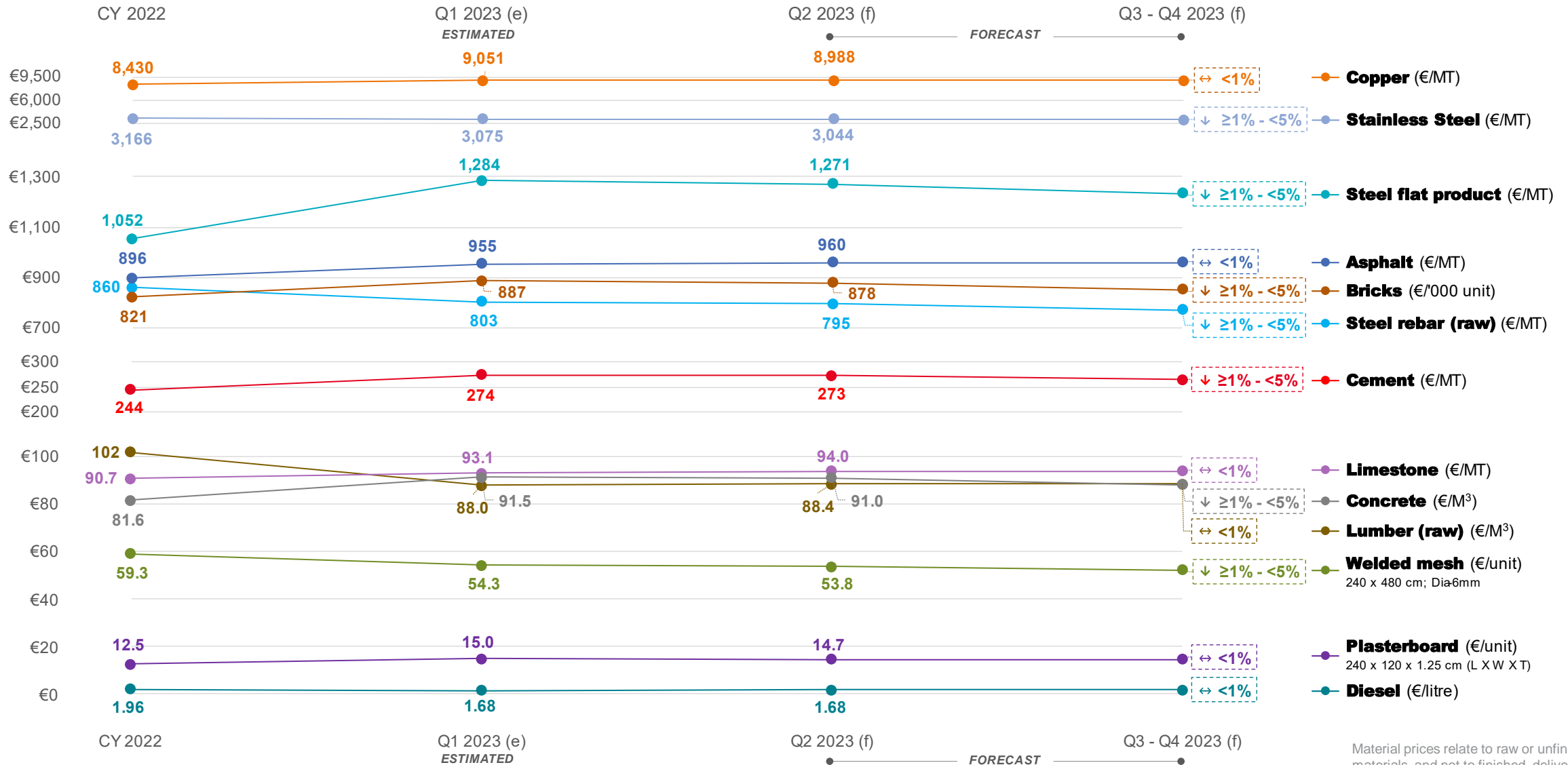


Note: The above infers a full-year increase of +9.8% for 2022. Our 2022 estimate is broken down @ +7.5% for H1 2022 and +2.3% for H2 2022. Our forecast for full year 2023 is c. +5%. This is driven by stabilisation in commodity prices but pressures on wage levels associated with sectoral employment orders and skilled labour shortages. We will review this on an on-going basis.

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Cement	-0.5% ↓	 High	Cement prices have steadied at a high level, with prices in Q1 2023 being around 2.5% higher than the average for Q4 2022 and 24% higher than in Q1 2022. Although construction activity has weakened, high production costs have been a factor in keeping cement prices high. However, prices are expected to ease as energy prices fall back in the coming quarters.
 Concrete	-0.5% ↓	 High	As with cement, prices for concrete are still high on a year-on-year basis, having levelled off in recent months. Weaker demand and easing energy costs will likely see prices fall back in the coming quarters.
 Welded mesh	-1.0% ↓	 Moderate	In line with price trends for steel rebar, prices for welded mesh are expected to decline in the coming quarters owing to weak demand from the construction sector.
 Bricks	-1.0% ↓	 Moderate	Brick prices have been stable in recent months, but after the upward trend over the past year, prices are up by 16% year-on-year in Q1 2023. Given signs of easing upward pressure on the supply side, as energy prices fall back from recent highs, brick prices are expected to decline.
 Plasterboard	-2.0% ↓	 Low	Plasterboard prices have stayed relatively high in recent months, up by around 30% compared to levels in early 2022. High production costs have been a key factor in keeping prices high, but with energy prices easing back, further upward pressure will be contained.
 Diesel	+0.2% ↑	 High	Diesel prices have fallen in recent months, falling to €1.66 per litre in March having been as high as €2 per litre in mid-2022. The government will gradually restore excise rates from June 2023, which will keep prices close to current levels in the coming quarters.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability. Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Ireland – Construction Materials Pricing (2022-2023)



Material prices relate to raw or unfinished materials, and not to finished, delivered and erected on-site prices.

Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Ireland – Macroeconomic overview



Economic indicators



5.60%

GDP growth in 2023 (f) and **12.0%** in 2022



5.00%

inflation rate in 2023 (f), and **8.10%** for 2022



2.57M

people employed in 2023 (f) and **2.55M** in 2022



4.48%

unemployment rate for 2023 (f) and **4.50%** in 2022



118.00

Consumer Price Index in Mar 2023 and **109.60** in Mar 2022



87.10

Wholesale Price Index in Mar 2023 and **85.8** in Mar 2022

National holidays

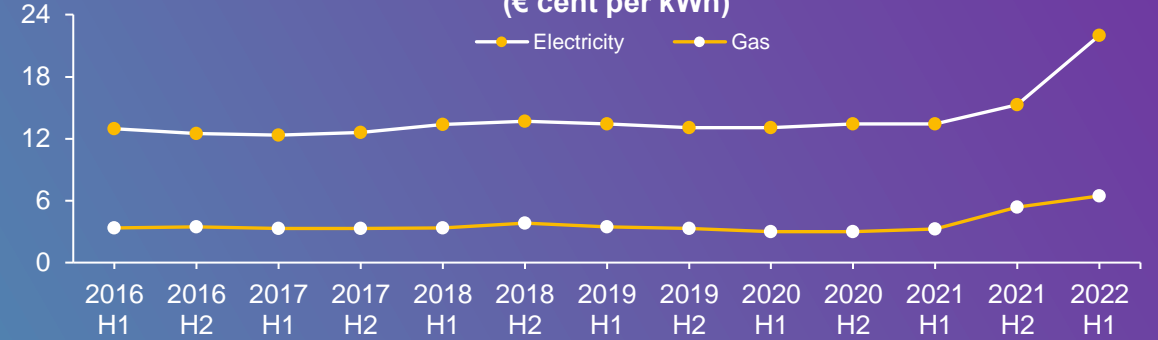


10 public holidays

in Ireland in 2023.

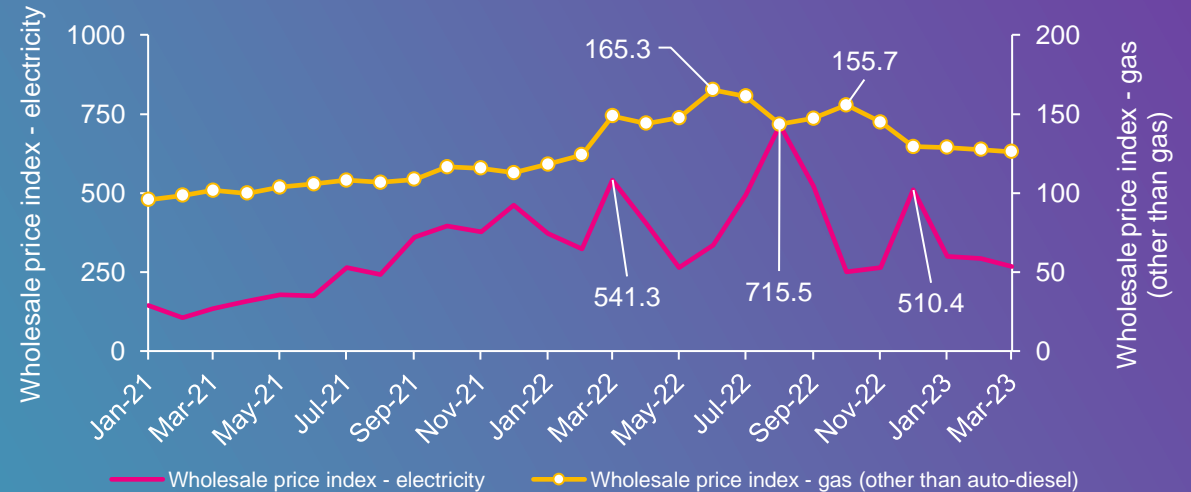
Energy and gas prices

Weighted average electricity & gas price to business (€ cent per kWh)



Note: Excluding VAT







Wholesale price index - energy



Note: Excluding VAT

Ireland – Construction overview



Output 2022 and 2023 (in € millions)*			
Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	3,938	3,781	5,051
Energy and utilities 	1,181	1,153	1,576
Industrial 	1,408	1,356	1,831
Infrastructure 	3,053	2,984	4,071
Institutional 	2,001	1,924	2,723
Residential 	8,262	8,051	11,427

*The output is in real terms at constant prices with 2017 as base year

In a change in methodology from previous reports, the time series mainly reflects trends in the CSO's Production in Building and Construction Index rather than the CSO's Construction Value in the national accounts data. In recent quarters the trends in this data have widely diverged. For example, the production index showed growth of 2.0% in 2022, and the construction industry in the national accounts data showed growth of 14.4%.

Long lead equipment (LLE) - Supply Chain Overview

2022 was a turbulent year for the global supply chain with the fallout from the global pandemic combined with the emergence of the Russia-Ukraine conflict, leading to supply chain disruptions across the globe. However, 2023 is showing signs of relief in the market for long lead equipment (LLE). The following are the specifics of the LLE supply chain dynamic:

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- Freight durations and costs:** Freight durations have begun to shorten in early 2023 as the global infrastructure and operations have developed to meet the rising demand and freight companies are shipping much faster than they did during the pandemic. Average freight costs have also reduced to align with pre-pandemic levels suggesting a return to normality within the industry. The benefits have been experienced in early 2023 and further reductions are expected throughout the rest of 2023.

Construction Health and Safety practices and culture



26

people lost their lives in work-related incidents in 2022 compared to 38 in 2021.

Lowest figure recorded since the Authority was established over thirty years ago. Construction and Farming sectors account for almost three quarters of all work-related fatalities. Dublin, Galway and Wexford recorded the highest level of fatalities with three in each county.

Ireland – Average construction costs



Building type	Cost range		M&E (inc. @)	
Commercial offices				
Suburban, naturally ventilated				
Shell and core	€1,850	€2,700	per sq.m.	10-15%
Developer standard	€2,050	€2,600	per sq.m.	15-20%
Extra for air-conditioning	€325	€600	per sq.m.	-
City centre, air conditioned				
Shell and core	€2,400	€3,700	per sq.m.	15-20%
Developer standard (CAT A)	€2,900	€5,000	per sq.m.	25-30%
Office fit-out				
95% open-plan, no catering	€725	€1,150	per sq.m.	20-30%
75% open-plan, limited catering	€935	€1,450	per sq.m.	20-30%
60% open-plan, full catering	€1,350	€2,050	per sq.m.	25-35%
Corporate HQ	€2,050	€2,800	per sq.m.	25-35%
High-tech industrial				
Shell and core	€1,550	€2,250	per sq.m.	20-25%
Fit-out	€1,150	€2,150	per sq.m.	25-45%

Building type	Cost range		M&E (inc. @)	
Residential				
Estate house (approx. 100sq.m.)	€1,450	€2,100	per sq.m.	10-20%
Purpose-built student accommodation (incl. FF&E)	€3,000	€3,700	per sq.m.	10-20%
Apartments - suburban/city edge (superstructure)				
BTR - 4-8 storey (incl. FF&E)	€2,400	€2,850	per sq.m.	15-20%
BTS - 4-8 storey	€2,300	€2,700	per sq.m.	15-20%
Apartments - Urban (superstructure)				
BTR - 5-8 storey (incl. FF&E)	€2,500	€3,200	per sq.m.	20-25%
BTR - 12-15 storey (incl. FF&E)	€2,700	€3,650	per sq.m.	20-25%
BTS - 5-8 storey	€2,400	€3,100	per sq.m.	15-20%
BTS - 12-15 storey	€2,600	€3,400	per sq.m.	20-25%
Co-living	€2,900	€3,800	per sq.m.	20-25%
Shopping centres				
Anchor unit	€1,050	€1,500	per sq.m.	10-15%
Unit shops	€1,400	€2,200	per sq.m.	10-15%
Mall	€2,500	€4,500	per sq.m.	20-25%
Retail fit-out	€1,900	€2,800	per sq.m.	25-30%
Site development business parks				
Roads and primary services	€245,000	€825,000	per hectare	-
Warehouses				
Without offices	€850	€1,250	per sq.m.	8-12%
With 10% offices	€1,050	€1,800	per sq.m.	10-15%

Ireland – Average construction costs



Building type	Cost range		M&E (inc. @)	
Healthcare				
Tertiary care	€5,400	€6,900	per sq.m.	35-40%
Acute teaching hospital	€4,700	€5,950	per sq.m.	35-40%
General hospital	€4,250	€5,400	per sq.m.	30-35%
Nursing home	€2,600	€3,850	per sq.m.	20-25%
Car park				
Surface	€1,700	€2,300	per space	-
Multistorey	€14,500	€30,000	per space	-
Undercroft	€18,000	€27,000	per space	-
Single-level basement	€24,000	€51,000	per space	-
Double-level basement	€31,000	€68,000	per space	-
Basement (no car parking)				
Bicycle storage general	€1,450	€2,750	per sq.m.	-
Shower and changing facilities	€1,900	€3,500	per sq.m.	-
Plant space (excl. plant)	€1,300	€2,600	per sq.m.	-
Education				
Primary-level (DoES)	-	€1,990*	per sq.m.	10-15%
Second-level (DoES)	-	€1,990*	per sq.m.	15-20%
Third-level	€2,600	€4,150	per sq.m.	20-25%

Building type	Cost range		M&E (inc. @)	
Leisure				
Hotel building 3-4* (incl. FF&E)	€2,600	€3,850	per sq.m.	25-35%
Hotel building 5* (incl. FF&E)	€3,300	€6,000	per sq.m.	30-40%
Aparthotels	€3,000	€4,500	per sq.m.	25-35%
Restaurant	€2,500	€4,050	per sq.m.	25-30%
Cinema	€2,050	€3,550	per sq.m.	20-30%
Sports hall	€1,450	€2,500	per sq.m.	10-15%
Swimming pool	€3,200	€2,700	per sq.m.	30-40%
Municipal				
Fire station	€3,000	€3,800	per sq.m.	15-25%
Prison	€3,100	€4,200	per sq.m.	20-30%
Courthouse	€4,000	€5,400	per sq.m.	20-30%

Notes:

- Costs are based on March 2023 prices and based on gross floor area. Average costs as indicated should not be used for insurance valuation purposes. The costs are representative of typical valuations for each type of project. Unique designs or challenging sites may not be within the cost range shown. The rates shown are average construction build only and do not include VAT, professional fees, any other soft costs, or allow for future inflation.
- The building costs noted above for the various building types are exclusive of site development costs and external works, which can vary significantly based on the specific site.
- The costs associated with brownfield sites can vary significantly and the building costs above exclude abnormal contamination.
- The basic building costs above exclude basement construction costs. Should a basement be required, this should be costed separately.
- Costs per car parking space assume a large, efficient car park layout, providing a gross 28-34sq.m. per car parking space. Note that this relates to pure car parking areas, and additional basement spaces such as bicycle parking, plant rooms, shower and changing facilities are not accounted for, and should be costed separately.
* Current basic building cost (BBC) limit based on May 2021 circular and includes VAT, but excludes external works, fitted furniture and abnormal cost provisions.
- Costs exclude further market-driven forces.

Ireland – Main contractors' turnover (>= €100m)



Contractor	Est. global (€m) – 2022	Est. Irish (€m) – 2022	Actual global (€m) – 2021
John Sisk & Son Limited	€1,737.10	€990.14	€1,485.70
Winthrop Engineering Limited	€1,033.00	€427.00	€685.00
BAM Contractors Limited *	€689.00	€689.00	€626.00
John Paul Construction Limited	€605.00	€507.00	€544.00
PJ Hegarty & Sons Limited	€501.00	€436.00	€366.00
Walls Construction Limited	€475.00	€475.00	€303.00
Collen Construction Limited	€450.00	€450.00	€494.00
Bennett Construction Limited	€345.00	€265.00	€320.00
JJ Rhatigan & Co Limited	€320.00	€228.00	€260.00
Murphy Ireland	€211.50	€145.10	€158.30
StructureTone Limited **	€202.00	€202.00	€127.00
Wills Bros Limited	€200.77	€126.48	€197.73
Ardmac Limited	€174.81	€106.63	€135.40
Mac Group	€163.50	€98.00	€144.00
Conack Construction Ltd	€152.64	€152.64	€121.87

Contractor	Est. global (€m) – 2022	Est. Irish (€m) – 2022	Actual global (€m) – 2021
Elliott Group	€145.00	€120.00	€75.00
Flynn Management & Contractors Limited	€132.00	€99.00	€105.00
Monami Construction Ltd	€126.39	€126.39	€106.57
Townmore Construction	€102.00	€80.00	€84.00




Notes: Global turnover refers to that serviced out of Ireland.

* Royal BAM Group Turnover is €6.6bn

** Structure Tone Limited Global Turnover is \$10bn

Ireland – Mechanical and Electrical Subcontractors' turnover



Subcontractor	 Est. global (€m) – 2022	 Est. Irish (€m) – 2022	 Actual global (€m) – 2021
Mercury Engineering Group	€1,700.10	€580.60	€1,481.40
Jones Engineering Group	€1,074.00	€659.00	€916.00
Dornan Engineering Limited	€467.00	€150.00	€370.00
Kirby Group Engineering Limited	€454.10	€269.28	€402.69
Suir Engineering Limited	€314.00	€244.92	€240.00
Specialist Technical Engineering Services (STS Group)	€220.00	€73.00	€239.78
Designer Group Engineering Contractors Limited	€202.00	€111.10	€196.00
King & Moffat Building Services	€155.15	€46.35	€128.57
B.M.D & Company Limited	€64.60	€64.60	€62.60
CJK Electrical Limited	€62.10	€62.10	€43.85
DMG Engineering Limited	€53.00	€53.00	€47.42
L. Lynch & Co. Limited	€48.00	€48.00	€44.27
Alucraft Ltd	€43.32	€36.20	€84.79
Tritech Engineering	€39.21	€39.21	€36.25
Weltec	€30.00	€30.00	€26.00
Rockwell Engineering	€25.00	€25.00	€20.00
T Bourke & Co. Limited	€24.95	€24.95	€14.42

Ireland – Report methodology



Linesight has commissioned independent global research to track construction materials and commodity prices. The approach and methodology for the collection of construction material pricing and other indicators is based on primary and secondary research.

Primary and secondary research

Primary research is conducted on a quarterly basis with stakeholders in the value chain, including manufacturers and suppliers/distributors of the target materials, to ascertain market information on prices in recent quarters, and also on projections for changes in the coming quarter and remainder of the year. The market analysis also involves a thorough assessment of secondary sources of data on materials and labour prices, in addition to underlying demand and supply trends that will impact market prices.

Sources include GlobalData's Construction Intelligence Center (CIC), the World Bank, IMF, OECD, as well as country specific national statistics offices, such as the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, and also industry specific associations and publications.

Definitions

- Commodity prices are net of taxes for all the countries
- Prices are not customer delivered
- All commodities are raw materials
- Nominal and real data

Nominal data series do not exclude changes in prices and are also referred to as current prices series.

Annual changes in nominal data for construction output will include changes in construction activity, as well as changes in costs for materials and equipment.

Real data series are calculated by keeping prices constant (so, are also referred to as constant price series), and therefore, they reflect changes in activity only. Growth rates in nominal terms can overstate the pace of growth in construction activity if there is high inflation stemming from rising prices for key inputs.

Sample sources – Ireland

For Ireland, sources for this report include, but are not limited to:

- IMF
- Central Bank
- CSO
- SCSi
- GlobalData's Construction Intelligence Center (CIC)
- The Conference Board Total Economy Database™
- Sustainable Energy Authority of Ireland
- Public Holidays

Linesight





Israel

Country Insights and Commodity Report

Q1 2023      

Israel

Q1 2023

Israel posted a strong GDP growth of 6.4% in 2022 supported by a rapid increase in private consumptions, exports and investments-mainly in residential sector. However as per a recent update by the IMF, the growth is likely to moderate to 2.9% amid a slowing global economy, rising inflation, tightening monetary conditions and geopolitical risks. Inflation remains around 5%, well above the government's target range of 1% to 3%.

The Israeli construction industry grew by 9.2% in 2022 due to robust construction output and public infrastructure projects but faces challenges in 2023 such as supply chain disruption, high inflation, and unemployment. Despite this, the industry is projected to maintain growth momentum with an expected expansion of 4% in 2023. Industrial and commercial sectors are likely to be the fastest growing real estate sectors with investments in office and manufacturing projects.



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Lumber

Lumber prices are expected to remain stable in the first half of 2023. This is largely due to a weak global economy and a decline in residential construction in Europe and North America, which could weigh on lumber demand in key export markets. Increased interest rates will impact domestic housing demand in the short term, and in turn reduce demand for residential construction.



Cement and aggregates

Israel is heavily reliant on imported cement, with around 60% of the cement being imported from Turkey. The earthquake reconstruction efforts in Turkey will lead to an increase in demand and consumption there, thereby putting an upward pressure on import prices, compounded by the falling value of the Israeli shekel. Additionally, the Israeli government's focus on investing in transport infrastructure projects will also lead to an increase in the prices of cement and aggregate prices in the coming quarters.



Concrete blocks and bricks

Concrete block and brick prices are anticipated to remain stable in the first half of 2023, as a result of subdued demand in the housing market. Rising interest rates, falling real income and decrease in apartment sales will contain inflationary pressure. However, investments in public housing programs will maintain demand and prices at around current levels in the latter part of 2023.



Steel (rebar and structural)

Steel prices are anticipated to remain relatively high in the coming quarters however they are trending downwards globally. As Israel relies heavily on steel imports to meet demand, this should feed into domestic prices. However, the weakness in the Israeli shekel will make imports relatively more expensive.



Copper

Copper prices are expected to remain elevated in 2023, as a rebound in Chinese demand is likely to deplete already low inventory. Disruptions to the production of copper in Chile and Peru is also expected to weigh on supply and lead to further increase in prices, compounded by the Israeli shekel's depreciation. Global demand will also be buoyed by increased investment in EVs, renewable energy and infrastructure.



Israel – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q1 2023		Q4 2022 – Q1 2023 (e)
	ILS	ILS	2022-23 % change	% change
Copper (ILS/MT)	32,253	32,125	0.4% ↑	13.1% ↑ ●
Steel rebar (ILS/MT)	2,561	2,775	-7.7% ↓	8.8% ↑ ●
Steel flat (ILS/MT)	2,279	2,602	-12.4% ↓	16.9% ↑ ●
Stainless steel (ILS/MT)	16,709	NA	NA	-2.4% ↓ ●
Lumber (ILS/M3)	765	773	-1.0% ↓	1.1% ↑ ●
Asphalt (ILS/MT)	2,488	2,417	2.9% ↑	0.0% ↔ ■
Limestone (ILS/MT)	229	225	1.8% ↑	0.2% ↑ ■
Cement (ILS/MT)	396	365	8.6% ↑	1.1% ↑ ■
Concrete (ILS/M3)	443	400	10.8% ↑	3.1% ↑ ■
Welded mesh (ILS/unit)	215	239	-10.1% ↓	-1.3% ↓ ●
Concrete blocks (ILS/'000 unit)	3,427	3,293	4.1% ↑	0.0% ↔ ■
Plasterboard (ILS/unit)	44.2	43.0	2.8% ↑	0.8% ↑ ●
Diesel (ILS/litre)	6.63	7.29	-8.9% ↓	5.0% ↑ ●

(f) Forecast (e) Estimated

- Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
- Q4 2022 to Q1 2023 % change less than estimation in our Q4 2022 report

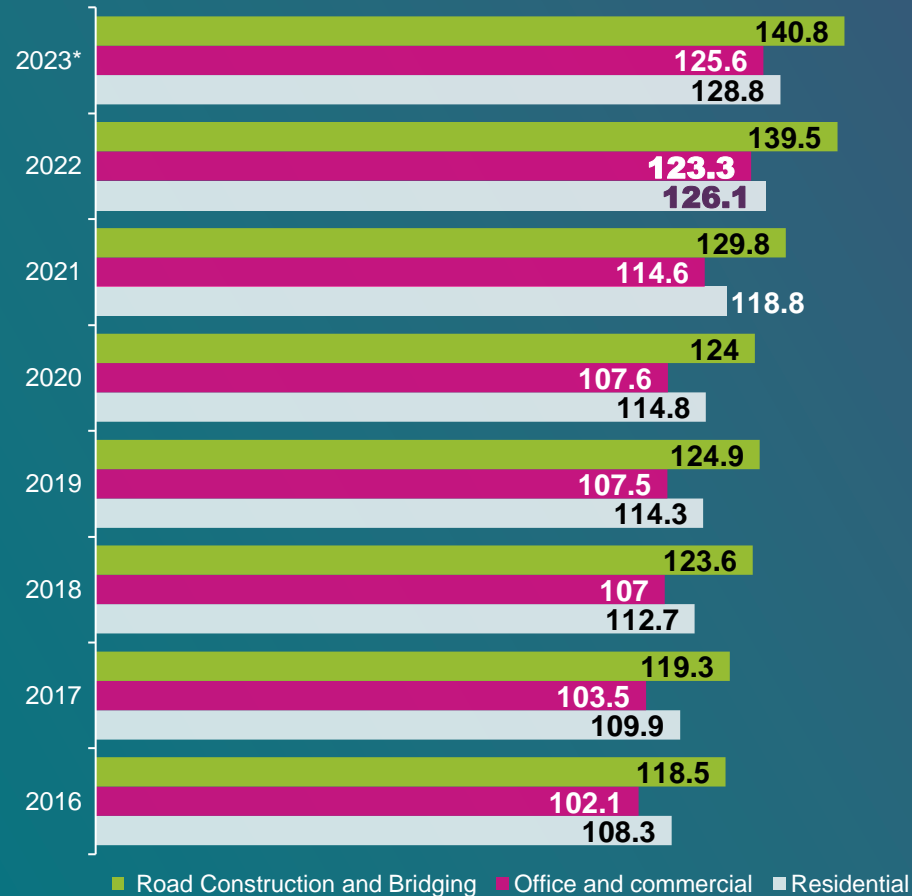
Welded mesh: 600 x 250cm, dia.-6mm Plasterboard: 260 x 120 x 1.25cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	+2.0% ↑	Low	Copper prices rose sharply by 13% quarter-on-quarter in Q1 2023, owing to rising demand from China, amid the removal of its zero-COVID policy. Prices are expected to remain high in 2023, due to rising demand, coupled with the risk of supply-side constraints stemming from disruptions to production in the world's two biggest copper producers – Chile and Peru.
 Steel prices - Steel rebar - Flat steel	+2.0% ↑ +1.0% ↑	Low	Both rebar and flat steel prices have increased continuously for the last four months (December-March). However, sluggish demand from the Israeli residential construction sector will contain price inflation for the coming quarter.
 Stainless steel	+0.5% ↑	Low	Stainless steel prices showed no significant change in Q1 2023, but prices are expected to rise in the next quarter, owing to rising nickel and other key alloying materials prices. Stainless steel prices are however expected to rise only at a marginal rate in the short term, as rising global production of nickel will keep prices in check.
 Lumber	+0.5% ↑	Moderate	Lumber prices edged up in Q1 2023, amid rising demand. Prices are however expected to remain stable in Q2 2023, as increased interest rates will keep the demand from residential construction soft in the short term.
 Asphalt	-0.5% ↓	Low	Asphalt prices remained stable in Q1 2023. Prices are expected to ease marginally in the next quarter owing to subdued demand in the construction industry. In the long term, however, prices could see an upward trend supported by the government's plan to accelerate infrastructure projects in the transportation sector.
 Limestone	0.0% ↔	Low	Limestone prices will remain stable in the short term, but potential shortages of the material could lead to a steady increase in prices over the longer term.





Israel – Commodity Report



Price index of input in residential, office and commercial buildings, road construction and bridging 2016-2023 (2012 = 100)

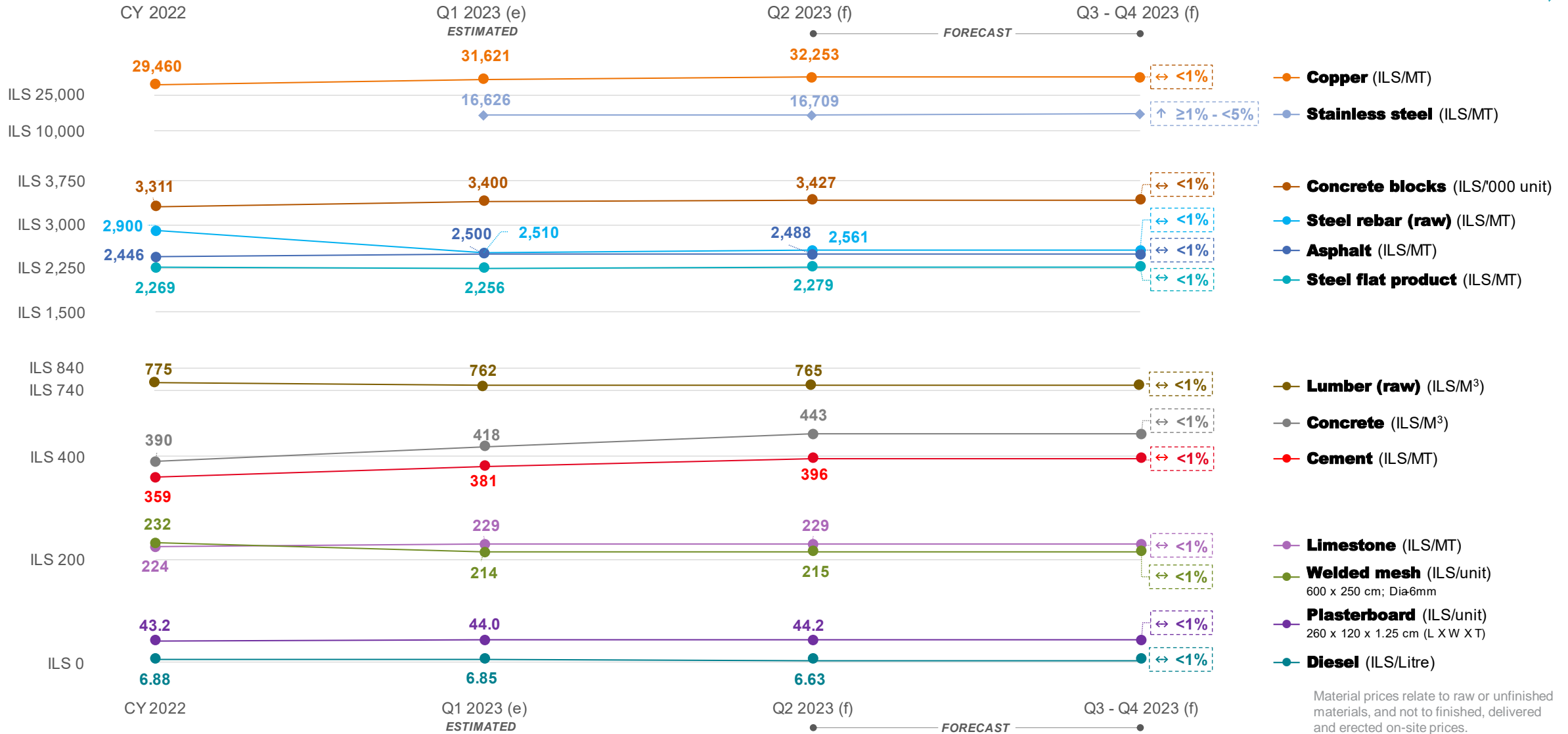


*For 2023 Index is average of Jan to March 2023 Indices

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Cement Concrete	+4.0% ↑ +6.0% ↑	Moderate	Cement and concrete prices are expected to remain high in the first half of 2023. Additionally, the recent lifting of a ban on concrete deliveries to the Gaza Strip (in January 2023) following a two-month ban is expected to boost demand for the commodity and put upward pressure on concrete prices in the short term.
 Welded mesh	+0.5% ↑	Low	Welded mesh fell by 1.3% quarter-on-quarter in Q1 2023, amid soft demand from the construction industry. Welded mesh prices are however expected to increase marginally in the coming months, owing to an anticipated steady increase in steel rebar prices.
 Concrete blocks	+0.8% ↑	Moderate	Brick prices have remained stable and have not witnessed any significant change from the level of Q4 2022. This is attributed to subdued demand for bricks amid a slowdown in the housing market, caused by higher interest rates. However, brick prices are expected to edge slightly upward in the short term, due to high production costs.
 Plasterboard	+0.5% ↑	Low	Plasterboard prices rose marginally in Q1 2023. Prices are expected to remain stable in the coming months, in the wake of subdued demand in the construction industry, particularly in the residential sector.
 Diesel	-3.1% ↓	Low	Diesel prices increased on a quarterly average by 5% quarter-on-quarter in Q1 2023, but prices fell back in March. Prices are forecast to stabilise in the coming months, with Israeli shekel set to regain some ground against the US dollar. However, there will continue to be volatility in global crude oil prices given OPEC+ production cuts.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability. Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Israel – Construction Materials Pricing (2022-2023)



Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Israel – Macroeconomic overview



Economic indicators



2.87%

GDP growth in 2023 (f)
and **6.43%** in 2022



4.28%

inflation rate in 2023 (f) and
4.40% for 2022



4.29M

people employed in 2023 (f)
and **4.19M** in 2022



3.80%

unemployment rate for 2023 (f)
and **3.76%** in 2022



103.20

Consumer Price Index in Mar
2023 and **104.90** in Mar 2022



121.80

Producer Price Index in Mar
2023 and **123.10** in Mar 2022

National holidays

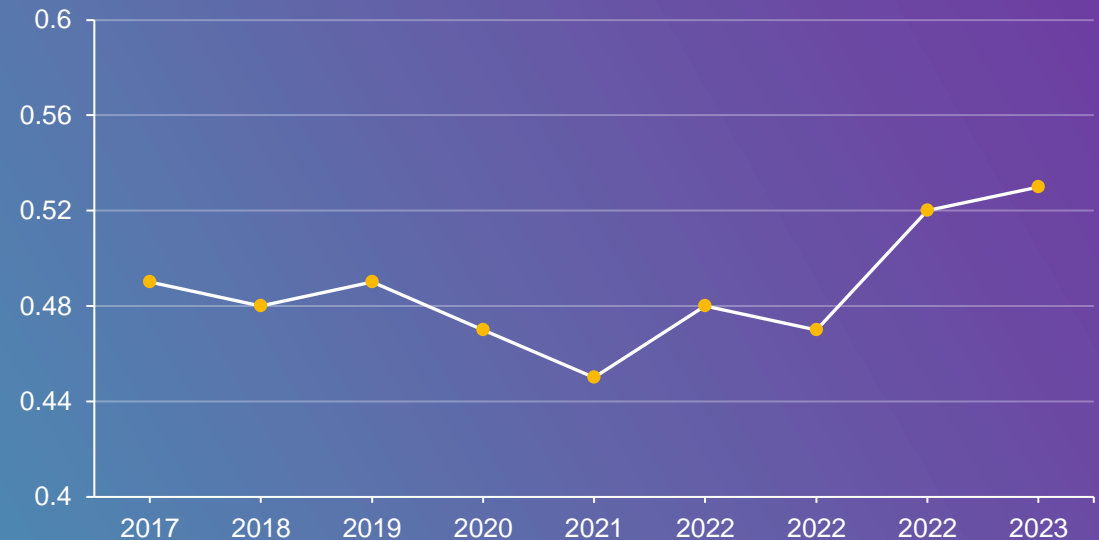


8 public holidays

in Israel in 2023.

Energy prices







LV Electricity cost for buildings for craft, industry, or
commerce (ILS per kWh)



Note: Excluding VAT
Price for 2023 is for Jan 2023

Israel – Construction overview



Output 2022 and 2023 (in ILS millions)*			
Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	20,479	21,514	22,431
Energy and utilities 	15,809	16,496	17,084
Industrial 	7,597	7,990	8,324
Infrastructure 	18,507	19,402	20,212
Institutional 	21,381	22,231	22,999
Residential 	113,623	117,659	120,297

*The output is in real terms at constant prices with 2017 as base year

Long lead equipment (LLE) - Supply Chain Overview

2022 was a turbulent year for the global supply chain with the fallout from the global pandemic combined with the emergence of the Russia-Ukraine conflict, leading to supply chain disruptions across the globe. However, 2023 is showing signs of relief in the market for long lead equipment (LLE). The following are the specifics of the LLE supply chain dynamic:

- Demand:** Demand for LLE has remained exceptionally high across all regions and industry sectors. Organizations have moved to expand their supply chain portfolios and include secondary and tertiary suppliers, whilst most are continuing to invest in inventory management systems to prevent any supply chain disruptions. There is no sign of reduced demand, so the constraints to the supply chain will continue for the remainder of 2023.
- Supply:** The stock levels of raw materials have finally started to stabilise, alleviating some recent pressures on manufacturers and suppliers. However, it is worth noting that most LLE suppliers have reported being at operational capacity, with order books full up to Q3 2024, which may cause some concern for those relying on their products. Nevertheless, there is some hope as Tier 2 and Tier 3 supply chains have started to increase their capacity and support the larger demand within the market, which may help to mitigate any negative impact of capacity restrictions.
- Freight durations and costs:** Freight durations have begun to shorten in early 2023 as the global infrastructure and operations have developed to meet the rising demand and freight companies are shipping much faster than they did during the pandemic. Average freight costs have also reduced to align with pre-pandemic levels suggesting a return to normality within the industry. The benefits have been experienced in early 2023 and further reductions are expected throughout the rest of 2023.

Construction Health and Safety practices and culture

 **14 accidents**
per 100,000
workers accident
rate across all labor
market sectors in 2022

 **1.66**
fatalities
per 100,000
workers
fatality rate in
2022

 Construction sector 2022 accident rate is
112.66 accidents
per 100,000 workers
and the fatality rate was
12.25 fatalities
per 100,000 workers.

Israel – Report methodology



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Primary and secondary research

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Sample sources – Israel

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- IMF
- The Central Bureau of Statistics
- GlobalData's Construction Intelligence Center (CIC)
- Economic Research Institute

Linesight 





Italy

Country Insights and Commodity Report

Q1 2023



Italy

Q1 2023

Italy's economy experienced a growth of 3.7% in 2022, but this is expected to slow down to 0.7% in 2023, as per the latest update from the IMF. However, amid challenges, there are signs of improvement. Inflation, which had been in the double digits for four consecutive months until January, has started to decrease and dropped to 8.2% (year-on-year) in March. Additionally, both consumer and business confidence are growing, which could signal a positive turn for the economy.

The Italian construction industry is expected to decline by 8.6% in real terms in 2023 and 6.1% in 2024 after experiencing growth of 10.2% in 2022 and 20.7% in 2021. The growth in recent years was due to government incentive schemes, particularly for residential construction, which are now ending. High interest rates and construction material prices are also affecting the industry. However, the renewable energy sector is expected to grow as a result of government investment in the area.



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Lumber

Lumber prices have dropped from the highs of the first half of last year, and with residential construction activity set to decline after rapid growth since 2021, lumber prices will remain relatively low.



Cement and aggregates

With high production costs being passed on to buyers, cement prices have continued on an upward trend. Prices will remain high in the coming quarters, with demand being bolstered by investment in infrastructure projects.



Concrete blocks and bricks

Residential construction is set to fall from recent highs, but brick prices have remained high in recent months, with producers passing on their higher production costs, and this situation will persist in the coming quarters.



Steel (rebar and structural)

Steel prices have continued on a downward trend, despite costs of production staying relatively high. Buyers are reportedly holding off purchasing, and steel output levels have been declining - crude steel output was down by 7% year-on-year in February, the ninth consecutive month that output was lower than year-earlier levels.



Copper

Copper prices picked up in January, with expectations of stronger demand in China likely to keep global price levels elevated. There will also be demand stemming from investments in renewable energy projects and electric vehicle manufacturing.

Italy – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2023 (e)
	€	€	2022-23 % change	% change
Copper (€/MT)	8,271	8,941	-7.5% ↓	6.5% ↑ ●
Steel rebar (€/MT)	861	1,039	-17.1% ↓	-3.5% ↓ ●
Stainless steel (€/MT)	901	1,236	-27.1% ↓	0.3% ↑ ■
Steel flat (€/MT)	4,014	NA	NA	4.9% ↑ ●
Lumber (€/M3)	88	115	-23.8% ↓	9.2% ↑ ●
Asphalt (€/MT)	109	105	4.2% ↑	5.4% ↑ ●
Limestone (€/MT)	59.7	50.8	17.4% ↑	1.2% ↑ ●
Cement (€/MT)	247	208	18.6% ↑	9.4% ↑ ●
Concrete (€/M3)	145	145	0.1% ↑	1.5% ↑ ●
Welded mesh (€/unit)	41.3	50.9	-18.8% ↓	-10.8% ↓ ●
Bricks (€/000 unit)	899	745	20.6% ↑	2.3% ↑ ●
Plasterboard (€/unit)	13.1	12.7	3.2% ↑	-1.0% ↓ ■
Diesel (€/litre)	1.79	1.82	-1.9% ↓	2.6% ↑ ●

(f) Forecast (e) Estimated

- Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
- Q4 2022 to Q1 2022 % change less than estimation in our Q4 2022 report

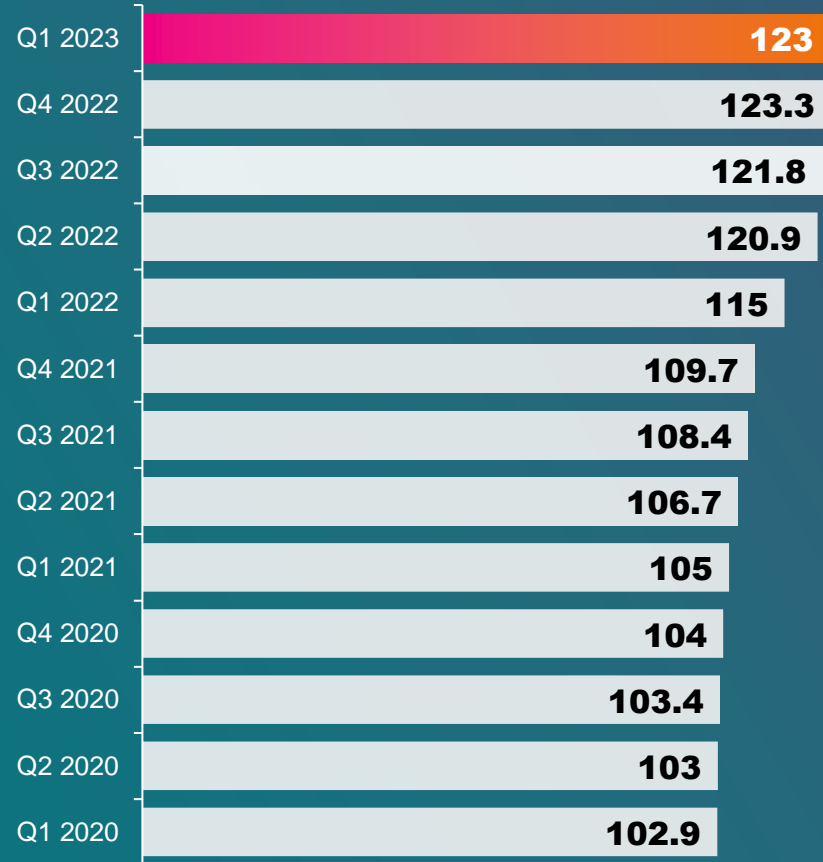
Welded mesh: 3m x 2m, dia.-6mm Plasterboard: 13mm x 200 x 120cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	-1.0% ↓	Moderate	Copper prices rose in January, reflecting the improvement in demand globally stemming from China's easing of COVID restrictions. Prices will remain relatively high, but there will be periods of volatility in the coming quarters given uncertainty over global economic growth in the short term and possible disruptions in supply.
 Steel prices - Steel rebar - Flat steel	-1.0% ↓ +1.0% ↑	Moderate	Steel rebar prices have declined in recent months, while steel flat products have been relatively stable. Despite the growth in the construction industry in recent quarters, rebar distributors have noted sluggish demand which has made it difficult to push up prices amid high costs. Given this recent weakness, producers are operating below capacity.
 Stainless steel	+1.5% ↑	Low	Stainless steel prices have stayed relatively high, given trends in prices for key inputs. Demand though will remain sluggish.
 Lumber	+2.0% ↑	Low	Lumber prices have declined slightly from the levels of Q4 2022. Demand from residential construction is set to weaken given high interest rates and the plans to scrap the "Superbonus" incentive scheme, a tax credit scheme aimed at making homes energy-efficient.
 Asphalt	-1.0% ↓	Low	Asphalt prices have registered an upward trend reflecting higher prices for key inputs. With OPEC+ cutting crude oil output levels, prices for asphalt are expected to remain elevated. Domestic demand could also be boosted by government plans to spend €4.5 billion on major road development works in Sicily, Calabria, Puglia and Lazio.
 Limestone	-1.0% ↓	Low	Limestone prices have stayed relatively high. Although demand is set to weaken with residential works falling from recent highs, production costs are also still relatively high.

Italy – Commodity Report



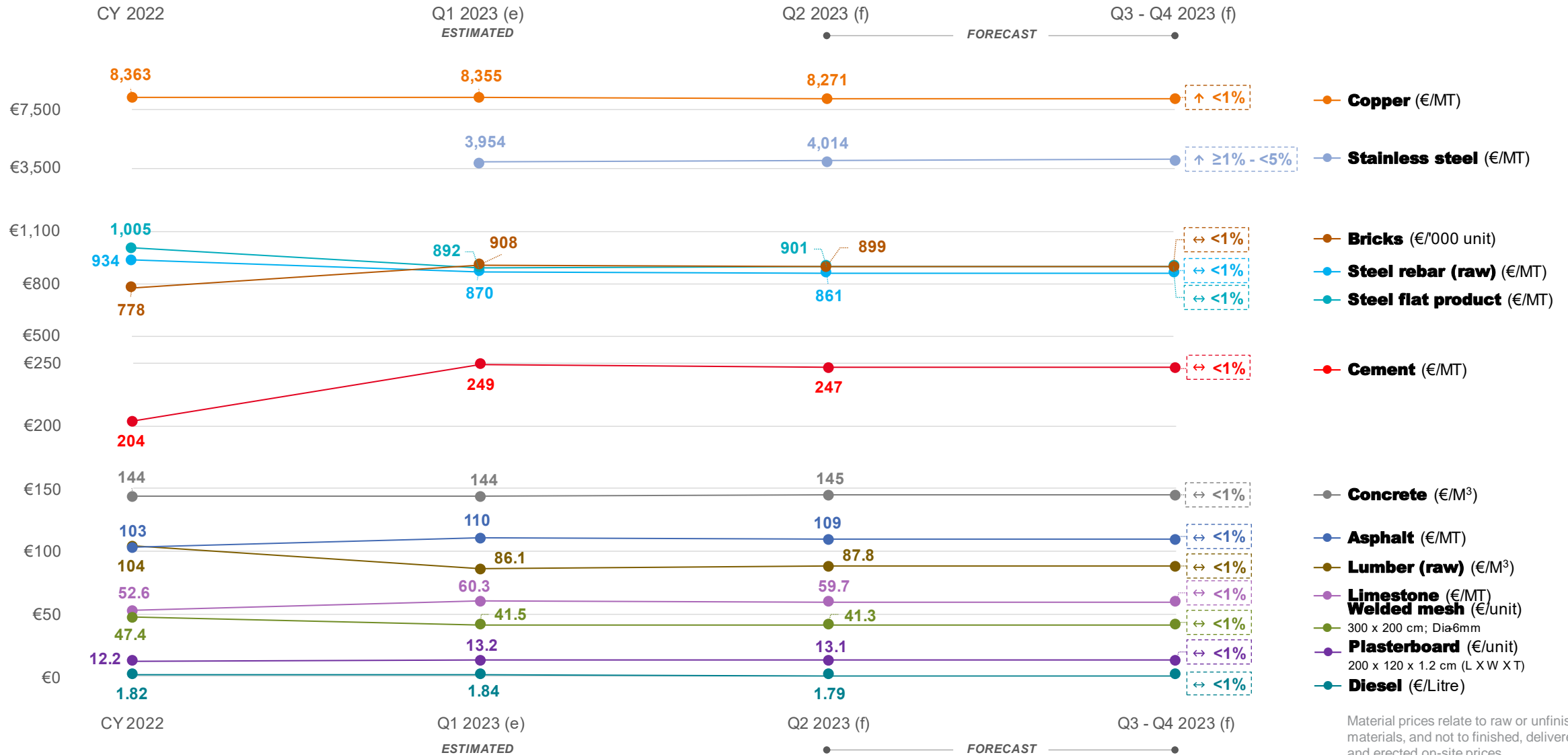
Construction cost index for residential buildings (Q1 2020 – Q1 2023) (2015=100)



Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Cement Concrete	-1.0% ↓ +0.8% ↑	 High	Cement prices continued to rise in the first few months of 2023, with the average quarterly price in Q1 2023 being 68% higher than in Q1 2022. There has been a boom in residential construction over the past year, and increased production costs have also contributed to the sharp rise in cement prices. However, concrete prices have not risen in line with cement in recent months, suggesting an absorption of price hikes by cement manufacturers. In the short term the price of cement and related products is expected to remain elevated, but residential construction work is set to fall back from recent highs.
 Welded mesh	-0.5% ↓	 Moderate	Prices for welded mesh have fallen recently, reflecting the trend of rebar prices. With soft demand from the construction sector, the price of mesh is expected to remain close to current levels in the short term.
 Bricks	-1.0% ↓	 Moderate	Brick prices picked up sharply in the first few months of this year. Demand in the residential sector is still high, and production costs have also been a factor in keeping prices high.
 Plasterboard	-1.0% ↓	 Moderate	Plasterboard prices have levelled off in recent months but remain relatively high, with ongoing high demand in the residential sector.
 Diesel	-2.8% ↓	 Low	Diesel prices have been fairly volatile in recent quarters, and on a quarterly average basis, prices edged up again in Q1 2023 having eased in the previous quarters. Prices are set to remain volatile given shifts in global crude oil prices amid planned OPEC+ production cuts.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability. Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Italy – Construction Materials Pricing (2022-2023)



Material prices relate to raw or unfinished materials, and not to finished, delivered and erected on-site prices.

Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Italy – Macroeconomic overview



Economic indicators



0.65%

GDP growth in 2023 (f)
and **3.68%** in 2022



4.45%

inflation rate in 2023 (f) and
8.74% for 2022



23.15M

people employed in 2023 (f)
and **23.10M** in 2022



8.30%

unemployment rate for 2023 (f)
and **8.09%** in 2022



118.80

Consumer Price Index in
March 2023 and **110.40** in
March 2022



149.80

Producer Price Index in Feb
2023 and **142.20** in Feb
2022

National holidays

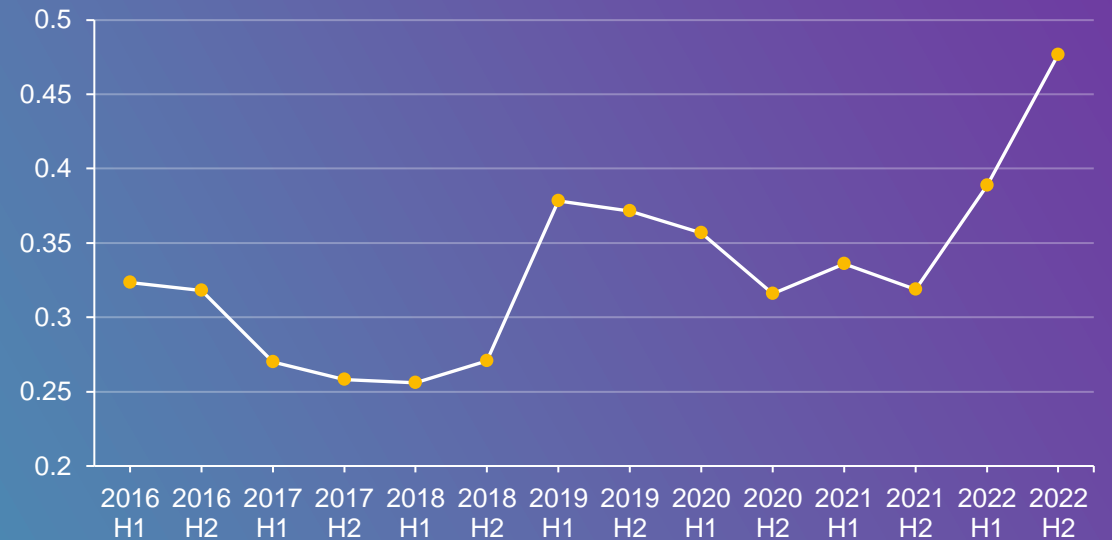


12 public holidays

in Italy in 2023.

Energy prices

Electricity prices for non-household consumers,
consumption < 20 MWh (€ per kWh)









Note: All taxes and levies included

Italy – Construction overview



Output 2022 and 2023 (in € millions)*

Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	21,202	19,800	19,607
Energy and Utilities 	10,981	11,263	11,452
Industrial 	6,604	6,313	6,159
Infrastructure 	36,076	37,273	37,915
Institutional 	16,033	15,619	15,304
Residential 	149,730	129,652	116,098

*The output is in real terms at constant prices with 2017 as base year

Long lead equipment (LLE) - Supply Chain Overview

2022 was a turbulent year for the global supply chain with the fallout from the global pandemic combined with the emergence of the Russia-Ukraine conflict, leading to supply chain disruptions across the globe. However, 2023 is showing signs of relief in the market for long lead equipment (LLE). The following are the specifics of the LLE supply chain dynamic:

- Demand:** Demand for LLE has remained exceptionally high across all regions and industry sectors. Organizations have moved to expand their supply chain portfolios and include secondary and tertiary suppliers, whilst most are continuing to invest in inventory management systems to prevent any supply chain disruptions. There is no sign of reduced demand, so the constraints to the supply chain will continue for the remainder of 2023.
- Supply:** The stock levels of raw materials finally started to stabilise, alleviating some recent pressures on manufacturers and suppliers. However, it is worth noting that most LLE suppliers have reported being at operational capacity, with order books full up to Q3 2024, which may cause some concern for those relying on their products. Nevertheless, there is some hope as Tier 2 and Tier 3 supply chains have started to increase their capacity and support the larger demand within the market, which may help to mitigate any negative impact of capacity restrictions.
- Freight durations and costs:** Freight durations have begun to shorten in early 2023 as the global infrastructure and operations have developed to meet the rising demand and freight companies are shipping much faster than they did during the pandemic. Average freight costs have also reduced to align with pre-pandemic levels suggesting a return to normality within the industry. The benefits have been experienced in early 2023 and further reductions are expected throughout the rest of 2023.

Italy – Report methodology



Linesight has commissioned independent global research to track construction materials and commodity prices. The approach and methodology for the collection of construction material pricing and other indicators is based on primary and secondary research.

Primary and secondary research

Primary research is conducted on a quarterly basis with stakeholders in the value chain, including manufacturers and suppliers/distributors of the target materials, to ascertain market information on prices in recent quarters, and also on projections for changes in the coming quarter and remainder of the year. The market analysis also involves a thorough assessment of secondary sources of data on materials and labour prices, in addition to underlying demand and supply trends that will impact market prices.

Sources include GlobalData's Construction Intelligence Center (CIC), the World Bank, IMF, OECD, as well as country specific national statistics offices, such as the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, and also industry specific associations and publications.

Definitions

- Commodity prices are net of taxes for all the countries
- Prices are not customer delivered
- All commodities are raw materials
- Nominal and real data

Nominal data series do not exclude changes in prices and are also referred to as current prices series.

Annual changes in nominal data for construction output will include changes in construction activity, as well as changes in costs for materials and equipment.

Real data series are calculated by keeping prices constant (so, are also referred to as constant price series), and therefore, they reflect changes in activity only. Growth rates in nominal terms can overstate the pace of growth in construction activity if there is high inflation stemming from rising prices for key inputs.

Sample sources – Italy

For Italy, sources for this report include, but are not limited to:

- IMF
- ISTAT
- Eurostat
- GlobalData's Construction Intelligence Center (CIC)
- Economic Research Institute
- Public Holidays
- Eurostat

Linesight





Netherlands

Country Insights and Commodity Report

Q1 2023      

Netherlands

Q1 2023

Annual GDP growth for Netherlands was around 4.5% in 2022, which is expected to revert to a modest 1% in 2023. However, this is expected to slightly rise to 1.3% in 2024, driven by lower inflation and a partial recovery in household purchasing power and lowering of raw material input cost. As per the recent updates by Statistics Netherlands an increase in consumer confidence, export volume, and household consumption are likely to fuel economic growth in the short to medium term.

The Dutch construction industry output is expected to shrink by 0.7% in 2023, reflecting a slowdown in the demand, as well as elevated construction costs. There has been a focus on sustainability in construction. As a result, there are stricter environmental rules, such as subsequent levels of PFAS in the soil, resulting in a short-term delay in the project permits, which is expected to improve in the medium to long term. Chemical and pharmaceutical plant investments, as well as data centre investments, are likely to continue.



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Lumber

Lumber prices have remained relatively high, reflecting high-cost levels. The Netherlands has a relatively high share of wood products used in construction, behind only Finland, Sweden, and Austria, but residential construction demand will be constrained as investment levels are impacted by rising interest rates.



Cement and aggregates

Prices for cement and concrete products are expected to remain high in the first half of 2023, reflecting elevated costs. However, buildings construction activity will be sluggish in the coming quarters, containing further upwards price pressure.



Concrete blocks and bricks

Despite weakness on the demand side, brick manufacturers have been able to pass on higher costs to buyers, and this has been reflected in a jump in brick prices recently. However, upward pressure will ease as demand weakens in the coming quarters.



Steel (rebar and structural)

Steel prices will continue on a downwards trend. Although producers are still struggling with high energy costs, demand in general will ease and supply-side challenges will subside. However, there could be some upward pressure in the short-term reflecting disruption in supplies from Turkey, and domestic demand could be buoyed by government investment in infrastructure projects.



Copper

Copper prices picked up in early 2023, reflecting improving demand from China and concerns over supply side risks. However, global macroeconomic headwinds will contain demand in the short term, but investment in renewable energy projects and electric vehicle manufacturing will sustain long-term demand growth.

Netherlands – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2023 (e)
	€	€	2022-23* % change	% change
Copper (€/MT)	9,881	8,941	10.5% ↑	3.9% ↑ ●
Steel rebar (€/MT)	768	834	-7.9% ↓	-3.1% ↓ ●
Steel flat (€/MT)	824	895	-7.9% ↓	-3.1% ↓ ●
Stainless steel (€/MT)	3,522	NA	NA	-3.1% ↓ ●
Lumber (€/M3)	106	103	3.0% ↑	-3.1% ↓ ■
Asphalt (€/MT)	84.6	84.3	0.4% ↑	-9.1% ↓ ●
Limestone (€/MT)	94.1	87.5	7.6% ↑	0.4% ↑ ■
Cement (€/MT)	187	165	13.6% ↑	7.4% ↑ ●
Concrete (€/M3)	209	159	31.8% ↑	19.6% ↑ ●
Welded mesh (€/unit)	71.6	82.5	-13.3% ↓	-7.8% ↓ ●
Bricks (€/000 unit)	666	545	22.2% ↑	16.5% ↑ ●
Plasterboard (€/unit)	10.9	11.4	-4.2% ↓	0.0% ↔ ■
Diesel (€/litre)	1.63	2.05	-20.4% ↓	-11.2% ↓ ●

(f) Forecast (e) Estimated

- Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
- Q4 2022 to Q1 2022 % change less than estimation in our Q4 2022 report

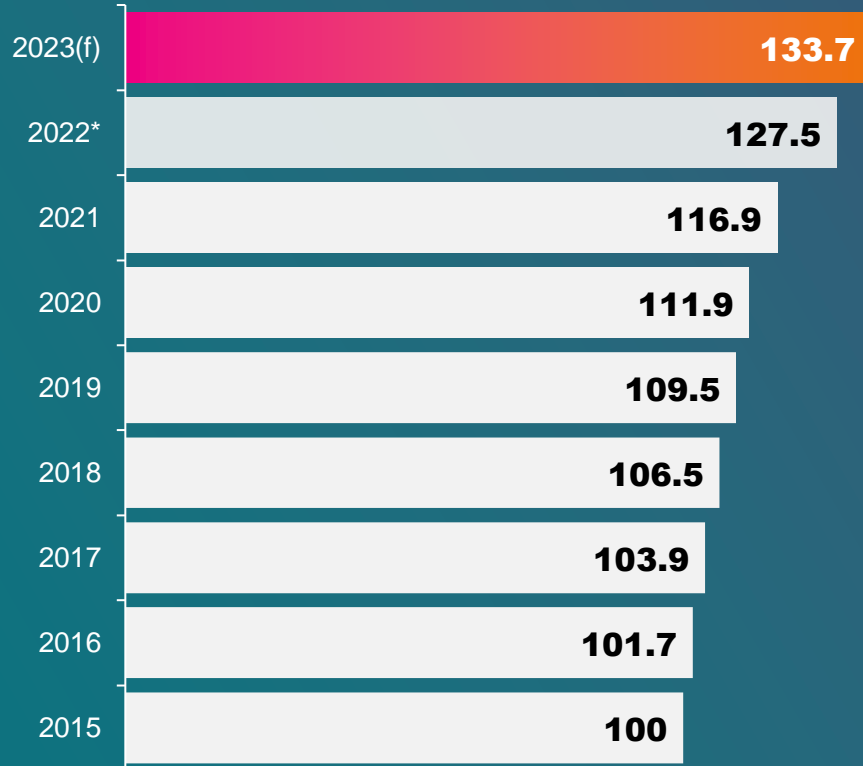
Welded mesh: 200 x 300cm, dia.-6mm Plasterboard: 300 x 120 x 1.25cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	+1.5% ↑	Moderate	There will continue to be a high degree of volatility in the copper market. Prices jumped in early 2023, reflecting the impact of expectations of increased demand in China. The domestic sales price index for copper increased by 11.3% year-on-year in the first two months of 2023.
 Steel prices - Steel rebar - Flat steel	-1.0% ↓ -1.0% ↓	Moderate	Steel prices edged downwards in early 2023, reflecting a stronger delivery of steel products and a reduction in energy prices. This trend is expected to continue in the coming quarters.
 Stainless steel	-0.5% ↓	Moderate	Lower demand for stainless steel consumption and increased production capacity in major countries has weakened stainless steel prices. Higher input costs will contribute to some upward pressure, but offsetting this will be weakness on the demand side.
 Lumber	-1.0% ↓	Moderate	Although easing back from recent highs, lumber prices have stayed elevated in recent months. Further price pressure will be contained by weakness on the demand side, with residential construction slowing as reflected in the drop in building permits.
 Asphalt	+1.5% ↑	Moderate	Asphalt prices have been fairly volatile in recent months. Demand will be stimulated by the government's infrastructure investment plans. To reduce the increasing pressure on roads and other transport infrastructure, the government plans to invest €25 billion in the coming five years.
 Limestone	+0.4% ↑	Low	Despite weaker buildings construction demand, higher production and transportation costs have kept limestone prices at recent high levels.











Netherlands – Commodity Report



New dwellings; input price indices building costs (2015-2023) (2015=100)



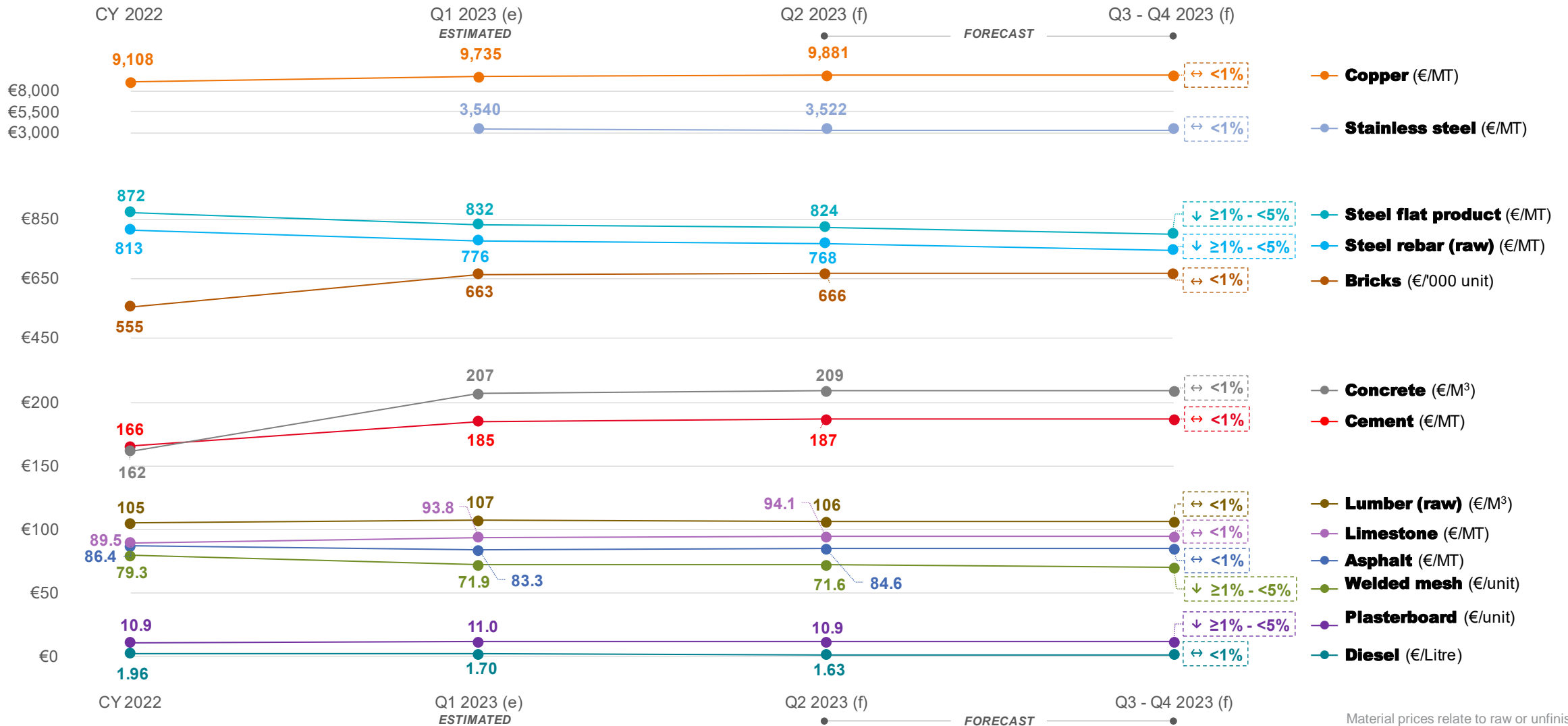
Note: new dwellings; input price indices building costs 2015=100, *(p): provisional

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *
 Cement Concrete	+1.0% ↑ +1.0% ↑	 Moderate Cement and concrete prices remained high in February and March 2023, with producers passing on higher costs. The producer price index for ready-mixed concrete increased 19.3% year-on-year in February 2023. Prices are expected to remain high in the coming quarters.
 Welded mesh	-0.5% ↓	 Moderate Welded mesh prices fell back in Q1 2023, reflecting general trends in rebar prices. This trend is expected to continue in the coming quarters, as demand weakens.
 Bricks	+0.5% ↑	 Moderate Brick prices have remained high in recent months, with higher costs being passed on to buyers. The producer price index for bricks was up by 23.5% year-on-year in February 2023.
 Plasterboard	-0.2% ↓	 Moderate Plasterboard prices have stayed relatively high, but as demand growth slows, prices are expected to fall in the coming quarters.
 Diesel	-4.4% ↓	 High Diesel prices have remained low in recent months, with an average quarterly value of €1.70 in Q1 2023. Prices dropped below €1.60 in mid-March, but have since edged upwards. Pressure on global crude oil prices stemming from OPEC+ productions cuts will keep diesel prices around current levels.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability.

Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Netherlands – Construction Materials Pricing (2022-2023)



Material prices relate to raw or unfinished materials, and not to finished, delivered and erected on-site prices.

Netherlands – Macroeconomic overview



Economic indicators



1.03%

GDP growth in 2023 (f) and **4.52%** in 2022



3.86%

inflation rate in 2023 (f) and **11.63%** for 2022



9.57M

people employed in 2023 (f) and **9.55M** in 2022



3.90%

unemployment rate for 2023 (f) and **3.54%** in 2022



123.20

Consumer Price Index in Jan 2023 and **114.50** in Jan 2022



140.40

Producer Price Index in Feb 2023 and **136.50** in Feb 2022

National holidays

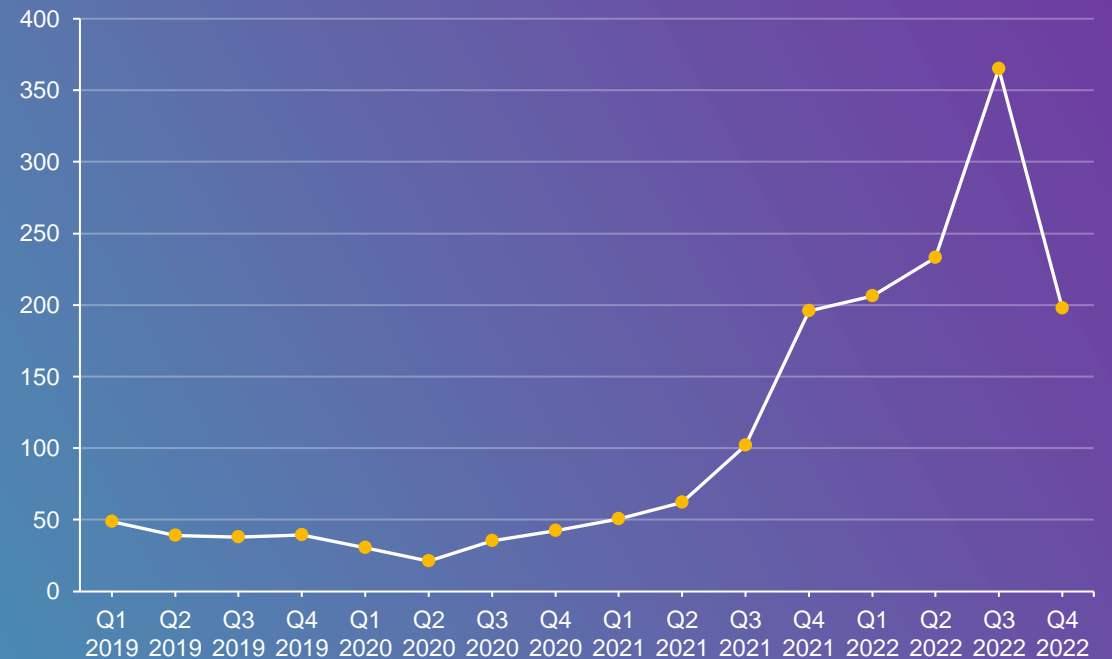


11 public holidays

in Netherlands in 2023.

Energy prices







Average monthly electricity wholesale price in the Netherlands from Q1 2019 to Q4 2022 (in € per MWh)



Netherlands – Construction overview



Output 2022 and 2023 (in € millions)*

Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	15,246	14,730	14,966
Energy and Utilities 	6,175	6,347	6,504
Industrial 	3,711	3,632	3,683
Infrastructure 	20,637	20,944	21,355
Institutional 	7,888	7,864	8,015
Residential 	60,640	58,230	59,148

*The output is in real terms at constant prices with 2017 as base year

Long lead equipment (LLE) - Supply Chain Overview

2022 was a turbulent year for the global supply chain with the fallout from the global pandemic combined with the emergence of the Russia-Ukraine conflict, leading to supply chain disruptions across the globe. However, 2023 is showing signs of relief in the market for long lead equipment (LLE). The following are the specifics of the LLE supply chain dynamic:

- Demand:** Demand for LLE has remained exceptionally high across all regions and industry sectors. Organizations have moved to expand their supply chain portfolios and include secondary and tertiary suppliers, whilst most are continuing to invest in inventory management systems to prevent any supply chain disruptions. There is no sign of reduced demand, so the constraints to the supply chain will continue for the remainder of 2023.
- Supply:** The stock levels of raw materials have finally started to stabilise, alleviating some recent pressures on manufacturers and suppliers. However, it is worth noting that most LLE suppliers have reported being at operational capacity, with order books full up to Q3 2024, which may cause some concern for those relying on their products. Nevertheless, there is some hope as Tier 2 and Tier 3 supply chains have started to increase their capacity and support the larger demand within the market, which may help to mitigate any negative impact of capacity restrictions.
- Freight durations and costs:** Freight durations have begun to shorten in early 2023 as the global infrastructure and operations have developed to meet the rising demand and freight companies are shipping much faster than they did during the pandemic. Average freight costs have also reduced to align with pre-pandemic levels suggesting a return to normality within the industry. The benefits have been experienced in early 2023 and further reductions are expected throughout the rest of 2023.

Netherlands – Report methodology



Linesight has commissioned independent global research to track construction materials and commodity prices. The approach and methodology for the collection of construction material pricing and other indicators is based on primary and secondary research.

Primary and secondary research

Primary research is conducted on a quarterly basis with stakeholders in the value chain, including manufacturers and suppliers/distributors of the target materials, to ascertain market information on prices in recent quarters, and also on projections for changes in the coming quarter and remainder of the year. The market analysis also involves a thorough assessment of secondary sources of data on materials and labour prices, in addition to underlying demand and supply trends that will impact market prices.

Sources include GlobalData's Construction Intelligence Center (CIC), the World Bank, IMF, OECD, as well as country specific national statistics offices, such as the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, and also industry specific associations and publications.

Definitions

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Nominal data series do not exclude changes in prices and are also referred to as current prices series.

Annual changes in nominal data for construction output will include changes in construction activity, as well as changes in costs for materials and equipment.

Real data series are calculated by keeping prices constant (so, are also referred to as constant price series), and therefore, they reflect changes in activity only. Growth rates in nominal terms can overstate the pace of growth in construction activity if there is high inflation stemming from rising prices for key inputs.

Sample sources – Netherlands

For the Netherlands, sources for this report include, but are not limited to:

- IMF
- Statistics Netherlands (CBS)
- Organisation for Economic Co-operation and Development (OECD)
- GlobalData's Construction Intelligence Center (CIC)
- Economic Research Institute
- Public Holidays
- Eurostat

Linesight 





Norway

Country Insights and Commodity Report

Q1 2023      



Norway

Q1 2023

The Norwegian economy experienced a high level of activity in 2022, with a 3.3% increase in GDP. It is expected to slow to 2.2% growth in 2023, but to remain higher than previous projections. Petroleum investment and exports will help keep the economy going, while lower household income will reduce consumption. Lower energy prices are expected to reduce future consumer price inflation, but underlying inflation will be sustained for a longer period of time due to the krone's recent depreciation and higher wage growth.

The construction sector in Norway grew by 4% in real terms in 2022, however it is expected to contract by 1.7% in 2023. The key factors affecting the industry are rising construction costs, labour shortages and high inflation. The sector is likely to bounce back in 2024 with a growth rate of 1.3% given the government's investments in transport and renewable energy sectors.



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Lumber

The growing popularity of wood as a sustainable building material is expected to keep underlying demand for lumber strong over the longer term. The EU's 'Build-in-Wood' initiative will help to drive the growth of wood-based developments in cities such as Trondheim, an early adopter of the initiative. However, demand remains subdued owing to a weak construction sector and falling demand for new housing, which has caused prices to steadily fall in recent quarters.



Cement and aggregates

Cement and concrete prices have stabilised recently as upward pressure from high energy costs has subsided and weakening demand from the construction sector has eased pressure on supplies. However, prices are likely to remain elevated due to price stickiness stemming from low competition in the domestic market. Moreover, imported cement from Germany, France and Denmark, will be more costly given price rises in those markets.



Concrete blocks and bricks

Brick prices have continued to trend upwards in recent quarters despite the easing of energy costs which weighed heavily on production and transportation costs in the second half of 2022. Although construction activity is weakening, particularly in the homebuilding sector, limited competition among brick producers continues to place upward pressure on prices. However, further significant upward pressure on prices will be contained by falling demand over the coming year.



Steel (rebar and structural)

Declining steel prices globally amid weakening demand from manufacturing and construction sectors will continue to put downward pressure on domestic steel prices over the coming quarters, despite Norway's strong domestic production output. Owing to its position as a net exporter of steel, Norway is well-positioned to avoid global shortages and market volatility. However, medium-to-long term demand is set to increase as the government undertakes new railway developments under the National Transport Plan, which will limit further price declines.



Copper

Copper prices in Norway have increased in recent months following China's reopening, which has significantly increased global demand for copper, coupled with supply tightness which is clouding the outlook over the coming quarters. Prices in Q1 2023 reached the highest levels since Q2 2022. Strong underlying demand and limited stocks will sustain upward pressure on prices, notwithstanding short-term fluctuations.



Norway - Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2023 (e)
	NOK	NOK	2022-23 % change	% change
Copper (NOK/MT)	85,870	89,454	-4.0% ↓	7.0% ↑ ●
Steel rebar (NOK/MT)	8,359	11,495	-27.3% ↓	-16.4% ↓ ●
Steel flat (NOK/MT)	7,291	10,336	-29.5% ↓	-4.2% ↓ ■
Stainless steel (NOK/MT)	44,087	NA	NA	10.8% ↑ ●
Lumber (NOK/M3)	408	501	-18.6% ↓	-6.5% ↓ ●
Asphalt (NOK/MT)	1,165	1,096	6.3% ↑	0.9% ↑ ■
Limestone (NOK/MT)	594	563	5.4% ↑	0.0% ↔ ■
Cement (NOK/MT)	4,520	4,460	1.3% ↑	0.3% ↑ ■
Concrete (NOK/M3)	1,858	1,545	20.3% ↑	9.5% ↑ ●
Welded mesh (NOK/unit)	212	214	-1.0% ↓	2.4% ↑ ●
Bricks (NOK/'000 unit)	11,891	10,000	18.9% ↑	8.6% ↑ ●
Plasterboard (NOK/unit)	182	179	1.4% ↑	2.1% ↑ ●
Diesel (NOK/litre)	20.4	22.6	-9.8% ↓	-9.6% ↓ ●

(f) Forecast (e) Estimated

- Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
- Q4 2022 to Q1 2022 % change less than estimation in our Q4 2022 report

Welded mesh: 120 x 240cm, dia.-5mm Plasterboard: 240 x 120 x 1.25cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *
 Copper	+1.5% ↑	 Moderate
 Steel prices - Steel rebar - Flat steel	-1.5% ↓ -1.0% ↓	 Low
 Stainless steel	+1.5% ↑	 Low
 Lumber	-1.0% ↓	 Low
 Asphalt	+1.0% ↑	 Low
 Limestone	-1.0% ↓	 Low

Copper prices have seen a resurgence in recent months and are set to rise further in Q1 2023. The easing of the zero-Covid policy by China has kept the upward pressure on the copper prices, despite weakening global economic growth. Moreover, the potential for supply disruption at Chilean mines and political instability in Peru could further exacerbate upward pressure on prices.

Steel rebar prices fell by 16% in Q1 2023, marking a sharp acceleration in the downward trend in steel prices. On a monthly basis, however, prices rose slightly in February after falling sharply in January. Falling demand from the construction sector, coupled with a rise in cheaper available imports will keep prices relatively low in the coming quarters.

Weakening demand in the short term will partially ease upward pressure on stainless steel prices. However, volatility in the price of key alloying materials such as nickel will keep prices elevated.

Lumber prices have declined moderately in recent quarters. Weaker demand and an improvement in supply is expected to keep lumber on a declining trend. However, the rising popularity of wood as a construction material is likely to limit downward pressure on prices over the longer term.

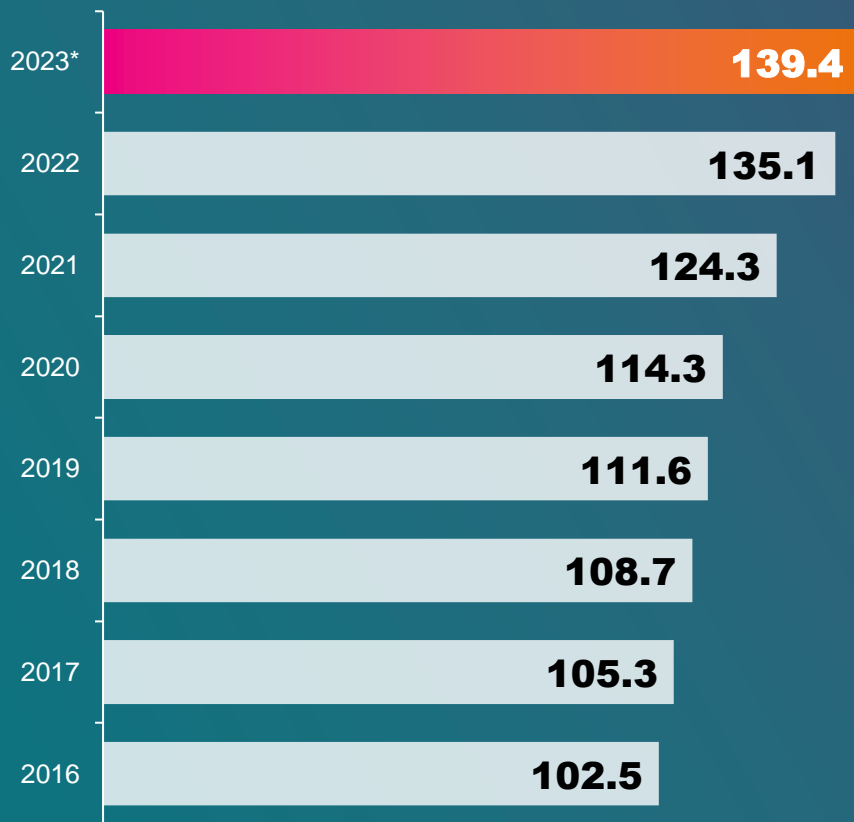
Relatively stable demand from the road construction sector has kept asphalt prices elevated in recent quarters. Increased volatility in crude oil prices could exacerbate upward pressure on asphalt prices over the coming quarters.

Weak demand from the construction sector amid rising interest rates and slowing economic growth is expected contain further upward pressure on prices. However, prices are expected to remain stable but elevated despite the easing of energy costs.

Norway - Commodity Report



Construction cost index for residential buildings (2016-2023*) (2015=100)

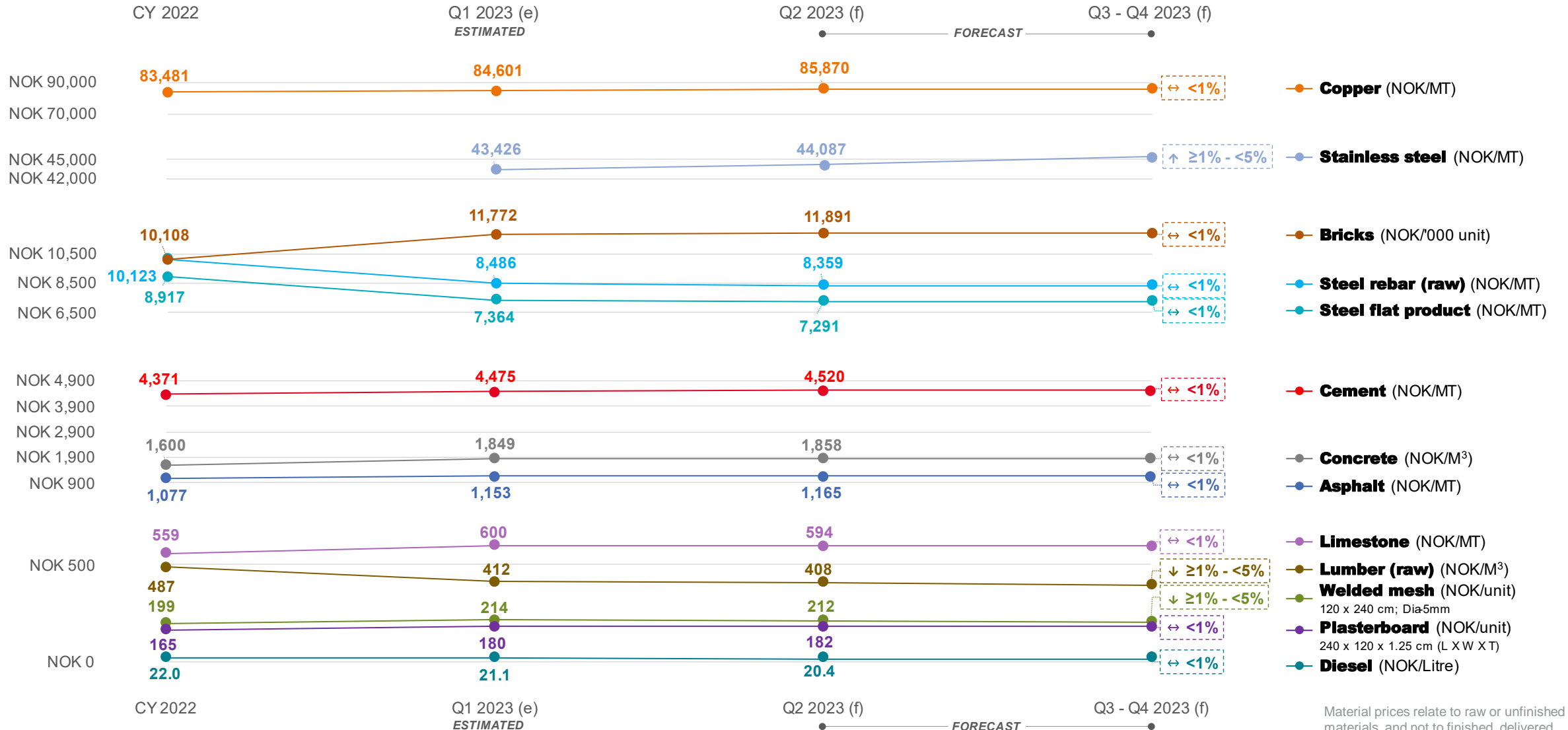


*For 2023 Index is average of Jan to March 2023 Indices

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Cement Concrete	+1.0% ↑ +0.5% ↑	Moderate	Cement prices have only been edged up in recent quarters in Norway, unlike other markets in Europe, where there has been stronger upward pressure. However, prices are still high compared to year-earlier levels reflecting higher production costs.
 Welded mesh	-1.0% ↓	Low	Welded mesh prices have increased slightly from the levels of Q4 2022. However, with steel rebar prices following a downward trend, the price of mesh is expected to remain at current levels in short term before beginning to decline.
 Bricks	+1.0% ↑	Low	Brick prices continue on an upward trend despite stabilizing energy prices due to limited competition in the sector.
 Plasterboard	+1.0% ↑	Moderate	Plasterboard prices have been steadily rising in recent quarters, with prices in Q1 2023 following this trend. However, with easing energy prices and weakening demand from the construction sector expected to limit further upward pressure, the price of plasterboard is expected to stabilise in the coming quarters.
 Diesel	-3.3% ↓	Low	The stabilization of international crude oil prices, coupled with a tax reduction on diesel enacted at the beginning of the year has caused diesel prices to fall by around 10% quarter-on-quarter in Q1 2023. However, a surprise cut in crude oil production volumes announced by OPEC+ nations could lead to more volatility in international oil markets which could renew upward pressure on diesel prices in the coming months.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability. Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Norway – Construction Materials Pricing (2022-2023)



Material prices relate to raw or unfinished materials, and not to finished, delivered and erected on-site prices.

Norway – Macroeconomic overview



Economic indicators



2.15%

GDP growth in 2023 (f)
and **3.28%** in 2022



4.90%

inflation rate in 2023 (f) and
5.76% for 2022



2.86M

people employed in 2023 (f)
and **2.85M** in 2022



3.50%

unemployment rate for 2023 (f)
and **3.25%** in 2022



127.60

Consumer Price Index in Mar
2023 and **119.80** in Mar 2022



165.80

Producer Price Index in Mar
2023 and **212.40** in Mar 2022

National holidays

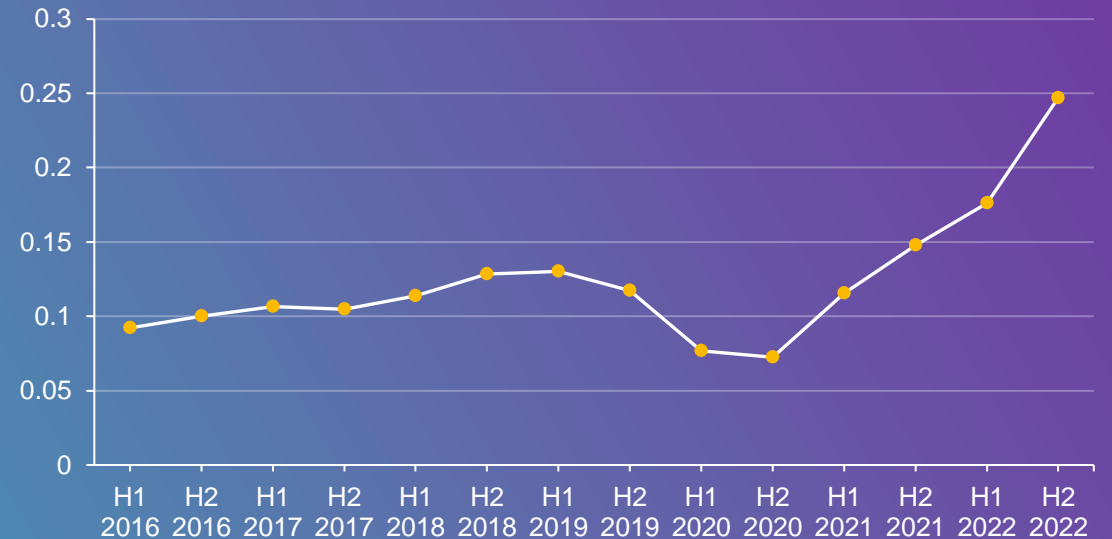


12 public holidays

in Norway in 2023.

Energy prices

Electricity prices for non-household consumers ,
consumption < 20 MWh (€ per kWh)









Note: All taxes and levies included

Norway – Construction overview



Output 2022 and 2023 (in NOK millions)*

Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	124,316	121,360	123,353
Energy and utilities 	39,690	40,376	41,360
Industrial 	21,855	23,043	23,167
Infrastructure 	148,074	147,660	151,624
Institutional 	33,068	32,146	32,472
Residential 	253,121	244,716	245,505

*The output is in real terms at constant prices with 2017 as base year

Long lead equipment (LLE) - Supply Chain Overview

2022 was a turbulent year for the global supply chain with the fallout from the global pandemic combined with the emergence of the Russia-Ukraine conflict, leading to supply chain disruptions across the globe. However, 2023 is showing signs of relief in the market for long lead equipment (LLE). The following are the specifics of the LLE supply chain dynamic:

- Demand:** Demand for LLE has remained exceptionally high across all regions and industry sectors. Organizations have moved to expand their supply chain portfolios and include secondary and tertiary suppliers, whilst most are continuing to invest in inventory management systems to prevent any supply chain disruptions. There is no sign of reduced demand, so the constraints to the supply chain will continue for the remainder of 2023.
- Supply:** The stock levels of raw materials have finally started to stabilise, alleviating some recent pressures on manufacturers and suppliers. However, it is worth noting that most LLE suppliers have reported being at operational capacity, with order books full up to Q3 2024, which may cause some concern for those relying on their products. Nevertheless, there is some hope as Tier 2 and Tier 3 supply chains have started to increase their capacity and support the larger demand within the market, which may help to mitigate any negative impact of capacity restrictions.
- Freight durations and costs:** Freight durations have begun to shorten in early 2023 as the global infrastructure and operations have developed to meet the rising demand and freight companies are shipping much faster than they did during the pandemic. Average freight costs have also reduced to align with pre-pandemic levels suggesting a return to normality within the industry. The benefits have been experienced in early 2023 and further reductions are expected throughout the rest of 2023.

Norway – Report methodology



Linesight has commissioned independent global research to track construction materials and commodity prices. The approach and methodology for the collection of construction material pricing and other indicators is based on primary and secondary research.

Primary and secondary research

Primary research is conducted on a quarterly basis with stakeholders in the value chain, including manufacturers and suppliers/distributors of the target materials, to ascertain market information on prices in recent quarters, and also on projections for changes in the coming quarter and remainder of the year. The market analysis also involves a thorough assessment of secondary sources of data on materials and labour prices, in addition to underlying demand and supply trends that will impact market prices.

Sources include GlobalData's Construction Intelligence Center (CIC), the World Bank, IMF, OECD, as well as country specific national statistics offices, such as the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, and also industry specific associations and publications.

Definitions

- Commodity prices are net of taxes for all the countries
- Prices are not customer delivered
- All commodities are raw materials
- Nominal and real data

Nominal data series do not exclude changes in prices and are also referred to as current prices series.

Annual changes in nominal data for construction output will include changes in construction activity, as well as changes in costs for materials and equipment.

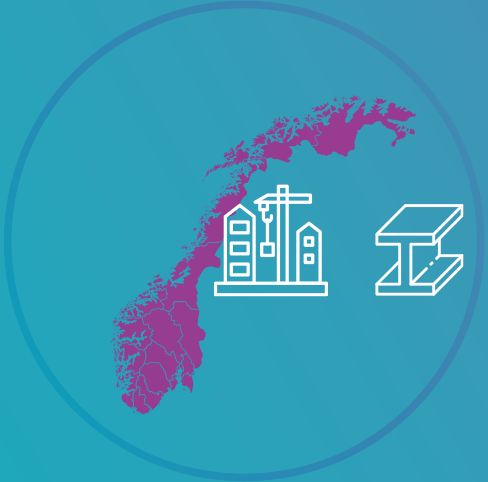
Real data series are calculated by keeping prices constant (so, are also referred to as constant price series), and therefore, they reflect changes in activity only. Growth rates in nominal terms can overstate the pace of growth in construction activity if there is high inflation stemming from rising prices for key inputs.

Sample sources – Norway

For Norway, sources for this report include, but are not limited to:

- IMF
- Statistics Norway
- GlobalData's Construction Intelligence Center (CIC)
- Statistisk Sentralbyrå (SSB)
- Economic Research Institute
- Public Holidays
- Eurostat

Linesight 





Spain

Country Insights and Commodity Report

Q1 2023



Spain

Q1 2023

Spain's GDP grew by 5.5% in 2022 and the economy is expected to grow at a rate 1.5% in 2023, according to the most recent update from the IMF. Growth has slowed due to persistent inflation and higher interest rates. However, Spanish business confidence has reached its highest level since the third quarter of 2019, with the INE reporting a 2.7% quarter-on-quarter increase in the second quarter of this year, indicating continued economic recovery from last year's energy crisis. Inflationary pressures are also easing, with March inflation falling to 3.3%, the lowest annual rate since August 2021.

After growing by 4% in 2022, Spain's construction industry is expected to contract by 0.3% in real terms in 2023, due to high construction costs, rising interest rates, labour shortages, and supply chain constraints. However, investments in the industrial and renewable energy sectors are expected to drive growth, and the construction industry is expected to grow at a 3% annual rate between 2024 and 2027. Growth in the industrial sector will be largely supported by the construction of semi-conductor and battery manufacturing plants.



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Lumber

Lumber prices will stabilise in the medium term as domestic demand declines and residential construction weakens owing to high interest rates.



Cement and aggregates

Prices of cement and concrete continue to be impacted by high production costs being passed on to buyers. Although buildings construction growth will slow, the implementation of EU-funded public works projects will provide support on the demand side.



Concrete blocks and bricks

Brick prices are expected to remain high in the short-term owing to elevated production costs, but weaker demand side growth will contain further price pressure.



Steel (rebar and structural)

Steel prices have been pushed up by higher production costs as well as a boost to demand in the region stemming from material shortages resulting from disruption in Turkey following the recent earthquake.



Copper

Having jumped in early 2023, copper prices will be volatile in the coming quarters given the prospect for higher demand in China but concerns over supply-side constraints and weakening global economic growth. There will be sustained demand from the expansion in investment in renewable energy facilities and electric vehicle production.

Spain – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2023 (e)
	€	€	2022-23 % change	% change
Copper (€/MT)	8,411	8,984	-6.4% ↓	3.9% ↑ ●
Steel rebar (€/MT)	774	848	-8.7% ↓	-0.7% ↓ ■
Steel flat (€/MT)	707	1,049	-32.6% ↓	0.5% ↑ ■
Stainless steel (€/MT)	3,885	NA	NA	4.5% ↑ ●
Lumber (€/M3)	149	141	5.8% ↑	1.5% ↑ ●
Asphalt (€/MT)	92.3	99.3	-7.1% ↓	-5.0% ↓ ●
Limestone (€/MT)	66.6	54.3	22.5% ↑	8.3% ↑ ●
Cement (€/MT)	157	144	9.4% ↑	8.3% ↑ ●
Concrete (€/M3)	148	137	8.1% ↑	5.7% ↑ ●
Welded mesh (€/unit)	97.4	95.5	2.1% ↑	2.9% ↑ ●
Bricks (€/000 unit)	941	850	10.7% ↑	10.2% ↑ ●
Plasterboard (€/unit)	4.67	3.92	19.4% ↑	6.4% ↑ ●
Diesel (€/litre)	1.57	1.91	-18.1% ↓	-11.4% ↓ ●

(f) Forecast (e) Estimated

- Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
- Q4 2022 to Q1 2022 % change less than estimation in our Q4 2022 report

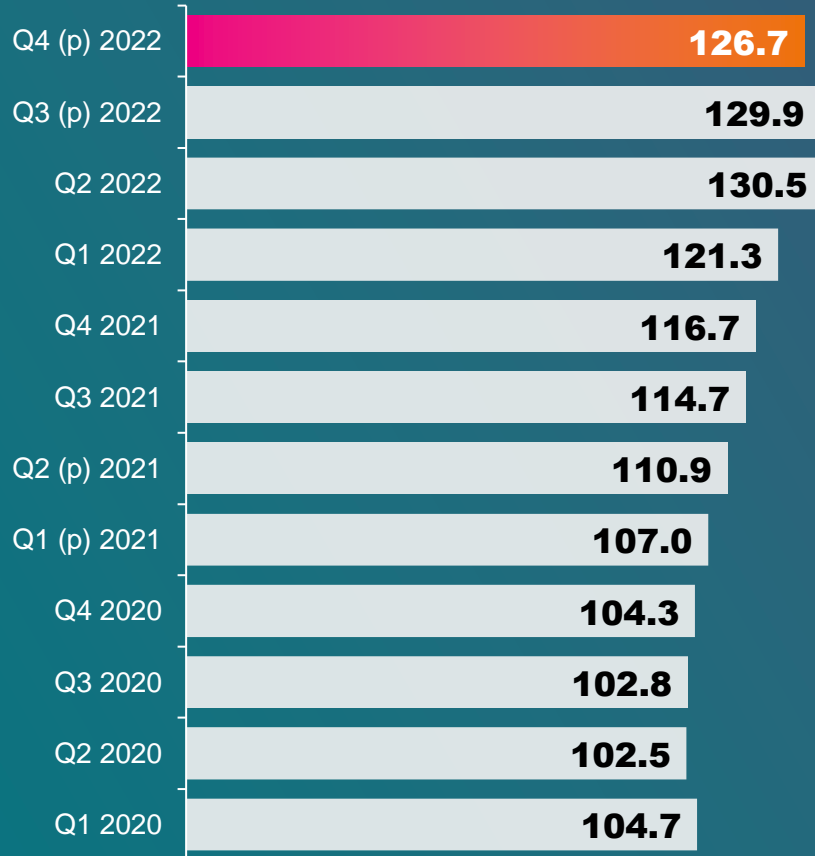
Welded mesh: 100 x 100 x 6cm Plasterboard: 125 x 60 x 1.3cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	+1.0% ↑	Moderate	Copper prices jumped in Q1 2023 amid expectations of higher demand from China and tightened supply from key source markets. Further price inflation will be contained by the slowing global economy.
 Steel prices - Steel rebar - Flat steel	+1.0% ↑ +1.0% ↑	Moderate	Steel prices will remain elevated in the short term, with local demand stemming from railway infrastructure investment will be a contributing factor. Domestic production has also slowed. It dropped by 16.2% year-on-year in the first two months of 2023. High production costs have squeezed profit margins, and as a result producers have cut output levels.
 Stainless steel	+1.5% ↑	Low	Despite sluggish demand growth, stainless steel prices have been held up by high raw material costs.
 Lumber	+0.5% ↑	Low	Lumber prices will remain flat in the coming months because of the slowdown in demand from the construction industry. Fuel and electricity prices are also expected to fall from recent highs, which will help to contain inflationary pressure.
 Asphalt	-0.5% ↓	Low	Prices will fall further in the short term as a result of weaker raw materials costs. However, demand will continue to be supported by the government's ongoing investment in road improvements.
 Limestone	+0.8% ↑	Low	Sluggish demand in buildings construction due to high interest rates and weaker economic growth will result in weaker demand for limestone. High production costs have been a factor in keeping prices relatively high in recent quarters.











Spain – Commodity Report



Construction cost index for residential buildings (Q1 2020 – Q4 2022) (2015=100)

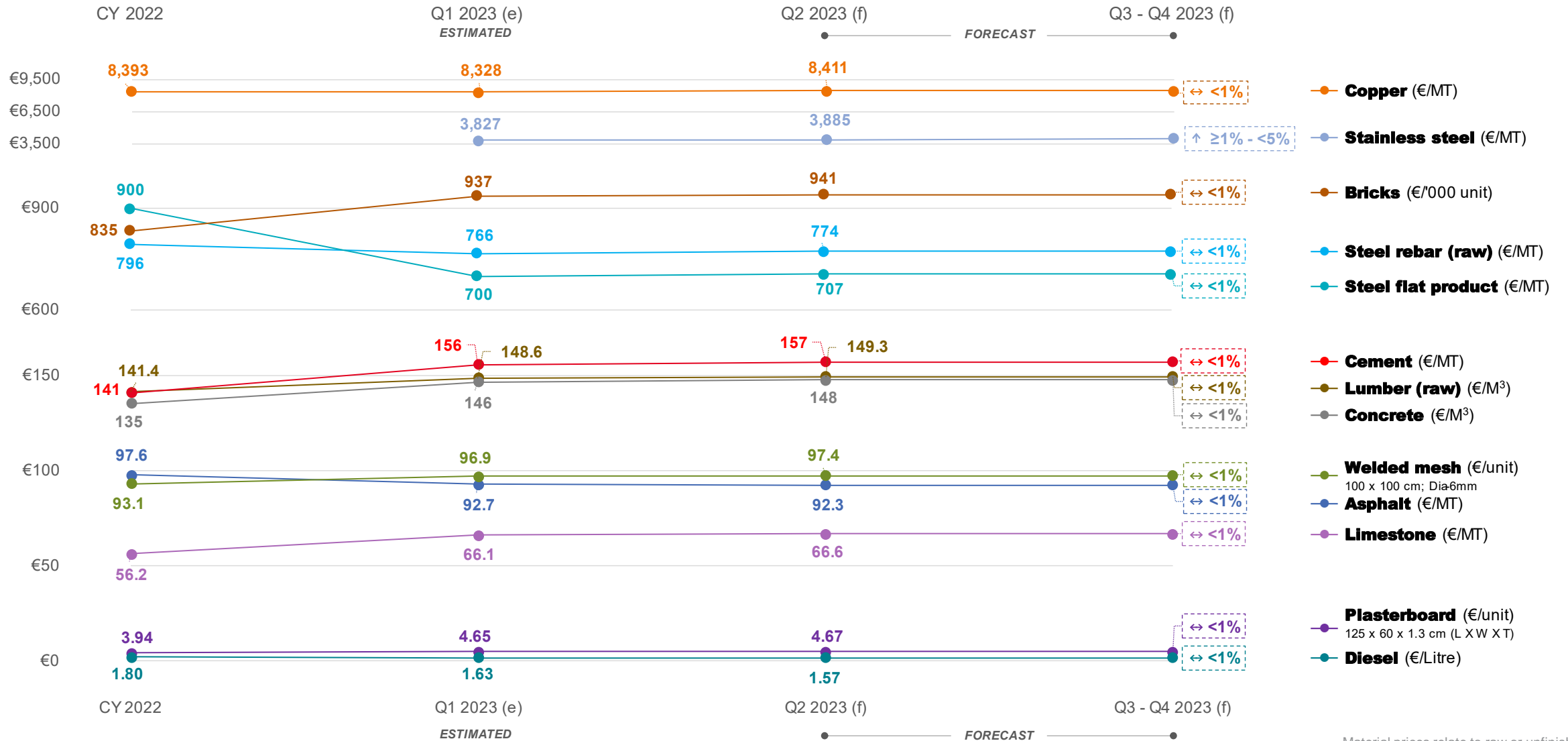


*(p) - Provisional

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *
 Cement Concrete	+1.0% ↑ +0.8% ↑	 High Concrete and cement prices have been pushed up by high production costs, and investment in infrastructure and civil works projects will sustain demand.
 Welded mesh	+0.5% ↑	 Moderate Welded mesh prices have edged upwards, but with weaker building construction demand, prices are expected to stabilise in 2023.
 Bricks	+0.5% ↑	 Moderate Brick prices jumped in early 2023, with the main driver being higher production costs being passed on to buyers. Prices are expected to stabilise as domestic demand weakens in the coming quarters.
 Plasterboard	+0.5% ↑	 Moderate Plasterboard prices continued to increase in Q1 2023 with producers passing on higher costs. However, with weaker demand predicted in the buildings construction sector, price pressure will moderate.
 Diesel	-4.0% ↓	 Low Diesel prices have continued to retreat from mid-2022 highs. The diesel price dropped to €1.57 in the final week of March 2023, reaching its lowest point since the Russia-Ukraine conflict began in February last year. On a quarterly average basis, prices will remain around current levels, but with increased volatility in global crude oil prices, diesel prices could also be subject to significant shifts in the coming quarters.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability. Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Spain – Construction Materials Pricing (2022-2023)



Material prices relate to raw or unfinished materials, and not to finished, delivered and erected on-site prices.

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Spain – Macroeconomic overview



Economic indicators



1.51%

GDP growth in 2023 (f) and **5.48%** in 2022



4.30%

inflation rate in 2023 (f) and **8.32%** for 2022



20.55M

people employed in 2023 (f) and **20.39M** in 2022



12.63%

unemployment rate for 2023 (f) and **12.92%** in 2022



111.11

Consumer Price Index in March 2023 and **107.56** in March 2022



156.26

Producer Price Index in Feb 2023 and **144.92** in Feb 2022

National holidays



10-14 public holidays

dependant on different regions

Energy prices







Electricity prices for non-household consumers , consumption < 20 MWh (€ per kWh)



Note: All taxes and levies included

Spain – Construction overview



Output 2022 and 2023 (in € millions)*			
Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	15,967	15,927	16,114
Energy and utilities 	5,992	6,116	6,274
Industrial 	5,742	5,808	6,242
Infrastructure 	26,092	26,831	28,238
Institutional 	11,055	10,911	11,198
Residential 	64,773	63,668	65,697

*The output is in real terms at constant prices with 2017 as base year

Long lead equipment (LLE) - Supply Chain Overview

2022 was a turbulent year for the global supply chain with the fallout from the global pandemic combined with the emergence of the Russia-Ukraine conflict, leading to supply chain disruptions across the globe. However, 2023 is showing signs of relief in the market for long lead equipment (LLE). The following are the specifics of the LLE supply chain dynamic:

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Construction Health and Safety practices and culture



80,114

accidents produced in the period January - February 2023 with sick leave, of which 560 accidents were serious and 96 accidents were fatal.



6.16 per 1000 persons

Is the accident incidence rate

Comparing these data with those of the same period of the year previous year, there were 26 more serious accidents and 22 fewer fatal accidents.

Spain – Report methodology



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Primary and secondary research

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Sample sources – Spain

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- IMF
- National Statistics Institute (INE)
- International Labour Organization
- Eurostat
- GlobalData's Construction Intelligence Center (CIC)
- Economic Research Institute
- Public Holidays
- Eurostat

Linesight 





Sweden

Country Insights and Commodity Report

Q1 2023      

Sweden

Q1 2023

Sweden's GDP grew by 2.6% in 2022, despite a decline of 1.1% in Q4 2022. Furthermore, a contraction of 0.5% is forecasted for 2023 amid supply chain disruptions and increased inflation. On a positive note, the headline rate for the core CPI is easing out slightly, from 9.4% in February to 8% in March this year, but it is still significantly higher than the central bank's target rate of 2%.

The Swedish construction industry is expected to contract by 4.8% in 2023 due to high material costs and a weak global economic outlook. However, it is likely to rebound with an annual growth rate of 2.2% from 2024 to 2026, supported by the government's investment in transport and energy infrastructure. The industrial sector is likely to sustain the growth momentum, supported by a positive trend in manufacturing activities and the nation's investment in automobile industry.



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Lumber

Demand for lumber in Sweden is generally driven by the homebuilding sector, which is set to weaken significantly in 2023. As a result, lumber demand will be subdued compared to historical levels, which will cause short-term prices to decline. However, the popularity of wood products in Sweden's construction industry will ensure that long-term demand will remain strong. Moreover, as Europe's largest timber exporter, rising demand for sustainable construction materials across Europe will increase pressure on Sweden's timber stocks, which will exacerbate upward pressure on prices over the long term.



Cement and aggregates

Concrete and cement prices are continuing to rise despite the easing of energy costs, as the reduction in input costs is yet to be reflected in producers' prices. However, greater certainty over cement and limestone supplies following the resolution of the environmental dispute regarding Cementa's mining license has improved the market's outlook and limited further upward pricing pressure. Nevertheless, greater awareness of environmental degradation, coupled with the rise of sustainable materials is expected to reduce demand for traditional concrete and aggregate materials over the long term.



Concrete blocks and bricks

Brick prices have continued to rise in recent quarters despite weakening construction activity, particularly in the residential sector. However, given the weakening of the homebuilding sector, coupled with a high proportion of wooden housing developments relative to brick and mortar, further significant upward pressure on prices will be limited.



Steel (rebar and structural)

Demand for steel will be partially buoyed by a high-value pipeline of infrastructure projects over the coming years, which will limit downward pressure on prices. As a net exporter of steel, Sweden's steel productive capacity has provided enough resilience to avoid major price fluctuations stemming from shortages. However, weakening external demand and a rise in cheaper imports will keep prices on a downward trend.



Copper

Global copper prices remain volatile following disruption from the Russia-Ukraine conflict, leading to ongoing supply tightness. Further demand shocks stemming from China's re-opening, have led to an increase in prices in Q1 2023. Copperstone Resources' decision to increase domestic production in 2023, by re-opening the Viscaria copper mine in Kiruna, will help to ease supply-side pressures, but prices will continue to be driven primarily by the global market.



Sweden – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2023 (e)
	SEK	SEK	2022-23 % change	% change
Copper (SEK/MT)	85,939	93,747	-8.3% ↓	2.0% ↑ ■
Steel rebar (SEK/MT)	7,115	8,675	-18.0% ↓	-4.9% ↓ ●
Steel flat (SEK/MT)	6,739	8,176	-17.6% ↓	-4.9% ↓ ●
Stainless steel (SEK/MT)	45,272	NA	NA	7.6% ↑ ●
Lumber (SEK/M3)	706	959	-26.3% ↓	-2.9% ↓ ●
Asphalt (SEK/MT)	818	1,059	-22.8% ↓	-15.6% ↓ ●
Limestone (SEK/MT)	721	546	32.0% ↑	9.4% ↑ ●
Cement (SEK/MT)	3,128	2,319	34.9% ↑	14.8% ↑ ●
Concrete (SEK/M3)	1,480	1,278	15.8% ↑	4.1% ↑ ●
Welded mesh (SEK/unit)	784	938	-16.4% ↓	-4.7% ↓ ●
Bricks (SEK/'000 unit)	9,879	8,643	14.3% ↑	8.0% ↑ ●
Plasterboard (SEK/unit)	107.1	92.2	16.1% ↑	10.2% ↑ ●
Diesel (SEK/litre)	23.3	24.4	-4.5% ↓	-9.1% ↓ ●

(f) Forecast (e) Estimated

- Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
- Q4 2022 to Q1 2023 % change less than estimation in our Q4 2022 report

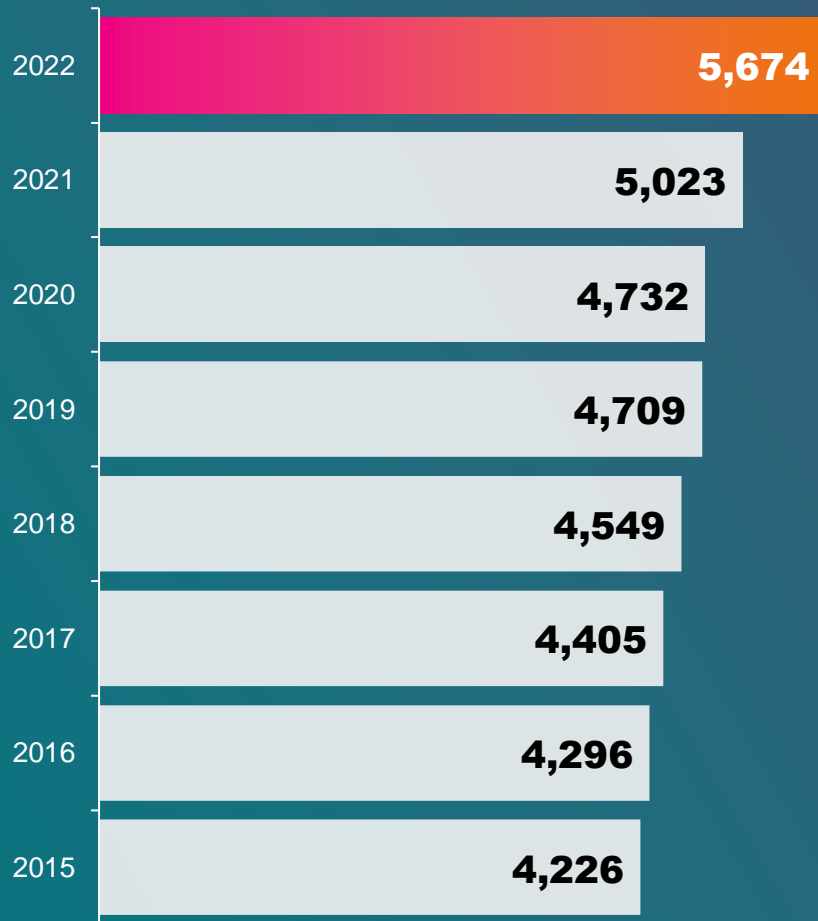
Welded mesh: 500 x 230cm, dia.-6mm Plasterboard: 250 x 90 x 1.25cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	-2.0% ↓	Low	The re-opening of China's economy following the end of its zero-Covid policy, coupled with subdued output at major copper mines has significantly increased pressure on global supplies, leading to higher copper prices. As a result, prices peaked in February before retracting slightly in March. The global copper market is expected to remain volatile over the coming quarters.
 Steel prices - Steel rebar - Flat steel	-1.0% ↓ -0.5% ↓	Low	Prices for steel rebar dropped significantly in the second half of 2022 and were down through January of this year. Although prices somewhat increased in February and March, subdued demand from manufacturing and construction will exacerbate the downward trend over the coming quarters. Flat steel products will follow a similar downward trend.
 Stainless steel	+2.0% ↑	Low	Although there has been a slight increase in stainless steel prices, a larger rise is anticipated in the upcoming quarter due to the instability of nickel supplies as a result of the trade restrictions on Russian imports. Despite the volatility in nickel prices, market participants are closely monitoring the continuing influx of inexpensive nickel from Asia.
 Lumber	-0.5% ↓	Low	Lumber prices have been on a downward trend in recent quarters on a quarterly average basis. Prices dropped by 5% MoM in December 2022 before rebounding slightly in January. Despite supply limitations and increased demand for exports as many countries pivot away from Russian supplies, overall weak demand is expected to keep prices close to current levels in the coming quarters.
 Asphalt	+1.0% ↑	Low	Despite the stability of crude oil prices in Q1, recent sanctions placed on the imports of bitumen and asphalt from Russia may lead to tighter supply, which will ultimately impact on prices in Sweden. Additionally, production cuts by OPEC+ countries could also exacerbate upward pressure on prices, and so prices are likely to be volatile in coming quarters.
 Limestone	+0.8% ↑	Low	Limestone prices rose throughout 2022 owing to tight supplies and strong growth in the Swedish construction sector. Prices in Q1 2023 were up 40% year-on-year, and are expected to remain elevated in the coming months but further upward pressure will be limited due to weakening demand.

Sweden – Commodity Report



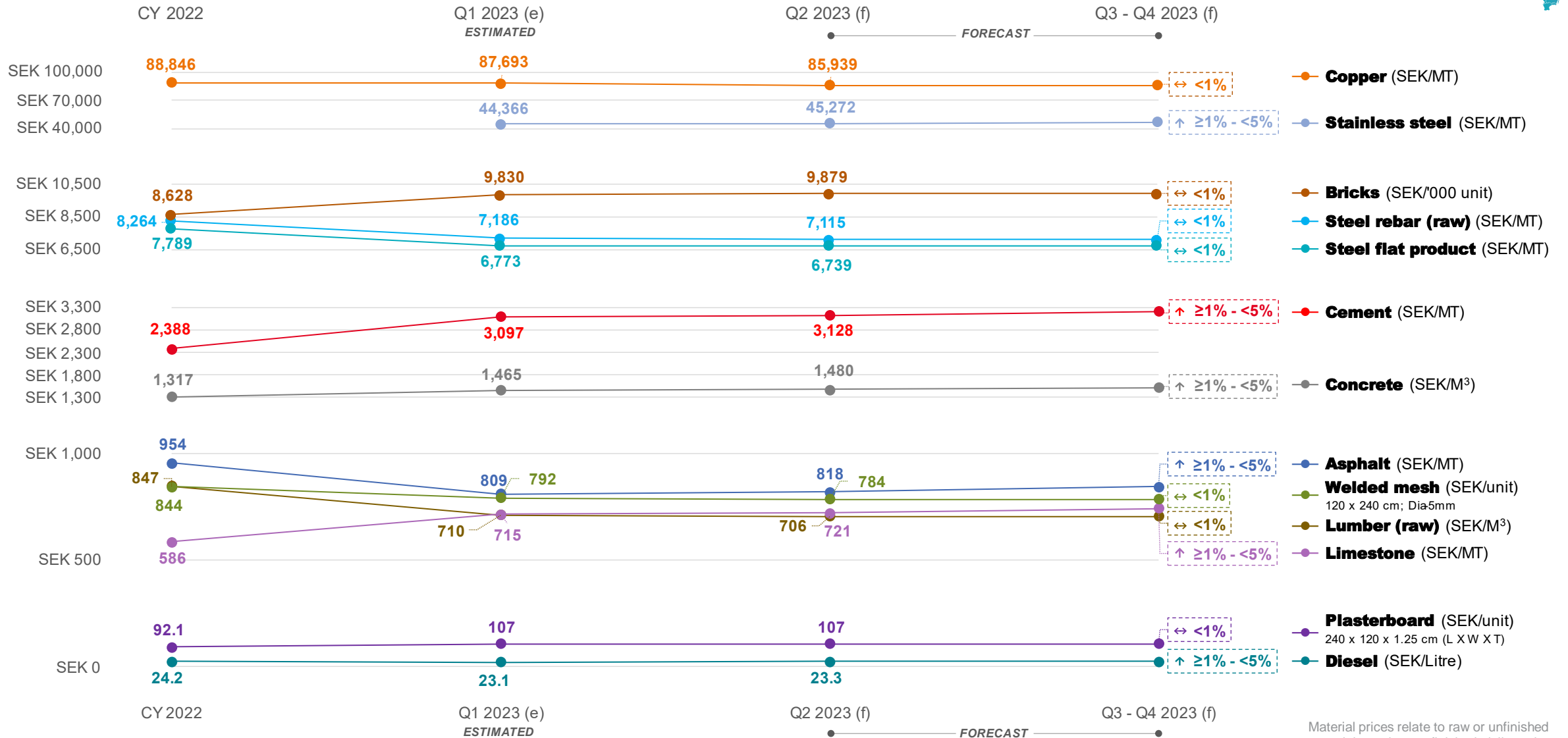
Construction cost Index (Input Price): 2015-2022 (1939=100)



Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Cement Concrete	+1.0% ↑ +1.0% ↑	Moderate	Prices rose rapidly in mid-2022 as a result of companies passing on greater expenses to consumers due to increasing energy and raw material costs. Despite recent drops in input costs, prices remain elevated. Throughout the ensuing quarters, prices are anticipated to remain stable.
 Welded mesh	-1.0% ↓	Low	Welded mesh prices have been on a declining trend since spiking in Q2 2022, reflecting falling steel rebar prices. Prices in Q1 2023 fell by almost 5% quarter-on-quarter, marking a deceleration from a 10% quarter-on-quarter decline in Q4 2022. Prices are expected to remain relatively low in the coming quarters.
 Bricks	+0.5% ↑	Low	Brick prices have continued on an upward trend in recent quarters, rising by around 8% quarter-on-quarter in Q1 2023 despite the fall in energy prices and weakening demand, particularly in the residential sector. Over the upcoming quarters, it is anticipated that the prices will remain at elevated levels.
 Plasterboard	+0.5% ↑	Moderate	Plasterboard prices increased by 10% quarter-on-quarter in Q1 2023, marking an acceleration in the price growth from previous quarters. Relatively high demand due to strong levels of renovation activity, coupled with supply shortages and elevated raw materials costs have increased upward pressure on prices which have been rising since mid-2022.
 Diesel	+1.0% ↑	Low	Due to the decline in crude oil prices, diesel prices have declined from their mid-2022 highs, but there has been some stability in recent months. Global crude oil production cuts are expected to increase volatility in oil prices which are likely to impact diesel prices.

* Level of impact rating reflects a combination of factors: the price movement and also price level (compared to recent past beyond the last quarter), the importance of the material, and general state of the supply chain in terms of stability. Please note that commodity prices are based on representative materials available in the respective countries, and as these materials may not be standard across all markets, cross-country comparisons on prices can be ineffective. For example, asphalt types can vary between hot, cold or a bitumen price, and standard unit sizes for materials can vary across countries.

Sweden – Construction Materials Pricing (2022-2023)



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Sweden – Macroeconomic overview



Economic indicators



-0.48%

GDP growth in 2023 (f)
and **2.64%** in 2022



6.82%

inflation rate in 2023 (f) and
8.01% for 2022



5.17M

people employed in 2023 (f)
and **5.18M** in 2022



7.80%

unemployment rate for 2023 (f)
and **7.47%** in 2022



398.08

Consumer Price Index in
March 2023 and **359.80** in
March 2022



134.60

Producer Price Index in Feb
2023 and **129.90** in Feb
2022

National holidays

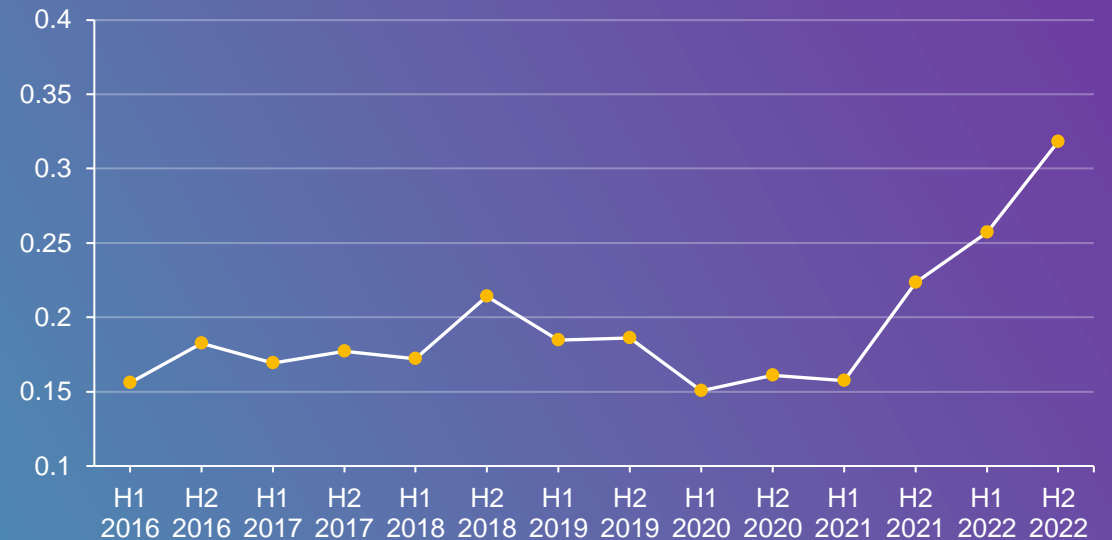


13 public holidays

in Sweden in 2023.

Energy prices

Electricity prices for non-household consumers,
consumption < 20 MWh (€ per kWh)









Note: All taxes and levies included

Sweden – Construction overview



Output 2022 and 2023 (in SEK millions)*

Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	83,602	79,226	82,719
Energy and utilities 	33,863	35,288	36,783
Industrial 	80,642	85,765	87,601
Infrastructure 	99,016	103,938	112,051
Institutional 	41,912	45,302	46,998
Residential 	330,670	288,087	276,007

*The output is in real terms at constant prices with 2017 as base year

Long lead equipment (LLE) - Supply Chain Overview

2022 was a turbulent year for the global supply chain with the fallout from the global pandemic combined with the emergence of the Russia-Ukraine conflict, leading to supply chain disruptions across the globe. However, 2023 is showing signs of relief in the market for long lead equipment (LLE). The following are the specifics of the LLE supply chain dynamic:

- Demand:** Demand for LLE has remained exceptionally high across all regions and industry sectors. Organizations have moved to expand their supply chain portfolios and include secondary and tertiary suppliers, whilst most are continuing to invest in inventory management systems to prevent any supply chain disruptions. There is no sign of reduced demand, so the constraints to the supply chain will continue for the remainder of 2023.
- Supply:** The stock levels of raw materials have finally started to stabilise, alleviating some recent pressures on manufacturers and suppliers. However, it is worth noting that most LLE suppliers have reported being at operational capacity, with order books full up to Q3 2024, which may cause some concern for those relying on their products. Nevertheless, there is some hope as Tier 2 and Tier 3 supply chains have started to increase their capacity and support the larger demand within the market, which may help to mitigate any negative impact of capacity restrictions.
- Freight durations and costs:** Freight durations have begun to shorten in early 2023 as the global infrastructure and operations have developed to meet the rising demand and freight companies are shipping much faster than they did during the pandemic. Average freight costs have also reduced to align with pre-pandemic levels suggesting a return to normality within the industry. The benefits have been experienced in early 2023 and further reductions are expected throughout the rest of 2023.

Sweden – Report methodology



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Primary and secondary research

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Sources include GlobalData's Construction Intelligence Center (CIC), the World Bank, IMF, OECD, as well as country specific national statistics offices, such as the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, and also industry specific associations and publications.

Definitions

- Commodity prices are net of taxes for all the countries
- Prices are not customer delivered
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Nominal data series do not exclude changes in prices and are also referred to as current prices series.

Annual changes in nominal data for construction output will include changes in construction activity, as well as changes in costs for materials and equipment.

Real data series are calculated by keeping prices constant (so, are also referred to as constant price series), and therefore, they reflect changes in activity only. Growth rates in nominal terms can overstate the pace of growth in construction activity if there is high inflation stemming from rising prices for key inputs.

Sample sources – Sweden

For Sweden, sources for this report include, but are not limited to:

- IMF
- Mynak
- Statistics Sweden
- Organisation for Economic Co-operation and Development (OECD)
- GlobalData's Construction Intelligence Center (CIC)
- Economic Research Institute
- Public Holidays
- Eurostat

Linesight 





Switzerland

Country Insights and Commodity Report

Q1 2023      

Switzerland

Q1 2023

Switzerland experienced a growth rate of 2.1% in 2022, but the economic outlook for 2023 appears to be challenging with GDP growth predicted to decline to 0.8% due to weaker global growth, tighter monetary policy, and the recent banking crisis in the country. Additionally, inflation levels have surpassed the Swiss National Bank's price stability range, with figures for March at a rate of 2.9%.

The Swiss construction industry is predicted to slow in 2023 and decrease by 1.6% in real terms due to inflation, rising interest rates, and labour shortages. The KOF Business Tendency Surveys indicate that construction prices will likely continue to rise amid labour shortages. While the industry has shown nominal growth in investment and output over the last three years, real values reveal a decline in both for consecutive quarters when considering the increase in construction service costs. Nonetheless, the industry is likely to rebound at an average annual growth rate of 1.7% from 2024 to 2026, led by investments in renewable energy and transportation sectors. Lifesciences sector represented more than 39% of Swiss exports in 2022 and is expected to continue to grow.



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Lumber

The energy price hike has led to an increase in demand for firewood, but strong inventories and reduced production in response to lower winter demand has contributed to weaker prices. Moreover, rising interest rates and falling real incomes are expected to impact housing construction, and weigh on lumber prices in the short term.



Cement and aggregates

Prices of cement and aggregates have continued to increase amid cost-push pressures stemming from the energy crisis. However, inflationary pressure is expected to be more subdued in the months ahead given the contraction in the construction sector and the subsequent slowing of demand for cement.



Concrete blocks and bricks

Facing a surge in energy costs, brick manufacturers have been cutting production and shutting down kilns. Brick prices have therefore been on an upward trend despite signs of weaker demand in the construction industry. Prices are expected to remain high in the short-term owing primarily to high cost of energy, which will impose a tight squeeze on profit margins.



Steel (rebar and structural)

Given its heavy dependence on steel imports, local prices are greatly exposed to fluctuations in global prices. With energy costs still high, prices have remained elevated despite weaker demand. The decarbonization effort will contribute to higher production costs further ahead.



Copper

China's reopening following the ending of zero-COVID policies along with supply disruptions in Chile and Peru, the two largest copper producing countries globally, contributed to renewed upward pressure on copper prices in early 2023. Switzerland is heavily dependent on imported copper, with the majority of copper imports sourced from Zambia which is then re-exported by Swiss-based traders.

Switzerland – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2022 (e)
	CHF	CHF	2022-23 % change	% change
Copper (CHF/MT)	8,341	9,321	-10.5% ↓	7.2% ↑ ●
Steel rebar (CHF/MT)	840	1,221	-31.2% ↓	-11.2% ↓ ●
Steel flat (CHF/MT)	794	1,258	-36.9% ↓	-1.7% ↓ ●
Stainless steel (CHF/MT)	3,743	NA	NA	1.1% ↑ ●
Lumber (CHF/M3)	96.7	95.0	1.8% ↑	0.3% ↑ ■
Asphalt (CHF/MT)	120	117	2.4% ↑	1.1% ↑ ●
Limestone (CHF/MT)	43.9	40.0	9.8% ↑	4.3% ↑ ●
Cement (CHF/MT)	207	189	9.9% ↑	4.3% ↑ ●
Concrete (CHF/M3)	163	147	11.3% ↑	5.8% ↑ ●
Welded mesh (CHF/unit)	93.5	125	-25.0% ↓	-10.1% ↓ ●
Bricks (CHF/'000 unit)	1,073	994	7.9% ↑	3.3% ↑ ●
Plasterboard (CHF/unit)	6.46	6.08	6.4% ↑	3.0% ↑ ●
Diesel (CHF/litre)	2.04	2.29	-10.9% ↓	-8.7% ↓ ■

(f) Forecast (e) Estimated

● Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
■ Q4 2022 to Q1 2022 % change less than estimation in our Q4 2022 report

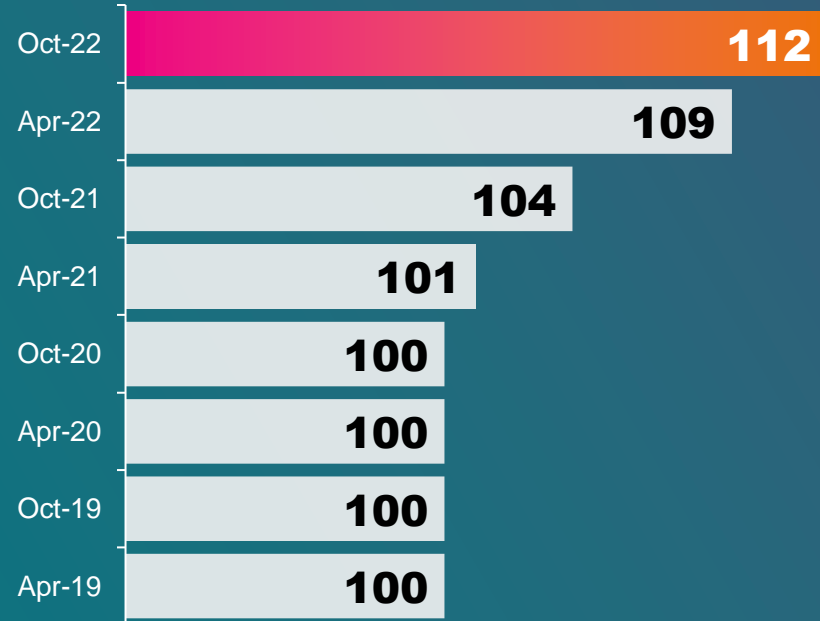
Welded mesh: 150 x 300cm, dia.-5mm Plasterboard: 200 x 60 x 1.25cm (L x W x T)

Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	+1.0% ↑	Low	Copper prices increased by 7.2% quarter-on-quarter in Q1 2023, due to increase in demand following the re-opening of the Chinese economy, coupled with supply disruptions from Peru. Prices will remain high in the coming quarters, but concerns over the global economic outlook may dampen demand.
 Steel prices - Steel rebar - Flat steel	+0.8% ↑ +1.0% ↑	Low	Steel rebar prices continued to decline in early 2023, but steel flat product prices held up relatively well, with demand in the latter being stronger. Although demand in general will weaken amid the drop in construction output, further price declines will be contained by enduring high energy costs.
 Stainless steel	-0.1% ↓	Low	Stainless steel prices are expected to remain relatively high given the importance of alloying materials such as nickel and chromium, prices for which remain high.
 Lumber	-1.0% ↓	Low	Lumber prices have been fairly stable in recent quarters. High interest rates are expected to further weigh on housing demand and construction activities in the short-term, thereby leading to a decline in lumber prices in the coming quarter.
 Asphalt	-1.0% ↓	Low	Asphalt prices have remained elevated owing to high input costs. Although set to ease back, prices will be held up by demand stemming from the government's focus on developing transport infrastructure, including road tunnel projects.
 Limestone	+1.0% ↑	Low	Limestone prices are estimated to have increased by 4.3% quarter-on-quarter in Q1 2023, owing to rising production costs amid elevated energy prices. However, owing to weakening demand in the construction industry, prices will level off in the coming quarters.

Switzerland – Commodity Report



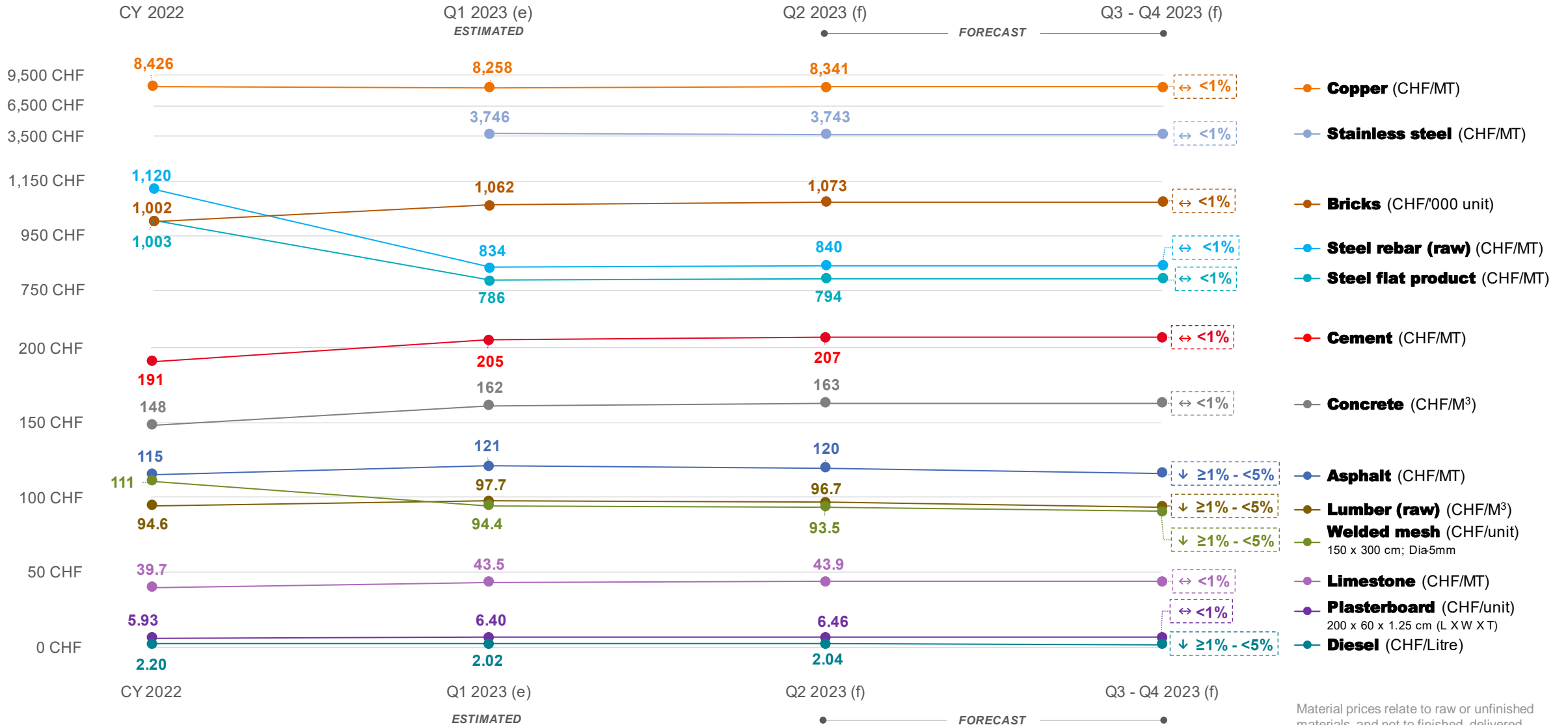
Swiss Construction Price Index (Apr 2019 - Oct 2022) (2020 = 100)



Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *
 Cement Concrete	+1.0% ↑ +1.0% ↑	 Moderate <p>With increasing cost of production, cement and concrete prices rose sharply in early 2023, with manufacturers passing on these higher costs to buyers. However, falling cement orders amid subdued demand will keep the prices of cement and concrete in check in the short-term.</p>
 Welded mesh	-1.0% ↓	 Low <p>Welded mesh prices have dropped in line with trends in the price for steel reinforcement bars. The downward trend in prices is forecast to continue into Q2 2023, owing to the slowdown in demand.</p>
 Bricks	+1.0% ↑	 Low <p>Brick prices increased further in Q1 2023 owing primarily to the high cost of energy. Although brick prices are expected to remain high in the coming quarters, weakening demand in the construction industry will likely contain further inflationary pressures.</p>
 Plasterboard	+1.0% ↑	 Low <p>Plasterboard prices are estimated to have increased by 3% quarter-on-quarter in Q1 2023, owing to high production costs. With demand easing, prices are expected to flatten in the coming months.</p>
 Diesel	+1.0% ↑	 Low <p>Diesel prices in Switzerland were on a downward trend in Q1 2023, with prices dropping below CHF2/liter in March 2023. With the gloomy economic outlook, and more refineries coming onstream in Europe, North America, and Asia, diesel prices are expected to further fall in Q2 2023. However, global crude oil prices will be volatile given potential for further OPEC+ production cuts.</p>

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Switzerland – Construction Materials Pricing (2022-2023)



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Switzerland – Macroeconomic overview



Economic indicators



0.83%

GDP growth in 2023 (f)
and **2.13%** in 2022



2.45%

inflation rate in 2023 (f) and
2.84% for 2022



5.20M

people employed in 2023 (f)
and **5.18M** in 2022



2.33%

unemployment rate for 2023 (f)
and **2.17%** in 2022



106.00

Consumer Price Index in Mar
2023 and **103.00** in Mar 2022



109.25

Producer Price Index in Mar
2023 and **108.40** in Mar 2022

National holidays

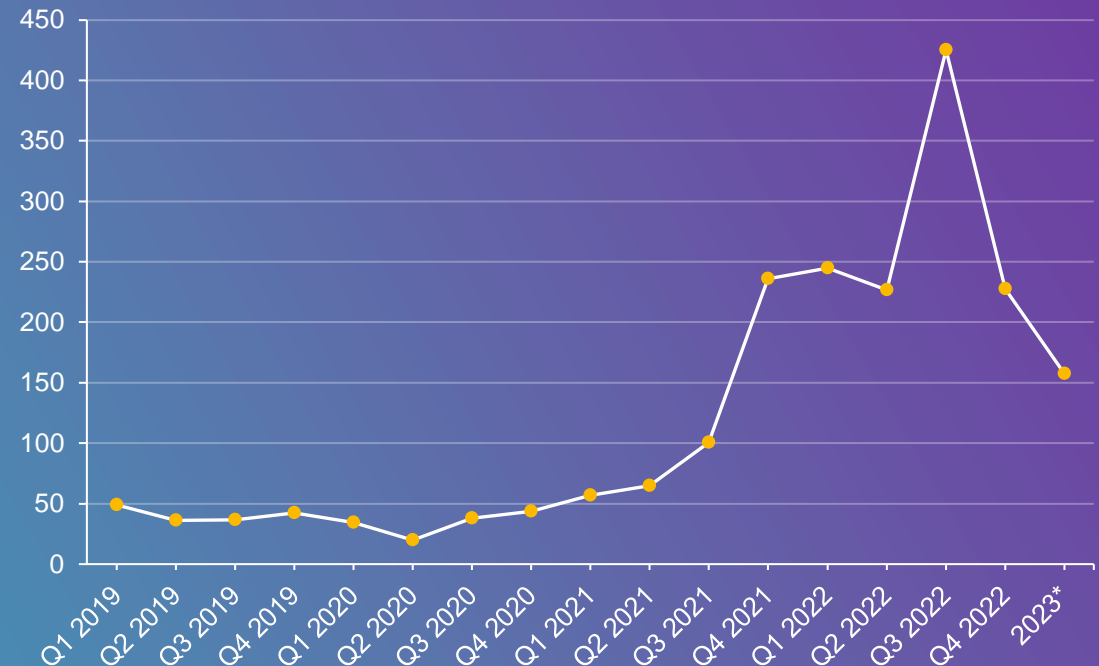


5 public holidays

in Switzerland in 2023.

Energy prices

Average monthly electricity wholesale price in
Switzerland (€ per MWh)









* Till Jan 2023

Switzerland – Construction overview



Output 2022 and 2023 (in CHF millions)*

Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	15,929	15,868	16,200
Energy and utilities 	7,440	7,254	7,398
Industrial 	7,594	7,479	7,567
Infrastructure 	16,111	15,683	15,817
Institutional 	6,872	6,817	7,033
Residential 	25,617	25,181	25,605

*The output is in real terms at constant prices with 2017 as base year

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- Swiss Federal Statistic Office
- GlobalData's Construction Intelligence Center (CIC)
- OECD
- Economic Research Institute
- Public Holidays
- Statista

Linesight





United Kingdom

Country Insights and Commodity Report

Q1 2023      

United Kingdom

Q1 2023

The IMF has revised the UK's 2023 economic forecast, predicting a smaller GDP contraction of 0.3%, down from the previous estimate of 0.6%. Despite narrowly avoiding recession in 2022, the UK economy has demonstrated resilience in the early part of 2023, with the Bank of England projecting nominal growth in the second quarter, after a minor contraction in the first quarter. However, inflation rose to 10.4% in February 2023, driven by higher food and energy prices, after three months of decline.

Due to inflationary pressures, rising interest rates, labour productivity challenges, elevated energy costs, and uncertain global conditions, the UK's construction industry is expected to contract by 2.5% in real terms in 2023. Following a 15.2% increase in 2021, the average construction material price index increased by 19.2% in 2022. Digitisation in the industry, as well as close monitoring of budgets and supply chains, can assist the industry in overcoming these challenges. The industry is expected to grow at a 2.9% annual rate from 2024 to 2027, led by investments in the transportation, energy, healthcare, and infrastructure sectors.



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Lumber

In the upcoming quarters, the overall decrease in building construction is expected to result in a reduction in lumber demand, leading to a decline in prices. Timber Development UK reported a 20% decline in volume compared to 2021. However, this was partly due to improvements in domestic supply.



Cement and aggregates

Despite signs of weakening demand, prices for cement have remained high in recent months, driven largely by high production costs. Aggregates prices have eased back from recent highs, although still much higher than a year ago. Reflecting the decline in demand, ready-mixed concrete deliveries were down by 11% year-on-year in Q4 last year. Seasonally-adjusted delivery volumes in Q4 2022 were at the lowest level in over 10 years (excluding Q2 2020).



Concrete blocks and bricks

Brick production has been declining, reflecting weakening demand with latest data showing production of all types were down by 10% YOY in January 2023. Conversely, stock levels were up by 18% year-on-year, reaching the highest level since 2019. Despite this weak demand backdrop, prices have remained high, reflecting continued high production costs that are being passed on to buyers.



Steel (rebar and structural)

Steel prices will continue to fall from the highs reached in mid-2022, with weak demand impacting steel producers' efforts to keep prices high in the face of elevated production costs. British Steel sought to increase prices in early 2023 with an increase of GBP75 per tonne on structural steel, but reports suggest that there has been push back from buyers given weak demand. The British steelmaking industry remains in a troubled financial state, given current high costs of production and the investment required to decarbonise.



Copper

Copper prices have remained high buoyed by a more optimistic demand outlook following China's reopening. However, there was some weakness towards the end of Q1 2023, and there is likely to be further bouts of volatility in the coming quarters with the potential for supply-side disruptions.

United Kingdom – Commodity Report



Materials	Q2 2023 (f)	Q2 2022 – Q2 2023 (f)		Q4 2022 – Q1 2023 (e)
	£	£	2022-23 % change	% change
Copper (£/MT)	7,314	7,575	-3.4% ↓	7.8% ↑ ●
Steel rebar (£/MT)	598	769	-22.2% ↓	-5.5% ↓ ●
Steel flat (£/MT)	715	888	-19.5% ↓	6.6% ↑ ●
Stainless steel (£/MT)	2,017	NA	NA	0.0% ↔ ●
Lumber (£/M ³)	50.8	70.1	-27.6% ↓	-2.8% ↓ ●
Asphalt (£/MT)	591	530	11.6% ↑	0.5% ↑ ■
Limestone (£/MT)	39.2	39.4	-0.5% ↓	-1.2% ↓ ●
Cement (£/MT)	247	205	20.2% ↑	6.1% ↑ ●
Concrete (£/M ³)	158	133	19.1% ↑	4.2% ↑ ●
Welded mesh (£/unit)	39.7	44.6	-11.0% ↓	-8.3% ↓ ●
Bricks (£/000 unit)	1,308	1,046	25.1% ↑	8.0% ↑ ■
Plasterboard (£/unit)	11.1	8.4	32.5% ↑	11.4% ↑ ●
Diesel (£/litre)	1.6	1.8	-11.2% ↓	-7.6% ↓ ●

(f) Forecast (e) Estimated

● Q4 2022 to Q1 2023 % change greater than estimation in our Q4 2022 report
 ■ Q4 2022 to Q1 2023 % change less than estimation in our Q4 2022 report

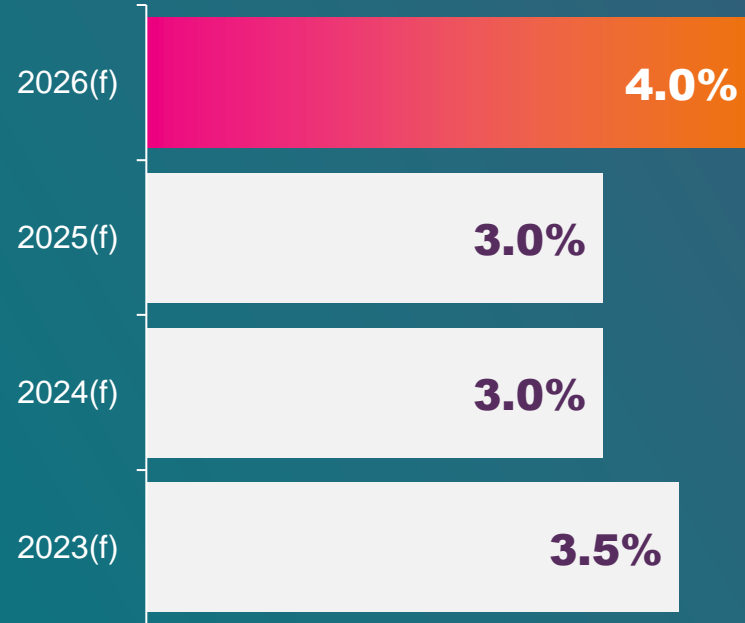
Welded mesh: 240 x 480cm, dia.-6mm Plasterboard: 240 x 120 x 1.25cm (L x W x T)





Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 Copper	-0.5% ↓	Moderate	Copper prices continued to rise in early 2023, extending a general upward trend that started in July 2022. But prices have levelled off more recently. The relaxation in China's zero COVID policy has contributed to prices holding at a relatively high level, while investment in renewable energy and electric vehicle production will be a factor in keeping prices elevated.
 Steel prices - Steel rebar - Flat steel	-0.8% ↓ -2.1% ↓	Moderate	Steel rebar prices fell sharply during the second half of 2022 and continued to drop in January this year, when prices were around 25% lower than in June 2022. Prices edged up in February and March, but there will be a general downward trend over the coming quarters as demand weakens. There will be similar trends for flat steel products, with steel producers struggling to continue to pass on higher production costs.
 Stainless steel	-0.5% ↓	Low	The price impact of weak demand has been offset by declining production and relatively high prices for key raw materials. The outlook for demand is weak, and prices will edge downwards in the coming quarter.
 Lumber	-8.5% ↓	Moderate	Lumber prices have continued to fall from the highs of the first half of 2022. Prices dropped by 22% between June 2022 and January 2023 albeit they are still at elevated levels when compared to previous years.
 Asphalt	+0.2% ↑	Moderate	Despite a general weakening in crude oil prices, there has yet to be a marked drop in asphalt prices, which reflects disruptions on the supply side as well as relatively high demand. The vale of new orders for road construction was up by 27% in 2022.
 Limestone	-1.2% ↓	Low	Weakening demand will start to weigh on prices, resulting in a steady decline in the coming quarters.

United Kingdom – Commodity Report



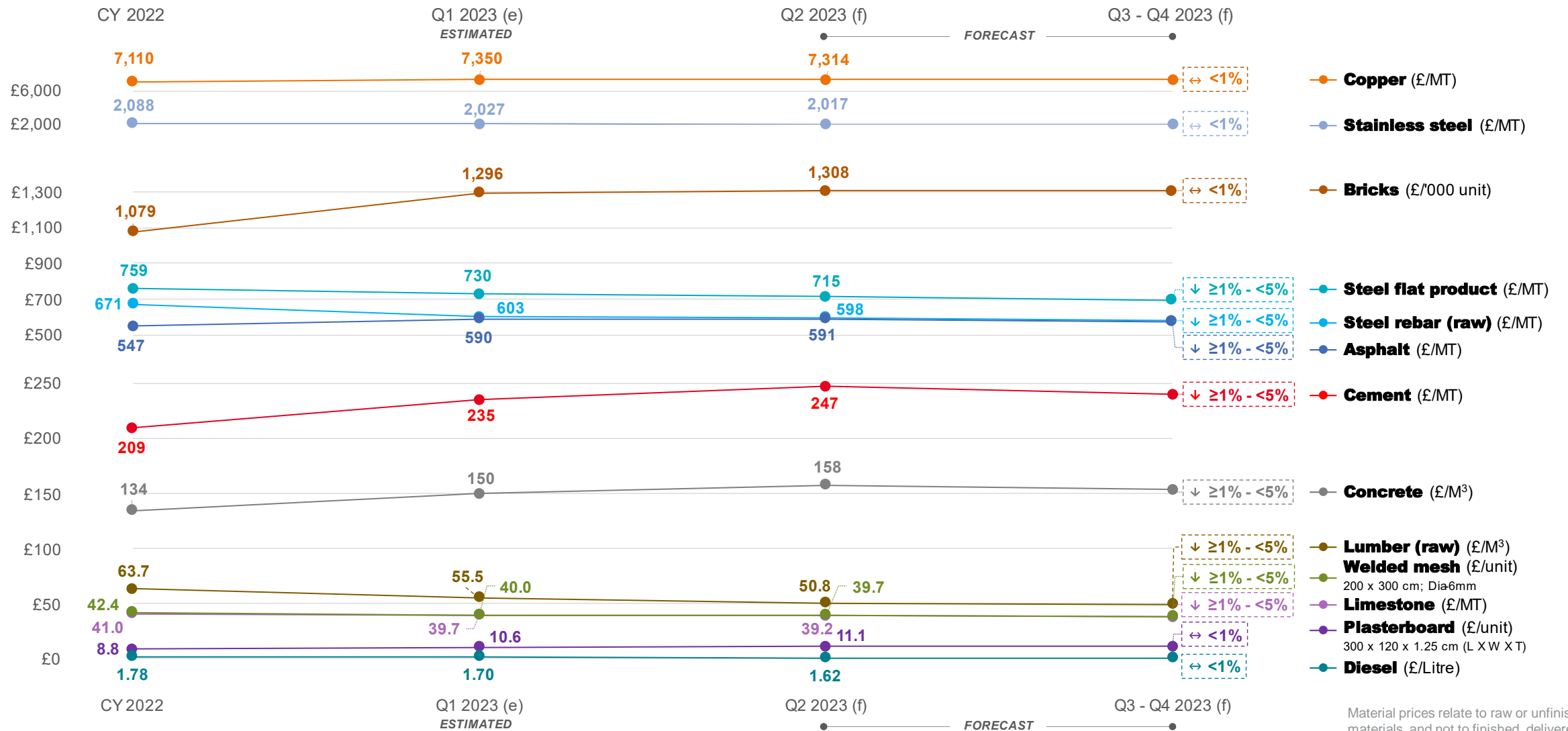
Linesight tender price change forecast 2023-2026



Material	% change Q1 – Q2 2023 (f)	Level of impact of pricing on construction procurement and supply chain *
 Cement Concrete	+5.1% ↑ +5.3% ↑	 Moderate Owing to continued elevated energy costs and high levels of energy consumption in cement manufacturing, prices have risen further in recent months. However, demand will fall back in the coming quarters, and producers will struggle to continue to pass on higher costs to buyers.
 Welded mesh	-0.8% ↓	 High In line with trends in steel prices, welded mesh prices have fallen from recent highs.
 Bricks	+0.9% ↑	 Moderate Despite weakening demand, brick prices have risen further in recent months, such that in March prices were up by an average of 8% compared to levels in December. Upward price pressure is expected to ease in the coming quarters.
 Plasterboard	+4.7% ↑	 Low As expected, reflecting indications from manufacturers, plasterboard prices have continued on an upward trend in recent months. In late March prices were around 11% higher than in late December, and 33% higher than in March 2022. High production costs have been the key factor in driving up prices.
 Diesel	-4.7% ↓	 Moderate Diesel prices have continued on a steady decline in recent months, falling to a quarterly average of £1.70 per litre in Q1 2023, down by 7.5% from Q4 2022. However, prices are still relatively high; prices were up by 8.6% in Q1 2023 when compared to Q1 2022.

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United Kingdom – Construction Materials Pricing (2022-2023)

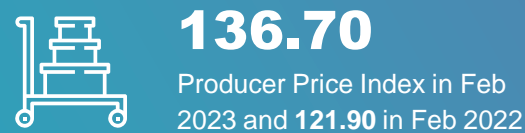


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United Kingdom – Macroeconomic overview



Economic indicators

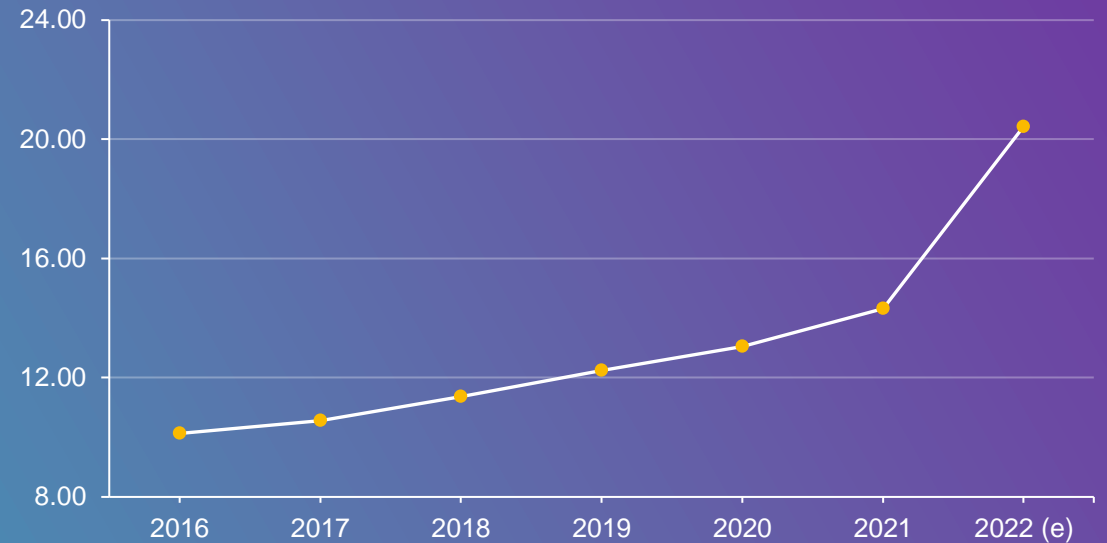


National holidays



Energy prices







Average electricity price for non-domestic consumers
(pence per kWh)



Note: Excluding the Climate Change Levy (CCL)

United Kingdom – Construction overview



Output 2022 and 2023 (in £ millions)*			
Sector	Total 2022	Total 2023 (f)	Total 2024 (f)
Commercial 	61,503	61,044	62,335
Energy and utilities 	23,236	25,982	28,755
Industrial 	10,718	10,370	10,273
Infrastructure 	37,858	38,874	39,618
Institutional 	32,239	32,551	32,840
Residential 	148,436	137,202	137,417

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Construction Health and Safety practices and culture



1.62 fatal injuries per 100,000 workers in construction industry (from April 2020-March 2021)



30 fatalities occurred in the construction sector between April 2021 and March 2022 Compared to **40 in 2020–2021** and 42 in 2019–20.



59,000* non-fatal work-related injuries in construction sector in UK.

*estimated annual average 2019/20-2021/22

United Kingdom – Report methodology



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Real data series are calculated by keeping prices constant (so, are also referred to as constant price series), and therefore, they reflect changes in activity only. Growth rates in nominal terms can overstate the pace of growth in construction activity if there is high inflation stemming from rising prices for key inputs.

Sample sources – United Kingdom

For the United Kingdom, sources for this report include, but are not limited to:

- IMF
- ONS
- Gov.uk
- GlobalData's Construction Intelligence Center (CIC)
- BCIS
- The Conference Board Total Economy Database™
- Gov.uk
- Economic Research Institute

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