



Americas

Country Commodity Reports

Q2 2023



Americas Country Commodity Reports



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United States Country Commodity Report

Q2 2023



United States

Q2 2023

The economic landscape has taken a positive turn as Q2 2023 GDP figures surpassed expectations, pointing toward an economic recovery. Encouraging signals of inflation cooling down have emerged, adding to the optimistic outlook. While prices for a few commodities are stabilizing, prices for materials such as cement and concrete, which experienced high input costs last year, remain inflated. Lead times for some materials are showing signs of stabilization, although they have not yet returned to pre-COVID levels.

There is cause for cautious optimism in the construction industry. Although the Commercial sector is facing headwinds, robust growth is expected in the infrastructure and manufacturing sectors, supported by policies including the Infrastructure Investment and Jobs Act, the CHIPS And Science Act, and the Inflation Reduction Act. The non-residential domain, especially manufacturing, has flourished, doubling since late 2021. The Data Centers sector is attracting investments, as major hyperscale firms unveil expansion plans. However, elevated interest rates and a tight labor market are affecting cashflows and construction budgets. The industry confronts a surplus of unfilled positions, potentially leading to rising worker compensation. The labor situation poses an upside risk as things currently stand.



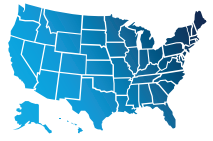
John Fitzgerald
Vice President



Eoin Byrne
Vice President



Dawn Cantrell
Vice President



Key Indicators

GDP

Expanded at an annualized rate of 2.4 % in Q2 2023 (advance estimates)



- Increase in real GDP reflected increase in consumer spending, non-residential fixed investment, government spending and private inventory investment

CPI

CPI-U rose by 3% in June 2023



- June 2023 saw the lowest annual inflation increase since March 2021
- Housing costs contributed to inflation the most, while the energy index fell by 16.7% on YoY basis

Construction output

Expected to contract by 2.5% in 2023 in real terms



- Contraction is largely attributed to weakness in the residential sector
- The non-residential sector is likely to register a growth of 8% in 2023

Commodities Pricing Snapshot

	Price % change			Remarks
	YoY Q2 '22 - Q2 '23 (e)	QoQ Q1 - Q2 '23 (e)	QoQ Q2 (e) - Q3 '23 (f)	
Copper	↓ -11%	↓ -5%	↓ -1%	Prices have stabilized but likely to remain volatile
Steel rebar (raw)	↓ -3%	↑ 2%	↔ 0%	Prices appreciated slightly in the last quarter but likely to edge downwards
Cement	↑ 12%	↑ 1%	↔ 0%	Prices edged up slightly and likely to remain elevated
Lumber	↓ -59%	↔ 0%	↑ 2%	Prices are stable but likely to edge downwards

(e) - estimate

(f) - forecast

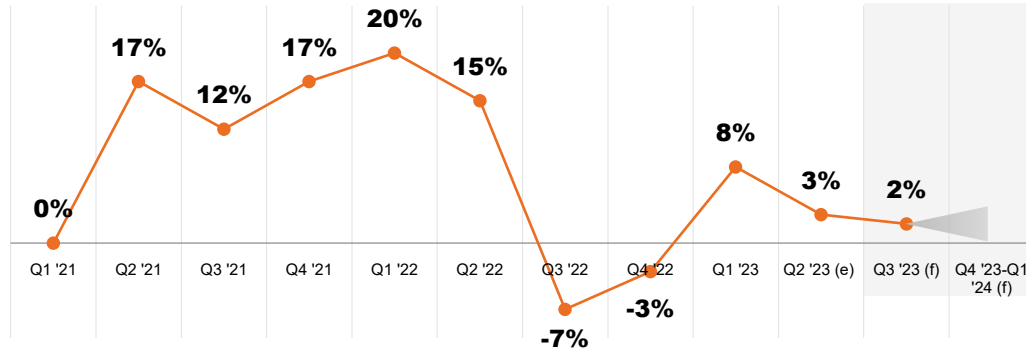
United States – Construction Materials Price Trends



Copper

Price Change (e) vs (f)		Level of Impact		General State of Supply Chain	
Q2 '23 (e)	Q3 '23 (f)	Material Availability	General State of Supply Chain	Q2 '23 (e) - Q3 '23 (f)	Q3 '23 (f) - Q4 '23 (f)
US\$7,891	US\$7,813	Moderate	Moderate	-4.8%	-1.0%

Price change comparison against Q1 2021

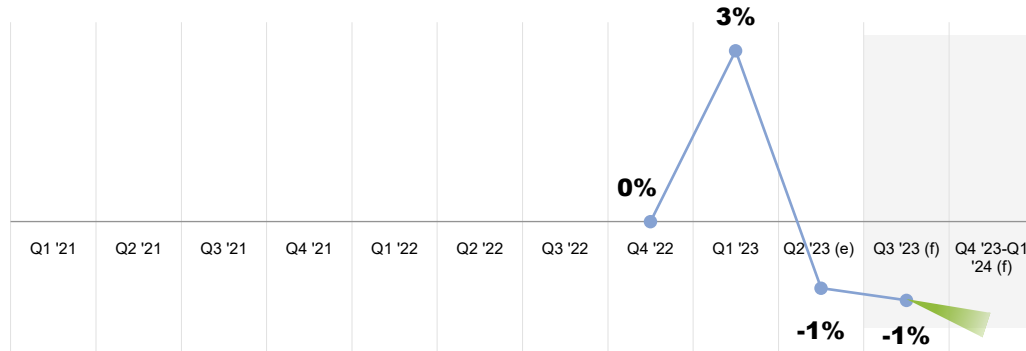


- Copper prices have been volatile in recent months, but on a quarterly average basis prices were down by 4.8% QoQ in Q2 2023.
- High interest rates have dampened investment activity, but federal government spending programs have driven up industrial and infrastructure activity
- There will also be significant investment in electric vehicles and renewable energy projects, which will be a key factor in supporting copper prices

Stainless Steel

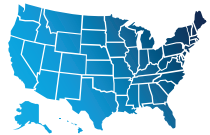
Price Change (e) vs (f)		Level of Impact		General State of Supply Chain	
Q2 '23 (e)	Q3 '23 (f)	Material Availability	General State of Supply Chain	Q2 '23 (e) - Q3 '23 (f)	Q3 '23 (f) - Q4 '23 (f)
US\$4,816	US\$4,792	Moderate	Moderate	-3.2%	-0.5%

Price change comparison against Q4 2022



- Stainless steel prices have been weakening, with a 3.2% QoQ drop in Q2 2023
- This decline was reflected in falling nickel prices in May owing to a surplus in supply, coupled with low demand from the construction sector
- However, measures to reduce production will partially offset the impact on prices in the coming quarter

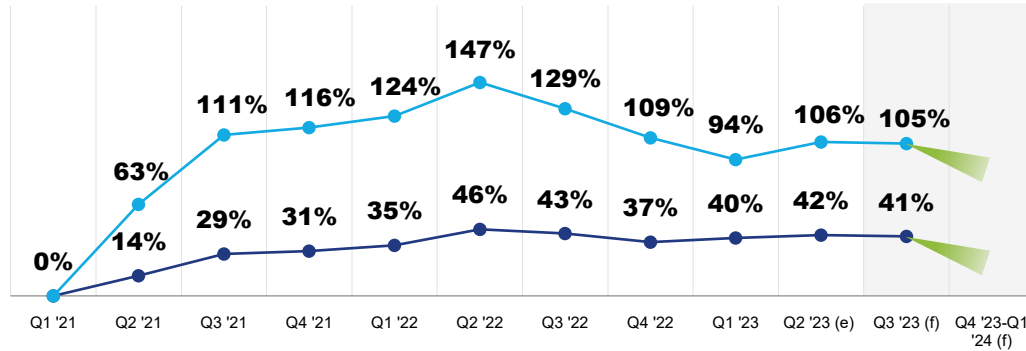
United States – Construction Materials Price Trends



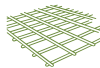
Steel – rebar and flat

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
o o o o Moderate		o o o o Moderate	o o o o Moderate
Price		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
Steel rebar (raw) (US\$/t)			
US\$1,034	US\$1,029	↑ 1.7%	↓ -0.5%
Steel flat product (US\$/t)			
US\$1,612	US\$1,603	↑ 6.3%	↓ -0.5%

Price change comparison against Q1 2021



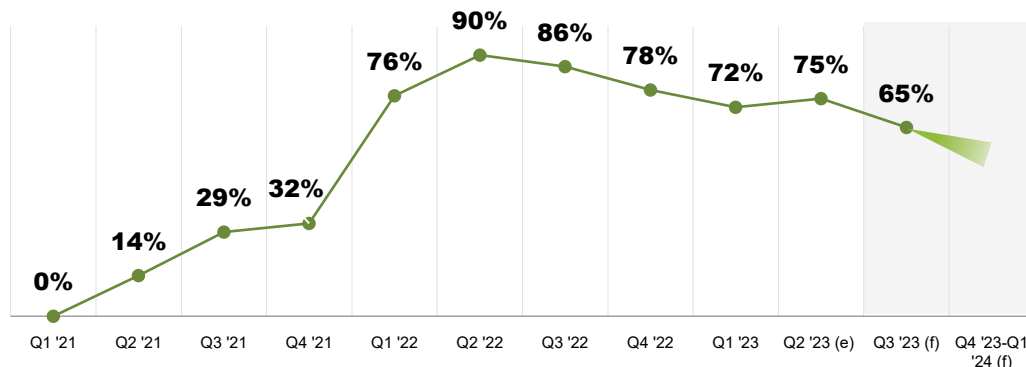
- Steel prices stayed relatively high in Q2 2023 on a quarterly average basis, with rebar up by 1.7% QoQ, and flat increasing by 6.3%
- Prices have been edging downwards in recent months, and this trend is expected to continue, aided by easing production costs and cheaper imports
- However, this will be slightly offset by a strengthening in non-residential buildings and the infrastructure sector



Welded mesh

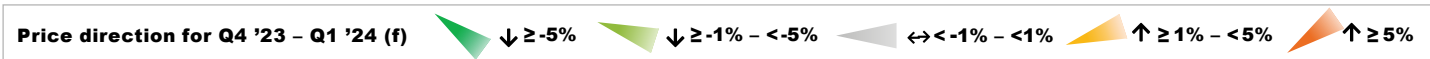
Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
o o o o Moderate		o o o o Low	o o o o Moderate
Price (US\$/unit*)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
US\$230	US\$217	↑ 1.7%	↓ -5.7%

Price change comparison against Q1 2021

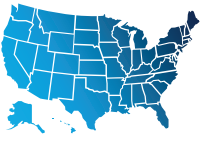


- Welded mesh prices stayed fairly high in Q2 2023, but there has been a general downward trend as reflected in steel rebar prices
- Demand will be bolstered by investment in infrastructure and non-residential buildings, offsetting the drop in residential building activity, which means welded mesh prices will stay high compared to historical levels

* 47.2 x 118.1 in, dia.-0.24



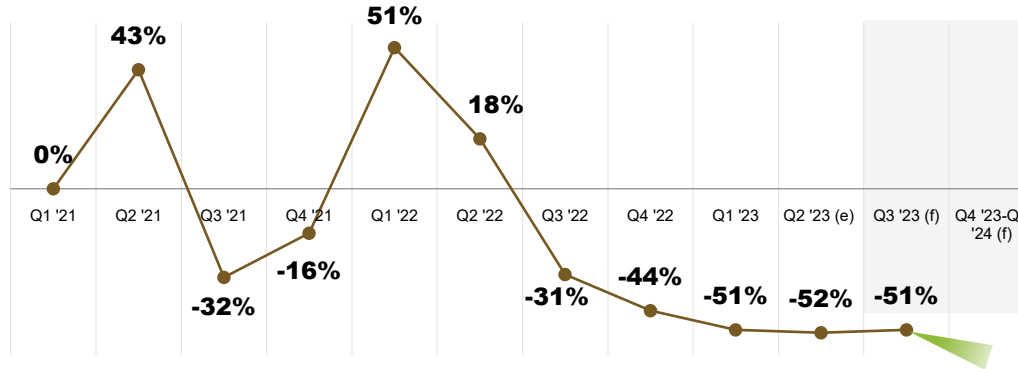
United States – Construction Materials Price Trends



Lumber (raw)

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
o o o o Moderate		o o o o Moderate	o o o o Moderate
Price (US\$/ft ³)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
US\$4.92	US\$5.02	↓ -0.2%	↑ 2.0%

Price change comparison against Q1 2021



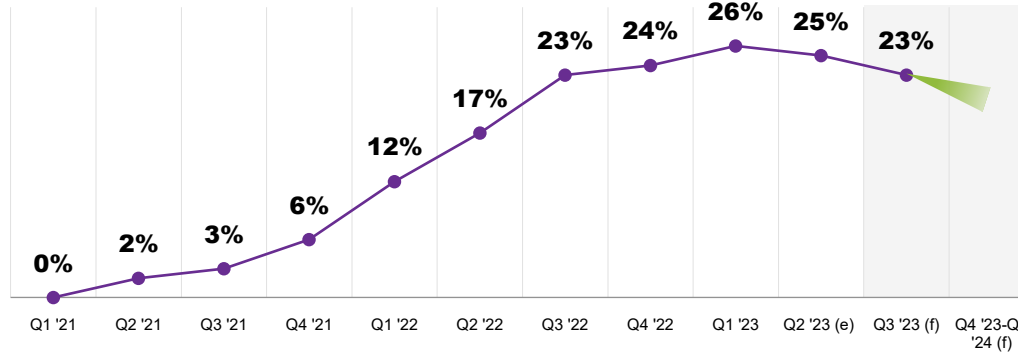
- Lumber prices have been relatively stable in recent months when compared to the volatility recorded over the past two years
- Prices picked up in June, though, owing to wildfires in Canada that resulted in mills shutting down
- However, demand remains weak given the downturn in housing construction



Drywall

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
o o o o Moderate		o o o o Moderate	o o o o Moderate
Price (US\$/unit*)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
US\$13.0	US\$12.8	↓ -0.8%	↓ -1.5%

Price change comparison against Q1 2021



- Drywall prices have started to edge downwards after having stabilized at a high level in recent quarters
- On a quarterly average basis, prices were down by 0.8% in Q2 2023 compared to Q1, but there has been a slightly steeper drop in monthly terms recently
- With residential construction activity weakening, prices are expected to follow a steady decline in the coming quarters

* 47.2 x 143.7 x 0.49 in (L x W x T)

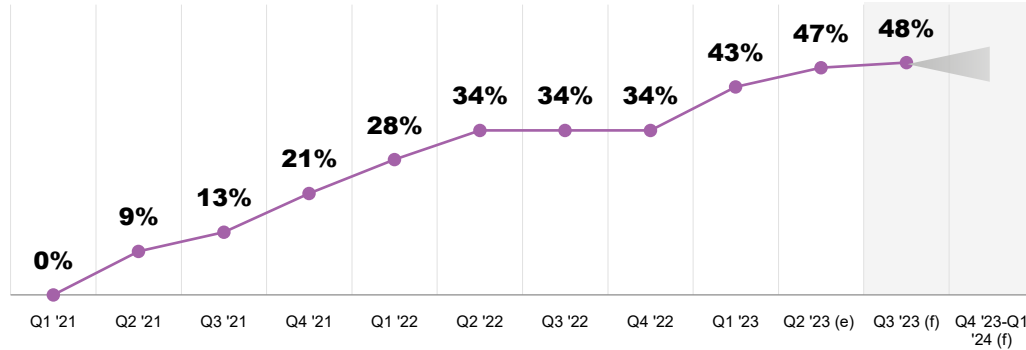
United States – Construction Materials Price Trends



Limestone

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Low	Low	
Price (US\$/t)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
US\$30.8	US\$31.0	↑ 3.0%	↑ 0.5%

Price change comparison against Q1 2021

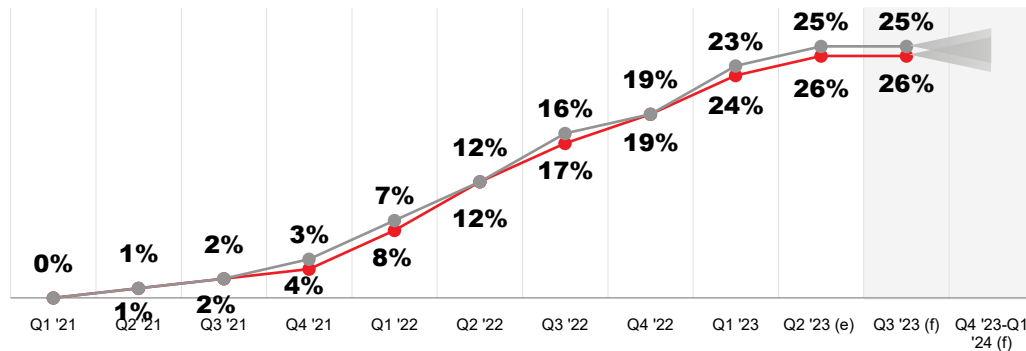


- Limestone prices have continued to increase steadily in recent quarters, rising by 3.0% QoQ in Q2 2023, and standing at a level that was 47.4% higher than in Q1 2021
- Demand from infrastructure construction will support prices at this high level in the coming quarters

Cement and Concrete

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Moderate	Moderate	
Price		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
US\$141.7	US\$142.4	↑ 1.5%	↑ 0.5%
<p>● Cement (US\$/t)</p> <p>● Concrete (US\$/yd³)</p>			
US\$123.7	US\$124.3	↑ 1.8%	↑ 0.5%

Price change comparison against Q1 2021



- Although prices are increasing at a slower pace, there has been no reduction in the upward trend in cement and concrete prices. On a quarterly average basis, cement prices were up by 1.5% in Q2 2023, while concrete was up by 1.8%
- High production costs and strong demand had been the main factors in pushing prices up to current levels. Although residential construction demand has weakened, other sectors are gathering growth momentum, thereby ensuring continued upward pressure on prices

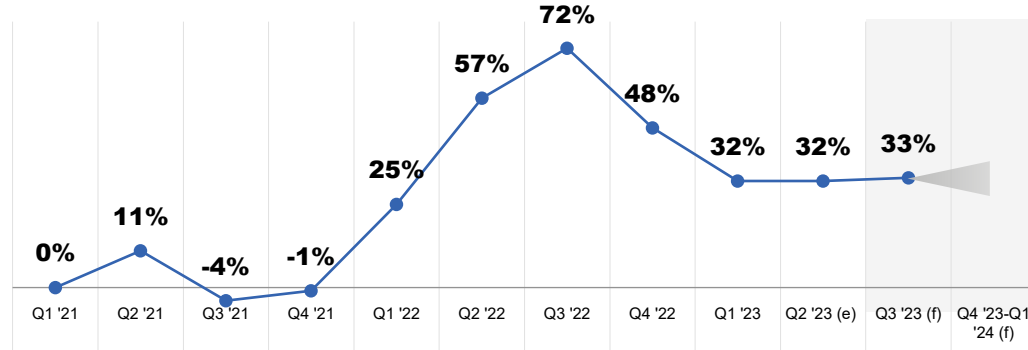
United States – Construction Materials Price Trends



Asphalt

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Moderate	Moderate	
Price (US\$/t)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
US\$531	US\$536	↑ 0.1%	↑ 1.0%

Price change comparison against Q1 2021



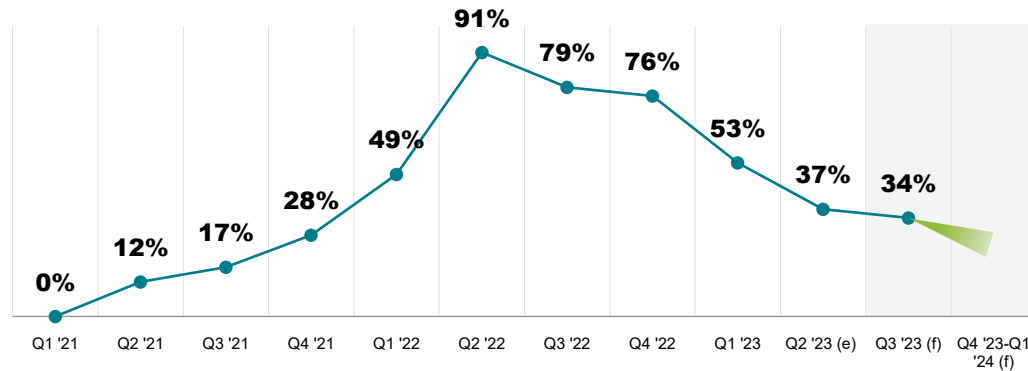
- Asphalt prices stabilized in the first half of 2023. Although dropping back from the highs of mid-2022, prices in Q2 2023 were still 32% higher than in Q1 2021
- Significant investment is planned for road construction projects which will keep upward pressure on pricing



Diesel

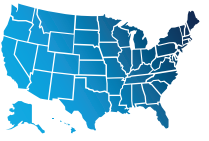
Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Low	Moderate	Low	
Price (US\$/gallon)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
US\$1	US\$1	↓ -10.5%	↓ -2.0%

Price change comparison against Q1 2021



- Quarterly average diesel prices dipped by 10.5% QoQ in Q2 2023, continuing a downward trend from the highs of mid-2022
- The trend in part reflects improved domestic oil production and lower demand caused by a relatively warm winter across the country, coupled with lower trucking activity
- Prices will continue to edge downwards, but concerns regarding crude oil supply and OPEC+ production cuts could generate some volatility

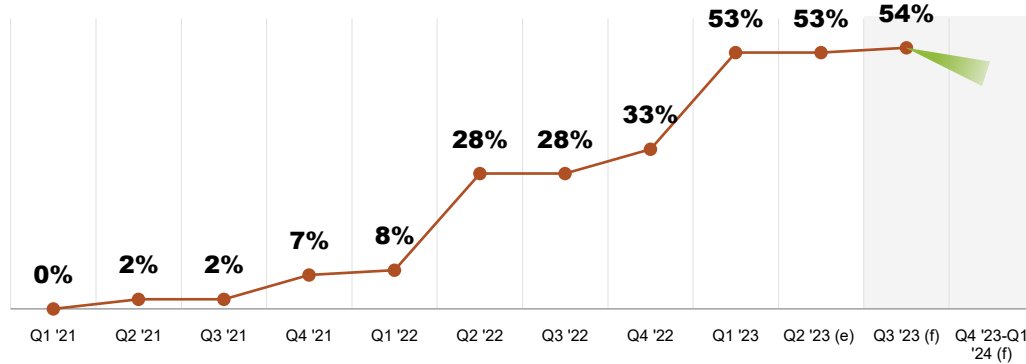
United States – Construction Materials Price Trends



Bricks

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
Low		Moderate	Moderate
Price (US\$/'000 unit)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
US\$973	US\$976	↔ 0%	↑ 0.3%

Price change comparison against Q1 2021



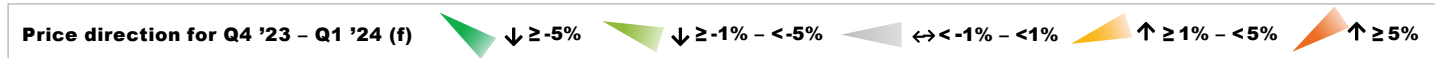
- Prices for bricks have been stable this year, and are projected to remain close to current highs in the coming quarters
- In Q2 2023 prices were 53% higher than in Q1 2021, which reflects a surge in demand along with a jump in production costs over this period
- Despite weakness in the housebuilding sector, demand has been sustained by an improvement in non-residential building construction in recent months

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

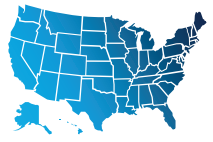
Level of Impact					
Price Change Estimate (e) vs Forecast (f)		Material Availability		General State of Supply Chain	
Range	Impact	State	Impact	State	Impact
≥5%	High	Deficit	High	Stressed	High
≥1% – <5%	Moderate	Balanced	Moderate	Adequate	Moderate
<1%	Low	Surplus	Low	Easily Available	Low

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

QoQ Quarter on Quarter
 YoY Year on Year
 MoM Month on Month
 GDP Gross Domestic Product
 CPI Consumer Price Index (wherever not specified)
 e estimated
 f forecasted
 EV Electric Vehicles
 DC Data Centre



United States – Construction Materials Price Trends



Commodity	Unit	Central		West		East	
		Q2 '23 (e)	Q3 '23 (f)	Q2 '23 (e)	Q3 '23 (f)	Q2 '23 (e)	Q3 '23 (f)
Copper	US\$/T	7,850	7,772	7,849	7,771	7,975	7,895
Steel rebar (raw)	US\$/T	1,029	1,024	1,028	1,023	1,045	1,040
Steel-flat product	US\$/T	1,603	1,595	1,603	1,595	1,628	1,620
Stainless Steel	US\$/T	4,790	4,766	4,790	4,766	4,816	4,792
Lumber	US\$/cu.feet	4.9	5.0	4.9	5.0	5.0	5.1
Asphalt	US\$/T	543	549	494	499	556	561
Limestone	US\$/T	30.8	31.0	30.8	31.0	30.8	31.0
Cement	US\$/T	139	140	144	144	143	143
Concrete	US\$/yd3	121	122	126	127	124	124
Welded mesh 47.2 x 118.1 in, dia.-0.24	US\$/unit-(a)	230	217	243	241	243	241
Bricks	US\$/'000 unit	973	976	973	976	973	976
Drywall 47.2 x 143.7 x 0.49 in (L x W x T)	US\$/unit-(b)	12.6	12.4	13.8	13.6	12.6	12.4
Diesel	US\$/gallon	3.76	3.68	4.33	4.24	4.00	3.92

- Fuel prices across the US vary depending on their proximity to the source of supply, which affects the cost of transportation. For instance, diesel prices are comparatively higher in the west, due to the region's distance to refineries and the absence of interconnected pipelines. Diesel supply is catered by in-region refineries, which isn't always sufficient. Hence, transporting the supplies from outside the region is expensive due to the longer distance from the source of supply.
- In addition, varying taxes across the states also affect prices. For instance, Alabama, a southeastern state, imposes a 20% federal and state tax on diesel prices, whereas in a western state, California, the tax is as high as 39%. The federal and state tax imposed on diesel prices in Maryland in the eastern region is 25%. As a result, the variation in taxes has a significant impact on diesel prices across the US.
- Local competition and regional operating costs also affect diesel prices. The cost of doing business can vary substantially depending upon the location of the retail outlet, which includes overhead and local real estate costs. The location of local competition also affects the prices. Retail outlets with high-volume truck stops that cater to large commercial vehicles sell diesel at a cheaper price than the smaller-volume service stations.

(e) - estimate
(f) - forecast

United States – Industry trends



Sector trends



Data Centres

Demand for data centers in the US is projected to grow at a 10% annual rate until 2030, reaching 35GW in 2030 from 17GW in 2022.¹ The vacancy rate in major North American markets is just 2.88% due to considerably high demand and low inventory.² To address the high demand, the Data Centers construction sector is increasingly adopting prefabricated infrastructure. Although commodity supply chains are gradually normalizing, lead times for central mechanical and electrical equipment remains long. The industry is facing a skilled labor shortage, which poses another significant challenge in meeting the growing demand for data centers.



Life Sciences

There is a slowdown in overall VC funding, but public funding from NIH and R&D investments by companies continue to drive momentum in the industry. However, Life Sciences construction, along with other high-tech sectors, is encountering labor shortages and extended material lead times, leading to project delays. To address these challenges, the industry is embracing modularization and emphasizing design flexibility to enhance operational agility, scalability, and meet evolving biotechnology demands.



High-Tech Industrial

There has been considerable momentum in both semi-conductor and battery manufacturing projects in the US. Semi-conductor projects worth \$223bn to \$260bn are underway.³ The government's \$52.7bn investment in grants through the CHIPS and Science act also aims to boost domestic semiconductor manufacturing. Battery growth is accelerated by the Inflation Reduction Act which allocates \$369bn of subsidies for electric vehicles and other clean technologies. The DOE's Vehicle Technologies Office predicts a nearly 20-fold increase in total battery manufacturing capacity between 2021 and 2030. Georgia, Kentucky, and Michigan are expected to dominate electric vehicle battery manufacturing in the country. Challenges include limited construction expertise, regional bottlenecks, and the need for localizing the value chain for supply chain resiliency.



Renewable Energy

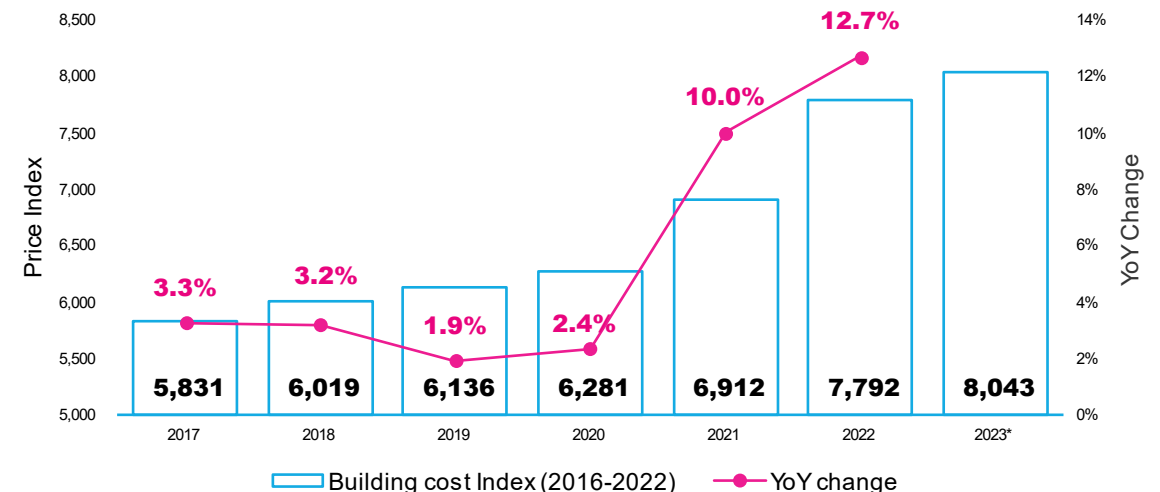
The US government is focused on renewable energy, aiming to add 54.5GW of new electric generating capacity in 2023, with the majority from solar energy (54%). The goal is to achieve 100% clean power by 2035 and cut climate pollution levels by half by 2030. The government also aims to deploy 30GW of offshore wind energy by the end of the decade.



Commercial

The Commercial sector has been facing challenges since the pandemic. Construction output for the office sector in real terms is expected to contract by 0.1% in 2023. While there is a demand for high-quality sustainable spaces, the office vacancy rate in a lot of major cities is still high. Tenant improvement costs are still elevated but the markets are showing signs of decreasing escalation..

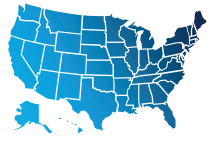
Building Cost Index**



*Average from Jan to July 2023

**YoY Change

United States – 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 labor 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.

Disclaimer: The commodity report contains information, data, and analysis related to the construction industry.

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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 – United States

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

- ENR
- IMF
- GlobalData's Construction Intelligence Center (CIC)
- Bureau of Economic Analysis
- Economic Research Institute
- World Data
- U.S. Energy Information Administration
- International Energy Agency (IEA)
- US Energy Information Administration (EIA)
- 1- Article by Mckinsey & Company : *Investing in the rising data center economy*, 17, Jan 2023
- 2- datacenterHawk
- 3- Article by Mckinsey & Company: *Semiconductor fabs: Construction challenges in the United States*, 27, Jan 2023



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Canada

Country Commodity

Report

Q2 2023



Canada

Q2 2023

The Canadian economy showed resilience as Real GDP exceeded expectations and job growth continued in Q1 2023. High inflationary pressures and rising interest rates are indeed impacting the construction industry. It is important to note that the Bank of Canada (BoC) currently maintains a conservative approach, indicating potential further interest rate hikes if inflation does not move towards the 2% target. This situation adds to the uncertainty and challenges faced by the construction industry.

Labor shortages continue to be a major challenge, which are impacting overall project delivery and cost. Despite a relatively modest anticipated increase in costs over the next few quarters, cost growth for certain materials continues to hamper margin recovery. While the residential sector decline has contributed to a contraction in the construction industry, the industrial sector is poised for growth. This growth is fueled by investments in EV markets, green hydrogen, metals and material processing, along with the government's aim to establish the country as an industrial hub.



John Fitzgerald
Vice President



Eoin Byrne
Vice President



Dawn Cantrell
Vice President



Key Indicators

GDP

Grew by 3.1% at an adjusted annualized rate in Q1 2023



- GDP growth outperformed the Bank of Canada's forecast of 2.5%
- Favorable international trade and increased household spending contributed to a 0.8% QoQ economic growth following a period of no change

CPI

Grew by 2.8% YoY in June 2023



- The increase was less than the YoY inflation of 3.4% in May 2023
- Deceleration was attributed to decrease in gasoline prices, while food prices have continued to rise

Construction output

Anticipated to shrink by 5.2% 2023



- The residential sector has experienced a more significant decline than anticipated, resulting in a slowdown in the industry
- It is expected to grow at an annual rate of 2.7% from 2025-2027 led by investments in the industrial, energy and transportation sectors

Commodities Pricing Snapshot

	Price % change			Remarks
	YoY Q2 '22 - Q2 '23 (e)	QoQ Q1 - Q2 '23 (e) Q2 (e) - Q3 '23 (f)		
Copper	↓ -5%	↓ -5%	↔ 0%	Prices have declined but likely to remain volatile
Steel rebar (raw)	↓ -11%	↑ 2%	↓ -1%	Prices are down from the highs of 2022 and likely to edge downwards
Cement	↑ 23%	↑ 4%	↓ -1%	Prices continued to increase but likely to decrease in the coming quarters
Lumber	↓ -42%	↑ 5%	↑ 2%	Prices are down from the highs of 2022 and likely to appreciate slightly

(e) - estimate (f) - forecast

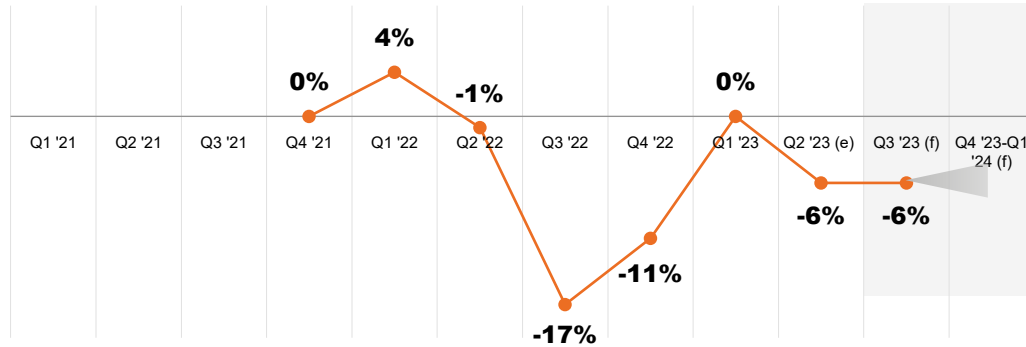
Canada – Construction Materials Price Trends



Copper

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Moderate	Moderate	
Price (CA\$/t)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
CA\$10,442	CA\$10,441	↓ -5.5%	↔ 0%

Price change comparison against Q4 2021

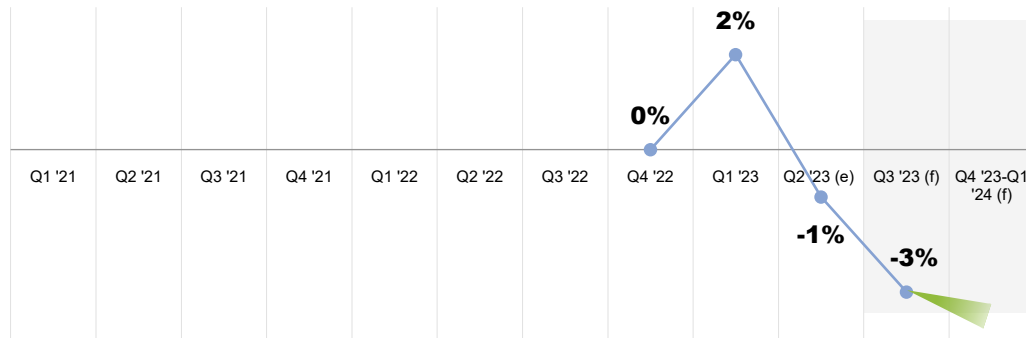


- Copper prices remain volatile, with prices dropping back on a quarterly average basis in Q2 2023, after having recovered ground in the previous two quarters
- Although high interest rates and weaker residential construction activity will dampen demand, price support will come from significant investment in electric vehicles and renewable energy projects

Stainless Steel

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Low	Moderate	Low	
Price (CA\$/t)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
CA\$6,480	CA\$6,322	↓ -3.2%	↓ -2.4%

Price change comparison against Q4 2022



- Owing to weak demand and falling costs for key materials, stainless steel prices have been weakening, with a 3.2% QoQ drop in Q2 2023
- Given the projected drop in demand, production levels will be scaled back in the short term

Canada – Construction Materials Price Trends

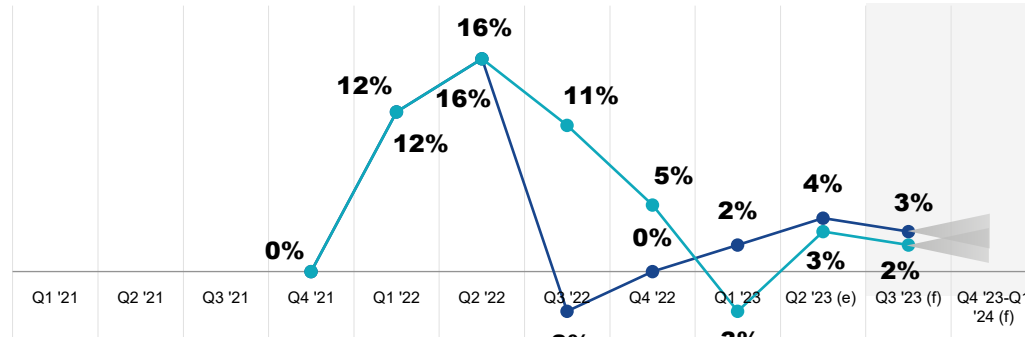


Steel – rebar and flat

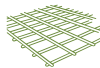
Level of Impact		
Price Change (e) vs (f)	Material Availability	General State of Supply Chain
Low	Moderate	Moderate

Price		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
Steel rebar (raw) (CA\$/t)			
CA\$845	CA\$834	↑ 1.7%	↓ -1.2%
Steel flat product (CA\$/t)			
CA\$2,180	CA\$2,154	↑ 6.3%	↓ -1.2%

Price change comparison against Q4 2021



- Steel prices have come down from the highs of Q2 2022, when global supply disruptions and high production costs drove up prices for rebar and flat products. However, prices picked up again in Q2 2023 on a QoQ basis, by 4% for rebar and 3% for steel flat
- Demand will continue to be underpinned by significant investment in infrastructure projects in the coming quarters. However, easing production costs and cheaper steel imports to help meet infrastructure construction needs will help limit upward pressure

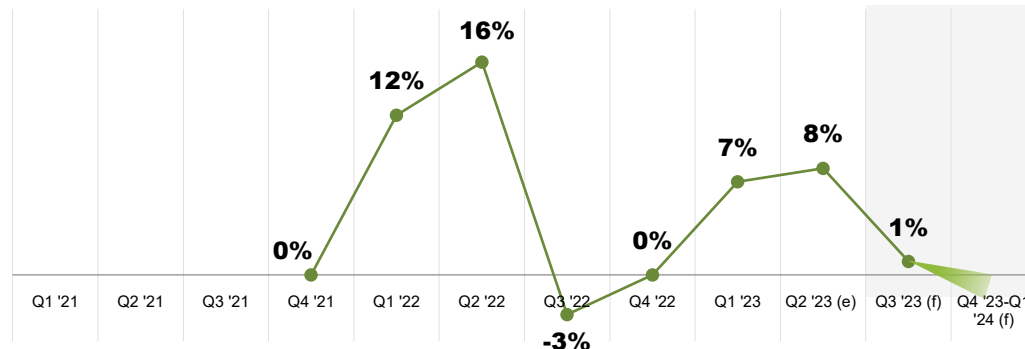


Welded mesh

Level of Impact		
Price Change (e) vs (f)	Material Availability	General State of Supply Chain
Low	Moderate	Moderate

Price (CA\$/unit*)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
CA\$237	CA\$221	↑ 1%	↓ -6.9%

Price change comparison against Q4 2021



- Although welded mesh prices edged up again in Q2 2023, the general trend remains negative as reflected in steel rebar prices
- There will be an improvement in infrastructure investment, which will provide some support, but this will be offset by a prolonged downturn in housebuilding, as indicated by the recent sharp drop in building permits issued

* 47.2 x 118.1 inches, diameter 0.24 inches



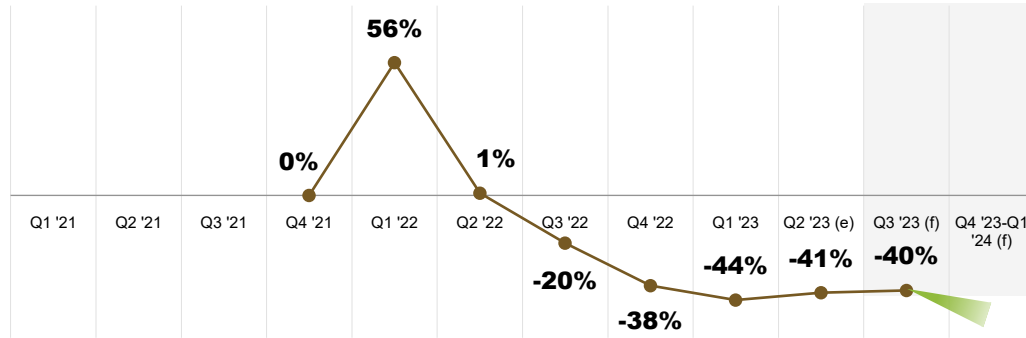
Canada – Construction Materials Price Trends



Lumber (raw)

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
●●●● Moderate		●●●● Moderate	●●●● Moderate
Price (CA\$/ft ³)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
CA\$47.7	CA\$48.6	↑ 4.8%	↑ 2%

Price change comparison against Q4 2021



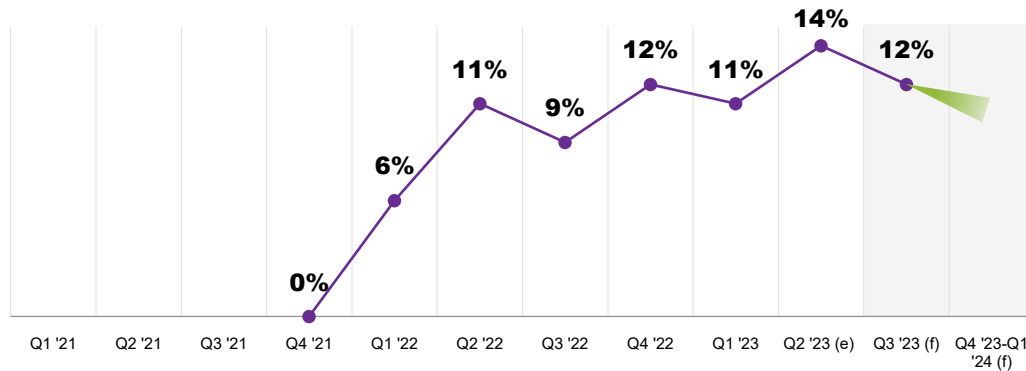
- After two years of high volatility, lumber prices have been relatively stable this year. Prices picked up in Q2 2023, owing mainly to the impact of wildfires in June that resulted in sawmills shutting down
- However, the trend in the coming quarters will be one of weakness, given the downturn in housing construction. A steep decline of 10.7% YoY in residential building investment was recorded in Q1 2023



Drywall

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
●●●● Low		●●●● Low	●●●● Low
Price (CA\$/unit*)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
CA\$18.1	CA\$17.9	↑ 2.8%	↓ -1.2%

Price change comparison against Q4 2021



- After staying high in recent quarters on the back of increasing production costs, drywall prices are set to drop amid weakness in the residential construction sector
- Producers have still managed to pass on costs to buyers despite lackluster demand, with prices in Q2 2023 being 14% higher than in Q4 2021

* 47.2 x 96.1 x 0.5 inches (L X W X T)

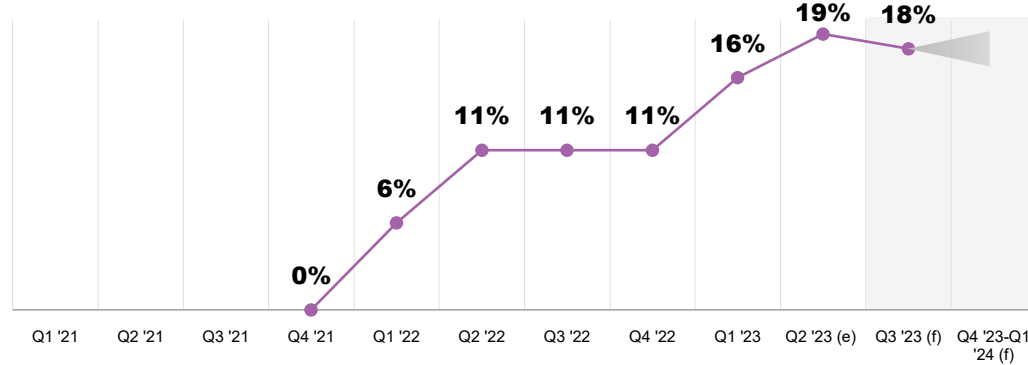
Canada – Construction Materials Price Trends



Limestone

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Low	Low	
Price (CA\$/t)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
CA\$38.1	CA\$37.9	↑ 3.0%	↓ -0.5%

Price change comparison against Q4 2021

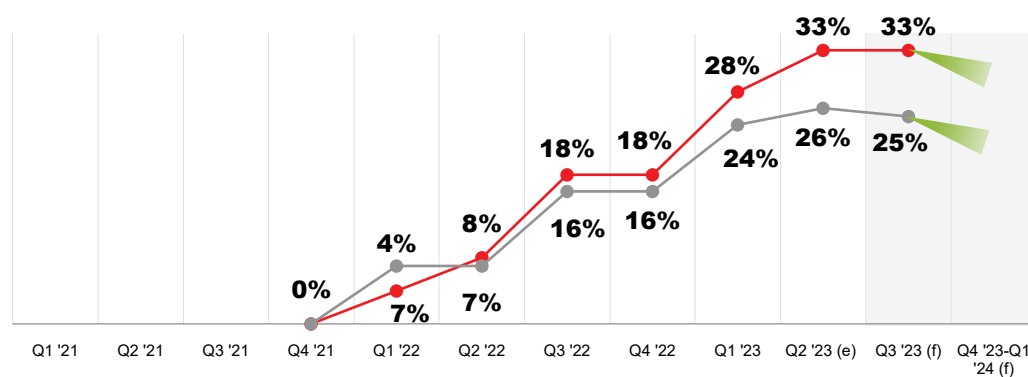


- After rising through 2022, limestone prices continued to rise in the first half of this year, despite weakness in overall construction demand. The producers are still recovering from the high production costs incurred last year
- Prices are set to ease back from these recent highs, as the construction industry contracts

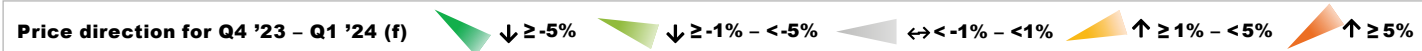
Cement and Concrete

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Moderate	Moderate	
Price		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
CA\$293	CA\$291	↑ 4.4%	↓ -0.5%
<p>● Cement (CA\$/t)</p> <p>● Concrete (CA\$/yd³)</p>			
CA\$206	CA\$205	↑ 1.4%	↓ -0.5%

Price change comparison against Q4 2021



- Cement and concrete prices have stayed high in recent quarters, edging up further on a QoQ basis in Q2 2023 by 4.4% for cement and 1.4% for concrete
- However, prices are increasing at a slower pace, and with an expected decrease in production costs and overall contraction in construction output, prices are set to decline in the coming quarters
- Over the medium term, higher costs due to increased environmental regulations on production will contribute to further upward pressure



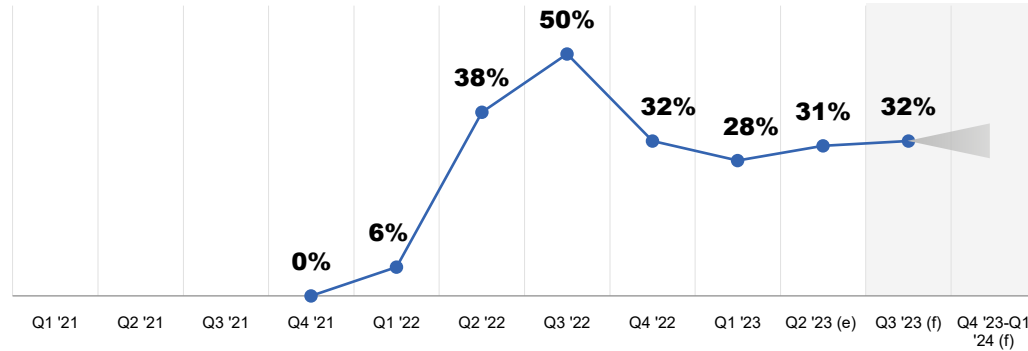
Canada – Construction Materials Price Trends



Asphalt

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
Moderate		Moderate	Moderate
Price (CA\$/t)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
CA\$1,086	CA\$1,096	↑ 2.5%	↑ 1%

Price change comparison against Q4 2021



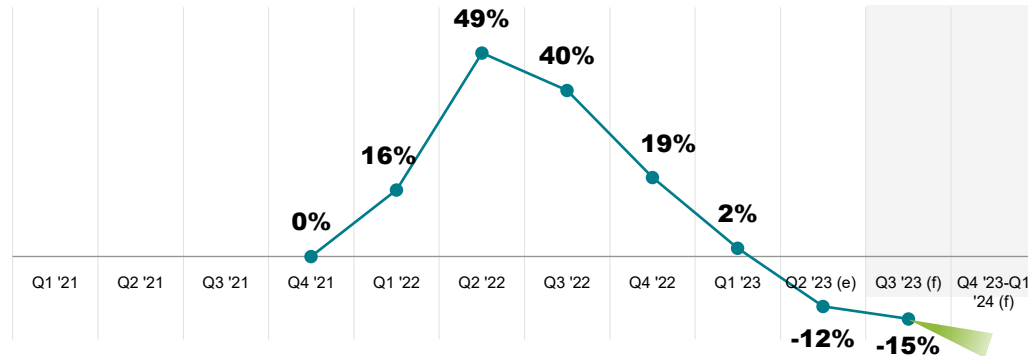
- Asphalt prices edged up again in Q2 2023, after having dropped back sharply in the preceding two quarters. Prices rose by 2.5% QoQ, and although down from the Q3 2022 highs, prices in Q2 2023 were still 31% above the Q4 2021 levels
- Road infrastructure spending is picking up, which is likely to keep upward pressure on prices



Diesel

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
Low		Moderate	Moderate
Price (CA\$/gallon)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
CA\$6.12	CA\$5.90	↓ -13.8%	↓ -3.6%

Price change comparison against Q4 2021



- Diesel prices have continued to fall sharply from the highs of Q2 2022, when high oil prices and supply disruptions drove prices upwards. Prices dropped by 13.8% QoQ in Q2 2023
- Prices will continue on a downward trend in the short term, but OPEC+ production cuts could generate some volatility in crude oil prices

OPEC - Organization of the Petroleum Exporting Countries

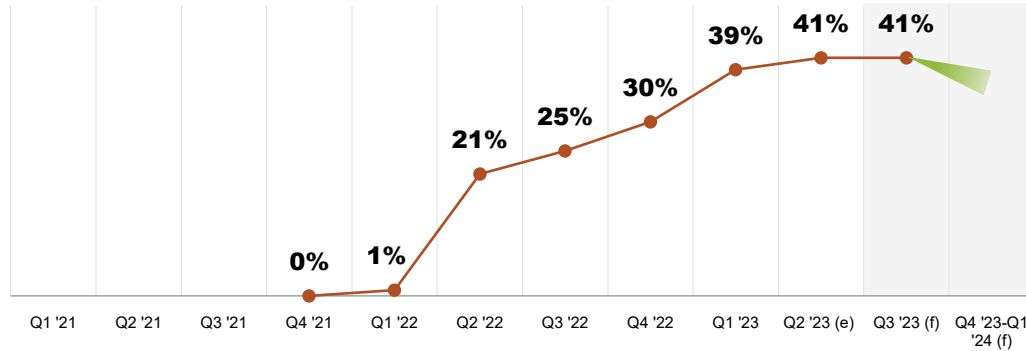
Canada – Construction Materials Price Trends



Bricks

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
o o o o Moderate		o o o o Moderate	o o o o Moderate
Price (CA\$/'000 unit)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
CA\$718	CA\$716	↑ 1.9%	↓ -0.4%

Price change comparison against Q4 2021



- Despite the recent weakness in buildings construction activity, brick prices have stayed high
- Owing to high production costs, prices in Q2 2023 were 41% higher than in Q4 2021.
- However, such pricing power will be limited in the coming quarters given the weak buildings construction outlook

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

Level of Impact					
Price Change Estimate (e) vs Forecast (f)		Material Availability		General State of Supply Chain	
Range	Impact	State	Impact	State	Impact
≥5%	o o o o High	Deficit	o o o o High	Stressed	o o o o High
≥1% – <5%	o o o o Moderate	Balanced	o o o o Moderate	Adequate	o o o o Moderate
<1%	o o o o Low	Surplus	o o o o Low	Easily Available	o o o o Low

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

QoQ Quarter on Quarter
 YoY Year on Year
 MoM Month on Month
 GDP Gross Domestic Product
 CPI Consumer Price Index (wherever not specified)
 e estimated
 f forecasted
 EV Electric Vehicles
 DC Data Centre

Canada – Industry trends

Sector trends



Data Centers

Over the past years, the Data Center sector in Canada has experienced remarkable growth, driven by increasing demand for cloud computing, IoT favorable climatic conditions, and a low risk profile. Toronto and Montreal serve as key data center locations in the country. Currently, there are numerous data center projects in the pipeline, totaling a value of over US\$7.4bn, with a significant concentration in the Ontario and Quebec regions.



Life Sciences

Canada's life sciences sector is renowned for research excellence, pioneering life-saving treatments, and houses top-notch universities and hospitals, making it a key location in the field. Recently, the Canadian government unveiled a CA\$50mn investment in six venture capital funds dedicated to the life sciences sector as part of the renewed Venture Capital Catalyst Initiative (VCCI). The three largest markets for life sciences in Canada are Toronto-Golden Horseshoe, Montréal, and Vancouver.



High-tech Industrial

Despite economic challenges, the industrial construction sector has shown positive trends in investments and building permits since the start of 2023. It is projected to achieve a growth rate of 15.5% in 2023. The sector's output will be bolstered by investments in Electric Vehicle (EV) markets and the government's ambition to establish the country as an industrial hub.

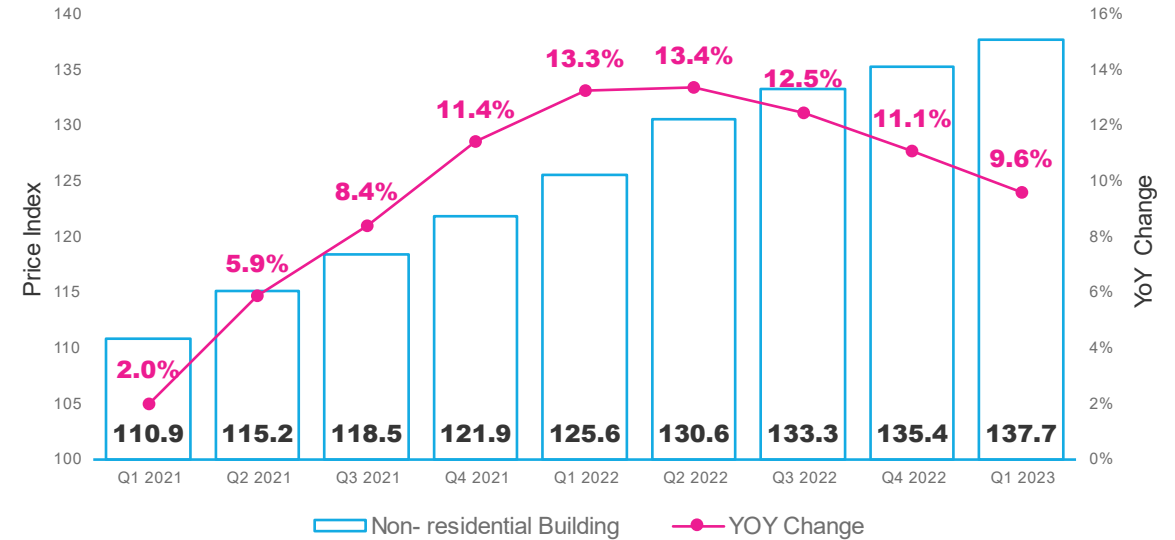


Renewable Energy

Canada is an established leader in the renewable energy market, benefiting from abundant natural resources that offer significant potential. In 2022, the wind, solar, and energy storage sector experienced substantial growth, expanding by 10.5%. Canada aims for net zero emissions by 2050. The 2023 Budget introduces a 15% refundable Clean Electricity Investment Tax Credit, amounting to CA\$6.3 bn over four years, to support clean electricity technologies.



Building Construction Price Index for Non-Residential Building



Canada – 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 – Canada

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

- IMF
- Govt of Canada
- Bank of Canada
- Statistics Canada
- Oxford Economics
- GlobalData's Construction Intelligence Center (CIC)
- Economic Research Institute
- Canada.ca

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Mexico

Country Commodity Report

Q2 2023



Mexico

Q2 2023

In Q1 2023, the Mexican economy continued its growth trajectory, with notable contributions from service sector exports and increased manufacturing activity. Additionally, inflation showed signs of improvement, as it was on a declining trend during this period. The Economy Ministry reported a significant surge in foreign direct investment (FDI) in Mexico, reaching MXN 347.1bn (US\$18.6bn) compared to MXN 235.2bn (\$US12.6bn) in the previous year. This surge in FDI is attributed to the rising demand for nearshoring, which has seen increasing investments in corporate nearshoring activities and public infrastructure projects.

Commodity prices are gradually edging downward; however, labor costs are still elevated. The construction industry is expected to witness a growth of 1.6% in real terms due to increased investment in corporate nearshoring and public infrastructure. The Commercial and Residential sectors, though, are expected to remain sluggish. In contrast, the Data Centers and Industrial sectors are projected to experience growth.



John Fitzgerald
Vice President



Eoin Byrne
Vice President



Dawn Cantrell
Vice President



Key Indicators

GDP

Grew by 3.7% at an adjusted annualized rate in Q1 2023



- Grew by 1% on QoQ basis
- Private consumption remains dynamic due to increased real wages and formal employment
- Investment in machinery and equipment experiences rapid growth as manufacturing production normalizes

CPI

Grew by 5.06% YoY in June 2023



- Inflation is experiencing a rapid decline, attributed to the delayed impact of tighter financial conditions, lower raw material prices, and the impressive rebound of the Mexican peso in recent months

Construction output

Expected to grow by 1.6% in 2023



- The expected growth acceleration will be backed by sustained economic expansion and a rise in corporate nearshoring investment and public infrastructure spending
- The industry is expected to grow at an annual rate of 2.6% between 2025 and 2027

Commodities Pricing Snapshot

	Price % change		Remarks
	QoQ		
	Q1 - Q2 '23 (e)	Q2 (e) - Q3 '23 (f)	
Copper	↓ -7%	↓ -4%	Prices have declined and likely to remain volatile
Steel rebar (raw)	↑ 1%	↓ -5%	Prices declined from the highs of 2022, likely to edge downwards
Cement	↑ 1%	↓ -1%	Prices continued on an upward trend, likely to moderate
Lumber	↓ -4%	↓ -1%	Prices edging down, likely to decline further

(e) - estimate (f) - forecast

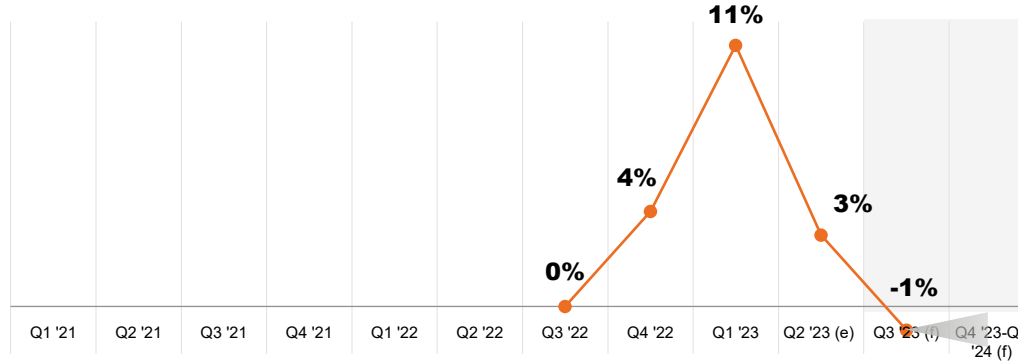
Mexico – Construction Materials Price Trends



Copper

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Low	Low	Low	
Price (MXN/t)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
141,074	135,842	↓ -7.4%	↓ -3.7%

Price change comparison against Q3 2022



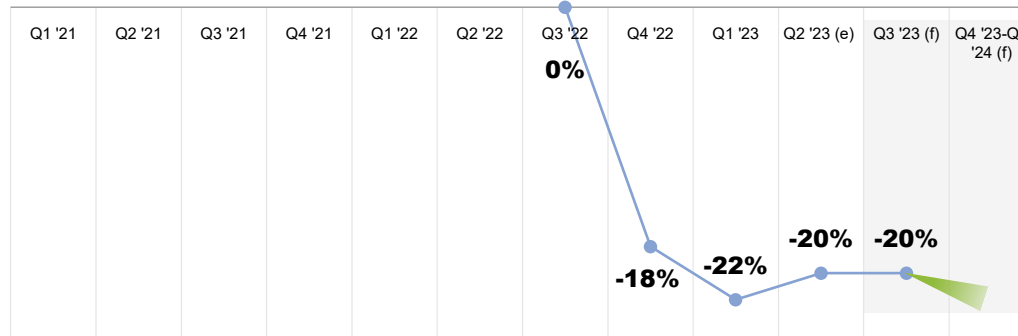
- Copper prices fell by 7.4% QoQ in Q2 2023 reflecting global trends amid softer demand from China and decreased industrial consumption amid global economic weakness
- Prices will be volatile on a monthly basis, but the quarterly average prices will remain close to current levels in the coming quarters



Stainless Steel

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Low	Low	
Price (MXN/t)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
70,661	71,015	↑ 2.1%	↑ 0.5%

Price change comparison against Q3 2022



- Having fallen sharply in previous quarters, stainless steel prices edged up marginally on a quarterly average basis in Q2 2023
- Demand from the automotive manufacturing sector has provided support for this metal, at a time of weakening demand in the construction industry
- Falling prices for key inputs will keep stainless steel prices relatively low in the coming quarters

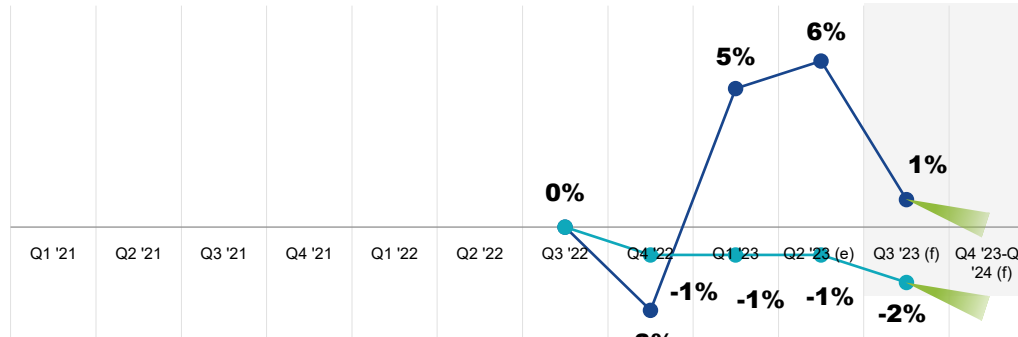
Mexico – Construction Materials Price Trends



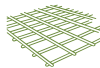
Steel – rebar and flat

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Moderate	Moderate	
Price		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
Steel rebar (raw) (MXN/t)			
22,203	21,089	↑ 1.5%	↓ -5.0%
Steel flat product (MXN/t)			
25,761	25,633	↔ 0%	↓ -0.5%

Price change comparison against Q3 2022



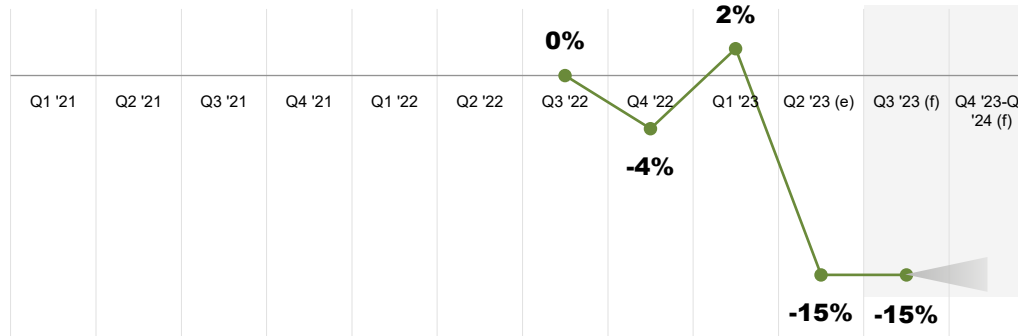
- Although rebar prices edged up again in Q2 2023 on a quarterly average basis, prices have been more volatile on a monthly basis, and fell back sharply in June. Compared to June 2022, prices in June 2023 were down by 22%. Decline expected to continue in Q3 2023, with prices falling further in the following two months amid weakness on the demand side
- Prices for flat steel have been comparatively stable. However, there will be a decline in the coming quarters reflecting demand-side weakness and easing production costs



Welded mesh

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Low	Low	
Price (MXN/unit*)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
3,967	3,927.7	↓ -16.1%	↓ -1.0%

Price change comparison against Q3 2022



- Welded mesh prices have fallen sharply, dropping by 16% in Q2 2023 on a QoQ basis
- A general downward trend in steel prices along with weak demand from the construction sector will keep prices at the current relatively low level in the coming quarters

* 98.4 X 1,574.8 inches; diameter 0.19 inches

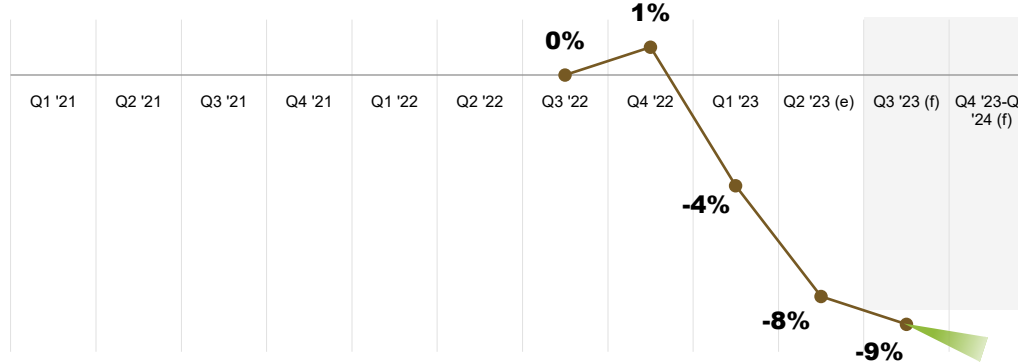
Mexico – Construction Materials Price Trends



Lumber (raw)

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
●●●● Moderate		●●●● Low	●●●● Low
Price (MXN/ft ³)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
37.4	37.2	↓ -4.2%	↓ -0.5%

Price change comparison against Q3 2022



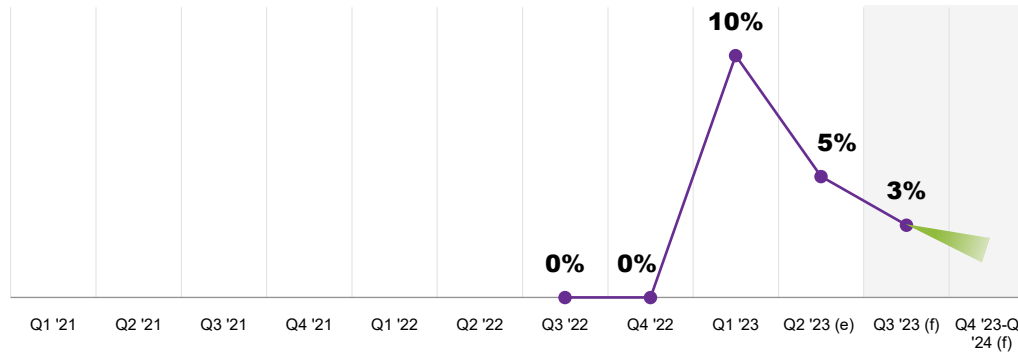
- Lumber prices declined by 4.2% QoQ in Q2 2023, continuing on a downward trend in recent quarters, reflecting improved supply and weaker demand
- Prices edged up late in the quarter, with regional prices being impacted by wildfires in Canada in June that resulted in the mills shutting down
- With high interest rates limiting new investment in the Residential sector, the price of lumber is expected to edge down further in the short term



Drywall

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
●●●● Low		●●●● Low	●●●● Low
Price (MXN/unit*)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
170.0	167.5	↓ -4.5%	↓ -1.5%

Price change comparison against Q3 2022



- Drywall prices fell back in Q2 2023, dropping by 4.5% QoQ
- Prices had increased earlier in the year, but with sluggish demand from new residential construction, prices are set to continue on a downward trend in the short term

*56.7 X 48 X 5.1 inches (L X W X T)

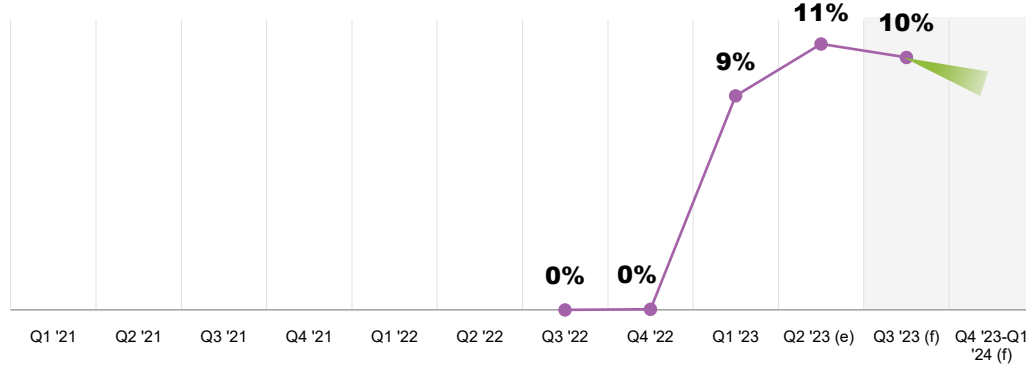
Mexico – Construction Materials Price Trends



Limestone

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Low	Low	
Price (MXN/t)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
191.3	190.4	↑ 2.0%	↓ -0.5%

Price change comparison against Q3 2022



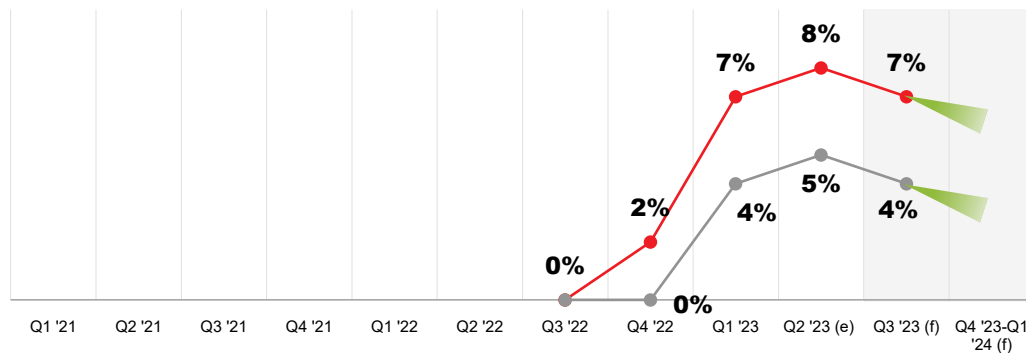
- Having risen sharply in the previous quarter, limestone prices increased further in Q2 2023, up by 2% QoQ, with supply-side pressures still contributing to higher prices
- Rising environmental concern over limestone quarrying may constrain the supply of limestone, but weaker demand and easing price pressures in the short term will result in a decline in prices

Cement and Concrete

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Moderate	Moderate	
Price		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
3,168	3,142	↑ 0.6%	↓ -0.8%
1,554	1,546	↑ 1.0%	↓ -0.5%

● **Cement** (MXN/t)
● **Concrete** (MXN/yd³)

Price change comparison against Q3 2022



- Cement and concrete prices continued on an upward trend in Q2 2023 on a quarterly average basis as producers are recovering from the high production costs incurred over the past year
- However, prices have started to fall on a monthly basis, with cement being 1.5% cheaper in June compared to March
- Prices are expected to fall in the coming quarters, with cost pressures easing. Overall construction industry growth will also be limited, with weakness on the building construction side offsetting investment in infrastructure growth

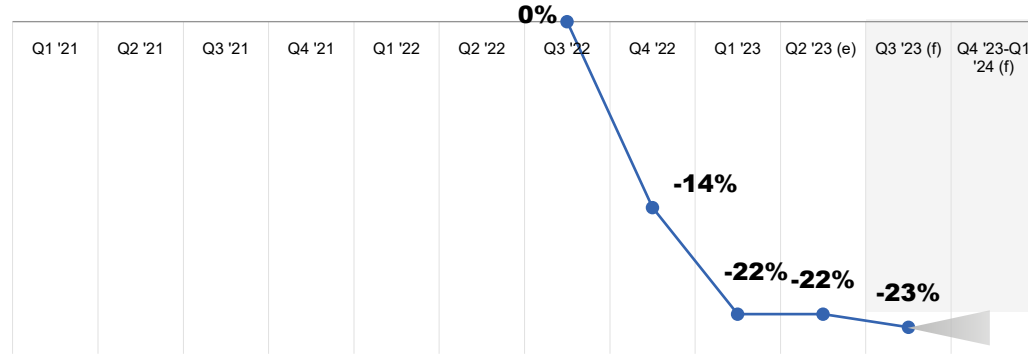
Mexico – Construction Materials Price Trends



Asphalt

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Low	Low	
Price (MXN/t)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
10,625	10,572	↓ -0.2%	↓ -0.5%

Price change comparison against Q3 2022



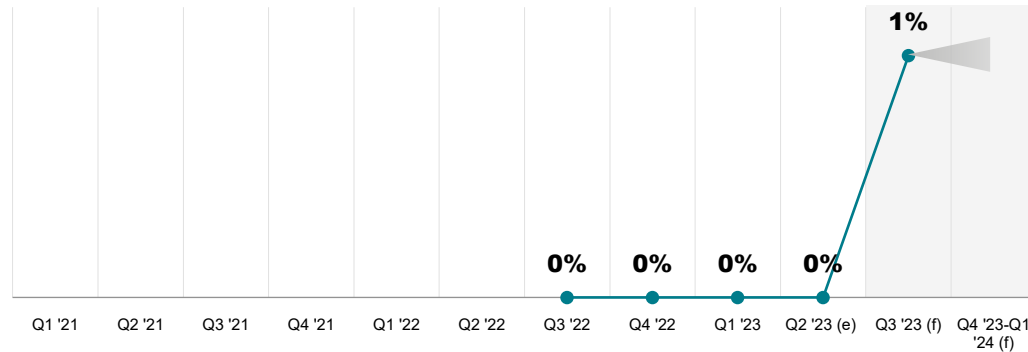
- Asphalt prices dropped back early in 2023, and prices have remained relatively low in recent months reflecting trends in prices for petroleum products
- On a quarterly average basis, prices in Q2 2023 were 22% lower than in Q3 2022
- Increased spending on road infrastructure projects will provide some support on the demand side, but key input costs are expected to remain relatively stable



Diesel

Level of Impact			
Price Change (e) vs (f)	Material Availability	General State of Supply Chain	
Moderate	Low	Low	
Price (MXN/gallon)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
87.25	87.69	↓ -0.1%	↑ 0.5%

Price change comparison against Q3 2022



- In Q2 2023, diesel prices were fairly stable on a quarterly average basis, with state subsidies in place
- Although subsidies have kept diesel prices relatively stable in recent quarters, the cost of the fuel price subsidy policy has been covered by the country's higher crude oil revenues
- Prices are expected to remain relatively stable in the short term, with subsidies in place to contain fluctuations in global oil prices

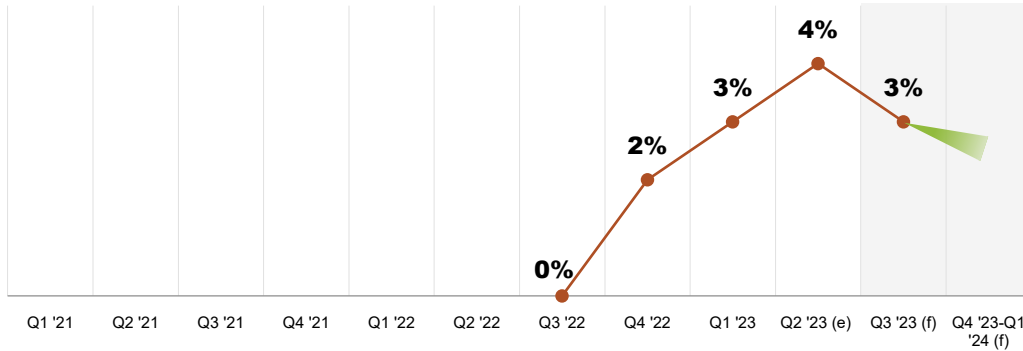
Mexico – Construction Materials Price Trends



Bricks

Level of Impact			
Price Change (e) vs (f)		Material Availability	General State of Supply Chain
Moderate		Low	Low
Price (MXN/'000 unit)		% change	
Q2 '23 (e)	Q3 '23 (f)	Q1 '23 - Q2 '23 (e)	Q2 '23 (e) - Q3 '23 (f)
7,725	7,687	↑ 0.8%	↓ -0.5%

Price change comparison against Q3 2022



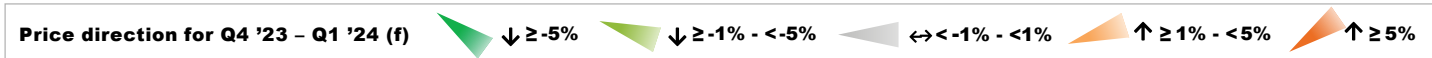
- Brick prices continued to edge upwards in Q2 2023, rising by 1% on a QoQ basis, with producers still recovering from the high production costs incurred last year
- However, prices started to ease back in June, and with residential construction set to decline, brick prices will fall steadily in the short term. In Q1 2023, gross fixed investment on residential buildings fell 1.2% YoY

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

Level of Impact					
Price Change Estimate (e) vs Forecast (f)		Material Availability		General State of Supply Chain	
Range	Impact	State	Impact	State	Impact
≥5%	High	Deficit	High	Stressed	High
≥1% - <5%	Moderate	Balanced	Moderate	Adequate	Moderate
<1%	Low	Surplus	Low	Easily Available	Low

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

QoQ Quarter on Quarter
 YoY Year on Year
 MoM Month on Month
 GDP Gross Domestic Product
 CPI Consumer Price Index (wherever not specified)
 e estimated
 f forecasted
 EV Electric Vehicles
 DC Data Centre



Mexico – Industry trends



Sector trends



Data Centers

The Mexico data center market has witnessed significant growth in recent years due to rising demand for cloud computing, big data analytics, and IoT. Queretaro is the primary location for data center development in Mexico. However, companies are also expanding in regions like Bajío, a region within the central Mexican plateau that includes cities such as Aguascalientes and Guadalajara. The Mexico Data Center Association anticipates an investment of US\$8.5bn in the Bajío region.



Life Sciences

According to the National Institute of Statistics and Geography (INEGI) and the Mexico Health Review, Mexico is Latin America's second-largest market for pharmaceuticals and medical devices (after Brazil). Large pharmaceutical companies are located in Mexico, which has positioned the country as one of the main manufacturing centers worldwide. Currently, 20 of the 25 largest pharmaceutical companies in the world have operations in Mexico and the market for generics has been growing exponentially in the country.



High-tech Industrial

The industrial construction sector is projected to rebound by 2.9% in 2023, following a contraction in 2022. This growth is driven by the government's focus on establishing industrial parks throughout the country. Recently Tesla also announced an investment of MXN93.3 billion (US\$5 billion) to build a new gigafactory in Monterrey.

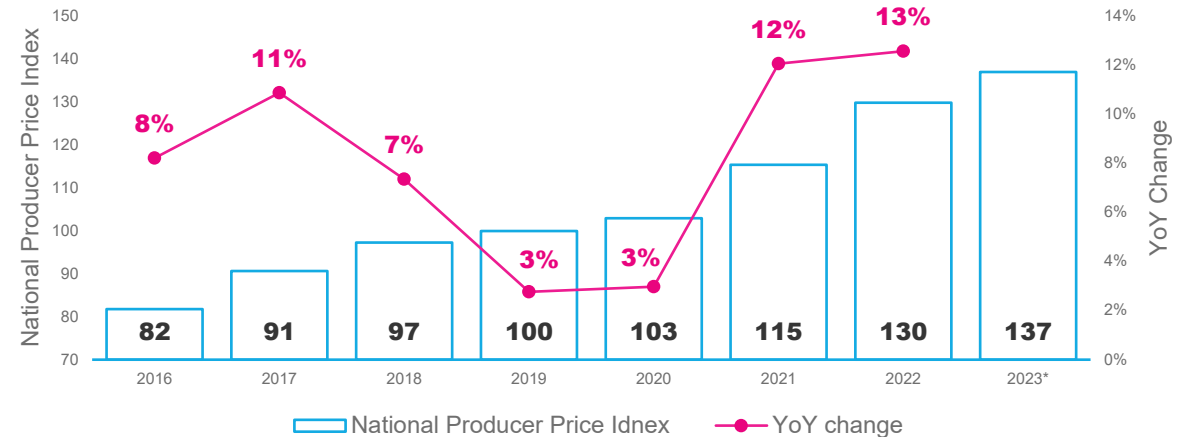


Renewable Energy

Mexico has set ambitious targets for its renewable energy sector, aiming to double its production by 2030. Despite several ongoing large-scale green energy projects and expansion plans, challenges remain in the form of incomplete climate policies and regulatory shortcomings, which could hinder further development.

The government has established notable renewable energy goals, seeking to achieve 35% of electricity generation from clean sources by 2024, up from around 29% in 2022. In line with these objectives, various new projects scheduled for 2023 are expected to support Mexico's climate objectives.

National producer price index⁺



+Base July 2019=100 (SCIAN 2013), Construction, Residential construction by city (formerly INCEVIS)

*Average taken from Jan-23 to June-23

Change in index from June 2022 to June 2023 is 4.1%

Mexico – 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 – Mexico

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

- IMF
- National Institute of Statistics and Geography (INEGI)
- GlobalData's Construction Intelligence Center (CIC)
- Economic Research Institute
- Mexican Data Center Association

Disclaimer: The commodity report contains information, data, and analysis related to the construction industry. While we strive to provide accurate and up-to-date information, it is important to note that the commodity market is subject to various factors, uncertainties, and changes that may impact the accuracy or reliability of the report's contents. By using the commodity report, you acknowledge and agree that Linesight assumes no responsibility or liability for any inaccuracies, errors, omissions, or losses that may arise from your reliance on the information presented in the report. It is essential that users exercise their independent judgment, conduct their own research, and seek professional advice before making any decisions based on the information contained within the report.



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