

# APAC and GCC

## Country Commodity Reports

### Q4 2022



# APAC and GCC Country Commodity Reports



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# Australia

## Country Commodity Report

### Q4 2022



# Australia

## Q4 2022

Amid a bleak global economic outlook, IMF estimated a slowing of Australia's economic growth rate from 3.6% in 2022 to 1.6% in 2023, in its most recent statement. While the actual inflation figures are awaited, the forecast for December 2022 had been raised from 7.75% to 8% earlier last year, due to an increase in retail energy and food prices caused by the recent extreme weather events.

The Australian construction industry is predicted to have real-term declines of 0.4% and 2.7% in 2022 and 2023 respectively as a result of supply chain disruptions, rising interest rates and inflation, and prolonged difficulties in the residential construction sector. The industry is also experiencing a labour crunch, which is causing cost overruns and project delays. However, from 2024 to 2026, the industry is anticipated to recover at an average annual growth rate of 3.1%, helped by the government's sustained emphasis on infrastructure development.



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### Lumber

Residential construction is expected to slow in 2023, given the recent declines in dwelling approvals and new residential commencements. However, demand in the short term will persist given that dwellings under construction remain relatively high. Tariffs on imported lumber from Russia and Belarus will also exert sufficient upward pressure to maintain prices around current levels. The Government's commitment to invest AUD300 million to support the forestry industry will to some extent ease price and supply pressures in the longer term.



### Cement and aggregates

With construction activity expected to moderate in the first half of 2023 and input costs falling as a result of a government cap on domestic prices of natural gas and thermal coal, cement prices are expected to decline in the coming quarters. The energy consumed by Australian cement producers is predominantly generated by thermal coal, which accounted for approximately 57% of the industry's energy use in 2020-21, according to the Cement Industry Federation. Some upwards pressure on cement prices will be generated by the commencement of works on a number of large civil engineering projects in Q1 2023, including the Sydney Metro West project and the North East Link Road development, but this is likely to be more than offset by an expected fall in demand from the residential construction sector.



### Concrete blocks and bricks

Demand for bricks and concrete blocks is expected to ease in the coming quarters, as new residential construction slows, and energy costs fall.

Brick kilns in Australia are predominantly fired using natural gas, which has been capped by the government at AUD12 per gigajoule until December 2023, less than half its average price in Q3 2022.



### Steel (rebar and structural)

Steel demand is expected to continue to slow in Q1 2023, and prices are expected to decline as a result. Weighing on demand will be a weakening of global economic growth, which is expected to lead to a moderation of both manufacturing production and construction activity. However, with global crude steel production falling, down 5.4% YoY in H1 2022, and construction works on a number of major civil engineering projects in Australia expected to begin in early 2023, the fall in steel prices is expected to be moderate. A potential easing of China's import ban on Australian coking coal, which is used in the manufacture of steel, will further soften the expected decline in steel prices.



### Copper

Copper prices are expected to remain relatively stable in the coming quarters, though risks to the price outlook are weighted heavily to the upside. Factors influencing price reduction include weakening industrial activity in Europe and the United States, reduced monetary support and reduced demand as a result of elevated inflation. Counter factors include increased demand from China, driven by significant infrastructure investment. In Australia, the Government's 'Rewiring the nation' plan has made AUD20 billion available to fund improvements to the transmission infrastructure, and AUD7.8 billion investment in critical transmission projects in December 2022. In the long term, copper prices are expected to rise substantially, mainly driven by increased demand from electric vehicle manufacturing and rising investment in renewable energy generation.

# Australia – Commodity Report



Materials	Q1 2023 (f)	Q1 2022 – Q1 2023 (f)		Q3 – Q4 2022 (e)
	AUS\$	AUS\$	2022-23 % change	% change
<b>Copper</b> (AU\$/MT)	12,376	13,968	-11.4% ↓	8.2% ↑ ●
<b>Steel rebar</b> (AU\$/MT)	783	1,048	-25.3% ↓	-6.4% ↓ ●
<b>Steel flat</b> (AU\$/MT)	811	1,087	-25.4% ↓	-2.5% ↓ ●
<b>Stainless steel</b> (AU\$/MT)	2,102	NA	NA	NA
<b>Lumber</b> (AU\$/M3)	141	129	8.9% ↑	2.0% ↑ ■
<b>Asphalt</b> (AU\$/MT)	1,661	1,310	26.8% ↑	2.7% ↑ ●
<b>Limestone</b> (AU\$/MT)	50.3	60.0	-16.3% ↓	0.0% ↔ ■
<b>Cement</b> (AU\$/MT)	548	518	5.9% ↑	5.7% ↑ ●
<b>Concrete</b> (AU\$/M3)	331	320	3.4% ↑	1.2% ↑ ●
<b>Welded mesh</b> (AU\$/unit)	122	97	26.2% ↑	0.0% ↔ ■
<b>Bricks</b> (AU\$/'000 unit)	1,640	1,661	-1.3% ↓	-3.0% ↓ ●
<b>Plasterboard</b> (AU\$/unit)	36.3	35.2	3.1% ↑	0.0% ↔ ■
<b>Diesel</b> (AU\$/litre)	2.3	1.8	26.5% ↑	-2.1% ↓ ●

(f) Forecast (e) Estimated

● Q3 to Q4 2022 % change greater than estimation in our Q3 report  
■ Q3 to Q4 2022 % change less than estimation in our Q3 report

Welded mesh: 600 x 240cm, dia.-6mm Plasterboard: 300 x 120 x 1cm (L x W x T)

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Copper</b>	+0.4% ↑	Low	Despite unfavourable conditions, copper prices began to rise toward the end of 2022. The increase in international copper markets is primarily due to anticipated demand from China following the relaxation of China's zero COVID policy; however, with the expectation of a global economic downturn, prices are likely to remain relatively flat. An increase in demand from the civil engineering sector will put upward pressure on copper prices in Australia, though this will be mitigated by a decrease in demand from the residential construction sector.
 <b>Steel prices</b> - Steel rebar - Flat steel	-1.3% ↓ +1.1% ↑	Low	Steel Rebar and Flat Steel prices registered a decline of 6.4% and 2.5% respectively in Q4 2022 from Q3 prices. This is primarily due to weakening industrial output globally and falling demand in the construction sector. As demand weakens further, steel prices are expected to continue falling in coming quarters though marginally, as Japanese and European steel producers cut production due to increasing energy costs and ramping up Chinese domestic demand. However, rising iron ore prices will partly offset the impact of falling demand on Australian prices in Q1 2023.
 <b>Stainless Steel</b>	+1.0% ↑	Low	Stainless steel prices have shown an upward trend mainly driven by increasing raw material prices and elevated energy costs.
 <b>Lumber</b>	+0.5% ↑	Moderate	Lumber prices have edged up slightly from their Q3 2022 levels, mainly driven by tight demand and limited availability of imported wood. However, with interest rates rising and residential building approvals falling, demand from the construction sector is expected to soften in the short term.
 <b>Asphalt</b>	+0.5% ↑	Low	Asphalt prices have increased moderately from their Q3 2022 levels, increasing by a relatively marginal 0.5% in Q4 2022. There is likely to be further pressure on asphalt prices in early 2023 as a result of the Australian cap of \$60/barrel on Russian seaborne crude oil and the subsequent Russian ban on exports from Australia.
 <b>Limestone</b>	+0.5% ↑	Low	Limestone price have not shown any notable changes and remained stable at their Q3 2022 levels. Rising inflation and a softening of demand from the Australian construction sector is expected to maintain limestone prices close to their current levels in Q1 2023.

# Australia – Commodity Report



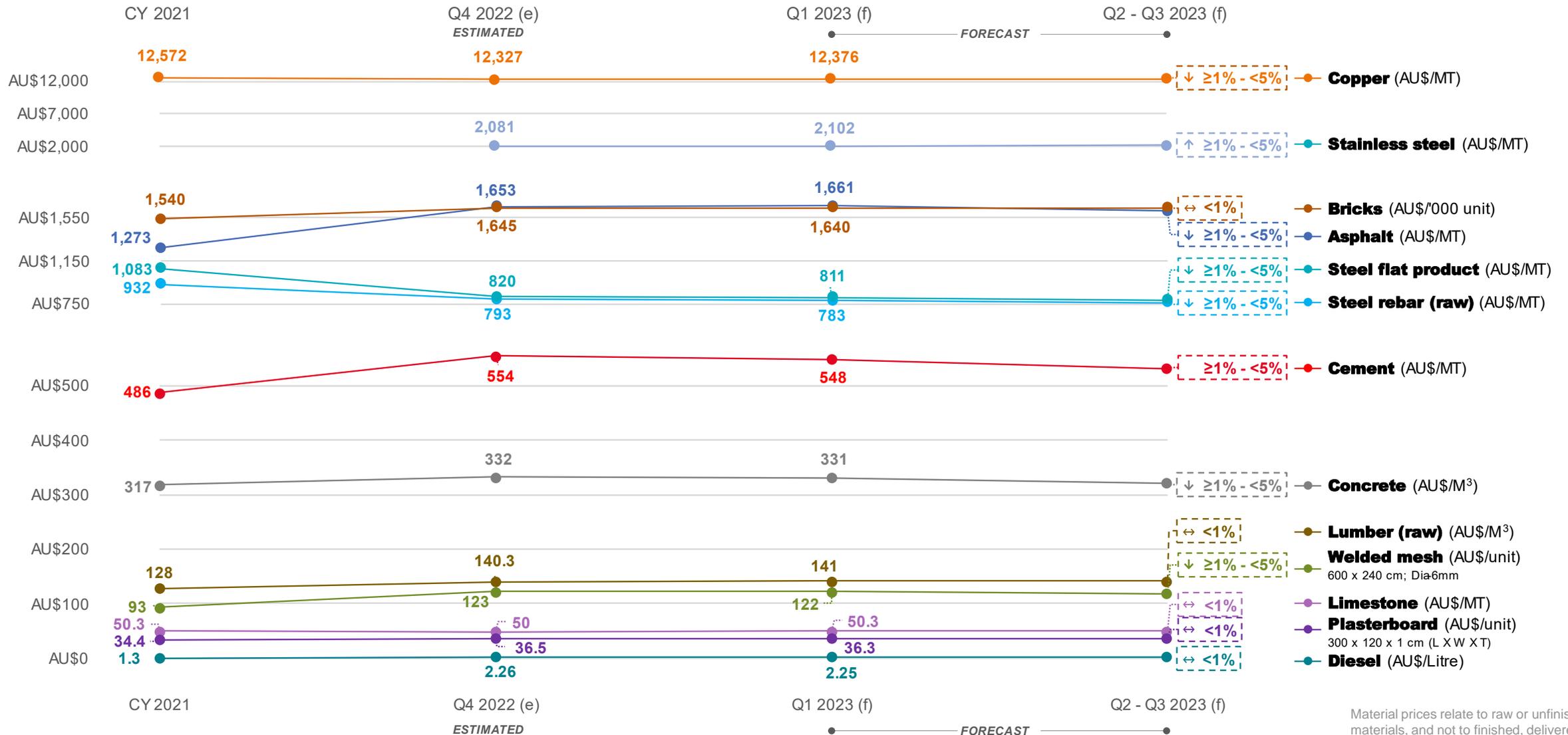
## AIQS Building Cost Index 2019-2023(f)

Jul-23 (f)	<b>372</b>
Apr-23 (f)	<b>366</b>
Jan-23 (f)	<b>360</b>
Oct-22 (f)	<b>353</b>
Jul-22	<b>347</b>
Apr-22	<b>341</b>
Jan-22	<b>337</b>
Oct-21	<b>333</b>
Jul-21	<b>330</b>
Apr-21	<b>327</b>
Jan-21	<b>325</b>
Oct-20	<b>323</b>
Jul-20	<b>322</b>
Apr-20	<b>321</b>
Jan-20	<b>318</b>
Oct-19	<b>316</b>
Jul-19	<b>313</b>
Apr-19	<b>311</b>
Jan-19	<b>308</b>

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Cement Concrete</b>	-1.0% ↓ -0.4% ↓	Moderate	Cement prices are expected to have risen marginally in Q4 2022 due to rising input costs and elevated energy prices; this increase has resulted in a rise in concrete prices. However, with the Australian senate recently introducing a cap on domestic energy prices at AUD125 per metric ton of coal and AUD12 per gigajoule of gas, cement prices are expected to decline from their current levels in Q1 2023.
 <b>Welded mesh</b>	-0.1% ↓	Low	Welded mesh prices have remained stable and have not exhibited any notable change from their Q3 2022 levels. With steel rebar prices expected to fall in Q1 2023, welded mesh prices are expected to decline from their current levels.
 <b>Bricks</b>	-0.3% ↓	Moderate	Brick prices are estimated to have declined by approximately 3% from their Q3 2022 levels. The decrease in price is mainly due to a softening of demand from the residential construction industry. Building approvals in Australia fell by 6% on a monthly basis in October 2022, while private sector house approvals, which make up the bulk of residential construction in Australia, fell by 2.2%. Brick prices are expected to continue to decline in Q1 2023.
 <b>Plasterboard</b>	-0.7% ↓	Low	Plasterboard prices remain stable and have recorded no notable change from their Q3 2022 price. Due to reduced demand from the construction sector, especially residential construction, plasterboard prices are expected to decline marginally in Q1 2023.
 <b>Diesel</b>	-0.3% ↓	Low	Diesel prices edged downward by approximately 2% from their Q3 2022 average in Q4 2022. The decrease was mainly due to falling international crude oil prices. Having declined further in December 2022, the price for diesel is expected to decline marginally in Q1 2023. However, with Australia having decided to cap Russian seaborne crude oil to \$60 a barrel and Russia in retaliation having decided not to sell under this cap, tighter supply may exert some upward pressure on diesel prices 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.

# Australia – Construction Materials Pricing (2021-2023)



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.

# Australia – Report methodology



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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.

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## 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 – Australia

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

- IMF
- ABS
- AIQS
- RBA
- Safe Work Australia
- GlobalData's Construction Intelligence Center (CIC)

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# Hong Kong Country Commodity Report Q4 2022



# Hong Kong

## Q4 2022

The sharp decline in Hong Kong's economy in recent quarters, has led its GDP to decline by 3.2% in 2022. This is primarily driven by increased interest rates and Hong Kong's declining exports, as a result of supply chain issues and weakening global demand. However, with the reopening of trade with mainland China and the government's support to increase domestic consumption, it is anticipated that the GDP will grow in coming quarters. Inflation remained at c.1.9% for the year 2022, forecasted to be c.2.2% for 2023.

The construction industry in Hong Kong picked up well in H1 2022. According to Hong Kong Census and Statistics Department, gross value of the construction works performed by the main contractors in H1 2022 was 21% higher than that in the same period in 2021, however in Q3 2022 it was projected to grow at 1.2% as compared to Q3 2021. The industry is currently dealing with various challenges including supply-chain issues, inflation, rising energy costs and labour shortage. However, with Investments in the transport, electricity, housing and industrial sectors, the industry is expected to grow at an average annual rate of 2% during 2023-26.



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### Lumber

Lumber demand is expected to remain relatively weak in the short term, due to sluggish economic activity and high interest rates. However, in 2023, lumber demand will be supported by the government's focus on increasing the housing supply. Between 2023 and 2028, the government plan to construct approximately 127,700 housing units, of which, approximately 82,600 will be subsidised.



### Cement and aggregates

Cement output continued to fall in the final quarters of 2022, with demand declining as the real estate downturn in China showed no signs of abating. Declining production volumes, exacerbated by rising energy costs, have kept cement prices elevated in Hong Kong, despite demand softening as construction output weakened.



### Concrete blocks and bricks

Elevated thermal coal costs and relatively strong construction demand in the first half of 2022 saw brick prices peak in Q2 2022. However, with construction output weakening in the second half of the year, a glut of supply and a softening of demand the prices have started to drop back.



### Steel (rebar and structural)

Steel prices in Hong Kong are expected to have continued to decline in the final quarter of last year, reflecting the slowing of global manufacturing activity and the downturn in China's real estate sector. Steel prices in China are rising as demand for infrastructure construction accelerates. The prices are expected to remain stable in 2023 as steel prices in China rise and infrastructure investment in Hong Kong increases.



### Copper

Expectations of renewed demand in China following the easing of its zero COVID policies contributed to the increase in copper prices in Q4 2022. However, with the rebound in economic activity being far weaker than expected, due to the significant wave of COVID-19 cases, inflation is expected to slow substantially in the first quarter of 2023. Domestic copper demand will be supported by the commencement of construction works on large civil engineering projects in Q1 2023, including the \$8.0 billion Northern Link Express Rail development.



# Hong Kong – Commodity Report



Materials	Q1 2023 (f)	Q1 2022 – Q1 2023 (f)		Q3 2022 – Q4 2022 (e)
	HK\$	HK\$	2022-23 % change	% change
<b>Copper</b> (HK\$/MT)	60,801	72,000	-15.6% ↓	7.8% ↑ ●
<b>Steel rebar</b> (HK\$/MT)	5,687	6,543	-13.1% ↓	-1.0% ↓ ■
<b>Steel Flat</b> (HK\$/MT)	6,847	8,366	-18.2% ↓	-12.0% ↓ ●
<b>Stainless Steel</b> (HK\$/MT)	9,585	NA	NA	NA
<b>Lumber</b> (HK\$/M3)	7,725	7,061	9.4% ↑	-1.0% ↓ ●
<b>Asphalt</b> (HK\$/MT)	9,667	9,076	6.5% ↑	0.7% ↑ ■
<b>Limestone</b> (HK\$/MT)	73.6	68.7	7.0% ↑	-2.0% ↓ ●
<b>Cement</b> (HK\$/MT)	938	854	9.9% ↑	-0.1% ↓ ■
<b>Concrete</b> (HK\$/M3)	1,150	1,273	-9.7% ↓	7.8% ↑ ●
<b>Welded mesh</b> (HK\$/unit)	70.9	77.4	-8.4% ↓	-1.0% ↓ ■
<b>Bricks</b> (HK\$/'000 unit)	3,325	3,189	4.3% ↑	-0.8% ↓ ■
<b>Plasterboard</b> (HK\$/unit)	100.2	70.7	41.7% ↑	0.0% ↔ ■
<b>Diesel</b> (HK\$/litre)	18.0	15.1	18.8% ↑	0.5% ↑ ■

(f) Forecast (e) Estimated

● Q3 to Q4 2022 % change greater than estimation in our Q3 report  
 ■ Q3 to Q4 2022 % change less than estimation in our Q3 report

Welded mesh: 100 x 100cm, dia.-6mm Plasterboard: 122 x 244 x 1.2cm (L x W x T)

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Copper</b>	+1.3% ↑	Low	Copper prices are expected to remain elevated in the near term, with an expectation that demand from China strengthens as its reopening progresses. However, slowing global economic growth and weak manufacturing activity will contain price inflation in the coming quarters.
 <b>Steel prices</b> - Steel rebar - Flat steel	+0.7% ↑ +0.0% ↔	Low	Slowing residential construction activity and civil engineering works, and a reduced global demand as manufacturing activity softened, saw steel prices fall in the second half of 2022. In early 2023, prices will hold up by increased demand in China as works on its infrastructure construction drive picks up and the possibility of steel mills reducing output in response to high energy and input costs.
 <b>Stainless steel</b>	+1.3% ↑	Low	Due to elevated nickel costs, stainless steel prices are expected to rise in the short term.
 <b>Lumber</b>	-1.0% ↓	Moderate	Easing supply chain pressures and weak residential construction demand saw lumber prices fall slightly in the final quarter of last year. In Q1 2023, lumber prices are anticipated to fall marginally amid sluggish residential construction activity.
 <b>Asphalt</b>	-0.5% ↓	Low	Since Q3 2022, asphalt prices have been relatively steady, recording only a marginal rise in the final quarter of last year. In early 2023, prices are expected to be supported around their current level by firming domestic demand and stabilising global crude oil prices.
 <b>Limestone</b>	-0.5% ↓	Low	Limestone prices are expected to remain stable in the coming quarters, with weak demand offset by high production and transportation costs.

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# Hong Kong – Commodity Report



## Construction cost index 2015-2022

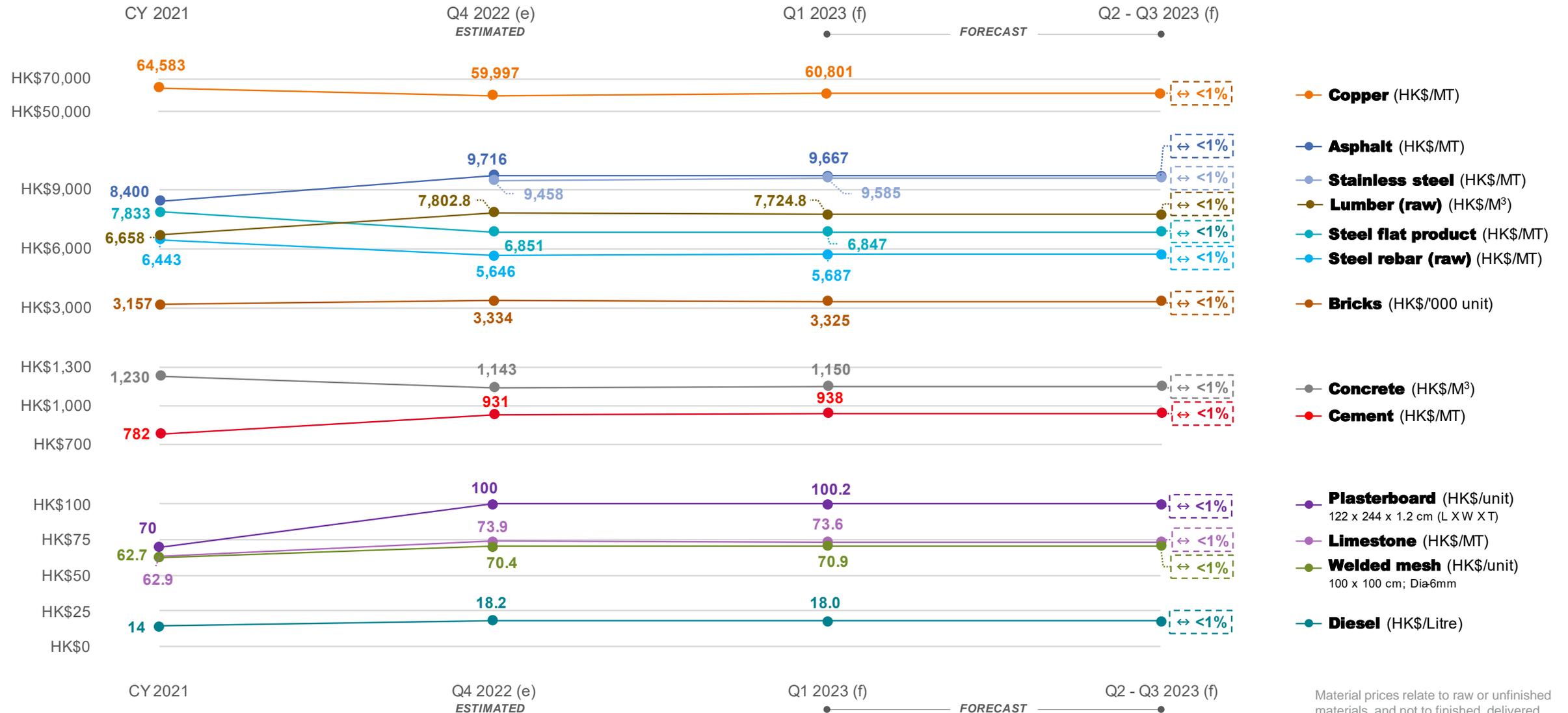


Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Cement Concrete</b>	+0.8% ↑ +0.6% ↑	Moderate	Cement prices remained stable in the final quarter of last year, with slowing demand growth from the residential and civil engineering sectors offset by increased production costs as energy prices rose. Demand from the building sector will remain sluggish in the first quarter of 2023, but infrastructure investment in China and high production costs will contribute to keeping cement prices elevated. Concrete prices are expected to exhibit a similar trend.
 <b>Welded mesh</b>	+0.7% ↑	Moderate	Welded mesh prices fell marginally in the final quarter of last year, following the trend of steel rebar prices. In Q1 2023, mesh prices are anticipated to rise in line with the expected increase in steel rebar prices.
 <b>Bricks</b>	-0.3% ↓	Low	Brick prices fell in Q4 2022, weighed down by soft demand from the residential construction sector. However, high production costs will keep prices relatively high.
 <b>Plasterboard</b>	+0.2% ↑	Low	Plasterboard prices are expected to remain stable in the short term, with high production costs being offset by fairly weak demand.
 <b>Diesel</b>	-1.0% ↓	Moderate	Diesel prices are anticipated decrease slightly from their current levels in Q1 2023, though the recent announcement by OPEC+ to reduce oil supply will exert upwards pressure on 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.

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# Hong Kong – Construction Materials Pricing (2021-2023)



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# Hong Kong – Report methodology



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## Sample sources – Hong Kong

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

- IMF
- Civil Engineering and Development Department – The Government of the Hong Kong Special Administrative Region
- The Census and Statistics Department
- GlobalData's Construction Intelligence Center (CIC)

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# India

## Country Commodity Report

### Q4 2022



# India

## Q4 2022

In its latest update, World Bank retained India's GDP growth at 6.9% for the fiscal year 2022-23. The World Bank has revised its GDP forecast for India from 6.5% (in October 2022) to 6.9% in December 2022, citing the Indian economy's resilience to global shocks and strong macroeconomic fundamentals. Inflation has also decreased to an eleven-month low of 5.88%, falling within the Reserve Bank of India's 2-6% tolerance band.

The Indian construction industry is expected to grow at a 6.6% annual rate in 2022, up from a 5.8% annual rate previously predicted. While the government is committed to spending on infrastructure, the real estate sector has seen considerable upswing this year. Indeed, critical sectors such as warehousing, and data centers are expected to expand significantly in the coming years. Many global data center operators are establishing hyperscaler operations in the country. The government's recent announcement of plans to launch product-linked incentives for the manufacturing of IT hardware and computer servers will also benefit the hi-tech industry as well. Commodity prices are likely to remain stable in the short term.



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### Lumber

Lumber prices are expected to rise, although marginally in early 2023, despite an easing for supply chain disruption and reduced global demand for lumber. Robust demand from the Indian construction sector, particularly the commercial and residential construction sectors, is expected to be the primary driver of price growth in early 2023.



### Cement and aggregates

Despite falling in Q3 2022, predominantly due to a seasonal moderation in construction activity during the monsoon season, cement prices are rising and are expected to continue to increase into the first half of 2023. Due to an unseasonably long monsoon season, that stretched through October 2022, many cement producers were unable to push up their asking prices, despite an increase in input costs. With demand strengthening as construction activity picks up and works on a number of large civil engineering projects commencing, cement producers will begin to pass on these costs to buyers.



### Concrete blocks and bricks

Concrete block and brick prices are expected to have risen marginally in the final quarter of 2022, as construction activity rebounded following its slump during the monsoon season. With construction activity expected to continue to strengthen in early 2023 and thermal coal

prices (which power the majority of India's brick kilns) likely to rise, brick and concrete block prices are expected to continue to increase.



### Steel (rebar and structural)

Steel prices are expected to increase in the coming quarters as a result of the removal of export duty on steel products, which came into effect in November 2022 and an acceleration of construction activity. An increase in coking coal and iron ore prices, increased demand from China to supply its infrastructure construction drive, and work on India's \$1.4 trillion National Infrastructure Pipeline will drive the price momentum in early 2023. Further upwards pressure on domestic steel prices will be generated by the government's inclusion of steel products in the RoDTEP Scheme (Remission of Duties and Taxes on Exported Products) from December 15, 2022.



### Copper

Copper prices have picked up following the decline in Q3 2022, with prices expected to have recorded a quarterly increase of 2.9% in Q4 2022. While there will be downward pressure on copper prices in the short term due to slowing global economic growth and declining industrial production, domestic prices will stay relatively high. Copper demand in India will be driven by an expansion of domestic manufacturing activity, supported by robust car sales, with India surpassing Japan as the third largest auto market globally in 2022. Further domestic price pressure will come from India's investment in expanding renewable energy capacity.

# India – Commodity Report



Materials	Q1 2023 (f)	Q1 2022 – Q1 2023 (f)	Q3 – Q4 2022 (e)	
	INR	INR	2022-23 % change	% change
<b>Copper</b> (INR/MT)	740,243	821,492	-9.9% ↓	2.9% ↑ ●
<b>Steel rebar</b> (INR/MT)	55,741	64,180	-13.1% ↓	-6.1% ↓ ●
<b>Steel flat</b> (INR/MT)	57,283	67,383	-15.0% ↓	-6.2% ↓ ●
<b>Stainless steel</b> (INR/MT)	191,919	NA	NA	NA
<b>Lumber</b> (INR/M3)	12,942	10,938	18.3% ↑	0.8% ↑ ■
<b>Asphalt</b> (INR/MT)	61,130	53,810	13.6% ↑	12.1% ↑ ●
<b>Limestone</b> (INR/MT)	480	450	6.6% ↑	0.0% ↔ ■
<b>Cement</b> (INR/MT)	8,306	7,640	8.7% ↑	3.7% ↑ ●
<b>Concrete</b> (INR/M3)	4,545	4,100	10.9% ↑	0.0% ↔ ■
<b>Welded mesh</b> (INR/unit)	296	350	-15.3% ↓	-6.1% ↓ ●
<b>Bricks</b> (INR/'000 unit)	9,225	9,000	2.5% ↑	0.7% ↑ ■
<b>Plasterboard</b> (INR/unit)	361	350	3.2% ↑	-0.7% ↓ ■
<b>Diesel</b> (INR/litre)	88.7	87.6	1.3% ↑	0.0% ↔ ■

(f) Forecast (e) Estimated

● Q3 to Q4 2022 % change greater than estimation in our Q3 report  
■ Q3 to Q4 2022 % change less than estimation in our Q3 report

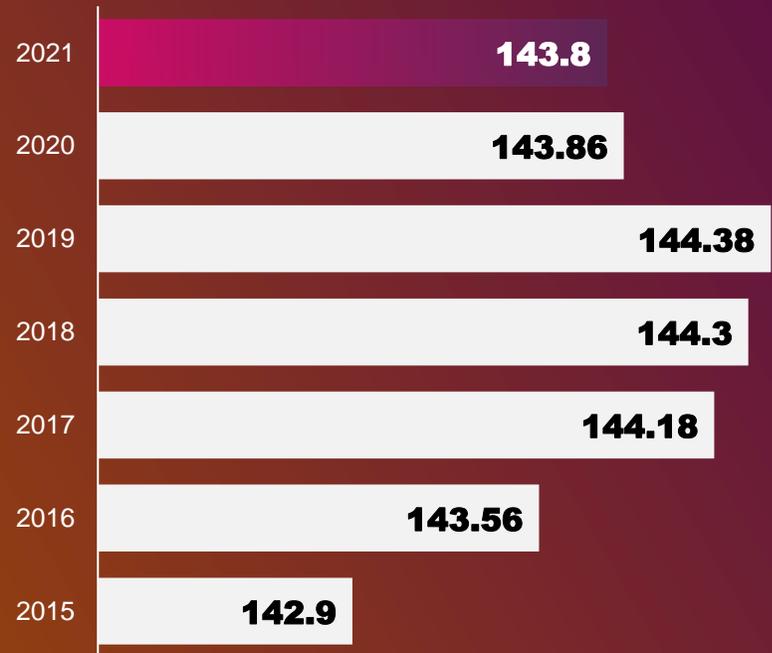
Welded mesh: 100 x 100cm, dia.-6mm Plasterboard: 120 x 180 x 1.25cm (L x W x T)

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Copper</b>	+1.2% ↑	Moderate	Copper prices rose during November and December 2022, primarily driven by the weakening of the Indian rupee against the US dollar and growing domestic demand. With economic growth in India expected to be a considerable 7.0% in FY2023, according to the National Statistical Office of India, domestic demand for copper is expected to remain robust, keeping prices relatively high in the coming quarters.
 <b>Steel prices</b> - Steel rebar - Flat steel	+0.6% ↑ +2.0% ↑	Moderate	Steel prices are expected to fall in Q4 2022 on a quarterly average basis, with the export duty on steel products limiting the price setting power of steel producers and depressing local prices. However, with the export duty removed on November 19th 2022, an ensuing pick up in exports will reduce domestic product availability, and combined with solid demand from the housing and infrastructure sector, domestic prices of steel products are expected to increase in the coming quarters.
 <b>Stainless steel</b>	+1.0% ↑	Low	India is not dependent on nickel imports from Russia and as a result the global raw material price has had a limited impact on the stainless steel price in India. India's stainless steel demand is nearly 4 million tonnes annually and the demand is met through domestic production.
 <b>Lumber</b>	+1.2% ↑	Low	Lumber prices are expected to rise marginally further as demand from the commercial and residential sectors strengthens.
 <b>Asphalt</b>	+6.8% ↑	Low	Given an increase in international crude prices, leading Indian oil companies increased the price of bitumen in both November and December 2022. The depreciation of the rupee against the US dollar was also an important factor driving the increase in the price of bitumen in India.
 <b>Limestone</b>	+1.0% ↑	Low	Owing to robust demand from the Indian construction sector, limestone prices are expected to remain stable, with elevated energy costs further buttressing prices at their current high levels.

# India – Commodity Report



## Construction cost index – 2015-2021

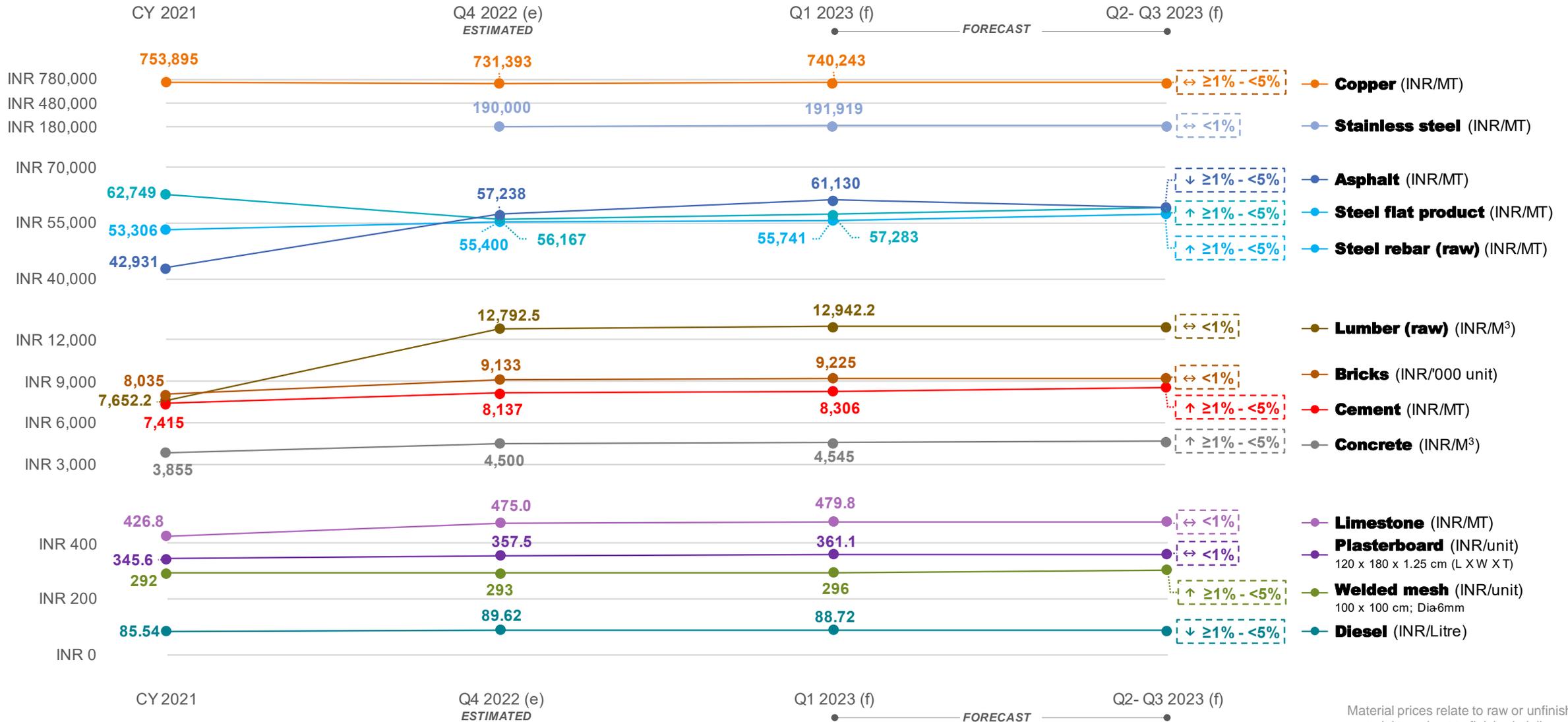


Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Cement Concrete</b>	+2.1% ↑ +1.0% ↑	High	Cement prices increased in the last quarter of 2022, primarily due to the increase in fuel and petroleum coke prices. Cement prices are expected to increase further in Q1 2023, with demand from the construction and civil engineering sectors expected to remain substantial. Elevated logistical costs and raw material prices will also continue to contribute to the increase in price. Concrete prices are expected to reflect the price trend of cement.
 <b>Welded mesh</b>	+1.3% ↑	Moderate	Welded mesh prices are expected to have moderated in Q4 2022, similar to steel rebar prices, and to rise marginally in the following quarters.
 <b>Bricks</b>	+1.0% ↑	Low	No significant change is expected in the price of bricks, though prices are expected to have marginally increased due to the increase in construction activity. Prices are expected to continue to rise into H1 2023, driven by elevated logistical and energy costs, and strengthening demand from the construction sector.
 <b>Plasterboard</b>	+1.0% ↑	Low	No notable change is expected in the price of plasterboard, though prices are expected to continue to increase marginally as construction activity strengthens.
 <b>Diesel</b>	-1.0% ↓	Low	There is expected to have been no significant change in the price of diesel in India in Q4 2022. Petroleum prices are decided by Oil Marketing Companies, which have kept prices unchanged over the last 6 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.

# India – Construction Materials Pricing (2021-2023)



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

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# India – Report methodology



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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.

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## 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 – India

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

- World Bank
- Reserve Bank of India
- Ministry of Statistics and Programme Implementation
- ILO
- Construction Industry Development Council (CIDC)
- GlobalData's Construction Intelligence Center (CIC)

Linesight 





# Japan Country Commodity Report Q4 2022



# Japan

## Q4 2022



The Japanese economy's GDP growth rate is estimated to remain at an unremarkable level of around 1.4% in 2022. Going forward, growth is forecasted at 1.8% and 0.9% in 2023 and 2024, respectively, as per a recent update by IMF. This is primarily due to waning confidence in the household sector and reduced economic activities, resulting in low disposable income. A new economic package by the government is expected to address some of these concerns. For years, inflation in Japan had been held in check. But core consumer prices in December 2022 rose 4% from a year earlier, exceeding the Bank of Japan's (BOJ) target and hitting a high not seen in four decades. For its part, the BOJ raised the long-term interest rate cap to around 0.5% from the previous 0.25%. The result was a further strengthening of the yen, which had been on the rise since October.

Like many other countries, the Japanese construction sector faces ongoing challenges presented by weak investor sentiment, ongoing COVID waves, and inflationary pressures. With sluggish demand from the construction sector, commodity prices are expected to level off in the coming quarters. The government's commitment to the energy and infrastructure sectors, combined with demand in the healthcare and commercial sectors, are positive steps to stimulate the construction sector in 2023.



**Garvan Barry**  
Director  
garvan.barry@linesight.com



### Lumber

Lumber prices in Japan are expected to continue to rise in the coming quarters, though price increases are expected to slow from the 2% rise seen in Q4 2022. While Japan's reliance on imported timber has eased in recent years, imported wood products still account for approximately 60% of domestic lumber demand. Although the yen began to recover in Q4 2022 after a brief decline, it will remain relatively weak compared to levels in 2021, and the ban on Russian timber will contribute to challenges on the supply side.



### Cement and aggregates

While the upward pressure on prices seen in Q4 2022 is expected to ease in early 2023, rising input costs including energy and transportation costs, will continue to drive up cement and concrete prices. Relatively weak public investment through the first three quarters of 2022 will soften demand for cement and concrete, though this is not expected to be significant enough to drive down the prices.



### Concrete blocks and bricks

The prices of brick and concrete blocks are estimated to rise marginally in the coming quarters, with elevated energy costs driving this price growth. However, import cost pressures will ease as the yen picks up from recent lows.



### Steel (rebar and structural)

Steel prices are projected to rise in the coming quarters, though marginally. The prices are likely to witness downward pressure with weakening global demand, as manufacturing activity in Europe and United States contracts and a downturn is seen in the Chinese residential sector. However, this downward pressure is expected to be outweighed by increased demand from China, caused by its infrastructure construction drive. Also offsetting downward pressure on prices are increasing input costs, such as for energy and transportation, and a reduction in global steel output



### Copper

Copper prices rose in Q4 2022, with the expected ramp up of demand post easing of China's zero COVID restrictions, driving an increase in speculative buying. However, the rise in copper prices is expected to slow in the coming quarters due to a drop in global demand amid economic difficulties and the impact of high inflation rates on consumer demand.

# Japan – Commodity Report



Materials	Q1 2023 (f)	Q1 2022 – Q1 2023 (f)		Q3 – Q4 2022 (e)
	JPY	JPY	2021-22 % change	% change
<b>Copper</b> (JPY/MT)	1,199,272	1,209,910	-0.9% ↓	6.2% ↑ ●
<b>Steel rebar</b> (JPY/MT)	115,938	99,967	16.0% ↑	-1.7% ↓ ●
<b>Steel flat</b> (JPY/MT)	149,776	137,350	9.0% ↑	1.1% ↑ ■
<b>Stainless steel</b> (JPY/MT)	192,280	NA	NA	NA
<b>Lumber</b> (JPY/M3)	75,110	66,667	12.7% ↑	2.3% ↑ ●
<b>Asphalt</b> (JPY/MT)	116,487	95,333	22.2% ↑	-5.6% ↓ ●
<b>Limestone</b> (JPY/MT)	82,075	90,722	-9.5% ↓	-10.0% ↓ ●
<b>Cement</b> (JPY/MT)	14,957	12,800	16.9% ↑	8.0% ↑ ●
<b>Concrete</b> (JPY/M3)	17,544	15,000	17.0% ↑	13.2% ↑ ●
<b>Welded mesh</b> (JPY/unit)	661	631	4.6% ↑	-0.5% ↓ ■
<b>Bricks</b> (JPY/'000 unit)	135,952	126,360	7.6% ↑	4.0% ↑ ●
<b>Plasterboard</b> (JPY/unit)	1,543	1,474	4.7% ↑	0.0% ↔ ■
<b>Diesel</b> (JPY/litre)	149	151	-1.3% ↓	-1.3% ↓ ●

(f) Forecast (e) Estimated

- Q3 to Q4 2022 % change greater than estimation in our Q3 report
- Q3 to Q4 2022 % change less than estimation in our Q3 report

Welded mesh: 100 x 200cm, dia.-5mm Plasterboard: 182 x 91 x 0.95cm (L x W x T)

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Copper</b>	+0.5% ↑	Low	Copper prices increased sharply in Q4 2022, increasing by 6% over the previous quarter. The price recovery was primarily driven by increased demand in China as restrictions were lifted. However, the price is likely to level off in the coming months as a result of the global slowdown on the one hand and China reopening and working on its infrastructure development projects.
 <b>Steel prices</b> - Steel rebar - Flat steel	+1.5% ↑ +1.2% ↑	Low	Steel rebar prices are expected to have declined slightly in Q4 2022, in comparison to Q3 2022 prices. In contrast, flat steel prices are estimated to have risen marginally. As the global steel demand weakens, the steel prices will continue to fall. Domestically, however, an improvement in demand from the automotive sector has seen a marginal increase in flat steel prices.
 <b>Stainless Steel</b>	+1.2% ↑	Moderate	Stainless steel prices have increased due to higher nickel prices, and this trend is expected to continue in the short term. Japan is a major importer of nickel.
 <b>Lumber</b>	+1.5% ↑	Moderate	Lumber prices rose moderately in Q4 2022, registering an increase in excess of 2% in comparison to Q3 2022 prices. Supply chain disruptions and a mismatch in supply and demand has tightened lumber supply globally. Although Japan has increased its domestic production of timber, its demand is still met by the import of foreign products. The rise in imported timber prices, has fuelled demand for domestic timber, pushing domestic timber prices upward.
 <b>Asphalt</b>	+1.0% ↑	Low	Asphalt prices have remained stable and have not shown any notable change from Q3 2022. Stabilising international crude oil prices and steady domestic demand will buttress prices around their current price level.
 <b>Limestone</b>	+0.5% ↑	Low	Limestone prices are expected to have fallen by approximately 10% in Q4 2022, in comparison to their Q3 2022 levels, primarily because of sluggish demand and a glut of supply. Japan is domestically self-sufficient in limestone production. However, an improvement in demand from the construction sector is expected to keep limestone prices at their current levels in the short term.

# Japan – Commodity Report



## Construction material (general) price index 2019-2022

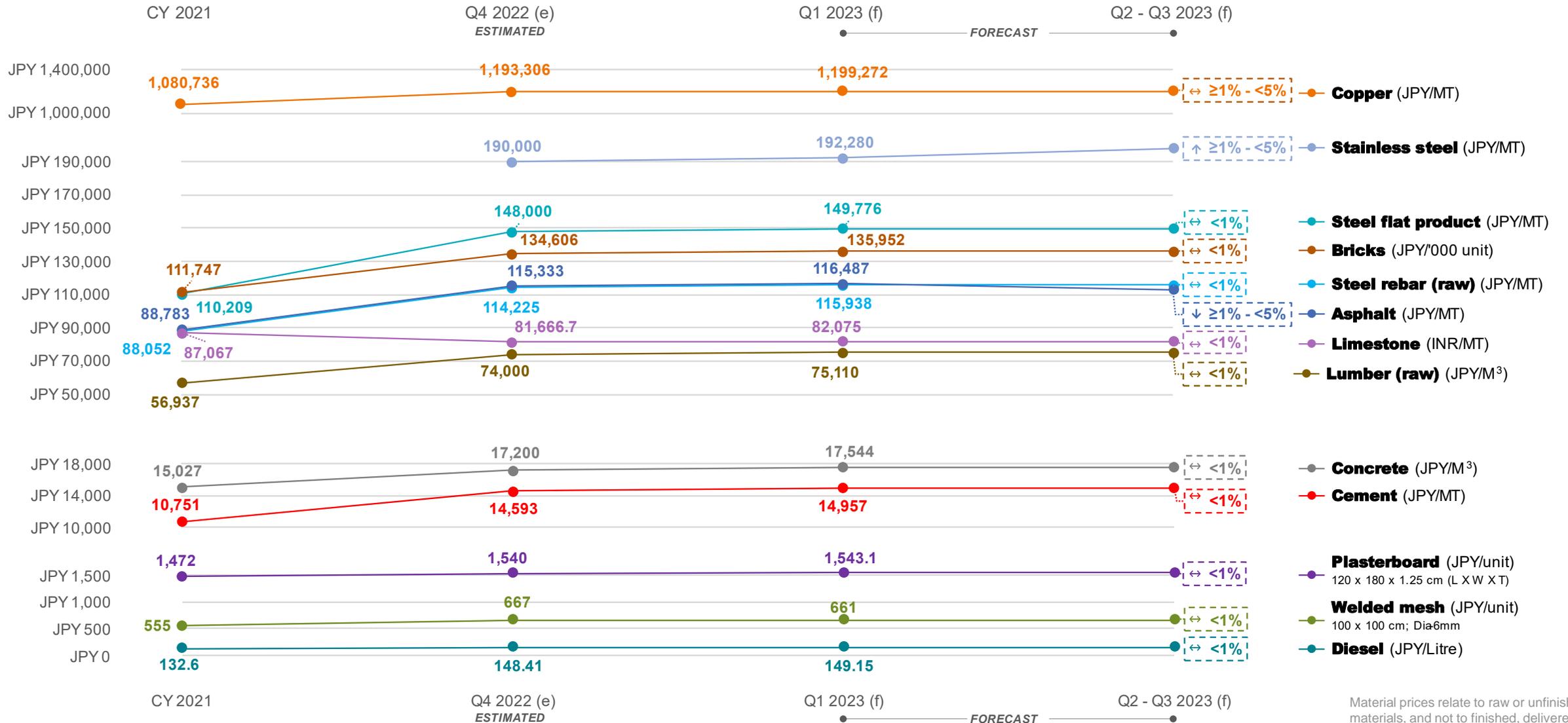
Nov-22	<b>138.4</b>
Oct-22	<b>137</b>
Sep-22	<b>134.3</b>
Aug-22	<b>133.8</b>
Jul-22	<b>133.1</b>
Jun-22	<b>131.9</b>
May-22	<b>130.1</b>
Apr-22	<b>128</b>
Mar-22	<b>126.7</b>
Feb-22	<b>126.2</b>
Jan-22	<b>125.4</b>
2021	<b>115.4</b>
2020	<b>108.2</b>
2019	<b>108.2</b>

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Cement Concrete</b>	+2.5% ↑ +2.0% ↑	Moderate	The price of cement recorded a rise of more than 5% in Q4 2022, in comparison to Q3 2022, primarily driven by an increase in energy costs. During the same period, ready mixed concrete prices recorded a sharp increase of around 13%. While domestic cement suppliers are negotiating with buyers over price increases, ready mix concrete suppliers have already increased their prices to reflect this increase in cement prices. The prices of cement and related products are expected to increase slightly in the coming quarters.
 <b>Welded mesh</b>	-1.0% ↓	Low	Welded mesh prices have declined slightly in the past quarter. With steel rebar prices expected to increase marginally in the short term, mesh prices are expected to reflect this.
 <b>Bricks</b>	+1.0% ↑	Moderate	Brick prices are estimated to have increased by approximately 4% in Q4 2022, in comparison to Q3 2022 prices. The weakening of the yen during much of 2022 and increased energy costs put upward pressure on brick prices, but prices will stabilise in the coming quarters given the expectation of a slight strengthening in the yen and slowing energy inflation.
 <b>Plasterboard</b>	+0.2% ↑	Low	Plasterboard prices are expected to have remained stable in Q3 2022 and will stay close to current levels into 2023.
 <b>Diesel</b>	+0.5% ↑	Low	With the Japanese government providing subsidies to wholesale fuel retailers to limit the impact of oil price rises on consumers, the price of diesel fell to a national average of 148.3 yen in December 2022. The price of diesel is expected to remain stable around its current price level, with the Japanese government extending its current subsidy program to September 2023.

\* 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.

# Japan – Construction Materials Pricing (2021-2023)



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# Japan – Report methodology



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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.

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## 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.

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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 – Japan

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

- IMF
- Japan Industrial Safety and Health Association
- Statistics Bureau of Japan
- GlobalData's Construction Intelligence Center (CIC)
- Bank of Japan (BOJ)
- Construction Prices Research Institute

Linesight 





# Singapore Country Commodity Report Q4 2022



# Singapore

## Q4 2022

According to recent advance estimates from the Ministry of Trade and Industry, Singapore's economy is expected to grow at 3.8% in 2022, up 30 basis points from previous projections. Core inflation was constant at roughly 5.1% in November 2022 and is anticipated to stay high for the ensuing few quarters. In coming quarters Singapore being a trade-reliant economy is likely to face more challenges as the world economy slows.

The construction sector in Singapore is now anticipated to rise by 5.1% in real terms in 2022, up from an earlier forecast of a 3.5% growth. The recommencement of halted infrastructure projects and the government's commitment to complete all delayed housing projects by H1 2025 are driving this revision.



**Michael Murphy**  
Director  
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### Lumber

Despite a marginal fall in the final quarter of this year as residential construction softened and a further decline expected in Q1 2023, lumber prices are expected to begin to increase as construction activity strengthens through 2023. A possible drop in housing prices in 2023, with private residential property prices only increasing by 0.2% quarter on quarter in Q4 2022 due to rising borrowing costs, may deter new residential investments, weighing on lumber demand. However, demand for lumber from public residential construction is likely to compensate.



### Cement and aggregates

Elevated production costs are expected to drive cement and concrete price growth in the coming quarters, with cement producers passing on these costs to buyers. With Singapore reliant on imports, predominantly from Malaysia and China, increased transport and logistical costs and disruption due to the COVID-19 outbreak in China are expected to generate further upwards pressure on prices in early 2023.



### Concrete blocks and bricks

With construction output expected to strengthen in 2023 and energy costs likely to remain elevated, brick and concrete prices are expected to record marginal price growth in the first half of 2023.



### Steel (rebar and structural)

Steel prices are expected to continue to moderate in early 2023, as global demand slows on weaker economic growth and contracting industrial activity. Through 2023, upwards pressures on prices will be generated by increased input costs as coking coal and iron ore prices rise, and strengthening demand for steel in China. Further upwards pressure will be driven by an expected improvement in construction activity through 2023, with works on a number of large civil engineering projects due to commence.



### Copper

Global copper demand is expected to strengthen in early 2023, with China easing its zero COVID restrictions in November 2022 and investing significantly in infrastructure construction in the second half of 2022. In the longer term, domestic copper prices are expected to rise considerably, driven by works on Singapore's Green Plan 2030, for which the government plan to issue SGD35 billion of green bonds to finance green public infrastructure development.

# Singapore – Commodity Report



Materials	Q1 2023 (f)	Q1 2022 – Q1 2023 (f)		Q3 – Q4 2022 (e)
	S\$	S\$	2022-23 % change	% change
<b>Copper</b> (S\$/MT)	12,464	13,503	-7.7% ↓	13.8% ↑ ●
<b>Steel rebar</b> (S\$/MT)	1,031	1,165	-11.5% ↓	-7.2% ↓ ●
<b>Steel flat</b> (S\$/MT)	1,365	1,271	7.4% ↑	-1.7% ↓ ■
<b>Stainless steel</b> (S\$/MT)	3,579	NA	NA	NA
<b>Lumber</b> (S\$/M3)	121	114	6.2% ↑	-0.2% ↓ ■
<b>Asphalt</b> (S\$/MT)	463	407	13.9% ↑	-4.1% ↓ ●
<b>Limestone</b> (S\$/MT)	42.3	39.2	7.8% ↑	0.7% ↑ ●
<b>Cement</b> (S\$/MT)	119	107	11.5% ↑	-0.1% ↓ ■
<b>Concrete</b> (S\$/M3)	119	108	10.2% ↑	0.1% ↑ ■
<b>Welded mesh</b> (S\$/unit)	14.0	14.3	-2.2% ↓	-4.4% ↓ ●
<b>Bricks</b> (S\$/'000 unit)	3,418	3,558	-3.9% ↓	1.3% ↑ ●
<b>Plasterboard</b> (S\$/unit)	9.4	9.4	0.2% ↑	0.0% ↔ ■
<b>Diesel</b> (S\$/litre)	2.7	2.4	13.9% ↑	-4.1% ↓ ●

(f) Forecast (e) Estimated

- Q3 to Q4 2022 % change greater than estimation in our Q3 report
- Q3 to Q4 2022 % change less than estimation in our Q3 report

Welded mesh: 200 x 300cm, dia.-4mm Plasterboard: 10 x 20 x 1.25cm (L x W x T)

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Copper</b>	+1.0% ↑	Moderate	Following a substantial decline in Q3 2022, copper prices were volatile in Q4 2022, rising sharply in November before dropping back in December. A strengthening of copper demand in China and a weakening of the Singapore dollar against the US dollar are expected to keep prices high in early 2023.
 <b>Steel prices</b> - Steel rebar - Flat steel	-1.0% ↓ -1.0% ↓	High	Weak residential construction and soft infrastructure output is expected to drive down steel prices in the final quarter of 2022. This trend is expected to continue into Q1 2023, although an improvement in construction activity and rising iron ore and coking coal prices pose considerable upside risk to the price outlook.
 <b>Stainless Steel</b>	+0.5% ↑	Moderate	The price of stainless steel is expected to increase due to high energy costs and increased raw material prices.
 <b>Lumber</b>	-0.8% ↓	High	Weak demand in residential construction is expected to have driven a marginal decline in lumber prices in Q4 2022 and a further fall in price is projected in Q1 2023. However, with Singapore's Housing and Development Board (HDB) committed to completing all delayed build-to-order projects by the latest H1 2025 and plan to construct up to 23,000 apartments in 2023, prices are expected to begin to rise from Q2 2023.
 <b>Asphalt</b>	-1.0% ↓	Moderate	A moderation of oil prices resulted in a decline in asphalt prices in Q4 2022. In early 2023, assuming a further decline in oil prices, asphalt prices are expected to continue to decline.
 <b>Limestone</b>	+0.5% ↑	Low	Limestone prices remained relatively stable in Q4 2022, recording a marginal quarterly increase of 0.7%. A similar marginal rise is expected in Q1 2023 and into Q2 2023. As Singapore imports much of its limestone, elevated transport costs and an increase in demand is expected to drive price growth.

# Singapore – Commodity Report



## Tender price index 2015 – Q3 2022

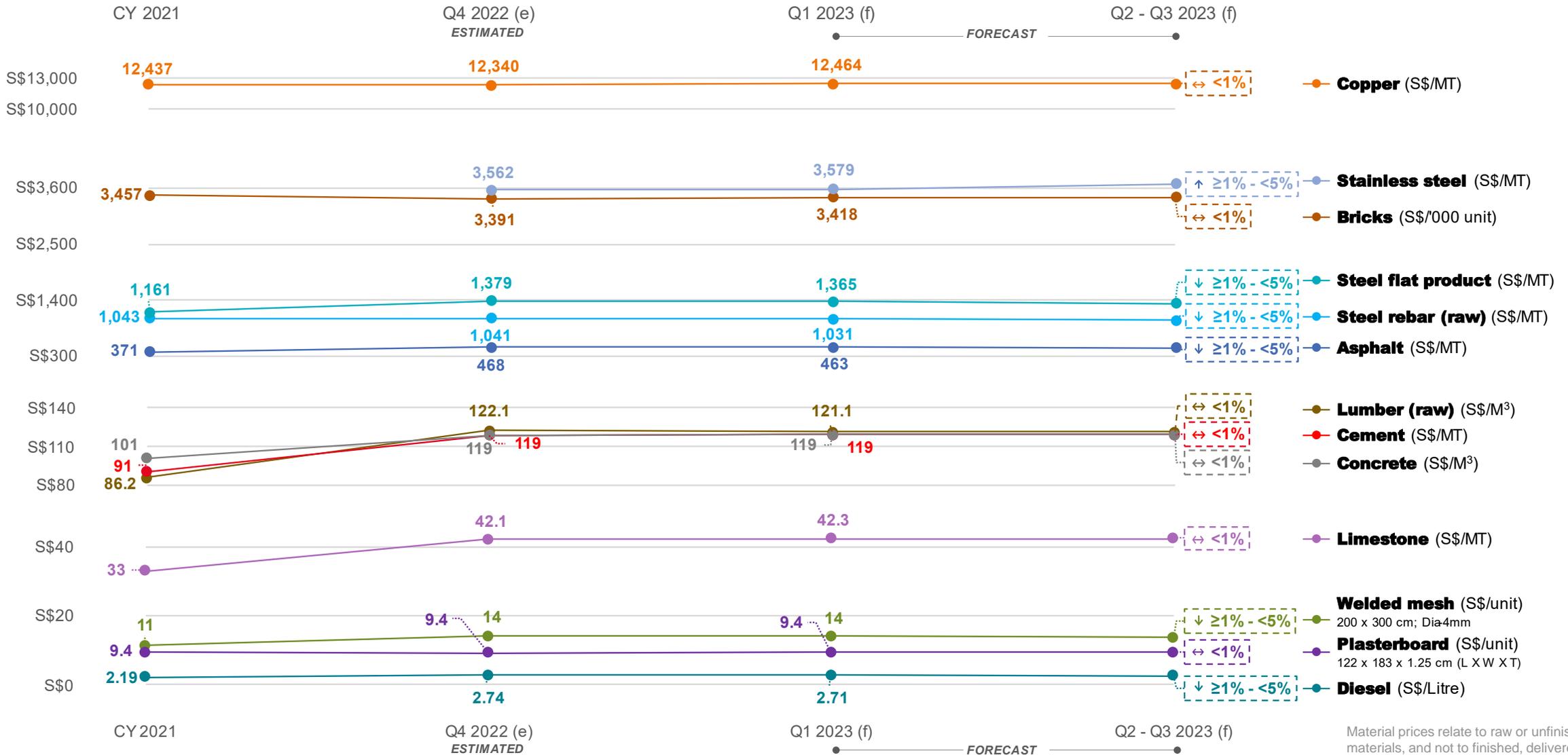


Material	% change Q4 – Q1 2023(f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Cement Concrete</b>	+0.3% ↑ +0.3% ↑	Moderate	Cement and concrete prices remained stable in Q4 2022, with no notable change recorded. An improvement in construction activity in 2023 and an expected rise in thermal coal prices will see prices record marginal growth in the first half of 2023.
 <b>Welded mesh</b>	-1.0% ↓	High	Reflecting the expectation of a continued downtrend in the price of steel, the price of welded mesh is also expected to fall in the first half of 2023.
 <b>Bricks</b>	+0.8% ↑	Moderate	Brick demand will improve as construction activity strengthens and higher energy prices will push up production costs, causing brick prices to trend upwards in the coming quarters.
 <b>Plasterboard</b>	+0.2% ↑	Low	Plasterboard prices remained stable in Q4 2022, and as construction activity strengthens in the first half of 2023, plasterboard prices will rise marginally.
 <b>Diesel</b>	-1.0% ↓	Moderate	Diesel prices continued to moderate in Q4 2022, recording a quarterly decline of 4.1%. Although the trend is expected to continue in the first half of 2023, prices will remain high compared to 2021 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.

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# Singapore – Construction Materials Pricing (2021-2023)



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# Singapore – 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 – Singapore

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

- IMF
- Ministry of Trade and Industry
- Singapore Institute of Surveyors and Valuers
- BCA
- GlobalData's Construction Intelligence Center (CIC)

Linesight 



# South Korea Country Commodity Report Q4 2022



# South Korea

## Q4 2022

According to the Bank of Korea's recent advance estimates, the South Korean economy is expected to grow by 2.6% in 2022 but will slow to less than 1.7% in 2023. Prolonged interest rate hikes in major countries, global energy crisis, and weakening of the pent-up demand post COVID is impacting the economy. The economy is expected to recover in the second half of 2023 as the Information Technology (IT) sector recovers. Inflation remained high at 5% in December 2022, but it is expected to be in the mid-3% range this year.

Following contractions of 2.6% in 2021 and 1.3% in 2020, the South Korean construction industry is expected to contract by 0.5% in 2022. The key factors affecting the industry are rising construction costs, high inflation, and supply chain disruptions. However, with government investments in infrastructure and financial and regulatory support for the semiconductor industry, construction sector is expected to grow at a 4.1% average annual rate between 2024 and 2026.



**Garvan Barry**  
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### Lumber

Lumber prices rose in Q4 2022, due to tight supply, disruption following the truck drivers' strike and increased logistical costs. In 2023, prices are expected to decline as the Bank of Korea's hawkish policy stance and slowing economic growth weighs on new residential investment and construction activity, a key driver of lumber demand.



### Cement and aggregates

Major cement producers are set to further increase wholesale prices as bituminous coal costs, which account for approximately 40% of production costs, rise. Ssangyong C&E and Halla Cement, two of Korea's largest cement producers, have stated that they plan to increase cement prices from February 2023.



### Concrete blocks and bricks

While brick demand weakened as activity in the Korean construction industry was relatively muted in recent months, elevated thermal coal prices and increased logistical costs have kept brick prices relatively high. This trend is expected to continue in Q1 2023.



### Steel (rebar and structural)

While input costs such as iron ore and coking coal have risen, weaker domestic demand as construction and manufacturing activity slows has seen steel prices decline recently. With demand, both global and domestic, expected to remain soft in the first quarter of this year, steel prices are expected to continue to fall. Prices may begin to firm, however, as the year progresses, and demand in China accelerates to feed its infrastructure construction drive.



### Copper

Copper prices rose on the back of China's easing of its zero COVID restrictions, creating expectations of renewed copper demand. However, with macroeconomic headwinds mounting, price growth is expected to be more moderate in the coming quarters. In the long term, copper demand and prices are expected to appreciate substantially, driven by Korea's net-zero transition and demand from its sizeable EV battery manufacturing industry.

# South Korea – Commodity Report



Materials	Q1 2023 (f)	Q1 2022 – Q1 2023 (f)		Q3 2022 – Q4 2022 (e)
	KRW	KRW	2022-23 % change	% change
<b>Copper</b> (KRW/MT)	10,848,159	11,020,169	-1.6% ↓	3.4% ↑ ●
<b>Steel rebar</b> (KRW/MT)	923,914	1,045,000	-11.6% ↓	-2.4% ↓ ●
<b>Steel flat</b> (KRW/MT)	988,023	965,994	2.3% ↑	-1.0% ↓ ●
<b>Stainless steel</b> (KRW/MT)	1,840,083	NA	NA	NA
<b>Lumber</b> (KRW/M3)	380,813	328,000	16.1% ↑	3.0% ↑ ●
<b>Asphalt</b> (KRW/MT)	66,531	60,705	9.6% ↑	0.0% ↔ ■
<b>Limestone</b> (KRW/MT)	862,625	960,088	-10.2% ↓	-11.0% ↓ ●
<b>Cement</b> (KRW/MT)	425,705	369,375	15.3% ↑	5.5% ↑ ●
<b>Concrete</b> (KRW/M3)	167,430	140,612	19.1% ↑	8.5% ↑ ●
<b>Welded mesh</b> (KRW/unit)	7,850	8,876	-11.6% ↓	-2.4% ↓ ●
<b>Bricks</b> (KRW/'000 unit)	649,350	643,681	0.9% ↑	0.0% ↔ ■
<b>Plasterboard</b> (KRW/unit)	4,104	3,948	4.0% ↑	0.0% ↔ ■
<b>Diesel</b> (KRW/litre)	1,567	1,955	-19.8% ↓	-8.7% ↓ ●

(f) Forecast (e) Estimated

● Q3 to Q4 2022 % change greater than estimation in our Q3 report  
 ■ Q3 to Q4 2022 % change less than estimation in our Q3 report

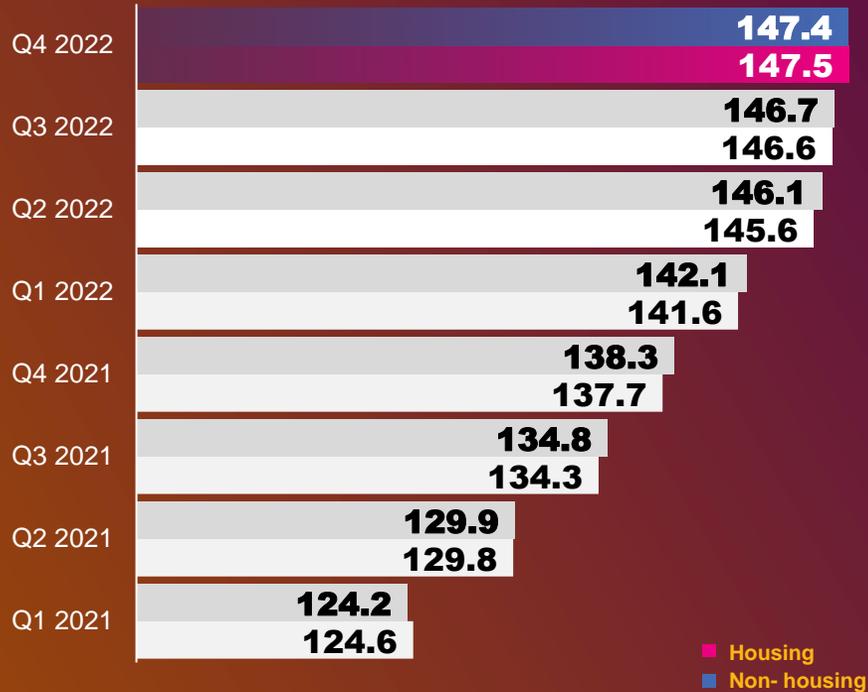
Welded mesh: 100 x 200cm, dia.-5mm Plasterboard: 90 x 180 x 1.2cm (L x W x T)

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Copper</b>	+1.0% ↑	Low	Copper prices appreciated in Q4 2022, with an increase in speculative demand following China's easing of its zero-COVID policy. Fears of recession in Europe and the US combined with increased interest rates will soften demand. Copper prices are expected to remain elevated amid concerns over tight supplies.
 <b>Steel prices</b> - Steel rebar - Flat steel	-1.0% ↓ -0.1% ↓	Moderate	Steel prices have declined from their Q3 2022 levels as a result of weaker demand. Rising input costs due to the weak Korean won and falling prices have impacted the profitability of steel mills. POSCO's operating profit in 2022, for example, reportedly fell by 33%.
 <b>Stainless steel</b>	+0.6% ↑	Low	The increase in raw material prices for the manufacturing of stainless steel is exerting upwards pressure on prices. Increasing nickel prices and elevated energy costs will drive-up stainless steel prices in the short term.
 <b>Lumber</b>	+2.7% ↑	Moderate	Lumber prices picked up again in Q4 2022. A mismatch in demand and supply along with supply-chain disruptions has tightened lumber supply. Elevated interest rates, slowing domestic economic growth and rising unemployment are expected to impact on housing demand in the short term, softening demand for lumber and exerting downwards pressure on prices.
 <b>Asphalt</b>	+0.5% ↑	Low	Asphalt prices have remained stable in recent months. Asphalt prices are primarily driven by crude oil prices, and with global crude oil prices stabilising, the price for asphalt is expected to remain around its current levels in Q1 2023.
 <b>Limestone</b>	+0.5% ↑	Low	Limestone prices have trended downwards, with reduced demand from the construction sector being the primary driver of this decline.

# South Korea – Commodity Report



## Average Construction Cost Index – Building Construction (Q1 2021 - Q4 2022)



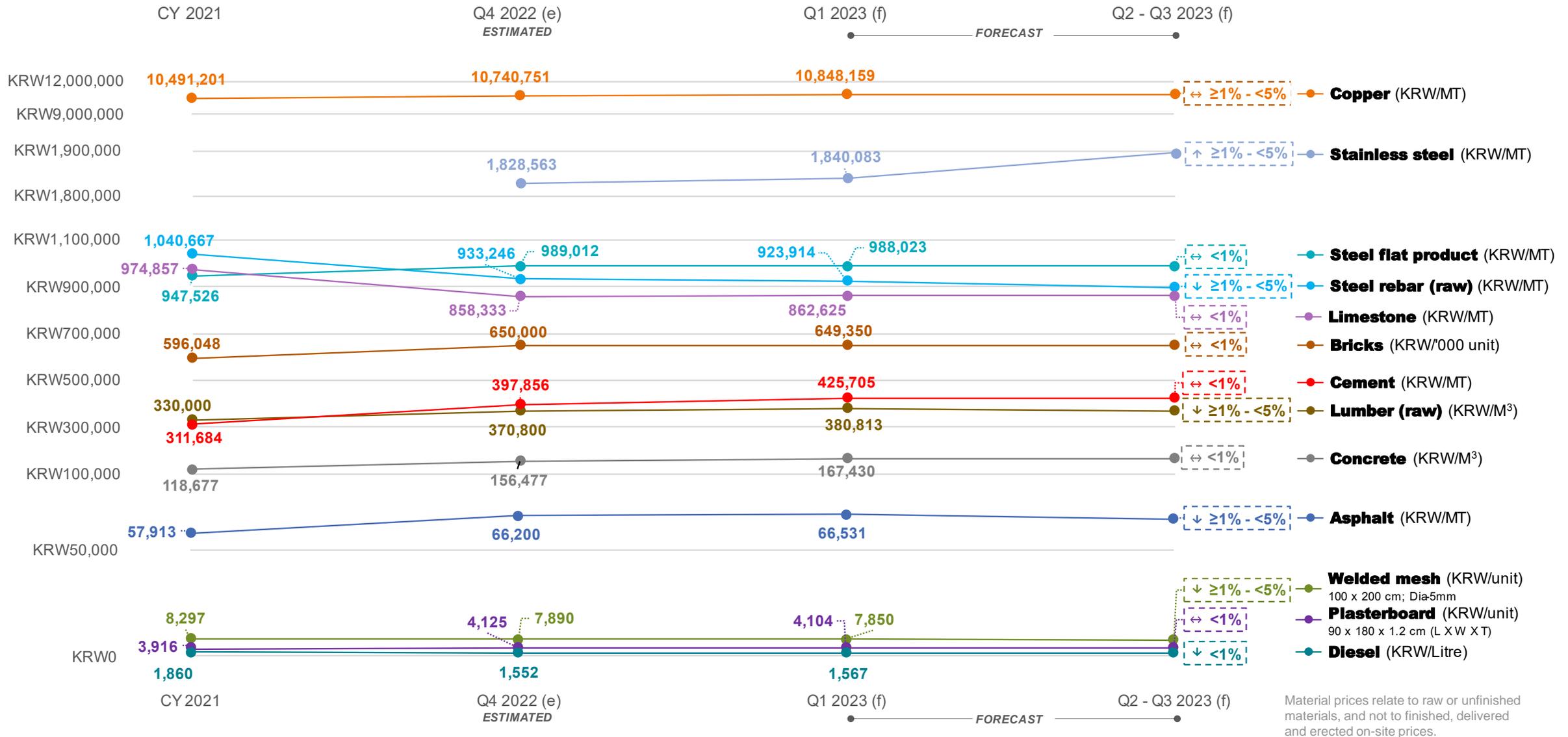
Housing and Non-housing construction cost indices are sub-indices of Building Construction and repair Index which is a sub-category of Construction Cost Index (CCI) published by Korea Institute of Civil Engineering and Building Technology (KICT). This is a statistical data based on Korea Producer Price Index, Bank-of-Korea Inter-Industry relation table, and the construction sector's market wages of the construction association of Korea. CCI measures the price change of direct construction cost of resources such as material, labour, equipment etc. The base year of the current index is 2015, and it is revised every 5 years to reflect changes in the economic structure to the index. The index is calculated by fixing it and linking it with the producer price index.

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Cement Concrete</b>	+7.0% ↑ +7.0% ↑	Moderate	Cement prices have been driven up further by high energy costs, and cement manufacturers are pushing on with decisions to further increase in prices. Ready-mixed concrete suppliers have also already increased prices to account for the rise in cement costs.
 <b>Welded mesh</b>	-0.5% ↓	Low	With steel rebar prices expected to decline in Q1 2023, the price of welded mesh is expected to edge down slightly from current levels.
 <b>Bricks</b>	-0.1% ↓	Low	Brick prices have remained stable at a relatively high level. Increasing energy costs will exert upward pressure on brick prices, but this will be offset by weakening demand.
 <b>Plasterboard</b>	-0.5% ↓	Low	Soft demand from the construction sector will drive down the price of plasterboard in Q1 2023 from recent highs.
 <b>Diesel</b>	+1.0% ↑	Low	Diesel prices registered a quarterly decline of approximately 9% in Q4 2022. The drop in price is mainly due to the stabilising of international crude oil prices, in addition to the subsidy provided by the government to contain the increase of diesel prices. However, with government planning to reduce the subsidy from January 2023, diesel prices are expected to increase slightly from their current levels in Q1 2023.

\* 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.

# South Korea – Construction Materials Pricing (2021-2023)



# South Korea – Report methodology



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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.

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## 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
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- Nominal and real data

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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 – South Korea

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

- IMF
- Statistics Korea
- The Korean Statistical Information System (KOSIS)
- Bank of Korea
- Korea Institute of Civil Engineering and Building Technology (KICT)
- GlobalData's Construction Intelligence Center (CIC)

Linesight 





# Taiwan

## Country Commodity Report

### Q4 2022



# Taiwan

## Q4 2022

Taiwan's GDP grew at a rate of 2.43% in 2022, down from the predicted level of 3.06%, primarily due to lower export volumes as a result of weakening technology demand, according to Directorate General of Budget, Accounting and Statistics (DGBAS). Domestic inflationary pressures appear to be easing, with core consumer prices rising by 2.71% year on year in December 2022, slightly less than the previous month's rate of around 2.86%.

In 2022, the Taiwanese construction sector is predicted to rise by 2.5% in real terms. Foreign direct investments, increasing investor confidence, and the loosening of COVID-19 related restrictions have all contributed to the industry's growth. However, due to declining exports, deteriorating demand, and rising inflation, the industry is expected to grow at a 1.1% annual rate in 2023. From 2018 to 2020, the construction price index increased at a moderate rate of 1% to 3%, but in 2021 and 2022, it registered a sharp hike and increased by 11% and 7%, respectively. Nonetheless, the industry is likely to regain speed, with an annual growth rate of 3.4% projected from 2024 to 2026, due to investments in the transportation, electrical, and industrial sectors.



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### Lumber

Although down from recent highs, lumber is still relatively expensive compared to levels in 2021. Price inflation is expected to be contained by cheaper imports and slightly weaker demand in residential construction.



### Cement and aggregates

Cement prices have remained high in recent quarters, a trend that reflects high production costs and a fall in production levels in China.



### Concrete blocks and bricks

Taiwan is reliant on imports from China and Vietnam to meet demand given the steady reduction in domestic production since 2013. Prices have stayed relatively high given the rise in energy costs.



### Steel (rebar and structural)

Steel prices were stable in Q4 2022 having fallen from the highs reached earlier in the year. High inventories and weaker demand contributed to this trend, with China Steel Corp, the largest integrated steel maker in Taiwan, indicating that it would lower prices on this basis, and it has also revealed further downward price adjustments in Q1 2023. In the year ahead, however, demand of steel in 2023 is expected to improve not only driven by the Forward-looking Infrastructure Development Program, but also the solid demand for office development and factories in 2023.



### Copper

Copper prices recovered ground in late 2022 having fallen during Q3. The copper market is expected to remain volatile. While there will be global economy weakness in the coming quarters as a result of increased costs due primarily to interest rate increases, there is also likely to be supply shortages combined with an increase in demand, primarily from the renewable energy and electric vehicles sectors.



# Taiwan – Commodity Report



Materials	Q1 2023 (f)	Q1 2022 – Q1 2023 (f)	Q3 2022 – Q4 2022 (e)	
	NT\$	NT\$	2022-23 % change	% change
<b>Copper</b> (NT\$/MT)	256,950	271,721	-5.4% ↓	8.3% ↑ ●
<b>Steel rebar</b> (NT\$/MT)	19,679	22,544	-12.7% ↓	-2.9% ↓ ●
<b>Steel flat</b> (NT\$/MT)	31,271	31,547	-0.9% ↓	-5.9% ↓ ●
<b>Stainless steel</b> (NT\$/MT)	36,492	NA	NA	NA
<b>Lumber</b> (NT\$/M3)	6,822	6,668	2.3% ↑	-0.2% ↓ ■
<b>Asphalt</b> (NT\$/MT)	13,084	13,979	-6.4% ↓	0.1% ↑ ■
<b>Limestone</b> (NT\$/MT)	1,857	1,725	7.6% ↑	-0.2% ↓ ■
<b>Cement</b> (NT\$/MT)	3,840	3,377	13.7% ↑	0.0% ↔ ■
<b>Concrete</b> (NT\$/M3)	1,711	1,599	7.0% ↑	1.5% ↑ ●
<b>Welded mesh</b> (NT\$/unit)	358	328	9.1% ↑	0.0% ↔ ■
<b>Bricks</b> (NT\$/'000 unit)	17,467	17,153	1.8% ↑	-0.2% ↓ ■
<b>Plasterboard</b> (NT\$/unit)	251	232	7.8% ↑	0.0% ↔ ■
<b>Diesel</b> (NT\$/litre)	26.9	28.7	-6.3% ↓	0.2% ↑ ■

(f) Forecast (e) Estimated

● Q3 to Q4 2022 % change greater than estimation in our Q3 report  
 ■ Q3 to Q4 2022 % change less than estimation in our Q3 report

Welded mesh: 150 x 300cm, dia.-5mm Plasterboard: 183 x 122 x 1.2cm (L x W x T)

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Copper</b>	+2.6% ↑	Low	Copper prices have recovered ground, picking up in late 2022 having previously slipped from the record high reached in March. The rise in price can be attributed in part to China's easing of COVID restrictions as well as concerns over supply shortages. Although a downturn in the global economy would typically see copper prices drop, demand in Taiwan will remain relatively healthy, and global demand for copper will be buoyed by investment in renewable energy and electric vehicles.
 <b>Steel prices</b> - Steel rebar - Flat steel	-1.0% ↓ -1.5% ↓	Low	After dropping sharply in Q3, steel prices were relatively stable in Q4, but are expected to fall further in early 2023, based on indicative pricing from China Steel Corp. An easing in production costs will help to contain inflationary pressure. However, steel demand in the longer term in Taiwan will be bolstered by infrastructure construction works. In August 2022, the government proposed spending of TWD210 billion (\$7.3 billion) for the fourth phase of the Forward-looking Infrastructure Development Program over the next two years.
 <b>Stainless Steel</b>	+1.0% ↑	Low	The price of stainless steel increased in Q4 as a result of an increase in prices for key raw materials, such as nickel. With the ongoing Russia-Ukraine conflict the price of nickel increased by more than 10% in Q4 2022. Owing to low availability, the price will edge up in the short term, but demand pressures will ease.
 <b>Lumber</b>	+0.2% ↑	Moderate	Lumber prices have been stable in recent months, reflecting improvements in the supply chain. Demand in the short term will be impacted by weaker growth in the residential building sector amid the tightening in monetary policy.
 <b>Asphalt</b>	-0.5% ↓	Low	Asphalt prices have fallen reflecting trends in crude oil prices, and will remain close to current levels in the coming quarters with demand from road infrastructure investment remaining healthy.
 <b>Limestone</b>	+0.2% ↑	Low	Limestone prices were relatively stable in Q4 2022, but with overall construction industry output edging up in 2023, prices will remain elevated in the coming quarters.

# Taiwan – Commodity Report



## Construction cost index 2015-2022

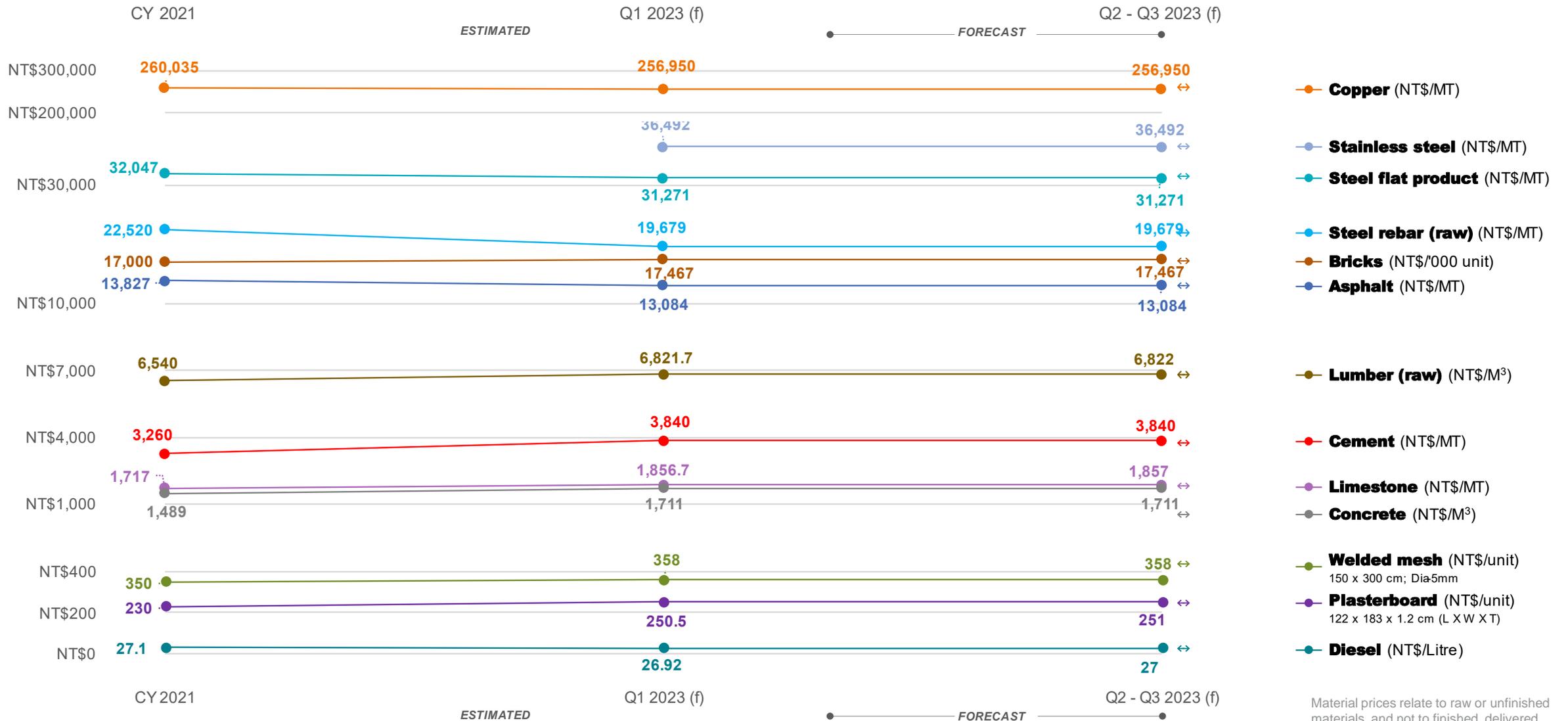


Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Cement Concrete</b>	+0.8% ↑ +0.8% ↑	Moderate	Cement prices have stabilised at a high level in recent quarters, reflecting high production costs and solid demand in the construction industry. However, ready-mixed concrete prices have risen further, surpassing previous record highs and ending 2022 at a level that was 17% higher than at the end of 2021. Prices are expected to remain close to these high levels in the coming quarters, with demand in the overall construction industry holding up.
 <b>Welded mesh</b>	-0.5% ↓	Low	In line with rebar prices, welded mesh prices will edge downwards in the coming quarter but will remain relatively high given still solid demand in the construction industry.
 <b>Bricks</b>	-0.5% ↓	Moderate	Brick prices have remained high in recent quarters, given high production costs and as well as continued steady expansion in construction output. Residential construction will weaken slightly, which will offset upward pressure from production costs.
 <b>Plasterboard</b>	+0.2% ↑	Low	Although residential building construction growth will ease, overall levels of demand for building materials will stay relatively high in the coming quarters, which will contribute to continued high prices for plasterboard.
 <b>Diesel</b>	-0.4% ↓	Low	Diesel prices have remained relatively high and will remain close to current levels in Q1 2023, with the main distributors announcing that the price of premium diesel is to drop NT\$0.1 per litre in early January. Price inflation has been contained by the price stabilisation mechanism, with state-owned CPC Corp absorbing part of the crude oil price increases in support of a government policy to keep domestic fuel prices lower than in neighbouring markets.

\* 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.

# Taiwan – Construction Materials Pricing (2021-2023)



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.

# Taiwan – 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.

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## Sample sources – Taiwan

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

- IMF
- National Statistics
- Directorate General of Budget, Accounting and Statistics (DGBAS)
- GlobalData's Construction Intelligence Center (CIC)

Linesight 





# UAE

## Country Commodity Report

### Q4 2022



# UAE

## Q4 2022

The UAE's economic performance in 2022 is expected to fall short of initial projections of 6.5%, with a GDP growth rate of slightly more than 5.9%. Given the pressures from the global economy, general economic slowdown and geopolitical conditions, the outlook for 2023 GDP growth is expected to be around 4.1%. It is expected that the Dubai World Expo and robust expansion of the non-oil economy will help divert critical dependency on oil. Inflation continues to be a challenge at close to 5% in 2022, but it is expected to moderate in 2023.

In 2022, the construction sector is expected to grow by 2% in real terms, which is 1.8% less than previous projections. The downward revision is attributed to supply chain disruptions, higher labour costs, and higher interest rates. The sector is expected to rebound with a 3.3% growth in 2023, fuelled by investments in the energy sector and growth in economy buoyed by higher oil prices.



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### Lumber

Lumber demand will be sustained by continued expansion in the construction industry. However, upward pressure on prices will be contained by the decline in prices in major source markets, including North America.



### Cement and aggregates

With investment in infrastructure and major buildings projects, demand for cement and aggregates will remain strong. The UAE has sufficient capacity to meet domestic consumption needs, but production costs will remain elevated. Prices are therefore set to remain around current high levels.



### Concrete blocks and bricks

High demand and rising production costs have contributed to upward pressure on prices for concrete blocks. No major change is expected in market dynamics and prices are expected to remain at elevated levels in the coming quarters.



### Steel (rebar and structural)

Having come down sharply from the highs of April 2022, steel prices are again coming under some upward pressure, as producers seek to pass on higher production costs, such as energy and transportation costs to buyers. In late December, the UAE's largest public steel company, Emirates Steel Arkan, announced rebar price increases of \$33 per ton, a 5% increase over the previous month, due to higher production costs.



### Copper

Global copper prices dropped significantly in Q3 2022 due to weak global demand. However, the prices picked up marginally in late 2022, and are set to be volatile in the coming quarters given the opposing impacts of weak global economic demand and supply tightness. Demand over the longer term will be bolstered by the importance of the metal in the energy transition drive.

# UAE – Commodity Report



Materials	Q1 2023 (f)	Q1 2022 – Q1 2023 (f)		Q3 2022 – Q4 2022 (e)
	AED	AED	2022-23 % change	% change
<b>Copper</b> (AED/MT)	27,972	36,749	-23.9% ↓	4.2% ↑ ●
<b>Steel rebar</b> (AED/MT)	2,350	2,681	-12.3% ↓	-6.2% ↓ ●
<b>Steel flat</b> (AED/MT)	2,307	3,287	-29.8% ↓	-11.1% ↓ ●
<b>Stainless steel</b> (AED/MT)	4,481	NA	NA	NA
<b>Lumber</b> (AED/M3)	653	620	5.4% ↑	0.0% ↔ ■
<b>Asphalt</b> (AED/MT)	1,778	1,818	-2.2% ↓	-5.0% ↓ ●
<b>Limestone</b> (AED/MT)	455	445	2.3% ↑	0.9% ↑ ●
<b>Cement</b> (AED/MT)	223	214	4.0% ↑	0.9% ↑ ●
<b>Concrete blocks</b> (AED/M3)	232	205	13.3% ↑	0.0% ↔ ■
<b>Welded mesh</b> (AED/unit)	84.8	82.5	2.8% ↑	0.0% ↔ ■
<b>Bricks</b> (AED/'000 unit)	1,818	1,500	21.2% ↑	5.9% ↑ ●
<b>Plasterboard</b> (AED/unit)	14.0	13.5	3.8% ↑	0.0% ↔ ■
<b>Diesel</b> (AED/litre)	3.8	2.9	30.7% ↑	-9.9% ↓ ■

(f) Forecast (e) Estimated

- Q3 to Q4 2022 % change greater than estimation in our Q3 report
- Q3 to Q4 2022 % change less than estimation in our Q3 report

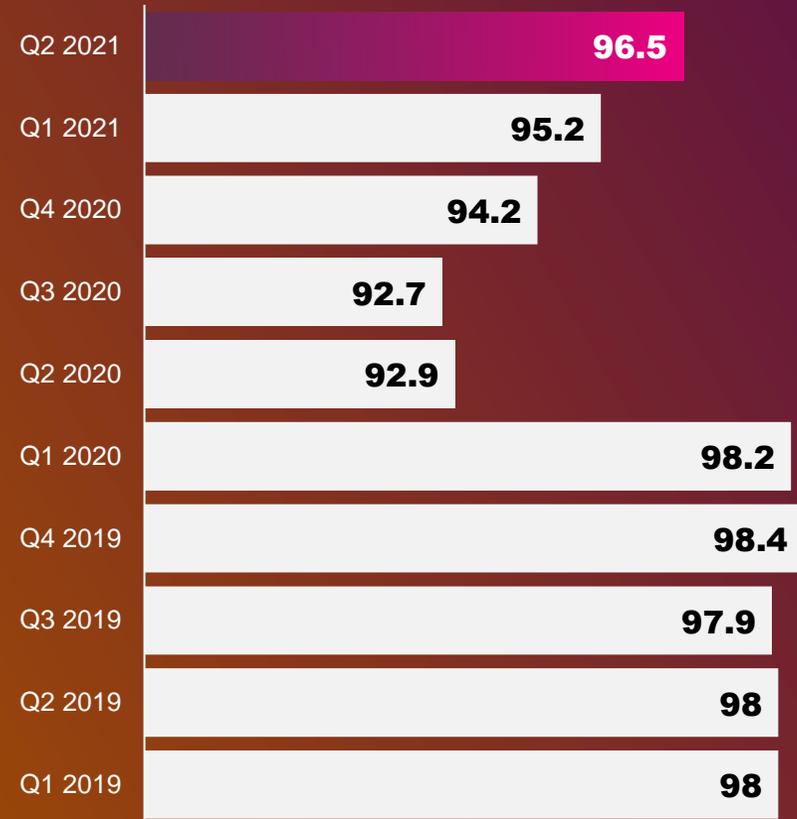
Welded mesh: 244 x 488cm, dia.-6mm Plasterboard: 122 x 244 x 1.2cm (L x W x T)

Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *	
 <b>Copper</b>	+1.0% ↑	Low	Copper prices picked up again in Q4 2022 having dropped from the April 2022 highs. However, increased interest rates and global economic weakness will weigh on prices, but this will be offset by concerns over supply tightness, along with the potential recovery in Chinese demand.
 <b>Steel prices</b> - Steel rebar - Flat steel	+5.5% ↑ +6.0% ↑	Low	Although steel prices have fallen sharply in the second half of 2022, steel prices are facing renewed upward pressure with local producers signalling price hikes in the short-term owing to high production costs. Demand is also picking up given the outlook for continued growth in the construction industry in the UAE.
 <b>Stainless Steel</b>	+3.0% ↑	Low	With increased input costs, the price for stainless steel is expected to rise further from recent levels.
 <b>Lumber</b>	+0.5% ↑	Moderate	Lumber prices have been stable in recent quarters. Prices are expected to remain close to current levels, with improving supply chains helping to offset demand-side pressures.
 <b>Asphalt</b>	-0.5% ↓	Low	Asphalt prices have fallen moderately in line with the decline in prices for petroleum and related products. Prices will remain stable on a quarterly average basis, but there could be renewed volatility in global crude oil prices.
 <b>Limestone</b>	+0.5% ↑	Low	Prices for limestone have been stable in recent quarters, with little change expected in the short term. Demand will be healthy, and this will be met primarily through domestic production.

# UAE – Commodity Report



## Construction cost index 2019-2021

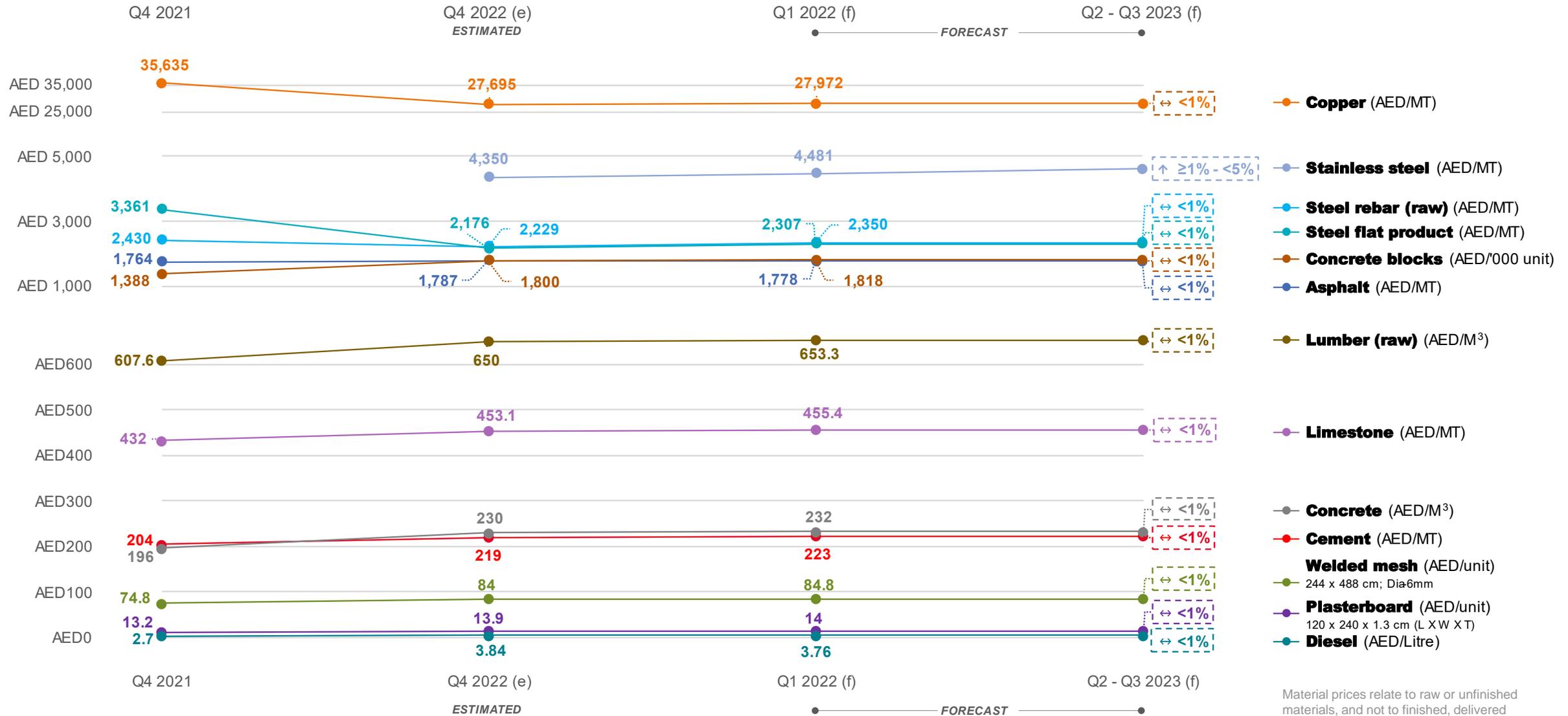


Material	% change Q4 – Q1 2023 (f)	Level of impact of pricing on construction procurement and supply chain *
 <b>Cement Concrete</b>	+1.5% ↑ +1.0% ↑	 Moderate <p>With steady demand from the construction sector driven by infrastructure projects, the demand for cement and concrete is expected to remain strong in the short term. Prices are therefore expected to remain close to current highs, propped up by high production costs.</p>
 <b>Welded mesh</b>	+1.0% ↑	 Low <p>Having been stable in recent months, welded mesh prices will edge slightly higher in the short term, in line with trends in steel rebar.</p>
 <b>Concrete blocks</b>	+1.0% ↑	 Moderate <p>Prices for concrete blocks picked up in Q4 2022, with solid demand from the construction sector. Prices are expected to remain elevated in the coming quarters, reflecting still high prices for concrete, and demand stemming from investment in housebuilding programs.</p>
 <b>Plasterboard</b>	+1.0% ↑	 Low <p>Plasterboard price have remained stable. The region has abundant gypsum resources, which will help to contain inflationary pressure.</p>
 <b>Diesel</b>	-2.0% ↓	 Low <p>Diesel prices have continued to fall steadily having reached close to AED4.8 per litre in July. In line with trends in global crude oil prices, the price of diesel is expected to remain close to current levels in the coming quarters, but there will be a degree of volatility.</p>

\* 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.

# UAE – Construction Materials Pricing (2021-2022)



# UAE – Report methodology



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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.

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## 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 – UAE

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

- World Bank
- National Bureau of Statistics (United Arab Emirates)
- Dubai Statistics Center
- Statistics Center Abu Dhabi
- GlobalData's Construction Intelligence Center (CIC)
- Central Bank of UAE

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