

Czech construction industry slowed growth in March

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Czech construction output slowed its yoy growth from 5.6 % in February to 4.6 % in March. The number of completed dwellings fell by about one third, the number of started dwellings increased slightly. This was announced by the Czech Statistical Office. The Czech construction output at constant prices increased by 5.9 % for the entire first quarter of the year. “It’s such a good figure that it is hard to believe. In the background, it is not about a sudden rise of building companies’ capacity. It is simply because the last year was so catastrophic that even a return to previously normal levels catapults all indexes up sharply,” said the chief economist at Next Finance Vladimír Pikora. Builders see it the same way. “We have no reason to be optimistic,” president of the Association of Building Entrepreneurs, Václav Matyáš, said. According to ČSOB analyst Petr Dufek, the recovery of economy begins to take effect in construction. “The construction industry is facing another weak year, which will be marked by lack of demand from the public and private sectors,” Mr Dufek said. According to the economist Pikora, the industry will not return to pre-crisis level until 2013. The president of the association Matyáš would consider it a success if the construction stopped its decline. Construction output in the European Union, according to Eurostat figures after working day adjustment, rose in February by 2.9 %. Building construction grew by 3.4 %, civil engineering fell by 1.1 %.

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