

# Coface: Threat of insolvency in the construction sector

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There is still a risk of insolvency in construction in most countries, including the Czech Republic. CR is one example, along with Greece, Ireland, Iceland and Spain, where construction suffered the most due to the crisis and recovery will still take some time. This follows from an analysis by credit management company Coface.

“For 2012, Coface forecasts a very slow progress for the construction sector in Europe, but only if there continues to be a rise in housing. However, the construction sector will be affected by austerity plans,” the analysis says. Coface expects that due to budget cuts, construction of public utilities and industrial construction will stagnate. Construction of commercial and industrial space is likely to be under the influence of continuing economic uncertainty.

The entire construction sector has weakened in the U.S. due to falling prices and rising costs, according to Coface. In Japan and New Zealand, reconstructions after natural disasters help revive the sector. In China, experts expect a slight slowdown in housing construction, however, this could be offset by a new social housing scheme.

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