

Construction sector still in decline

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The decline of domestic construction sector will escalate this year, its growth is most likely to return only in 2013. This is what most managers of domestic construction firms think - according to the results of a survey conducted by CEEC Research and KPMG among heads of construction firms. This year's decline of the sector should be more significant than in 2011, according to construction companies' representatives. Last year the output of Czech construction industry fell by 3.1%, according to CSO (Czech Statistical Office).

New construction of commercial buildings, such as offices and shopping centres, is limited by banks' strict conditions for obtaining loans, thinks Omar Koleilat, general manager of property developer Crestyl. "Therefore, I think that construction activity will be low in this area, however, the market is likely to get moving a little, and in 2013 we could see a start of construction of commercial projects in larger quantities than before," said the boss of Crestyl.

President of Association of Building Entrepreneurs Václav Matyáš said that a relatively large number of small and medium-sized companies disappeared. This year's investment in transport infrastructure will be lower by about 35% compared to budget outlook for 2010, according to Transport Minister Pavel Dobeš. The situation in 2011 was similar.

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