Future looks brighter

Euroconstruct conference hears that construction growth forecast is being revised upwards for next year

The growth rate of total construction output predicted by Euroconstruct for 2015 has been revised downwards from the 1.9% suggested at its Warsaw, Poland, conference in the summer, to 1.6% for the region it covers – but the following year is said to be on the up.

At its latest conference in Budapest, Hungary – the 80th conference to be held by the network of construction forecasters – Euroconstruct predicted a record growth rate of 3% for 2016, as opposed to 2.4% in Warsaw. For 2017, there was no big revision with 2.7% projected rather than 2.6%.

For 2018, total construction output in the Euroconstruct region was estimated to show a growth of 2%. Euroconstruct estimated the value of construction output to be €1.41 trillion in 2016 and €1.45 trillion in 2017. It said the level of construction activity should reach €1.48 trillion by 2018.

To put this in perspective, it said that in 2007, total construction output of the Euroconstruct countries was €1.53 trillion.

It said that when it came to construction activity, all 19 Euroconstruct countries were looking at an upturn in the forecast period of 2016 to 2018.

In 2015, Ireland (up 10.6%), Slovakia (up 10.3%), Czech Republic (up 7.4%), Netherlands (up 6%) were booming.

In 2016 to 2018, Poland would register growth of 7% and Ireland 9% yearly in total construction output, it predicted.

Compared to a similar table at the Warsaw Euroconstruct Conference in the summer, construction output in 2016 will be more positive than predicted, it said. “Starting from the deepest 2012 and 2013 years, construction output growth of 2016 seems to be very positive, regarding all 19 countries of Euroconstruct,” it said.

The Budapest conference – organised by Buildecon – heard that the biggest influencing factor in residential construction was the massive influx of migrants arriving in Western European countries such as Germany and the Netherlands, and to the Nordic countries.

It said this was likely have an impact on housing, creating more need for housing – either new construction, or renting or purchasing existing homes.

In 2015, the share of repair, renovation and maintenance has reached 60% of the total residential market.

NCC to pay up in illicit asphalt case

Swedish contractor NCC is having to find SEK64 million (€9.1 million) extra after the Supreme Court of Norway ruled as inadmissible an appeal relating to illicit asphalt collaboration in Trøndelag, Norway, between 2005 and 2008.

As a result, the case has been closed. NCC said the ruling implied that it would be required to pay SEK150 million (€16.3 million) for the competition infringement. It said it had previously made a provision of SEK66 million (€7.2 million) and the remainder would be charged against its earnings for the fourth quarter of 2015.

NCC said an individual at the company had been engaged in illicit collaboration with a competitor. It said this was in breach of instructions and guidelines for the company’s business operations.

Eric Thunegard, senior vice president for legal affairs at NCC Roads, said, “NCC has a comprehensive compliance programme and we do not tolerate infringements of competition laws or our own internal, ethical guidelines. The person responsible for the illicit collaboration in Trøndelag no longer works for NCC.”

The Norwegian Competition Authority (NCA) told NCC in 2011 that it faced a fine over price fixing in the asphalt paving sector. It admitted then to some circumstances of collusion. However, it denied other instances of collusion cited by the NCA, and said it considered a €22 million penalty “excessive.”

Samoter in show linkup

Italian trade shows Samoter and Transpotec Logitec have announced that they will be joining forces for the upcoming 2017 show, which will be held in the Verona exhibition centre.

Samoter, the international earthmoving and building machinery exhibition, is an event owned by Veronafiere.

Transpotec Logitec is owned by Fiera Milano, and is an exhibition dedicated to road transport and logistics.

The show will be held on February 22 to 25, 2017.

Corrado Peraboni, CEO of Fiera Milano, said, “Transpotec Logitec and Samoter will both benefit in terms of added value and appeal for sector operators.”

For the first time, the last edition of Samoter was held in conjunction with Asphaltica – the event organised in collaboration with Sitoib (Italian Bitumen, Asphalt and Roads Association) – dedicated to machinery and technologies for road paving and infrastructures.