



ΚΥΠΡΙΑΚΟ
ΕΜΠΟΡΙΚΟ ΚΑΙ
ΒΙΟΜΗΧΑΝΙΚΟ
ΕΠΙΜΕΛΗΤΗΡΙΟ

Λευκωσία, 1 Ιουλίου, 2019

Προς: Όλους τους ενδιαφερόμενους
Θέμα: Προβλέψεις για την Κατασκευαστική Αγορά στην Ανατολική Ευρώπη

Κυρία/ε,

Στις 24 Ιουνίου 2019, ο EECFA (Eastern European Construction Forecasting Association) δημοσιοποίησε την έκθεση για τις προβλέψεις για την Κατασκευαστική Αγορά μέχρι το 2021. Ο EECFA διεξάγει έρευνες για την Κατασκευαστική Αγορά σε 8 χώρες της Νοτιοανατολικής Ευρώπης. (Βουλγαρία, Κροατία, Ρουμανία, Ρωσία, Σερβία, Σλοβενία, Τουρκία και Ουκρανία). Για περισσότερες πληροφορίες επισκεφτείτε την ιστοσελίδα www.eecfa.com.

Απ' ότι φαίνεται οι καλές χρονιές στις Κατασκευαστικές αγορές των Ανατολικών και Δυτικών Βαλκανικών χωρών, αναμένονται να συνεχίσουν. Συνολικά προβλέπεται αύξηση περίπου 15% για ολόκληρη την περιοχή για την περίοδο 2019-2021.

Επισυνάπτεται αυτούσιο το δημοσίευμα.

Με εκτίμηση,

Μιχάλης Κούλλουρος,
Λειτουργός Τμήματος Βιομηχανίας,
για Γενικό Γραμματέα.



Press Release 2019 Summer

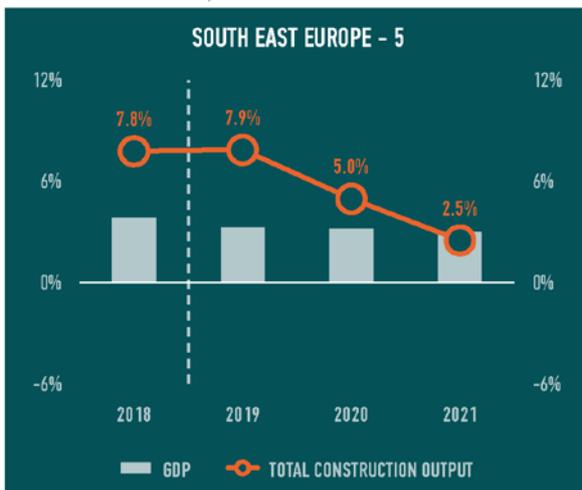
On 24 June 2019, the 2019 Summer EECFA Construction Forecast Report up to 2021 was published. Full reports can be purchased, and a sample report can be viewed at www.eecfa.com. EECFA (Eastern European Construction Forecasting Association) conducts research on the construction markets of 8 Eastern-European countries.

Southeast Europe

Good years are predicted to continue in the construction markets of Eastern and Western Balkan countries of EECFA. Altogether around 15% cumulated real growth is foreseen for the region as a whole in 2019-2021. The annual pace of growth, however, is gradually decelerating on the forecast horizon. In this upcoming period civil engineering is expected to outperform building construction in all countries, except for Romania.

EECFA 2019 SUMMER FORECAST

GDP AND CONSTRUCTION OUTPUT FORECAST IN SEE COUNTRIES OF EECFA
BULGARIA, CROATIA, ROMANIA, SERBIA, SLOVENIA
 ANNUAL GROWTH AT CONSTANT PRICE, %



SOURCES OF DATA: GDP - EUROPEAN COMMISSION, NATIONAL MACRO FORECASTERS
 CONSTRUCTION OUTPUT - EECFA 2019 SUMMER REPORTS

GDP AND CONSTRUCTION OUTPUT FORECAST IN EE COUNTRIES OF EECFA
RUSSIA, TURKEY, UKRAINE
 ANNUAL GROWTH AT CONSTANT PRICE, %



SOURCES OF DATA: GDP - EUROPEAN COMMISSION, IMF WEO, RUSSIA MINISTRY OF ECONOMIC DEVELOPMENT
 MINISTRY OF ECONOMIC DEVELOPMENT AND TRADE OF UKRAINE
 CONSTRUCTION OUTPUT - EECFA 2019 SUMMER REPORTS

Bulgaria's construction output remains on a growth path since both building construction and civil engineering continue to expand. Residential construction is still an attractive investment due to increasing profitability on the back of a positive change in disposable income and low interest rates. Growth in non-residential construction is backed by the acceleration in office segment and a stable performance in manufacturing and warehousing. Civil engineering is to be driven by road and public utility segments, while major projects in railway construction are struggling to start. Construction output is projected to grow by 5% in 2019 and 4% in 2020.



The end of the EU programming period of 2014-2020 will likely give an additional boost of 7% in 2021.

Construction in **Croatia** is at a crossroads. Some sectors that have shown strong catch-up growth will soon slow. Others, so far less favored, will soon benefit from such growth. The country is also at a crossroads in another sense. An aging population, continued emigration, rising construction costs and increased international competition for tourists will threaten a number of construction sectors unless wise political choices are made. All in all, though, while the forecast for the Croatian construction industry as a whole is not as sunny as it once was and while patches of cloud have begun to appear in some places, other areas are expected to enjoy significantly more favorable conditions than in the past.

Romania's construction is set to grow by 6% in 2019. Residential construction, after a remarkable growth between 2016 and 2018, might be hindered by legal and policy changes. Despite some concerns over the contrary, residential activity is still predicted to remain one of the main drivers of the Romanian construction market, at least until 2020. Demand remains high for most types of non-residential construction as well. But talent shortages and higher operating costs would, likewise, limit the growth of the segment. Of notable interest is the expected growth in civil engineering segments which considerably dropped after 2015 but are to return to a positive trend with renewed interest due to availability of national and EU funding and increased public interest in the election years.

In **Serbia** the booming cycle is now encompassing practically all construction segments, with strong performance in both buildings and civil engineering. While residential and non-residential buildings were leading the growth in the previous period, civil engineering is expected to again take charge in 2019. With increased spending in road construction and major large-scale projects now underway in energy and railroad, there is a strong expansion of outputs in this forecast horizon. Although extensive growth in previous years already doubled outputs in many segments, particularly in buildings, there is yet more to come. Total construction output in 2021 will likely at least double the volumes from 2015.

Construction industry in **Slovenia** continues to grow fast, recording a second consecutive year of double-digit growth. Based on strong economic growth, easy access to credit and strong demand for residential housing, its foundation would remain strong also in 2020 unless a major external shock reversed the current optimism on the market. Even in such case, there are several large civil engineering projects, especially the construction of a new railway towards Port Koper that began in early 2019, that will induce growth in construction output for several years.

East Europe

The East-European countries EECFA covers show a completely different picture from that of the Balkan. The cumulated growth expectation of the region is -1% for 2019-2021. Turkey's construction market is in such trouble as previously predicted, and this drags down the whole region's performance. On country level, only Turkey sees negative cumulated growth until



2021, while Russia is prognosticated to be moderately positive. And Ukraine can reach the highest growth rates. In each country civil engineering is forecast to perform better (less worse in case of Turkey) than building construction until 2021.

EECFA COUNTRIES CONSTRUCTION MARKET SIZE AND DEVELOPMENT	VALUE (EUR MLN)	GROWTH RATES AT CONSTANT PRICE (%)						
	2018	2015	2016	2017	2018	2019(F)	2020(F)	2021(F)
BULGARIA	6 862	22.0	-39.7	15.1	7.2	5.0	4.4	7.4
CROATIA	3 651	10.7	2.7	1.7	5.9	8.8	6.3	3.3
ROMANIA	18 544	19.4	-12.3	-2.9	7.1	6.8	4.8	0.0
SERBIA	2 909	18.0	7.7	7.1	13.8	17.3	5.6	5.6
SLOVENIA	2 883	-3.3	-10.8	10.8	10.6	11.1	4.7	2.9
SOUTH-EAST EUROPE-5	34 848	17.2	-16.4	2.5	7.8	7.9	5.0	2.5
RUSSIA	124 594	-2.1	-1.8	-2.3	2.4	0.3	2.8	3.3
TURKEY	122 957	6.1	4.2	10.0	1.8	-8.9	-2.1	1.5
UKRAINE	8 630	-10.3	11.5	7.9	4.5	6.8	3.6	7.2
EAST EUROPE-3	256 181	1.1	1.2	3.6	2.2	-3.9	0.6	2.7
EECFA-8	291 029	3.0	-1.2	3.5	2.8	-2.5	1.2	2.6

SOURCE: EECFA 2019 SUMMER

In 2018 **Russia's** construction output registered a higher-than-expected growth of 2.4%, thanks to the partial revision of construction statistics and the completion of major infrastructure projects related to the FIFA World Cup. In 2019, though, with the disappearance of these two growth factors, construction output is set to be near zero. Forecast for 2020-2021 is more optimistic (2.8%-3.3% per year) as economic growth is expected to accelerate and state funding for the industry will likely have a major push. Civil engineering and housing construction will enjoy most state funding directed to new road and railway projects, energy infrastructure and residential real estate developers.

In August 2018 the economy of **Turkey** trembled owing to the massive depreciation of Lira that greatly hit many sectors, especially construction. Building permits also dropped sharply last year, after historical peaks a year earlier, but completion of buildings in terms of floor area rose by 5%. This trend continues in 2019, but housing sales declined by 20% in the first five months, together with large decreases in real housing prices. Further, building material output registered a more than 20% drop within a year until May 2019. Construction companies experience a hard time and those active in civil engineering have decreasing workloads due to the presidential decree (issued in October 2018) not to tender new projects except for priority ones. Plus, the budget to central and local governments for projects this year is less than last year. Against this backdrop, recovery in the construction sector can only begin in 2021.



The **Ukrainian** construction industry has all the conditions for a sustainable growth in the future by an estimated 6.8% rise this year, a 3.6% increase in 2020 and a 7.2% growth in 2021. A positive trend is the systemic state support for the industry, including more transparent and clear rules of the game in the construction market, simplification of permits, and powerful investment support, especially in civil engineering. Hindering construction industry, and the economy as a whole, though, is the lack of financing. The slight drop in residential construction is offset by the growth of non-residential and civil engineering subsectors.

Source of data: EECFA Construction Forecast Report, 2019 Summer

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