

Construction Industry Status Report - Not Quite a Precipitous Fall

This article is a summary of the figures published by the Hungarian Central Statistical Office on the performance of the construction industry in February 2021. While the February figures show a major drop in output, and this could be a cause for pessimism, it is a well-established fact that the start of the year does not account for much in the annual performance of the construction industry.

Figures from the Central Statistical Office

- [1] In the definition that the Hungarian Central Statistical Office (“**KSH**”) uses when it collects data, construction industry activities include the shell and core construction of buildings and other facilities, the construction of new buildings, as well as the renovation and remodelling of existing buildings.
- [2] The [latest raw data reported by the Central Statistical Office](#) show that construction output in February 2021 was lower by 16.1% than a year before.
- [3] Year-on-year output fell in both main categories of construction in February 2021, with a 16.7% decrease in buildings and 15% decrease in other facilities. The rate of contraction was 8.8% in the case of buildings, 11.3% in the case of other facilities and 21.7% in the case of specialised construction activities.
- [4] According to indices adjusted for seasonal changes and monthly business days, output in the construction industry fell by 11.7% compared with January.
- [5] There was a year-on-year drop of 29.4% in the value of newly signed construction contracts, where the value of contracts for other facilities fell by 33.6% and that of contracts for buildings by 25.4%.
- [6] The overall value of existing construction contracts at the end of February 2021 was higher by 0.4% than a year before. The value of contracts for buildings increased by 2.7%, while the value of contracts for other facilities declined by 1% compared with the year-on-year data.
- [7] In the light of these figures, it is not surprising that the overall output of the construction industry in the first two months of 2021 fell by 4.3% compared with the same period last year.

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