



# REINDUSTRIALIZING EUROPE

WHERE IS THE CONSTRUCTION  
EQUIPMENT SECTOR GOING?

23-25 Oct  
2024  
MADRID

#CECEcongress



**Josep Fontana**  
**ITeC / Euroconstruct**

**Forecasts for the  
European  
construction sector**

**#CECEcongress**



# Euroconstruct



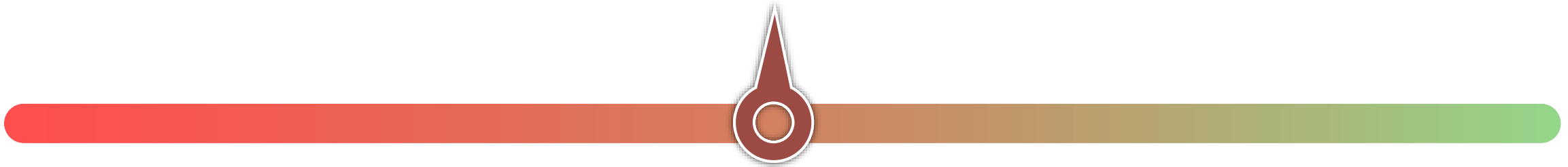
19 countries



[cece.eu/congress](https://cece.eu/congress)

#CECEcongress

# How is the European construction sector?



# Why should we move the needle down?



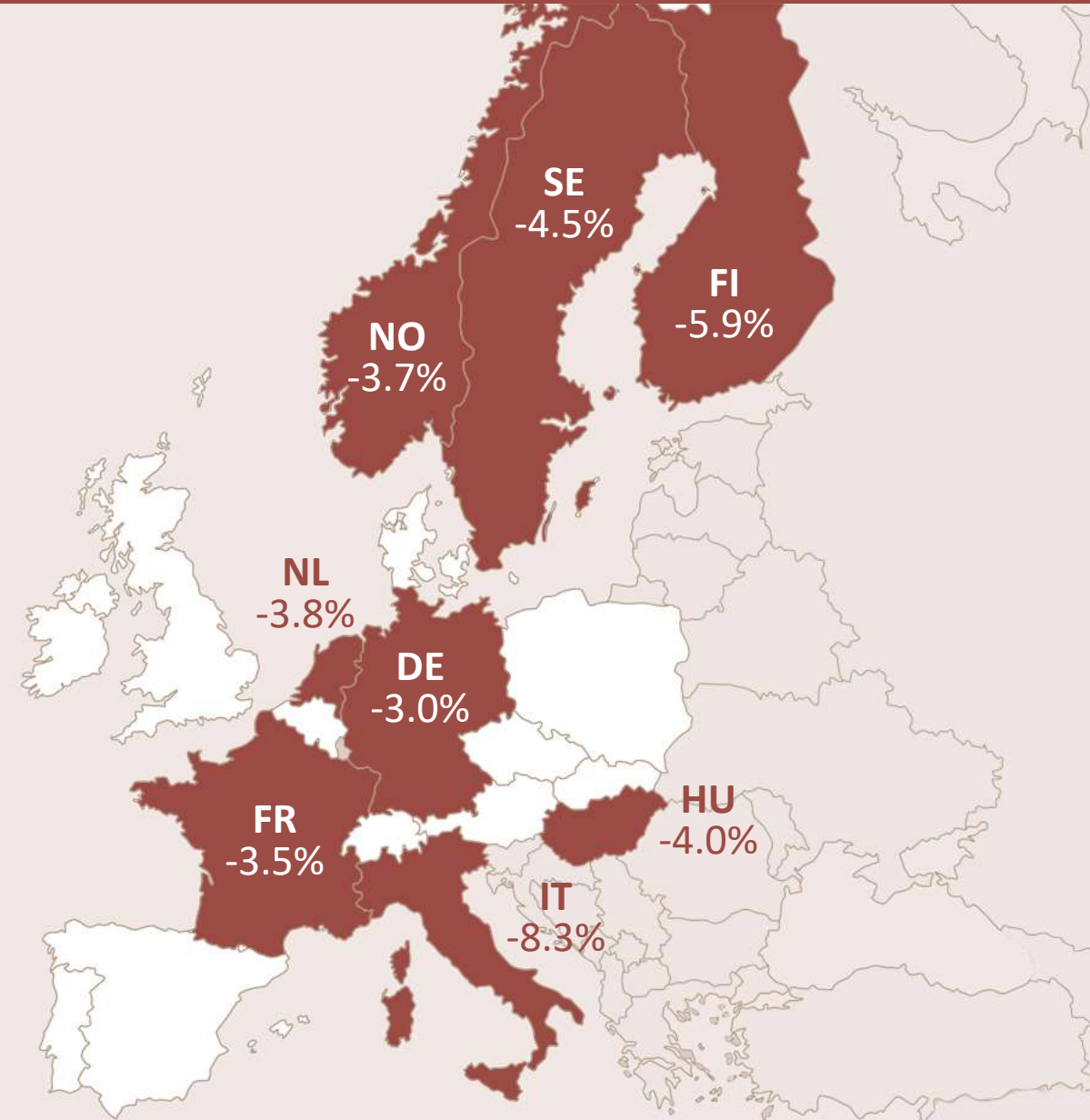
# Why should we move the needle down?

Forecast for 2024:

**-2.7%**

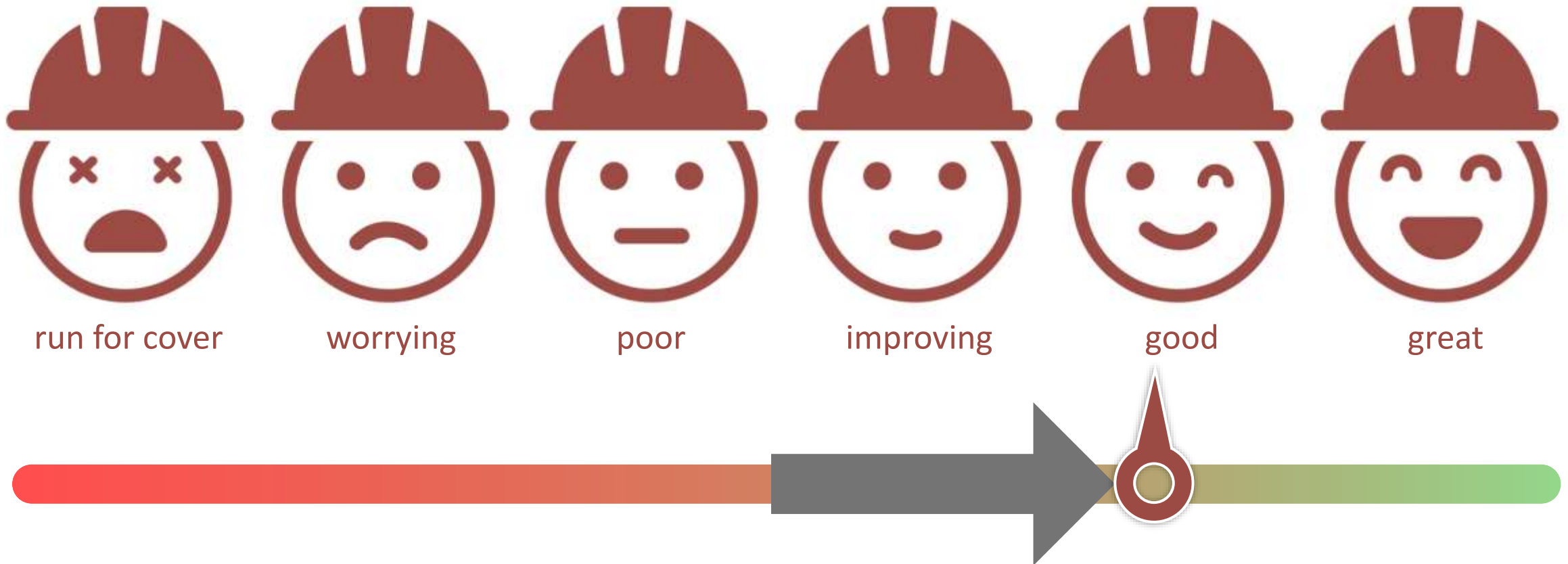
second consecutive year of  
output contraction

[cece.eu/congress](https://cece.eu/congress)



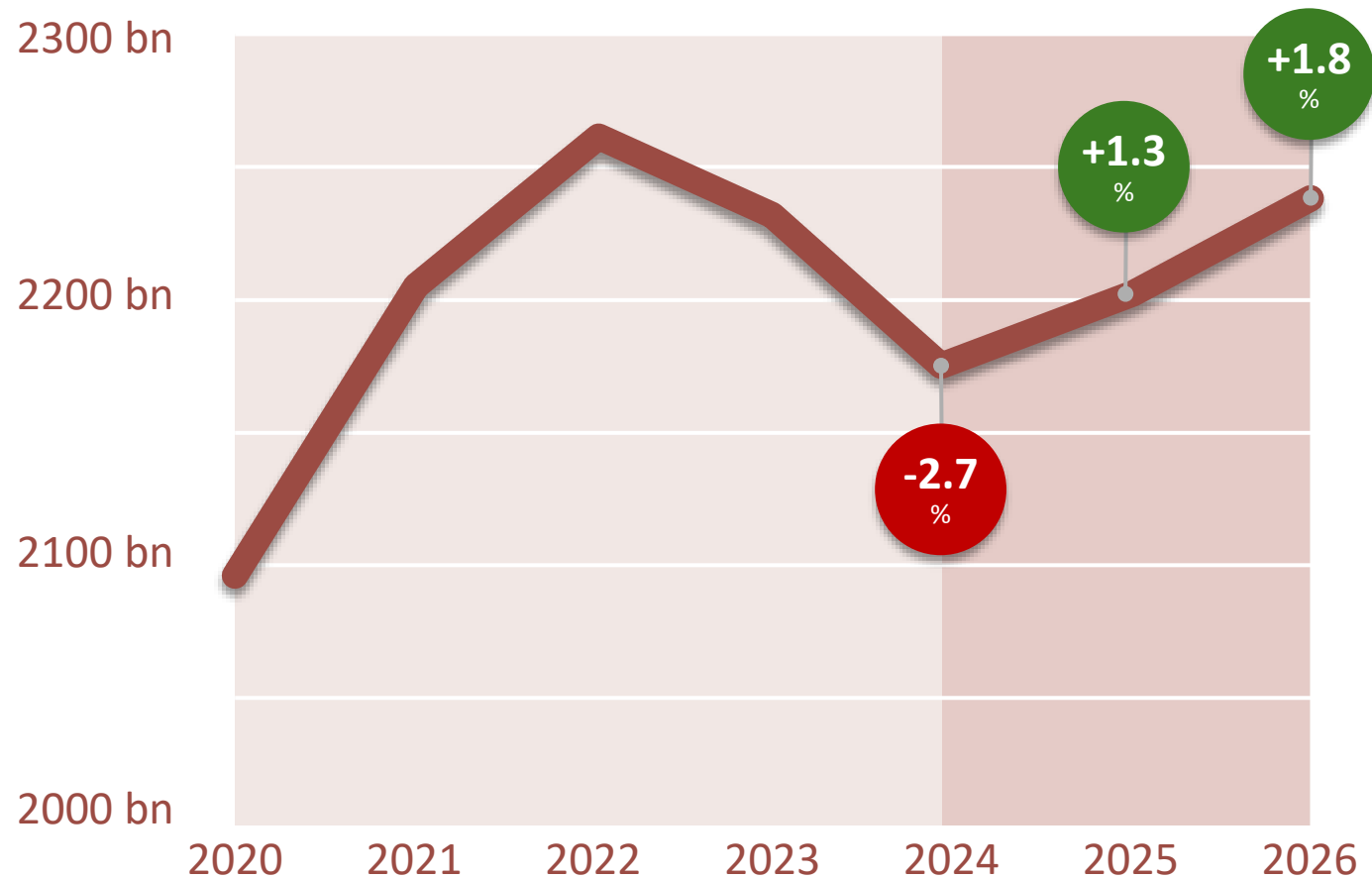


# Why should we move the needle up?



# Market hits bottom in 2024

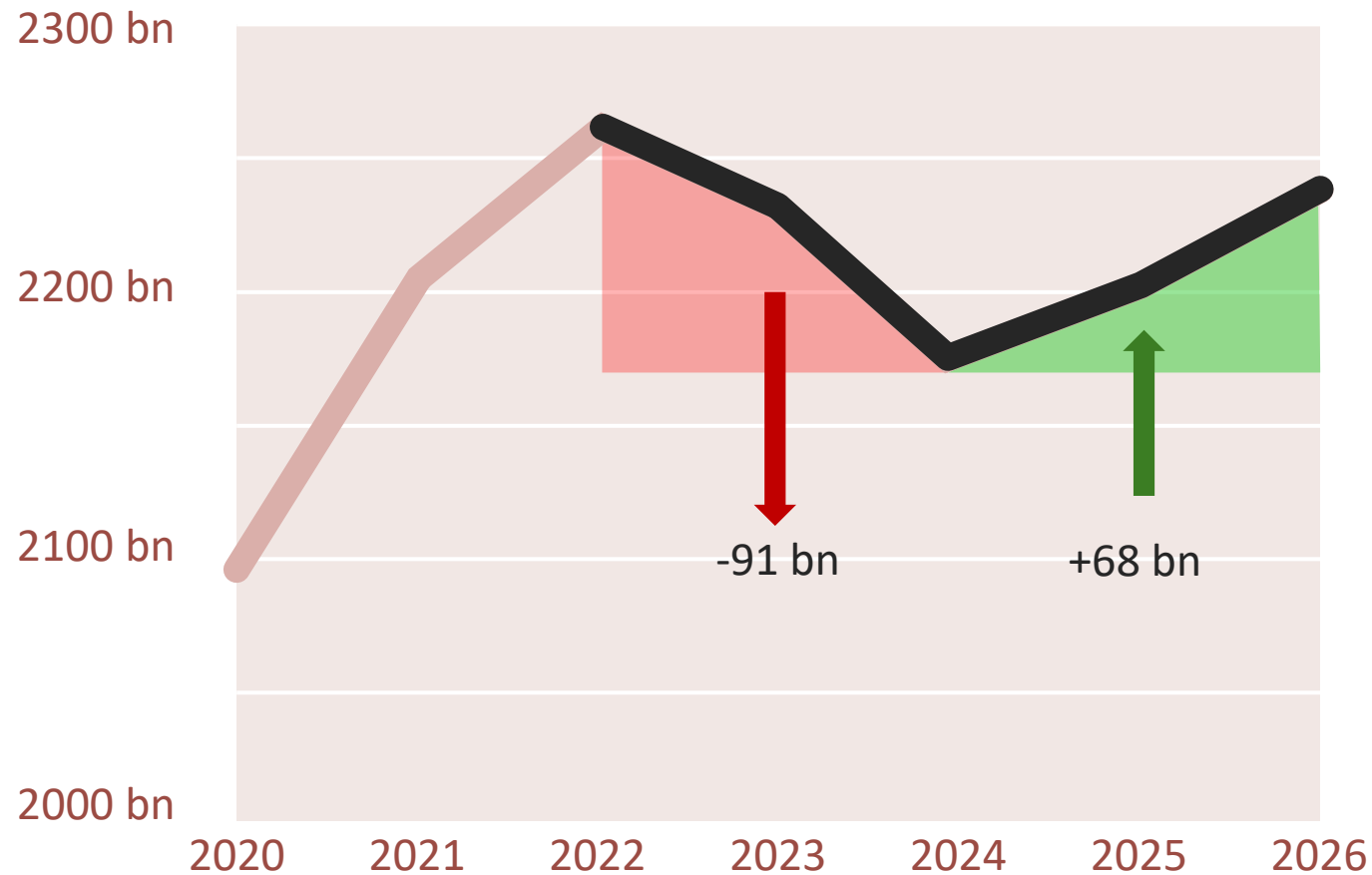
**Construction output is expected to get back to growth in 2025 (and continue in 2026)**  
Billion € at 2023 prices





# Not a complete recovery

**Construction output is expected to get back to growth in 2025 (and continue in 2026)**  
Billion € at 2023 prices



# Country discrepancies

Construction output Index 100=2022 | constant prices

## Euroconstruct

## Group A

Contraction without recovery

## Group B

Contraction and partial recovery

## Group C

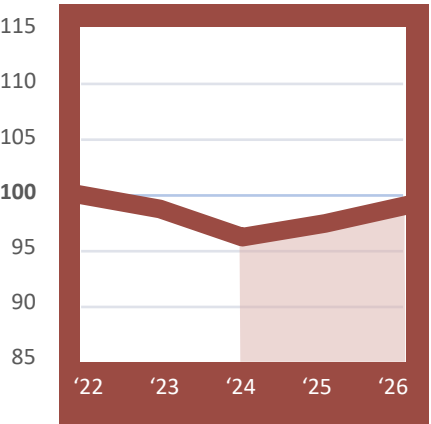
Stagnation

## Group D

Modest growth

## Group E

Strong growth

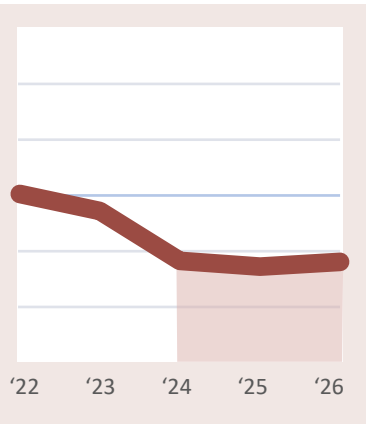


Output change  
(cumulated 2026 vs 2022)

↓ -6%

IT FR  
DE AT

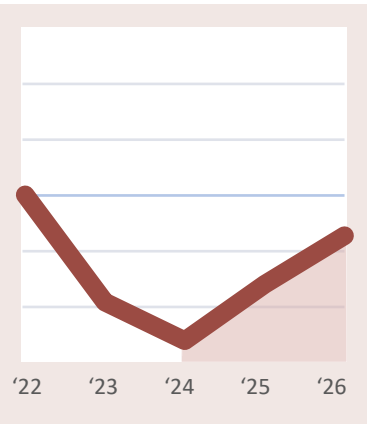
52%



↓ -4%

SE DK FI  
HU NO

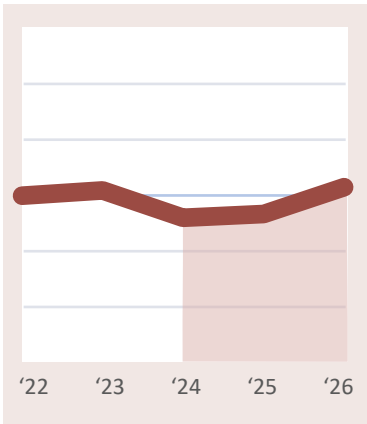
9%



= +1%

NL BE

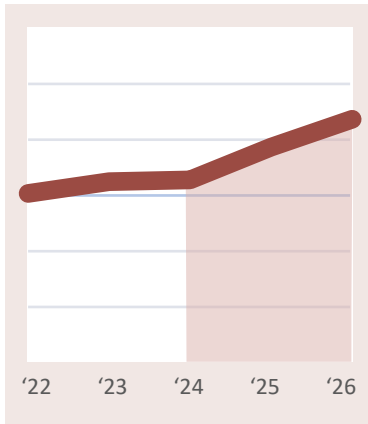
8%



↑ +7%

UK ES CH  
CZ SK PT

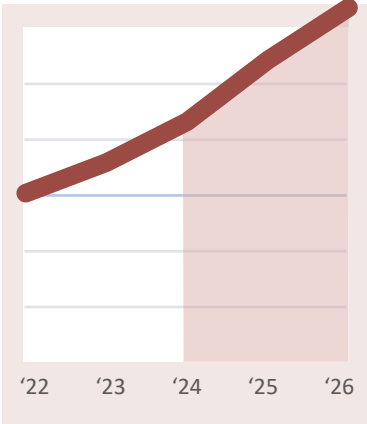
27%



↑ +17%

PO IE

5%

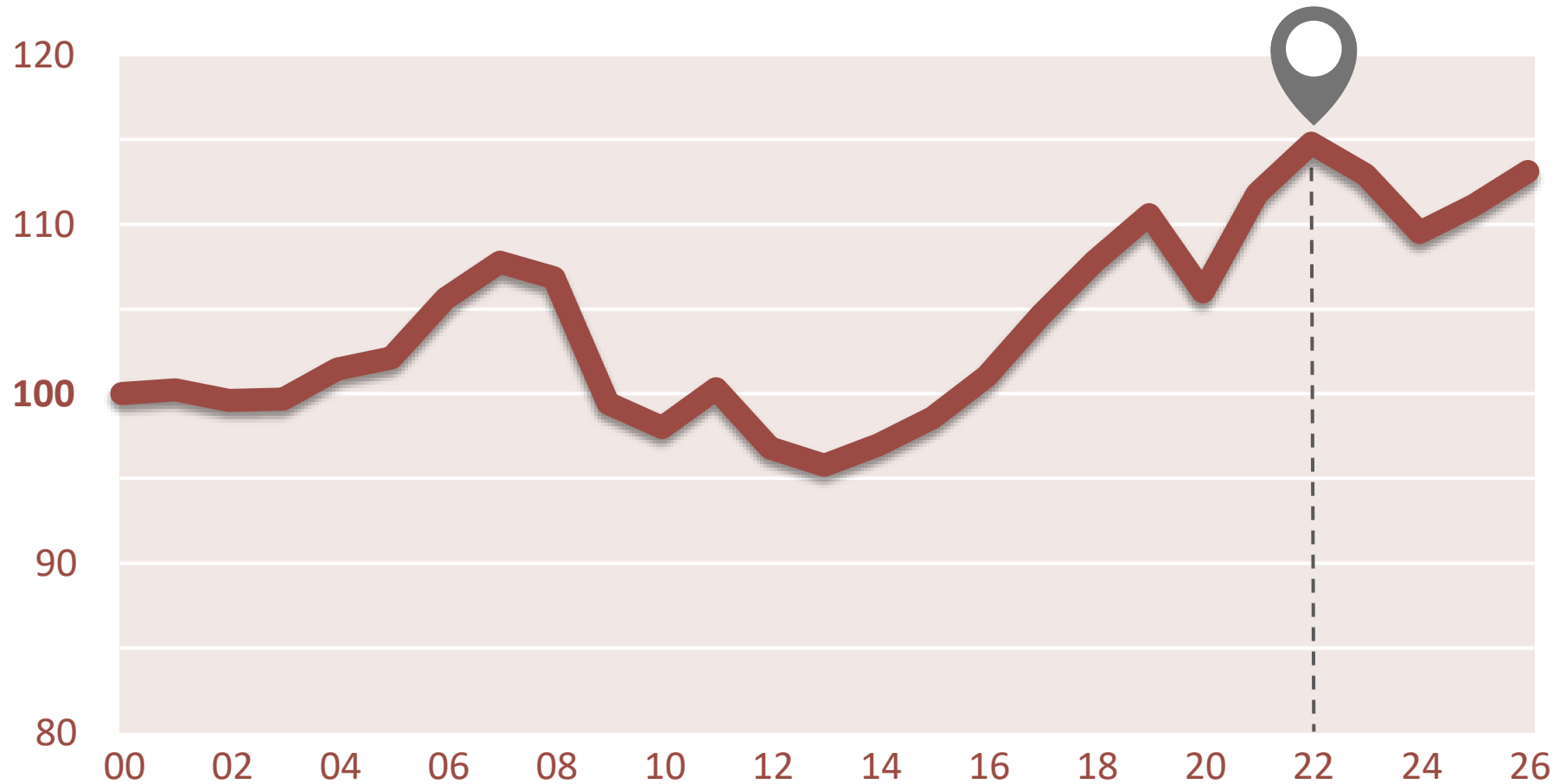


Market share  
(2023)

# Still not far away from the max

## Growth hesitates, but the output levels are still high

Graph excludes Spain | Index 100=2000 | constant prices

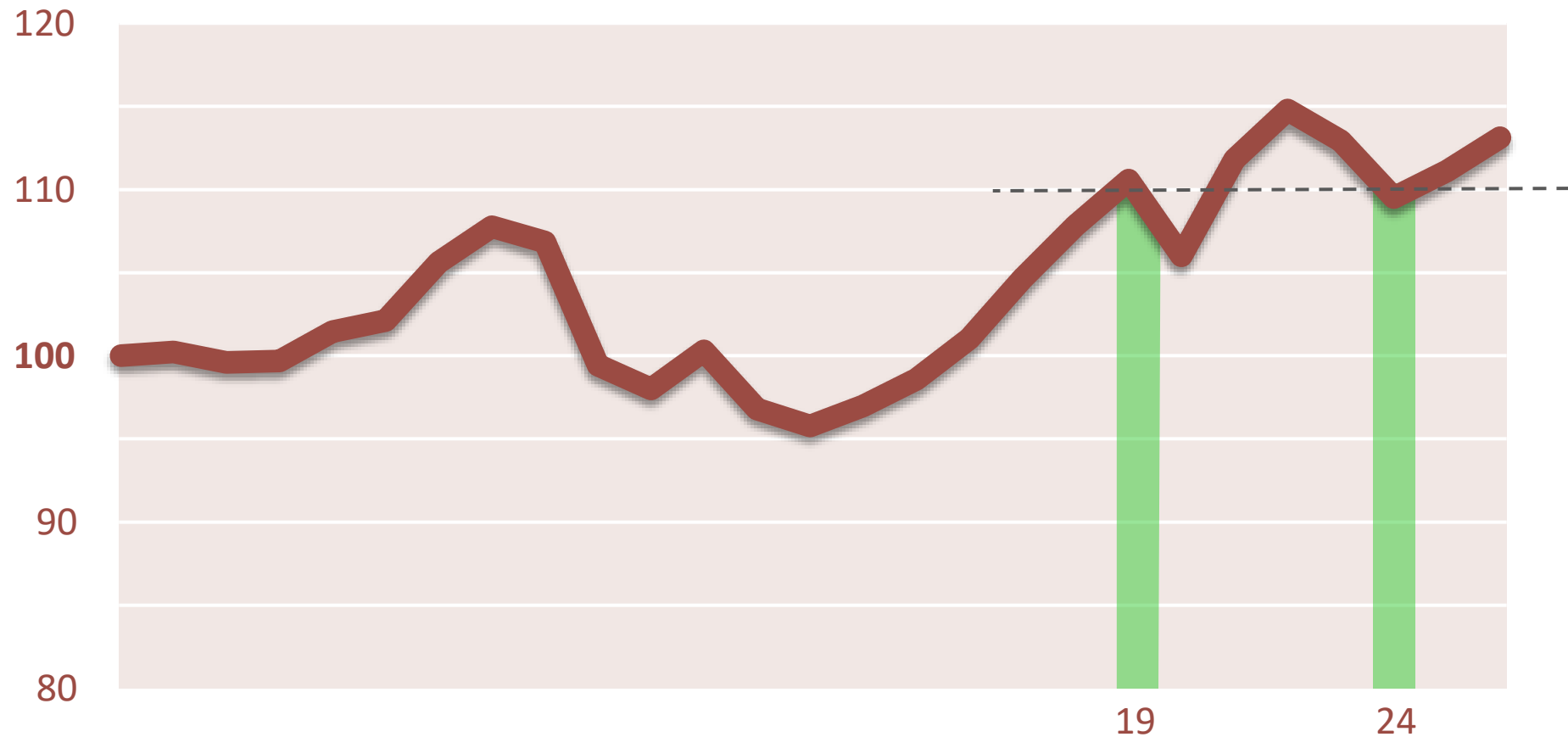




# Still not far away from the max

## The “low” point of 2024 is as high as 2019

Graph excludes Spain | Index 100=2000 | constant prices



# The Economist

China's disillusioned youth  
What is the point of the BRICS?  
Why the green belt should go  
Football: sex differences matter

AUGUST 19TH-25TH 2023

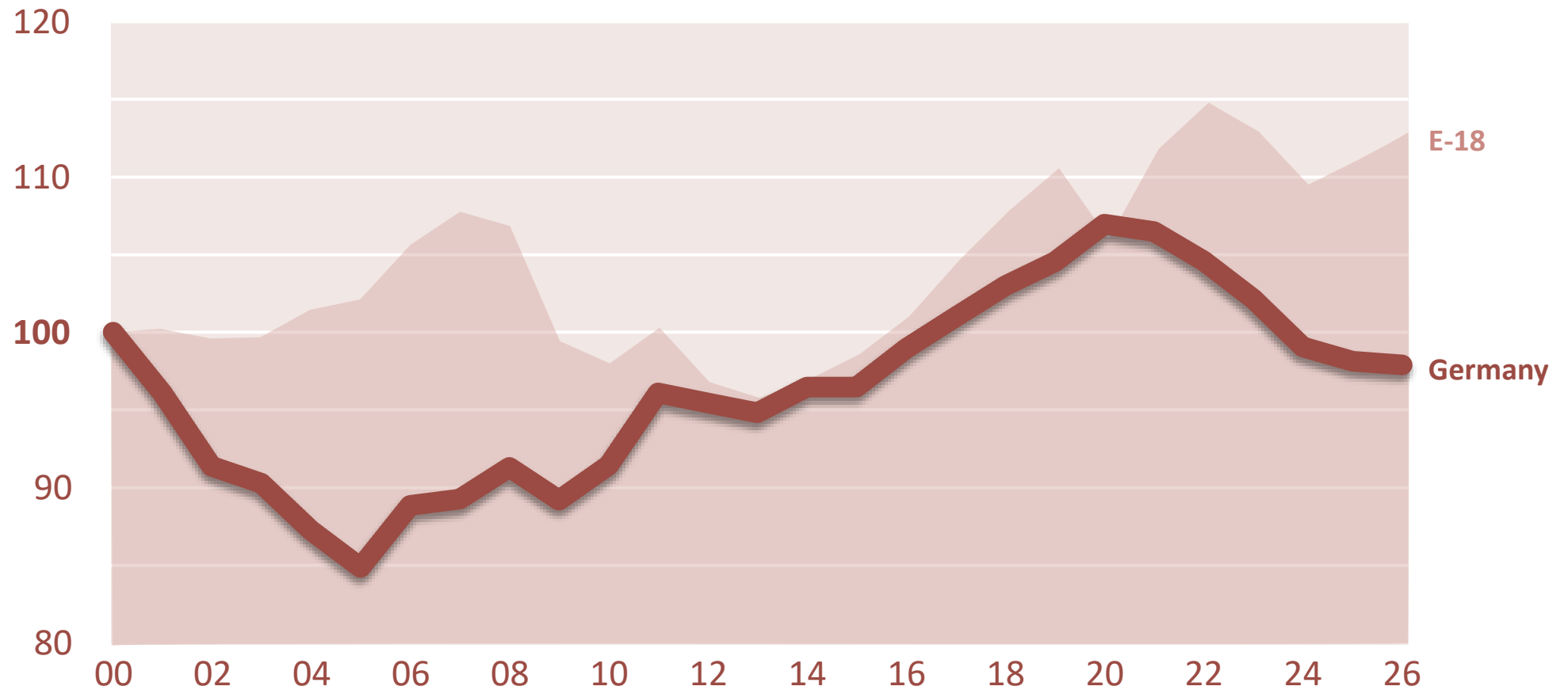
## IS GERMANY ONCE AGAIN THE SICK MAN OF EUROPE?



# Sick German construction?

**Germany: output levels still OK, but bottom is not yet clear enough**

Index 100=2000 | constant prices

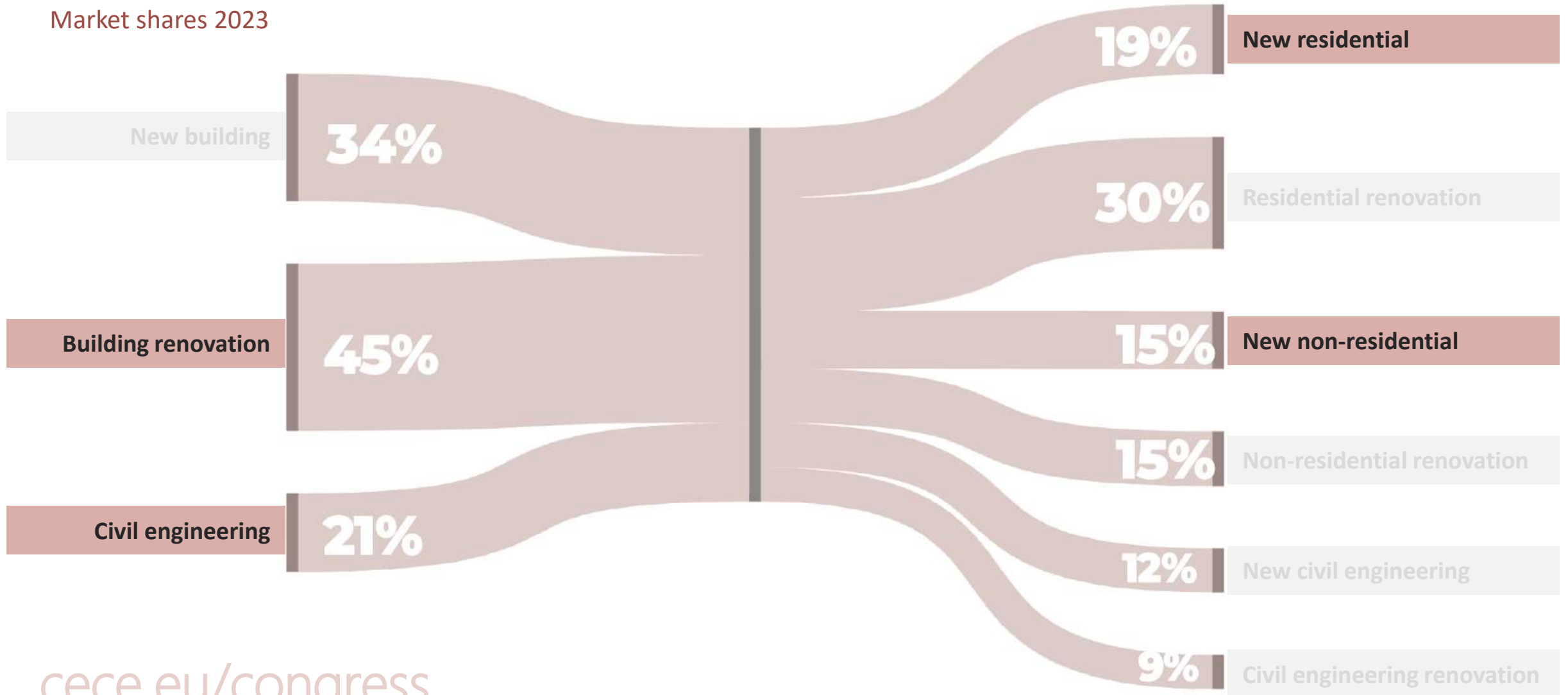




# View at subsector level

## Sources of construction output

Market shares 2023

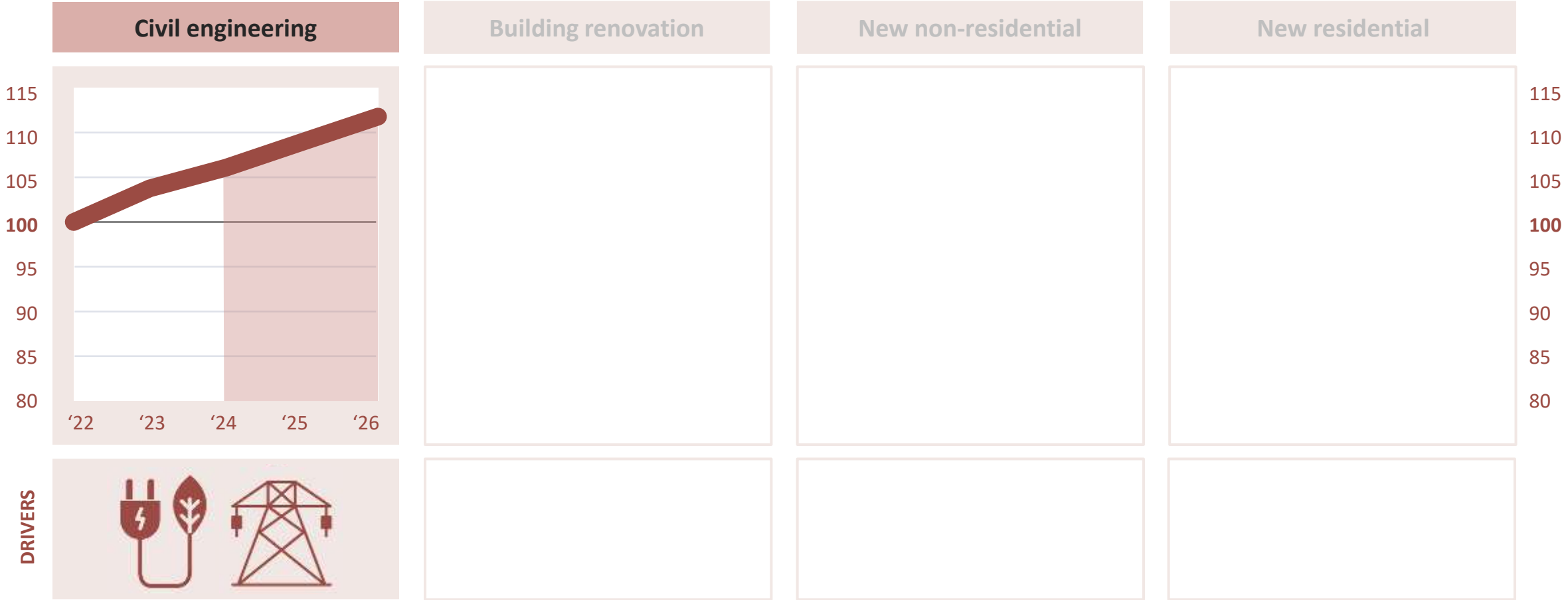


# Civil engineering keeps growing



## Construction output according to sub-sectors

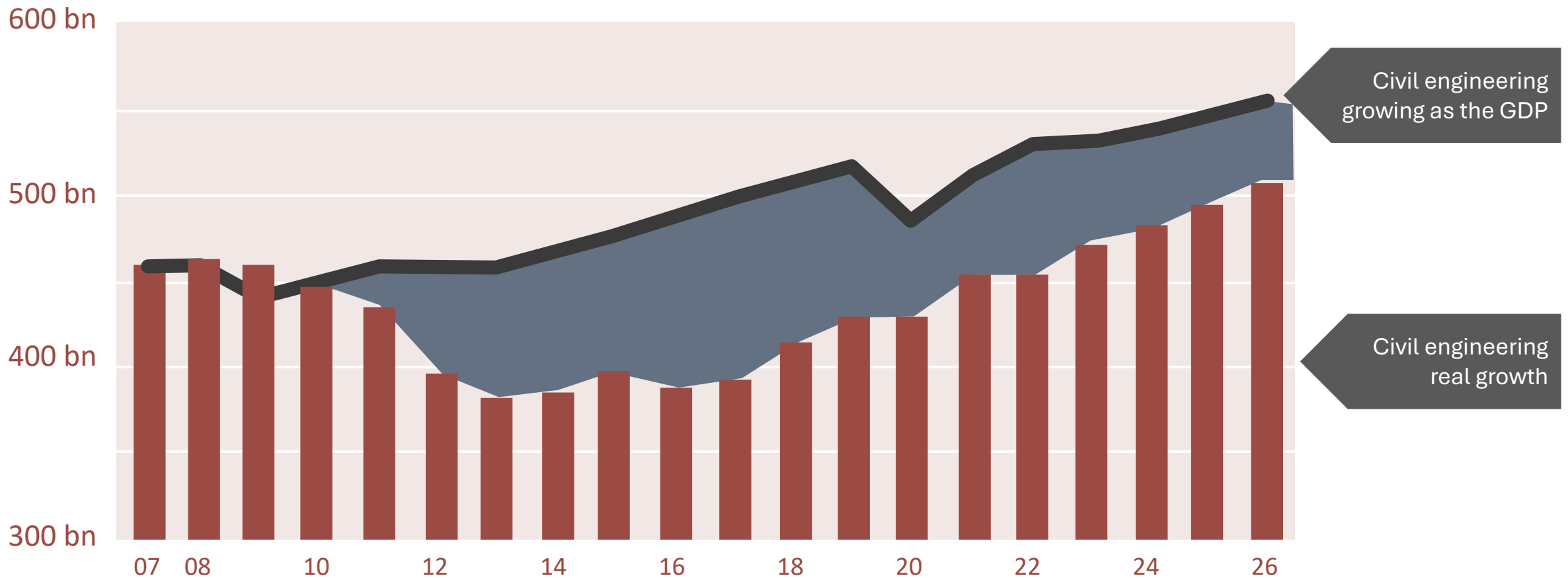
Index 100=2022 | constant prices



# Civil engineering missed opportunities

## Civil engineering output: not as good as it could have been

Billion € at constant prices

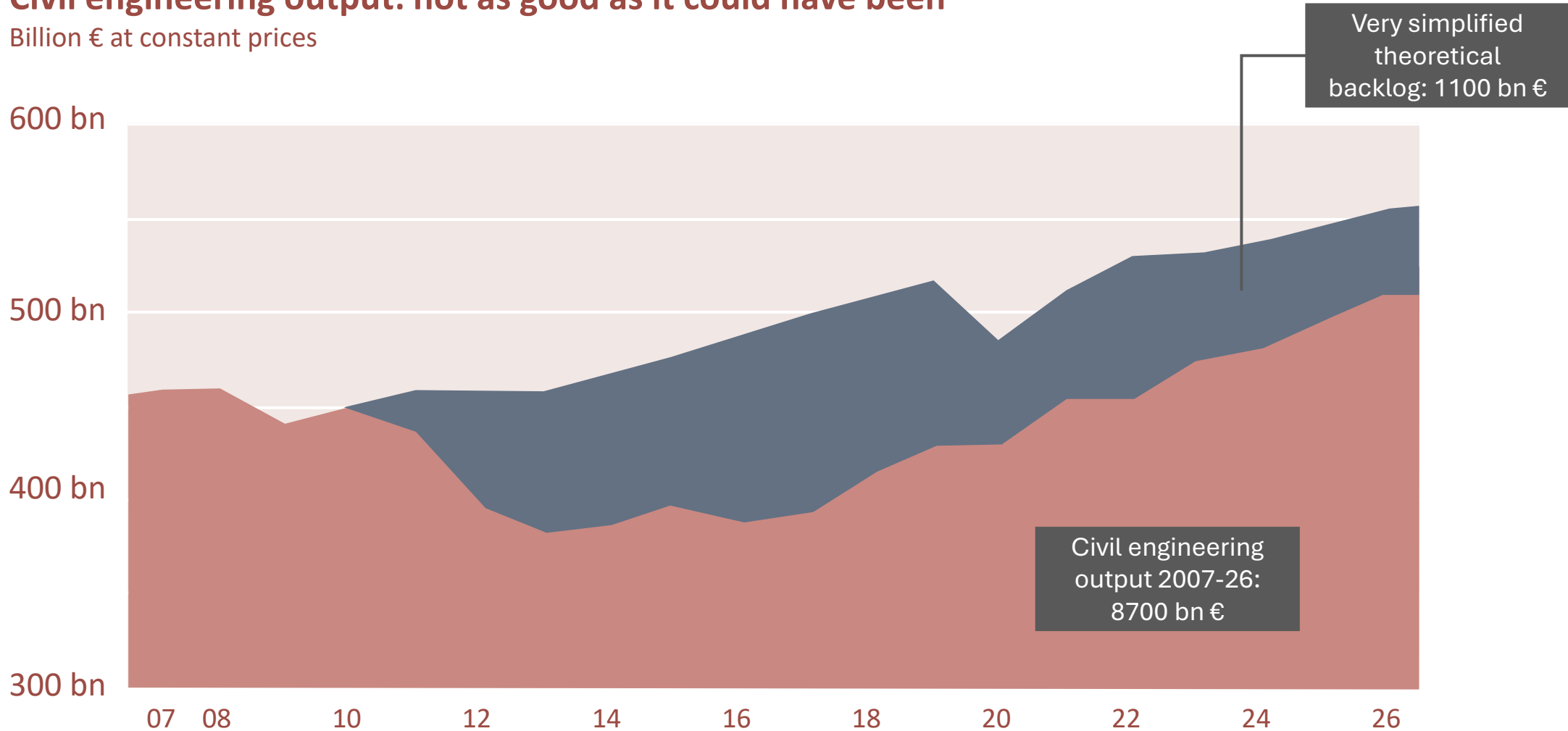




# Civil engineering missed opportunities

## Civil engineering output: not as good as it could have been

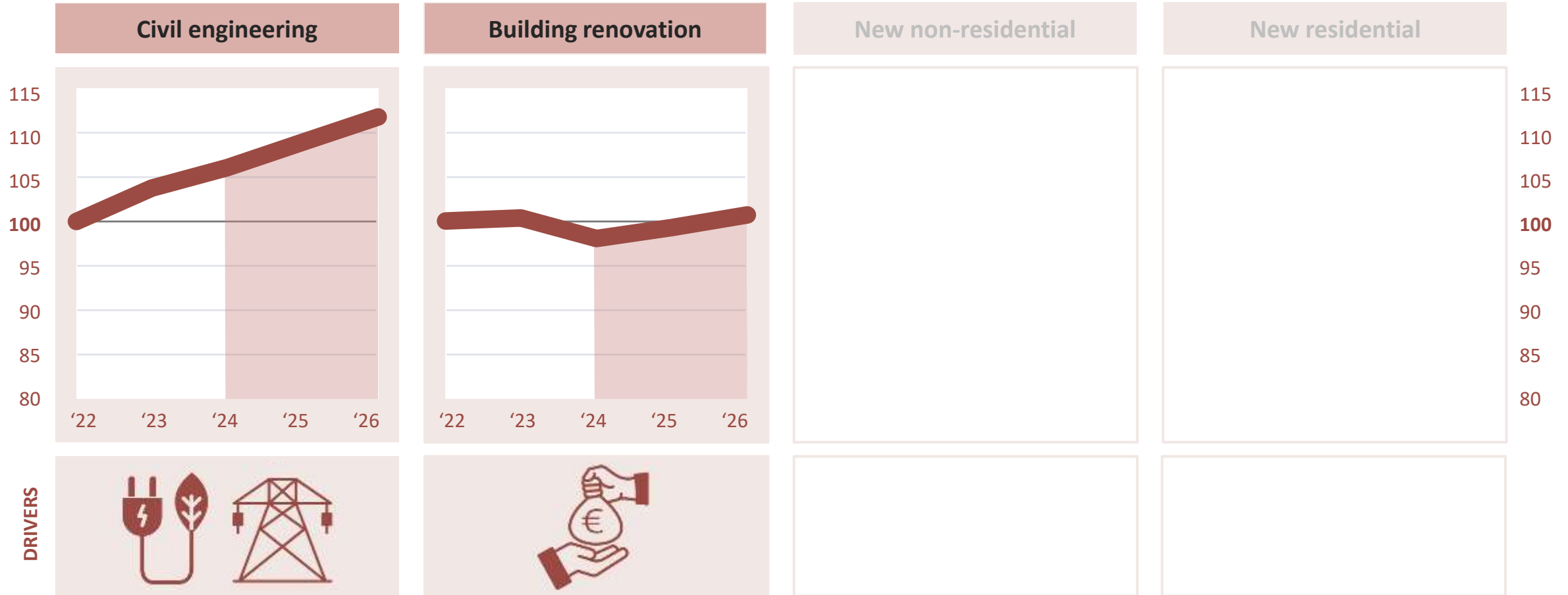
Billion € at constant prices



# Building renovation: big but static

## Construction output according to sub-sectors

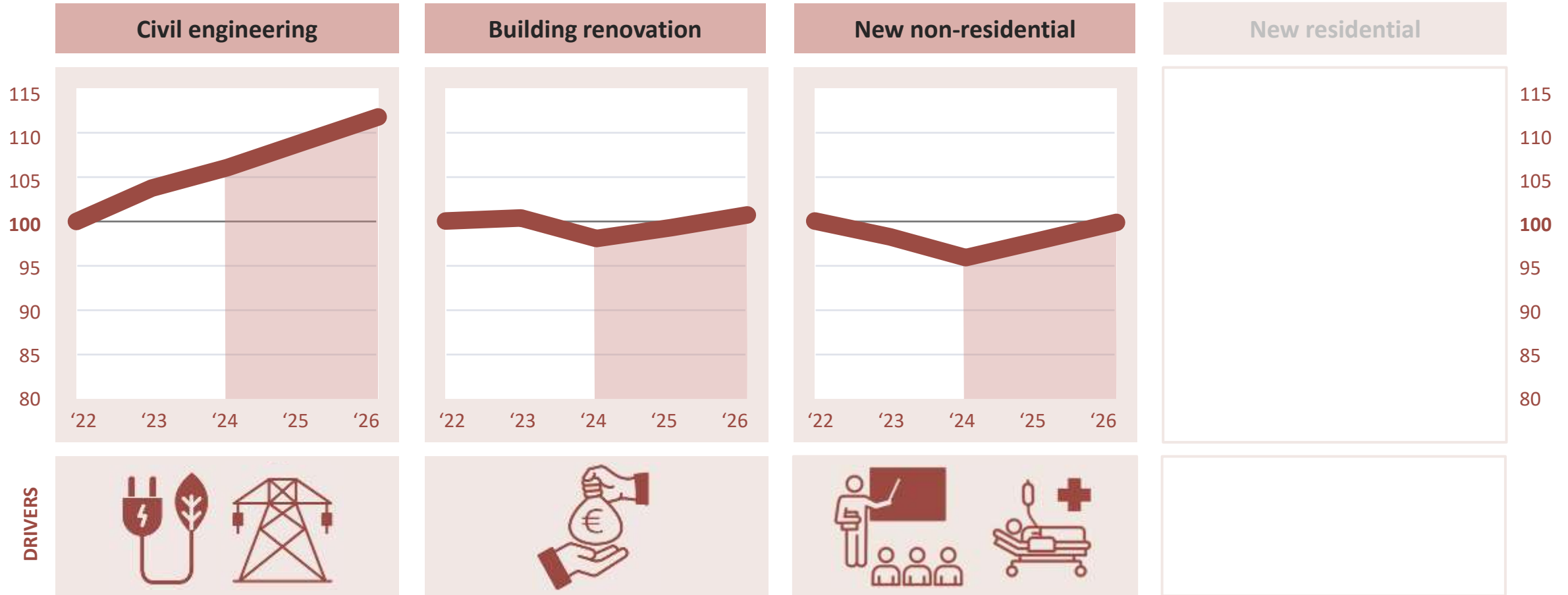
Index 100=2022 | constant prices



# New non-residential: still below '19 levels

## Construction output according to sub-sectors

Index 100=2022 | constant prices

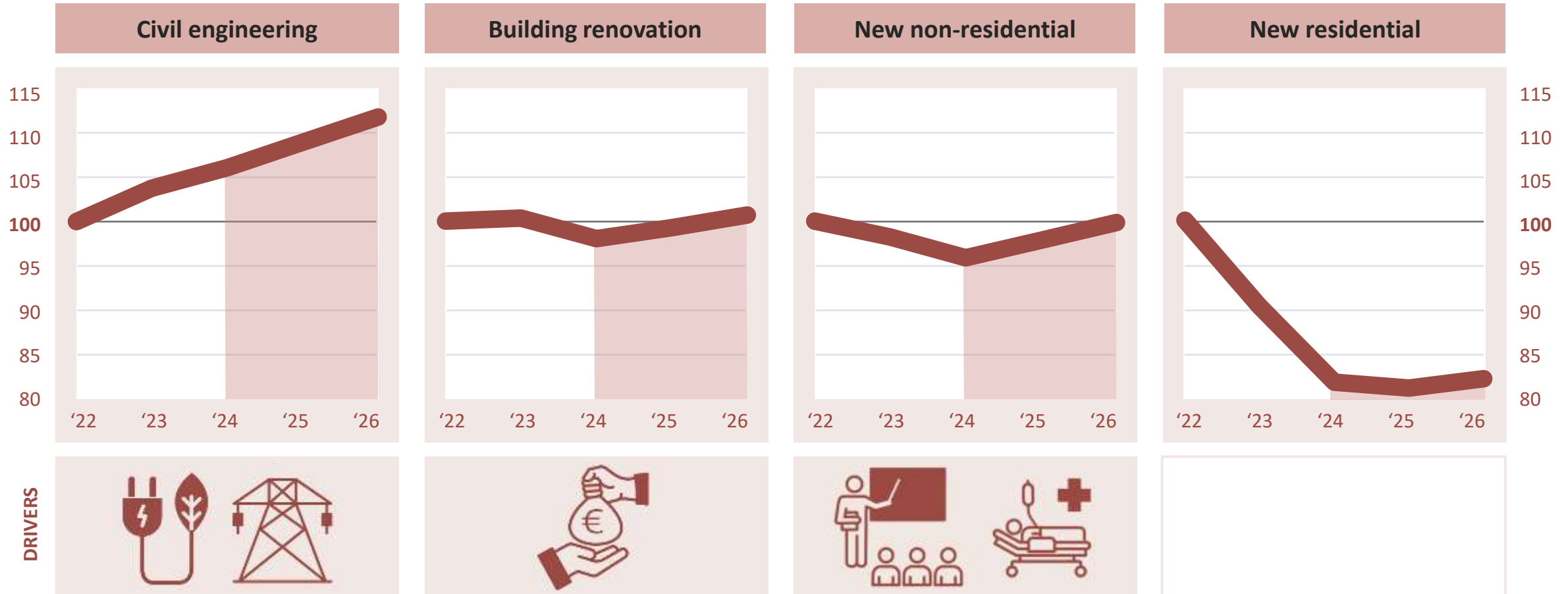




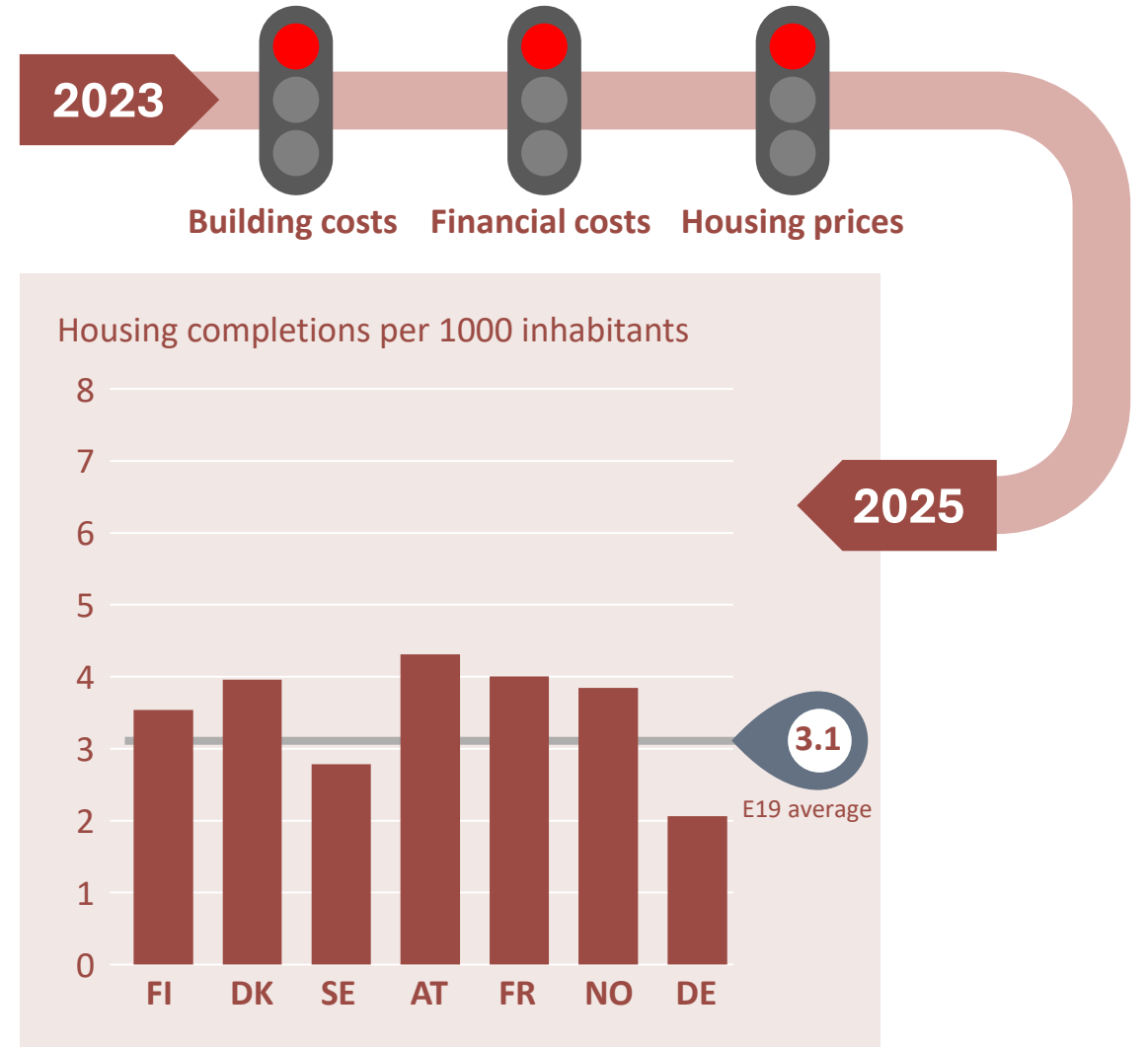
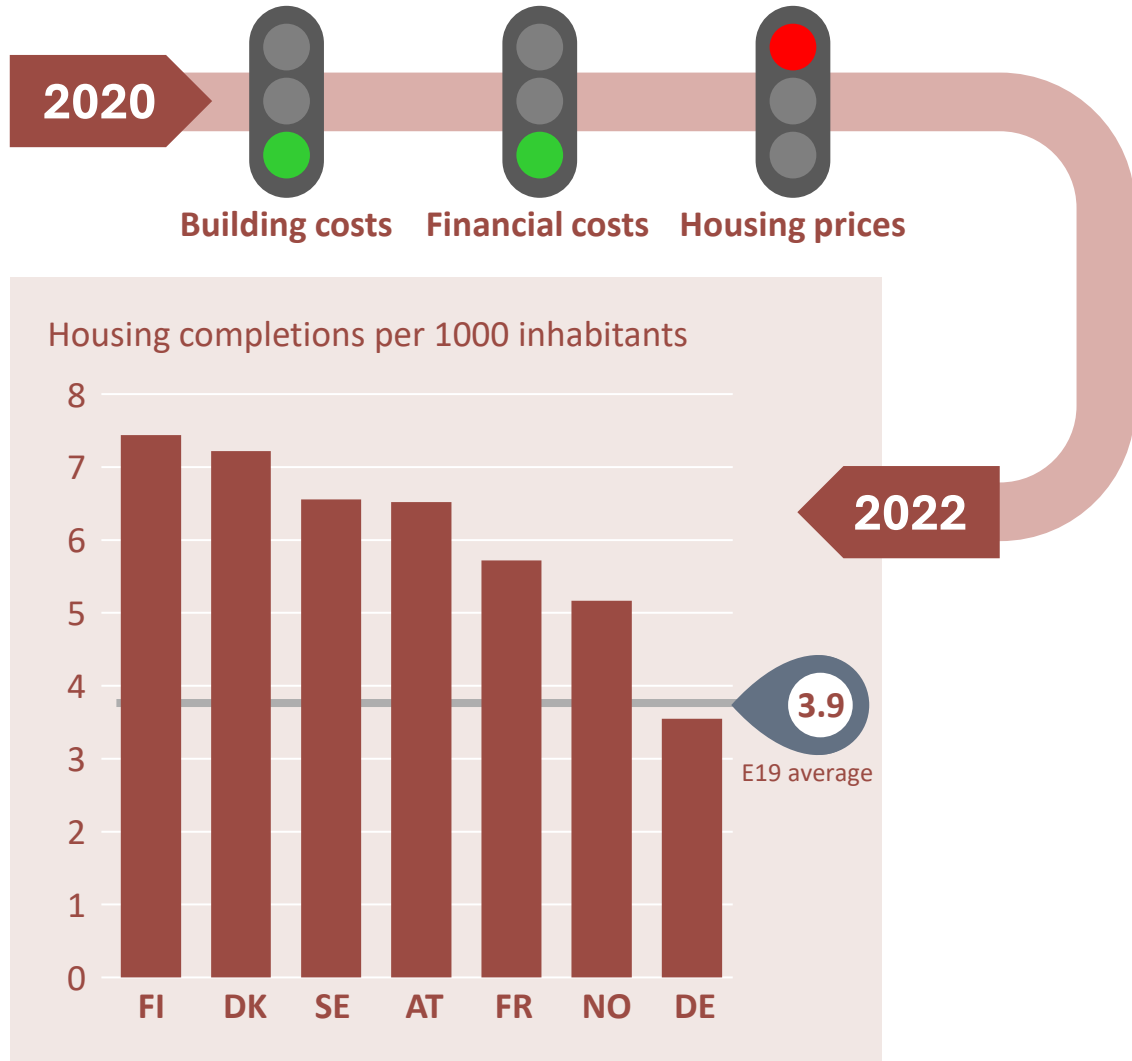
# New housing: a troubled market

## Construction output according to sub-sectors

Index 100=2022 | constant prices



# New housing: a troubled market



# Housing turmoil is intensifying

« Ireland's housing crisis is causing a social catastrophe »

*The Irish Independent*

« Macron has a big housing headache »

*Politico*

« Housing crisis in Portugal comes to a head »

*Bloomberg*

« Capacity crunch: the UK doesn't have the power to solve the housing crisis »

*The Guardian*

« No one should be under the illusion that the housing crisis can be solved in four years »

*Vrije Universiteit Amsterdam*

« There's demand for 600,000 apartments, but anyone who builds today risks to go bankrupt »

*Frankfurter Allgemeine*

« Bank of Spain estimates a deficit of 600,000 dwellings, even if 4 million remain empty »

*Europa Press*

# Summary



## Reasons to worry

- Construction output decreases in 2024
- Recovery won't be complete in 9 countries that concentrate 60% of the construction output
- New housing is taking a serious hit



## Reasons for hope

- Recovery starts in 2025
- The «low point» in 2024 will produce as much output as in 2019
- Recovery will be complete in 10 countries that concentrate 40% of the construction output
- Despite the incomplete recovery, 2026 might be the 2<sup>nd</sup> best year since 2000\*
- New housing should improve as building and financing costs get back to normal
- Civil engineering will keep growing

\* In the output series of 18 countries excluding Spain





**THANK YOU FOR YOUR  
ATTENTION!**

**#CECEcongress**