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Hungary's construction sector expanded by more than 10 percent in August 2014

In August 2014, construction sector output increased by 13.1 percent in comparison to the corresponding period of the previous year. Output was higher at both main groups of construction: it was up by 4.1 percent regarding the construction of buildings and by 22.5 percent within the civil engineering divisions. This positive trend has been in place for almost one year and a half now.

Although seasonally and workday-adjusted output volume was 0.2 percent below the figure of the previous month, but in the initial eight months of the year the sector expanded by 20.4 percent compared to the same period of 2013. In the month of August, output at both main groups of construction was up year-on-year: the construction of buildings and civil engineering divisions expanded by 4.1 percent and 22.5 percent, respectively. The remarkable output growth regarding civil engineering projects was the consequence of ongoing road, railway reconstruction and public utility projects all over the country. In light of seasonally adjusted indices, the construction of buildings and civil engineering divisions expanded by 0.8 percent and 2.5 percent month-on-month, respectively.

Output at the civil engineering sector soared year-on-year by 28.2 percent, while it was up by 12.8 percent at the division of specialised construction activities which constitutes more than 40 percent of total construction sector output.

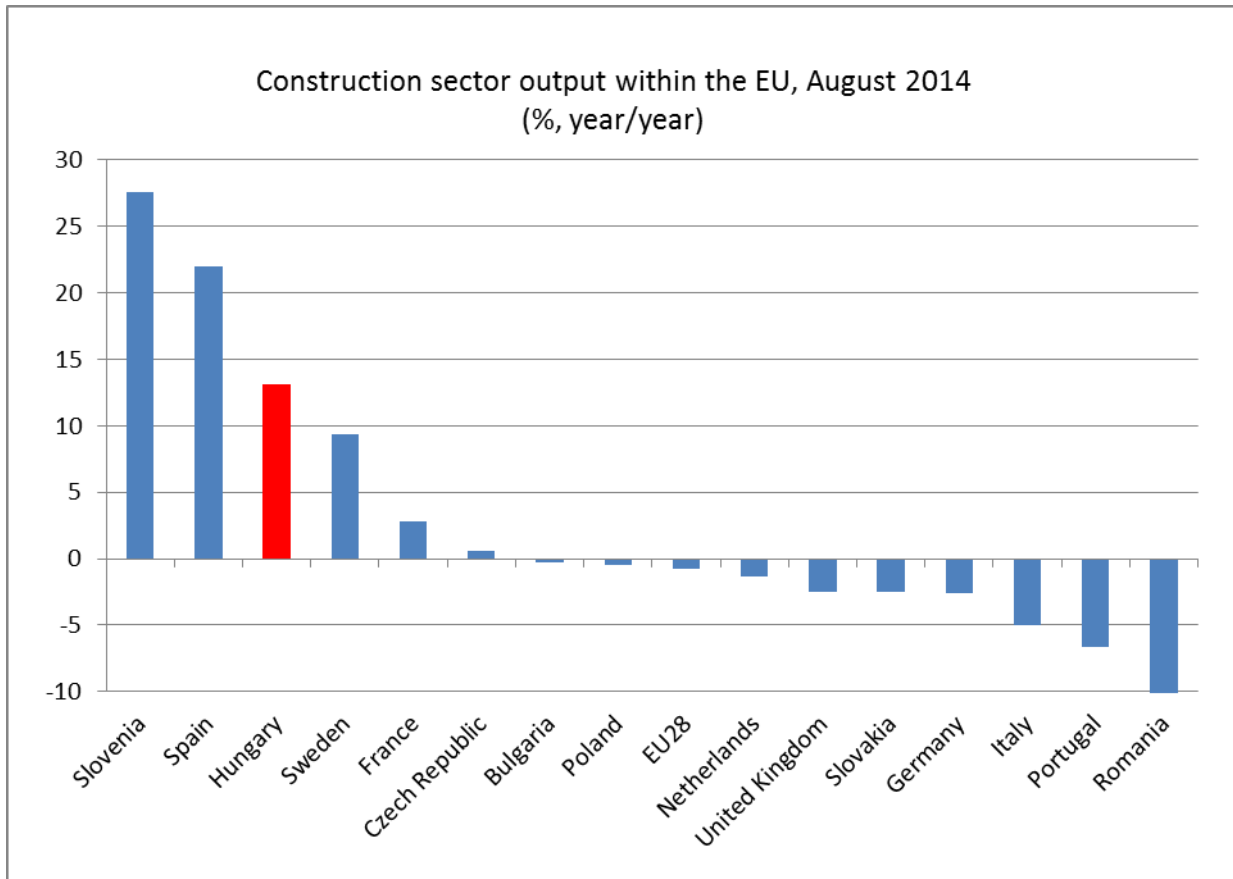
Although the volume of new contracts concluded in the eighth month of the year was down by 31.4 percent, the stock of orders was still 35.8 percent higher at the end of August 2014 compared to the level of one year ago: the volume of contracts for the construction of buildings fell by 11.3 percent, while it was up by 53.0 percent for the civil engineering division in comparison to the end of August 2013.

Despite the fact that the Eurostat report on construction sector data for the month of August is not comprehensive, it is clear that Hungary's annualized construction sector growth was the third largest following that of Slovenia and Spain. On the other hand, the sector decreased by 0.3



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percent in the euro-zone and by 0.8 percent in the EU28. The construction sector suffered the largest slump in Romania (15.6 percent) and Portugal (6.6 percent) compared to August 2013.



Source: Eurostat