

CONSTRUCTION INDEX (ICC) 4th QUARTER 2008

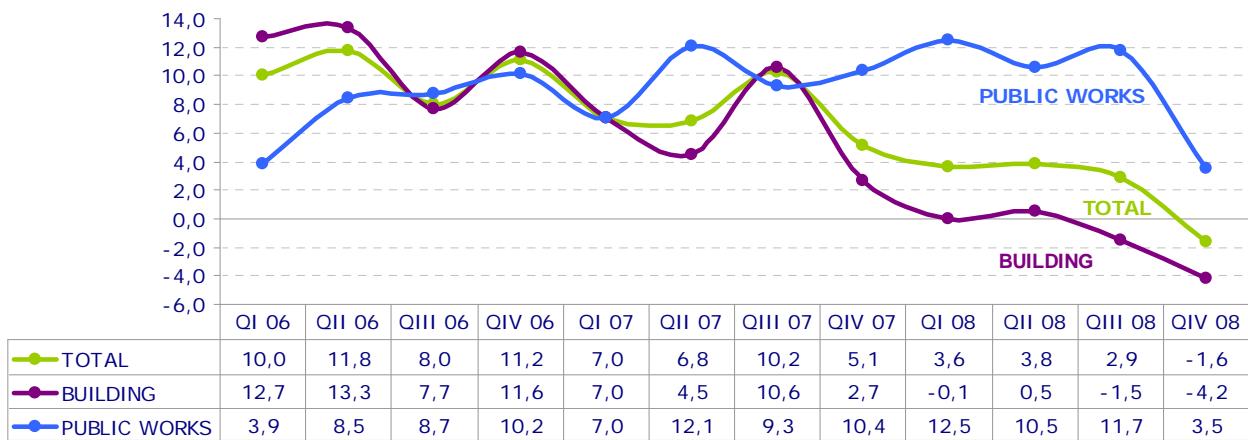
The construction sector in the Basque Country fell by 1.6% in the fourth quarter of 2008

Building was down by 4.2%, while Civil Works grew by 3.5%

Construction in the Basque Country registered a year-on-year nominal downturn of 1.6% in the fourth quarter of 2008, in homogeneous terms of the working calendar, according to EUSTAT data.

Once corrected for seasonal effects, the construction sector slowed down by 0.9% in the fourth quarter of 2008 compared to the third quarter of the same year.

Graph 1: Year-on-year quarterly growth of the corrected Construction Index of the Basque Country Total, Building and Civil Works. (%)



Source: EUSTAT

The evolution of the construction sector in the fourth quarter of 2008 was sustained more by the Civil Works sub-sector than by Building. The former reached a year-on-year growth rate of 3.5%, compared to the 4.2% fall recorded for the latter.

In quarter-on-quarter terms, if the activity of the sector in the fourth quarter of 2008 is compared to the third quarter of 2008, the Building and Civil Works sub-sectors have both shrunk by 0.3% in the case of Civil Works and 1.2% in the case of the Building Sector.

In the fourth quarter of 2008, employment in the construction sector registered a downturn of 1.7% compared to the third quarter of the same year.

Balance of the Construction sector activity in 2008

The 2008 balance for the Construction Index in the Basque Country registered an accumulated increase for the sector as a whole of 2.0%, with two well-differentiated evolutions in the two sub-sectors that make up the sector: Building accumulated a drop in activity of 1.4%, while Civil Works posted significant accumulated growth (9.2%), which mitigated the negative trend in the Building sub-sector.

The number of people employed fell by 3% in the accumulate of the year.

Table 1: Construction Index, Basque Country 4th quarter 2008. Variation Rates (%).

Concept	Corrected		Deseasonalised	
	4thQ08 / 4thQ07	At/At-1 (1)	4thQ08 / 3rdQ08	3rdQ08 / 2ndQ08
Production Index	-1,6	2,0	-0,9	1,1
Building	-4,2	-1,4	-1,2	-0,4
Public Works	3,5	9,2	-0,3	4,0
Indices of employed personnel	-	-	-1,7	-1,3

(1) Interannual variation rate of the accumulated period from January to the last quarter of year t compared to the same period of the year t-1

Source: EUSTAT

Methodology note: The Construction Index for the fourth quarter of 2008 was prepared using the new 2005 base and this replaces the previous 2003 base. The improvements of this base change include the updating of the representative panel of the reporting companies, which notably increases its number and its sector cover, together with the adaptation to European recommendations regarding the suitability that the base years are the ones ending in 0 and 5.

For further information:

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