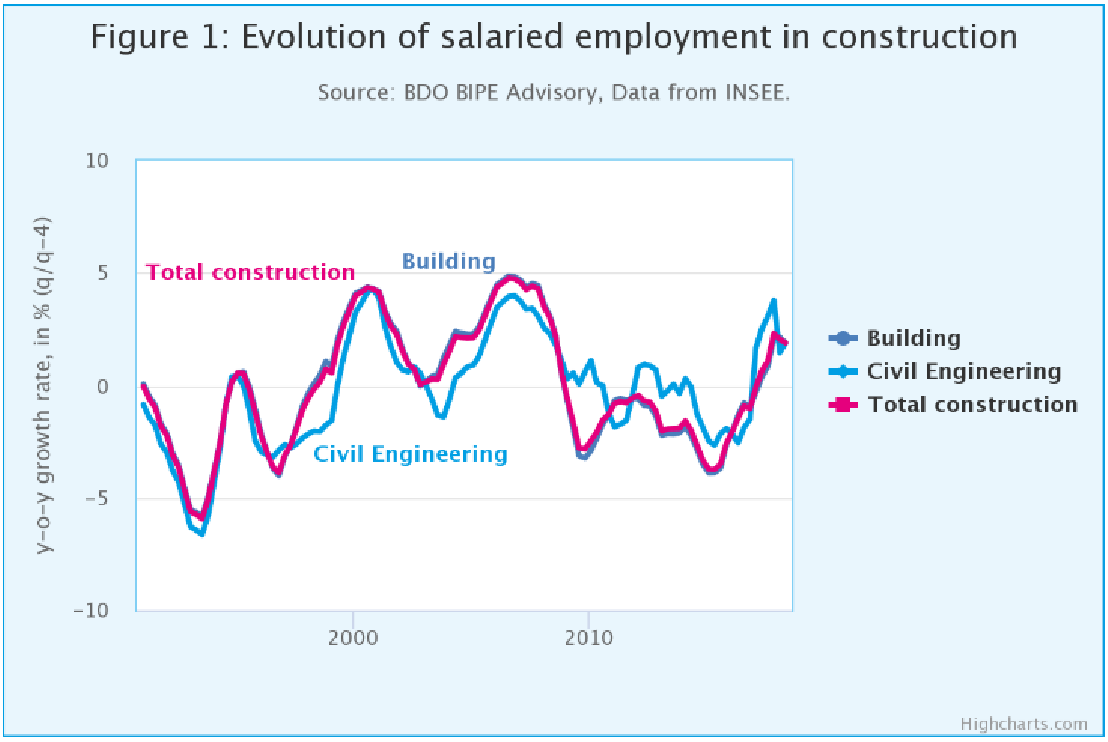
In France, the recovery in construction activity is leading to supply bottlenecks in employment

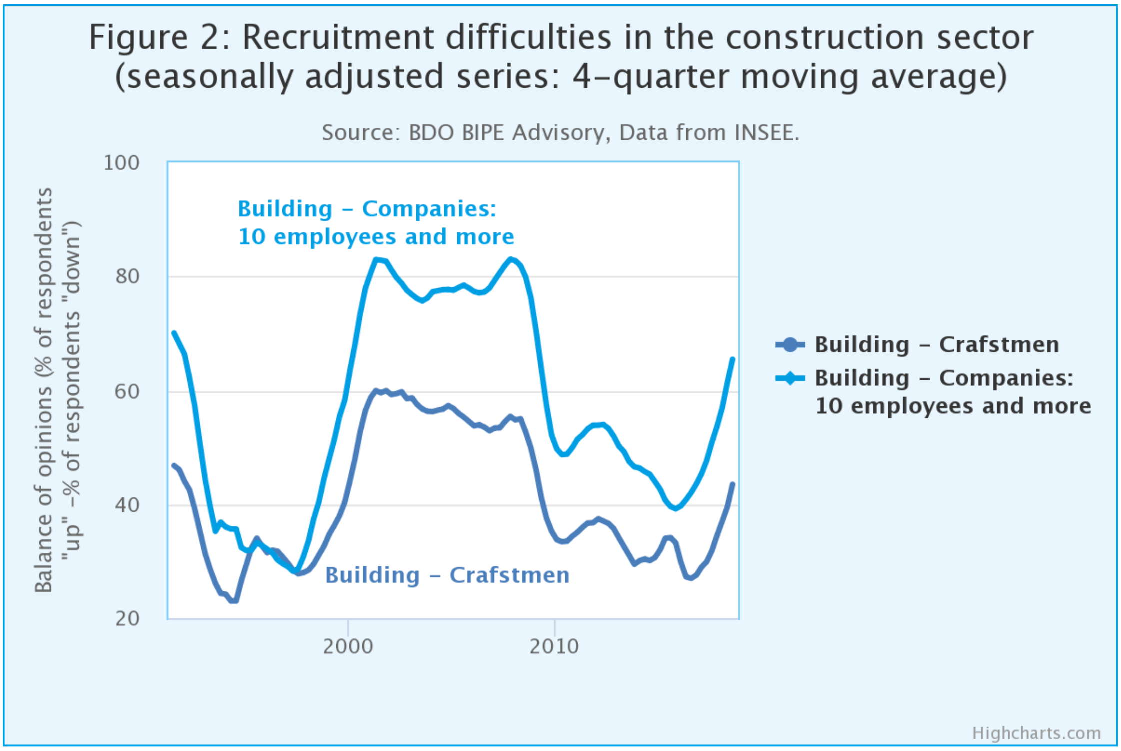
After eight consecutive years of job losses, the construction sector in France has been a net job creator again since last year. 31,000 net salaried jobs were created in 2017, and 10,000 in the first half of 2018. It is a significant growth, but it's far from compensating the 213,000 lost jobs since 2009 in this industry.

Today the sector employs 1,368 thousands salaried employees, 318 thousands independents, and 158 thousands interim persons, for a total of more than 1.8 million jobs (not counting posted workers from other European countries which are estimated at around 65,000 persons in 2016).



The recent recovery in the construction demand is currently leading to more tension in the supply. Therefore, the lead time between the building permit and the building start is becoming longer, mainly for collective housing where the lead time gained one month comparing to last year. Recruitment difficulties are increasing quickly for most companies in the sector, for both small and bigger ones, as shown in the survey below: the current level of the balance of opinions concerning the expected evolution of recruitment difficulties in the short term is getting closer to its pre-crisis years' level. This is logically accompanied by a significant increase in the number of vacant jobs on the one hand, which have been multiplied by 2.5 since the beginning of 2017, and by increased hiring wages and labour cost more globally. Indeed, the monthly index of hourly labour cost - salaries and expenses for all employees – raised continually from 110.3 in December 2015 to 117.4 in June 2018.

In a surprising way, this situation creates kind of inertia that could, to some extent, help the sector to cushion the expected drop in the new housing activity in the upcoming months (that will be detailed in the next EUROCONSTRUCT conference and reports in November).



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