Confederation of International Contractors' Associations (CICA)
Strategic Watch: COVID-19 Overview by country and region (situation at July 8, 2020)
Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's, MEDEFI's and IFAWPCA's data
For more information go to the CICA Website: http://www.cica.net/cica-covid-19-overview/ and Dropbox: https://www.dropbox.com/home/Observatory%20COVID-19

LATEST UPDATE WEEK 28

Country/Region	Measures for construction
EUROPE	
FIEC Countries	FIEC's Recovery Measures (1 July)
Whole region	June saw a further drop in construction activity across the Eurozone, although the latest decline was only modest amid a relaxation of Covid-19 measures. Order books fell at a noticeably slower rate than the past few months, though job shedding continued, according to the latest figures from the IHS Markit Purchasing Managers' Index (PMI). Survey data showed France and Italy recorded construction output growth, while Germany posted a further marked decline. Eurozone civil engineering activity fell further in June, extending the current sequence of contraction to 11 months. The rate of decline was noticeably slower than May but remained steep overall. National data revealed a decline in civil engineering in Germany and Italy, while France posted growth. Commercial building activity across the eurozone fell further in June. The rate of decline slowed further from April's record, but was marked overall. The decline was driven by Germany, while France and Italy registered growth, with the former doing so after three consecutive months of decline. Amid reduced activity requirements, eurozone construction firms continued to reduce capacity. Consequently, employment shrank for a fourth successive month. However, the rate of reduction eased noticeably from May, and was modest overall (cf. Construction Europe) (7 July).
South East Europe	The Eastern European Construction Forecasting Association (EECFA) has released its 2020 EECFA Construction Forecast Report stating that • Bulgaria: could even see a small increase in output by the end of 2020, due in part to the country's work on the huge TurkStream natural gas pipeline, which will run from Russia to Turkey. Furthermore, in 2021, Bulgaria's construction sector is forecast to grow by a significant 9.2%. • Slovenia: went into a full three-month lockdown but packages put in place to boost civil engineering construction are expected to mitigate the downturn, leading to EECFA's forecast of a 5.5% loss of output by the end of this year, followed by growth of 2.6% in 2021. Conversely, EECFA says the East Europe countries on which it reports (Russia, Ukraine and Turkey), are set to be 'hammered' by the crisis, with, on average, an 8.1% fall in construction output by the end of 2020. • Ukraine: EECFA reports that no specific measures to aid the recovery of construction have been announced by the government, which could dramatically reverse the four years of growth seen in the industry; • Turkey: while significant sums have been allocated to aid construction's recovery, there is concern that the government will no longer be able to progress the numerous ambitious construction projects it has announced in recent months.

	• Russia: Russia's economy is described as 'battered' by a combination of the pandemic, falling oil prices and plunging exchange rates on the ruble. There, EECFA forecasts a decrease in construction output in both 2020 and 2021. While both groups of countries should, on average, see a return to growth in output in 2021, that of the three East Europe countries is expected to be relatively small (2.6%), whereas the South East Europe group is forecast to fare better (3.4% growth) (cf. Construction Europe) (7 July).
UK	Railway construction workers in Scotland are returning to major projects, following the Scottish government's easing of lockdown restrictions (3 July).
LATIN AMERICA	
	General Measures
Whole region	Latin America and the Caribbean have become the new COVID-19 global epicenter. The economic toll has also been steep. The IMF's World Economic Outlook Update now estimates the region to shrink by 9.4% in 2020, four percentage points worse than the April projection and the worst recession on record. A mild recovery to +3.7% is projected in 2021 (26 June).
Argentina	GDP is expected to decline by about 10% in 2020, with heightened risks. Growth was revised down as the longer quarantine in the Buenos Aires metropolitan area, a sharply weaker external demand and worse commodity prices should more than offset the fiscal support package, which remains constrained by limited financing options. Uncertainties related to the debt restructuring process continue to weigh on confidence (26 June).
Brazil	Real GDP is projected to fall by 9% in 2020 amid high uncertainty, followed by a rebound of 3.6% in 2021. The authorities have responded strongly to the pandemic with decisive interest rate cuts, and significant fiscal and liquidity packages, including direct cash transfers targeted to vulnerable groups (26 June).
Chile	Real GDP is projected to decline by 7.5% in 2020 and rebound by 5.0% in 2021. Following a resilient performance in the first quarter, economic activity is expected to contract sharply in the second quarter owing to the strict social distancing measures, and to a lesser extent, weaker external demand from trading partners (26 June).
Colombia	Took early actions to limit the spread of the virus, but economic disruptions associated with the pandemic (including lower oil prices) are expected to generate the first recession in two decades. Following a weak first quarter, GDP is expected to contract by 7.8% in 2020, but growth should rebound to 4% in 2021 (26 June).
Mexico	Real GDP is expected to fall by 10.5% in 2020 with growth in 2021 expected to recover a modest portion of the lost output. Monetary policy is expected to loosen further to accommodate the demand shock element of the crisis and preserve the functioning of financial markets (26 June).

Peru	Growth projection for 2020 has been revised down markedly to -14%, as weaker external demand and a longer than expected lockdown period have so far more than offset the government's significant economic support and translated into large employment losses (26 June).
ASIA	
	General Measures
Whole region	Asia's growth is expected to contract by 1.6% - a downgrade to the April projection of zero growth. In the absence of a second wave of infections and with unprecedented policy stimulus to support the recovery, growth in Asia is projected to rebound strongly to 6.6% in 2021. But even with this fast pickup in economic activity, output losses due to COVID-19 are likely to persist. Asia's economic output in 2022 is estimated to be about 5% lower compared with the level predicted before the crisis; and this gap will be much larger if China is excluded, where economic activity has already started to rebound. Asia is heavily dependent on global supply chains and cannot grow while the whole world is suffering. Asia's trade is expected to contract significantly due to weaker external demand, with total trade (exports plus imports) projected to decline by about 20% in 2020 in Japan, India, and the Philippines.
NORTH AMERICA	
	Measures for construction
USA	Amid the economic turmoil caused by COVID-19, overall construction spending reached $1.356 billion in May, seasonally adjusted, according to a report released by the U.S. Dept. of Commerce on July 1. The figure is 2.1% below April's revised estimate of $1.386 billion but 0.3% higher than the May 2019 estimate of $1.353 billion (cf. ENR) (2 July). The White House stands in opposition to US House Democrats' US$1.5 trillion infrastructure plan, citing concerns over how it would be funded. The Democratic-controlled House of Representatives has voted the proposal on July 1st advancing the legislation over a probable near-uniform Republican opposition and sending it to near-certain death in the Senate. The infrastructure plan includes a massive boost in spending on roads, bridges, public transit, rail, ports and airports, as well as water systems, schools and broadband internet. Known as the Moving Forward Act, the bill dedicates US$300 billion to build and fix roads and bridges, US$100 billion for low-income schools, and US$100 billion for transit projects. The White House said the House plan was "not a serious proposal," noting it "significantly favored" urban areas over rural America and that the measure appeared to be "entirely debt-financed." Congress faces a 30 September deadline to reauthorize surface transportation spending. White House officials are said to have confirmed that President Donald Trump will unveil his surface transportation spending plan in the coming weeks. Trump and Democratic leaders agreed to spend US$2 trillion on infrastructure in April 2019, but never hashed out how to pay for it. Whether Congress will pass any significant funding boost ahead of the November presidential election remains in question (30 June).

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