Confederation of International Contractors' Associations (CICA)
Strategic Watch: COVID-19 Overview by country and region (situation at September 23, 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

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Country/Region	Facts/Measures for Construction
EUROPE	
UK	Construction industry analyst Barbour ABI has reported a 21.2% increase in the value of contract awards in the UK in August 2020, based on a three-month rolling average. In its latest Economic & Construction Market Review, the company found that the value of construction contract awards for the month totaled £4.4 billion (€4.8 billion). The company's analysis for the month of August revealed a sector rise of 37.6% for the residential sector, followed by a 9.0% increase for the industrial sector and an 8.1% increase in the commercial and retail sector. While Barbour said the three-month average data was positive, it also showed that the value of contract awards had declined by 8.5% when compared with August 2019 (cf. Construction Europe) (21 September).
ASIA-PACIFIC	
	According to the Asian Development Bank's (ADB) latest economic forecast, the Asian region is projected to contract by 0.7% in 2020; the first regional GDP contraction since the early 1960s. Developing Asia excluding the newly industrialized economies will contract by 0.5% (*The newly industrialized economies are Hong Kong, China, the Republic of Korea, Singapore, and Taipei*). Growth is forecast to rebound to 6.8% in 2021, but this will still leave GDP next year substantially below expectations before COVID-19. Thus, the regional recovery will be L-shaped or "swoosh-shaped" rather than V-shaped (September 2020). Construction in the Asia Pacific (APAC) region has been severely impacted as a result of the Covid-19 pandemic. However, the global pandemic is not the only challenge facing the APAC region. Recent weakness in oil prices and real estate markets, as well as increasing unemployment have also impacted the economy. According to data from the World Bank, growth in the APAC region is projected to fall to 0.5% in 2020, the lowest rate since 1967. When focusing on South and Southeast Asia the economic activity is forecast to contract by 1.2% in 2020 before rebounding to 5.4% growth in 2021. Among the major economies of the region, Malaysia, the Philippines, and Thailand are forecast to experience the biggest contractions this year. Across the APAC region, infrastructure stands to benefit from government infusion of funds. But with lower revenues due to the economic slowdown, and higher fiscal expenditures to sustain weaker segments of the population, nations' debt to GDP ratios will increase, potentially hampering major infrastructure spending. Prior to the pandemic, APAC governments had generally been investing heavily in infrastructure. In the past five years, the value of global infrastructure construction grew by 3.2% on an average annual basis, with infrastructure construction in Northeast Asia growing an

	average of 5.4% per year and 6.8% in South and Southeast Asia, according to GlobalData. Overall economic growth for the region (excluding China) will drop to 0.5% in 2020, down from an average of over 7% in the past five years. As a result, investment will decline, notably hitting commercial, industrial and residential construction (cf. Construction Europe) (14 September).
Focus on Eastern Asia	
China	The powerhouse of the APAC region is China. China's growth is expected to slow to 1% this year, but then rebound to 6.9% in 2021 as activity gradually normalizes as lockdowns are lifted around the world. Although it was the epicenter of the Covid-19 pandemic, China has shown signs of recovery in recent months, supported by investment in infrastructure. According to GlobalData, investments in real estate development have also grown, increasing by 7% year-over-year in April. This is significant, following marginal growth of 1.1% in March and a 16.3% contraction during the first two months of 2020. China has resumed construction on just under 90% of key projects, according to an official of the National Development and Reform Commission (NDRC). All major railway projects have resumed operation, with 97% of major highway and waterway projects and 87% of airport projects also resuming construction (cf. Construction Europe) (14 September).
Hong-Kong	Hong Kong's construction industry was already weakening prior to the Covid-19 outbreak, with output contracting by 9.3% in 2019. The situation worsened amid the crisis and renewed tensions with China. The US government's trade war with China and the removal of Hong Kong's special status are expected to decrease investment in industrial construction (cf. Construction Europe) (14 September).
South Korea	In South Korea, where the government's extensive tracing and testing method has limited the spread of the virus, the total value of construction orders received still declined by 11.8% during the first four months of the pandemic's outbreak (cf. Construction Europe) (14 September).
Focus on South and Southeast Asia	
South and Southeast Asia	Even before the pandemic, construction in South and Southeast Asia had slowed, led by a deceleration in real estate markets across many of the countries, including India. Prior to the outbreak of Covid-19, the region was expected to regain some of its growth momentum in 2020 to post an expansion of 6%. With growing disruption in the area, however, the industry is now expected to contract by 4.3%. Beside India, there were signs of weakness in Malaysia, Vietnam and Thailand, particularly in the real estate segment (cf. Construction Europe) (14 September).
India	Prior to the pandemic, the situation in India was expected to improve as a result of government initiatives to improve its liquidity position as well as the National Infrastructure Program. However, current circumstances are causing disruption. According to IHS Market, India's real GDP growth for fiscal year 2020-21 (ending March 2021) will contract by 6.3%. While the government is trying to unwind lockdown restrictions, major urban economic areas are still largely under strict containment measures because of rising infection rates. According to the World Bank, India's debt to GDP ratio is expected to rise from 70% in FY 2020 to more than 80% due to lower revenue generation and higher expenditure. This could limit the government's ability to invest in infrastructure.

	In India a large percentage of infrastructure projects are managed and financed by the government rather than private companies or even PPP (public-private-partnerships). With both individual states' revenues – and central government – being hit due to the lockdown it is expected that budgetary allocations for new projects will be cut (cf. Construction Europe) (14 September).
Focus on the Pacific	
Australia	The Australian construction industry is expected to contract by 5.7% in 2020, due to the twin challenges of Covid-19 and drastically low oil prices. However, the Australian government is pushing ahead with infrastructure investment in an attempt to boost the nation's economy. The Australian federal government's Infrastructure Investment Program was expected to deliver US$57.5 billion in infrastructure funding through 2026-27, including funding of the US$7.7 billion National Rail Programme and equity for other major infrastructure investments. On top of this, it has been announced to deploy AUD$1.5 billion (US$1.05 billion) extra in funding to immediately start works on priority projects identified by states and territories. The priority list includes around 150 nationally significant proposals across transport, water, energy, telecommunications and social infrastructure and identifies an AUD$60 billion (US$43 billion) pipeline of projects that have been assessed by Infrastructure Australia. Despite this, there are still fears for the health of the construction industry. Representatives from construction companies argue that the country's construction industry, which accounts for 13% of Australia's GDP and one in ten jobs, is on the brink of collapse (cf. Construction Europe) (14 September).
NORTH AMERICA	
United States	**Download the State by State Coronavirus status updates (cf. ENR)** Federal officials have charged five small contractors with fraud related to loans obtained from a key COVID-19 small business rescue program, and more charges are likely as investigators dig deeper into the financial records of companies that took the funds. It has been reported that 57 defendants in all industries had been charged, and attorneys will follow-up to root out fraud by recipients of some of the US$500 billion distributed so far (cf. ENR) (17 September). ENR was reporting previously on a Florida roofer who allegedly spent nearly US$700,000 in federal Paycheck Protection Program money to buy a 40-ft-long pleasure boat. The latter is the latest of four individuals with construction-related businesses ensnared in fraud charges related to the COVID-19 small business rescue program, federal prosecutors say (8 September).
Multilateral Development Banks (MDBs) and other international institutions	
EBRD	The European Bank for Reconstruction and Development (EBRD) has launched in April 2020 its "Vital Infrastructure Support programme" (VISP). Infrastructure support programmes are also seen by the EBRD as major leverage for the economic recovery (*similar approach taken by the Inter-American Development Bank*). According to the EBRD statement, infrastructure provides short-term liquidity as well as capital investment to preserve the stable provision and green agenda of essential services: electricity, water, waste management and sanitation, and public transport. Since its launch in April, the VISP has provided financing for a range of municipal and national utilities, linking short-term crisis support with longer-term green objectives. Recently approved financing for energy utilities in Greece and Kazakhstan, for example, are directly linked to decarbonization efforts. The

	EBRD's programmes imply that green infrastructure investments are continuing and will be fostered despite the Covid-19 crisis. Scaling-up investments in renewable energy is a key pillar of the EBRD's strategy. In addition, the EBRD recently unveiled an ambitious plan to devote more than 50% of annual investments to the green economy by 2025. This update of the Green Economy Transition, known as GET2.1, forms part of the EBRD's overall strategy for the next five years and will become effective on condition that shareholders give approval in October (cf. OMFIF) (22 September).

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