



**Confederation of International Contractors' Associations (CICA)**

**Strategic Watch: Post COVID-19 recovery (situation at August 18, 2021)**

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's, MEDEFI's and IFAWPCA's data

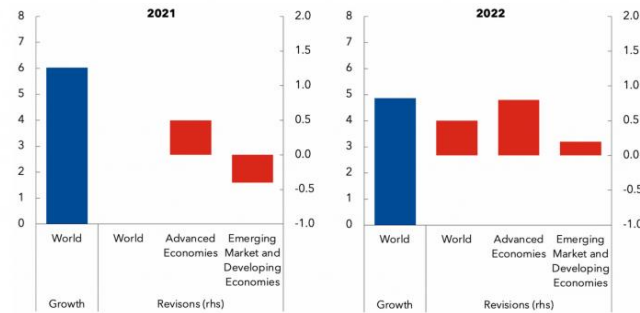
For more information go to the CICA Website: <http://www.cica.net/cica-covid-19-overview/> and Dropbox: <https://www.dropbox.com/home/Observatory%20COVID-19>

**LATEST UPDATE WEEK 32**

Country/Region	General Facts & Measures	
WORLD		
	General facts & Measures	Facts & Measures about the Construction
<p><b>World</b></p>	<p><b>Economic Outlook (July 2021)</b>            The global recovery is progressing broadly in line with the IMF's April projections of 6% growth in 2021. Some countries are experiencing strong recovery, propelled by a combination of fiscal and monetary policy support and rapid vaccinations. However, the world is facing a worsening two-track recovery, driven by dramatic differences in vaccine availability, infection rates, and the ability to provide policy support. <u>Further information on the IMF actions to address the "two-track" recovery.</u></p> <p><u>For 2022, the IMF projects global growth of 4.9%, up from their previous forecast of 4.4%.</u> Again, underlying this is a sizeable upgrade for advanced economies, and a more modest one for emerging market and developing economies (cf. IMF).</p> <p>Policy responses tracker to Covid-19 <u>here</u>.</p>	<p><b>Construction Outlook (July 2021)</b>            Despite the ongoing uncertainty over the Covid-19 pandemic, GlobalData expects the global construction industry to continue on a recovery path following the historic collapse in activity in 2020: <u>the central forecast for growth in global output is 5.7% in 2021, following the 2.4% drop in 2020 (cf. GlobalData).</u></p> <p>Many markets have managed to regain growth momentum and have already returned to pre-Covid-19 levels. Out of 65 markets that have produced quarterly data for the first quarter of 2021, 25 had recorded year-on-year growth in that period, including China, France, Italy, India and Saudi Arabia. <u>From 2022 to 2025, global output growth is predicted to average 3.7% a year</u> (cf. KHL Magazine).</p> <p><b>Construction Recovery (August 2021)</b>            Recovery of construction worldwide continues, according to the Royal Institution of Chartered Surveyors Global Construction Monitor. <u>Its latest activity index, which measures current and expected workloads in residential, non-residential and infrastructure sectors, as well as company profit margins, reached +25 in the second quarter of 2021, rising from +14 in the first quarter</u> (cf. ENR).</p>

### Lopsided recoveries

The divergence between countries is deepening, driven by differences in vaccine availability and policy support. (percentage points)



Sources: IMF, *World Economic Outlook*; and IMF staff calculations.  
 Note: Revisions show the difference between projections in July 2021 WEO and April 2021 WEO. Positive number indicates growth has been revised up.



### Employment Outlook (July 2021)

**The unprecedented levels of assistance that countries have provided through job retention schemes and income support have saved up to 21 million jobs** and helped many households make it through the pandemic. OECD countries will take between 1.5 to 5.25 years to return to pre-pandemic employment rates (based on Q4 2019)(cf. OECD).

### Pandemic State: World Overview (August 2021)

The world recorded the 200 millionth detected case of Coronavirus infection beginning of August, with a global toll of at least 4.25 million — including 614,000 deaths in the U.S., 558,000 in Brazil and 425,000 in India. Mexico has recorded more than 240,000 fatalities, and Peru nearly 200,000. Britain, Colombia, France, Italy and Russia each have had well over 100,000 deaths (August 2021)(cf. The New York Times).

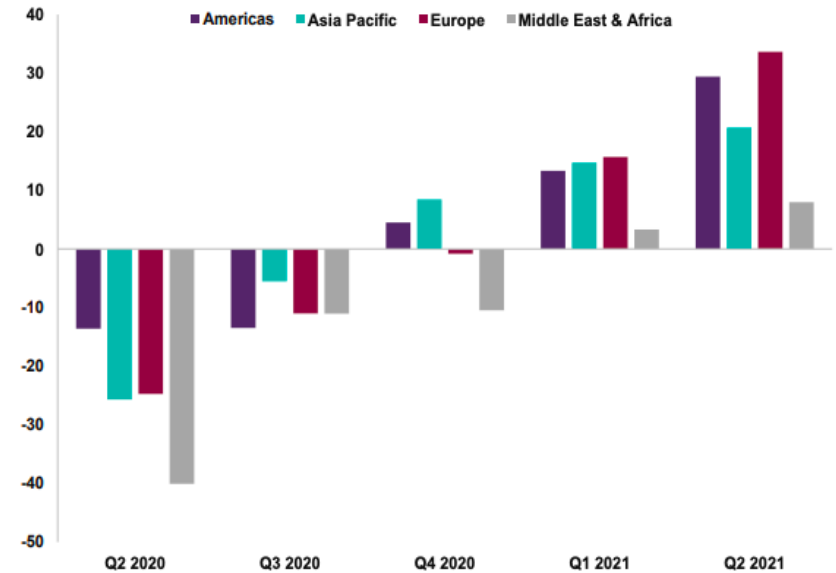


Chart: Construction Activity Index Worldwide

[Further information available on Royal Institution of Chartered Surveyors, for construction and infrastructure.](#)

EUROPE		
	General Facts & Measures	Facts & Measures for Construction
EU-27	<p><b>Employment Outlook (June 2021)</b> The EU unemployment rate is forecast to rise to 7.6% this year and to decline to around 7% in 2022, above the rate of 6.7% in 2019 (cf. European Commission).</p> <p><b>Economic Outlook</b> The improving health situation and ensuing continued easing of virus containment measures are putting the EU economies back in motion. The near-term outlook for the European economy looks brighter than expected in spring. Falling numbers of new infections and hospitalizations, thanks to containment strategy and progress in vaccination, have led EU Member States to reopen their economies, to the benefit of service sector businesses.</p> <p><b>Overall, GDP is now forecast to grow by 4.8% in 2021 and 4.5% in 2022 in the EU.</b> The volume of output is projected to return to its pre-crisis level (2019-Q4) in the last quarter of 2021, which is one quarter earlier than expected in the Spring Forecast for the euro area (July 2021)(cf. <a href="#">European Commission</a>).</p> <p>After almost 18 months of relying on emergency programs to support their economies, governments across Europe are scaling back some measures with the expectation that economic growth will carry the load.</p> <p><b><u>At least half of the 19 countries that use the euro have already sharply curtailed pandemic aid. State-backed job retention schemes, which have cost E.U. countries over €540 billion</u></b>, are set to end in September in Spain, the Netherlands, Sweden and Ireland. But the Delta variant prompts concerns about whether this is the time to roll back the assistance (August 2021)(cf. The New York Times).</p> <p><b>Country Focus</b> Further information by <a href="#">Crédit Agricole for Italy</a>.</p>	<p><b>Eastern Europe Focus (July 2021)</b> Infrastructure investment in Eastern Europe could rise significantly over the next two years if projects are pushed ahead by regional governments; however, only 4 out of the 15 markets assessed have good prospects to accelerate infrastructure investment, according to a study by GlobalData. The two best placed countries in the region are Russia and Poland. EU support in the form of the EU recovery funds will provide a significant boost for infrastructure construction across the EU.</p> <p>Given the weak outturn in economic growth in Eastern Europe amid the Covid-19 crisis, governments and public authorities will likely be aiming to advance spending on infrastructure projects to reinvigorate the construction industry and the wider economy (July 2021)(cf. <a href="#">GlobalData</a>).</p> <p><b>Country Focus</b> Further information by <a href="#">The Construction Index on Irish construction state</a>, and <a href="#">North Ireland construction market</a>.</p>



<p><b>United Kingdom</b></p>	<p><b>Economic Outlook (June 2021)</b>  <u>Leading indicators suggest a strong recovery underway:</u></p> <ul style="list-style-type: none"> <li><b>Strong GDP growth of 7.2% in 2021 and 5.5% in 2022 is projected as a large share of the population is vaccinated and restrictions to economic activity are progressively eased. GDP is expected to return to its pre-pandemic level in early 2022</b> <a href="#">(cf. OECD)</a>.</li> </ul> <p><a href="#">Further information on Crédit Agricole prospects.</a></p>	<p><b>Construction Outlook (August 2021)</b>  The UK construction industry was severely impacted in 2020, due to the disruptions caused by the Coronavirus outbreak and the subsequent lockdown measures. <b>The industry contracted by 14% in real terms in 2020</b>, following growth of 1.8% in 2019. According to the Office for National Statistics (ONS), the construction industry contracted by 1.2% in the first quarter of 2021, following a decline of 5.9% ending 2020.</p> <p><b><a href="#">GlobalData expects the country's construction industry to grow by 10.6% in 2021 and record an average growth of 3% between 2022 and 2025.</a></b> The industry's output will be supported by improving investor confidence and <b>investments in transport, renewable energy, residential and commercial infrastructure projects</b> (cf. GlobalData).</p> <p>Further information available <a href="#">here</a>.</p>
<p><b>LATIN AMERICA</b></p>		
<p><b>General Facts &amp; Measure</b></p>		
<p><b>Latin America &amp; The Caribbean</b></p>	<p><b><a href="#">The region's GDP is expected to grow by 5.8% in 2021, followed by a 3.2% expansion in 2022.</a></b> The forecast upgrade for Latin America and the Caribbean results mostly from upward revisions in Brazil and Mexico, reflecting better-than expected first quarter outturns, favorable spillovers to Mexico from the improved outlook for the United States, and booming terms of trade in Brazil (July 2021)(cf. IMF).</p>	
<p><b>Facts &amp; Measures for Construction</b></p>		
<p><b>Brazil</b></p>	<p>Brazil's construction industry is expected to grow by 0.7% in 2021, after declining by 7% in 2020. The industry expected growth is supported by low interest rates and the government's housing programs such as "Casa Verde e Amarela". The program, which was launched in July 2020 aims to provide funding to low-income families via loans, incentives in debt renegotiation and land legislation of about 12 million low-income properties in the country. Despite the strong demand for houses, however, the shortage and increase in the prices of building materials are anticipated to hold back investment in the residential market and the overall industry in the short term (July 2021)(cf. GlobalData).</p>	
<p><b>ASIA</b></p>		
<p><b>General Facts &amp; Measures</b></p>		
<p><b>China</b></p>	<p>Since July 2021, China has tightened Covid-19 measures to combat an uptick in daily cases — a move that could hold back the country's economic growth and hit its stock markets. <b>If lockdowns and vaccination progress do not allow local economies to reopen by mid-August or early September, the 8.8% 2021 GDP forecast will need to be reviewed down.</b> <a href="#">Because of the current restrictions, China's year-on-year growth in the third quarter of 2021 is</a></p>	



	<p>expected to slow to between 2% and 3% from the second quarter's 7.9% expansion. <b>On the long run, China's economic growth will settle at around 5% to 6%</b> (August 2021)(cf. CNBC).</p>
<p><b>Kyrgyz Republic</b></p>	<p>The Kyrgyz Republic has been significantly affected by the Covid-19 pandemic and was one of the hardest-hit countries in the region. The human cost of the lives lost is immeasurable, but the shock to the economy has also been substantial. <b>The pandemic led to an output contraction of 8.6% in 2020, a substantial loss of jobs, and an increase in poverty.</b></p> <p>The labor-intensive sectors of the economy were affected the most. Tourism fell by nearly 80%. Transportation, trade, and construction were also significantly impacted. On the other hand, agriculture, which is mostly family-operated and does not involve extensive human interaction in closed environments, grew by about 1% in 2020.</p> <p><b>In July 2021, the World Bank approved a US\$20 million loan to help the Kyrgyz Republic finance the purchase of additional vaccines, and other international organizations are also planning to step up support.</b> Once the health crisis is contained, <b>the IMF expect life to gradually return to normal and projects the economy to grow by 3.8% in 2021 and 6.4% in 2022</b> (August 2021)(cf. IMF).</p>
<p><b>Facts &amp; Measures for Construction</b></p>	
<p><b>North-East Asia</b></p>	<p><b>The construction industry output in Northeast Asia is forecast to record a growth of 6.8% in 2021, rising from US\$4.47 trillion in 2020 to US\$4.77 trillion in 2021 and accounting for 40% of the projected US\$11.93 trillion of the global output this year. However, the regional outlook indicates construction industries across Northeast Asia are buoyant while at a national level, the performances of construction industries vary.</b> GlobalData's report reveals that only China and Taiwan recorded real construction output growth in 2020. Among the others, only South Korea and Hong Kong are expected to recover and bounce back to pre-Covid-19 output in 2021. Hong Kong's early recovery is due in part to low pre-pandemic construction output, caused by a sustained downturn that began in 2016. A cause for further concern is the slow recovery of the Japanese construction industry, the second largest in Northeast Asia, which is not set to surpass its pre-crisis output levels until 2025 following a 7% contraction in 2020. China is projected to account for 81.8% of construction output in Northeast Asia and 32.1% globally in 2021 (July 2021)(cf. GlobalData).</p>
<p><b>Facts &amp; Measures for Construction</b></p>	
<p><b>India</b></p>	<p><b>The construction industry in India should enjoy strong growth due to the government's National Infrastructure Pipeline (NIP) and ambition to make India a US\$5 trillion economy by 2024, according to India Infrastructure Research.</b> NIP had projected a capital expenditure of US\$1.5 trillion to be spent from by 2025. <b>Over 70% of this has been allocated to four infrastructure sectors: energy (24%), roads (19%), urban infrastructure (16%) and railways (13%).</b> For further information, India Infrastructure Research's detailed report is available <a href="#">here</a> (cf. Construction Europe). Further information on <a href="#">Hellenic Shipping News</a>.</p>
<p><b>Facts &amp; Measures for Construction</b></p>	



<p><b>Myanmar</b></p>	<p>Myanmar’s construction industry output in 2020 was affected by the Covid-19 pandemic induced supply chain disruptions and labor shortages. <b>In 2021, the industry’s weakness is expected to be further compounded by the ongoing political crisis and its impact on foreign investments and construction progress, with the industry output projected to contract by 7.7% in real terms.</b> <a href="#">GlobalData expects the construction industry to record growth of 2.3% in 2022 and register an annual average growth rate of 7.1% between 2023 and 2025, supported by investments in transport and energy infrastructure, industrial parks and housing projects.</a> This growth is however predicated on Myanmar regaining political stability and the lifting of international sanctions. Highlighting the extent of the downturn in the Burmese construction industry, real output is not expected to surpass its pre-pandemic levels until 2024 at the earliest (Cf. GlobalData).</p>	
<p><b>General Facts &amp; Measures</b></p>		
<p><b>Singapore</b></p>	<p>Singapore’s economy expanded more than initially estimated in the 2021 second quarter and the government raised its forecast for 2021 as Covid-19 vaccinations progressed at home and in other key markets. <b>GDP is forecast to grow by 6% to 7% in 2021, versus a prior estimate for an expansion of 4% to 6%, the Ministry of Trade and Industry said.</b> However, in absolute terms, <b>GDP remained 0.6% below its pre-pandemic level in the second quarter of 2019</b> (August 2021)(<a href="#">cf. Hellenic Shipping News</a>).</p>	
<p><b>NORTH AMERICA</b></p>		
	<p><b>General Facts &amp; Measures</b></p>	<p><b>Facts &amp; Measures for Construction</b></p>
<p><b>United States</b></p>	<p><b>Economic Outlook (July 2021)</b>  <b>The International Monetary Fund raised its 2021 U.S. growth projection to 7.0% due to a strong recovery from the Covid-19 pandemic and the enacted President Joe Biden’s infrastructure and social spending plans.</b> The IMF additionally raised its 2022 U.S. GDP growth forecast to 4.9% (previously forecasted at 3.5%)(July 2021)(<a href="#">cf. Hellenic Shipping News</a>).</p> <p><b>Economic Outlook (August 2021)</b>  <b>GDP rose at a 6.5% annualized pace in the second quarter of 2021, according to the Commerce Department, below growth predictions of 8.4% for 2021 Q2.</b> Gross private domestic investment fell by 3.5% as declines in private inventory and residential investment held back gains. Rising imports and a 5% decline in the rate of Federal Government Spending were participating factors, said the Bureau of Economic Analysis report (<a href="#">cf. CNBC</a>).</p>	<p><b>Employment Outlook</b>  <b>Construction employment declined or stagnated in 101 metropolitan areas between February 2020 and July 2021, according to an analysis by the Associated General Contractors of America (AGC).</b> “The fact that more than three times as many metropolitan areas as usual failed to add construction jobs, despite a hot housing market, is an indication of the continuing impact of the pandemic on both demand for nonresidential projects and the supply of workers.” Eighty metropolitan areas had lower construction employment in June 2021 than February 2020, while industry employment was unchanged in 21 areas. Houston-The Woodlands-Sugar Land, Texas lost the most jobs: <b>33,400 (14%)</b>. Major losses also occurred in New York City <b>(-22,000 jobs)</b>; Midland, Texas <b>(-9,300 jobs)</b>; Odessa, Texas <b>(-7,900 jobs)</b> and Baton Rouge, La. <b>(-7,700 jobs)</b>. <a href="#">Further information available on AGCs</a> (cf. AGC).</p> <p><b>Infrastructure Bill Outlook</b></p>



		<p><b><u>US Senate passes the \$1 trillion infrastructure package of President Joe Biden's after months of negotiations.</u></b> The deal calls for investment of US\$110 billion for roads, bridges and major infrastructure projects, US\$73 billion in upgrading ageing power infrastructure, US\$65 billion in broadband infrastructure for high-speed internet and US\$66 billion for rail maintenance and modernization. Also included is US\$40 billion for bridge repair, replacement and rehabilitation.</p> <p>The American Society of Civil Engineers (ASCE), which tracks the state of US infrastructure with its report card, called the deal a “once-in-a-generation infrastructure package” that addressed most of the 17 categories criticized in its 2021 report card. <a href="#">The ASCE gave the US a mark of C- for the condition of its roads, bridges, ports, drinking water systems and electricity grids and identified a US\$2.59 trillion spending gap on its last report card (cf. KHL International Construction).</a></p>
<b>AFRICA &amp; MIDDLE EAST</b>		
<b>Facts &amp; Measures for Construction</b>		
<b>Nigeria</b>	<p>Nigeria’s construction industry declined by 7.7% in 2020, hit by both the containment measures and disruption caused by the Covid-19 pandemic. However, the industry is expected to recover in 2021, with a forecasted growth of 3.9%, driven by a sharp recovery in output levels compared to periods when works were not permitted or were severely restricted in 2020 (cf. GlobalData).</p> <p><a href="#">GlobalData</a> further plans a construction industry annual growth rate of 3.2% between 2022-2025, supported by the government’s plan to invest in the country’s infrastructure and energy sector (May 2021).</p>	
<b>OCEANIA</b>		
<b>Facts &amp; Measures for Construction</b>		
<b>Australia</b>	<p>Although the construction industry in Australia was designated as an essential service and exempted from lockdown restrictions, it was affected in 2020 due to restrictions in labor availability on sites, social distancing restrictions and supply chain disruptions. The industry is expected to expand by 2.2% in 2021, following a decline of 2.1% in 2020 (May 2021)(cf. GlobalData).</p> <p>In 2021 the industry’s output will be supported by the government’s focus on infrastructure investment to revive the pandemic-hit economy. <b>In mid-June 2020, the government announced that 15 infrastructure projects worth A\$72bn (US\$49.1bn) will be fast-tracked, supporting over 60,000 direct and indirect jobs.</b> Further information with <a href="#">GlobalData “Australia – Key trends and opportunities by state and territory to 2025 (Q2-2021)” report.</a></p>	

Multilateral Development Banks (MDBs) and other international institutions	
<b>World Bank</b>	<b>Infrastructure Outlook (July 2021)</b> The 2020 World Bank's data on private participation infrastructure (PPI) in developing countries shows a historic plunge during the first half of 2020 due to Covid-19 with a modest recovery during the second half. <b>Infrastructure investment commitments in 2020 stood at \$45.7 billion across 252 projects in developing countries (a 52% decline compared to 2019).</b> <a href="#">Read World Bank's latest report on Private Participation Infrastructure.</a>
<b>Asian Development Bank</b>	<b>Economic Outlook (August 2021)</b> <b>Recovery is underway in developing Asia, but the growth projection is revised down slightly from 7.3% in April to 7.2% for 2021 following renewed virus outbreaks in some economies.</b> GDP 2022 forecast is upgraded from 5.3% to 5.4%.  <u>Prospects are still diverging within the region:</u> <ul style="list-style-type: none"> <li>• <b>East Asia's 2021 growth</b> forecast is raised from 7.4% to 7.5%, reflecting a strong first quarter. Expansion is expected in the People's Republic of China (PRC) following favorable domestic and external trends.</li> <li>• <b>In South Asia</b>, new waves of infections prompt a lower growth forecast of 8.9% for 2021. India's 2021 growth projection is downgraded from 11.0% in April to 10.0%.</li> <li>• <b>Southeast Asian</b> growth forecast is downgraded from 4.4% to 4.0% in 2021 as some countries reimpose pandemic restrictions.</li> <li>• <b>Central Asia's</b> growth prospects for 2021 are revised up from 3.4% to 3.6%. The Pacific forecast, by contrast, is slashed from 1.4% to 0.3% as Fiji tightens containment measures.</li> </ul> <a href="#">Further information on ADB's Economic report.</a>  <b>Health Outlook (August 2021)</b> <b>A surge in new cases of the Covid-19 in the middle of 2021 has again highlighted the need to speed and scale up vaccination programs in Asia and the Pacific.</b> Many of the new wave of infections involve the contagious Delta variant of Covid-19. Vaccination progress in Asia and the Pacific varies widely with the People's Republic of China and some smaller countries managing to administer 50 or more doses per 100 people, with around half of all

**GDP Growth Forecasts, Developing Asia**  
click on a legend to filter



Source: Asian Development Bank. Asian Development Outlook Supplement, July 2021





	economies in the region have administered fewer than 15 per 100 people, leaving them deeply exposed to new virus outbreaks. <a href="#">Further information on vaccination state in Asia.</a>
IMF WBG WHO WTO	<p><b>Launch of the Multilateral Leaders Task Force on Covid-19</b>  <b>A joint initiative from the International Monetary Fund, World Bank Group, World Health Organization, and World Trade Organization to accelerate access to Covid-19 vaccines, therapeutics and diagnostics by leveraging multilateral finance and trade solutions, particularly in low- and middle-income countries.</b></p> <p>The overall goal of the Task Force is to support delivery of Covid-19 tools to low-and middle-income countries and to mobilize relevant stakeholders and national leaders to remove critical finance and trade roadblocks. To this end, the Task Force will be working closely with the ecosystem of public and private actors working in this area. Learn more about the initiative <a href="#">here</a>.  Access the Task Force data on Covid-19 <a href="#">here</a>.</p>
IMF	For countries on the path to recovery, reviving economic activity through job creation is a major priority. Drawing on a 19-year dataset of over 5,600 construction companies from 27 advanced economies and 14 emerging market economies, <b>the IMF aimed at quantifying the direct employment effect of infrastructure development and maintenance in key sectors: electricity, roads, schools and hospitals, and water and sanitation</b> in advanced, emerging, and low-income developing economies. <b>Overall, the IMF estimates that 1% of global GDP in public investment can create more than 7 million jobs worldwide through its direct employment effects alone.</b> <a href="#">See the IMF Working Paper on The Direct Employment Impact of Public Investment.</a>
<b>Other International Sources – Newspapers</b>	
KHL International Construction	<p><b>Top Performing Construction Sectors in 2021</b>  <b>The top three performing construction sectors in 2021 are data centres, transport, and industrial, manufacturing and distribution, according to Consultant Turner &amp; Townsend’s International Construction Market Survey 2021.</b> The top performing sector across all participating markets is data centres, driven by the growth in technology and digitalization. This is the first year that data centres have made it into the top five performing sectors, moving up from sixth position in 2020. The second highest performing sector is transport (roads, rail and ports), which was in the top position in 2020. Globally, infrastructure investments have been a key focus for government stimulus in the recovery from the Covid-19. This is expected to continue over 2021-2022 to support economic activity. Finally, moving from sixth to third on the list is industrial, manufacturing and distribution, which has been driven by the rapid growth in e-commerce, fast-tracked by the pandemic. The retail landscape is changing rapidly, and this is driving a surge of investment into new technologies and distribution facilities across the world to meet the rapidly changing needs and demands of consumers (July 2021).  If you want to dive deeper, Turner &amp; Townsend’s International Construction Market Survey 2021 is available <a href="#">here</a>.</p> <p><b>Top Performing Contractors in 2021</b>  <b>The world’s top 200 construction contractors according to sales figures for 2020 have been revealed in the latest issue of International Construction magazine.</b> The total for this year’s list is US\$1.746 trillion. This is very close to the figure of 2019, which was US\$1.744 trillion. Due to the</p>



impact of Covid-19, it was thought that sales for the top 200 construction contractors would decline. Below, the world's top 10 construction contractors of 2020:

1. China State Construction & Engineering (CSCEC)
2. China Railway Group
3. China Railway Construction Corporation
4. China Communications Construction
5. Metallurgical Corporation of China (MCC)
6. Vinci
7. ACS
8. Bouygues' Construction Divisions
9. Shanghai Construction Group
10. Hochtief

Further information on the world's construction contractors [here](#) (July 2021)(cf. KHL International Construction).



**[GO TO THE MAP](#)**