

# PRESS RELEASE

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## **BERNER Industry Barometer: First half-year went differently than expected for many construction professionals**

The outlook for the building trade is certainly not brilliant at the moment. Nevertheless, many companies are not dissatisfied with the business year to date. "The start to 2023 has been solid and has cooled off less dramatically for most trades than was feared in the second half of 2022," reports Thomas Eikel, Head of Segment Management Construction at BERNER Group. The B2B specialist surveyed a total of 1,227 decision-makers from the wood, stone, metal processing and installation technology sectors in a cross-national industry barometer. Due to the generally challenging framework conditions (including a shortage of skilled workers, interest rate increases, persistent inflation), 10 percent of construction professionals had assumed that business would be "worse" or even "significantly worse" in the first half of 2023. In fact, only about half (5 per cent) now confirmed that this had come true. More than 15% said: Business was better than expected.

In the country ranking, as in previous industry barometers, Italy in particular stands out. "The mood of Italian companies is still at a high level compared to other European countries," says Thomas Eikel. This is mainly due to the fact that order books are shrinking, as is the case everywhere, but are still full as a result of the government's "super bonus" subsidy programme. "Despite many uncertainties, just 5 per cent of the Italian companies, and thus fewer than in any other of the markets we surveyed, expected their order situation to deteriorate in the first half of the year. With the exception of the installation sector and metalworking trades, the reality then looked even better in the end." More than 25 percent of the respondents said that their business had developed more positively than expected in the first half of the year.

### **Similar market situation**

"In Germany and Austria, there are significantly fewer orders coming in and people are drawing on their existing stock," reports Thomas Eikel. "However, around 10 per cent of construction professionals predicted the first half of the year to be significantly weaker than they assess it from today's perspective. The situation in both markets is basically similar. However, if one carries out a more detailed analysis of the data, quite interesting deviations are discernible. In contrast to Germany, construction professionals in Austria were very cautiously optimistic. In the wood and installation technology sectors, however, things were solid in the end according to the sentiment picture we recorded."

Differentiated according to trades, the following picture also emerges for the construction industry:

- **Wood:** In the last sector barometer in the second half of 2022, around 11 percent of companies with a focus on wood (window construction, carpenters, joiners, roofers) expected a weaker order situation in the first half of 2023. In the current survey, by contrast, only 6 percent now said this had occurred. 13 percent said that their order situation had developed more positively than in the previous period. The front-runner is Italy, where 23 percent of the corresponding companies said that their business was better.
- **Stein:** In the last sector barometer in the second half of 2022, around 9 percent of companies with a focus on building construction expected a weaker order situation in the first half of 2023. In the current survey, on the other hand, only 5 percent now said this had occurred. More than 16 percent said that their order situation had developed more positively. The pole position here also goes to Italy (30 per cent).
- **Metal:** In the last sector barometer in the second half of 2022, around 10 percent of companies with a focus on metal (metal construction and SHK / installation technology) expected a weaker order situation in the first half of 2023. In the current survey, on the other hand, only 5 percent of respondents now said this had occurred. More than 16 percent said that their order situation had developed more positively. Italy and France share the top position: in both countries, more than 20 percent of the respective companies confirmed a better business trend.

## Outlook

The question of how business will develop in the coming six months is assessed differently depending on the country and the trade. "We do not see a uniform picture here," says Thomas Eikel. "There are many fluctuations in the sentiment index, which are influenced by a wide variety of factors - both positive and negative. For example, the trades that contribute directly or indirectly to the energy-efficient refurbishment of buildings and the climate change are currently the drivers of a more confident outlook, while the building contractors (stone) tend to be more pessimistic because they are particularly attached to new construction and are also feeling the cooled demand before everyone else. In total, the future expectations of companies in the European building trade are about 4 percentage points lower than in 2021, the covid catch-up year in the sector. With the exception of June, **which** showed a downward trend in all countries and trades, construction professionals were at least somewhat more optimistic than they were six months ago.