

Construction output for fourth quarter and whole year of 2018

The total gross value of construction works performed by main contractors in the fourth quarter of 2018 decreased by 3.2% in nominal terms over a year earlier to \$65.5 billion, according to the provisional results of the Quarterly Survey of Construction Output released today (March 12) by the Census and Statistics Department (C&SD).

After discounting the effect of price changes, the provisional results showed that the total gross value of construction works performed by main contractors decreased by 9.0% in real terms over the same period.

Gross value of construction works in real terms is derived by deflating the corresponding nominal value with an appropriate price index to the price level in the base period of 2000.

Analysed by type of construction works, the gross value of construction works performed at private sector sites decreased by 7.0% in nominal terms in the fourth quarter of 2018 over a year earlier, while that at public sector sites decreased by 26.3%. The gross value of construction works at locations other than construction sites increased by 22.1% in nominal terms over the same period. Construction works at locations other than construction sites included minor new construction activities and decoration, repair and maintenance for buildings; and electrical equipment installation and maintenance works at locations other than construction sites.

In real terms, the gross value of construction works performed at private sector sites decreased by 8.1% in the fourth quarter of 2018 compared with the same period in 2017, while a decrease of 30.8% was recorded for public sector sites. Meanwhile, the gross value of construction works at locations other than construction sites increased by 13.2% in the fourth quarter of 2018 over the same period.

On a seasonally adjusted quarter-to-quarter basis, the gross value of construction works performed by main contractors decreased by 1.3% in nominal terms and decreased by 3.7% in real terms in the fourth quarter of 2018 compared with the third quarter of 2018.

For 2018 as a whole, the provisional results showed that the total gross value of construction works performed by main contractors increased by 0.9% in nominal terms compared with 2017 to \$252.1 billion.

After discounting the effect of price changes, the total gross value of construction works performed by main contractors in 2018 decreased by 3.9% in real terms over 2017.

Analysed by type of construction works, the gross value of construction works performed at private sector sites totalled \$75.6 billion in 2018, up by

0.9% in nominal terms compared with 2017. In real terms, it decreased by 0.7%.

The gross value of construction works performed at public sector sites amounted to \$75.7 billion in 2018, down by 13.8% in nominal terms compared with 2017. In real terms, it decreased by 18.2%.

The gross value of construction works performed by main contractors at locations other than construction sites amounted to \$100.8 billion in 2018, up by 15.7% in nominal terms compared with 2017. In real terms, it increased by 8.9%.

Analysed by major end-use group, residential buildings projects accounted for the largest share in the total gross value of construction works performed at construction sites in 2018. The gross value of construction works performed in respect of these projects amounted to \$68.4 billion in 2018, up by 1.7% in nominal terms compared with 2017.

Transport projects constituted the second largest group of construction site works in 2018. The gross value of construction works performed in respect of these projects totalled \$36.9 billion in 2018, down by 26.9% in nominal terms compared with 2017.

Tables 1 and 2 show the provisional figures on the gross value of construction works performed by main contractors in the fourth quarter and the whole year of 2018 respectively. Table 3 shows the revised figures for the third quarter of 2018.

Owing to the widespread sub-contracting practices in the construction industry, a construction establishment can be a main contractor for one contract and a sub-contractor for another contract at the same time. The gross value of construction works performed by main contractors covers only those projects in which the construction establishment takes the role of a main contractor, but not projects in which it takes only the role of a sub-contractor. However, sub-contractors' contribution to projects should have been included in the gross value of construction works performed by main contractors for whom they worked.

The classification of construction establishments follows the Hong Kong Standard Industrial Classification Version 2.0, which is used in various economic surveys for classifying economic units into different industry classes.

More detailed statistics are given in "Report on the Quarterly Survey of Construction Output, 4th Quarter 2018". Users can download this publication free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp330.jsp?productCode=B1090002).

For enquiries about the survey results, please contact the Construction and Miscellaneous Services Statistics Section of the C&SD (Tel: 3903 6965 or email: building@censtatd.gov.hk).