

Construction

The recovery continues. Sales of cement grew 6% YoY in May and in the first five months of the year were up 6.5% YoY, although still 3.4% below the same period in 2008. The “Construya” index, which measures sales of construction materials to the private sector by 12 leading companies, rose in May 12.1% YoY and fell 2.2% MoM. The index is up by 14.9% YoY in Jan-May, but it is still 3% below its value in the same period of 2008. (According to official data, in April construction activity rose by 12.5% YoY and fell 1.9% MoM seasonally adjusted.) Building permits over the first four months of the year are down by 12% YoY, 27% below the same period in 2008.

In 1Q10 formal construction employment fell 3.8% YoY and was 10% below 1Q08. This suggests that either the recovery is slower than the public and private indicators suggest, or that informal employment is gaining ground.

