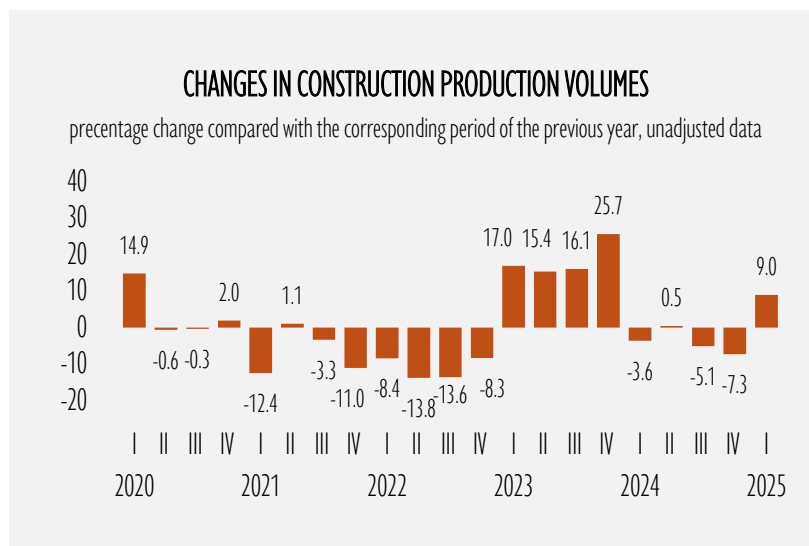


On Construction in the First Quarter of 2025

In the first quarter of 2025, a sharp increase in activity was observed in construction

Thanks to more active construction of infrastructure projects, as well as favourable winter weather conditions, growth has again been observed in construction after almost a year-long break.

Construction production volumes at constant prices in the first quarter of 2025 were 9% higher than in the first quarter of 2024. This can be explained by more active construction of infrastructure projects, including through structural funds, as well as winter weather conditions favourable for construction.



The resumption of growth is visible in the following main construction groups: civil engineering and specialised construction works. In the first quarter of this year, civil engineering is the driving force of the sector's development.

The only main construction group in which the downward trend continued was building construction. Production volumes in this period were 3.8% lower than in the corresponding quarter of the previous year. This was mainly driven by a decline in activity in residential building construction.

The growth rate of civil engineering in the first quarter of 2025 was the fastest, increasing by 40.7% compared with the first quarter of 2024. This was driven by a sharp increase in the construction of roads and railways, as well as urban infrastructure facilities.

Specialised construction works increased by 2.6% in this period compared with the first quarter of the previous year. An increase in activity was observed in almost all segments of specialised construction works, except for the construction finishing segment.

Building permit data also indicate an increase in activity in the sector. In the first quarter of 2025, 1,075 building permits were issued, which was 18.1% more than a year earlier. The growth rate of the projected area was faster – by 51.7%. The largest impact came from the segment of buildings with two or more dwellings, and in the non-residential buildings segment from office buildings and industrial production buildings and warehouses.

The return to growth indicates positive impulses in the sector. It is expected that they will persist in the near term, with continued inflows of investment into the sector and growth in lending.