

# Coronavirus to Weigh on Q1 Construction Activity



International construction activity picked up in the last quarter of 2019, according to the latest findings of RICS' series of international infrastructure and construction surveys. However, rising costs remain a drag on the sector, and the impact of coronavirus could hamper short-term output.

Across all regions surveyed by RICS, infrastructure and construction professionals reported a trend of increased workloads in Q4 2019, but the overall picture varies considerably within these global regions.

Despite a solid end to the year from the construction and infrastructure sector globally, coronavirus is likely to weigh on activity. Given the lockdown on the mainland, it is likely

that activity in China and Hong Kong will contract in Q1 of 2020. Singapore may also experience a pullback in activity.

## Costs to rise more rapidly than tender prices

Sean Ellison, senior economist, RICS, commented: "The final quarter of 2019 saw a moderate improvement in the fortunes of the construction and infrastructure sector across global markets, but the picture was certainly fragmented. Country-specific challenges remain, as does the pressure brought by costs rising more rapidly than tender prices.

"Coronavirus brings with it a degree of uncertainty for the construction and infrastructure market, given the direct impact it will have on output in the Asia Pacific region. Time will tell how widely other global regions are affected, but its impact could be fairly short-lived if the virus is contained swiftly."

[Read the full RICS story here.](#)

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