

CENTRAL INTELLIGENCE

Challenging year ahead for the Czech construction industry

The Czech construction industry has been severely hit by the wider economic crisis experienced in 2009 and 2010. In 2009, gross domestic product contracted by more than 4% and unemployment rose to more than 8% from 5.5% a year before.

Fortunately, the economy began to recover in 2010, but the overall downturn has had an adverse effect on the construction industry. Construction output in the Czech Republic declined by 0.9% year on year in 2009, the first reduction in the decade. This followed several consecutive years of growth but was widely expected because of the difficult economic conditions and the subsequent reduction in demand. Unlike 2009, when the decline in construction activity was much less severe than the reduction in GDP, in 2010 the construction industry lagged behind the overall economy, with a 7.8% fall in construction output, in contrast to estimated growth of 2.2% in GDP.

Long-awaited legislative changes which should support the industry are on the horizon. The Building Act, which has been the focus of the Ministry for Regional Development since last summer, is being reworked to speed up the application process for building permits. The changes will also lead to the elimination of much of the bureaucracy at local government level and will result in the closure of 231 local construction offices. These offices have typically been the cause of many of the delays which hamper construction projects.

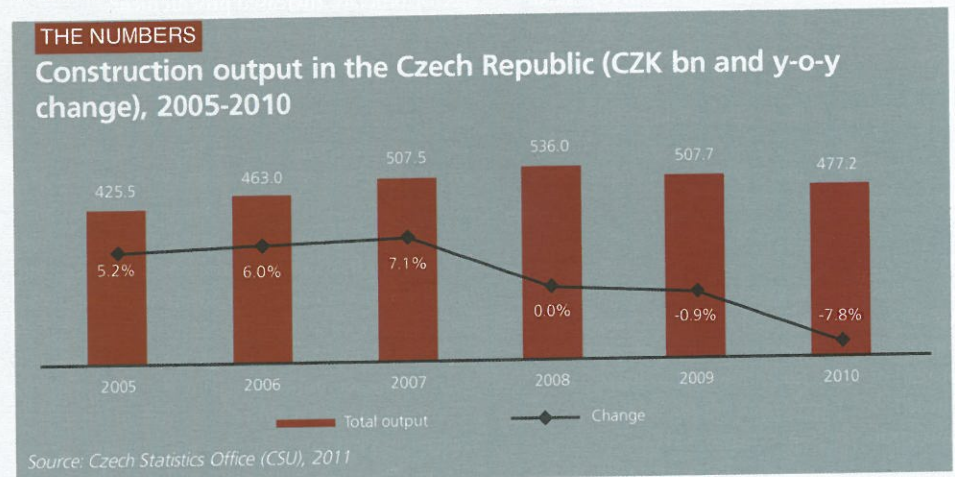
A major development in the country has been the adoption, on 20 January 2011, of a new strategy for transport infrastructure construction in the

Czech Republic. This was introduced by the Ministry of Transport and is the result of six months' work. The main goal of the ministry is to complete the construction of motorways and expressways in the Czech Republic, some of which were put on hold last year. The main construction projects in the field of road infrastructure are, according to the strategy, the construction of the missing section of the D8 motorway (which will pass through the Ceske Stredohori region), the completion of the Tabor section of the D3 motorway (on which building work is currently taking place), the construction of the R6 expressway between Karlovy Vary and Cheb and the completion of the section of the D1 motorway which leads to Poland. The plans also contain information on the funding allocated for infrastructure construction in the country, including a list of

projects to be funded by means of public-private partnership (PPP) schemes. One of the first projects to be funded through a PPP scheme is the R35 expressway, which will link Hradec Kralove and the Moravia region.

2011 will be another challenging year for the Czech construction industry, but the new regulations and programmes adopted, along with the general recovery of the economy, provide an opportunity for a gradual resumption of construction activity in the country. ■

This article is based on the "Construction sector in the Czech Republic 2011 – Development forecasts for 2011-2013", published by PMR Publications



60 SECONDS ON-SITE

Ballinasloe Flood Defence

Brian McKavanagh, associate director of Atkins, on the flood protection wall in Derrymullen

What project are you working on at present?

Ballinasloe Flood Defence Wall, Derrymullen, Ballinasloe, Co. Galway.

Tell me about some of the challenges of this scheme

Flooding in the area has caused severe distress to residents and so inclusion and transparency was at the forefront from the early planning stages through to construction. The flood protection wall borders the River Suck Callows Special Protection Area (SPA), which is designated under the EU Birds Directive, so an Appropriate Assessment was carried out to ascertain any negative effects the project might have. This assessment was carried out by Atkins Environmental Consultants who worked closely with the National Parks and Wildlife Service, the Atkins site team and the contractor (Brian Conneely Ltd) to ensure the design and construction works had minimal environmental impact on the SPA.

What new techniques or strategies did you use on-site?

To expedite these essential works, it was agreed that earthworks and other ground works should continue over the winter months. As expected the winter working led to a deterioration in the sub-grade soil conditions, so the contractor adopted a sheet pile construction as an alternative to a reinforced concrete solution. This allowed for safe and substantial progress to be made over the winter months.

