



Communication COM (2012) 433 final **Strategy for the sustainable competitiveness of** **the construction sector**

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Outline of the presentation

- *Preliminary considerations*
- *Main challenges addressed*
- *Objectives and scope of the strategy*
- *Action Plan*
- *Governance*

Preliminary considerations

- *Strategic importance of the construction sector for the EU (economic, environmental and social)*
 - Significant potential for growth & employment and for a transition to low carbon economy
- *Focus of many EU and national policies and initiatives*
 - Synergies to be strengthened

Key figures of the construction sector (EU-27)

	2007	2008	2009	2010	2011	%GDP and total employment
Added value (billion €)	776	746	683	655	665	6,1
Employment (million persons)	16,9	16,8	15,7	15,0	14,5	6,5

Source: Eurostat (SBS), FIEC report 2011, own calculations

NB: 1. Figures do not include construction products and professional services, which represents about 1/3 of the construction activity and follow a similar trend

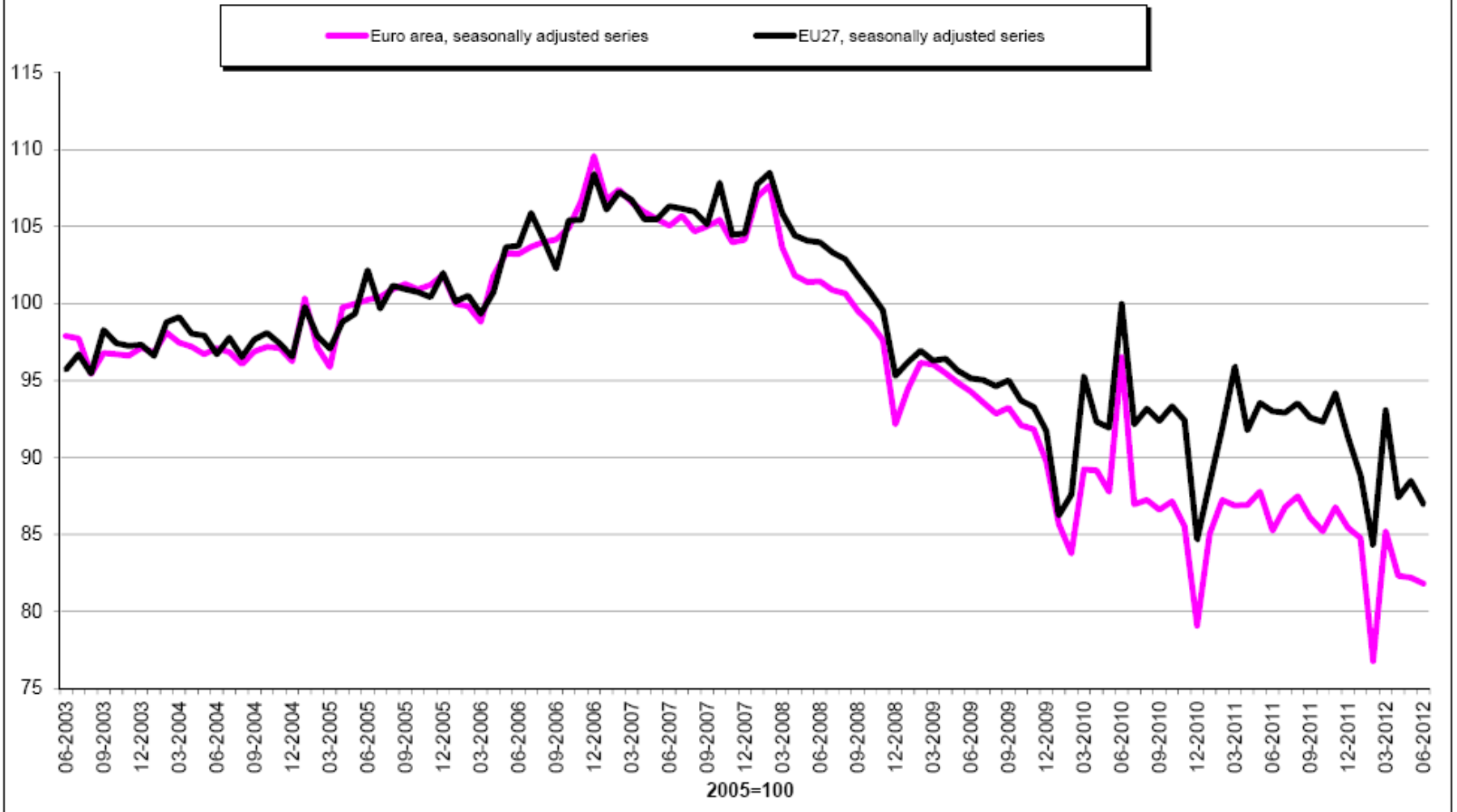
2. The small recovery of 2011 has turned negative in 2012

3. More than 2,5 million jobs losses between 2007 and 2011 in construction activity (and about 0,5 in construction products sector)



European
Commission

Production index in the construction sector



Source: Eurostat

Main challenges addressed

- *Formulate and implement appropriate recovery measures to exit construction from the crisis*
- *Improve skills and qualifications and attract new talents*
- *Challenge the EU 2020 energy, climate and environmental targets*
- *Face the increased competition with non-EU operators*



Recovery Measures - Ecorys study 2012 (1/2)

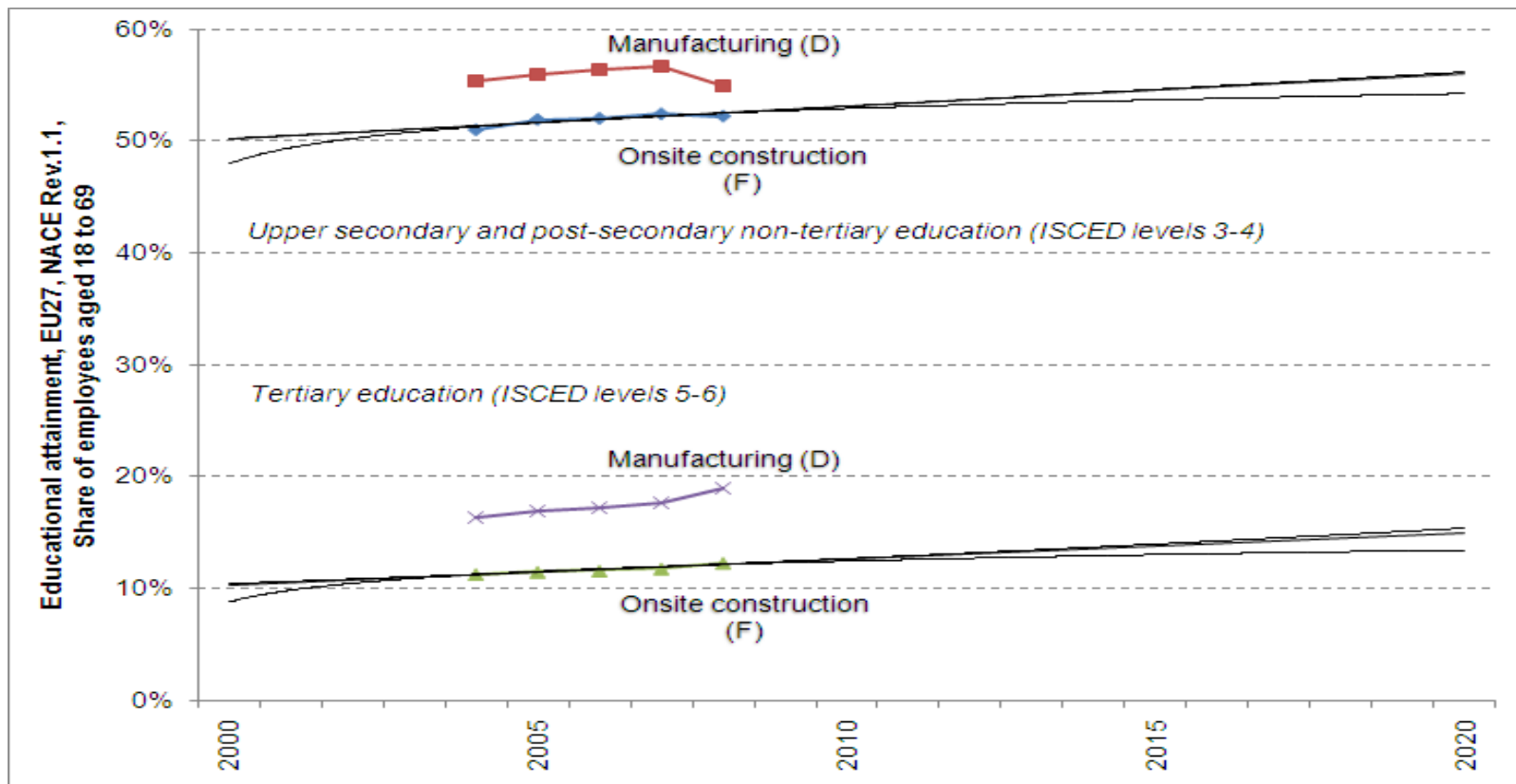
- *Fewer sustainable recovery measures that originally anticipated*
- *Budgetary constraints affect design, to a lesser extent the actual implementation*
- *Not a uniform approach to monitoring, in some cases lack of monitoring*
 - Structural funds vs. other types of funding
 - Recovery vs. sustainability



Recovery Measures - Ecorys study 2012 (2/2)

- *Impacts:*
 - Difficult to compare effects between countries due to differences in monitoring strategy
 - 8 of 11 cases show structural breaks which coincide with the start or the finish of some measures
- *Creating a more knowledge-based construction sector generally not in focus*
 - Exception in countries where sustainable construction had been in focus before the crisis

Educational attainment levels in the sector



Source: Eurostat - Labour Force Survey

Building stock - challenge to reach 2050 target of 80-95% reduction in CO2 emission

Type	Number Constructed before 1973	Number constructed after 1973	Overall % of total stock
<i>Ind. Private residences</i>	42,840,000	28,560,000	34%
<i>Private Apartment buildings</i>	17,640,000	11,760,000	14%
<i>Public social housing</i>	16,800,000	8,400,000	12%
<i>Commercial buildings</i>	18,900,000	44,100,000	30%
<i>Public buildings</i>	5,040,000	11,760,000	8%
<i>Other</i>	1,890,000	2,310,000	2%
Totals	103,110,000	106,890,000	100%

Demolition: 0.1 %
per annum
= 210,000

Renovation 1.2 %
per annum
= 2.5 million

New build: 1.0 %
Per annum
= 2.1 million

Source: Architects Council of Europe - July 2010

⇒ 5 million buildings undergoing energy efficient renovation per year in 40 years
2.1 million new builds must meet highest standards

Objectives of the strategy

- *To address the main challenges of the construction sector in terms of investment, human capital, energy and environmental requirements, regulation and market access by 2020*
- *To propose a short and medium term action plan addressing these challenges*

Scope

- *Stimulate the demand for a sustainable built environment, in particular for building renovation*
- *A better performance of the supply/value chain and of the Internal market for construction products and services*
- *Widen the market prospects for EU construction enterprises at international level*

Action Plan focusing on 5 objectives (I)

(a) stimulating favourable investment conditions; e.g. by:

- **Promote project-bonds for major infrastructure projects (RTE) and the use of financial engineering instruments developed by the EIB and in the context of EU Structural Funds (e.g. JESSICA)**
- **Develop insurance and financial schemes to cover performance guarantees in small projects;**
- **Joint co-ordinated initiatives combining R&D, innovation, procurement, certification, insurance, clusters**

(b) improving the human-capital basis; e.g. by:

- **Extending the BUILD UP initiative currently aiming only at adapting the vocational training and education to qualification needs towards energy efficiency;**
- **Anticipating future skills and qualification needs – adapting vocational educational and vocational training system**

(c) improving resource efficiency, environmental performance and business opportunities; e.g. by:

- **Proposing an EU scheme for the environmental assessment of buildings;**
- **Promoting EU standards for implementing such scheme;**

Action Plan focusing on 5 objectives (II)

(d) strengthening the Internal Market for construction; e.g. by:

- **Identifying excessive administrative burdens, overlaps and inconsistencies in EU and MS legislation on construction services;**
- **Promoting and facilitating the use of Eurocodes;**

(e) fostering the global competitive position of EU construction enterprises; e.g. by:

- **Promoting the setting up of International with Africa, Latin America, Russia and Neighbourhood countries concerning sustainable construction criteria, notably in public procurement.**
- **Encouraging the use of EU financial instruments like the EIB's in support of transcontinental connections;**

Governance

- *A tripartite (COM, Member States, stakeholders) strategic forum to monitor progress with the implementation of the strategy, propose adjustments, appraise impacts and make recommendations on coordination issues (2 meetings per year)*
- *Thematic groups to discuss various approaches for specific initiatives, assess likely effects and identify synergies between internat./EU/national/regional actions (3-4 meetings per year)*

Stakeholders involvement

- *Mostly through European federations/associations related to the supply/value chain + financial and insurance sectors + property and developers +++*
- *Create synergies between initiatives of various sector organisations*
- *Contribute to a dialogue for a national sustainable construction strategy where it doesn't exist*