



EUROPEAN CONSTRUCTION
INDUSTRY FEDERATION

DISCOVER OUR MANIFESTO IN THE FOLLOWING POINTS:

1. **Investment for growth and jobs**, despite need for budget discipline
2. **Financing investment**
3. **Infrastructure investment** for sustainable growth
4. Ensure **fair competition** at all levels
5. Build a **sustainable / energy efficient** Europe
6. **Prompt payment** for viable business
7. Well-functioning **labour market**
8. Unrestricted **innovation** for the Europe of tomorrow
9. **Smart Cities** for responding to current and future needs
10. **Reduction of bureaucracy** and simplification of legislation

FIEC MANIFESTO FOR ACTION

EU TERM 2014-2019

1. Investment for growth and jobs, despite need for budget discipline

WHY?

The cost of non-investment would be much higher than the cost of investment, considering that it would actually damage economic growth in the short term and competitiveness in the long term.

Real life examples show, for example, that every Euro invested in energy efficiency renovation leads to income / savings of 5 to 7 € for public authorities.

The “investment clause” introduced in 2013 has had extremely limited impact compared to the real needs.

HOW?

- Allow greater flexibility in the Growth and Stability Pact calculations when Member States implement EU policy decisions and invest in infrastructure and building projects
- Take into consideration that such investment creates growth and jobs (multiplier effect: 1 job in construction sector equals 2 jobs in other sectors)
- Effective use of EU funds taking into account economic, social and environmental benefits generated by such investment

2. Financing investment

Without the necessary financing, no investment will take place.

Without incentives, available financing means will not be sufficient.

- Improve access to business loans / mortgages for viable companies, especially SMEs, and for sound private investors, including households
- Oblige banks that receive public money, to lend ... to viable companies
- Ensure appropriate use of innovative measures and fiscal incentives at all levels, such as the application of reduced rates of VAT on renovation works

3. Infrastructure investment for sustainable growth

In spite of the Connecting Europe Facility, Europe lacks a decisive approach to the construction and maintenance of infrastructure. Sound infrastructure that is fit for purpose is a pre-requisite to a vibrant and sustainable EU economy.

- Use public and private funding - both traditional and innovative instruments - including PPPs, to lever projects that will have pan-European benefit
- Promote “user pays” schemes as a way of part-financing new projects and maintenance of existing infrastructure
- Increase the share of EU funding available for the upgrading and maintenance of existing infrastructure
- Exempt Banks from Basel 3 Rules for the percentage of loan made to infrastructure projects that contribute to the increase of national GDP or increase the level of employment.

4. Ensure fair competition at all levels

Contractors face unfair competition, such as:

- public entities competing with private enterprises both on public and private markets
- foreign contractors not respecting EU or local regulations
- contractors from third countries, the markets of which are not open to EU firms (“reciprocity”)

- Ensure that such public entities do not benefit from illegitimate advantages
- Accelerate efforts to reach convergence of fiscal and social regulations in the EU
- Ensure genuine reciprocity in opening markets, as well as respect of EU and national law by all enterprises alike

5. Build a sustainable / energy efficient Europe

Europe’s building stock is the biggest source of energy demand, through the heating and lighting of homes and offices.

In spite of relevant policy and legislation, the vast majority of Europe’s housing stock is far from being “zero energy”.

The EU is far from achieving its 20-20-20 targets.

- Effectively communicate the urgency of energy efficiency measures to EU citizens and facilitate renovation through financial or fiscal incentives
- Use Structural Funds to kick-start renovation of the EU building stock
- Use “societal challenges” pillar of Horizon 2020 to fund research into cost / benefit of deep renovation

6. Prompt payment for viable business

WHY?

Correct and timely payment needs to be respected all over the supply chain.

However, a significant share of construction activity depends on public investment.

Public sector clients therefore play a crucial role in enabling companies to stay solvent, particularly during an economic crisis.

HOW?

- Make sure that the Late Payment Directive is properly implemented and respected by both private and public clients
- Prevent the directive being abused in order to increase payment periods up to the maximum period allowed
- Consider getting rid of hidden payment delays, such as the indefinite start date of the payment period, in the next revision of the Late Payment Directive

7. Well-functioning labour market

In spite of the high levels of unemployment in the EU, particularly amongst young people, construction companies in several Member States experience difficulties in finding workers with the required skills both for today and for the future.

Secondly, in cross-border operations administrative controls are more difficult in terms of applying and enforcing the relevant legislation. Nevertheless, this legislation is critical to ensure fair competition and the application of the relevant employment and working conditions for workers.

- Update existing training schemes on a regular basis to take account of technical developments and innovation
- Promote investment in initial and lifelong training, as well in apprenticeship schemes and the mutual recognition of qualifications, without lowering standards
- Ensure the correct application and enforcement of EU legislation regarding cross-border provision of services and facilitate administrative cooperation.

8. Unrestricted innovation for the Europe of tomorrow

The construction industry is constantly innovating. For contractors, every new project started presents challenges, which can be overcome by opportune innovation. However, barriers exist for the industry.

In particular, insurers are risk averse when it comes to underwriting innovative solutions.

Furthermore, innovation in construction comes in forms that are not necessarily deemed as such in prescriptive EU funded programmes.

- Remove barriers to innovation in the construction industry, e.g. allow variants in public procurement as the default situation
- Improve participation of construction industry in EU funded RTD programmes
- Introduce incentives to encourage insurers to support the use on site of innovative products and methods

9. Smart Cities for responding to current and future needs

It is predicted that by 2050, 70% of EU citizens will live in cities.

In order to cope with this increase in city dwelling, cities need to be climate proofed, connected by good transport and communication links as well as equipped with infrastructure of other kinds for citizens (health, educational, environmental, sports, administrative,...).

- Share best practice through the European Innovation Partnership on Smart Cities and Communities
- Development of a framework for standardisation to promote effective solutions that have been shown to work for cities already recognised as "smart"

10. Reduction of bureaucracy and simplification of legislation

Contractors are often faced with an unreasonable administrative burden, caused by inadequate legislative provisions, which do not properly take into account the conditions in the sector, nor the practical consequences for the industry.

- The EU institutions should continue the assessment of existing legislation in the framework of the REFIT initiative, in close collaboration with the social partners, and subsequently undertake appropriate action
- Member States should avoid gold-plating EU legislation during the implementation process



EUROPEAN CONSTRUCTION
INDUSTRY FEDERATION

FIEC speaks for the European construction industry.

Through its **33 national member federations in 29 European countries** (28 EU & EFTA and Turkey), it represents, **without discrimination**, construction enterprises

- **of all sizes** (from one person builders / craftsmen and SMEs through to large international firms),
- from **all building and civil engineering** specialities,
- engaged in all kinds of working methods (whether operating on the basis of a direct contract with the client, as general / main contractors or as sub-contractors).

This **wide-ranging representativeness** was officially recognised in several studies undertaken on behalf of the European Commission, so that since the creation of the European Sectoral Social Dialogue "Construction" in 1999, FIEC has been **the Social Partner representing employers**.

The European construction industry contributes **9% to the EU GDP** and employs **14.6 million people in 3 million enterprises**, most of which are SMEs with less than 20 operatives.

“ Whether it is in preparing the ground for future growth through investing in infrastructure, dealing with the threat of climate change, adapting buildings to make them more energy efficient or planning cities to meet the changing needs of future generations, **the construction sector is the fundamental partner to make the future a reality**. As we try and learn from the financial crisis, let us not forget that at least for part of the problems we already know the solutions. **Provided the necessary investments are made**, the men and women of the construction industry will be able to use their talent, expertise and dedication to make political decisions a reality.

Construction is the solution industry! ”

Thomas Schleicher, FIEC President

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