



# Strategy for the sustainable competitiveness of the construction sector

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# Outline of the presentation

- *Preliminary considerations*
- *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/initiatives*
  - Synergies to be strengthened
- *Important problems and challenges, due to among others: crisis; increased competition with non-EU operators; shortfall of skills and qualifications; low attractiveness for young people; challenging energy, climate and environmental targets;*



## Key figures of the construction<sup>(1)</sup> sector (EU27)

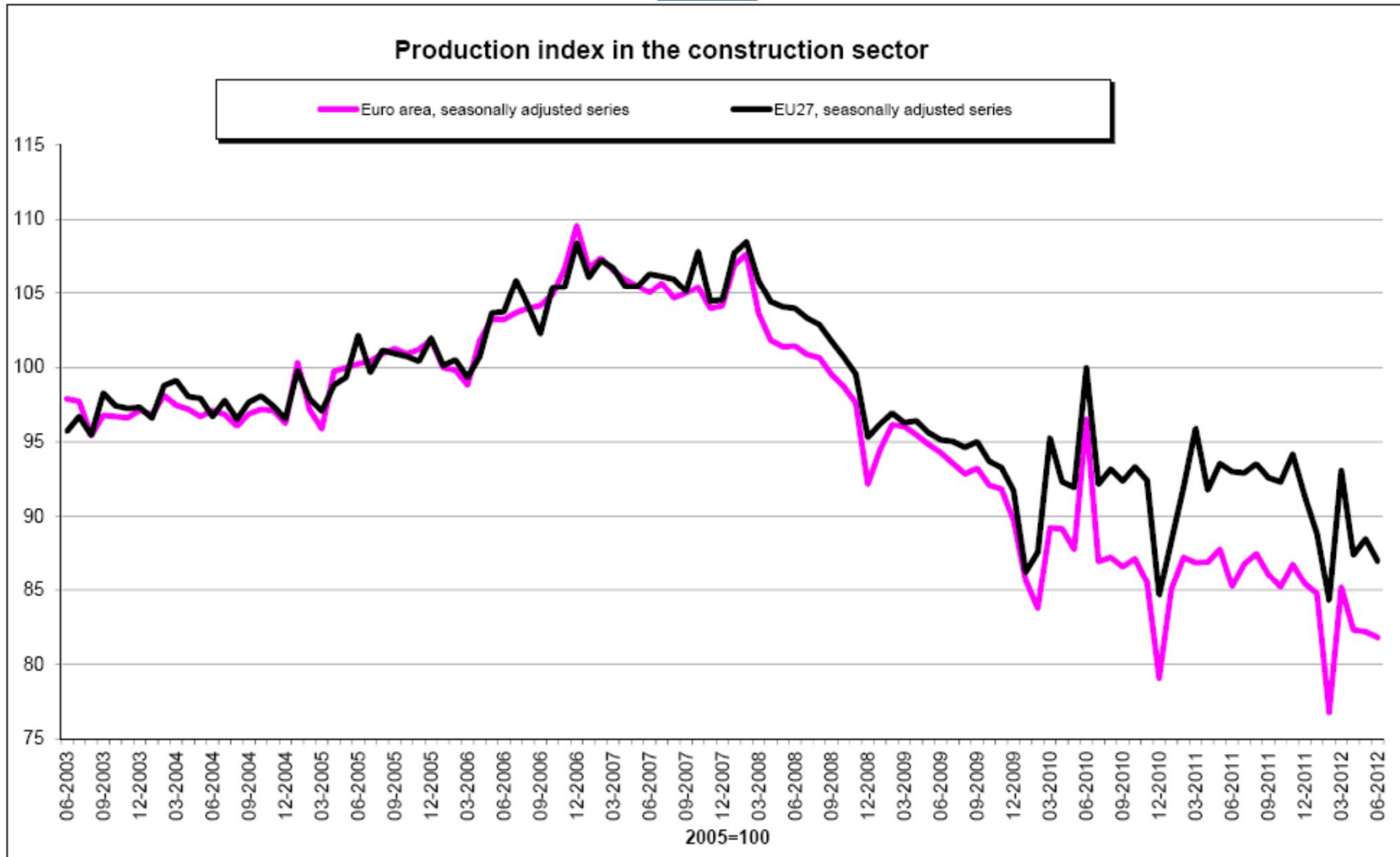
	2007	2008	2009	2010	2011	% GDP and total employment
<b>ADDED VALUE</b>	776.395 (Mill.€)	746.47 (Mill.€)	683.407 (Mill.€)	655.388 (Mill.€)	664.563 (Mill.€) <sup>(2)</sup>	6.1
<b>EMPLOYMENT</b>	16.939 (x1000)	16.800 (x1000)	15.697 (x1000)	15.000 (x1000)	14.477 (x1000) <sup>(2)</sup>	6.5

(1) Figures do not include construction products, which represent about one third of the construction activity and present a trend similar to it.

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

(3) More than 1,5 M. employment lost between 2007 and 2011 in construction activity (and about 0,5 M in construction products sector).

SOURCE: Eurostat (SBS), FIEC Report 2011, own calculations



Source: Eurostat

## 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%
<b>Totals</b>	<b>103,110,000</b>	<b>106,890,000</b>	<b>100%</b>

**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*



# Action Plan focusing on 5 objectives (I)

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

- **promoting the use of Structural Funds instruments and EIB additional lending capabilities to encourage building renovation and maintenance of small infrastructure;**
- **Developing schemes to cover performance guarantees by small building contractors;**

*(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 to other resource efficiency criteria;**
- **The launching and support campaigns to make construction sector more attractive to talented people;**

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

- **Proposing a EU scheme for the environmental assessment of buildings;**
- **Promoting EU technical specifications 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;**
- **Cooperating with MS in improving the Market surveillance when implementing European legislation;**

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

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



## 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 + + +*
- *Criteria:*
  - ❖ coverage of the supply/value chain,
  - ❖ capacity to deal with a wide range of issues addressed by the Communication,
  - ❖ synergies developed with other sector initiatives
  - ❖ contribution to the development/strengthening of national sustainable construction strategies;
  - ❖ ....