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Strategy for the sustainable competitiveness of the construction sector

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Outline of the presentation

- *The importance of the construction sector*
- *Main challenges addressed in the Communication*
- *Objectives and scope of the strategy*
- *Action Plan*
- *Governance*



The importance of the construction sector

- *Strategic sector for the EU economy and its environmental and social policies*
 - 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

Key figures of the construction¹ sector (EU-27)

	2007	2008	2009	2010	2011	%GDP and total employment
Added value ² (billion €)	776	746	683	655	665	6,1
Employment (million persons) ³	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

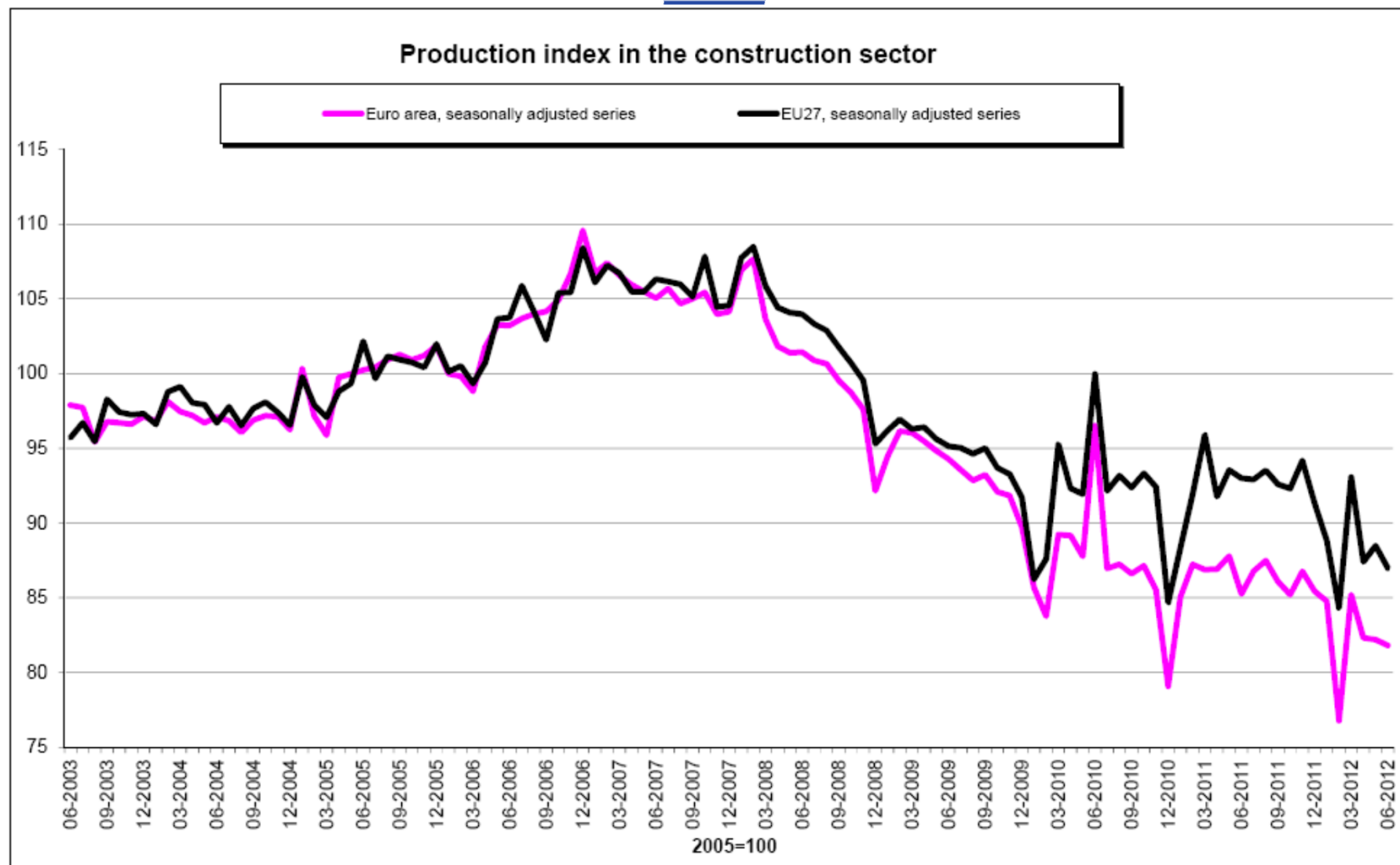
2. The small recovery of 2011 has turned negative in 2012

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



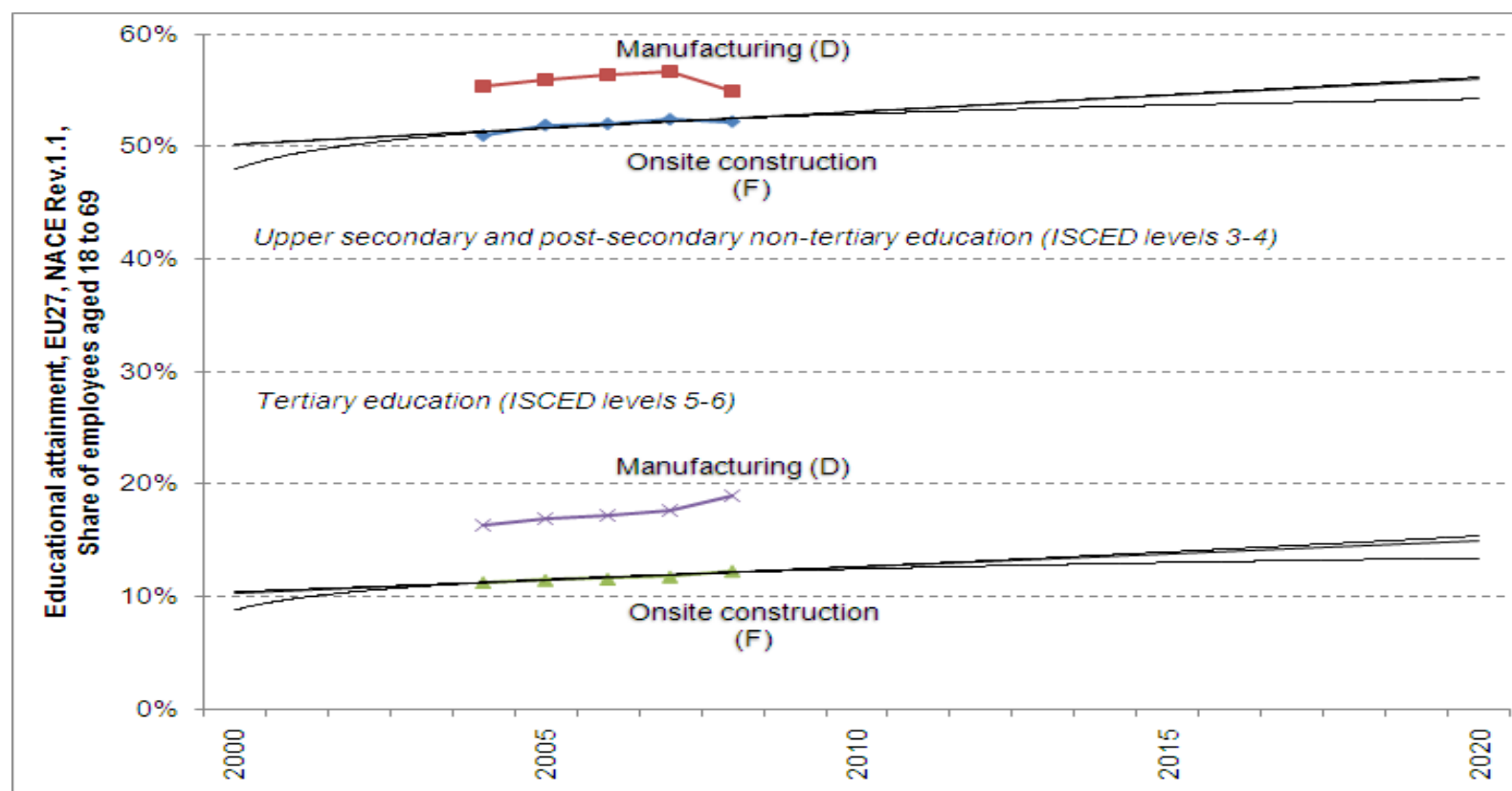
Main challenges addressed in the Communication

- *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*



Source: Eurostat

Educational attainment levels in the sector



Source: Eurostat - Labour Force Survey



Future skills requirements (EC study 2009)

- **More advanced planning and management skills**
 - ✓ *Customer orientation and insight into other trades, requiring good communication skills*
- **Adoption of new technologies**
 - ✓ *New ways of interaction and communication in business, construction processes and supplies management*
- **Sustainable construction processes**
 - ✓ *In design phase: use of analytical and planning tools to assess and balance various projects aspects according to sustainability requirements*
 - ✓ *In the contracting phase: ability of contractors to specify and document how they fulfil these requirements*
 - ✓ *During construction: adopting a "lean" construction approach*

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

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

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 these challenges 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

- (a) stimulating favourable investment conditions;*
- (b) improving the human-capital basis;*
- (c) improving resource efficiency, environmental performance and business opportunities;*
- (d) strengthening the Internal Market for construction products and services;*
- (e) fostering the global competitive position of EU construction enterprises.*



Improving the human-capital basis (I)

- Anticipating future skills and qualification needs and creating the conditions for a better working environment and career management, for a greater mobility and for wider provision of cross-border services;
- Addressing the variety of education and training systems across Europe (degree of centralisation, the structure of training provision, the role of the social partners, financial structures and curriculum content);
- Consider the impact of the ageing of the EU workforce and of the specific occupational health and safety situation of the sector



Improving the human-capital basis (II)

- BUILD UP Skills initiative as a potential basis for additional categories of building professionals or for other qualification needs in relation to construction process and sustainable development;
- Developing in the context of the Social Dialogue an observatory of the labour market and of the future qualifications and skills needs (EU Sector Skills Council)
- Defining partnerships between VET providers, businesses and other stakeholders to deliver appropriate curricula or VET qualifications as well as innovative ways of delivering VET (Sectoral Skills Alliances)
- Mirror initiatives and implementation at Member States level



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)*