European Recovery Fund:

The construction ecosystem as priority with at least €320B dedicated budget

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Facing the Covid-19 outbreak, the world is fighting a pandemic of unprecedented proportions in modern times, currently causing a full-blown health emergency, which will also bear significant economic consequences.

During this crisis, the construction ecosystem is experiencing a decline in private and public demand for construction, renovation and maintenance of buildings and infrastructure. The impact will be enormous considering that the construction ecosystem is worth 20% of the EU GDP and employs over 16 million Europeans. A recent survey amongst construction companies estimates the average expected loss in construction activity between 20% and 25% for both 2020 and 2021 as compared to 2019. This figure will of course vary from country to country. This represents an overall yearly amount of approximately €320 billion, which does not take into account the additional costs related to the implementation of the sanitary and organisational requirements on the worksites, the loss of productivity due to the new organisation of construction sites because the already complicated management of construction sites is becoming even more complex, nor the impact on the other sectors of the value chain. This amount corresponds to almost 3 million jobs which are at risk in our industry.

Therefore, we welcome the decision of the heads of the EU governments to ask the European Commission to come up with a proposal on the EU Recovery Fund that will play a fundamental role for the relaunch of the EU economy and of our sector in particular. In fact, investments in the construction ecosystems are urgently needed not only to compensate the COVID-19 impact, but also to improve the life European citizens by:

- Creating added value jobs and positively contribute to the recovery of local economies
- Delivering the growth strategy of the European Green Deal and transforming the EU into a carbon neutral continent through, amongst others, a Sustainable Built Environment.
- Renovating the EU building stock and ensuring a better quality of living for people as citizens by increasing comfort, better air/indoor environment quality, energy efficiency, affordable and accessible housing, easy mobility and connectivity
- Improving competitiveness, mobility across Europe and the safety of EU citizens through the maintenance of existing infrastructures and the construction of new infrastructures

For these reasons, the European Recovery Fund (in addition to the usual public level of spending) should include construction as one of the key industrial ecosystems with an amount of at least €320B of dedicated budget, which must be earmarked for above mentioned investments. This amount aims not only at compensating the losses in private and public spending in order to bring them back to the pre-crisis levels, but also at triggering the multiplier effect that construction is having on the whole economy.

We are the solution: addressing the challenges of the construction ecosystem means addressing the needs of European citizens in these difficult times and the global challenges towards decarbonisation of our economies in the coming years.