EU construction industry recommendations

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Ahead of the planned Clean Industrial Deal and its announced emergency and strategic plan for certain sectors, we recommend that the European Commission (EC):

1) Duly include the construction industry in the Clean Industrial Deal and the Industrial Competitiveness Compass.

Why? The EU Construction Industry represents approximately 11% of the overall EU GDP covering manufacturing and construction activities while providing almost 30% of industrial employment. Ignoring the construction eco-system as essential piece of the industrial competitiveness and sustainable energy-transition puzzle is a mistake. The construction industry is crucial in terms delivering local, meaningful jobs, and economic growth while enabling decarbonisation, circularity and overall sustainable construction improving the general living conditions of EU citizens. The recent Draghi report failed to identify the construction sector as relevant in the context of the global competitive position of the EU and EU-industry. The construction and SME-sectors are known to be the engine of the EU economy and a proven buffer against economic downturn They provide solutions for the daily life of citizens, places to live, work and enjoy, and the infrastructure for transporting people, goods, energy and information.

What? Enabling business environment to "just do it"

How? Coherence – Consistency – Visibility – Stability – Simplification- Skills

2) Underline the crucial role of construction product manufacturers in the construction ecosystem to enable the Affordable Housing Plan.

Why? A steady, sustainable, and affordable supply of building materials will enable the delivery of affordable housing solutions that live-up to the basic requirements needed to unleash the full potential of the EU building stock in delivering the EU 2050 climate and energy objectives while contributing to solving the EU housing crisis. The construction ecosystem starts with construction products manufacturing and will end with the uptake of secondary raw materials. This is critical as it may reinforce the upcoming implementation of the new Energy Performance of Buildings Directive (EPBD).

What? From selling product to delivering ready-made solutions

How? Availability of Green Electricity – Circular Value Chains – Industrialisation of solutions

3) Ensure a level-playing field-approach which fosters stability and visibility for product and technology through science-based assessment.

Why? Product and technology neutrality deliver a greater number of sustainable choices that may then be reviewed and analysed to meet the requirements of the construction project. When combined with a whole life-cycle assessment approach at construction works level (see point 4), you may achieve an optimal built environment solution. This approach should foster innovation and be impactful. Sustainability assessment of construction products should take place based on harmonized / standardized methodologies under the CPR.

How? A simplified and standardised product environment ensures stability and visibility allowing for better and quicker delivery and alignment of solutions

4) Consider the renewed skills agenda and employment challenges

Why? The European Centre for the Development of Vocational Training (Cedefop) states that in 2022 the 7.6 million construction workers accounted for approximately 4% of all EU jobs and are central to the achievement of the EU Green Deal's ambitions. However, it goes on to say that if we want the Green Deal to succeed, new skills will be required of construction workers because of changing ways in which buildings are designed and constructed. In its Employment and Social Developments in Europe (ESDE) 2023 report, the EC indicates that the green transition could lead to the creation of 1 to 2.5 million new jobs by 2030. This comes at a time when the construction industry is facing worsening labour shortages across most EU Member States. The same report estimated these shortages were nearly three times higher in 2023 than a decade earlier. Numerous EC initiatives have supported the construction skills and employment agenda. As these threaten the EU competitiveness and the successful transition toward climate-neutral future, we must reconsider our strategy.

What? Find skilled people

How? Re-valuate skilled labour in the construction industry. Demystify low-quality level and promote jobs in the construction sector

At the built environment level:

5) Endorse a whole life-cycle assessment approach.

Why? Whole Life cycle assessment (WLCA) is one of the best ways in which designers may analyse the environmental and social impacts of the different phases of a building's life cycle: procurement, construction, operation, and deconstruction. The European Commission (EC) endorses this approach through its Level(s) initiative, which offers a common EU framework of core sustainability indicators for buildings. The recent revision of the EPBD has also introduced an LCA dimension in buildings legislation. The Joint Research Centre (JRC) explains that the aim is to promote whole life cycle thinking, guiding users from an initial single building performance focus to a more holistic perspective from cradle-to-cradle, including the end-of-life phase. The EC promotes the wider use of LCA, WLCA and Life Cycle Cost Assessment (LCCA) methods in the EU.

6) Review national building approval processes, identifying bottlenecks, and best practices that may reduce the administrative burdens.

Why? Buildings falls under national competence, with each Member State and region defining its own building codes that define how local building authorities can approve the design and grant building permits. These work alongside Eurocodes that are the uniform construction standards for all European countries. It would be of interest to identifying successful administrative procedures and housing investment policies that take account of the environmental and social impacts of buildings based on a WLCA. These best practices should be shared widely, helping deliver affordable and sustainable housing to citizens on a wider scale.

7) Deliver and enable further financing support, both public and private, through better targeted and accessible funding schemes by Member States for building renovation, new housing, and infrastructure.

Why? Converting empty spaces, renovating and building new homes is a must to secure EU citizens to access the property market (renting or buying). The EPBD may deliver immediate gains through the renovation of the existing stock, thereby delivering energy-efficiency and wellbeing to citizens. It is estimated that average rents in the EU had increased by 25% between 2010 to 2023. Furthermore, the average cost of a house in the EU was almost 50% higher in mid-2023 compared to the same period

in 2010. Overall, the housing investment gap is estimated at a minimum of EUR 57 billion per year. The EU Institutions must act, as the impact of the housing crisis is a crucial social issue. This concern has been highlighted by European city leaders who have listed housing as one of the most important issues facing their constituencies.

8) Provide a resilient infrastructure that meet our needs

Why? The transport, energy and IT infrastructure need to be kept up to date, ensuring the wellbeing of citizens and the competitivity of the EU economy. New multimodal transportation systems, an adapted and reinforced energy grid, and the infrastructure to develop the digitalisation of the economy must be at the core of the common development of the EU. Additionally, there is a need for adaptation to climate change, with a focus on handling extreme events and water management.

At product level:

9) Speed up the revision of our harmonised standards (hEN) under the new Construction Products Regulation (CPR) Acquis process.

Why? To drive circularity in construction, we need to apply the new Construction Products Regulation (CPR), which is expected to enter into force in the first quarter of 2025. However, behind the Regulation lie numerous harmonised product standards that required revision, approval, and publication. The current timeline foresees a decade or more to finalise this scheme (Acquis process). The industry and its value chain need predictability and must be equipped sooner if it these are to deliver their full potential, allowing us to achieve our housing and climate targets.

10) Support construction product manufacturers to gain quicker and easier access to decarbonised technologies and energy at a competitive price.

Why? In 2023, Deloitte reported that construction accounted for 37% of global carbon emissions, of which 16% represents embodied carbon mainly from material manufacturing. The full decarbonisation of the ecosystem hinges on the parallel decarbonisation of both the embodied, and operational energy. As we transition from fossil fuels to renewable energy to achieve our net-zero carbon objectives, we urgently require delivery of affordable, decarbonised energy sources as our industry is key to addressing the climate crisis. Furthermore, technologies which are needed for a decarbonised production like Carbon Capture, Utilisation and Storage (CCUS), access to hydrogen and funding programs must be further strengthened.

11) Ensure access to raw material, including reliable qualities and quantities of secondary raw material.

Why? The industry requires secure and sustainable access to raw and recycled materials to significantly lower our dependency on imports from non-EU suppliers. By supplying local products to local projects, we reduce transport costs and develop resilient value chains for EU industrial ecosystems. To support the domestic extraction of raw materials, approval procedures must be accelerated and competition for land must be avoided.

12) Deliver End-of-Waste (EoW) criteria for all construction product families in support of circular drive.

Why? With the circular economy, we aim to reduce waste and our dependency on primary critical raw materials. To achieve this goal our industry requires a clear and compete legal framework, including EoW criteria. These will ensure the financial viability of a recycling industry where Construction and Demolition Waste (CDW) may be transported across internal EU borders to deliver a reliable source of Secondary Raw Materials (SRM).

Founded in 1988, Construction Products Europe is a Brussels-based international non-profit association. Its membership comprises national and European associations representing Small and Medium-size Enterprises and world-leading companies headquartered in the EU. Construction Products Europe aims to promote the competitiveness of the European construction industry, to offer support to all EU construction-related initiatives.