



Construction under the spotlight in the updated EU Industrial Strategy

IMAGE SOURCE: CECE - Committee for European Construction Equipment

## Construction under the spotlight in the updated EU Industrial Strategy

17 May 2021 by CECE

**Executive Vice-Presidents Margrethe Vestager, Valdis Dombrovskis and EU Commissioner Thierry Breton jointly presented on Wednesday last week the Updated EU Industrial Strategy: Building a stronger Single Market for Europe's recovery accompanied by a number of Staff Working Documents, including:**

- the Annual Single Market Report 2021 which analyses the state of play of the European economy based on an assessment of 14 industrial ecosystems including construction;
- an initial analysis of the EU's strategic dependencies and capacities with an in-depth review for 6 strategic areas, including raw materials, batteries, hydrogen and semiconductors.

In addition, the European Commission published a proposal for a Regulation on foreign subsidies distorting the internal market.

The reason for updating the EU industrial strategy is mainly due to the economic consequences of the Covid - 19 crisis which hit Europe few days after the presentation of the industrial strategy in March 2020. From the Commission's perspective, there is the need to urgently address a number of problems that emerged during the Covid-19 crisis, notably the disruptions in supply chains both within the Single market as well as in international trade, hitting also construction equipment production lines with shortages of parts and components.

To ensure the availability and free movement of persons, goods and services in the context of possible future crises it is mentioned in the updated strategy that the Commission will propose in 2022 a Single Market Emergency Instrument.

At international level, the Commission will promote the diversification of supply chains of European companies through new trade agreements and partnerships in order to reduce dependencies on certain countries, in particular China, in strategic sectors, and for specific products and materials.

The updated industrial strategy adopts a sector-based approach where 14 industrial ecosystems including construction have been selected at this stage to streamline efforts for the economic recovery as well as for the green and digital transition.

The construction sector is identified as one of the priority ecosystems. To accelerate the green and digital transition of construction, the Commission will work together with the representatives of the value chain and member states to define together pathways accompanying the green and digital transition. These pathways will identify bottlenecks, costs, long-term benefits and conditions of the required actions for construction. They will be instrumental in co-designing with the construction value chain actors an actionable plan and a roadmap for the green and digital transition.

In the Annual Single Market Report 2021 the Construction 2050 Alliance, of which **CECE** is a founding member, is recognised as a key spontaneous initiative of 47 EU associations, from construction products, to contractors, SMEs, building owners, machinery producers, social housing operators, engineers, promoters and many more. The purpose of the alliance is to have a dialogue on how to work together to advance the needs and priorities of the wider construction and built-environment sector at EU level, including issues related to the EU raw material dependencies and resilience of supply chains. The Construction 2050 Alliance will thus be a key player in the definition of transition pathways for construction, with the European Commission and representatives of member states.

Relevant for the construction value chain is also the announcement of the Commission to devise with member states a common form, in an electronic format, for the declaration of the posting of workers in order to ease the administrative burden on European companies.

CECE welcomes the updated the updated EU Industrial Strategy, in particular the efforts to strengthen the Single Market and diversify international supply chains on which the European construction equipment manufacturers depend. CECE congratulates the European Commission for giving political priority to the construction ecosystem in the European industrial transition and stands ready to contribute to the definition of transition pathways with the partners of the Construction 2050 Alliance.

Source: CECE - Committee for European Construction Equipment