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### Annual figures from the European Construction Industry: FIEC announces a decline of 1.8% in overall EU construction activity in 2010 and stabilization in 2011

During its Annual Congress, which took place on 16<sup>th</sup> and 17<sup>th</sup> June 2011 in Sofia, Bulgaria, FIEC, the European Construction Industry Federation, released the new edition of its annual statistical report (Statistical Report n°54, dated June 2011).

“The EU total construction output amounted to €1,186 billion in 2010, which represents a decline of 1.8% compared to 2009”, stated **FIEC Vice- President Jacques Huillard**, in charge of economic issues. “Due to Member States’ severe budgetary constraints and the major crisis affecting the euro zone and impacting the investment capacity of private operators, the situation remains worrying in most EU countries, but we can see the first signs of recovery, which should give us hope.”

“Also, it is clear that the EU and national stimulus packages have softened the downturn to some degree, and we are pleased today that our messages have generally been heard”, explained **Huillard**. “As a result, the civil engineering and public non-residential segments in almost all Member States have received public investment, while the energy efficient renovation of private residential buildings has been boosted by a number of tax incentives and direct subsidies.”

According to FIEC’s statistics:

- The reduction in construction activity has mostly been concentrated within the **private non-residential** segment (**-4.5%**) and, to a lesser extent, in the **new housebuilding** segment (**-1.2%**). The former has, again, suffered from the significant drawback of business demand and investment, while the latter has started regaining some momentum in certain countries, against all expectations.
- By contrast, the **public non-residential** segment **grew by 2.2%** in 2010, which reflects decisions made at government level to maintain, bring forward or even increase expenditure on public buildings, as part of the national stimulus packages.
- More disappointing has been the further decrease experienced by the **civil engineering** segment (**-1.1%**), while a recovery in 2010 was forecast last year.
- **Rehabilitation and maintenance activities** have, in most EU countries, benefited from fiscal incentives in favour of energy efficiency measures and has therefore now almost stabilised (**-0.2%**).
- As a consequence of the downturn, the number of persons employed in construction has been strongly impacted. **EU employment in construction fell further by -5.8% in 2010**, and a further decrease is expected in 2011.

Despite these still weak figures, the construction industry remains one of the major engines of Europe’s growth. It still represents nearly 10% of EU GDP and above 3 million enterprises, most of which are SMEs, and provides jobs to nearly 14 million workers, without counting the indirect employment generated in related sectors.

“Looking ahead, total construction output is forecast to stabilise in 2011 (-0.2%)”, **added Huillard**, “However, we must remain extremely vigilant: most of these stimulus packages have been insufficient to ensure a real and sustained revival of economic activity and a number of measures announced have finally not been implemented.”

“I firmly believe that construction companies are capable of contributing a great deal to the society, both in the short and the long term, in boosting the energy efficiency of the built environment and in building EU’s needed infrastructure”, concluded **Jacques Huillard**. “Investment that can ensure long term sustainable development must not fall victim to budget cuts, and/or strengthened regulation of the financial markets!... Otherwise, Europe’s future prosperity is in danger!”

*FIEC is the European Construction Industry Federation, representing via its 34 national Member Federations in 29 countries (27 EU & EFTA, Croatia and Turkey) construction enterprises of all sizes, i.e. small and medium-sized enterprises as well as “global players”, carrying out all forms of building and civil engineering activities.*

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