

PRESS RELEASE



Construction says "YES" to fair competition on a level playing field and "NO" to third country state aid

"We have to put an end to unfair competition by state-owned and state-aided enterprises across the globe" FIEC President Luisa Todini declared following the unanimous adoption of the FIEC/ EIC appeal¹ by the FIEC General Assembly in Sofia today.

"Examples, such as the Chinese contractor COVEC in the case of the A2 motorway in Poland clearly demonstrate the negative effects of such practice, both for the competitors, the contracting authority and finally the general public who lose out the most". Referring to the cancelled COVEC contract, Todini continued, "the EU and national politicians must ensure that another disaster like this does not happen again. I hope it has been shown once and for all that the race to the bottom on price does not deliver the best deal for taxpayers and will not lead to the kind of construction industry, fit for the future, that we want to have in Europe". She ended by saying "The European construction industry has submitted specific and realistic proposals relating to "abnormally low tenders" and third country "state aid"² and expects politicians and local procurement authorities to act on them."

Joining the FIEC President, Michel Démarre, President of EIC, added the international perspective. "European international contractors are unable to compete with state-owned and state-aided construction firms on world markets, such as Africa, because they cannot possibly match the financing possibilities of such state-run bodies. Furthermore, the government procurement markets of some countries are practically closed for our enterprises, whereas the EU Internal Market is effectively wide open, even for unfair competition."

Todini and Démarre were united on the question of a level playing field on global construction markets: "We are firmly opposed to protectionism and in favour of fair competition on symmetrically open markets" they stated. "However, other parties must play by the same rules. The interests of exporting industries to countries like China should not prevent the EU from defending a sector that is of strategic importance for the Union's future competitiveness as well as one that will be on the front line in responding to the challenge of climate change and energy security."

Concluding, Todini welcomed the recent Resolution of the European Parliament³, the Opinion of the European Social and Economic Committee⁴ and on-going consultations with the European Commission⁵. "These current initiatives show that the message we have been sending out for almost two years now is beginning to be heard. We are particularly grateful for the support expressed for our action and positions by MEP Raffaele Baldassarre and our Social Partner's Secretary General Sam Hägglund. The European contractors, both FIEC and EIC, offer their experience and cooperation in securing a global level playing field based on fair competition, symmetry and reciprocity. The long term sustainable development of the EU, its citizens, workers and business depends on it."

FIEC –The European Construction Industry Federation, represents via its 34 national Member Federations in 29 countries the European interests of construction enterprises of all sizes, i.e. craftsmen, SMEs and "global players", performing all kinds of building and civil engineering activities

Contact: Ulrich Paetzold, Director General, Tel +32 (02)-514 55 35, info@fiec.eu, www.fiec.eu

EIC – The European International Contractors - associated with FIEC – represents the international interests of contractors' associations from Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and United Kingdom

Contact: Frank Kehlenbach, Director, Tel +49 (30)-2 12 86-244, info@eicontractors.de, www.eicontractors.de

¹ see attachment

² see www.fiec.eu: response to Commission Green Paper on public procurement (Question 112)

³ "Resolution on equal access to public sector markets in the EU and in third countries and on the revision of the legal framework of public procurement including concessions" (B7-0284/2011 of 12/5/2011)

⁴ "Third country state-owned enterprises in EU public procurement markets (own-initiative opinion)" (CCMI/082 - CESE 807/2011 of 5/5/2011)

⁵ "Green paper on the modernisation of EU public procurement" (27/1/2011) and "Consultation on an initiative on access of third countries to the EU's public procurement market" (7/6/2011)