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Construction industry hit hard by unreasonable austerity policies: FIEC estimates a decline of 4.5% in overall EU construction activity in 2012 and forecasts a further decrease of 2.6% in 2013

“There can be no growth without investment!” These were the words of **FIEC Vice-President Jacques Huillard**, responsible for economic issues, as he presented FIEC’s annual statistics. He continued “On the contrary, investing in building and infrastructure creates growth and jobs. On this basis, the European construction industry is capable of providing solutions for major global challenges, be it energy efficiency of the built environment, resource efficiency, sustainable infrastructure or adaptation to climate change.”

“As the trend towards austerity measures shows no sign of reversing, because of the sovereign debt crisis, the EU total construction output amounted to **€1,172 billion in 2012**, which represents a **decline of 4.5% compared to 2011**”, warned **Huillard**.

In the light of these alarming figures, FIEC calls on European and national decision makers to take into consideration the potential contribution of the construction industry to EU growth, when deciding on structural and fiscal reforms or budget cuts.

“In these difficult circumstances, most FIEC Member Federations say that there will be no recovery before 2014,” warned **Huillard**. “We must therefore expect a **further decline of 2.6%** across the whole of the EU in 2013.”

According to FIEC’s statistics, the developments in the various EU countries show the following overall results:

- The reduction in construction activity has been observed in all segments.
- Governmental consolidation measures have led to drastic cuts in public investment, and these cuts have hit the construction of **public non-residential buildings** and **infrastructure** particularly hard (**-9.9% and -6.5% respectively**).
- The **housing segment** has failed to compensate for the decline in other segments. The construction of **new housing**, in particular, has seen a sharp fall (**-5.2%**) due to the fact that access to credit is still very limited, and household confidence very low during this time of austerity.
- Nor has this under-performance been made up for by the **renovation of existing housing**, which is also down (**-2%**).
- The general downturn in activity has inevitably had a further negative impact on the number of people employed in the sector. Hence, in 2012, **employment in construction continued to fall in the EU (-3.1%)**.
- Still, the construction industry remains one of the major engines of Europe’s growth. It represents **9.1% of EU GDP** and **more than 3 million enterprises** - most of which are SMEs - and provides jobs to **more than 14 million workers**, without counting the indirect employment generated in related sectors (“multiplier effect”: 1 job in construction = 2 further jobs in other sectors).

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The leaflet “key figures – activity 2012” (edition June 2013) is available on the FIEC website: www.fiec.eu

The statistical report n°56 “Construction activity in Europe” (edition June 2013) can be ordered by taking contact with the FIEC secretariat: info@fipec.eu

FIEC is the European Construction Industry Federation, representing via its 33 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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