



Council of European Producers of Materials for Construction
Conseil Européen des Producteurs de Matériaux de Construction
Vereinigung Europäischer Baustoffhersteller

Open letter to European authorities and prospective members of the European Parliament

Supporting the construction industry will re-launch the European economy!

As you are well aware, the current economical crisis has severely impacted the European economy. In particular, the construction sector has suffered over the last 12 months and hundreds of thousand of jobs have already been lost.

The construction sector and all its related industries represents more than 10% of the total European GDP, the output of the construction material industries accounts for at least 15% of the total European manufacturing and the direct employment of the EU construction materials and building products industry represents 2.5 million jobs. It is therefore of utmost importance to stimulate the activity of this sector in order to maintain existing jobs and to avoid further job losses.

The construction industry provides essential building products and services for new housing and commercial buildings, the renovation markets as well as the infrastructure within the European Union. Due to the ongoing financial crisis, such markets have decreased dramatically and urgently require a pan-European recovery plan, in particular, considering the following:

- Europe has a housing shortage and desperately needs more new residential housing
- Europe urgently needs to renovate its current housing stock in order to increase energy efficiency, reduce energy consumption and reduce CO₂-emissions while offering more comfortable homes
- Europe has to improve its infrastructure in order to maintain its competitiveness

As all construction-related activities are highly labour-intensive, with an employment portfolio predominantly provided by SMEs, an important number of existing jobs can be maintained and new jobs will be created by supporting the Construction Industry. Consequently, the European Union economy will benefit from such a re-launch. Moreover, upgraded infrastructure and more energy and CO₂-efficient residential investments will also support our common goal for more sustainability.

The measures by which such stimulus can be achieved are:

- Create a favourable investment climate by lowering considerably the current VAT on construction material products for new-build and renovations
- Incentivise upgrading of existing buildings for greater energy and CO₂-efficiency
- Introduce favorable tax regimes for private and or institutional investors in the housing and infrastructural construction market
- Facilitate the planning permits procedures for new housing and renovation
- Make new funds available for public housing, schools, hospitals etc... as well as key infrastructure projects

By introducing such measures, considering the strong multiplier effect (usually estimated as a three-times factor) of the construction sector, the European Union and its Member States will see an important positive and immediate effect on its depressed employment market as well as a re-launch of its economy.