

FIEC is the European Construction Industry Federation, representing via its 29 National Member Federations in 26 countries (23 EU & EFTA 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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Construction industry continues its slow recovery process

FIEC reports a 2.2% recovery in activity in the overall EU construction industry in 2016 and forecasts the same increase in 2017 (+2.2%).

"After reaching the bottom in 2013, activity keeps slowly recovering in the construction industry" declared FIEC President Jean-Louis Marchand, as he presented FIEC's annual statistics at the federation's Congress 2017 in Stockholm. *"In 2016 an increase in activity was seen in almost all segments, except those that are the most dependent on public investment."* added Marchand. *"And 2017 will finally show an overall increase in activity."*

"Overall, EU total construction output amounted to €1,278 billion in 2016, which represents an increase of 2.2% compared to 2015", reported Marchand. *"This is positive, but we will still need time to recover the pre-crisis levels."*

According to FIEC's statistics, developments in the EU show the following results overall:

- Behind the overall figure for the EU as a whole, disparities between Member States remain significant with, in general terms, Northern European countries still doing better than South-Eastern European countries.
- The main driving forces in 2016 were clearly the new housebuilding segment (+8%) and the private non-residential segment (+6.6%), influenced by the overall economic recovery.
- In contrast, the public non-residential (-5.9%) and the civil engineering (-0.3%) segments remained weak. Indeed, despite the overall decline in general government deficit, several Member States are still having to cope with the necessary budgetary consolidation measures which have been put in place and which are leading in some cases to significant cuts in public investment. This is having a strong impact on the sector, in particular when it comes to building and maintaining public infrastructure.
- Renovation and maintenance activity maintained relatively stable development before and throughout the crisis (+1.8% in 2016), thus having an important cushioning effect for the entire construction sector. This trend is expected to continue in the near future.
- The level of employment in the construction industry increased again slightly in 2016 (+1.1%), but it should not be forgotten that over the entire period 2008-2014, the sector lost more than 2 million jobs.
- Altogether, construction provides jobs for 14.3 million people, which represents 6.4% of Europe's total employment. This rises to 42.9 million jobs when the indirect employment generated in related sectors is included (*"multiplier effect": 1 job in construction = 2 further jobs in other sectors, i.e. 3 in total*).
- All in all, the construction industry remains one of the major engines of Europe's growth. It represents 8.6% of EU GDP and involves 3.3 million enterprises – the vast majority of which are SMEs.

"The overall improvement in the economies of EU Member States is boosting private consumption and stimulating investment," said Marchand. *"However, this is overshadowed by high uncertainty due to the volatile political environment in the EU and the world, in particular the new administration of the United States, the numerous upcoming elections in Europe, the Brexit negotiations, the Middle-East crisis and the issue of refugees."*

"While these phenomena are hindering investment, we advocate that there cannot be growth without investment" stressed Marchand, *"We therefore welcome the preliminary positive outcomes of the Investment Plan for Europe in terms of boosting both public and private investment and we support very much the prolongation and extension of this plan!"*