

Procedure file

Basic information	
COS - Procedure on a strategy paper (historic)	1997/2262(COS)
Construction industry: competitiveness	Procedure completed
Subject	
3.40.07 Building industry	
3.40.14 Industrial competitiveness	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy		27/11/1997
		UPE MEZZAROMA Roberto	
Council of the European Union	Committee for opinion	Rapporteur for opinion	Appointed
	ENER Research, Technological Development and Energy		09/12/1997
		ELDR PLOOIJ-VAN GORSEL Elly	
	ENVI Environment, Public Health and Consumer Protection	The committee decided not to give an opinion.	
	Council configuration	Meeting	Date
	Industry	2091	07/05/1998

Key events			
04/11/1997	Non-legislative basic document published	COM(1997)0539	Summary
21/11/1997	Committee referral announced in Parliament		
23/04/1998	Vote in committee		Summary
23/04/1998	Committee report tabled for plenary	A4-0147/1998	
30/04/1998	Decision by Parliament	T4-0224/1998	Summary
30/04/1998	End of procedure in Parliament		
07/05/1998	Resolution/conclusions adopted by Council		
18/05/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2262(COS)

Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/09492

Documentation gateway

Non-legislative basic document		COM(1997)0539	04/11/1997	EC	Summary
Committee report tabled for plenary, single reading		A4-0147/1998 OJ C 152 18.05.1998, p. 0005	23/04/1998	EP	
Economic and Social Committee: opinion, report		CES0625/1998 OJ C 214 10.07.1998, p. 0016	29/04/1998	ESC	
Text adopted by Parliament, single reading		T4-0224/1998 OJ C 152 18.05.1998, p. 0014-0022	30/04/1998	EP	Summary
Follow-up document		SEC(1999)1683	18/10/1999	EC	

Construction industry: competitiveness

OBJECTIVE: the aim of the communication is to present a European strategy to ensure the competitiveness of the construction industry.

SUBSTANCE: the Commission sees the construction industry as a major constituent of the European Union's economy. The gross output of the sector in the 15 Member States in 1996 amounted to ECU 750 billion, representing approximately 11% of Community GDP and 5.6% of value added. The construction industry is the largest sector in terms of employment, providing jobs for 8.8 million people, or 7% of the working population. It is also very important in generating related jobs. A total of more than 26 million workers in the EU depend directly or indirectly on the construction industry. The document sets out strategic objectives and recommendations for the industry, the Commission itself and the Member States with a view to maintaining and improving the competitiveness of the construction industry. These recommendations, covering 60 specific measures, follow four key objectives: 1) To improve quality: the Commission will propose measures to develop and sustain a policy of improving quality throughout the construction sector. The widespread adoption of quality schemes, adapted to the size of businesses, and life-cycle cost criteria will be particularly encouraged. 2) To improve the regulatory environment: the Commission will act to: - consolidate and strengthen the legal aspects of the Single European Market applicable to construction products, markets and professions, in order to remove problems such as barriers to trade caused by differences in national legislation; - improve the framework of public procurement and promote the implementation of best practice procurement procedures in both the public and private sectors; - improve the functioning of the internal market for construction products through adaptations of the legal framework, particularly the Construction Products Directive. 3) To improve education and training: the Commission will take account of the key role of education and training in the construction sector, addressing the needs of SMEs and making use of existing networks of professional associations. It will propose measures to foster an improvement in employment conditions within the construction industry and to improve the industry's general image. 4) To reorient and reinforce research and development: the Commission will support R&D and will propose measures to redirect resources towards the real needs of the sector. It will promote measures to increase private investment in R&D and improve dissemination of research findings. ?

Construction industry: competitiveness

Reporting for the Committee on the Commission Communication on the competitiveness of the construction industry, Roberto MEZZAROMA (UFE, I) calls on the Commission to draw up an action plan to help the problems facing the sector. The report identifies seven key areas where joint action should be taken by the industry itself, the EU and the Member States. In particular, urgent attention must be devoted to the often very poor quality which characterises the sector. The lack of harmonised legislation is another area identified in the report as an impediment to the industry's competitiveness, and where the EU must take action without delay. The sector is generally recognised as being heavily dependant on public works contracts, which in effect is both a problem and an opportunity; a problem because of public procurement rules which are conducive to "under-bidding" which has adverse effect on competition, profitability and quality. To allow for fair competition, the Committee calls for the rules to be changed to enable public bodies to exclude conspicuously low bids. The public sector, on the other hand, is a major client of construction services and appropriate funding for important projects which would greatly benefit the sector must be made available, for example through the EIB and public-private partnerships. To further support the sector, the Committee calls for a reduced VAT rate for this type of labour intensive services (provided they are not subject to transfrontier competition). Special measures are also called for to help and support the large number of SMEs in this sector to compete with bigger firms and to enable them to take part in public procurement. Other proposals in the report include: education and training, environmental awareness in the construction process and measures to ensure that health, safety and social standards are observed. ?

Construction industry: competitiveness

In adopting the report by Mr Roberto MEZZAROMA (UPE, I), the European Parliament called on the Commission to draw up an action plan to deal with the problems facing the construction industry. As the industry was heavily dependent on public works contracts to ensure that fair competition rules were adhered to, Parliament called for the rules to be amended, particularly so as to exclude bids which were manifestly too cheap. It called for a reduced VAT rate for labour-intensive services not subject to transfrontier competition. It called on the Commission to submit proposals for taking better account, in public contracts, of the objectives of national and Community social policy, and called in particular for the Directives in force to be revised to guarantee the application of social criteria when awarding public contracts. The Commission should also promote the strictest possible rules on the health and safety of workers in order to reduce the terribly high accident and death toll in the industry. Parliament called for specific measures to enable the large number of SMEs in the industry to bid for public contracts. ?