



European Builders Confederation

The Voice of Construction SMEs in Europe

HOK Meet of Builders

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Secretary General**

Construction in Europe



THE CONSTRUCTION SECTOR



10%

of the GDP of the European Union



3 millions

enterprises in the sector



13 millions

workers in the sector



40%

of greenhouse-gas emissions

SMALL AND MEDIUM CONSTRUCTION ENTREPRISES

80%

Produce 80% of the construction industry's output



83%

Employ 83% of the total sector workforce



Create local jobs for traditional manual activities which are not subjected to delocalisation



Have a huge potential to reduce **YOUTH** unemployment, offering increasingly more qualified jobs





European Builders Confederation

EBC was established in 1990

2016: 19 members in 16 countries

EBC's network

2 million construction SMEs active in the represented MS
All the different trades of construction

EBC's resources

5 full-time staff members – 5 foreign languages
Financed by membership fees
Integrated by EU-financed projects

Words

“What is good for Ford is good for America”

Henry Ford - 1907

“Quand le bâtiment va, tout va”

“When construction grows, everything grows”

Member of the French Parliament - 1850

“What is good for SMEs is good for construction”

EBC - 2015

How we work

EBC's external visibility

- Member of UEAPME and Small Business Standards
- European Social Dialogue Committee in Construction
- European Standing Committee for Construction
- European Alliance for Apprenticeship
- Regular direct contacts with MEPs
- European Economic and Social Committee

Reduced VAT rates - history


1990	EBC is established in Paris – 6 founding members representing exclusively crafts and SMEs
1997	EBC moves its secretariat to Brussels and joins UEAPME EBC proposes for the first time the application of Reduced VAT rates in restructuring and renovation works in construction
1999	The European Union adopted a Directive which allows a 3-year experimental application of reduced VAT rates to labour-intensive services.
2008	EBC first European Project on social dialogue ‘Under Construction’ EBC chairs the UEAPME Construction Forum and joins the European social dialogue for construction as an observer
2009	Reduced VAT rates: Measure made permanent – European Commissioner Laszlo Kovacs speaks at EBC Annual Congress in Florence to remind the difficulty of this final success.
2010	EBC becomes partner of the EU Build-UP platform on energy efficiency
2011	Late payments : the European directive sets maximum payment delays of 30 days from public authorities in Europe. EBC obtains the launch of the European study for the representativeness of the European sectoral social dialogue
2013	EBC is founding member of SBS, representing SMEs in the European standardisation system. New simplification measures for SMEs for the CE Marking of construction products as part of the Construction Products Regulation.
2014	The new European directive on public procurement brings significant improvements in terms of SMEs’ access to public contracts. EBC adopts and presents its Manifesto for the European elections.
2015	EBC’s new look: new logo and new website are launched EBC becomes a member of the European Alliance for Apprenticeship Eurofound representativeness study: EBC represents 50% of all the construction enterprises active in European Social dialogue EBC welcomes Hungary and Croatia as members

Reference studies (1)

“An estimate of the effects of a reduction in the rate of VAT on housing renovation and repair work: 2015 to 2020”
Experian, United Kingdom 2014

- ❖ could lead to an economic stimulus of more than £15 billion
- ❖ potentially more than 42,000 extra full-time construction jobs and an additional 53,000 jobs in the wider economy
- ❖ up to 92,000 homes could benefit from retrofitting over the five years to 2020

→ FMB campaign: CUT THE VAT



Cutting VAT on housing renovation and repair work



Reference studies (2)

“Study on reduced VAT applied to goods and services in the Member States of the European Union”
European Commission, DG TAXUD, 2007



- ❖ no situations – neither theoretically nor episodically – where the application of a reduced VAT rate is resulting in material distortion of competition within the Single Market
- ❖ reduced VAT rates in certain locally provided services help to fight undeclared work and do-it-yourself activities, reducing the informal economy

Reference studies (3)

Institut Plus Consultants

France, 2005

- ❖ Turnover increased by 2 billion euro (7%) in the sector under the reduced rates
- ❖ 53,000 new jobs created between 1999 and 2005 in the building sector and related sectors
- ❖ risk of losing 66,000 jobs if reduced VAT rate measures were ended

Situation in 2016 (1)

Situation at 1st January 2016

European Commission

Annex III of VAT Directive 2006/112/EC

Reduced VAT rate for SOCIAL HOUSING

12 Member States

BE, CZ, ES, FR, IE, IT, LU, PL, PT, RO,
SI, UK

Reduced VAT rate for RENOVATION & REPAIRING OF PRIVATE DWELLINGS

11 Member States

BE, CZ, ES, FR, IE, IT, CY, PL, PT, SI, UK

Total amount of created jobs in these countries = vary
between 200,000 and 250,000 in the construction sector.

Situation in 2016 (2)

Member States	Standard Rate	Applied rate – SOCIAL HOUSING	Applied rate – RENOVATION & REPAIRING OF DWELLINGS
Belgium	21	12 / 6	21 / 6
Bulgaria	20	20	20
Czech Republic	21	15	15
Denmark	25	25	25
Germany	19	19	19
Estonia	20	20	20
Ireland	23	13.5	13.5
Greece	23	23	23
Spain	21	4 / 10	10
France	20	5.5 / 20	10 / 20
Croatia	25	25	25
Italy	22	4 / 10	10
Cyprus	19	-	5
Latvia	21	21	21
Lithuania	21	21	21
Luxembourg	17	3 / 17	17
Hungary	27	27	27
Malta	18	-	18
Netherlands	21	21	21 / 6
Austria	20	20	20
Poland	23	8	8 / 23
Portugal	23	6	6
Romania	20	5	24
Slovenia	22	9.5	9.5
Slovakia	20	20	20
Finland	24	24	24
Sweden	25	25	25
United Kingdom	20	20 / 5	5

Benefits of reduced VAT rates

- ❖ a **direct link with job creation**, as it increases the demand for these services
 - ❖ **positive impact on law-abiding businesses**, with a reduction of the competitive advantage of the informal economy
 - ❖ global **trend in the market towards energy efficiency renovation works**
 - ❖ complementary measure in an overarching **policy of sustainable development**
- EBC believes that this is a measure that should be looked at and implemented by the governments to boost growth**



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Any questions?

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