



FIEC and EIC partner in Zagreb to discuss “Third country bids in Public Procurement: Towards a fair Construction market”

Brussels, 20/03/2025

At a recent conference in Zagreb, construction industry leaders discussed the growing challenge posed by construction companies from third countries, particularly China, bidding for public infrastructure contracts in Europe at very low prices. The event, hosted by FIEC and partners, called for a comprehensive EU strategy to ensure a level-playing field and prevent unfair competition practices in public procurement.

Non-EU bidders in Europe and distortive practices

On 19th March in Zagreb, the *European Construction Industry Federation* (FIEC), together with HUP (*Hrvatska udruga poslodavaca - Croatian Employers' Association*) and EIC (*European International Contractors*), in cooperation with EFBWW (*European Federation of Builders and Wood Workers*) and SGH (*Sindikats graditeljstva Hrvatske*), hosted a joint hybrid Conference on “*Third country bids in Public Procurement: Towards a fair Construction market*”.

FIEC has recently participated in several such initiatives aimed at raising awareness of the dangers that unfair competition poses to the European construction sector and the need for strong measures to combat this problem. Yesterday's conference in Zagreb was part of a joint effort at EU level to address these and other related issues and to push for the restoration of a level playing field for European contractors in the EU single market, which is a *sine qua non* for the construction sector.

Developed around 3 panel discussions, the conference brought together representatives from national contracting authorities, relevant ministries, construction companies, trade unions, industry representatives, academia and EU institutions. Interventions and presentations focused on the political, economic and social implications of unfair competition from non-EU bidders in Europe and the currently applied and potential solutions to tackle the issues deriving from distortive practices.

“Over the past decade, we have seen an increasing number of public infrastructure projects being awarded to State-Owned Enterprises (SOEs) from third countries, particularly China, at extremely low prices that European private companies cannot compete with. On top of that, the EU has opened up its Public Procurement markets to third countries to a large degree, while many other economies have had limited appetite to liberalise market access”, explained **Afonso Brito**, FIEC Policy Analyst, among the speakers during the opening session of the event.

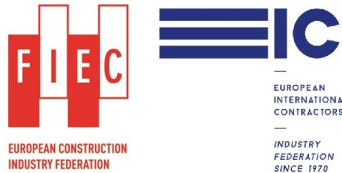
Recommended approach and potential solutions

While we recognise efforts at EU level to address these shortcomings, FIEC continues to call for a comprehensive EU strategy to promote a level playing field and fair competition. This is one of the Federation’s key messages shared and supported by its partners, EIC and EFBWW, and HUP, who also had an active role in the discussions.

*“Public procurement should be leveraged to this effect” - remarked **Brito** – “and the European Union should only fund procurement projects that are awarded to European companies or companies from countries that have signed an agreement giving them reciprocal access to the EU’s procurement market”,* he added. With regard to the foreign subsidies, FIEC reiterated the importance of preventing non-EU companies from submitting offers that are unduly advantageous due to the existence of subsidies. Moreover, looking at the *Foreign Subsidies Regulation*, a reduction of the regulatory burden on EU companies (and the European Commission) will provide common benefit.

With his presentation, EIC Director, **Frank Kehlenbach**, concluded that *“every WTO member is free to join the GPA (Government Procurement Agreement) so that its economic operators can benefit from the open procurement markets.”* He recalled that the EU is promoting third country GPA accession towards its trade partners. Moreover, EU trade partners can ask the EU to negotiate a *Free Trade Agreement* with a comprehensive Procurement Chapter. *“If, however, a third country is reluctant to choose one of these options, then the EU acquis communautaire does not grant economic operators (from such countries) secure access to procurement procedures in the EU, and they may be excluded.”*

Concerning the *Foreign Subsidies Regulation*, a significant proportion of the construction community would like to see the notification thresholds for public procurement lowered, especially for smaller EU Member States. FIEC believes that better use should be made of the *ex-officio* tool, which allows the European Commission to open cases on the basis of submissions from interested parties.



The Croatian employers remarked that the long-term damage to the national economy connected to unfair competition far outweighs the short-term savings for public buyers. *“Public procurement should be used as a tool to maximise the positive impact of large infrastructure investments on the domestic economy. This can only be ensured through fair market conditions where domestic companies have equal access to contracts. Everyone's goal is a strong construction sector, with a well-paid workforce and modern operations that can compete regionally.”*, said **Irena Weber**, HUP Director General.

State Owned Enterprises: the online tool

Discover the identified cases: visit the [SOEs map](#) developed by FIEC, in cooperation with EIC, EuDA (European Dredging Association) and UNIFE (the European Rail Industry), a website about public procurement procedures since 2009 where third country SOEs were successful, unsuccessful and where the result is still open. The geographical focus lies on the EU27, UK, Switzerland and the Western Balkans. The information is publicly available and relates to construction, dredging and rolling stock contracts.

ABOUT FIEC

Through its 32 national member federations in 27 European countries (24 EU & Norway, Switzerland, Ukraine) and a supporting partner in the United Kingdom, the [European Construction Industry Federation](#) represents construction enterprises of all sizes (from one person craftsmen and SMEs through to large international firms), from all building and civil engineering specialties, engaged in all kinds of working methods.

Contact:

Press Officer: info@fiee.eu – g.garofalo@fiee.eu
Policy Analyst: a.brito@fiee.eu

ABOUT EIC

The [European International Contractors](#)’ members are construction industry trade associations from 14 European countries and represents the interests of the European construction industry in all questions related to its international construction activities. The international turnover of companies associated with EIC’s Member Federations amounts to around €200 billion per year.

Contact: info@eic-federation.eu