

Urgent measures

In the current Covid-19 crisis, cohesion in the European Union is once again in demand. CECE and FIEC together look at possible ways forward.

It has become apparent in recent weeks that joint action is still a difficult task in many places. Yet in the construction industry, joint action is essential for its future recovery.

On 30 March, almost 90 representatives from companies, organisations and press joined a web conference, conducted by the Committee for European

Construction Equipment, to get latest information on the Covid-19 crisis, the present economic situation and current activities from CECE and FIEC for their members.

A quick survey among a representative number of construction equipment manufacturers across Europe between 23 and 27 March

showed that by then already 62 percent of the production sites were significantly affected or even closed. CECE's actions towards the European Commission request a moratorium on the Stage V Regulation's deadlines (see box 1).

Similarly, FIEC addressed certain contractors' specific requests

to the European Commission and took some key information sharing initiatives very early on in the crisis (see box2)

JOINT ACTIONS

One of the most important concerns for the production as well as for the construction sites is to ensure that wherever it is still allowed, activity can continue while providing the required level of protection of workers' health. In those countries where more stringent measures have been introduced, it is crucial that the construction sector can continue to provide some essential services, such as maintenance of critical infrastructure, proper functioning of water, electricity and gas supply systems for buildings and hospitals. Therefore, on 27 March, CECE and FIEC together with 13 other European associations from the construction and housing sector jointly called for urgent measures from the European institutions and Member States in an open letter to:

- put in place required and tailor-made health and safety measures, protocols and guidelines with the active involvement of relevant stakeholders, allowing



COMMITTEE FOR EUROPEAN
CONSTRUCTION EQUIPMENT

CECE office in Brussels
E-mail: info@cece.eu
Tel: +32-2-706 82 26
www.cece.eu

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CECE secretary general,
Riccardo Viaggi



CECE's perspective

In a joint letter sent to the European Commission on 25th March, CECE and other manufacturers' associations asked for a moratorium on the application of 2020 and 2021 deadlines listed in Regulation 2016/1628/EU on exhaust emissions from non-road mobile machinery.

According to the Regulation, 2020 is the transition phase for Stage V engines in power ranges <56kW and ≥130kW and 2021 will be the transition phase for power ranges from 56kW to 130kW. Complying with the Regulation's deadlines, manufacturing and procurement of transition engines have been completed. Machine manufacturers have now until 30th June 2020 to produce the <56kW and ≥130kW machines fitted with these transition engines, and then until 31st December 2020 to place these machines on the EU market. Identical deadlines apply in 2021 for machines in power ranges from 56kW to 130kW.

The cosignatories point out that the COVID-19 outbreak is causing complete interruptions of supply of parts and components. This was initially the case from China for several weeks, then supply chains disruptions happened in Europe and finally factory shutdowns became the norm in the EU in April. Indeed, as the pandemic progressed, further interruptions – including because of government-imposed lockdowns – are being caused in Europe and in the US.

With factory shutdowns and without essential parts like tyres, axles, hydraulics, lighting & electronic equipment, manufacturers are effectively prevented from completing the construction of the machines by the imposed deadlines. As a result, they will not be able to place the machines on the market with the transition engines they had already acquired. Since it will be no longer possible to use them, these engines will have to be scrapped, which will lead to avoidable economic damage and unnecessary waste of raw materials and resources.

"The situation is critical. A temporary moratorium must be granted, with deadlines postponed until the situation can be reassessed. Neutral from an environmental point of view, the measure would prevent further economic damage caused by the COVID-19 pandemic to our manufacturing industries and the jobs that depend on them" said Riccardo Viaggi, CECE Secretary General.

A follow-up conference-call on 3 April with the European Commission successfully highlighted the possibility of a European moratorium, but the road to legal certainty for manufacturers is still long.



Both CECE and FIEC agree that shuttered construction sites should be allowed to open as soon as it is safe to do so

required – now!

FIEC's perspective



At the very beginning of the crisis, FIEC set up an internal Covid-19 Observatory serving as a platform on which Member Federations can inform each other about any new developments regarding their specific national situation. Once a week, FIEC, based on the information submitted by its Members, is providing a global overview of the main measures affecting the construction sector, which is made publicly available.

On 23 March, FIEC sent a letter to the European Commission with three major requests in support of the construction industry. First, FIEC asked the European Commission to publicly announce that the Covid-19 pandemic is a case of "Force Majeure" in order to tackle contractual difficulties. Second, FIEC asked the European Commission to recommend to the Member States that they allow construction companies to suspend or reduce ongoing works without being penalised if they are unable to comply with the health and safety measures or to undertake their activities due to supply chain disruptions. Finally, FIEC demanded the allocation of specific resources for covering the additional cost affecting construction companies such as overheads or costs related to changes in organisations and new time schedules on work sites.

In response to two guidelines from the European Commission on the free movement of goods and workers FIEC also issued a paper in which it emphasised the need to preserve the free movement of services and workers in construction. For instance, protective equipment for workers and the delivery of construction material are essential in order to keep construction activities going. Nevertheless, FIEC considered it necessary to point to construction specific problems related to the free movement of services and workers, both fundamental to the sectors' supply chains. Indeed, the main objective of the sector is to continue its activities without compromising the health and safety of its employees. However, restrictions concerning the fundamental freedoms mentioned above make it difficult for companies to continue their works. Being a labour-intensive industry, FIEC thus underlined, amongst other things, the necessity to allow frontier and posted workers to continue crossing borders to their workplace if work in construction is still allowed in the respective country.



**FIEC director
general,
Domenico
Campogrande**

employers to guarantee the required level of workers' protection;

- support the construction supply chain by putting in place measures allowing the efficient functioning of the EU internal market. In this respect, we welcome the Communication of the European Commission on the implementation of the Green

Lanes under the Guidelines for border management measures;

- carry out massive liquidity injection programmes. These actions must not be limited to a few iconic sectors of strategic or political importance that may need full bailouts, but crucially to those job providers such as construction that must also

receive the full attention of the authorities;

- ease the administrative burden and the conditions for employers to implement temporary unemployment measures.
- open a dialogue as soon as the circumstances allow it, in order to jointly identify and implement appropriate measures to limit the downturn and facilitate a rapid recovery of all construction activities.

These messages were presented and discussed during a dedicated video conference that took place on 7 April between the main representatives of the construction sector and European Commissioner Thierry Breton, responsible for the Internal Market. The aim was to define the urgent measures needed, as well as the support that will have to be put in place in order to ensure a quick recovery. Commissioner Breton proposed to arrange a new follow-up video-conference in the coming weeks.

Despite the urgency of the



FIEC
Avenue Louise 225,
B - 1050 Brussels, Belgium.
Tel: +32 2 514 55 35;
e-mail: info@fiec.eu
www.fiec.eu

 @FIEC_Brussels
 FIEC EU

Recognised "Sectoral Social Partner" (employers)

problems, industry must not forget that environmental challenges and goals such as the European Green Deal remain. Companies and their employees can also see a chance to drive innovation and develop new ideas due to the changed working conditions. People must prepare themselves for the fact that the crisis may well continue for a long time to come. **CE**

