

## Topic: Modernisation & Maintenance of Infrastructure

### Brief description and main aims:

The EU has one of the densest transport infrastructure networks in the world. Nevertheless, Europe's transport network is far from complete and a large part of it is now ageing and coming under increasing pressure due to a rise in traffic. The maintenance deficit has led to the deterioration of transport infrastructure as demonstrated by the collapse or frequent closure of bridges or as observed in the poor state of some road surfaces.

The TEN-T Regulation is a core instrument at EU level for influencing Member States' infrastructure policies. Recognising the necessity of modernising the EU transport system, the European Commission adopted new transport proposals in December 2021, among which the revision of the Guidelines for the Trans-European Transport Network. The TEN-T revision aims at addressing the missing links in the TEN-T network and at upgrading it.

### Why FIEC is dealing with this topic:

The continuous maintenance of existing infrastructure is necessary to ensure the uniform quality of Europe's transport network. In addition to increasing the safety of users, a well maintained and modern transport network comes with various environmental benefits, by contributing to a more circular economy (thereby reducing raw material consumption and generation of waste) and by reducing CO<sub>2</sub> emissions.

FIEC has put a particular focus on the TEN-T revision. Key provisions from our perspective are those that refer to the maintenance of the network's infrastructure and the deployment of innovative infrastructure. Thanks to FIEC's intense lobbying over the past years, the Commission aims at strengthening the approach with the regards to the quality of the TEN-T infrastructure and its maintenance, including the structural stability of critical assets such as bridges and tunnels.

As essential connecting points in Europe's transport network, the malfunction of bridges attracts particular attention. For this reason, FIEC has decided to set up a new Working Group, called ECO WG "*Structural Maintenance*", that will mainly focus on problems related to the lack of maintenance of bridges and promote initiatives to tackle this issue.

### Actions and key dates:

**03/05/2021** → Contribution to European Commission's public consultation on revision of trans-European transport network (TEN-T) guidelines

**14/12/2021** → Proposal for the revision of the TEN-T Regulation

**21/02/2022** → [FIEC Position Paper](#) on the Commission's proposal for the revised TEN-T

**20/04/2022** → FIEC sets up a new ECO Working Group on "*Structural Maintenance*" (bridges)

**28/06/2022** → Participation in panel discussion in *Connecting Europe Days 2022*

**02/03/2023** → Participation in visit to Huccorgne viaduct renovation site

**13/04/2023** → Committee on Transport and Tourism (TRAN) adopts its position on TEN-T

**14/04/2023** → FIEC chairs the [Eurobridge](#) conference for the second consecutive year

**22/06/2023** → European Commission accelerates the shift to sustainable and smart mobility on the TEN-T network with € 6.2 billion in grants

**18/09/2023** → FIEC participates in kick-off meeting to relaunch [#MoreEUBudget4Transport](#) campaign with CEF Transport Coalition partners.

## Topic: Energy & Raw Material Prices/Supply-chain Disruptions

### Brief description and main aims:

The Covid-19 pandemic caused significant disruptions to global supply chains, with several contractors experiencing delays in the delivery of products. The ongoing war in Ukraine has further strained the supply of certain raw materials (e.g., steel) in Europe and price increases for construction materials are being observed across all EU Member States.

At the same time, a sharp hike in energy prices has also been observed across the EU since 2021. Several factors have contributed to this rise in prices, such as the unprecedented increase in gas prices on the global markets, the increased demand for liquefied natural gas, or Russia's unilateral decision to stop gas supplies to several EU countries. Energy-intensive industries including steel, concrete and cement tend to pass on the impact of higher prices to contractors.

### Why FIEC is dealing with this topic:

Several contractors in Europe are having serious difficulties coping with rising prices and supply shortages for energy and certain construction materials, with many at risk of not being able to fulfil contractual obligations.

Sustained high energy and raw material costs have a negative impact on production levels, potentially slowing down construction works. In the field of public procurement, many companies refrain from participating in new tenders. To add to the problem, in several Member States, contracts do not take into sufficient account prices increases and clients continue to enforce completion deadlines.

FIEC has repeatedly been raising awareness to the impact of supply chain disruptions and price increases for contractors across Europe. It has also called for measures to be taken at the national and EU-level to mitigate adverse impacts on the sector, especially in the field of public procurement. Public contracts should be adapted accordingly and should include adequate price revision mechanisms for ongoing contracts and adjustment clauses to the completion deadlines.

### Actions and key dates:

**15/12/2021** → Gas package (including proposal for a recast *Energy Performance of Buildings Directive*) presented by the Commission

**11/04/2022** → FIEC addresses European Commission in a letter, requesting the suspension of steel safeguard measures

**06/2022 – 07/2022** – FIEC develops a price index for construction materials (used by DG GROW)

**07/07/2022** → FIEC meeting with DG GROW on effects of price increases in public procurement

**18/05/2022** → REPowerEU package presented by the European Commission

**14/09/2022** → Emergency measures to tackle rising energy prices (Council Regulation)

**18/10/2022** → Additional emergency measures to tackle high energy prices announced by the European Commission

**26/06/2023** → FIEC publishes its [2023 Statistical Report](#) with an overview of the evolution of prices for certain construction materials for the first time.

## Topic: Foreign Subsidies in the Single Market

### Brief description and main aims:

In May 2021, the European Commission published a proposal for *Regulation on Distortive Foreign Subsidies in the EU Single Market* aimed at tackling the distortive effects of foreign subsidies in the EU Single Market. The instrument also fills a legislative gap as, before, there was no EU instrument to control subsidies granted by third countries. It was adopted in December 2022 and will enter into force on 12 July 2023. In addition, the European Commission its implementing rules on the Regulation on 10 July 2023.

Under the proposed Regulation, the Commission has the power to investigate financial contributions granted by public authorities of a non-EU country which benefit companies engaging in an economic activity in the EU and redress their distortive effects, as relevant. The Regulation introduces three tools, two notification-based and a general market investigation tool. This includes a notification-based tool to investigate bids in public procurement involving a financial contribution by a non-EU government, where the estimated value of the procurement is € 250 million or more.

### Why FIEC is dealing with this topic:

FIEC treats this issue in cooperation with the European International Contractors (EIC) and the European Dredging Association (EuDA). Efforts are now focused on providing the European Commission's information that substantiate a reasonable suspicion of foreign subsidies in a particular market segment, justifying a market investigation (under Art. 36).

In the last years, an increasing number of public infrastructure projects have been awarded to third country State-owned enterprises (SOEs), particularly from China, submitting extremely low prices against which private European companies cannot compete. A pattern of distortive subsidies is suspected in these cases. As such, it is important to look at the possibilities for action the Regulation offers that could potentially help restore a level playing field in the EU Single Market.

### Actions and key dates:

**05/05/2021** → European Commission issues Proposal for a Regulation on *Distortive Foreign Subsidies* (FSR).

**25/05/2021** → Launch of [interactive map](#) *Third country state-owned enterprises in the European procurement market*.

**24/09/2021** → FIEC-EIC [Key Messages](#) and joint amendments (later updated together with EuDA).

**23/12/2022** → The Regulation was adopted by the European Parliament and the Council.

**06/02/2023** → FIEC-EuDA-EIC submitted a [response](#) to the consultation on the Draft Implementing Regulation (IR) of the FSR.

**10/07/2023** → The European Commission adopts rules laying down more detailed practical and procedural aspects related to applying the FSR.

**12/07/2023** → The FSR enters into force.

**17/07/2023** → FIEC-EuDA-EIC call for a market investigation in the construction sector (including dredging) by the European Commission under the Foreign Subsidies Regulation (FSR - Article 36).

## Topic: Corporate Sustainability Due Diligence (CSDD)

### Brief description and main aims:

In February 2022, the European Commission adopted its proposal for a *Directive on Corporate Sustainability Due Diligence* (CSDD) which aims to foster sustainable and responsible corporate behaviour throughout global value chains. Under the new rules, companies will have to identify, prevent, or put an end to potential or actual negative human rights and environmental impacts resulting from their activities.

The new due diligence rules will apply to certain company's own operations, their subsidiaries in the sense of a 'controlled undertaking' as well as to direct and indirect "*established business relationships*" in their value chains. Only companies that meet defined thresholds will come directly under the scope of the due diligence rules. SMEs therefore do not directly fall within the Directive's scope.

### Why FIEC is dealing with this topic:

FIEC deals with this issue together with European International Contractors (EIC). Contractors across Europe are still sensing the repercussions of the Covid-19 pandemic and are now confronted with the impact of a war in Ukraine on their supply chains. Therefore, there is a need to ensure that the ruleset for CSDD is manageable and does not lead to additional cost burden for European businesses.

As such, while FIEC and EIC support the introduction of a harmonized EU legal framework for CSDD, they call upon the EU legislator to limit corporate responsibility to companies' own operations and direct business partners. Furthermore, the corresponding obligations must provide a level playing field between EU and non-EU construction companies whilst avoiding disproportional obligations for SMEs.

### Actions and key dates:

**23/02/2022** → European Commission published proposal for EU Directive CSDD.

**08/07/2022** → FIEC-EIC publish their [Position Paper](#) on EU Directive CSDD.

**26/09/2022** → FIEC-EIC public their joint amendments on EU Directive CSDD.

**08/12/2022** → The Committee on Legal Affairs (JURI) published the corresponding amendments to the Draft Report on the proposal for EU Directive CSDD.

**30/01/2023** → FIEC-EIC published their [Key Messages](#) on 10 priority issues for the upcoming European Parliament and Trilogue negotiations.

**25/04/2023** → JURI Committee adopted its position on CSDD.

**01/06/2023** → The European Parliament adopted its position for negotiations with the Council on due diligence rules. Trilogues started that month.