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Open letter to European Institutions & decision-makers



Our President, Dr Heimo Scheuch (Wienerberger AG), took part in the drafting of the open letter sent by the Council of European Producers of Materials for Construction (CEPMC) to the EU Institutions in order to highlight the financial crisis currently faced by our industry. As a company or national association, you may want to refer to the letter below or used extracts in your national lobbying actions:

"As the current economical crisis has severely impacted the European economy these last few months, the construction sector suffers greatly and thousands of jobs have already been lost.

As the construction sector and all its related industries represents more than 10% of the total European Gross Domestic Product, as the output of the construction material industries accounts for at least 15% of European manufacturing, and as the direct employment of the EU construction materials and building products industry represents 2,5 millions jobs, it is of utmost importance to stimulate the activities of our sector in order to avoid further job losses.

The construction industry provides essentially products and services for new housing and commercial buildings, the renovation markets as well as the infrastructure within the European Union and export market. Due to the ongoing financial crisis, such markets have decreased dramatically and require a pan-European recovery plan, in particular, considering the following:

- Europe has a housing shortage and desperately needs more new residential housing;
- Europe urgently needs to renovate its current housing stock in order to increase energy efficiency and CO₂ emissions while offering more comfortable homes;
- Europe has to improve its infrastructure in order to maintain its competitiveness.

As all construction related activities are highly labour-intensive, with an employment portfolio predominantly provided by SMEs, an important number of new jobs will be created and, consequently, the European Union economy shall benefit from such a re-launch. Moreover, infrastructure and residential investments will also support our common goal for more sustainability.

The measures by which such stimulus can be achieved are:

- Create a favourable investment climate by lowering considerably the current national tax rates on construction material products for new build and renovations;
- Introduce favourable tax regimes for private and or institutional investors in the housing and infrastructural construction market;
- Facilitate the planning permit procedures for new housing and renovation;
- Making new funds available for public housing, schools, hospitals etc... as well as infrastructure projects.

By introducing such measures, considering the strong multiplier effect of the construction business, the European Union and its Member States will see an important positive effect on its depressed employment market as well as a re-launch of its economy."



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Zero-energy buildings as of 2019

On 31 March, the Members of the European Parliament (MEPs) Industry Committee (ITRE) voted on the report drawn up by the rapporteur Mrs Silvia-Adriana Țicău (Socialist, RO) on the revision of the 2002 Energy Performance of Buildings Directive (EPBD).

As the building sector is responsible for 40% of the EU's total energy consumption, the initial EPBD was adopted in 2002 to help meet the EU Kyoto Protocol climate commitments. As many MS failed to implement the Directive and are now facing legal procedures at the European Court of Justice, the EC published a recast in November 2008. Their objective is to try to tap into the buildings sector's cost-effective energy saving potential of almost 30%.

As the EC EPBD recast proposal goes through the Co-Decision procedure, the MEPs now ask Member States (MS) to ensure that all newly-constructed buildings produce as much energy as they consume on-site at the latest by 31 December 2018. The initial European Commission (EC) proposal did not include a target dates for "zero-energy buildings". The definition approved by the European Parliament (EP) for "zero-energy buildings" is buildings "where, as a result of the very high level of energy efficiency of the building, the overall annual primary

energy consumption is equal to or less than the energy production from renewable energy sources on site". According to MEPs, the "net zero energy" objective could be reached through the use of equipment such as solar panels and heat pumps.

The EC proposal to apply minimum national energy efficiency standards to all EU buildings undergoing a major renovation was passed but the ITRE members said "cost-optimal" standards should be set according to a common EU methodology established by 2010, rather than using national or regional calculation methods.

The ITRE members have also agreed that the energy performance of a building will have to be upgraded to meet at least minimum energy performance requirements whenever it undergoes major renovation or building components and technical building systems are replaced.

More so, the EP ITRE members have requested the drawing up by 2014 of a EC legislative proposal to create an EU energy efficiency fund to finance buildings energy efficiency improvements. According to the EP ITRE members this fund should be financed by the EU budget, the European Investment Bank and MS. MEPs also listed seven financing

instruments that MS could use to promote energy efficiency and amongst these we find reduced tax rates on green goods (see article on page one), direct subsidies, low interest loans and grant schemes.

It is important to note that Mrs Ţicău's EP report was adopted in ITRE with 36 votes in favour, 11 against and three abstentions. This split vote seems to indicate that the document does not have the support of all MEP and/or political parties. The Council, i.e. MS representatives, will now present their report and we already know that a number of MS do not agree with the EP ambitious proposals or even with the EC proposed recast, which they saw as premature.

The EP First Reading vote in plenary will take place in early May 2009, followed by a Second Reading in the Autumn under Swedish Presidency and with newly elected MEPs.



 $http://www.europarl.europa.eu/news/expert/infopress_page/05\,I-52894-089-03-14-909-20090330IPR52892-30-03-2009-2009-false/default_en.htm$

EC Construction Information Platform (CrIP) consultation

The EC wants to analyse and assess the information needs of the construction sector in relation to EC activities. This action looks into the needs for developing a Construction Information Platform (CrIP), a web platform to allow construction operators to access information with relevance for the sector, covering the regulatory and normative framework as well as policy initiatives and relevant research programmes and projects. This platform would become a "one-stop shop" providing links to relevant web pages of the European Institutions with possible links to national governmental or public organisations.

A questionnaire is accessible online and the completion of the survey should only take 10 to 15 minutes. It is available in English, French, German, Italian, Polish and ... Slovak. So please take part as good communication with the EC is crucial and as they are taking interest we have to respond accordingly.

www.constructioninformationplatform.eu

Revision of Energy taxation Directive delayed

Mr László Kovács, EC Taxation & Customs Union Commissioner, declared at the recent Brussels tax forum that the revision of the EU Energy Tax Directive planned for April would be delayed. The revision still seems to be in the EC work programme but no date has been fixed for the publication. The revised Energy Tax Directive is expected to propose that part of the taxes be based on CO_2 emissions of the fuel source, the objective being to provide incentive for zero-emission renewable energies.

Mr Kovács confirmed that the EC had dropped plans for minimum VAT rates for green products and services as EU finance ministers expressed their opposition. The EC now plans to encourage Member States to promote green products through direct taxation but no precise details were given on the way forward.

http://ec.europa.eu/taxation customs/taxation/gen info/tax conferences/tax forum/index en.htm