

## Fair competition on level playing fields – worldwide! FIEC/ EIC appeal to EU and national decision makers

The globalisation of the world's economies has led to an increasing number of enterprises and workers from third-countries on European construction markets.

FIEC and EIC are opposed to any forms of protectionism and are in favour of fair competition on symmetrically open markets. Competition, provided it is fair and healthy, contributes to progress and innovation, whereas unfair and unhealthy competition, based on the lowest price only, endangers the EU economy and society.

FIEC and EIC therefore underline the unavoidable need to ensure a level playing field framework worldwide, which provides the ground for both fair competition between all companies and the respect of the environmental and social achievements reached so far in the EU.

1. **FIEC/ EIC consider:** It is equally unacceptable that market access opportunities are not symmetrical, so that EU enterprises are prevented from entering public procurement markets in certain countries, whilst the enterprises of such countries can fully benefit from EU openness.

**Our appeal:** We therefore ask for genuinely reciprocal/ symmetric market access opportunities and corresponding incentive measures (i.e. trade defence instruments) at EU level, if international negotiations do not achieve tangible progress.

2. **FIEC/ EIC consider:** It is unacceptable that third country state-owned and state-aided enterprises, who are not subject to the same constraints as companies from EU countries, can be awarded public contracts within the Union.

**Our appeal:** The EU public procurement legislation should therefore be amended, in order to ensure an effective level playing field for all potential EU and third-country tenderers, avoiding, in particular, unfair forms of competition between private and state owned companies.

3. **FIEC/ EIC consider:** Seeing the incredibly low prices offered in some specific cases, where for example the winning bid of a state-owned third country company was more than 70% below the official cost estimate and 30% below the nearest European offer, it is evident that such prices include state aid which would be illegal in the EU and/or the non-respect of social and environmental requirements.

**Our appeal:** Such unfair competition is unacceptable and must be avoided by mandatory rules on Abnormally Low Tenders (ALTs) instead of the currently available possibilities, in order to prevent EU Member States from abusing the unprotected openness of the Internal Market.

This is not a "one off" issue, but an on-going challenge requiring strategic short, medium and long-term thinking, in order to identify the most appropriate set of policies and measures.

In the light of the recent resolution of the European Parliament<sup>1</sup>, of the opinion of the European Social and Economic Committee<sup>2</sup> and of the consultations of the European Commission<sup>3</sup>, FIEC and EIC launch this appeal to the EU and the national decision makers, in order to ensure that adequate and courageous measures be adopted at all levels (international, EU, national) for securing a global level playing field based on fair competition and symmetry/ reciprocity. From these measures will depend the long term sustainable development of the EU economy.

**FIEC – The European Construction Industry Federation**, represents via its 34 national Member Federations in 29 countries the European interests of construction enterprises of all sizes, i.e. craftsmen, SMEs and "global players", performing all kinds of building and civil engineering activities

**Contact:** Ulrich Paetzold, Director General, Tel +32 (02)-514 55 35, [info@fie.eu](mailto:info@fie.eu), [www.fiec.eu](http://www.fiec.eu)

**EIC – The European International Contractors** - associated with FIEC – represents the international interests of contractors' associations from Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and United Kingdom

**Contact:** Frank Kehlenbach, Director, Tel +49 (30)-2 12 86-244, [info@eicontractors.de](mailto:info@eicontractors.de), [www.eicontractors.de](http://www.eicontractors.de)

<sup>1</sup> "Resolution on equal access to public sector markets in the EU and in third countries and on the revision of the legal framework of public procurement including concessions" (B7-0284/2011 of 12/5/2011)

<sup>2</sup> "Third country state-owned enterprises in EU public procurement markets (own-initiative opinion)" (CCMI/082 - CESE 807/2011 of 5/5/2011)

<sup>3</sup> "Green paper on the modernisation of EU public procurement" (27/1/2011) and "Consultation on an initiative on access of third countries to the EU's public procurement market" (7/6/2011)