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**FIEC Conference 2012:
“Modernising public procurement: competitive markets in the EU and worldwide”
European contractors call for rejecting “abnormally low tenders” and
for fair competition on open procurement markets worldwide.**

“We call for sustainable and innovative public procurement, fair contract conditions and for rejecting abnormally low tenders! Finally, we need fair competition between EU and non-EU companies based on reciprocity!” These are the words with which Luisa Todini, FIEC President, concluded the conference of the FIEC Congress 2012, on 8th June in Istanbul.

At a time when public procurement is very high on the EU legislative agenda, FIEC dedicated the conference part of its annual Congress in Istanbul, to this very important issue in terms of business opportunities for EU construction companies.

“Public procurement plays a crucial role in the economic performance of the European Union. Public authorities in Europe spend around 18% of EU GDP per year in supplies, services and works. This represents – solely for public contracts above the directives’ thresholds – a volume of business opportunities amounting to €420 billion!” stressed Todini. Hence, such an opportunity must not be wasted.

For that purpose, a series of conditions must be met. *“these include the need to promote sustainability through increasing the use of the Most Economically Advantageous Tender, systematically allowing variants and ensuring confidentiality of tenders to push innovation in our industry, the need to avoid measures that will affect the organisation of our value chain, by trying to artificially impose inadequate business structures on our companies, such as the limits envisaged on sub-contracting or the “joint liability” of the main contractor, and finally once and for all putting an end to awarding contracts to abnormally low tenders that distort competition and drive down quality.”* claimed Todini.

Finally, by recently proposing a draft Regulation on “market access”, the European Commission has sent a very positive signal towards the EU’s trading partners that the bloc does not want protectionism but fair competition between EU and non-EU companies by ensuring reciprocity in public procurement worldwide. *“This initiative represents a first step in the right direction”,* said Todini, *“however, FIEC will also put forward some concrete improvements in order for this legislative instrument to work more effectively in practice.”*

Marc Tarabella, member of the European Parliament for the S&D Group and rapporteur for the public procurement directive stressed, in reaction to the proceedings of the FIEC conference, that *“in the current context, marked by the need of economic growth, public procurement is a powerful vector to stimulate the European economy”*.

“Awarding contracts only on the basis of the Most Economically Advantageous Tender is the only way to deliver a better outcome and to improve the efficiency of public expenditure,” confirmed Tarabella before stressing, *“furthermore, respecting social and environmental criteria as well as public health protection are the only ways to fight against unfair competition and social dumping, inside and outside European’s borders.”*

FIEC is the European Construction Industry Federation, representing via its 33 national Member Federations in 29 countries (27 EU & EFTA, Croatia and Turkey) construction enterprises of all sizes, i.e. craftsmen, small and medium-sized enterprises as well as “global players”, carrying out all forms of building and civil engineering activities.

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