



## How price increases affect construction workers

It has been making headlines everywhere: prices are increasing. And we all feel it: in our energy bills, in the supermarket, in our day-to-day life. Construction, wood, and building materials are no exception; the impact on these sectors cannot be ignored. And if companies feel it, workers feel it. The EFBWW and trade unions all over the European Union (EU) are worried and vigilant, keeping an eye on workers and on workers' rights.

The current situation is a cause for concern and demands strong answers from European authorities and from national governments to prevent another looming crisis in Europe.

We will not accept any setbacks in workers' rights. We will not accept that unscrupulous bosses see an opportunity to exploit vulnerable workers. We will fight for more protection, for more social and fair labour rights and for decent and direct jobs.

The trend was already there for several months: prices on the rise and material shortages make the perfect storm. Then add the war in Ukraine. This has accelerated and aggravated the disruption of supply chains and has led to exploding prices.

In Bulgaria, the cost of reinforcing iron has increased fourfold and prices for water and sewage pipes and fittings are over 2 times higher. Here, the supply chain has changed from Ukrainian imports to importing from Turkey and Greece, but at a significantly higher cost. In Romania, construction costs have also increased, and more than doubled in February 2022 when compared with the same month in 2021. There was a surge of 143% in material costs. These countries are not alone, and the scenario is visible all over Europe.

The results are obvious for our sectors: construction works are delayed, suspended, cancelled. Companies do not want to commit to public tenders and private contracts for a sum that will soon be outdated. Public tenders are being abandoned by bidders and bottlenecks are increasing in the management of the bidders' processes. All this jeopardises the EU construction industry, which represents 9.5% of EU GDP (€1,324 billion) and 6.1% of EU total employment (12.7 million workers in about 3.2 million enterprises).

The engine of the European economy cannot stop, especially in times of crisis. The EFBWW calls on the European Commission (EC) to closely monitor all construction projects being carried out through resilience and recovery plans. The EC must implement and make available tools that member states can adopt to combat the impact of inflation, the disruption of supply chains and of construction works.

Some Governments are already taking measures to prevent a halt in economic activity as it is the case in Spain, Portugal, Bulgaria, to name a few. However, we need an urgent joint strategic response at the European level capable of preventing this crisis from becoming a catastrophe. And we need it fast.

The energy transition effort, the European Green Deal, the European targets for building renovation, the Renovate Europe and the New European Bauhaus initiatives: all this is at stake. So are millions of jobs in the construction, wood and building materials sectors. And the long process of reconstruction of Ukraine will also depend on the answers given now by the European Commission. The time to act is now.