

European International Contractors (EIC)



EUROPEAN
INTERNATIONAL
CONTRACTORS



EIC President Benoît Chauvin

European International Contractors (EIC) has as its full members construction industry trade associations from fifteen European countries, which are directly or indirectly affiliated to FIEC, and represents the interests of the European construction industry in all questions related to its international construction activities. Internationally active European contractors associated with EIC members collectively record an estimated annual international turnover of around €175 billion.

I. Organisation

EIC was founded in 1970 and is registered since 1984 as a legally independent business association under German law. Its mandate is to promote the interests of the European construction industry in relation to its international business activities.

The mission of EIC is to advocate fair international competition based on sustainable, quality-based procurement and fair contract conditions, to promote effective development and export finance schemes for construction services and to provide a unique networking forum between the industry and other stakeholders.

At the end of October 2021, the composition of the EIC Board was as follows:

President: Benoît Chauvin (Colas, France)

Vice President: Philippe Dessoy (Besix, Belgium)

Treasurer: Juha Kostianen (YIT Corporation, Finland)

Başar Arıoğlu (Yapı Merkezi, Turkey)

Jesper Arkil (Arkil, Denmark)

Nils Bjelm (NCC, Sweden)

Juan Elizaga (Ferrovial Construction, Spain)

José Pedro Freitas (Mota Engil, Portugal)

German Grueniger (Implenia, Switzerland)

Zoe Lisaridou (Avax Group, Greece)

Luigi Realini (Pizzarotti, Italy)

Wouter Remmelts (BAM International, The Netherlands)

Karl-Heinz Strauss (PORR, Austria)

Jörg Wellmeyer (Strabag International, Germany)

Thomas Bauer (FIEC President)

Vice-President Dessoy represents EIC as Vice-President on the FIEC Steering Committee and as Vice President on the CICA Board.

II. Fair international competition

The Presidents of EIC, FIEC and the European Dredging Association, EuDA, seconded by the former EU Commissioner for Trade, Karel de Gucht, submitted in December 2020 a [proposal for a Trade Defence Instrument for Construction Services](#) to the highest level of the European Commission, i.e. to President von der Leyen and to the Executive Vice-Presidents Vestager, Timmermans and Dombrovskis. Though Trade in Services nowadays represents 65% of all world trade, so far, there are no effective instruments against dumping or subsidies in trade in services, due to the fact the anti-dumping rules of the World Trade Organisation (WTO) – and consequentially the corresponding rules of the European Union – only relate to goods.

FIEC and EIC called in May 2021 in a [Joint Memo on the proposed International Procurement Instrument \(IPI\)](#) upon the EU Institutions to draft an effective legislative tool for achieving reciprocal access to public procurement markets. Both federations welcomed the commitment of the EU Institutions to adopt the International Procurement Instrument (IPI) which, however, can only be successful if it entails clear, resolute and practicable restrictive measures that are applied coherently and consistently by contracting authorities across the EU. On 14 July 2021, the EIC Director presented EIC's assessment on the currently existing market access barriers to the Chinese construction market in a Webinar organised by the EU Chamber of Commerce in China and defended the EU's path towards establishing reciprocity in public procurement in line with the WTO Agreement on Government Procurement (GPA).

FIEC and EIC also lobbied throughout the year for a legislative instrument aiming at closing the regulatory gap in the Single Market, whereby subsidies granted by non-EU governments currently go largely unchecked, while subsidies granted by Member States are subject to close scrutiny. In September 2021, FIEC and EIC published their [Key Messages](#) on the proposal for an EU Regulation on Distortive Foreign Subsidies.

III. Africa

Following the publication of its study on [‘The Case for an EU-Africa Partnership for Sustainable Infrastructure’](#), EIC lobbied the European Commission’s DG International Partnerships and the European Investment Bank to streamline European development finance and technical expertise for Africa’s infrastructure sector in the context of the new EU external action financing instrument. EIC collaborated with BUSINESSEUROPE on its October 2020 recommendations for the EU External Financing Instruments within the Multiannual Financial Framework 2021-2027. On EIC’s suggestion, BUSINESSEUROPE recommended a stronger ‘Team Europe approach’, including the setting up of a development finance institution at EU level capable of combining development and export finance and thus matching the performance of Asian and U.S. counterparts.

In March 2021, EIC published a [Position Paper on the new external financial instrument \(NDICI\)](#) concluding that current EU infrastructure funding is not responsive to Africa’s transport infrastructure needs and one month later EIC published a [Memo on Future EU Financing Architecture for Development](#) in which we criticised the current fragmentation of the EU development policy and finance. The EIC position recalled the need for a more versatile development and export financing institution at EU level. EIC President Chauvin echoed EIC’s concerns on the future European Financial Architecture for Development (EFAD) in an [Op-Ed article](#) for the media platform for the global development community and stressed that it is time for the EU to move forward from a global payer to a global player in international infrastructure development cooperation.

At the time of writing, EIC is pleased to note that the President of the European Commission has announced in her State of the Union 2021 address a new ‘Global Gateway’ initiative on Connectivity and that the European Investment Bank has announced to establish a new development branch for its financing activities outside the European Union.

IV. FIDIC Standard Forms of Contract

After having published in January an ‘EIC Contractor’s Guide to the FIDIC Conditions of Contract for Plant and Design-Build, (Second Edition 2017)’, EIC placed in October 2020 a contribution to a renowned international law magazine, the International Construction Law Review (ICLR), summarising the most important EIC comments on the FIDIC Yellow Book 2nd edition. Indeed, the entire 2017 FIDIC suite of contracts has increased significantly

in volume and the FIDIC 2017 suite and the latest version is far more prescriptive than its predecessor. This necessitates greater diligence by project teams. During the year 2021, the EIC Working Group 'Contract Conditions' continued its drafting work on the 'EIC Contractor's Guide to the FIDIC 2017 Conditions for Contract for Construction', the FIDIC 'Red Book' 2nd edition. In October 2021, the group met in Vienna for its final review of this new EIC commentary. The group also welcomed that FIDIC was now envisaging drafting a collaborative form of contract.

V. UN and EU Climate Goals

The European Union is at the forefront of fighting global Climate Change, as reflected in the UN Sustainable Development Goals and the Paris Agreement (UNFCCC). In this context, the envisaged green and the digital transformation of the EU industry, as promoted by the European Commission, offers new prospects for European international contractors to deliver life cycle based and resource-efficient projects and thereby to significantly reduce the global CO² footprint by 2030.

EIC has initiated a joint Working Group with ENCORD and FIEC to develop a common vision for a more sustainable European construction industry. Whilst we observe that the issues involved, such as circularity, digitalisation, procurement, and new business models – to mention just a few – are highly complex and interwoven and whilst there are many sizeable barriers to overcome for a fragmented sector such as construction, European international contractors accept a leadership responsibility along with their customers and suppliers to transform the construction industry. The envisaged Vision Statement shall be supported by a Strategic Action Plan proposing a practical roadmap towards a more integrated and resource-efficient construction industry.

VI. OECD Export Credit Rules

With the aim of improving the competitiveness of European international contractors in direct export activities, EIC initiated a discussion on OECD level to modify the OECD Consensus regarding the threshold for the insurance of local costs. On 17 November 2020, the participants to the OECD Export Credits Working Group eventually agreed to increase the maximum local cost provisions from 30% of the Export Contract Value to 40% in High Income OECD countries and to 50% of Export Contract Value in all other countries. This change has been reflected in the July 2021 version of the OECD Arrangement on Officially Supported Export Credits. By EU Council

Decision dated 20 April 2021, the EU has executed this decision for the EU area and European export credit agencies have begun to implement this decision into their insurance practice.

VII. EIC Webinars

EIC organised on 2nd October 2020 a Webinar on 'The Role of Infrastructure Investments in the EU-Africa and EU-Asia Strategies and related External Financing Instruments', in which representatives from the European Commission and the European Investment Bank explained the role of infrastructure investments in the EU-Africa and the EU-Asia Connectivity Strategies.

EIC's Digital EIC Spring Workshop on 16 April 2021 titled 'The 2050 Carbon Neutrality Challenge as a Business Opportunity' convened more than 100 participants which were inspired by two key-note speeches from the Director of UNEP's Europe Office and the Chairman of ENCORD. Workshop participants further listened to 15 high-level speakers during four parallel Breakout Sessions on Africa, Corporate Responsibility, Contracting and Procurement and Digital Transformation. The detailed conference summary can be obtained from the EIC Website [here](#).

Based upon the initial discussions in spring 2021, the EIC's Digital Autumn Workshop 2021 '[A Vision for a More Sustainable and Resource-Efficient Construction Industry](#)' **scheduled for 12 November 2021** will further develop an EIC commitment towards a more sustainable and resource-efficient construction industry.

VIII. Stay in contact with EIC

To stay in contact with EIC and learn more about our activities, conferences and members, please be invited to visit our [website](#), subscribe to our [Newsflash](#), and follow us on [LinkedIn](#).

EIC hybrid meeting – autumn 2021

