Energy Efficiency skills: challenges and opportunities for construction SMEs

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Secretary General
The Voice of Construction SMEs in Europe

Exclusively representing micro companies & SMEs
All the different trades of the construction sector
Economic importance of the construction sector

- 9% of the GDP of the European Union
- 3 million enterprises in the sector
- 18 million workers in the sector

Young people & women in construction

- 90% male
- 10% female
- 8% younger than 25
Structure of the sector

- 91.9% European construction enterprises with less than 10 employees
- 96.9% European construction enterprises with less than 20 employees
- 98.9% European construction enterprises with less than 50 employees
- 99.9% European construction enterprises with less than 250 employees
- 0.1% European construction enterprises with more than 250 employees
The construction sector generally suffers from a lack of qualified labour:

- Financial crisis and economic downturn
- Ageing workforce
- Stigma associated to manual trades
- Green and ICT skills
- Expected employment increase
Construction sector – the labour issue

Future employment needs by occupation and educational level in EU in 2015-2025 (Cedefop)

<table>
<thead>
<tr>
<th>Occupations</th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal service workers</td>
<td>503,501</td>
<td>2,410,362</td>
<td>996,185</td>
</tr>
<tr>
<td>Sales workers</td>
<td>652,514</td>
<td>2,786,409</td>
<td>1,506,404</td>
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<tr>
<td>Care workers</td>
<td>246,116</td>
<td>1,754,181</td>
<td>867,600</td>
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<tr>
<td>Protection workers</td>
<td>115,647</td>
<td>550,607</td>
<td>530,592</td>
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<tr>
<td>Farmworkers and gardeners</td>
<td>2,020,994</td>
<td>2,375,661</td>
<td>765,797</td>
</tr>
<tr>
<td>Forest &amp; fishery workers</td>
<td>71,225</td>
<td>129,090</td>
<td>51,885</td>
</tr>
<tr>
<td>Subsistence farmworkers</td>
<td>182,865</td>
<td>78,924</td>
<td>17,302</td>
</tr>
<tr>
<td>Construction workers</td>
<td>852,609</td>
<td>1,840,863</td>
<td>425,897</td>
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Energy in the construction sector: current challenges

Energy efficiency plays an important role in order to ensure that the objectives of the 2030 framework are met and international commitments in the frame of COP 21 are achieved considering:

• Energy use in the buildings sector (both residential and commercial) is responsible for about 40% of final energy consumption in the EU

• The existing building stock has the capability to reduce its energy consumption by 61% by 2030.

• The performance of 75% of the built environment is considered energy inefficient

Revision of the EPBD as an important step to put the principle of “energy efficiency first” into practice
Energy efficiency renovations – key priority for construction SMEs

57% of construction turnover is made in the renovation of existing buildings (up from 47% in 2005)

75% of EU built stock is residential
70% of small business’ turnover is in residential market

Energy consumption

<table>
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<th>Energy renovation sector</th>
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<tr>
<td>- Turnover <strong>€ 109 billion</strong> in 2015</td>
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<tr>
<td>- 15% of total turnover of EU construction businesses (65% of this in the residential market)</td>
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<tr>
<td>- Creation of <strong>882,900 jobs</strong> in 2015</td>
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In a strong energy renovation market, a study by Ehrhardt-Martinez and Laitner (2008) suggests that up to **8.1 jobs may be created in construction per € 1 million invested**
How to boost energy efficiency – skills challenges

- ‘Green’ buildings requires construction workers to also have a better grasp of materials and technologies that are energy-efficient.
- Zero/low carbon homes requires the development of specialist and technical skills.
- The greening of the cement production process to reduce high CO2 levels will also impact on future skill needs.
- EPBD: New jobs for energy auditors, certifiers, inspectors of heating systems and renewable technology installers.

BUILD UP Skills: ‘by 2020 more than 3 million workers in Europe will require training on energy efficiency or renewable energy sources’
How to boost energy efficiency – skills challenges

New energy and environmental challenges require new skills but:

- Training schemes not always up to the task
- Lack of coordination between enterprises
- Lack of coordination in the construction chain
- Low financial support
How to boost energy efficiency – innovative business models

Understanding within the value chain

Partnerships between manufacturers and installers /Upstream & downstream dialogue

Tackling challenges and staying competitive

Groupings of small construction companies

Third-party financing such as Juncker Plan

Stronger SME involvement in the ESCO market
How to boost energy efficiency – innovative business models

Update the training

Support new forms of training and qualification or structurally improve the existing ones.

Flexibility

Strengthen informal training schemes to be considered equally important than formal qualification requirements.

A strong financial framework

Earmark part of the European Social Fund to the upskilling of blue-collar workers in the construction sector.
How to boost energy efficiency – training and skills

Let’s use energy efficiency training to change image of sector and connect skills

WE CAN BUILD A NEW GENERATION OF CONSTRUCTION SMES!
Thank you for your attention!

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