

European Construction Sector Observatory
Providing valuable **insight** on the European **construction** industry

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The European Construction Sector Observatory

The **European Construction Sector Observatory (ECSCO)** aims to inform European policymakers and industry stakeholders on the market conditions and policy developments through regular analysis and comparative assessments. Visit the **ECSCO website** and gain access to a wide range of industry data and analysis. **ECSCO** contains all the information you need to stay up to date with the latest news and practical analyses about the construction sector in Europe.

28 Country Fact Sheets, 135 Policy Fact Sheets, 7 Analytical Reports and 3 Trend Papers are now online.

IN THIS NEWSLETTER YOU WILL FIND:

New Analytical Report



4 Updated Country Fact Sheets



Upcoming construction events



Late Payment in the construction sector

Late payments and long payment terms affect the European construction sector in particular, causing administrative and financial burdens especially to SMEs. In turn, businesses experience loss of income, indebtedness and cashflow issues that limit their sustainable growth and expansion, and their ability to hire employees. This newsletter focuses on the issue, with a view to provide you with further statistics and analysis to meet the challenge.

New Analytical Report is online

Late payment in the construction sector

The report provides an analysis of the state of play and **impact of late payment on the European construction sector**, by analysing in detail the situation with late payment in five countries: **France, Ireland, Italy, Spain and the United Kingdom**. The report draws attention to the impacts of the implementation of the **EU Directive 2011/7/EU on Late Payments** and the impact of other hard and soft regulations on the payment discipline of companies and public authorities in the sector.

The analytical report looks in detail at **causes of late payment in the construction sector**, and notably their links with the fragmentation of the construction supply chain and the specifics of payment processes or disputes in the construction sector. There is also an **analysis of policy initiatives** taken by public authorities to address late and long payment across the EU Member States, as well as in third countries. Those initiatives relate to the adoption of stricter regulations, ensuring transparency of payment practice, better invoice management, dispute resolution systems & sanctions as well as awareness-raising. Finally, the report provides a set of **lessons learnt from policymakers on how to tackle the issue in the EU**.

Find more about late payment in the construction sector in the new Analytical Report of the European Construction Sector Observatory.



[Download the Analytical Report](#)

[Executive summaries in EN, FR, DE, ES, IT, PL](#)

[Infographics](#)

Updated Country Fact Sheets are online

Four updated Country Fact Sheets are now available for download, focusing on the construction markets of **Germany, Hungary, Romania and Spain**. The reports supply an analysis of key figures, macroeconomic indicators, economic drivers, issues and barriers, innovation, the national policy and regulatory framework, and the status and national strategy to meet Construction 2020 objectives.



Country Fact Sheet Germany

In 2019, **77% of German businesses faced issues with delayed payments and 52% of German businesses considered longer payment terms** as a key area of concern. This issue is observed in both business-to-business and public authorities-to-business transactions. In turn, **late payments caused limited cash flow and reduced investments**, threatening the sustainable development of the sector, and especially its SMEs. Read more about the future of the construction sector in Germany in the Country Fact Sheet.

[Download the Country Fact Sheet](#)

Country Fact Sheet Hungary

Late payment is not considered a critical issue for Hungarian companies, even though there was a slight increase in 2019. That year, **business-to-business and business-to-public authorities transactions allowed for 24 to 31 days of payment terms** respectively, compared to 21 and 23 days in 2018. In addition, the time actually taken to pay is longer than the terms of payment agreed, standing at 25 to 39 days respectively. Discover more about the construction sector in Hungary in the Country Fact Sheet.

[Download the Country Fact Sheet](#)





Country Fact Sheet Romania

Payment terms in the Romanian construction sector dropped from 25 days in 2018 to 19 days in 2019. Likewise, payment terms in business-to-business and business-to-public authorities also fell from 36 days and 48 days respectively in 2018, to 33 days and 27 days in 2019. However, even though companies and public authorities' payment behaviours seem to improve, **almost 80% of the Romanian companies are concerned about receiving payments past their due date**. Learn more about the construction sector in Romania in the Country Fact Sheet.

[Download the Country Fact Sheet](#)

Country Fact Sheet Spain

In Spain, **nearly 90% of construction companies reported being adversely impacted by late payment in business-to-business (B2B) transactions**. In fact, payment terms in B2B transactions are **the third longest in Western Europe standing at 48 days**. This issue will need to be addressed to ensure the sustainable growth of the construction sector. Find out more about the construction sector in Spain in the Country Fact Sheet.

[Download the Country Fact Sheet](#)



Upcoming events

Construction is changing rapidly, with new business models, concepts and technologies being introduced to best respond to new demands and requirements. To keep you aware, please find below a quick summary of upcoming events.

The High Level Tripartite Strategic Forum on Construction




17 June 2020 | 10:00 - 12:30 | Virtual meeting

The 8th (virtual) meeting of the Forum will focus on the short-term responses to COVID-19 and how the Recovery Package including the Renovation Wave can support the construction ecosystem to recover, repair and emerge stronger from the crisis. Participants are invited to discuss how to increase the construction ecosystem's capacity and resilience to deliver appropriate solutions in the short to medium term for a sustainable built environment.

You will receive the joining instructions once your participation has been confirmed. The deadline for registrations is 15 June.
Contact: secretariat_construction2020@ecorys.com

[Registration](#)

[Agenda](#)

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