



DOING BUSINESS WITH CONSTRUCTION SECTOR

LEVERAGE ON SKYMINDER SOLUTIONS

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Construction Sector Overview



The construction sector is a vital part of the global economy, encompassing a wide range of activities related to the building, renovation, and maintenance of structures and infrastructure. Here's a structured overview:

1. Key Segments of the Construction Sector

- **Residential Construction:** Building and renovating homes, apartments, and housing complexes.
- **Commercial Construction:** Offices, shopping centers, hotels, and other business-related structures.
- **Industrial Construction:** Factories, plants, and large-scale production facilities.
- **Infrastructure and Civil Engineering:** Roads, bridges, tunnels, airports, railways, water supply systems, and energy infrastructure.

2. Major Stakeholders

- **Clients/Owners:** Individuals, corporations, or governments funding the projects.
- **Contractors:** Companies or individuals responsible for executing the construction work.
- **Architects and Engineers:** Design and plan the structures.
- **Suppliers and Manufacturers:** Provide materials, machinery, and equipment.
- **Regulatory Bodies:** Ensure compliance with safety, environmental, and zoning laws.

3. Key Trends and Innovations

- **Sustainable Construction:** Use of eco-friendly materials and energy-efficient designs.
- **Digital Transformation:** Adoption of BIM (Building Information Modeling), drones, and AI for planning and monitoring.
- **Modular and Prefabricated Construction:** Faster, cost-effective building methods.
- **Smart Buildings:** Integration of IoT and automation for energy and security management.

4. Challenges

- **Labor Shortages:** Skilled labor is in high demand but often in short supply.
- **Cost Overruns and Delays:** Common due to poor planning, weather, or supply chain issues.
- **Regulatory Compliance:** Navigating complex legal and environmental regulations.
- **Safety Risks:** High-risk environment requiring strict safety protocols.

Facts and Figures: Europe

Europe Overview



Construction in Europe Overview



Source: FIEC

In 2024, GDP grew by 1.0% in the European Union and by 0.9% in the euro area, following a growth rate of 0.4% in both zones in 2023. The strongest increases were recorded in Ireland (+3.6%), Denmark (+1.6%), and Portugal (+1.5%). In contrast, the most notable declines were observed in Malta (−0.7%), Austria (−0.4%), and both Germany and Finland (−0.2%). Employment also recorded a modest increase: +0.8% in the EU and +0.9% in the euro area.

In the construction sector, after the post-Covid rebound that began in 2021, momentum has slowed significantly. Construction investment fell by over 2% in the EU in 2024, marking a clear reversal after two years of modest growth. Forecasts for 2025 point to a further, albeit more moderate, contraction, with no clear signs of recovery. These averages, however, mask significant regional disparities.

In Western Europe, the three largest economies on the continent—typically drivers of the sector—all show a negative trend. In France, after near stagnation in 2023 with a slight decline of 0.3%, activity is expected to contract by 3.9% in 2024. The 2025 forecast of −2.5% offers little hope for a swift recovery. In Germany, the sector remains hampered by a prolonged decline in new housing construction, which began as early as 2021. Even smaller markets, such as Belgium and Austria, are struggling, with 2025 forecasts of −0.4% and 0%, respectively.

Conversely, several Southern European countries maintain a generally positive outlook despite economic uncertainties. Spain continues to post moderate yet steady growth, with +2.3% in 2024 and +3.2% expected in 2025, driven by EU recovery funds and renewed interest in energy renovation. Portugal follows a similar path, with +1.1% growth this year and an expected acceleration to +4.0% in 2025. Greece is seeing particularly strong growth, close to +10% per year in both 2024 and 2025, supported by EU funding and large infrastructure modernization projects. Italy, however, despite its geographical proximity, is experiencing a sharp downturn. After several years of expansion—partly driven by the generous “superbonus” tax incentive—growth has collapsed, with a 5.3% drop in 2024 and a further 7% decline expected in 2025.

It is worth noting that despite broad access to EU recovery funds, economic outcomes remain highly uneven across Southern Member States. This demonstrates that European support alone is not sufficient to ensure sustained growth in the construction sector and that national political, administrative, and economic conditions strongly influence investment dynamics.

In Northern Europe, the trend remains negative in 2024, but 2025 forecasts are more optimistic, suggesting a moderate recovery. Denmark, down 7.7% this year, is expected to rebound by 3.5% next year. Finland, with a 5.8% decline, could recover by 3.4%, while Sweden, after a smaller drop of 1.1%, is projected to grow by 2.8%. In Central and Eastern Europe, Romania stands out with a moderate decline of 3% in 2024, followed by a remarkable expected increase of 21% in 2025, likely due to the launch of EU co-financed projects. Bulgaria, showing strong growth this year (+13.9%), is expected to slow slightly in 2025 (−1.4%).

The current contraction in the sector is due to a combination of structural factors. Higher interest rates are restricting access to credit, limiting private investment. At the same time, the gradual phase-out of public support—particularly from the EU recovery plan—has removed a major growth driver. Finally, high construction costs and administrative delays are significantly slowing project implementation.

The overall decline expected in 2024 and 2025 reflects a transitional period for the European construction sector. While some countries—such as Greece, Romania, and Spain—manage to maintain momentum through EU funds, the continent's major economies appear to be more durably weakened.



Housebuilding

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Non-residential construction

Non-residential construction recorded very modest growth of 0.1% in 2024, following a slight rebound of 2.7% in 2023. Forecasts for 2025 suggest stabilization, with estimated growth of 0.2%, confirming a weak but relatively steady trend. This segment accounts for around 31% of the total European construction market, making it the largest by volume and the most resilient compared to housing and renovation.

However, national situations vary widely. In 2024, notable increases were recorded in Italy (+6.5%), Spain (+5.5%), Bulgaria (+14.6%), and Sweden (+5.4%), supported by public, industrial, or logistics-related investments. In contrast, other countries have seen sharp declines, such as Denmark (-10.7%), Finland (-3.0%), Germany (-1.9%), and France (-1.4%), reflecting an economic slowdown in the tertiary and public sectors.

Civil engineering

Finally, civil engineering has confirmed its role in 2024 as the main growth driver in the European construction sector. It is expected to grow by 5.8%, following increases of 5.3% in 2023 and 4.6% in 2022. This makes it the most stable and resilient segment in recent years.

This strong performance is driven by continued public investment in transport infrastructure, projects related to the green transition, and financing from both national and EU recovery plans. Several countries are experiencing particularly strong growth, including Italy (+21.0%), Lithuania (+19.9%), and Bulgaria (+13.0%), indicating a significant acceleration in infrastructure development. Portugal (+3.3%) and Sweden (+4.4%) also continue on a positive trajectory. A few countries, however, are seeing declines—such as Finland (-3.0%), Estonia (-3.3%), and the Netherlands (-1.2%)—often due to investment delays or tighter economic conditions.

Overall, civil engineering stands out as the most robust pillar of the sector, with continued positive prospects for 2025, where growth is estimated at +5.3%.

Source: FIEC

Circular Economy



In the EU, the construction sector is responsible for around 40% of CO2 emissions and, according to figures of the European Commission, for over 35% of the EU's total waste generation. Greenhouse gas emissions from material extraction, manufacturing of construction products, construction and renovation of buildings are estimated at 5-12% of total national GHG emissions. The Commission estimates that greater material efficiency could save 80% of those emissions.

The European Commission published a new Circular Economy Action Plan (CEAP) in March 2020. It is one of the main building blocks of the European Green Deal. The CEAP introduces legislative and non-legislative measures that focus on the sectors that use most resources and where the potential for circularity is high, such as construction and buildings.

These measures include, *inter alia*:

- addressing the sustainability performance of construction products in the context of the revision of the Construction Product Regulation;
- promoting measures to improve the durability and adaptability of built assets in line with the circular economy principles for buildings design and developing digital logbooks for buildings;
- using the EU's sustainability reporting framework Level(s) to integrate life cycle assessments in public procurement and the EU's sustainable finance framework;
- considering a revision of material recovery targets set in EU legislation for construction and demolition waste and its material-specific fractions;
- promoting initiatives to reduce soil sealing, rehabilitate abandoned or contaminated brownfields and increase the safe, sustainable and circular use of excavated soils.

Furthermore, the “Renovation Wave Strategy” is currently being implemented in line with circular economy principles, notably optimised life cycle performance.

Source: FIEC



Climate Change

Climate change is a major challenge of our time and the construction sector is a big contributor to climate change through greenhouse gas (GHG) emissions. At a global level, the sector accounted for over 34% of energy demand and around 47% of energy and process-related CO₂ emissions in 2021, hitting a new high, according to the United Nations.

In the EU, buildings are responsible for about 40% of the EU's total energy consumption, and for 36% of its GHG emissions from energy. By far, the largest source of GHG emissions in construction comes from operating and using buildings rather than their construction.

Climate change mitigation and climate change adaptation have both become policy priorities in the EU and the European construction sector has a major role to play in decarbonising the EU's economy and the built environment by using CO₂-friendly construction materials and machinery and by constructing sustainable buildings and infrastructure. As such, the construction sector is also a key "enabler" of the [Green Deal](#), the EU's new sustainable growth strategy. Energy efficiency is also an essential component for action.

The EU institutions have published several communications on assessing and managing climate risks. This will become increasingly important for construction companies as the effects of climate change are increasingly felt by industry and society.

Source: FIEC



Focus on FIEC (European Construction Industry Federation)

Created in 1905, FIEC aisbl stands for the European Construction Industry Federation. Through its 32 national member federations in 27 European countries (24 EU & Norway, Switzerland, Ukraine), it represents construction enterprises of all sizes (from one person craftsmen and SMEs through to large international firms), from all building and civil engineering specialties, engaged in all kinds of working methods (whether operating as main or sub-contractors).

Thanks to its wide-ranging representativeness FIEC is the officially recognised Social Partner, representing employers, in the European Sectoral Social Dialogue "Construction".

MISSIONS

FIEC strives to :

- Represent and promote the interests of the European construction industry towards the European Institutions while helping to increase knowledge of the sector among policymakers and the general public.
- Promote sustainable development in the construction business in order to facilitate the implementation of the green transition and thereby the achievement of the EU Green Deal goals.
- Promote a public procurement system ensuring a true level playing field for all EU construction companies.
- Ensure that the specific interests of construction SMEs are taken into account.
- Promote a network of sustainable transport and energy infrastructure to help underpin the EU's medium and long-term growth.
- Cooperate, as the officially recognised Social Partner, with the EFBWW (European Federation of Building and Wood Workers), representing the workers, for the improvement of working conditions, health and safety and training.
- Promote and facilitate cooperation and the exchange of best practice between FIEC members and other players in the eco-system, such as architects, engineers, products and machineries manufacturers.
- Foster a climate of innovation in the sector and promote the right policy framework that encourages the swift uptake of new technologies, of innovative processes and that accelerates the digitalisation of the construction industry.
- Promote a new "European Affordable Housing Plan": FIEC calls for a coordinated approach to drive tailor-made housing-friendly reforms under the responsibility and competency of Member States, for the mobilisation of both private and public investment, for prudential rules imposed by Basel III to be eased, in order to mobilise private investment. FIEC also calls for improved access to mortgage loans for households and young people, for a streamlined regulatory and administrative working environment for construction companies, with clear rules which can accelerate construction processes, lower building costs and eventually create overall affordability. FIEC advocates for greater support to research and innovation, as well as digitalisation, through EU funds to increase the productivity of the construction industry. And, furthermore, FIEC calls for all relevant actors to further work on raising the attractivity of the sector to tackle the shortage of skilled labour.

Source: FIEC

SKYMINDER AT A GLANCE FOR CONSTRUCTION SECTOR

Solutions available for more than **240** countries and jurisdictions

Best in class information thanks to more than **40** providers, both local and global

13 available products and solutions

Web and **API** integration



SKYMINDER SOLUTIONS

SkyMinder is the worldwide CRIF platform helping you to take decisions based on high-quality information. If you are required to evaluate a business partner in the Construction Sector, a customer or a supplier, in a risk evaluation process or for compliance requirements or a cyber risk assessment, SkyMinder is the right solution.

Requirement	SkyMinder Solution	Description
Know business partners and risk level <ul style="list-style-type: none">- have on board new suppliers- understand in depth customers creditworthiness	Executive Report, Full Report, Quick Report, Slim Report	Information, with different <u>level</u> of details, related to all companies in the world, including firmographics, credit limit, risk indicator, management, shareholders, negative events etc.
Receive immediate notification with related details if a change affects a company	Full Monitoring	Detailed information about changes affecting a company as soon as happened. Combined possibility to request for free updated report.
Be alerted if there is change in company's information	Alert	Information related to the area involved by a change as soon as an event happened.
Periodically checks if there are changes involving companies	Planned Revision	Scheduled revision with updated report including company's changes if applicable
Obtain documents from Official Registry and LEI repository	Official Registry and LEI	Product range including documents coming from public sources or from LEI Registry
Company ownership overview	Verification Report	List of shareholders to understand company's structure
Compliance requirements and fraud checks	Compliance Report and Extended Check Report	Anti-Bribery and Money Laundering lists checks related to financial crimes.
Risk of Cyber attack	Cyber Risk Report	Assess the level of risk related to a business <u>partner</u> in being involved in a cyber attack