

Driving EU competitiveness through efficient buildings

Efficient, flexible, decarbonised, and healthy buildings play a central role in the EU's economy and net-zero energy system. With the right policy conditions, by 2030 the energy efficiency industry could deliver:

- 18,000 local jobs, for every billion euros invested¹
- €45bn to €100bn saved on energy bills per year²
- 250m tonnes of GHG emissions avoided per year³

The roll-out of energy efficiency in buildings is one of the EU's unsung success stories: Between 2005 and 2022, total GHG emissions from buildings fell by 34% thanks to European standards and legislation.⁴

The latter enabled a **leading industrial ecosystem** to develop in the EU. With a yearly turnover of around €850bn⁵ and employing 6.5m workers⁶, the EU efficient buildings industry is already a **large contributor to the economy**, and it is projected to grow significantly in the coming years, as the Fit-for-55 files (FF55) are implemented. Energy efficiency products and solutions are **manufactured and installed in the EU**. As an example, the industry currently runs around 300 insulation manufacturing sites⁷ and 300 heat pump and component manufacturing sites⁸ in the EU.

The EU must further strengthen the sectors of the transition it **already excels in to keep and expand its competitive advantage, while promoting a strong European industry and a vibrant supply chain**. We therefore ask for a **more coherent industrial policy supporting the efficient buildings ecosystem** which would help Member States reap the full benefits of an energy efficient economy: increased competitiveness, lower and more stable energy prices, higher energy independence, a healthier society and long-term skilled jobs in the EU. The following 10 actions will enable our industry to deliver:

1) Acknowledge the efficient buildings industry as a key sector in the transition

- Define energy efficiency as one of the industrial ecosystems under the current EU industrial strategy. Represent its role in the EU energy mix, monitor, report and communicate on it.
- Publish a Clean Technology Competitiveness Progress Report focused on energy efficiency technologies and identify these as strategic net-zero technologies.
- Establish an Efficient Building Industrial Forum to regularly assess progress on the delivery of FF55 targets.

2) Support energy efficiency products and technologies manufacturing

- Include all energy efficiency technologies and products in the scope of the Net Zero Industry Act, Strategic Technologies for Europe Platform and the upcoming Electrification Action Plan.
- Support the decarbonisation of product and equipment manufacturing.

¹ How Many Jobs? A Survey of the Employment Effects of Investment in Energy Efficiency of Buildings (2012) EEIF

² Renovation of 35m buildings (Renovation Wave). Assuming 200m buildings in the EU. Renovation depth from 30% to 60% savings. Based on EU average gas prices, second half of 2023 (€0.1137 per kWh), Eurostat [Natural gas price statistics - Statistics Explained \(europa.eu\)](#)

³ Assuming gas being displaced at 651 gCO₂/kWh

⁴ [Greenhouse gas emissions from energy use in buildings in Europe | European Environment Agency's home page](#)

⁵ [Renovation is taking centre stage in the construction sector | articles | ING Think](#)

⁶ Navigant, 2019 "Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU"

⁷ Jacob Winkell, Global Insulation, 2023, [European Insulation in 2024](#)

⁸ [Map of heat pump factories – European Heat Pump Association](#)

- Ensure grid access for existing and new manufacturing plants.
- 3) Deliver a stable policy framework to roll out efficient buildings in Europe**
- Support an effective implementation of the Energy Performance of Buildings Directive (EPBD), Energy Efficiency Directive (EED), Social Climate Fund (SCF) and Renewable Energy Directive (RED) and monitor progress.
 - Propose a sectoral target for energy efficiency for 2040 to secure investments.
- 4) Maintain and simplify access to European funding**
- Extend the end of the Recovery and Resilience Facility to 2028.
 - Guide Social Climate Fund spending towards the renovation of worst performing buildings.
 - Bridge the investment gap for efficient buildings in the next Multiannual Financial Framework. Dedicate a share of this budget to training and technical assistance.
 - Simplify the application and reporting process.
 - Make pre-financing a standard practice.
- 5) Unlock private financing**
- Improve access to affordable private finance through guarantees for energy renovation loans through InvestEU and a European framework for Mortgage Portfolio Standards.
 - Align provisions on buildings in the EU taxonomy with the EPBD standards.
- 6) Support the uptake of decarbonised heating and cooling solutions**
- Adopt a Clean Heating and Cooling Strategy, aligned with buildings-related FF55 provisions
 - Improve the electricity/gas price ratio while protecting energy intensive industries
- 7) Address the skills gap and increase the workforce**
- Ensure a clear mapping of skills needs through National Building Renovation Plans
 - Launch an EU efficient buildings academy to tackle gaps and shortages for the installation of energy efficiency technologies. Address barriers hindering access to these professions.
- 8) Foster innovation in construction and renovation**
- As part of the upcoming Strategy for Housing Construction and Renovation, remove barriers to the uptake of industrialised techniques and digitalisation.
 - Facilitate the use of AI technology to better monitor buildings' energy performance, enable faster deployment of energy efficiency solutions and support policy making.
- 9) Facilitate energy renovations**
- Propose time limits 'à la RED' for the obtention of permits.
 - Foster the optimisation and simplification of renovation works.
 - Encourage Member States to apply a reduce VAT for construction, renovation works and products used for construction and renovation works.
- 10) Support efficiency measures to improve energy security and affordability**
- Support the uptake of energy efficiency and renewable energy sources through the prevention window of the security of electricity and gas supply framework update.
 - Maximise the synergies between an energy efficient building stock and the evolutions in grid infrastructure.



For further information

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About Efficient Buildings Europe

Efficient Buildings Europe represents Europe's leading companies involved with the manufacture, distribution and installation of energy efficient products, equipment, and services for buildings. The members of Efficient Buildings Europe employ more than 280,000 people in these activities in Europe and have over 1,200 production facilities and office locations in the EU. The mission of Efficient Buildings Europe is to work together with the EU institutions to help the EU to move towards a more efficient use of energy in buildings, thereby creating an efficient, decarbonised, and flexible building stock that actively contributes to the achievement of Europe's commitments on climate change, energy security, and economic growth.

Efficient Buildings Europe Members (2025)

