



Construction & Building Technologies



Between 2018 to 2020, the **Construction & Building Technologies sector** has been the **focus of four EU-funded business missions to Asia** organized by the EU Gateway | Business Avenues Programme.

European companies in Construction & Building Technologies have been continuously assisted by the Programme, not only through **financial and logistic support at business exhibitions**, but also through **professional coaching** before, during and after each mission, **tailored business matchmaking services**, and enlightening **market presentations during [pre-departure meetings](#) [1] and [webinars](#) [2]**.

Without taking into account the 2020 mission, which took place virtually, the **results from 2018-2019** are clear-cut:

- The Programme received **512 expressions of interest** from European companies willing to take part in the missions. Only the most innovative were selected, resulting in **128 participating companies from 19 EU Member States** taking part in one or more EU-funded mission.
- The buzzing business exhibitions in Asia brought over **3200 visitors** from local companies to the EU pavilion, and more than 330 high-profile guests attended networking events hosted by

the EU Delegations during the mission week. Close to 1200 business meetings were organised by the Programme before each mission week, and **over 1400 useful meetings** actually took place during the events.

These encounters did not fail to generate new business. A survey conducted on **the first market scoping mission to Japan in 2018 recorded the following figures:**

- 28 companies (**70% of the respondents**) stated they **either established business collaborations or were expecting to do so** after the missions. 5 declared an increase in turnover directly attributed to their participation in the missions.
- It takes time to establish long-lasting collaborations, especially in Asia, nevertheless, some companies managed to reach agreements with local companies in record times. 2 secured new sales on the spot, while 4 others were expecting to do so shortly after the mission.
- As a result of the successful negotiations and business deals signed between the European and Asian companies, **new jobs were created in Europe** to serve the growing demands. The 2018 Japan market scoping mission alone created over 90 new job openings within one year from the EU-funded mission.

Without the right allies and professional network, many of the participating companies would have never attempted to reach Asian markets. Now, **thanks to EU Gateway | Business Avenues, they are successfully selling their solutions in Asia**, growing their teams in Europe and counting on growing revenue streams from new foreign markets.

Among the many success stories, one is TopView, an Italian producer of RPAS (Remotely Piloted Aircraft Systems), which [created meaningful long-lasting business partnerships](#) [3] in Japan, following its participation in the first market scoping mission. *“After the mission, we had the chance to create new relationships and partnerships especially with three Japanese companies and keep such contacts during the year.”*- Alberto Mennella, Chief Technical Officer, TopView (Italy). Of these, two Japanese companies became research partners in a joint EU R&D programme that focuses on *“business support (Cost-Benefit Analysis and sales strategies), for the introduction of our products in the Japanese market ([Asia University of Tokyo](#) [4]) and Local Regulation and Compliance for Electronic equipment for the Japanese market ([JCI](#) [5]).”*- Alberto Mennella, Chief Technical Officer, TopView (Italy).

EU Gateway to Japan

The [first mission](#) [6] for Construction & Building Technologies targeted **Japan**, due to its plentiful development opportunities in sub-sectors such as smart & green buildings, high-performance machinery, sustainable building materials & intelligent installations, construction management and other services.

Japan is the world’s third-largest construction market. The government is heavily supporting initiatives like Zero Energy Buildings (ZEB) and Zero Energy Houses (ZEH), pushing towards a more sustainable construction landscape.

For European companies in the field, there are [opportunities](#) [7] to bring in energy-saving, high tech solutions for sustainable buildings, sensors and applications of the Internet of Things (IoT) in buildings and residences, highly functional construction materials and digital technologies like robotics.

The market scoping missions to Japan, [in 2018](#) [8], and [in 2019](#) [9], included 3-day exhibitions at one of the largest housing & building events in Asia, the Japan Home & Building Show, in Tokyo.

On each of these occasions, the participating companies from Europe had the opportunity to tap into a construction industry worth [€406 billion](#) [10]. The public construction sub-sector alone is evaluated at [€170 billion](#) [11] and the private commercial construction sub-sector at €244 billion, of which €114 billion is for residences, €83 billion for commercial buildings and €43 billion for public works.

The market scoping missions [brought to market](#) [12] European technologies related to the engineering, design, construction, demolition, finishings of public and private buildings, as well as renovations and major public infrastructure works. Specifically, such [solutions](#) [13] included electricity generation and management technologies, grid systems, sensors and IoT technologies, high tech construction materials, and technologies for construction management, digital construction, and quake protections.

EU Business Avenues in South East Asia

Then, [in 2019](#) [14], the programme expanded its scope to include **South East Asia** with a weeklong mission to Singapore and the Philippines.

The mission supported nearly 50 companies to exhibit at PHILCONSTRUCT Philippines and to scope out [business opportunities](#) [15] in Singapore.

Singapore's construction sector is focused on addressing its need for rapid urbanisation and sustainable development. Where until 2014, the housing sector took priority over infrastructure and non-housing development, the latter sub-sectors experienced significant growth post-2015. The nation's upcoming projects revolve around fostering a digital transformation of the sector and planning sustainable, "green" construction projects. Thanks to institutions like Singapore's Ministry of National Development (MND), construction and development authorities, collaborations with forward-thinking international companies are strongly supported. The Building & Construction Authority of Singapore estimates construction contracts awarded in the next few years will total [1.24% of GDP](#) [16]. Moreover, construction demand is expected to total between [€18.5 billion and €23.2 billion per year](#) [17] in 2022 and 2023, making this a promising target market for all companies in the sector

In this transparent landscape, European companies can access a [variety of projects](#) [18], especially those that bring automated, sustainable, energy-efficient solutions to green buildings and infrastructure technologies, public infrastructure constructions, like transportation and non-residential infrastructure, highly automated offsite production facilities, and Integrated Digital Delivery (IDD) which allows for integrations of smart technologies, advanced ICT and Building Information Modeling (BIM).

The public infrastructure projects (funded and managed by the government) that EU companies will have opportunities in are: 1) Public housings, schools, offices, both new and in redevelopment. 2) Transportation, such as road work and related infrastructure (e.g. bus interchange hub). 3) Mass Rapid Transit (MRT), including tunneling work. 4) Utilities infrastructure such as water treatment plants, pipe laying, drainage, etc. 5) Hospital and other health care facilities. 6) Landscape and gardening. - [stated](#) [16]

Toonsuan Wong, Expert in the Construction & Building Technologies sector in Singapore

The Philippines is another market that's currently in the midst of a significant construction & development expansion. The government's [Build, Build, Build programme](#) [19], meant to stimulate investments in public infrastructure, transportation and non-residential infrastructure, opened up long-term opportunities for foreign companies. Public infrastructure projects like the Subic-Clark railway, the North-South railway, the industrial park in Clark, and an expanded Clark International Airport drew [investments](#) [20] of over €1.4 billion.

The Department of Public Works and Highways (DPWH) is scheduled to commence the implementation of two projects, including the Metro Manila Flood Management Project Phase 1 worth P2.2 billion (€38.2 million), and the Flood Risk Management Project in Cagayan, Tagoloan and Imus Rivers, which has a total project cost of P1.68 billion (€29.2 million). - [stated](#) [16] Alma Madrazo, Expert in the Construction & Building Technologies sector in the Philippines

Other emerging areas of interest include projects in green architecture, IoT and smart building solutions, sustainable energy efficient constructions, power plant constructions, transmission grids and water utilities, and manufacturing facilities. The Philippine infrastructure development sector operates on a 6:4 local-to-foreign ownership ratio where partnerships with foreign companies are a requisite. The two business missions organised by the EU Gateway | Business Avenues programme in the region helped European companies secure partnerships with local companies, in an effort to alleviate the region's most pressing construction limitations.

[In 2020](#) [21], another mission targeting South East Asia ensued in a virtual format, once again aligning with the PHILCONSTRUCT 2020 virtual tradeshow. Business-to-business meetings are to take place through the virtual platform, ensuring participant safety during the COVID-19 pandemic and the right conditions to still drive businesses forward.



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Links

[1] <https://www.youtube.com/watch?v=kqYaze4QFUY>

[2] <https://eu-gateway.eu/news/eu-gateway-business-avenues-construction-building-technologies-%E2%80%93-smart-approaches-going-global>

- [3]
<https://eu-gateway.eu/success-stories/topview-makes-strides-japanese-construction-monitoring-innovation>
- [4] <https://www.asia-u.ac.jp/english/about/>
- [5] <https://www.j-com.co.jp/en/corp/corp.html>
- [6]
<https://www.eu-gateway.eu/business-missions/missions-calendar/construction-building-technologies-korea>
- [7]
https://www.eu-gateway.eu/sites/default/files/collections/document/file/construction-building-japan-market-insight_0.pdf
- [8]
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- [9]
<https://www.eu-gateway.eu/business-missions/missions-calendar/construction-building-technologies-japan-0>
- [10]
<https://www.eu-gateway.eu/sites/default/files/collections/document/file/market-opportunity-construction-building-japan-2019.pdf.pdf>
- [11]
<https://eu-gateway.eu/news/european-companies-get-chance-probe-world%E2%80%99s-third-largest-construction-market>
- [12]
<https://eu-gateway.eu/news/market-scoping-mission-japan-construction-building-technologies-companies-open-applications>
- [13]
<https://eu-gateway.eu/news/leading-smart-building-technologies-machinery-and-building-materials-needed-japan>
- [14]
<https://www.eu-gateway.eu/business-missions/missions-calendar/construction-building-technologies-singapore-philippines>
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- [17]
<https://eu-gateway.eu/news/singapore-and-philippines%E2%80%99-investment-infrastructure-development-open-innovative-eu-solutions>
- [18]
<https://www.eu-gateway.eu/sites/default/files/collections/document/file/market-opportunity-construction-building-singapore-2019.pdf>
- [19]
<https://eu-gateway.eu/news/green-smart-buildings-and-infrastructure-desired-singapore-and-philippines-urban-landscapes>
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<https://www.eu-gateway.eu/sites/default/files/collections/document/file/market-opportunity-construction-building-philippines-2019.pdf>
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