



European Commission

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Reykjavík, December 15<sup>th</sup>, 2025

**Feedback of the Federation of Icelandic Industries on the European Commission's Call for Evidence on the Construction Services Act (Ref. Ares (2025)9674784)**

The Federation of Icelandic Industries (hereinafter SI or the Federation) welcomes the opportunity to provide feedback on the call of evidence regarding the EU Construction Services Act. SI represents employers of the construction industry in Iceland which constitutes a vast majority of construction companies in Iceland. Icelandic businesses operate within the single market through the EEA Agreement thus, a common approach towards lowering barriers to cross-border market access for construction and installation services is of importance to the Icelandic construction industry.

**Regulated professions and mutual recognition of professional qualifications**

In general SI supports the simplification and strengthening of the internal market for construction services with increased transparency and reduction of administrative burdens. The aim should be to improve mutual recognition of professional qualifications and certificates where feasible and provide for complimentary training opportunities and obligations if needed. SI stresses that national competence assessment and certification systems developed jointly by social partners play a key role and must not be undermined by over simplified recognition mechanisms that could undermine quality and safety criteria. SI emphasizes that craftsman professions within the construction sector are regulated professions in Iceland and form quality and safety assurance.

Iceland is a sparsely populated island located at a considerable distance from mainland Europe. Its geographic isolation, unique climatic conditions and distinctive geological characteristics create specific challenges that must be considered when shaping regulatory frameworks related to construction, building services and craftsmanship.

Weather conditions in Iceland are often extreme, with strong winds, heavy precipitation, freeze-thaw cycles and rapid changes in temperature. In addition, Iceland is situated in an active volcanic zone, where seismic activity and geothermal phenomena are an inherent part

of the natural environment. These factors place exceptional demands on the design, construction and maintenance of buildings and infrastructure, as well as on the skills and expertise of those who carry out such work.

The extensive use of geothermal energy and district heating systems is another defining feature of Icelandic society. The safe and efficient design, installation and maintenance of these systems require specialised knowledge and experience that is closely linked to local conditions. This expertise has been built up over decades and is essential for ensuring public safety, energy security and the long-term durability of buildings and infrastructure.

For these reasons and others, Iceland has established a regulatory system for craftsmanship and skilled trades under national legislation, with the explicit aim of safeguarding quality, professional competence and comprehensive knowledge in construction and structural works. Given the country's small population and limited labour market, it is of importance that Iceland retains the ability to uphold and adapt this system in line with domestic needs and conditions.

### **Qualification Requirements in Small and Specialised Labour Markets**

Due to its small population and limited labour market, Iceland's system of education and professional qualifications has developed differently from that of larger countries. In Iceland, there are approximately 41 regulated craft and skilled trade professions, whereas in many parts of Europe there are more than 220 narrowly defined and segmented craft professions with more limited professional scopes. The Icelandic system therefore relies on broader and more comprehensive vocational education due to demand of broad expertise.

This approach reflects practical realities and serves an important purpose. Professionals in construction and related fields are often required to perform a wider range of tasks and to possess a broader set of competencies. Given the nature of these professions and the risks associated with inadequate qualifications, tailored regulatory frameworks are both justified and necessary. Any future legislative measures must therefore allow sufficient flexibility to account for broader qualification requirements and national education structures, particularly in small and sparsely populated countries such as Iceland.

### **Concluding Remarks**

Maintaining national competence requirements and qualification frameworks is not a matter of protectionism, but of ensuring safety, resilience and quality in an environment that differs significantly from that of most other European countries. Flexibility to take account of such specific circumstances is therefore essential, especially for small and geographically isolated states such as Iceland.

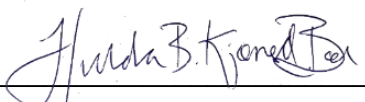
The Federation emphasises that competitiveness, safety and quality must remain core guiding principles in any future legislative initiative in this field. Furthermore, it is essential that any legislative acts be developed and implemented in close cooperation with national stakeholders. Meaningful involvement of social partners, industry associations and other relevant actors is a prerequisite for effective and proportionate regulation, particularly in



countries with specific geographic, climatic and structural conditions such as Iceland. Such cooperation will help ensure that new legislation is aligned with national circumstances and labour market practices.

Respectfully on behalf of:

Federation of Icelandic Industries



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