

The background of the entire page is a photograph of a construction site at sunset. Two workers are silhouetted against the bright orange and pink sky as they work on a steel framework. The building's glass facade is visible in the foreground and background, reflecting the light.

# ACCURACY

*talks*

# STRAIGHT

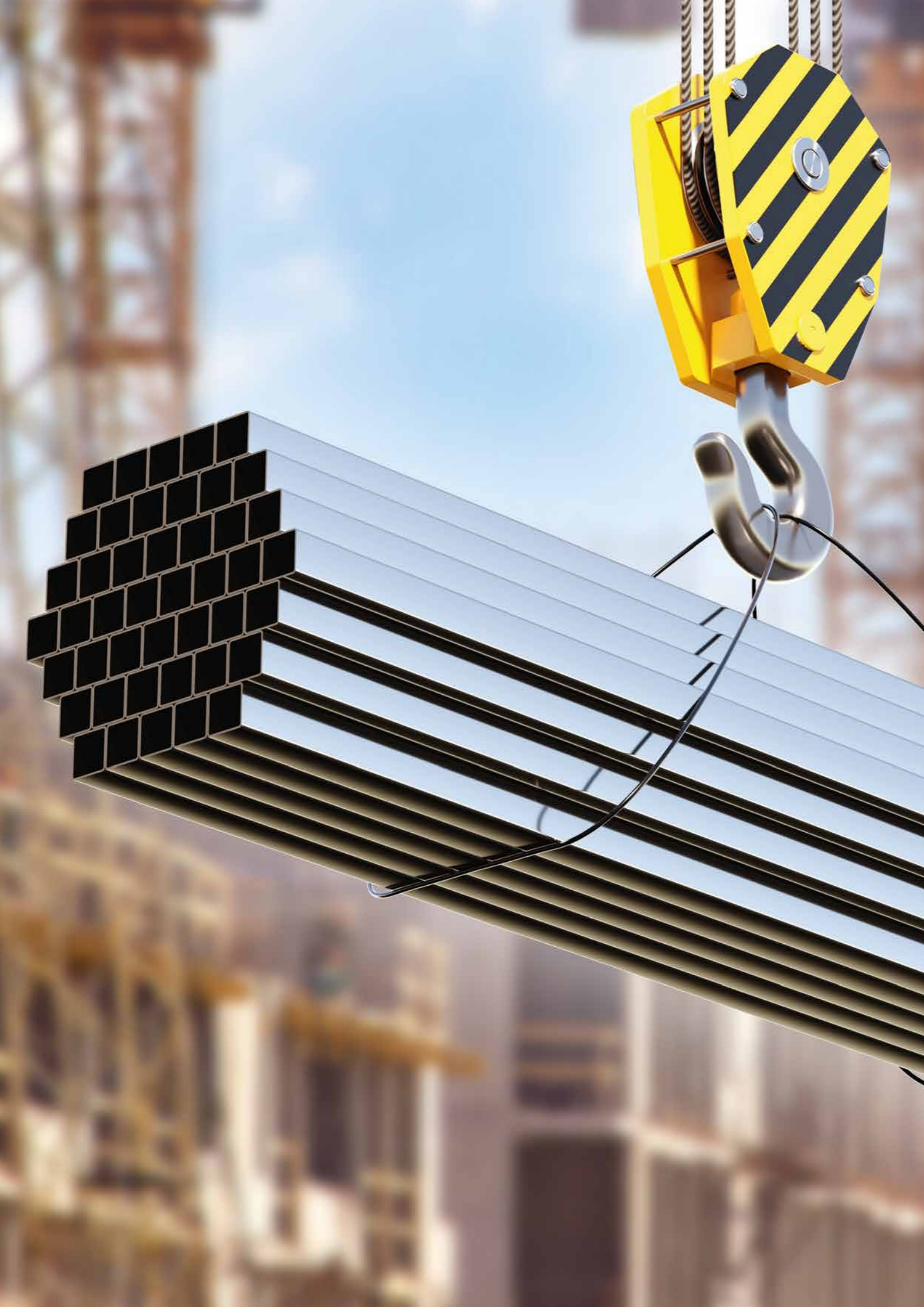
APRIL 2026

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# 1 POINT OF VIEW

## CONSTRUCTION, A REFLECTION OF CIVILISATIONS



Tanner Courrier  
Partner, Accuracy



Guillaume Rosaz  
Partner, Accuracy

**Since ancient times, construction has been one of the most enduring reflections of civilisations.** The pyramids of Egypt, Roman aqueducts and Gothic cathedrals are not merely technical feats; **they tell the story of an era – its beliefs, its social organization, its ability to project itself into the long term...** Through its buildings, each society leaves a tangible trace of its existence and its ambitions.

**Our era is no exception.** Today, construction is at the heart of profound economic, environmental and societal transformations. **As a cornerstone of value creation and employment on a global scale,** the sector is facing increasingly complex projects, pressure on resources and greater demands for cost, schedule and risk control.

**It also plays a central role in the transition to a low-carbon future.** The decarbonisation of materials, changes in construction methods, reuse, and above all the large-scale development of energy infrastructure and networks are reshaping the major projects of the coming decades across every continent. At the same time, **the industry must contend with structural challenges:** labour shortages, the attractiveness of its professions, digital transformation including the integration of artificial intelligence, regulatory changes and adaptation to the global economic and geopolitical context.

**One essential question remains:** what legacy will today's construction leave for future generations? **Perhaps they will look upon our energy infrastructure as the cathedrals of our time.** One thing is certain: **construction will continue to tell our story. It is up to us to ensure that it carries meaning and promise for the future.**



# START-UP STORIES GRAVIS ROBOTICS



Romain Proglie  
Partner, Accuracy

**Born out of the laboratories of ETH Zurich**, the Swiss start-up Gravis Robotics aims to modernise **one of the least automated sectors: construction**.

Founded in 2022, the company develops **autonomy solutions** for heavy construction machinery – **excavators, diggers, loaders** – with a **clear objective**: to boost productivity in an industry facing a chronic labour shortage and rising cost pressures.

**Unlike players developing entirely new machines**, Gravis Robotics has opted for a more pragmatic approach. Its technology takes the form of **modular autonomy kits** that can be integrated into existing equipment.

**THESE KITS  
ENABLE MACHINES  
TO OPERATE AUTONOMOUSLY  
OR VIA TELEOPERATION**

By combining artificial intelligence, environmental perception and advanced control systems, **these kits enable machines to operate autonomously or via teleoperation**, depending on task complexity and site constraints.

**The positioning is clearly industrial.**

The targeted use cases include repetitive, time-consuming operations such as earthmoving, trenching and grading, where automation could

deliver **productivity gains estimated at around 30%** while improving safety. For major construction groups, the goal is not to replace operators, but to **enhance overall efficiency** in the context of sustained pressure on skilled labour.

**Gravis Robotics reached a significant milestone at the end of 2025 with a 23 million dollar funding round** led by IQ Capital and Zacua Ventures. Holcim’s investment – through its venture fund Holcim MAQER Ventures – following a successful pilot project in the United Kingdom, sends a strong signal: **the technology is no longer confined to the laboratory and is now being deployed on real construction sites**.

The company now reports operations in several countries, notably in the United Kingdom and across Europe, with pilot projects running on active infrastructure sites.

Gravis recently won **the gold medal at the 2025 Global Construction Startup Competition**, selected from more than 500 applications.

**From an economic standpoint**, the company follows a hybrid model combining the sale of autonomy solutions, software licences and partnerships with equipment rental companies.

This strategy aims to lower adoption barriers in a sector historically cautious about technological disruption. By aligning with established players, Gravis hopes to accelerate the spread of its solutions without requiring heavy upfront investments from clients.

**Competition remains strong, however.** Several North American start-ups are exploring similar approaches, while major equipment manufacturers are watching these innovations closely.

Gravis Robotics’ main challenge now will be scaling up, demonstrating the robustness of its systems in unstructured environments and **converting industrial interest into recurring contracts**.

If it succeeds, the start-up could establish itself as **one of the key players in the automation of the construction sector**, a market still largely underexploited but strategic for the modernisation of infrastructure.

# 2 INDUSTRY INSIGHT

## THE US DUAL BOOM MEETS A CAPACITY GAP



Hansell Pasco  
Partner, Accracy

### America's historic infrastructure investment may not deliver historic results.

Historic capital mobilisation is colliding with bottlenecks in labour, power, materials, and permitting, reshaping timelines and strategies across the infrastructure sector.

### A NEW INDUSTRIAL AMBITION MEETS OLD CAPACITY LIMITS

The United States is committing more capital to infrastructure and industrial build-out than at any time since the post-war era. Post-pandemic federal programmes span the \$1.2 trillion **Infrastructure Investment and Jobs Act** (IIJA), clean-energy tax incentives under the **Inflation Reduction Act** (IRA) worth hundreds of billions, and \$50 billion in **CHIPS Act** funding for semiconductor fabrication and R&D. Yet these historic public sector appropriations have been outshone by **exceptional private-sector ambition**, exemplified by hundreds of billions in capex for data centres and AI-adjacent infrastructure.

As headline grabbing as these announcements are, **funding does not equal field execution**. Long before construction, projects must navigate obligations, design, procurement, permitting and interconnection. Once in the field, **execution capacity becomes the binding constraint**.

What distinguishes the current cycle is not only the scale of investment but the fact that public and private programmes are unfolding simultaneously and drawing on the same constrained pools of skilled labour, long-lead grid and industrial equipment, permitting and inspection resources, and, above all, power and interconnection.

**How will the industry adapt to these familiar but now crucial constraints?**





### THE DUAL BOOM IN THE NUMBERS: PUBLIC PROGRAMMES AND PRIVATE MEGAPROJECTS

The scale of what is underway is now clear. In recent earnings calls, the four largest hyperscalers - Amazon, Alphabet, Microsoft, and Meta - announced combined capex guidance of roughly \$625 – 665bn for 2026, up approximately 60% year-over-year. Roughly three quarters of that (around \$450 – 500bn) is directed specifically to AI infrastructure: GPUs, servers, networking equipment, and the data centres to house them. This single year spend rivals the GDP of medium-sized economies and exceeds any prior private-sector infrastructure buildout in modern history. **Not all of that spend hits US construction.** Hyperscaler capex breaks roughly into equipment (servers, GPUs, networking gear), land, site preparation and building construction (shell, power, cooling). Industry cost breakdowns, suggest that \$120 – 150bn of 2026 capex will translate into physical data centre construction globally, with the US accounting for roughly \$80 – 100bn.

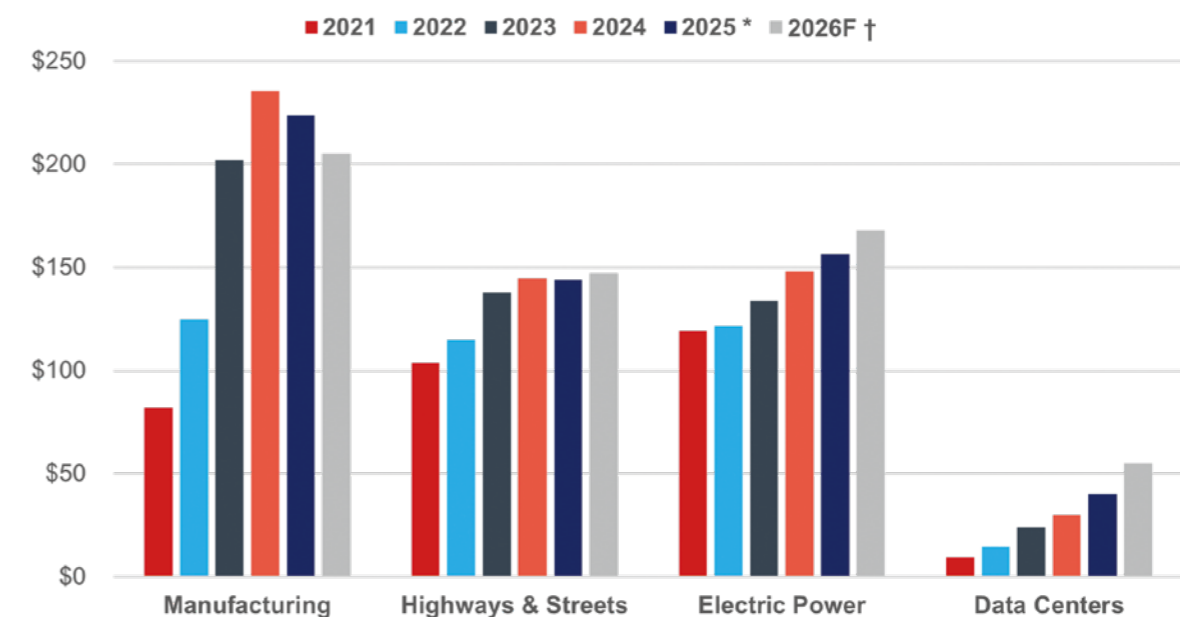
This aligns with project level intelligence. ConstructConnect reports that US data centre construction starts reached \$77bn in 2025, up from roughly \$15bn in 2023, with forecasts for 2026 in the \$80 – 100bn range, consistent with hyperscaler guidance and the multiyear buildout timelines for megacampuses announced in Texas, Virginia, Ohio, Louisiana, and Illinois.

IIJA, IRA and CHIPS have driven highway, transit, grid, and manufacturing spending well above pre-pandemic levels. US Census data show manufacturing construction rising from roughly \$76bn (seasonally adjusted annual rate) in 2020 to over \$200bn annually for the last four years. Highway and street construction has also increased materially under IIJA, and ENR reports that **major US owners' construction in progress climbed 9.3% from 2023 to 2024, to nearly \$596bn.**

**What sets this dual boom apart is the simultaneity and the nature of the demand.** Traditional public infrastructure — highways, bridges, transit — now competes for labour, permitting bandwidth, and structural steel with private megaprojects that also requires transformers, switchgear, high voltage electricians, and, above all, electrons. Just as the electrician wiring a data centre cannot, at the same time, pull cable on a light rail extension, a 345kV transformer

allocated to a semiconductor fab is not available for a utility's grid modernisation scheme. **A similar gating effect exists in the bureaucracies approving the energization of these projects.**

TOTAL CONSTRUCTION SPENDING IN THE US (SAAR) IN \$ BILLIONS

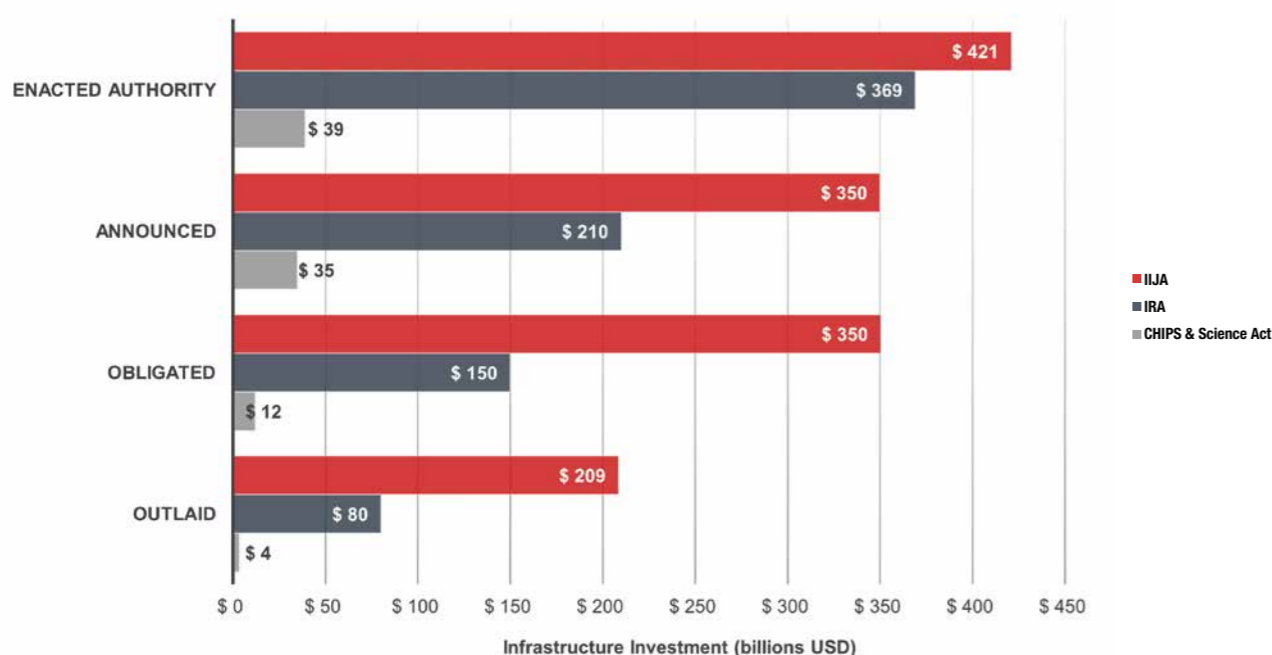


\* 2025: Jan–Oct from Census CPIP (actual); Nov–Dec estimated by projecting Oct SAAR trend  
 † 2026: Forecast based on SAAR trajectory + industry outlooks (AGC, AIA, JLL)

### FROM AUTHORISATION TO DIRT MOVING: THE SLOW CONVERSION FUNNEL

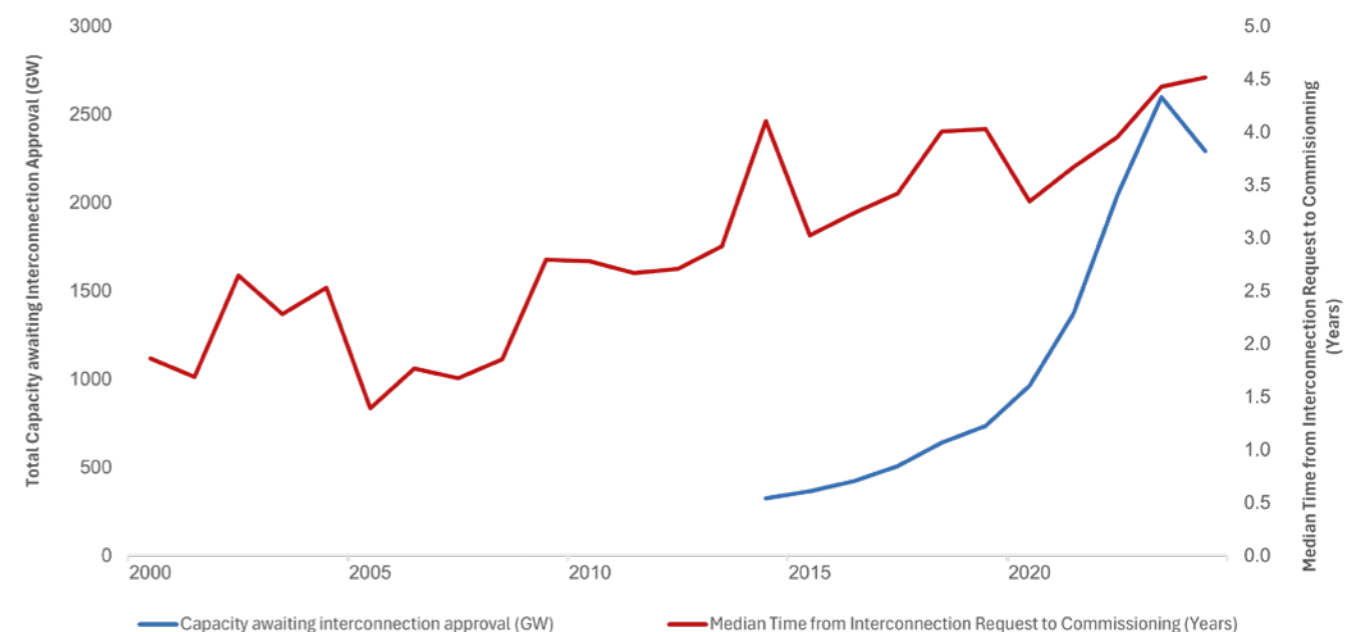
Even with unprecedented federal appropriations, **the path from funding to execution remains long**. IIJA and CHIPS programmes move through sequenced authorisation, obligation and award processes, while IRA support is primarily incentive-driven and realized ex post. Across all three, progress toward construction requires navigating finite labour bandwidth, procurement queues, environmental reviews, and grid interconnection procedures. **As of April 2025, the Department of Transportation had obligated roughly 59% of IIJA funding** and outlaid just over half, illustrating persistent lags even in well-established programmes.

FROM POLICY COMMITMENT TO PROJECT EXECUTION  
CONSTRUCTION RELEVANT FEDERAL FUNDING CONVERSION FUNNEL IN THE US: IIJA, CHIPS, AND IRA



**These delays are not merely administrative: they reflect binding constraints** in engineering resources, equipment availability, right-of-way and permitting throughput, and utility relocation. **The funnel is further compressed by the scale of concurrent private investment**. Hyperscalers now rival federal programmes in demand for hardware, materials, and specialised trades, intensifying competition for the same scarce inputs. As upstream bottlenecks bind, **even fully funded portfolios experience schedule deterioration**, underscoring that the dominant risk in this cycle lies not in access to capital but in system throughput.

USA: INTERCONNECTION QUEUE VOLUME AND DURATION  
SOURCE: LBNL "QUEUED UP" 2025 REPORT, DECEMBER 2025



### FOUR CRUCIAL BOTTLENECKS

#### Labour

**Shortages are most acute in skilled electricians**, commissioning technicians and specialised mechanical trades. **Bureau of Labor** Statistic data shows 292,000 construction job openings in November 2025, while the **Associated General Contractors of America (AGC)** reports 92% of contractors struggling to fill craft roles and 45% experiencing project delays tied to staffing gaps. Portfolio planning must assume **overlapping megaprojects drawing from the same labour market cannot be staffed concurrently**.

#### Long lead equipment

Large power transformers now carry average lead times of about 120 weeks, ranging up to 210 weeks for the biggest units. Distribution transformers have peaked at up to two years, and gas turbines show similar horizons. **These constraints increasingly dictate project sequencing**. In practice, procurement becomes the schedule driver, **sometimes requiring equipment orders to precede detailed design**.

#### Permitting, approvals, and inspection

**The Council on Environmental Quality (CEQ)** reports a median federal EIS timeline of about 2.2 years in 2024. Local approvals, inspections and interconnection reviews, however, continue to delay shovel ready projects. Throughput and staffing levels, more than statutory deadlines, determine progress. Recent federal workforce reductions have further limited review functions. Significant staffing cuts at EPA, DOT, and the Army Corps of Engineers in early 2025 reduced administrative bandwidth just as IIJA and IRA portfolios required peak processing. **The resulting backlog affects compliance, permitting, approvals and inspections, already strained by rising private-sector demand**.

#### Power and grid interconnection

**Interconnection queues held roughly 2,300 GW of capacity at the end of 2024**, with median timelines from queue entry to operation reaching five years. Data centres, which consumed about 4% of US electricity in 2023 and may reach 9% by 2030, are intensifying demand for grid upgrades. **FERC Order 2023 introduces important procedural reforms**, but near-term delivery remains constrained by equipment availability and review capacity.



## EXECUTIVE PLAYBOOK: HOW TO WIN WHEN CAPACITY BECOMES THE SCARCE RESOURCE

### Plan for scarcity overturning past assumptions

Executives should reassess portfolios based on realistic expectations for labour availability, equipment lead times, and interconnection timelines, and model downside scenarios accordingly. Tail risks - multiple concurrent bottlenecks compounding into cascading delays - must be weighted appropriately. **Past performance is no longer predictive in a capacity-constrained cycle.** Interconnection queue positions and utility postings should be treated as firm constraints, not aspirational milestones.

### Lock the critical path early

**Securing the critical path therefore means locking in power commitments,** transformer and switchgear orders, and key electrical and commissioning teams as early as possible. When long-lead items dominate timelines, **they effectively set the pace for the entire project.**

### Contract for volatility

Contracts should allocate material and equipment escalation risk appropriately. Clauses tied to interconnection timelines and equipment delivery dates support more predictable execution. AGC survey data indicate that delays from equipment and approvals are already pervasive.

### Build repeatable delivery

Standardized substation designs, modularized MEP components, and consistent commissioning processes reduce reliance on scarce specialist trades. FERC's 2023 readiness requirements favour well prepared, repetitive design packages.

## WHAT POLICYMAKERS CAN DO TO INCREASE SYSTEM THROUGHPUT

### Match administrative capacity to capital deployment

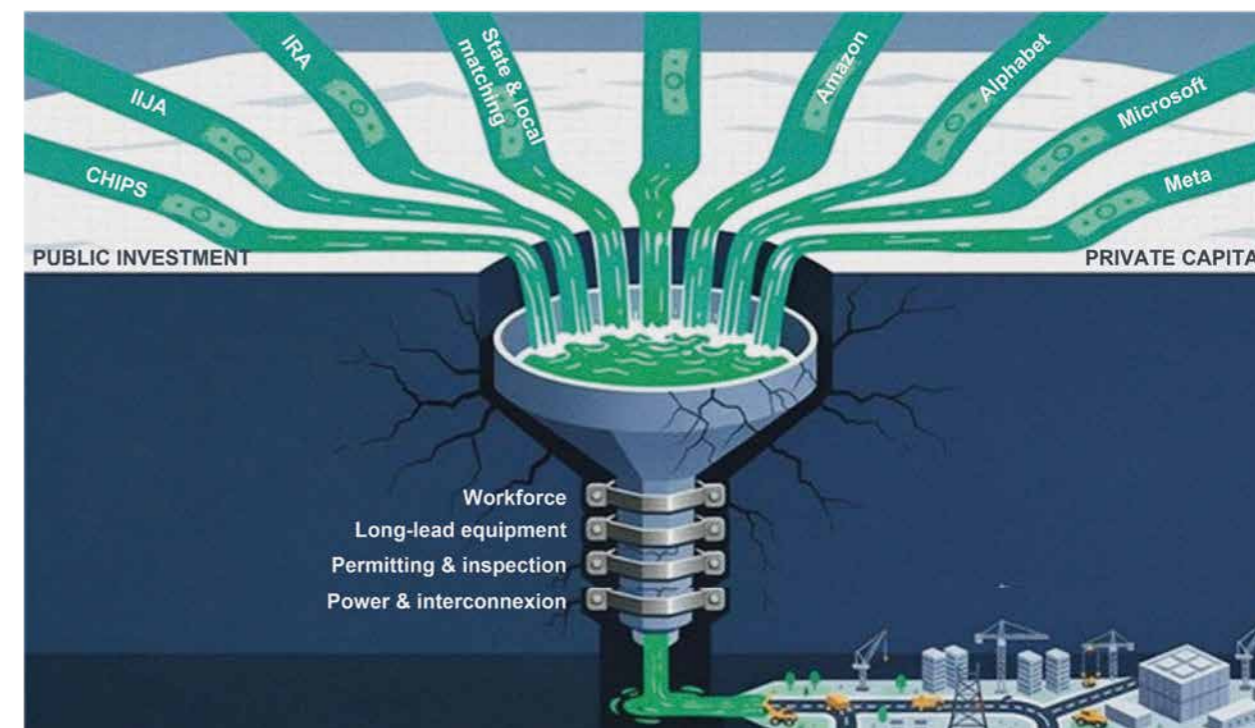
Federal EIS timelines have improved to a median of 2.2 years, but local permitting, inspection, and interconnection reviews remain bottlenecks. FERC Order 2023 reformed interconnection queue procedures to reduce speculative projects and accelerate study timelines, yet implementation requires corresponding investments in reviewer headcount, digital workflows, and enforceable service-level agreements. **Procedural reforms fail without the resources to execute them.**

### Align workforce and procurement policy to supply realities

Apprenticeships and credential portability in high-voltage electrical and commissioning trades address long-term skill gaps but do not solve near-term shortages. Similarly, Buy America Build America (BABA) domestic-content requirements support long-term manufacturing resilience but collide with current equipment supply constraints. When equipment lead times exceed two years and domestic production cannot meet demand, rigid enforcement delays projects that are otherwise ready to build. Pragmatic phasing of domestic-content rules and clearer guidance on IRA incentives can **reduce risk premiums and accelerate the conversion of obligations into actual outlays.**

## INTERNATIONAL PARTICIPATION: WHERE GLOBAL FIRMS CAN REALISTICALLY WIN

**Success in the US requires local execution capacity and domestic content compliance.** Grid equipment manufacturing, specialised trades, modular fabrication, and structured financing partnerships remain viable pathways. BABA rules and CHIPS Act guardrails shape procurement and supply-chain strategies, favouring firms that combine capital with local delivery capacity through joint ventures or acquisitions. **Global conditions reinforce these openings.** Similar constraints are emerging across Europe, the Gulf, and APAC, creating a broadly shared environment of scarcity. For international firms, this convergence means that entering the US market is less about escaping bottlenecks at home and more about bringing scalable delivery models that can operate under them.



## CONCLUSION: CAPACITY IS THE NEW SCARCITY

The scale of America's **dual infrastructure boom** is unprecedented. Yet the binding constraint has shifted from **capital availability to system throughput.** Federal obligations now outpace outlays not because appropriations have stalled, but because engineering bandwidth, long-lead procurement, and skilled labour pools cannot absorb the surge. In this environment, early certainty around power supply, equipment and expertise shapes project outcomes more than financing terms or legislative authorization. **Organizations that recognize execution capacity as the scarce input** - and adjust procurement, staffing, and schedule assumptions accordingly - will outperform those still relying on historical precedent. **Past eras of capital scarcity rewarded financial discipline. This era of capacity shortages rewards operational foresight.**

Sources : DOT/GAO, CEQ, LBNL, DOE/LBNL, FRED (Census), BLS, AGC/NCCER, Wood Mackenzie, NREL, FERC



# 4 CULTURAL CORNER

## DECONSTRUCTING CONSTRUCTION



Sophie Chassat  
Partner, Accuracy

**Building always begins with belief.** Belief in the solidity of materials, in the permanence of uses, in the stability of a world that we design to last. Yet the construction sector, the symbol of our mastery over space and time, is now being called upon to challenge not only its technical methods but also its cultural foundations. More than just a transition, **it is undergoing a process of deconstruction.**

**The first belief to falter is that of irreversibility.** For decades, building meant defining: forms, functions, flows. Climate urgency has brutally reminded us of the material weight of the built environment, with the construction and building sector accounting for nearly 34% of global CO<sub>2</sub> emissions and 32% of global energy consumption.<sup>1</sup>

**Building without considering the life cycle, reversibility or the eventual dismantling of a structure is no longer acceptable.** The future of construction is not merely a matter of standards. It requires a shift in perspective to one where buildings cease to be a result and instead become a stage in a process.

We must also **deconstruct the myth of linear progress driven by the logic of 'always more':** higher, faster, bigger. Architectural historian Sigfried Giedion noted that every technical revolution transforms the way we inhabit the world.<sup>2</sup>

**Today, this transformation is taking place under pressure,** with constraints on resources and shortages of skilled labour. More than simple efficiency gains, practices like BIM, prefabrication and off-site industrialisation are profoundly shifting the relationship between design, execution and responsibility.

The building site is becoming **a space for cognitive coordination** as much as for material assembly.

Finally, we must question the heroic imagery of the builder. Where monumental works were once celebrated, constructive sobriety is now required. This may sometimes be experienced as a loss, but it is likely to become a new source of value and meaning.

As the philosopher Bruno Latour writes, **it is no longer a question of 'modernising' the world, but of learning to 'land' in it.**<sup>3</sup>

Deconstructing construction does not mean weakening it: it means letting go of some certainties in order to better build the ways in which we live, move and interact. **The real building site may well be that of our own representations.**

<sup>1</sup> Global Status Report for Buildings and Construction 2024/2025, United Nations Environment Programme

<sup>2</sup> Space, Time and Architecture, Sigfried Giedion, Harvard University Press, 2009

<sup>3</sup> Où atterrir? Comment s'orienter en politique (Where to Land? How to Navigate Politics), Bruno Latour, Editions La Découverte, 2017



**ACADEMIC INSIGHT**  
WHAT'S WRONG WITH  
THE CONSTRUCTION INDUSTRY  
AND HOW CAN WE MAKE IT BETTER?

THE CASE FOR A SYSTEMIC COLLABORATIVE APPROACH



Dr. Roxana Vornicu  
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Managing Partner Sirbu&Vornicu Law, Bucharest Romania



In 2026, it is obvious that the world is changing at extraordinary speed. **Pandemics, wars, artificial intelligence and automation** are reshaping economies and societies. Our children will likely live in surroundings very different from ours. One would expect the construction industry, which builds the physical backbone of that world, to be evolving just as rapidly.

Yet when we look at how projects are still procured, how often they end in disputes, and how similar today's case law is to that of decades ago, **the conclusion is that our industry is lagging behind.** Risk is still pushed down the supply chain, price competition still dominates and **fragmentation is still present.**

So why is it that we do not innovate and change our industry? If we want different results, **we must rethink the architecture of delivery itself:** starting with a clear client strategy, followed by procurement processes that reward value rather than price, contracts that integrate rather than fragment, and management practices that incentivise collaborative behaviour across the project ecosystem, recognising that only integrated decision making can deliver both productivity gains and meaningful carbon reduction.

#### So, what is wrong with the construction industry?

Recent industry analyses suggest that the construction sector's worrying productivity stagnation, documented for more than a decade, is likely to continue unless the industry fundamentally rethinks how it operates. This stagnation is not accidental. It reflects deep structural features of the industry, including **fragmentation and adversarial approaches to contracts and projects, but also the limited transfer of lessons learnt from one project to another.** Research outputs by King's College London show that clients, designers, contractors and subcontractors operate in silos, often meeting only once the project has already been shaped by price competition rather than

strategy.<sup>1</sup> Early collaboration, when decisions about risk allocation, sequencing and innovation matter most is limited.

#### Can collaboration save the industry?

If fragmentation, lowest-price competition and defensive risk transfer are **structural features of the current system,** then the question naturally arises: can collaboration offer more than rhetoric — can it provide a different institutional architecture for delivery? It is precisely in response to these structural weaknesses that **the UK began to rethink procurement. It all started with reports commissioned and published as early as the 1990s** with the Latham and Egan reports being the

best known but it has become increasingly evident today, after the publication of **the Construction Playbook.**<sup>2</sup> The Playbook mandates moving away from adversarial tendering models, promoting long-term, outcome-focused relationships that align commercial interests and foster innovation. It contains **14 recommendations** including the promotion of long-term partnerships and collaborative models and is mandatory on a **comply or explain** basis. A similar instrument exists for the private sector, called Trust and productivity: The private sector construction playbook and published in November 2022. Complementing the Playbook, the 2021 Constructing the Gold Standard Frameworks Report, commissioned by the UK Cabinet Office and drafted by Professor David Mosey reinforces

the principle that long-term relationships between clients and suppliers are essential for achieving better value and sustainability in construction outcomes.

Together, these policy instruments indicate **that the UK government has gradually shifted** from a paradigm whereby value for money in the construction industry is delivered through competitive tension to a paradigm of collaboration and long-term partnerships

#### How do collaborative contracts work?

It is usually acknowledged that contracts can create and sustain a collaborative ethos in a construction project and that is exactly why collaborative construction contracts have become increasingly in the spotlight.

There is no universally accepted definition of partnering, alliance or collaborative contracts, but commentators often refer to the features identified by Latham. **He recommended that a collaborative contract should at least include the following features:**

- **Duties** of fairness, teamwork, mutual cooperation and shared financial motivation
- **Clearly defined** roles and duties in a fully integrated document
- **Contract** that is suitable for all projects and any procurement route
- **Drafting** in straightforward language
- **Agreed allocation** of risks for each project with changes priced in advance
- **Flexibility** as to payments with clear payment entitlements
- **Incentives** for exceptional performance
- **Mechanisms** for avoidance of conflict and speedy dispute resolution.

<sup>1</sup> White Paper: drafted by King's College London Centre of Construction law and Dispute Resolution in partnership with the Centre for Digitally Built Britain and the University of Cambridge on *Procurement Strategies for Incentivising Collaborative Delivery to Optimise Whole-Life Outcomes*. <https://www.cdbb.cam.ac.uk/news/press-release-supporting-industry-realise-benefits-collaborative-approach-procurement>

<sup>2</sup> <https://www.gov.uk/government/publications/the-construction-playbook>



These types of contracts have also sometimes been referred to as relational contracts.

This is a concept coined by American professors Macneil and Macaulay. Macneil explained that whilst discrete transactions focus on the original express agreement between the parties, more complex, long-term agreements require cooperation and flexibility.

**There are currently many standard form contracts that promise** and deliver that with PPC2000, the NEC4 Alliance contract and FAC-1 some examples and a soon to be published FIDIC collaborative form another.

But contracts alone will not deliver systemic change. Contract clauses need to be complemented by techniques and strategies that start with a client's strategy and develop into coherent KPI's and contractual incentives, in other words **we need to look at collaborative working as a system not a sequence of contractual obligations alone.**

Collaborative working has been defined as "a structured management approach to facilitate team-working across contractual boundaries".<sup>3</sup> It supports interactions between multiple team members, and the quality of those interactions is one of the deciding factors in ensuring the successful outcome of the project.<sup>4</sup>

Collaborative working can be established and maintained using procurement and contract systems which integrate the following principles:

- **Strategy** - developing the client's objectives and how consultants, contractors and specialists can meet them based on feedback
- **Membership** - identifying the firms that will need to be involved to ensure all necessary skills are developed and available
- **Equity** - ensuring everyone is rewarded for their work based on fair prices and fair profits
- **Integration** - improving the way the firms involved work together by using cooperation and building trust
- **Benchmarks** - setting measured targets that lead to continuous improvement in performance from project to project
- **Project Processes** - establishing standards and procedures that embody best practice based on process engineering
- **Feedback** - capturing lessons learned from projects to guide the development of strategy.<sup>5</sup>

**For this approach contracts are important,** but they must integrate and support other techniques such as Early Contractor Involvement (ECI), Early Supply Chain Involvement (ESI) and frameworks agreements (FAs) where demand is aggregated and lessons are transferred. ECI for instance, provides an opportunity for the client to obtain reasonably pricing and schedule information as the design is being developed and **entails a two staged approach** to contracts with Stage 1 including design development and construction planning, and Stage 2 being the period of detailed design and construction.

**Delivering change for tomorrow today**

It is clear therefore that a holistic approach is needed to solve these systemic issues.

**We have named this approach the 4Is of procurement,** a concept which refers to the need of **(i)** a clear Intention from clients and funders as regards the type of improved value they intend to achieve, **(ii)** Information, referring to an adequate procurement process with a focus on the exchange of information from client to contractors and supply chain and vice-versa, **(iii)** Integration via adequate collaborative contracts and clear mechanisms for joint decision making and **(iv)** Incentivisation via contract management techniques that help teams deliver as per their shared objectives and contribute to the transfer of lessons learnt.

The future of construction law is likely to include a move to **more collaborative contracts** both at project level and at framework level but it should also include a rewire of the system with **clients, consultants and legislators** all agreeing the need to change our contracts, our approaches to procurement and **the way we see, speak and collaborate to one another.**

**THE 4IS OF PROCUREMENT**

- Intention**  
Clarity from clients and funders on the value and outcomes they seek to achieve.
- Information**  
Structured and reciprocal exchange of information throughout the procurement process.
- Integration**  
Collaborative contracts and governance mechanisms enabling aligned roles and joint decision-making.
- Incentivisation**  
Commercial and management structures that reward shared objectives and continuous improvement.

<sup>3</sup> NEDO (1975), section 3.1, p. 25. The NEDO report went on to identify in particular "the client's role in establishing his own objectives; and in establishing a proper brief for the project and clear reporting arrangements and lines of communication to enable him adequately to monitor the overall progress of the project through the design and construction phases" NEDO (1975), 1975, Section 3.1, 25

<sup>4</sup> Peter B. Smith, Michael Harris Bond et Çiğdem Kaçitçibaşı, Understanding Social Psychology Across Cultures: Living and Working in a Changing World (Sage Publications, 2006), p. 144.

<sup>5</sup> John Bennett and Sarah Jayes, The Seven Pillars of Partnering: A Guide to Second Generation Partnering (Thomas Telford 1998). Other authors have referred to different principles which embody however the same ethos: alignment of interests, framing how issues would be resolved, integrated teams, fair allocation of risk and dismantle of unrealistic expectations. See Nick Saxton, 'Considerations for Collaborative Procurement and Contracting' (Russell McVeagh, 20 October 2022) <https://perma.cc/L40K-7QM7> accessed 04 November 2025.



# ECONOMIC POINT OF VIEW

WHEN BUILDING THRIVES,  
EVERYTHING THRIVES!



Hervé Gouletquer  
Senior Economic Adviser,  
Accuracy

**To construct or to build?** The two verbs seem interchangeable, yet their etymology reveals a subtle distinction. The former comes from the Latin *construere*, meaning 'to pile up in layers' – a notion that suggests order. The latter has its roots in Proto-Germanic languages: *bastijan* meant 'to mend' and, by extension, 'to patch up or assemble'. Its contemporary German descendant is *bauen*, and historically *Bauer* did mean both builder and farmer. **Perhaps, then, there is more ambition in constructing than in simply building.**

**Most economists would agree with this hierarchy.** In France, INSEE (the national statistics service) splits the construction sector into four branches: specialised construction trades (69% of added value in 2023; responsible for making structures functional), civil engineering (17%), building construction (8%) and property development (6%).

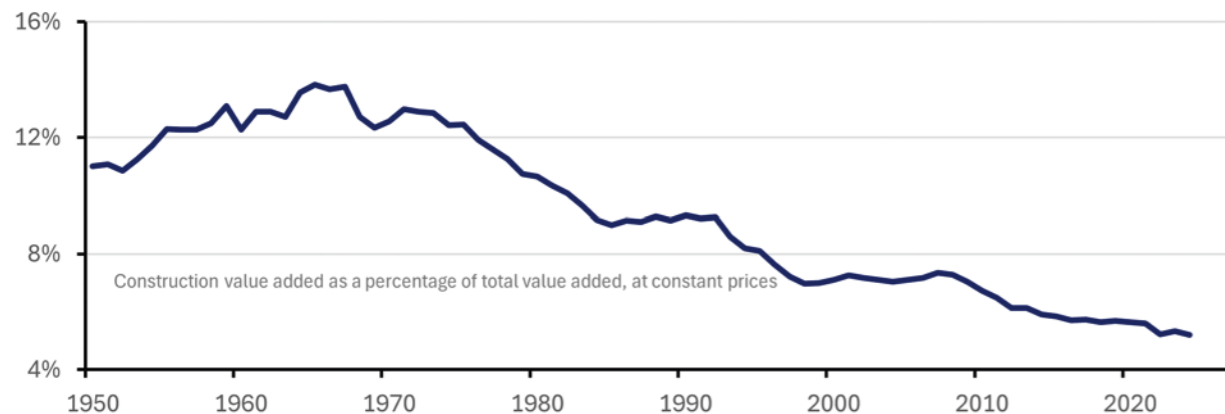
**With this in mind, perhaps in the famous French saying 'quand le bâtiment va bien, tout va bien' (when building thrives, everything thrives), the word 'bâtiment' should be changed to 'construction'?** Probably. But before considering whether this adage still holds true, it is worth looking at its origins, if only to note yet another layer of confusion. The quote is attributed to Martin Nadaud, a 19th-century stonemason who became a member of parliament and prefect, largely thanks to many years of diligent work during evening classes. According to Jean-Marc Daniel, emeritus professor at ESCP Business School, Nadaud's actual words were, 'Quand le bateau va bien, quand le bateau va loin, tout va bien' (when the boat goes well, when the boat goes far, everything goes well). It was Baron Haussmann who took up the idea and gave it the wording that has become popular today. Of course, in French, a bâtiment (building) can refer to a bateau (boat), just like it can be a house, a block of flats or a warehouse. Nevertheless, a shipyard wouldn't be included in the construction sector, even though we do talk of shipbuilding (and also naval architecture)!

**One observation is clear: the relevance of the proverb appears to have diminished over time. This is simply because construction's share of total value added has declined steadily over the last few decades.**

France provides a telling example. The sector accounted for 11% of total value added in 1950 and 13% in 1971 (its peak), before beginning a sharp decline to just over 5% today. In the same way as we speak of the deindustrialisation of France, perhaps we should also speak of its deconstruction. Undoubtedly – but there is a caveat. If we look not at value added but at production – that is to say, if we include the intermediate consumption necessary to generate output (as a reminder, value added = production – intermediate consumption) – the decline from the early 1970s until now is slightly less marked: the relative weight of construction falls from 14% to 7%.

This increase in intermediate consumption means that, over time, construction professionals have become more like assemblers of components produced by industry, representing a transfer of activity, albeit partial, from construction to manufacturing. **Even so, it must be acknowledged that construction has grown more slowly than the economy as a whole. And because of that relative sluggishness, overall economic momentum has been weaker, all else being equal. Is this enough to invalidate the proverb? Not entirely, for two reasons.**

**FRANCE: THE IMPORTANCE OF CONSTRUCTION IN THE ECONOMY HAS BEEN DECLINING FOR OVER 50 YEARS**

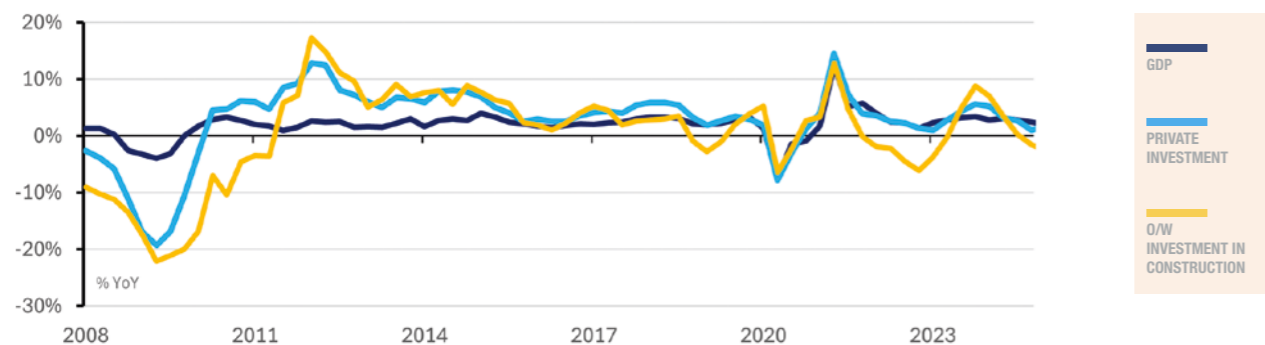


Source : INSEE, Accuracy

Firstly, the economy is not just about trends; it is also about momentum. This can strengthen or weaken, rise or fall. Such shifts, consisting of inflection points and reversals, shape the economic cycle. Almost all components of the economy play a part. Let's take prices, for instance: their rise can initially stimulate growth (buy today what will cost more tomorrow), then depress it (inflation first nibbles away at purchasing power before devouring it if it accelerates uncontrollably). **Households and businesses also adjust their demand behaviour. Greater confidence encourages forward-looking decisions, leading to investment in equipment, intangible assets and, yes, construction, while declining confidence produces the opposite effect.**

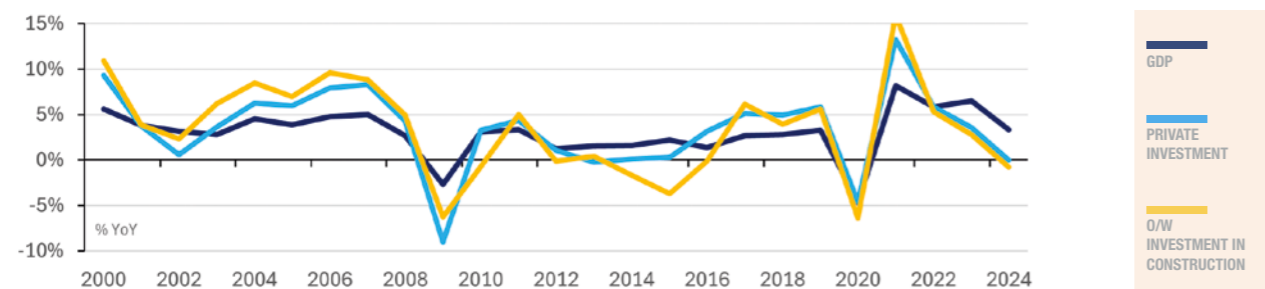
Finally, there is economic policy: monetary policy in particular, including interest rate management, which influences supply and capital-market conditions, which in turn shape investment choices. **Ultimately, the relationship between investment, particularly its construction component, and overall economic activity is both proven and persistent.** The United States and France illustrate this quite convincingly.

**UNITED-STATES: THE MAJOR ROLE OF INVESTMENT, PARTICULARLY IN CONSTRUCTION, IN SHAPING THE ECONOMIC GROWTH**



Source : US BEA, Accuracy

**FRANCE: THE OBSERVATION ON THE LINK BETWEEN INVESTMENT IN CONSTRUCTION AND ECONOMIC GROWTH IS SIMILAR**



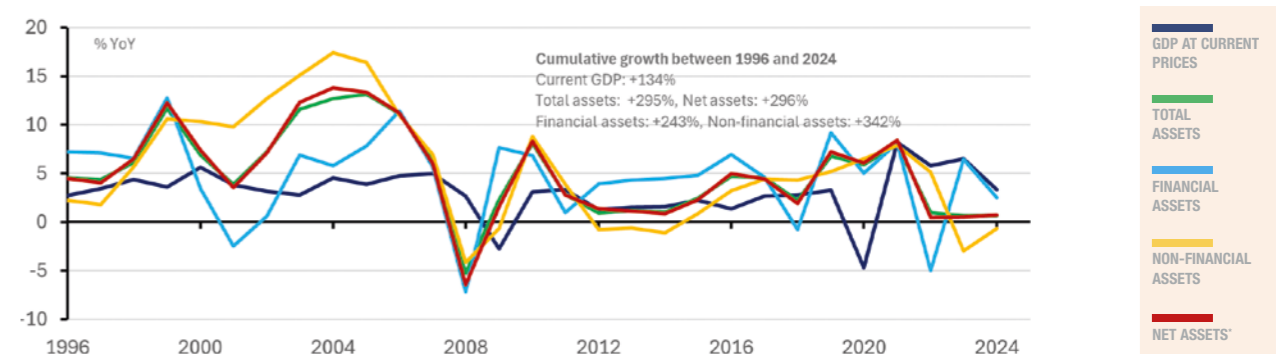
Source : INSEE, Accuracy

Secondly, the economy is not driven solely by flows. Stocks play an important role too, via the process of appreciation and depreciation. Economists refer to this as the wealth effect: households tend to spend more as their assets increase in value (and vice versa). In France, household wealth has risen faster than GDP. **Over the past 30 years or so (1996 – 2024), while nominal GDP grew by 134%, French households' assets increased at more than twice that pace.**

Their total value reached nearly €17 trillion in 2024, compared with a GDP of around €3 trillion. More specifically, three developments stand out:

- A 342% increase in non-financial assets (mainly construction – in fact, housing – and land), reaching €9.9 trillion in 2024
- A 243% increase in financial assets (to €7.0 trillion)
- After accounting for debt, net household wealth stood at €14.8 trillion in 2024, representing growth of 296% since 1996.

**FRANCE: HOUSEHOLD WEALTH GROWING FASTER THAN THE ECONOMY**

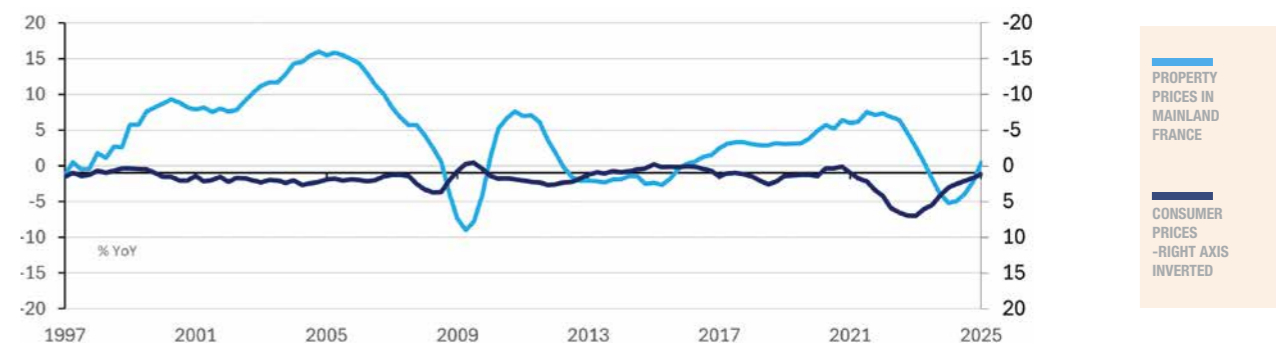


Source : INSEE, Accuracy

\* = Assets - Liabilities

This increase is primarily the result of two effects: one related to flows (saving efforts) and one related to prices. Between 1995 and 2023, the net financial wealth of French households more than tripled (x3.4), with flows contributing over 50% and price effects nearly 40%. For non-financial assets, this division of roles is more difficult to determine, but considering real estate alone, price effects appear predominant.

**PROPERTY PRICES IN FRANCE: BROADER TRENDS THAT ARE SOMEWHAT REVERSED COMPARED TO CONSUMER PRICES**



Sources : INSEE, BCE, Accuracy

Construction is therefore a major component of household – and national – wealth. Over the long term, its value tends to rise, enriching owners. While the link with changes in demand is neither direct nor linear, this wealth accumulation phenomenon acts as a sort of reserve that can be drawn upon in hard times.

From both a cyclical and structural perspective, we can reasonably defend the idea that 'when building thrives, things may not be so bad after all'!



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