

Question for written answer E-004147/2025
to the Commission
Rule 144
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Subject: Oligopoly in the award of public construction projects

A report by the Audit Service on the award of public construction projects to contractors in Cyprus has found an oligopoly. Specifically, out of EUR 2.5 billion in the period 2015-2024, three large companies took 40.8 % of the total. The largest is in a dominant position (with a 22.4 % share), which it may be exploiting abusively either against its competitors, actual and potential, or to the detriment of the state and the public interest, e.g. in prices, while agreed project completion times systematically overrun by 77 %. The company with the largest amount of project awards, a position it held for four consecutive years (2019–2023), is far ahead of the rest. If this were a sector which new companies could easily enter, this would be an example of successful and legitimate entrepreneurship. However, the construction sector for large projects is not easily accessible to other companies and this is a reason an oligopoly or dominant position has been created.

Given the legal framework on competition and since various public construction projects are financed by the EU, can the Commission say:

1. Which institution or authority could investigate the matter further?
2. Is it legitimate to provide for specific conditions for the award of large projects (e.g. only to companies that have already carried out high-value projects) or to systematically delay the completion of projects, and how can competition be improved?

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