

**CIF Response to Continuing Impact of
Oil Price Shocks on the Construction Industry**

10th April 2026

The construction industry is right in the eye of the storm as the Irish economy continues to be blighted by the ongoing impact of oil price shocks resulting from the Iranian conflict and its knock-on effects. In particular:

- Raw materials used in construction – cement, concrete, steel – are generated via fuel intensive processes. Costs have risen steeply in these raw materials in a matter of weeks (e.g. two major increases in cement prices equating to over 15%), exacerbating a situation where already 79% of members were concerned about raw material costs.
- Heavy plant and machinery used on construction sites depends on MGO fuel – green diesel – which has risen by over 50% since the start of the Iranian conflict.
- As a small, island economy, transport and logistics make up a significant component of all material costs, and we are already seeing price rises across all materials used by the industry.
- The fuel protests are beginning to have an impact on the supply of construction materials to sites given the blockade of ports and transport routes. We are hearing reports that the delivery of concrete to sites is being negatively impacted.

The CIF has taken a number of actions to ensure full understanding of the impact of the shocks on the industry and the need for Government to take action to control the costs of construction during this highly volatile period. This has included:

- Surveys across home builders and contractors to understand the full impact of the price increases.
- National print and media campaign where we highlighted the serious impact of the price shocks on the industry, and the need for Government to take action to control construction costs. This included national prime time interviews on RTE Drivetime, Morning Ireland and Newstalk Hard Shoulder, and coverage in the national press (Irish Times, Independent, Examiner and Business Post).
- Meetings with the Irish Concrete Federation (9th April) and the Building Materials Federation (scheduled for 14th April) to raise concerns about price increases in the construction industry supply chain, in particular the surprising immediacy of price change announcements following the Iranian attacks; to understand any future planned changes; and to stress the need for prices to be reduced downwards as soon as stability returns to the market.

- Raising our concerns at the highest levels of Government. We are writing to the Tanaiste/Minister of Finance outlining the Government action required (further detailed below); briefed the Taoiseach verbally on the issues at an event on 9th April; and are joining an emergency LEEF meeting on the energy crisis with the Taoiseach, Tanaiste, Minister for Public Expenditure and Minister for Enterprise and Trade on 17th April to demand action.
- Continuing to raise awareness of the serious challenges being faced by members, particularly across the regions, with a targeted regional media campaign which is stressing the need for immediate support.
- The CIF issued a series of member bulletins outlining the entitlement to cost increases associated with fuel, energy and materials under the PWC and to remind their employers of their obligations. The CIF also reminded members of the learning resources available to them on the CIF Contracting and Innovation Resource Hub.
- The CIF has been actively engaged with the Department of Public Expenditure and Reform and the Government Contracts Committee outlining concerns in relation to the operation of the PVC by contracting authorities and their PQS and the need for the CSO WPI Table 3 listing construction materials must be more reflective of contemporary technologies and materials used on site.
- Following the CIFs lobbying the CSO continues to ramp up its resources monitoring the CSO WPI with the expected appointment of a statistician, review of the listed materials in table 3 and what wholesalers should be engaged with.
- In light of the above, the CIF is preparing a survey for distribution in the coming weeks to collect members views on the list of materials on the CSO WPI Table 3 and what Wholesale Providers the CSO should be monitoring.

The CIF is also preparing a member information note, which will contain evidence of prices increases and a call for all clients to work with their contractors. This is be published after the 22nd of April when the latest CSO figures will be released and which are expected by the CSO and the GCCC to capture recent price spikes. While we have stressed that there is no risk to the delivery of critical housing and infrastructure projects, we have also emphasised that Government must do everything in its power to mitigate the significant rises in costs over the last few weeks. Our call to action includes:

1. Further reduction on excise duties on fuel, recognising the fact that over 50% of the pump price is returned to the Government via different forms of taxation
2. Recognition of the critical importance of reducing costs around construction critical MGO fuel. The changes announced by Government on 24th March reduced Mineral Oil Tax on auto/white diesel by 20 cent per litre against only 3 cent per litre for green diesel/MGO. More action must be taken to address costs in this critical MGO fuel which powers the construction industry
3. Removal of VAT on fuel, in line with the approach by Spain

4. Pausing any changes to carbon tax on fuel, materials and other construction costs that will add to the costs of delivering housing and infrastructure projects
5. Pausing the concrete levy as a temporary measure to mitigate existing cost challenges