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European consulting engineering market: profoundly affected by the COVID-19 pandemic

The latest *Industry Barometer* from the European Federation of Engineering Consultancy Associations (EFCA) shows that the business for the first half of 2020 is dropping on all fronts. The crisis impacts hiring policies, order stock, turnover and profitability alike. The currently largest challenge is the lack of projects.

Henrik, Garver, CEO of the Danish Association of Consulting Engineers and Chair of EFCA's Barometer task group commented the release of the latest EFCA Barometer, which shows biannual trends and expectations amongst European consulting engineers.

"European Consultancy Engineering markets struggle significantly in economic terms. Overall markets have decreased by 33 index points compared to the survey in autumn 2019. Difficult market conditions are reflected in staff hiring policies across Europe; and a negative value of the EFCA Employment Index of 82 points for the coming 6 months indicates possible lay-offs." says Mr Garver.

Order stock and turnover have also been strongly affected across Europe. The average order stock per full time equivalent staff member has dropped from 9.7 to 5.4 months, and the average turnover is at €112,283. The majority of respondents expects a further decline in the coming six months. Almost 80 percent of the turnover is generated within domestic markets, 45 percent in the public and 34 percent in the private sector. The largest challenge for the industry is the lack of projects, closely followed by the usual top challenges low fees and lack of qualified staff.

Mr Garver added that "Amid the COVID-19-crisis, late payments and political uncertainty have grown in importance. The COVID-19 crisis affects all countries in the EU, and it calls for a European response, in addition to the national measures that are taken. EFCA therefore welcome the initiatives taken by the European Commission, both regarding the European Green Deal and the more direct recovery initiatives such as the reinforced multiannual financial framework for 2021-2027 (MFF) and Next Generation EU."

EDITOR'S NOTE

The EFCA Barometer (spring 2020) is available from the website: www.efcanet.org.

EFCA has member associations in 28 countries, and is the sole European federation representing the business interests of professional engineering consultancy and related services, a sector that employs around one million staff in Europe – www.efcanet.org

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