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Consulting engineers' market expectations are positive for the next six months

According to the latest sector review from the European Federation of Engineering Consultancy Associations (EFCA) market conditions are stable or improving.

Anya De Bie, 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.

"In general," says Ms De Bie, "the sector is reflecting the growth of European economies, particularly the level of investment in gross fixed capital formation."

Market signals are positive: twelve out of 20 countries have seen an increase in the average order stock of the consulting engineering companies. As a result, turnover is also increasing. Eleven out of 20 countries expect the total turnover of the consulting engineering industry in their country to increase. Profitability is improving. The average EBITDA-ratio in Europe was 5.1% in 2016. Profitability is expected to improve or remain stable in 2017 and 2018 in all countries except Greece (2017) and Belgium (2018). Finally, there is an expectation that numbers of staff will increase in eight out of 20 countries. In conclusion, activity in the consulting engineering industry in Europe is stable and improving. The market is good or very good in 12 out of 20 countries. Only Greece is expected to face continued difficulties.

Ms De Bie added that "The main challenges facing European consulting engineers are low fees and lack of qualified staff. Moreover, political uncertainty is affecting the market, because some factors are not predictable such as the Brexit-related uncertainty, self-proclaimed independence of Catalonia, the geopolitical tensions and security threats in Europe."

EDITOR'S NOTE

The EFCA Barometer (autumn 2017) is available from the website: www.efcanet.org.

EFCA has member associations in 26 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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