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European consulting engineering market: COVID-19 pandemic continues to hold the industry in its grip

The latest *Industry Barometer* from the European Federation of Engineering Consultancy Associations (EFCA) shows that the crisis has impacted hiring policies, order stock, turnover and profitability alike. The currently largest challenge for the consultancy and engineering industry in Europe, is the lack of projects.

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

"During the summer months, there were signs of improvement and economic rebound. Markets bounced back by 7.6 percentage points and order stocks per full time employee have risen by 2.7 months. Thus, the current state of the European Markets is showing improvements since the spring of 2020, with the majority of markets now being stable, two markets are good, and the remaining markets are either weak or very weak." says Mr Garver.

However, the renewed grip of the pandemic has led to raising concerns about the continuation of the economic rebound. Employment has dropped significantly with no immediate expectations for recovery. Turnover has been reduced in a majority of countries and the current turnover per employee is €101,808.

Mr Garver added that "Lack of projects is still the most salient concern for the European consultancy and engineering industry. Late payments and political uncertainty have gained in importance compared to previous surveys. Profitability for 2019 was an average of 5.4 percent, compared to 5.6 percent in 2018. For 2020 profitability is expected to decline in nine of 17 participating countries, and remain unchanged in the rest."

The COVID-19 crisis affects all countries in the EU, and it calls for both national economic policy responses and European support measures. EFCA therefore welcome the European Green Deal and the EU's digital strategy in recovering from the coronavirus crisis and building a more resilient, sustainable and prosperous Europe."

EDITOR'S NOTE

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

EFCA has member associations in 29 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. EFCA, Avenue des Arts 3-5, B-1210 Brussels, Belgium - Tel: +32 209 07 70, Email: efca@efca.be , www.efcanet.org