

# EFCA Barometer Autumn 2013

*The state of the European consulting engineering sector*

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EFCA Barometer Task Group

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## 1. Introduction

After some trials, the Barometer Task Group has finalised the survey and the tools to collect information on turnover, staff and order stock from European consulting engineers, through the member associations of EFCA.

Data is collected either through research by individual member associations or through a multilingual survey tool, made available by EFCA, that provides member associations and EFCA with elementary information on the state of business in their respective countries. Based on this information, the Task Group produced this report, which gives an overview of the consulting engineering sector in Europe, detailing developments over the past 6 months and the expected trends for the coming half year.

## 2. Respondents

The following member associations (17) responded to the 2013 survey:

Belgium	ORI
Bulgaria	BACEA*
Czech Republic	CACE
Denmark	FRI
Finland	SKOL
France	SYNTEC
Ireland	ACEI
Italy	OICE
Luxembourg	OAI
Montenegro	ACEM
Netherlands	NL ENGINEERS
Norway	RIF
Portugal	APPC
Slovenia	NACES
Spain	TECNIBERIA
Sweden	STD
Turkey	ATCEA

\*For Bulgaria was the sample of firms not sufficient to be conclusive.

### 3. Survey results

#### 3.1 The general picture

The EFCA Barometer focuses on three main topics: turnover, employment and market volume. General results from the survey:

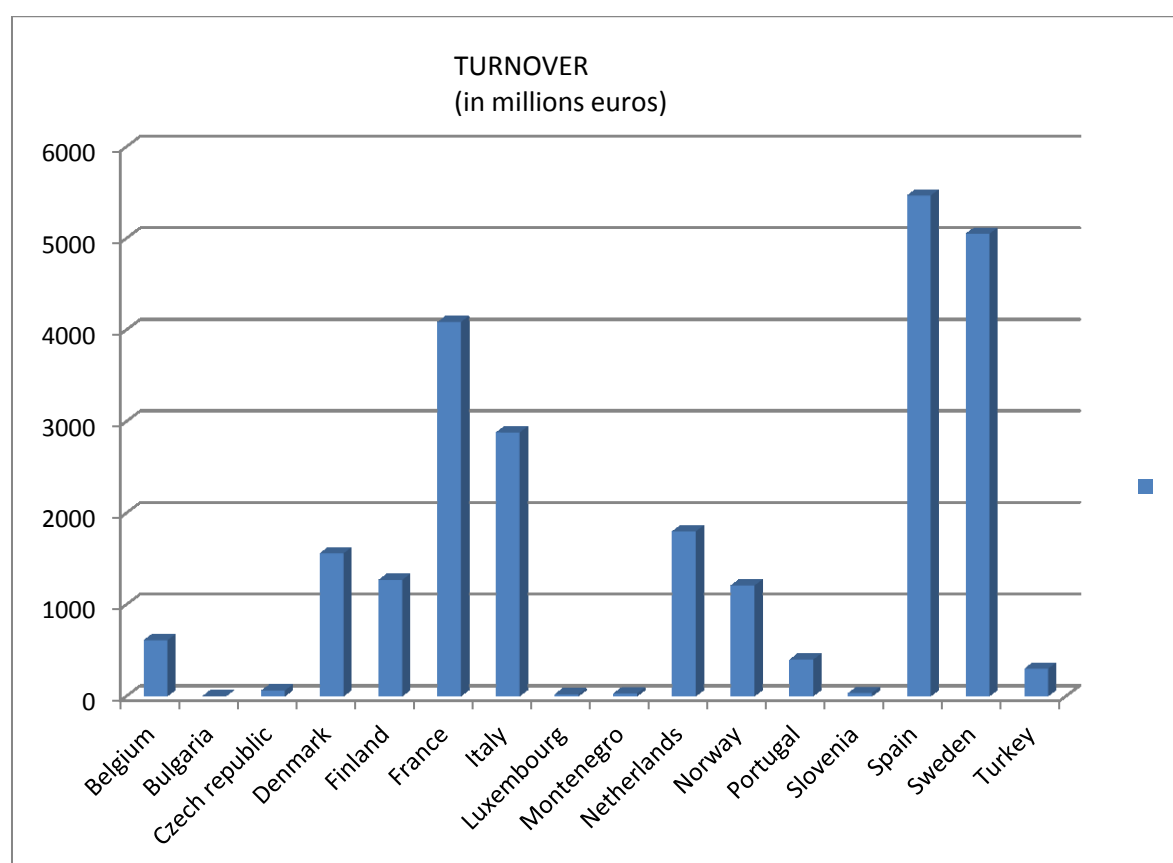
Total turnover: 7039 Million €

- Average industry profit ratio (EBITDA) for 2012: 5.9%
- Average % of turnover from private sector: 57.93%
- Average % of turnover from public sector: 38.46%
- Average % of turnover from exports: 8.45%
- Total number of staff: 124,427 FTE
- Average order stock in months: 11.26 months

#### 3.2 Turnover

##### 3.2.1 Total turnover

The total turnover of all the 17 (\*) participating associations is 7,039 Million Euros.

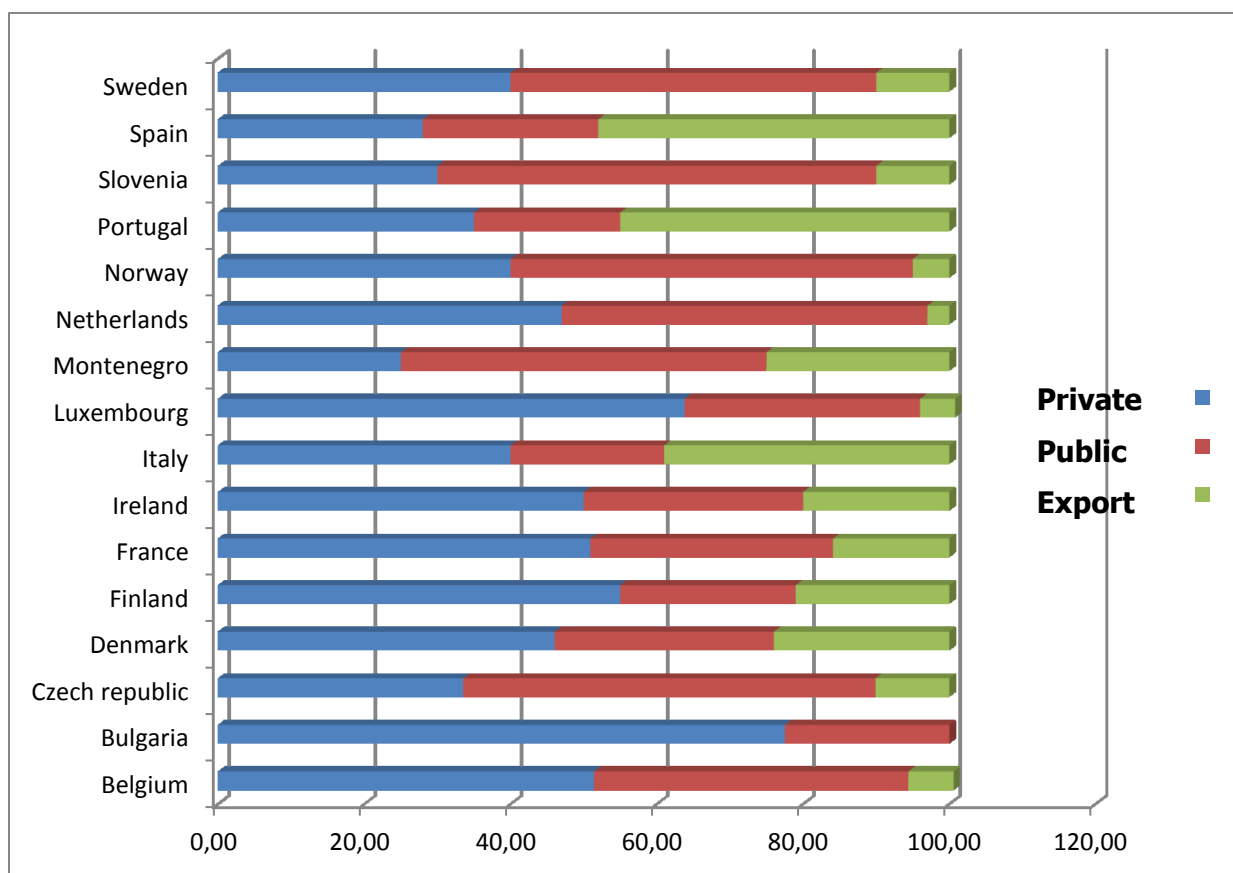


\* We received no data from Ireland.

<b>Country</b>	<b>Turnover (million €)</b>
Belgium	611
Bulgaria	1
Czech republic	62
Denmark	1,560
Finland	1,270
France	4,076
Italy	2,880
Luxembourg	20
Montenegro	30
Netherlands	1,800
Norway	1,209
Portugal	400
Slovenia	35
Spain	5,468
Sweden	5,050
Turkey	300

### 3.2.2 Origin of turnover

On average, 57.9% of the turnover in Europe comes from the private sector. The remaining turnover results from the public sector (38.5%) and from export (8.45%). For Spain and Portugal, the export is crucial for turnover, with respectively 48% and 45% of all turnover coming from export.

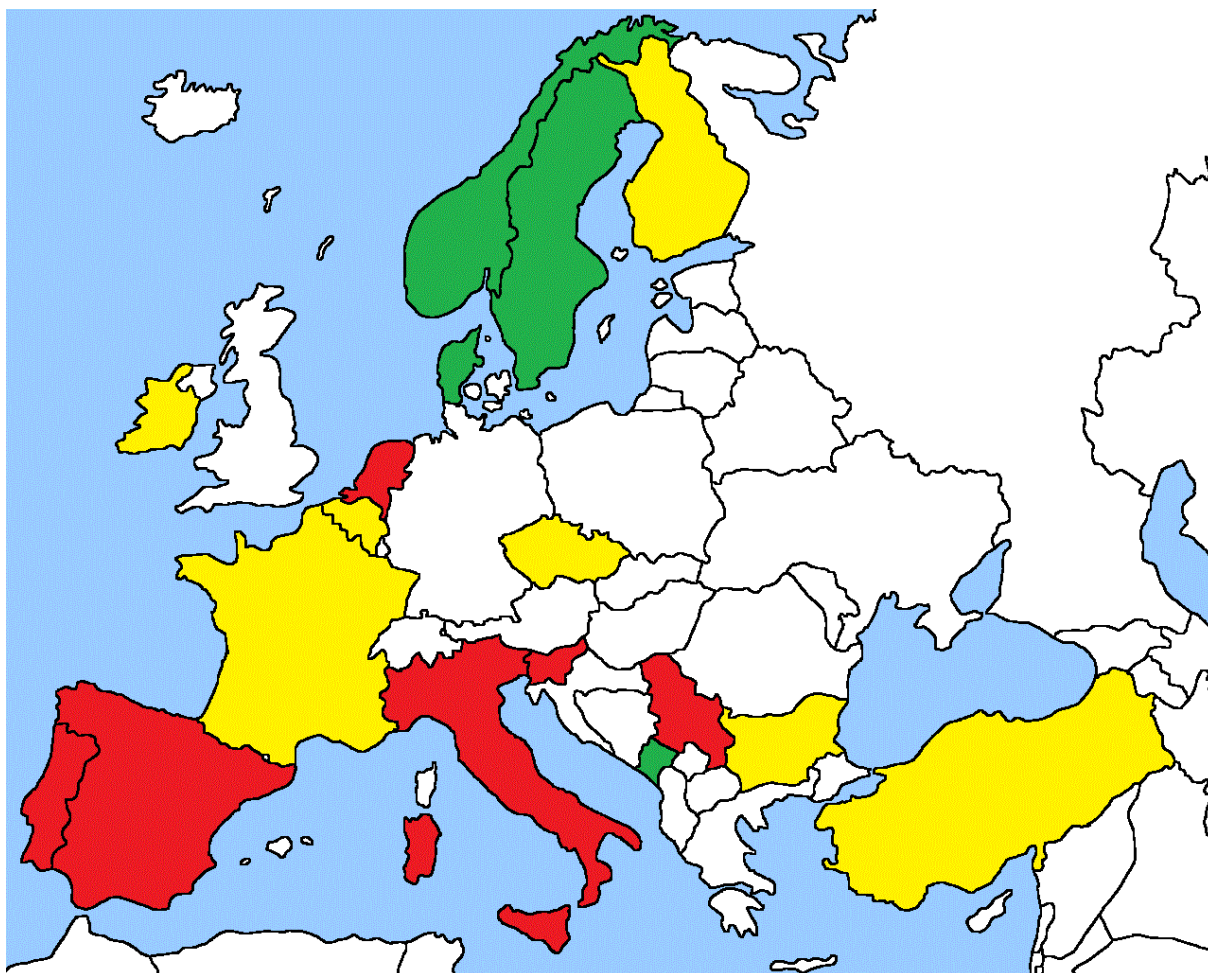


We received no data form Turkey

### 3.2.3 Developments in turnover

Looking at the trend of the total turnover during the past six months. We can conclude that the turnover is decreasing. For 46% of all participating countries, the general trend in turnover has been a decline. Only 23% of all countries report an increase and 31% report a status quo in turnover development.

### Turnover past six months



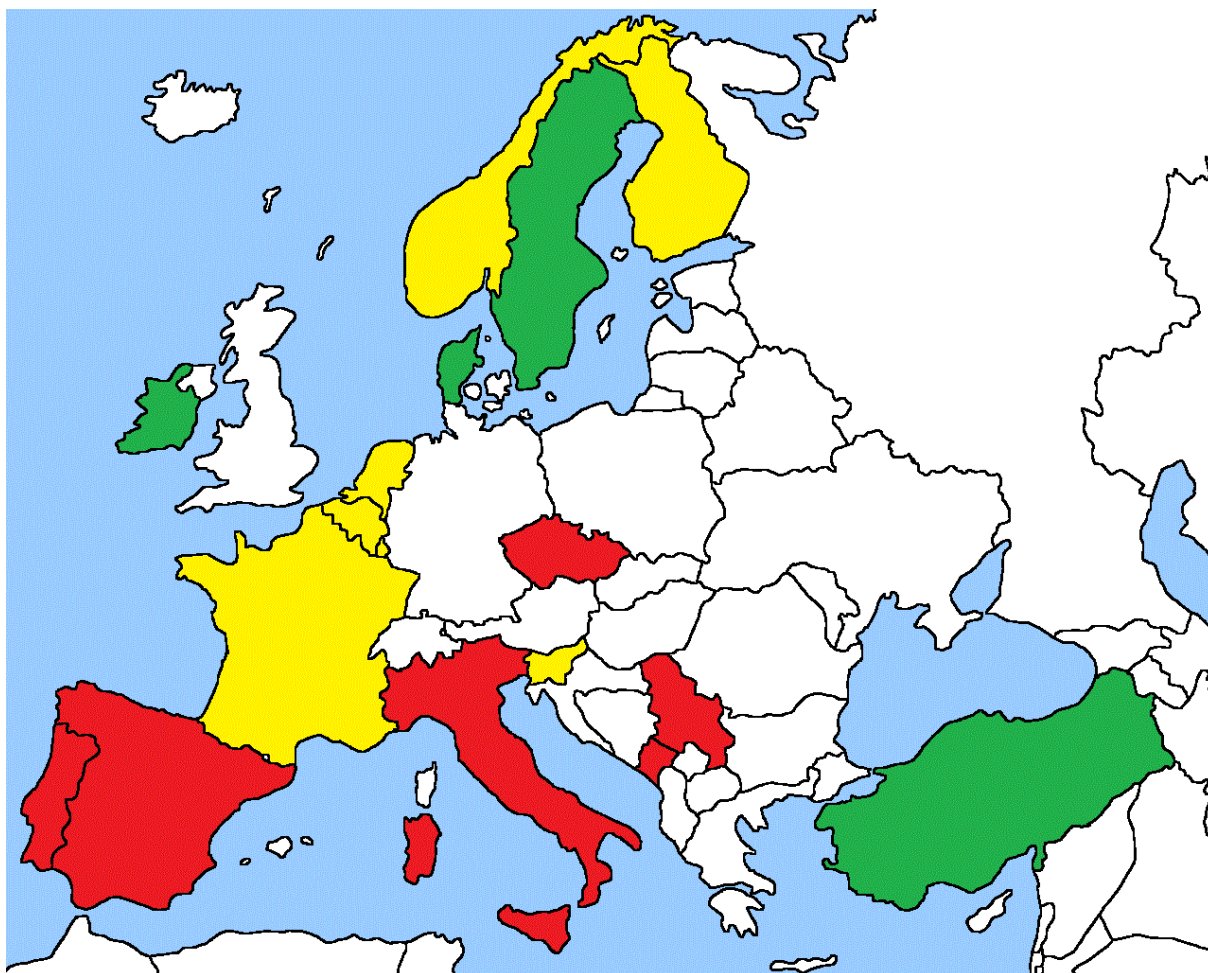
increased (green), has been stable (yellow) and decreased (red).

In 2012 over half of the respondents stated that the turnover in their national sector was in status quo. Now, in November 2013, over 46% of the respondents indicated the turnover in their national sector was in a decline.

#### 3.2.4 Expected developments in turnover

Respondents were asked about the expected development in their turnover for the next six months. 31% of the associations expect the turnover in their country to stabilize. 31% expect that the turnover will increase. 38% expect the turnover to decrease in the upcoming half year. Thus, the general trend is that the sector has now overcome the worst parts of the current economic crisis and started treading the slow path to recovery.

### Expected turnover next six months



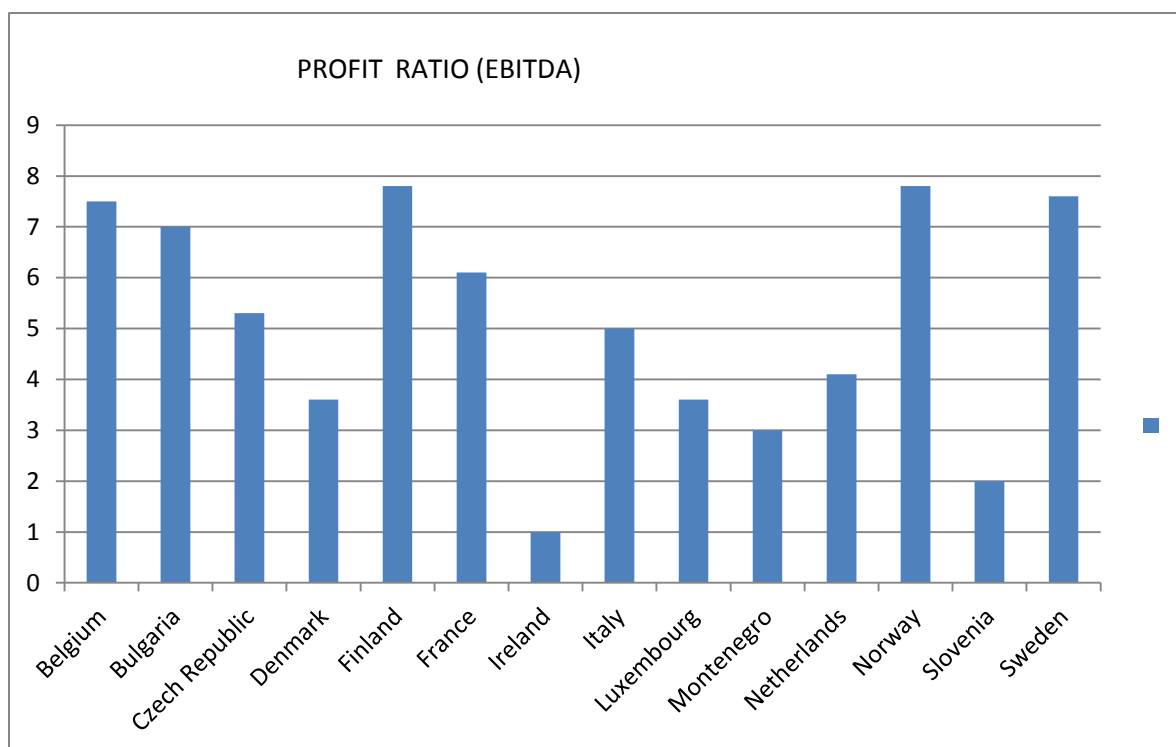
increased (green), has been stable (yellow) and decreased (red).

### 3.2.5 Profit

Once a year, we ask the member associations for the average profit ratio in their country. Profit ratio is defined as EBITDA: earnings before interest, taxes, depreciation, and amortization. On average, the European profit ratio is 5.9 % of the total turnover.

Per country, the results widely differ. Finland has highest profit ratio, with an average of 7.8%. The lowest profit ratio is generated in Ireland, where the profit is 1% of the turnover, on average. \*





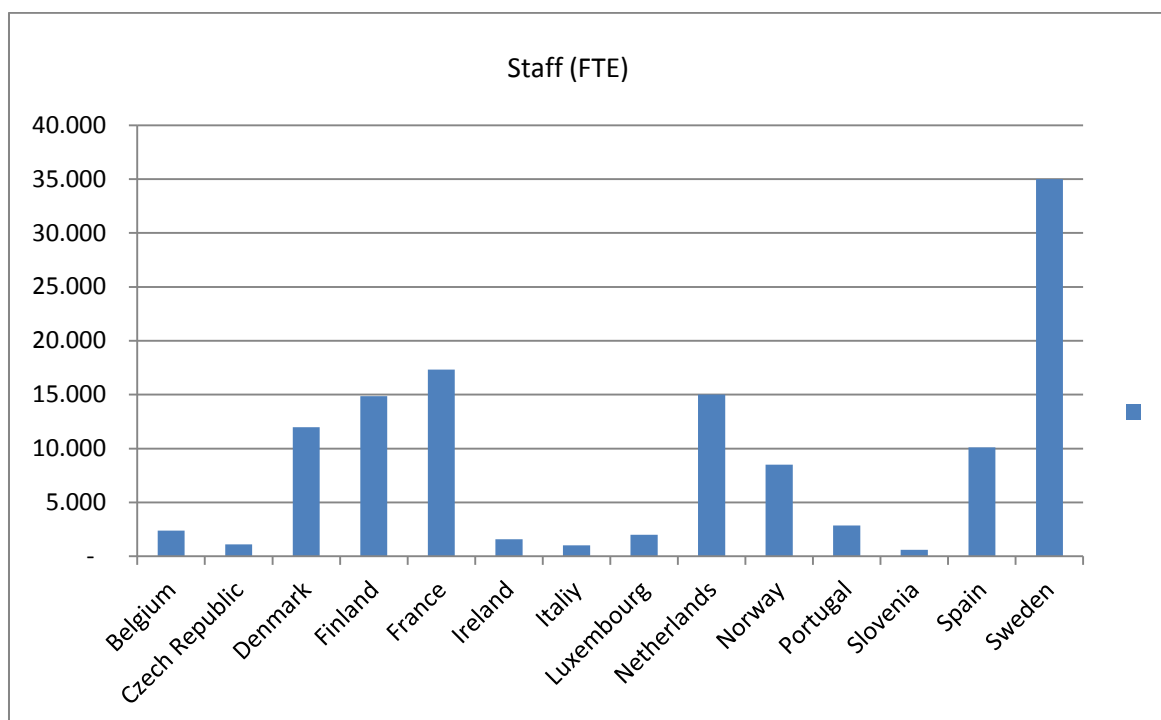
\*We received no data from Portugal, Slovenia, Spain and Turkey.

### 3.3 Employment

#### 3.3.1 Staff volume

In total, the participating associations represent 124,517 full-time employees.

Per country, the associations (\*) reported that their members employ the following number of personnel:

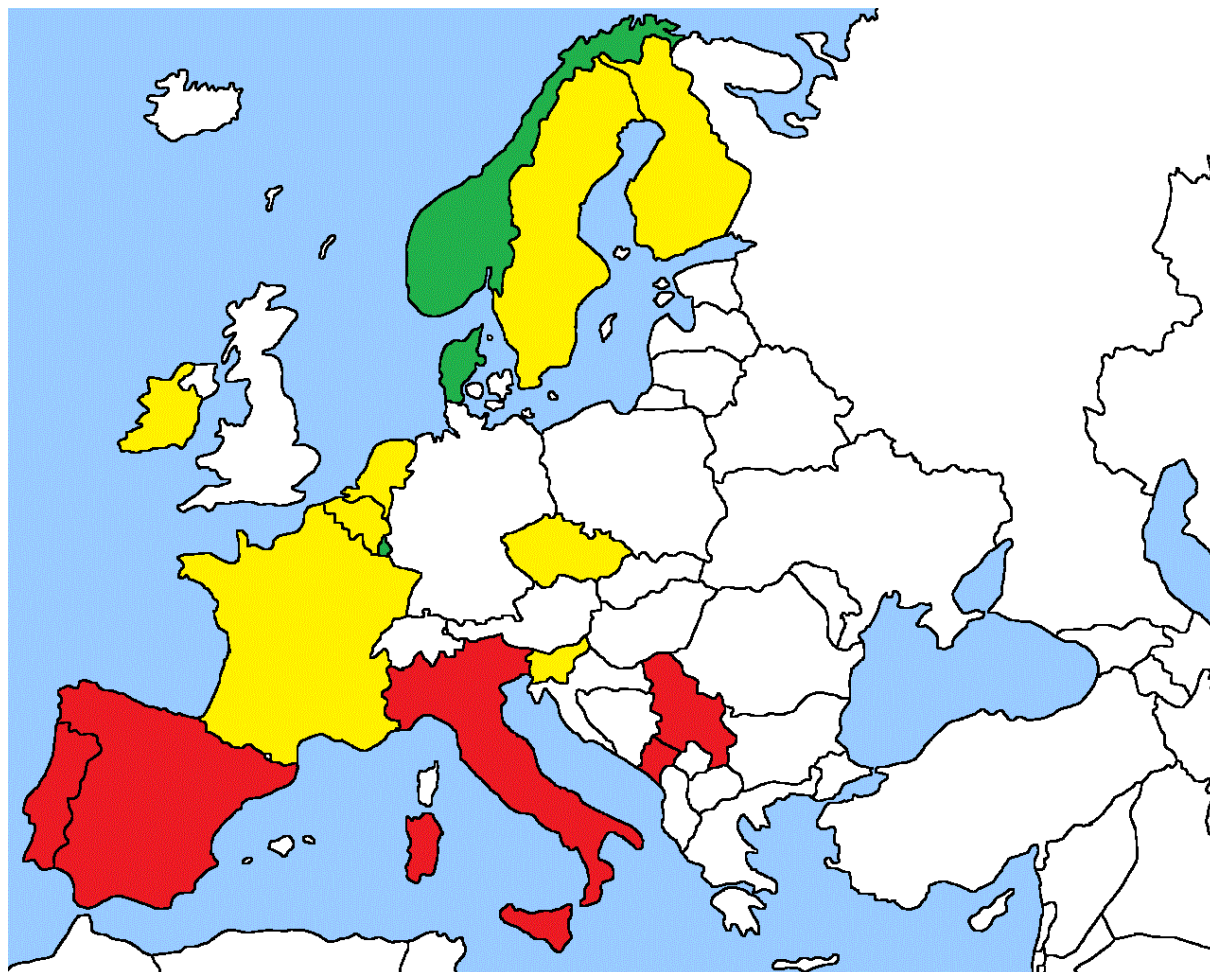


\* We received no data from Bulgaria, Montenegro and Turkey

### 3.3.2 Developments in staff

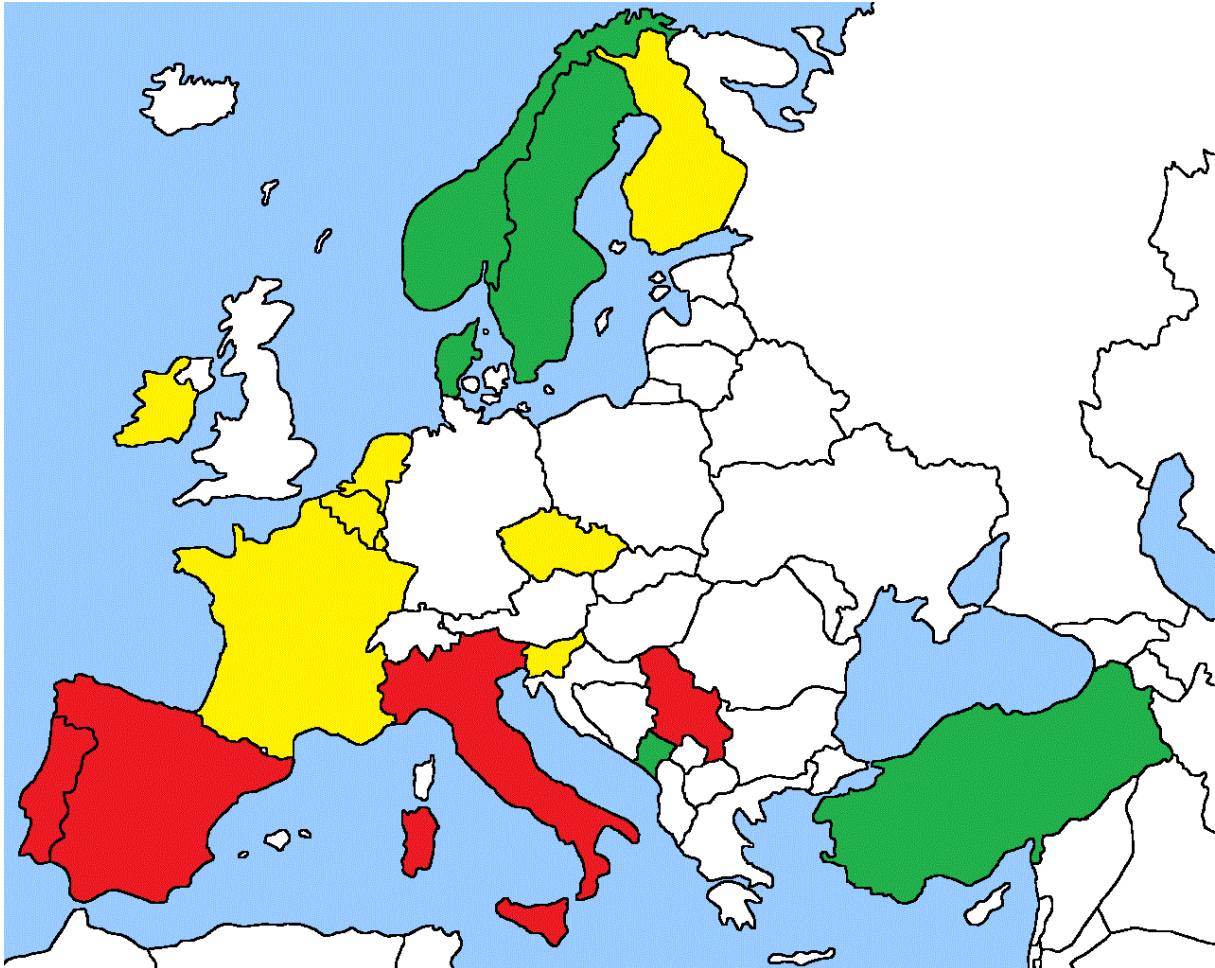
The trend in employment varies among the European countries. The largest group (41%) indicates that the number of Full Time Employees (FTE) has been stable over the past six months. Among the rest of the countries, 41% has seen a decline in staff employed in member firms, whereas 16% has seen an increase in the number of FTE (Full Time Employees).

In the map below, you will see an indication of where employment has increased (green), has been stable (yellow) and decreased (red).



### 3.3.3 Expected developments in staff

38% of all associations expect the development in staff to stabilize in the next six months. 31% are expecting to see an increase in total employment; the remaining 31% is counting on a decline in employment.



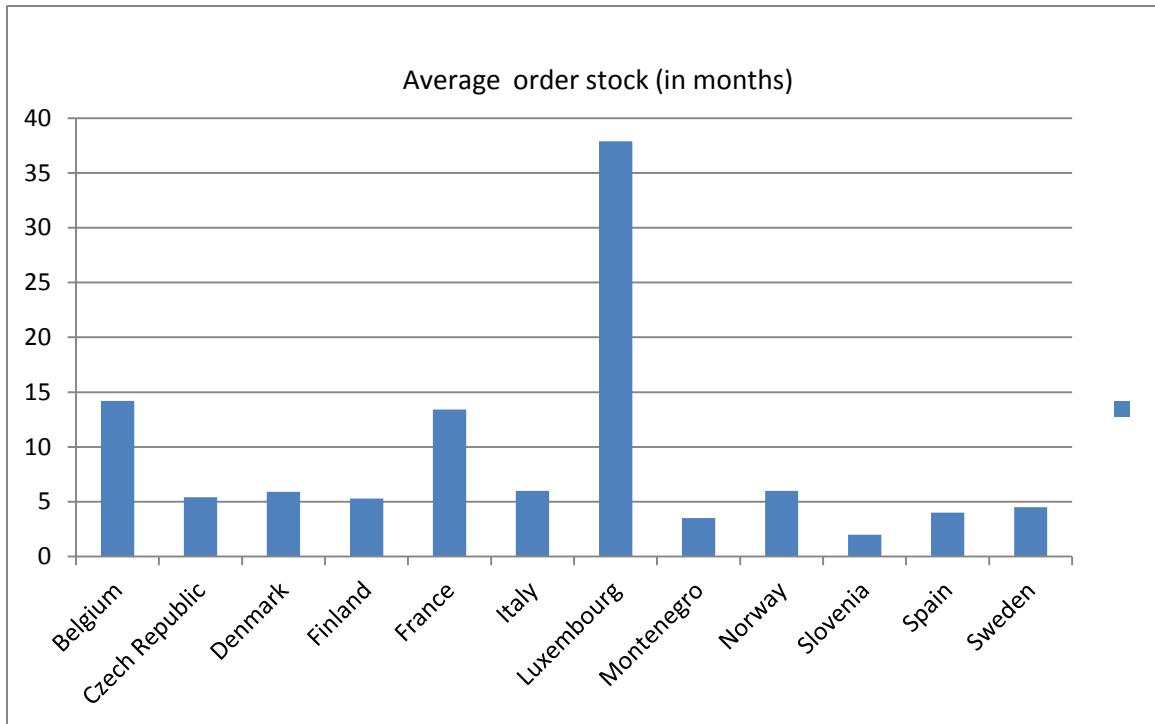
increased (green), has been stable (yellow) and decreased (red).

## 3.4 Market

### 3.4.1 Average order stock

On average, the order stock (i.e. the amount of work the consulting engineers have 'in stock') in Europe is 11.2 months.

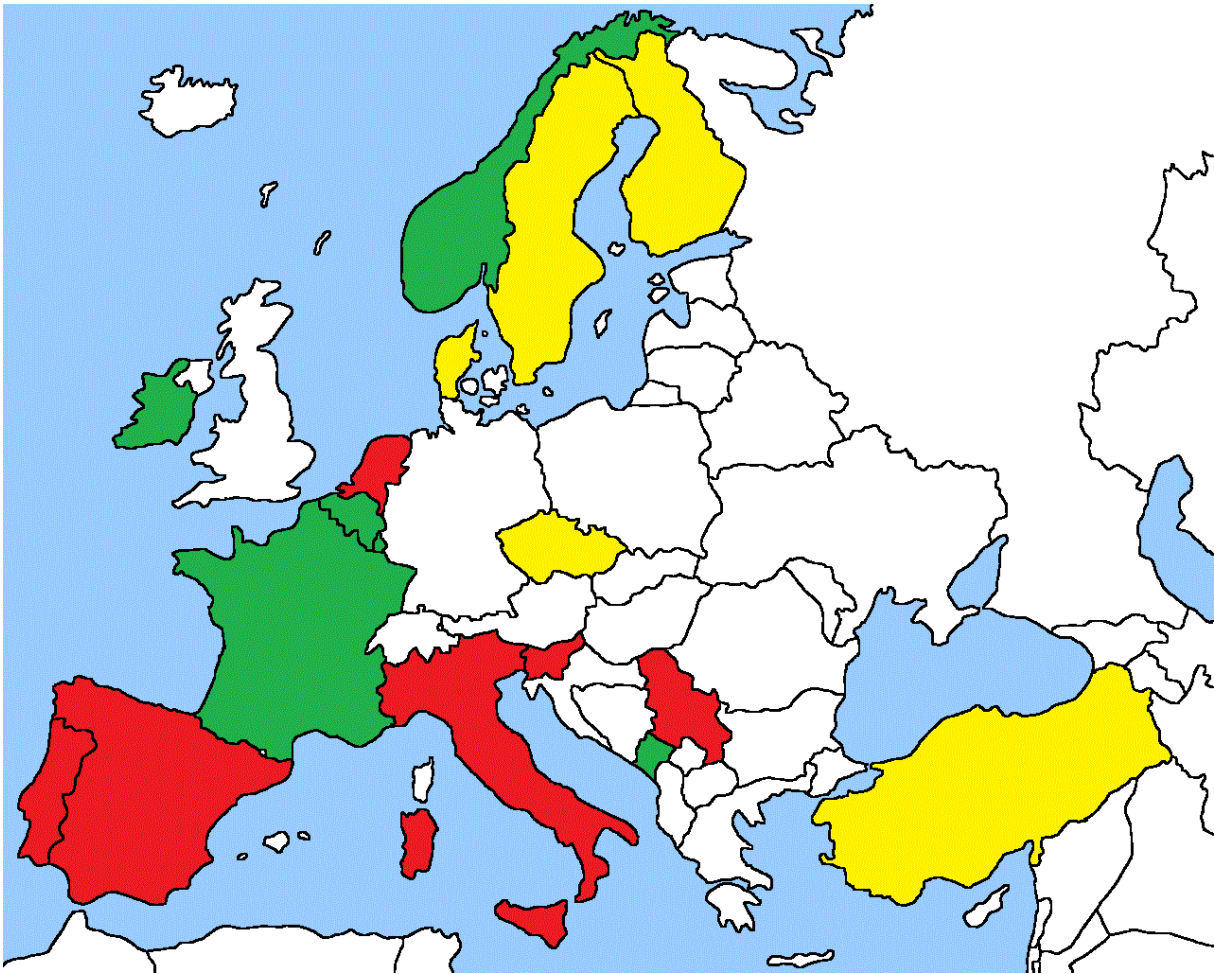
The average order stock varies greatly among the countries that participated in this survey (\*). For instance, consulting engineers in Luxemburg have, on average, by far the highest order stock 38.9 months. However, in Slovenia many consulting engineers have almost no orders waiting at all.



\* We received no data from Bulgaria, Finland, Ireland, Portugal and Turkey

### 3.4.2 Development in order stock

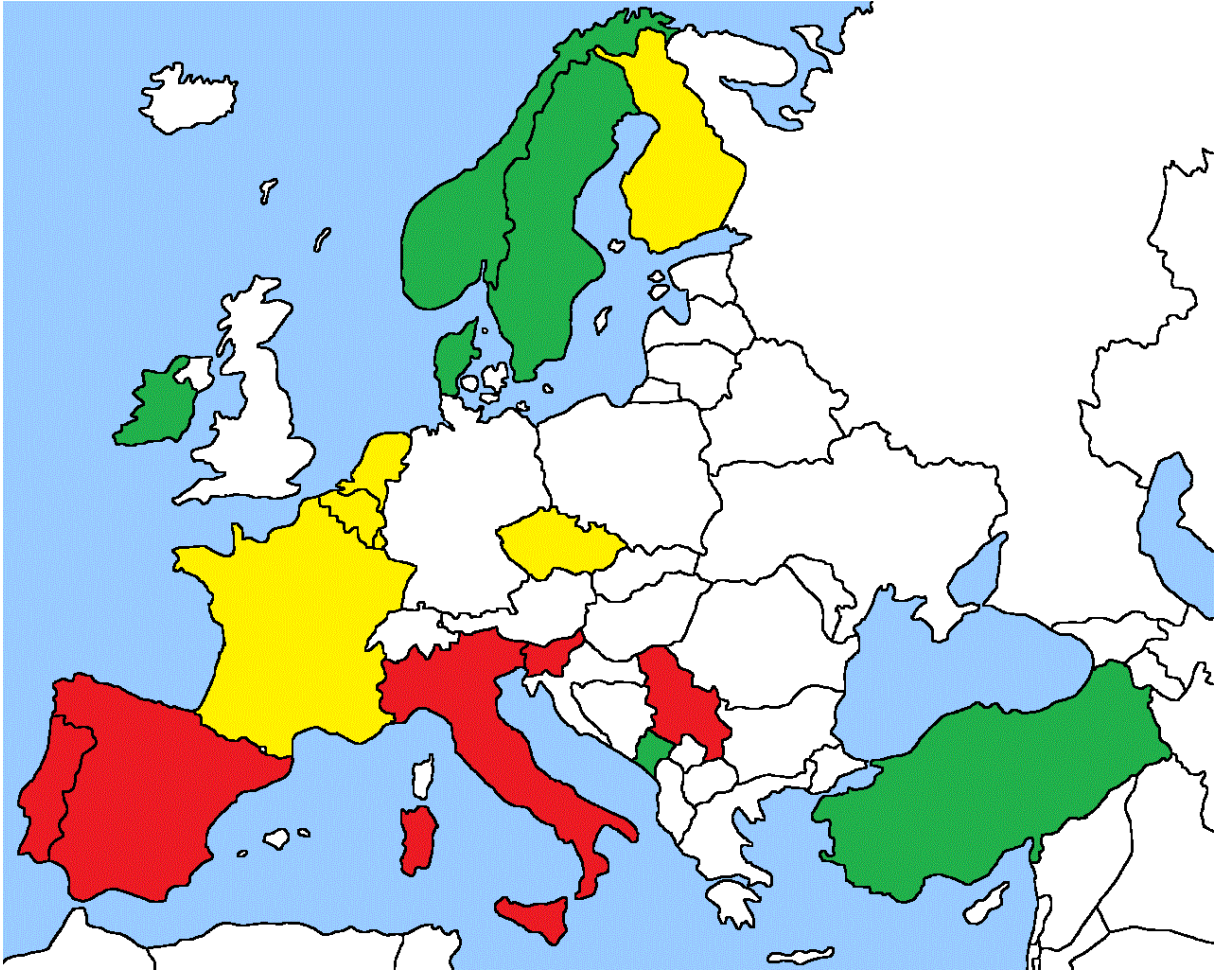
On a whole, the average order stock of consulting engineers in Europe has been decreasing over the past half year. 46% of all participating countries report a decline in order stock. In 31% of all countries order stock has been stable, in the remaining 23% it has generally increased.



increased (green), has been stable (yellow) and decreased (red).

### 3.4.3 *Expected development in order stock*

Most consulting engineers in Europe (46% of the associations) are expecting the work load to increase this half year. 23% expects it to decrease. 31% is expecting their work order to stay the same in the coming 6 months.



increased (green), has been stable (yellow) and decreased (red).