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Engineering consultancies of Europe remain strong and optimistic

The latest **Industry Barometer** from the European Federation of Engineering Consultancy Associations (EFCA) shows that Engineering consultancies of Europe remain strong and optimistic. 95% of the participating countries are currently reporting stable or increasing markets, which is an improvement since Autumn 2023. The largest challenges for the consultancy and engineering industry in Europe are the shortage of staff and increasing labour costs. Bureaucracy and political uncertainty are also on the rise.

Henrik Garver, CEO of the Danish Association of Consulting Engineers and Chair of EFCA's Economic Environment Committee provided a statement on the Spring 2024 EFCA Industry Barometer, which shows biannual trends and expectations amongst European consulting engineers.

"The new EFCA Barometer is a strong indicator for change in the European economy. We have seen two years of markets in slow decline, in reality since the Russian invasion of Ukraine and the following spike in energy prices and inflation. The new EFCA Barometer, for spring 2024, indicates that this development is coming to an end. The consultancy and engineering industry is seeing stronger order books, increasing revenue and increasing profitability. This is good news for Europe."

A number of key indicators support this analysis. There was a marked upturn of 12,3 points in the Market Index, as well as the employment index increasing over 20 points. Profitability was at 5.4% on average in 2022, the estimate for 2023 is that this has stayed unchanged. However, the predictions for 2024 shows an expected improvement of profitability in the majority of markets.

Mr Garver added that *"The primary drivers for this development are investments in transport infrastructure, climate adaptation, energy-infrastructure, building transformation and renovation and the "build-up" of more resilient manufacturing industries, including stronger local value chains, across Europe. In a way the EFCA Barometer illustrates, that for Europe to be a green and sustainable superpower, it is a requirement that Europe has a strong and innovative consultancy and engineering industry."*

EDITOR'S NOTE

The EFCA Barometer (Spring 2024) 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.

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