



Brussels, 24 May 2023

## ***The path from the top always goes down***

The latest *Industry Barometer* from the European Federation of Engineering Consultancy Associations (EFCA) shows that the past 6 months have been remarkably busy for the consultancy and engineering industry in Europe.

Order books are now noticeably reduced but still remain at higher-than-normal levels. The market index is decelerating from the 2021 peak level. This means that there is still a strong state of business in the consultancy and engineering industry in Europe.

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

“The EFCA Market Index, showing the overall development of the European markets, has had a steadily but slowly falling trend for the past two years. The index is, however, coming down from a peak level in 2021, so this could be described as a normalization provided the falling trend does not continue going forward,” says Mr Garver.

The EFCA employment index remains strong with a stable outlook for the coming 6-month period. Order stock has been reduced in the past 6-12 months but is still at higher-than-average levels.

Profitability has fallen from 7.1% in 2020 to 5.7% in 2021. The average level since 2013 is 6.1%, which means that 2021 was a slightly below-average year for the industry. The forecast for 2022 is that profitability will have improved compared to 2021 and for 2023 that profitability will stay at this level.

Mr Garver added “The largest challenges for the consultancy and engineering industry in Europe are the shortage of staff, low fees and salary increases. Geopolitics, energy transformation, rising inflation and interest rates are continuing factors contributing to uncertainty - and opportunities – in market developments of the future.

EFCA is strongly advocating consistent EU and Member States policies and initiatives, supporting the diversification of energy sources and infrastructural investment to address energy supply bottlenecks and boost renewable energy. The engineering consulting industry has a major role in delivering on Europe's ambitious climate change targets.”

### **EDITOR'S NOTE**

The EFCA Barometer (spring 2023) is available from the website: [www.efcanet.org](http://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.

EFCA, Avenue des Arts 3-5, B-1210 Brussels, Belgium - Tel: +32 209 07 70, Email: [efca@efca.be](mailto:efca@efca.be), [www.efcanet.org](http://www.efcanet.org)