



Market Report

A Snapshot of your Market Sector

Civil Engineering

This pack has been designed to provide information on setting up a business in the Civil Engineering industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in April 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Civil Engineering market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Prospects for the civil engineering sector remain strong over the next five years, with development significantly exceeding GDP growth. Civil engineering construction output, including new work and R&M, is anticipated to **increase by a cumulative 36% between 2017 and 2022**. New civil engineering construction alone is projected to increase by an even stronger **46%**, while repair and maintenance activity is anticipated to demonstrate steadier growth over the next five years. (Mintel, *Civil Engineering*, January 2018).
- ◆ The Mining, Construction and Civil Engineering Machinery Wholesaling industry is in the mature stage of its life cycle. Industry value added is expected to grow at a compound annual rate of **1.7% over the 10 years through 2022-23**. Over the same period, the UK economy is expected to increase at a slightly faster compound annual rate of 2%. This shows that the industry is expected to grow at a similar rate to the UK economy over the 10-year period, which is a characteristic of a mature industry. (IBISWorld, *Mining, Construction & Civil Engineering Machinery Wholesaling*, August 2017).
- ◆ Notably, the sector experienced **double-digit growth in 2015, growing by 18.2%** in comparison to 3.1% the previous year. This was driven by the announcement of a £38.5bn plan to upgrade the Network Rail network. However, these plans were dialled back significantly the following year **resulting in a -3.2% decline in value in the civil engineering sector**. In addition to this, the government also announced plans to construct smart motorways to ease congestion in the **Highways England Strategic Business Plan 2015 – 2020**, with plans to invest £11bn to deliver 400 miles of smart motorways. This, along with HS2, will drive growth in the forecast period. (Marketline, *United Kingdom – Civil Engineering*, January 2018).
- ◆ A recent article from City AM found that although the housebuilding market looks promising, other areas of construction have seen some decline (City AM, *The UK's construction industry started 2017 on a high*, February 2017) (tinyurl.com/hc4usgc)
- ◆ The national organisation for this industry is [Construction Scotland](#). Other industry bodies include the [Civil Engineering Contractors Association](#), [Scottish Engineering](#) and [Institution of Civil Engineers](#)

Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel – *Civil Engineering (January 2018)***. The electricity sector has seen its share of new civil engineering construction output increase from 25% in 2013 to an estimated 43% in 2017, representing the largest sector for civil engineering work. Growth has been driven by the development of new renewables generation capacity, particularly wind power, and the renewal and reconfiguration requirements of the transmission system. Roads represented the second largest sector in 2017. Rail represented the third largest sector, accounting for an estimated 15% of output in 2017.
- ◆ **IBISWorld - *Mining, Construction & Civil Engineering Machinery Wholesaling in the UK (August 2017)***. Commercial construction contractors make up the industry's largest market. This segment includes commercial and office building construction. This segment uses a wide range of industry products including excavators, loaders, bulldozers, cranes and other heavy earthmoving equipment. Increased spending from commercial construction contractors generally follows increases in business confidence, as more firms will engage in expansionary activity if the economic outlook is positive. Over the five years through 2017-18, demand from commercial building construction is expected to grow, boosting the revenue generated by this major market.

There are also a number of online resources you may find helpful:

- ◆ **The Construction Index, *Infrastructure work drives February growth, March 2017*** (tinyurl.com/gqx3l94). The latest monthly survey of construction purchasing managers indicates continuing expansion across the industry, thanks to rising civil engineering activity.
- ◆ **Engineering UK, *The State of Engineering, 2017*** (tinyurl.com/y6v8rhjj). This annual report summarises how engineering contributes to the UK economy, and gives an in-depth analysis of the supply and demand trends in UK engineering talent.
- ◆ **Construction Industry Training Board (CITB), *Construction Skills Network Forecasts 2017–2021*** (tinyurl.com/y87822ua). “Output in Scotland is expected to fall by an average of 0.4%, making it the weakest performer overall. However, a vital caveat is that Scotland is experiencing a sharp fall in infrastructure output from its current high level as a number of large road and rail projects will complete over the next two years. These include the Queensferry Crossing, the Aberdeen Western Peripheral Route, and major upgrade work on the M8, M73 and M74.”

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as Yell, Thomson Local or Google Maps
- ◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- ◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the Companies House website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](https://tinyurl.com/c2fw4o4) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Account](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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Updated by: Carla Bennett

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