



# 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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **January 2022**. 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:

- ◆ In 2020, total civil engineering construction output declined by **2%**, largely due to Covid-19 causing disruption and delays to projects during the first half of the year. The sector demonstrated a strong recovery in 2021. Partial year data indicates a **22% increase** in total civil engineering activity for the year, taking output to **£38.9 billion** (Mintel, *Civil Engineering*, January 2022).
- ◆ Civil engineering projects on behalf of **public-sector entities** are estimated to account for **56.7%** of industry revenue in 2021-22. The public-sector market includes central government, ministerial and non-ministerial departments, local authorities, public agencies and other public bodies (IBISWorld, *Civil Engineering Project Construction in the UK*, July 2021).
- ◆ **Offshore wind** is arguably one of the most extensive civil engineering opportunities in recent years, having benefited numerous civils contractors on a supply chain partner status. As part of the UK's Renewable Energy Directive, the National Renewable Energy Action Plan legally bound the UK to derive **30%** of UK electricity from renewable sources by 2020 (IBISWorld, *Electricity & Telecommunications Infrastructure Construction in the UK*, May 2021).
- ◆ The Road and Motorway Construction industry's revenue is forecast to increase at a compound annual rate of **2.6%** over the five years through 2025-2026 to reach **£8.8 billion** (IBISWorld, *Road & Motorway Construction in the UK*, January 2021).
- ◆ A rise in infrastructure output has propelled demand for engineering consultants. In addition, investment in telecommunications infrastructure has increased significantly, supported by the replacement of 3G networks by 4G networks, a new wave of infrastructure construction activity to facilitate the deployment of 5G connectivity, and the rising popularity of fibre-optic broadband (IBISWorld, *Consultant Engineering Services in the UK*, July 2021).
- ◆ The national organisation for this industry is [Construction Scotland](#). Other industry bodies include the [Civil Engineering Contractors Association](#) (CECA), [Scottish Engineering](#), the [Engineering Council](#) and the [Institution of Civil Engineers](#) (ICE).

## 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](mailto:info@bgateway.com).

- ◆ **Mintel – Civil Engineering (January 2022).** The electricity sector accounted for more than a third of civil engineering construction output in 2021. A key focus of investment in recent years has been expanding renewable generation capacity, with particularly strong growth in offshore wind power capacity, and the distribution and transmission sector to accommodate new supply sources onto the grid.
- ◆ **IBISWorld – Consultant Engineering Services in the UK (July 2021).** Traditionally, the Scottish economy has been dominated by shipbuilding, coal mining and steel industries. These are all important markets for industry operators. Glasgow, traditionally an industrial hub, is now home to a growing number of high-tech businesses. The large oil and gas industry in Scotland is also another reason for players to set up operations here. In addition, Scotland is expected to account for the country's largest share of renewable energy in terms of installed capacity and generation. As a result, a high proportion of consultant engineering companies specialising in the energy sector are based in Scotland.
- ◆ **IBISWorld – Civil Engineering Project Construction in the UK (July 2021).** Operators remain concerned that loss of EU funding could narrow the scope of the civils market. However, with a new 'UK Infrastructure Bank' and National Infrastructure Strategy being announced with the ultimate intention of driving economic output, civil engineering contractors are well positioned to benefit from an uptick in new orders.

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

- ◆ **The Construction Index** regularly publishes data on construction activity in the UK as well as the latest industry news and insights ([tinyurl.com/2p9v8y5](https://tinyurl.com/2p9v8y5)).
- ◆ **The Institute of Civil Engineers (ICE)** has published a report on '*Infrastructure in 2022: a horizon scan of the year ahead for civil engineering*' which identifies key challenges and opportunities for the industry ([tinyurl.com/mtbe8sr7](https://tinyurl.com/mtbe8sr7)).
- ◆ **The Construction Industry Training Board (CITB)** has published a series of reports on the 'Construction Skills Network, 2021-2025'. This includes a UK overview as well as regional data, including Scotland ([tinyurl.com/6dnh72rh](https://tinyurl.com/6dnh72rh)).

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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](mailto: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](mailto: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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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 Accountant](#)" 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: Rebecca Brown**

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