



Market Report

A Snapshot of your Market Sector

Civil Engineering

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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 **January 2024**. 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:

- ◆ The sector demonstrated a strong recovery in 2021, with output up 28% on 2020. For 2022, partial-year data indicates a 9% increase, taking **civil engineering construction output to £44.7bn**. (Mintel, *Civil Engineering*, UK 2023).
- ◆ Government infrastructure investment has underpinned demand for civil engineering project construction and robust housebuilding activity has supported demand for enabling works for new housing developments. Contractors' revenue is forecast to **decrease at a compound annual rate of 1.5% to £40.6 billion over the five years through 2023-24**. (IBISWorld, *Civil Engineering Project Construction*, UK Nov 2023)
- ◆ Infrastructure programmes have benefitted the industry. The government funded programmes have directed hundreds of billions of pounds of public sector funding towards infrastructure developments, aiding demand for industry services. Economic uncertainty will continue to weigh on demand. Until economic conditions stabilise and borrowing costs fall, demand for enabling works for new housing developments will remain depressed, constraining demand for industry services. (IBISWorld, *Civil Engineering Project Construction in the UK*, Nov 2023).
- ◆ Contractors are well-placed to benefit from renewed commitments towards nuclear power, with developers (including Balfour Beatty) invited to register interest in the government's £120 million Future Nuclear Enabling Fund. The government made £1.7 billion in funding available to support the approval of at least one new nuclear plant this parliament in the 2021 Spending Review. Despite broader budget cuts, the government reiterated its commitment to building the Sizewell C nuclear plant, underlining the industry's resilience to economic fluctuations. (IBISWorld, *Electricity & Telecommunications Infrastructure Construction in the UK*, Nov 2023).
- ◆ Over the five years through 2028-29, Road and Motorway construction industry revenue is projected to **climb at a compound annual rate of 2.8% to £11.4 billion**. (IBISWorld, *Road & Motorway Construction in the UK*, September 2023).
- ◆ Over the five years through 2028-29, revenue is forecast to **swell at a compound annual rate of 2.7% to £71.3 billion**. The projected expansion of the infrastructure market is expected to be the main driver of growth. Electricity infrastructure construction activity will be directed towards the replacement of older infrastructure with new sources of electricity, fuelled by

regulations aimed at reducing carbon emissions under the new UK Emissions Trading System. (IBISWorld, *Consultant Engineering Services in the UK*, Nov 2023).

- ◆ The national organisation for this industry is [BE-ST](#). Other industry bodies include the [Civil Engineering Contractors Association](#) (CECA), [Scottish Engineering](#), the [Engineering Council](#) and [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.

- ◆ **Mintel – Civil Engineering (November 2023)**. Government infrastructure investment has underpinned demand for civil engineering project construction and robust housebuilding activity has supported demand for enabling works for new housing developments. Contractors' revenue is forecast to decrease at a compound annual rate of 1.5% to £40.6 billion over the five years through 2023-24.
- ◆ **IBISWorld – Consultant Engineering Services in the UK (November 2023)**. Traditionally, the Scottish economy has been dominated by shipbuilding, coal mining and steel industries. These are all important markets for industry operators. Glasgow, the region's largest city and 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.

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 (www.theconstructionindex.co.uk).
- ◆ **The Institute of Civil Engineers (ICE)** has published a report on '*Infrastructure in 2023: a horizon scan of the year ahead for civil engineering*' which identifies key challenges and opportunities for the civil engineering sector. (www.ice.org.uk/download-centre/infrastructure-in-2023-horizon-scan).
- ◆ **The Construction Industry Training Board (CITB)** has published a series of reports on the 'Construction Skills Network, Industry Outlook 2023-2027'. This includes a UK overview as well as regional data, including Scotland (www.citb.co.uk).

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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 [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 websites, 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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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

Last updated: January 2024

Updated by: Lynda

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