



No Recovery Yet For Civil Engineering Contractors

The most recent workload trends survey carried out by the Civil Engineering Contractors Association (CECA) showed few signs of a widespread recovery in the civil engineering sector.

43% of firms saw their workloads deteriorate in the first quarter, compared with the same period a year ago. Just 16% saw workloads increase. The balance between the two (27%) is slightly worse than seen in the previous quarter.

A more detailed analysis reveals the fragmented nature any recovery in the sector is likely to take. Members did report growth in workload in the rail, water and power sectors, although this was not sufficient to offset the continuing and striking declines in road work.

Other concerns raised by the survey highlight the worrying squeeze between inflation and tender prices. The overwhelming majority (76%) of respondents reported rising costs, and especially concerning was the 42% who reported prices rising faster than a year ago. A majority also reported tender prices continuing to fall, suggesting that the current economic situation is dangerously unsustainable for the industry.

CECA director of external relations Alasdair Reisner commented: "For an industry still seeking the light at the end of a very dark tunnel, there are few grounds for optimism in this survey.

"While signs of growth in rail and power are certainly welcome, the fact that the overwhelming balance of respondents reported continuing falls in workload is a real cause for concern.

"CECA is hopeful that the policies now being implemented by Infrastructure UK and others will support a return to growth in the civil engineering sector. However the results of this survey demonstrate that, for an industry being squeezed between rising costs and falling tender prices, the government has no time to lose in taking important measures to streamline procurement and encourage private sector investment."

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For more information, further comment or interviews please contact Calum Benson on 020 7340 0452 or calumbenson@ceca.co.uk

Notes to Editors

1. The Civil Engineering Contractors Association represents over 300 contractors of all sizes, covering approximately 80% of the civil engineering market in Great Britain. Our members build infrastructure that provides the basis for economic sustainability and quality of life in communities across the country.
2. The April 2011 CECA Survey of Civil Engineering Workload Trends is available online here: <http://www.ceca.co.uk/NewsDetail.aspx?NewsID=366&NewsTypeID=2>