



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 **January 2025**.

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:

- ◆ Contractors required to provide ancillary civil engineering solutions have been impacted by trends in the wider construction sector in recent years. Following a period of robust growth, decaying housebuilding activity has had a knock-on effect on demand for enabling works. Along with the impact of economic uncertainty on commercial construction markets, this has offset the impact of government infrastructure investment to spur a contraction in revenue. Over the five years through 2024-25, contractors' revenue is forecast to tumble at a compound annual rate of 1.7% to £41.1 billion. **Revenue is forecast to climb at a compound annual rate of 0.7% to reach £42.6 billion over the five years through 2029-30.** (IBISWorld, *Civil Engineering Project Construction in the UK*, September 2024).
- ◆ **In 2022, civil engineering construction output rose by an estimated 9% to £44.7bn.** Major projects, including HS2 and Hinkley Point C, supported growth during the year. Output in volume terms, however, is believed to have been more moderate than in value terms, reflecting rapidly rising costs. Despite the ongoing challenges, the government's commitment to infrastructure spending to drive economic growth, its commitment to the 'levelling-up' agenda, the need for decarbonisation and infrastructure resilience in the face of climate change and the progression towards the government's Net Zero by 2050 target should ensure sustained growth in the civil engineering sector over the coming years. (Mintel, *Civil Engineering*, UK 2023).
- ◆ The civil engineering market size is forecast to increase by USD 2.57 billion at a CAGR of 3.9% between 2023 and 2028. The market is experiencing significant growth, driven by various factors. One key trend is the increase in construction activities, particularly in developing countries. The global construction and engineering market witnessed an incremental growth of \$670.8 billion and registered a CAGR of 6.2% from 2021 to 2023. **Europe contributed 21.2% to the global civil engineering market in 2023, and its contribution will increase to 21.3% in 2028.** (Technavio, *Global Civil Engineering Market 2024-2028*, November 2024).
- ◆ 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).



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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.

- ◆ **IBIS World - Electricity & Telecommunications Infrastructure Construction in the UK.** The industry relies on public sector investment towards maintaining and expanding electricity and telecommunications infrastructure. The essential nature of this infrastructure ensures a consistent stream of work repair and maintenance work. At the same time, the government has pumped significant funds into the energy value chain in pursuit of decarbonisation objectives, boosting opportunities in the renewable energy generation market. Over the five years through 2024-25, revenue is slated to fall at a compound annual rate of 2.2% to £7 billion. Revenue is set to climb at a compound annual rate of 5.1% to reach £8.9 billion over the five years through 2029-30. Government commitments to boost the UK's energy independence and achieve decarbonisation targets will add increased impetus to investment in power stations and renewable energy in the coming years. The government has also committed to an accelerated offshore wind and nuclear capacity expansion, with huge amounts of investment required if the UK is to hit lofty targets. Demand for telecommunications construction should pick up as the UK's 5G roll-out continues to gather pace. (September 2024)
- ◆ **IBISWorld - Road & Motorway Construction in the UK.** With roads arguably the most critical infrastructure in the UK, it typically falls on the government to distribute the funds necessary to build and maintain roads. A deep public sector wallet for transport infrastructure has supported substantial road and motorway construction demand. However, tighter spending on maintenance and delays to major projects have restricted growth opportunities. Over the five years through 2024-25, revenue is forecast to slip at a compound annual rate of 0.4% to £10 billion. (September 2024)

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 '*State of the Nation: Infrastructure in 2024*'. Based on extensive research and member engagement, it gives an assessment of the state of the industry. ([State of the Nation: Infrastructure in 2024 | Institution of Civil Engineers \(ICE\)](#)).
- ◆ **The Construction Industry Training Board (CITB)** has published a series of reports on the '*CSN Industry Outlook 2024-2028*'. This includes a UK overview as well as regional data, including Scotland ([CSN Industry Outlook - 2024-2028 - CITB](#)).

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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.

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