



NORDIC MARKET STATUS

WHAT IS THE SITUATION IN DENMARK?

10th November 2020 Presentation by Henrik Garver, Managing director of FRI, Denmark

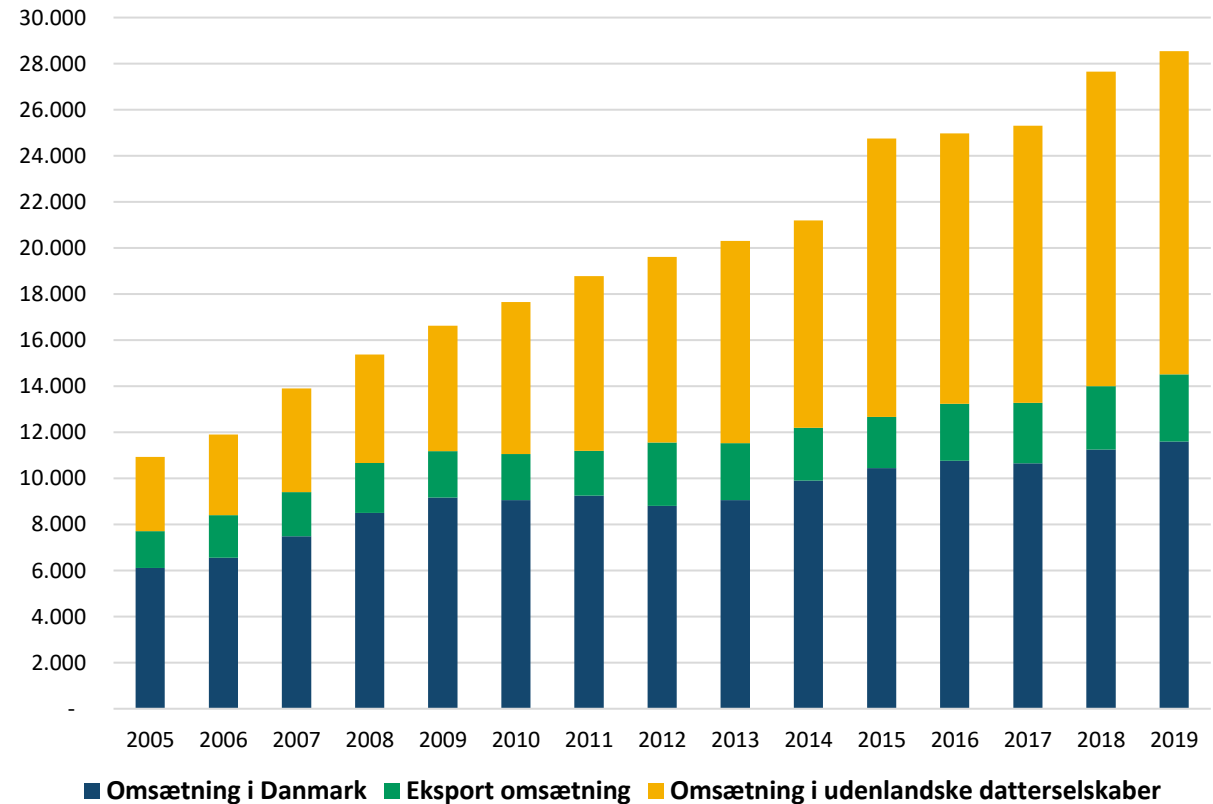


Foreningen af
Rådgivende Ingeniører
FRI

FRI in brief

The Danish trade association for consultancy and engineering companies since 1904

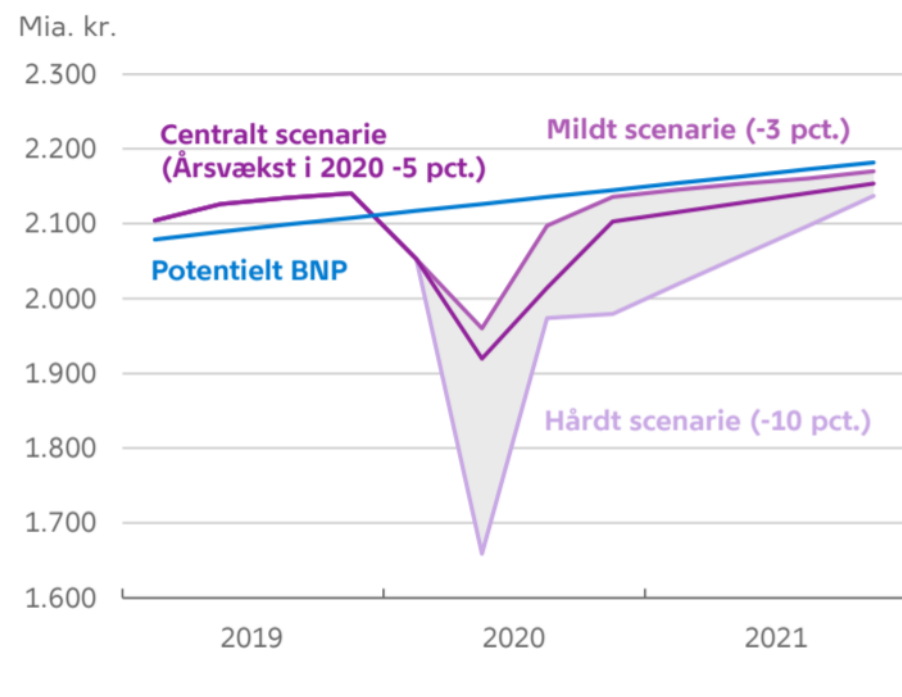
- FRI represents independent consultancies
- FRI work for sustainable development
- FRI has knowledge-based opinions on the development of societies
- 12,000 staff in Denmark
- 15,000 staff in international subsidiaries
- FRI member firms work as consultants, engineers and designers in the built and natural environment including building, infrastructure, urban development, environment and climate, energy, industry and international development



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What is the state of the Danish consultancy and engineering industry in the current COVID-19-limbo?

The impact on the Danish economy



Anm.: Se boks 2 for beskrivelse af scenarierne.

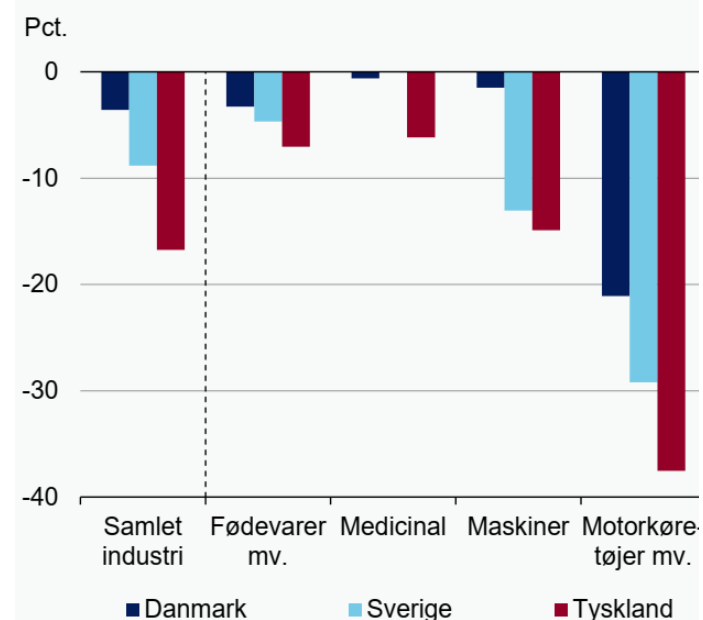
Kilde: Egne beregninger.

Source: Danmarks Nationalbank, May 2020



How is the development in significant sectors of the economy? In overall GDP?

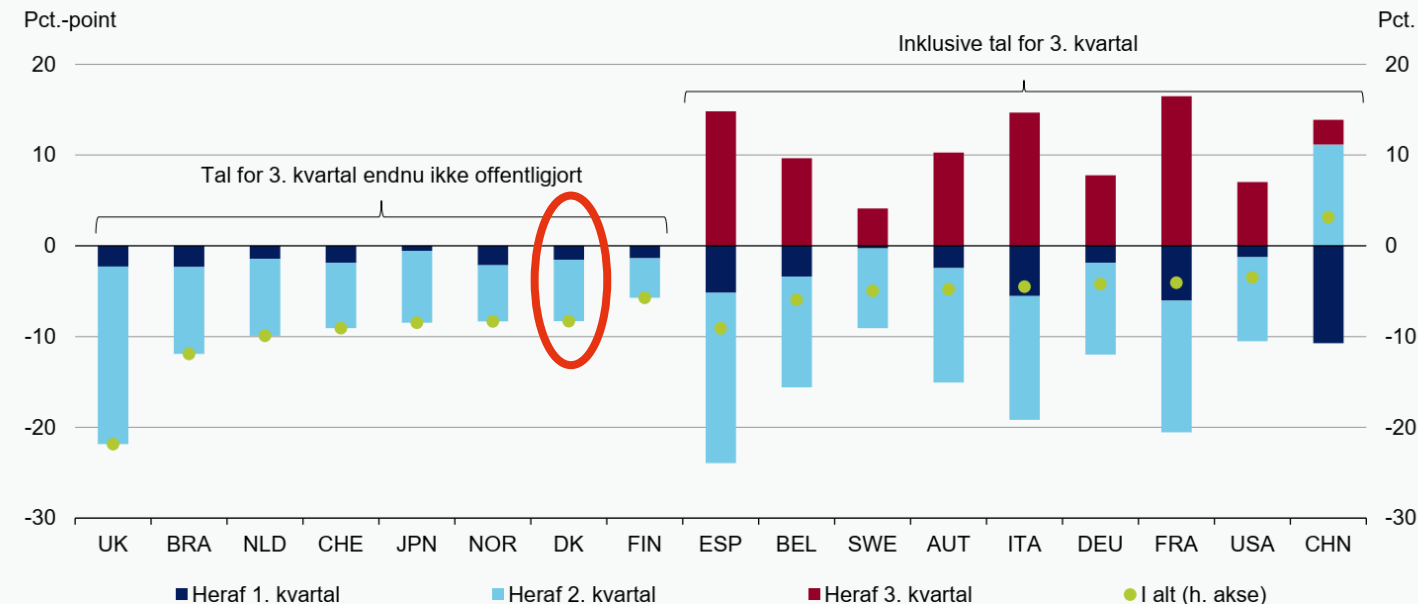
Gennemsnitlig nedgang i produktionen i udvalgt industribrancher i perioden marts-august sammenlignet med januar-februar



Source: Finansministeriet

Figur 3

BNP-udvikling i løbet af 2020, udvalgte lande



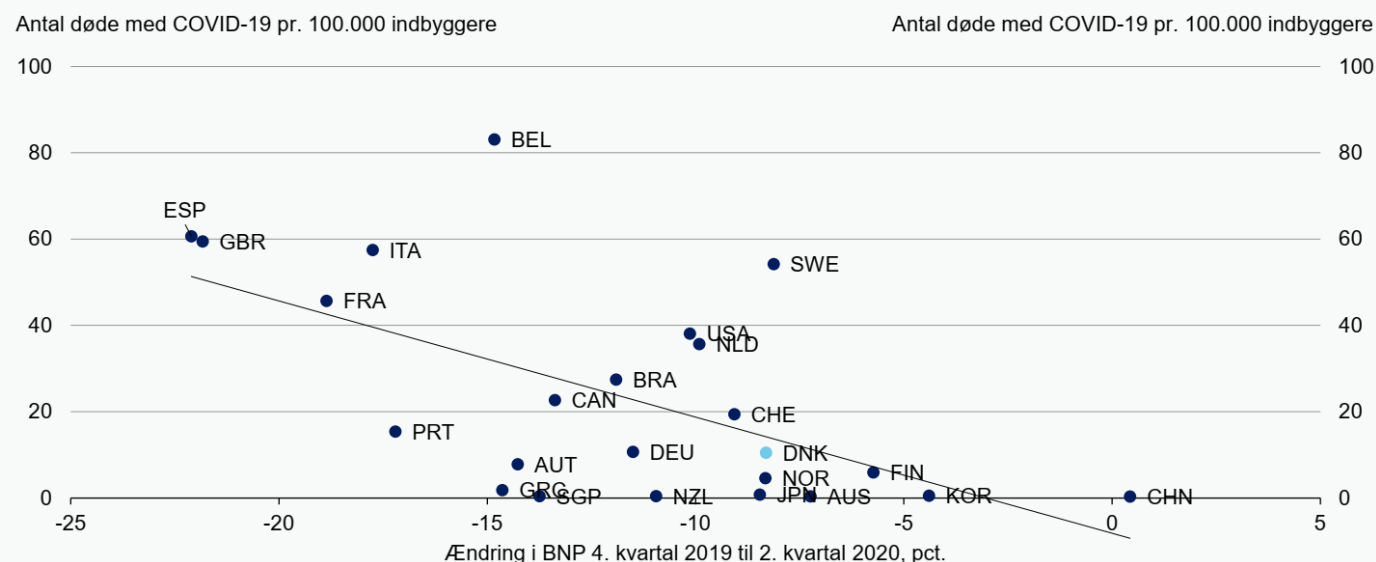
Kilde: Macrobond og egne beregninger.

Source: Finansministeriet

Correlation between GDP and COVID-19 deaths per 100.000 inhabitants

Figur 4

BNP-tab og døde med coronavirus på tværs af lande



Anm.: Antal døde med COVID-19 er det akkumulerede antal døde med COVID-19 opgjort pr. 30. juni 2020.

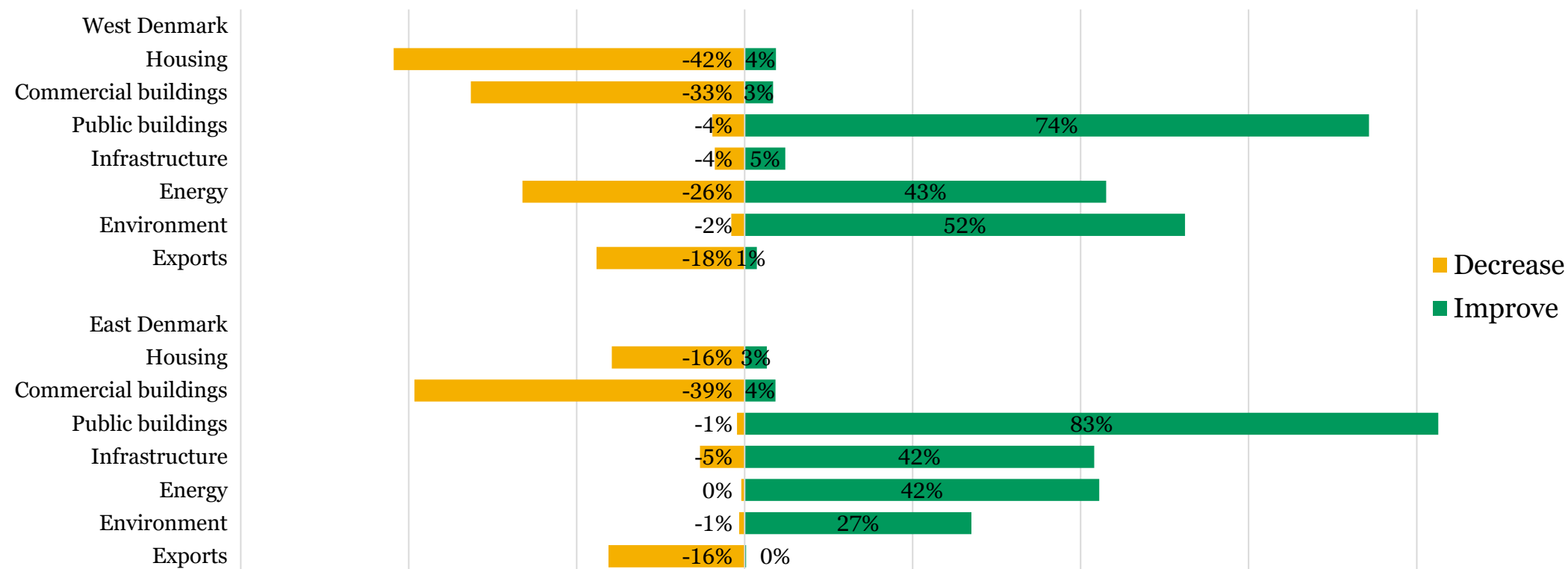
Kilde: European Centre for Disease Prevention and Control, IMF og Macrobond.

What was the situation in May 2020 on consequences for consultancy and engineering firms in Denmark

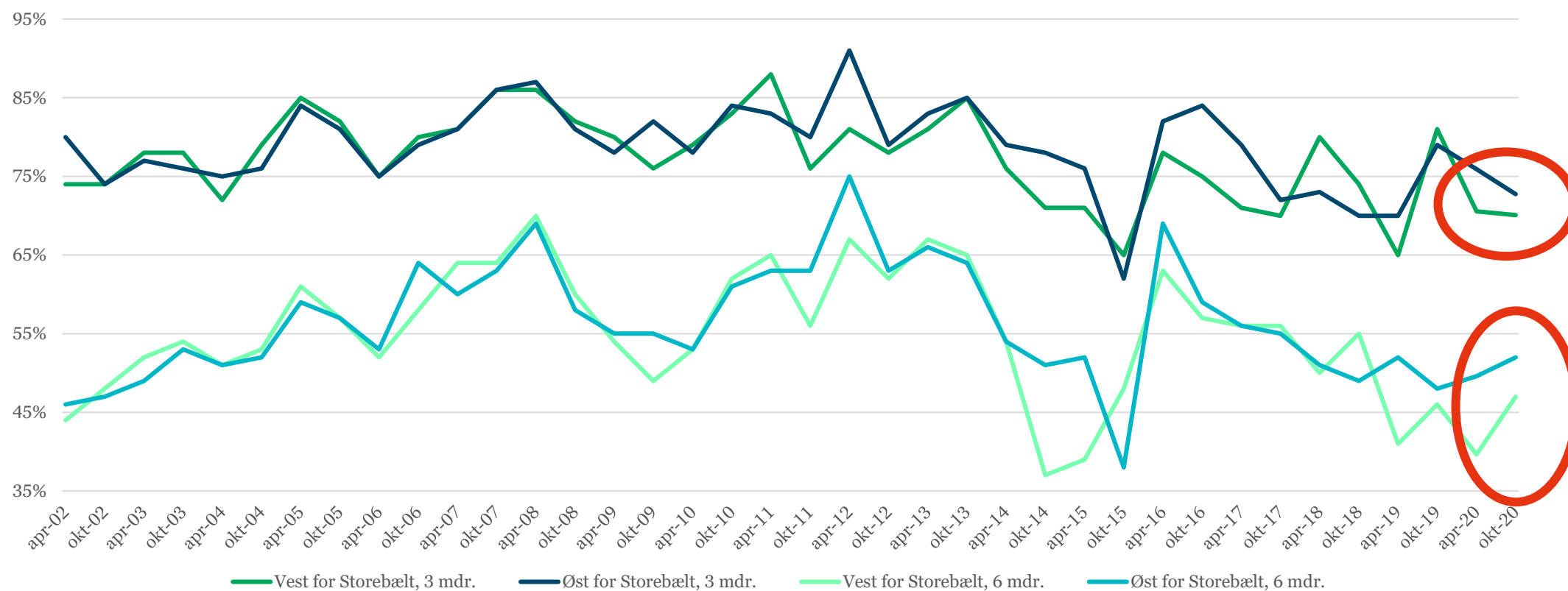
- CE-firms ENTERED 2020 with a very strong base
- Private clients have significantly reduced new orders
- Exports have come to a halt
- Will (and can?) public clients fill the void?
- More than 50% expect a reduced number of staff by October

What is the current state of market for CE-firms?

Development of new orders for FRI-member firms, October 2020 compared to April 2020



Level of orderstock (3 and 6 months ahead)



What initiatives have been initiated by the Danish government?

Postponed payment of VAT and tax to improve liquidity

Salary compensation schemes (but not suited for CE-fir

Payment of invoices by the public sector has been acc

Capital projects: Femern initiated, Social housing (+30



Then, what is the current state of business in Denmark?

- Costs have been lower than expected
- Business has recovered faster
- Construction sites have been open throughout 2020
- Salaries will rise in 2020 (but delayed and less)
- No significant bankruptcies among CE-firms
- No major mergers or game changing moves (yet)

THANK YOU!



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