Associazione delle organizzazioni di ingegneria di architettura e di consulenza tecnico-economica

CONFINDUSTRIA

CENTRO EUROPA RICERCHE

Annual Report on Italian Engineering and Architectural companies

Results 2016 - Forecasts 2017

ABSTRACT

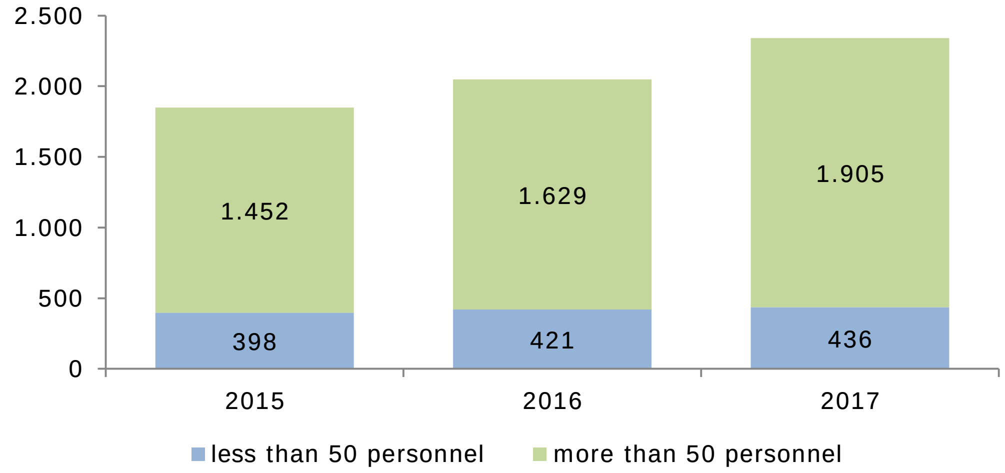
The Report, at its 33rd edition is organized by OICE in cooperation with CER – European Research Institute. It analyses the 2016 results of OICE's 365 member companies and their 2017 forecasts with special attention to the Italian and International economic and financial trends.

The Report is based on feedbacks of 48% of the Association's members and provides information on the production and employment situation (2016 results and the 2017 forecast). The basket covers the entire range of engineering organizations. Data have been processed taking into account the operational features of the companies and their dimension in terms of personnel. To process the results companies have been grouped according to their dimension setting a threshold among companies with more or less than 50 employees.

2016 results confirm the ongoing production recovery, which is expected to consolidate in 2017. However, a still considerable gap will remain compared to pre-crisis output levels. The Report outlines how the major issues are related to smaller companies. Bigger and better organized companies have been more successful in cashing the benefits of international economic recovery especially in the geographic areas that had mostly suffered from the decreasing oil price and the investments in the energy sector.

These positive trends have determined an 11% growth in the global production in 2016 (Image 1), with foreign market sustaining this trend (+22% compared to 2015) especially in Europe and in the Arabic Peninsula: domestic market has grown as well but at a lower rate (+5%). The total value of production has risen from 1.850 million € in 2015 to 2.050 million in 2016. 2017 should bring even better results considering that production is expected to reach 2.341 million (+14%).

Image 1 – OICE associated companies production upon company dimension (million €)

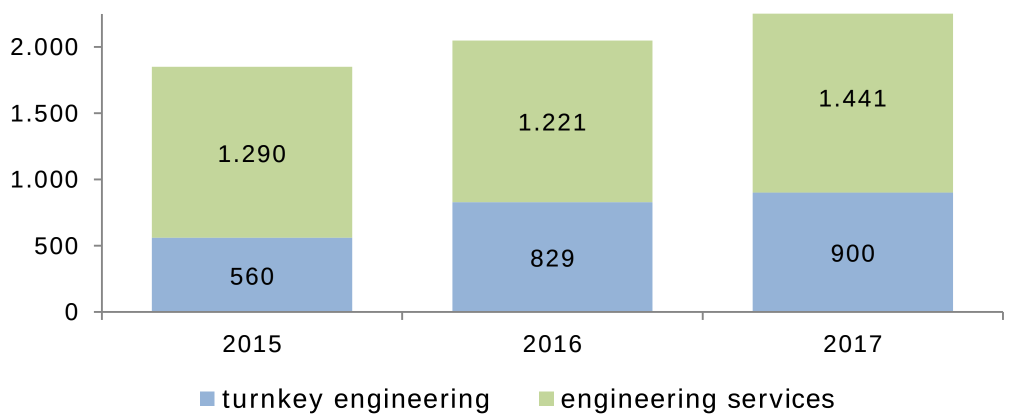


In the detail, production value has increased 12,2% for companies with more than 50 personnel and 5,7% for companies with less than 50 personnel.

According to Report's forecast, such difference in performances will widen further in 2017, with bigger companies expected to increase their production by 17% (to a value of 1.905 million Euro), compared to the 3,6% measured for companies under 50 employees (up to a value of 436 million Euro).

The quota of production of "Engineering services" shows a growing but not steady trend in monetary terms and will reaches 1.441 million euro in 2017. (image 2). In 2016 "Engineering" corresponds to 59,6% of the production whereas "Turnkey" corresponds to 30.3%. The growth of "Turnkey engineering" has been steadier (+48,1% in 2016 and +8,6% in 2017 and would amount to 900 million euro in 2017.

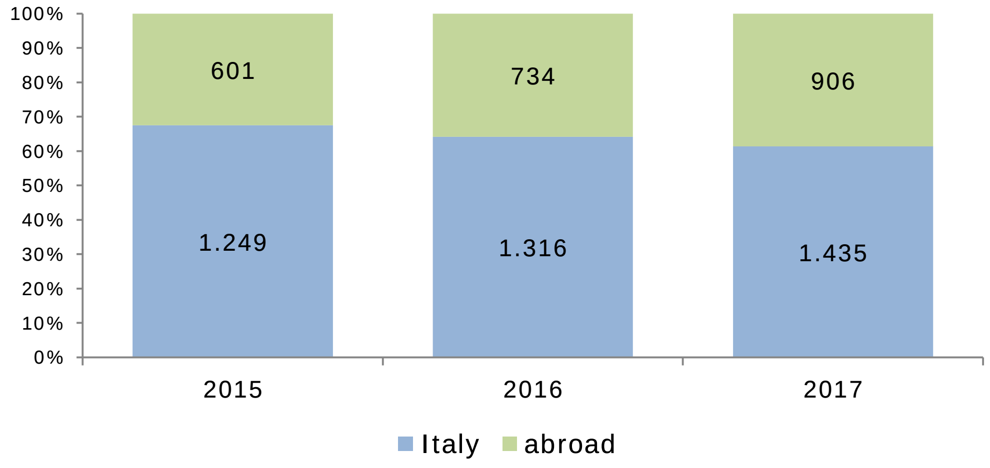
Image 2 – OICE associated companies production upon services provided (million €)



2017 confirms that OICE’s associated companies major activities are in the domestic market which should increase from 1.316 million € in 2016 to 1.435 in 2017 (+9.1%). 2016 domestic production was 64,2% and export amounted to 35,8%. In 2015 domestic quote was 67,5% and export was 32,5%. 2017 domestic production will amount to 61,3% and export 38,7% will expand at an expected rate of 23,4% (Image 3)

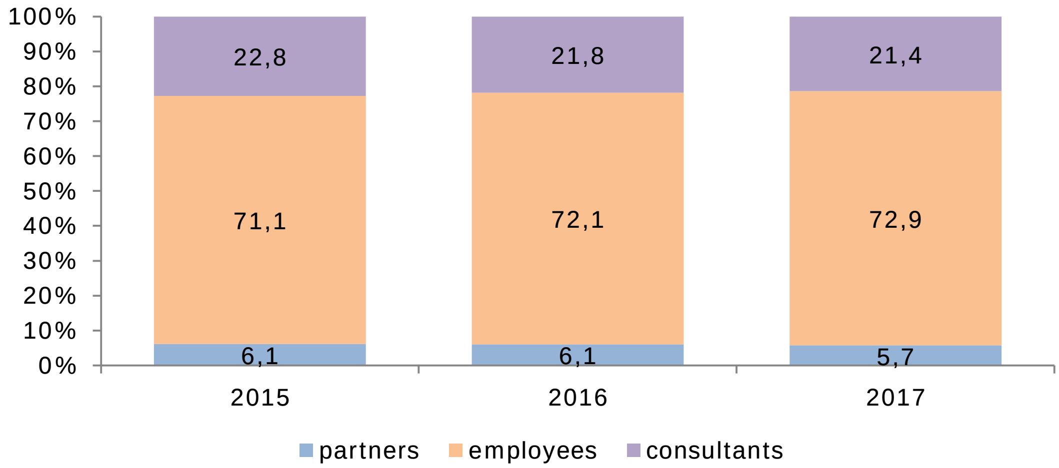
Image 3 – OICE associated companies production upon geographical area

(million €)



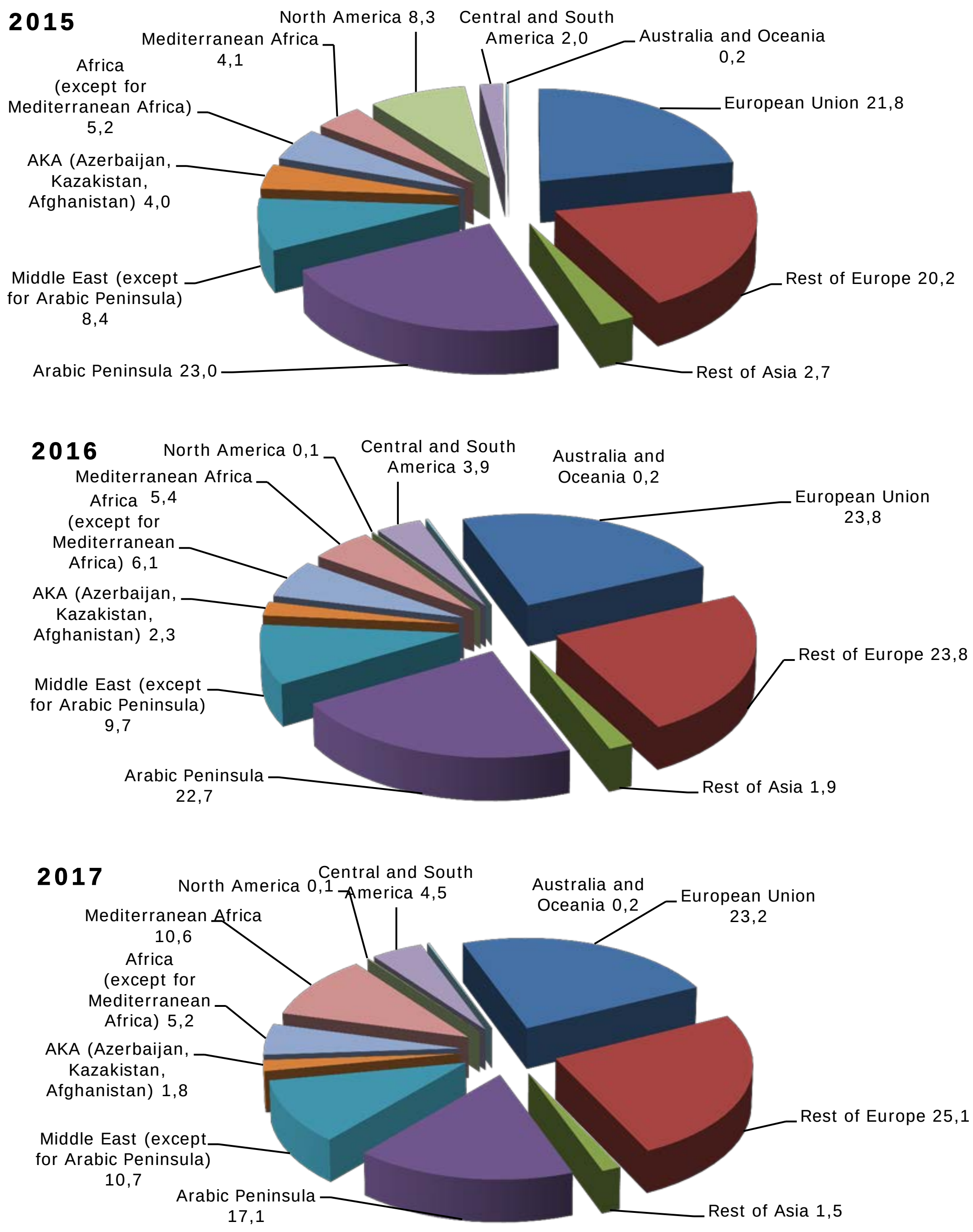
The positive trend in production has determined an increase in the number of employees which has grown to 14.333 units (+2%) in 2016 (14.053 in 2015). The expansion is more significant for companies with over 50 employees (+2,3% - 9.953 employees versus the smaller one +1,2% - 84.381 employees). These numbers will increase by 5,2% in 2017 for a comprehensive number of 15.076 employed personnel (image 4)

Image 4 – Employment structure of OICE associated companies
(%)



There are 3 main geographic export areas: EU; rest of Europe and Arabic Peninsula (image 5). Each of the 3 correspond to approximately 20% of OICE members exports. In 2017 EU will cover 23,2%, 25,1% for extra EU markets and 17,1% for the Arabic market which is considerably decreasing compared to 2015 (23%) and 2016 (22,7%) compensated by the production increase of Middle East and north Africa markets. There is therefore a repositioning on rest of Europe. North Africa had suffered from the recent political unrest and the down flow of oil quotations.

Image 5 – OICE associated companies export production upon geographical area (%)



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