



THE COVID-19 PANDEMIC

HOW HAS IT AFFECTED CONSULTANCY AND ENGINEERING FIRMS IN DENMARK?

5th May 2020 Presentation by Henrik Garver, Managing director of FRI, Denmark



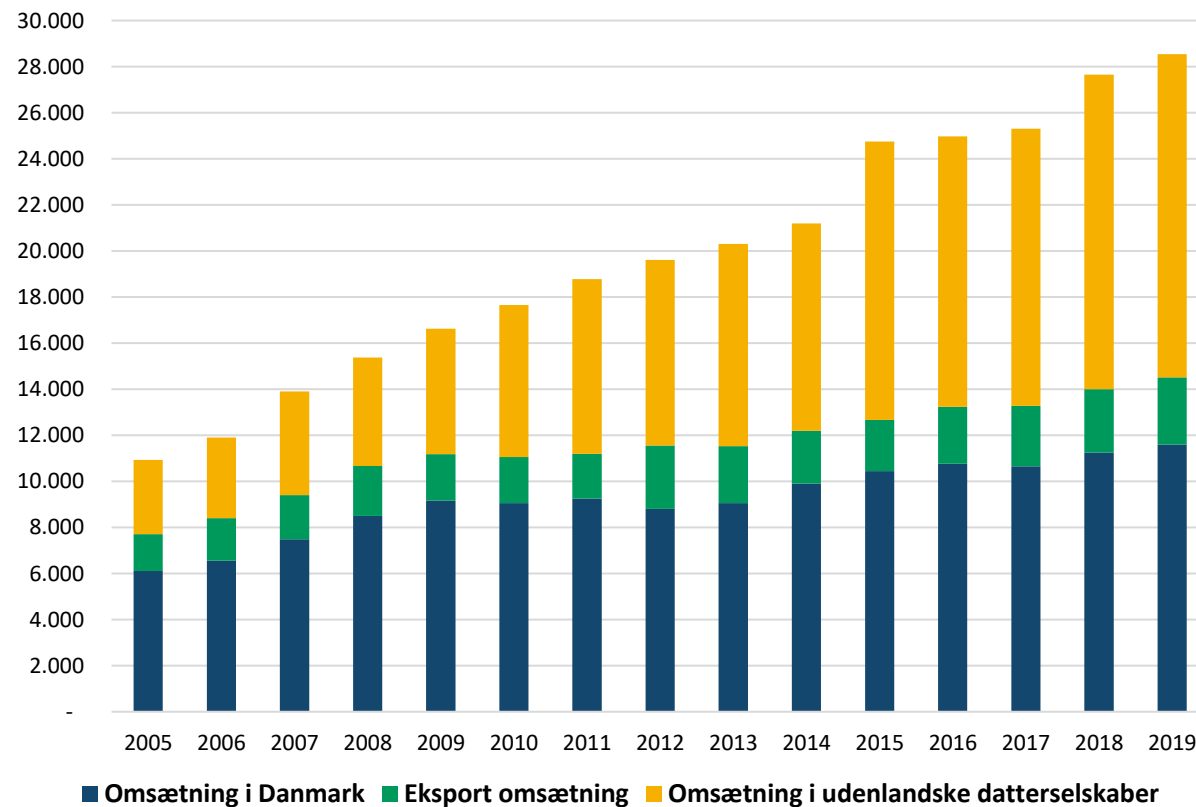
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FRI in brief

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



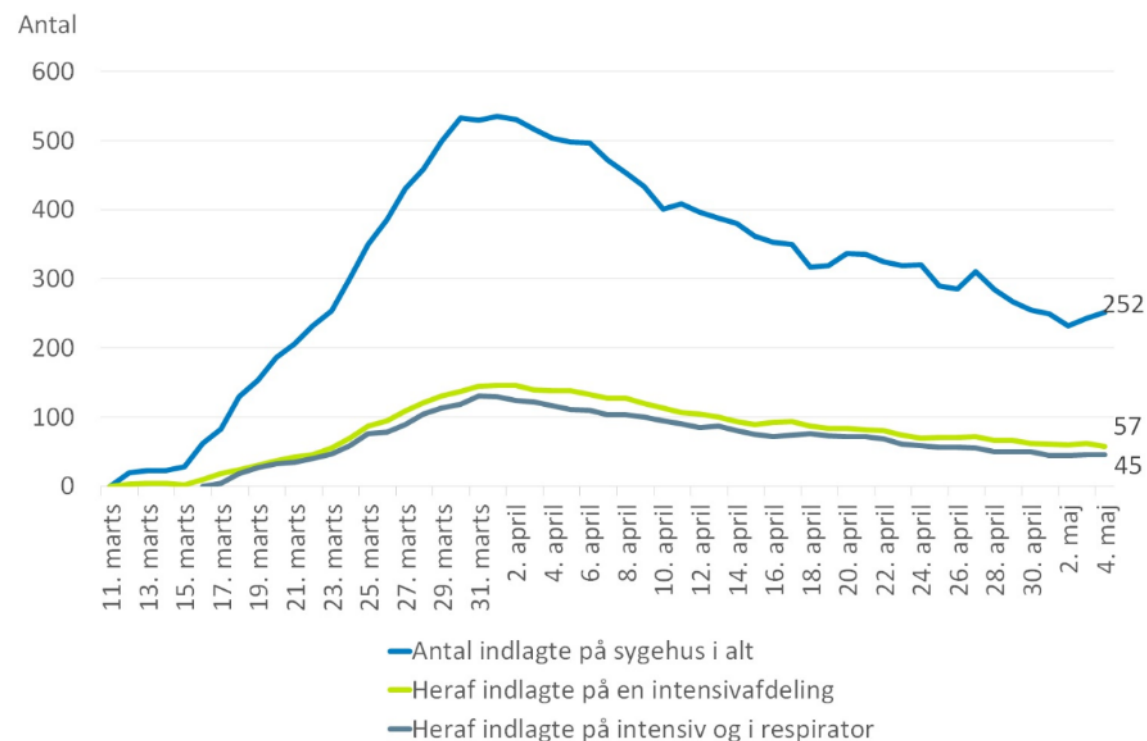
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What is the state of the Danish consultancy and engineering industry in the wake of COVID-19?

What govt. initiatives are of special value for FRI companies?

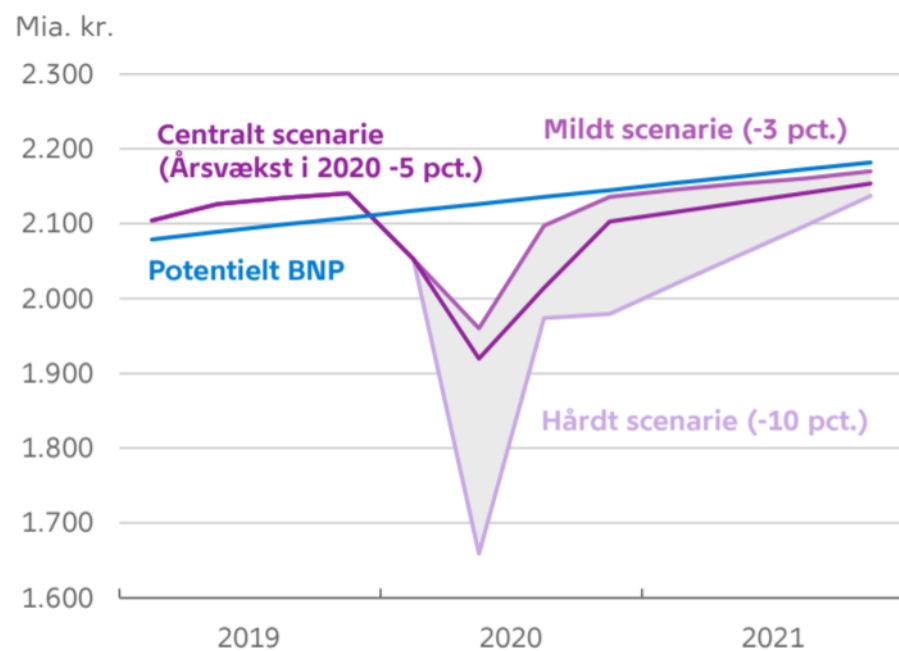
COVID-19 impact and timeline

- 11th March 2020: Lock-down announced
- 13th March 2020: Lock-down in effect
- 15th April 2020: early steps in reopening
- 10th May 2020: more steps toward reopening are expected
- Construction sites have been open throughout the time of lock-down
- Most offices have been closed entirely
- Public clients and regulators have had to adjust to working from home (as has the private consultancy and engineering firms)
- 84 COVID-19 related deaths per million citizens (484 persons in total)



Source: coronasmitte.dk (4th May 2020)

What is the forecasted economic impact? And impact on employment?

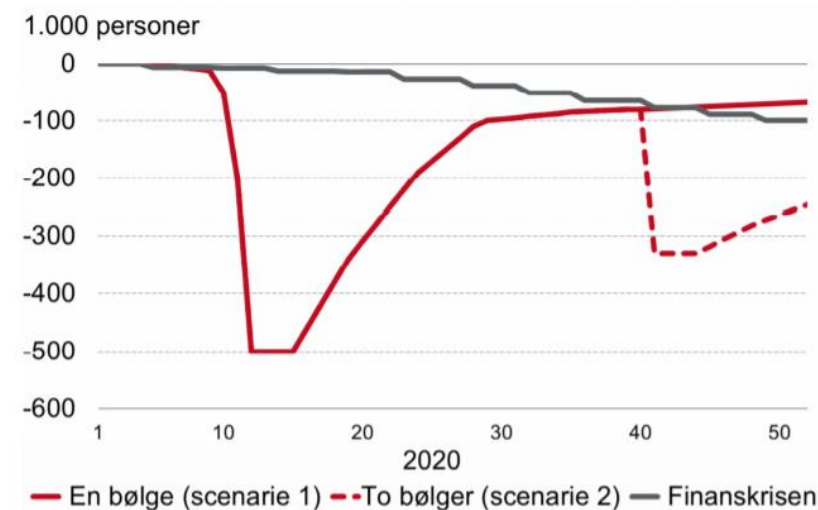


Anm.: Se boks 2 for beskrivelse af scenarierne.

Kilde: Egne beregninger.

Source: Danmarks Nationalbank

Figur 1. Stileret forløb for beskæftigelsen på ugeplan



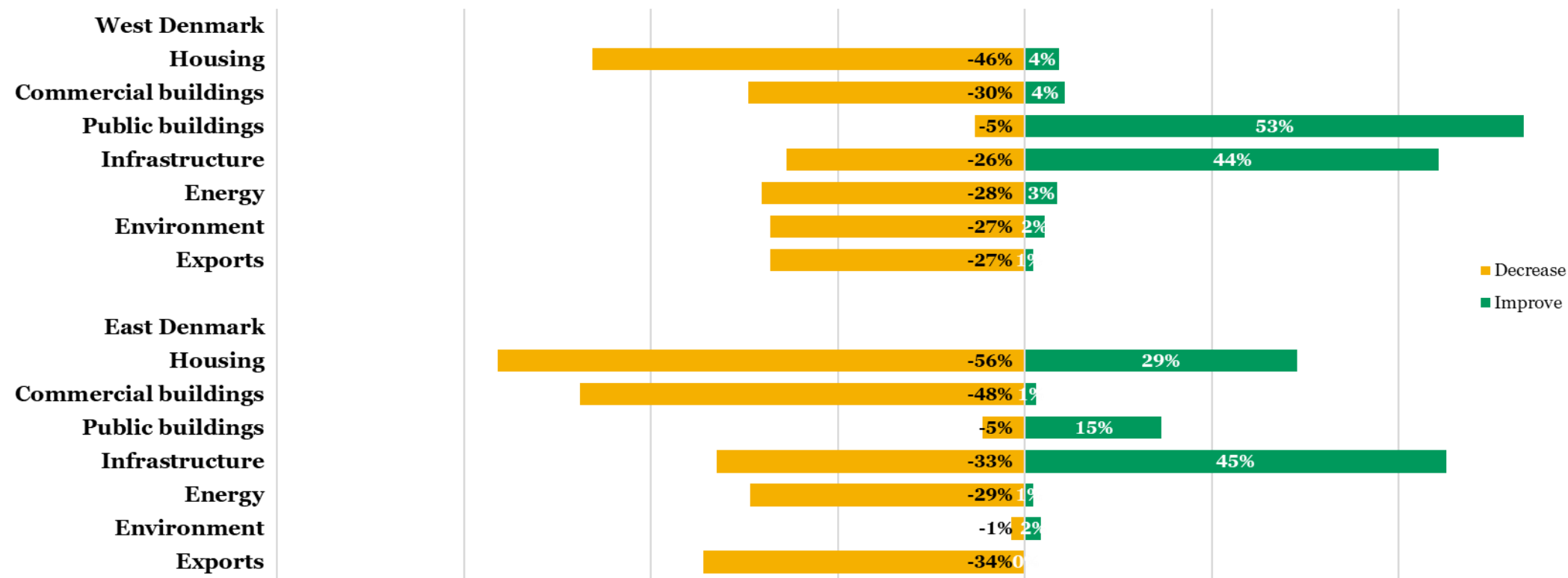
Anm.: Figuren viser to stilerede forløb for tilbageslaget på ugeplan for i år. Scenarierne er baseret på skøn for, hvor stor en del af produktionen der er stoppet i de pågældende uger i forhold til en normal situation. I selve analysen indregnes effekten af de aftalte lønkompensationsordninger, hvortil kommer en antagelse om, at beskæftigelsen (som sædvanlig i konjunkturtilbageslag) reduceres mindre end produktionen. Derfor er figuren ikke udtryk for de realiserede fald i beskæftigelsen i de to scenarier, jf. også fodnote 1.

Finanskrisen er sat til at starte i august 2008, så udviklingen ses i forhold til denne måned.

Source: De Økonomiske Råd

What is the impact of COVID-19 on CE-firms?

Development of new orders for FRI-member firms, April 2020 compared to October 2019



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 initiatives have been initiated by the Danish government?

- Postponed payment of VAT and tax to improve liquidity
- Salary compensation schemes (but not suited for all)
- Payment of invoices by the public sector has been delayed
- Capital projects: Femern initiated, Social housing



THANK YOU!



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