



**Fire Industry Association**

Leading Excellence in Fire Since 1916

# Market Conditions Review

**WAVE 14**

# Findings of the FIA Market Conditions Survey 2022

The FIA has once again invited members to respond to our Market Conditions Survey (MCS). The MCS enables us to assess the current state of the industry and which provides us with the information necessary to best serve the industry in these increasingly challenging times for businesses in the UK and worldwide.

This latest survey takes on added importance given the ‘new normal’ post-Brexit and post-pandemic, with the effects of both still prevalent. The issues following our exit from the EU continue to resonate with businesses in many ways while Covid infections and indeed deaths from the condition remain at high levels that now fail to attract any media attention.

Less than a year ago, I’m sure most of us envisaged far less economic turmoil than is presently the case but the war raging in Ukraine following the illegal invasion by Russia has fractured any expected economic recovery. In fact, its consequences have led to rampant inflation not seen for many decades and vast increases in energy prices from which businesses have thus far not been protected by

government intervention. We are now entering a period of recession in which the UK is expected to be among the hardest hit in the developed world.

It is vital, therefore, that we as a trade association understand from our members and others how all of these factors are affecting, and will continue to affect, the industry sector that we serve. The main findings are relayed here and with reference to all responses from FIA members and non-members except where there are notable differences between these two respondent types.

In terms of the health of the fire safety market, enquiry levels experienced by suppliers offer substantive insight. While 40% of companies report no change or a marginal drop in the last 12 months relative to the previous year, it is encouraging that 42% report a slight increase and a fifth noting substantially greater growth. For most organisations, these are primarily from the private sector [46%] while only 14% are from the public sector although many indicated an equal split of both. FIA members noted 58% of public sector enquiries compared with 31% for non-members.

For invitations to tender, 44% report no change while 34% indicate a modest increase and less than 10% more substantive activity. Tender pricing has grown considerably with 85% stating a slight or significant increase with over a third for the latter. Disappointingly, 64% of respondents report no change in demand for third party certification although over a third do note an increase in this requirement.

Receipt of payments shows that 58% of companies receive payment in 30-60 days although for most others, this extends to 60-90 days.

Predictably given inflationary pressures, a massive 92% are having to cope with increased suppliers' prices over the past year. Delivery times have also increased, with 79% experiencing consignment delays relative to the previous 12 months. This is clearly the consequence of inflationary pressures faced globally affecting raw materials, components and shipping, with long haul transit also subject to extreme logistical issues.

45% of respondents stated that their enquiries were UK-wide while 19% said that most of their enquiries were from the London area. These findings would be influenced by population density of course as well as whether individual companies are national or mainly locally-based.

Looking at the number of orders received, the picture is equally encouraging with 69% reporting a slight or substantive increase in

orders, over a fifth indicating the latter. However, 20% experienced no change and 10% slightly less. Interestingly, 62% of orders came from the public sector but with a wide disparity in members and non-members at 80% and 31% respectively, reflecting differences in customer profiles.

The total percentage of UK-wide orders and those from the London area closely matched that of enquiries but again, there was a difference between members at 56% and non-members at 28%, again attributable to differing customer bases.

In terms of the conduct of their businesses, growth is clearly evident. 41% have recruited skilled labour although for most there has been no change and 5% have reduced their skilled headcount. In addition, the same figure of 41% of companies have recruited apprentices although the majority have not done so. Again, 41% have increased their workforce training with the majority maintaining the same level or reducing it [5%]. In the coming year, 57% intend to grow their staff training. The labour recruitment figure is considerably higher than recorded in the previous survey of 30% as is the percentage undertaking workforce training which returned a figure of 32% last year. These figures show the clear commitment of companies in the sector in securing a highly skilled and appropriately trained workforce.

Exporters are largely reporting stagnant overseas business with 76% saying that their export revenue is remaining flat with 10% noting modest growth and 20% slightly less than the previous year.

Taken together, the findings indicate a relative vibrancy in business levels within the industry but with considerable headwinds in terms of raw materials and component costs as well as other supply issues. In addition, these and other factors are affecting our exporters' ability to expand their overseas interests. The generally encouraging results do demonstrate, however, the resilience and adaptability of companies within the fire safety industry as well as the importance of the work that they carry out in the name of public safety and property protection.

Given the extraordinary factors prevalent over the last few years, it's useful to look back to the four years up to 2020. While each of these are subject to often significant variation, enquiries, orders and invitations to tender are at broadly at similar levels to now. Owing to current economic conditions, however, those experiencing tender price increases has risen from 30-50% in earlier years to 85% currently while those subject to higher supplier pricing has jumped from about 65% to over 90%. Delivery time issues now affect 79% of

respondents as opposed to just around 25% in the preceding years.

Those growing their export business has fallen from around 30% of exporting companies over 2017-2020 to 10% in the past year. On the indicators for skilled labour, apprentices and training, there is some evidence that industry is marginally increasing its apprentice intake and future staff training intentions relative to the latter half of the previous decade but current training is slightly down and increases in skilled labour broadly unchanged. Those experiencing an increase in demand for third party certification is also unchanged within the bounds of statistical significance.

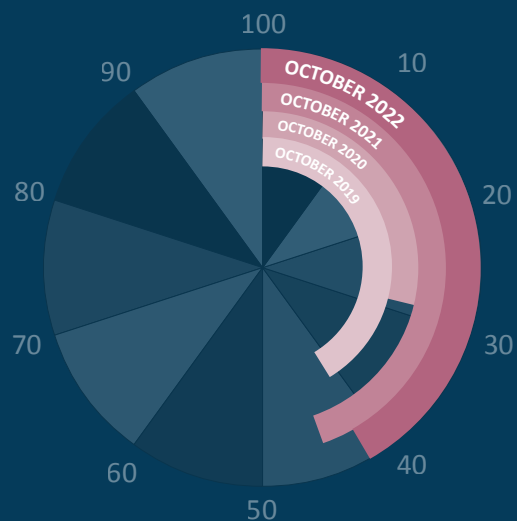
With the various unprecedented factors that have prevailed over recent years and the dramatic and equally extraordinary circumstances that we face now and for the foreseeable future, we remain in an extended period of extreme uncertainty. What is heartening, however, is the capability of the fire safety industry in maintaining its excellent work in these exceptional times.



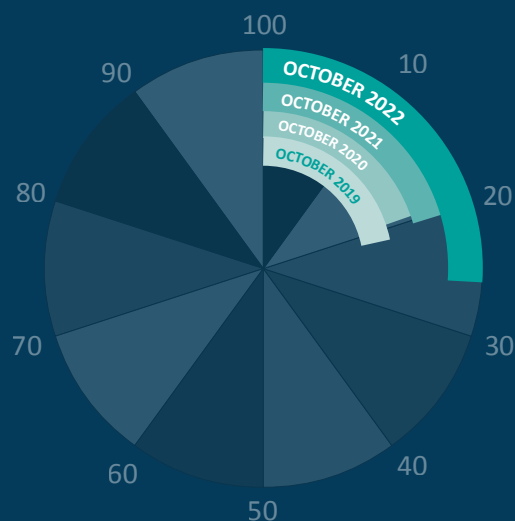
**Fire Industry Association**

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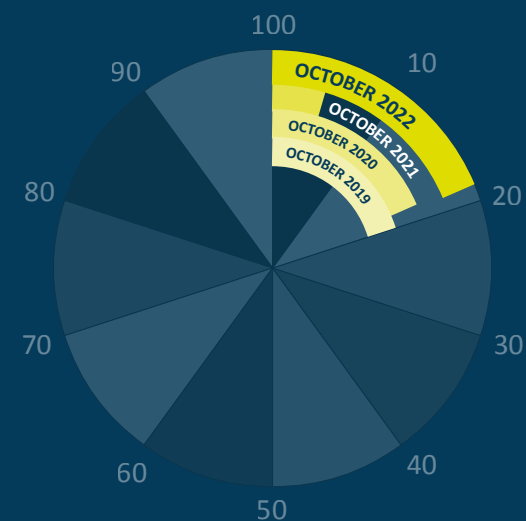
# Have you received more enquiries in the last 12 months than in the previous year? (%)



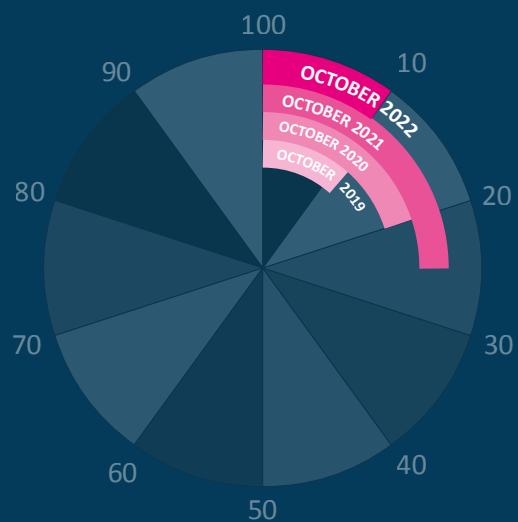
SLIGHTLY MORE



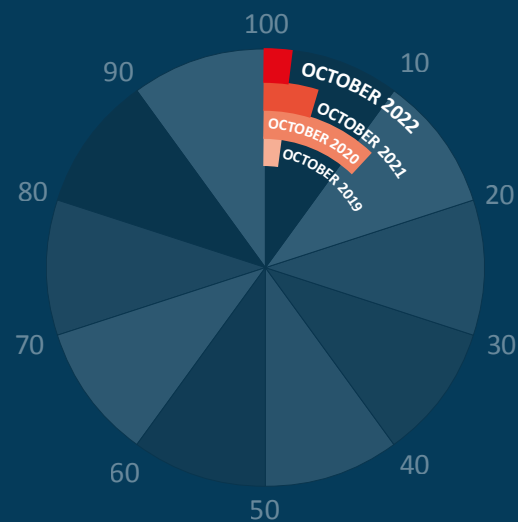
SAME



SUBSTANTIALLY MORE

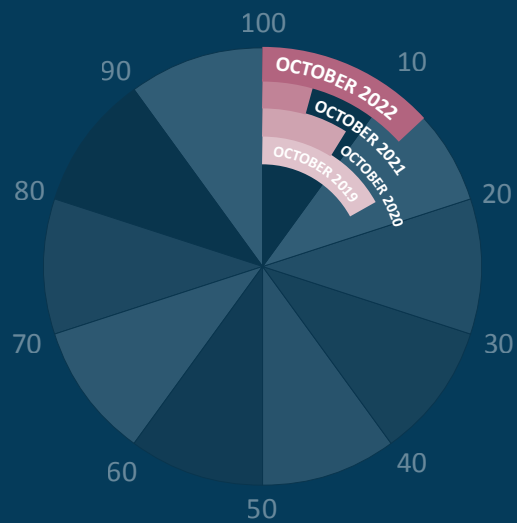


SLIGHTLY LESS

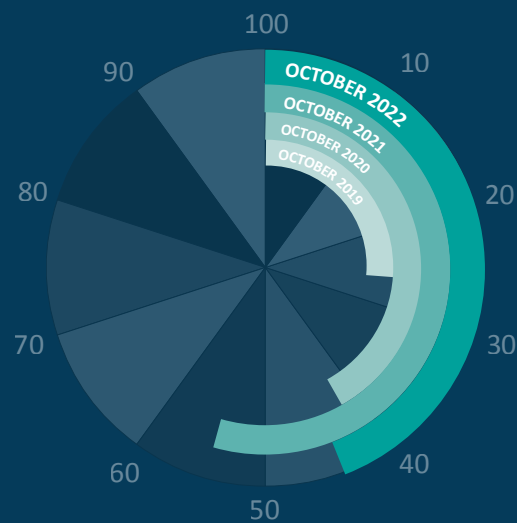


SUBSTANTIALLY LESS

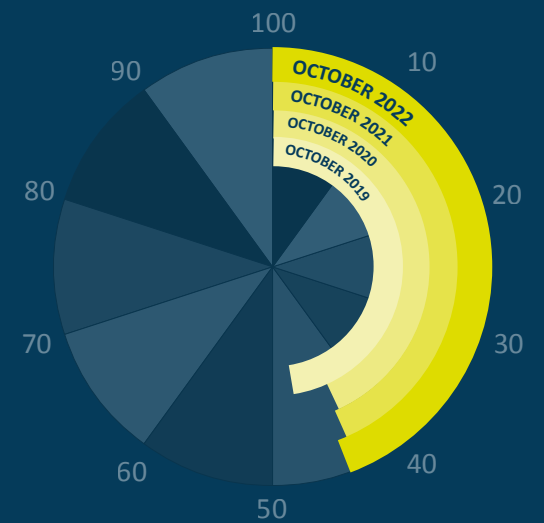
## Have you had more enquiries from the Public or Private Sector? (%)



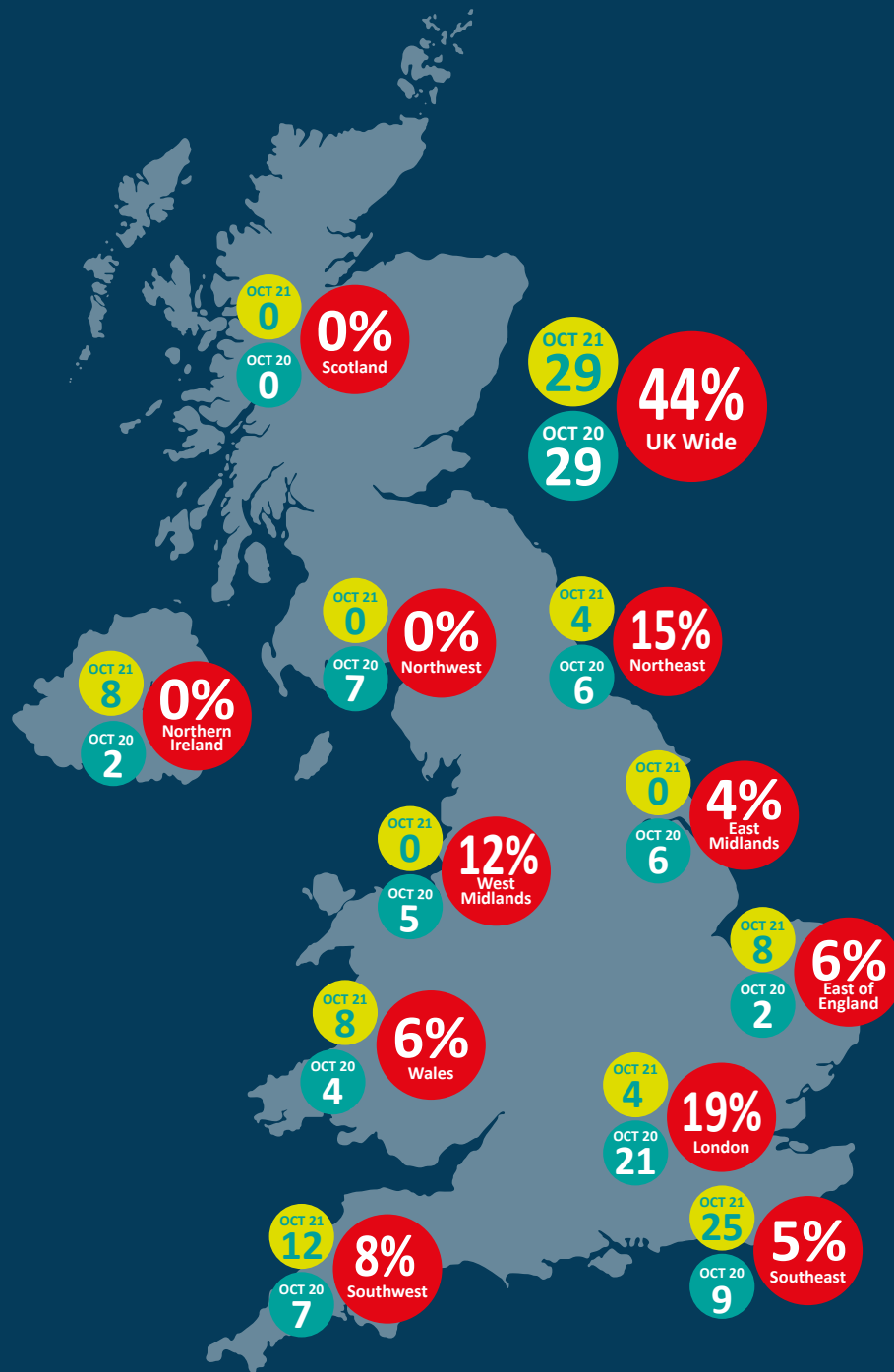
**MORE FROM THE  
PUBLIC SECTOR**



**ABOUT THE  
SAME**

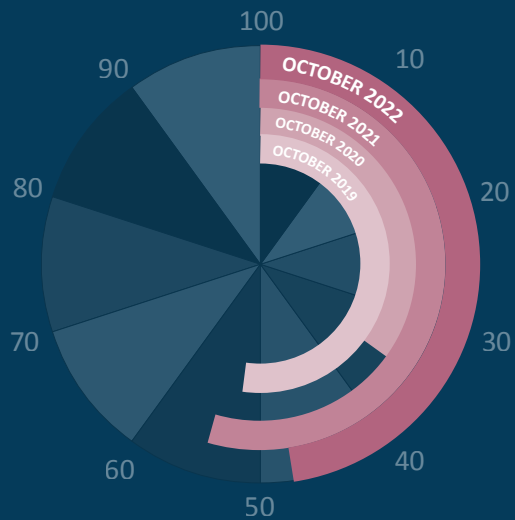


**MORE FROM THE  
PRIVATE SECTOR**

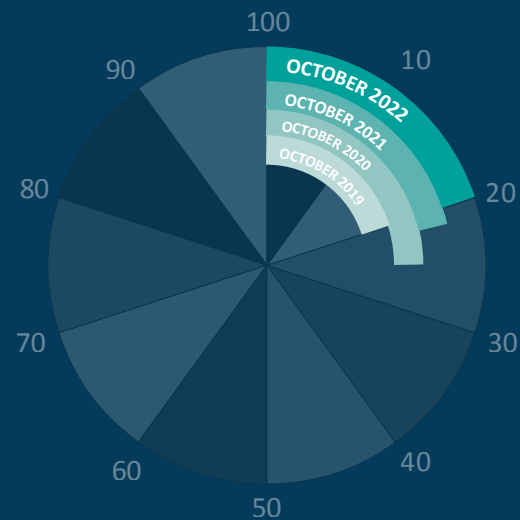


Where have the majority  
of your enquiries  
come from geographically?

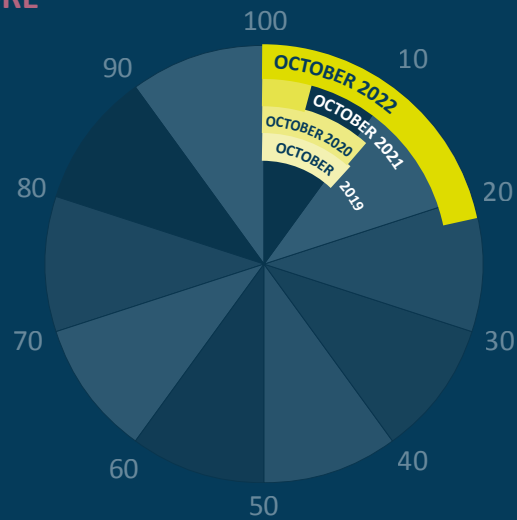
# Have you received more orders in the last 12 months than in the previous year? (%)



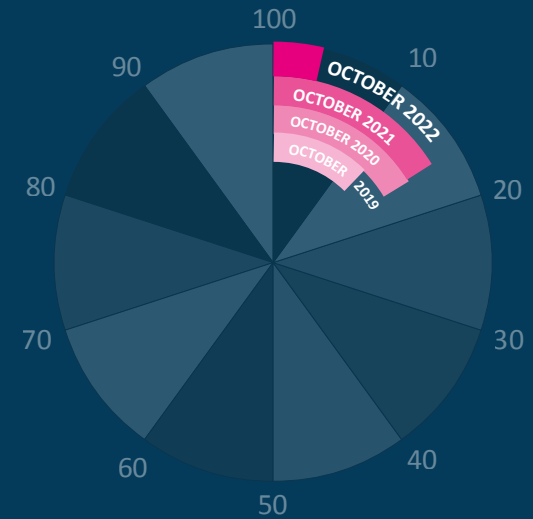
SLIGHTLY MORE



SAME



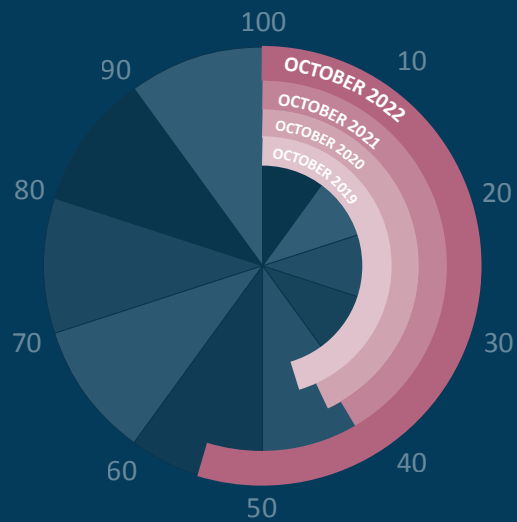
SUBSTANTIALLY MORE



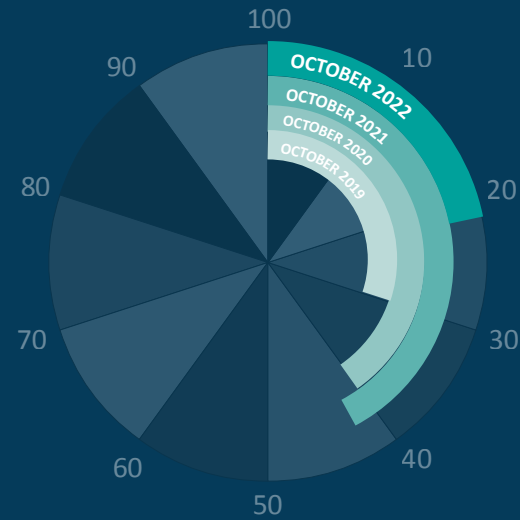
SLIGHTLY LESS



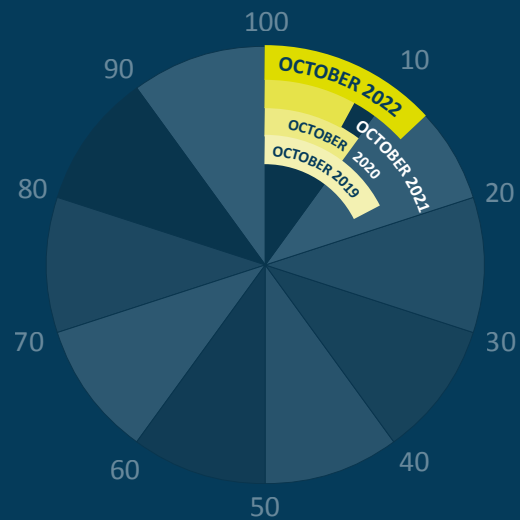
# Have you had more orders from the Public or Private Sector? (%)



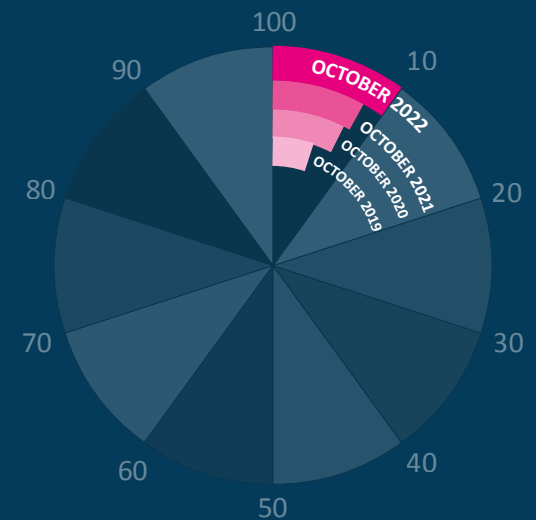
**MORE FROM THE  
PRIVATE SECTOR**



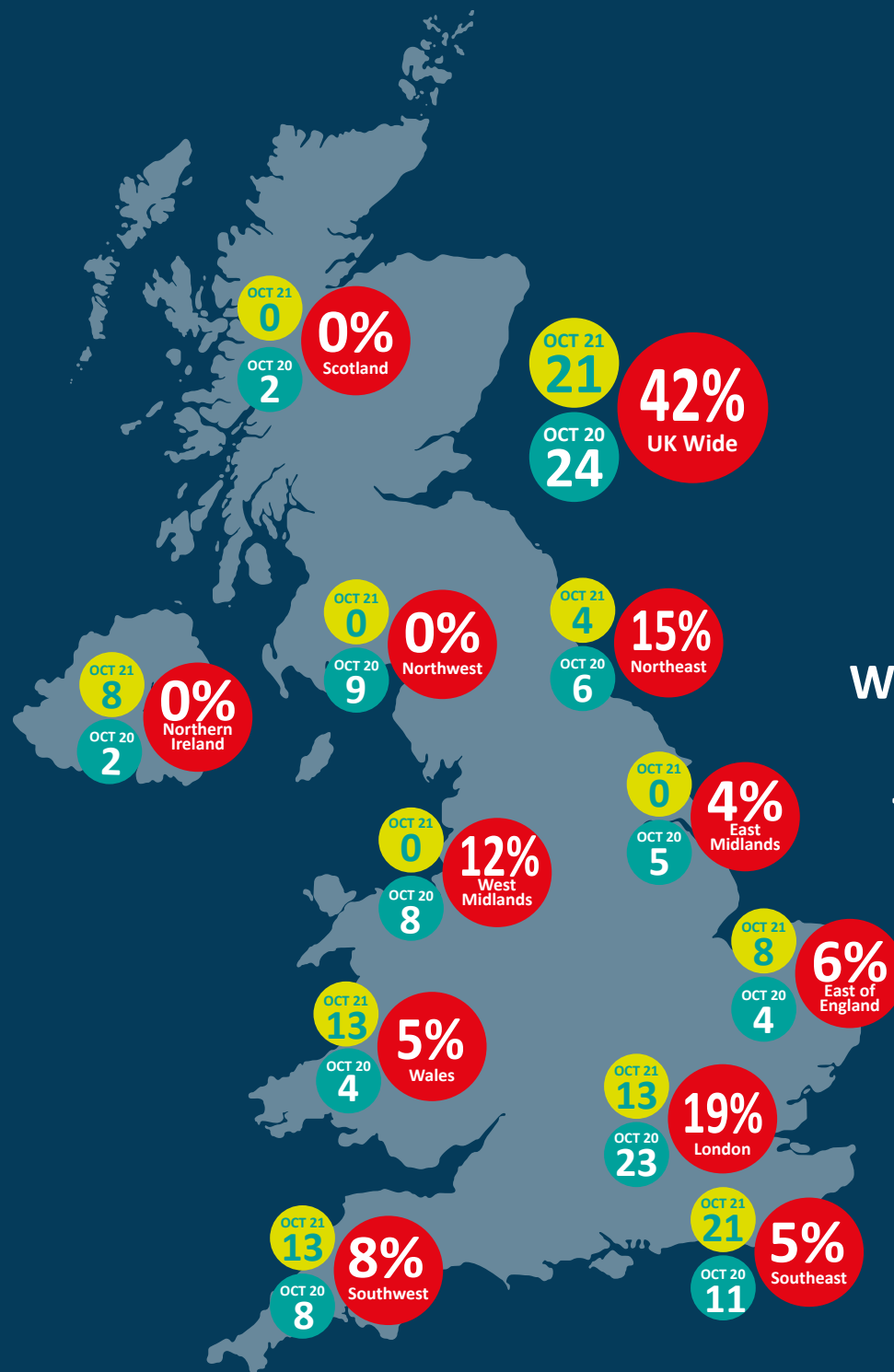
**SAME**



**MORE FROM THE  
PUBLIC SECTOR**

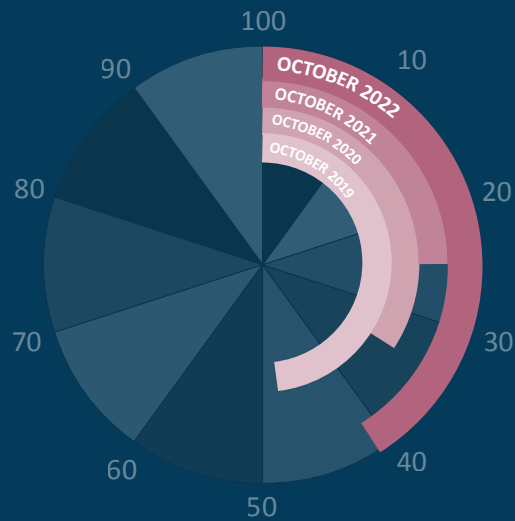


**DON'T KNOW**

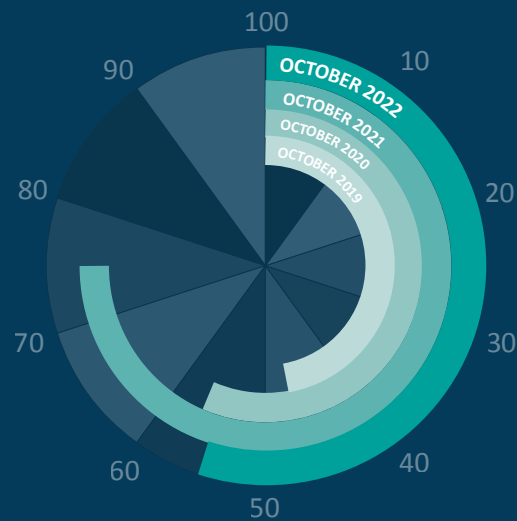


Where have the majority  
of your orders come  
from geographically?

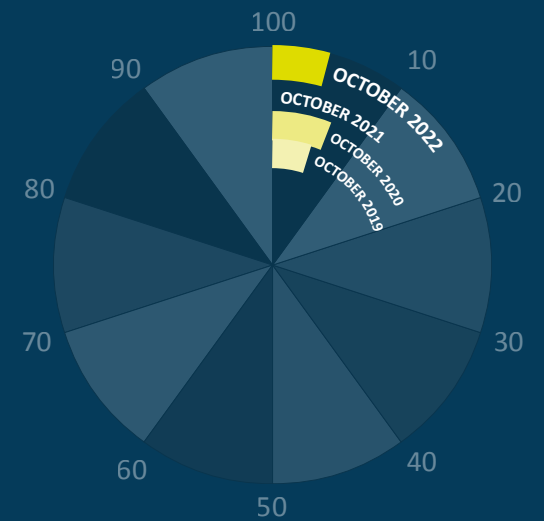
## Have you recruited skilled labour in the last 12 months or have you shed skilled labour in the last year? (%)



**RECRUITED  
SKILLED LABOUR**

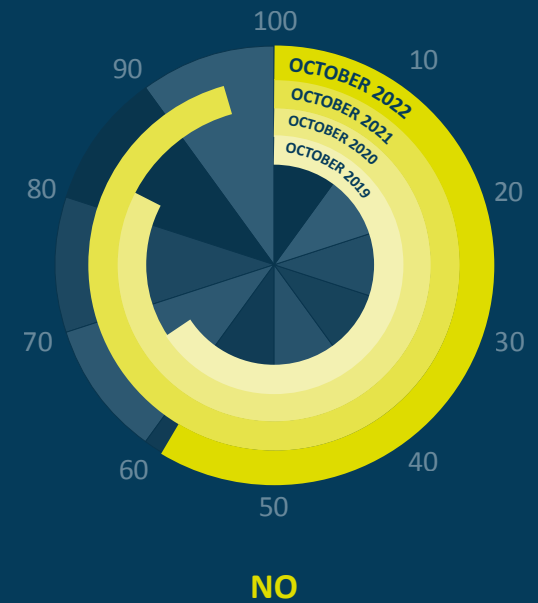
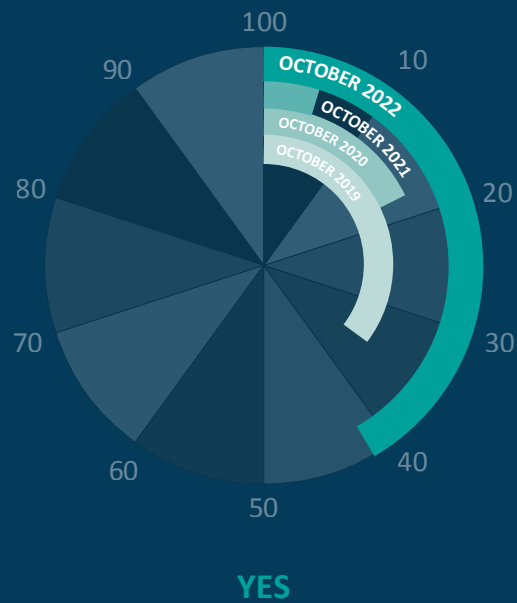


**NO CHANGE**

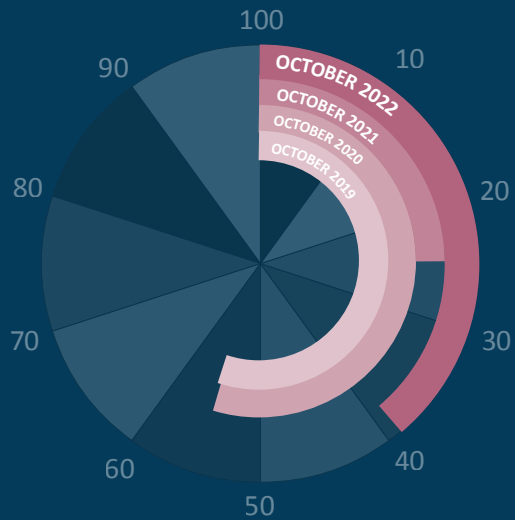


**SHED SKILLED LABOUR**

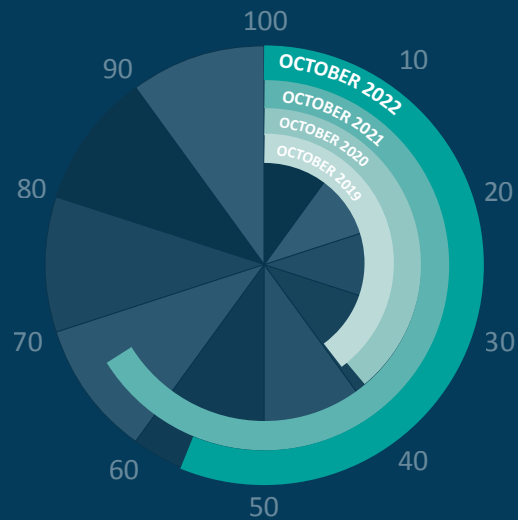
## Have you recruited apprentices in the last 12 months? (%)



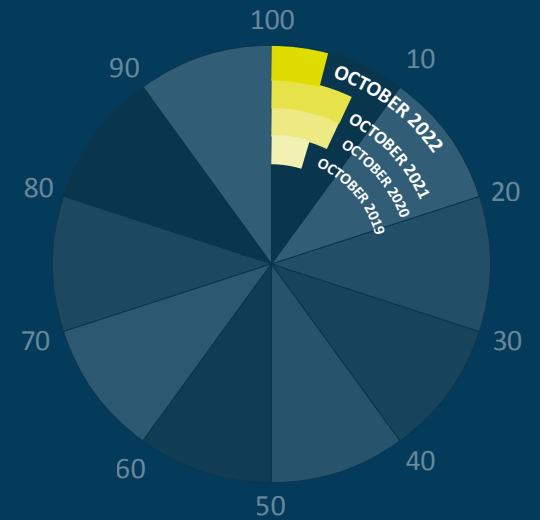
## Have you increased or decreased the amount of training for your workforce in the last 12 months? (%)



**INCREASE**

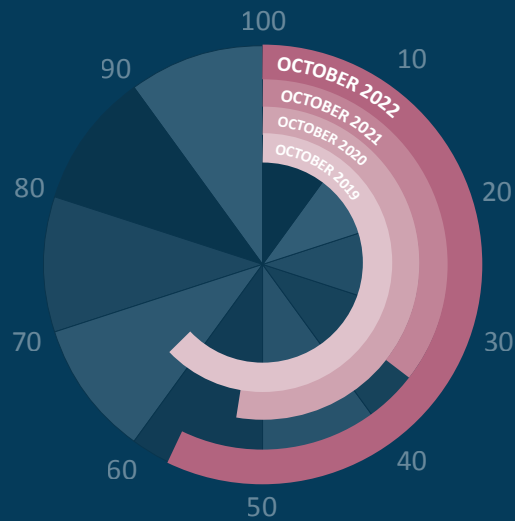


**KEEP THE SAME**

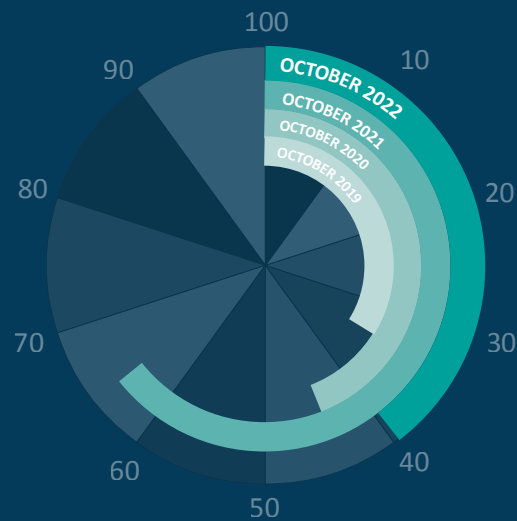


**DECREASE**

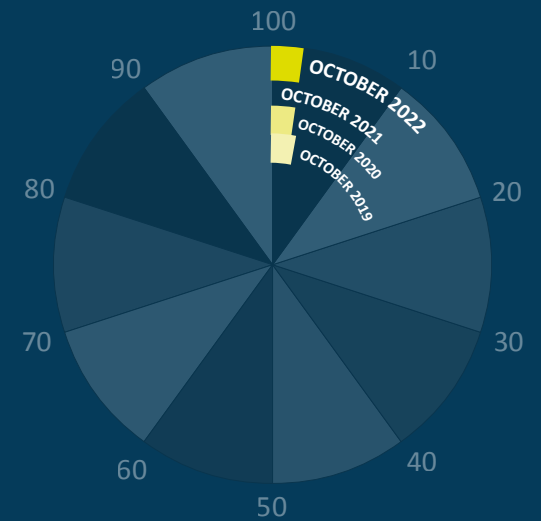
## Do you intend to increase or decrease the amount of training for your workforce in the next 12 months? (%)



INCREASE

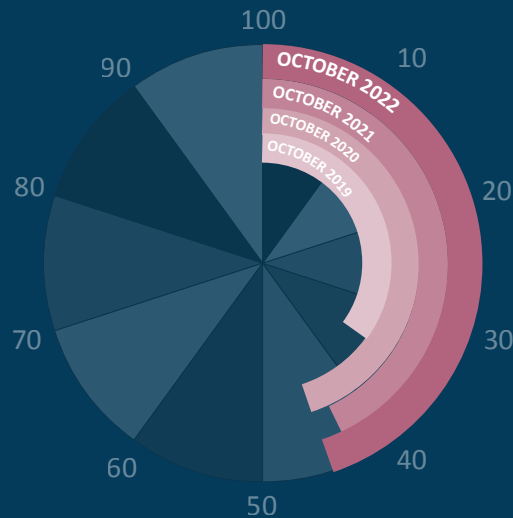


KEEP THE SAME

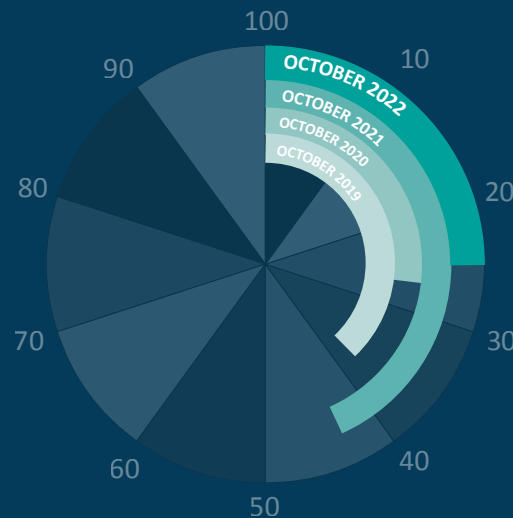


DECREASE

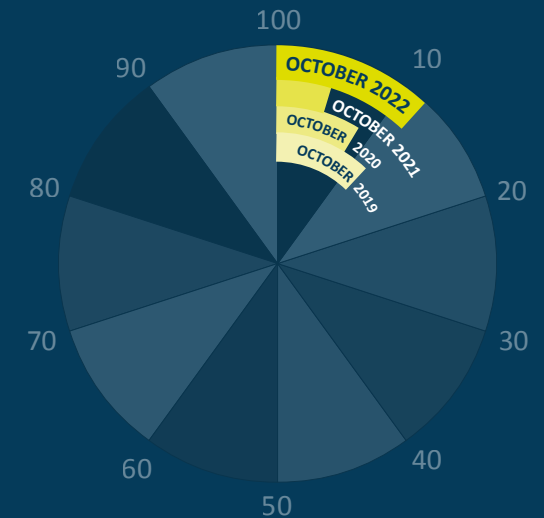
# Have you received more or less invitations to tender for work in the last 12 months when compared to the previous year? (%)



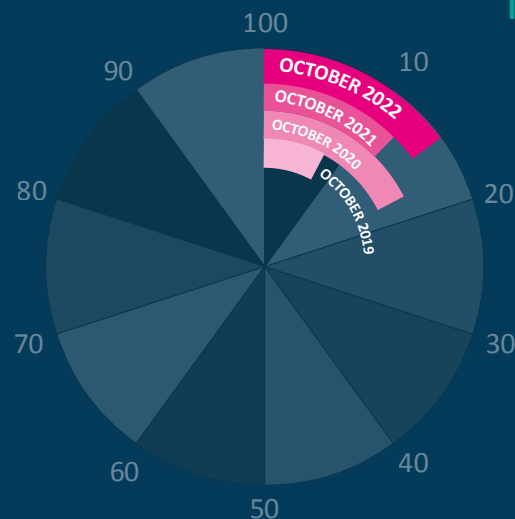
NO CHANGE



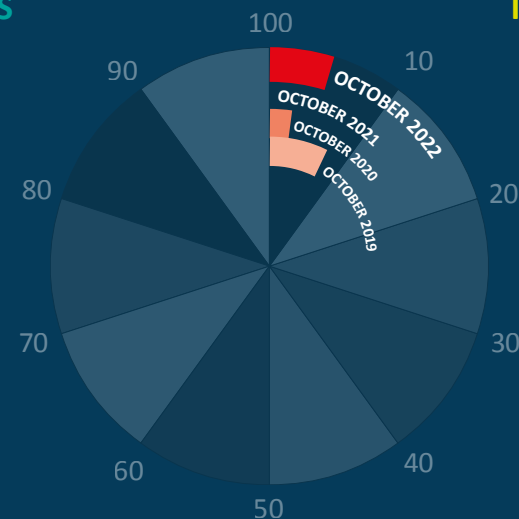
SLIGHTLY MORE INVITATIONS



A LOT MORE INVITATIONS

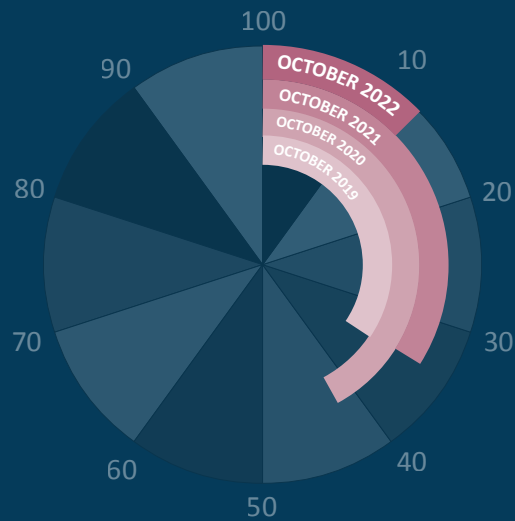


SLIGHTLY LESS INVITATIONS

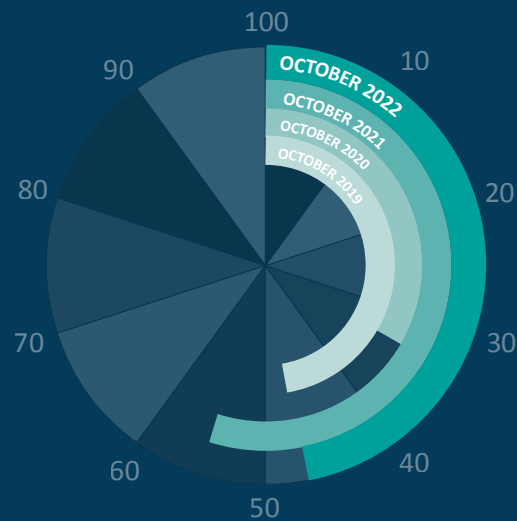


A LOT LESS INVITATIONS

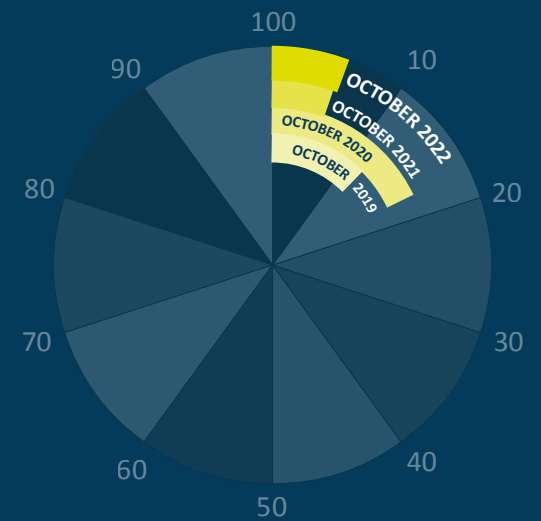
# Have tender prices increased in the last 12 months when compared to the previous year? (%)



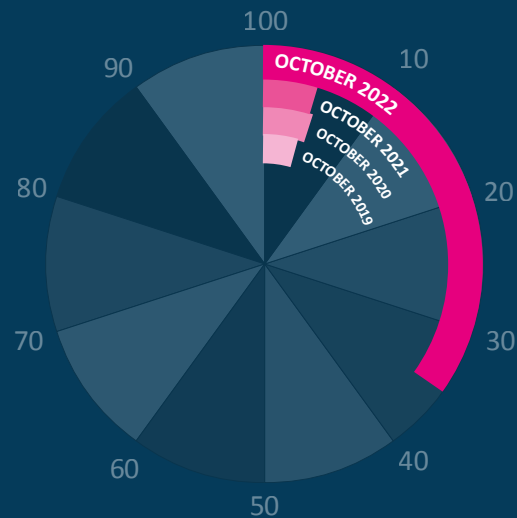
STAYED THE  
SAME



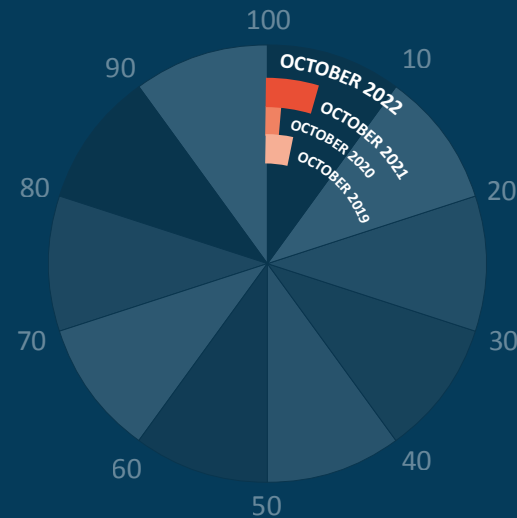
INCREASED  
SLIGHTLY



DECREASED  
SLIGHTLY



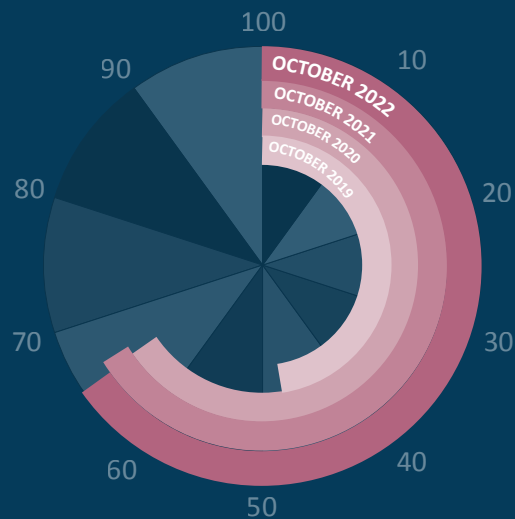
INCREASED  
SUBSTANTIALLY



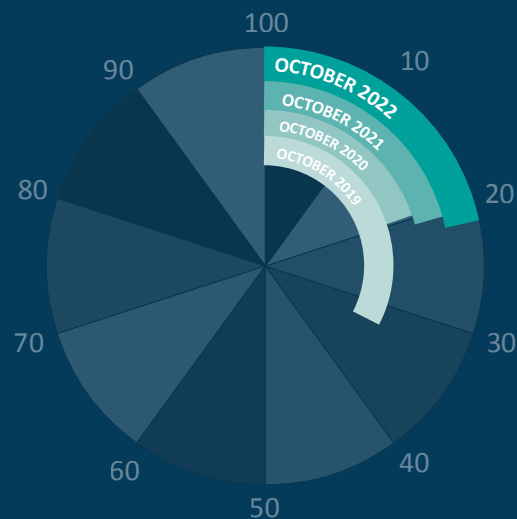
DECREASED  
SUBSTANTIALLY



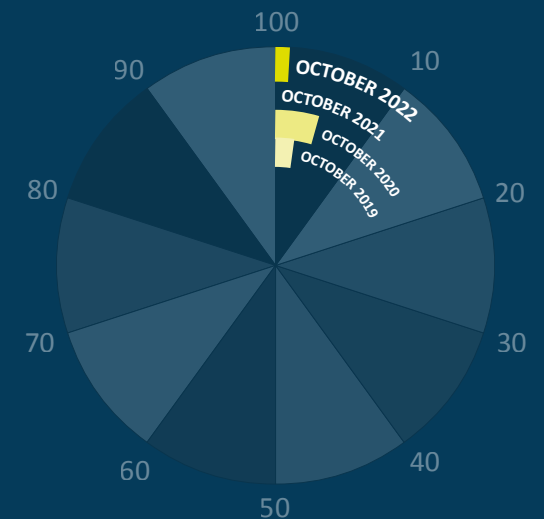
# Have you seen more or less tenders in the last 12 months that require Third Party Certification when compared to the previous year? (%)



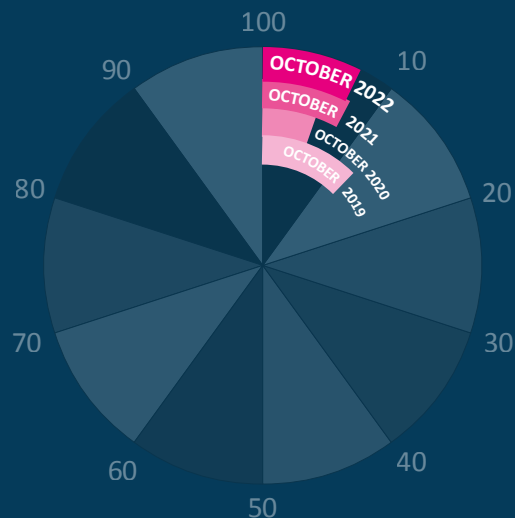
**NO CHANGE**



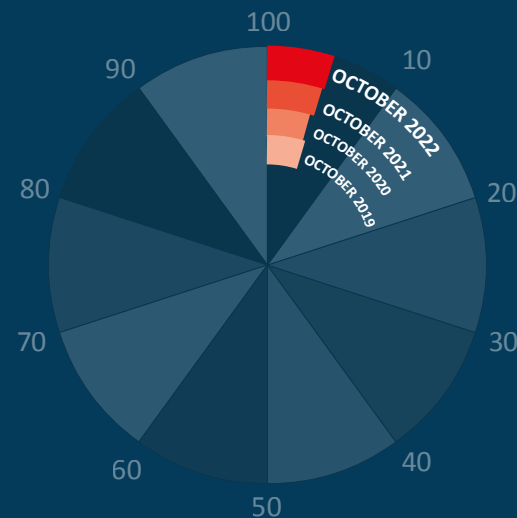
**SLIGHTLY MORE**



**A LOT LESS**

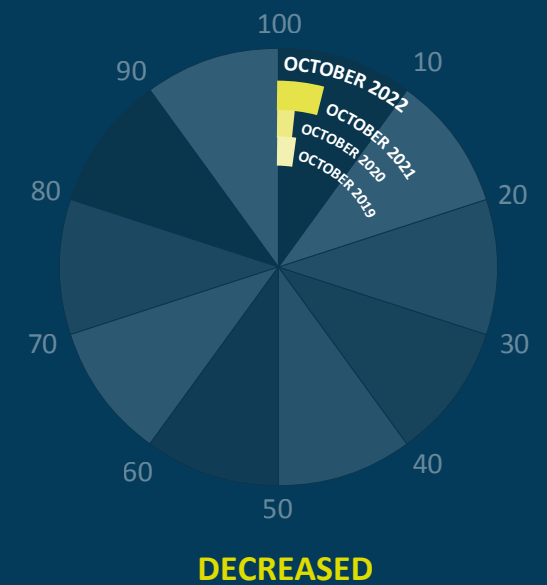
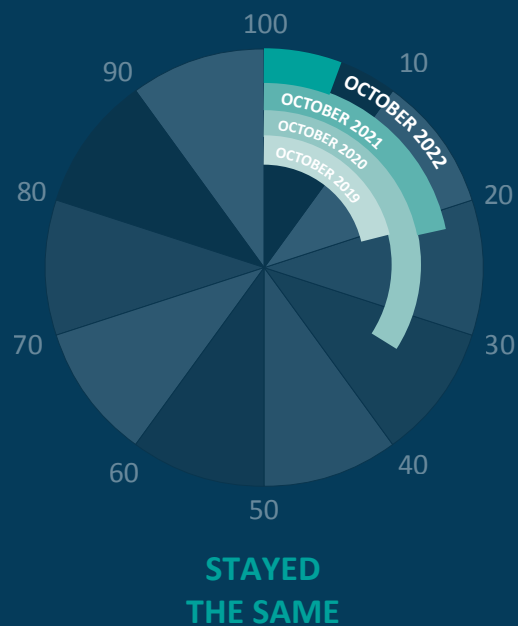
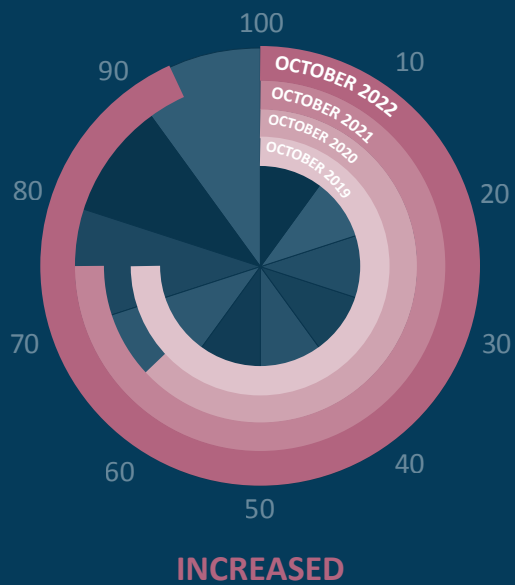


**A LOT MORE**

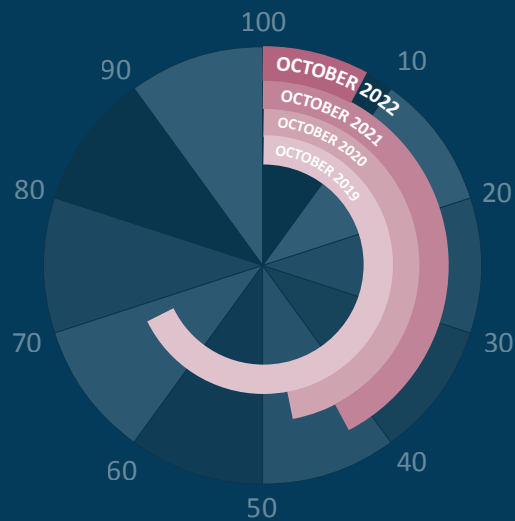


**SLIGHTLY LESS**

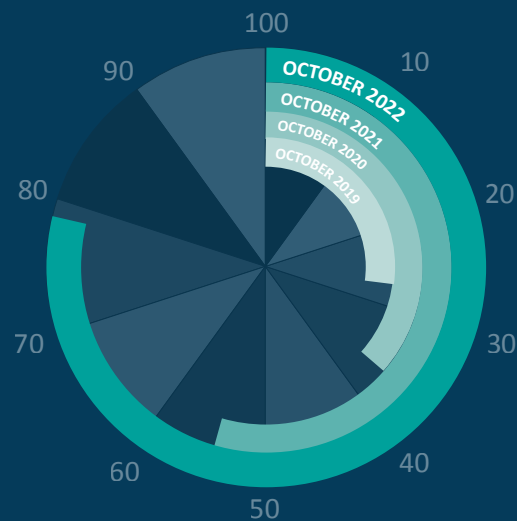
Have suppliers prices in general increased, stayed the same or decreased in the last 12 months when compared to the previous year? (%)



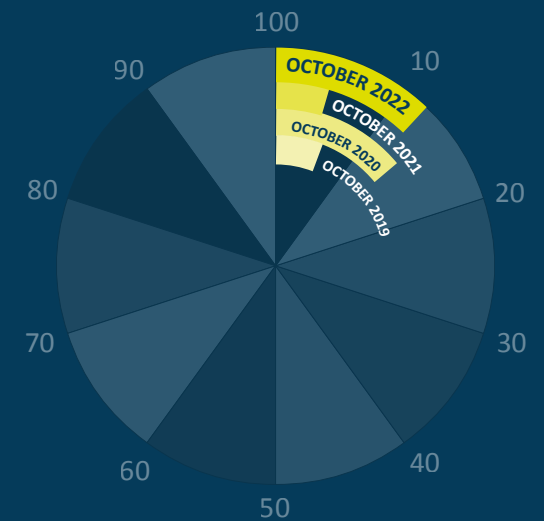
Have suppliers delivery times in general increased, stayed the same or decreased in the last 12 months when compared to the previous year? (%)



STAYED  
THE SAME

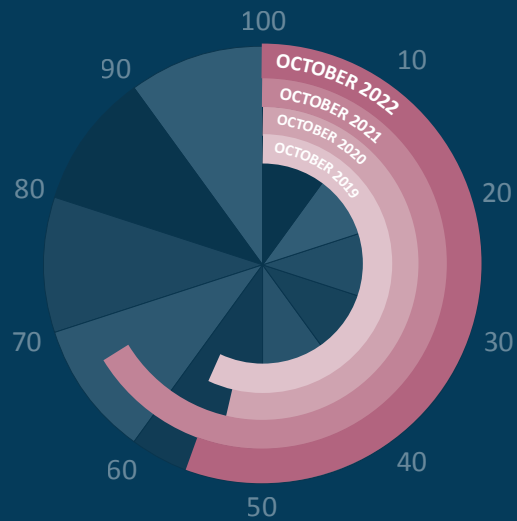


INCREASED

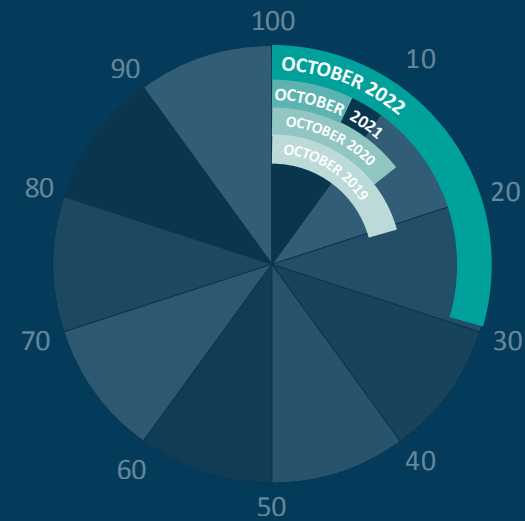


DECREASED

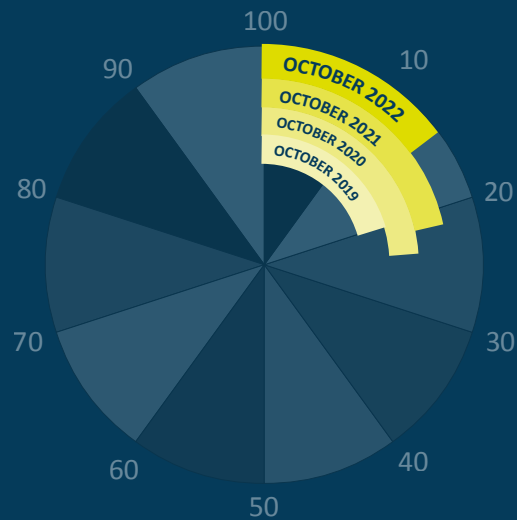
# Are you generally receiving payment in (%)



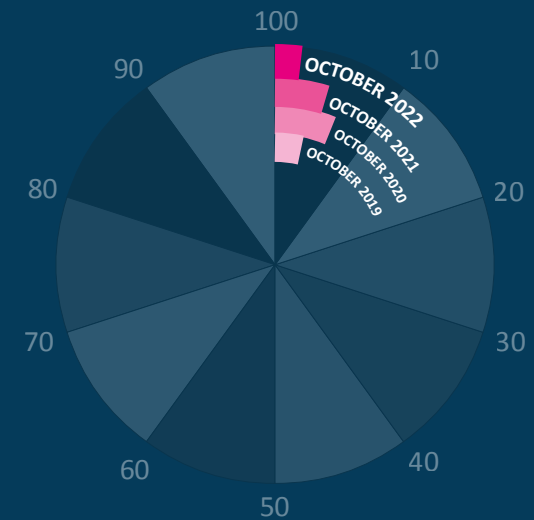
31 TO 60 DAYS?



61 TO 90 DAYS?

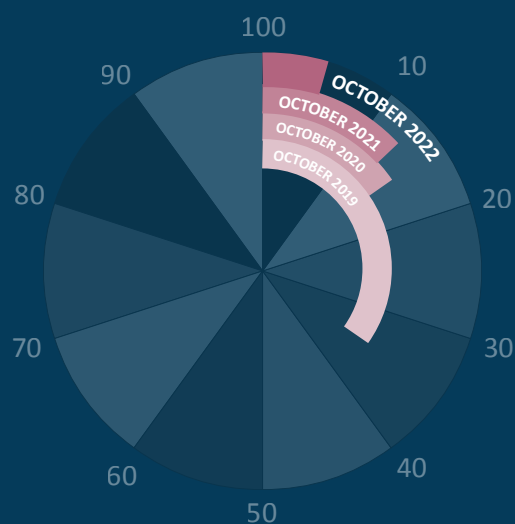


30 DAYS OR LESS

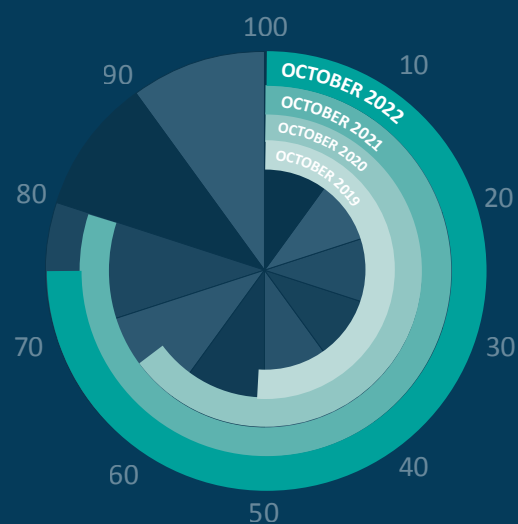


91 DAYS OR MORE?

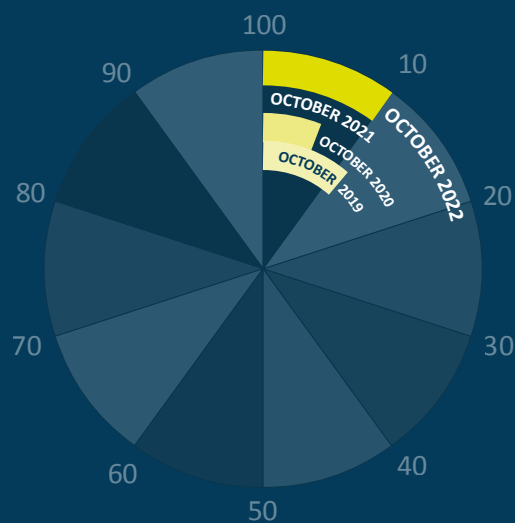
# If you are an exporter, has your export business grown in the last 12 months when compared to the previous year?(%)



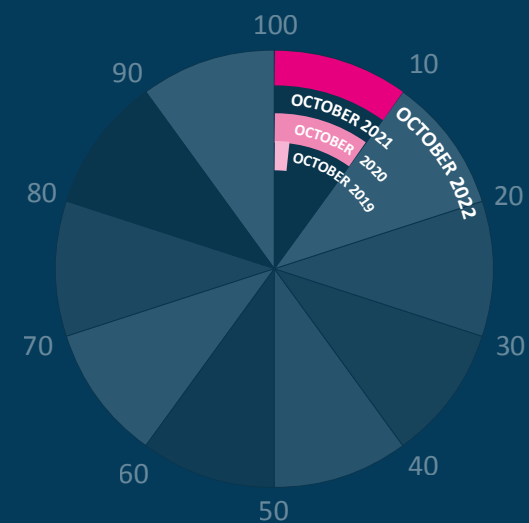
SLIGHTLY MORE



SAME



SUBSTANTIALLY MORE



SLIGHTLY LESS