



Fire Industry Association

Market Conditions Review

WAVE 4

Market Conditions Review

Summary

The fire sector continues to grow with orders, invites to tender and enquiries all showing strong increases when compared to the previous six months.

Tender prices are beginning to increase but in general not at the same rate as supplier prices and thus margins still remain 'squeezed'.

Growth in the sector is also resulting in an increased need for skilled labour and training.

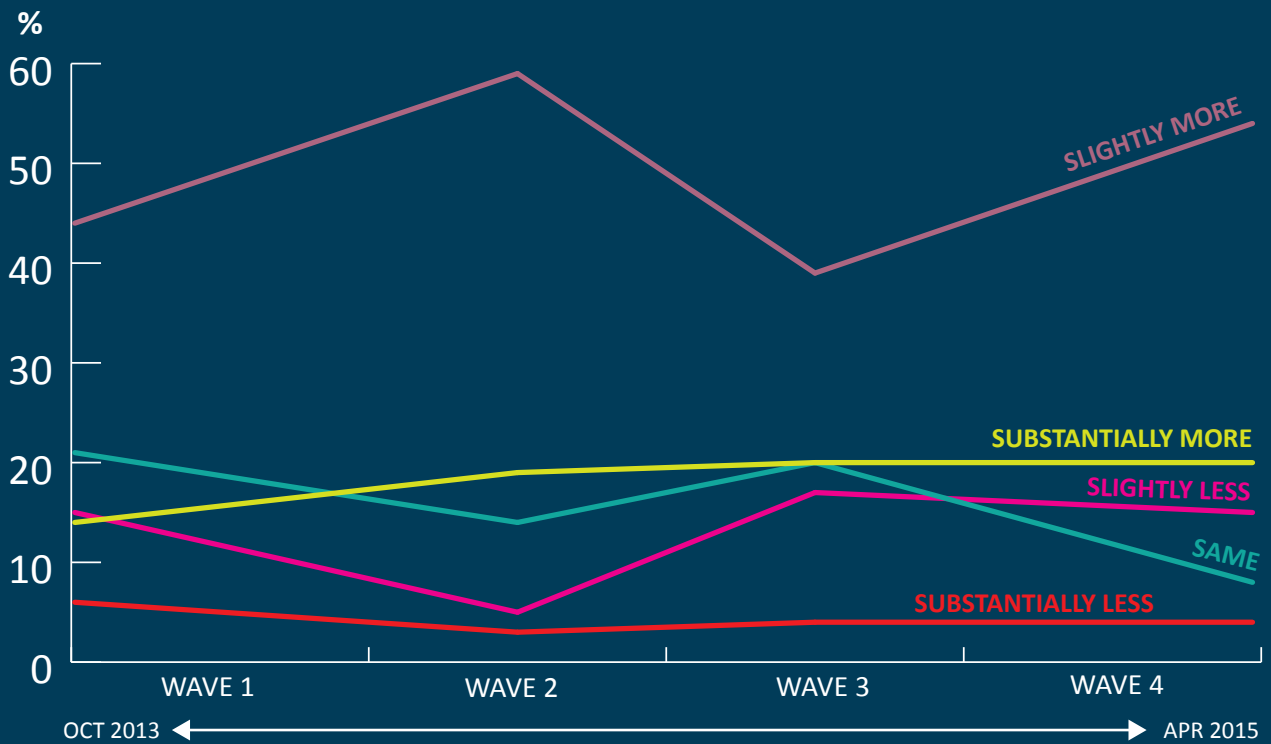
Purchases via the internet are anecdotally on the increase with some companies taking advice from more traditional suppliers and then moving their business online.

In particular

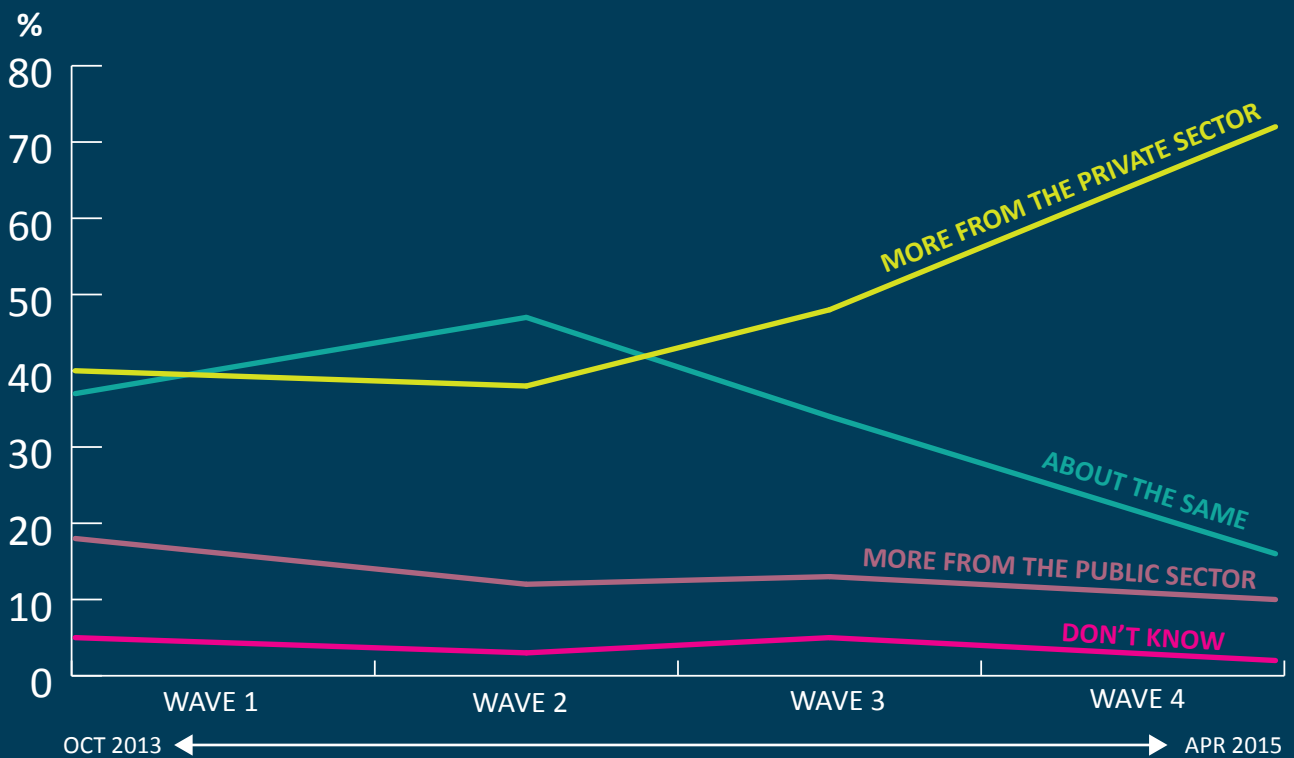
- 65% of respondents have reported an increase in orders when compared with the preceding six months with the private sector driving growth
- Similarly the last six months has seen a 73% increase in the number of enquiries received by companies that participated in the Review
- Tender invitations have increased over the last six months with 54% of companies indicating either 'a lot more' or 'slightly more' invitations
- 35% of companies that replied have recruited skilled labour in the last six months whereas only 9% have shed skilled labour
- The need for workforce training continues to increase with 58% of respondent companies anticipating an increase in training over the next six months
- Suppliers have continued to increase prices over the last six months with only 5% of respondents reporting a decrease
- 87% of companies that contributed to the Review reported that they are receiving payment in 60 days or less
- In the last six months FIA member companies received 40% more invitations to tender than did non-members

The FIA Market Conditions Survey is open to both FIA members and non-members and is carried out at six month intervals. To take part contact us at fia-team@fia.uk.com.

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



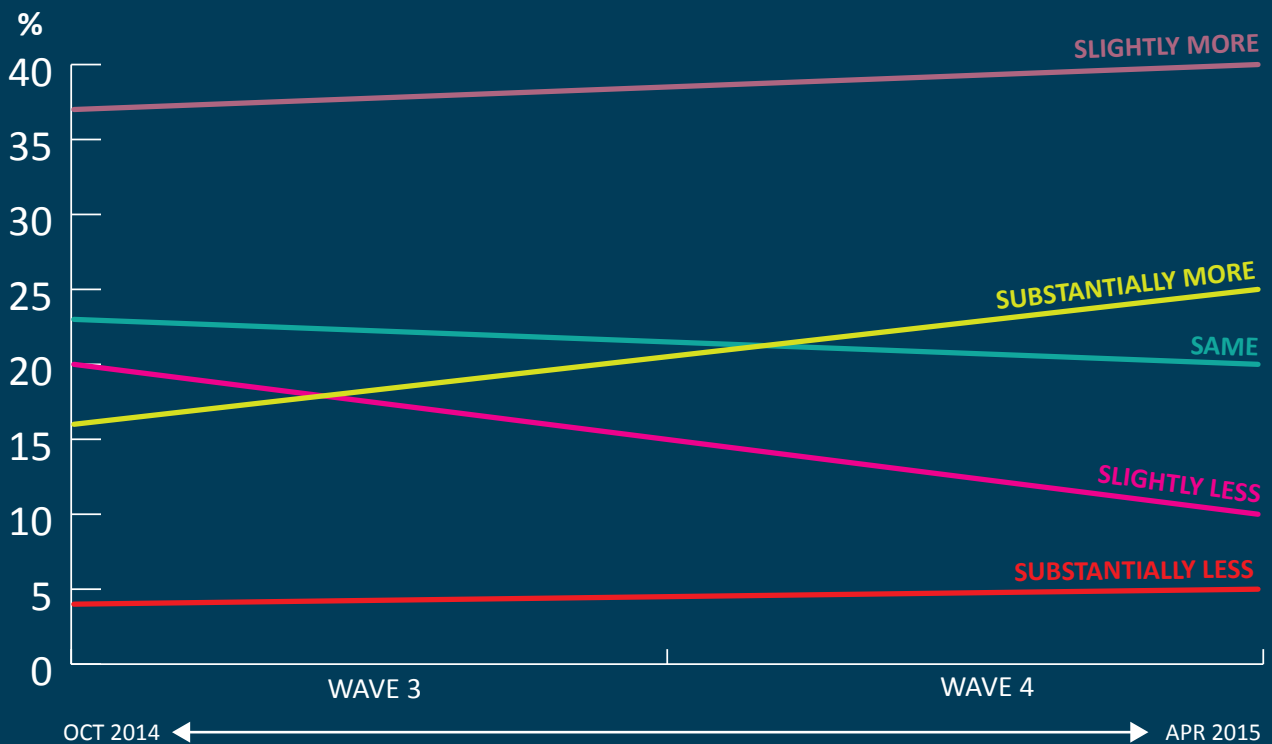
Have you had more enquiries from the Public or Private Sector? (%)



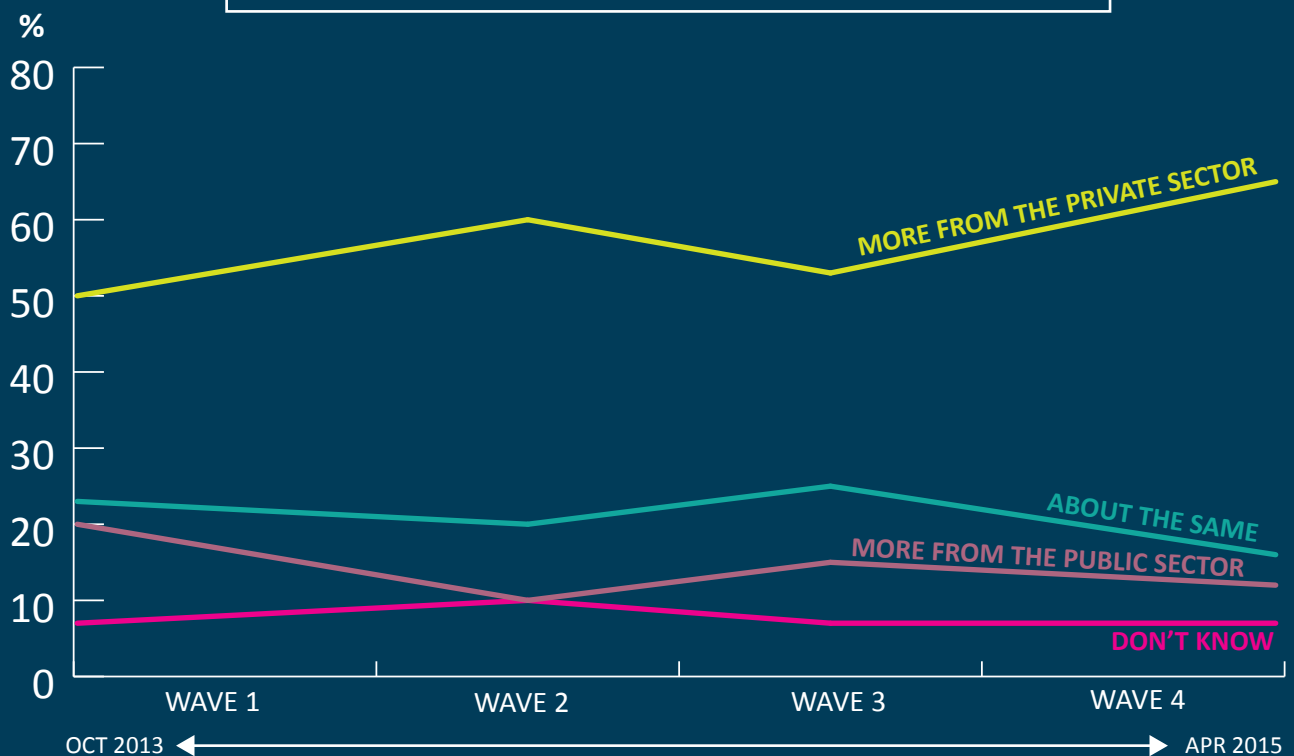
Where have the majority of your enquiries
come from geographically?



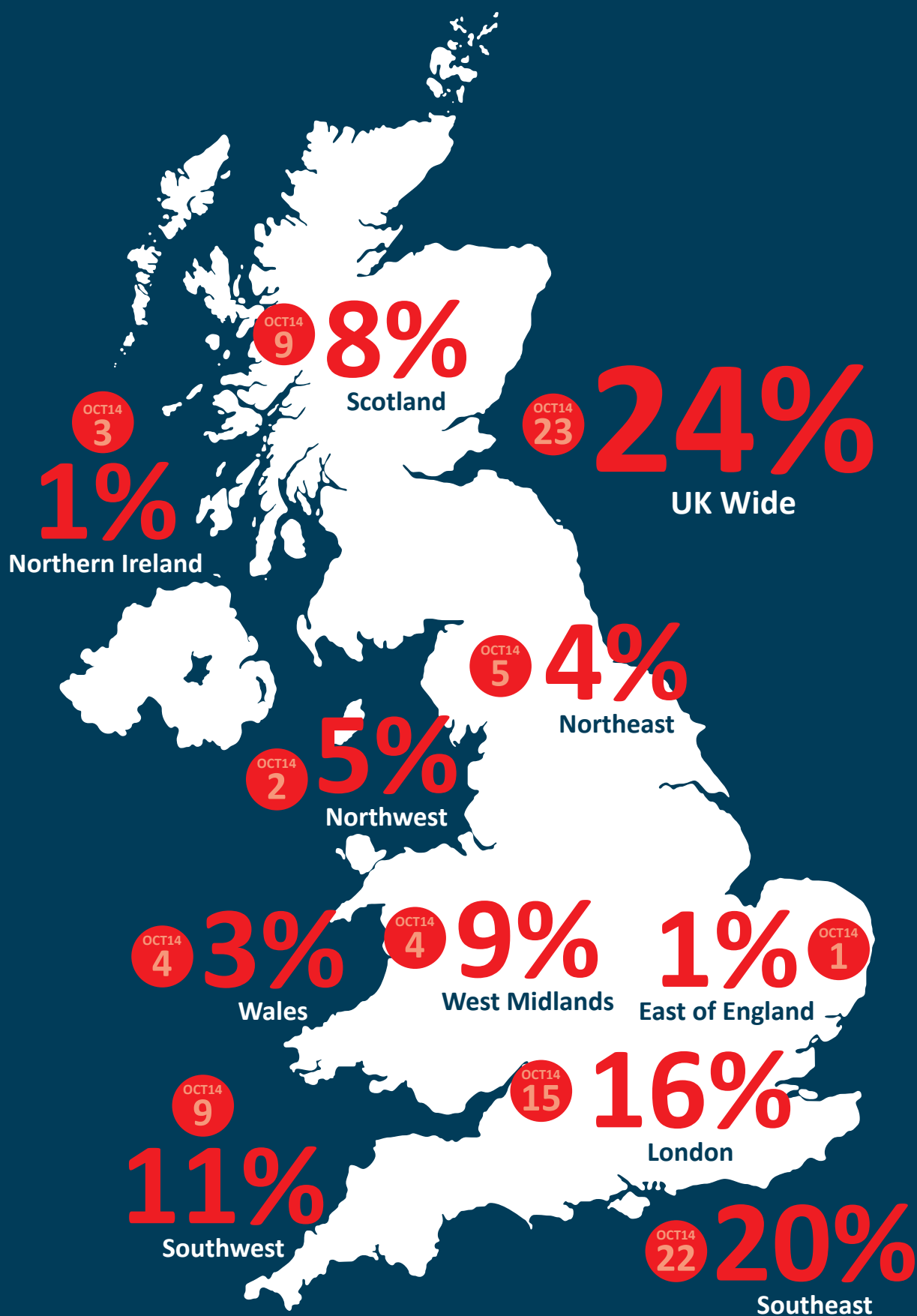
Have you received more orders in the last six months than in the previous half year? (%)



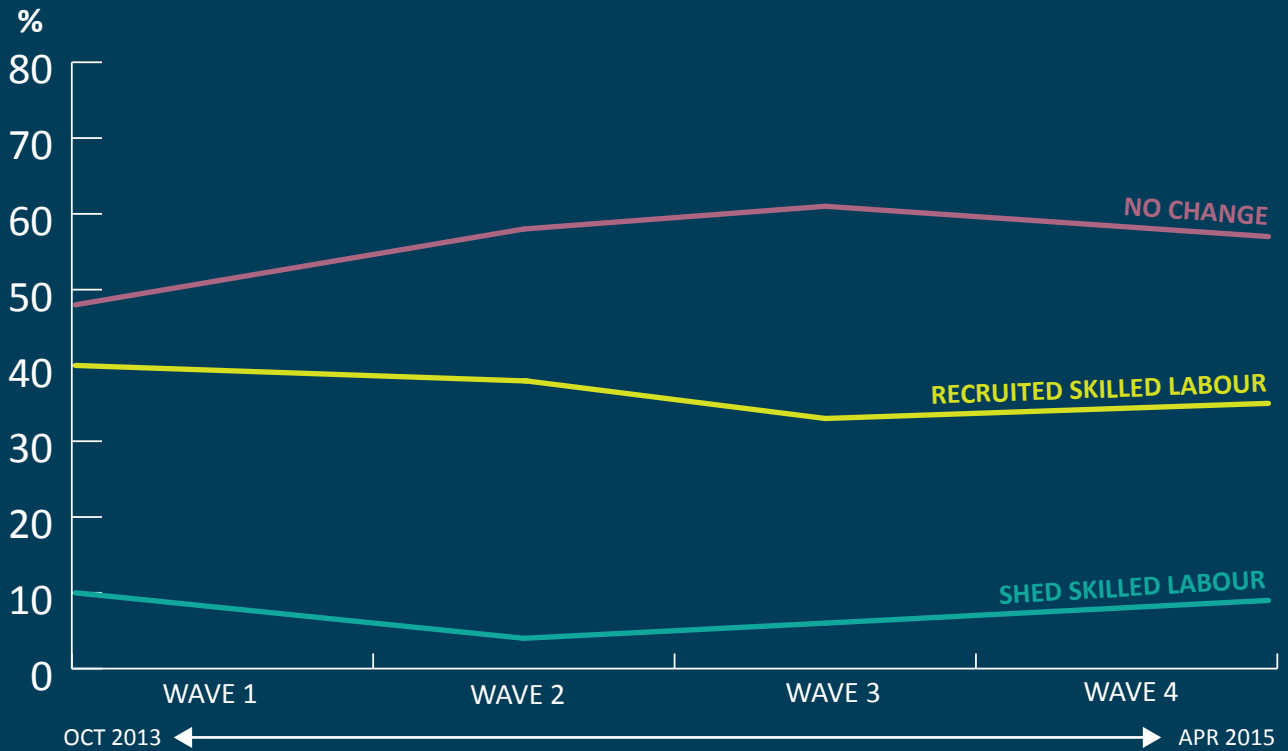
Have you had more orders from the Public or Private Sector? (%)



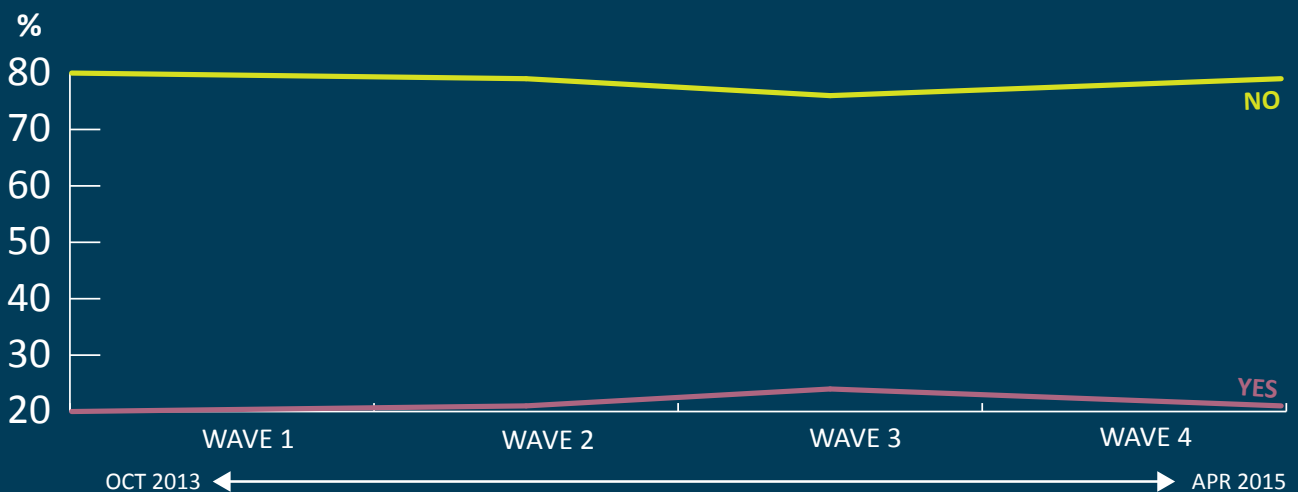
Where have the majority of your orders
come from geographically?

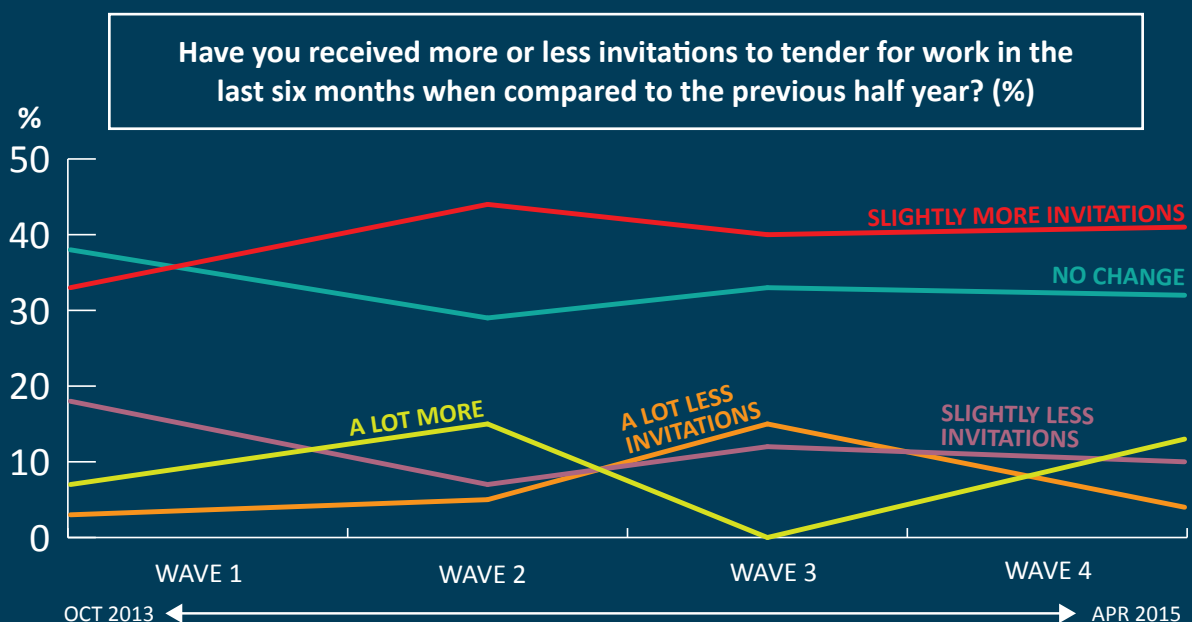
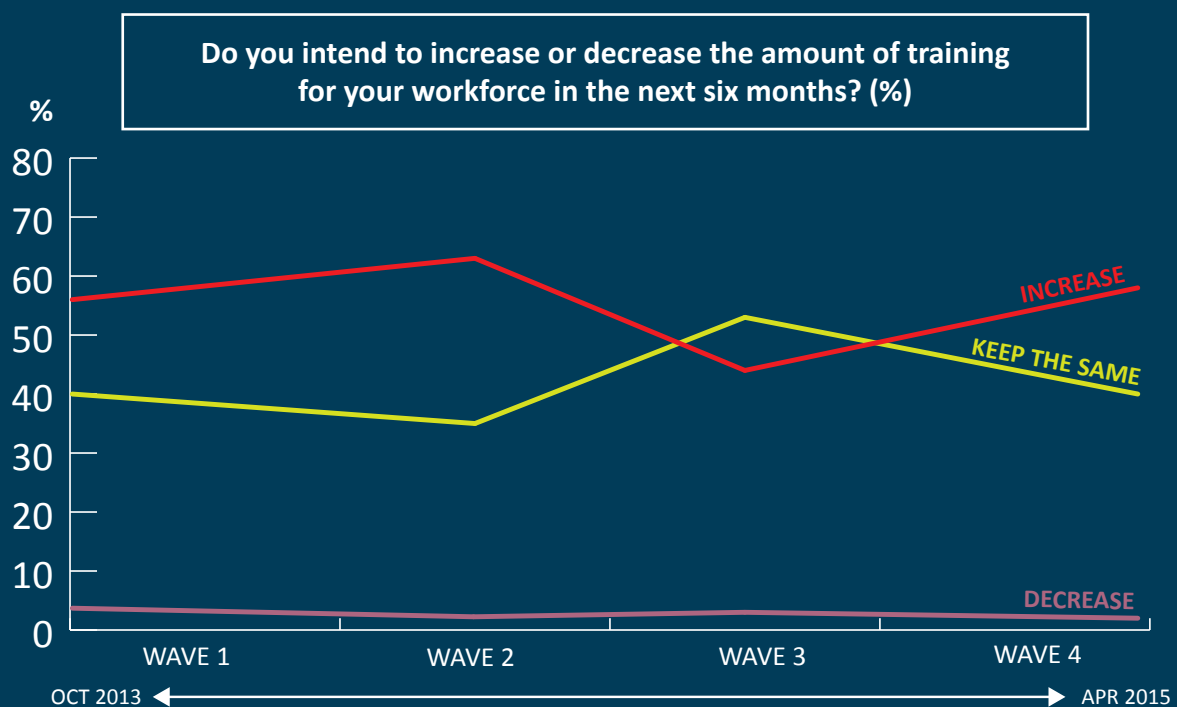
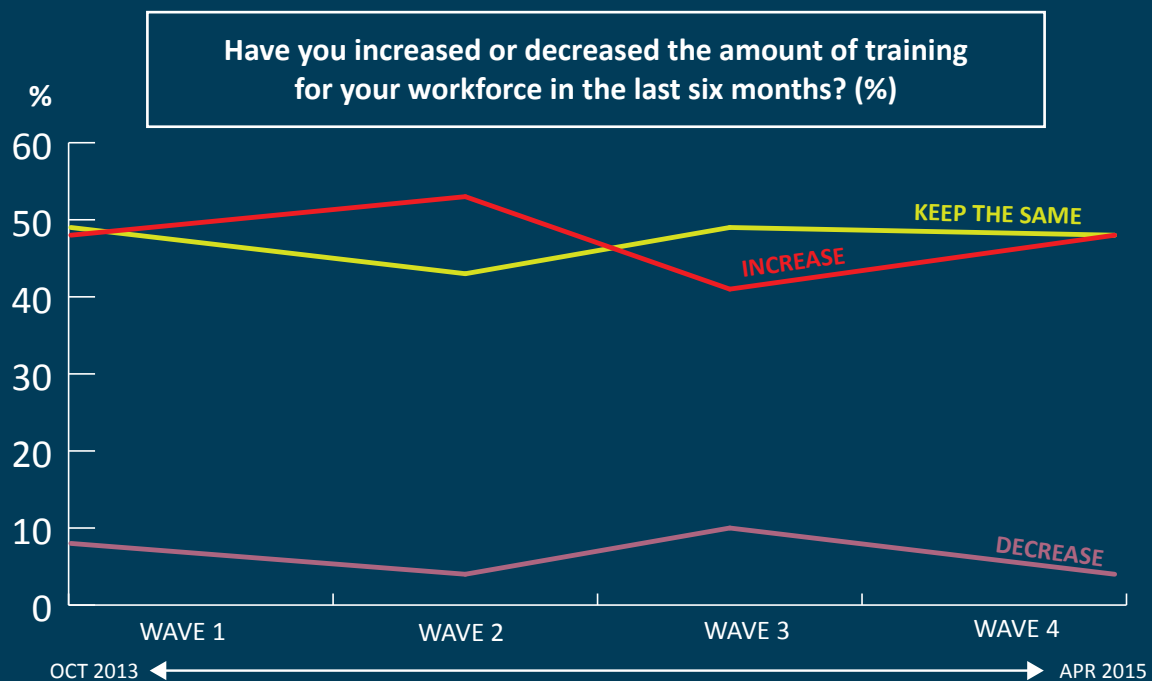


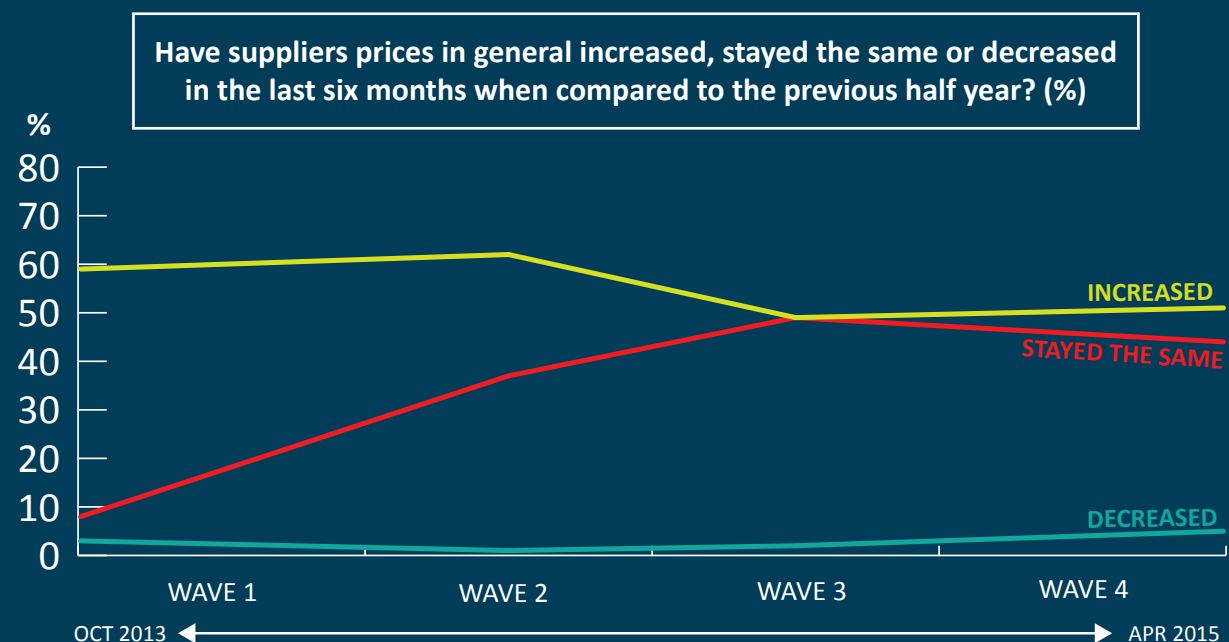
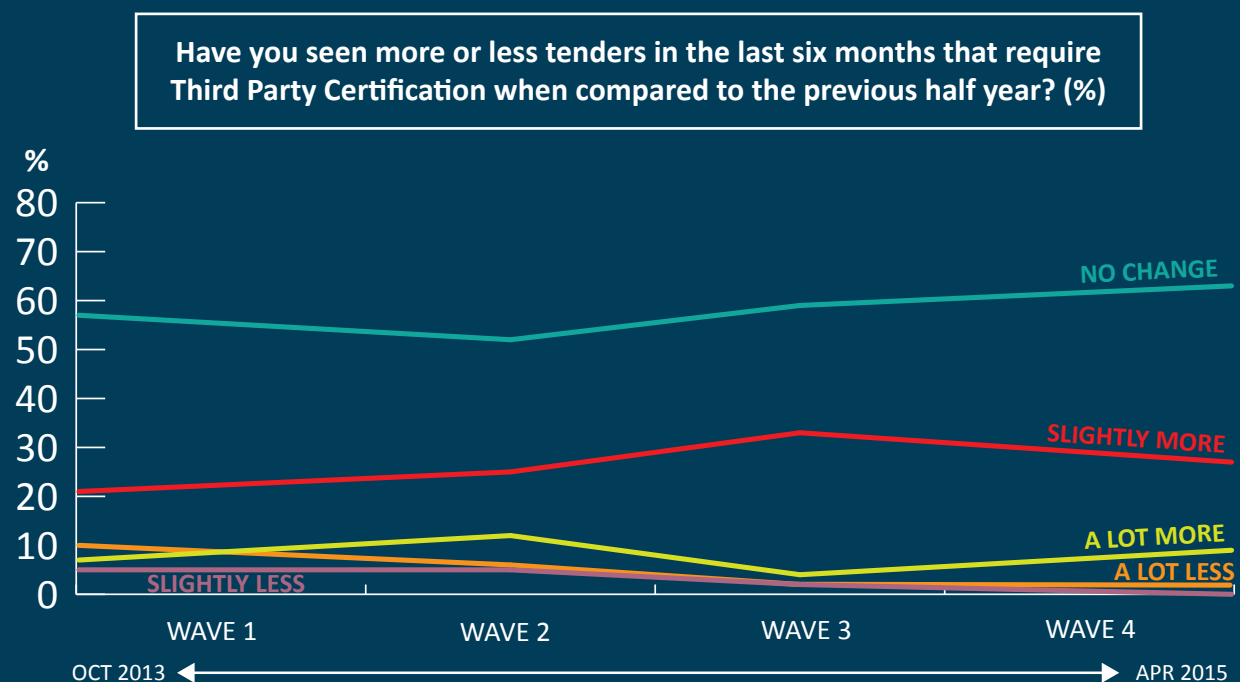
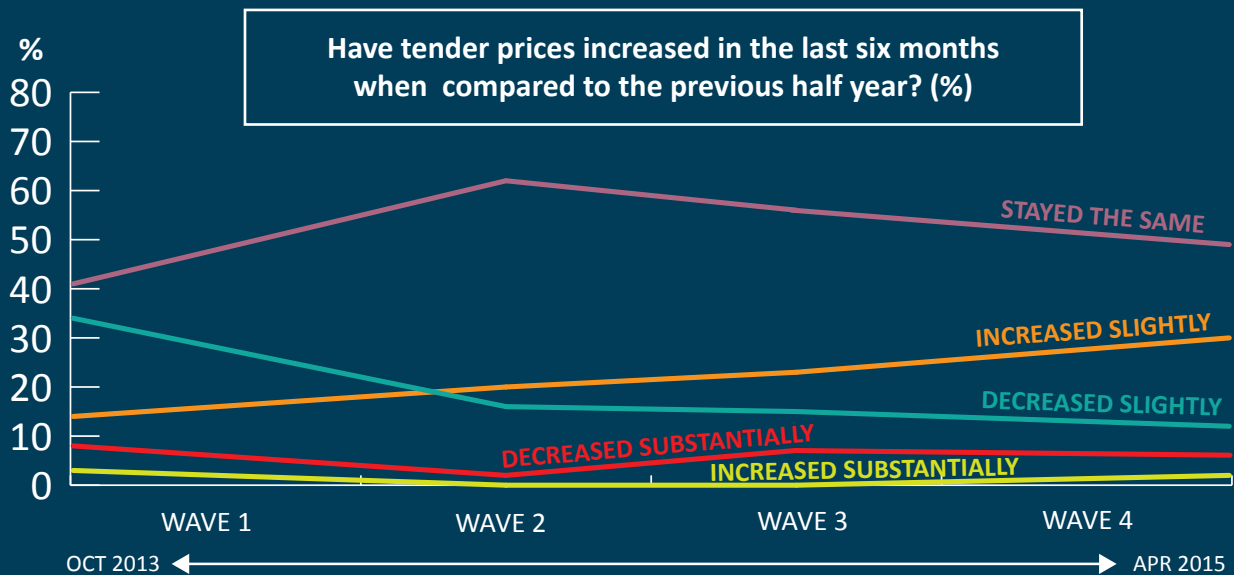
Have you recruited skilled labour in the last six months or
have you shed skilled labour in the last half year? (%)



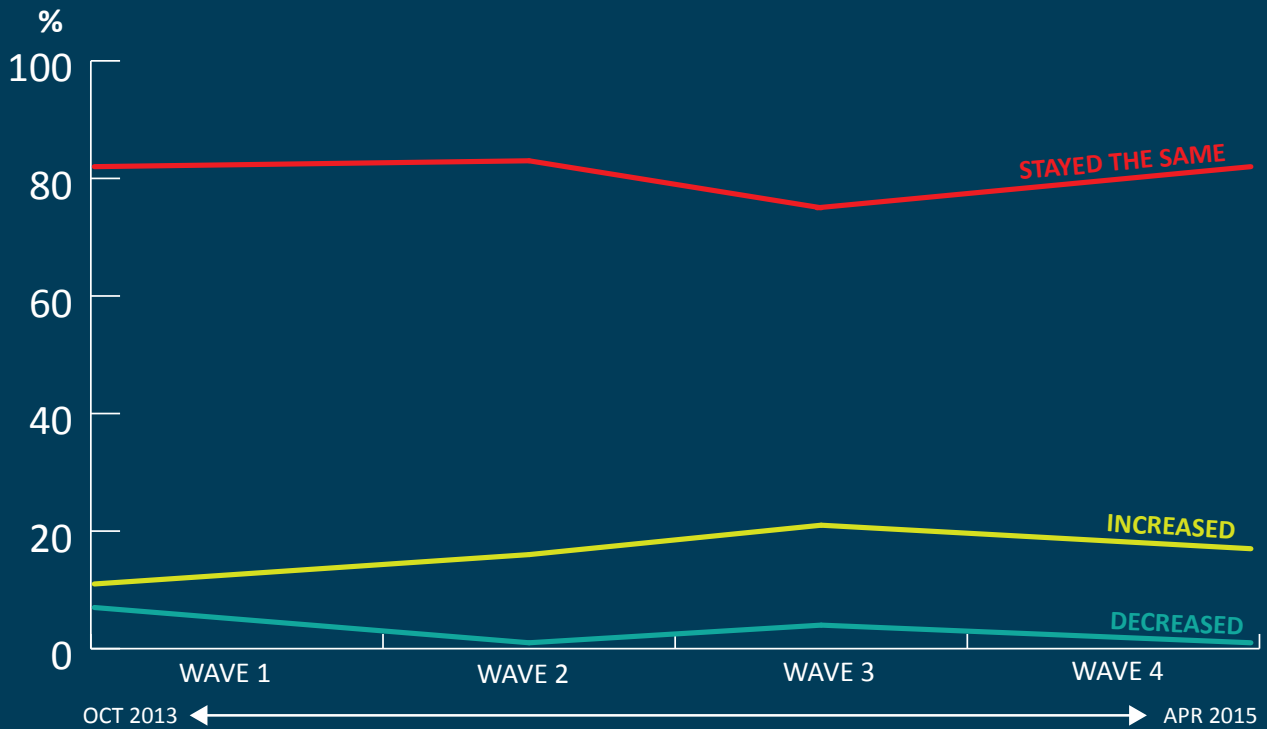
Have you recruited apprentices in the last six months? (%)







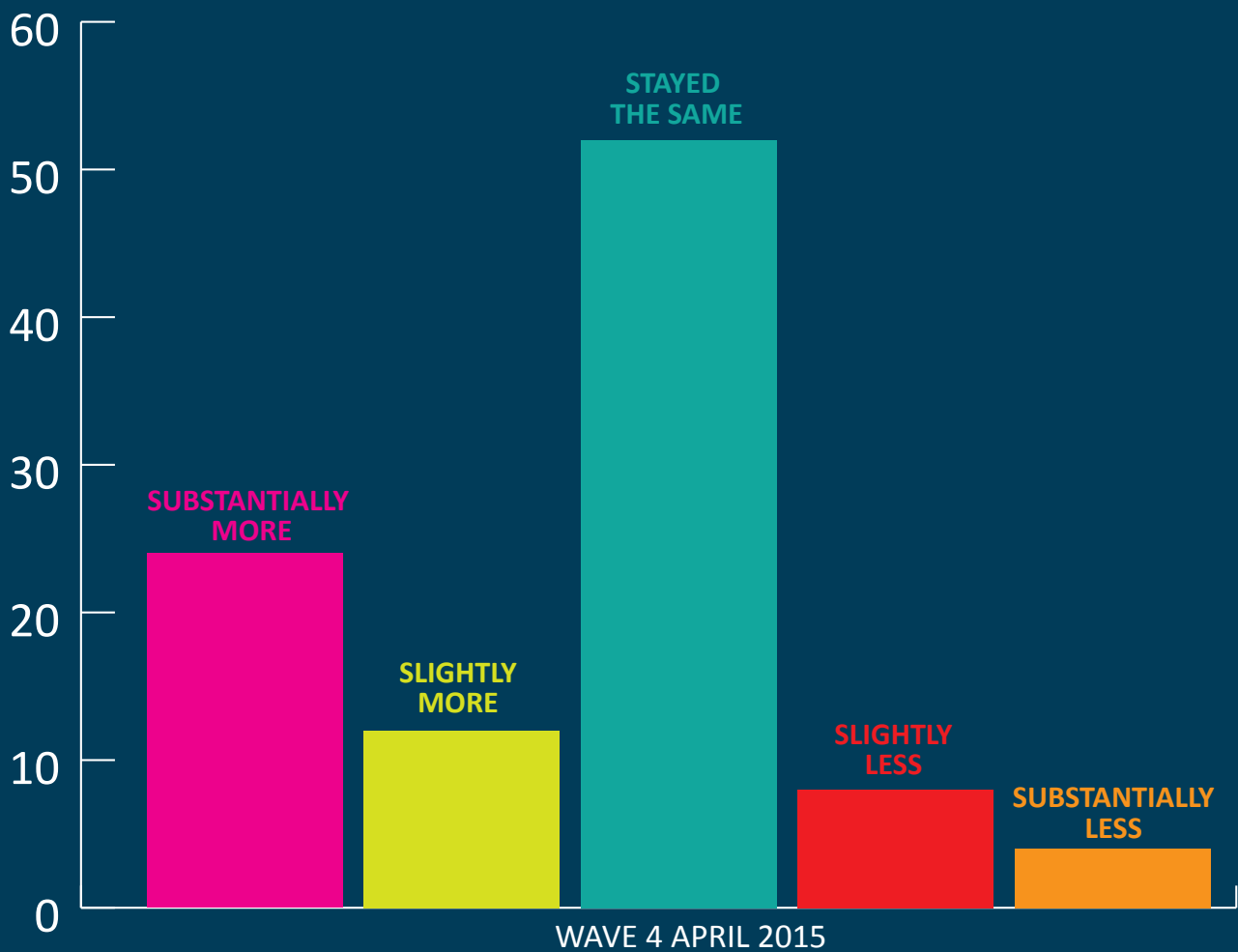
Have suppliers delivery times in general increased, stayed the same or decreased in the last six months when compared to the previous half year? (%)



Are you generally receiving payment in (%)



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



General Comments

Costs are increasing but fee levels are remaining relatively static; fees need to increase or the quality of work will start to diminish

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The amount of work is increasing but margins are tighter

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The skill levels and technical awareness continues to fall

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More PQQ requirements, more challenging questions encountered, greater emphasis on environmental issues, sustainability etc etc...

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Internet sales continue to rise; payments are always immediate

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Internet has squeezed margins on extinguishers

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Significant increase in demand for staff training

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Excessive amounts of fire safety companies within the UK competing for business hammering already decreasing prices. Increases in material prices in turn increasing supplier cost. Businesses using fire safety companies for advice then taking their business to online suppliers to reduce cost. Over the past couple of years a lot more reverse auctions are being used when tendering for work

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Whilst the number of tenders has increased, so has the number of unaccredited and unregulated contractors tendering for fire related projects and this has the effect of both pushing down margins and complicating issues with the consultants and end users who do not at first hand see the differences so more needs to be done with the industry to reinforce the need for both FIA/BAFE contractors and also for post installation audit by non-affiliated contractors working without knowledge, accreditation, PI insurance or suitable levels of competence and expertise

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Austerity Cuts have seen substantially less activity resulting in less enquiries and sales orders..... The so called economic recovery has not reached our sector, Banks are not lending to property developers...only large organisations are benefitting from the Coalition policies

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