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Facilities Management Outsourcing – Industrial Sector Report – UK 2011 – 2015 Analysis

New AMA report provides a major review of Facilities Management Outsourcing
in the UK Industrial Sector

“After significant growth between 2005 and 2007, measured by contract value, the FM market for manufacturing and warehousing slowed through to 2009. It is estimated that the market continued to decline over the period 2010 and 2011. This has contributed to a market value for outsourced ‘bundled’ services and TFM within the manufacturing and warehousing market of about £1.03bn in 2010.”

A brief summary of the report is included on the following page.

Priced at £795, the report is currently available from AMA Research Ltd,
Telephone 01242 235724 or e-mail at sales@amaresearch.co.uk.

Editors Note:

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

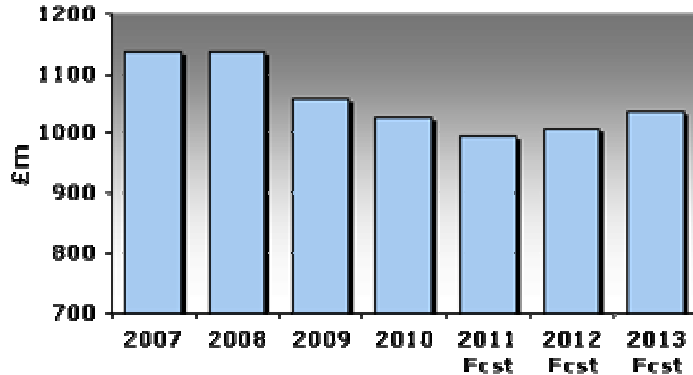
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Chris Moore or Keith Taylor on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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UK FM Outsourcing Market within the Manufacturing and Warehousing Sectors at Current Prices 2007-2013



After significant growth between 2005 and 2007, measured by contract value, the FM market for manufacturing and warehousing slowed through to 2009. It is estimated that the market continued to decline over the period 2010 and 2011. This has contributed to a market value for outsourced 'bundled' services and TFM within the manufacturing and warehousing market of about £1.03bn in 2010. Positive but modest growth is forecast in 2013 and 2014. Slightly more positive conditions are expected in 2015, although still constrained by continuing sluggish growth in the economy.

Manufacturing represents by far the largest end user within this market, although there

has been more recent expansion in use of FM services within warehousing. However, it is estimated that the UK warehousing FM market still only account for about 2% of the combining manufacturing and warehousing FM market in 2010, measured by contract value. Food and Drink manufacturing represents the largest end use sub sector, with an estimated 23% of the market by value, followed by Automotive, Aerospace and other transport equipment with 15% of market share.

The recession has been a major driver for change in the FM market for manufacturing and warehousing end users, as companies restructure and look to reduce costs. Both the manufacturing and warehousing sectors **face extreme pressures on margins, which has impacted on capital investment programmes**, both for new build facilities and maintenance spend. Given this, there is an increasing focus on maximising the value of built assets and production systems. This has manifested itself in relation to a number of different aspects of FM contracts, including:

Maintenance, repair and overhaul (MRO): It is becoming more common amongst industrial companies to include the installation and maintenance of production equipment within FM service contracts.

Energy management: Energy costs are and will remain one of the highest production costs for every industrial operation. Increasingly, industrial companies have turned to FM providers to help minimise these costs. Increasingly stringent regulations on carbon emissions are also driving changes in practices in relation to energy management and this is becoming an increasingly important area of FM contract growth.

Regulatory compliance: Managing the process safety management lifecycle and compliance environment within industrial settings is becoming increasingly complicated as the regulatory framework impacting on manufacturing and warehousing becomes more stringent. This is also the case with respect to the need to comply with more complex and demanding waste disposal and management regulations.

Monitoring of production and facilities: In order to ensure product quality there is an increasing need to effectively monitor and regulate air, water and temperature quality at production and storage facilities.

A range of other services are also provided including portering, reprographics, reception, helpdesk, pest control, design, build and costing support, project management, heating, ventilation and air conditioning (HVAC), labour recruitment, emergency management and non production related electrical and mechanical maintenance.

AMA Research's report "**Facilities Management Outsourcing – Industrial Sector Report - UK 2011-2015 Analysis**" is available in hard copy or electronic format for £795 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.