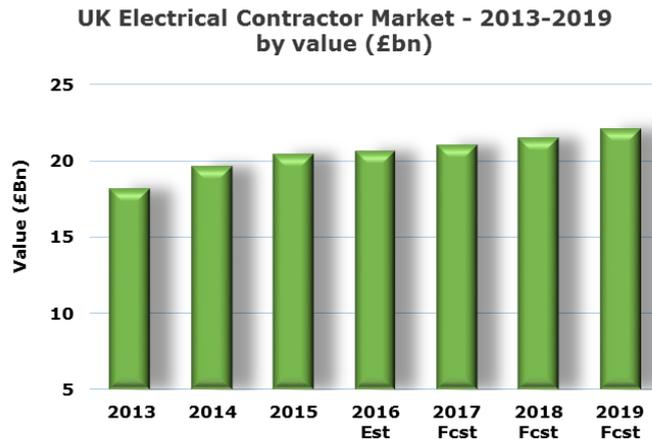




PRESS RELEASE

UK Electrical Contracting market worth over £20bn in 2016

February 2017 – Cheltenham, UK



The electrical contractors market was worth just over £20bn in 2016, according to estimates by market research firm AMA Research. The value of the market grew strongly from 2014 to 2015 in line with the general resurgence in overall construction output, in particular the infrastructure and offices sectors, and to a lesser extent in new build housing. The estimates for 2016 are more moderate, with growth of around 1%.

Electrical contracting was less affected than some other areas within construction during the short-term dip in the construction market in 2012. This was partly due to the fact that the market covers a wide range of end use sectors and has a high proportion of work in RMI, insulating it somewhat from the effects of downturns in new building activity.

A key area of growth in recent years has been installations aimed at improving energy efficiency and reducing carbon emissions, driven by legislative requirements and building regulations. There has been a rapid expansion in the range of LED lighting products on the market, and with increasingly sophisticated control systems for both heating and lighting, this has been the major growth area in demand for electrical products.

"Profit margins, which had been significantly squeezed, have shown some signs of recovery from 2014 onwards, suggesting that the practice of submitting tenders at, or below, cost price in order to secure work may be dropping off" said Fiona Watts of AMA Research. *"However, some firms continue to make losses while loss making contracts are completed."*

Competition remains fierce among contractors, with some larger players continuing to seek growth, gain access to new markets and expand the range of services they offer, through acquisitions. There has been an increase in the entry of small businesses into the market, which, in light of falling levels of employment overall, may indicate that some workers in the sector who were previously employees have opted to become self-employed.

Future prospects for the sector are moderately positive, with the electrical contracting market expected to show growth of around 2-3% per annum over the next few years. This depends largely on the performance of the non-domestic and domestic construction sectors, but business confidence remains good among electrical contractors, despite the uncertainty around a likely Brexit within the next 2-4 years.

Growth in the future is also likely to be motivated by legislation around carbon reduction, and renewable energy in particular, with a shift to LED lighting, increased modular product usage and greater use of controls which will have a positive impact on the market.

The '**Electrical Contractors Market Report – UK 2017-2021 Analysis**' report is published by AMA Research, a leading provider of market research and consultancy services with over 25 years' experience in the construction and home improvement markets. The report is available now and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.

Editors Note:

If you would like to receive more information on the report, or would like to speak to the author, then please contact Anna Eriksson or Fiona Watts on 01242 235724.

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

AMA Research Ltd
Montpellier House
Montpellier Drive
Cheltenham
Gloucestershire GL50 1TY
Tel: +44 (0)1242 235724
Fax: +44 (0)1242 262948
E-mail: annaeriksson@amaresearch.co.uk
Website: www.amaresearch.co.uk