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Confidence drops amid geopolitical shocks and weakening market momentum

The European Federation of Engineering Consultancy Associations (EFCA) reports growing caution across Europe's consulting engineering industry as geopolitical instability, energy price pressures and slowing economic growth increasingly affect market confidence.

"Despite continued resilience in several core sectors, the Spring 2026 Barometer shows that the European consulting engineering industry is entering a more uncertain phase," says Henrik Garver, Chair of EFCA's Economic Environment Committee and CEO of the Danish Association of Consulting Engineers (FRI). *"Companies continue to benefit from solid order books and stable profitability, but geopolitical tensions, inflationary pressures and rising labour costs are beginning to weigh more heavily on investment decisions and market activity."*

The EFCA Market Index has declined by 5.6 points compared with Autumn 2025, pointing to a more cautious outlook across Europe. Although more than half of participating countries still report stable or good market conditions, the report indicates a gradual slowdown after several years of post-pandemic recovery and exceptionally strong demand. Energy and transport/infrastructure remain the strongest sectors, driven by Europe's green transition, energy security priorities and increased defence-related investment. Buildings, industry and water markets, however, show more uneven regional development.

Employment trends have also become more volatile. Following a strong rebound in late 2025, the EFCA Employment Index has returned to negative territory, reflecting weaker market momentum and growing uncertainty. Even so, many countries continue to expect stable employment levels or moderate staff growth during the next six months.

Average order stock across Europe remains solid at 7.6 months of secured work, despite a decline from the exceptionally high levels recorded during 2022–2025. Turnover expectations also remain positive overall, with no participating countries forecasting a decrease in turnover during the coming six months. Profitability continues to stay close to the long-term European average, although slightly below the peak levels reached in 2023.

For the first time in recent years, rising labour costs have become the industry's leading challenge, overtaking staff shortages as the top concern for European consulting engineering firms. Low fees and insufficient fee adjustment also remain significant pressures across the sector.

The Spring 2026 EFCA Barometer is based on responses from 20 national member associations and provides an overview of market developments, employment trends, profitability and the key challenges shaping Europe's consulting engineering industry.

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EDITOR'S NOTE

EFCA has member associations in 27 countries and is the sole European federation representing the business interests of professional engineering consultancy and related services, a sector that employs more than one million staff in Europe.