Construction industry faces challenges in rebuilding Ireland post-Covid

* Construction professionals expect it to take 12 months at least before the industry to return to pre-pandemic levels.
* 71% of the construction industry are very concerned at the impact of the pandemic.
* 93% says pandemic is impacting revenues, 67% have been forced to lay off staff on a permanent or temporary basis
* The largest impact expected is on the turnover, cashflow and logistics of the industry.

The Irish construction industry is unique in being the only construction industry in the EU completely shutdown due to Covid-19. A CIF survey shows how challenged the industry will be to remobilise the industry after sites reopen on May 18th with many companies expecting to be operating at a sub-optimally for at least 12 months.

Director General said;

“Construction companies have seen 100,000 of their workers lose the jobs in the past month. This survey lays bare the impact on construction. As the first sector to be allowed back to work, it’s critical that the construction industry can remobilise quickly so it can begin to benefit the wider economy. However, the pandemic has left a deep scar that our members think will take at least 12 months before they recover fully. The Government has made significant efforts to support businesses which are to be lauded. We’re heartened by the Government’s commitment to maintain strong investment in public infrastructure such as roads, schools, rail, hospitals, housing and other vital societal construction. To maximise the return, a fully operational construction industry can have on the wider economy the Government should:

* Provide funding to its agencies to enable them to collaborate with contractors on public sector projects in sharing the burden of implementing Covid-19 safety measures (this will help avoid costly dispute and delays between the State and industries)
* Accelerate house-building (both social and private) delivery through a suite of measures
* Bring forward preparatory works on critical infrastructure as set out in the NDP and Project Ireland 2040

According to the survey, 71% of construction professionals are very concerned about the impact of the pandemic. Only 1% have been spared any impact. Projected revenues are difficult to project, but 93% are certain that this pandemic will have an impact. Only 2% will expect to escape any consequences.

Over 50% of those surveyed (52%), will expect the results to be dire. One fifth (20%), expect the pandemic to hit their bottom line by 40% with the majority (32%), expecting this figure to be in and around 30% - almost a third.

While it is a small percentage, 1% of the industry have managed to hire during the lockdown. However, as expected, 67% have been forced to lay off staff on a permanent or temporary basis. 19% are monitoring the situation and we hope some of these layoffs will be reversed from the 18th of May.

55% of organisations have availed of government grants with the wage scheme topping the list at 81%.

While much of the industry media has focused on the negative consequences of the pandemic (being layoffs), many of our industry colleagues have felt the repercussions financially (turnover and cashflow) and will expect to see an increase in logistical issues in securing materials from the supply chain.

The CIF offer many training schemes through our Training and Development arm and Construction Skillnet. Only 5% have offered their staff training during this lockdown period.

Director General, Tom Parlon stated;

“This survey shows the struggles that the construction industry faces. From cash flow issues and legal disputes to productivity challenges, the industry will need time to adjust and recover. Despite this, the construction industry has been preparing for a month and next week companies will be carrying out site safety assessments to 'covid proof' construction sites around the country to prepare for a gradual return to work. This will involve putting in place extra hygiene facilities, adding safety modifications on sites and carrying out essential maintenance. We thank the 75,000 construction employees who have completed the online safety inductions on Covid-19 and we encourage the remainder of employees who aren't working from home to do so this week. Equally, thousands of construction companies have adopted the CIF's new safety operating procedures in preparation of a return to work. The construction industry has a vital role in driving Ireland's economic recovery by getting people back to work and delivering the housing and infrastructure this country requires to move forward through this pandemic. I'm very proud that we are taking the steps to reopen our economy together and I working collaboratively with our partners, employees and the public, we can adapt and safely build a new economy and society.”

ENDS

The Construction Industry Federation (CIF), launched this survey in April and received 360 responses

The CIF is the Irish construction industry’s representative body. It provides a broad range of services that assist members in navigating the political, business, economic and regulatory environment.

These services cross the full business spectrum and include Recruitment and Training, Legal and Industrial Relations Consultation and Advice; Health & Safety; Marketing and Industrial Intelligence Reports; Engagement with Government, Statutory and other industry bodies, and regular updates on all issues affecting the construction industry.

All services are provided on a national and regional basis from offices in Dublin Cork and Galway.

**All media enquiries and further details from the survey, please contact: Shane Dempsey, Communications Director, sdempsey@cif.ie , 0879884465**