

Infrastructure investment to pave the way for Irish construction growth

3 years ago



[Mace](#), the global construction and consultancy company, has produced its latest Irish Market View, with the findings pointing to a promising pipeline of work within the infrastructure sector.

The report, which looks at the latest economic data, shows that, despite the enduring challenges associated with the current cost of living crisis, Ireland is set for growth across its energy, utilities, and transport sectors over the next decade.

While there have been dips in production in residential and non-residential, the report highlights that civil engineering has grown strongly. A 6.9% increase in civil engineering production in Q1 was followed by a 5.8% jump in Q2 and points to an environment ready to benefit from a funding injection.

The paper spotlights offshore wind energy as a specific opportunity area. With the added benefit of supporting Ireland's 2030 Climate Action Plan, an intention to generate seven Gigawatts by 2030 and 37 Gigawatts by 2050 points to ambitious growth objectives. Crucially, the report highlights how this will have a positive knock-on effect throughout the Irish supply chain, resulting in upskilling and onward investment across all manner of industries, including turbine manufacturing and electricity grid connection.

The situation is not without its challenges. While upskilling will come, the Irish labour market isn't currently set up to deliver the pipeline of work. The report outlines that already low unemployment levels, combined with the fact that the number of people working in construction jumped to its highest level since 2008, leaves little room for expansion. It's a considerable risk to success and, according to the report, will likely require a compelling case to migrant workers if Ireland is to stand out from the crowd and position itself as the place to come and work on major programmes.

Andy Beard, Global Head of Cost and Commercial Management at Mace said:

“While the current situation for the construction industry in Ireland is one where production has fallen recently, we are much more confident about how the sector will fare in the more medium-term. There is an incredibly large pipeline and, with the government enjoying a remarkable surplus, this is only likely to increase.”

“However, for the moment, some of the fragility of the sector is due to inflation and a tight labour market, and if the government chooses to spend even greater sums, then this could trigger renewed inflationary problems.”

Commenting on the findings of the report, Frank Randles, Country Director for Ireland, Mace Consult, said:

“Ireland’s infrastructure market certainly has challenges ahead, but if it can mitigate these in the short-to-medium-term, the long-term prize is considerable. We measured the scope of the Irish built environment opportunity in a [research paper](#) we recently published, with Ireland placing third in our global construction index. The data backs up the findings of our H2 Market View and is evidence of Ireland’s status as a booming market for construction and infrastructure.”