

The Nordic Road Association (NVF)

Working group: The Nordic Construction Market

Key figures on the Nordic Construction Market - 2022

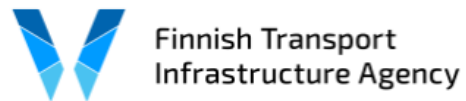
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Introduction

- The working group of The Nordic Construction Market has compiled this overview of the developments in the Nordic road market
 - The focus is on construction and development in the road sector
- This overview provides both
 - Data on the Nordic road market from 2017 to 2022
 - Projections for forthcoming construction projects and volumes for the next 5 years
- Lastly, each country will share their overall thoughts on procurement strategies in the current market situation

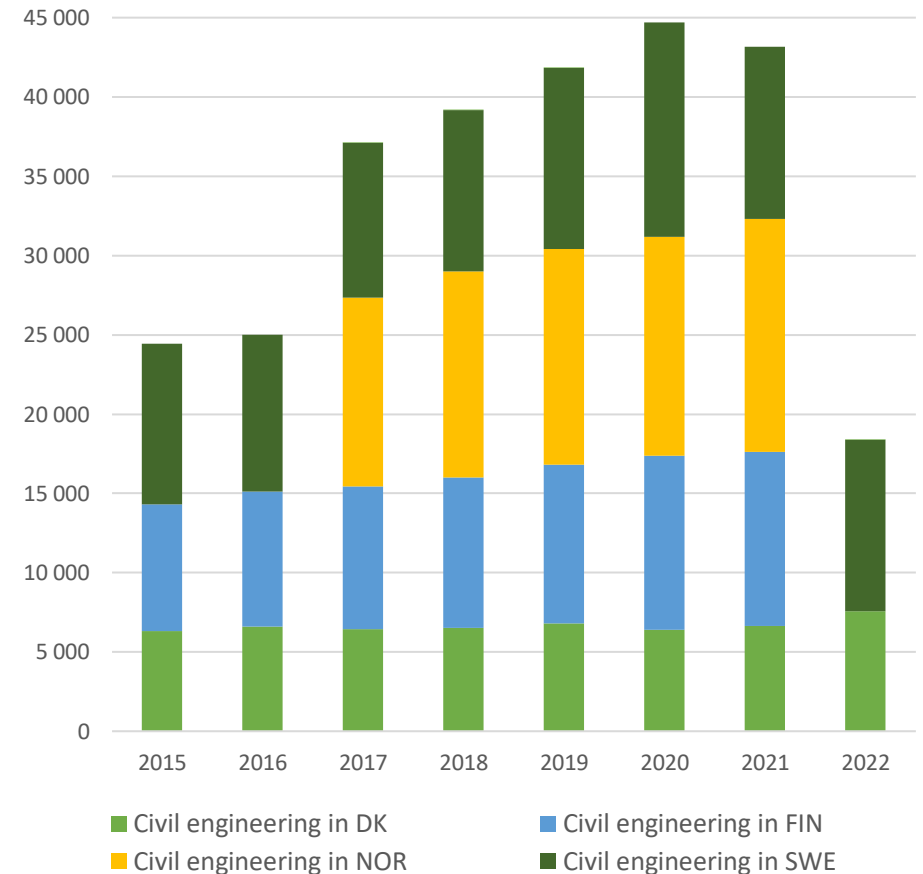
The Nordic Construction Market: An Overview



The civil engineering market

- The table illustrates the turnover in the civil engineering industry for the five Nordic countries
- All numbers are in million Euro (M€)
- The turnover in the civil engineering industry increased over the last 8 years in all Nordic countries (Years 2017 - 2021 include numbers from all the five Nordic countries)

Turnover and country	2015	2016	2017	2018	2019	2020	2021	2022
Civil engineering in DK*	6.320	6.600	6.440	6.510	6.800	6.380	6.630	7.560
Civil engineering in FIN	8.000	8.500	9.000	9.500	10.000	11.000	11.000	-
Civil engineering in NOR	-	-	11.900	13.000	13.600	13.800	14.700	-
Civil engineering in SWE**	10.120	9.890	9.770	10.180	11.460	13.520	10.830	10.810
Civil engineering in FOE***	1	2	7	12	11	11	7	6
Total	24.440	24.990	37.117	39.202	41.871	44.700	43.160	18.376



All numbers are in EUR and in 2019 prices (2019=100)

*Source: Statistikbanken. BYGOMS1 Omsætning i byggeri og anlæg efter branche (DB07) og arbejdets art - Statistikbanken - data og tal (2019=100). Exchange rate 1 DKK = 0,13.

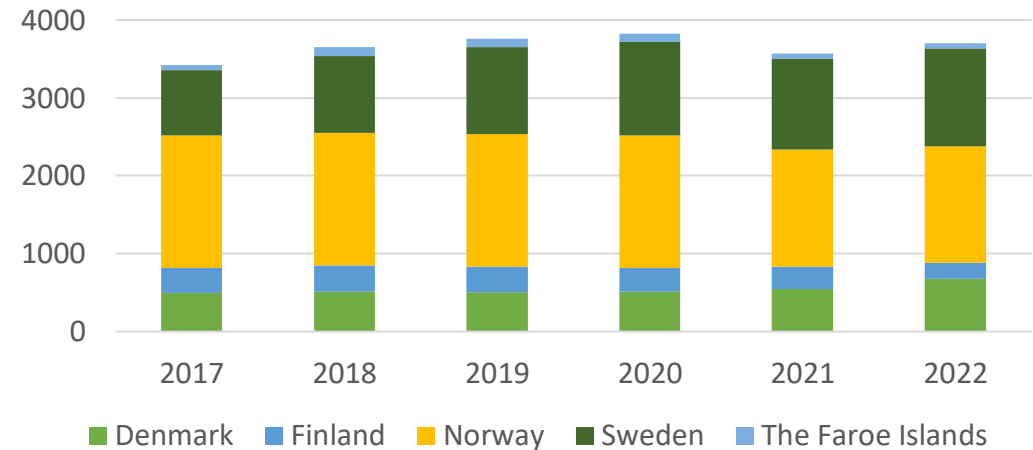
** Source The Swedish Construction Federation [Byggekongkretsen 2023:1](#) | [Byggföretagen \(byggforetagen.se\)](#) (2021=100) All numbers are in million EUR (2022 average exchange rates in the Swedish Riksbank 1 SEK = 0,094133 EUR)

*** FOE Calculated on at 10% cost of total investment

Turnover in the road sector from 2017 to 2022

- The numbers in the table illustrate total investments in million Euro (M€), based on turnover in road projects in the Nordic market
- The numbers represent investments solely by the national authorities and do not include operation and maintenance (O&M) costs
- These numbers do not include municipalities or investment projects in the road sector by other local authorities

Construction	2017	2018	2019	2020	2021	2022
Denmark	497	516	504	510	545	679
Finland	320	330	330	310	290	200
Norway **	1700	1700	1700	1700	1500	1500
Sweden *	841	991	1115	1197	1165	1258
The Faroe Islands***	66	117	111	106	69	59
Total volume in M€	3424	3654	3760	3823	3569	3696



The figures show the countries' total investment costs in the road sector. The numbers only include investments in road projects by the national road authorities.

* Object-specific procurements, contract date year

** Calculation: Sum of the lowest offer type of activity "Building and construction", including VAT and converted to EUR with exchange rate as of 25.05. Type of announcement "Award", Data source "Tender log KGV". Not index regular.

*** fixed asset, excl. VAT, inclusive harbour Torshavn, source – Official balance accounts

Competitive situation

Number of tenders received

- The numbers in the table show:
 - The volume of all investment contracts awarded each year (in million EURO)
 - The average number of tenders received
 - Total number of investment contracts in the road sector each year
- Tenders for M&O are not included in these numbers

Country		2017	2018	2019	2020	2021	2022
DK	Awarded contracts in total M€	360	130	200	60	80	490
DK	Average tenders received	4,8	3,9	3,9	3,5	3,3	3,5
DK	Total number of contracts	54	44	62	53	35	73
FIN	Awarded contracts in total M€	600	450	270	230	280	-
FIN	Average tenders received	4,8	4,2	4,4	4,9	4,6	-
FIN	Total number of contracts	86	120	68	94	81	-
NOR	Awarded contracts in total M€	-	-	-	-	284	2.715
NOR	Average tenders received	-	-	-	-	5,2	4,1
NOR	Total number of contracts	-	-	-	-	21	59
SWE	Awarded contracts in total M€	1.160	1.470	1.670	1.550	1.270	1.460
SWE	Average tenders received	3,1	3,0	3,2	3,9	4,2	3,6
SWE	Total number of contracts	352	345	334	366	317	342
FOE	Awarded contracts in total M€	-	-	32	-	50	21
FOE	Average tenders received	-	-	2	-	3	3
FOE	Total number of contracts	-	-	1	-	1	1

All numbers are from the national road authorities

Contract volume

Number of contracts categorized by contract value

- The numbers in the table show:
 - The number of investment contracts awarded each year
 - The contracts are categorized based on the individual contract value
 - e.g. in Denmark in 2017 there were 36 contracts awarded each with an individual contract value between 0 and 1 million €
- Only investment contracts from the road sector are included

Country	Contract Value Categories	2017	2018	2019	2020	2021	2022
DK	Number of contracts 0 < 1 M€	36	28	47	38	29	48
DK	Number of contracts 1 – 10 M€	15	14	9	14	4	20
DK	Number of contracts 10 – 50 M€	2	2	6	1	2	4
DK	Number of contracts > 50 M€	1	0	0	0	0	1
FIN	Number of contracts 0 < 1 M€	43	58	30	59	43	-
FIN	Number of contracts 1 – 10 M€	44	55	37	50	45	-
FIN	Number of contracts 10 – 50 M€	10	9	5	3	6	-
FIN	Number of contracts > 50 M€	0	0	0	0	0	-
NOR	Number of contracts 0 < 1 M€	-	-	-	-	72	100
NOR	Number of contracts 1 – 25 M€	-	-	-	-	36	59
NOR	Number of contracts 25 – 100 M€	-	-	-	-	11	15
NOR	Number of contracts > 100 M€	4	3	3	3	2+2	5+0
SWE	Number of contracts 0 < 1 M€	169	161	134	161	155	154
SWE	Number of contracts 1 – 10 M€	149	150	163	167	121	151
SWE	Number of contracts 10 – 50 M€	32	30	34	37	40	34
SWE	Number of contracts > 50 M€	2	4	3	1	1	3
FOE	Number of contracts 0 < 1 M€	-	-	-	-	-	-
FOE	Number of contracts 1 – 10 M€	-	-	-	-	-	-
FOE	Number of contracts 10 – 50 M€	-	-	1	-	-	1
FOE	Number of contracts > 50 M€	-	-	-	-	1	-

All numbers are from the national road authorities

Contract value sums

Total sum of each contract value category

- The numbers in the table show:
 - The combined sum in million EURO (M€) for each contract value category
 - e.g. in 2017 in Denmark 10 million EURO was the combined sum of all the individual contracts that had a value between 0 and 1 million EURO
- Only investment contracts from the road sector are included

Country	Contract Value Categories	2017	2018	2019	2020	2021	2022
DK	Contract value 0 < 1 M€	10	10	10	15	10	20
DK	Contract value 1 – 10 M€	30	40	30	30	10	50
DK	Contract value 10 – 50 M€	40	80	160	10	60	70
DK	Contract value > 50 M€	280	0	0	0	0	350
FIN	Contract value 0 < 1 M€	15	15	10	20	20	-
FIN	Contract value 1 – 10 M€	130	160	90	130	140	-
FIN	Contract value 10 – 50 M€	440	270	160	60	100	-
FIN	Contract value > 50 M€	0	0	0	0	0	-
NOR	Contract value 0 < 1 M€	-	-	-	-	-	-
NOR	Contract value 1 – 25 M€	-	-	-	-	-	-
NOR	Contract value 25 – 100 M€	-	-	-	-	-	867
						720+	3066
NOR	Contract value > 100 M€	646	343	728	+1154	473	+0
SWE	Contract value 0 < 1 M€	80	70	60	70	70	70
SWE	Contract value 1 – 10 M€	440	470	530	500	350	510
SWE	Contract value 10 – 50 M€	530	570	780	670	780	690
SWE	Contract value > 50 M€	120	360	300	320	80	190
FOE	Contract value 0 < 1 M€	-	-	-	-	-	-
FOE	Contract value 1 – 10 M€	-	-	-	-	-	-
FOE	Contract value 10 – 50 M€	-	-	-	-	-	-
FOE	Contract value > 50 M€	-	-	-	-	-	-

Contract volume

Number of contracts per contract value category (figures from slide 8)

Country	Contract Value Categories	2017	2018	2019	2020	2021	2022
DK	Number of contracts 0 < 1 M€	36	28	47	38	29	48
DK	Number of contracts 1 – 10 M€	15	14	9	14	4	20
DK	Number of contracts 10 – 50 M€	2	2	6	1	2	4
DK	Number of contracts > 50 M€	1	0	0	0	0	1
FIN	Number of contracts 0 < 1 M€	43	58	30	59	43	-
FIN	Number of contracts 1 – 10 M€	44	55	37	50	45	-
FIN	Number of contracts 10 – 50 M€	10	9	5	3	6	-
FIN	Number of contracts > 50 M€	0	0	0	0	0	-
NOR	Number of contracts 0 < 1 M€	-	-	-	-	72	100
NOR	Number of contracts 1 – 25 M€	-	-	-	-	36	59
NOR	Number of contracts 25 – 100 M€	-	-	-	-	11	15
NOR	Number of contracts > 100 M€	4	3	3	3	2+2	5+0
SWE	Number of contracts 0 < 1 M€	169	161	134	161	155	154
SWE	Number of contracts 1 – 10 M€	149	150	163	167	121	151
SWE	Number of contracts 10 – 50 M€	32	30	34	37	40	34
SWE	Number of contracts > 50 M€	2	4	3	1	1	3
FOE	Number of contracts 0 < 1 M€	-	-	-	-	-	-
FOE	Number of contracts 1 – 10 M€	-	-	-	-	-	-
FOE	Number of contracts 10 – 50 M€	-	-	1	-	-	1
FOE	Number of contracts > 50 M€	-	-	-	-	1	-

Total sum per contract value category (M€) (figures from slide 9)

Contract Value Categories	2017	2018	2019	2020	2021	2022
Contract value 0 < 1 M€	10	10	10	15	10	20
Contract value 1 – 10 M€	30	40	30	30	10	50
Contract value 10 – 50 M€	40	80	160	10	60	70
Contract value > 50 M€	280	0	0	0	0	350
Contract value 0 < 1 M€	15	15	10	20	20	-
Contract value 1 – 10 M€	130	160	90	130	140	-
Contract value 10 – 50 M€	440	270	160	60	100	-
Contract value > 50 M€	0	0	0	0	0	-
Contract value 0 < 1 M€	-	-	-	-	-	-
Contract value 1 – 25 M€	-	-	-	-	-	-
Contract value 25 – 100 M€	-	-	-	-	-	867
					720+	
Contract value > 100 M€	646	343	728	+1154	473	3066+0
Contract value 0 < 1 M€	80	70	60	70	70	70
Contract value 1 – 10 M€	440	470	530	500	350	510
Contract value 10 – 50 M€	530	570	780	670	780	690
Contract value > 50 M€	120	360	300	320	80	190
Contract value 0 < 1 M€	-	-	-	-	-	-
Contract value 1 – 10 M€	-	-	-	-	-	-
Contract value 10 – 50 M€	-	-	-	-	-	-
Contract value > 50 M€	-	-	-	-	-	-

Contract Types

Number of contracts categorized by type

- The numbers in the table show:
 - The number of contracts awarded each year, categorized by contract type
 - The total number of contracts awarded each year
- Only investment contracts from the road sector are included

Country	Type Category	2017	2018	2019	2020	2021	2022
DK	Consultancy	13	18	20	25	13	34
DK	Design, Bid, Build contract (DBB)	37	26	42	27	19	32
DK	Design and Build contract (D&B)	4	0	0	1	3	7
DK	Total	54	44	62	53	35	73
FIN	Consultancy	83	110	63	87	80	-
FIN	Design, Bid, Build contract (DBB)	-	-	-	-	-	-
FIN	Design and Build contract (D&B)	3	3	1	4	6	-
FIN	Total	86	113	64	91	86	-
NOR	Consultancy	-	-	-	-	-	-
NOR	Design, Bid, Build contract (DBB)	-	-	-	-	-	-
NOR	Design and Build contract (D&B)	-	-	-	-	-	-
NOR	Total	-	-	-	-	-	-
SWE	Consultancy	87	101	96	137	107	118
SWE	Design, Bid, Build contract (DBB)	168	155	144	165	136	154
SWE	Design and Build contract (D&B)	85	81	88	60	65	48
SWE	Total	340	337	328	362	308	320
FOE	Consultancy	1	1	1	-	1	-
FOE	Design, Bid, Build contract (DBB)	-	-	1	1	-	1
FOE	Design and Build contract (D&B)	-	-	-	-	-	-
FOE	Total	1	1	2	1	1	1

Contract Type Sums

Total sum of each contract type category

- The numbers in the table show:
 - The combined sum in million EURO (M€) for each contract type category
 - e.g. in 2017 in Denmark the combined sum for contracts of the type Consultancy was 10 million EURO
- These contracts are limited to investment contracts within the road sector
- Countries who use D&B more frequently will have a smaller combined sum in the category “consultancy” since these services are included in the D&B contracts

Country	Type Category	2017	2018	2019	2020	2021	2022
DK	Consultancy	10	10	5	40	5	90
DK	Design, Bid, Build contract (DBB)	40	120	190	20	70	40
DK	Design and Build contract (D&B)	310	0	0	0	5	350
DK	Total	360	130	195	60	80	480
FIN	Consultancy	-	-	-	-	-	-
FIN	Design, Bid, Build contract (DBB)	-	-	-	-	-	-
FIN	Design and Build contract (D&B)	-	-	-	-	-	-
FIN	Total	-	-	-	-	-	-
NOR	Consultancy	-	-	-	-	-	-
NOR	Design, Bid, Build contract (DBB)	-	-	-	-	-	-
NOR	Design and Build contract (D&B)	-	-	-	-	-	-
NOR	Total	-	-	-	-	-	-
SWE	Consultancy	80	70	100	130	80	110
SWE	Design, Bid, Build contract (DBB)	410	370	490	940	410	590
SWE	Design and Build contract (D&B)	660	1 030	1 060	490	770	660
SWE	Total	1150	1470	1650	1560	1260	1360
FOE	Consultancy	-	-	-	-	-	-
FOE	Design, Bid, Build contract (DBB)	-	-	-	-	-	-
FOE	Design and Build contract (D&B)	-	-	-	-	-	-
FOE	Total	-	-	-	-	-	-

Contract types

Number of contracts per contract type category (figures from slide 11)

Country	Type Category	2017	2018	2019	2020	2021	2022
DK	Consultancy	13	18	20	25	13	34
DK	Design, Bid, Build contract (DBB)	37	26	42	27	19	32
DK	Design and Build contract (D&B)	4	0	0	1	3	7
DK	Total	54	44	62	53	35	73
FIN	Consultancy	83	110	63	87	80	-
FIN	Design, Bid, Build contract (DBB)	-	-	-	-	-	-
FIN	Design and Build contract (D&B)	3	3	1	4	6	-
FIN	Total	86	113	64	91	86	-
NOR	Consultancy	-	-	-	-	-	-
NOR	Design, Bid, Build contract (DBB)	-	-	-	-	-	-
NOR	Design and Build contract (D&B)	-	-	-	-	-	-
NOR	Total	-	-	-	-	-	-
SWE	Consultancy	87	101	96	137	107	118
SWE	Design, Bid, Build contract (DBB)	168	155	144	165	136	154
SWE	Design and Build contract (D&B)	85	81	88	60	65	48
SWE	Total	340	337	328	362	308	320
FOE	Consultancy	1	1	1	-	1	-
FOE	Design, Bid, Build contract (DBB)	-	-	1	1	-	1
FOE	Design and Build contract (D&B)	-	-	-	-	-	-
FOE	Total	1	1	2	1	1	1

Total sum per contract type category (M€) (figures from slide 12)

2017	2018	2019	2020	2021	2022
10	10	5	40	5	90
40	120	190	20	70	40
310	0	0	0	5	350
360	130	195	60	80	480
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
80	70	100	130	80	110
410	370	490	940	410	590
660	1 030	1 060	490	770	660
1150	1470	1650	1560	1260	1360
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Operation and maintenance

Turnover in operation and maintenance

- The numbers in the table show the turnover for operation and maintenance each year for each country in million EURO (M€)
- Generally, operation and maintenance is contracted as framework agreements and general contracts
 - In Denmark most maintenance work is contracted in general contracts which runs for 4-6 years

Country	2017	2018	2019	2020	2021	2022
DK	130	130	140	130	110	170
FIN	-	-	-	-	-	-
NOR	-	-	-	760	820	830
SWE	937	1056	1053	1051	1228	1284
FOE	6	6	6	6	6	6

All numbers are from the national road authorities

Main contractors

The five biggest contractors based on turnover

- The five biggest contractors based on the national authorities' own figures
- Turnover on roadworks only in million Euro (M€)
- The numbers show the five biggest contractors based on their total combined turnover between the years 2019-2022
 - The table shows the individual contractor's turnover, for each year in the four-year period
- The numbers include turnover from all three areas: investments, operations and maintenance

Country	Nr.	Contractor	2019	2020	2021	2022
DK	1	Storstroem Bridge JV I/S	30	65	35	35
DK	2	M.J. Eriksson Aktieselskab	40	30	30	30
DK	3	Per Aarsleff A/S	10	35	30	30
DK	4	MT Højgaard A/S	5	40	40	20
DK	5	Arkil A/S	45	20	15	10
FIN	1	Destia	159	159	120	-
FIN	2	GRK	40	50	52	-
FIN	3	Kreate	35	48	50	-
FIN	4	Skanska	53	30	8	-
FIN	5	Oteran	12	6	5	-
NOR	1	Skanska Norge	-	216	210	264
NOR	2	Mesta	-	160	182	174
NOR	3	Veidekke industri	-	68	92	79
NOR	4	Presis vegdrift	-	51	63	76
NOR	5	Bertelsen og garpestad	-	23	64	74
SWE	1	Svevia	378	336	397	427
SWE	2	Peab	300	297	284	321
SWE	3	NCC	262	256	212	183
SWE	4	AF Gruppen	22	72	47	144
SWE	5	Skanska	165	145	136	112
FOE	1	NCC	-	-	-	-
FOE	2	Articon	-	-	-	-
FOE	3	J&K P	-	-	-	-

SWE: The Transport Administration's largest suppliers are reported on the basis of group relationships. (2022 average exchange rates in the Swedish Riksbank)

All numbers are from the national road authorities

Forthcoming turnover in the road sector

- This table shows the national road authorities' overall forecast assessments on the forthcoming turnover in the road sector
 - All numbers are based on forecasts and can change
 - The forecasts includes investments, operations and maintenance
 - Numbers are in 2022 prices
- Numbers from The Faroe Islands includes roads, tunnels, structures and harbors

Forthcoming construction	2023	2024	2025	2026	2027
Denmark	450	620	810	990	1000
Finland	-	-	-	-	-
Norway	3330	3330	3330	3330	3330
Sweden, roads	1280	1170	1250	1280	1170
The Faroe Islands*	67	67	67	67	67
Total volume in EUR	1800	1860	2130	2340	2240

All numbers are from the national road authorities

Strategies for forthcoming tenders

Strategy for forthcoming tenders

- **The Danish Infrastructure Plan 2035**
 - In 2021 more than 22 billion euros in total, including large investments in the road sector
 - We already started tendering a lot of the projects in 2023, and will continue doing so
- **Public overview – allow the market to plan**
 - At the DRD's Suppliers' day 2022 and 2023, managers and project managers presented projects that are going to be tendered out within the next two years
 - In 2023 and 2024 the DRD will tender out around 100 contracts, with a total value of around 650 – 1350 million Euros
- **Contract sizes**
 - Input from a market dialogue in 2022
 - There is a gap of contractors in the market, who are interested in contracts between 70-100M EUR.
 - Contracts below 70M EUR appeal to contractors who are already present in the Danish market
 - Contracts bigger than 100M EUR attract large international contractors
- **Contract form**
 - Road widening will in general be tendered as a Design, Bid, Build contract (DBB)
 - New roads will often be tendered as a Design and Build contract (D&B)
 - Structures can be tendered separately in smaller contracts as a Design, Bid, Build contract (DBB)
- **Managing risks**
 - With a lot of big projects tendered out in small contracts, it is more relevant now than ever that we can handle the interfaces between the contract

Road construction projects

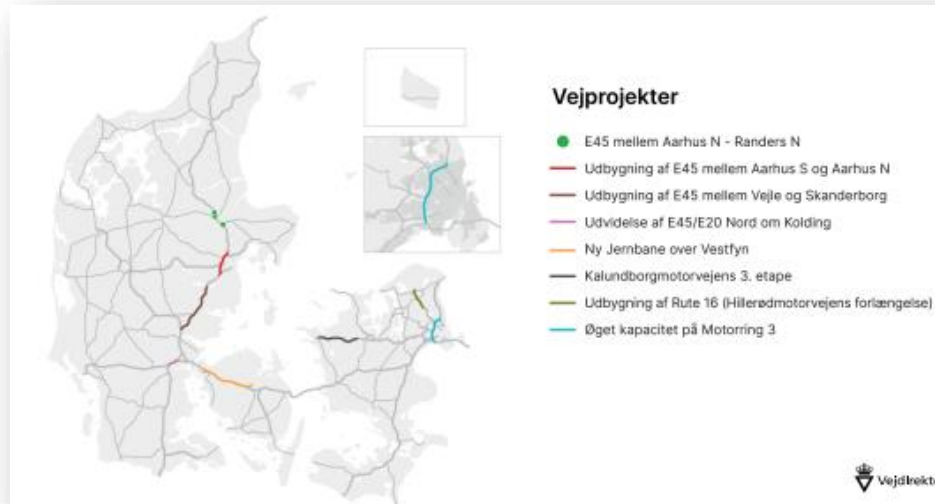


Forthcoming tenders

Big projects to be tendered out in 2023 and 2024

Contract volume in million EUR	0 < 1	1 – 10	10-50	> 50
Design, Bid, Build contract (DBB)	5	24	26	
Design and Build contract (D&B)		1		

- Most contracts will be awarded on the lowest price, but around 30-40% of the above contracts will be awarded on the most economically advantageous tender.
- Requirements for at minimum level of ability



Small projects to be tendered out in 2023 and 2024

- More than 60 small projects (< 5 M€) across Denmark
 - 51 contracts are tendered out as a Design, Bid, Build contract (DBB)
 - 9 are tendered out via the DRD's dynamic purchasing system

