

THE CLEANING INDUSTRY IN EUROPE

EFCI'S REPORT 2021

COVID-19 IMPACT ANALYSIS

EFCI

European Cleaning and Facility Services Industry



About

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This report has been developed for the EFCI by hkp/// RemuNet on the basis of publicly available data (Eurostat data as available per August 1st 2021) as well as the responses to a questionnaire, specifically designed to surface pandemic-related consequences for EFCI members.

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EFCI European Cleaning and Facility Services Industry

The EFCI is an international non-profit association and is the recognised Social Partner by the European Commission for the industrial cleaning sector in Europe. It brings together federations and associations representing the industry at national level. The EFCI is inscribed in the EU Transparency Register with the number 79863609229-39.

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Foreword: a turning point for the sector

Dear EFCI Members and colleagues,

It is an honour to address you again from these pages as the EFCI presents one more year its annual industry report, with a special edition analysing the impact of Covid-19 on the industry during 2020.

While it is still difficult to quantify (specially at European level) which has been the actual repercussion on our sector of this dreadful pandemic and the different containment measures taken by the different national, regional and local governments, we can now state that it has had a strong impact in terms of recognition for the sector. Our agents and companies have been and are still at the forefront of the fight against the pandemic, and we have supported them to ensure their recognition as essential across the EU.

This recognition, nevertheless, must now be accompanied by the necessary political and legislative actions to ensure that our sector's long-standing demands are listened to by both public decision-makers and buyers. The EFCI is a key element in this discussion, as the federation that unites our demands and brings them to the European level. We are happy that our federation continues to grow, just as does the sector.

Indeed, the sector has not stopped from growing despite the pandemic thanks to our adaptation capacity and resilience: our companies have been able to adapt to sudden changes in the demand, providing services in hospitals and other key infrastructures and provided more specialised services when it was key to do so. The pandemic has taught us lessons that will certainly make us even stronger for the future.

I hope that you find this report interesting and that it is a useful tool for all our industry members and stakeholders.

With warm regards,



Juan Díez de los Ríos
EFCI President

Dear EFCI members, dear colleagues,

We are happy to share with you this year's editions of EFCI's Report. Following the publication of the Trend Report on the evolution of the industry between 1995-2016 in 2019 and the presentation of the new format of our reports in June 2020, we are now presenting a detailed overview of the most recent data and trends on the main indicators of our industry across Europe.

We want to thank EFCI members for their efforts in contributing to EFCI's reports, a reference tool for the industry that enables the recognition of the sector in Europe and that supports our advocacy efforts at national and European level.

The relevance of the industrial cleaning sector in Europe becomes evident when we look at the growth of the sector through the years: with over 4,2 million employees, nearly 300,000 companies and 120 billion € turnover in 2018, the sector is consolidated as a vector for employment and job creation across Europe. It therefore needs, more than ever, the right legal framework that supports its competitiveness and growth. This includes a decided shift towards quality-based procurement of services, the respect of social partners autonomy with a focus on capacity building, as well as a new approach towards diverse and adaptable forms of work.

We will be honoured to continue advocating for our industry's needs and working for an enhanced recognition at European level.

Wishing you a nice reading,



Isabel Yglesias
EFCI Director General

Introduction

The Covid-19 pandemic can be regarded as a turning point for the European Cleaning Industry when in the past it often went unnoticed. During the pandemic, it has received national and international awareness and represents the methods for countries to re-open and stay open.

Demand structure has been adapting to the new Covid-19 realities in the course of the years 2020 and 2021. The necessity for cleaning services in hospitals, universities and schools increased to combat the spread of the virus. At the same time with hotels, restaurants and leisure establishments being closed during the lockdowns, demand for services there decreased with workers being temporarily laid-off. Demand for some products boosted during the pandemic and lead to re-modelling of the production and distribution facilities, which required a new – more intensive – cleaning to be performed by the cleaning workers. The dedication of the cleaning and hygiene employees who have been doing vital work to protect the health and wellbeing of others and keep the economy and essential services going since the pandemic start, has helped to highlight the undisputable importance of the cleaning industry.

Once a service that was kept behind the scenes, cleaning in public spaces is now proving to be the key factor in regaining consumer confidence and employee safety and wellbeing, which has been lifted to the top of the HR agenda of business leaders.

Methodology

The European Cleaning and Facility Services Industry (EFCI) in cooperation with its member national associations and hkp/// RemuNet releases the report 2021, which provides an overview of the most important indicators that describe the characteristics of the European cleaning industry. The present report is divided into two sections:

(i) The first section, "The Cleaning Industry in Europe: Main indicators" contains insights on the main industry indicators based on the most recently available Eurostat data.**

(ii) The second section, "The impact of Covid-19 on the Cleaning Industry in Europe" contains evaluations regarding the impact of the Covid-19 pandemic on the cleaning industry in Europe as well as a detailed analysis on the pandemic's effects on companies and employees in some European countries. These results are based on the replies obtained from EFCI members to the questionnaire on the effects of the Covid-19 pandemic on the European Cleaning Industry conducted by hkp/// RemuNet, on behalf of EFCI in May-August 2021. The analysis presented in this report is restricted by number of respondents and methodological differences among the respective countries.

* Eurostat data as available per August 1, 2021.

Note: The European Cleaning Industry refers to NACE Rev. 2 N81.2; EU 27, Norway, Switzerland and United Kingdom.

The Cleaning Industry in Europe 2018

Methodology

The first part of the report provides an overview of the most important indicators (turnover, number of companies and number of employees) of the Cleaning Industry, as per definition NACE Rev. 2 N81.2, Eurostat, in Europe. This section contains insights based on the Eurostat data 2018 and covers the 27 members of the European Union as well as Norway, Switzerland and the United Kingdom.

Main indicators

Turnover Growth

Over the last five years, turnover in the Cleaning Industry has been steadily increasing and grew from 95.6 billion EUR in 2014 to 129.7 billion EUR in 2018, with an especially high increase from 2017 to 2018 of 16.5%. The countries that contributed the most to this increase were Germany (+39%), Poland (+34%) and the United Kingdom (+34%). The turnover decreased slightly in Switzerland (-1%) and Ireland (-1%) in 2018.

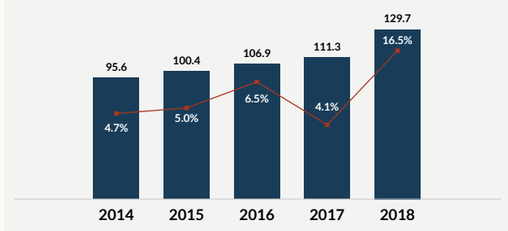
Increase in Number of Employees

The number of employees within the European Cleaning Industry has grown annually from 2014 to 2018. From 2017 to 2018, the highest increase of nearly a 6% was achieved. The number of employees increased in Denmark, Latvia and Cyprus, with growth rates of more than 40% over the five years. Finland was the only country where the number of employees decreased in the last five years. However, this decrease was only marginal (-4%).

Growth in Number of Companies

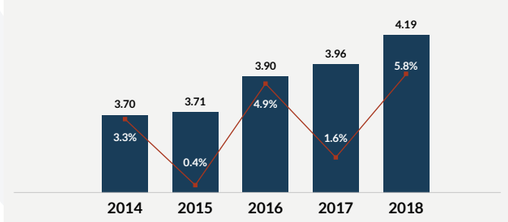
The number of companies have had a rocky transition from 257 thousand companies in 2014 to almost 300 thousand companies in 2018. In 2015, the number of companies in the European Cleaning Industry decreased slightly, nevertheless the following three years moderate to high annual increases have been realised. The highest number of new businesses were established in Latvia and Lithuania, where the number of companies increased by more than 85% over the five-year period from 2014 to 2018. A decrease in the number of companies was recorded in Finland (-4%), Malta (-8%) and Greece (-18%).

Turnover Growth, 2014-2018



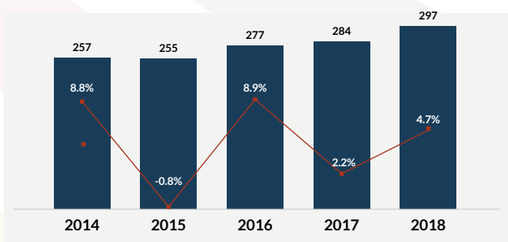
Turnover (in Billion EUR) in the European Cleaning Industry and annual increase in turnover in %, 2014-2018.

Number of Employees, 2014-2018



Number of people employed (in Million) in the European Cleaning Industry and annual increase in number of people employed in %, 2014-2018.

Number of Companies, 2014-2018



Number of companies (in Thousand) in the European Cleaning Industry and annual increase in number of companies in %, 2014-2018.

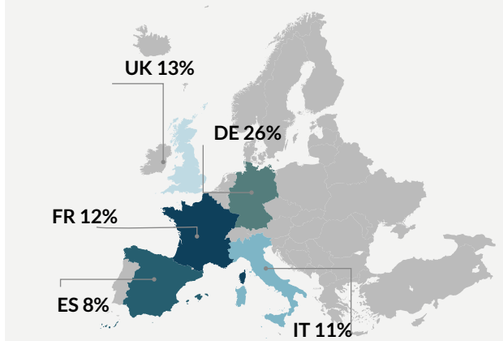
Note: The European Cleaning Industry refers to NACE Rev. 2 N81.2; EU 27, Norway, Switzerland and United Kingdom. Eurostat data as available per August 1, 2021.

Turnover

Turnover by country

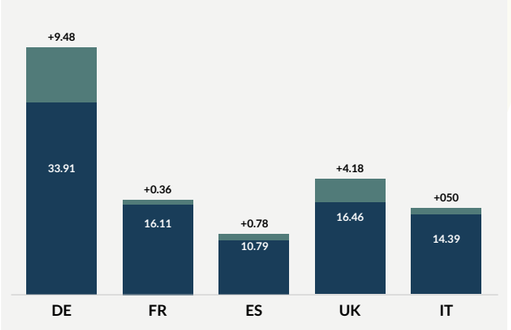
The overall turnover in the European Cleaning Industry grew by 17% across all countries to an impressive 130 billion euro in 2018, which is mainly caused by the significant increase in Germany with over 9 billion euro. France, Germany, Italy, Spain and the United Kingdom are the countries with the largest market share in Europe and are accountable for 70% of overall turnover, followed by the Netherlands with more than 6 billion euro turnover annually. About a quarter of the turnover in Europe is generated in other countries.

Relative Share of Turnover per Country, 2018



Turnover in the respective country as a percentage of the European Cleaning Industry's total turnover, 2018.

Turnover Development, 2018



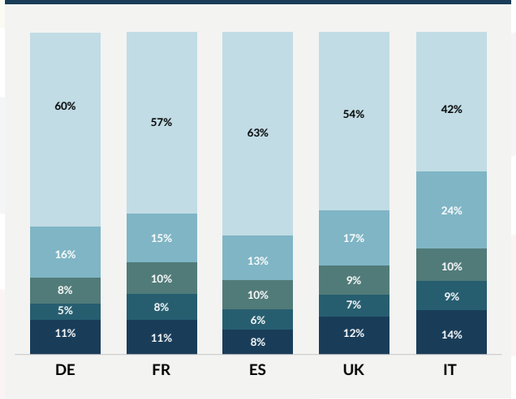
Turnover and turnover increase (in Billion EUR) in the respective country, 2018.

Turnover by Workforce Size

Small and medium-sized enterprises (SMEs, i.e. companies with less than 250 employees) account, on average, for 46% of the total turnover of the sector in Europe.

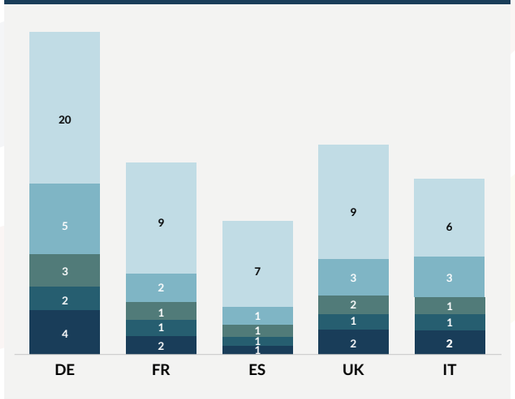
Regarding individual countries, the share of SMEs is the highest in Italy (58%), where they account for more than half of the total turnover in the country. However, in France, Germany, the UK and Spain large enterprises do make up for the majority of revenues.

Relative Share of Turnover per Workforce Size, 2018



Turnover per workforce size category as a percentage of the total turnover in the respective country, 2018.

Amount of Turnover per Workforce Size, 2018



Turnover per workforce size category (in Billion EUR) in the respective country, 2018.

2-9 employees | 10-19 employees | 20-49 employees | 50-249 employees | >250 employees

Note: Graphs per country in this report display results for the five largest countries.

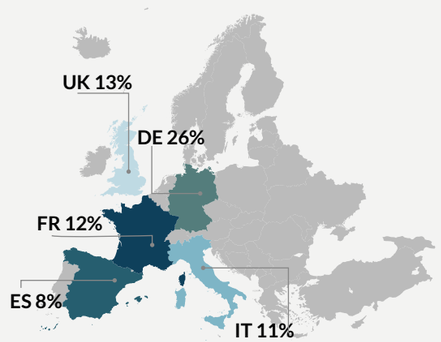
Companies

Number of Companies by Country

The European Cleaning Industry grew in terms of companies, reaching a total of 296,927 in 2018.

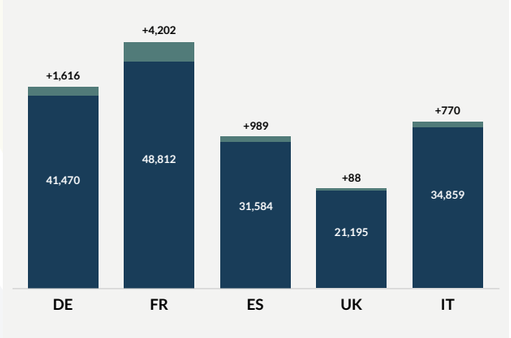
The increase is largely due to growth in number of companies in Germany, Italy, Spain and France. In France, the number of companies grew by more than 4,000, which were mostly self-employed cleaners. Germany also noted a strong growth of 1,600 companies, of which most were small enterprises with less than 10 employees. The number of companies decreased significantly in Sweden (-379) and Ireland (-118). The 5 largest European countries in terms of turnover in the sector (totalling 70%) also have the highest number of companies (totalling 60%).

Relative Share of the Number of Companies per Country, 2018



Number of companies in the respective country as a percentage of the European Cleaning Industry's total number of companies, 2018.

Development of Number of Companies, 2018

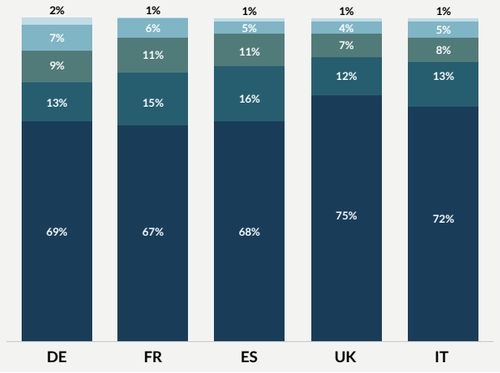


Number of companies and increase in number of companies in the respective country, 2018.

Number of Companies by Workforce Size

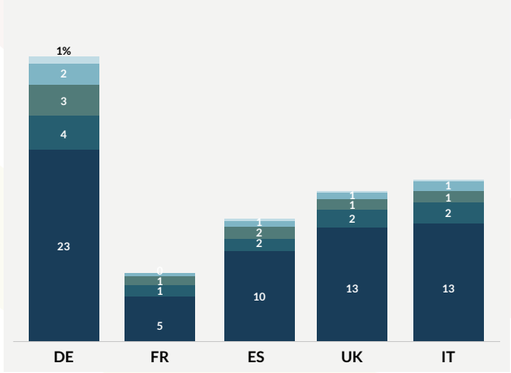
Two thirds of the companies in the Cleaning Industry in Germany, France and Spain employ 2 to 9 staff, whereas the share of these small enterprises is even three quarters in Italy. Companies with 10 to 19 employees are more present in France and Spain, representing 15% to 16% of all companies compared to 12% to 13% in the other largest countries.

Percentage of Companies per Workforce Size, 2018



Number of companies per workforce size category as a percentage of the total number of companies in the respective country, 2018.

Number of Companies per Workforce Size, 2018



Number of companies (in Thousands) per workforce size category in the respective country, 2018.

2-9 employees | 10-19 employees | 20-49 employees | 50-249 employees | >250 employees

Employees (1/2)

Number of People Employed by Country

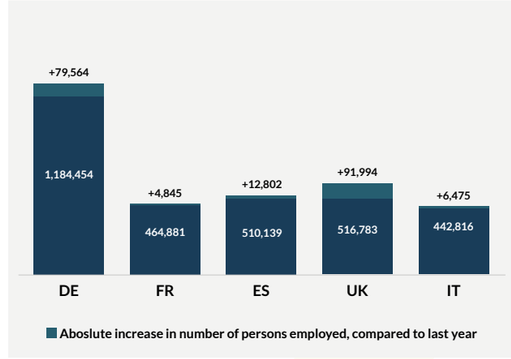
The European Cleaning Industry employed 4.2 million people in 2018. Compared to the previous year, an additional 231 thousand people found employment in the industry.

With over 1.1 million people, the German Cleaning Industry employs over a quarter of all workers in the European Cleaning Industry.

The other top 5 countries have employment levels ranging from 443 to 517 thousand. All other European countries account for about 25% of all employees in the Cleaning Industry.

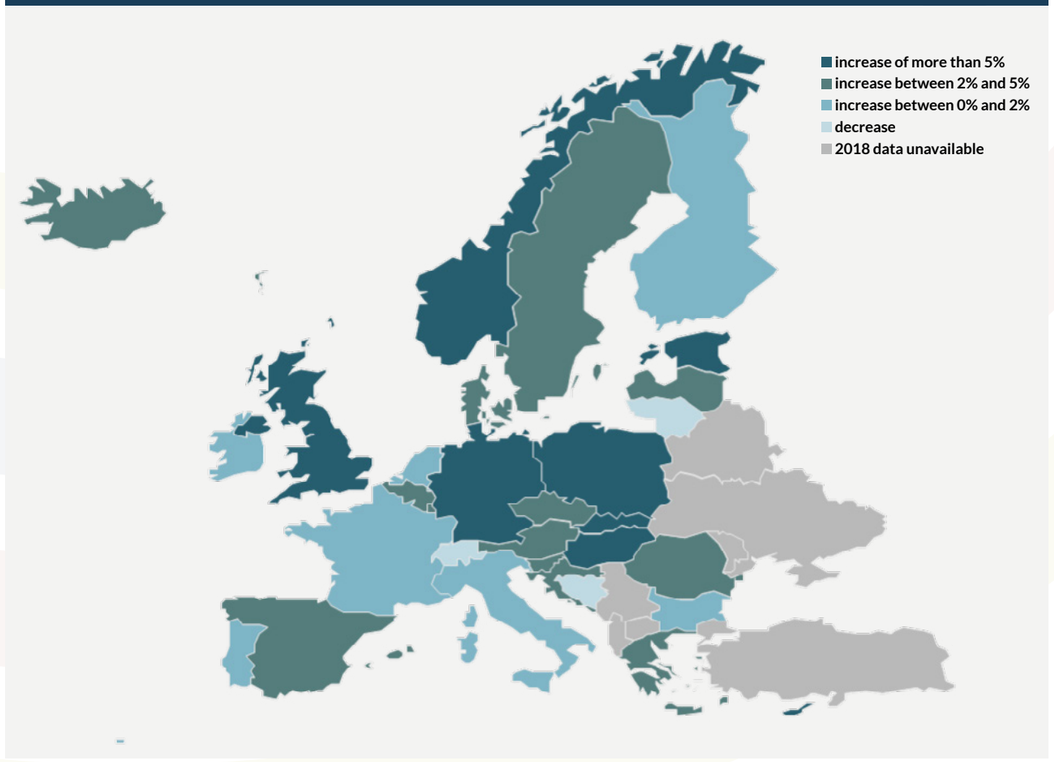
Almost all European countries registered an increase in the number of employees in 2018 compared to 2017. The employment levels in the majority of European countries showed a moderate increase between 2% and 5%. The largest increase was recorded in the United Kingdom (+22%), Poland (+13%) and Cyprus (+11%). Lithuania showed the largest decrease (-7%), followed by Switzerland (-6%).

Number of People Employed, 2018



Number of people employed (incl. self-employed) and increase in number of people employed in the respective country, 2018.

Growth Rate of Number of People Employed in the Cleaning Industry per Country, 2018

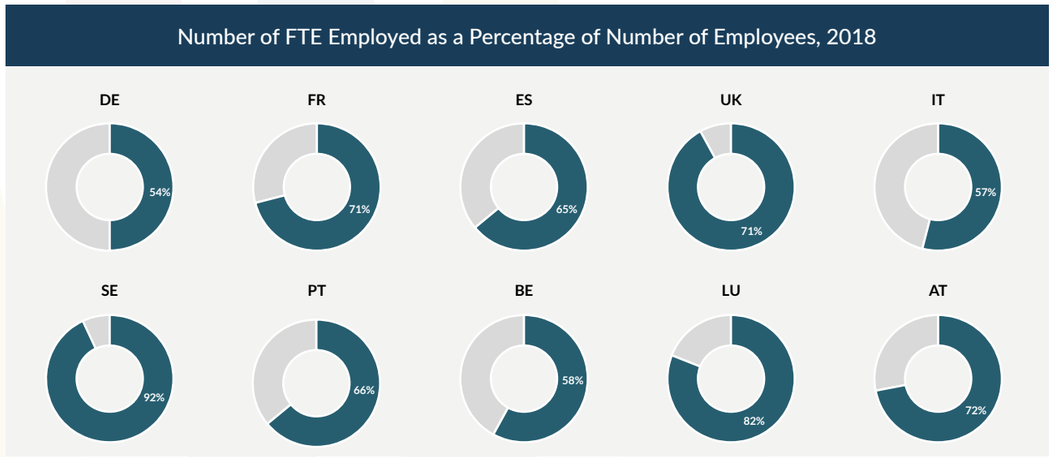


A percentage increase (decrease) in the number of people employed per category for European countries, 2018.

Employees (2/2)

Number of Part-timers

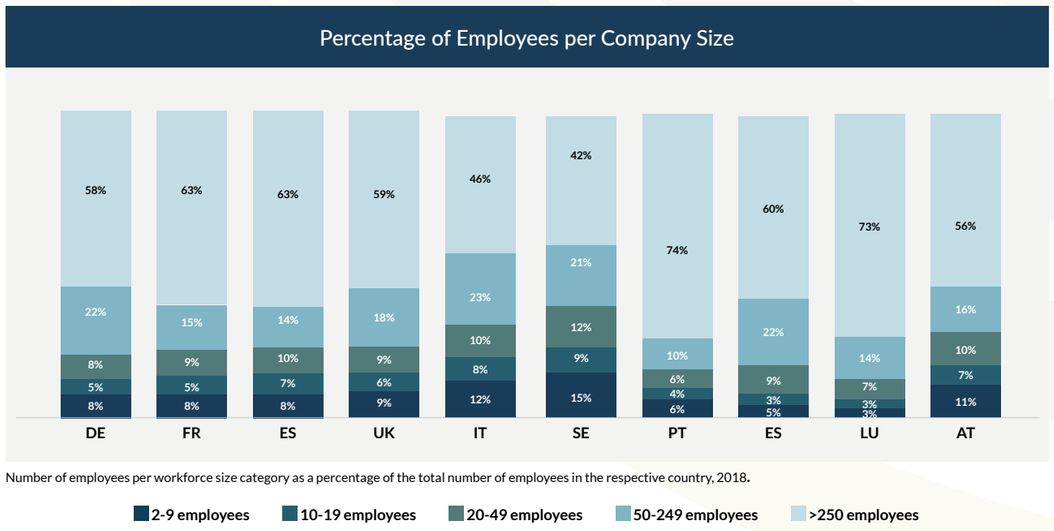
The European Cleaning Industry is characterized by having a large part of their workforce working part-time. 3.9 million employees – not being self-employed – are together contributing to 2.5 million full-time equivalent workers (FTE). A low ratio indicates more people working part-time and/or working relatively shorter hours. However, large fluctuations are observed among the countries, with Sweden having a ratio of above 90% and Germany and Belgium below 60% of number of employees.



Employees in full time equivalent units (excl. self-employed) as a percentage of number of employees (excl. self-employed) in the Cleaning Industry for the selected European countries, 2018.

Employees per company size

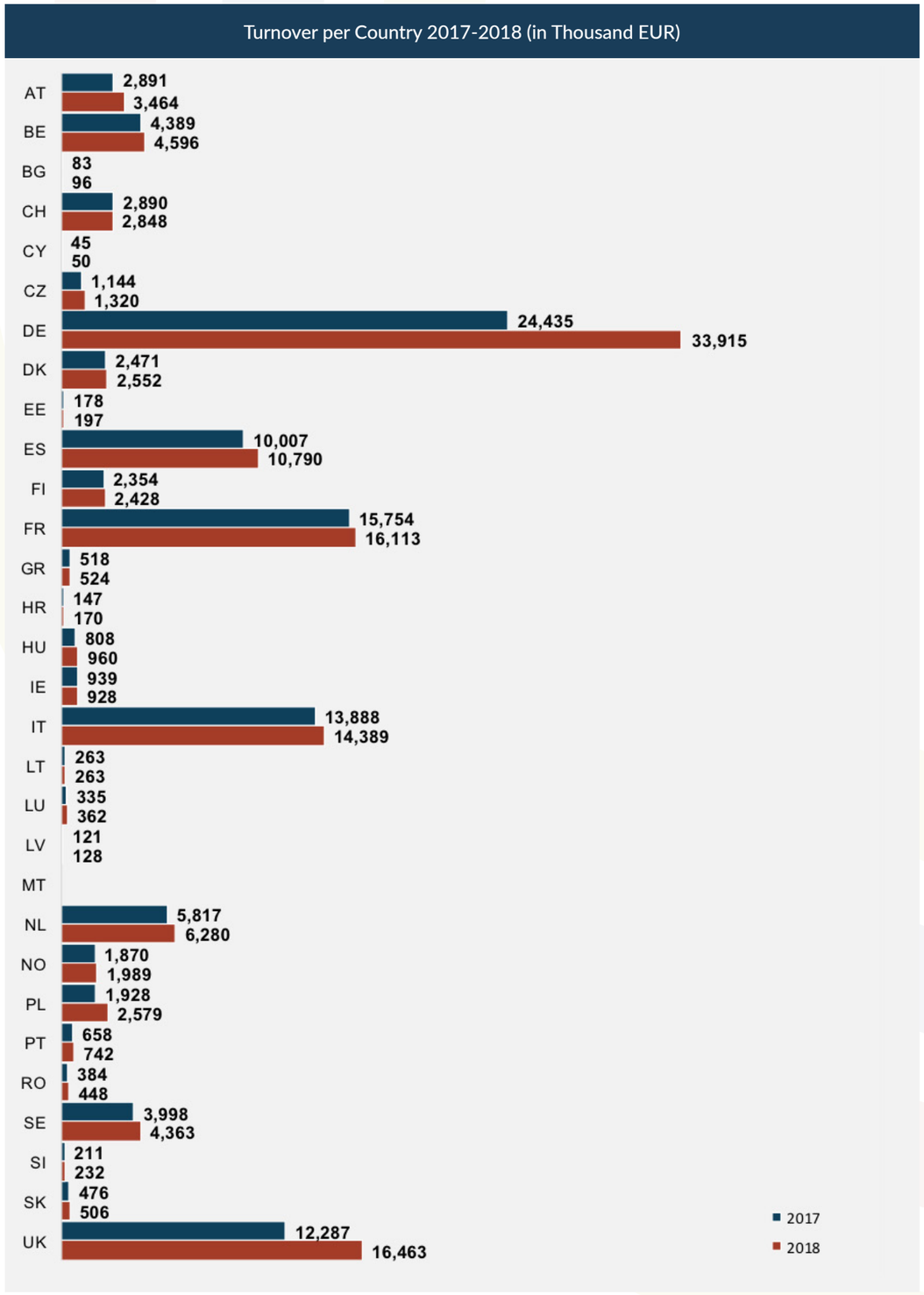
In Portugal and Luxembourg the largest share of employees (more than 70%) work in large companies with more than 250 employees, whereas in Italy and Sweden this indicator stays below 50%. Medium-sized companies with 50 to 249 employees make up for nearly a quarter of the workforce in Italy, Germany and Sweden. The share of employees working in small companies with less than 50 employees is the highest in Sweden, where the majority of employees are working in businesses with less than 10 employees. The share of workers employed in small companies (less than 50 employees) is the lowest in Portugal, Belgium and Luxembourg and is about 15%.



Number of employees per workforce size category as a percentage of the total number of employees in the respective country, 2018.

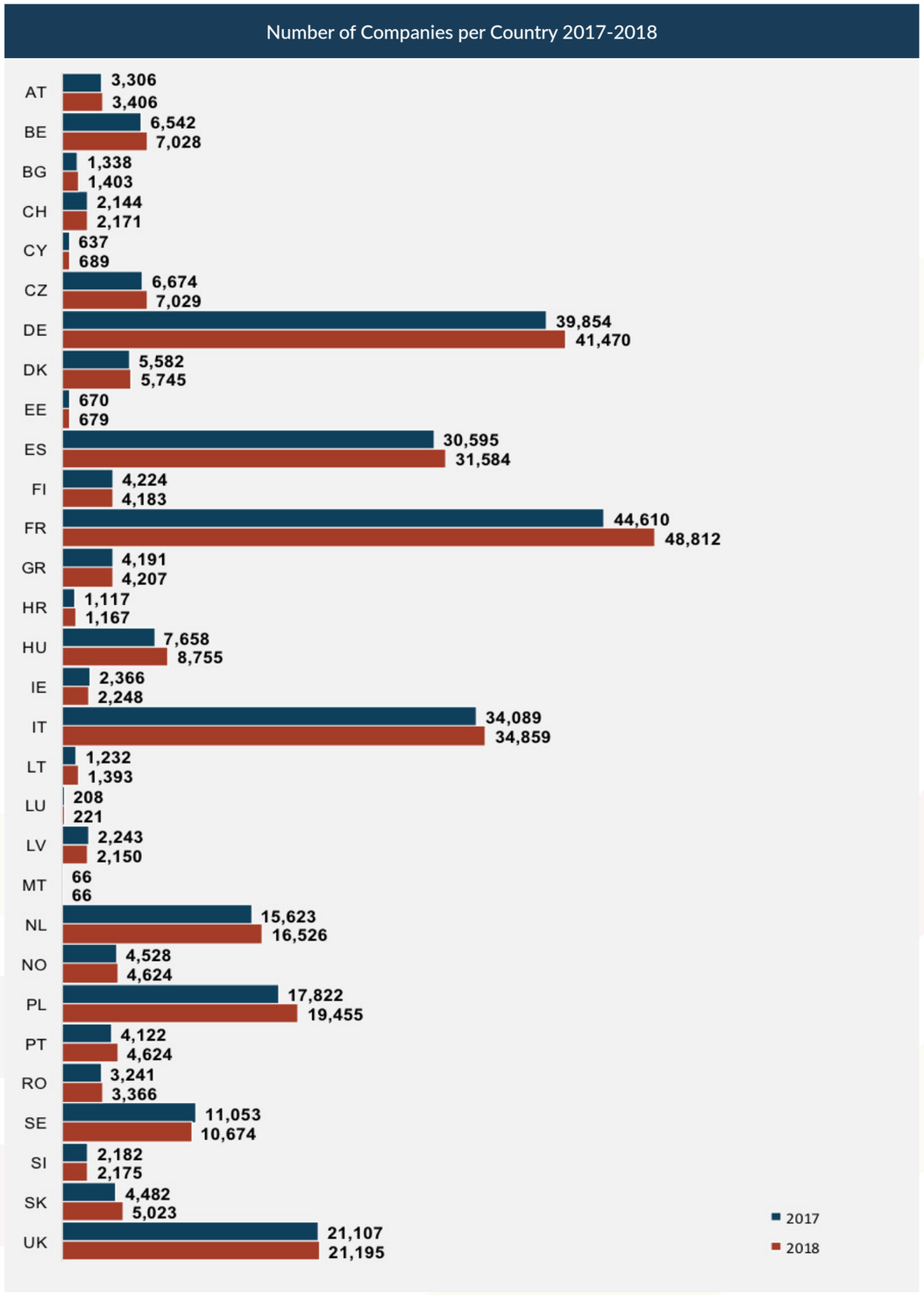
Appendixes

Turnover per Country (2017-2018)



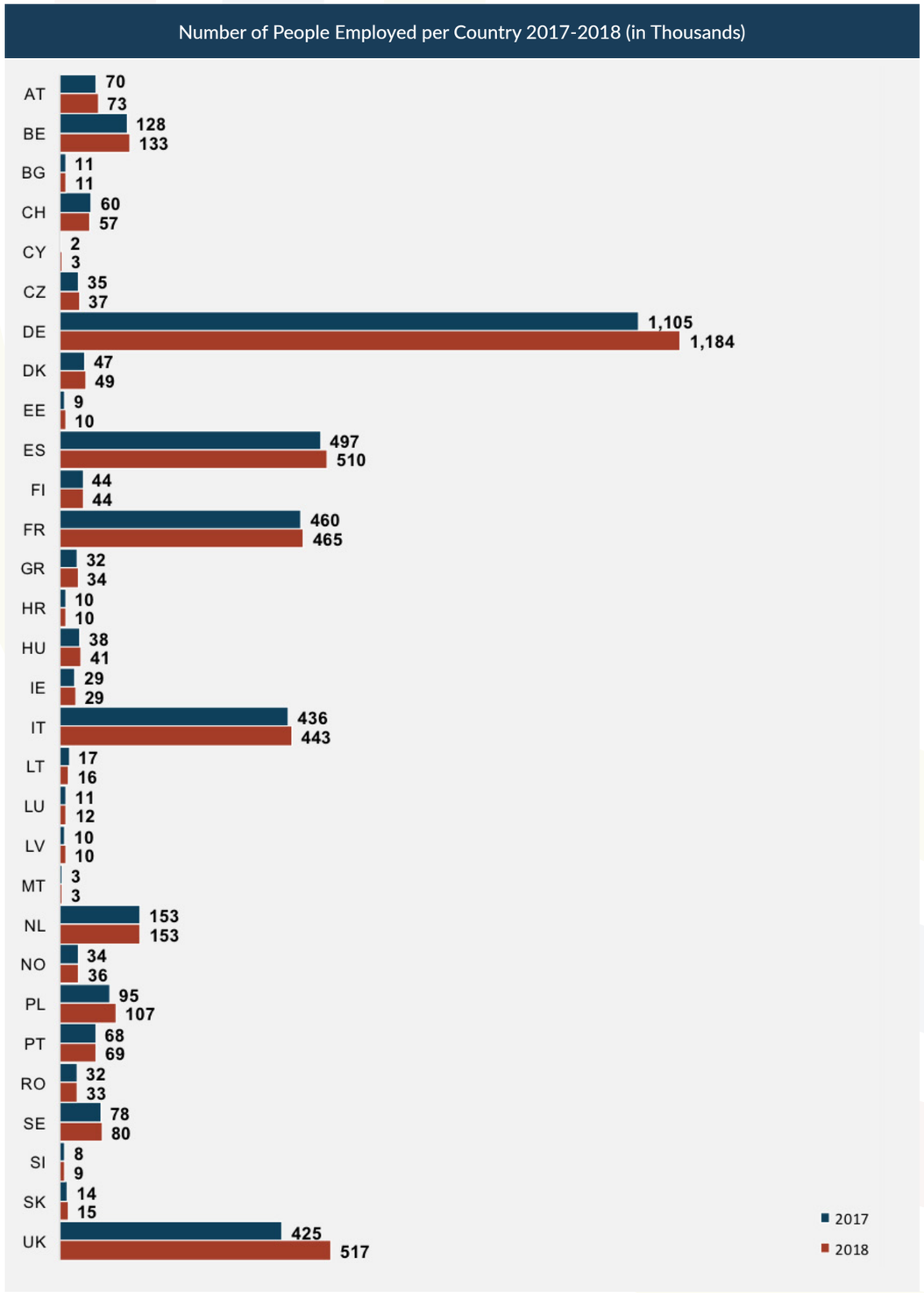
Turnover in 2018, compared to 2017 in the respective country (in Thousand EUR).

Number of companies per country (2017-2018)



Number of companies in 2018, compared to 2017 in the respective country.

Number of people employed per country (2017-2018)



Number of people employed (incl. self-employed) in 2018, compared to 2017 in the respective country (in Thousands).

Covid-19 Impact Analysis

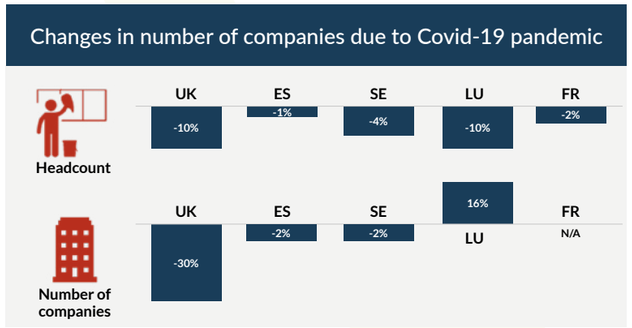
Methodology

This section of the report outlines replies to the "Effects of Covid-19 on the European Cleaning Industry" survey, performed among the EFCI membership. The analysis is **restricted by number of respondents and methodological differences among the respective countries.** The analysis therefore presents a contextual and qualitative – but not statistical (as opposed to section 1 of this Report) – review of the pandemic's impact and is based on the data from the following organizations: **ABSU UGBN (Belgium), Almega (Sweden), APFS (Portugal), Aspel (Spain), CACH (Cyprus), CSSA (United Kingdom), FEP – Monde de la Propreté (France), FLEN - Federation des Artisans (Luxembourg), Gebäudedienstleister (Germany) and WKO (Austria).**

Main Findings

The number of companies as well as number of employees in the European Cleaning Industry decreased in Great Britain, Spain and Sweden, compared to the pre-pandemic levels and is projected to decrease further in most other European countries. The number of companies increased in Luxembourg, which is explained by a temporary increase in the number of self-employed workers; it is expected to decrease again by the end of 2021.

Only France and the United Kingdom are projecting an increase in employment as well as number of companies by the end of 2021. A gradual return to pre-Covid-19 employment levels is overall predicted for most sectors, particularly as now staff returns to work from the office and economies recovering. It's also pointed out that the end of free movement is a lingering concern for the Cleaning Industry given the above-average levels of migrant employment in the industry.

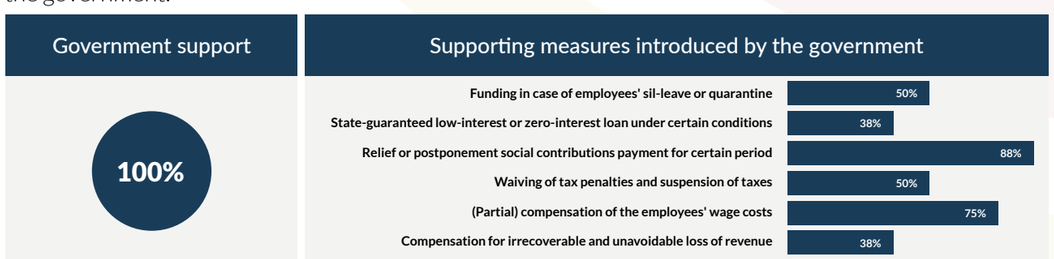


Percentual changes in the number of employees (headcount) and the number of companies pre-Covid-19 compared to during Covid-19.

While cleaning activities for the catering and hospitality industry were the most affected across Europe, healthcare and educational premises showed an increase in the share of cleaning agents being employed there. On the other hand, Sweden reported little change in the share of employees in different sectors due to less severe pandemic lockdowns.

Government Support

The Cleaning Industry was supported by governments throughout Europe, mostly by relief or postponement of social contribution payments and compensation for the employer wage costs. The percentage of the wage costs subsidized by the government for the year 2020 was the highest in Austria (90%), followed by the United Kingdom (80%). In Portugal, the government compensated for 70% of the minimum wage. Some European companies also benefited from governmental funding in case of employees' sick leave or quarantine. In Austria, 80% of irrevocably lost revenue could be reimbursed by the government.

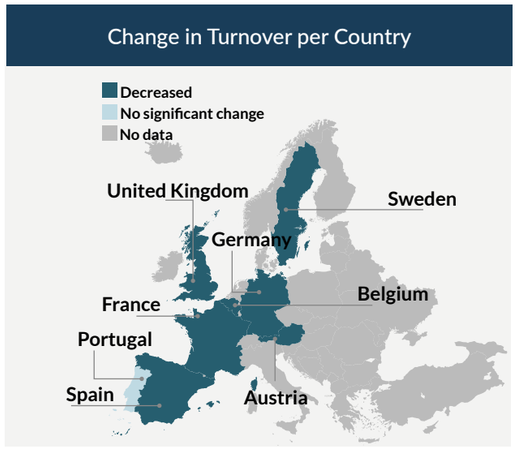


Percentage of countries that had supporting measures introduced by the government. | Supporting measures introduced by national governments as a response to Covid-19 pandemic.

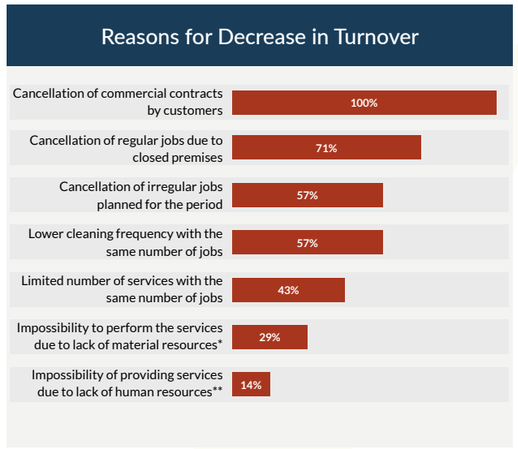
Impact on Turnover

Turnover decreases due to Covid-19

The overall turnover in European Cleaning Industry decreased due to the global Covid-19 pandemic with the only exception being Portugal, where no significant changes were recorded. One of the main reasons for turnover decrease is customers-initiated cancellation of commercial contracts. Along with contracts cancellation, the sector faced a decrease in demand in most European countries due to the mass closure of premises during the lockdowns. Despite the cancellation of contracts in most of the countries, the demand for special services such as touch cleaning and deep sanitizing increased in Portugal, France and the UK.



Change in turnover per country pre-Covid-19 compared to during Covid-19.



Percentage of countries that agrees with a certain reason for turnover decrease.

A decrease in turnover is mostly observed in cleaning companies with main contracts/activities in transportation, entertainment, tourism and hospitality (e.g. airports, hotels, shopping malls). For example, in France the decrease in turnover of 21% was recorded for companies with major contracts in cleaning of common areas. Cleaning companies with focus in other sectors were able to maintain status quo or increase profit by providing extra services with higher margins to existing customers. In order to offset the negative consequences of turnover decrease, the majority of cleaning companies expanded their services portfolio by introducing new technologies and/or services.



The factors with the biggest impact on rebuilding/enhancing turnover according to the participants (the more frequent an answer was given, the larger the share in the figure).

* Lack of material resources such as cleaning/sanitizing products, face masks, gloves, etc.

** Lack of human resources caused by refusal of employees to work, health concerns of employees, difficulty in recruiting during pandemic.

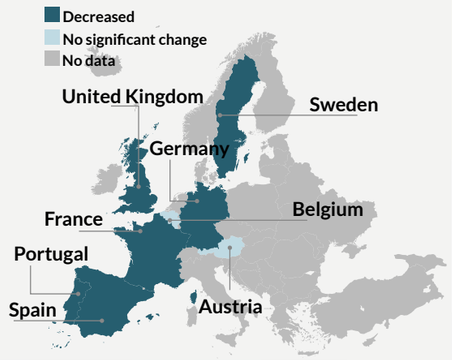
Impact on Number of Contracts

Impact on Contracting Practices

One of the main reasons of the overall decrease in turnover in the European Cleaning Industry is the decline in number of contracts due to cancellation or (temporary) suspension. Even though there was a limited possibility to acquire new contracts or attract new customers in Austria and Belgium, the number of existing contracts for companies remained at the pre-pandemic levels.

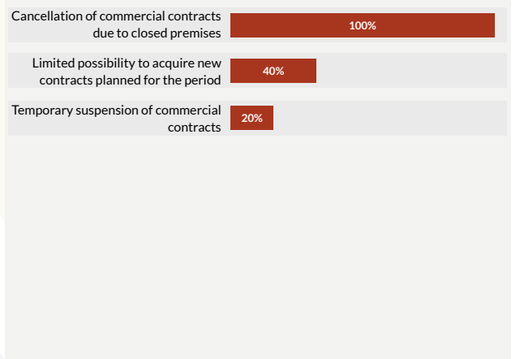
In case of closure of premises, the majority of clients opted for a contract cancellation rather than temporary suspension, which hit the cleaning businesses in Europe.

Change in Number of Contracts per Country



Change in the number of contracts per country pre-Covid-19 compared to during Covid-19.

Reasons for Decrease in Number of Contracts



The percentage of countries that agrees with a certain reason for a decrease in the number of contracts.

Impact on contracts with public and private sectors

In the majority of countries, the number of contracts with the public sector was not majorly affected or even experienced an increase due to a higher demand in certain cleaning services (e.g. public healthcare, social services, etc.). On the contrary, in some countries, such as Spain, the public sector was significantly affected, especially in the first wave of global pandemic (March – May 2020), where all the public establishments except for essential services remained closed. The number of contracts with the private sector decreased radically in almost all European countries, mostly due to total or partial closure / inactivity of private facilities and institutions. The negative impact on the turnover and number of contracts on cleaning companies operating in the private sector is decreasing with the current, gradual lockdown exit.

Number of Contracts affected

Country	Public sector	Private sector
Austria	→	↓
Belgium	→	→
Spain	↓	↓
France	↓	↓
Portugal	→	↓
Sweden	→	↓
United Kingdom	↑	↓

Number of Contracts:

- ↑ Increased
- → No significant changes
- ↓ Decreased

The increase or decrease (or no change) of number of contracts in both the public and private sector per country.

Impact on Employment

The Covid-19 crisis has a visible impact on the employee characteristics of the European Cleaning Industry. The number of FTEs decreased significantly in Sweden (-2%) and the UK (-10%), indicating permanent workforce reductions in these countries. The number of self-employed decreased in Sweden (-7%) and increased in Spain (1%) and Luxembourg (8%): temporary contracts were not renewed, and workers tended to become self-employed. The number of part-timers in the Cleaning Industry dropped significantly in Austria (-21%) and in the UK (-10%), with a large reduction in the number of employees on permanent contract, from 670,350 before the pandemic to 603,350 in August 2021.

Subsectors most affected during the Covid-19 pandemic

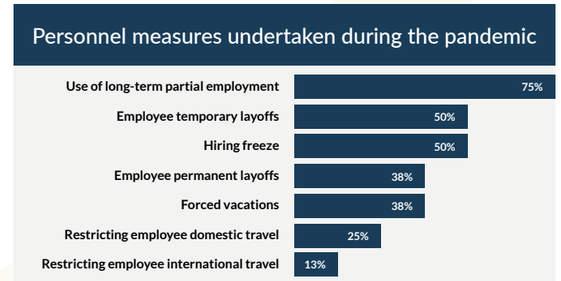


Subsectors that are most effected by Covid-19, over three different periods in 2020.

Personnel Measures

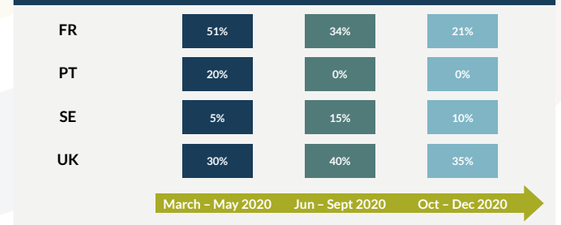
As reaction to the Covid-19 pandemic, partial employment measures were introduced in almost all European countries. Companies around Europe also used temporary layoffs and hiring freezes as personnel-related measures during the pandemic, followed by permanent layoffs and mandatory vacation. The highest work reductions (partial employment) were introduced in the beginning of the pandemic in March-May 2020, decreasing towards October. Sweden and UK experienced the highest rates of work reductions in June-September 2020 with site cleaners being the most affected by partial employment measures. In the United Kingdom, also marketing and staff in other support functions as well as senior management were affected.

Personnel measures undertaken during the pandemic



Percentage of countries that took specific personnel measures during Covid-19.

Partial employment – average work reduction per country



Average work reduction percentage per country over three different periods in 2020.

Layoffs

Employees in the Cleaning Industry were also affected by permanent layoffs with 1% of workers being made redundant in Spain and Austria. Cleaning workers in restaurants & hotels as well as offices and transportation premises (e.g. airports) were most affected by layoffs (temporary and permanent). In the United Kingdom not only on-site cleaning agents, but also office staff lost employment.

Temporary Layoffs



The percentage of temporary layoffs per country and subsectors majorly affected.

Compensation interventions and working times

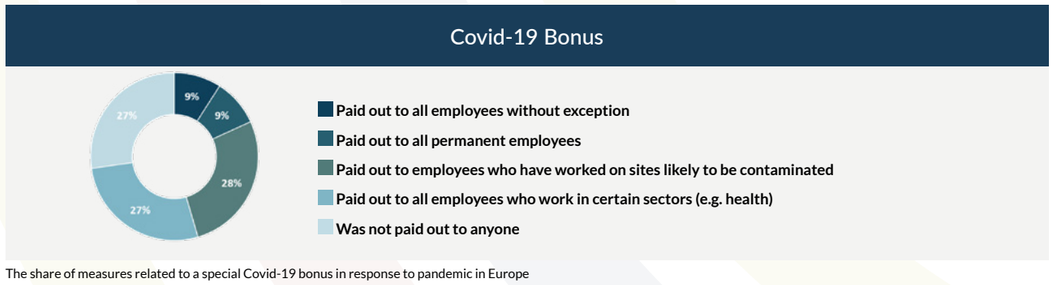
Salary reductions

About half of European cleaning companies implemented temporary salary reductions as a short-term cost saving measure. Typically, this reduction applied only to base salary and was in place for 3 months. Companies in countries with stronger government support were able to avoid both layoffs and salary reductions. In most countries only on-site cleaning agents were affected by temporary base salary reductions, whereas in the UK all staff groups were affected, such as support functions and senior management.

Covid-19 bonus

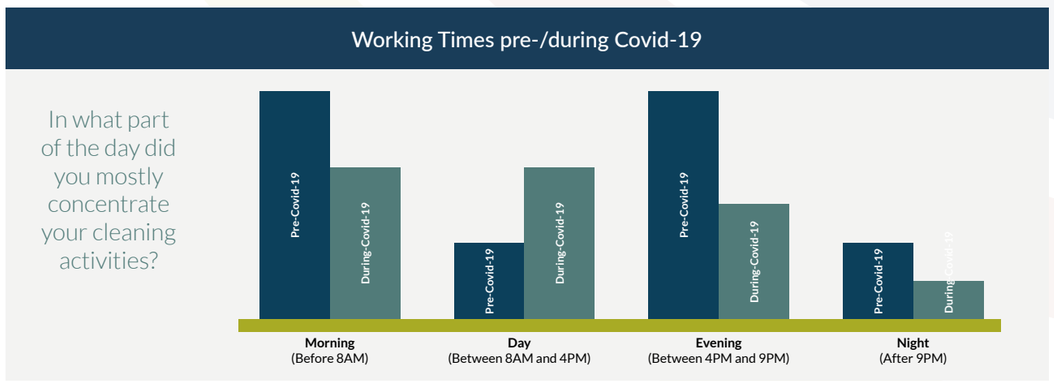
A special Covid-19 bonus is the most widely used measure implemented as a part of employee encouragement. In some European countries, a special Covid-19 bonus was not widely considered (e.g. Sweden, Portugal and the United Kingdom). In other countries, bonuses were paid out, often with some limitations. For example, in France all employees may receive a special Covid-19 bonus, whereas in Belgium and Germany only staff working at sites with high contamination risk (e.g. education facilities, transport, manufacturing sites) could receive a bonus and in Austria, only employees working in healthcare institutions specifically.

Daytime Cleaning



The share of measures related to a special Covid-19 bonus in response to pandemic in Europe

Because of closure or limited working hours of premises due to curfews and lockdowns, the working hours of cleaning staff also changed. In Spain, Austria and Germany an increased demand for continuous cleaning during the day was observed. Moreover, in office facilities, cleaning during working hours became more in demand rather than early morning or evening due to prevention of contamination guarantying employee's safety and wellbeing. In most countries the working hours in healthcare institutions shifted due to the mandatory daily disinfection regulations.



The distribution of cleaning activities in a certain part of the day – pre-Covid-19 and during Covid-19.

Previously publish EFCI industry reports available in **www.efci.eu:**



THE CLEANING INDUSTRY IN EUROPE
EFCI'S REPORT (2020)



THE EUROPEAN CLEANING INDUSTRY 1995-2016
TREND REPORT (2019)



Who is the EFCI?

The EFCI is the voice of the European industrial cleaning and facility services sector, bringing together the national associations and federations of the industry. The EFCI is the European Social Partner at sectoral level.

297.000
companies

4 million
people employed

120
billion € turnover

EFCI's mission is to:

- Communicate the industry's needs and priorities to the policy makers at European level and in the European Social Dialogue.
- Promote the industry and enhance the sector's competitiveness and image.
- Foster the exchange of information among EFCI's members and to facilitate capacity building.
- To organise and implement actions and projects at European level (on subjects such as responsible procurement, promotion of services' quality and of vocational training).

EFCI - European Cleaning and Facility Services Industry
T. +32 2 225 83 30 | secretariat@efci.eu
Rue Belliard, 205. 1040 Brussels
www.efci.eu
@_EFCI_ www.linkedin.com/company/the-efci/