

# News

## 100,000 jobs will go in next year, warns think tank

More signs of downturn with gloomy economic forecast and job losses at Ballast and Broadway Malyan.

by Mark Leftly and Phil Clark

THE UK CONSTRUCTION sector will lose 100,000 jobs in the next 12 months, according to a report by economic think tank the Centre for Economics and Business Research.

The news comes in a week when three more firms – contractors Ballast and Interior Services Group, and architect Broadway Malyan – said they were reducing staff numbers.

Ballast is reducing the posts at its UK and international divisions by 350, Broadway Malyan its lost 25 and ISG has cut three positions in its furniture division.

The cutbacks come in the wake of retrenchment at commercial architects hit by delays in projects after the 11 September attacks on the USA.

The CEBR forecasts that 1.1 million people will work in the sector by early 2003, compared with 12 million this year. The research covers contractors and all consultants, except architects. The report says: "Construction is a sector that

tends to be at the teeth of every downturn, just as it tends to be a disproportionate beneficiary of any boom."

The CEBR believes a sharp downturn in the housing market and a lack of office development in London to be the main causes of the redundancies.

Mark Pragnell, a co-author of the report, which is entitled the *Monthly Economic Bulletin for November*, said these problems have been compounded by the terrorist attacks.

Pragnell said the attacks might account for

10-20% of job losses in the sector. The report notes, however, that rising public sector investment will cushion the blow.

Top six architect Broadway Malyan confirmed that it had imposed a recruitment freeze. This has led to staff numbers falling by 25 since September.

A spokesperson for Broadway Malyan said: "We're carefully reflecting on the [economic] situation. There has been a slowdown in growth. We're not casting people off; we're just not employing as many."

ISG said it was also reviewing 12 posts in its Interior fit-out division because of delays in client decisions and the completion of two major projects. A decision will be made next week.

Matthew Giles, marketing director at ISG, emphasised that effect of the downturn on the firm, which employs more than 700 staff, had been small up to now. He said: "Our business has held up really well."

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### Construction tends to be at the teeth of every downturn

CEBR think tank report

## Olympic bid to focus on World Trade Centre

THE REDEVELOPMENT of the World Trade Centre site could be at the heart of a bid by New York for the 2012 Olympics.

New York is one of four American cities vying to host the event; the others are Washington, Houston and San Francisco.

A source at the city's Olympics committee claimed that the authorities wanted to make a bid the focal point of redeveloping lower Manhattan, much of which lay in ruins after the 11 September attacks.

The source said: "I think there is a good chance New York will be chosen. There is a groundswell of support backing it."

The source said the World Trade Centre site could become a transport interchange, which would

link to a convention centre and stadium in Manhattan. The stadium is pencilled in for a site next to Penn Street station.

The source said: "The World Trade Centre would be part of the overall rejuvenation. A stadium would need a subway extension, which could link to the site."

The World Trade Centre has been the focus of intense clear-up work since the attack.

Contractors, including Bovis Lend Lease and Amec, were at the centre of the operation, alongside engineers such as Arup and Buro Happold.

Bechtel was reported last month to be taking over the management of the operation, although this has yet to be confirmed.



Out of the ashes: World Trade Centre may become transport hub.