



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

1

2015



University of Stellenbosch

cidb Survey Results: 2015Q1

March 2015

Although reasonable professional skill, care and diligence are exercised to record and interpret all information correctly, Stellenbosch University, its division BER and the author(s)/editor do not accept any liability for any direct or indirect loss whatsoever that might result from unintentional inaccurate data and interpretations provided by the BER as well as any interpretations by third parties. Stellenbosch University further accepts no liability for the consequences of any decisions or actions taken by any third party on the basis of information provided in this publication. The views, conclusions or opinions contained in this publication are those of the BER and do not necessarily reflect those of Stellenbosch University.

Summary

Building Contractors

In 2015Q1, the overall business confidence among building contractors declined from 56 to 51. Business conditions deteriorated; pressure on profitability increased; building activity slowed and employment levels declined.

Building contractors in Grades 3 & 4 were the only grades that registered a decline in business confidence (-16 index points). Despite marginal increases in confidence of Grades 5 & 6 and Grades 7 & 8, building activity, employment levels and profitability declined across all the grades.

Regionally, the following changes in confidence levels came about, Western Cape (+13), Eastern Cape (-8), KwaZulu-Natal (-14) and Gauteng (-17). Building activity and employment declined in all the provinces except for the Western Cape. The Western Cape was also the only province in which pressure on profitability eased somewhat.

Civil Contractors

The number of civil contractors who were satisfied with current business conditions increased from 44 to 45 in 2015Q1. Despite the marginal uptick in confidence, several underlying indicators, especially profitability, paints a picture of an industry that remains under pressure.

Business confidence among civil contractors in Grades 3 & 4 and Grades 7 & 8 rose by 11 and 2 index points respectively. In contrast, civil contractors in Grades 5 & 6 registered a 7-point decline. All the grades indicated that employment was lower when compared to the same quarter of last year. Furthermore, profitability declined across the board.

All the provinces except for KwaZulu-Natal registered an increase in business confidence in the first quarter of 2015. The Western Cape was the only province that reported positive growth in construction activity.

Table of contents

Introduction	1
2015Q1 cidb Survey Results	3
Building Industry.....	3
Total	3
Grades comparison.....	4
Grades 3 & 4	5
Grades 5 & 6	6
Grades 7 & 8.....	7
Provincial comparison	8
Eastern Cape	9
Gauteng.....	10
KwaZulu-Natal	11
Western Cape	12
Construction Industry.....	13
Total	13
Grades comparison.....	14
Grades 3 & 4	15
Grades 5 & 6	16
Grades 7 & 8.....	17
Provincial comparison	18
Eastern Cape	19
Gauteng.....	19
KwaZulu-Natal	21
Western Cape	22
cidb Building Contractor: Survey Results	23
cidb Civil Contractor: Survey Results	41

Introduction

The cidb has contracted the Bureau for Economic Research (BER) at Stellenbosch University to conduct a business tendency survey among registered cidb contractors (Grades 3-8) operating in the building and civil engineering industries.

The 2015Q1 survey was carried out during the period 2 February and 2 March 2015.

The analysis that follows provides a synopsis of the survey responses received in 2015Q1, according to region and grades from participating cidb registered building and civil contractors. The detailed survey results are to be found at the end of this report.

The main indicator used for analysis purposes is **business confidence**. The business confidence index is based on the number of survey sample respondents indicating that they find current business conditions satisfactory. It is calculated as a percentage. For example, a business confidence index of 90 implies that 90% of the survey respondents regard prevailing business conditions as satisfactory. The data series can therefore vary between 0 and 100, with 50 seen as neutral. Business confidence, as measured by qualitative opinion surveys, has proved both globally and domestically to be a reliable leading indicator of business activity. Similar to business confidence, the responses relating to **constraints** are presented as percentages. For example, 50% of respondents rated a shortage of skilled labour as a constraint on their activities.

The rest of the responses are converted into net balances. For example, if the percentage of respondents rating building activity higher / the same / lower than a year ago is as follows;

Higher	Same	Lower
70	10	20

then we can conclude that the majority of participants experienced an acceleration in building activity. A net majority (i.e. the percentage of respondents rating activity higher, less the percentage rating activity lower) of 50% is registered in the above example. A net majority of -10%, for example, indicates a slowdown in building activity compared to a year ago. A value of zero therefore indicates no change, between 0 and 100 reflects a rise (or improvement) and between 0 and -100 a decline (or deterioration) compared to the same quarter a year ago.

Note: A low number of responses cause the survey results to vary noticeably between consecutive quarters. We recommend that users base their views on the trend and not on a single data point.

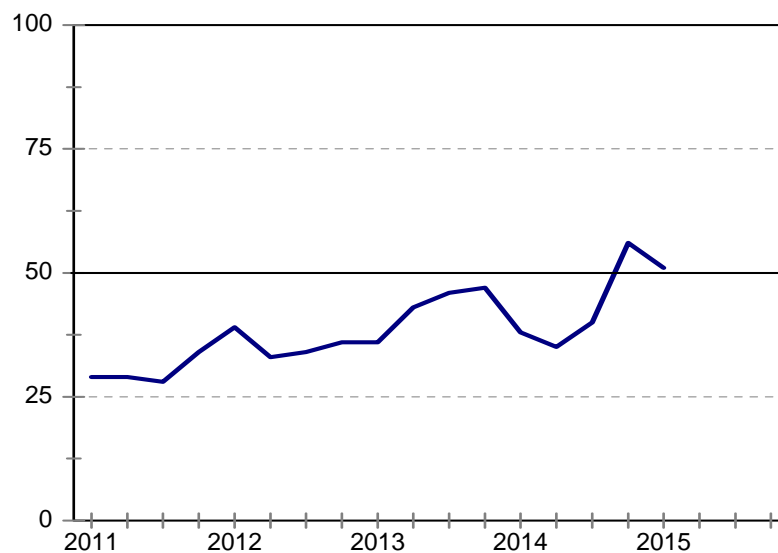
2015Q1 cidb Survey Results

Building Industry

Total

After increasing by 16 index points to 56 in 2014Q4, business confidence fell to 51 in the first quarter of 2015. Building contractors were challenged by poorer business conditions, a slowdown in building activity, lower employment levels and increasing pressure on profitability.

Figure 1: Total
Business confidence



The proportion of respondents that indicated poorer business conditions, increased from a net 3% in 2014Q4 to 14% in 2015Q1.

A net 22% indicated that building activity was lower compared to the same quarter in 2014; this is a slight deterioration from the 18% that found this to be the case in 2014Q4.

Compared to a net 12% in 2014Q4, a net 21% reported lower employment.

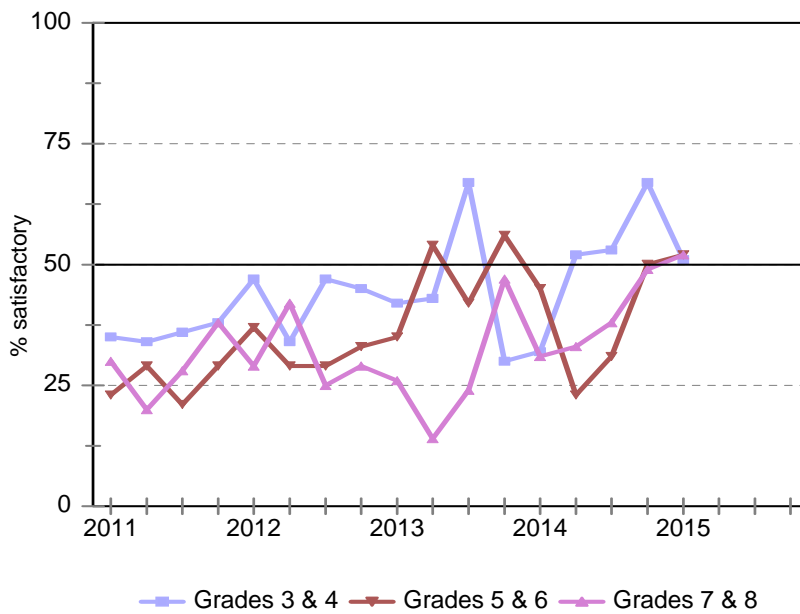
In 2015Q1, a net 34% of respondents registered lower profitability compared to a year ago, up from a net 25% in the previous quarter.

The decline in profitability was likely as a result of tougher tendering competition. Compared to a net 28% in 2014Q4, a net 33% of respondents indicated that competition was keener than during the corresponding quarter last year.

Grades comparison

Business confidence fell sharply for Grades 3 & 4 (-16 index points), whereas both Grades 5 & 6 and 7 & 8 registered marginal increases (+2 and +3 respectively). As shown in Figure 2, all the grades recorded a confidence level above 50.

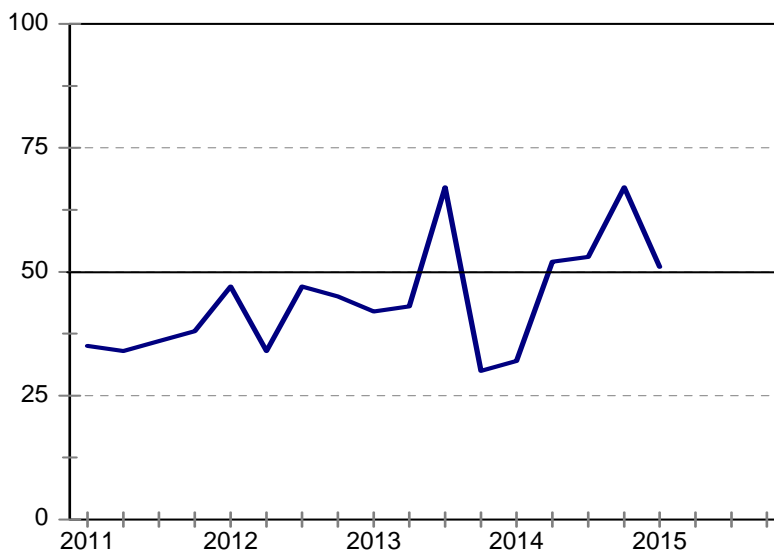
Figure 2: Business confidence per grade



Grades 3 & 4

After increasing for four consecutive quarters, business confidence for building contractors in Grades 3 & 4 fell by 16 index points to a level of 51. All the underlying indicators deteriorated.

Figure 3: Grade 3 & 4
Business confidence



In 2014Q4, a net 13% indicated that business conditions improved compared to a year ago; in this survey quarter, a net 21% experienced poorer business conditions.

The percentage of building contractors who cited a slowdown in building activity increased from a net 20% in 2014Q4, to 30% in 2015Q1.

In 2015Q1, a net 25% of respondents indicated that the number of people employed declined compared to a year ago, up from a net 7% in 2014Q4.

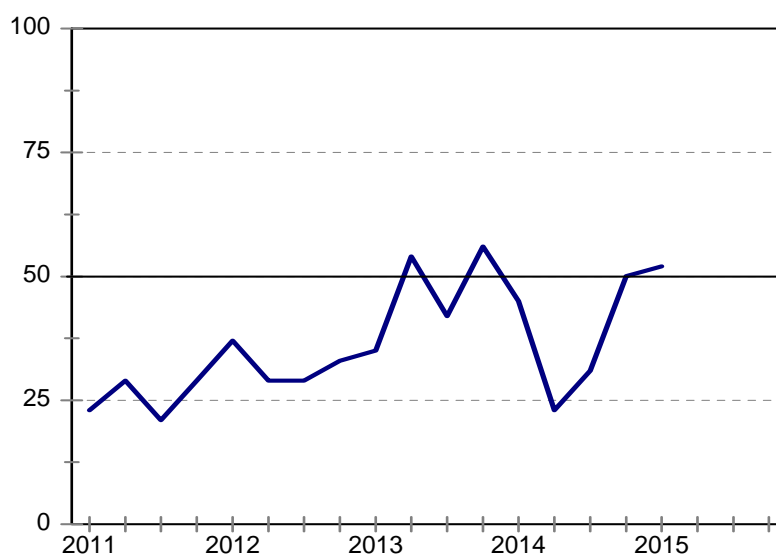
Compared to a net 24% in 2014Q4, a net 39% indicated that profitability was lower than the same quarter a year ago.

Grades 5 & 6

The number of building contractors who reported satisfactory business conditions increased marginally from 50 to 52. This marks the third consecutive quarter of increases. Business confidence was slightly higher despite greater downward pressure on profit margins.

Figure 4: Grade 5 & 6

Business confidence

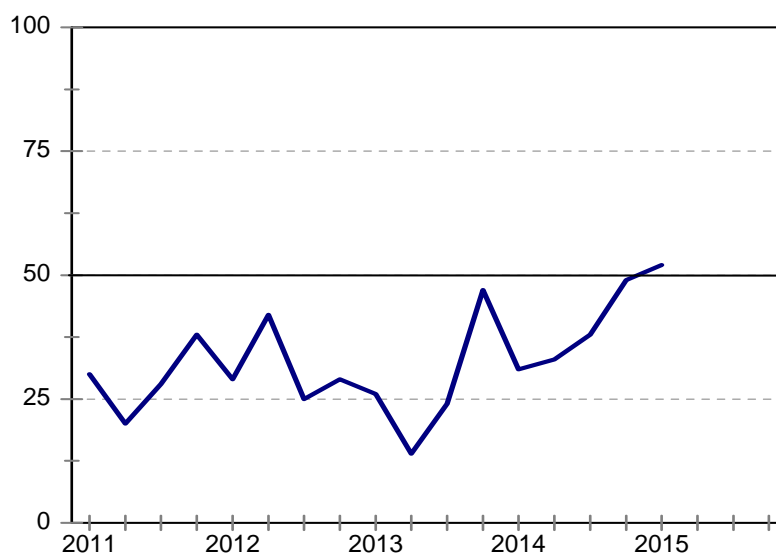


Compared to a net 28% in 2014Q4, 37% of respondents cited lower profit margins. The weaker profit margins were likely due to tougher tendering competition. A net 35% of respondents indicated that tendering price competition was higher than the corresponding quarter a year ago, up from a net 20% in the previous quarter.

Grades 7 & 8

Business confidence increased for the fourth consecutive quarter, from 49 in 2014Q4 to 52 in 2015Q1. This is the first time since 2009Q2 that building contractors in Grades 7 & 8 registered business confidence above 50. In contrast to the uptick in confidence, employment declined and tendering competition intensified.

Figure 5: Grade 7 & 8
Business confidence



The percentage of building contractors who reported lower employment increased from a net 14% in 2014Q4, to 22% in this survey quarter.

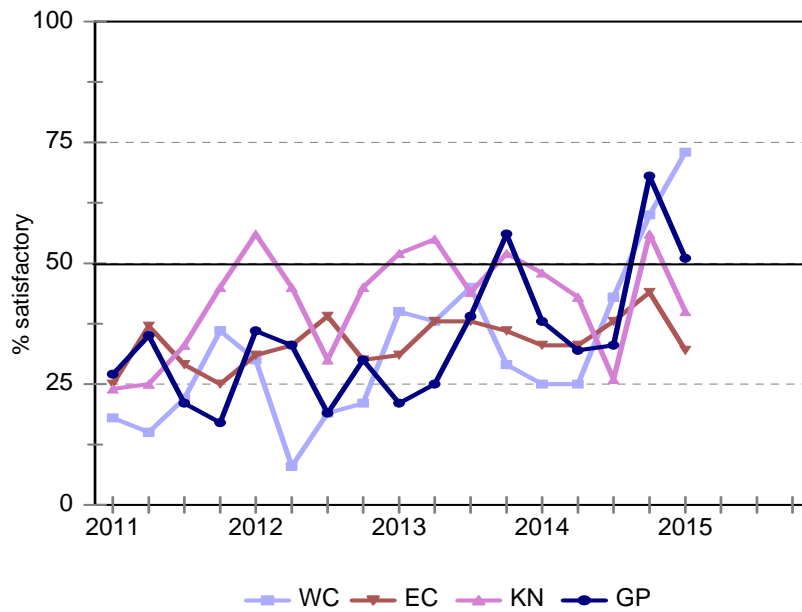
Compared to a net 37% in 2014Q4, 42% of respondents cited tougher tendering competition in 2015Q1.

The proportion of respondents that cited insufficient demand for building work increased from 62% in 2014Q4, to 68% in this survey quarter.

Provincial comparison

As shown in Figure 6 below, the Western Cape was the only province that registered an increase in business confidence (+13 index points). In the rest of the provinces, the following changes came about, Eastern Cape (-8), Gauteng (-17) and KwaZulu-Natal (-14).

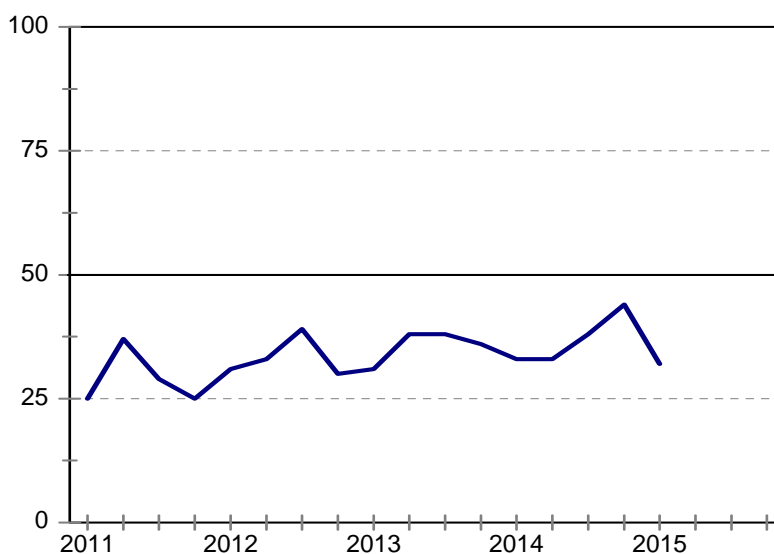
Figure 6: Business confidence per province



Eastern Cape

Business confidence fell by 8 index points to a level of 32 in 2015Q1. Business confidence has now been below 50 since 2009Q1. The drop in confidence was largely driven by a sharp increase in the number of respondents who experienced pressure on profit margins.

Figure 7: Eastern Cape
Business confidence

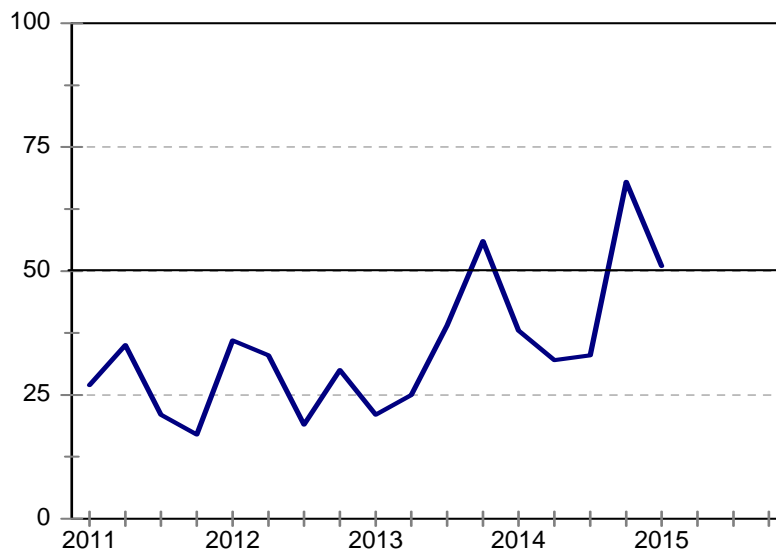


Compared to a net 43% in the previous survey quarter, a net 78% indicated that profitability was lower than the same quarter a year ago. The deterioration in profitability was likely as a result of more intensive competition in tendering. A net 60% of respondents indicated that tendering price competition was tougher than the corresponding quarter a year ago, up from a net 30% in 2014Q4.

Gauteng

Business confidence fell from a record high of 68 in 2014Q4, to 51 in the first quarter of 2015. This was underpinned by poorer business conditions and lower employment.

Figure 8: Gauteng
Business confidence



In 2014Q4, a net 20% indicated that business conditions improved compared to the same period a year ago; in this quarter, a net 13% reported that business conditions had deteriorated.

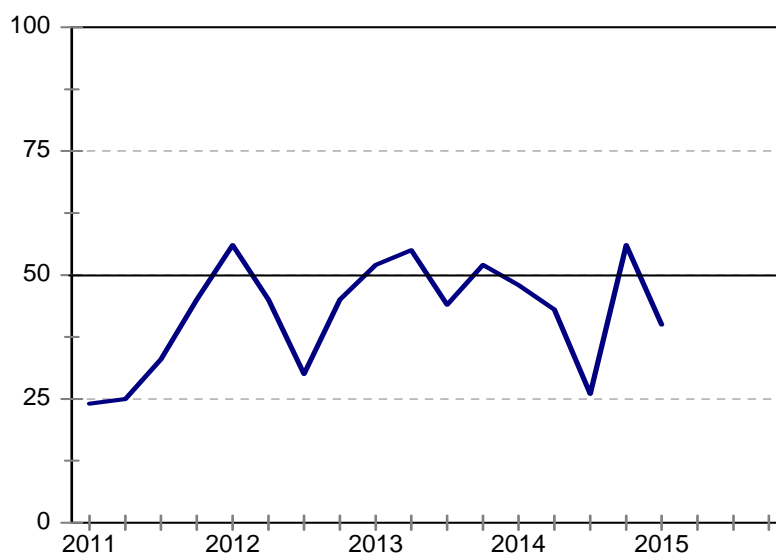
In the previous survey quarter, a net 14% of respondents indicated that employment increased compared to a year ago; in 2015Q1, a net 11% registered a decline.

Furthermore, demand for new building work remains low. Sixty-one per cent of respondents cited insufficient demand for building work as a constraint, up from 54% in the previous quarter.

KwaZulu-Natal

After increasing by 30 index points to 56 in 2014Q4, business confidence fell to a level of 40 in the first quarter of 2015. This was mainly driven by a notable decline in profitability.

Figure 9: KwaZulu-Natal
Business confidence

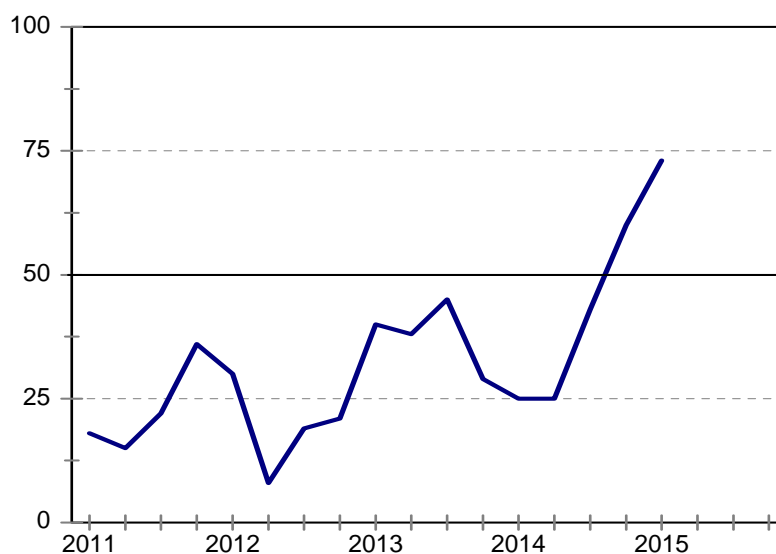


Compared to a net 27% in 2014Q4, a net 46% indicated that profitability was lower than the same quarter a year ago. The pressure on profit margins was likely as a result of tougher tendering competition. In 2015Q1, a net 31% of respondents indicated that competition was keener than during the corresponding quarter last year, up from a net 20% in 2015Q1.

Western Cape

In the first quarter of 2015, business confidence increased from 60 to a historical high of 73. This marks the third consecutive quarter of increases. The higher business confidence was supported by an improvement in business conditions and an uptick building activity.

Figure 10: Western Cape
Business confidence



In 2014Q4, a net 11% indicated that business conditions worsened compared to the same period a year ago; in this quarter, a net 8% indicated that business conditions had improved.

In 2014Q4, a net 15% of respondents noted that building activity was lower compared to the corresponding period in the previous year; whereas 0% indicated the same during 2015Q1.

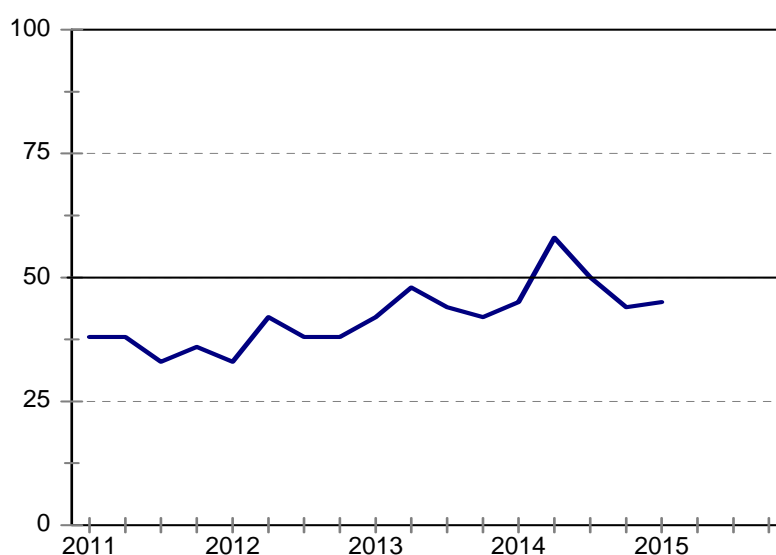
Due to the uptick in building activity, the percentage of respondents who cited insufficient demand for building work as a constraint declined from 63% to 55%.

Construction Industry

Total

After declining for two consecutive quarters, business confidence among civil contractors increased marginally from 44 to 45 in the first quarter of 2015. Furthermore, respondents expect business conditions, construction activity, employment and profitability to improve in the next survey quarter. However, the sharp deterioration in profitability does not support the increase in confidence.

Figure 11: Total
Business confidence



The proportion of respondents who reported lower profit margins compared to a year ago increased from a net 29% in 2014Q4, to a net 51% in 2015Q1.

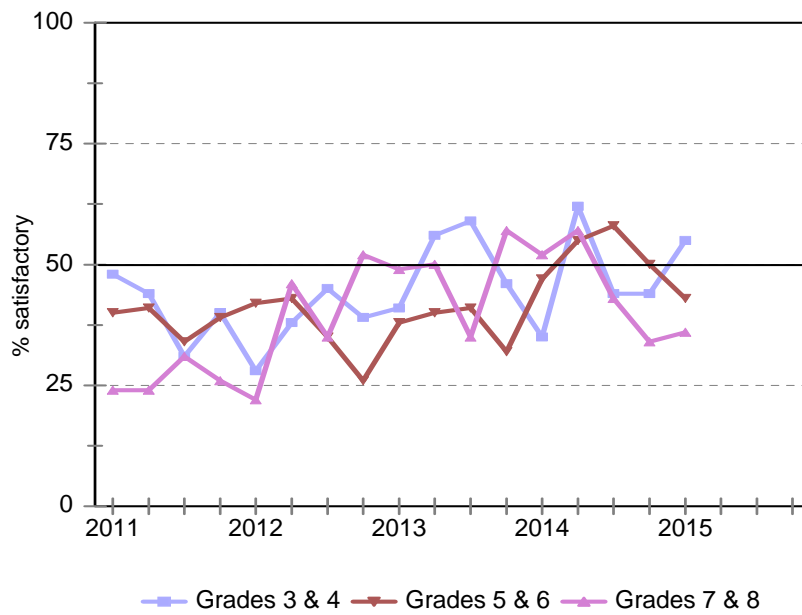
Compared to a net 22% in the previous survey quarter, a net 28% reported lower employment.

Furthermore, the proportion of respondents that cited the firm's inadequate access to credit as a constraint increased from 39% to 42% in 2015Q1.

Grades comparison

Business confidence improved for Grades 3 & 4 (+11) and 7 & 8 (+2), whereas Grades 5 & 6 registered a decline of 7 index points.

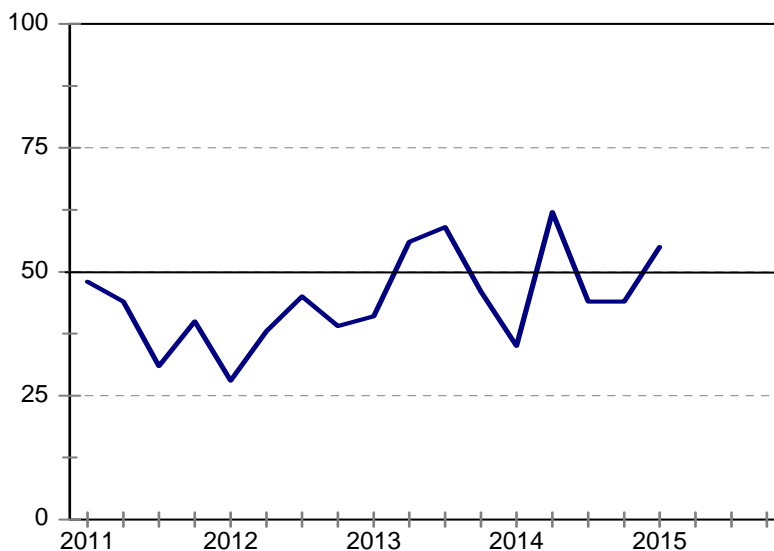
Figure 12: Business confidence per grade



Grades 3 & 4

The proportion of respondents who were satisfied with current business conditions increased from 44 in 2014Q4 to 55 in 2015Q1. The uptick in confidence was underpinned by an improvement in business conditions and construction activity.

Figure 13: Grade 3 & 4
Business confidence



The percentage of building contractors who cited poorer business conditions fell from a net 27% in 2014Q4, to a net 15% in 2015Q1.

Compared to a net 41% in 2014Q4, a net 21% indicated that construction activity was lower compared to the same quarter last year.

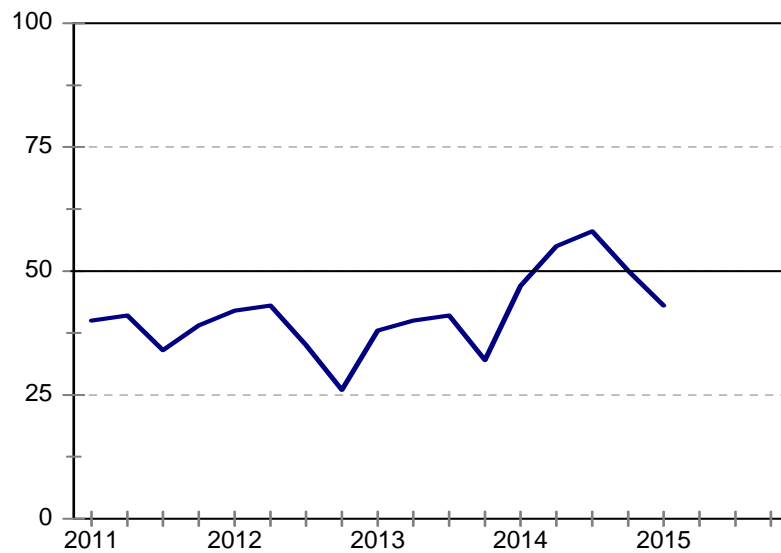
Tendering competition also provided some moderate relief. In 2014Q4, a net 46% of respondents stated that tendering competition had intensified compared to the same quarter a year ago, whereas 29% reported the same during this survey quarter.

The proportion of respondents that rated the firm's inadequate access to credit as a constraint increased from 40% to 45%.

Grades 5 & 6

Business confidence declined further, from 50 index points in 2014Q4 to a level 43 in this survey quarter. This was likely due to an increase in downward pressure on profitability.

Figure 14: Grade 5 & 6
Business confidence

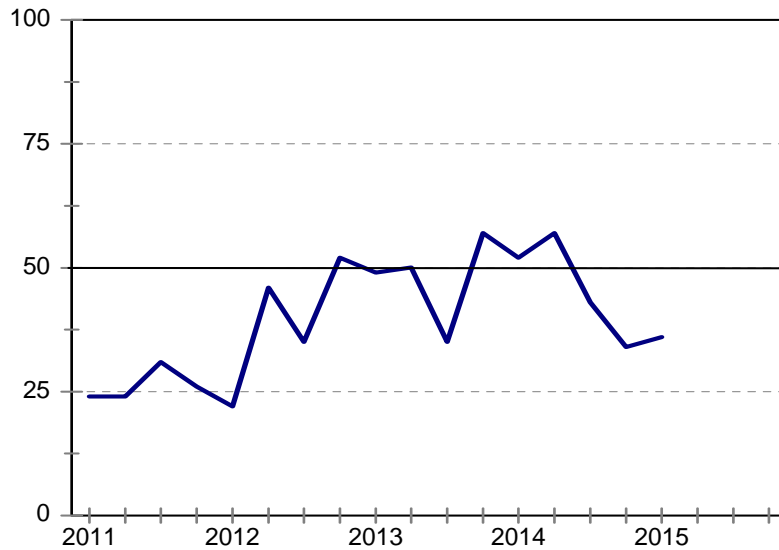


Compared to a net 22% in 2014Q4, a net 50% of respondents reported lower profits during this survey quarter.

Grades 7 & 8

Business confidence for civil contractors in Grades 7 & 8 increased marginally from 34 in 2014Q4, to 36 in 2015Q1. Despite the small increase, construction activity and overall profitability came under more pressure this survey quarter.

Figure 15: Grade 7 & 8
Business confidence



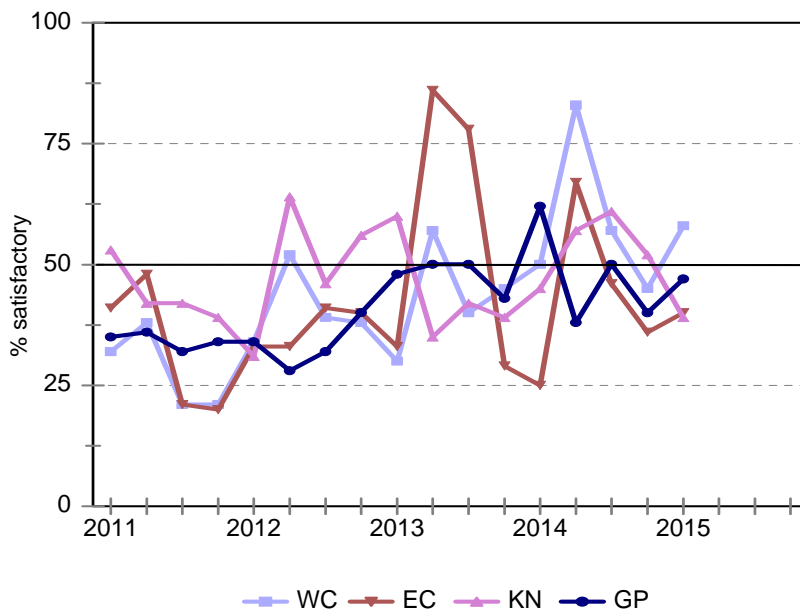
Compared to a net 13% in 2014Q4, a net 38% reported a slowdown in construction activity in this survey quarter.

In 2015Q1, a net 59% indicated that overall profitability was lower compared to the same quarter in 2014; this is a deterioration compared to the net 23% who found this to be the case in 2014Q4.

Provincial comparison

As shown in Figure 16, all the provinces except for KwaZulu-Natal registered an increase in confidence. The Western Cape was the only province with a confidence level above 50.

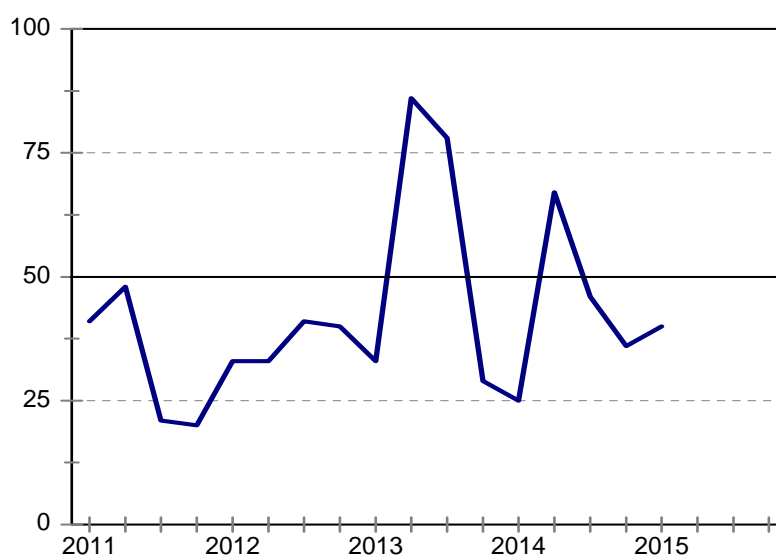
Figure 16: Business confidence per province



Eastern Cape

The proportion of respondents who were satisfied with current business conditions increased marginally from 36 in 2014Q4 to 40 in 2015Q1. However, despite the uptick in confidence, the majority of respondents are challenged by increasing pressure on profitability.

Figure 17: Eastern Cape
Business confidence



A net 67% indicated that overall profitability was lower compared to the same quarter last year; up from 32% in 2014Q4. This was likely as a result of tougher tendering competition. Compared to a net 35% in 2014Q4, a net 50% indicated that tendering competition increased compared to the same period a year ago.

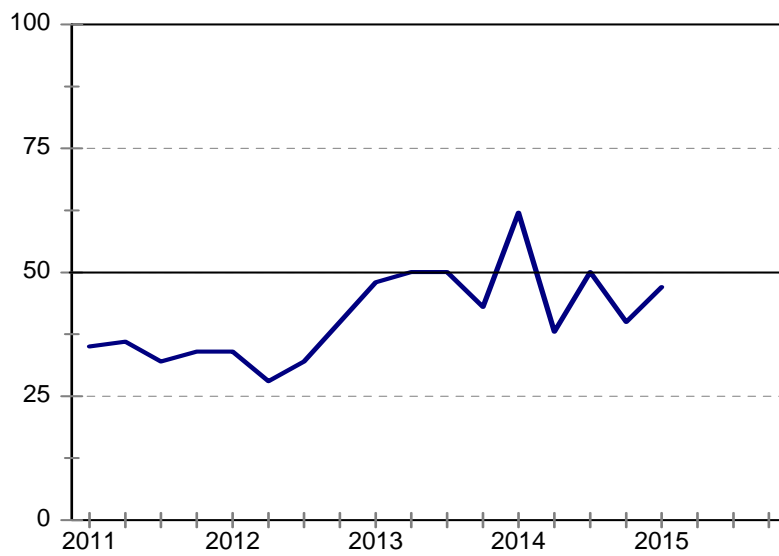
Demand for building work remains low. Eighty-five per cent of civil contractors in the Eastern Cape cited insufficient demand for building work as a constraint. This was an increase from 73% in 2014Q4.

The proportion of respondents who cited inadequate access to credit as a constraint increased from 37% to 45% in 2015Q1.

Gauteng

Business confidence of civil contractors in Gauteng increased from 40 in 2014Q4, to 47% in 2015Q1. However, a decline in construction activity, as well as lower profitability did not support the increase in confidence.

Figure 18: Gauteng
Business confidence



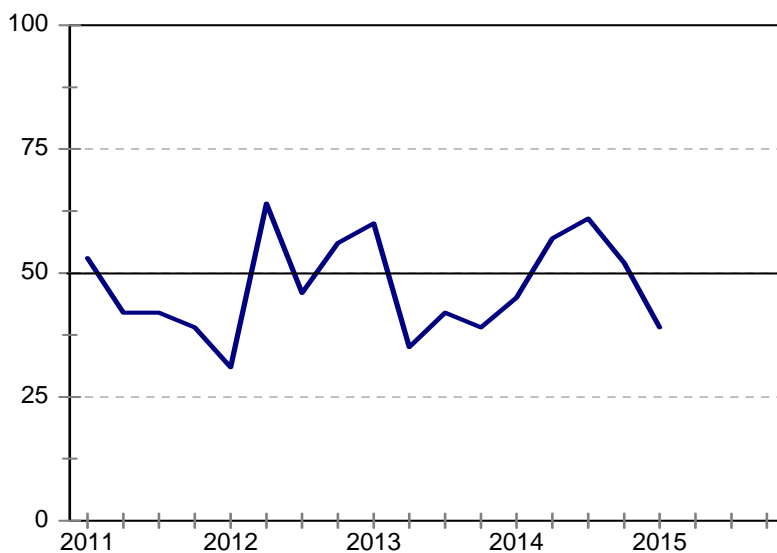
Compared to a net 25% in 2014Q4, a net 50% of respondents indicated that construction activity was lower compared to the same period a year ago.

The proportion of respondents that registered lower profitability increased from a net 28% in 2014Q4 to a net 69% this quarter.

KwaZulu-Natal

Business confidence fell by 13 index points to register a level of 39 in 2015Q1. The drop in confidence was underpinned by less favourable general business conditions.

Figure 19: KwaZulu-Natal
Business confidence

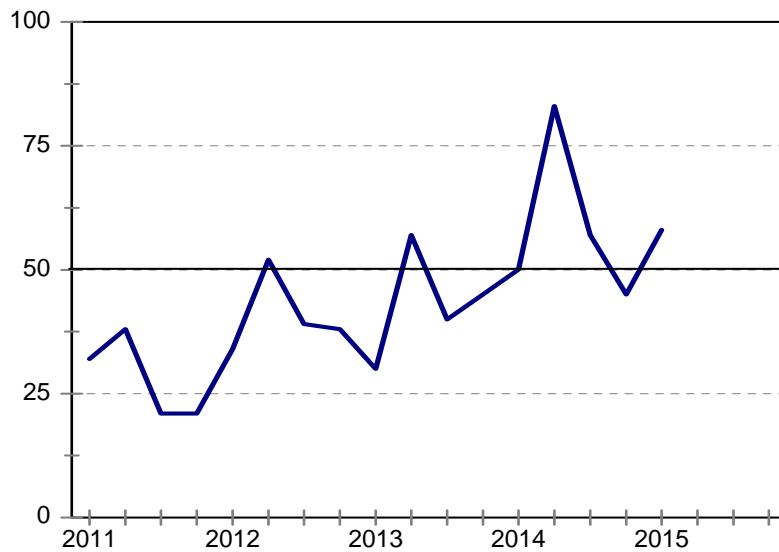


Compared to a net 20% in 2014Q4, a net 38% indicated that business conditions have deteriorated compared to the same quarter a year ago.

Western Cape

After falling for two consecutive quarters, business confidence increased from 45 in 2014Q4 to 58 in this survey quarter. The higher confidence was underpinned by an improvement in construction activity, as well as a notable easing in tendering competition.

Figure 20: Western Cape
Business confidence



In this survey quarter, a net 5% reported positive growth in construction activity; whereas a net 26% indicated a slowdown in construction activity in 2014Q4.

The proportion of respondents who indicated that tendering competition was tougher than the same quarter last year declined from 63% to 30% in 2015Q1.

In line with the uptick in construction activity, the proportion of respondents who cited insufficient demand for construction work as a constraint declined from 73% in 2014Q4 to 65% in this survey quarter.

Ms Mia Slabber

Ms Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2*</i>
Business confidence ³	35	40	56	51	
Change in business conditions ¹	-19	-31	-3	-14	22
Growth in building activity ¹	-25	-35	-18	-22	7
Growth in number of people employed ¹	-18	-33	-12	-21	4
Growth in profitability of the business ¹	-48	-47	-25	-34	-4
Tendering competition ¹	49	46	28	33	
Percentage rating shortage of skilled labour a constraint ²	56	54	56	56	
Percentage rating inadequate supply of building materials a constraint ²	30	35	37	29	
Percentage rating insufficient demand for building work a constraint ²	66	73	64	65	
Percentage rating firm's inadequate access to credit a constraint ²	40	35	41	40	

* Expected.

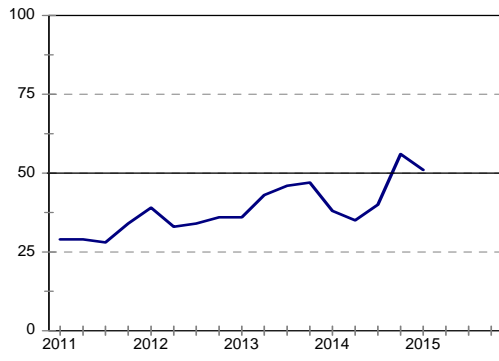
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

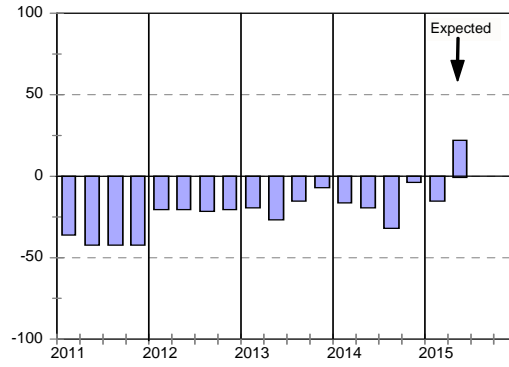
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

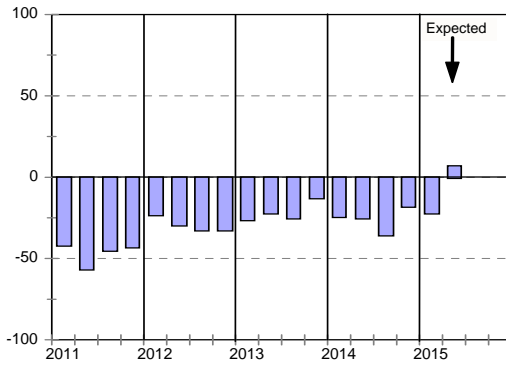
Business confidence



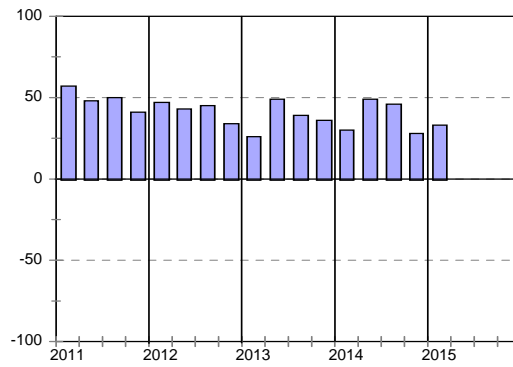
Change in business conditions



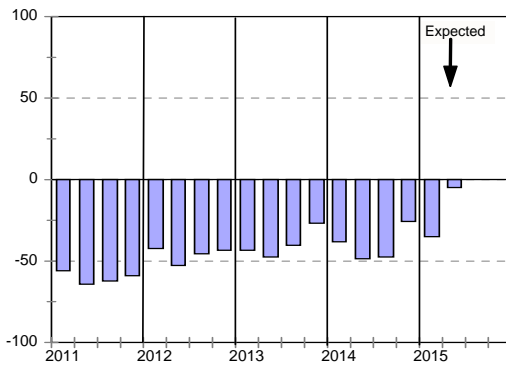
Growth in building activity



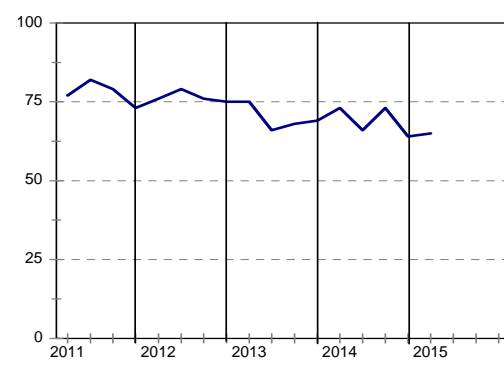
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2*</i>
Business confidence ³	52	53	67	51	
Change in business conditions ¹	-22	-27	13	-21	20
Growth in building activity ¹	-13	-36	-20	-30	9
Growth in number of people employed ¹	-26	-28	-7	-25	10
Growth in profitability of the business ¹	-56	-39	-24	-39	4
Tendering competition ¹	44	22	30	25	
Percentage rating shortage of skilled labour a constraint ²	58	61	48	54	
Percentage rating inadequate supply of building materials a constraint ²	30	39	34	29	
Percentage rating insufficient demand for building work a constraint ²	61	67	63	66	
Percentage rating firm's inadequate access to credit a constraint ²	37	35	43	46	

* Expected.

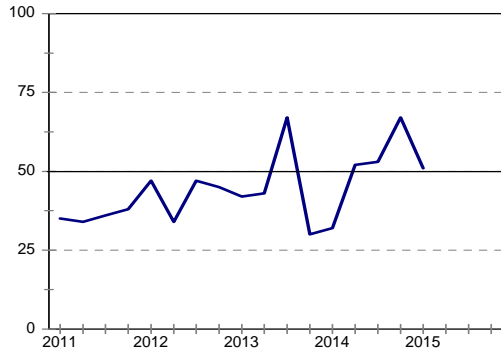
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

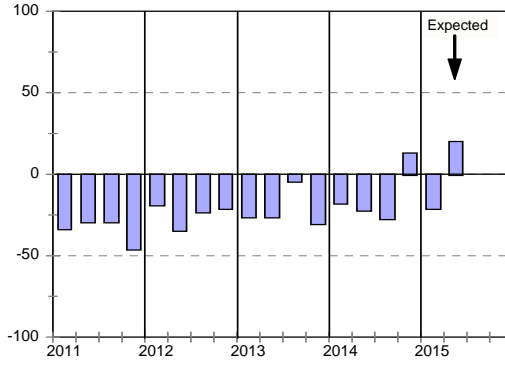
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

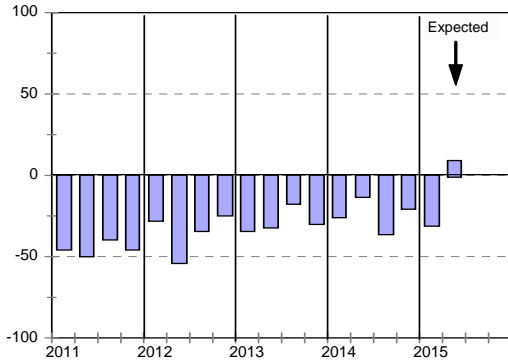
Business confidence



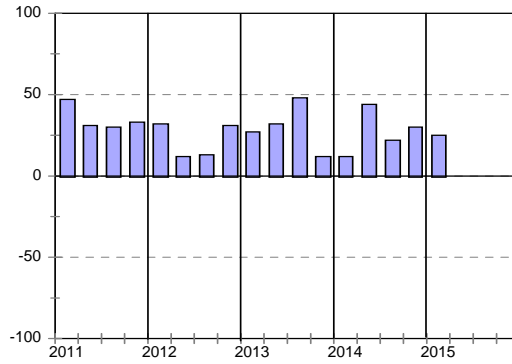
Change in business conditions



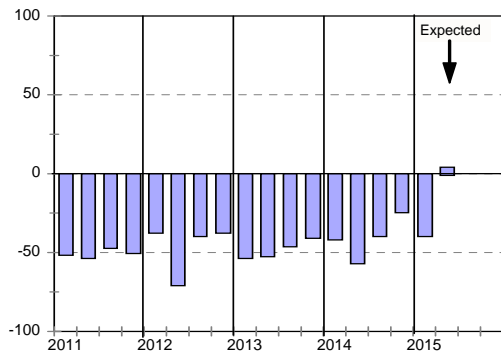
Growth in building activity



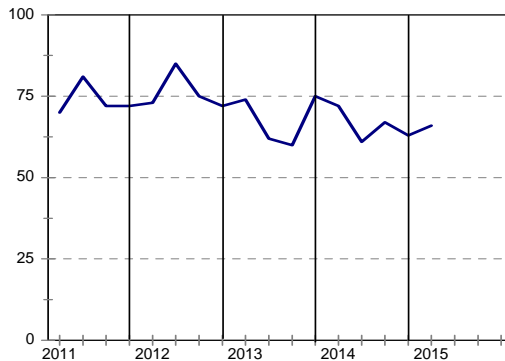
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2*</i>
Business confidence ³	23	31	50	52	
Change in business conditions ¹	-17	-31	-15	-9	22
Growth in building activity ¹	-41	-38	-20	-21	10
Growth in number of people employed ¹	-18	-38	-15	-16	-2
Growth in profitability of the business ¹	-50	-55	-28	-37	-8
Tendering competition ¹	62	61	20	35	
Percentage rating shortage of skilled labour a constraint ²	54	51	59	54	
Percentage rating inadequate supply of building materials a constraint ²	32	31	38	26	
Percentage rating insufficient demand for building work a constraint ²	67	79	66	62	
Percentage rating firm's inadequate access to credit a constraint ²	41	37	43	38	

* Expected.

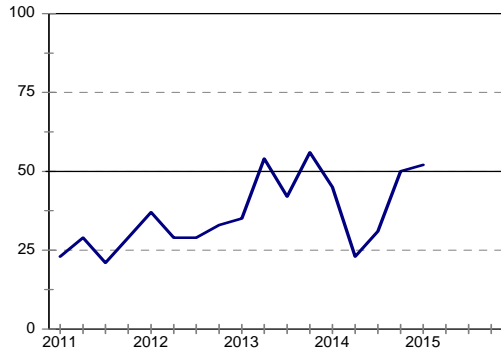
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

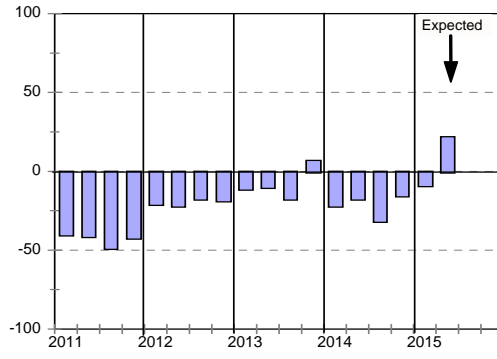
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

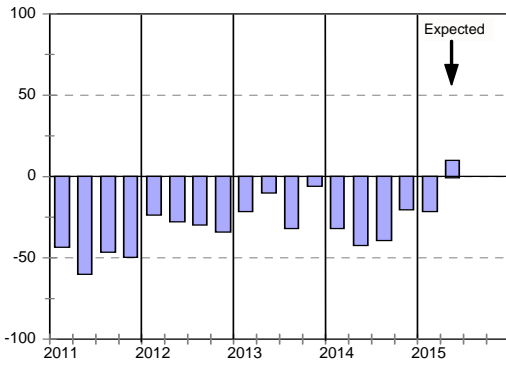
Business confidence



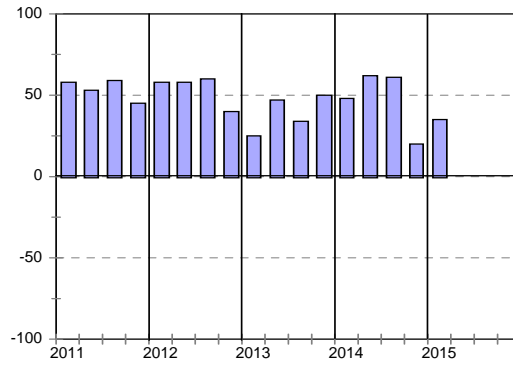
Change in business conditions



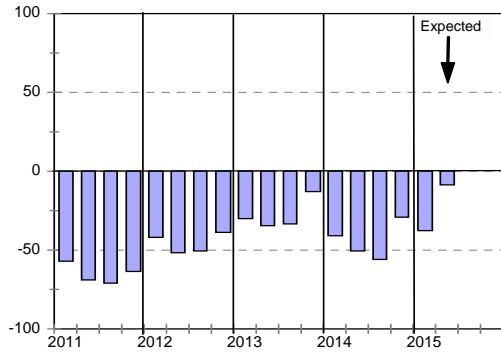
Growth in building activity



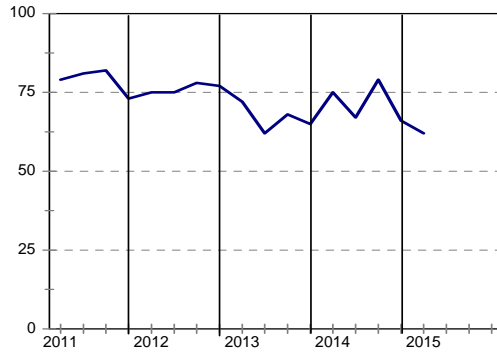
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2*</i>
Business confidence ³	33	38	49	52	
Change in business conditions ¹	-17	-41	-9	-13	22
Growth in building activity ¹	0	-23	-6	-9	0
Growth in number of people employed ¹	0	-29	-14	-22	6
Growth in profitability of the business ¹	-25	-41	-20	-23	-9
Tendering competition ¹	25	47	37	42	
Percentage rating shortage of skilled labour a constraint ²	54	52	66	63	
Percentage rating inadequate supply of building materials a constraint ²	25	38	40	35	
Percentage rating insufficient demand for building work a constraint ²	73	67	62	68	
Percentage rating firm's inadequate access to credit a constraint ²	46	29	36	33	

* Expected.

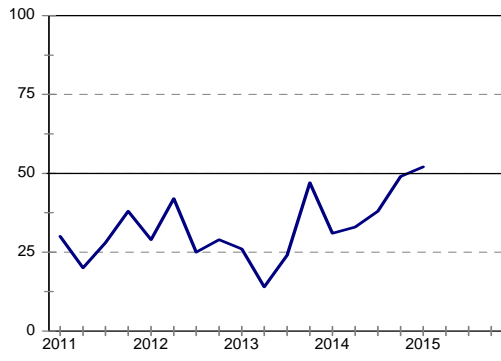
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

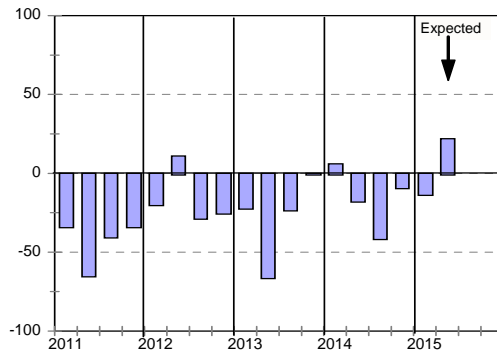
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

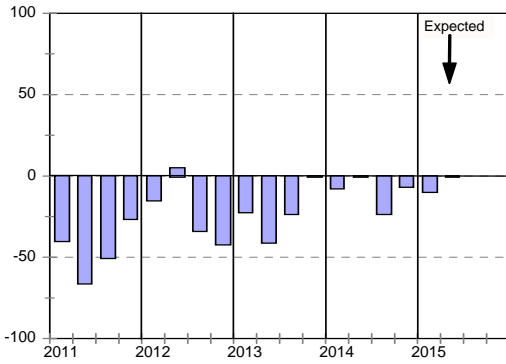
Business confidence



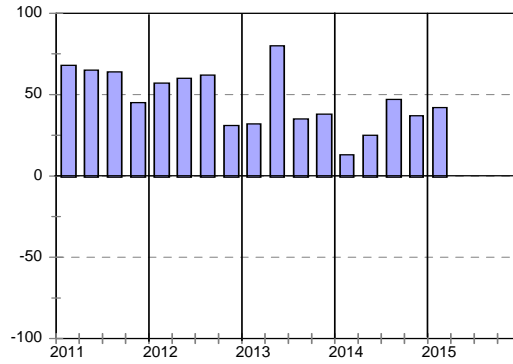
Change in business conditions



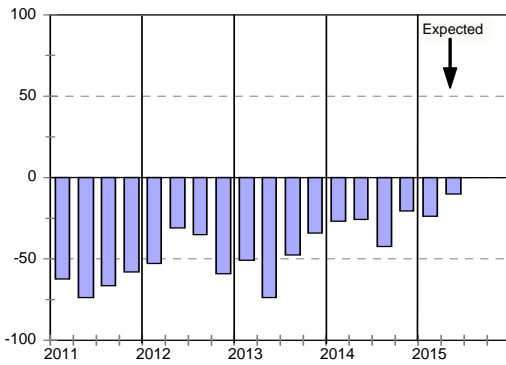
Growth in building activity



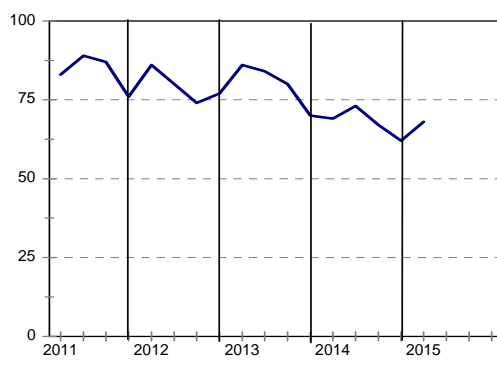
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2*</i>
Business confidence ³	33	38	44	32	
Change in business conditions ¹	-67	-39	-22	-47	0
Growth in building activity ¹	-34	-31	-46	-58	-17
Growth in number of people employed ¹	-33	-31	-37	-55	-19
Growth in profitability of the business ¹	-67	-23	-43	-78	-33
Tendering competition ¹	100	92	30	60	
Percentage rating shortage of skilled labour a constraint ²	67	58	56	60	
Percentage rating inadequate supply of building materials a constraint ²	33	46	35	31	
Percentage rating insufficient demand for building work a constraint ²	50	81	70	71	
Percentage rating firm's inadequate access to credit a constraint ²	33	34	31	34	

* Expected.

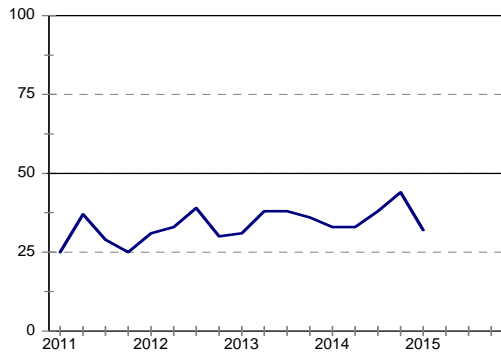
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

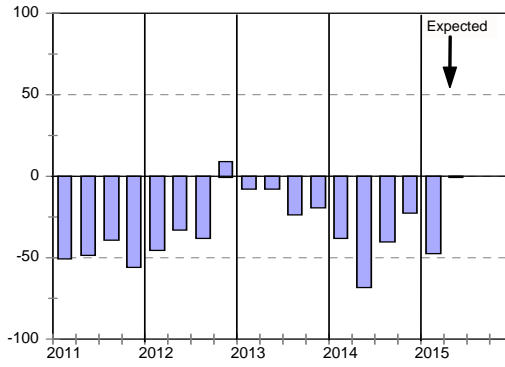
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

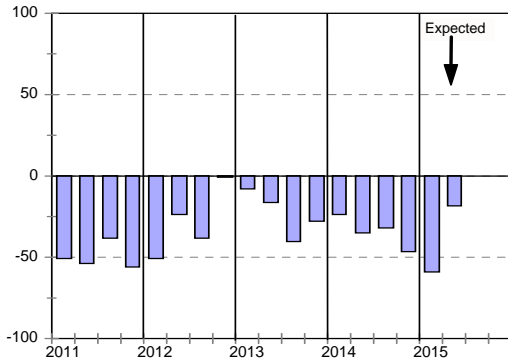
Business confidence



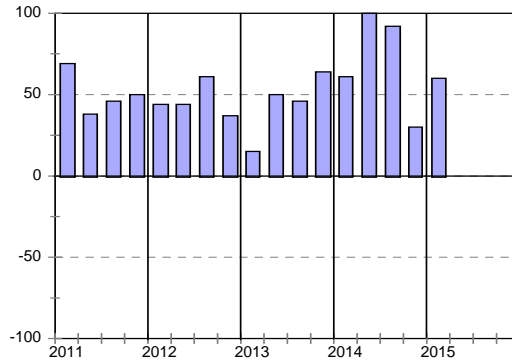
Change in business conditions



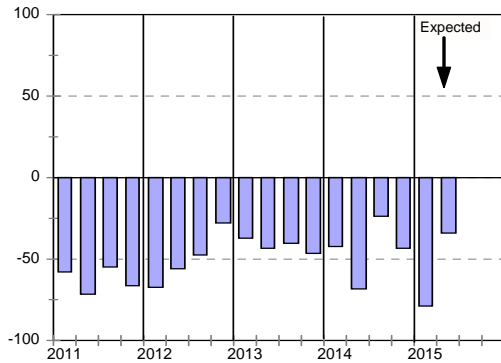
Growth in building activity



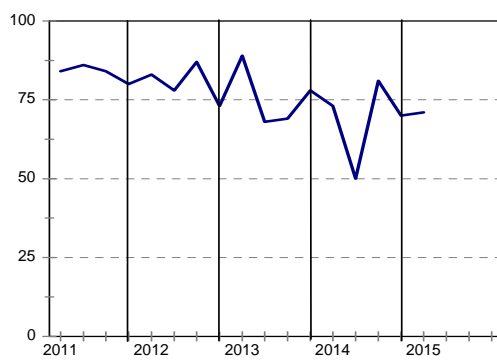
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	14Q2	14Q3	14Q4	15Q1	15Q2*
Business confidence ³	32	33	68	51	
Change in business conditions ¹	-5	-56	20	-13	27
Growth in building activity ¹	-30	-44	-3	-13	2
Growth in number of people employed ¹	-16	-39	14	-11	13
Growth in profitability of the business ¹	-45	-45	0	-19	-3
Tendering competition ¹	25	33	30	16	
Percentage rating shortage of skilled labour a constraint ²	63	61	57	60	
Percentage rating inadequate supply of building materials a constraint ²	40	39	40	30	
Percentage rating insufficient demand for building work a constraint ²	74	84	54	61	
Percentage rating firm's inadequate access to credit a constraint ²	60	47	50	46	

* Expected.

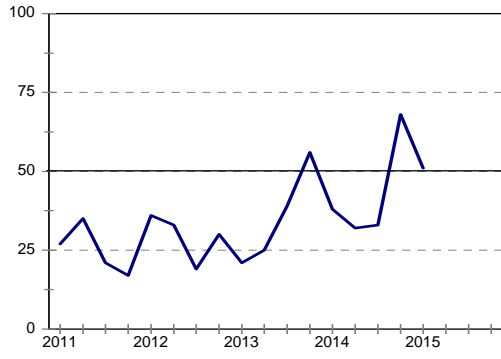
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

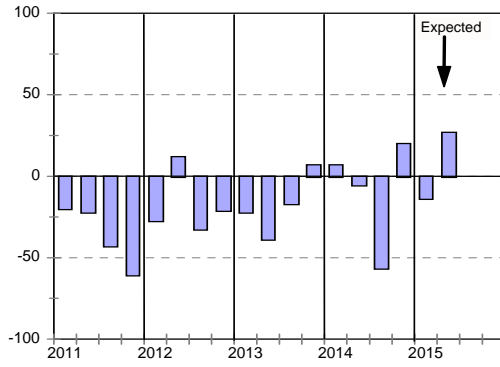
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

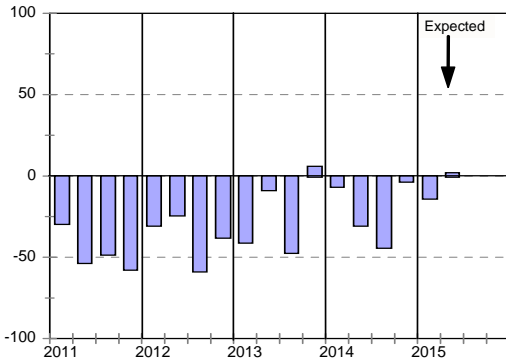
Business confidence



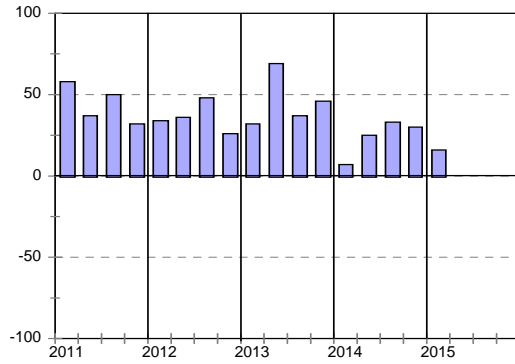
Change in business conditions



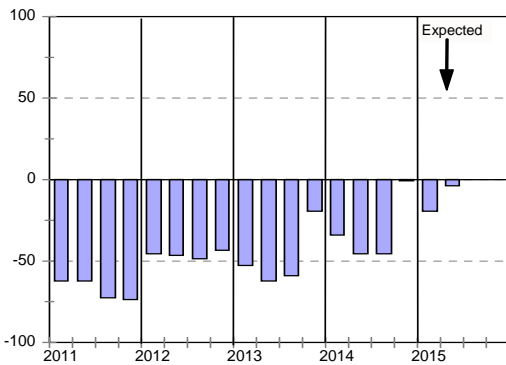
Growth in building activity



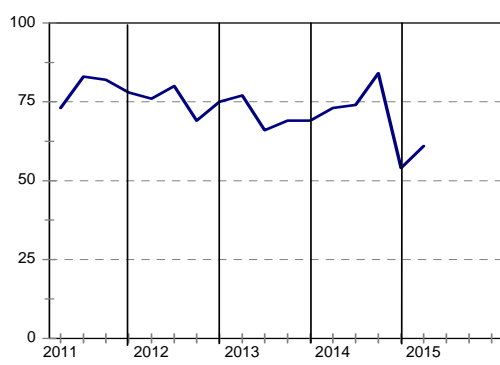
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2*</i>
Business confidence ³	43	26	56	40	
Change in business conditions ¹	-14	-32	-1	-17	15
Growth in building activity ¹	-27	-39	-11	-34	9
Growth in number of people employed ¹	-15	-32	-20	-40	-6
Growth in profitability of the business ¹	-43	-54	-27	-46	0
Tendering competition ¹	47	32	20	31	
Percentage rating shortage of skilled labour a constraint ²	64	52	60	60	
Percentage rating inadequate supply of building materials a constraint ²	32	29	45	35	
Percentage rating insufficient demand for building work a constraint ²	63	68	69	72	
Percentage rating firm's inadequate access to credit a constraint ²	43	34	48	49	

* Expected.

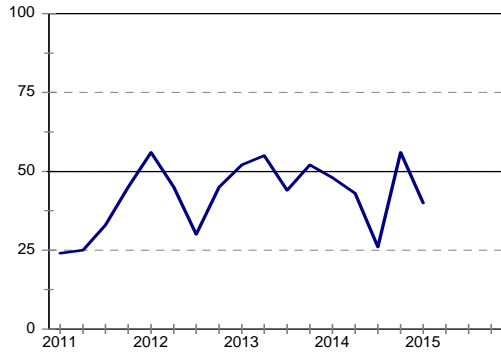
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

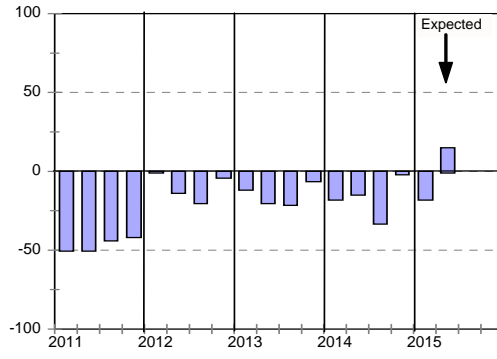
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

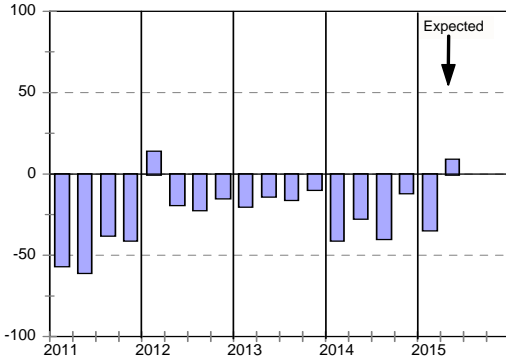
Business confidence



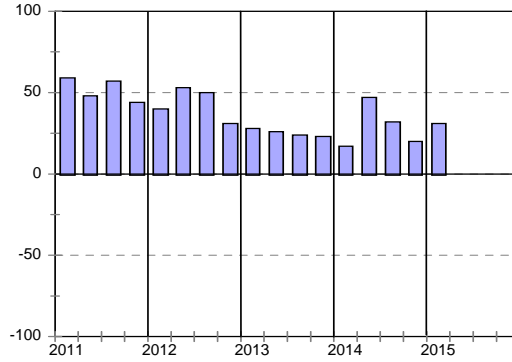
Change in business conditions



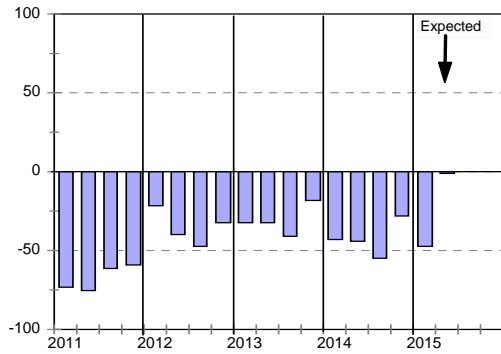
Growth in building activity



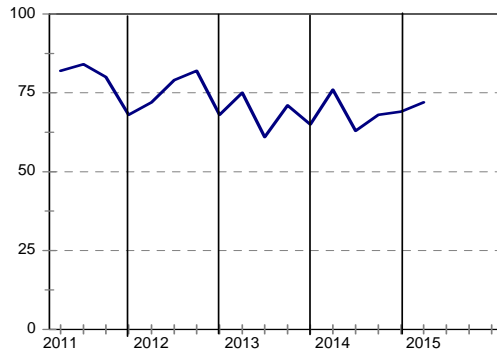
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2*</i>
Business confidence ³	25	43	60	73	
Change in business conditions ¹	-38	0	-11	8	33
Growth in building activity ¹	-23	-7	-15	0	26
Growth in number of people employed ¹	-30	-7	-5	-3	13
Growth in profitability of the business ¹	-69	-40	-24	-18	8
Tendering competition ¹	62	67	24	34	
Percentage rating shortage of skilled labour a constraint ²	50	60	49	49	
Percentage rating inadequate supply of building materials a constraint ²	23	30	28	21	
Percentage rating insufficient demand for building work a constraint ²	70	70	63	55	
Percentage rating firm's inadequate access to credit a constraint ²	19	35	36	32	

* Expected.

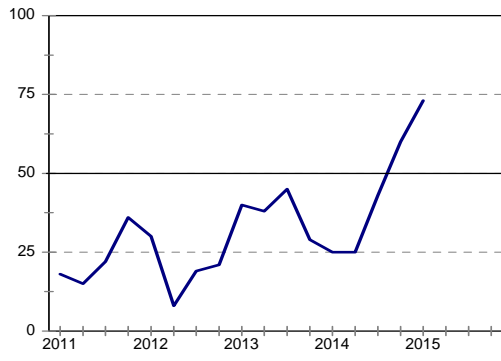
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

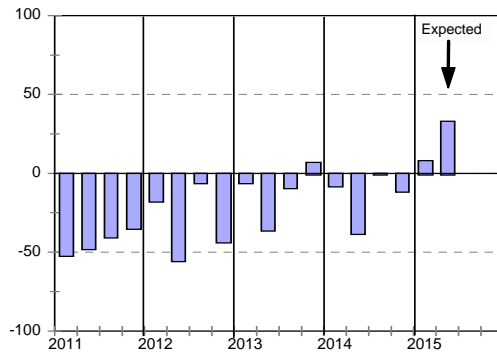
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

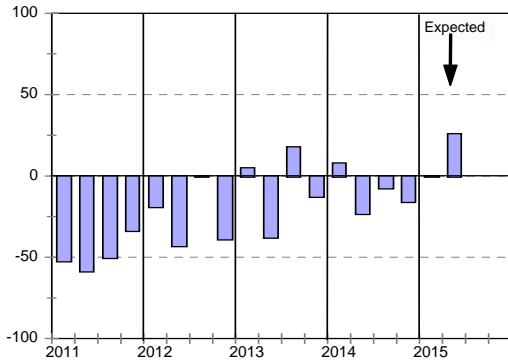
Business confidence



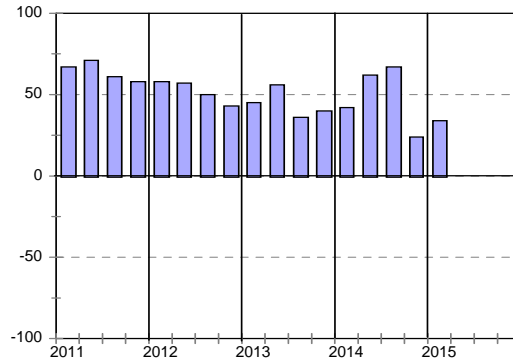
Change in business conditions



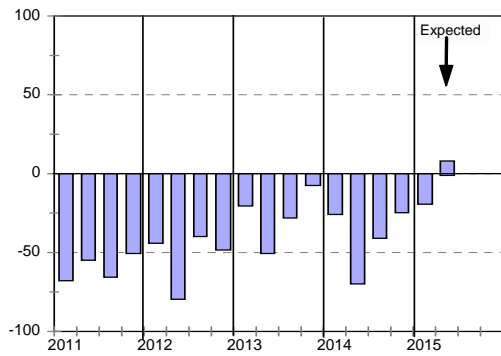
Growth in building activity



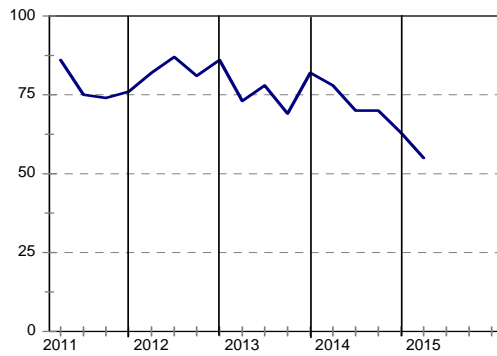
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total					
	14Q2	14Q3	14Q4	15Q1	15Q2*
Business confidence ³	58	50	44	45	
Change in business conditions ¹	-17	-23	-26	-26	3
Growth in construction activity ¹	-12	-30	-27	-29	-4
Growth in number of people employed ¹	-14	-23	-22	-28	-12
Growth in profitability of the business ¹	-28	-37	-29	-51	-14
Tendering competition ¹	37	36	47	41	
Percentage rating shortage of skilled labour a constraint ²	43	49	52	49	
Percentage rating inadequate supply of construction materials a constraint ²	35	28	30	31	
Percentage rating insufficient demand for construction work a constraint ²	67	69	71	69	
Percentage rating firm's inadequate access to credit a constraint ²	31	29	39	42	

* Expected.

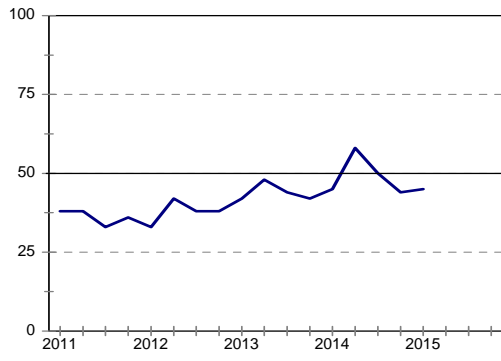
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

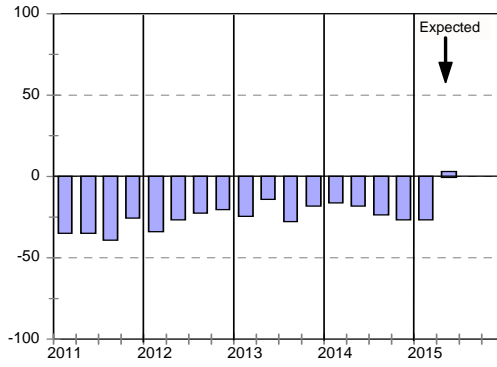
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

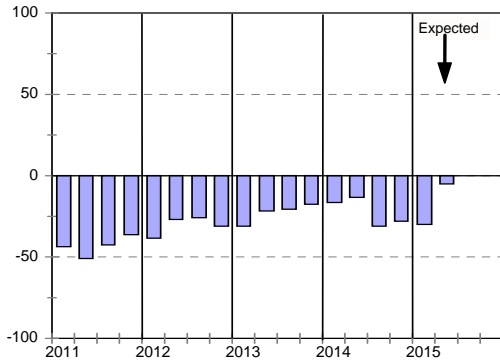
Business confidence



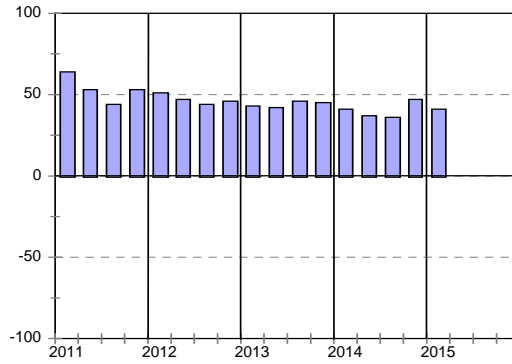
Change in business conditions



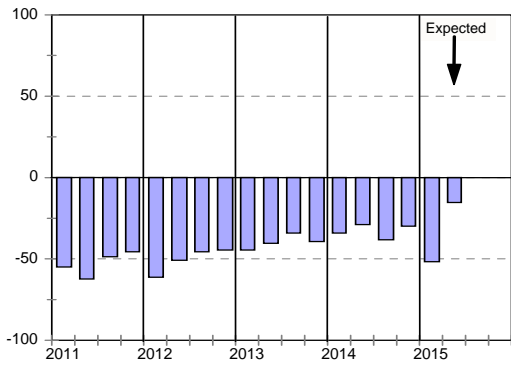
Growth in construction activity



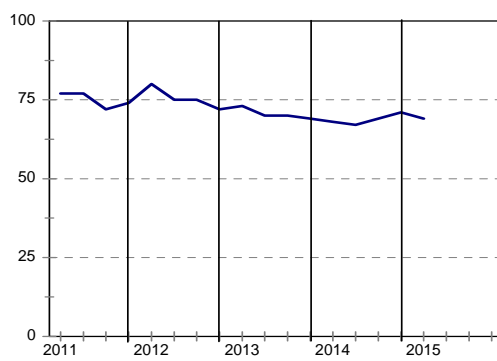
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	14Q2	14Q3	14Q4	15Q1	15Q2*
Business confidence ³	62	44	44	55	
Change in business conditions ¹	-31	-33	-27	-15	12
Growth in construction activity ¹	-22	-36	-41	-21	-4
Growth in number of people employed ¹	-19	-32	-25	-38	-20
Growth in profitability of the business ¹	-32	-56	-43	-50	-3
Tendering competition ¹	22	12	46	29	
Percentage rating shortage of skilled labour a constraint ²	37	56	49	42	
Percentage rating inadequate supply of construction materials a constraint ²	35	30	30	35	
Percentage rating insufficient demand for construction work a constraint ²	58	73	69	68	
Percentage rating firm's inadequate access to credit a constraint ²	27	42	40	45	

* Expected.

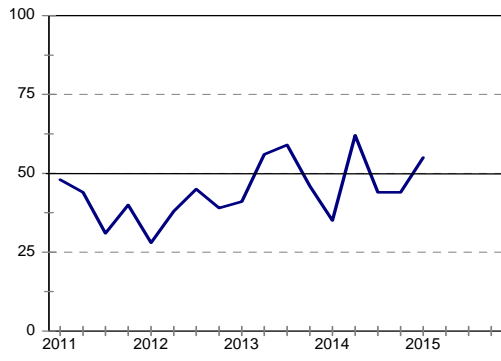
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

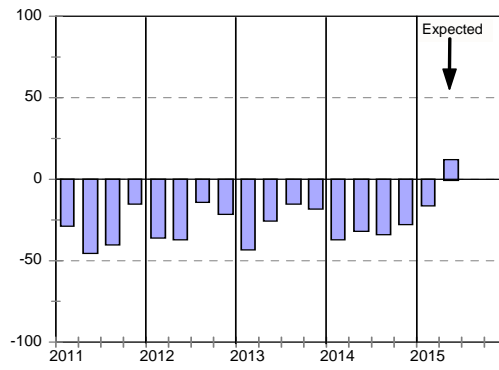
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

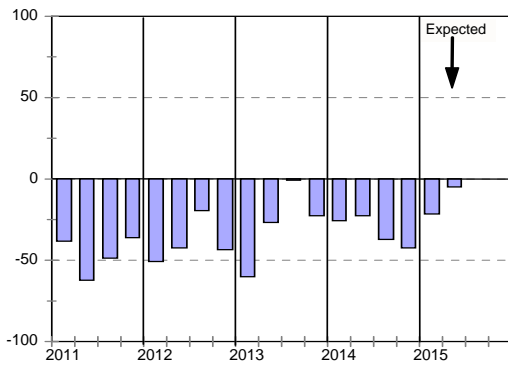
Business confidence



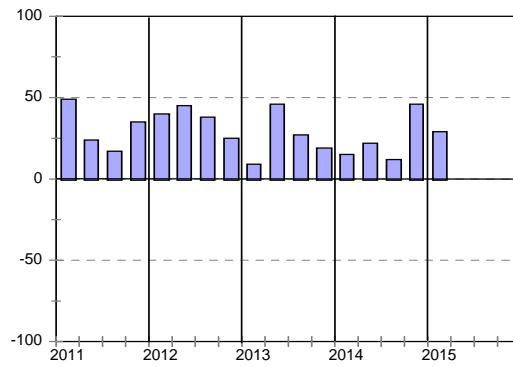
Change in business conditions



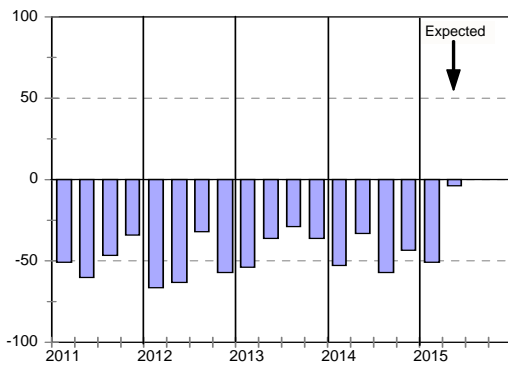
Growth in construction activity



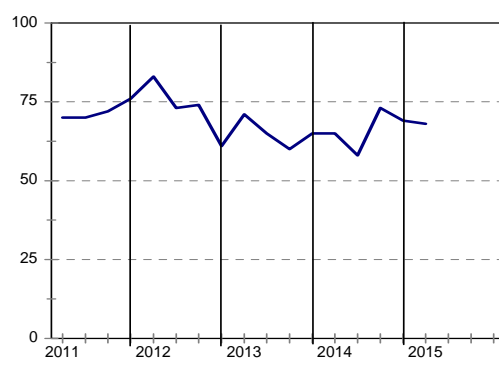
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	14Q2	14Q3	14Q4	15Q1	15Q2*
Business confidence ³	55	58	50	43	
Change in business conditions ¹	-30	-18	-28	-27	-10
Growth in construction activity ¹	-19	-36	-26	-31	-7
Growth in number of people employed ¹	-14	-25	-17	-22	-12
Growth in profitability of the business ¹	-24	-33	-22	-50	-21
Tendering competition ¹	47	37	45	45	
Percentage rating shortage of skilled labour a constraint ²	45	47	54	53	
Percentage rating inadequate supply of construction materials a constraint ²	39	30	33	30	
Percentage rating insufficient demand for construction work a constraint ²	79	63	72	69	
Percentage rating firm's inadequate access to credit a constraint ²	36	24	40	44	

* Expected.

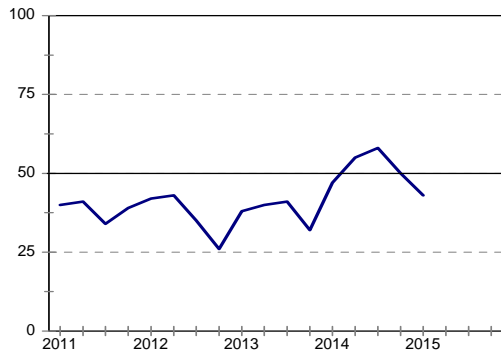
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

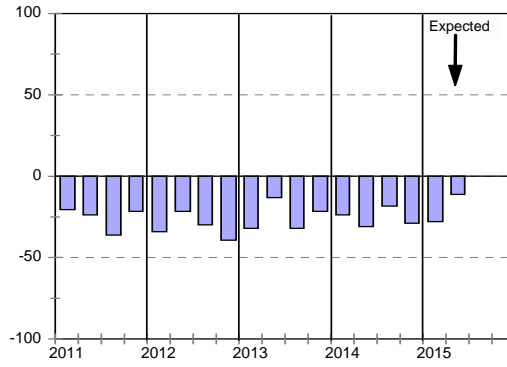
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

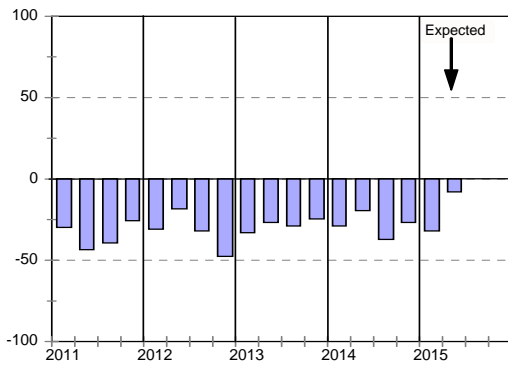
Business confidence



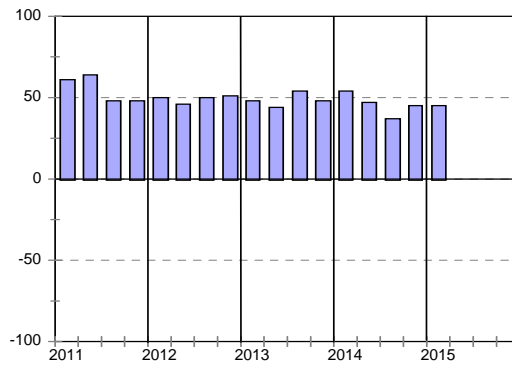
Change in business conditions



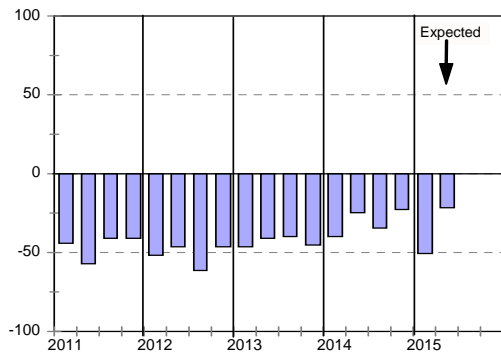
Growth in construction activity



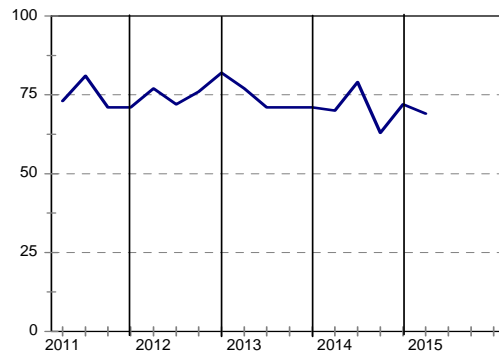
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	14Q2	14Q3	14Q4	15Q1	15Q2*
Business confidence ³	57	43	34	36	
Change in business conditions ¹	8	-22	-19	-31	13
Growth in construction activity ¹	4	-13	-13	-38	0
Growth in number of people employed ¹	-8	-9	-26	-31	-8
Growth in profitability of the business ¹	-31	-26	-23	-59	-12
Tendering competition ¹	46	61	52	48	
Percentage rating shortage of skilled labour a constraint ²	47	45	51	52	
Percentage rating inadequate supply of construction materials a constraint ²	34	24	25	31	
Percentage rating insufficient demand for construction work a constraint ²	66	74	71	66	
Percentage rating firm's inadequate access to credit a constraint ²	30	26	34	34	

* Expected.

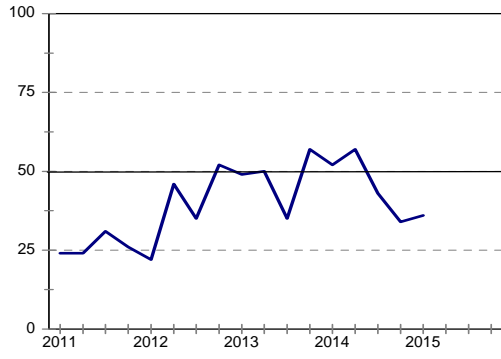
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

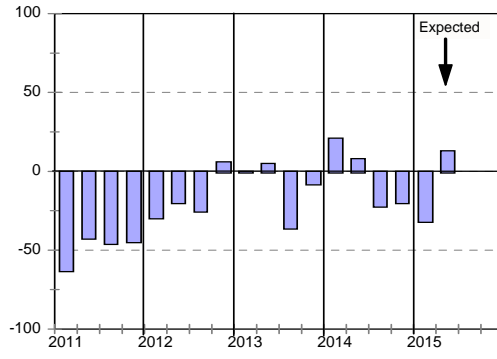
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

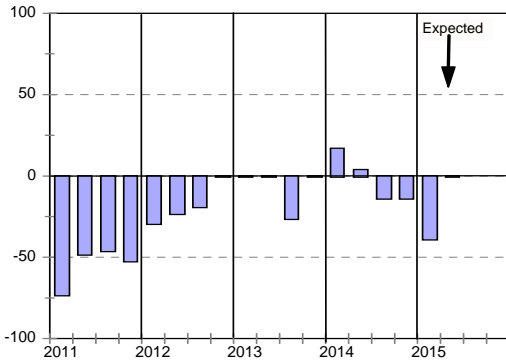
Business confidence



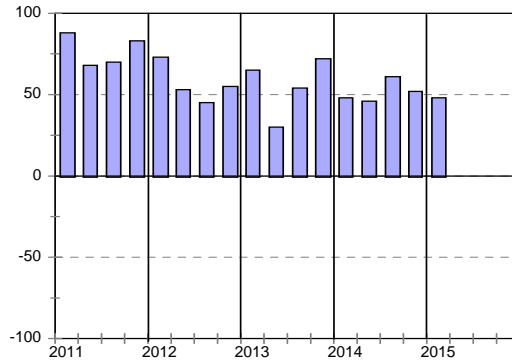
Change in business conditions



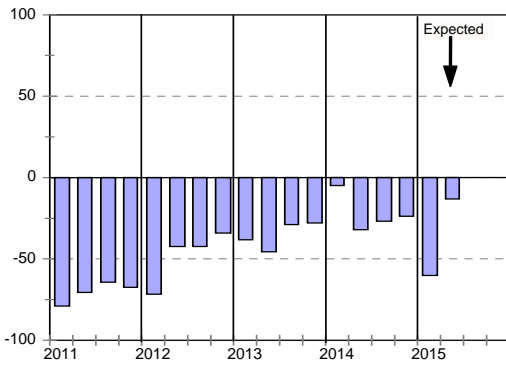
Growth in construction activity



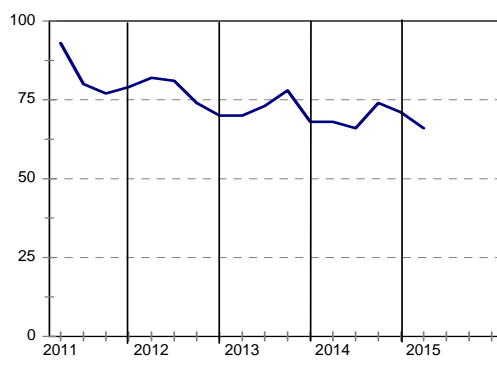
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	14Q2	14Q3	14Q4	15Q1	15Q2*
Business confidence ³	67	46	36	40	
Change in business conditions ¹	11	-36	-46	-10	-17
Growth in construction activity ¹	11	-50	-25	-30	-29
Growth in number of people employed ¹	0	-57	-22	0	15
Growth in profitability of the business ¹	0	-50	-32	-67	-29
Tendering competition ¹	50	22	35	50	
Percentage rating shortage of skilled labour a constraint ²	33	57	57	65	
Percentage rating inadequate supply of construction materials a constraint ²	33	28	27	35	
Percentage rating insufficient demand for construction work a constraint ²	73	57	73	85	
Percentage rating firm's inadequate access to credit a constraint ²	27	28	37	45	

* Expected.

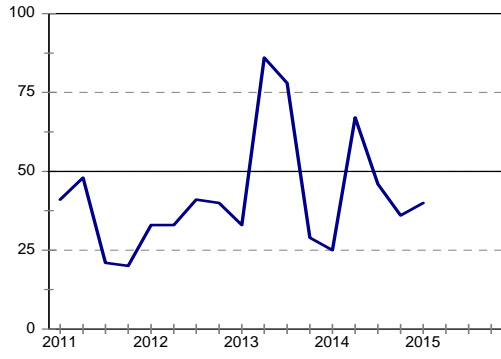
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

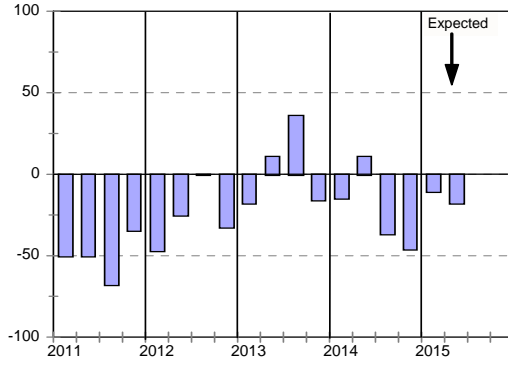
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

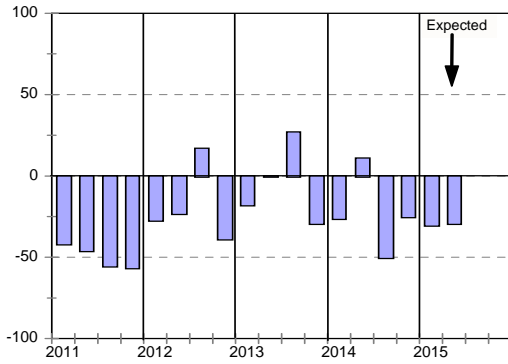
Business confidence



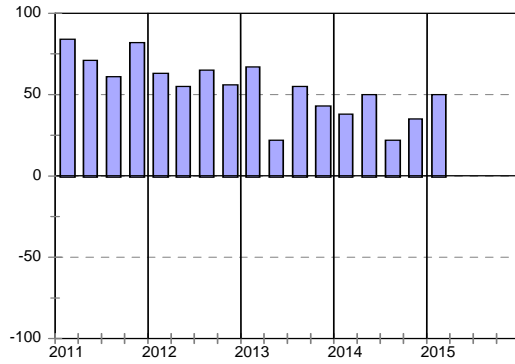
Change in business conditions



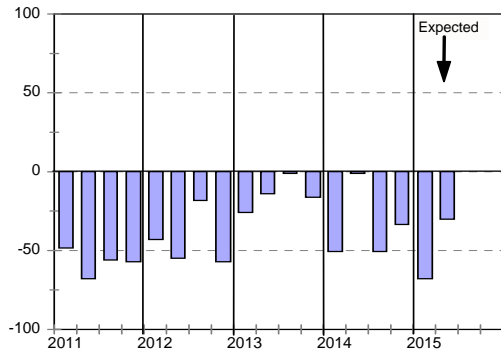
Growth in construction activity



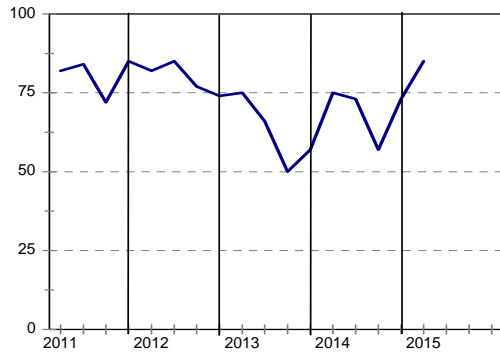
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	14Q2	14Q3	14Q4	15Q1	15Q2*
Business confidence ³	38	50	40	47	
Change in business conditions ¹	-27	-27	-22	-21	18
Growth in building activity ¹	-25	-31	-25	-50	-4
Growth in number of people employed ¹	-13	-6	-36	-35	-14
Growth in profitability of the business ¹	-6	-19	-28	-69	-23
Tendering competition ¹	40	50	38	33	
Percentage rating shortage of skilled labour a constraint ²	31	36	43	41	
Percentage rating inadequate supply of building materials a constraint ²	34	31	31	35	
Percentage rating insufficient demand for building work a constraint ²	64	72	69	68	
Percentage rating firm's inadequate access to credit a constraint ²	25	28	50	47	

* Expected.

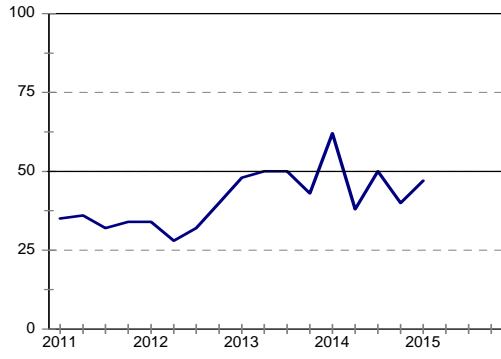
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

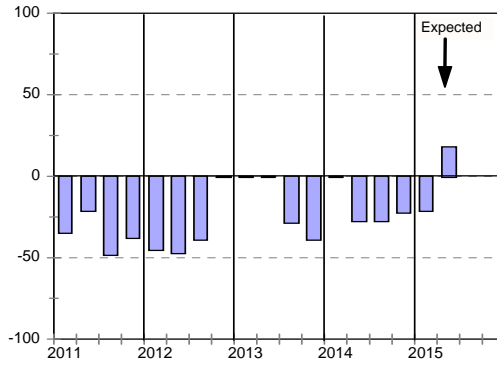
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

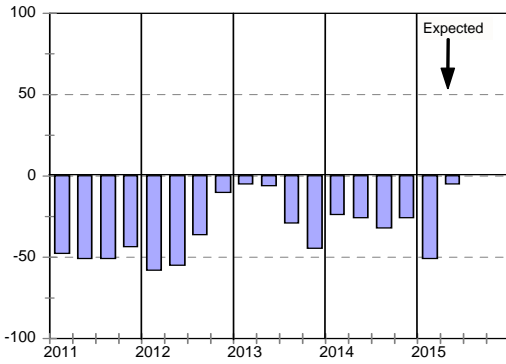
Business confidence



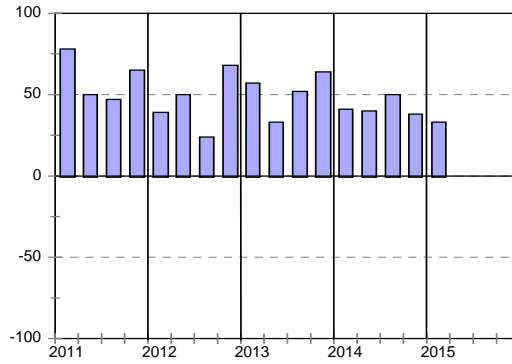
Change in business conditions



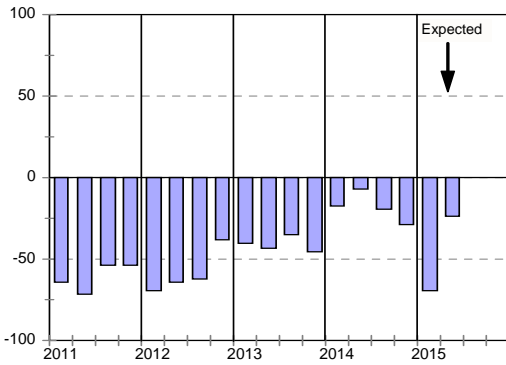
Growth in construction activity



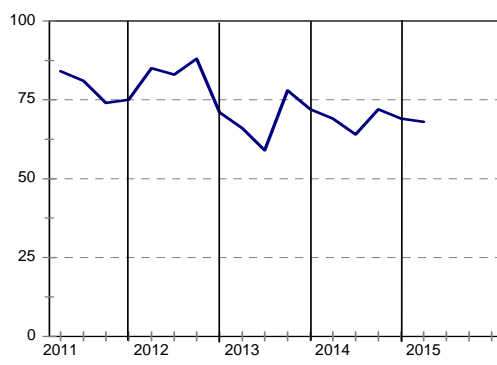
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	14Q2	14Q3	14Q4	15Q1	15Q2*
Business confidence ³	57	61	52	39	
Change in business conditions ¹	-36	-11	-20	-38	3
Growth in construction activity ¹	-20	-26	-22	-33	3
Growth in number of people employed ¹	-22	-11	-11	-28	-6
Growth in profitability of the business ¹	-53	-58	-40	-49	0
Tendering competition ¹	50	48	37	46	
Percentage rating shortage of skilled labour a constraint ²	53	47	57	54	
Percentage rating inadequate supply of construction materials a constraint ²	34	23	35	34	
Percentage rating insufficient demand for construction work a constraint ²	72	73	69	69	
Percentage rating firm's inadequate access to credit a constraint ²	28	43	48	43	

* Expected.

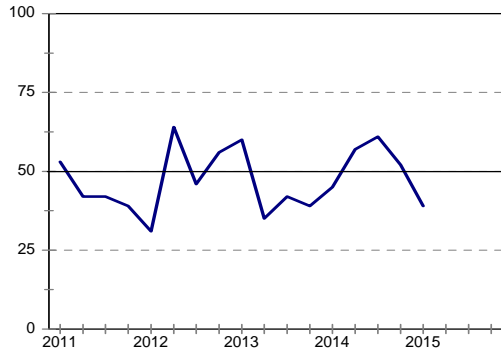
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

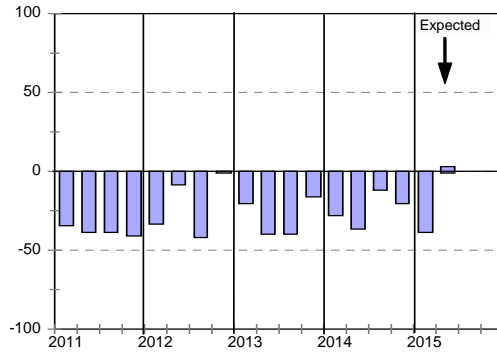
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

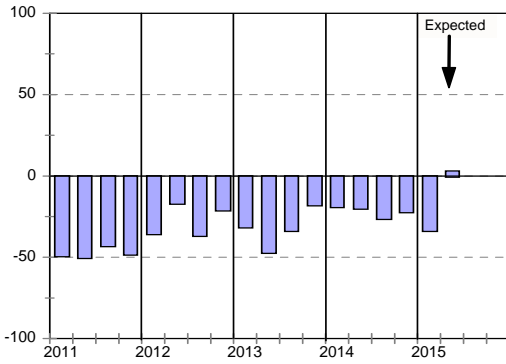
Business confidence



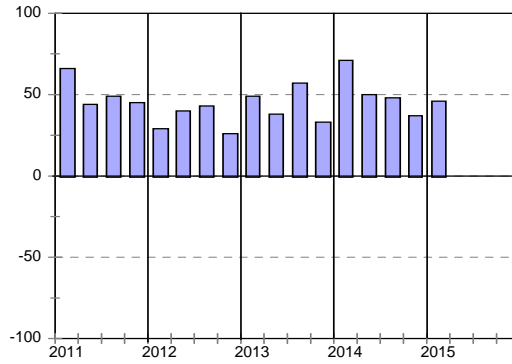
Change in business conditions



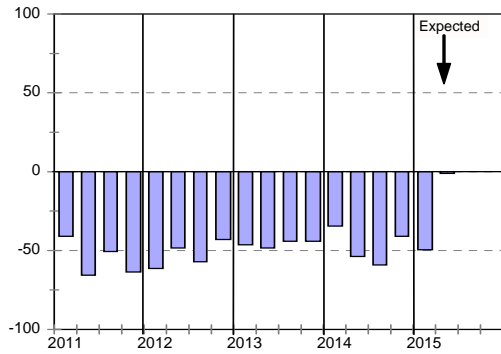
Growth in construction activity



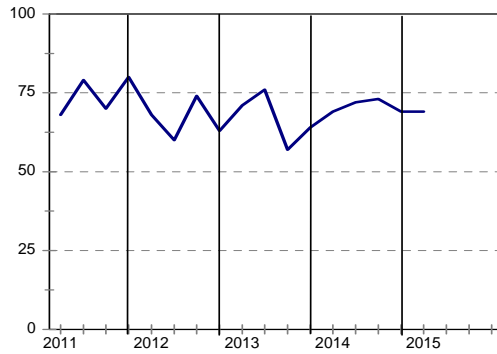
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	14Q2	14Q3	14Q4	15Q1	15Q2*
Business confidence ³	83	57	45	58	
Change in business conditions ¹	15	-6	-21	-10	16
Growth in construction activity ¹	23	-6	-26	5	11
Growth in number of people employed ¹	0	6	-21	-30	-16
Growth in profitability of the business ¹	-8	-13	-15	-25	0
Tendering competition ¹	31	57	63	30	
Percentage rating shortage of skilled labour a constraint ²	50	56	47	47	
Percentage rating inadequate supply of construction materials a constraint ²	20	21	27	17	
Percentage rating insufficient demand for construction work a constraint ²	50	73	73	65	
Percentage rating firm's inadequate access to credit a constraint ²	19	20	28	22	

* Expected.

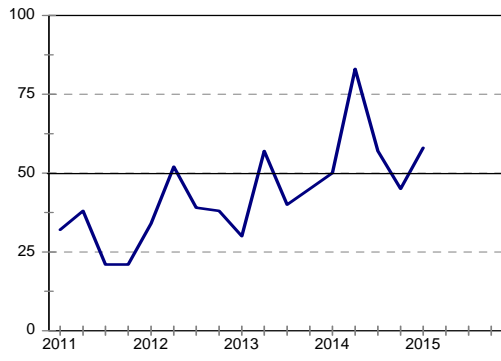
¹ Net balance.

² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to an index that can vary between 0 and 100.

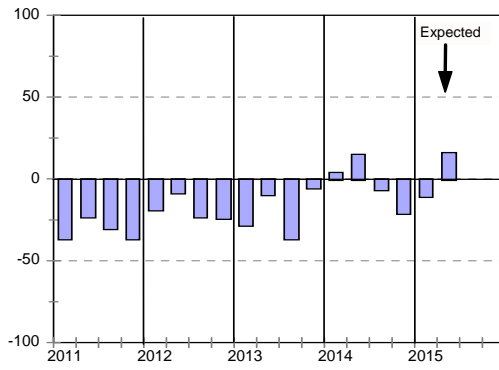
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

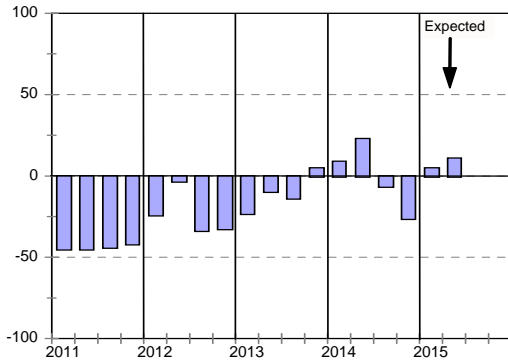
Business confidence



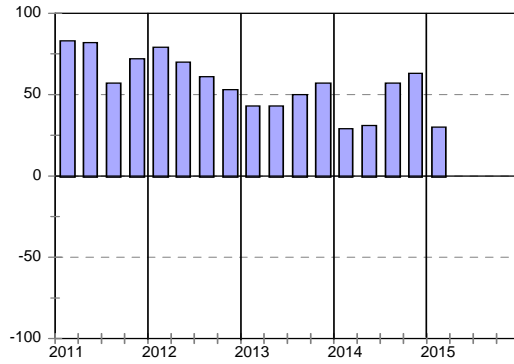
Change in business conditions



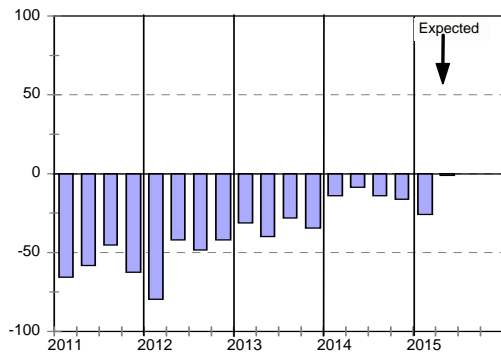
Growth in construction activity



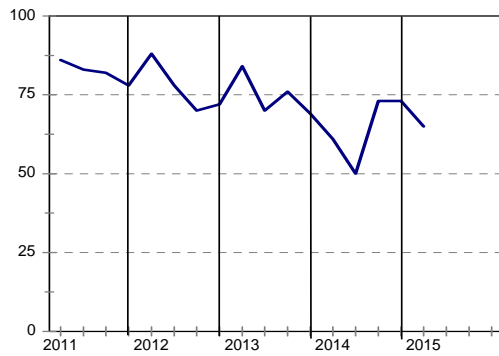
Tendering competition



Growth in profitability



Insufficient building work demand



Blocks N&R, SABS Campus
2 Dr. Lategan Rd
Groenkloof
Pretoria
South Africa

PO Box 2107
Brooklyn Square
0075

Tel +27 12 482 7200 / +27 86 100 cidb

Fax +27 349 8986 / +27 86 681 9995

Anonymous Fraud Line 080 011 2432

E-mail cidb@cidb.org.za

www.cidb.org.za