



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey



Quarter

1

2016



University of Stellenbosch

cidb Survey Results: 2016Q1

March 2016

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Summary

Building Contractors

General builder confidence declined from 46 to 44 in 2016Q1. The drop in confidence was largely underpinned by a slowdown in building activity and increasing pressure on profitability.

Grades 5 & 6 (+5) and Grades 7 & 8 (+9) registered higher confidence levels, whereas general builders in Grades 3 & 4 shed 24 index points. Despite the uptick among Grades 7 & 8, confidence remains well below the 50-point mark that separates contraction from expansion.

Regionally, business confidence ticked up in the Eastern Cape and KwaZulu-Natal. In contrast, general builders in the Western Cape and Gauteng were less satisfied with current business conditions than in 2015Q4.

Civil Contractors

Civil contractor confidence declined marginally from 41 to 40 in 2016Q1. This implies that six out of every ten respondents find current business conditions unsatisfactory. Compared to a year ago, business conditions deteriorated, construction activity slowed, the rate of retrenchments increased and pressure on profitability increased.

Across the grades, civil contractors in Grades 7 & 8 were the only grades that registered higher confidence. Business confidence among Grades 3 & 4 and Grades 5 & 6 declined by 9 and 8 index points respectively.

Regionally, the following changes came about, Gauteng (+9), KwaZulu-Natal (-2), Western Cape (-5) and Eastern Cape (-12).

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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 2016Q1 survey was carried out during the period 25 January to 29 February 2016.

The analysis that follows provides a synopsis of the survey responses received in 2016Q1, 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.

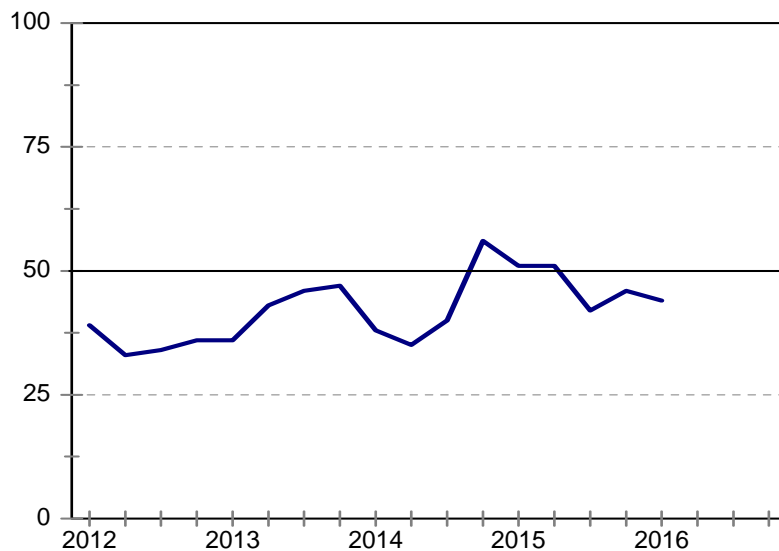
2016Q1 cidb Survey Results

Building Industry

Total

General builder confidence declined from 46 to 44 in 2016Q1. The marginal drop in confidence can largely be attributed to a slowdown in building activity and more pressure on profitability.

Figure 1: Total
Business confidence



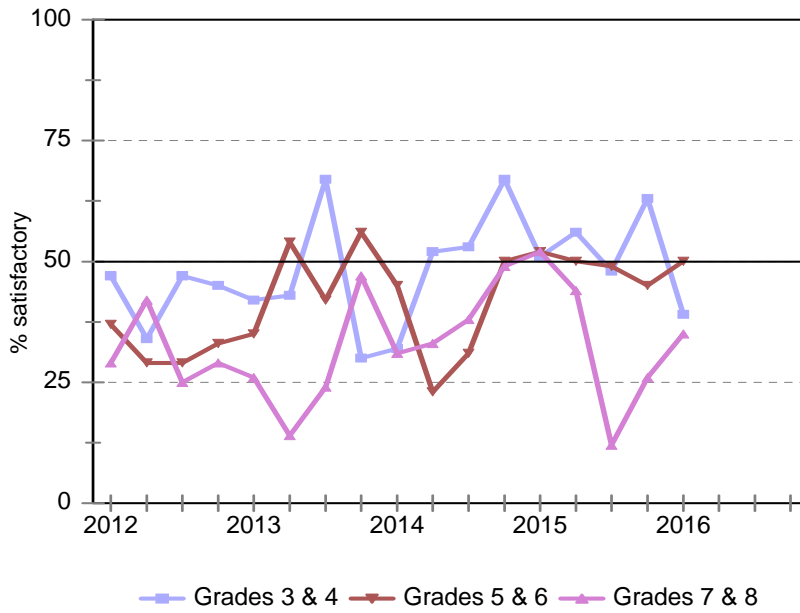
The percentage of general builders who reported lower activity increased from a net 36% to 40%. This marks its lowest level since December 2011.

As a result of lower activity, profitability suffered. Compared to a net 43% in 2015Q4, 50% indicated that profitability was lower than the same quarter a year ago.

Grades comparison

Grades 3 & 4 were the only grades that registered a decline in business confidence (-24 index points). However, despite the uptick among Grades 7 & 8, business confidence remains well below the 50-point mark.

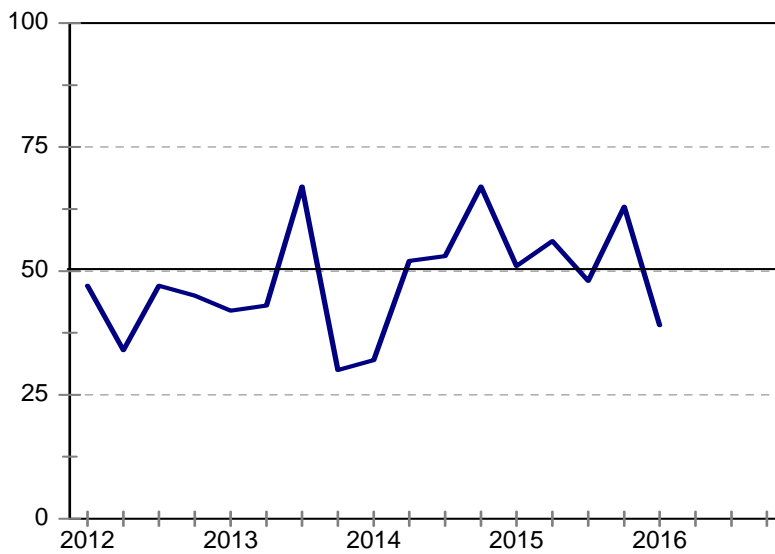
Figure 2: Business confidence per grade



Grades 3 & 4

After increasing from 48 to 63, business confidence dropped back sharply to a level of 39 in 2016Q1. The decline was largely driven by a slowdown in building activity.

Figure 3: Grade 3 & 4
Business confidence



The proportion of general builders who cited a slowdown in activity increased from a net 29% in 2015Q4 to 50% in 2016Q1.

A slowdown in activity led to more job losses during this quarter. Compared to a net 13%, 34% indicated that employment was lower than the same quarter a year ago.

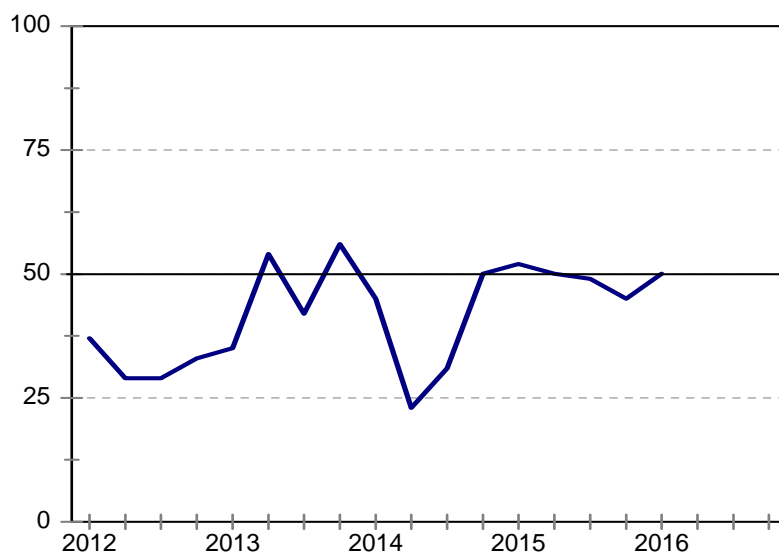
In addition, the number of respondents who cited inadequate access to credit as a constraint increased from 36% to 46%.

Grades 5 & 6

Business confidence among general builders in Grades 5 & 6 increased from 45 to 50 in 2016Q1. This follows three consecutive quarterly declines. Despite the uptick in confidence, pressure on building activity and profitability persisted.

Figure 4: Grade 5 & 6

Business confidence

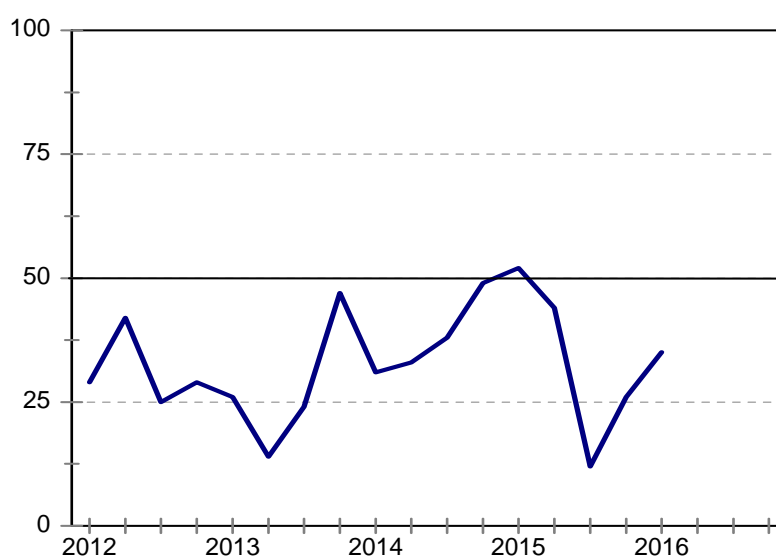


Compared to a net 30% in 2015Q4, 34% indicated that building activity was lower than the same quarter a year ago. As a result of lower activity, profitability suffered. The percentage of general builders who cited lower profitability increased from a net 37% to 42% in 2016Q1.

Grades 7 & 8

The proportion of general builders in Grades 7 & 8 who were satisfied with current business conditions increased from 26 to 35 in 2016Q1. This marks its second consecutive quarterly increase. Although business confidence almost tripled since reaching a historic low of 12 in 2015Q3, it remained far below the key 50-point mark.

Figure 5: Grade 7 & 8
Business confidence



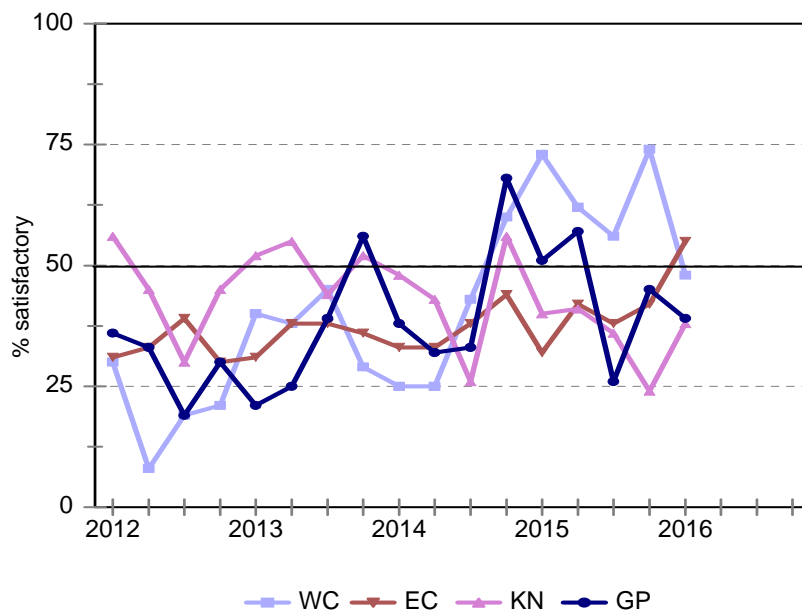
Confidence was higher despite profitability which remained under pressure. The percentage of general builders who cited lower profitability increased from a net 52% to 70% in 2016Q1.

The weaker profit margins were exacerbated by tougher tendering price competition. A net 68% indicated that competition intensified compared to the same period a year ago; up from 61% in 2015Q4.

Provincial comparison

KwaZulu-Natal and the Eastern Cape registered higher confidence, whereas building contractors in the Western Cape and Gauteng were less satisfied with business conditions compared to 2015Q4.

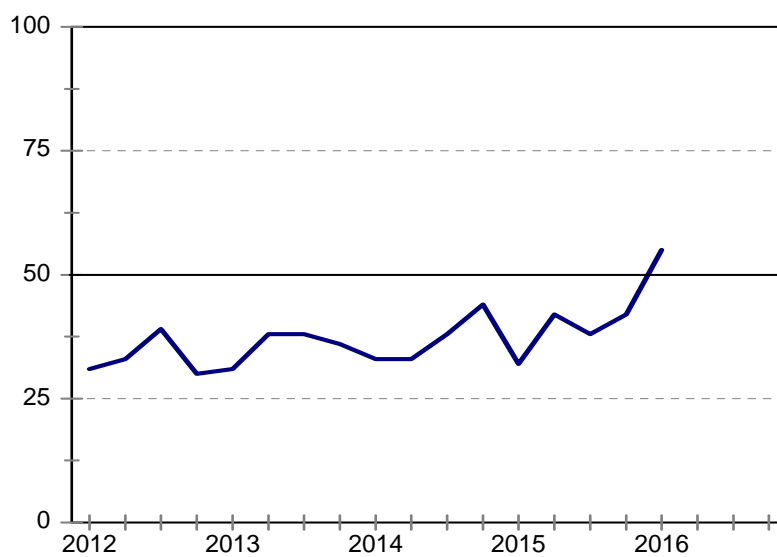
Figure 6: Business confidence per province



Eastern Cape

Business confidence for building contractors in the Eastern Cape increased by 13 index points to a level of 55 in 2016Q1. This marks the first time since 2008Q4 that confidence is above the 50-point mark.

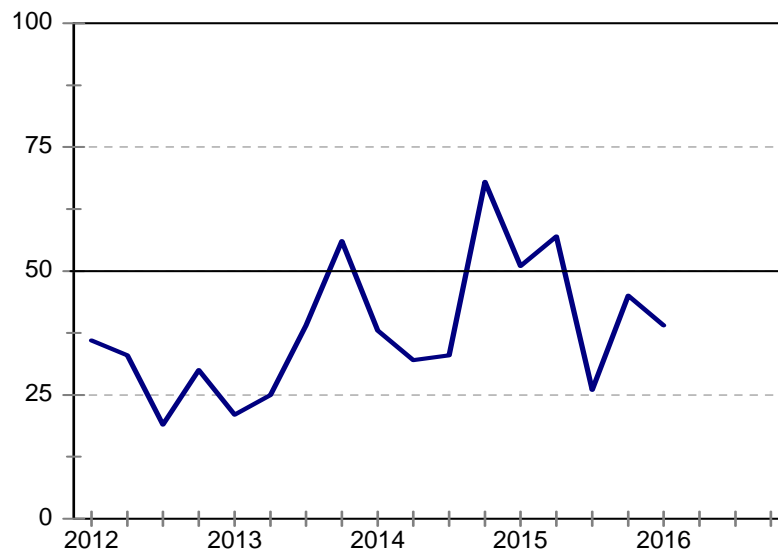
Figure 7: Eastern Cape
Business confidence



Gauteng

General builders in Gauteng shed 6 index points and registered a confidence level of 39. All the underlying indices supported the drop in confidence.

Figure 8: Gauteng
Business confidence



The proportion of respondents who indicated that general business conditions were worse than a year ago increased from a net 27% to 43%.

In 2016Q1, a net 45% of respondents experienced a slowdown in building activity; up from 42% in 2015Q4.

As a result of lower activity, profitability suffered. Compared to a net 43% in 2015Q4, 57% indicated that profit margins were worse than the same quarter a year ago.

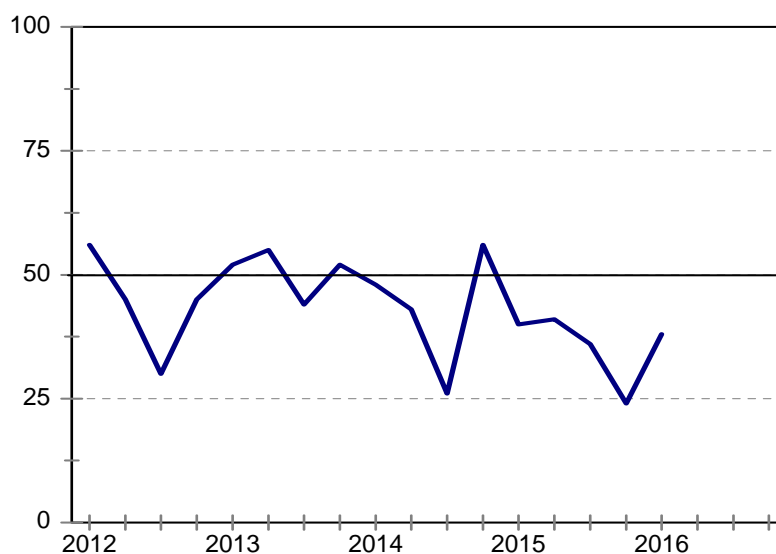
The current difficulties also forced general builders to reduce their number of employees. In 2016Q1, a net 40% of respondents indicated lower employment, up from 10% in the previous quarter.

Building activity is expected to remain under pressure going forward. Sixty-nine per cent of respondents rated insufficient demand for building work as a constraint, up from 64% in 2015Q4.

KwaZulu-Natal

After dropping from 36 to 24 in 2015Q4, business confidence recovered to a level of 38 in 2016Q1. Although there were improvements in all the underlying indices, they remain at very depressed levels.

Figure 9: KwaZulu-Natal
Business confidence



The proportion of respondents who indicated that general business conditions were worse than a year ago improved from a net 52% in 2015Q4, to 41% in 2016Q1.

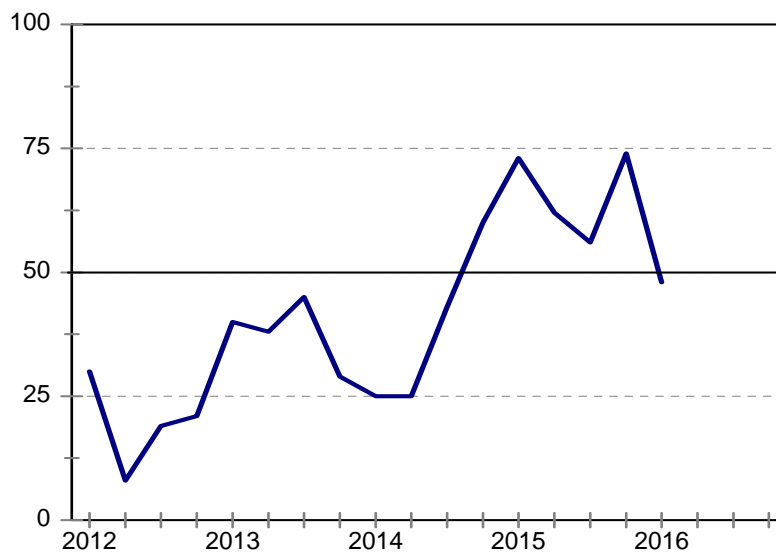
Pressure on profitability subsided somewhat. Compared to a net 75% in 2015Q4, 55% experienced lower profitability compared to the same quarter a year ago.

Due to higher confidence levels, the tempo of job losses slowed during 2016Q1. A net 38% indicated that employment was lower than a year ago; this is an improvement compared to a net 60% who found this to be the case in 2015Q4.

Western Cape

Business confidence declined from a historic high of 74 in 2015Q4 to 48 in 2016Q1. The sharp drop in confidence was reflected in all the underlying indices.

Figure 10: Western Cape
Business confidence



Compared to a net 4% in 2015Q4, 26% indicated that building activity was lower than the same quarter a year ago. As a result of lower activity, profitability suffered. The percentage of general builders who cited lower profitability increased from a net 9% to 37% in 2016Q1.

The weaker profit margins were furthermore exacerbated by tougher tendering price competition. A net 56% indicated that competition intensified compared to the same period a year ago; up from 48% in 2015Q4.

The proportion of respondents who indicated a worsening of business conditions increased from a net 9% to 24%.

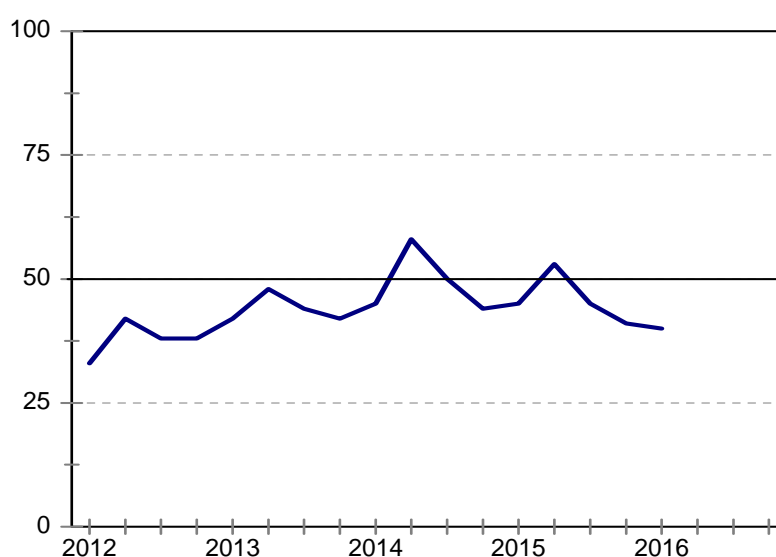
The current difficulties forced general builders to reduce their number of employees. In 2015Q4, a net 18% of respondents indicated that they hired more workers, whereas 3% reported to have shed jobs in 2016Q1.

Construction Industry

Total

Civil contractor confidence declined marginally from 41 to 40 in 2016Q1. This marks its third consecutive quarterly decline. The drop in confidence was largely driven by a slowdown in construction activity and lower profitability.

Figure 11: Total
Business confidence



After increasing from 35% to 49% in 2015Q4, the net percentage of respondents who reported lower activity increased further to 52% in 2016Q1. A net 47% indicated that competition intensified compared to the same period a year ago; slightly up from 45% in 2015Q4.

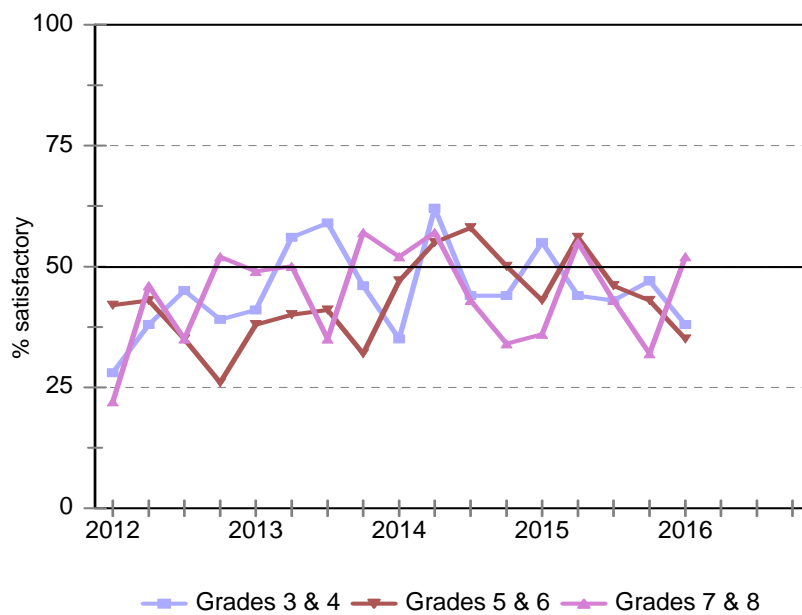
Less construction activity, combined with a rise in tendering price competition weighed on profitability. The proportion of civil contractors who cited lower profitability in relation to a year ago increased from a net 47% to 53% in 2016Q1.

The current moderation in construction activity is likely to continue into the foreseeable future. The number of respondents who rated insufficient demand for new construction work as a constraint increased to a three-year high of 72%.

Grades comparison

As shown in Figure 12, Grades 7 & 8 (+20) registered higher confidence levels, whereas contractors in Grades 3 & 4 and Grades 5 & 6 shed 9 and 8 index points respectively.

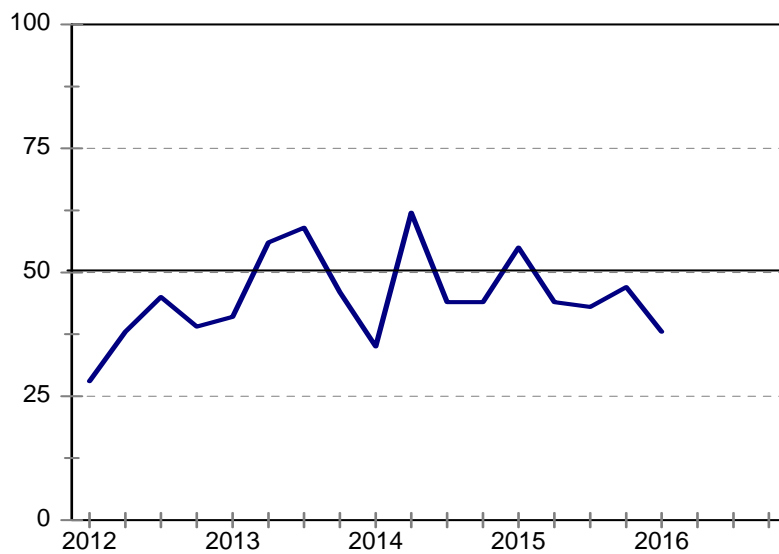
Figure 12: Business confidence per grade



Grades 3 & 4

Business confidence fell from 47 in 2015Q4 to 38 in 2016Q1.

Figure 13: Grade 3 & 4
Business confidence



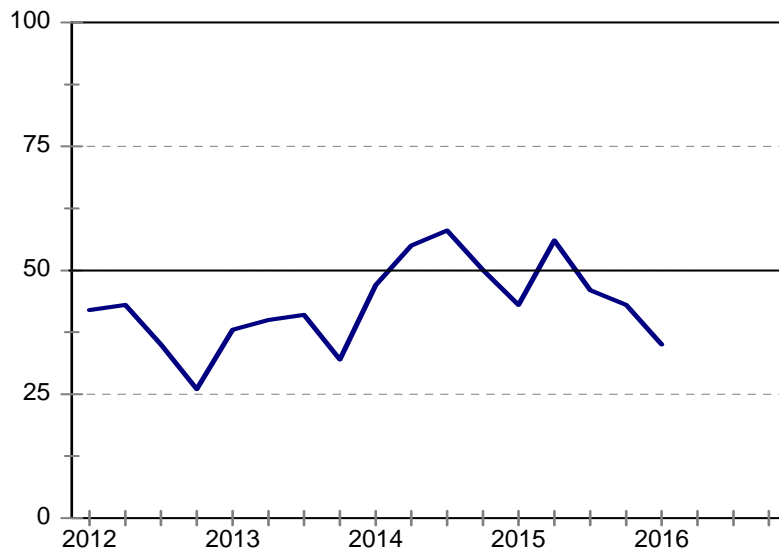
Compared to a net 27% in 2015Q4, 45% indicated that construction activity was lower than the same quarter a year ago. As a result of lower activity, profitability suffered. The percentage of general builders who cited lower profitability in relation to a year ago increased from a net 37% to 59% in 2015Q4.

Due to current difficulties, job losses intensified during this quarter. Compared to a net 19% in 2015Q4, 54% indicated that employment was lower than the same quarter a year ago.

Grades 5 & 6

Civil contractor confidence shed 8 index points and registered a level of 35. The lower confidence can largely be attributed to increasing pressure on profitability.

Figure 14: Grade 5 & 6
Business confidence

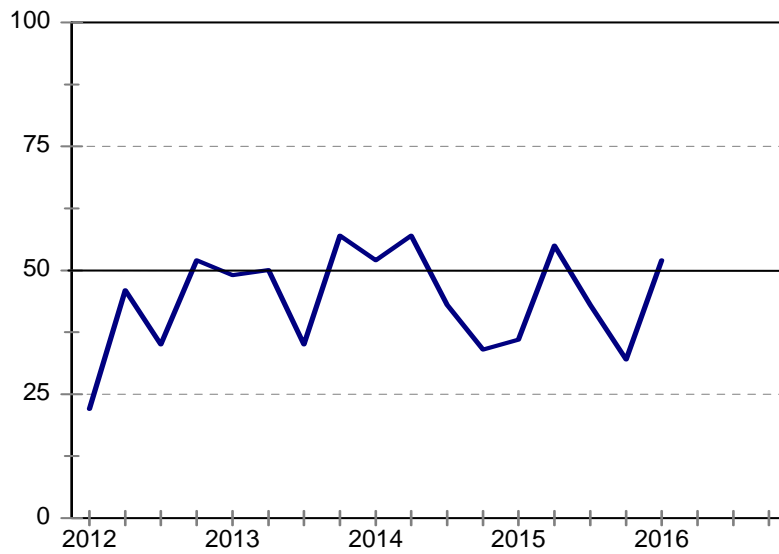


The proportion of respondents who reported lower profitability increased from a net 50% in 2015Q4, to 57% in 2016Q1.

Grades 7 & 8

After shedding 23 index points over the previous two quarters, business confidence rebounded to a level of 52 (see Figure 15).

Figure 15: Grade 7 & 8
Business confidence



The proportion of respondents who registered a slowdown in construction fell from a net 52% to 42% in 2016Q1.

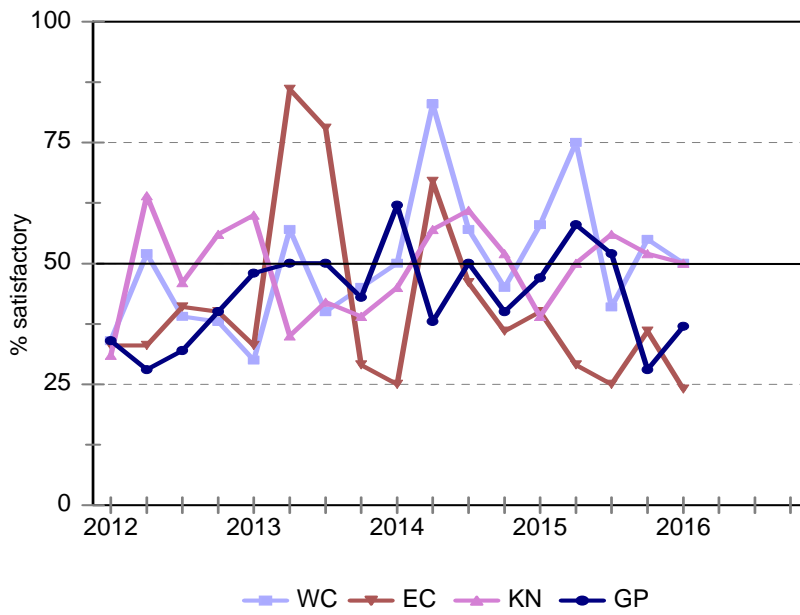
As a result of the uptick in activity, pressure on profitability subsided somewhat. Compared to a net 54% in 2015Q4, 42% reported lower profitability in 2016Q1.

However, despite these improvements, construction activity is expected to remain under pressure going forward. Seventy-two per cent of respondents cited insufficient demand for construction work as a constraint, up from 65% in 2015Q4.

Provincial comparison

As shown in Figure 16, all the provinces except for Gauteng (+9 index points) registered lower confidence levels.

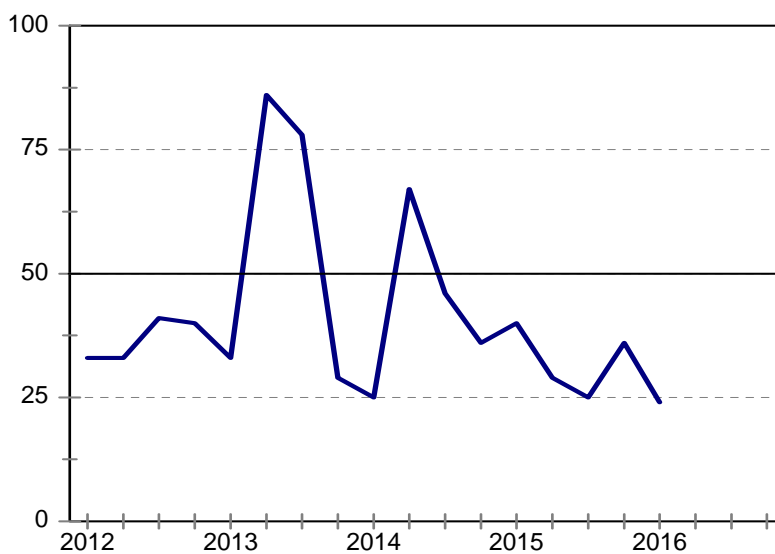
Figure 16: Business confidence per province



Eastern Cape

Business confidence fell from 36 to 24 in the first quarter of 2016. This marks its lowest level since 2011Q4. The drop in confidence was largely due to lower profitability.

Figure 17: Eastern Cape
Business confidence



The proportion of civil contractors who cited lower profit margins increased from a net 37% to 52% in 2016Q1.

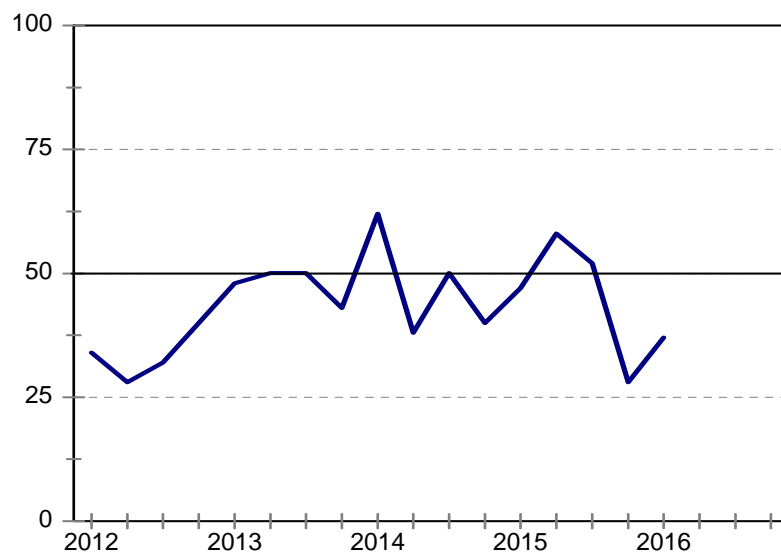
Lower confidence and profitability led to more job losses during this quarter. Compared to a net 25% in 2015Q4, 47% indicated that employment was lower compared to the same period last year.

Furthermore, the proportion of civil contractors who stated insufficient demand for construction work as a constraint increased from 77% to 83%.

Gauteng

Business confidence for civil contractors in Gauteng ticked up from 28 to 37 index points in 2016Q1. Despite the increase, confidence remained far below the 50-point mark.

**Figure 18: Gauteng
Business confidence**



The net percentage of civil contractors who reported lower construction activity fell from 60% to 54% in 2016Q1.

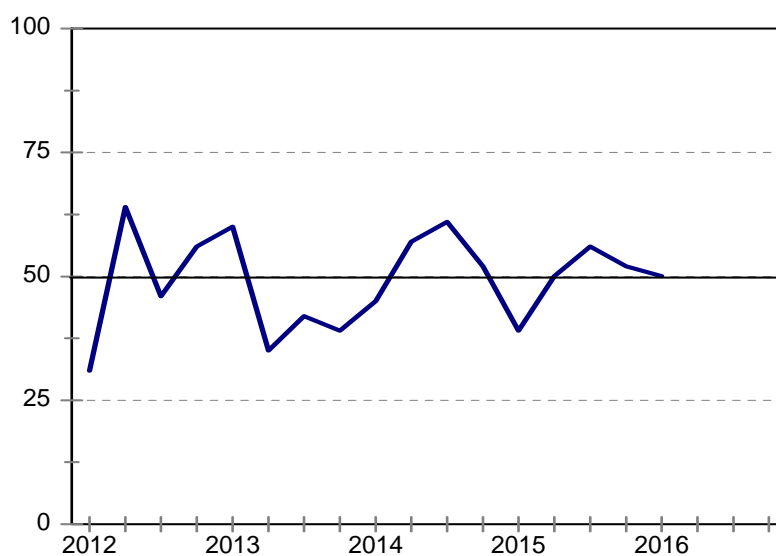
The slight uptick in activity coincided with a notable easing in tendering competition. The proportion of respondents who experienced tougher tendering competition fell from 63% in 2015Q4 to 39% in 2016Q1.

KwaZulu-Natal

Business confidence declined marginally from 52 to 50 in 2016Q1. This marks its second consecutive quarterly drop. A slowdown in construction activity is likely the main driver behind the lower confidence.

Figure 19: KwaZulu-Natal

Business confidence

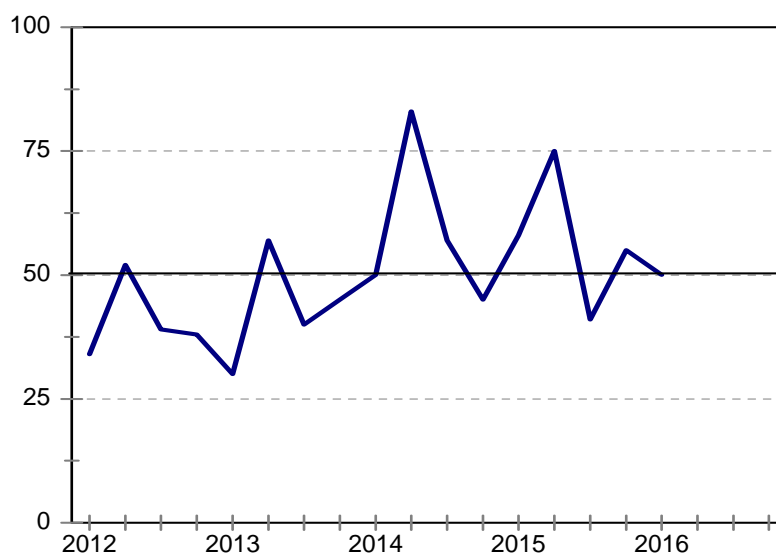


Compared to a net 60% in 2015Q4, 71% of respondents reported lower construction activity in 2016Q1.

Western Cape

Civil contractor confidence in the Western Cape declined from 55 to 50 in 2016Q1. The lower confidence can largely be attributed to a slowdown in activity and lower profitability.

Figure 20: Western Cape
Business confidence



Compared to a net 13% in 2015Q4, 45% indicated that construction activity was lower than the same quarter a year ago. As a result of lower activity, profitability suffered. The percentage of civil contractors who cited lower profitability increased from a net 18% to 37% in 2016Q1.

The weaker profit margins were furthermore exacerbated by tougher tendering price competition. A net 60% indicated that competition intensified compared to the same period a year ago; up from 45% in 2015Q4.

Ms Mia Slabber

Ms Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4</i>	<i>16Q1</i>	<i>16Q2*</i>
Business confidence ³	51	42	46	44	
Change in business conditions ¹	-22	-14	-34	-38	-18
Growth in building activity ¹	-26	-25	-36	-40	-26
Growth in number of people employed ¹	-17	-13	-25	-28	-23
Growth in profitability of the business ¹	-33	-26	-43	-50	-27
Tendering competition ¹	31	35	43	38	
Percentage rating shortage of skilled labour a constraint ²	52	53	47	53	
Percentage rating inadequate supply of building materials a constraint ²	30	29	25	30	
Percentage rating insufficient demand for building work a constraint ²	67	63	69	68	
Percentage rating firm's inadequate access to credit a constraint ²	39	31	34	33	

* Expected.

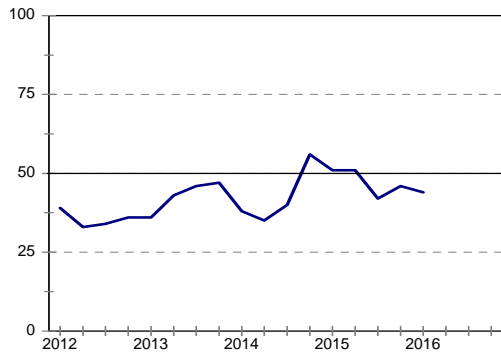
¹ Net balance.

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.

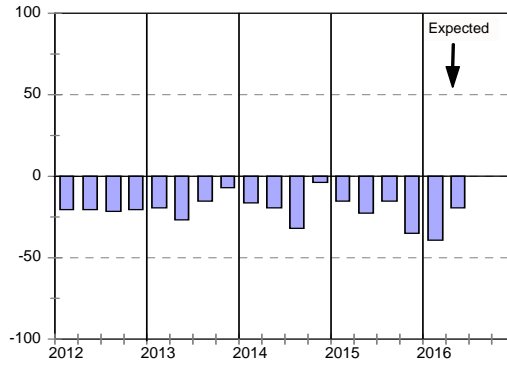
³ Percentage gross rating prevailing business conditions as satisfactory.

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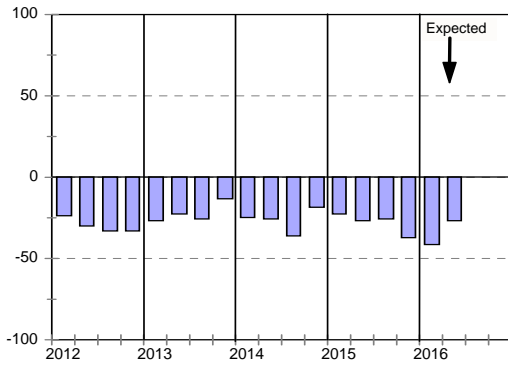
Business confidence



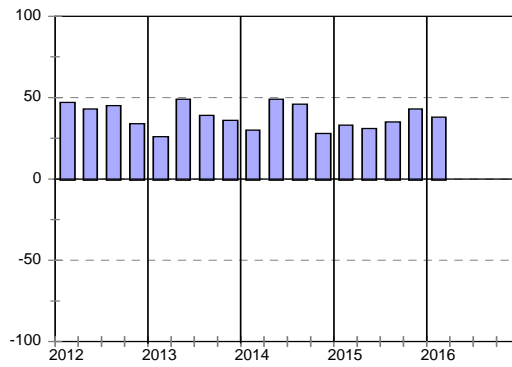
Change in business conditions



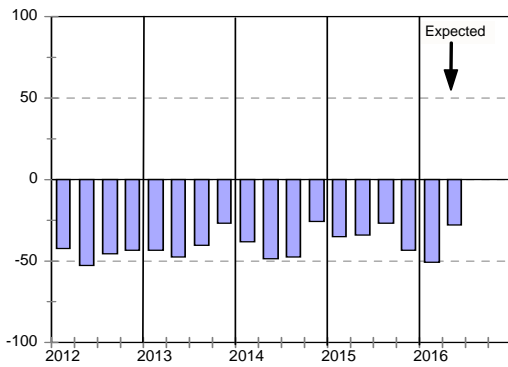
Growth in building activity



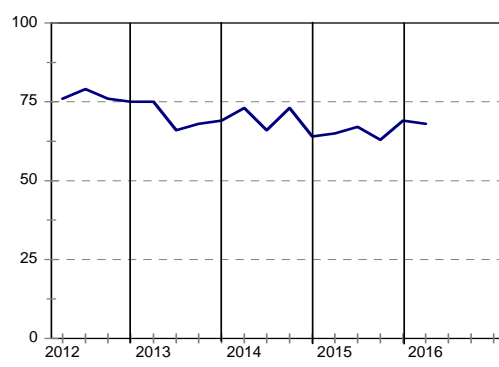
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4</i>	<i>16Q1</i>	<i>16Q2*</i>
Business confidence ³	56	48	63	39	
Change in business conditions ¹	-17	-17	-25	-35	-11
Growth in building activity ¹	-26	-27	-29	-50	-20
Growth in number of people employed ¹	-15	-7	-13	-34	-16
Growth in profitability of the business ¹	-28	-32	-46	-47	-10
Tendering competition ¹	28	25	35	20	
Percentage rating shortage of skilled labour a constraint ²	51	54	42	54	
Percentage rating inadequate supply of building materials a constraint ²	29	29	31	38	
Percentage rating insufficient demand for building work a constraint ²	66	63	63	66	
Percentage rating firm's inadequate access to credit a constraint ²	47	34	36	46	

* Expected.

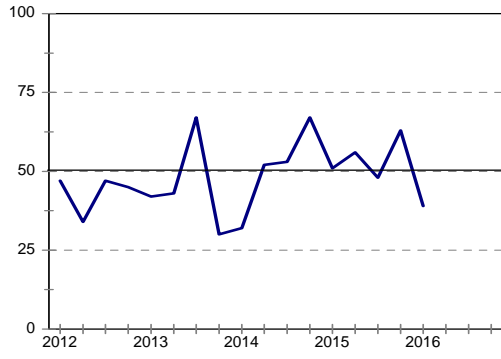
¹ Net balance.

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.

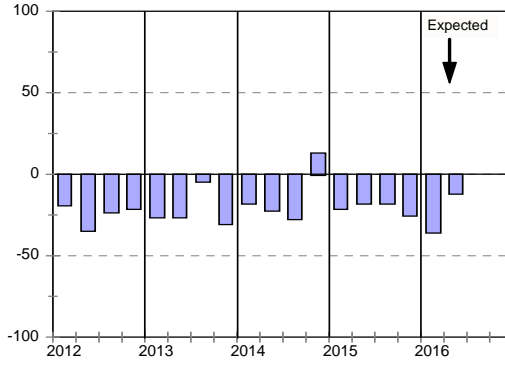
³ Percentage gross rating prevailing business conditions as satisfactory.

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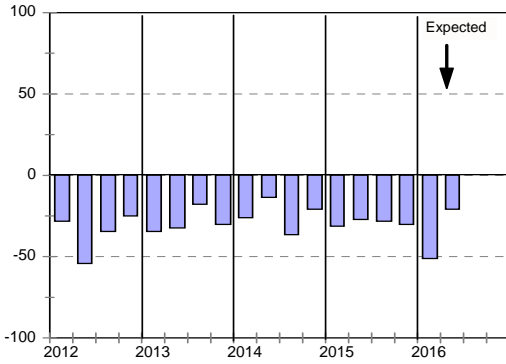
Business confidence



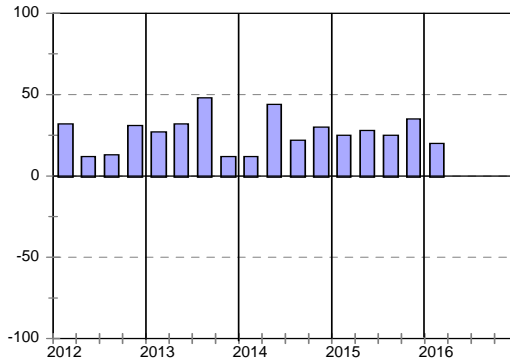
Change in business conditions



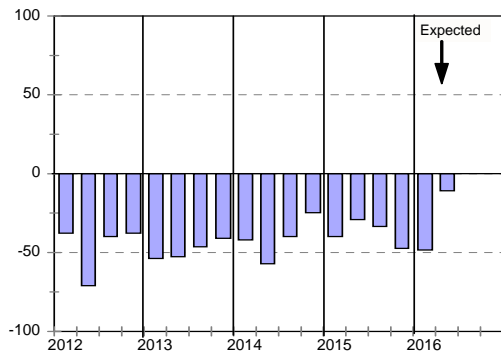
Growth in building activity



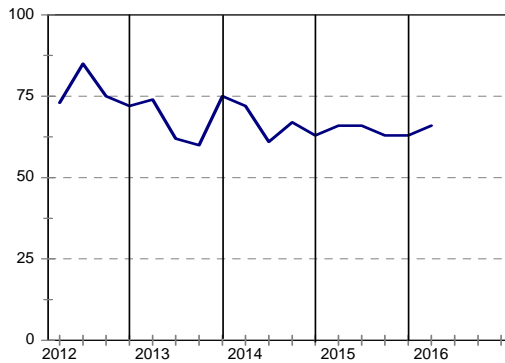
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	15Q2	15Q3	15Q4	16Q1	16Q2*
Business confidence ³	50	49	45	50	
Change in business conditions ¹	-20	-2	-31	-33	-23
Growth in building activity ¹	-22	-13	-30	-34	-31
Growth in number of people employed ¹	-12	-7	-15	-19	-27
Growth in profitability of the business ¹	-29	-14	-37	-42	-36
Tendering competition ¹	19	40	39	37	
Percentage rating shortage of skilled labour a constraint ²	50	54	46	52	
Percentage rating inadequate supply of building materials a constraint ²	23	26	21	25	
Percentage rating insufficient demand for building work a constraint ²	64	57	70	67	
Percentage rating firm's inadequate access to credit a constraint ²	32	28	34	24	

* Expected.

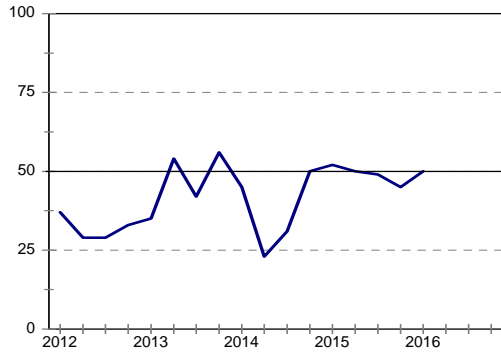
¹ Net balance.

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.

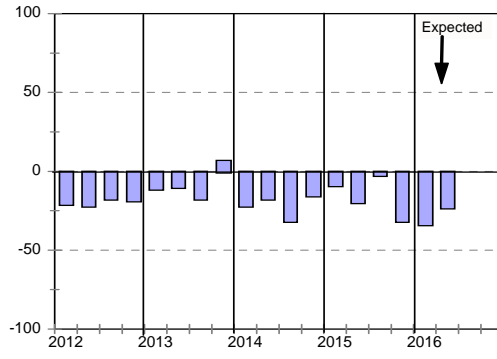
³ Percentage gross rating prevailing business conditions as satisfactory.

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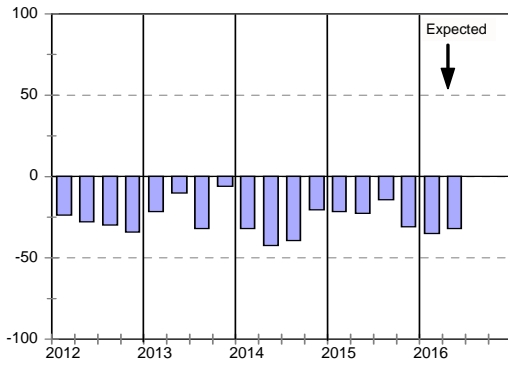
Business confidence



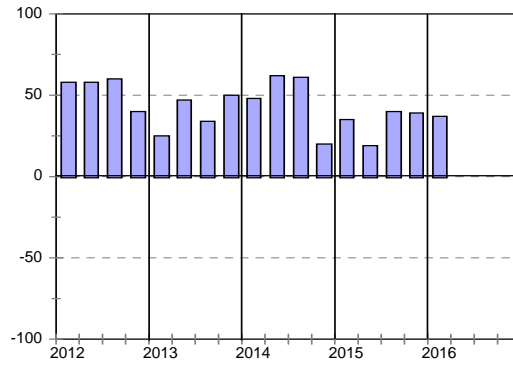
Change in business conditions



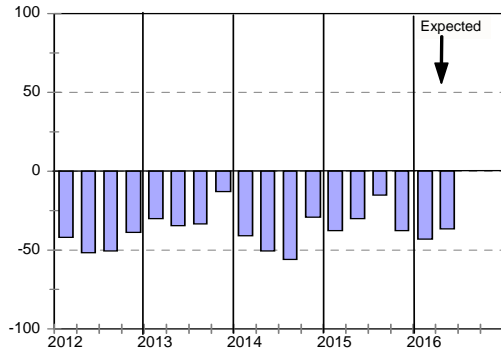
Growth in building activity



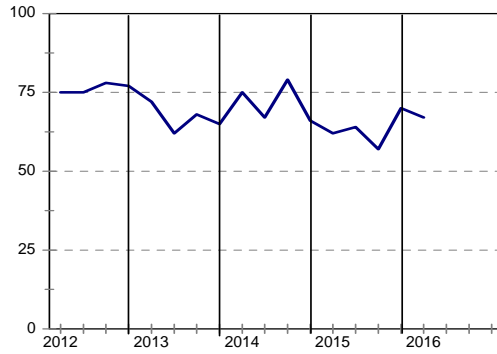
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4</i>	<i>16Q1</i>	<i>16Q2*</i>
Business confidence ³	44	12	26	35	
Change in business conditions ¹	-36	-40	-50	-50	-16
Growth in building activity ¹	-32	-50	-57	-30	-17
Growth in number of people employed ¹	-29	-40	-62	-35	-22
Growth in profitability of the business ¹	-50	-50	-52	-70	-28
Tendering competition ¹	61	40	61	68	
Percentage rating shortage of skilled labour a constraint ²	61	50	54	58	
Percentage rating inadequate supply of building materials a constraint ²	44	40	24	30	
Percentage rating insufficient demand for building work a constraint ²	73	80	74	75	
Percentage rating firm's inadequate access to credit a constraint ²	38	37	33	38	

* Expected.

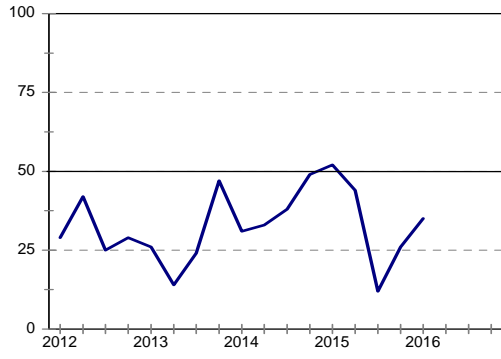
¹ Net balance.

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.

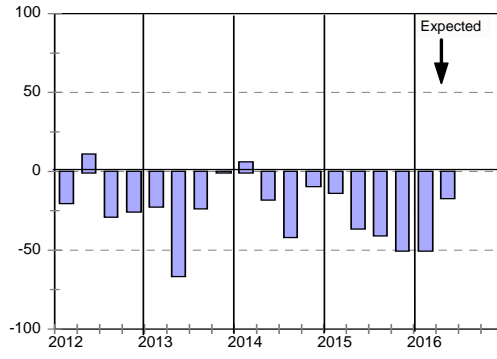
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

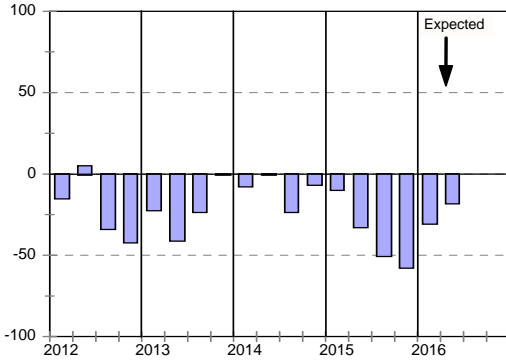
Business confidence



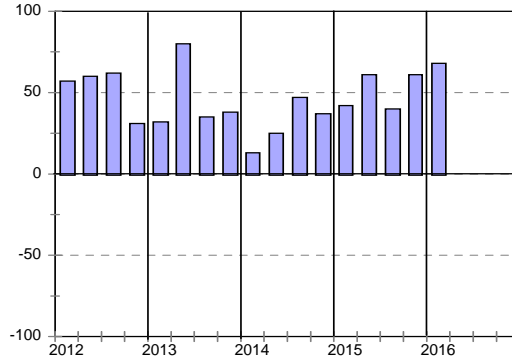
Change in business conditions



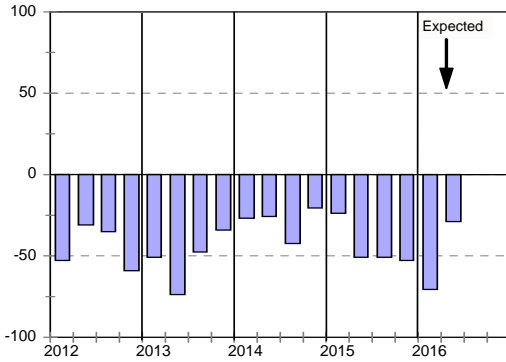
Growth in building activity



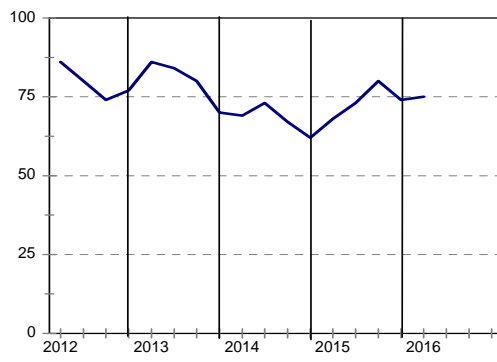
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4</i>	<i>16Q1</i>	<i>16Q2*</i>
Business confidence ³	42	38	42	55	
Change in business conditions ¹	-66	-16	-55	-46	-33
Growth in building activity ¹	-70	-39	-50	-33	-45
Growth in number of people employed ¹	-35	0	-59	-25	-34
Growth in profitability of the business ¹	-69	-17	-46	-59	-45
Tendering competition ¹	71	30	75	75	
Percentage rating shortage of skilled labour a constraint ²	55	70	62	50	
Percentage rating inadequate supply of building materials a constraint ²	33	58	46	29	
Percentage rating insufficient demand for building work a constraint ²	80	74	84	71	
Percentage rating firm's inadequate access to credit a constraint ²	33	43	46	29	

* Expected.

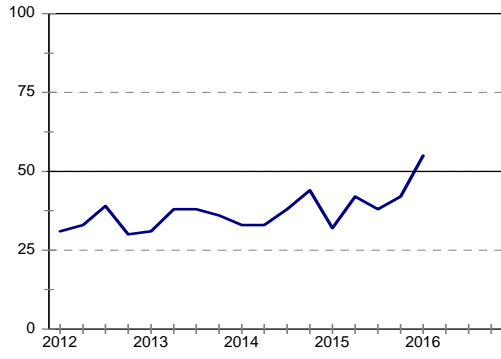
¹ Net balance.

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.

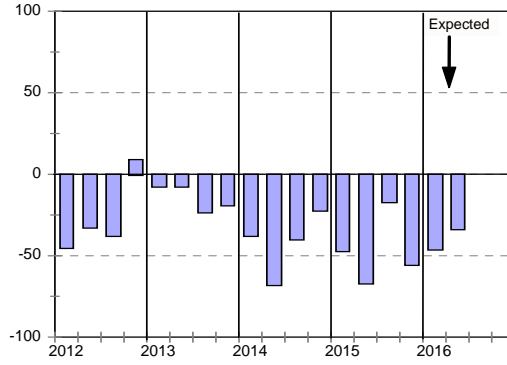
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

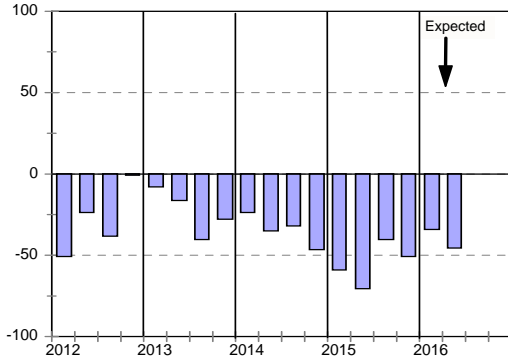
Business confidence



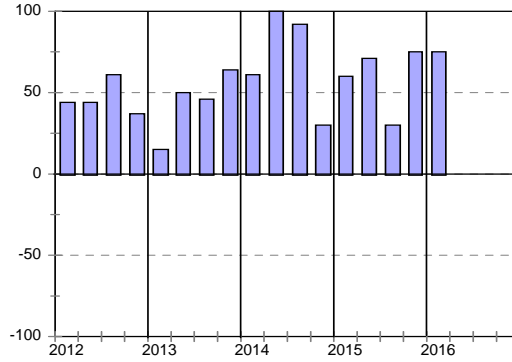
Change in business conditions



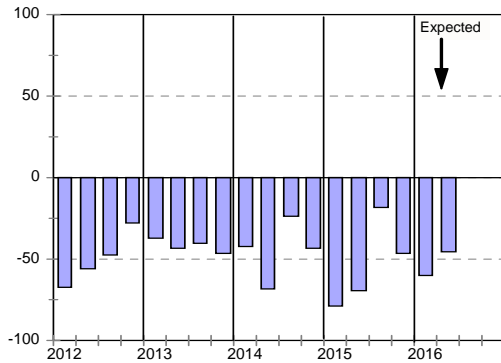
Growth in building activity



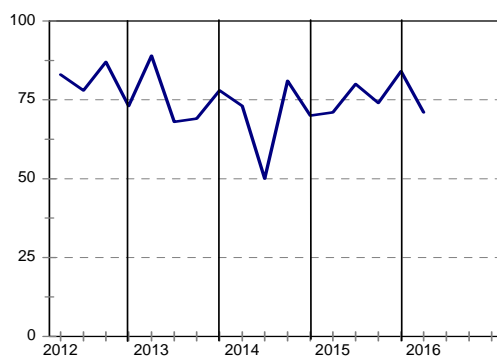
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4</i>	<i>16Q1</i>	<i>16Q2*</i>
Business confidence ³	57	26	45	39	
Change in business conditions ¹	-10	-22	-27	-43	-36
Growth in building activity ¹	-13	-42	-42	-45	-52
Growth in number of people employed ¹	-3	-17	-10	-40	-40
Growth in profitability of the business ¹	-35	-41	-43	-57	-41
Tendering competition ¹	33	39	41	18	
Percentage rating shortage of skilled labour a constraint ²	53	47	43	61	
Percentage rating inadequate supply of building materials a constraint ²	31	29	23	23	
Percentage rating insufficient demand for building work a constraint ²	60	71	64	69	
Percentage rating firm's inadequate access to credit a constraint ²	52	38	32	39	

* Expected.

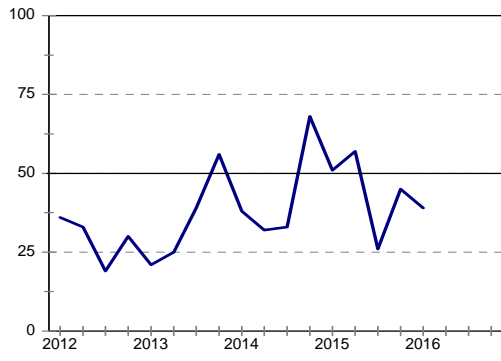
¹ Net balance.

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.

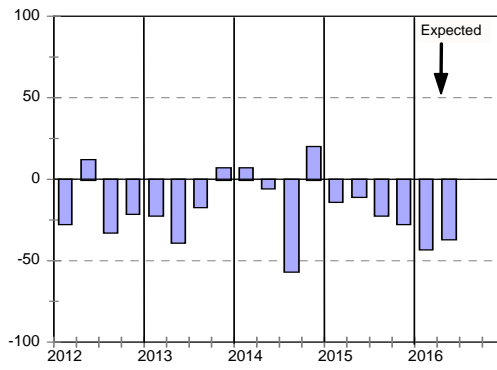
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

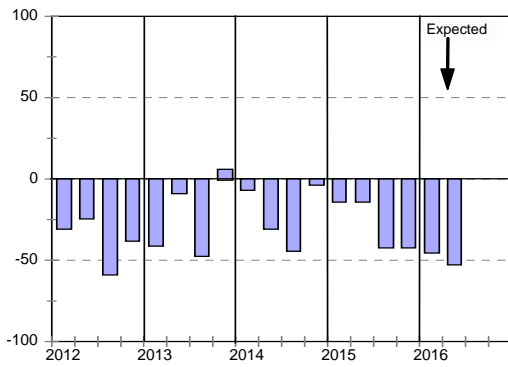
Business confidence



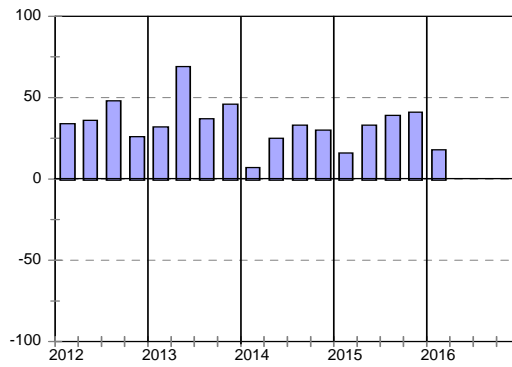
Change in business conditions



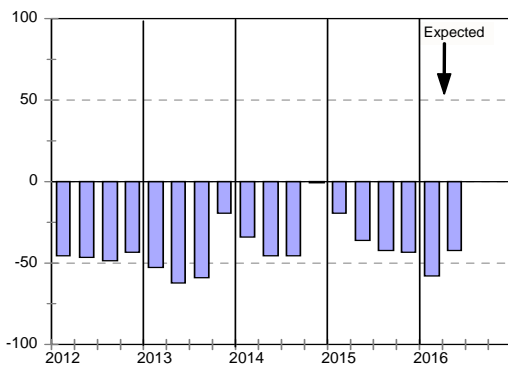
Growth in building activity



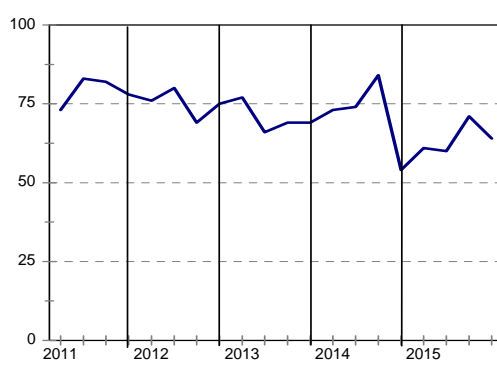
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4</i>	<i>16Q1</i>	<i>16Q2*</i>
Business confidence ³	41	36	24	38	
Change in business conditions ¹	-38	-14	-52	-41	12
Growth in building activity ¹	-42	-18	-50	-45	-7
Growth in number of people employed ¹	-29	-20	-60	-38	-14
Growth in profitability of the business ¹	-43	-10	-75	-55	-4
Tendering competition ¹	15	10	18	14	
Percentage rating shortage of skilled labour a constraint ²	52	48	49	51	
Percentage rating inadequate supply of building materials a constraint ²	31	19	19	34	
Percentage rating insufficient demand for building work a constraint ²	62	52	72	72	
Percentage rating firm's inadequate access to credit a constraint ²	39	23	34	33	

* Expected.

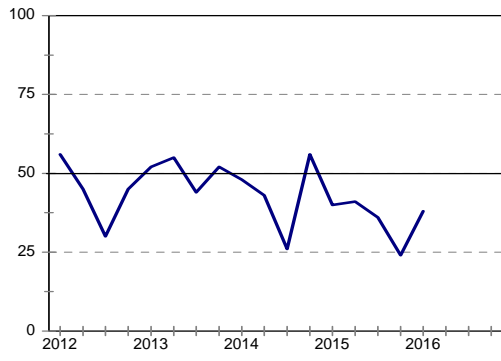
¹ Net balance.

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.

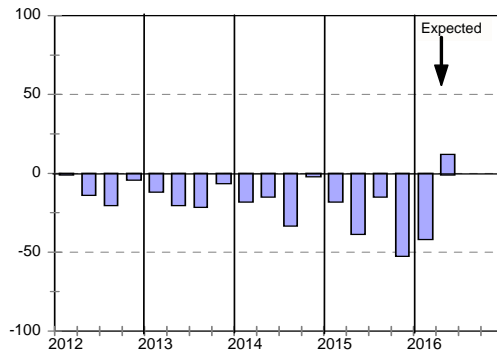
³ Percentage gross rating prevailing business conditions as satisfactory.

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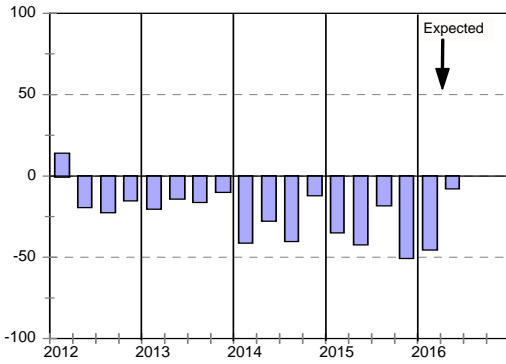
Business confidence



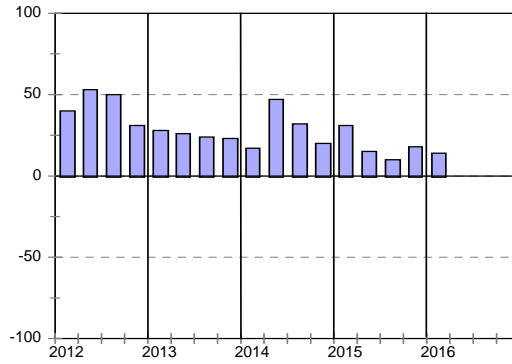
Change in business conditions



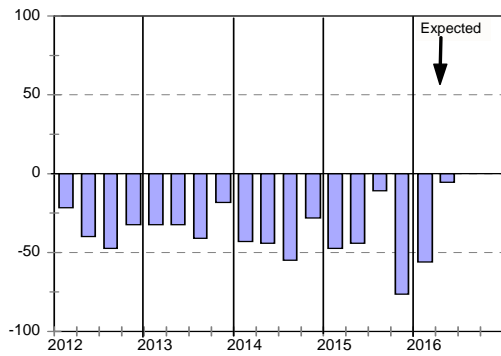
Growth in building activity



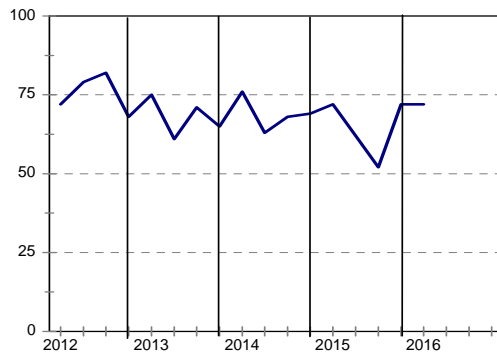
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4</i>	<i>16Q1</i>	<i>16Q2*</i>
Business confidence ³	62	56	74	48	
Change in business conditions ¹	9	-11	-9	-24	-34
Growth in building activity ¹	3	-11	-4	-26	-27
Growth in number of people employed ¹	2	-21	18	-3	-18
Growth in profitability of the business ¹	-3	-32	-9	-37	-34
Tendering competition ¹	14	37	48	56	
Percentage rating shortage of skilled labour a constraint ²	53	55	45	55	
Percentage rating inadequate supply of building materials a constraint ²	24	28	28	34	
Percentage rating insufficient demand for building work a constraint ²	67	57	63	64	
Percentage rating firm's inadequate access to credit a constraint ²	36	32	39	31	

* Expected.

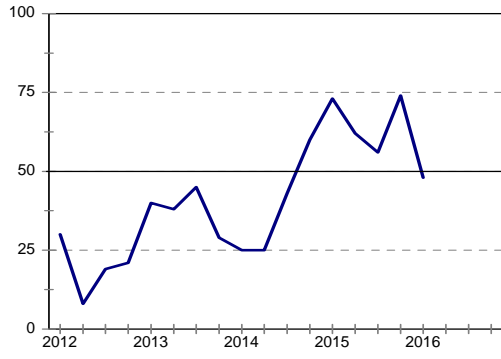
¹ Net balance.

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.

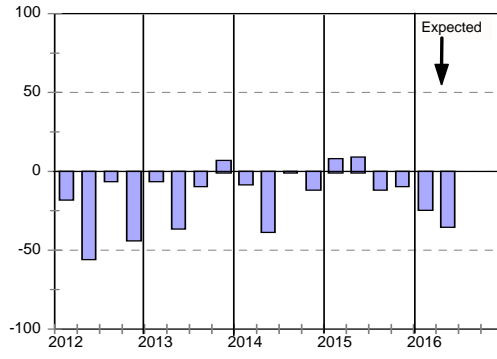
³ Percentage gross rating prevailing business conditions as satisfactory.

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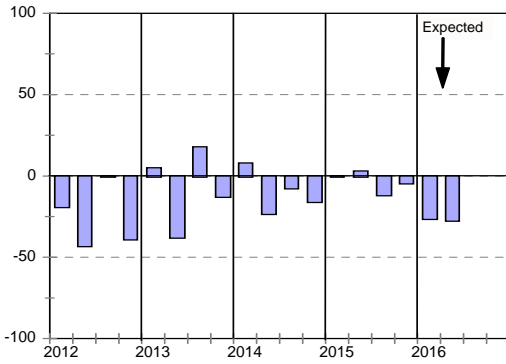
Business confidence



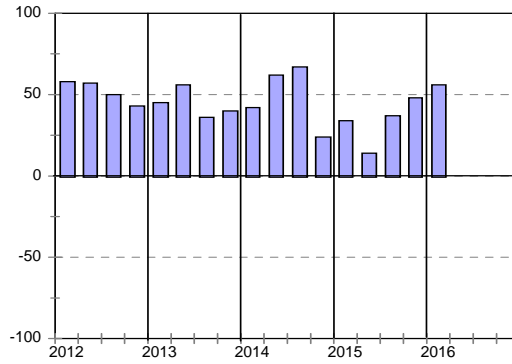
Change in business conditions



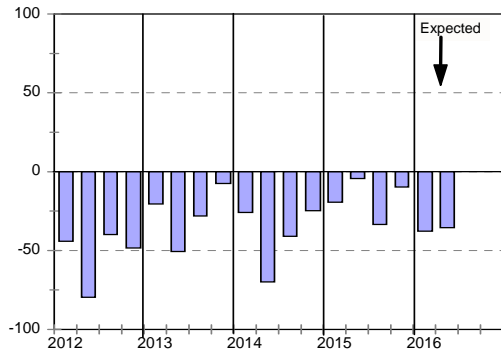
Growth in building activity



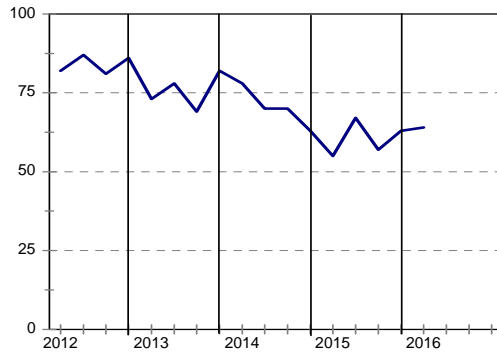
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total					
	15Q2	15Q3	15Q4	16Q1	16Q2*
Business confidence ³	53	45	41	40	
Change in business conditions ¹	-22	-20	-37	-40	-16
Growth in construction activity ¹	-26	-35	-49	-52	-21
Growth in number of people employed ¹	-18	-22	-35	-37	-17
Growth in profitability of the business ¹	-40	-39	-47	-53	-28
Tendering competition ¹	36	48	45	47	
Percentage rating shortage of skilled labour a constraint ²	48	44	47	43	
Percentage rating inadequate supply of construction materials a constraint ²	26	30	27	28	
Percentage rating insufficient demand for construction work a constraint ²	66	66	71	72	
Percentage rating firm's inadequate access to credit a constraint ²	34	33	35	29	

* Expected.

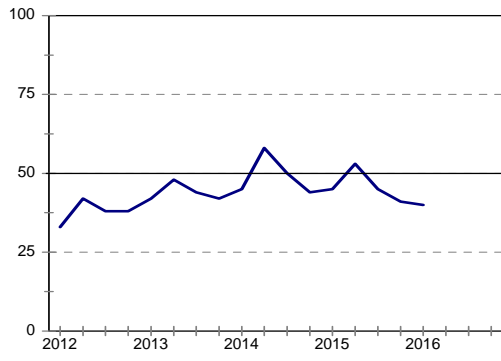
¹ Net balance.

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.

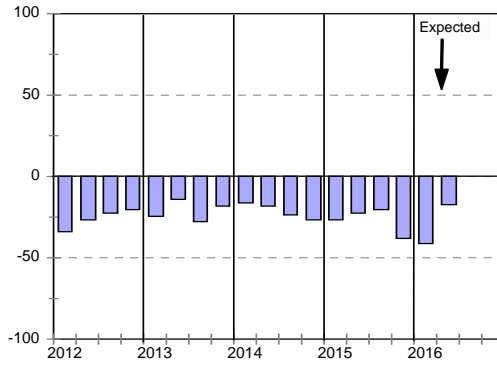
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

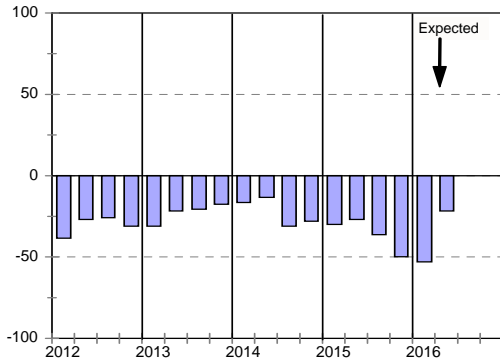
Business confidence



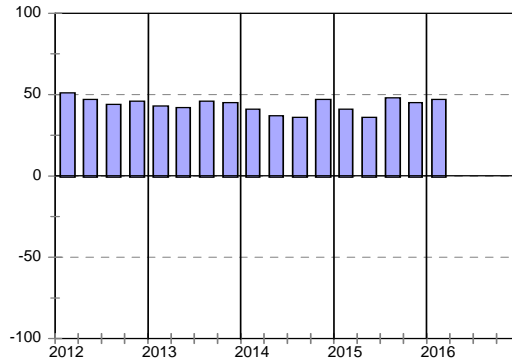
Change in business conditions



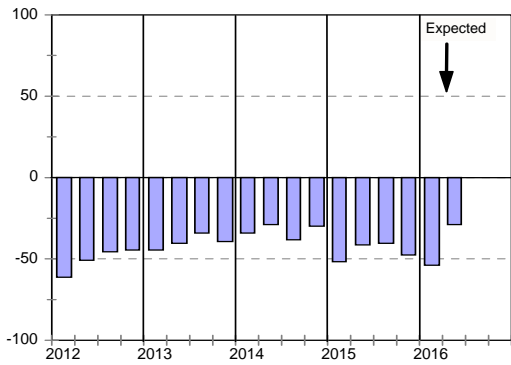
Growth in construction activity



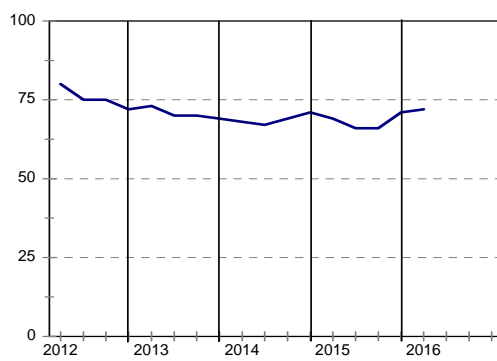
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	15Q2	15Q3	15Q4	16Q1	16Q2*
Business confidence ³	44	43	47	38	
Change in business conditions ¹	-38	-17	-13	-36	-15
Growth in construction activity ¹	-48	-32	-27	-45	-24
Growth in number of people employed ¹	-38	-8	-19	-54	-10
Growth in profitability of the business ¹	-52	-44	-37	-59	-38
Tendering competition ¹	-4	28	43	22	
Percentage rating shortage of skilled labour a constraint ²	50	42	45	50	
Percentage rating inadequate supply of construction materials a constraint ²	24	30	29	36	
Percentage rating insufficient demand for construction work a constraint ²	68	64	68	65	
Percentage rating firm's inadequate access to credit a constraint ²	46	42	50	47	

* Expected.

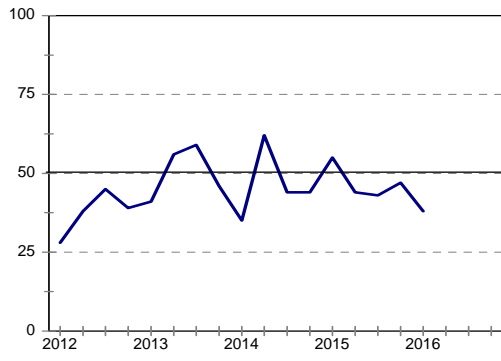
¹ Net balance.

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.

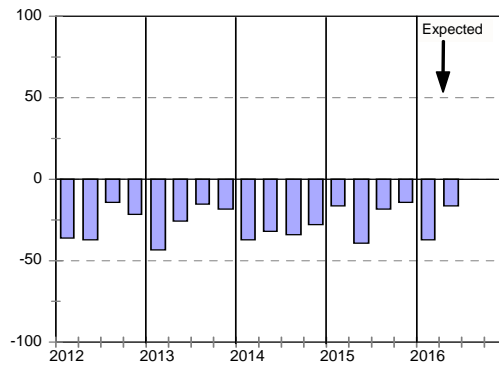
³ Percentage gross rating prevailing business conditions as satisfactory.

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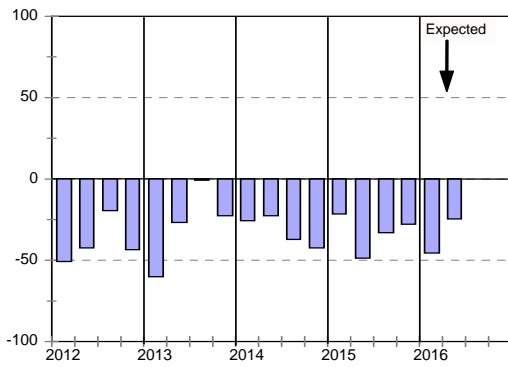
Business confidence



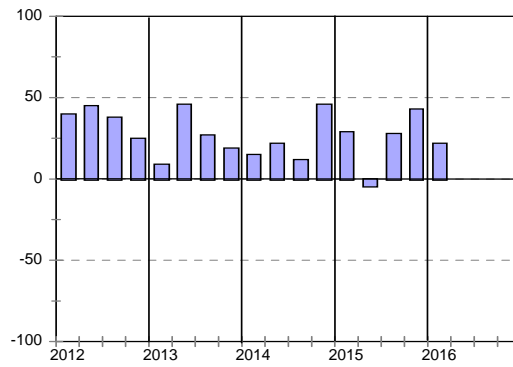
Change in business conditions



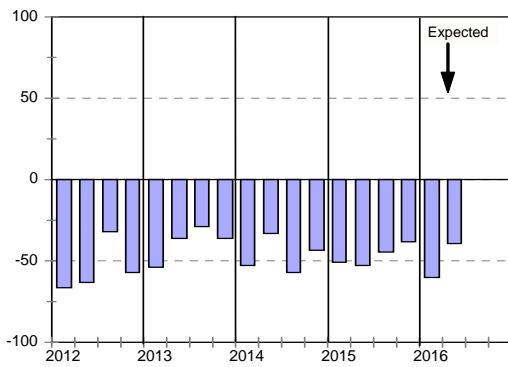
Growth in construction activity



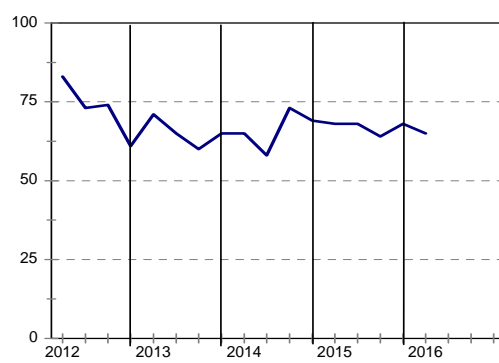
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	15Q2	15Q3	15Q4	16Q1	16Q2*
Business confidence ³	56	46	43	35	
Change in business conditions ¹	-10	-22	-50	-46	-24
Growth in construction activity ¹	-11	-33	-61	-59	-33
Growth in number of people employed ¹	-4	-24	-41	-31	-31
Growth in profitability of the business ¹	-35	-39	-50	-57	-37
Tendering competition ¹	43	47	45	45	
Percentage rating shortage of skilled labour a constraint ²	51	52	54	43	
Percentage rating inadequate supply of construction materials a constraint ²	29	33	26	25	
Percentage rating insufficient demand for construction work a constraint ²	65	68	75	76	
Percentage rating firm's inadequate access to credit a constraint ²	35	34	29	24	

* Expected.

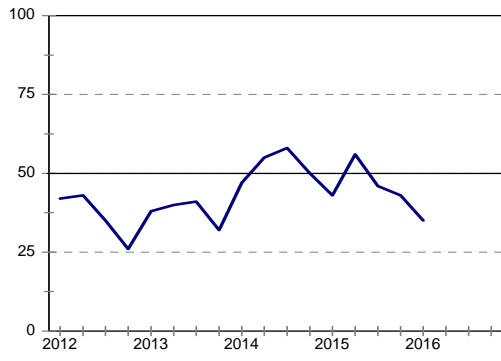
¹ Net balance.

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.

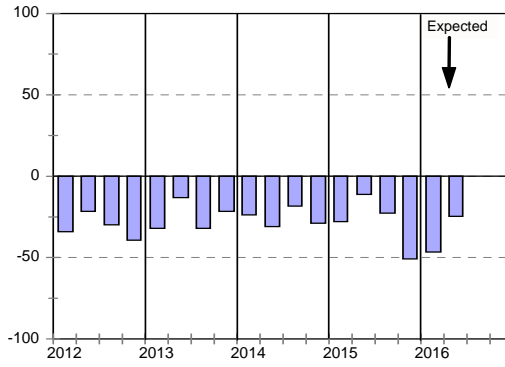
³ Percentage gross rating prevailing business conditions as satisfactory.

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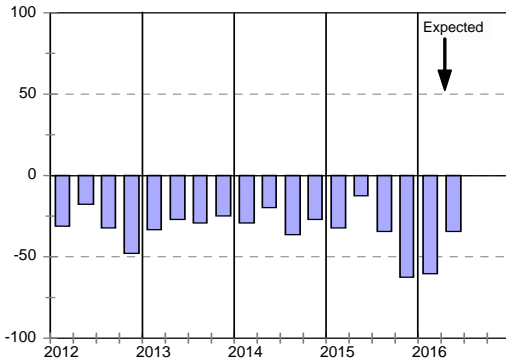
Business confidence



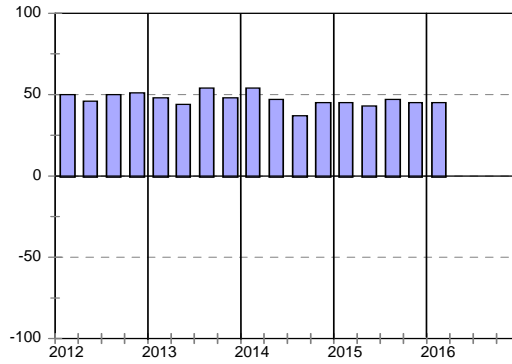
Change in business conditions



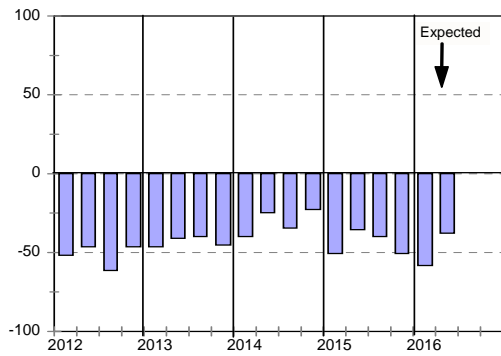
Growth in construction activity



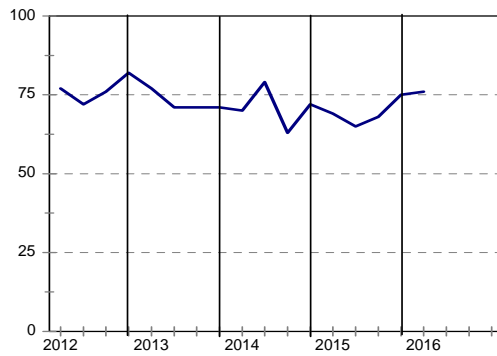
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	15Q2	15Q3	15Q4	16Q1	16Q2*
Business confidence ³	55	43	32	52	
Change in business conditions ¹	-27	-21	-40	-34	0
Growth in construction activity ¹	-30	-40	-52	-42	4
Growth in number of people employed ¹	-21	-30	-42	-34	4
Growth in profitability of the business ¹	-40	-33	-54	-42	-4
Tendering competition ¹	59	63	46	73	
Percentage rating shortage of skilled labour a constraint ²	42	30	38	40	
Percentage rating inadequate supply of construction materials a constraint ²	22	25	27	27	
Percentage rating insufficient demand for construction work a constraint ²	65	64	65	72	
Percentage rating firm's inadequate access to credit a constraint ²	21	26	28	23	

* Expected.

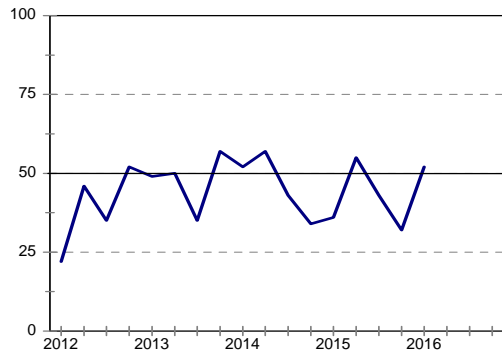
¹ Net balance.

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.

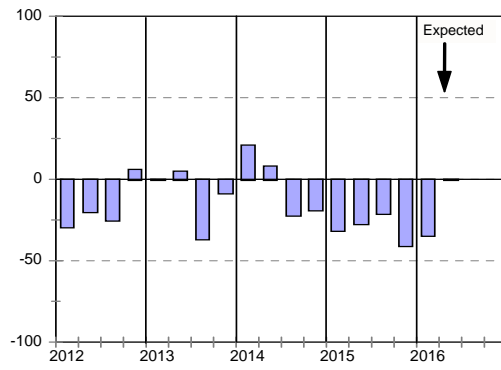
³ Percentage gross rating prevailing business conditions as satisfactory.

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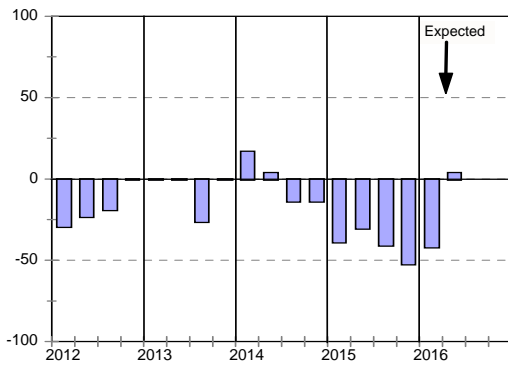
Business confidence



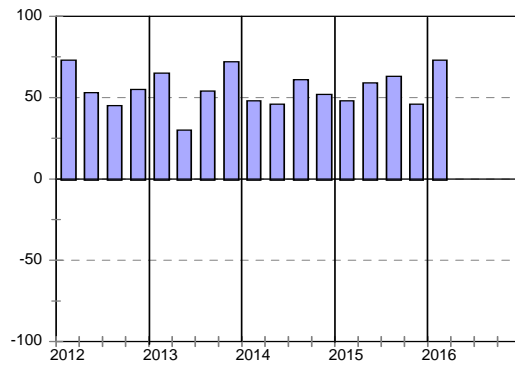
Change in business conditions



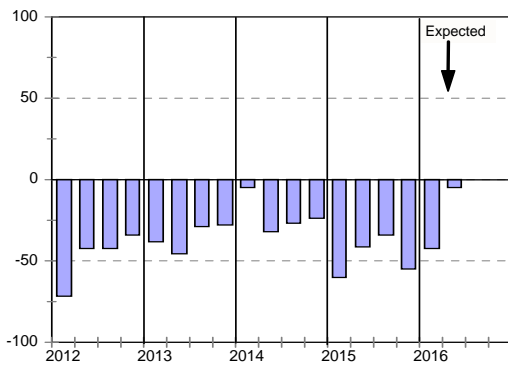
Growth in construction activity



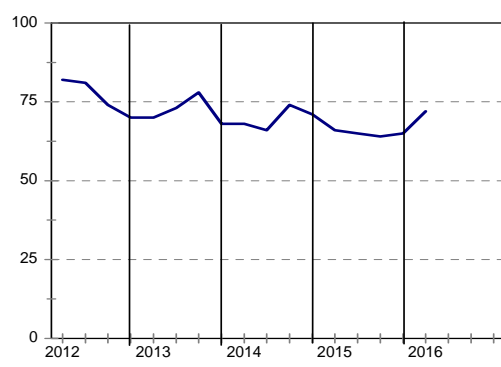
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	15Q2	15Q3	15Q4	16Q1	16Q2*
Business confidence ³	29	25	36	24	
Change in business conditions ¹	-44	-25	-39	-57	-31
Growth in construction activity ¹	-33	-25	-62	-57	-33
Growth in number of people employed ¹	-18	-16	-25	-47	-28
Growth in profitability of the business ¹	-34	-42	-37	-52	-38
Tendering competition ¹	33	42	33	24	
Percentage rating shortage of skilled labour a constraint ²	61	63	50	35	
Percentage rating inadequate supply of construction materials a constraint ²	25	21	11	19	
Percentage rating insufficient demand for construction work a constraint ²	75	75	77	83	
Percentage rating firm's inadequate access to credit a constraint ²	36	38	35	30	

* Expected.

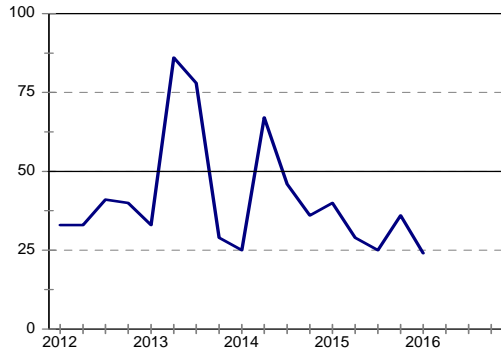
¹ Net balance.

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.

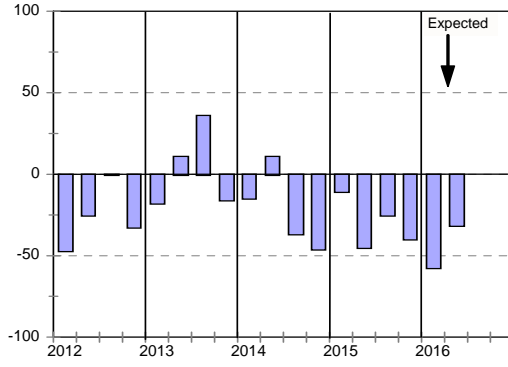
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

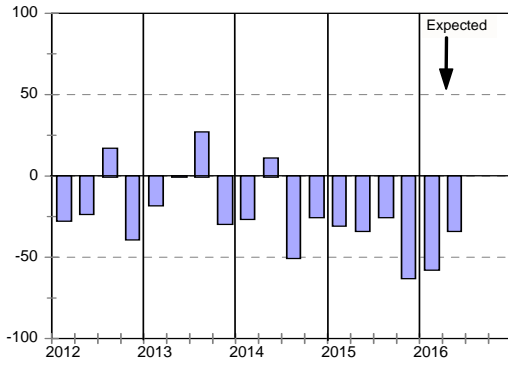
Business confidence



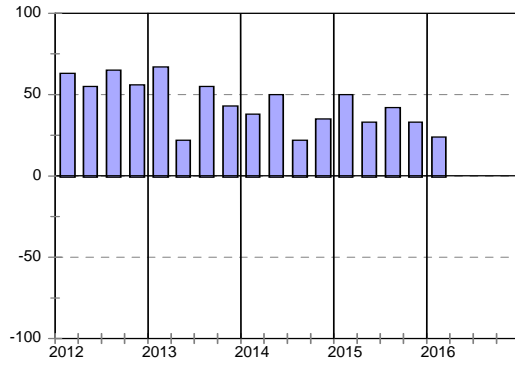
Change in business conditions



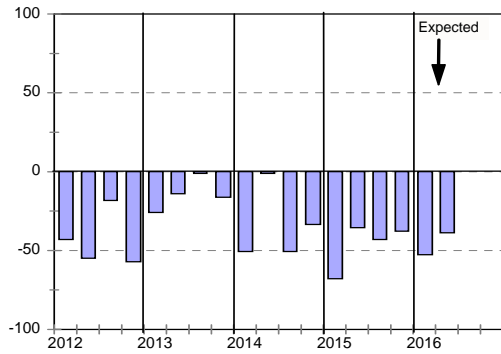
Growth in construction activity



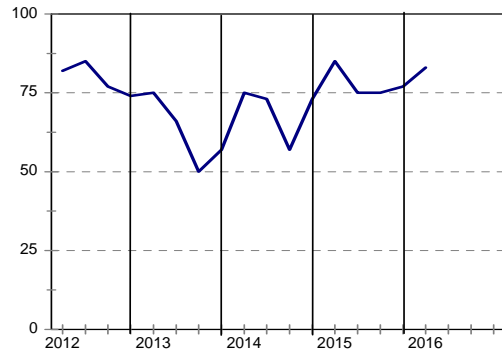
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	15Q2	15Q3	15Q4	16Q1	16Q2*
Business confidence ³	58	52	28	37	
Change in business conditions ¹	-11	-15	-48	-42	-4
Growth in building activity ¹	-37	-33	-60	-54	-8
Growth in number of people employed ¹	-8	-12	-48	-46	-12
Growth in profitability of the business ¹	-31	-27	-56	-57	-20
Tendering competition ¹	32	56	63	39	
Percentage rating shortage of skilled labour a constraint ²	32	33	37	29	
Percentage rating inadequate supply of building materials a constraint ²	16	35	33	27	
Percentage rating insufficient demand for building work a constraint ²	73	61	72	64	
Percentage rating firm's inadequate access to credit a constraint ²	30	41	44	27	

* Expected.

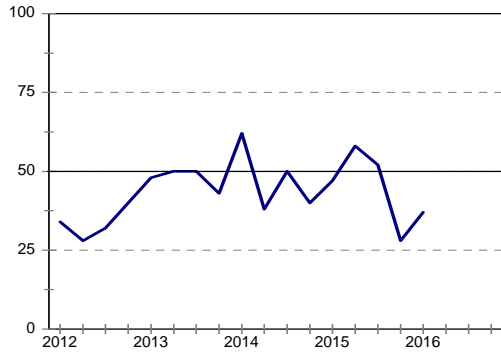
¹ Net balance.

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.

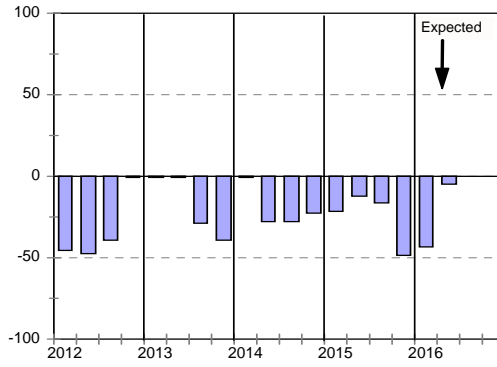
³ Percentage gross rating prevailing business conditions as satisfactory.

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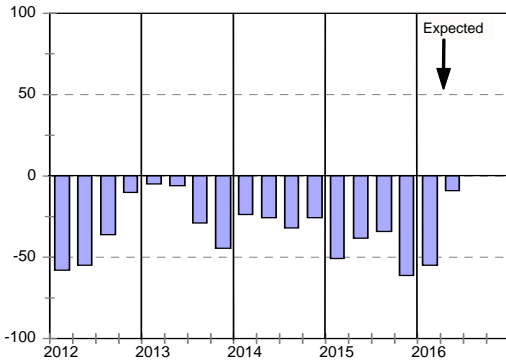
Business confidence



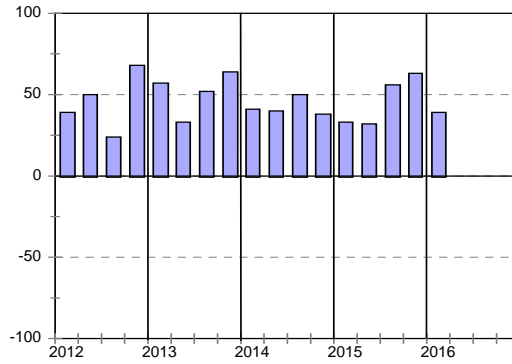
Change in business conditions



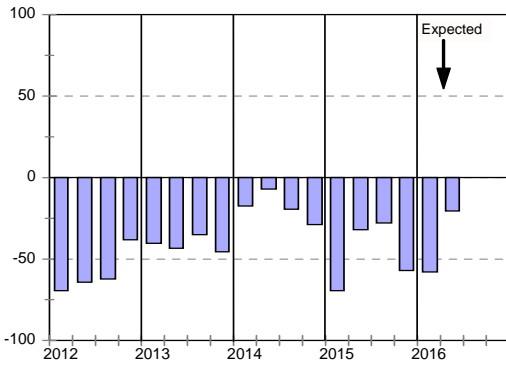
Growth in construction activity



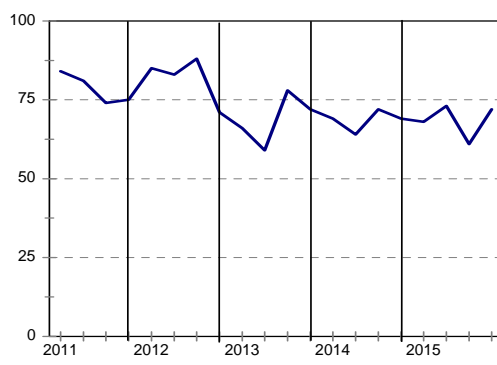
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	15Q2	15Q3	15Q4	16Q1	16Q2*
Business confidence ³	50	56	52	50	
Change in business conditions ¹	-31	-19	-34	-41	-23
Growth in construction activity ¹	-38	-36	-60	-71	-35
Growth in number of people employed ¹	-31	-11	-56	-59	-38
Growth in profitability of the business ¹	-60	-33	-72	-76	-47
Tendering competition ¹	35	46	28	56	
Percentage rating shortage of skilled labour a constraint ²	58	44	44	64	
Percentage rating inadequate supply of construction materials a constraint ²	36	39	32	38	
Percentage rating insufficient demand for construction work a constraint ²	61	70	64	84	
Percentage rating firm's inadequate access to credit a constraint ²	47	37	40	52	

* Expected.

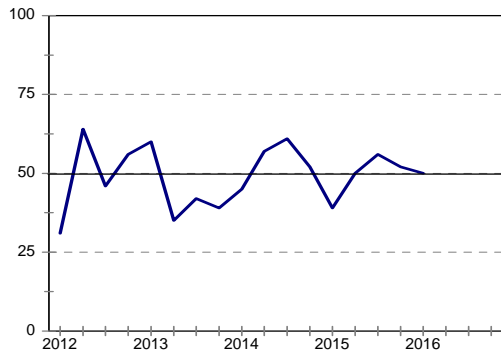
¹ Net balance.

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.

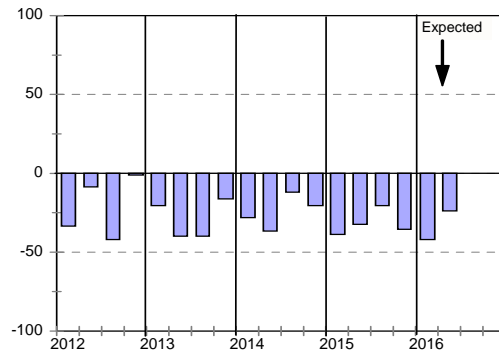
³ Percentage gross rating prevailing business conditions as satisfactory.

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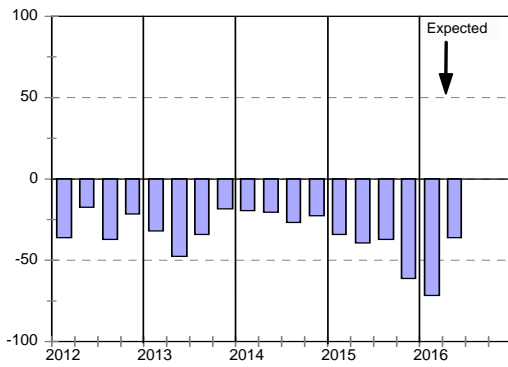
Business confidence



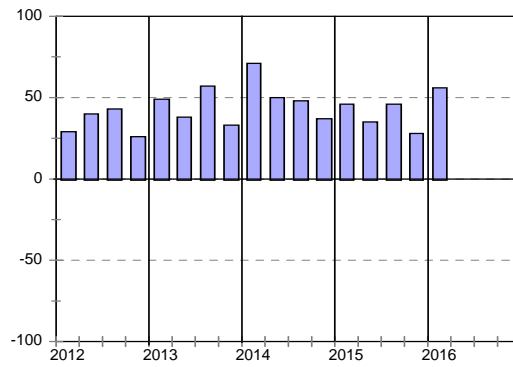
Change in business conditions



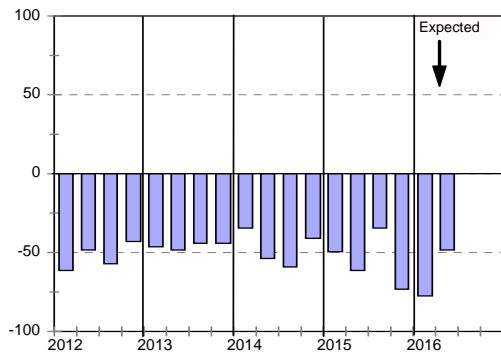
Growth in construction activity



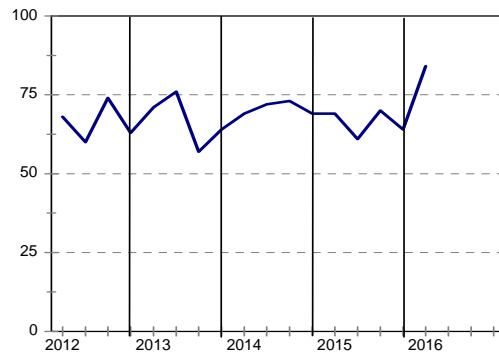
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	15Q2	15Q3	15Q4	16Q1	16Q2*
Business confidence ³	75	41	55	50	
Change in business conditions ¹	20	-4	-23	-30	-10
Growth in construction activity ¹	25	-38	-13	-45	-11
Growth in number of people employed ¹	5	-25	-5	-5	5
Growth in profitability of the business ¹	-15	-38	-18	-37	-16
Tendering competition ¹	35	45	45	60	
Percentage rating shortage of skilled labour a constraint ²	47	50	61	57	
Percentage rating inadequate supply of construction materials a constraint ²	25	18	22	32	
Percentage rating insufficient demand for construction work a constraint ²	50	63	66	60	
Percentage rating firm's inadequate access to credit a constraint ²	15	15	16	15	

* Expected.

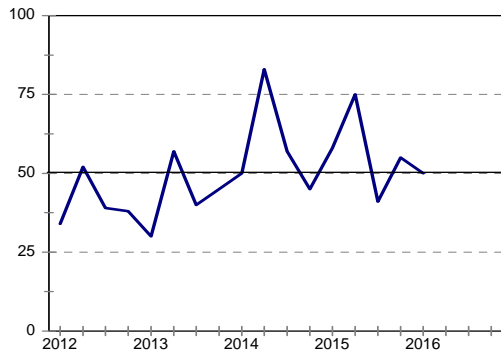
¹ Net balance.

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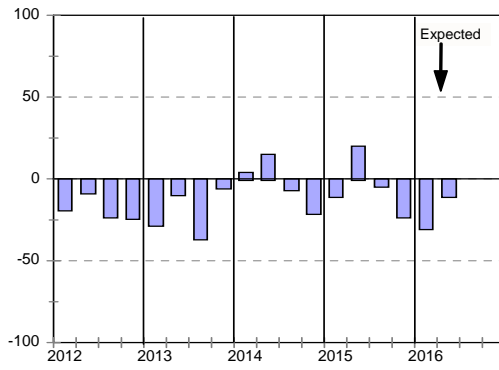
³ Percentage gross rating prevailing business conditions as satisfactory.

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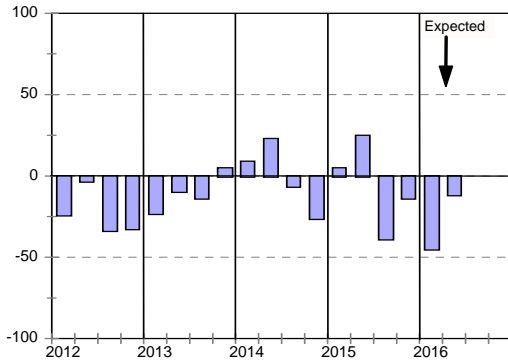
Business confidence



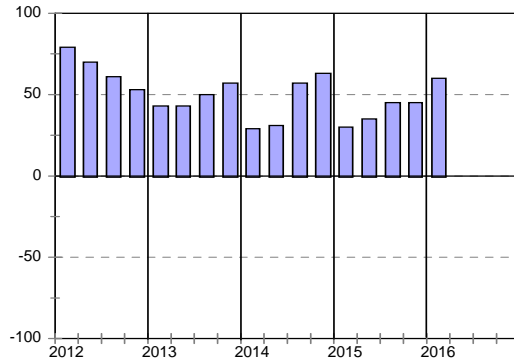
Change in business conditions



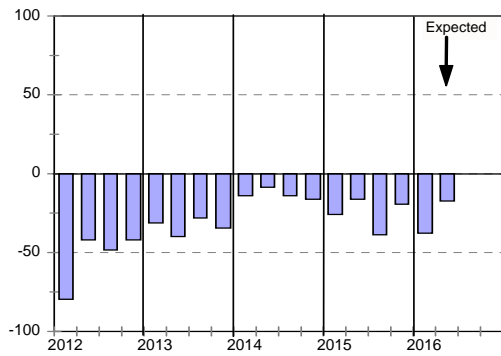
Growth in construction activity



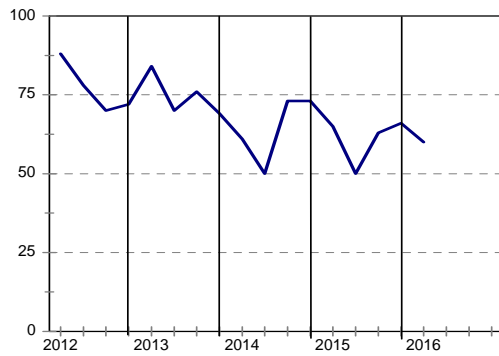
Tendering competition



Growth in profitability



Insufficient building work demand



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