



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

1

2017



University of Stellenbosch

cidb Survey Results: 2017Q1

March 2017

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

The business confidence of general buildings (GB) remained virtually unchanged at 46 index points during the first quarter of 2017. GBs remained pessimistic primarily against the backdrop of weaker activity growth. On the positive side, a slightly less hostile tendering environment helped alleviate some of the pressure on profitability.

Contrary to 2016Q4, the smaller Grades 3 & 4 builders were optimistic above the rest, as indicated by the 20-point rebound in confidence. For Grades 5 & 6 and Grades 7 & 8 builders, sentiment deteriorated to pessimistic levels. For Grades 7 & 8 in particular, a majority of 67% of respondents rated prevailing business conditions as unsatisfactory.

Although general builders in the Western Cape registered a marginal fall in sentiment, at a confidence level of 64, they still outperformed their provincial peers. During the quarter, sentiment improved only for general builders in Gauteng.

Civil Contractors

After a flat trajectory during the full year of 2016, the confidence of civil engineers (CE) sustained a 4-point drop to 37 index points in 2017Q1. Sentiment worsened as profitability came under more pressure, in line with weaker activity and more intense tendering competition. Against these harsh conditions, civil contractor confidence fell across the board for the different grades and in all four provinces.

Across all three grades, confidence levels dipped further below 50 points. Although Grades 3 & 4 registered the most pronounced drop in confidence (-10), the worst level was recorded for Grades 7 & 8 contractors at 25 points. Grades 5 & 6 civil contractors were comparatively the least pessimistic.

Western Cape civil contractor confidence remained above the other three provinces, albeit unchanged at 50 points. Discouragingly, confidence in Gauteng and the Eastern Cape dropped significantly, to below their long-term averages.

In a nutshell, the cidb survey results showed that both the building and civil construction sectors remained under pressure in 2017Q1. Confidence levels in both sectors have been drifting below

the neutral 50-point mark since 2015Q3. Encouragingly for general builders, improved activity and profitability for Grades 3 & 4 contractors helped support sentiment. The picture for civil construction is more bearish, where key performance indicators worsened across all grades and provinces. A common feature in both sectors was that business conditions remained relatively most favourable in the Western Cape Province.

Table of contents

Introduction	1
2017Q1 cidb Survey Results	2
Building Industry.....	2
Total.....	2
Grades comparison.....	3
Grades 3 & 4.....	4
Grades 5 & 6.....	5
Grades 7 & 8.....	6
Provincial comparison.....	7
Eastern Cape	8
Gauteng.....	9
KwaZulu-Natal.....	10
Western Cape	11
Construction Industry.....	12
Total.....	12
Grades comparison.....	13
Grades 3 & 4.....	14
Grades 5 & 6.....	15
Grades 7 & 8.....	16
Provincial comparison.....	17
Eastern Cape	18
Gauteng.....	19
KwaZulu-Natal.....	20
Western Cape	21
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 2017Q1 survey was carried out during the period 30 January to 7 March 2017.

The analysis that follows provides a synopsis of the survey responses received in 2017Q1, according to grades and region 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.

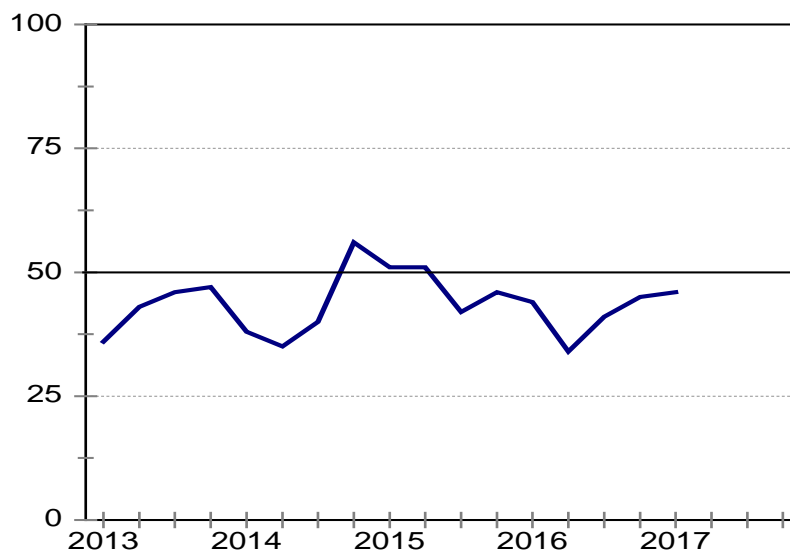
2017Q1 cidb Survey Results

Building Industry

Total

Building contractors confidence increased marginally from 45 to 46 in 2017Q1. Although business confidence for general builders sustained its upward momentum, the majority of respondents remained dissatisfied with current business conditions (see Figure 1).

Figure 1: Total
Business confidence



Confidence remained weakly supported, likely because profitability pressures eased back below the long-term average (negative net 46%). A smaller net majority of 45% attested to a slowdown in profitability, down from 50% in 2016Q4.

The more benign tendering environment likely supported the abatement of pressure on profitability. During 2017Q1, the indicator for tendering competition keenness fell to a net 44%, below its long-term average of 46%. In the previous quarter, the indicator was at 51%. It follows that the friendlier tendering environment possibly nudged tender prices higher during the quarter.

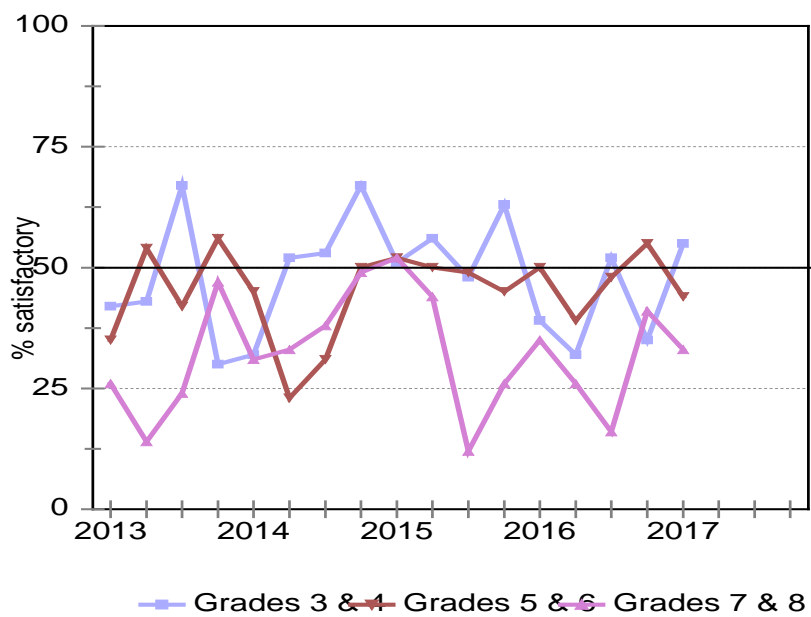
Looking ahead, general builders expect to see an improvement in business conditions for 2017Q2. This expectation is in line with the improved outlook for building activity and a further

easing in the constraint of insufficient demand for building work. Such an outcome should be supportive to profitability and employment.

Grades comparison

In contrast to the prior quarter, business sentiment improved significantly for Grades 3 & 4 who registered a notable uptick in confidence to above the key 50-point level. Conversely, Grades 5 & 6 and Grades 7 & 8 lost confidence and were more pessimistic.

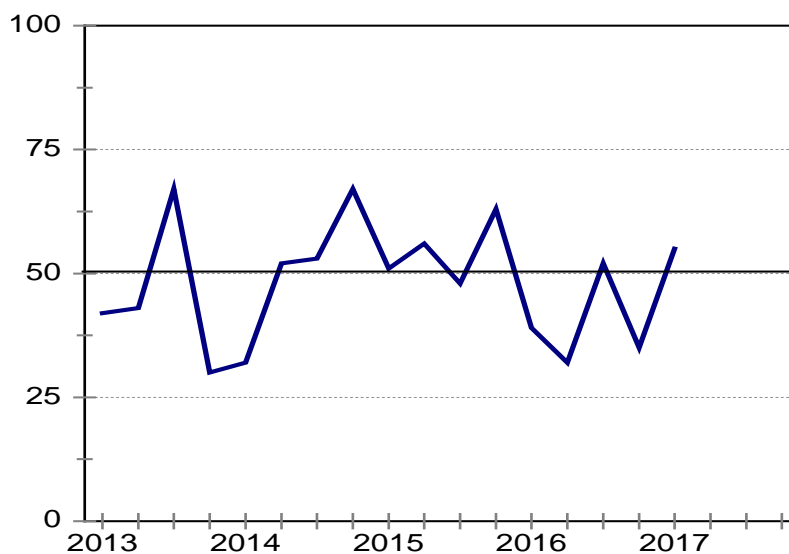
Figure 2: Business confidence per grade



Grades 3 & 4

After ending 2016 on a disappointing note, business confidence for Grades 3 & 4 general builders rebounded by 20 index points in 2017Q1 to 55.

Figure 3: Grades 3 & 4
Business confidence



Grades 3 & 4 enjoyed more favourable business conditions as building activity growth improved to its highest level in 2 years. During the first quarter of 2017, a lesser net majority of 22% of respondents saw weaker building activity growth, compared to 44% previously.

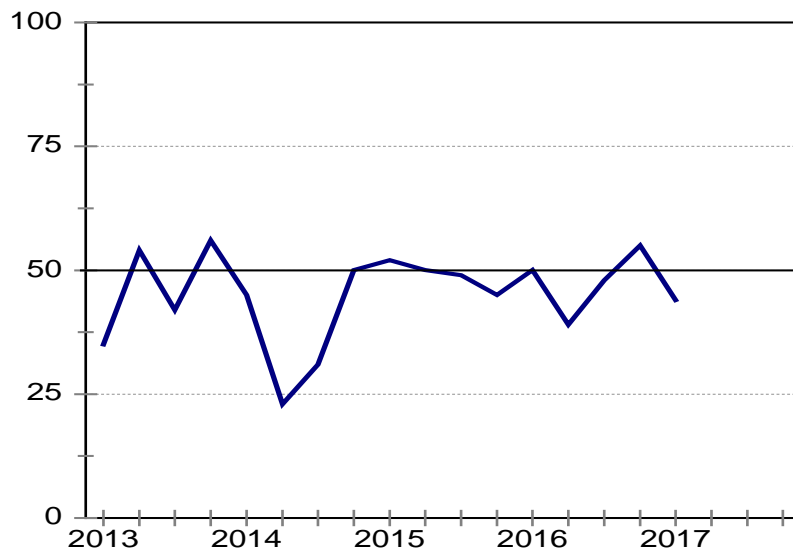
The improvement in building activity not only facilitated the alleviation of pressure on profitability, but also helped improve the employment picture somewhat. Indeed, the net majority of respondents which reported lower profitability fell below its long-term average of 43% to 40%, down from 60% in 2016Q4.

Grades 5 & 6

Among the three grades, Grades 5 & 6 general builders endured the sharpest drop in business confidence in 2017Q1. After ending 2016 at a three-year high of 55 index points, confidence fell steeply to 44 (see Figure 4).

Figure 4: Grades 5 & 6

Business confidence

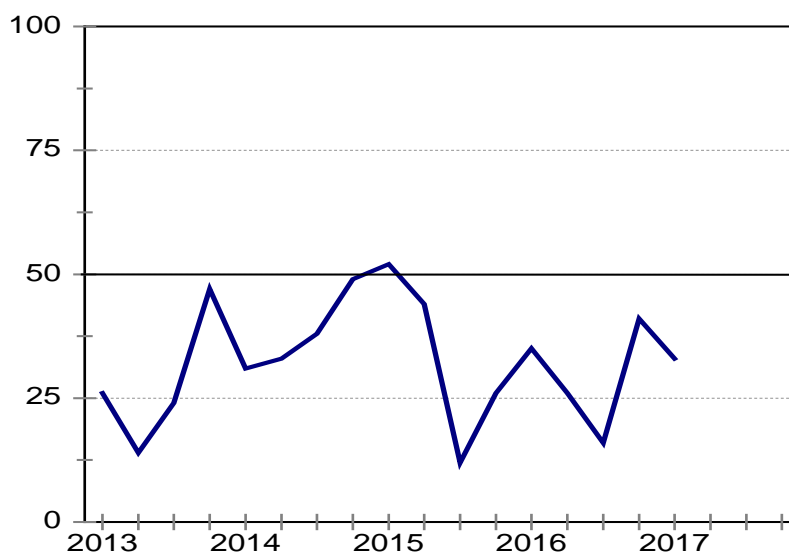


The deterioration in confidence was broad-based across all the key performance indicators. Building activity slowed substantially. During the quarter, a higher net majority of 41% of respondents reported a decline in activity compared to a year ago, from a 19% negative net last quarter. This outcome was unfavourable for profitability, where a higher net 46% of respondents endured weakness in profitability (previously a 29% negative net).

Grades 7 & 8

Business confidence for Grades 7 & 8 builders also declined in 2017Q1, dropping by 8 index points to 33. This implies that 67% of respondents were dissatisfied with prevailing business conditions.

Figure 5: Grades 7 & 8
Business confidence

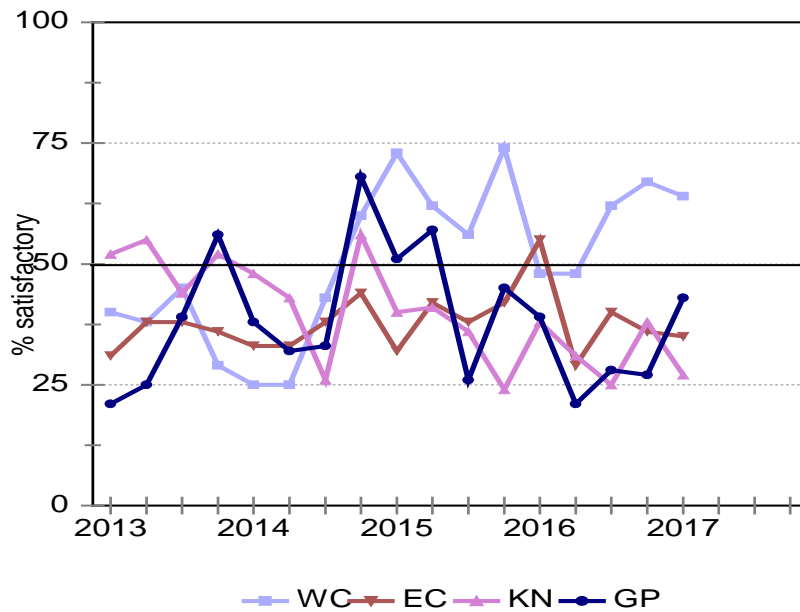


The knock in confidence during the quarter came on the back of a slump in building activity growth. A net majority of 66% of respondents reported weaker activity, compared to 52% previously. This is the lowest level since 2010Q3. The elevated number of respondents who rated insufficient demand for building work as a constraint (at 75%) suggests activity will remain under pressure going forward.

Provincial comparison

At the provincial level, only general builders in the Western Cape remained optimistic in 2017Q1, albeit to a lesser extent. Unfortunately, for the other three provinces, confidence remained in generally pessimistic territory, even though Gauteng registered an improvement.

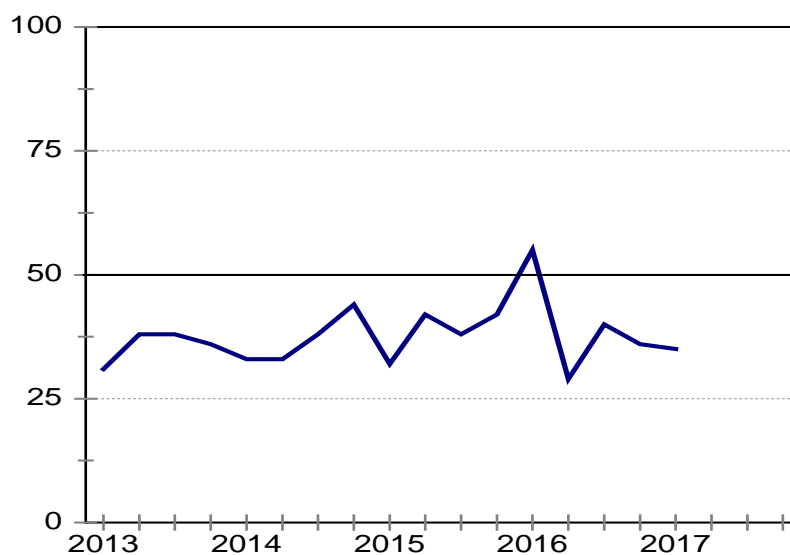
Figure 6: Business confidence per province



Eastern Cape¹

At 35 index points, general builders confidence remained relatively flat and in line with its long-term average of 34.

Figure 7: Eastern Cape
Business confidence



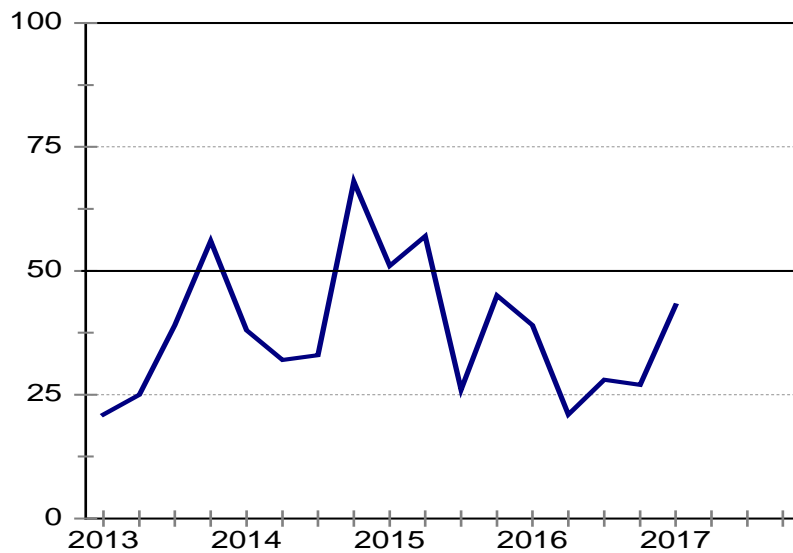
Although there were improvements in some of the underlying indicators, building contractors in the Eastern Cape remain under a great deal of pressure.

¹ Volatility in indicators could be due to the relatively smaller number of respondents from the province.

Gauteng

Only general builders in Gauteng registered an uptick in business confidence. After ending 2016 at a depressed level of 27 index points, confidence increased to 43 in 2017Q1.

Figure 8: Gauteng
Business confidence



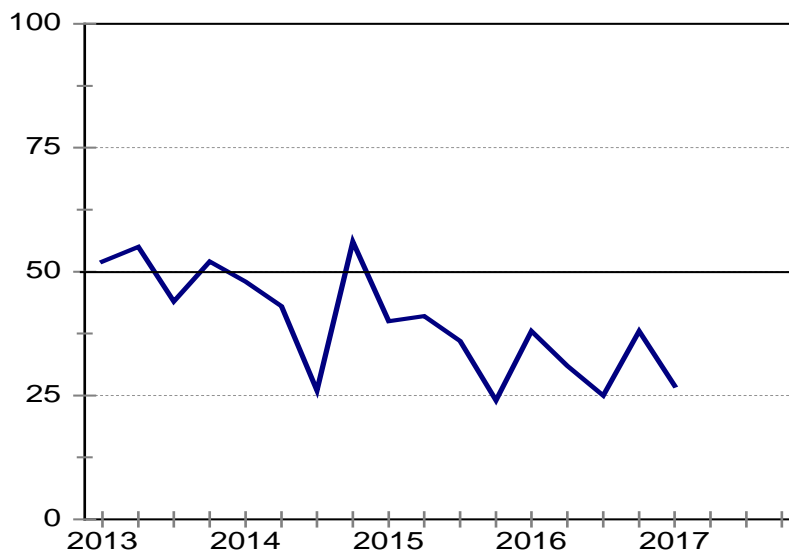
Building activity momentum improved amidst better business conditions. A net 33% of respondents reported lower building activity, down from a negative 48% in 2016Q4. This helped ease pressure on profitability and employment. The net majority of respondents indicating a slowdown in profitability fell from 48% previously to 33% in Q1 - its lowest level since 2015Q3.

Further supporting the uptick in business confidence was an overall easing in constraints to business operations during the quarter.

KwaZulu-Natal

For building contractors in KwaZulu-Natal, business confidence fell to 27 points, down from 38 in 2016Q4. At this level, more than 7 out of 10 respondents were dissatisfied with prevailing business conditions during 2017Q1.

Figure 9: KwaZulu-Natal
Business confidence

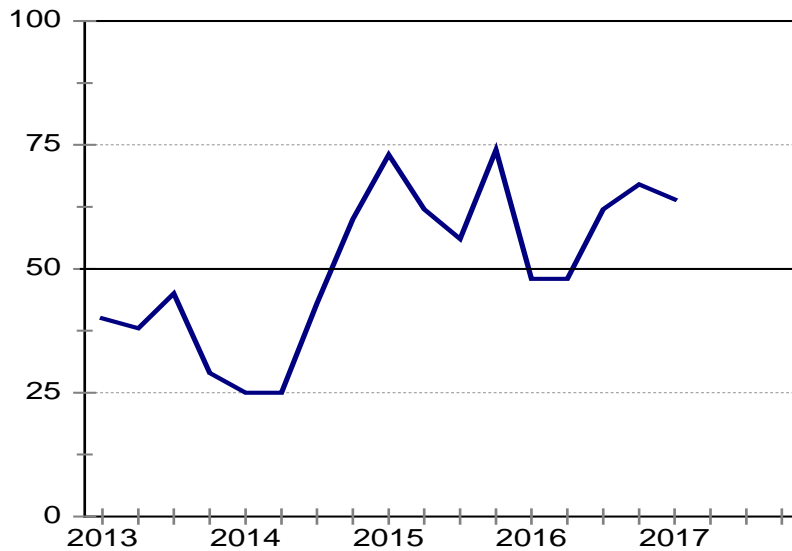


During the quarter, weaker building activity exerted more pressure on profitability. A larger net majority of 62% of respondents noted a slowdown in building activity, up from a net negative 41% in the previous quarter. Building activity is likely to remain under pressure in the near term as highlighted by the uptick in respondents who rated insufficient demand for building work as a constraint.

Western Cape

Although business sentiment remained optimistic for Western Cape general builders in 2017Q1, confidence edged down to 64 index points, from 67 points previously.

Figure 10: Western Cape
Business confidence



During the quarter, key underlying performance indicators fell into net negative territory after being positive in the previous quarter. For building activity, a net majority of 21% of respondents saw a slowdown in 2017Q1 compared to 2016Q1, following a net 5% which reported higher activity previously. Against this backdrop, pressure on profitability mounted, and led to some curtailment in employment. Indeed, a net majority of 8% of respondents reported lower employment, down from a net 14% which reported higher employment in the previous quarter.

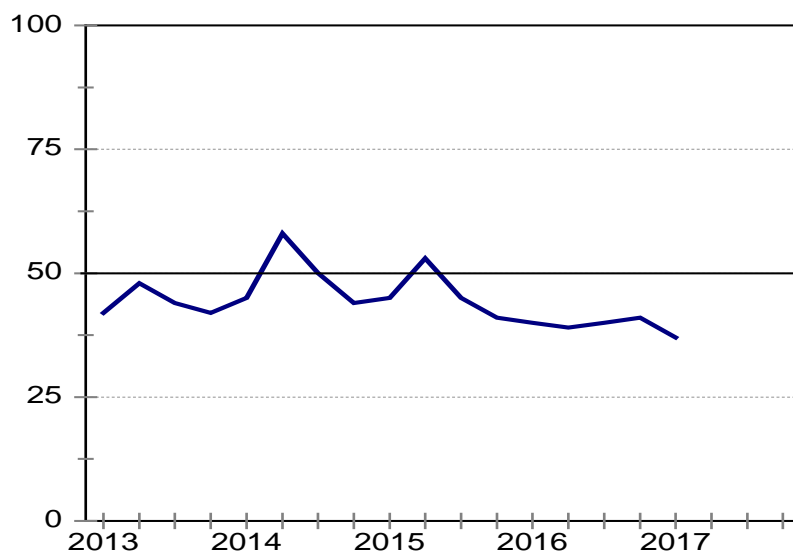
Going forward, general builders in the Western Cape are optimistic about the next quarter. Improved activity growth could be supported by the easing in the constraint rating insufficient demand for work, as well as less intense tendering competition.

Construction Industry

Total

Civil contractors started 2017 on a weak note, as business confidence dropped to 37 index points in Q1, from 41 in 2016Q4. This implies that more than 6 out of every 10 respondents were dissatisfied with prevailing business conditions during the quarter.

Figure 11: Total
Business confidence



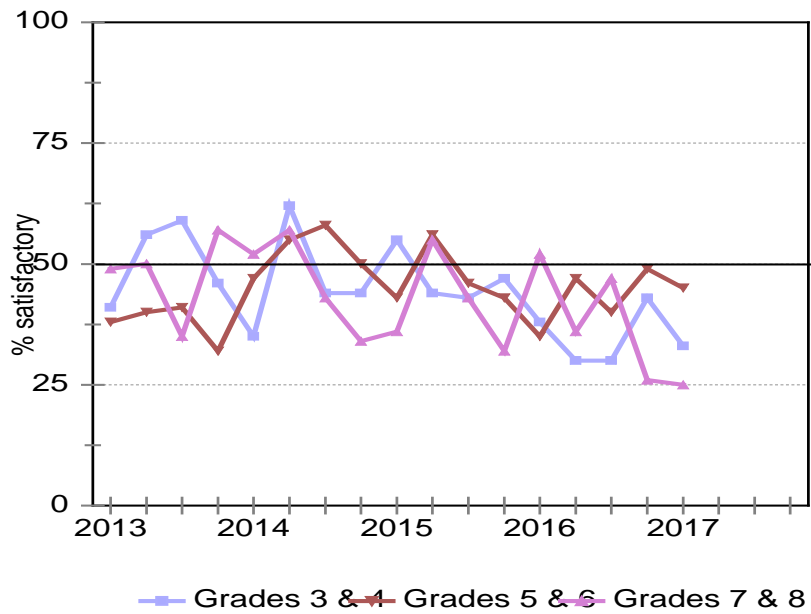
Business conditions worsened in line with weak activity and poorer profitability. Furthermore, tendering competition intensified to an elevated net 52% in 2017Q1. Momentum in building activity slowed. A net 48% of respondents reported weaker activity, up from a 39% negative net in 2016Q4. Consequently, a higher net majority of 47% suffered lower profitability growth in 2017Q1, from 40% previously.

Going forward, there is very little that suggests a positive turnaround in the fortunes of civil contractors. Indeed, the proportion of respondents rating insufficient demand for work as a constraint to business operations jumped to 77%, the highest levels since 2012Q2. This suggests continued pressure on activity.

Grades comparison

Business confidence in the civil sector deteriorated further below the neutral 50-point mark across all grades. Although Grades 3 & 4 civil contractors saw the sharpest drop in sentiment (-10), Grades 7 & 8 were the most pessimistic during 2017Q1.

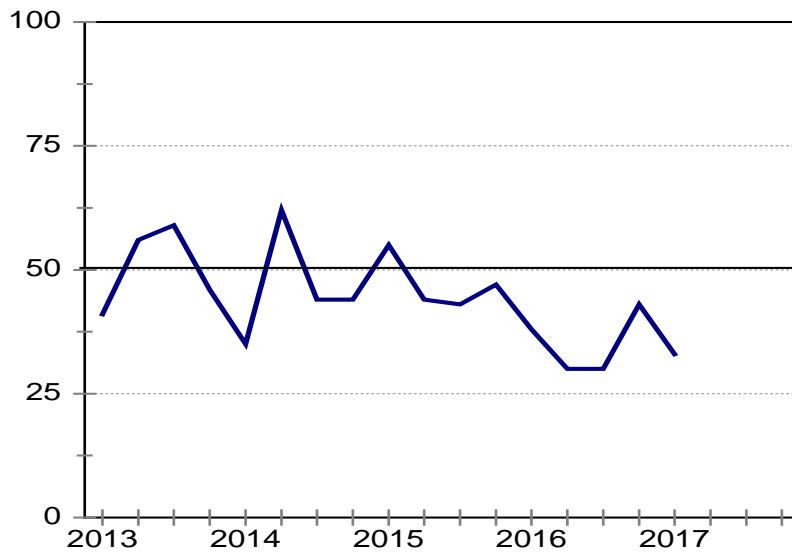
Figure 12: Business confidence per grade



Grades 3 & 4

After an encouraging improvement in business sentiment last quarter, Grades 3 & 4 contractor confidence dropped sharply by 10 points to 33 in 2017Q1.

Figure 13: Grades 3 & 4
Business confidence



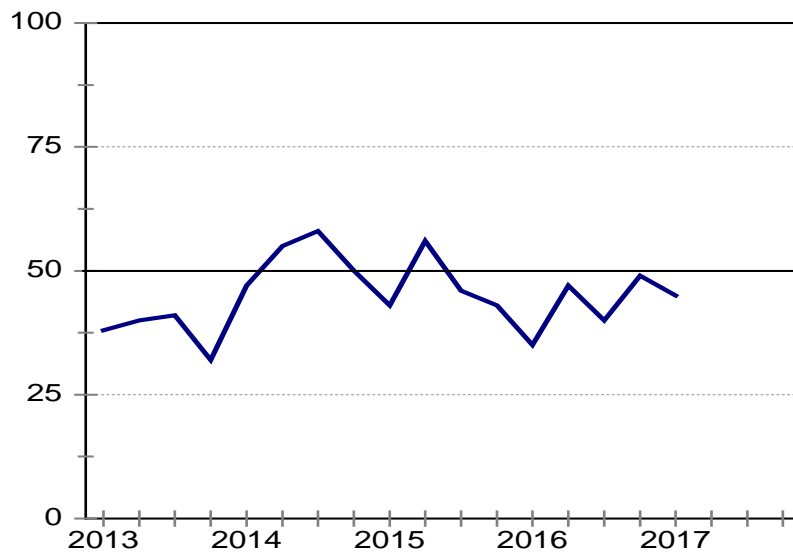
Disconcertingly, the net majority of respondents which reported a slowdown in construction activity jumped to an all-time high of 71% in 2017Q1, up from a 50% negative net previously. In response to this, overall profitability and employment suffered to levels below their long-term averages. A higher net majority of 55% saw weaker profitability, relative to a negative 46% in 2016Q4. The steep jump in tendering competition intensity also likely added more pressure on profitability.

The outlook for construction activity for Grades 3 & 4 civil contractors is also clouded. The indicator rating insufficient demand for construction work as a constraint trended higher to 66%, only one point shy of the long-term average.

Grades 5 & 6

During 2017Q1, business confidence for Grades 5 & 6 civil contractors dipped by 4 index points to 45. This group was the least pessimistic relative to the other grades.

Figure 14: Grades 5 & 6
Business confidence

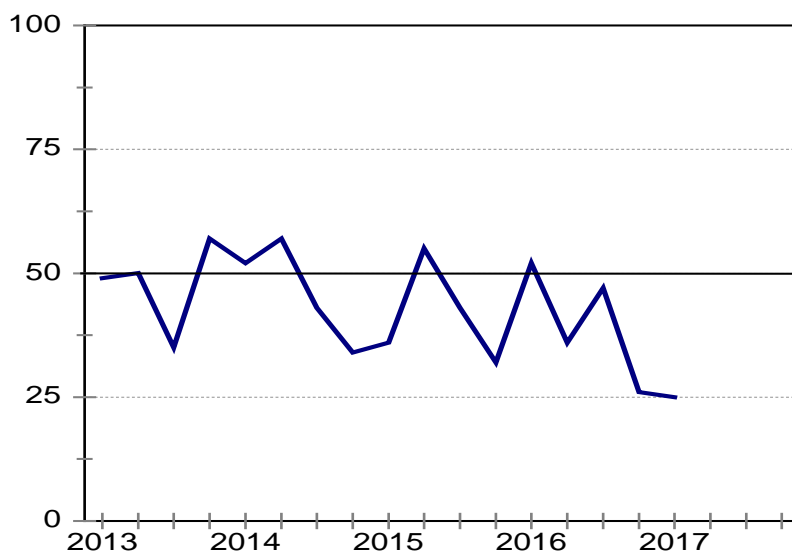


Contrary to the previous quarter, tendering competition intensified. As a result, profitability came under more pressure and weighed on sentiment. Insufficient demand for construction work was also more of a constraint to business conditions. The proportion of respondents who found it more constraining increased from 67% to 78%. This marks its highest level since 2014Q3 and does not bode well for construction activity prospects.

Grades 7 & 8

In 2017Q1, business confidence was largely unchanged at 25 index points for Grades 7 & 8 contractors (1 point weaker than previously). With 7 out of 10 respondents dissatisfied with prevailing business conditions, they remained the most pessimistic across the three grades.

Figure 15: Grades 7 & 8
Business confidence



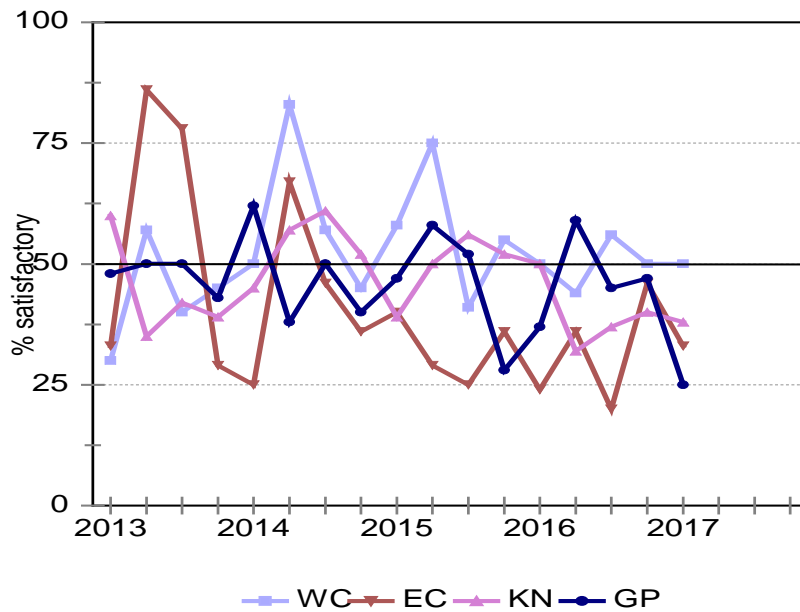
Business conditions worsened as lacklustre construction activity pulled profitability lower. During the quarter, a 61% net majority of respondent encountered poorer activity growth – this marks the worst level in nearly 6 years. In 2016Q4, it was a 31% negative net. As a result, profitability suffered to a 2-year low as a net 56% attested to weaker profits, up from a 48% negative net previously.

Unfortunately, construction activity is likely to remain under pressure in the near term. The proportion of respondents who rated insufficient demand for building work as a constraint jumped even higher in 2017Q1 to 81%, from 72% previously.

Provincial comparison

Business confidence in the Western Cape remained unchanged at 50 index points. The largest drop in sentiment was registered in Gauteng (-22), followed by the Eastern Cape (-13). Civil contractors in KwaZulu-Natal saw a slight 2-point drop in confidence.

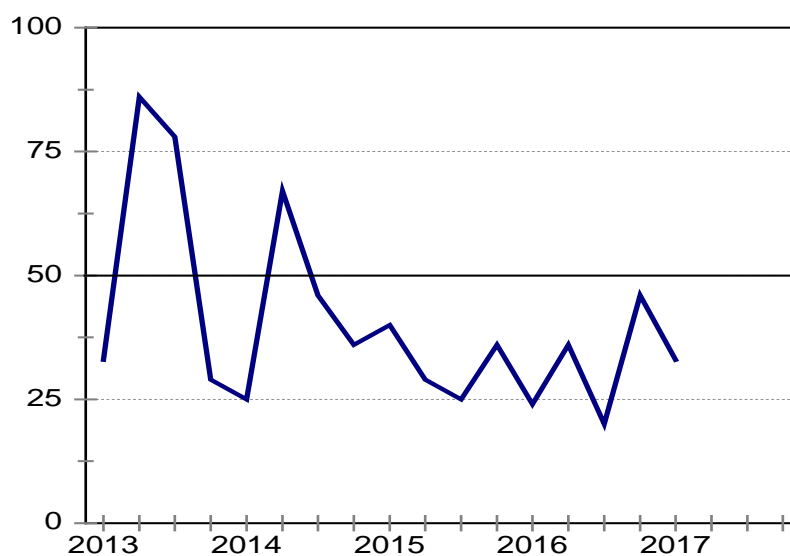
Figure 16: Business confidence per province



Eastern Cape

After jumping to a 2-year high of 46 points in 2016Q4, business confidence fell to 33 points in 2017Q1.

Figure 17: Eastern Cape
Business confidence



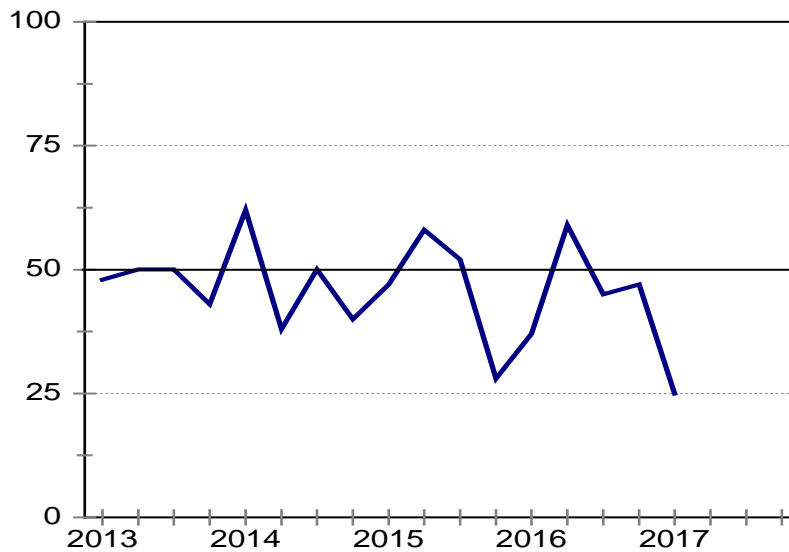
Eastern Cape civil contractors continued to be under pressure, with suppressed activity levels and a hostile tendering environment. Pressure on profitability also continued to mount.

Insufficient demand for construction work was more constraining during the quarter. This implies that construction activity could remain under pressure in the near term.

Gauteng

The confidence of Gauteng civil contractors fell the most, by 22 index points, to 25 during the first quarter of 2017. At this level, an overwhelming majority of 75% were dissatisfied with prevailing business conditions.

Figure 18: Gauteng
Business confidence



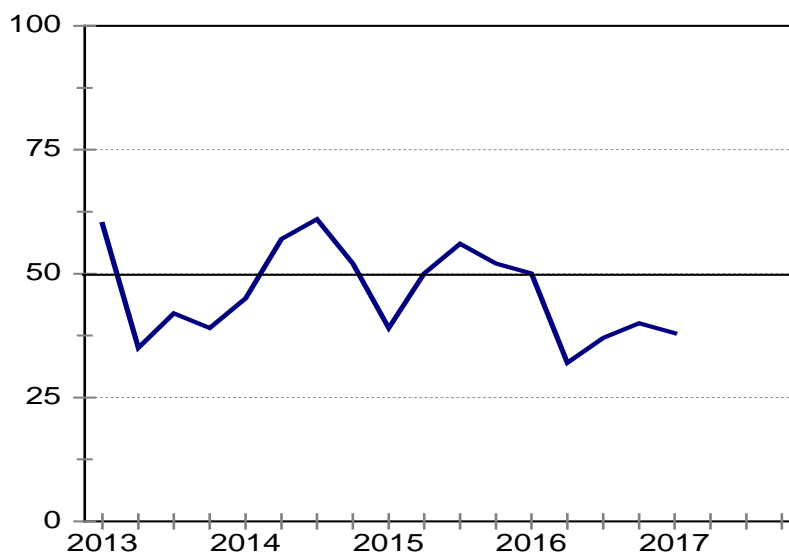
A broad-based deterioration in underlying indicators justified the plunge in confidence. Unfortunately, construction activity lost momentum significantly as a net 60% reported a slowdown, up from 50% in 2016Q4. Consequently, profitability declined. The net majority of respondents who encountered lower profits rose to 67% in 2017Q1 - its worst level since 2015Q2, from a negative 43%.

Going forward, activity is likely to remain under pressure in the near future. The rating of insufficient demand for construction work as a constraint to business operations heightened near the all-time high to 82% during the quarter, from 66% previously.

KwaZulu-Natal

Business confidence edged down by 2 points to 38 index points in 2017Q1.

Figure 19: KwaZulu-Natal
Business confidence



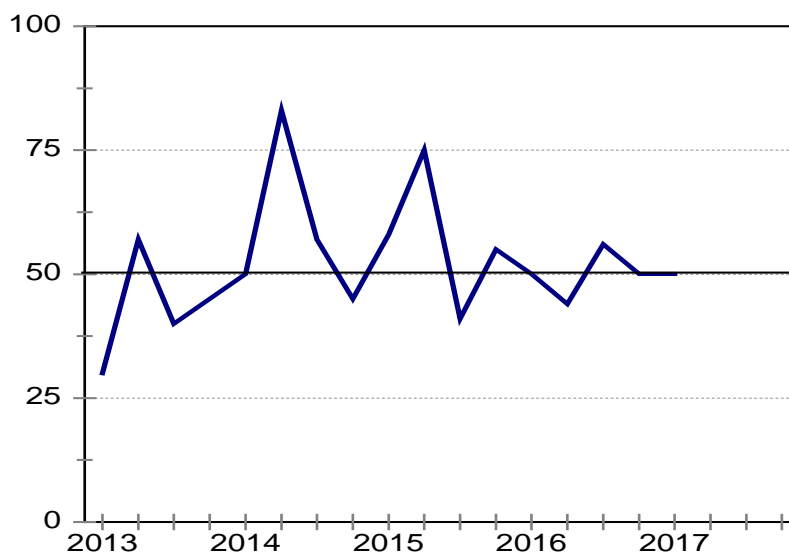
Tendering competition intensified and weighed on sentiment during the quarter. A greater net majority of 52% of respondents deemed the tendering environment more hostile during the quarter, up from 38% previously.

Adding to the negative picture, 78% of respondents found insufficient demand for construction work to be more of a constraint, up from 67% in 2016Q4. With this constraint currently above the long-term average, it suggests that activity momentum could be constrained in the near term.

Western Cape

Confidence remained unchanged at 50 points during the first quarter of 2017.

Figure 20: Western Cape
Business confidence



Confidence likely remained unchanged in line with slightly better expectations for the coming quarter. During 2017Q1, however, business conditions worsened on the back of a slowdown in construction activity and an intensely competitive tendering environment.

The net majority of respondents which encountered a hostile tendering environment jumped close to the all-time high to 87% during the quarter, from 42% in 2016Q4. Furthermore, constraints to business operations were mostly higher during the quarter.

cidb Building Contractor: Survey Results

Building Contractors : Total

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	34	41	45	46	
Change in business conditions ¹	-45	-34	-29	-36	-13
Growth in building activity ¹	-47	-41	-35	-39	-9
Growth in number of people employed ¹	-32	-34	-27	-34	-14
Growth in profitability of the business ¹	-54	-45	-50	-45	-19
Tendering competition ¹	55	54	51	44	
Percentage rating shortage of skilled labour a constraint ²	51	45	55	46	
Percentage rating inadequate supply of building materials a constraint ²	25	23	23	20	
Percentage rating insufficient demand for building work a constraint ²	79	71	67	63	
Percentage rating firm's inadequate access to credit a constraint ²	26	29	36	24	

* Expected.

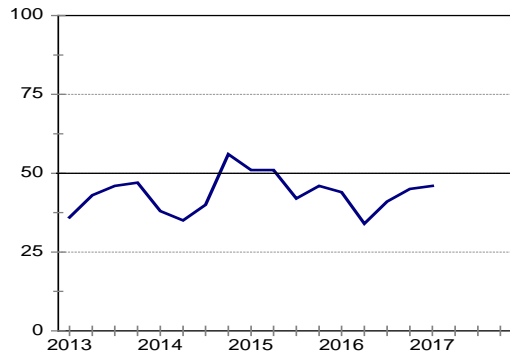
¹ Net balance.

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.

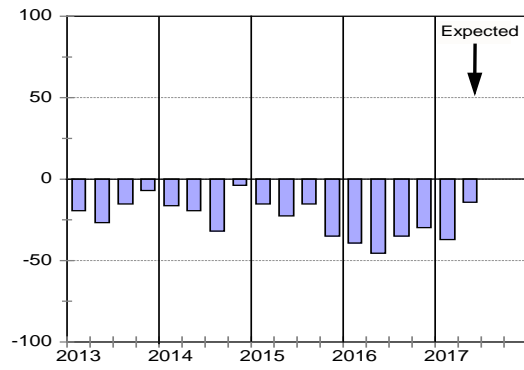
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

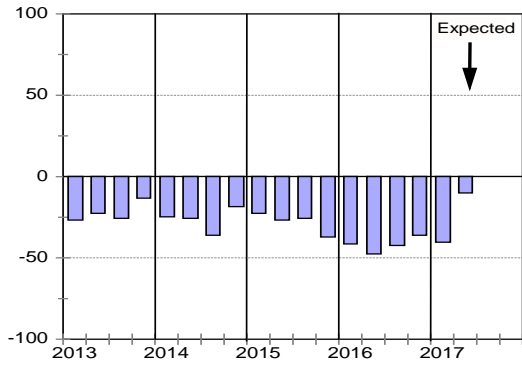
Business confidence



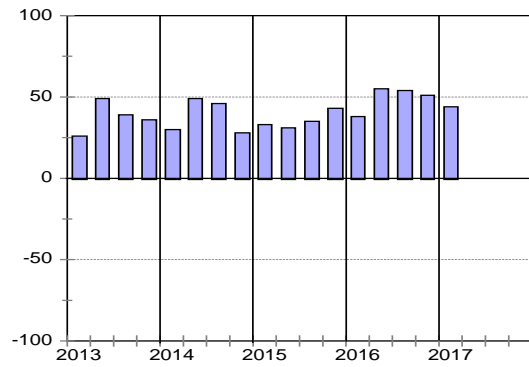
Change in business conditions



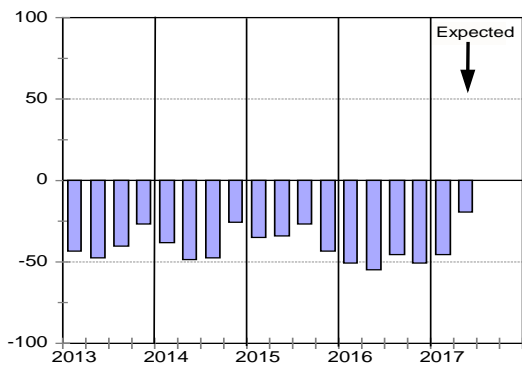
Growth in building activity



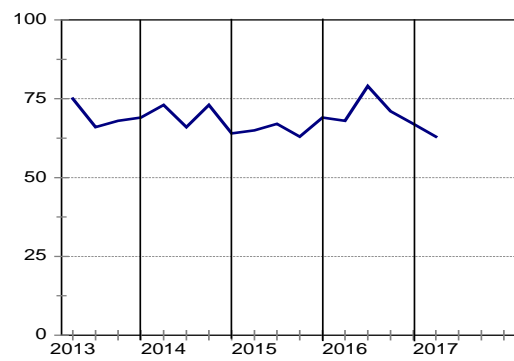
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	32	52	35	55	
Change in business conditions ¹	-50	-26	-41	-29	-11
Growth in building activity ¹	-31	-34	-44	-22	-4
Growth in number of people employed ¹	-32	-30	-37	-30	-15
Growth in profitability of the business ¹	-55	-38	-60	-40	-4
Tendering competition ¹	37	45	36	37	
Percentage rating shortage of skilled labour a constraint ²	31	44	57	41	
Percentage rating inadequate supply of building materials a constraint ²	18	29	22	25	
Percentage rating insufficient demand for building work a constraint ²	74	69	71	58	
Percentage rating firm's inadequate access to credit a constraint ²	26	31	50	30	

* Expected.

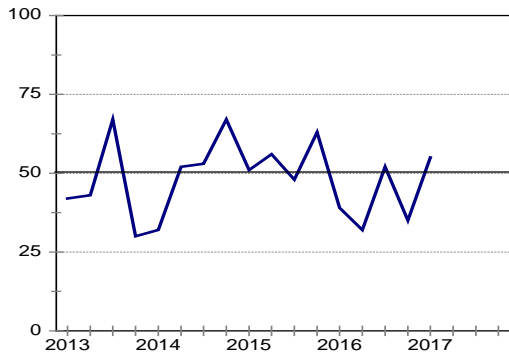
¹ Net balance.

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.

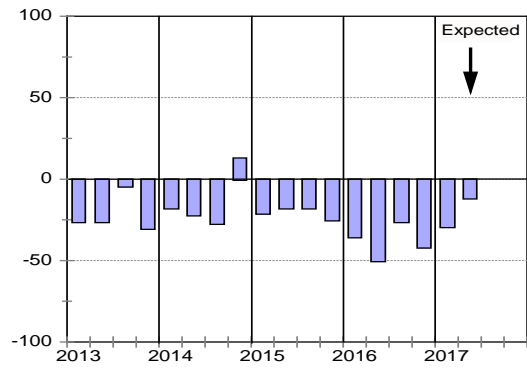
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

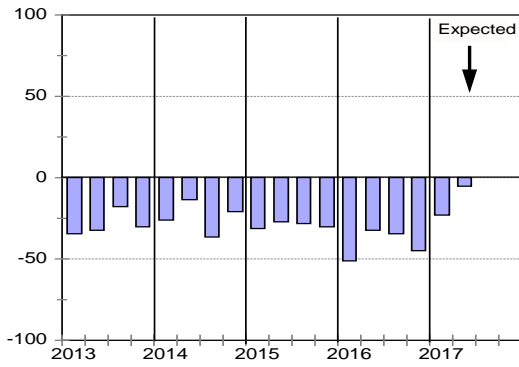
Business confidence



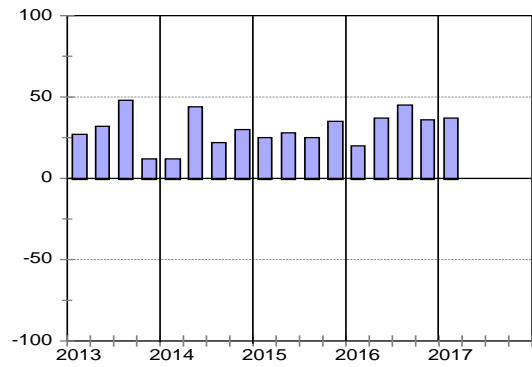
Change in business conditions



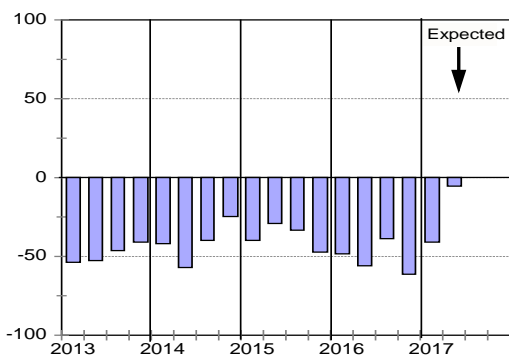
Growth in building activity



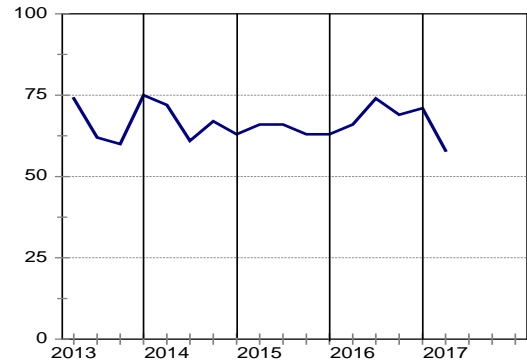
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	39	48	55	44	
Change in business conditions ¹	-50	-33	-7	-30	-13
Growth in building activity ¹	-46	-47	-19	-41	-14
Growth in number of people employed ¹	-27	-34	-9	-28	-12
Growth in profitability of the business ¹	-53	-53	-29	-46	-24
Tendering competition ¹	60	52	55	34	
Percentage rating shortage of skilled labour a constraint ²	52	46	59	50	
Percentage rating inadequate supply of building materials a constraint ²	24	17	23	16	
Percentage rating insufficient demand for building work a constraint ²	76	69	58	61	
Percentage rating firm's inadequate access to credit a constraint ²	22	31	35	26	

* Expected.

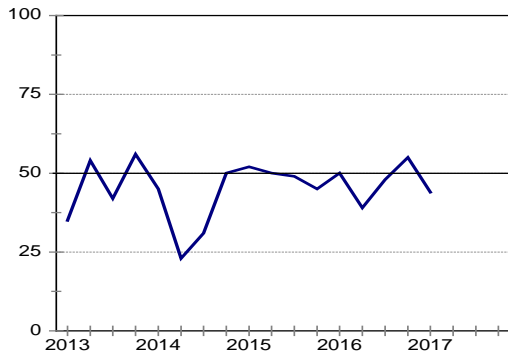
¹ Net balance.

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.

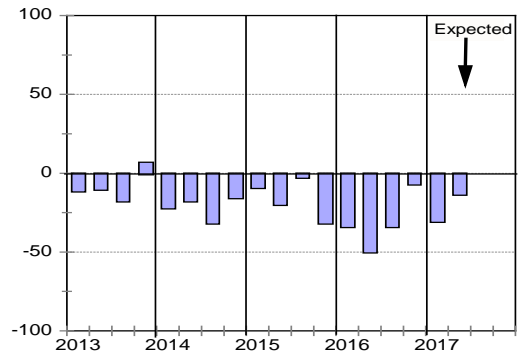
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

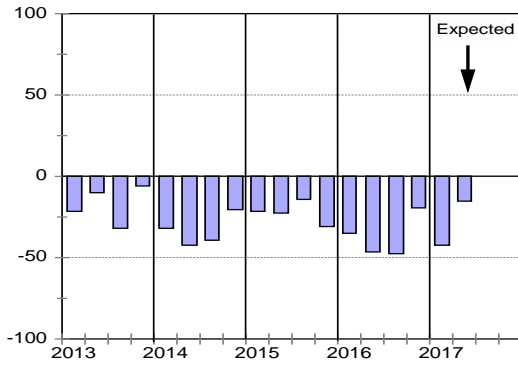
Business confidence



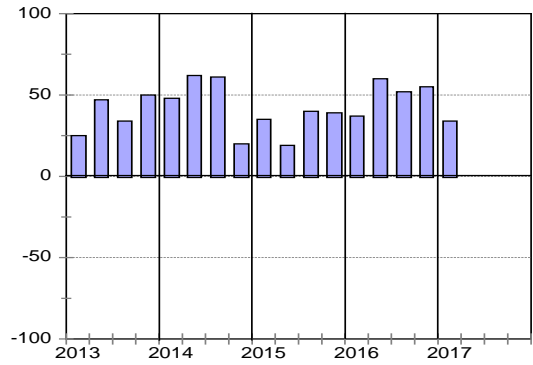
Change in business conditions



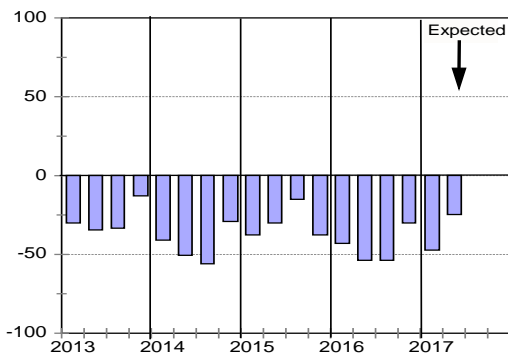
Growth in building activity



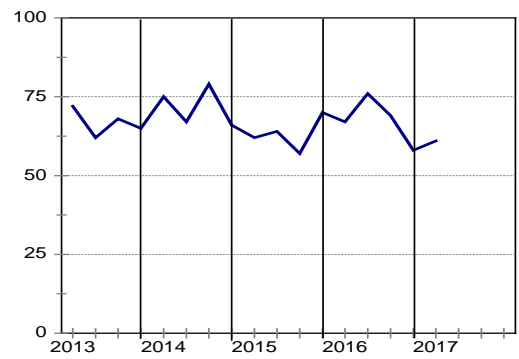
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	26	16	41	33	
Change in business conditions ¹	-31	-45	-50	-65	-19
Growth in building activity ¹	-61	-35	-52	-66	-5
Growth in number of people employed ¹	-41	-40	-44	-55	-17
Growth in profitability of the business ¹	-52	-37	-70	-50	-29
Tendering competition ¹	61	70	61	83	
Percentage rating shortage of skilled labour a constraint ²	64	45	48	47	
Percentage rating inadequate supply of building materials a constraint ²	34	27	23	19	
Percentage rating insufficient demand for building work a constraint ²	89	78	75	75	
Percentage rating firm's inadequate access to credit a constraint ²	34	22	23	9	

* Expected.

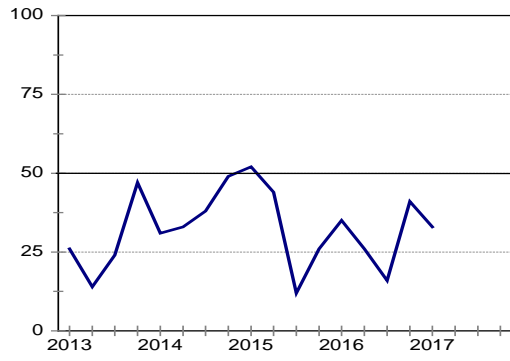
¹ Net balance.

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.

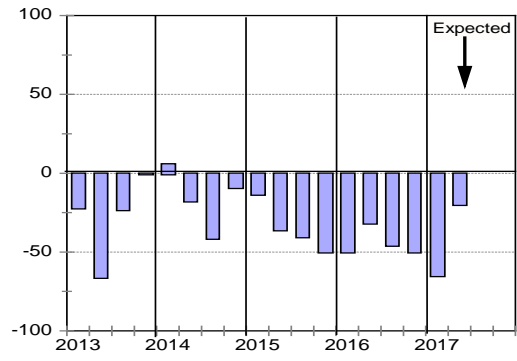
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

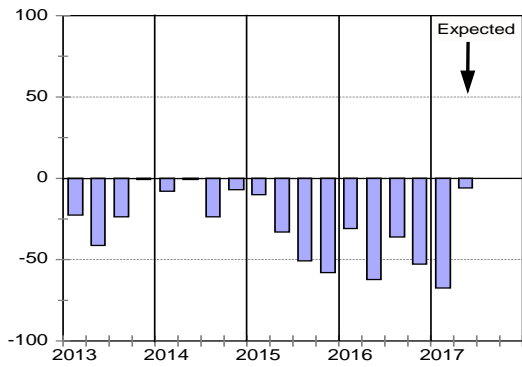
Business confidence



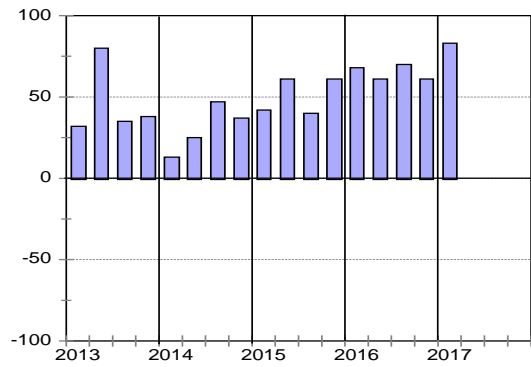
Change in business conditions



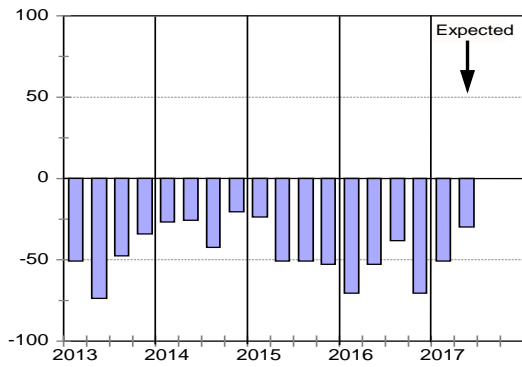
Growth in building activity



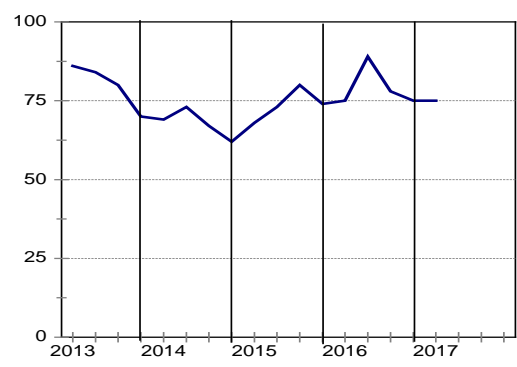
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>16Q2</i>	<i>16Q3</i>	<i>16Q4</i>	<i>17Q1</i>	<i>17Q2*</i>
Business confidence ³	29	40	36	35	
Change in business conditions ¹	-72	-33	-47	-38	-33
Growth in building activity ¹	-72	-50	-73	-59	-19
Growth in number of people employed ¹	-50	-56	-53	-59	-25
Growth in profitability of the business ¹	-54	-47	-80	-65	-32
Tendering competition ¹	58	75	43	47	
Percentage rating shortage of skilled labour a constraint ²	50	43	50	38	
Percentage rating inadequate supply of building materials a constraint ²	31	25	18	12	
Percentage rating insufficient demand for building work a constraint ²	90	69	72	64	
Percentage rating firm's inadequate access to credit a constraint ²	19	18	21	3	

* Expected.

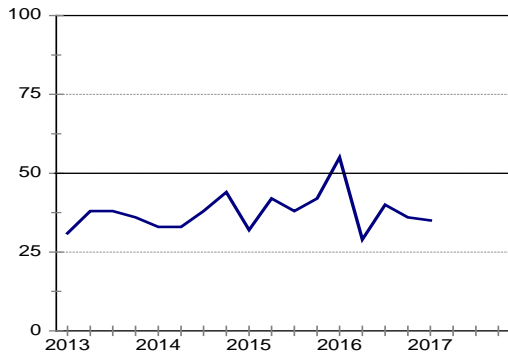
¹ Net balance.

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.

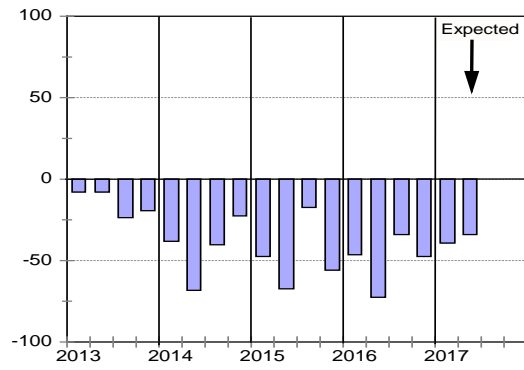
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

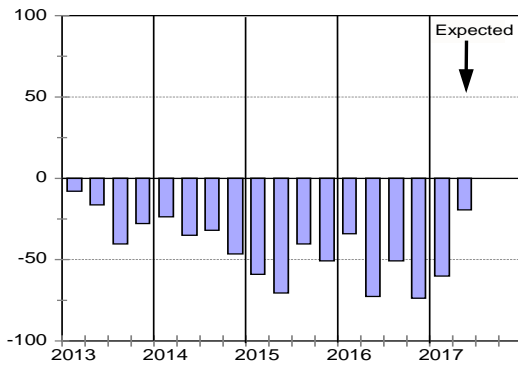
Business confidence



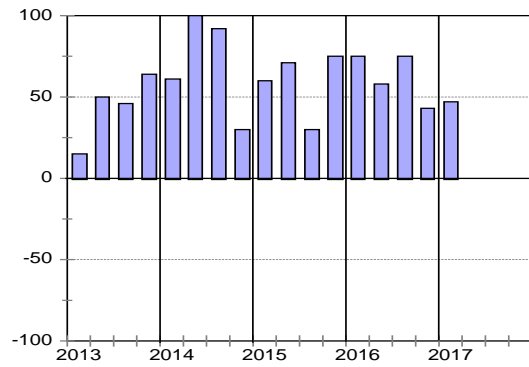
Change in business conditions



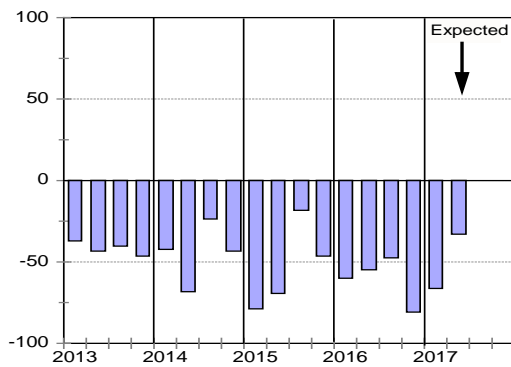
Growth in building activity



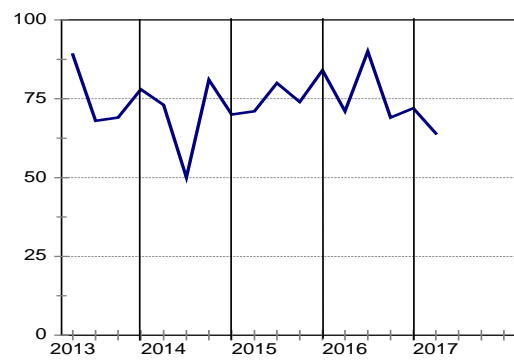
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	<i>16Q2</i>	<i>16Q3</i>	<i>16Q4</i>	<i>17Q1</i>	<i>17Q2*</i>
Business confidence ³	21	28	27	43	
Change in business conditions ¹	-61	-47	-44	-35	0
Growth in building activity ¹	-53	-39	-48	-33	0
Growth in number of people employed ¹	-28	-22	-43	-11	0
Growth in profitability of the business ¹	-72	-39	-61	-28	-17
Tendering competition ¹	47	66	73	63	
Percentage rating shortage of skilled labour a constraint ²	56	44	43	44	
Percentage rating inadequate supply of building materials a constraint ²	15	16	17	13	
Percentage rating insufficient demand for building work a constraint ²	73	72	72	55	
Percentage rating firm's inadequate access to credit a constraint ²	29	25	30	21	

* Expected.

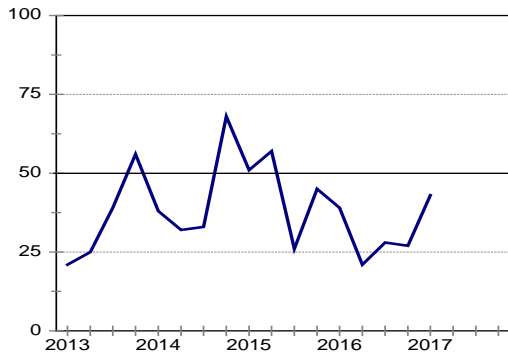
¹ Net balance.

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.

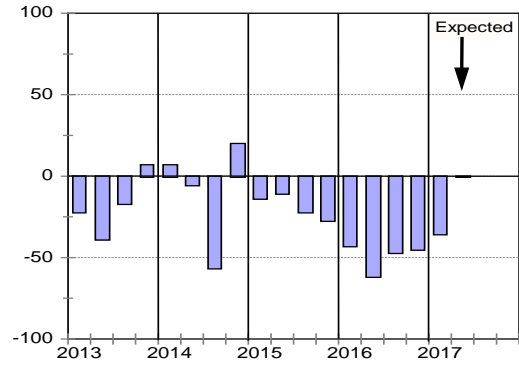
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

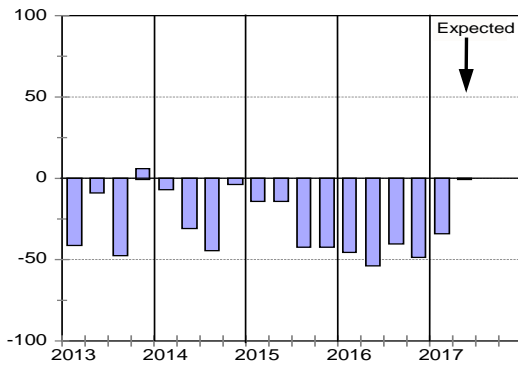
Business confidence



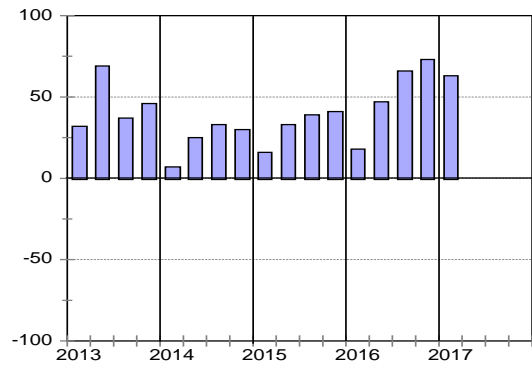
Change in business conditions



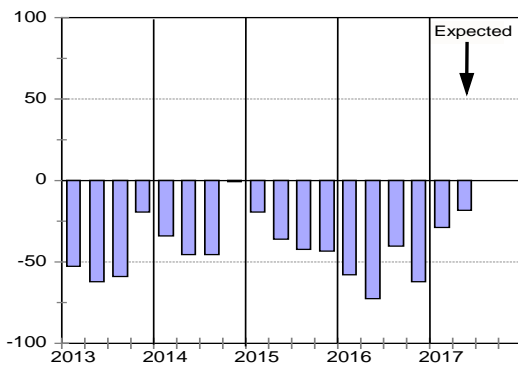
Growth in building activity



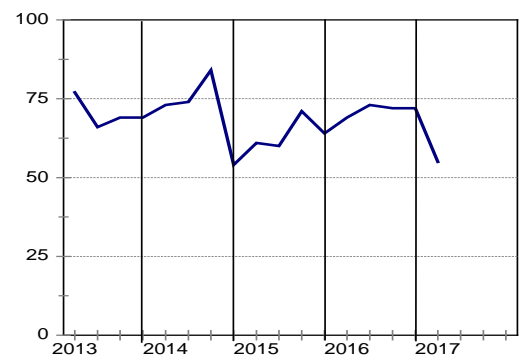
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	<i>16Q2</i>	<i>16Q3</i>	<i>16Q4</i>	<i>17Q1</i>	<i>17Q2*</i>
Business confidence ³	31	25	38	27	
Change in business conditions ¹	-53	-52	-42	-61	-28
Growth in building activity ¹	-66	-63	-41	-62	-26
Growth in number of people employed ¹	-50	-35	-33	-74	-30
Growth in profitability of the business ¹	-43	-65	-61	-83	-43
Tendering competition ¹	37	33	27	22	
Percentage rating shortage of skilled labour a constraint ²	50	43	57	48	
Percentage rating inadequate supply of building materials a constraint ²	27	21	22	19	
Percentage rating insufficient demand for building work a constraint ²	83	76	63	66	
Percentage rating firm's inadequate access to credit a constraint ²	31	26	41	31	

* Expected.

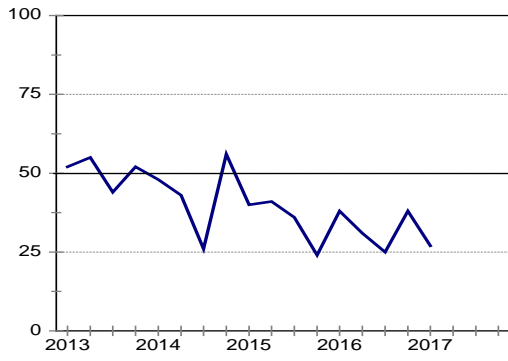
¹ Net balance.

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.

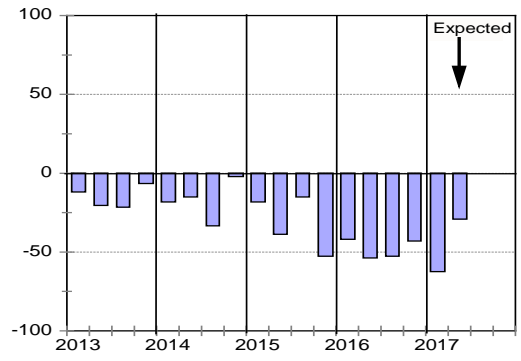
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

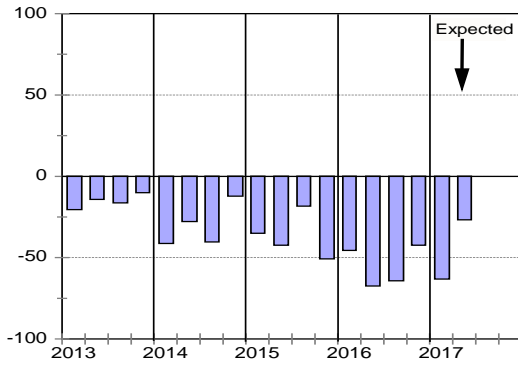
Business confidence



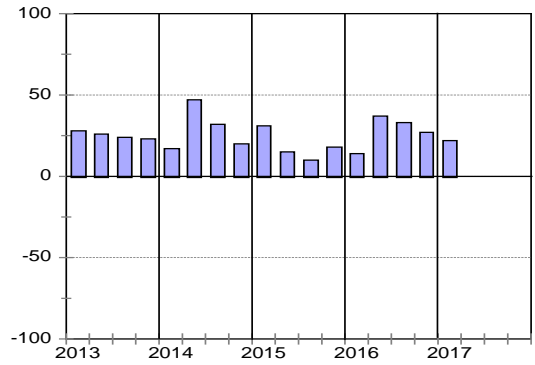
Change in business conditions



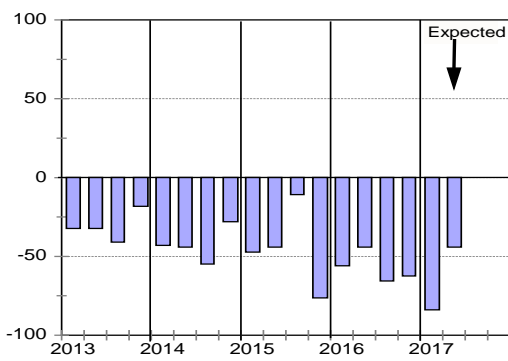
Growth in building activity



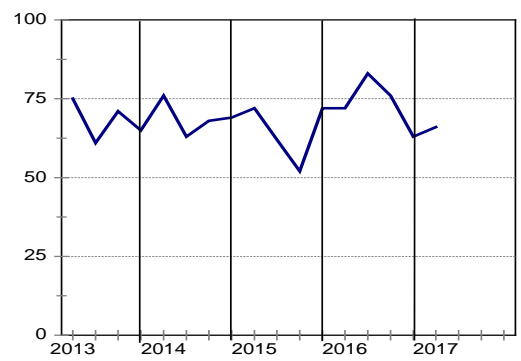
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	48	62	67	64	
Change in business conditions ¹	-10	-20	9	-22	0
Growth in building activity ¹	-5	-15	5	-21	4
Growth in number of people employed ¹	-10	-19	14	-8	-4
Growth in profitability of the business ¹	-35	-34	-9	-21	9
Tendering competition ¹	57	43	57	46	
Percentage rating shortage of skilled labour a constraint ²	50	47	72	52	
Percentage rating inadequate supply of building materials a constraint ²	33	24	36	27	
Percentage rating insufficient demand for building work a constraint ²	69	69	64	60	
Percentage rating firm's inadequate access to credit a constraint ²	24	45	45	35	

* Expected.

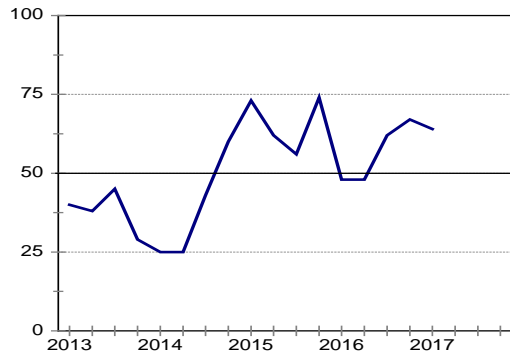
¹ Net balance.

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.

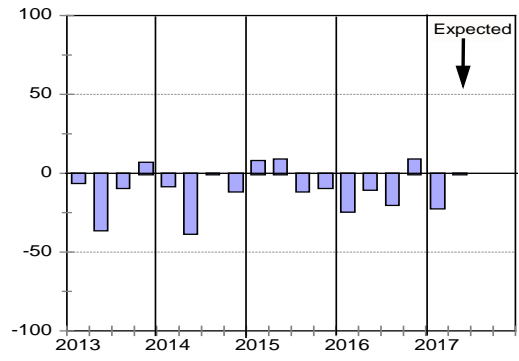
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

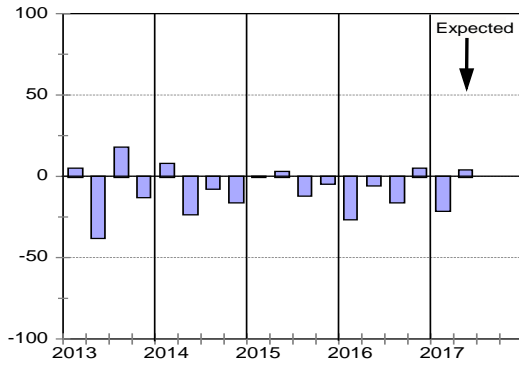
Business confidence



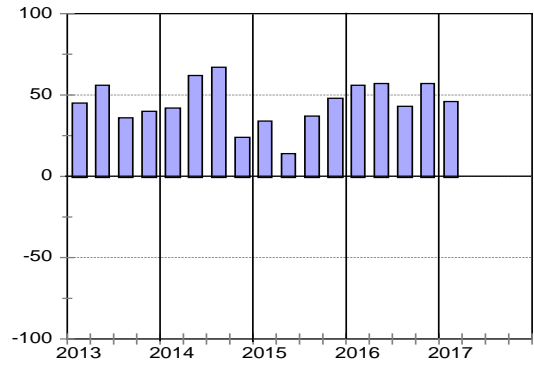
Change in business conditions



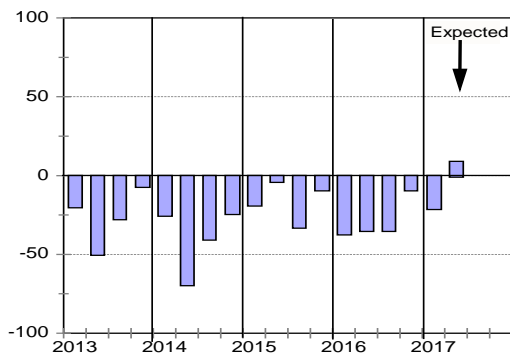
Growth in building activity



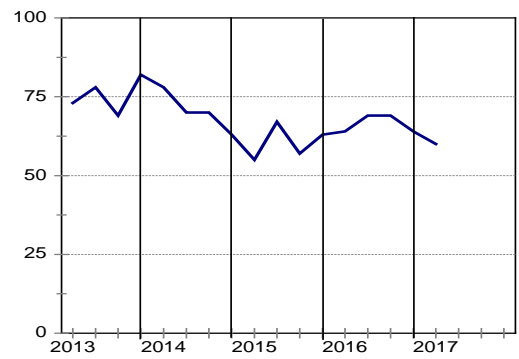
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	39	40	41	37	
Change in business conditions ¹	-35	-25	-34	-44	-26
Growth in construction activity ¹	-38	-31	-39	-48	-27
Growth in number of people employed ¹	-37	-24	-34	-41	-24
Growth in profitability of the business ¹	-50	-35	-40	-47	-31
Tendering competition ¹	34	56	42	52	
Percentage rating shortage of skilled labour a constraint ²	43	45	47	45	
Percentage rating inadequate supply of construction materials a constraint ²	30	28	21	20	
Percentage rating insufficient demand for construction work a constraint ²	72	71	67	77	
Percentage rating firm's inadequate access to credit a constraint ²	35	35	32	33	

* Expected.

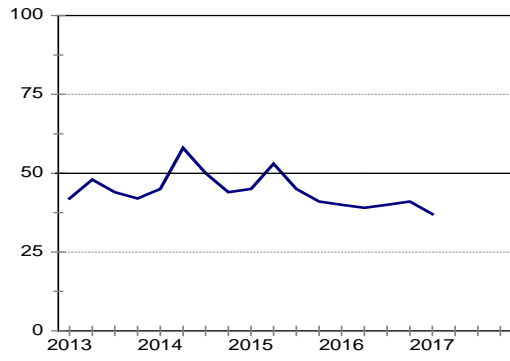
¹ Net balance.

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.

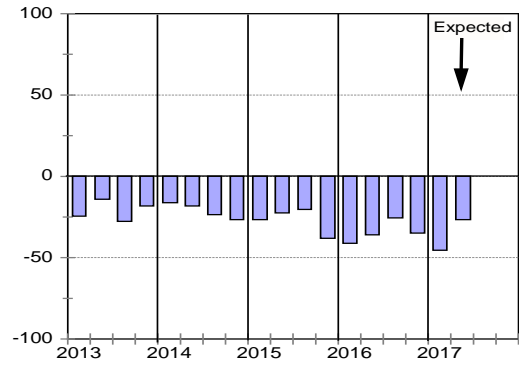
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

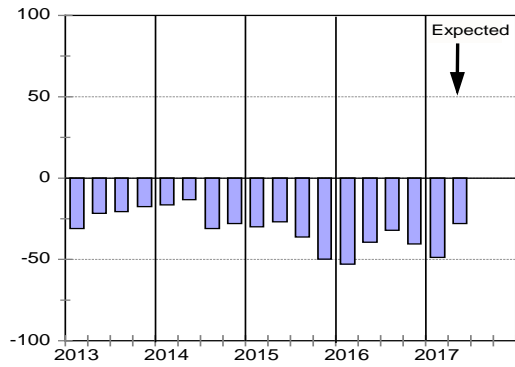
Business confidence



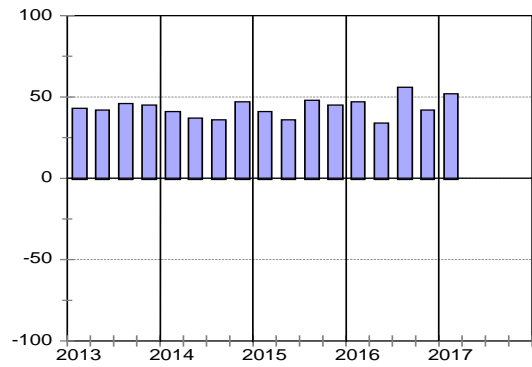
Change in business conditions



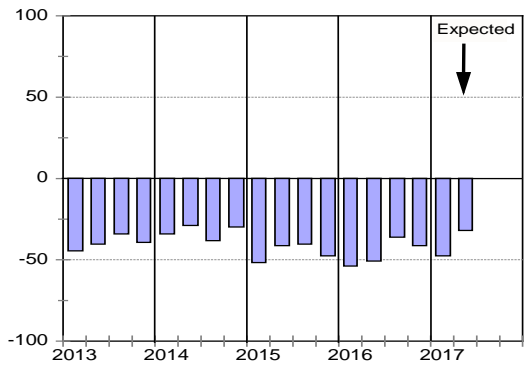
Growth in construction activity



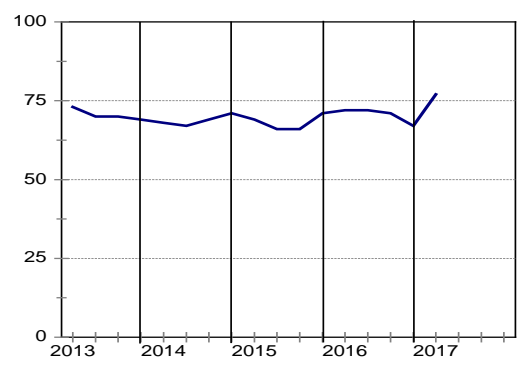
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	30	30	43	33	
Change in business conditions ¹	-50	-45	-45	-50	-29
Growth in construction activity ¹	-42	-42	-50	-71	-46
Growth in number of people employed ¹	-40	-38	-32	-50	-29
Growth in profitability of the business ¹	-54	-52	-46	-55	-43
Tendering competition ¹	-11	35	9	39	
Percentage rating shortage of skilled labour a constraint ²	46	43	47	44	
Percentage rating inadequate supply of construction materials a constraint ²	33	38	27	14	
Percentage rating insufficient demand for construction work a constraint ²	66	69	61	66	
Percentage rating firm's inadequate access to credit a constraint ²	50	50	48	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.

Civil Contractors : Grades 5 & 6

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	47	40	49	45	
Change in business conditions ¹	-32	-14	-27	-35	-23
Growth in construction activity ¹	-35	-32	-38	-31	-12
Growth in number of people employed ¹	-32	-26	-26	-32	-12
Growth in profitability of the business ¹	-51	-26	-34	-38	-25
Tendering competition ¹	38	57	46	51	
Percentage rating shortage of skilled labour a constraint ²	46	50	52	49	
Percentage rating inadequate supply of construction materials a constraint ²	28	28	17	24	
Percentage rating insufficient demand for construction work a constraint ²	73	77	67	78	
Percentage rating firm's inadequate access to credit a constraint ²	31	37	28	39	

* Expected.

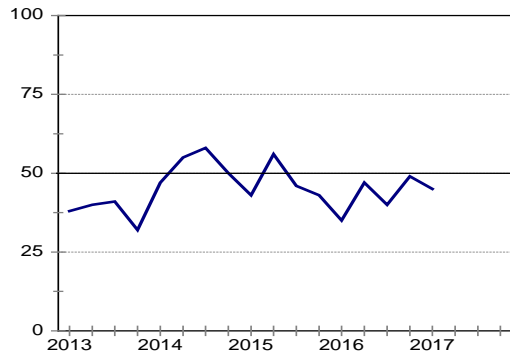
¹ Net balance.

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.

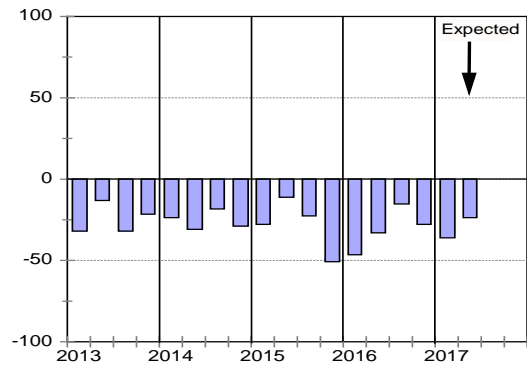
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

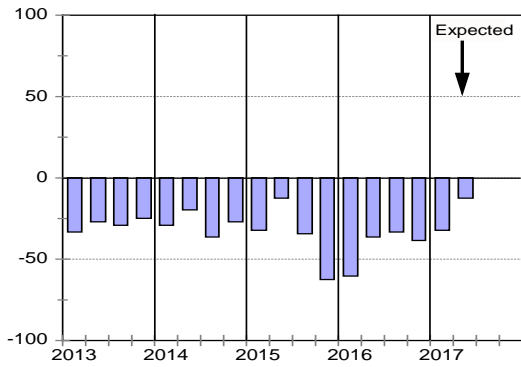
Business confidence



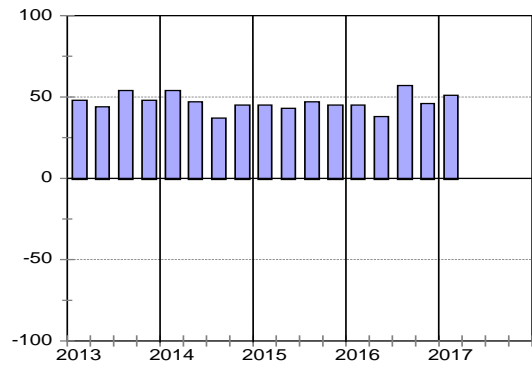
Change in business conditions



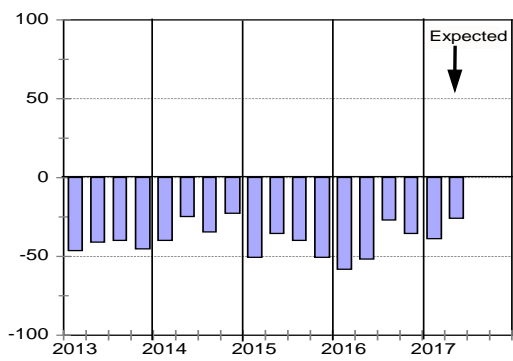
Growth in construction activity



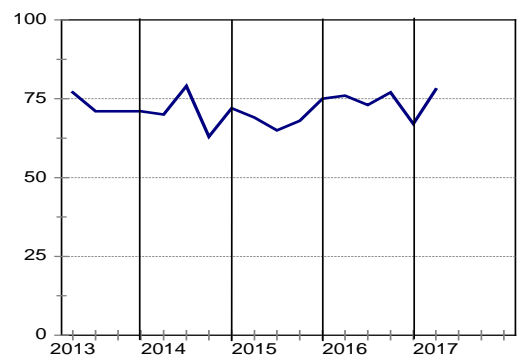
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	36	47	26	25	
Change in business conditions ¹	-23	-23	-35	-54	-30
Growth in construction activity ¹	-38	-20	-31	-61	-42
Growth in number of people employed ¹	-38	-13	-50	-48	-44
Growth in profitability of the business ¹	-42	-32	-48	-56	-34
Tendering competition ¹	73	66	66	61	
Percentage rating shortage of skilled labour a constraint ²	38	42	37	40	
Percentage rating inadequate supply of construction materials a constraint ²	28	21	20	17	
Percentage rating insufficient demand for construction work a constraint ²	75	64	72	81	
Percentage rating firm's inadequate access to credit a constraint ²	25	22	24	23	

* Expected.

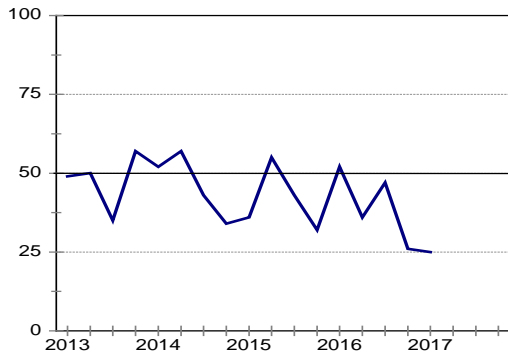
¹ Net balance.

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.

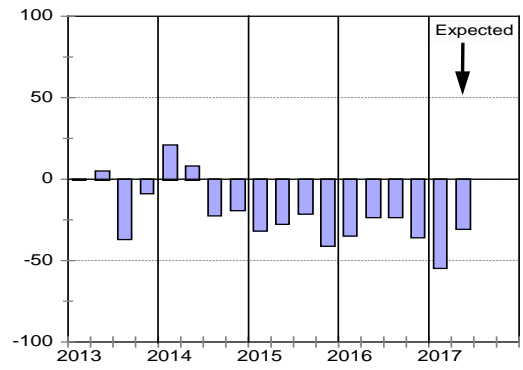
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

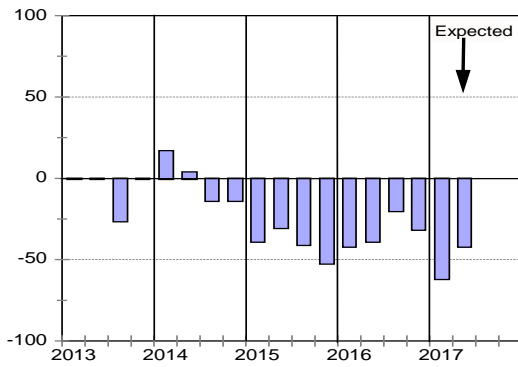
Business confidence



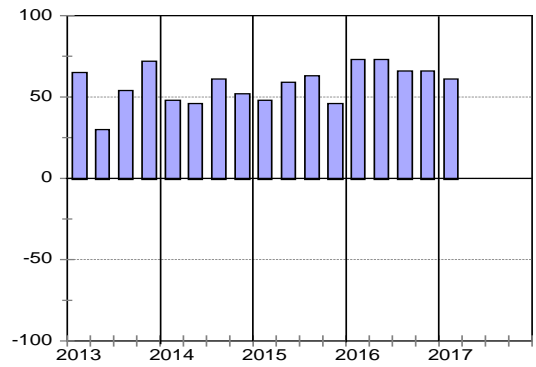
Change in business conditions



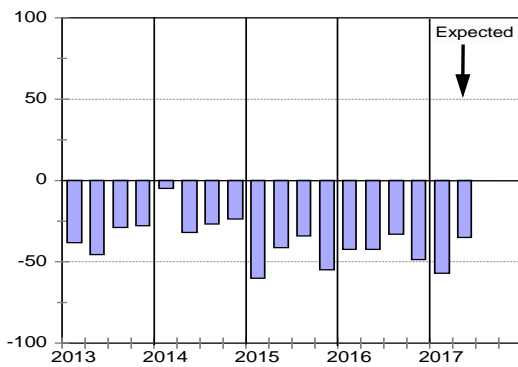
Growth in construction activity



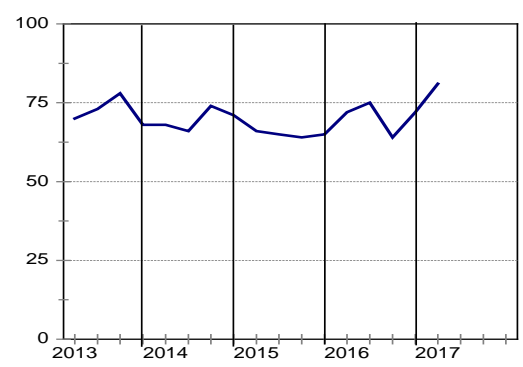
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	36	20	46	33	
Change in business conditions ¹	-34	-35	-29	-54	-8
Growth in construction activity ¹	-33	-23	-31	-62	-9
Growth in number of people employed ¹	-8	-17	-7	-61	-8
Growth in profitability of the business ¹	-42	-53	-43	-54	-9
Tendering competition ¹	59	50	21	46	
Percentage rating shortage of skilled labour a constraint ²	46	44	61	54	
Percentage rating inadequate supply of construction materials a constraint ²	29	23	18	15	
Percentage rating insufficient demand for construction work a constraint ²	80	74	64	81	
Percentage rating firm's inadequate access to credit a constraint ²	29	38	40	42	

* Expected.

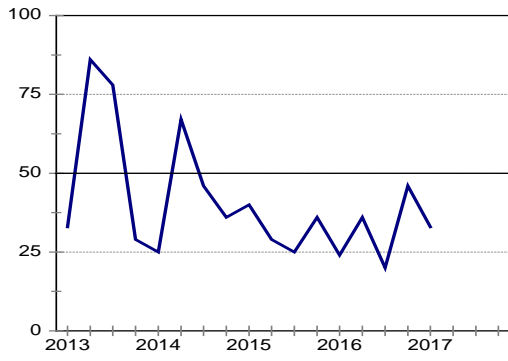
¹ Net balance.

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.

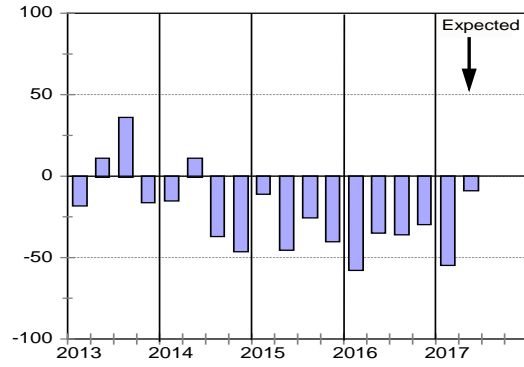
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

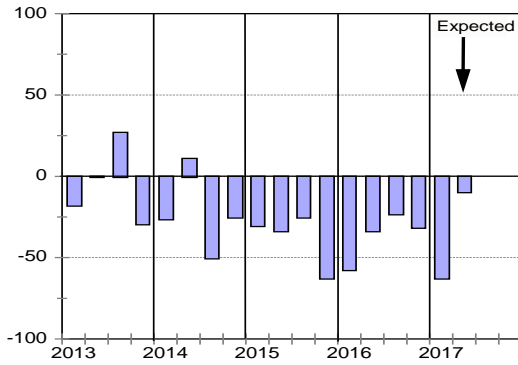
Business confidence



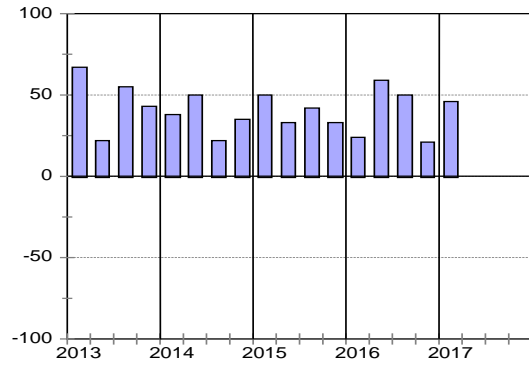
Change in business conditions



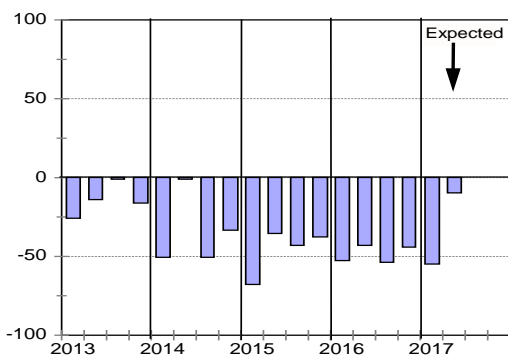
Growth in construction activity



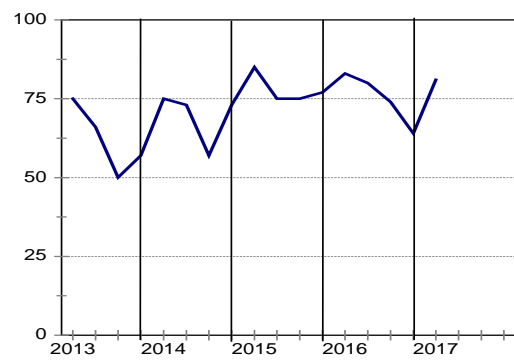
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	59	45	47	25	
Change in business conditions ¹	-35	-37	-53	-44	-27
Growth in building activity ¹	-35	-42	-50	-60	-36
Growth in number of people employed ¹	-35	-31	-47	-50	-33
Growth in profitability of the business ¹	-41	-36	-43	-67	-43
Tendering competition ¹	53	72	67	19	
Percentage rating shortage of skilled labour a constraint ²	20	29	23	28	
Percentage rating inadequate supply of building materials a constraint ²	17	24	30	25	
Percentage rating insufficient demand for building work a constraint ²	67	68	66	82	
Percentage rating firm's inadequate access to credit a constraint ²	38	42	33	37	

* Expected.

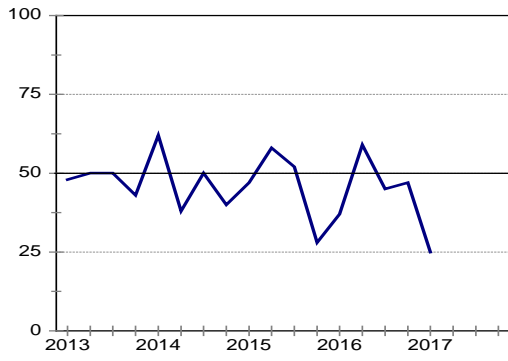
¹ Net balance.

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.

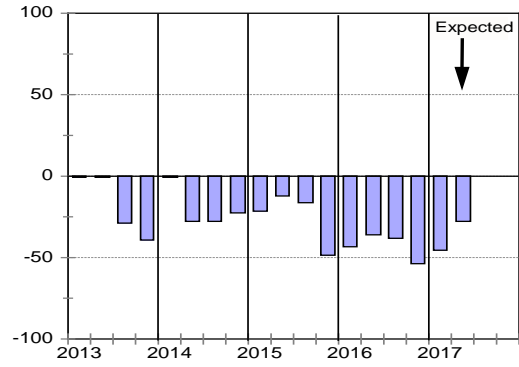
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

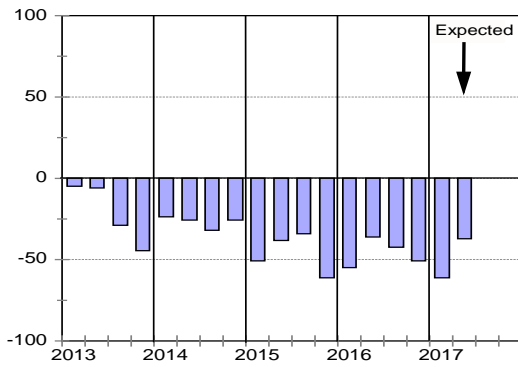
Business confidence



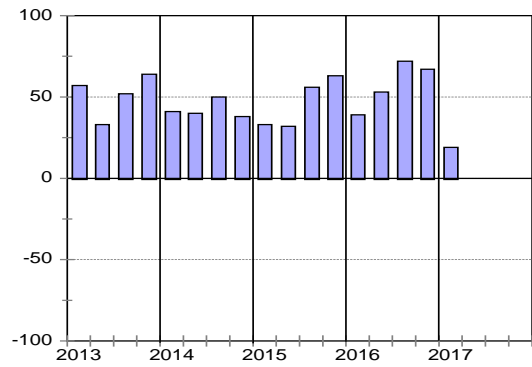
Change in business conditions



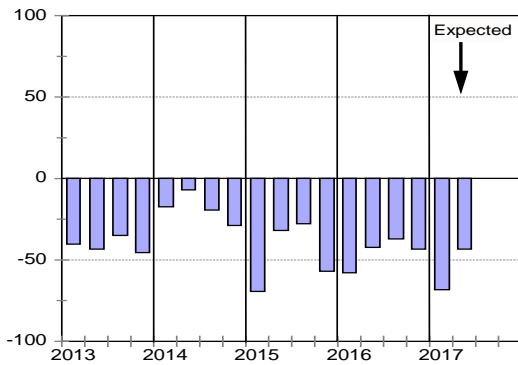
Growth in construction activity



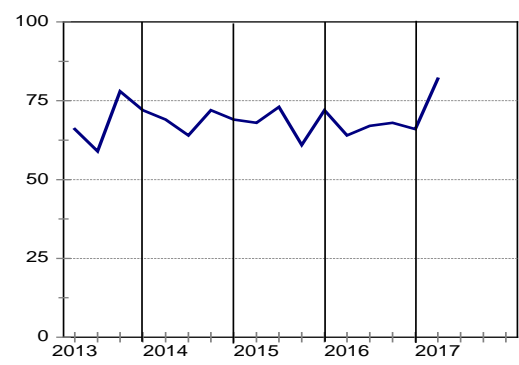
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	32	37	40	38	
Change in business conditions ¹	-31	-22	-29	-41	-36
Growth in construction activity ¹	-50	35	-38	-31	-33
Growth in number of people employed ¹	-54	-40	-24	-33	-41
Growth in profitability of the business ¹	-59	-45	-38	-37	-32
Tendering competition ¹	23	55	38	52	
Percentage rating shortage of skilled labour a constraint ²	59	58	50	44	
Percentage rating inadequate supply of construction materials a constraint ²	43	42	21	22	
Percentage rating insufficient demand for construction work a constraint ²	75	78	67	78	
Percentage rating firm's inadequate access to credit a constraint ²	36	32	33	29	

* Expected.

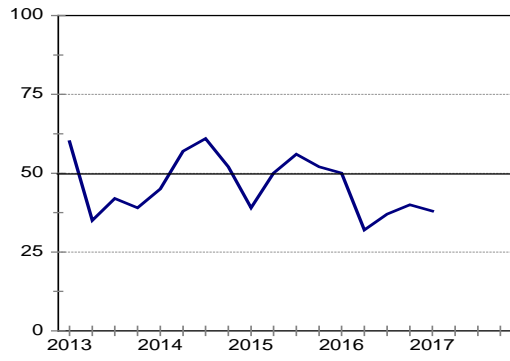
¹ Net balance.

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.

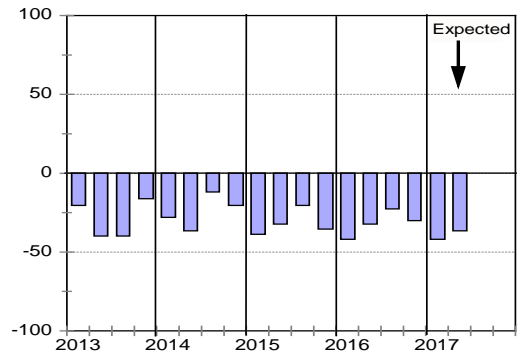
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

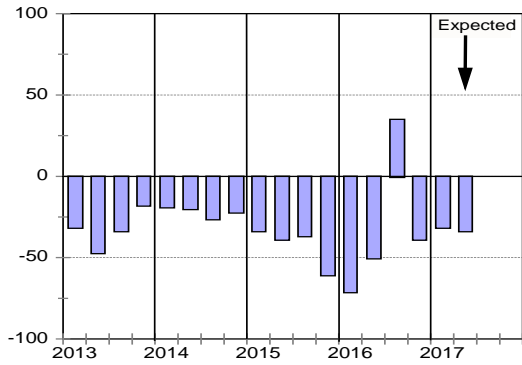
Business confidence



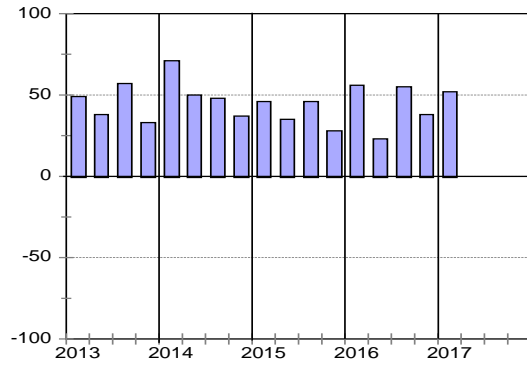
Change in business conditions



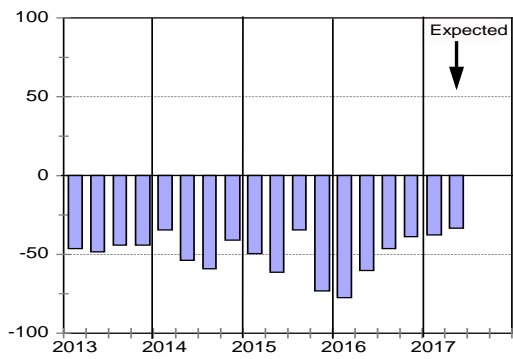
Growth in construction activity



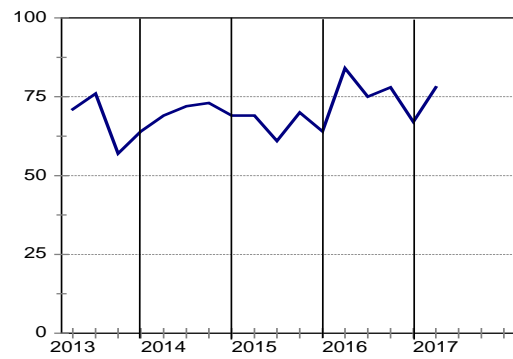
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	16Q2	16Q3	16Q4	17Q1	17Q2*
Business confidence ³	44	56	50	50	
Change in business conditions ¹	-25	-11	-21	-46	-36
Growth in construction activity ¹	-19	-28	-48	-53	-40
Growth in number of people employed ¹	-6	-5	-31	-20	-7
Growth in profitability of the business ¹	-25	0	-26	-27	-47
Tendering competition ¹	25	61	42	87	
Percentage rating shortage of skilled labour a constraint ²	43	55	50	56	
Percentage rating inadequate supply of construction materials a constraint ²	28	25	17	17	
Percentage rating insufficient demand for construction work a constraint ²	69	58	58	66	
Percentage rating firm's inadequate access to credit a constraint ²	34	14	22	33	

* Expected.

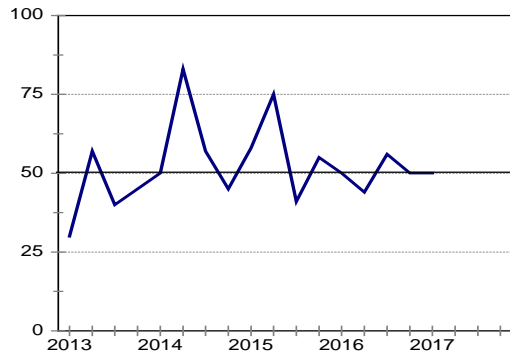
¹ Net balance.

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.

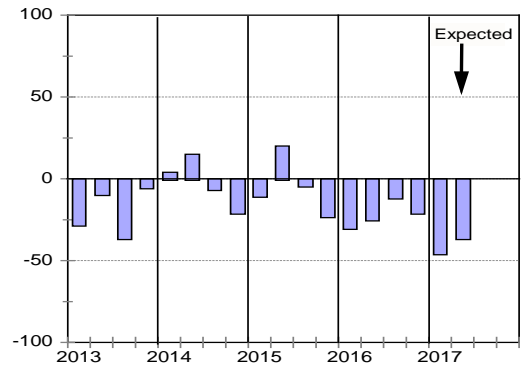
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

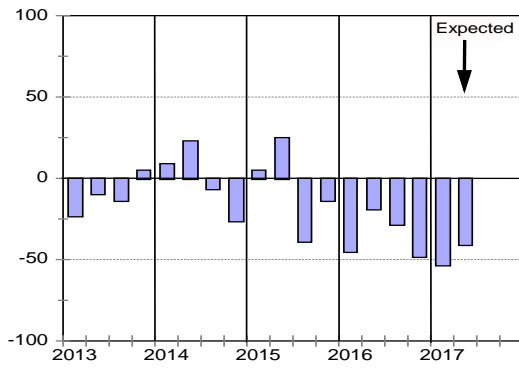
Business confidence



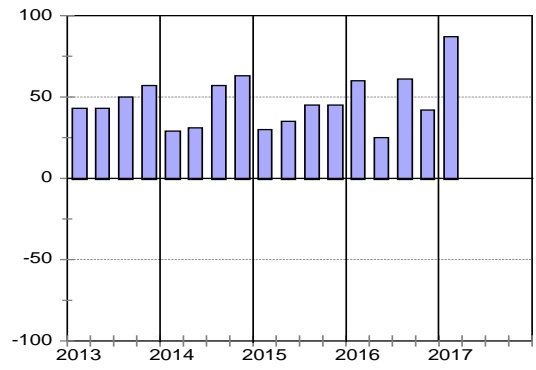
Change in business conditions



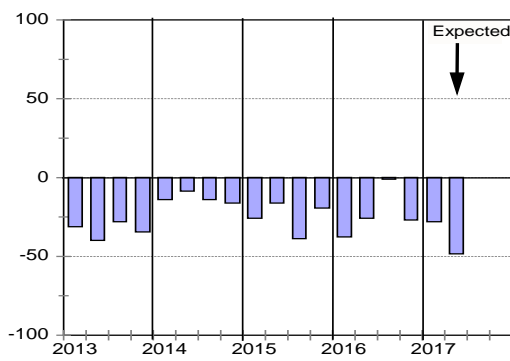
Growth in construction activity



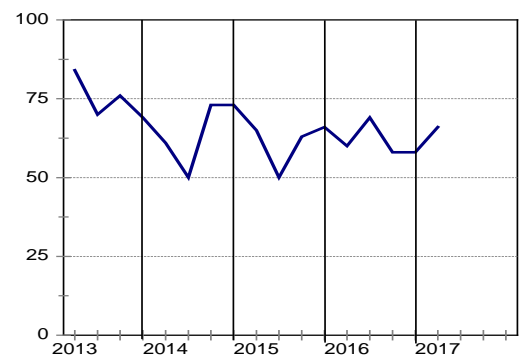
Tendering competition



Growth in profitability



Insufficient building work demand



Gauteng Provincial Office
Pretoria
cidbgp@cidb.org.za

Western Cape Provincial Office
Cape Town
cidbwc@cidb.org.za

Eastern Cape Provincial Office
Bisho
cidbec@cidb.org.za

Northern Cape Provincial Office
Kimberley
cidbnc@cidb.org.za

Free State Provincial Office
Bloemfontein
cidbfs@cidb.org.za

KwaZulu-Natal Provincial Office
Durban
cidbkzn@cidb.org.za

Limpopo Provincial Office
Polokwane
cidblimpopo@cidb.org.za

Mpumalanga Provincial Office
Nelspruit (Mbombela)
cidbmpumalanga@cidb.org.za

North West Provincial Office
Mahikeng
cidbnw@cidb.org.za

cidb contact number:
086 100 2432
Anonymous Fraud Line:
0800 11 24 32

email: cidb@cidb.org.za
www.cidb.org.za