



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

2

2014



University of Stellenbosch

cidb Survey Results: 2014Q2

June 2014

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Summary

Building Contractors

After falling from 47 to 38 index points in the first quarter of 2014, business confidence among building contractors continued its decline to a level of 35 in 2014Q2. The drop in confidence was supported by increased pressure in several key underlying indicators, most notably lower profitability.

Grades 5 & 6 were the only grades that reported a decline in business confidence, from 45 in 2014Q1 to 23 in 2014Q2. This fall largely explains the decline in overall business confidence. In contrast, an improvement in building activity prompted building contractors in Grades 3 & 4 and Grades 7 & 8 to register higher business confidence.

Regionally, building confidence remained unchanged in the Western Cape (25 index points) and the Eastern Cape (33), while confidence levels in Kwazulu-Natal and Gauteng declined to 43 and 32 index points respectively.

Civil Contractors

Business confidence among civil contractors reached its highest level in more than five years, rising by 13 index points to a level of 58 in 2014Q2. The increase in confidence was largely driven by an improvement in construction activity, employment and overall profitability.

Business confidence among all the grades increased. The largest increase was registered for Grades 3 & 4 (27 index points), mainly driven by improved profitability. Although Grades 7 & 8 registered an increase in business confidence, most of the key underlying indicators deteriorated during the quarter.

Confidence levels in all the provinces, except for Gauteng increased. The biggest increase was registered for the Eastern Cape (+42 index points). In the Western Cape, business confidence reached a historical high of 83 in 2014Q2.

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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 2014Q2 survey was carried out during the period 5 May 2014 and 2 June 2014.

The analysis that follows provides a synopsis of the survey responses received in 2014Q2 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, would have indicated 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.

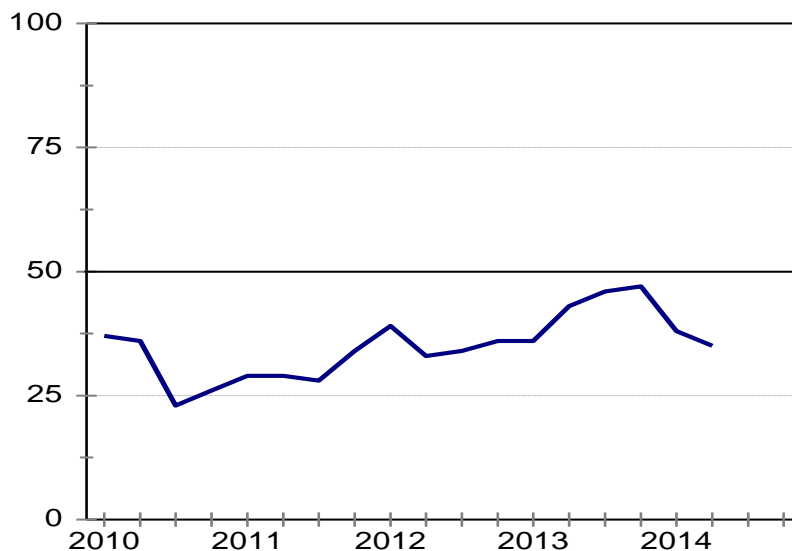
2014Q2 cidb Survey Results

Building Industry

Total

As shown in Figure 1, business confidence gradually started to improve after 2010Q3. However, in the last two quarters there has been a reversal in this trend. After falling from 47 to 38 index points in 2014Q1, business confidence fell by a further 3 index points to 35 in 2014Q2. Business confidence has been below the neutrality level of 50 since 2009Q2.

Figure 1: Total
Business confidence



The drop in confidence was largely driven by increasing pressure on profitability. Compared to a net 37% in 2014Q1, a net 48% indicated that profitability was lower relative to the corresponding period in the previous year.

The deterioration in profitability was likely due to tougher competition in tendering. In 2014Q2, a net 49% indicated that competition was higher than the same quarter last year, whereas only 30% stated the same during 2014Q1.

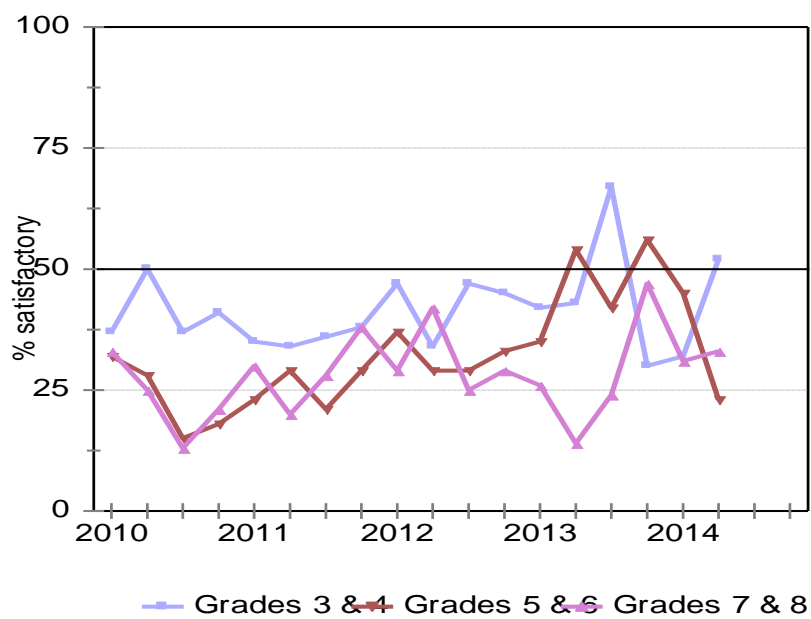
Despite low building activity, the proportion of respondents who rated the shortage of skilled labour as a constraint increased from 49% to 56% in 2014Q2. Forty per cent of respondents cited the firm's inadequate access to credit as a challenge. This was an increase from 32% in

2014Q1. A net 3% of respondents expect business conditions to improve during the coming survey quarter.

Grades comparison

As shown in Figure 2, Grades 5 & 6 were the only grades that registered a drop in confidence, from an index level of 45 in 2014Q1 to 23 in 2014Q2. In contrast, the largest increase was registered for Grades 3 & 4 (20 index points).

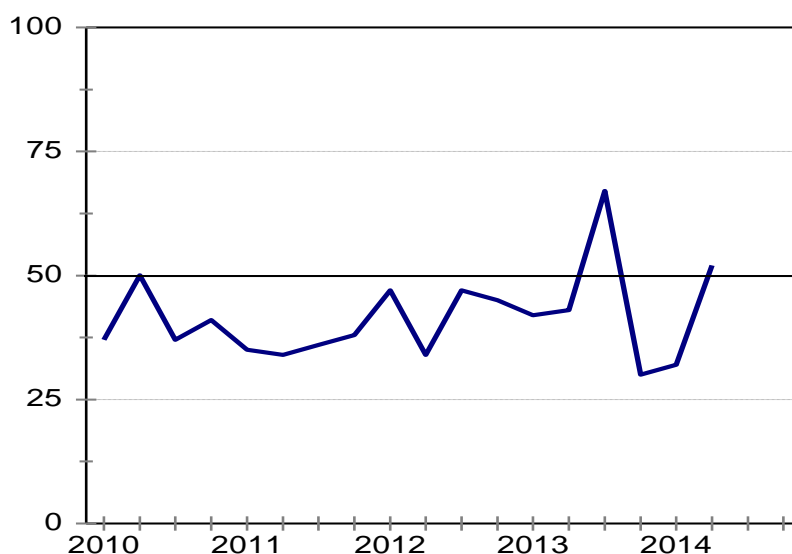
Figure 2: Business confidence per grade



Grades 3 & 4

After increasing from a record low of 30 to 32 in 2014Q1, business confidence continued its increase registering 52 index points in 2014Q2. Currently, Grades 3 & 4 are the only grades with a confidence level above the neutrality level of 50.

Figure 3: Grade 3 & 4
Business confidence



The increase in confidence was mainly driven by an improvement in building activity. In 2014Q2, a net 13% of respondents indicated that building activity was lower compared to the same period in 2013, down from 25% in 2014Q1.

Despite the increase in confidence, profitability came under pressure during the survey quarter. A net 56% of respondents noted that profitability was lower compared to the corresponding period last year, up from 41% during 2014Q1.

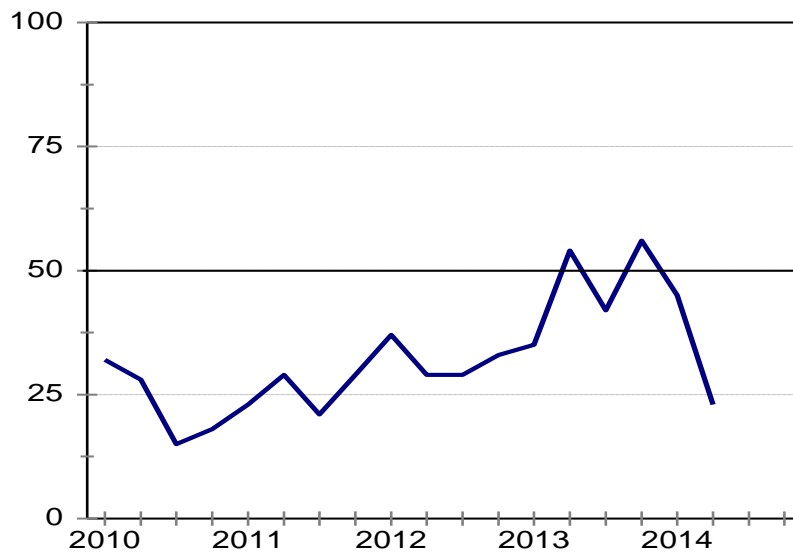
The lower profitability was associated with tougher competition in tendering. Compared to a net 12% in 2014Q1, a net 44% of respondents indicated that competition was keener than during the corresponding quarter last year.

Grades 5 & 6

Business confidence halved from 45 to 23 in 2014Q2 – its lowest level since 2011Q4. The drop in confidence corresponds with a slowdown in building activity and increased pressure on profitability.

Figure 4: Grade 5 & 6

Business confidence



Compared to a net 31% in 2014Q1, 41% of respondents indicated that building activity was lower than for the same period last year. The percentage of respondents who reported lower profitability increased from a net 40% in 2014Q1 to a net 50% in 2014Q2.

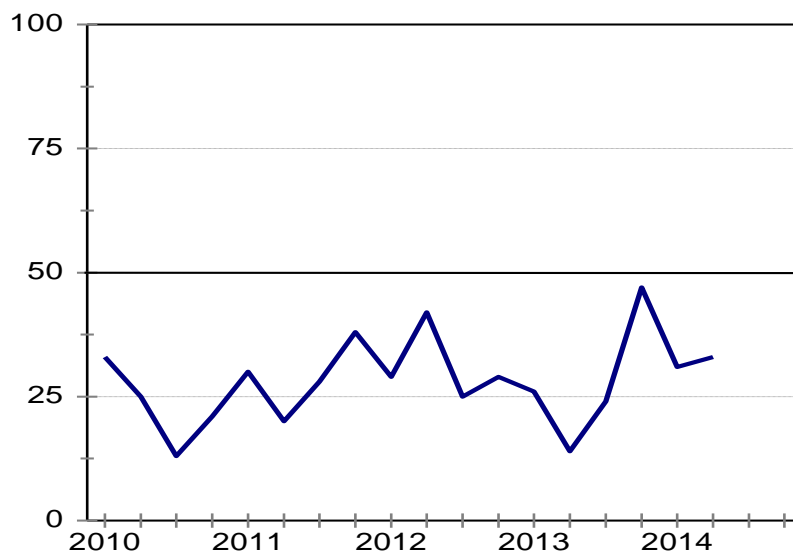
Tendering price competition increased in the second quarter of 2014. Compared to a net 48% in 2014Q1, a net 62% reported tougher competition in this survey quarter.

Grades 7 & 8

Business confidence for building contractors in Grades 7 & 8 increased marginally by 2 index points to a level of 33 in 2014Q2. The increase in confidence coincided with an improvement in building activity and employment.

Figure 5: Grade 7 & 8

Business confidence

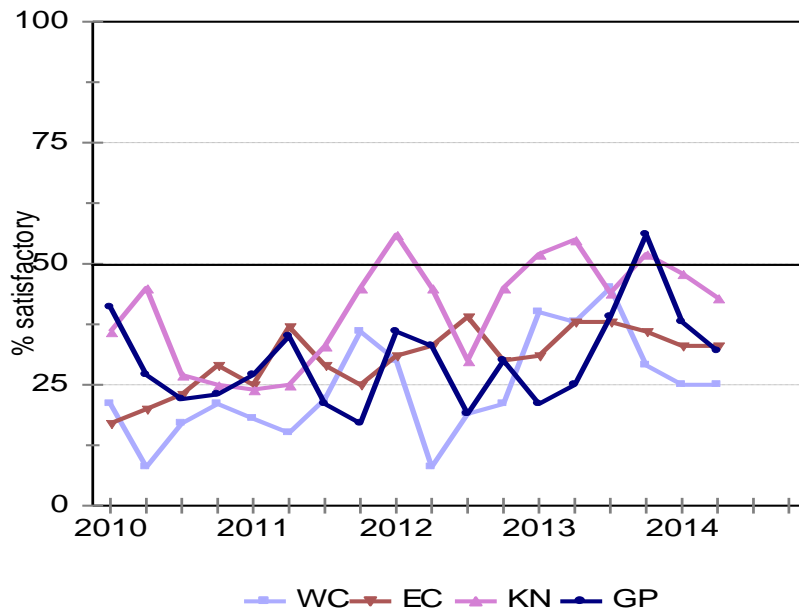


The proportion of respondents who reported a slowdown in business activity improved from a net 7% in 2014Q1 to a net 0% in 2014Q2. Whereas a net 13% stated that employment was lower in 2013Q4, a net 0% of respondents found this to be the case during the survey quarter.

Provincial comparison

Confidence in two of the four provinces remained unchanged with moderate index declines registered for KwaZulu-Natal (-5) and Gauteng (-6).

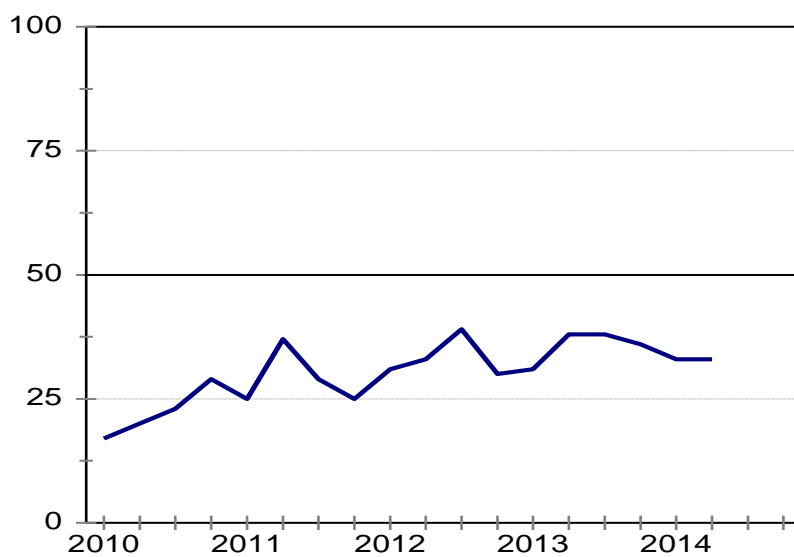
Figure 6: Business confidence per province



Eastern Cape

Business confidence fell to 33 index points in 2014Q1 and has remained unchanged in this survey quarter. Although business confidence remained constant, the underlying indicators suggest that building contractors in the Eastern Cape are under increasing pressure.

Figure 7: Eastern Cape
Business confidence



Compared to a net 37% of respondents in 2014Q1, 67% indicated that business conditions were worse than the corresponding period last year. The percentage of building contractors citing a slowdown in business activity deteriorated from a net 23% in 2014Q1 to a net 34% in 2014Q2.

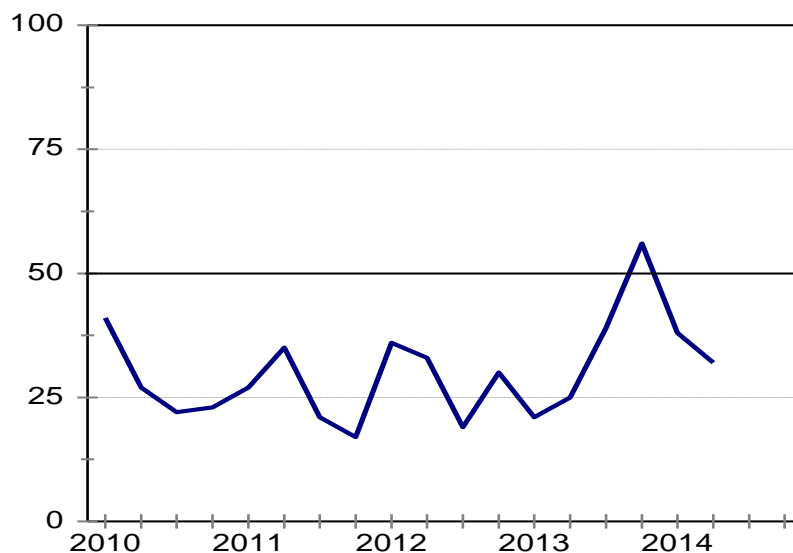
Furthermore, profitability came under tremendous pressure this survey quarter. A net 67% noted that profitability was lower compared to the same period last year, whereas 41% indicated the same findings during 2014Q1.

The deterioration in profitability was associated with keener tendering competition. Compared to a net 61% in 2014Q1, all respondents indicated that price competition in tendering was tougher compared to the corresponding quarter a year ago.

Gauteng

Building confidence in Gauteng shed 6 index points to register a level of 32 in 2014Q2. The drop in confidence was underpinned by increased pressure in several key underlying indicators, most notably a deterioration in building activity and profitability.

**Figure 8: Gauteng
Business confidence**



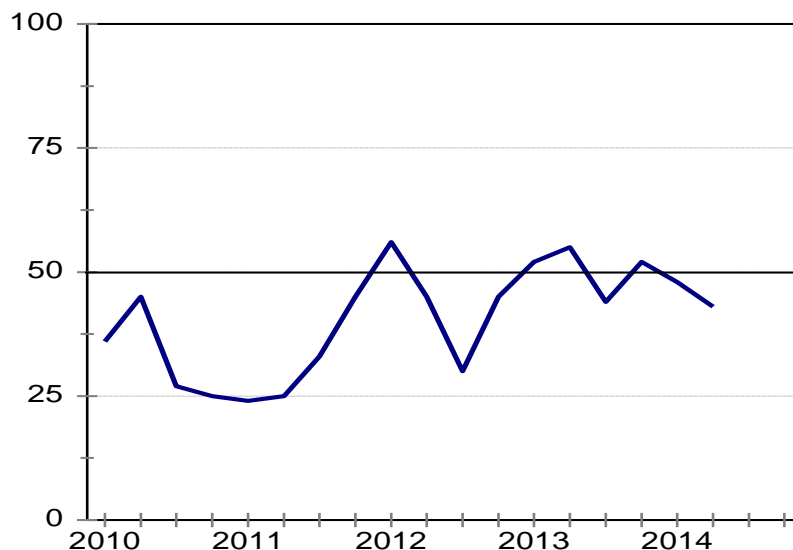
A net 30% registered a slowdown in building activity in 2014Q2, whereas 6% stated the same finding during 2014Q1. Compared to a net 33% in 2014Q1, a net 45% indicated that profitability was lower than during the same period in 2013.

Despite the slowdown in building activity, the proportion of respondents who cited shortage of skilled labour as a constraint increased from 46% in 2014Q1, to 63% in 2014Q2. Furthermore, 60% reported inadequate access to credit as a constraint. This was a marked increase from 36% in the previous survey quarter.

KwaZulu-Natal

Business confidence for building contractors in Kwazulu-Natal decreased from 48 to 43 index points in 2014Q2. Business confidence fell despite an improvement in business conditions, building activity and employment.

Figure 9: KwaZulu-Natal
Business confidence



Compared to a net 40% of respondents in 2014Q1, 27% reported lower building activity than for the same period in 2013. The percentage of respondents having shed jobs improved from a net 33% in 2014Q1, to a net 15% in 2014Q2.

Tendering price competition increased considerably in the survey quarter. Compared to a net 17% in 2014Q1, a net 47% of respondents reported tougher price competition in this survey quarter.

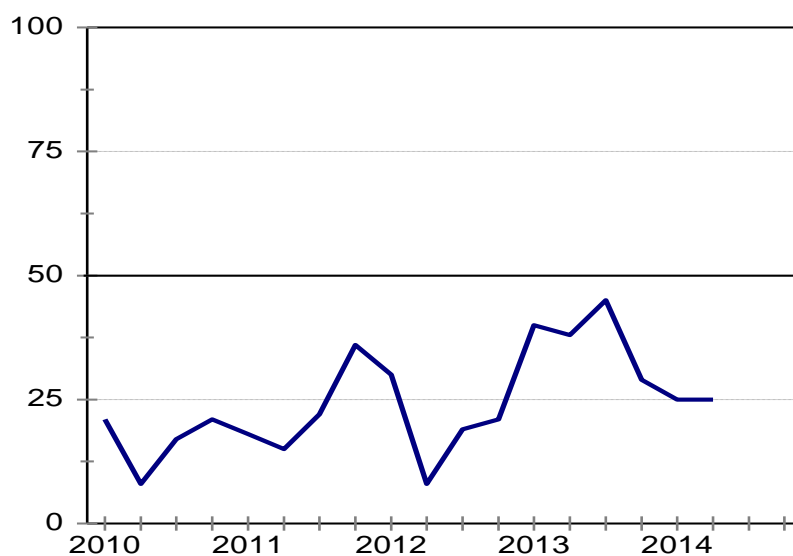
The rise in building activity coincided with an increased proportion of respondents who cited the shortage of skilled labour as a constraint. Sixty-four per cent of respondents experienced a

shortage of skilled labour, up from 46% in 2014Q1. A net 13% of respondents expect business conditions to improve during the coming survey quarter.

Western Cape

Business confidence among building contractors in the Western Cape remained unchanged at 25 index points in 2014Q2. Confidence remained constant despite increased pressure on the underlying indicators.

Figure 10: Western Cape
Business confidence



In the previous quarter, the Western Cape was the only province that reported growth in building activity. However, in this survey quarter a net 23% of respondents experienced a slowdown compared to the corresponding period in 2013.

Employment levels dropped during the quarter. A net 30% indicated that employment was lower in 2014Q2; this is a deterioration compared to a net 0% of respondents who found this to be the case in 2014Q1.

Furthermore, profitability came under tremendous pressure. Compared to a net 25% in 2014Q1, a net 69% of respondents indicated that profitability was lower than during the corresponding period last year.

The increasing pressure on profitability was associated with tougher competition in tendering. The proportion of respondents who reported higher levels of competition increased from 42% in 2014Q1, to 62% in 2014Q2.

Despite the deterioration in all these underlying indices, respondents expect business conditions, building activity, employment and profitability to improve in the coming survey quarter.

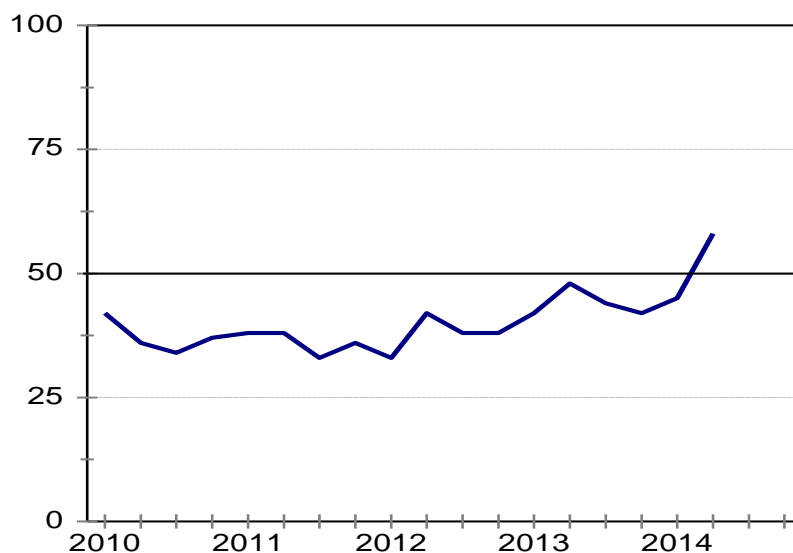
Construction Industry

Total

The number of civil contractors that reported satisfactory business conditions increased from an index level of 45 in 2014Q1 to 58 in 2014Q2. This marks its highest level since 2008Q4. It is also the first time since 2009Q4 that business confidence among civil contractors is above the neutrality level of 50.

The rise in confidence was underpinned by an improvement in construction activity, employment and overall profitability.

Figure 11: Total
Business confidence



Construction activity improved for the fifth consecutive quarter. The net percentage of civil contractors reporting lower building activity decreased from a net 16% in 2014Q1 to 12% in 2014Q2.

The tempo of job losses slowed during the survey quarter. A net 14% of respondents indicated that employment was lower when compared to the same quarter of last year, down from 18% in 2014Q1.

Pressure on profitability subsided somewhat. The percentage of civil contractors that reported lower profits declined from a net 33% in 2014Q1, to a net 28% in 2014Q2.

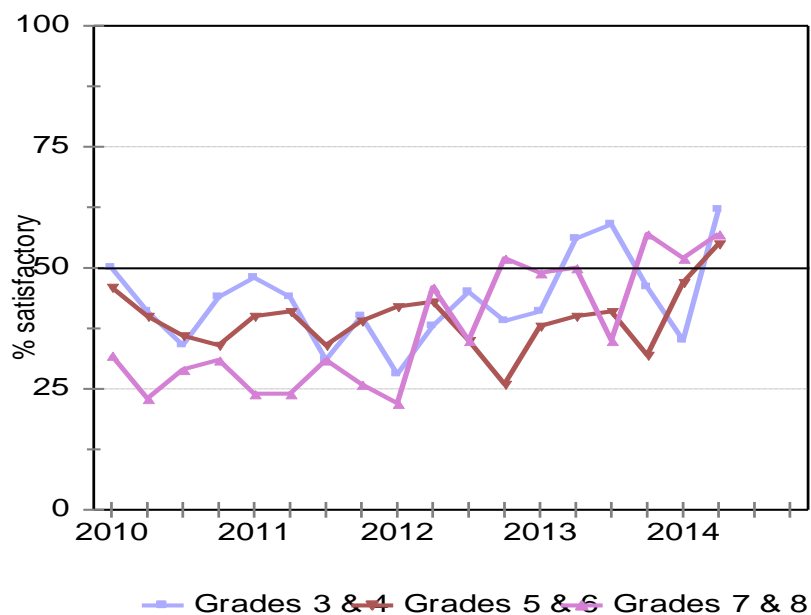
Tendering competition provided some moderate relief. In 2014Q1, a net 41% of respondents stated that tendering competition had intensified compared to the same quarter last year, whereas 37% reported similar findings during 2014Q2.

Despite the slight improvement in construction activity, demand for new construction work remains low. Sixty-seven per cent of respondents cited insufficient demand for building work as a constraint. Nevertheless, a net 12% of respondents expect business conditions to improve during the coming quarter.

Grades comparison

Figure 12 shows that business confidence among all the grades increased. The largest increase was registered for Grades 3 & 4 (+27 index points), followed by Grades 5 & 6 (+8) and Grades 7 & 8 (+5).

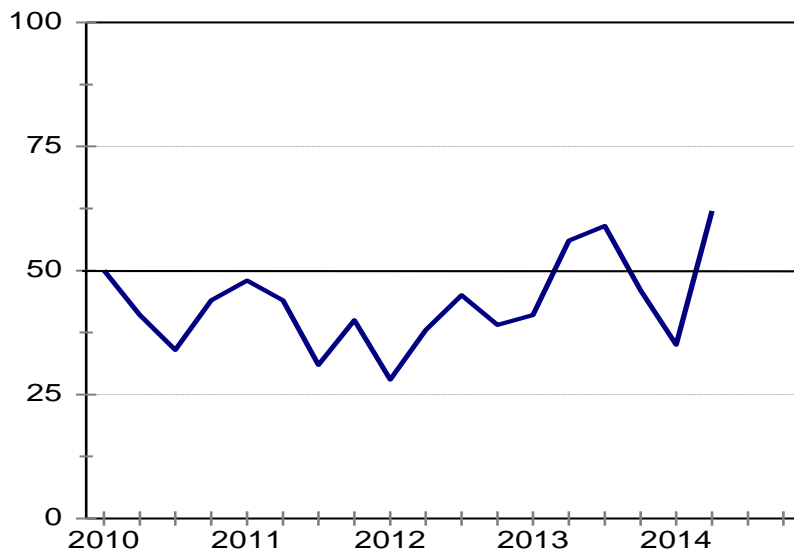
Figure 12: Business confidence per grade



Grades 3 & 4

The number of civil contractors in Grades 3 & 4 that were satisfied with business conditions increased markedly from an index level of 35 in 2014Q1 to 62 in 2014Q2. This marks its highest level attained since 2009Q2.

Figure 13: Grade 3 & 4
Business confidence



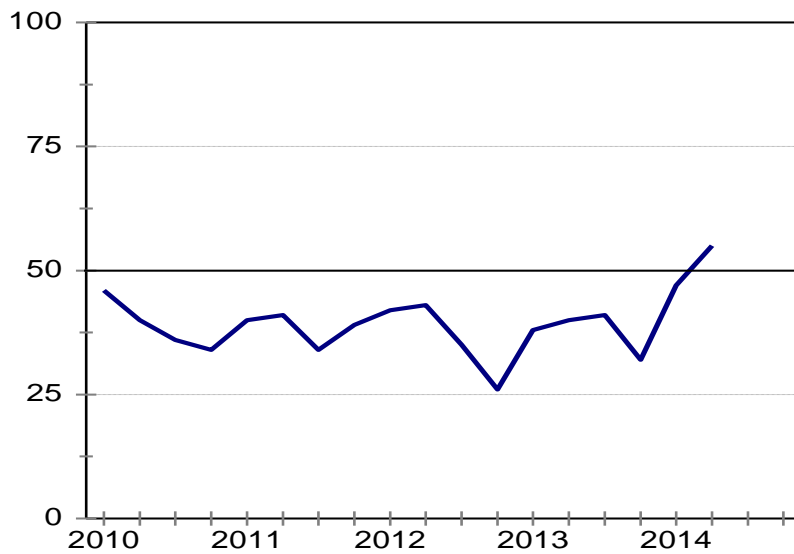
The rise in confidence was largely due to improved profitability. Compared to a net 52% in 2014Q1, a net 32% indicated that profitability was lower than the same quarter in the previous year.

Respondents expect business conditions, construction activity, employment and profitability to improve even further in the coming survey quarter.

Grades 5 & 6

Business confidence for civil contractors in Grade 5 & 6 increased from 47 to 55 index points in 2014Q2. The increase in confidence was likely due to an improvement in construction activity, employment and profitability.

Figure 14: Grade 5 & 6
Business confidence



Construction activity picked up during 2014Q2. Compared to 2014Q1 when a net 28% of respondents stated that building activity was lower compared to the same quarter in 2013, only 19% stated so during this survey quarter.

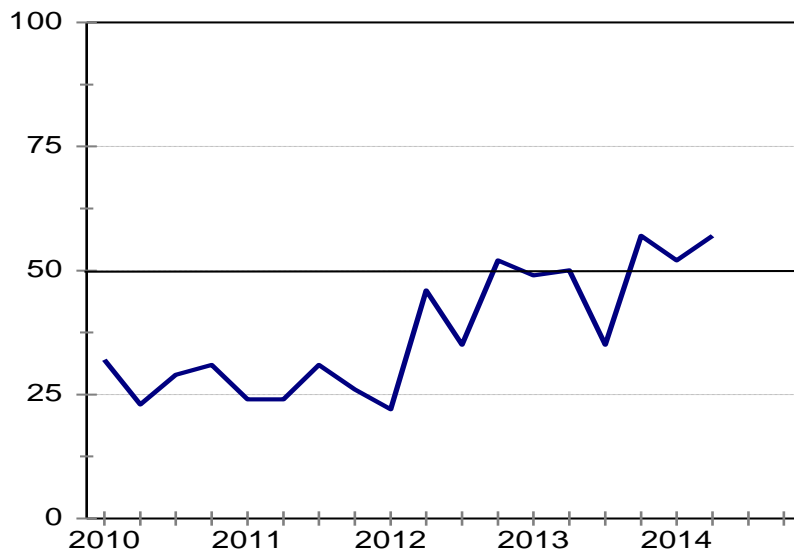
The pace of job losses eased. The percentage of respondents having shed jobs improved from a net 26% in 2014Q1, to a net 14% in 2014Q2.

Overall profitability continued to improve. A net 24% of respondents stated that profitability was lower compared to the same period in 2013, down from 39% in 2014Q1.

Grades 7 & 8

Business confidence of civil contractors in Grades 7 & 8 increased from 52 index points to a level of 57 in 2014Q2. Despite the higher confidence level, most of the key underlying indicators point towards increased pressure in this sector.

Figure 15: Grade 7 & 8
Business confidence



The tempo of job losses increased during the survey quarter. A net 8% of respondents indicated that employment levels were lower when compared to the same quarter in 2013, up from a net 4% in 2014Q1.

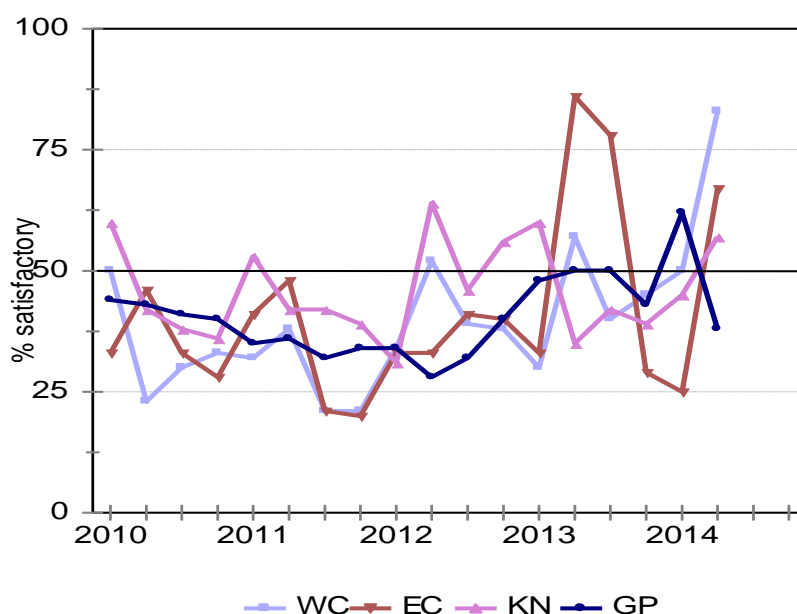
Profitability also came under pressure. A net 31% reported lower profit margins compared to the same period in 2013. This is a notable deterioration from the net 4% that reported lower profitability in the previous quarter.

Although construction activity slowed down, it remained positive. Compared to a net 17% in 2014Q1, a net 4% indicated that construction activity was higher than the same period in the previous year.

Provincial comparison

As shown in Figure 16, Gauteng was the only province that registered a drop in confidence levels (-24). In contrast, the Eastern Cape recorded the biggest increase in confidence (+42).

Figure 16: Business confidence per province



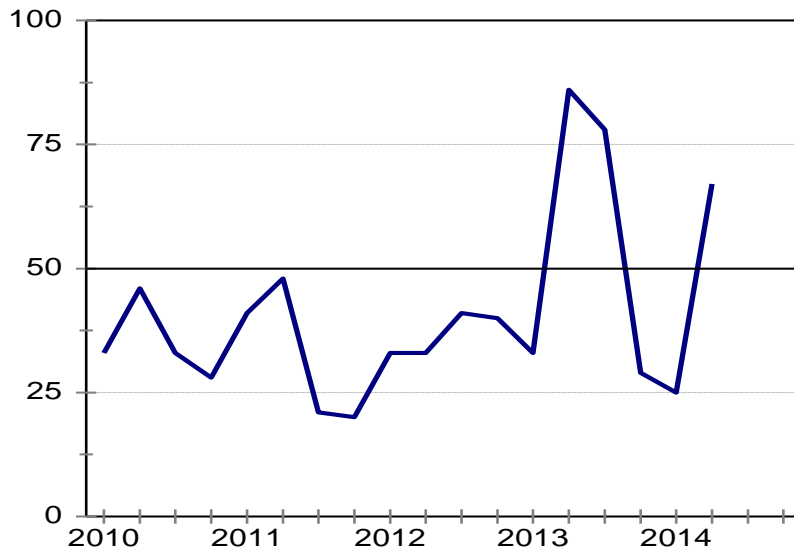
Eastern Cape¹

The overall business confidence of civil contractors in the Eastern Cape increased markedly from 25 index points in 2014Q1 to 67 in 2014Q2. The increase in confidence was largely driven by an improvement in profitability and construction activity. Nevertheless, competition in tendering increased, but skilled labour shortages eased. A significant majority of respondents expect business conditions to improve further during the coming survey quarter.

¹ Due to a limited number of respondents, business confidence among building contractors in the Eastern Cape has been very volatile in recent quarters.

Figure 17: Eastern Cape

Business confidence

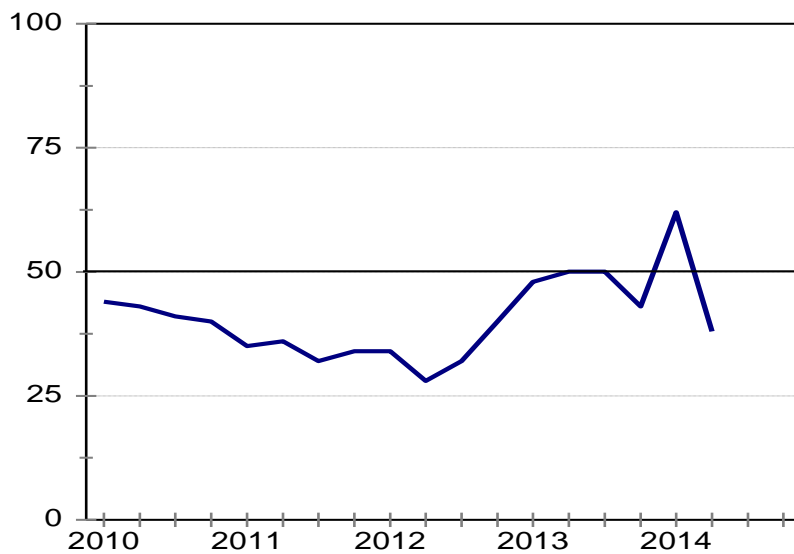


Gauteng

After rising from 43 to 62 index points in 2014Q1, business confidence fell back to a level of 38 in 2014Q2. This was underpinned by poorer business conditions and lower employment levels.

Figure 18: Gauteng

Business confidence



Compared to a net 0% in 2014Q1, a net 27% reported poorer business conditions this quarter. The pace at which building contractors retrenched workers increased from a net 7% in 2014Q1 to a net 13% in 2014Q2.

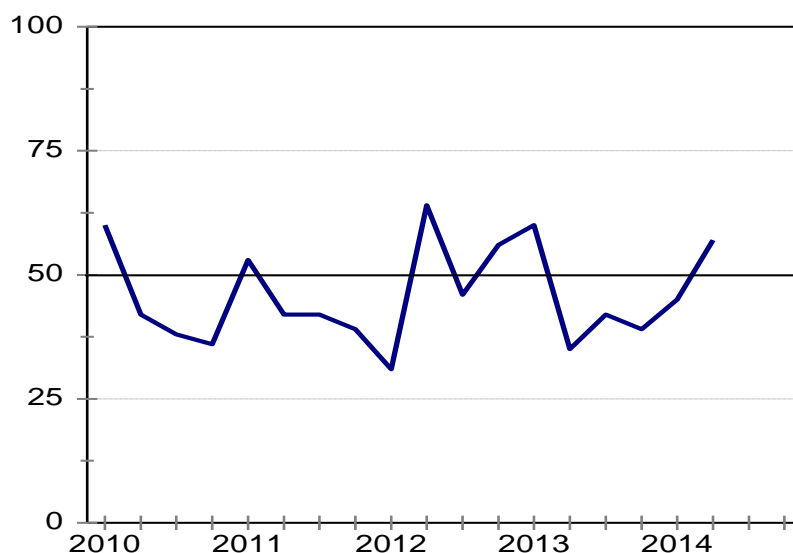
Construction activity remained largely unchanged. A net 25% of respondents stated that it was lower compared to the same quarter in 2013, slightly down from 23% in 2014Q1.

Confidence fell despite an improvement in profitability. A net 6% indicated that profitability was lower compared to the same period a year ago, down from a net 16% in the previous survey quarter. A net 7% of respondents expect improved business conditions during the coming survey quarter.

KwaZulu-Natal

Overall business confidence increased from 45 index points in 2014Q1 to a level of 57 in 2014Q2. Business confidence rose despite increased pressure on employment and profitability.

Figure 19: KwaZulu-Natal
Business confidence



The pace of job losses accelerated during the survey quarter. Compared to a net 0% in 2014Q1, a net 22% indicated that employment levels were lower than in the same quarter a year ago.

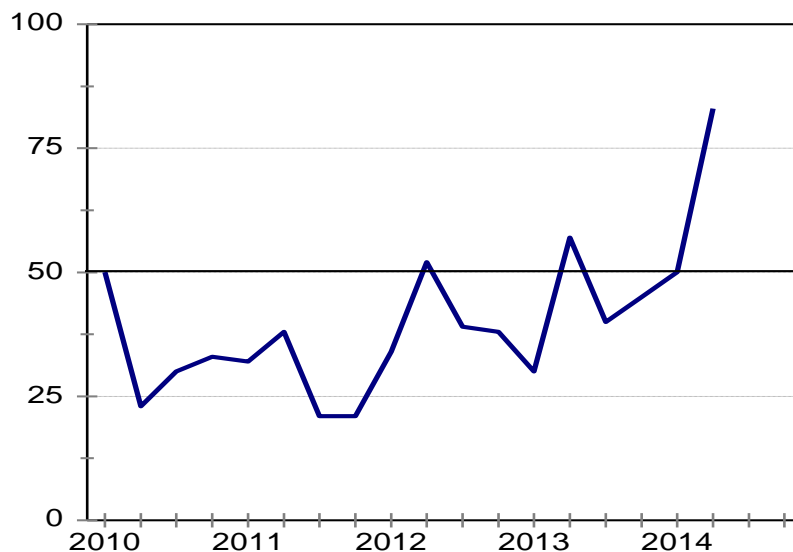
Profitability came under pressure during this survey quarter. A net 53% of respondents stated that profitability was lower compared to a year ago; a deterioration from the 33% of respondents who reported similar findings during the previous quarter.

Furthermore, the survey results reveal that 72% of the civil contractors' business operations were hampered by insufficient demand for construction work. This was a marginal increase from 69% in 2014Q1. In addition, 53% of respondents experienced skilled labour shortages.

Western Cape

Business confidence increased from an index level of 50 in 2014Q1, to a historical high of 83 in 2014Q2. This is the third consecutive quarter that business confidence has increased. One possible explanation for the marked increase in confidence levels is the fact that respondents' expectations were exceeded in all the underlying indices.

Figure 20: Western Cape
Business confidence



Compared to a net 9% in 2014Q1, a net 23% indicated that construction activity was higher compared to the same period a year ago. This is the third consecutive quarter that civil contractors in the Western Cape reported positive growth in activity levels.

The pace of job losses slowed during the survey quarter. In 2014Q1, a net 18% of respondents noted that employment growth was lower compared to the corresponding period in 2013, whereas 0% indicated the same during 2014Q2.

Pressure on profitability also subsided somewhat. A net 8% indicated that profitability was lower compared to the same period a year ago. This is an improvement from a net 13% who stated the same in the previous quarter.

Due to higher levels of construction activity, the proportion of respondents who rated insufficient demand for building work as a constraint dropped from 61% to 50%.

Ms Mia Slabber

Ms Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	<i>13Q3</i>	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3*</i>
Business confidence ³	46	47	38	35	
Change in business conditions ¹	-14	-6	-15	-19	3
Growth in building activity ¹	-25	-12	-24	-25	-6
Growth in number of people employed ¹	-18	-14	-23	-18	-19
Growth in profitability of the business ¹	-39	-26	-37	-48	-14
Tendering competition ¹	39	36	30	49	
Percentage rating shortage of skilled labour a constraint ²	51	55	49	56	
Percentage rating inadequate supply of building materials a constraint ²	29	32	28	30	
Percentage rating insufficient demand for building work a constraint ²	68	69	73	66	
Percentage rating firm's inadequate access to credit a constraint ²	31	33	32	40	

* Expected.

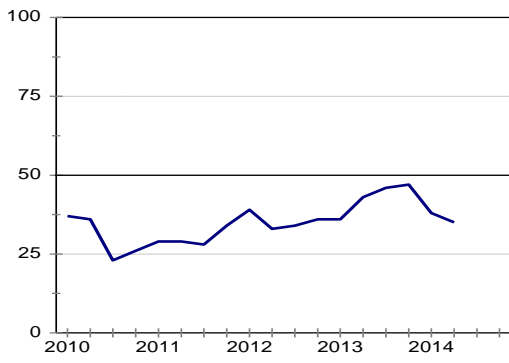
¹ Net balance.

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

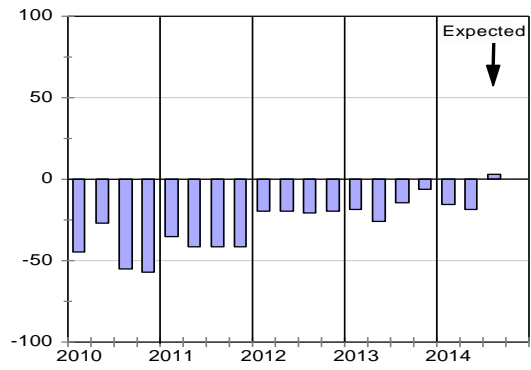
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

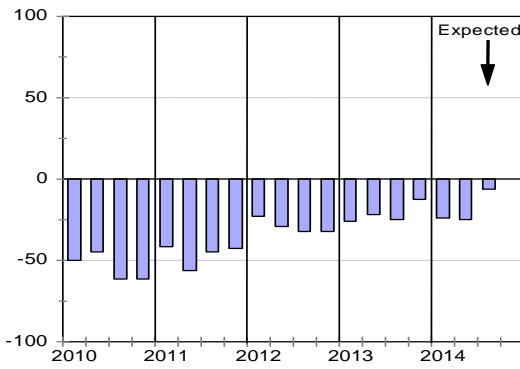
Business confidence



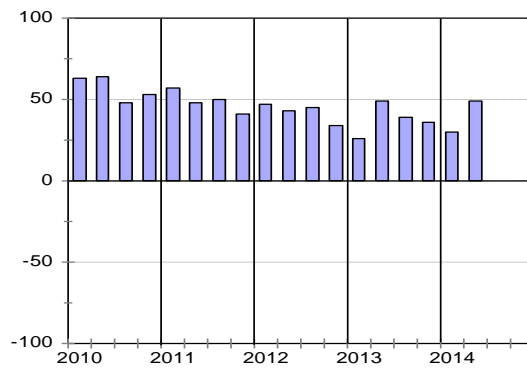
Change in business conditions



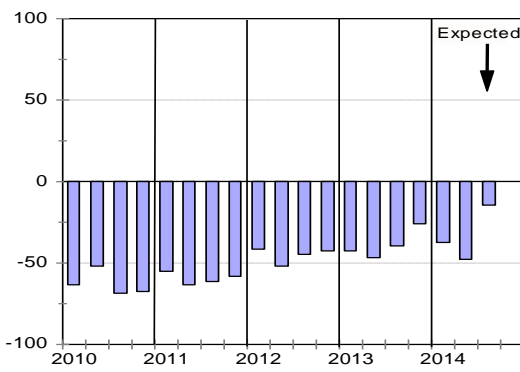
Growth in building activity



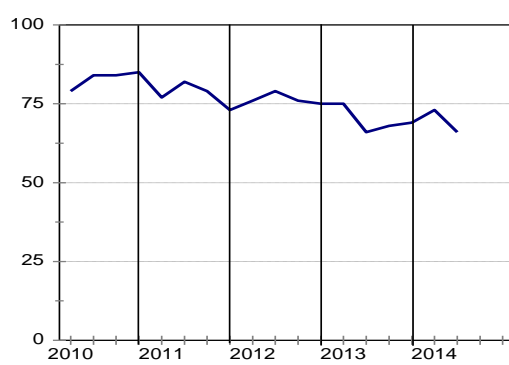
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	<i>13Q3</i>	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3*</i>
Business confidence ³	67	30	32	52	
Change in business conditions ¹	-4	-30	-17	-22	5
Growth in building activity ¹	-17	-29	-25	-13	0
Growth in number of people employed ¹	-20	-29	-17	-26	-18
Growth in profitability of the business ¹	-45	-40	-41	-56	-4
Tendering competition ¹	48	12	12	44	
Percentage rating shortage of skilled labour a constraint ²	51	55	42	58	
Percentage rating inadequate supply of building materials a constraint ²	34	33	26	30	
Percentage rating insufficient demand for building work a constraint ²	60	75	72	61	
Percentage rating firm's inadequate access to credit a constraint ²	28	43	32	37	

* Expected.

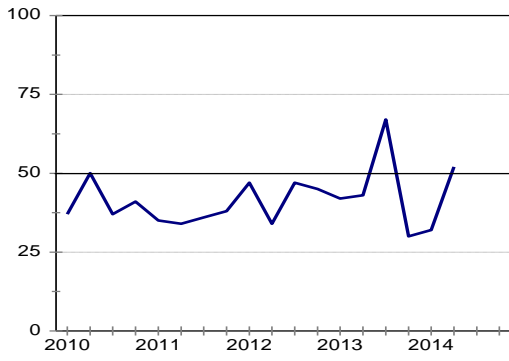
¹ Net balance.

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.

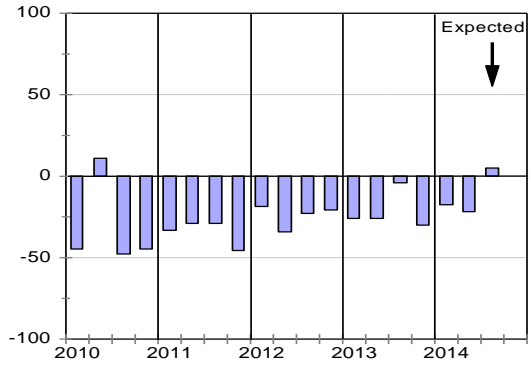
³ Percentage gross rating prevailing business conditions as satisfactory.

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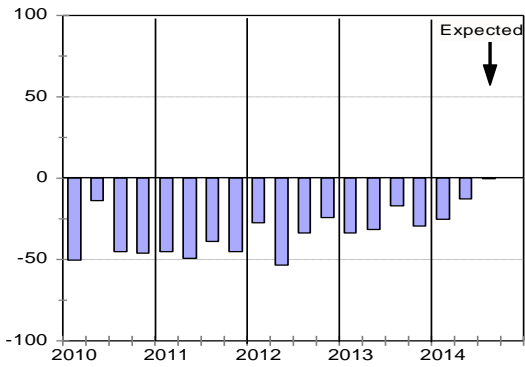
Business confidence



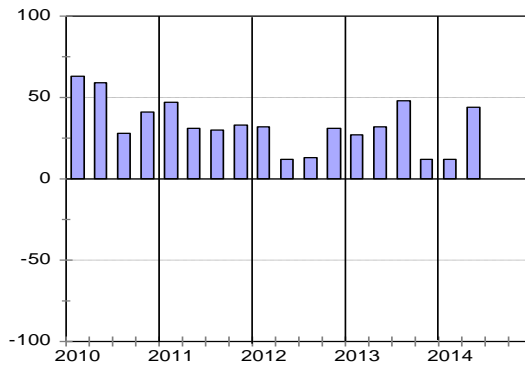
Change in business conditions



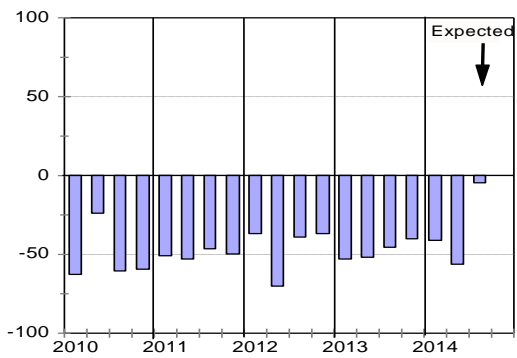
Growth in building activity



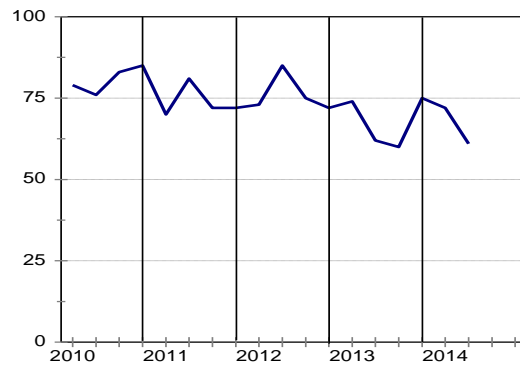
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	<i>13Q3</i>	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3*</i>
Business confidence ³	42	56	45	23	
Change in business conditions ¹	-17	7	-22	-17	3
Growth in building activity ¹	-31	-5	-31	-41	-12
Growth in number of people employed ¹	-12	-5	-29	-18	-23
Growth in profitability of the business ¹	-32	-12	-40	-50	-25
Tendering competition ¹	34	50	48	62	
Percentage rating shortage of skilled labour a constraint ²	50	55	51	54	
Percentage rating inadequate supply of building materials a constraint ²	21	30	24	32	
Percentage rating insufficient demand for building work a constraint ²	68	65	75	67	
Percentage rating firm's inadequate access to credit a constraint ²	33	27	32	41	

* Expected.

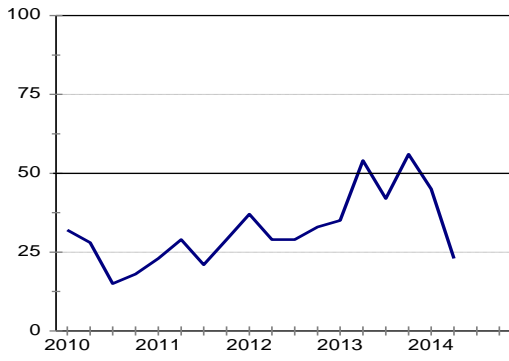
¹ Net balance.

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.

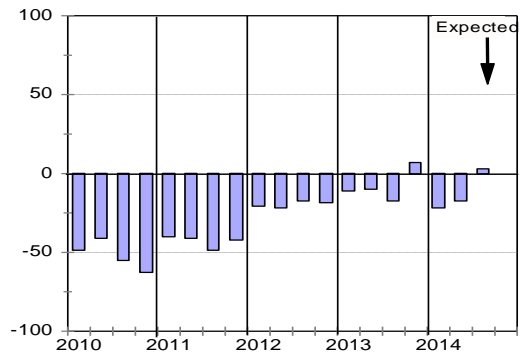
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

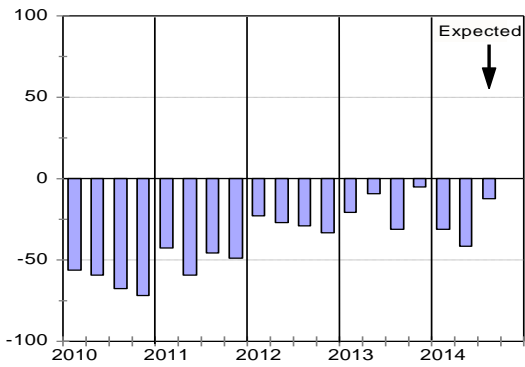
Business confidence



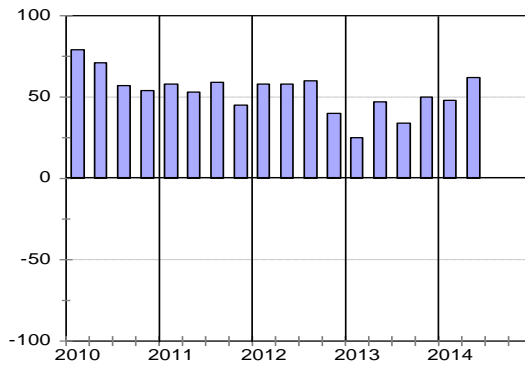
Change in business conditions



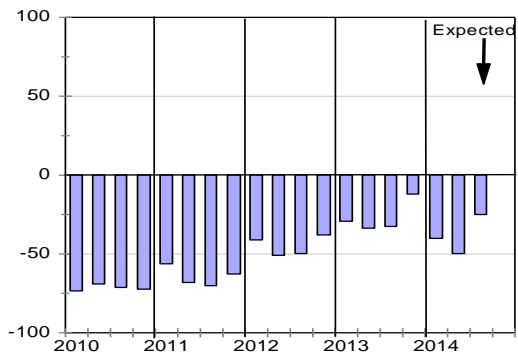
Growth in building activity



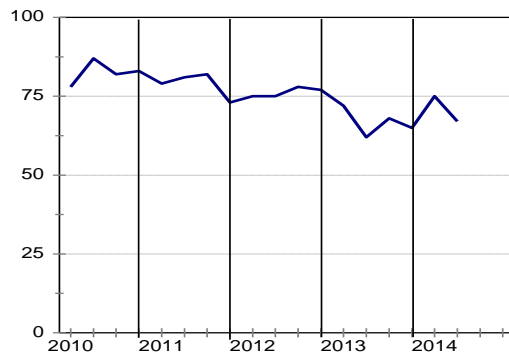
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	13Q3	13Q4	14Q1	14Q2	14Q3*
Business confidence ³	24	47	31	33	
Change in business conditions ¹	-23	0	6	-17	0
Growth in building activity ¹	-23	0	-7	0	0
Growth in number of people employed ¹	-29	-11	-13	0	-8
Growth in profitability of the business ¹	-47	-33	-26	-25	0
Tendering competition ¹	35	38	13	25	
Percentage rating shortage of skilled labour a constraint ²	55	52	57	54	
Percentage rating inadequate supply of building materials a constraint ²	41	36	41	25	
Percentage rating insufficient demand for building work a constraint ²	80	70	69	73	
Percentage rating firm's inadequate access to credit a constraint ²	33	31	31	46	

* Expected.

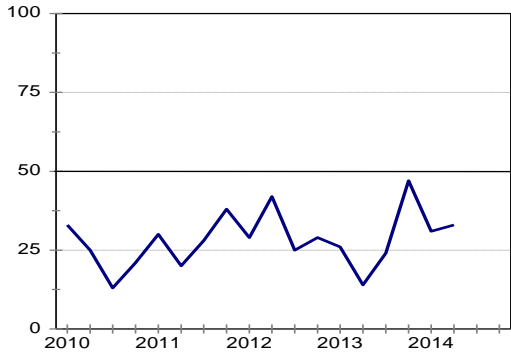
¹ Net balance.

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

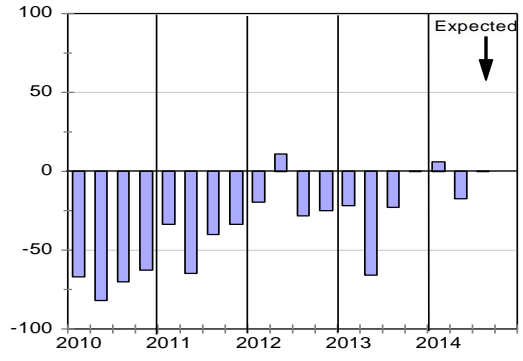
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

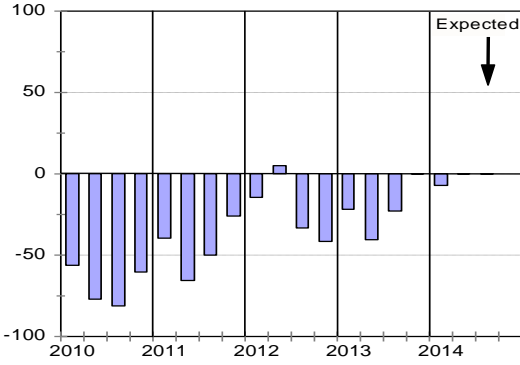
Business confidence



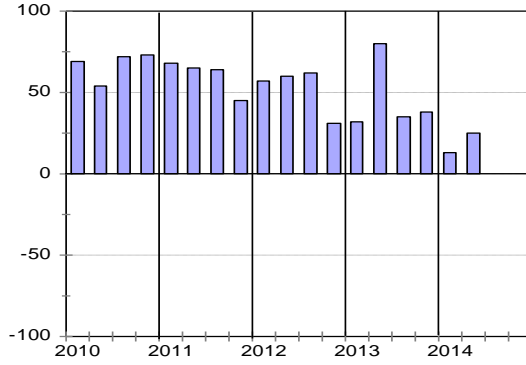
Change in business conditions



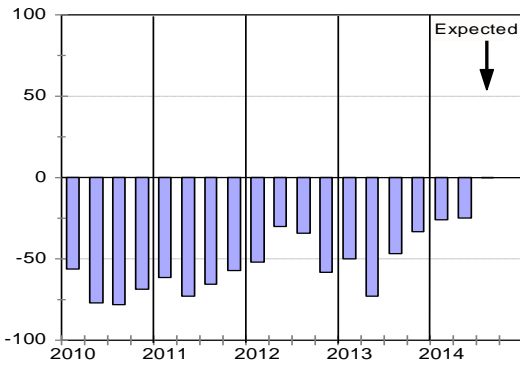
Growth in building activity



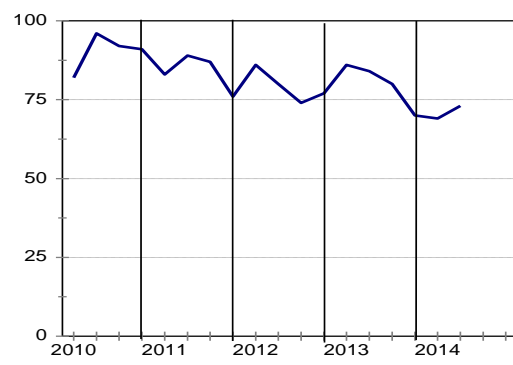
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>13Q3</i>	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3*</i>
Business confidence ³	38	36	33	33	
Change in business conditions ¹	-23	-18	-37	-67	-67
Growth in building activity ¹	-39	-27	-23	-34	-34
Growth in number of people employed ¹	-15	-18	-39	-33	-33
Growth in profitability of the business ¹	-39	-46	-41	-67	-67
Tendering competition ¹	46	64	61	100	
Percentage rating shortage of skilled labour a constraint ²	61	63	61	67	
Percentage rating inadequate supply of building materials a constraint ²	19	32	27	33	
Percentage rating insufficient demand for building work a constraint ²	69	78	73	50	
Percentage rating firm's inadequate access to credit a constraint ²	19	14	31	33	

* Expected.

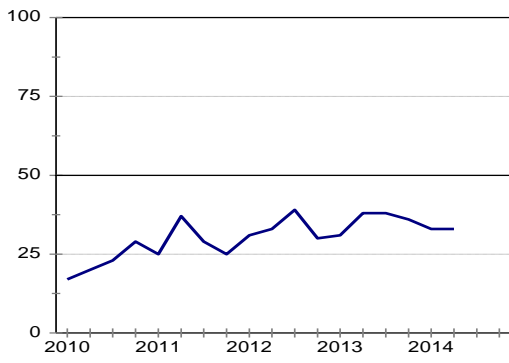
¹ Net balance.

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

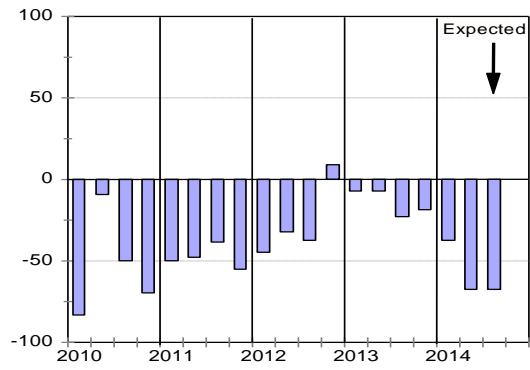
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

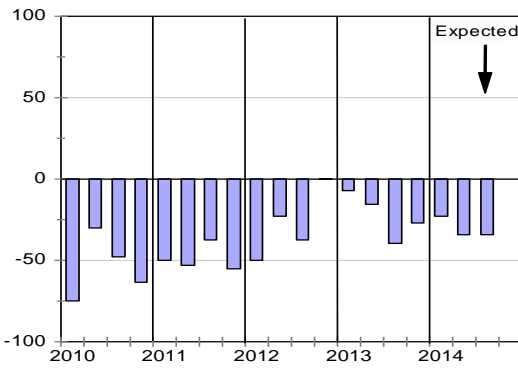
Business confidence



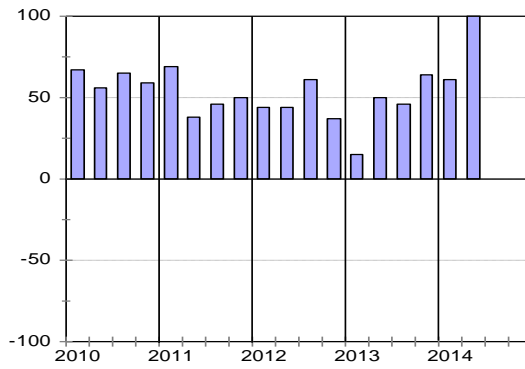
Change in business conditions



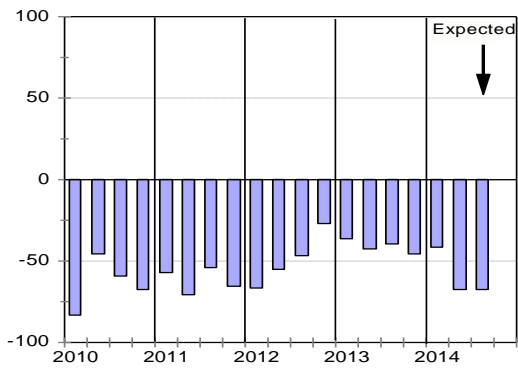
Growth in building activity



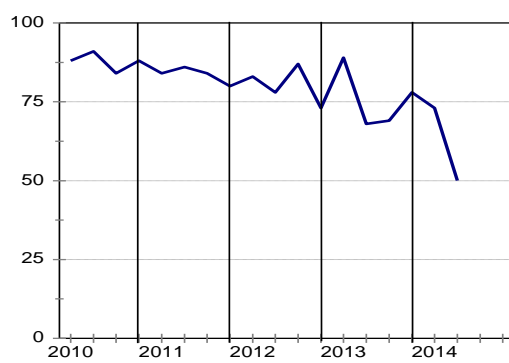
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	13Q3	13Q4	14Q1	14Q2	14Q3*
Business confidence ³	39	56	38	32	
Change in business conditions ¹	-16	7	7	-5	0
Growth in building activity ¹	-47	6	-6	-30	-21
Growth in number of people employed ¹	-31	-12	-13	-16	-15
Growth in profitability of the business ¹	-58	-19	-33	-45	-16
Tendering competition ¹	37	46	7	25	
Percentage rating shortage of skilled labour a constraint ²	53	56	46	63	
Percentage rating inadequate supply of building materials a constraint ²	37	34	34	40	
Percentage rating insufficient demand for building work a constraint ²	69	69	73	74	
Percentage rating firm's inadequate access to credit a constraint ²	32	50	36	60	

* Expected.

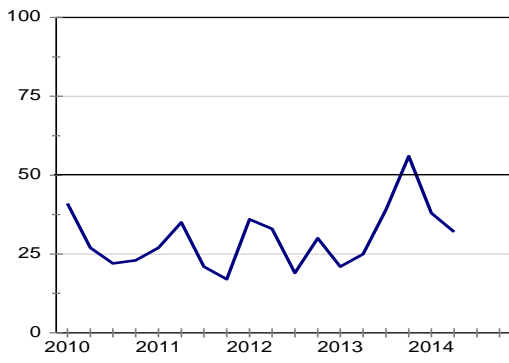
¹ Net balance.

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.

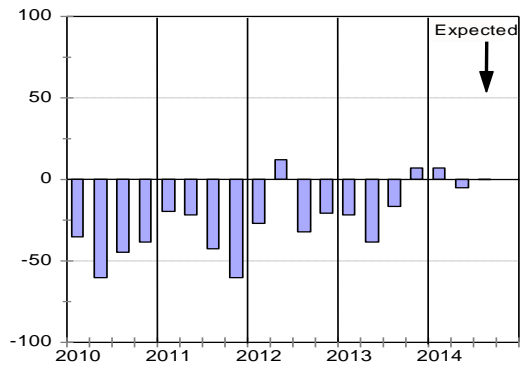
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

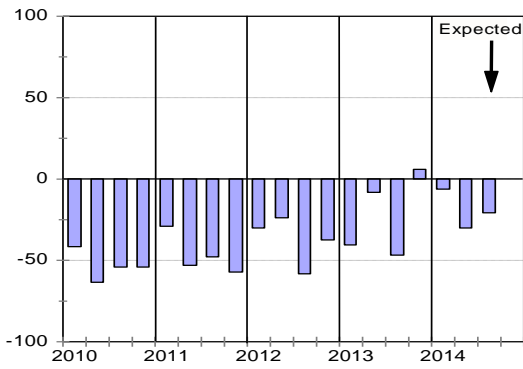
Business confidence



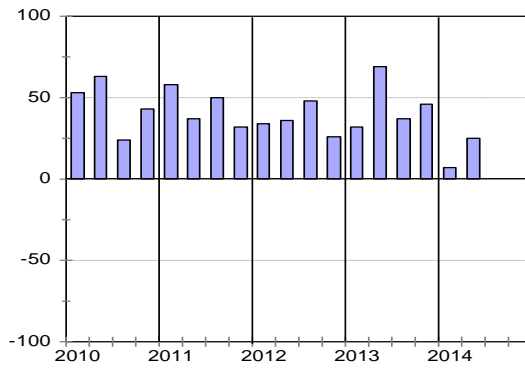
Change in business conditions



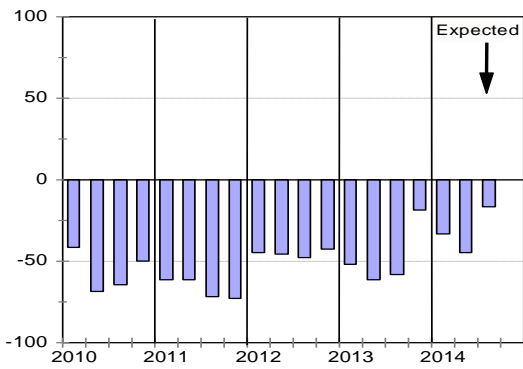
Growth in building activity



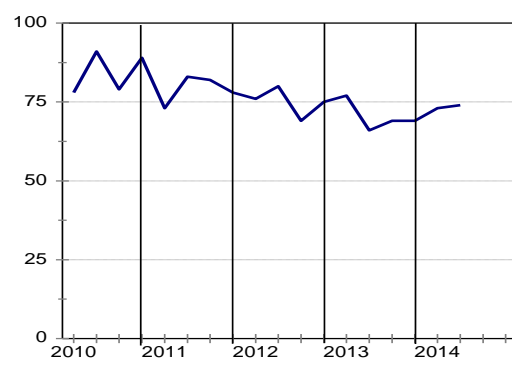
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	<i>13Q3</i>	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3*</i>
Business confidence ³	44	52	48	43	
Change in business conditions ¹	-21	-5	-17	-14	13
Growth in building activity ¹	-15	-9	-40	-27	-8
Growth in number of people employed ¹	-27	-18	-33	-15	-29
Growth in profitability of the business ¹	-40	-17	-42	-43	-22
Tendering competition ¹	24	23	17	47	
Percentage rating shortage of skilled labour a constraint ²	50	59	46	64	
Percentage rating inadequate supply of building materials a constraint ²	29	35	32	32	
Percentage rating insufficient demand for building work a constraint ²	71	65	76	63	
Percentage rating firm's inadequate access to credit a constraint ²	37	39	33	43	

* Expected.

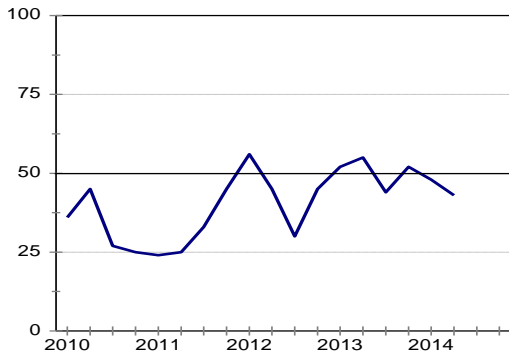
¹ Net balance.

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

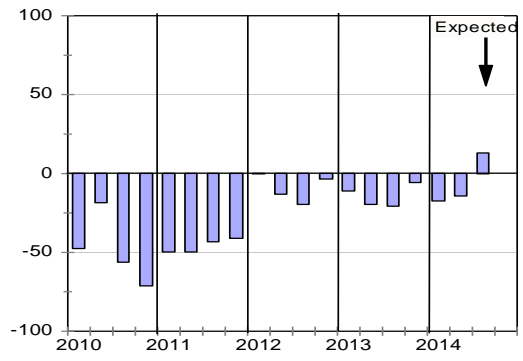
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

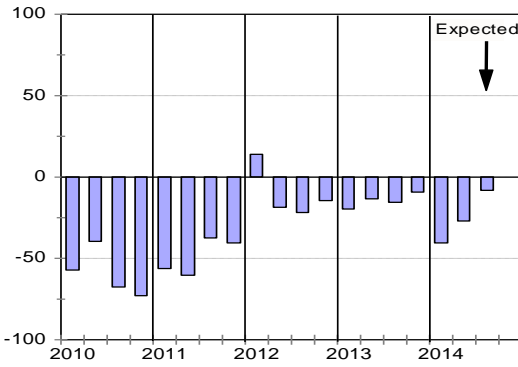
Business confidence



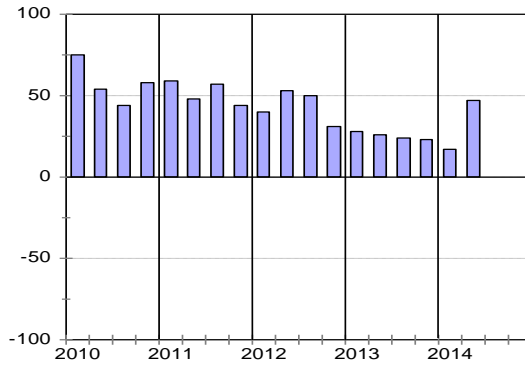
Change in business conditions



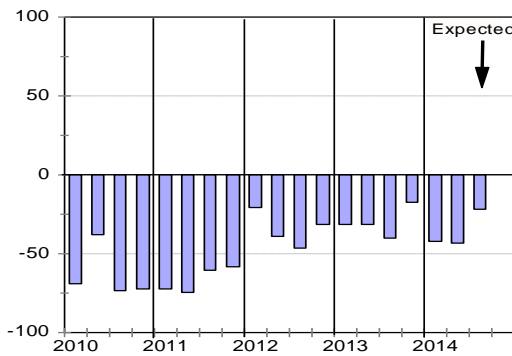
Growth in building activity



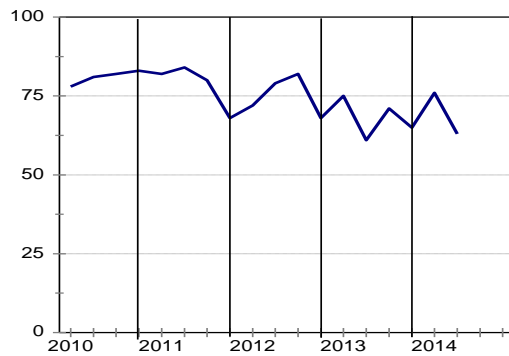
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	<i>13Q3</i>	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3*</i>
Business confidence ³	45	29	25	25	
Change in business conditions ¹	-9	7	-8	-38	-9
Growth in building activity ¹	18	-12	8	-23	9
Growth in number of people employed ¹	0	0	0	-30	-17
Growth in profitability of the business ¹	-27	-7	-25	-69	0
Tendering competition ¹	36	40	42	62	
Percentage rating shortage of skilled labour a constraint ²	45	57	50	50	
Percentage rating inadequate supply of building materials a constraint ²	27	37	20	23	
Percentage rating insufficient demand for building work a constraint ²	69	82	78	70	
Percentage rating firm's inadequate access to credit a constraint ²	32	34	29	19	

* Expected.

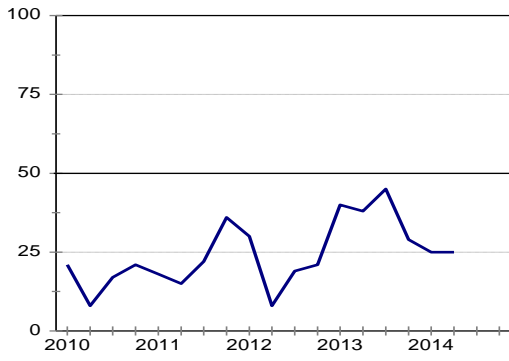
¹ Net balance.

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.

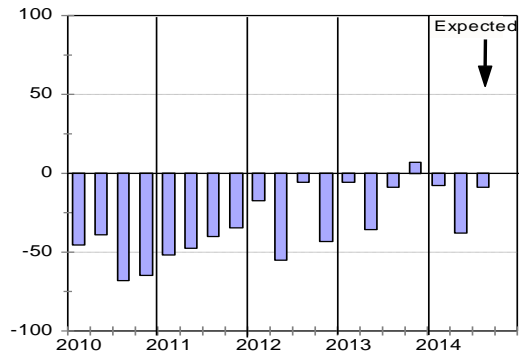
³ Percentage gross rating prevailing business conditions as satisfactory.

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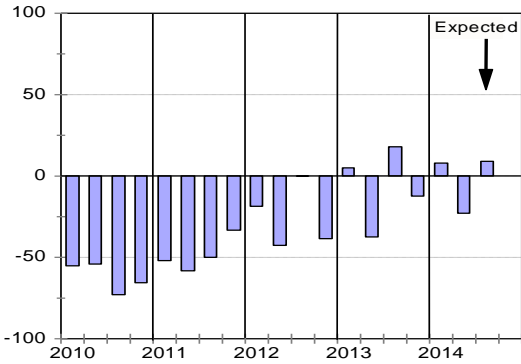
Business confidence



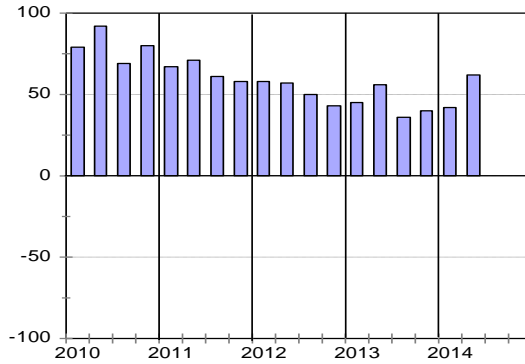
Change in business conditions



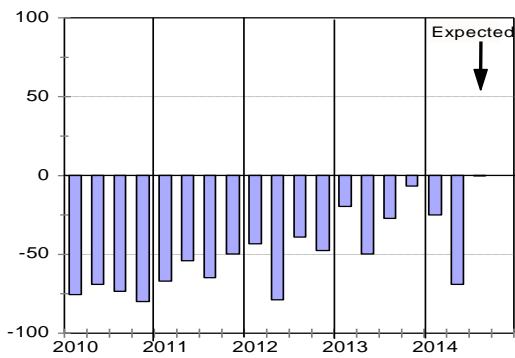
Growth in building activity



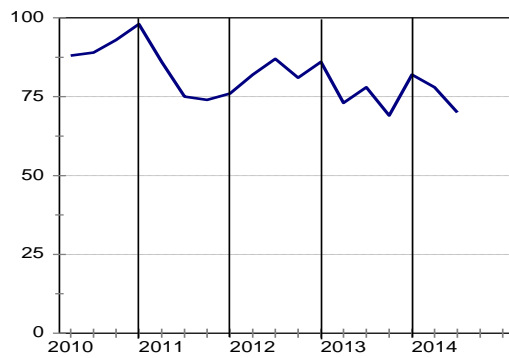
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total

	13Q3	13Q4	14Q1	14Q2	14Q3*
Business confidence ³	44	42	45	58	
Change in business conditions ¹	-27	-17	-15	-17	12
Growth in construction activity ¹	-20	-17	-16	-12	21
Growth in number of people employed ¹	-22	-20	-18	-14	0
Growth in profitability of the business ¹	-33	-38	-33	-28	-13
Tendering competition ¹	46	45	41	37	
Percentage rating shortage of skilled labour a constraint ²	49	48	47	43	
Percentage rating inadequate supply of construction materials a constraint ²	26	29	29	35	
Percentage rating insufficient demand for construction work a constraint ²	70	69	68	67	
Percentage rating firm's inadequate access to credit a constraint ²	29	30	28	31	

* Expected.

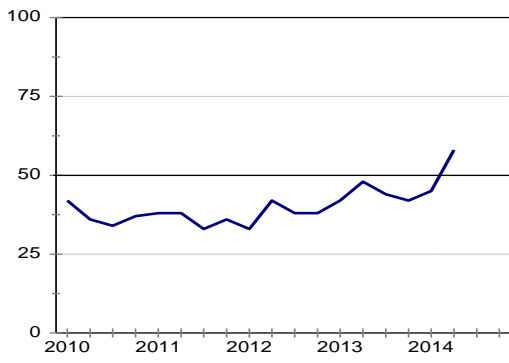
¹ Net balance.

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.

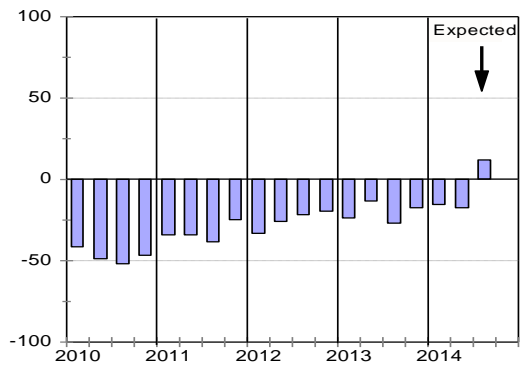
³ Percentage gross rating prevailing business conditions as satisfactory.

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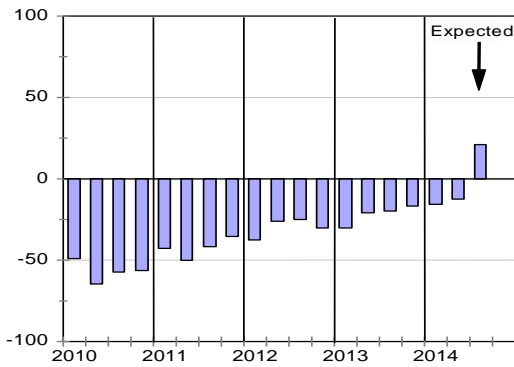
Business confidence



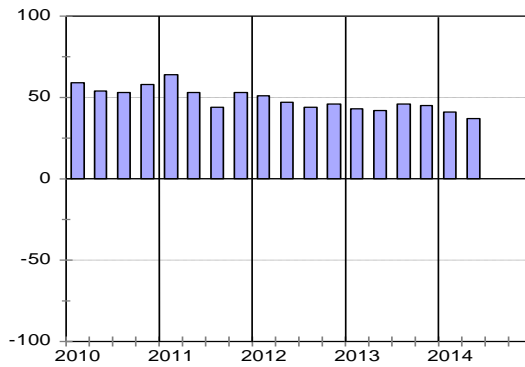
Change in business conditions



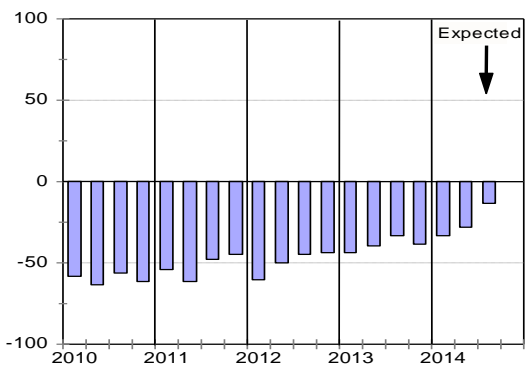
Growth in construction activity



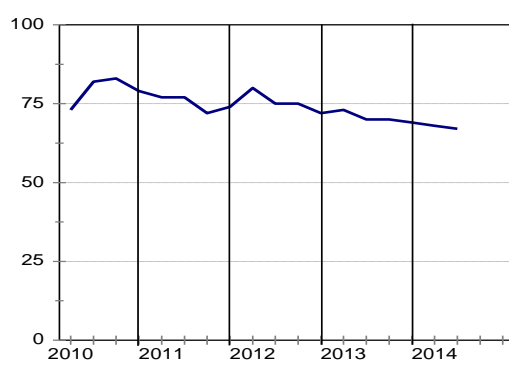
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	13Q3	13Q4	14Q1	14Q2	14Q3*
Business confidence ³	59	46	35	62	
Change in business conditions ¹	-14	-17	-36	-31	24
Growth in construction activity ¹	0	-22	-25	-22	24
Growth in number of people employed ¹	0	-15	-19	-19	0
Growth in profitability of the business ¹	-28	-35	-52	-32	-4
Tendering competition ¹	27	19	15	22	
Percentage rating shortage of skilled labour a constraint ²	44	39	50	37	
Percentage rating inadequate supply of construction materials a constraint ²	27	31	31	35	
Percentage rating insufficient demand for construction work a constraint ²	60	65	65	58	
Percentage rating firm's inadequate access to credit a constraint ²	39	37	19	27	

* Expected.

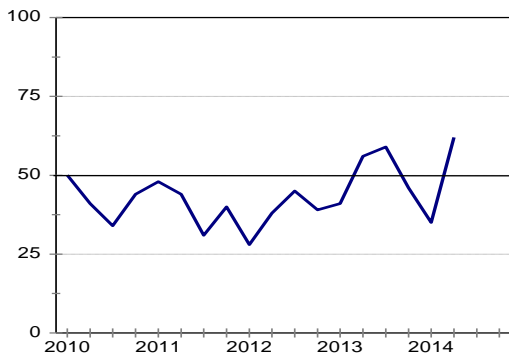
¹ Net balance.

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.

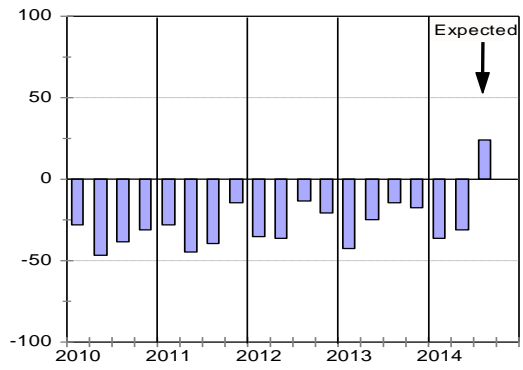
³ Percentage gross rating prevailing business conditions as satisfactory.

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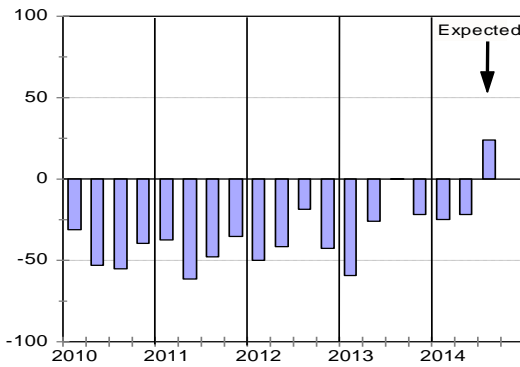
Business confidence



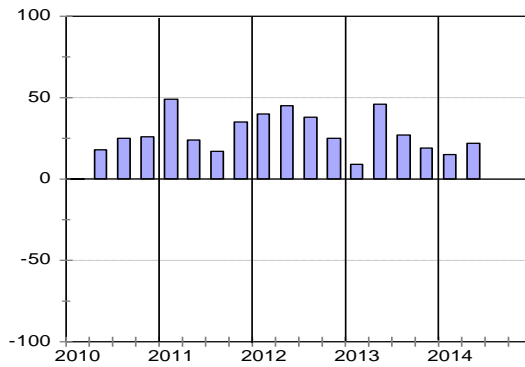
Change in business conditions



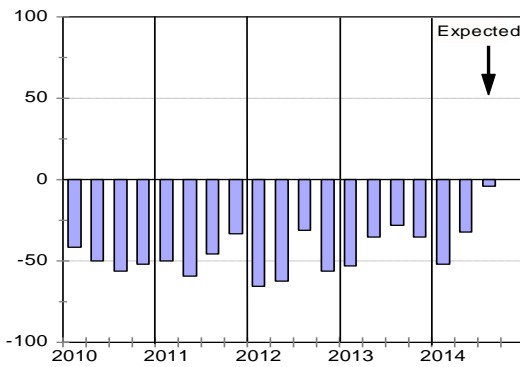
Growth in construction activity



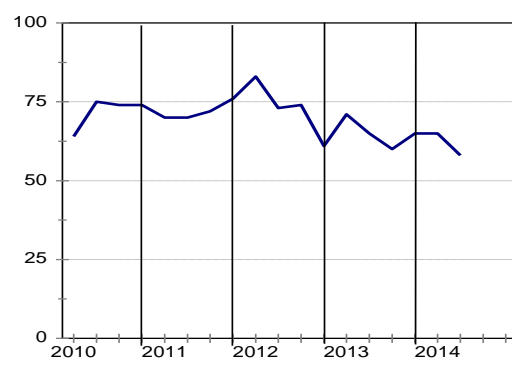
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	13Q3	13Q4	14Q1	14Q2	14Q3*
Business confidence ³	41	32	47	55	
Change in business conditions ¹	-31	-21	-23	-30	5
Growth in construction activity ¹	-28	-24	-28	-19	10
Growth in number of people employed ¹	-43	-34	-26	-14	-5
Growth in profitability of the business ¹	-39	-44	-39	-24	-25
Tendering competition ¹	54	48	54	47	
Percentage rating shortage of skilled labour a constraint ²	52	52	45	45	
Percentage rating inadequate supply of construction materials a constraint ²	23	30	26	39	
Percentage rating insufficient demand for construction work a constraint ²	71	71	70	79	
Percentage rating firm's inadequate access to credit a constraint ²	28	30	38	36	

* Expected.

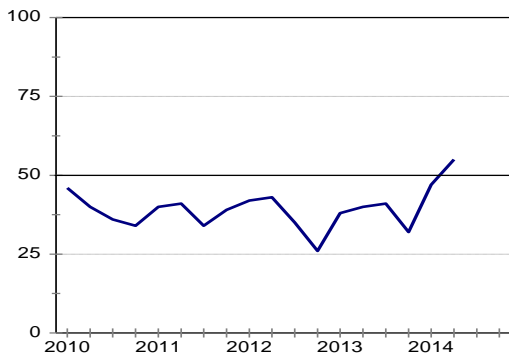
¹ Net balance.

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.

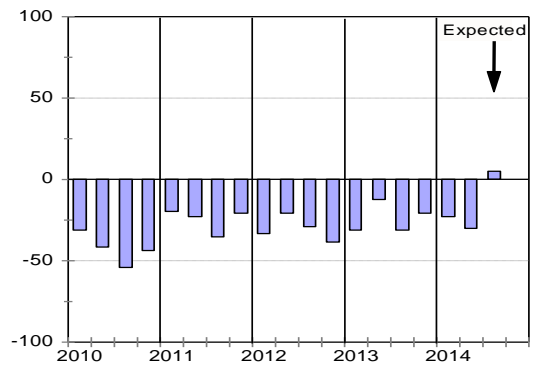
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

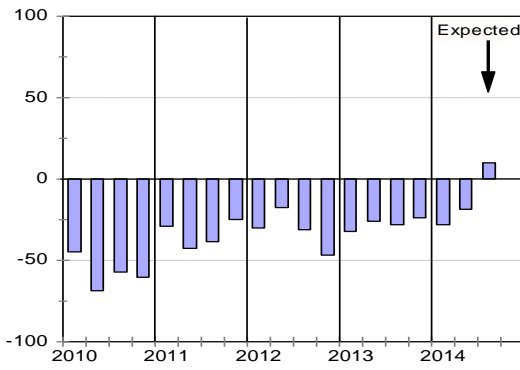
Business confidence



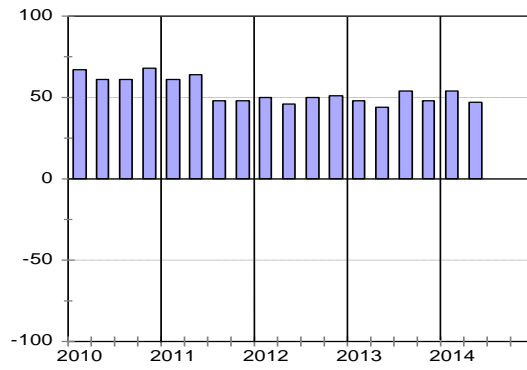
Change in business conditions



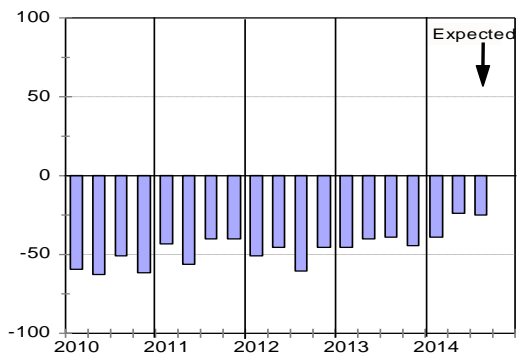
Growth in construction activity



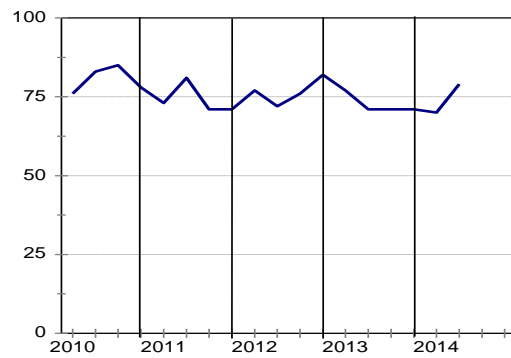
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	13Q3	13Q4	14Q1	14Q2	14Q3*
Business confidence ³	35	57	52	57	
Change in business conditions ¹	-36	-8	21	8	9
Growth in construction activity ¹	-26	0	17	4	27
Growth in number of people employed ¹	-11	4	-4	-8	5
Growth in profitability of the business ¹	-28	-27	-4	-31	-9
Tendering competition ¹	54	72	48	46	
Percentage rating shortage of skilled labour a constraint ²	48	50	50	47	
Percentage rating inadequate supply of construction materials a constraint ²	30	27	33	34	
Percentage rating insufficient demand for construction work a constraint ²	78	68	68	66	
Percentage rating firm's inadequate access to credit a constraint ²	22	25	22	30	

* Expected.

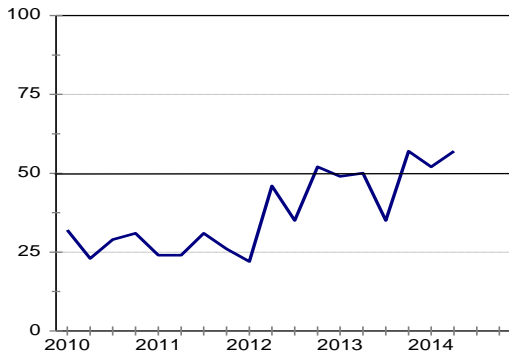
¹ Net balance.

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.

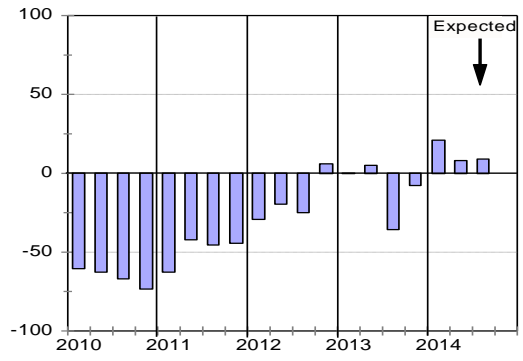
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

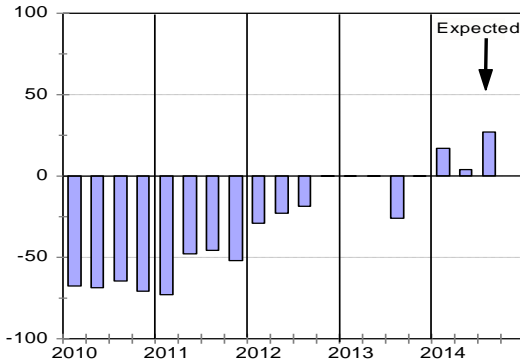
Business confidence



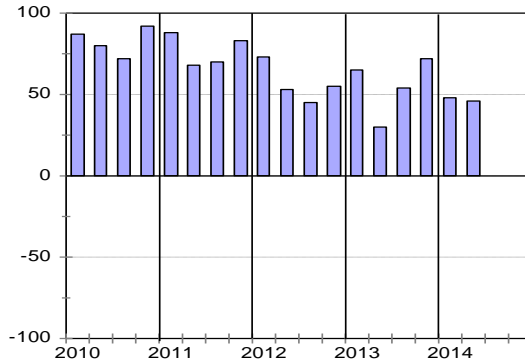
Change in business conditions



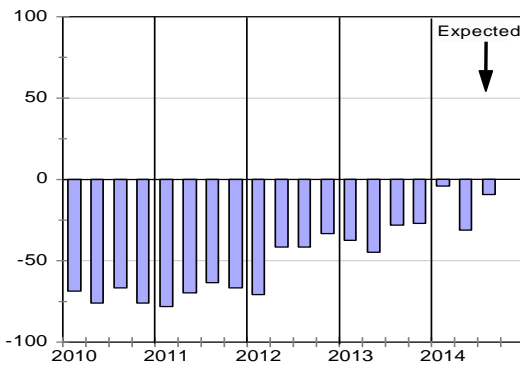
Growth in construction activity



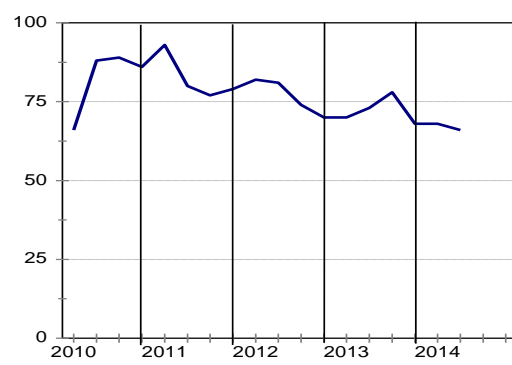
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	13Q3	13Q4	14Q1	14Q2	14Q3*
Business confidence ³	78	29	25	67	
Change in business conditions ¹	36	-15	-14	11	67
Growth in construction activity ¹	27	-29	-26	11	56
Growth in number of people employed ¹	36	15	-25	0	45
Growth in profitability of the business ¹	0	-15	-50	0	33
Tendering competition ¹	55	43	38	50	
Percentage rating shortage of skilled labour a constraint ²	54	64	63	33	
Percentage rating inadequate supply of construction materials a constraint ²	27	35	25	33	
Percentage rating insufficient demand for construction work a constraint ²	50	57	75	73	
Percentage rating firm's inadequate access to credit a constraint ²	36	21	25	27	

* Expected.

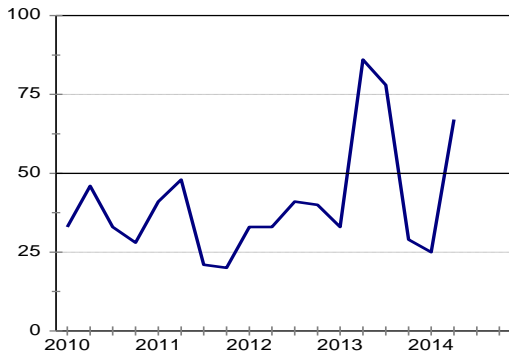
¹ Net balance.

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.

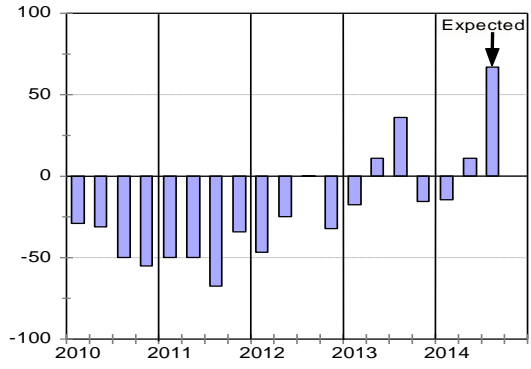
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

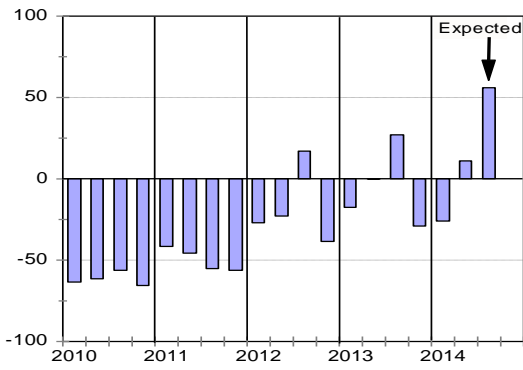
Business confidence



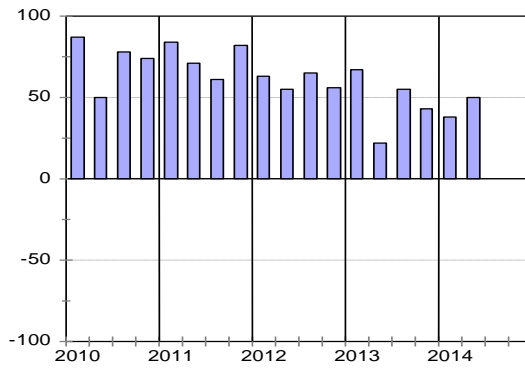
Change in business conditions



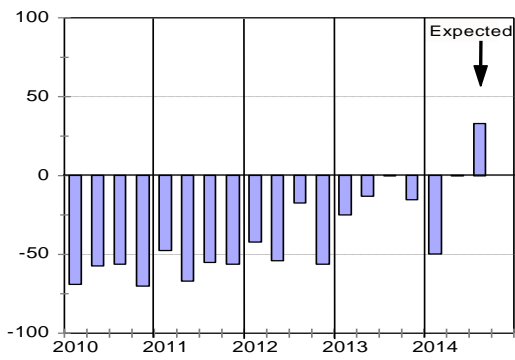
Growth in construction activity



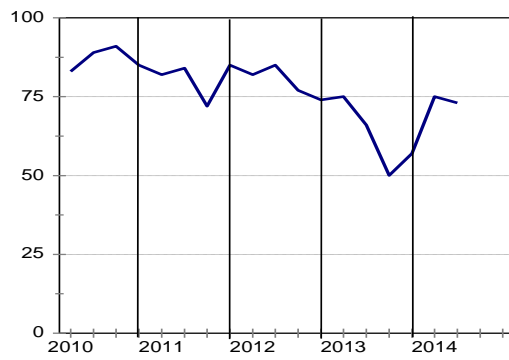
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	13Q3	13Q4	14Q1	14Q2	14Q3*
Business confidence ³	50	43	62	38	
Change in business conditions ¹	-28	-38	0	-27	7
Growth in building activity ¹	-28	-44	-23	-25	6
Growth in number of people employed ¹	-8	-25	-7	-13	0
Growth in profitability of the business ¹	-34	-44	-16	-6	-13
Tendering competition ¹	52	64	41	40	
Percentage rating shortage of skilled labour a constraint ²	42	44	50	31	
Percentage rating inadequate supply of building materials a constraint ²	29	28	29	34	
Percentage rating insufficient demand for building work a constraint ²	78	72	69	64	
Percentage rating firm's inadequate access to credit a constraint ²	22	22	21	25	

* Expected.

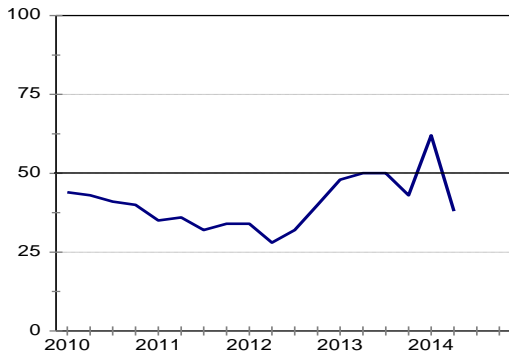
¹ Net balance.

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.

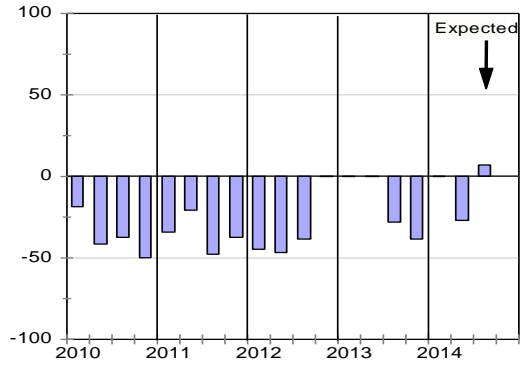
³ Percentage gross rating prevailing business conditions as satisfactory.

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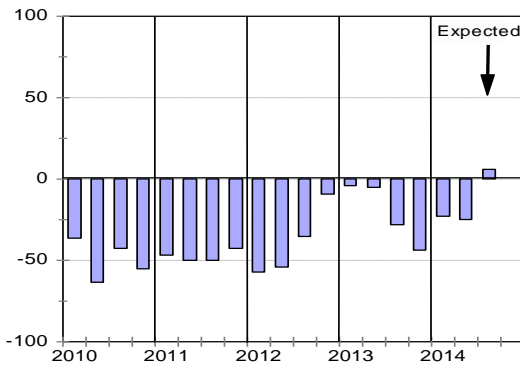
Business confidence



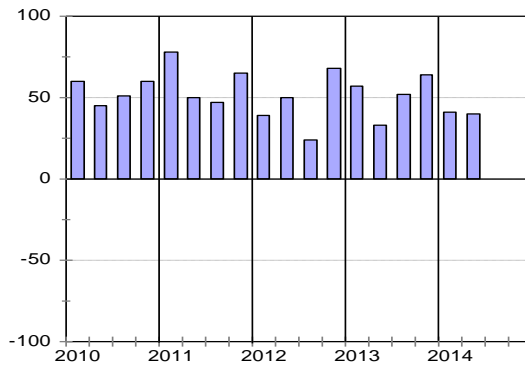
Change in business conditions



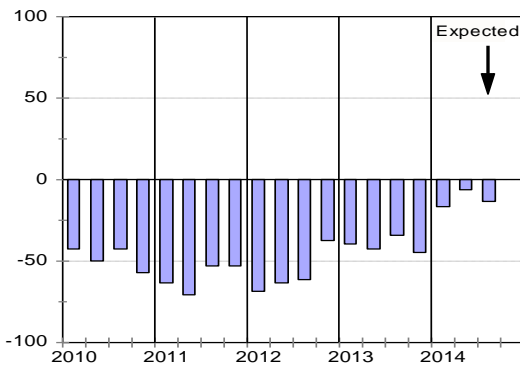
Growth in construction activity



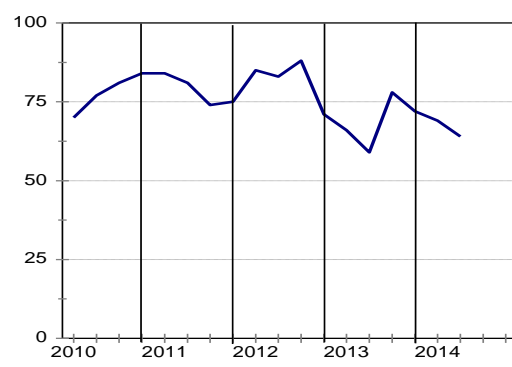
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	13Q3	13Q4	14Q1	14Q2	14Q3*
Business confidence ³	42	39	45	57	
Change in business conditions ¹	-39	-15	-27	-36	0
Growth in construction activity ¹	-33	-17	-19	-20	22
Growth in number of people employed ¹	-8	-14	0	-22	-16
Growth in profitability of the business ¹	-43	-43	-33	-53	-29
Tendering competition ¹	57	33	71	50	
Percentage rating shortage of skilled labour a constraint ²	50	55	45	53	
Percentage rating inadequate supply of construction materials a constraint ²	28	34	45	34	
Percentage rating insufficient demand for construction work a constraint ²	57	64	69	72	
Percentage rating firm's inadequate access to credit a constraint ²	14	31	40	28	

* Expected.

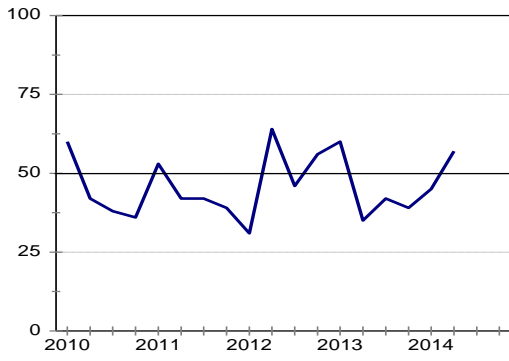
¹ Net balance.

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.

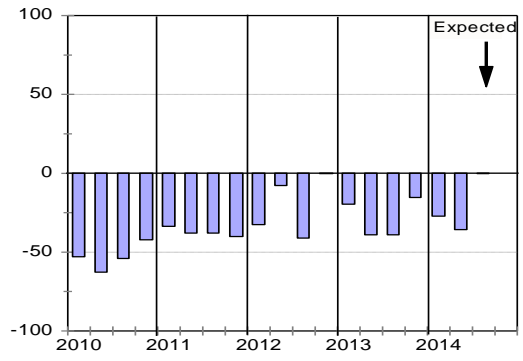
³ Percentage gross rating prevailing business conditions as satisfactory.

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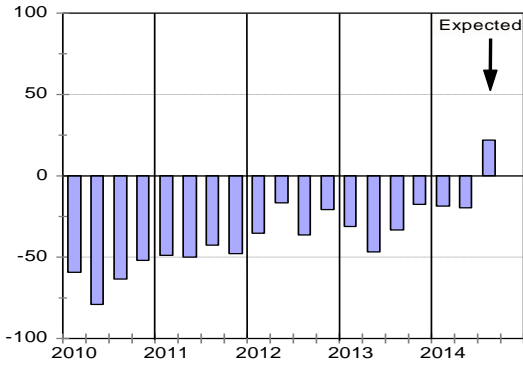
Business confidence



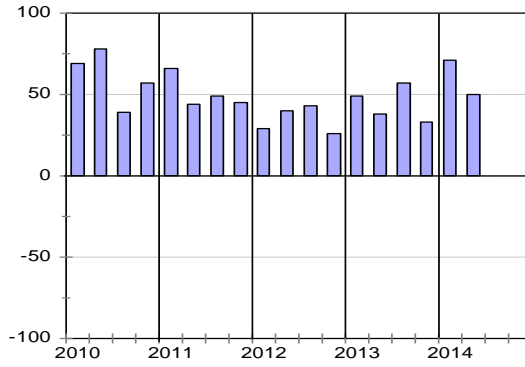
Change in business conditions



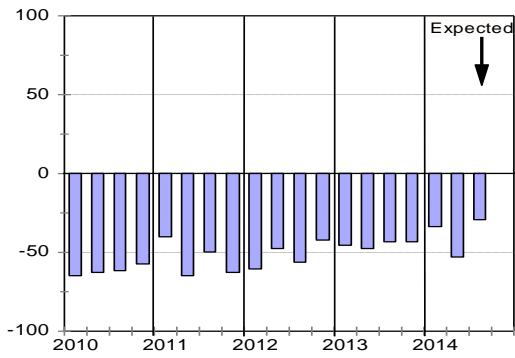
Growth in construction activity



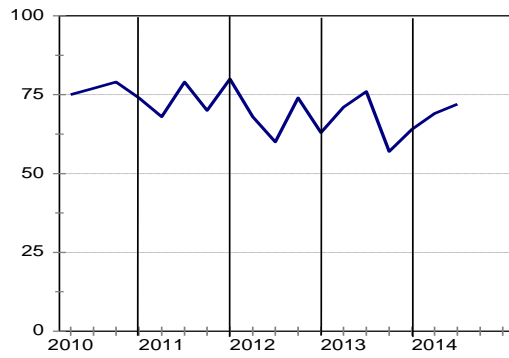
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	13Q3	13Q4	14Q1	14Q2	14Q3*
Business confidence ³	40	45	50	83	
Change in business conditions ¹	-36	-5	4	15	9
Growth in construction activity ¹	-13	5	9	23	27
Growth in number of people employed ¹	-40	-14	-18	0	0
Growth in profitability of the business ¹	-27	-33	-13	-8	0
Tendering competition ¹	50	57	29	31	
Percentage rating shortage of skilled labour a constraint ²	50	42	41	50	
Percentage rating inadequate supply of construction materials a constraint ²	21	31	29	20	
Percentage rating insufficient demand for construction work a constraint ²	76	69	61	50	
Percentage rating firm's inadequate access to credit a constraint ²	33	31	16	19	

* Expected.

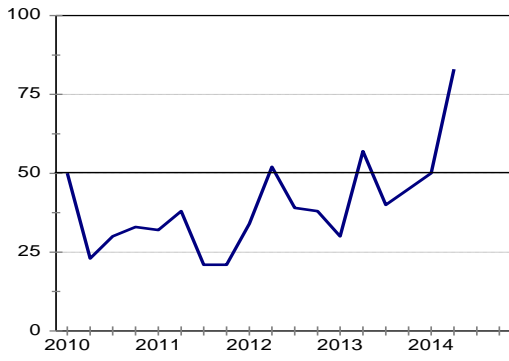
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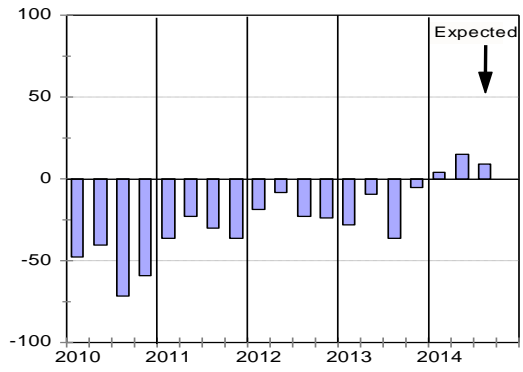
³ Percentage gross rating prevailing business conditions as satisfactory.

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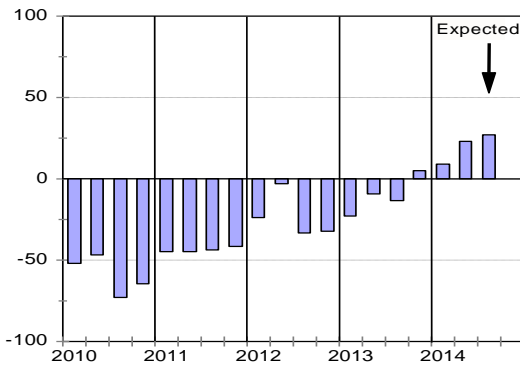
Business confidence



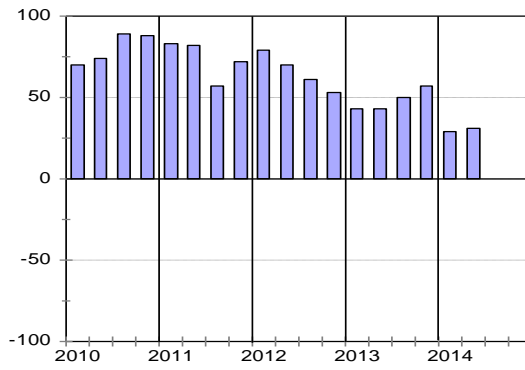
Change in business conditions



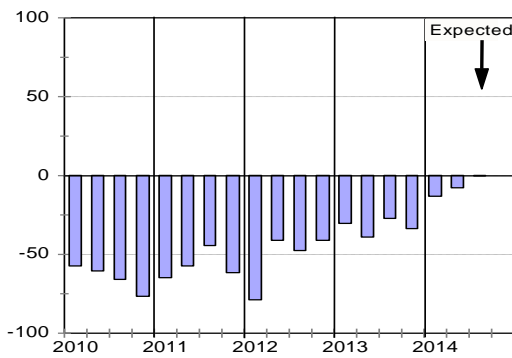
Growth in construction activity



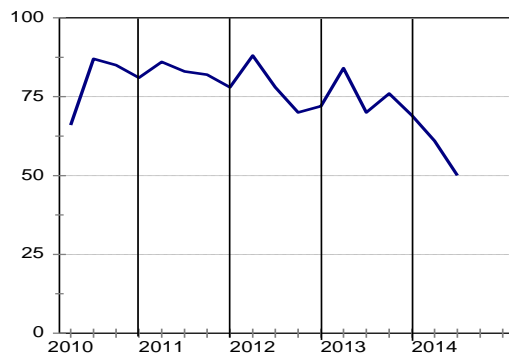
Tendering competition



Growth in profitability



Insufficient building work demand



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