



cidb-SME
**BUSINESS
CONDITIONS
SURVEY**

3RD QUARTER
2011



University of Stellenbosch

cidb Survey Results: 2011Q3

September 2011

Summary

Building Contractors

The overall **business confidence** of building contractors declined marginally from an index number of 29 in 2011Q2 to a value 28 in 2011Q3.

When compared to the previous quarter, respondents to the survey reported that growth in building activity improved in 2011Q3. Overall business conditions remained constant during the survey period.

Competition in tendering remained keen in 2011Q3, indicating that it was difficult to obtain new work. Consequently, profit margins remained under pressure during the survey period. Respondents indicated that their business operations remained constrained by the poor supply of building material and skilled labour shortages were experienced by 45% of respondents.

Seventy-nine per cent of the survey respondents reported that insufficient demand for building work was constraining their business operations. In light of this, respondents anticipate business conditions to remain tough in 2011Q4.

The business confidence of Grades 3 & 4 increased slightly in 2011Q3. Confidence levels of Grades 5 & 6 declined from an index value of 29 in 2011Q2 to a level of 21 in 2011Q3. The business confidence levels of Grades 7 & 8 jumped from 20 to 28 in 2011Q3. Regionally, business confidence increased significantly in the Western Cape. An improved level of business confidence was also reported in KwaZulu-Natal. However, a sharp decline in business confidence was reported in Gauteng and confidence levels also fell in the Eastern Cape.

Civil Contractors

The overall business confidence of **civil contractors** declined from an index value of 38 in 2011Q2 to a level of 33 in 2011Q3. Expectations of improved business conditions were not realized in 2011Q3.

Nonetheless, growth in building activity picked up in 2011Q3, when compared to the previous survey quarter. The pace of job shedding moderated during the survey quarter. When tendering for new construction work, 44% of the respondents encountered stiff tendering competition, down from 53% reported in the previous quarter. Consequently, pressure on profit margins eased in 2011Q3.

Business operations are still constrained by the inadequate supply of skilled labour. Seventy-two per cent of the survey respondents reported that weak demand for building work hampered the success of their operations.

Expectations are that business conditions will show some improvement during 2011Q4, despite the low demand for construction work.

The business confidence for building contractors in Grades 3 & 4 declined markedly during the survey quarter. When compared to an index value of 44 in 2011Q2, business confidence declined by 13 index points in 2011Q3 to a value of 31. Business confidence for building contractors in grades 5 & 6 fell from an index value of 41 to a level of 34 in 2011Q3. However, the overall business confidence of building contractors in Grades 7 & 8 improved during the survey quarter. Regionally, the Eastern Cape registered the biggest decline in business confidence, falling by 27 index points to a value of 21 in 2011Q3. The Western Cape also registered a sizeable decline in business confidence, while the level of business confidence fell marginally in Gauteng. In KwaZulu-Natal, business confidence stabilized in 2011Q3.

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Introduction

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

The 2011Q3 survey was carried out during the period 1 August – 30 August 2011.

The analysis that follows provides a brief synopsis of the survey responses received in 2011Q3 according to region and grades from participating cidb registered building and civil contractors. The detailed survey results are to be found at the back 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. Business confidence, as measured by qualitative opinion surveys, has proved both globally and domestically to be a reliable leading indicator of business activity.

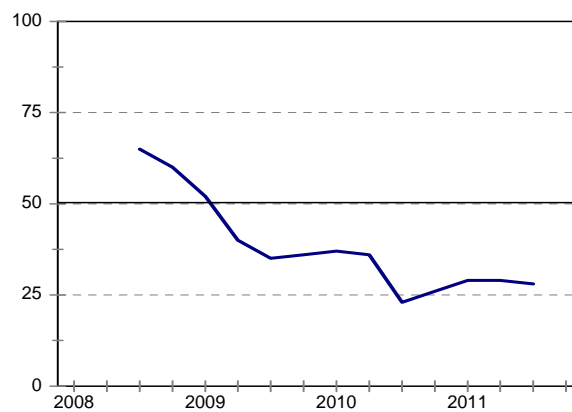
2011Q3 cidb Survey Results

Building Industry

Total

The overall business confidence of building contractors dropped slightly from an index value of 29 in 2011Q2 to 28 in 2011Q3. Expectations of improved business conditions were not realized during the survey quarter.

Figure 1: Total
Business confidence



Growth in building activity remained at relatively low levels in 2011Q3. A net¹ figure of -45% of those polled reported lower levels of building activity when compared to the same quarter a year ago. The tempo of labour shedding slowed in 2011Q3. Nonetheless, tendering competition remained keen and downward pressure on profit margins continued during the survey period.

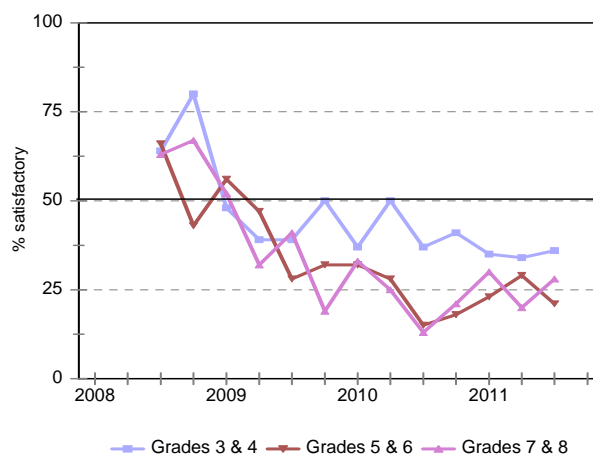
Seventy-nine percent of the respondents to the survey indicated insufficient demand for building work as a constraint to their operations; this reflects how severe the scarcity of work is. Participants to the survey expect business conditions to remain tight in 2011Q4.

¹ In this report, the net balance is calculated by subtracting the percentage indicating “down” from those reporting “up”, whilst the percentage indicating “the same” is ignored

Grades comparison

The graph below compares the business confidence in the various groupings of grades between 2009Q4 and 2011Q3. Possible reasons for the variations are discussed in the text below.

Figure 2: Business confidence per grade



Grades 3 & 4

The business confidence level of building contractors (Grades 3 & 4) increased from an index value of 34 in 2011Q2 to 36 in 2011Q3. This improvement can be ascribed to a significant slowdown down in job retrenchments.

The pace of job shedding slowed markedly when compared to the previous quarter. In 2011Q2, a net -42% of the respondents reported that growth in employment was below that of the same quarter a year ago. This percentage improved to -20% in 2011Q3. Compared to 2011Q2, growth in building activity picked up during the survey quarter, but overall business conditions remained constant. Competition in tendering stabilized during the survey quarter and growth in overall profitability of their businesses picked up slightly.

However, businesses are constrained by the lack of skilled labour. Seventy-two per cent of those polled pointed out that the lack of demand for building work was hampering their business operations. Respondents indicated that they expect business conditions to improve in 2011Q4.

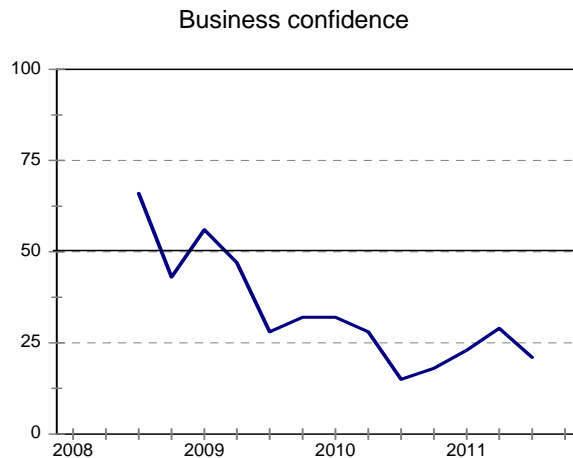
Figure 3: Grade 3 & 4



Grades 5 & 6

The business confidence level of building contractors (Grades 5 & 6) fell from an index number of 29 in 2011Q2 to a value of 21 in 2011Q3. Overall business conditions underperformed expectations of the survey respondents.

Figure 4: Grade 5 & 6



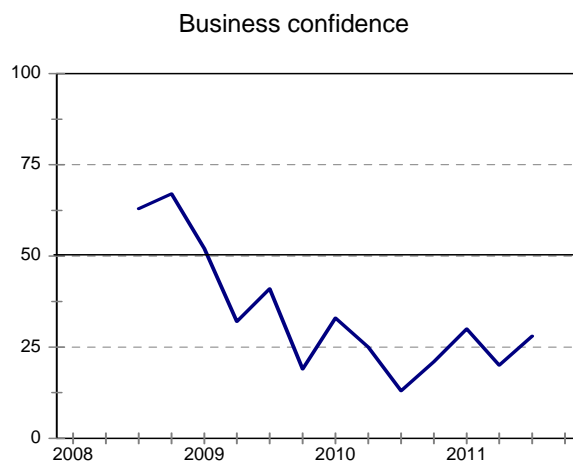
Respondents to the survey indicated that their businesses conditions worsened when compared to the same quarter a year ago. In addition to this, tendering competition remained keen and profit margins dropped. A net -70% of the respondents to the survey indicated that the overall profitability of their businesses declined in 2011Q3. Compared to the previous survey quarter, growth in building activity improved. The tempo of job shedding remained constant in 2011Q3. Forty-seven per cent of the respondents still report shortages of skilled labour as a

constraint to their operations. Despite the prevailing weak demand for new work, respondents anticipate some improvement in business conditions in 2011Q4.

Grades 7 & 8

The overall business confidence of building contractors (Grades 7 & 8) improved in 2011Q3. Compared to a low level of 13 reported in 2010Q3, business confidence increased from an index number of 20 in 2011Q2 to a value 28 in 2011Q3.

Figure 5: Grade 7 & 8



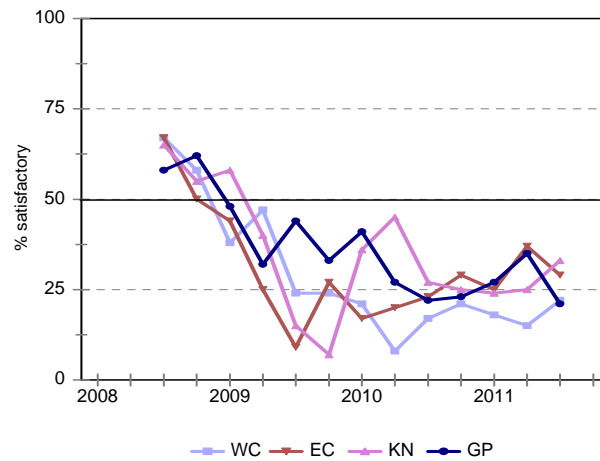
Overall business conditions improved significantly when compared to the previous quarter. Compared to 2011Q2, growth in building activity improved during the survey quarter. When tendering for new building work, the level of competition remained intense. Nonetheless, overall profitability of the businesses showed some improvement.

A net 87% of the survey respondents cite insufficient demand for building work as a constraint on their business operations. Expectations are that business conditions will remain constant in 2011Q4.

Provincial comparison

The accompanying graph compares the change in regional business confidence indices between 2009Q3 and 2011Q3. Possible reasons for the changes are discussed in the text below.

Figure 6: Business confidence per province

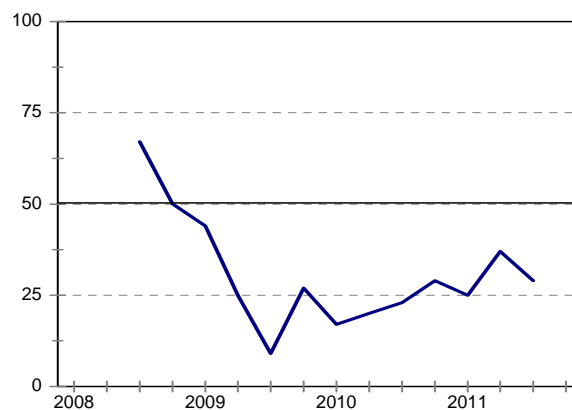


Eastern Cape

The overall business confidence of building contractors (EC) declined from an index number of 37 in 2011Q2 to a value of 29 in 2011Q3. The drop in confidence may be partially explained by the scarcity of new building work. A net 84% of those polled indicated that the lack of demand for their services impeded the success of their businesses.

Figure 7: Eastern Cape

Business confidence



Changes in business conditions underperformed expectations in 2011Q3. When tendering for new work, competition intensified in the survey quarter. Respondents reported that their business operations continue to be constrained by the poor supply of building material and the unavailability of skilled labour.

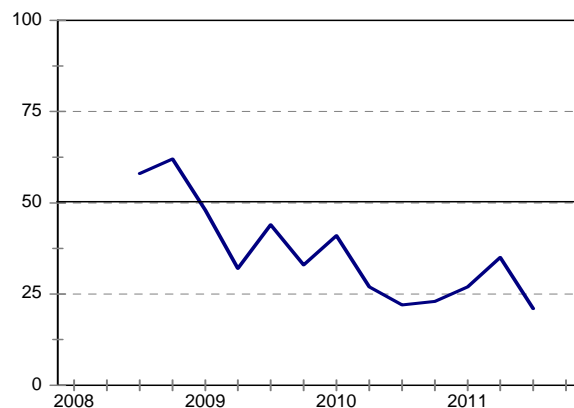
More than half of the respondents expect business conditions and building activity to show some improvement in 2011Q4.

Gauteng

The overall business confidence of building contractors (GP) dropped sharply during the survey period. Compared to an index value of 35 in 2011Q2, business confidence declined to a value of 21 in 2011Q3.

Figure 8: Gauteng

Business confidence



When compared to 2011Q2, business conditions worsened in the survey quarter. The tempo of job shedding accelerated in 2011Q3. Fifty-two per cent of the respondents indicated that shortages of skilled labour remain a constraint on their business operations. Competition in tendering intensified during the survey quarter, indicating that it was becoming increasingly difficult to obtain new work. Consequently, the overall growth in their profitability deteriorated in 2011Q3. A net -72% of those polled indicated that business profitability was worse than a year ago.

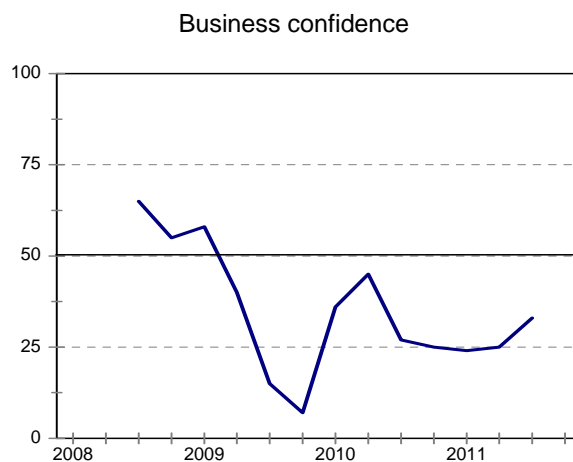
Eighty-two per cent of the participants to the survey rated insufficient demand for building work as a constraining factor to their operations; this finding further emphasizes the scarcity of new

work. Despite the prevailing poor trading conditions, respondents expect that business conditions will show some improvement in 2011Q4.

KwaZulu-Natal

The business confidence of building contractors (KZN) increased from an index level of 25 in 2011Q2 to an index value of 33 in 2011Q3. When compared to 2011Q2, growth in building activity improved significantly in 2011Q3.

Figure 9: KwaZulu-Natal



General business conditions improved during the survey quarter. The tempo of labour shedding slowed in the survey quarter and the downward pressure on profit margins eased. However, when tendering for new building work, survey respondents encountered stiffer competition. Eighty per cent of the respondents reported insufficient demand as a constraint on their operations.

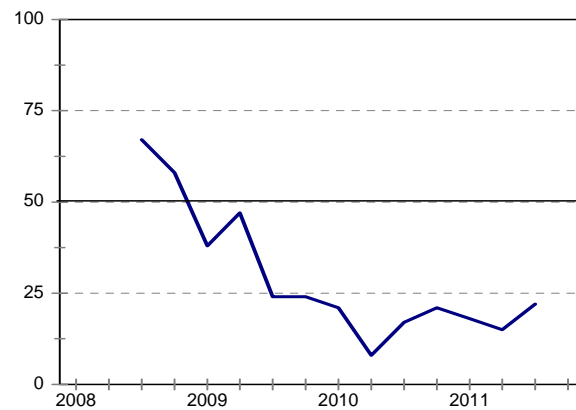
Most of the survey respondents expect overall business conditions to worsen in 2011Q4.

Western Cape

The business confidence levels of building contractors (WC) increased for the first time in 2011. When compared to an index value of 15 in 2011Q2, business confidence rose to a level of 22 in 2011Q3. This can be attributed to improved business conditions in 2011Q3.

Figure 10: Western Cape

Business confidence



Compared to 2011Q2, the growth in building activity picked up during the survey quarter. In addition, the pace of job shedding slowed in 2011Q3. Respondents also indicated that, when tendering for new building work, they encountered less stringent competition. Nonetheless, the downward pressure on profit margins intensified and 46% of those polled reported shortages of skilled labour as a constraint.

A net 74% of the survey respondents reported that the lack of demand for building work is limiting the success of their businesses. Nevertheless, expectations are that businesses conditions may improve in 2011Q4.

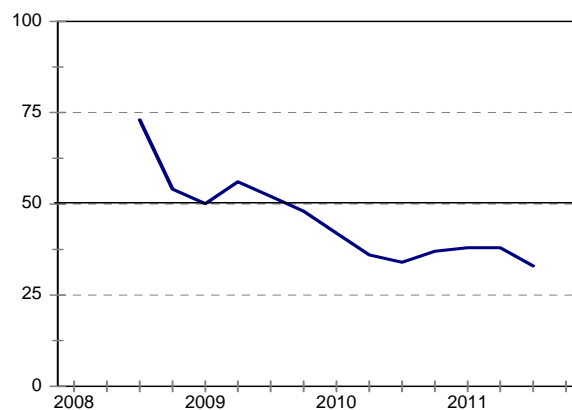
Construction Industry

Total

The overall business confidence of **civil contractors** declined from an index value of 38 in 2011Q2 to a level of 33 in 2011Q3. Expectations of improved business conditions were not realized in 2011Q3.

Figure 11: Total

Business confidence



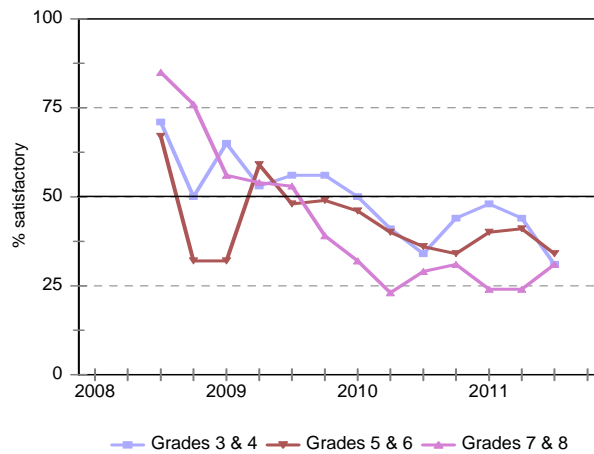
In comparison to the previous quarter, growth in building activity picked up in 2011Q3. Labour retrenchments seem to have stabilized in 2011Q3. When tendering for new construction work, respondents to the survey encountered less intense competition. Accordingly, the growth in overall profitability improved.

However, bottlenecks in the supply of skilled labour constrained their business operations. Seventy-two per cent of the respondents cite insufficient demand for construction work as a factor hampering the success of their operations. Expectations are that business conditions will show some improvement during 2011Q4, despite current poor construction demand levels.

Grades comparison

The accompanying graph reflects the confidence levels of civil contractor respondents over the period 2009Q3 to 2011Q3. Possible explanations for the observed changes in business confidence are found below.

Figure 12: Business confidence per grade

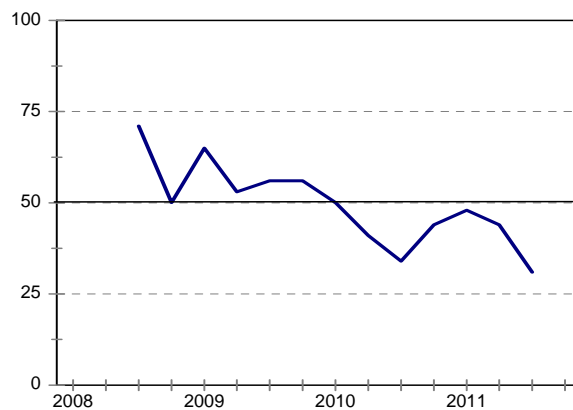


Grades 3 & 4

The business confidence level of civil contractors (Grades 3 & 4) fell considerably in 2011Q3. Compared to a level of 44 reported in 2011Q2, business confidence declined to 31 in 2011Q3. Weak demand for construction work could partly explain this drop in their confidence level. A net 72% of the respondents indicated that the lack of demand for building work was restricting the success of their business operations.

Figure 13: Grade 3 & 4

Business confidence



Respondents also indicated that their businesses were held back by the unsatisfactory supply of building materials. In addition, 45% of the respondents reported that shortages of skilled labour hampered their business operations in 2011Q3. Nevertheless, compared to the previous quarter, overall business conditions improved and growth in construction activity was

reported. The tempo of labour shedding stabilized and the pressure on overall business profitability eased in 2011Q3.

Respondents anticipate that tight business conditions will prevail in 2011Q4.

Grades 5 & 6

The business confidence of civil contractors (Grades 5 & 6) declined from an index value of 41 in 2011Q2 to a level of 34 in 2011Q3. This drop in business confidence can be explained by the poor business conditions that prevailed in 2011Q3.

Figure 14: Grade 5 & 6



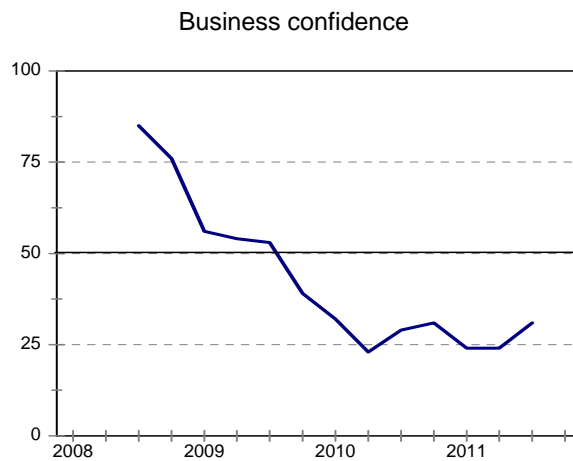
However, survey respondents indicated that growth in construction activity improved in the survey quarter, when compared to 2011Q2. Job retrenchments moderated during the survey quarter. The level of competition in tendering eased in 2011Q3, falling from a net 64% of the respondents to a net 48% who still experienced tough tendering conditions.

A net 71% of the survey respondents reported that weak demand for construction work was a constraint on their operations. Expectations are that business conditions will remain tough in 2011Q4.

Grades 7 & 8

The business confidence of civil contractors (Grades 7 & 8) increased from an index value of 24 in 2011Q2 to a level of 31 in 2011Q3. However, expectations of improved business conditions were not realized during the survey quarter.

Figure 15: Grade 7 & 8



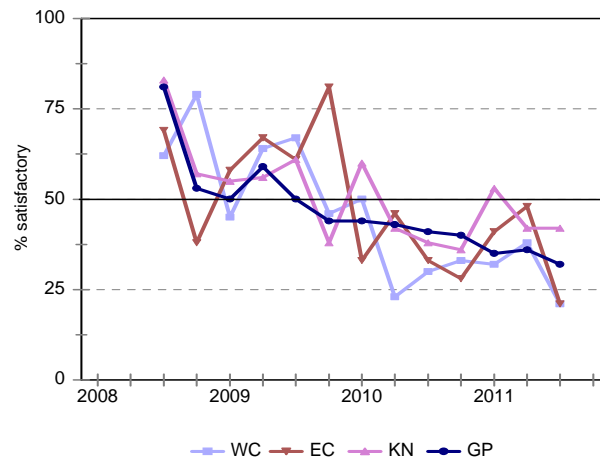
Compared to 2011Q2, growth in construction activity showed a slight improvement during the survey quarter. Downward pressure on profit margins eased despite the pickup in job shedding. Competition in tendering remained tight.

Even though the success of their business operations is limited by the lack of demand for construction work, the respondents expect some improvement in business conditions in the coming survey quarter.

Provincial comparison

The accompanying graph reflects the regional confidence levels of civil contractor respondents over the period 2009Q3 to 2011Q3. Refer to the section below for possible factors that could have impacted on the changes in confidence levels in the various regions.

Figure 16: Business confidence per province

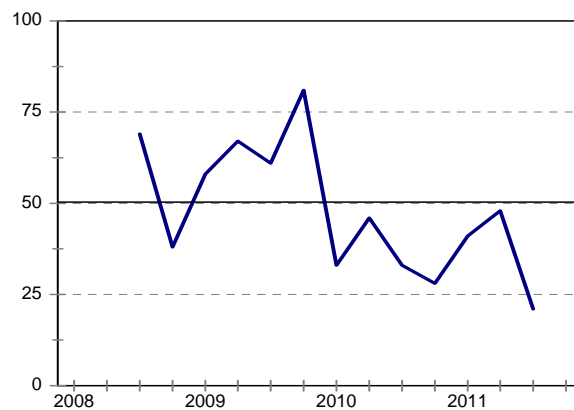


Eastern Cape

The overall business confidence level of civil contractors (EC) dropped significantly in 2011Q3, when compared to 2011Q2. Business confidence fell from an index value of 48 to a level of 21 in 2011Q3.

Figure 17: Eastern Cape

Business confidence



Sixty-seven per cent of the respondents reported that business conditions were poorer in the survey quarter. Growth in construction activity deteriorated in 2011Q3, when compared to the previous quarter. Bottlenecks in the supply of skilled labour were reported by 50% of the respondents. In addition, labour shedding continued and businesses were constrained by inadequate supplies of construction materials during the survey quarter.

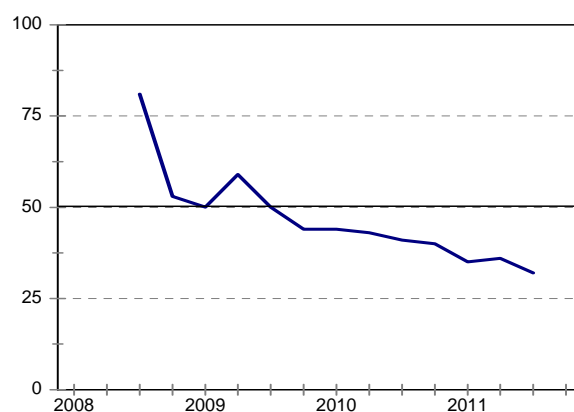
A net 72% of the survey respondents pointed out that the lack of effective demand for new work is hampering their building operations. Expectations are for business conditions to remain unfavorable in 2011Q4.

Gauteng

The business confidence for civil contractors (GP) dropped marginally from an index value of 36 in 2011Q2 to a level of 32 in 2011Q3. This drop in confidence can be explained by poor business conditions that prevailed during the survey quarter.

Figure 18: Gauteng

Business confidence



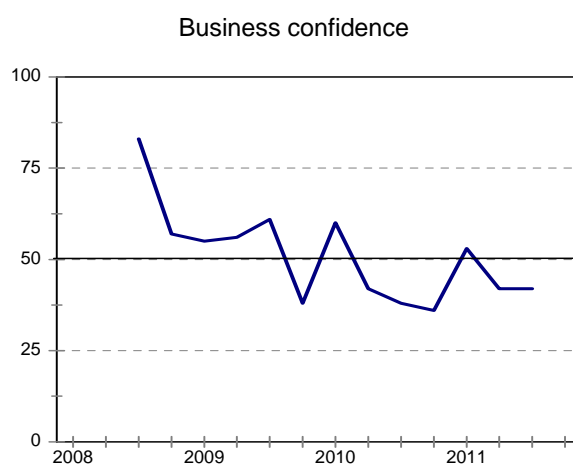
Growth in construction activity remained constant during the survey quarter and competition in tendering stabilized. However, the tempo of job shedding gained momentum, with a net 39% of the respondents reporting that growth in employment was below that of the same quarter a year ago.

New work remains scarce with a net 74% of the respondents indicating that lack of demand for construction work was constraining their business operations. Respondents anticipate business conditions to remain sluggish in the coming survey quarter.

KwaZulu-Natal

The level of business confidence of civil contractors (KZN) remained constant at 42 in 2011Q3. Expectations were for business conditions to improve during the survey quarter, but these expectations were not realized in 2011Q3.

Figure 19: KwaZulu-Natal



Survey respondents indicated that growth in building activity improved in 2011Q3, when compared to the previous quarter. However, labour shedding accelerated and competition in tendering remained keen. A net 70% of the respondents indicated that lack of demand for new construction work remains a major constraint. Participants to the survey expect some improvement in business conditions in 2011Q4.

Western Cape

The business confidence level of civil contractors (WC) dropped markedly in 2011Q3. Compared to an index value of 38 reported in 2011Q2, business confidence fell to a level of 21 in 2011Q3.

Figure 20: Western Cape



This pessimistic response could be explained by the difficulty encountered by the contractors when looking for new construction work. A net 82% of those polled indicated that insufficient demand for building work was hampering the success of their business operations.

A shortage of skilled labour remains a constraint on businesses and inadequate supplies of building materials are still being reported by 30% of the respondents. When compared to the previous survey quarter, the growth in construction activity stabilized in 2011Q3.

Almost half of the respondents expect some improvement in business conditions in the coming survey quarter.

Ms Mamello Matikinca

Ms Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	26	29	29	28	
Change in business conditions ¹	-57	-35	-41	-41	-13
Growth in building activity ¹	-61	-42	-56	-45	-14
Growth in number of people employed ¹	-55	-44	-50	-45	-19
Growth in profitability of the business ¹	-67	-55	-63	-61	-21
Tendering competition ¹	53	57	48	50	
Weighted percentage rating shortage of skilled labour a constraint ²	47	45	40	45	
Weighted percentage rating inadequate supply of building materials a constraint ²	28	23	26	27	
Weighted percentage rating insufficient demand for building work a constr. ²	85	77	82	79	

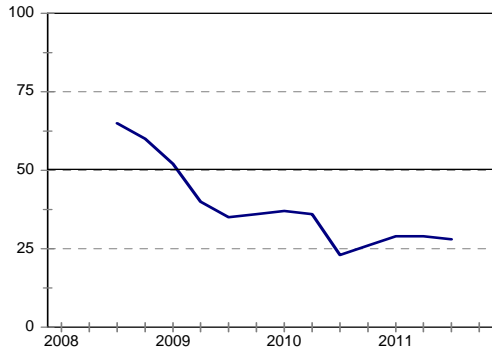
Expected.

¹ Net balance.

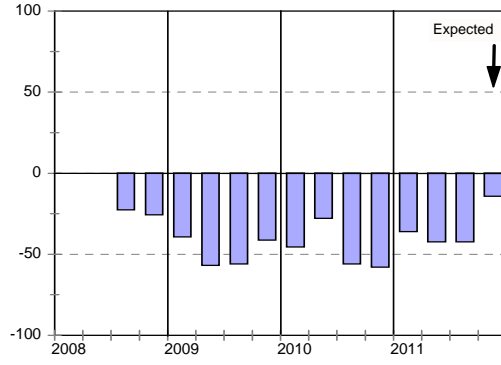
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

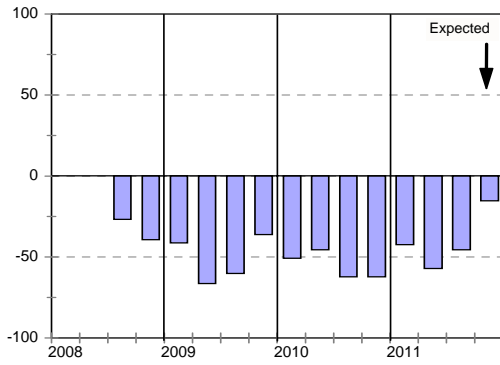
Business confidence



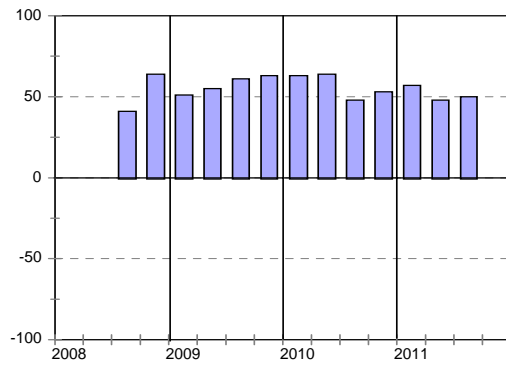
Change in business conditions



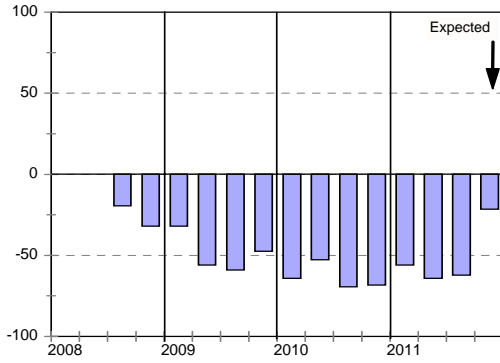
Growth in building activity



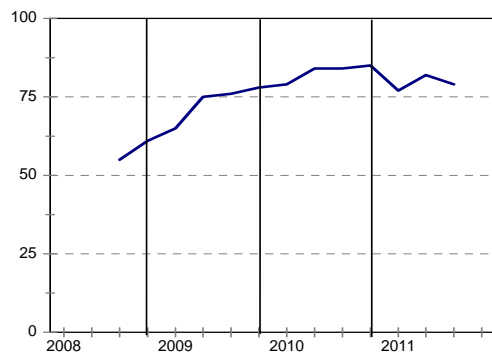
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

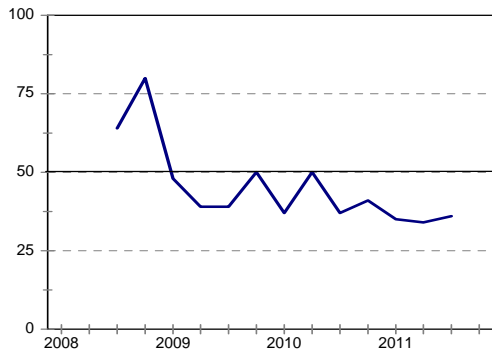
	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	41	35	34	36	
Change in business conditions ¹	-45	-33	-29	-29	-3
Growth in building activity ¹	-46	-45	-49	-39	-14
Growth in number of people employed ¹	-39	-35	-42	-20	-10
Growth in profitability of the business ¹	-59	-51	-53	-46	-12
Tendering competition ¹	41	47	31	30	
Percentage rating shortage of skilled labour a constraint ²	49	47	38	46	
Percentage rating inadequate supply of building materials a constraint ²	32	22	28	26	
Percentage rating insufficient demand for building work a constraint ²	85	70	81	72	

Expected.

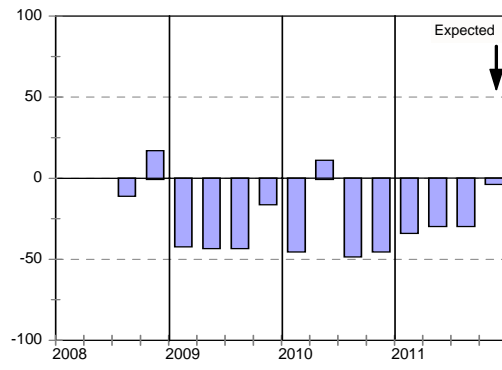
¹ Net balance.

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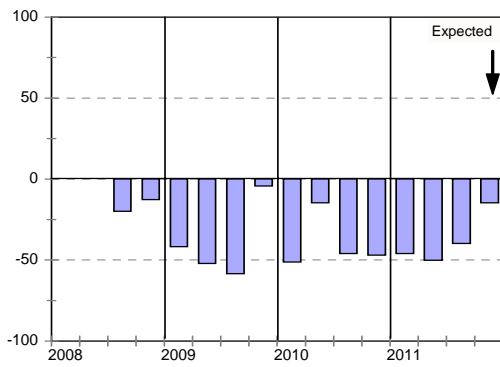
Business confidence



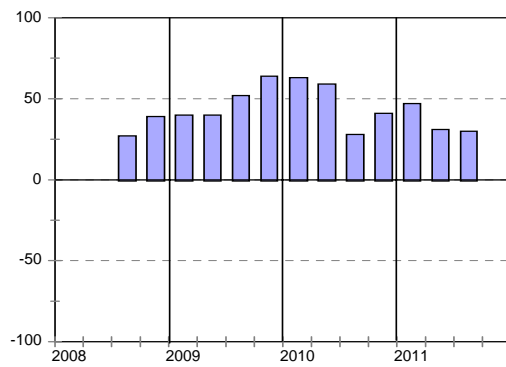
Change in business conditions



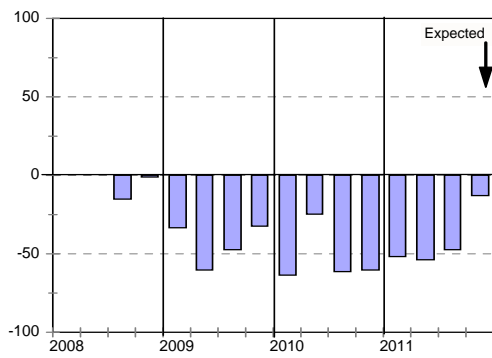
Growth in building activity



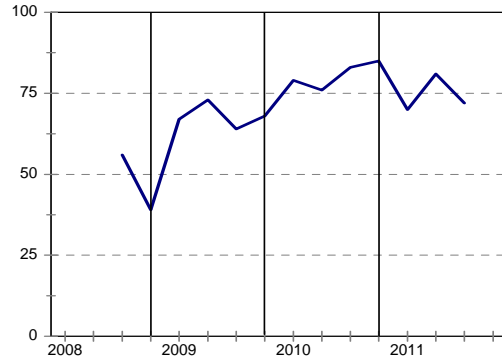
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	<i>10Q4</i>	<i>11Q1</i>	<i>11Q2</i>	<i>11Q3</i>	<i>11Q4*</i>
Business confidence ³	18	23	29	21	
Change in business conditions ¹	-62	-40	-41	-49	-8
Growth in building activity ¹	-72	-43	-59	-46	-12
Growth in number of people employed ¹	-58	-55	-54	-55	-21
Growth in profitability of the business ¹	-72	-56	-68	-70	-23
Tendering competition ¹	54	58	53	59	
Percentage rating shortage of skilled labour a constraint ²	45	39	46	47	
Percentage rating inadequate supply of building materials a constraint ²	26	25	27	25	
Percentage rating insufficient demand for building work a constraint ²	83	79	81	82	

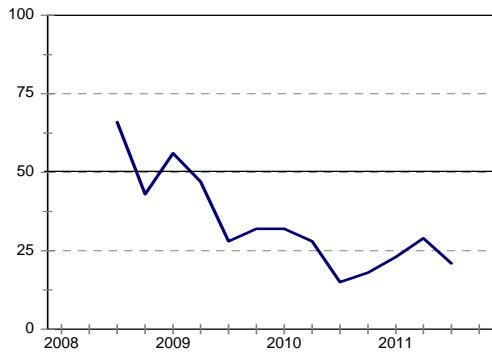
Expected.

¹ Net balance.

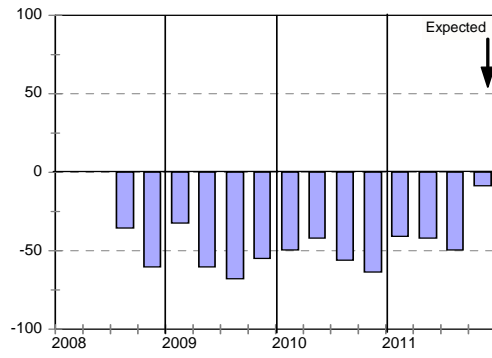
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³ Percentage gross rating prevailing business conditions as satisfactory.

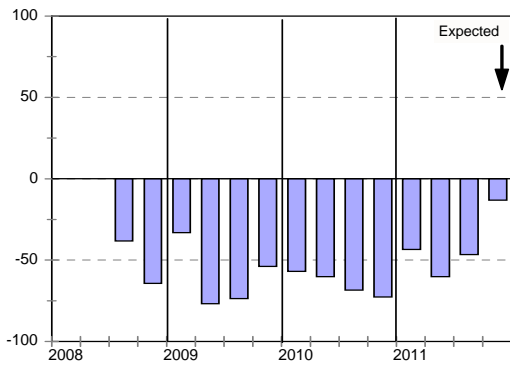
Business confidence



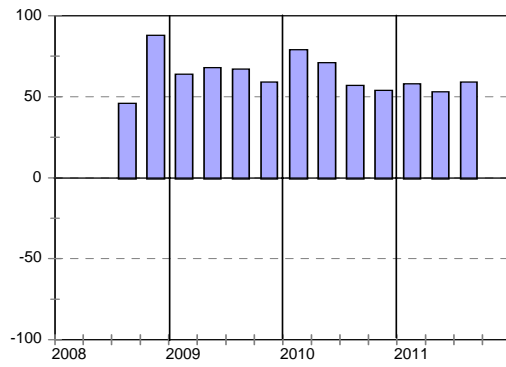
Change in business conditions



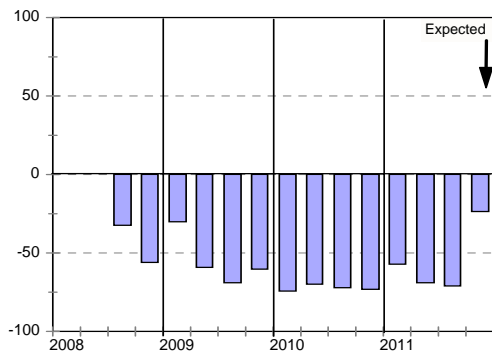
Growth in building activity



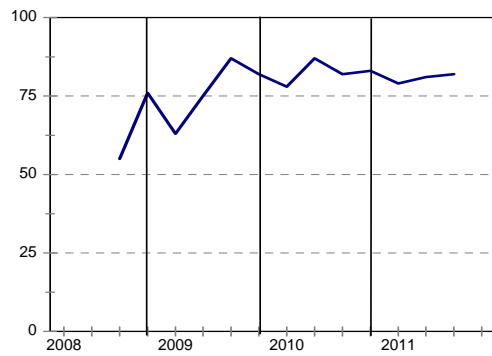
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	21	30	20	28	
Change in business conditions ¹	-62	-33	-65	-40	-40
Growth in building activity ¹	-60	-39	-65	-50	-19
Growth in number of people employed ¹	-72	-41	-57	-65	-30
Growth in profitability of the business ¹	-69	-61	-73	-65	-35
Tendering competition ¹	73	68	65	64	
Percentage rating shortage of skilled labour a constraint ²	50	50	30	40	
Percentage rating inadequate supply of building materials a constraint ²	27	21	21	33	
Percentage rating insufficient demand for building work a constraint ²	91	83	89	87	

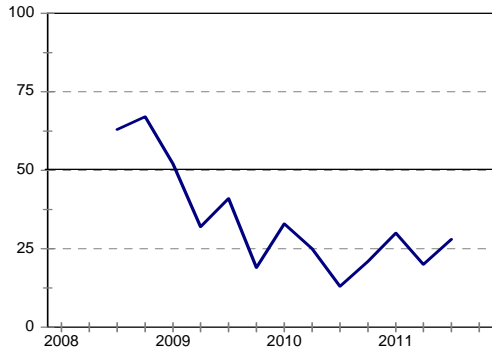
Expected.

¹ Net balance.

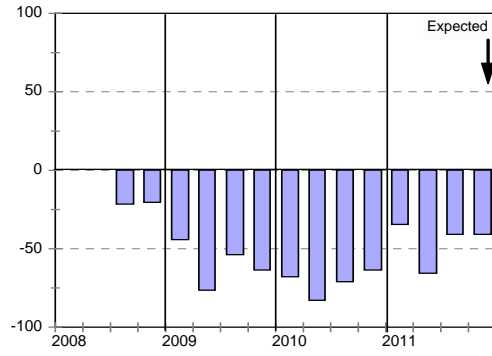
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

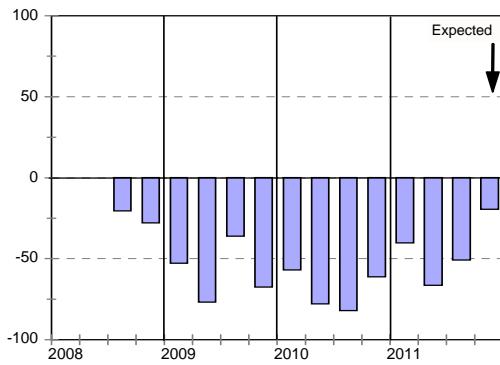
Business confidence



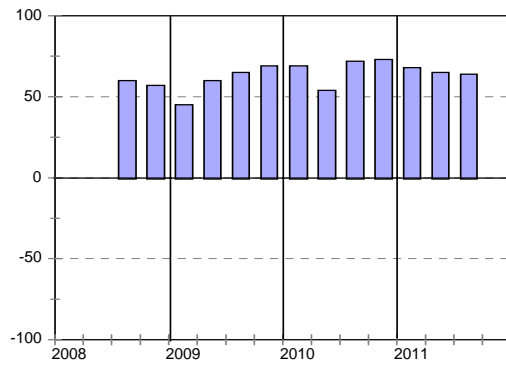
Change in business conditions



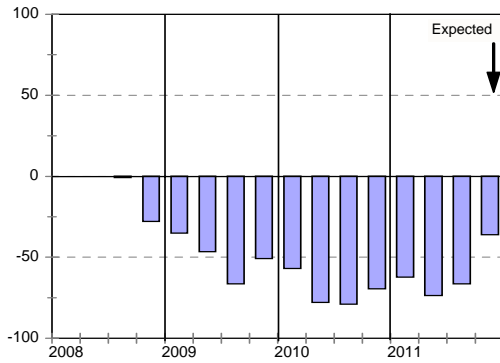
Growth in building activity



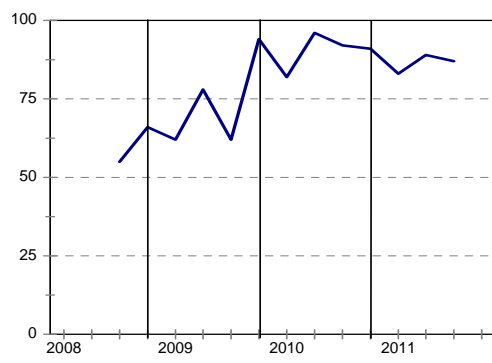
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>10Q4</i>	<i>11Q1</i>	<i>11Q2</i>	<i>11Q3</i>	<i>11Q4*</i>
Business confidence ³	29	25	37	29	
Change in business conditions ¹	-70	-50	-48	-38	5
Growth in building activity ¹	-63	-50	-53	-37	9
Growth in number of people employed ¹	-67	-43	-66	-45	5
Growth in profitability of the business ¹	-67	-57	-71	-54	-5
Tendering competition ¹	59	69	38	46	
Percentage rating shortage of skilled labour a constraint ²	54	40	37	36	
Percentage rating inadequate supply of building materials a constraint ²	29	23	25	27	
Percentage rating insufficient demand for building work a constraint ²	88	84	86	84	

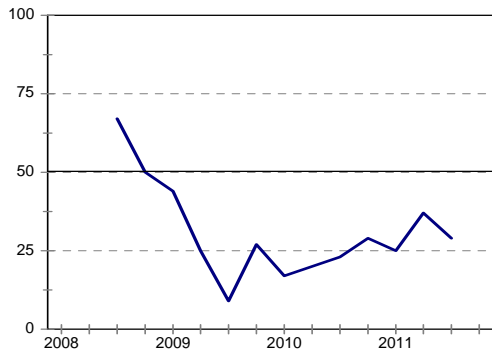
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¹ Net balance.

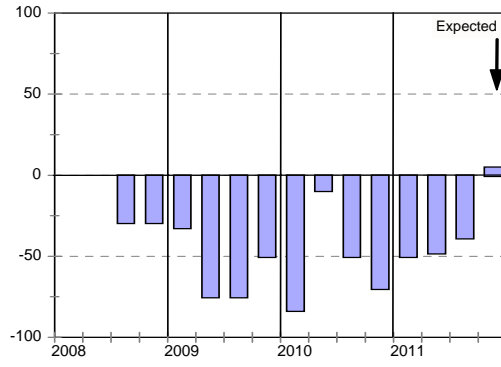
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

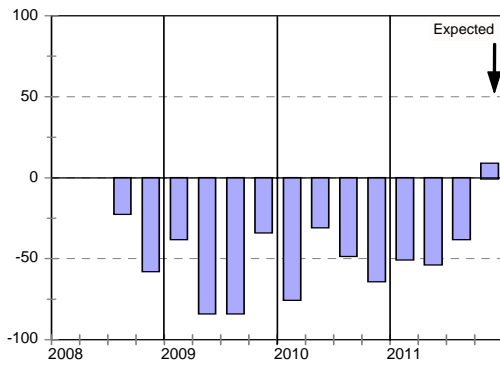
Business confidence



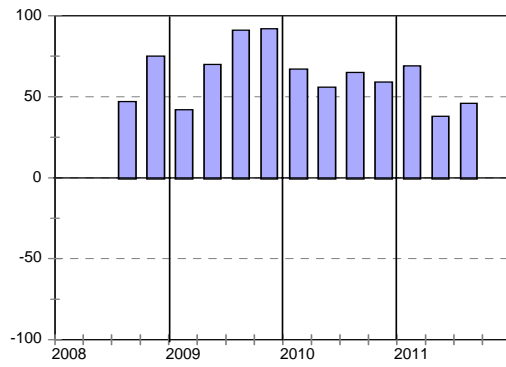
Change in business conditions



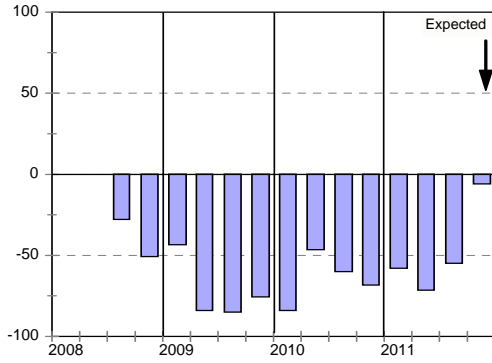
Growth in building activity



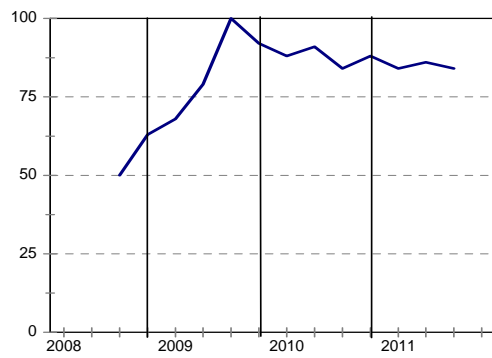
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	<i>10Q4</i>	<i>11Q1</i>	<i>11Q2</i>	<i>11Q3</i>	<i>11Q4*</i>
Business confidence ³	23	27	35	21	
Change in business conditions ¹	-38	-20	-22	-42	-5
Growth in building activity ¹	-54	-29	-53	-48	-12
Growth in number of people employed ¹	-43	-29	-27	-40	-16
Growth in profitability of the business ¹	-50	-61	-61	-72	-16
Tendering competition ¹	43	58	37	50	
Percentage rating shortage of skilled labour a constraint ²	54	50	40	52	
Percentage rating inadequate supply of building materials a constraint ²	39	26	31	40	
Percentage rating insufficient demand for building work a constraint ²	89	73	83	82	

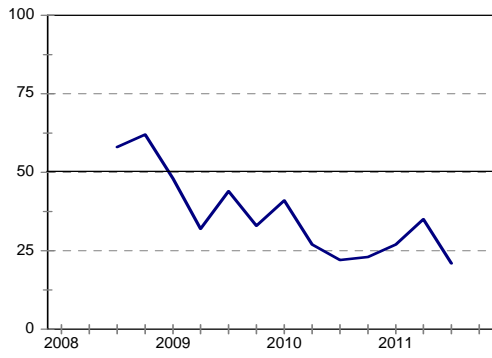
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¹ Net balance.

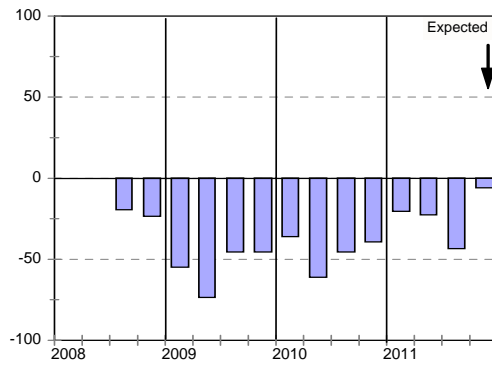
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

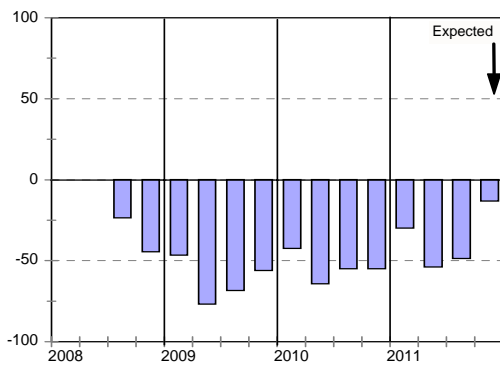
Business confidence



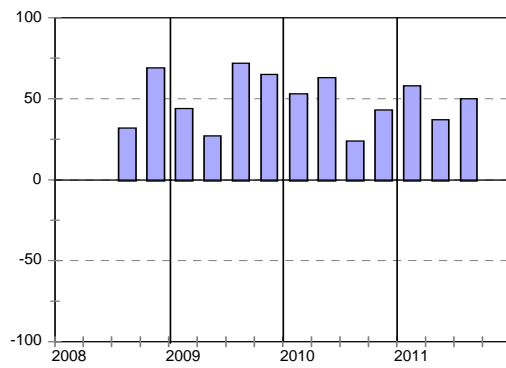
Change in business conditions



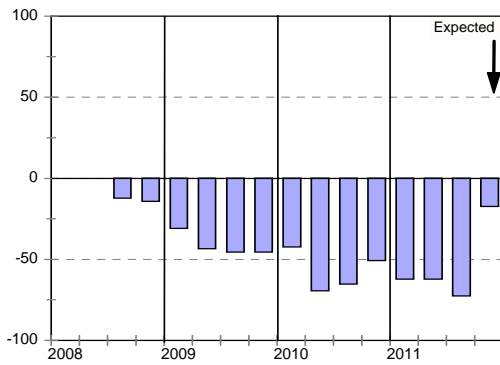
Growth in building activity



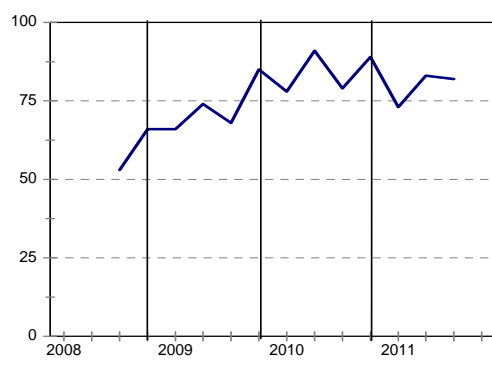
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	25	24	25	33	
Change in business conditions ¹	-71	-50	-50	-43	-41
Growth in building activity ¹	-73	-56	-60	-37	-40
Growth in number of people employed ¹	-65	-59	-55	-44	-53
Growth in profitability of the business ¹	-72	-72	-74	-60	-46
Tendering competition ¹	58	59	48	57	
Percentage rating shortage of skilled labour a constraint ²	40	52	44	40	
Percentage rating inadequate supply of building materials a constraint ²	24	27	30	22	
Percentage rating insufficient demand for building work a constraint ²	83	82	84	80	

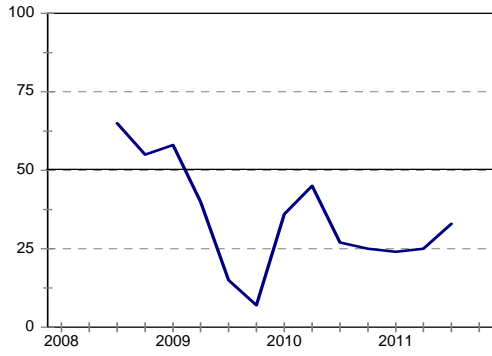
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¹ Net balance.

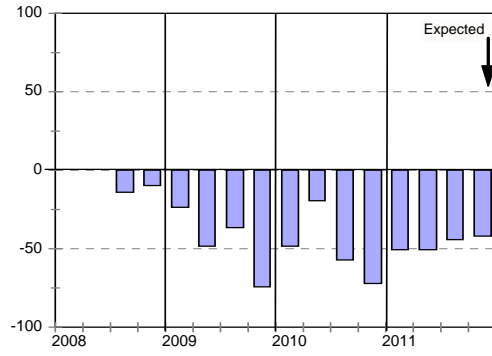
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

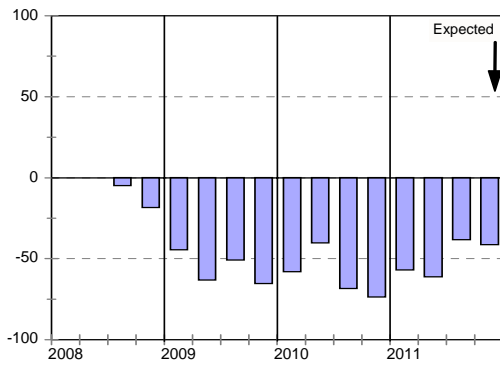
Business confidence



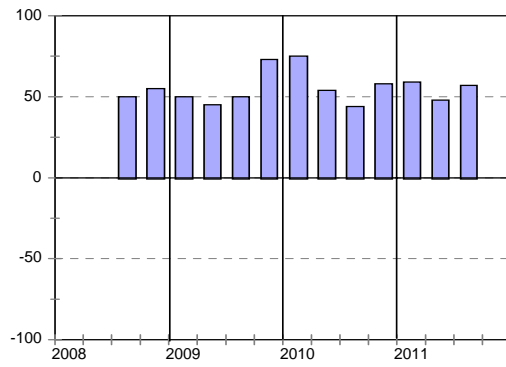
Change in business conditions



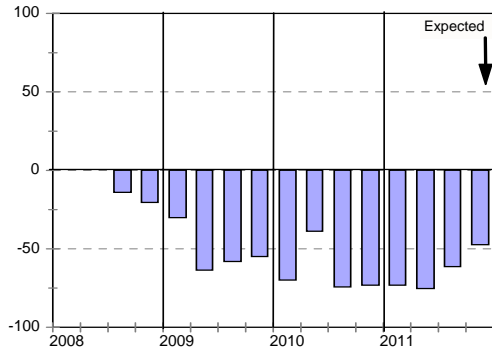
Growth in building activity



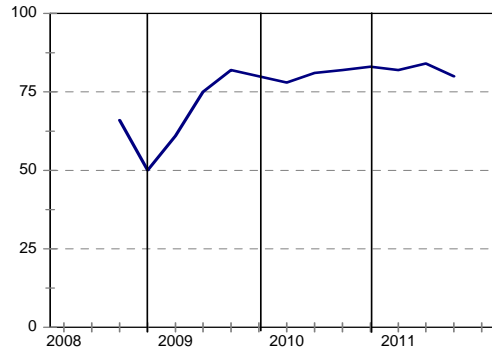
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	21	18	15	22	
Change in business conditions ¹	-65	-52	-48	-40	-12
Growth in building activity ¹	-65	-52	-58	-50	-19
Growth in number of people employed ¹	-60	-60	-46	-38	-12
Growth in profitability of the business ¹	-80	-67	-54	-65	-23
Tendering competition ¹	80	67	71	61	
Percentage rating shortage of skilled labour a constraint ²	37	25	33	46	
Percentage rating inadequate supply of building materials a constraint ²	20	11	18	21	
Percentage rating insufficient demand for building work a constraint ²	98	86	75	74	

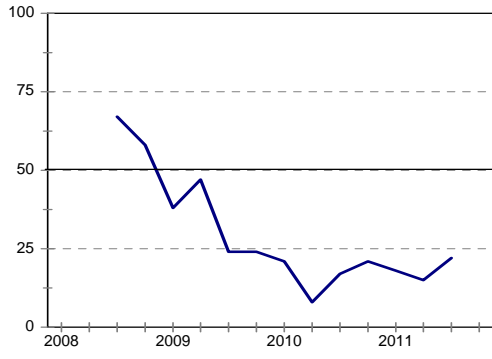
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¹ Net balance.

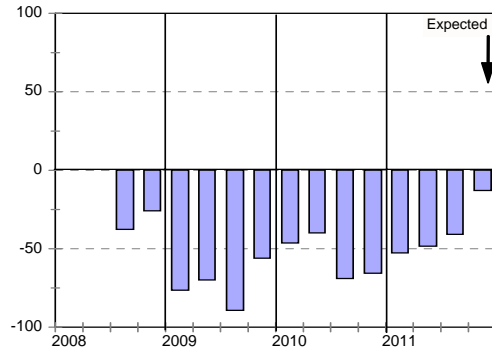
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

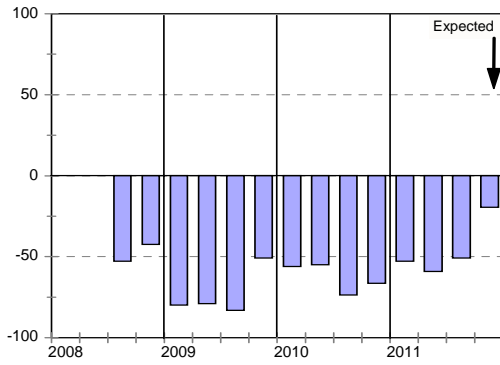
Business confidence



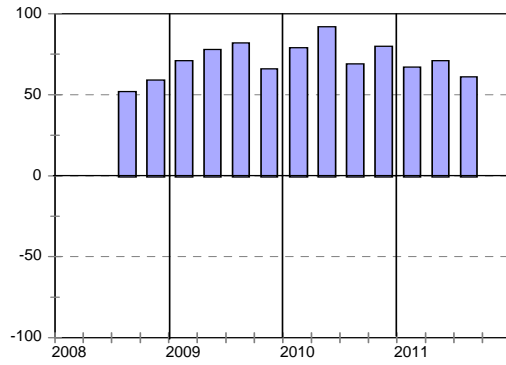
Change in business conditions



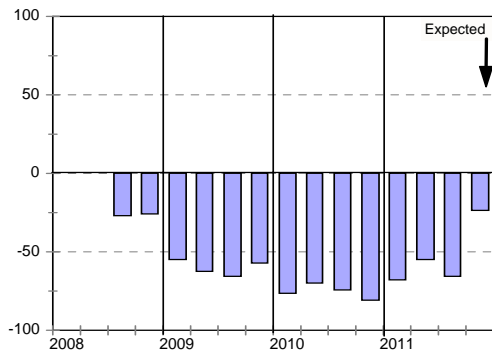
Growth in building activity



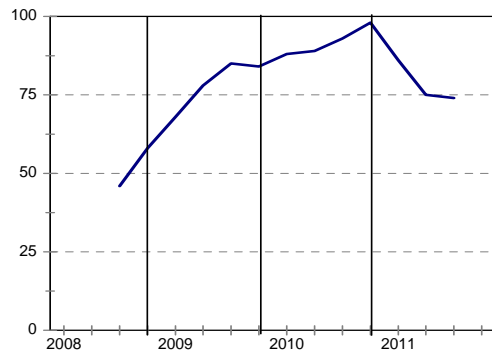
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	37	38	38	33	
Change in business conditions ¹	-47	-34	-34	-38	-15
Growth in construction activity ¹	-56	-43	-50	-42	-18
Growth in number of people employed ¹	-54	-44	-36	-35	-24
Growth in profitability of the business ¹	-61	-54	-61	-48	-26
Tendering competition ¹	58	64	53	44	
Percentage rating shortage of skilled labour a constraint ²	40	41	42	43	
Percentage rating inadequate supply of construction materials a constraint ²	23	29	30	34	
Percentage rating insufficient demand for construction work a constraint ²	79	77	77	72	

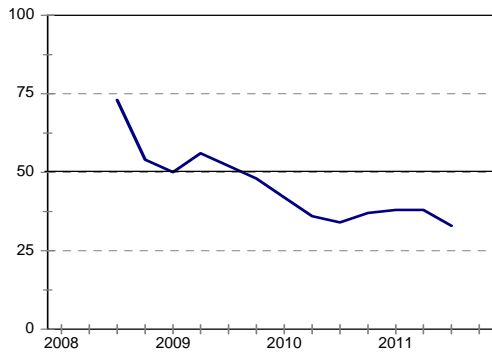
* Expected.

¹ Net balance.

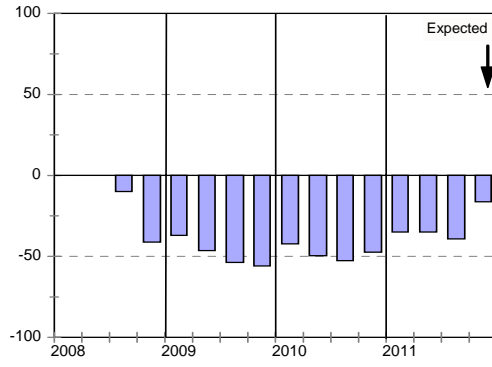
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

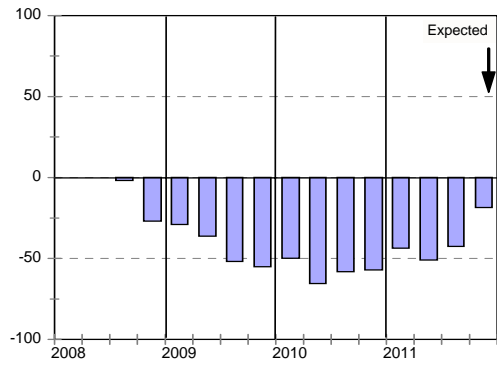
Business confidence



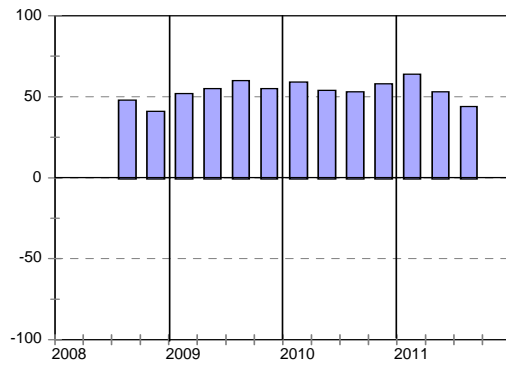
Change in business conditions



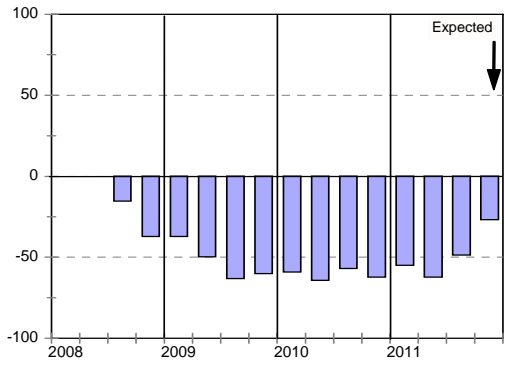
Growth in construction activity



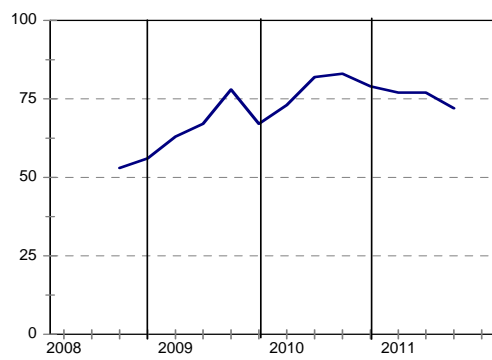
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	44	48	44	31	
Change in business conditions ¹	-31	-28	-45	-39	-28
Growth in construction activity ¹	-39	-37	-61	-48	-31
Growth in number of people employed ¹	-43	-34	-41	-38	-26
Growth in profitability of the business ¹	-52	-50	-59	-46	-26
Tendering competition ¹	26	49	24	17	
Percentage rating shortage of skilled labour a constraint ²	48	38	39	45	
Percentage rating inadequate supply of construction materials a constraint ²	25	29	26	39	
Percentage rating insufficient demand for construction work a constraint ²	74	70	70	72	

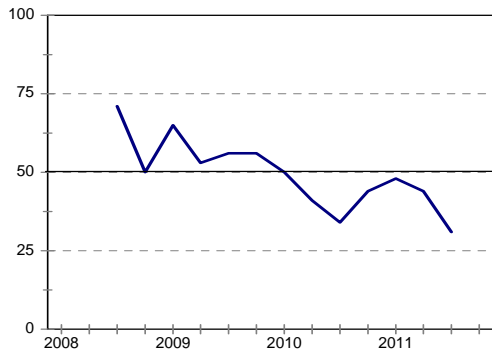
* Expected.

¹ Net balance.

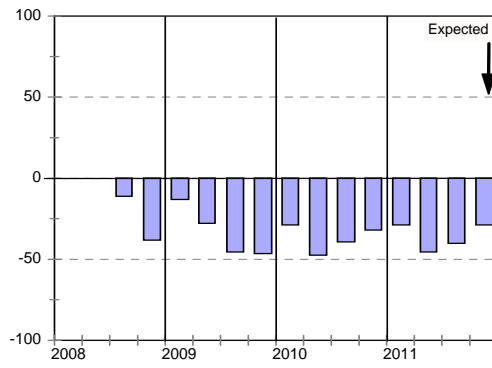
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

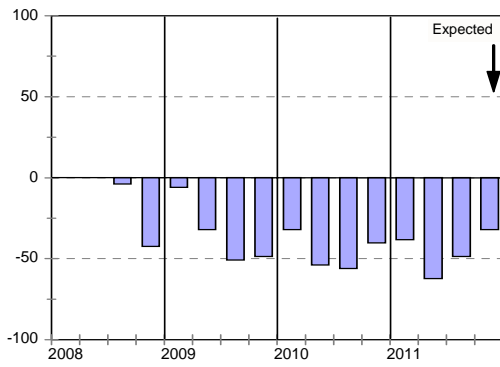
Business confidence



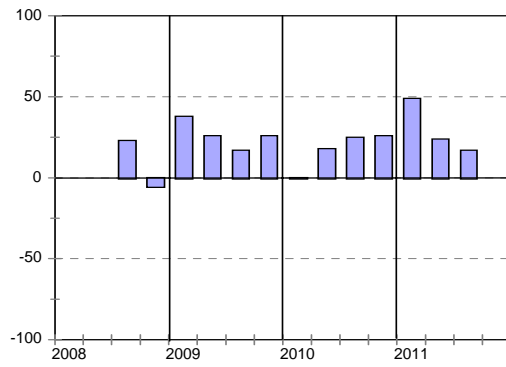
Change in business conditions



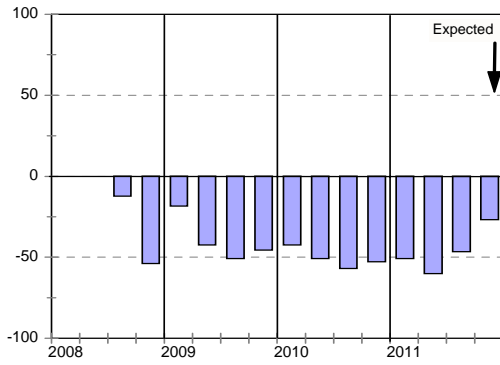
Growth in construction activity



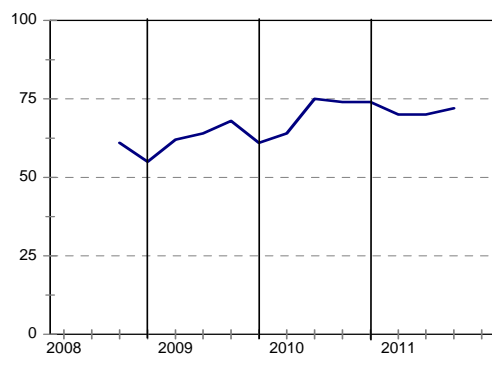
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	34	40	41	34	
Change in business conditions ¹	-44	-20	-23	-35	-12
Growth in construction activity ¹	-60	-29	-43	-38	-15
Growth in number of people employed ¹	-65	-46	-32	-28	-21
Growth in profitability of the business ¹	-61	-43	-56	-40	-26
Tendering competition ¹	68	61	64	48	
Percentage rating shortage of skilled labour a constraint ²	42	50	49	45	
Percentage rating inadequate supply of construction materials a constraint ²	22	29	30	34	
Percentage rating insufficient demand for construction work a constraint ²	78	73	81	71	

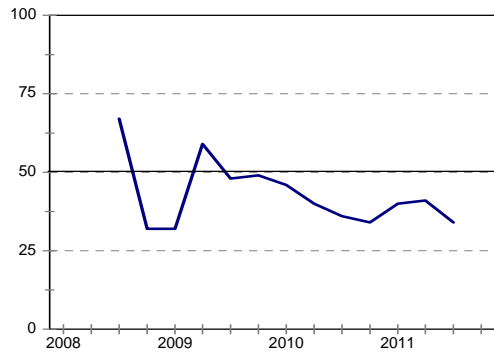
* Expected.

¹ Net balance.

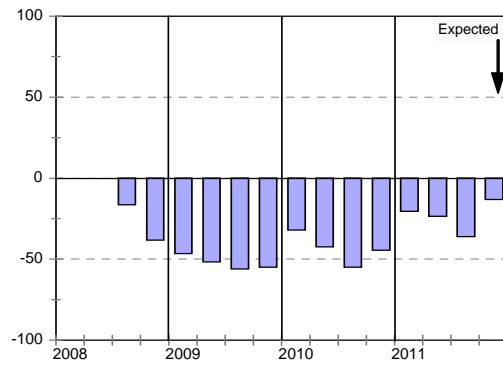
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

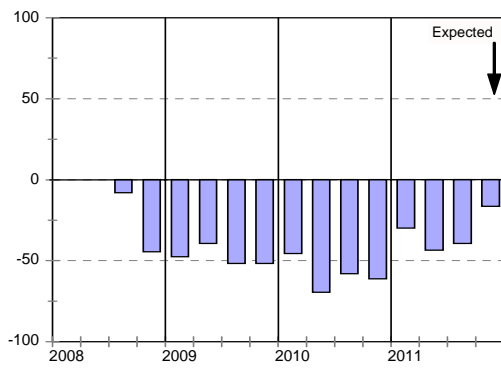
Business confidence



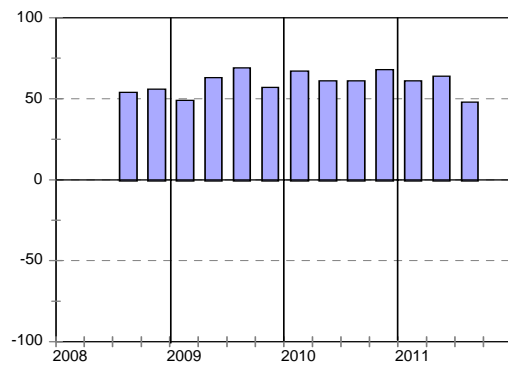
Change in business conditions



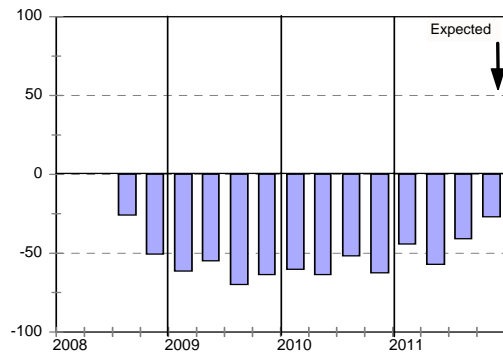
Growth in construction activity



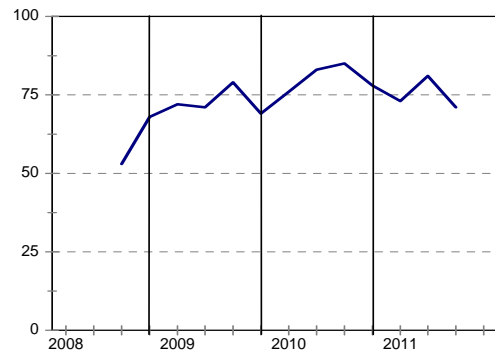
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	31	24	24	31	
Change in business conditions ¹	-73	-62	-42	-45	-7
Growth in construction activity ¹	-71	-73	-48	-46	-6
Growth in number of people employed ¹	-55	-56	-37	-46	-30
Growth in profitability of the business ¹	-76	-78	-70	-63	-27
Tendering competition ¹	92	88	68	70	
Percentage rating shortage of skilled labour a constraint ²	26	26	33	35	
Percentage rating inadequate supply of construction materials a constraint ²	22	32	33	28	
Percentage rating insufficient demand for construction work a constraint ²	86	93	80	77	

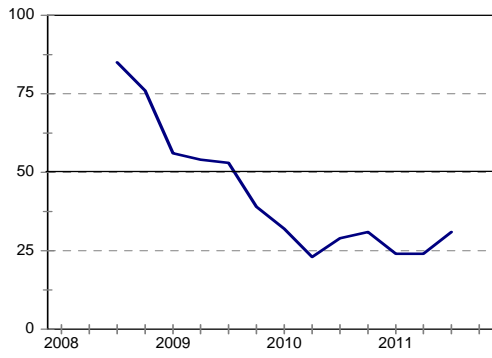
* Expected.

¹ Net balance.

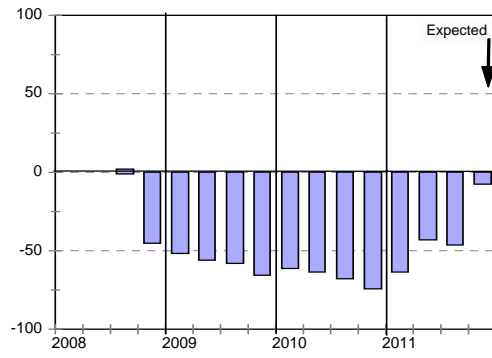
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

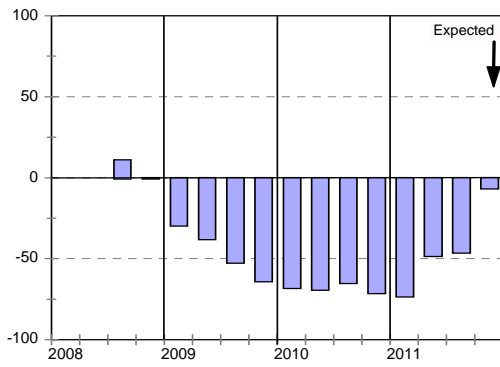
Business confidence



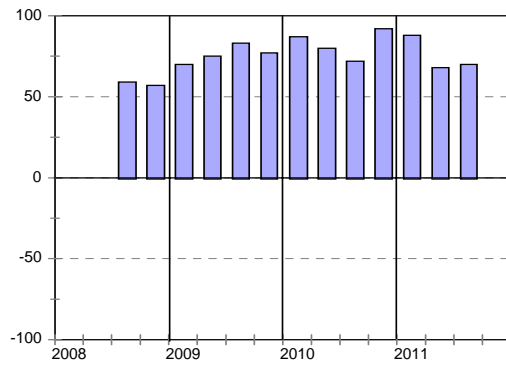
Change in business conditions



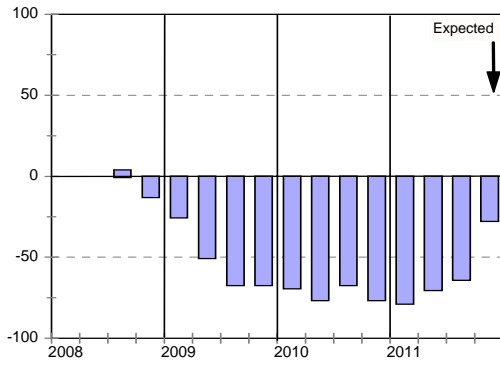
Growth in construction activity



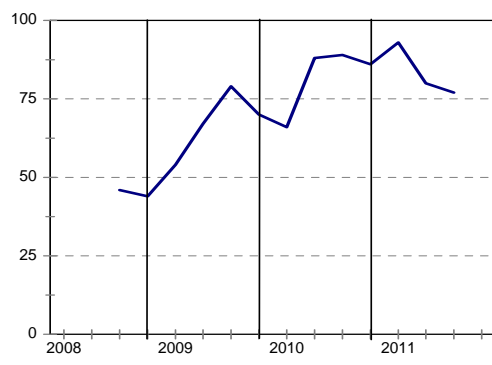
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	28	41	48	21	
Change in business conditions ¹	-55	-50	-50	-67	-38
Growth in construction activity ¹	-65	-42	-46	-55	-23
Growth in number of people employed ¹	-70	-37	-38	-50	-35
Growth in profitability of the business ¹	-70	-47	-67	-55	-29
Tendering competition ¹	74	84	71	61	
Percentage rating shortage of skilled labour a constraint ²	35	42	47	50	
Percentage rating inadequate supply of construction materials a constraint ²	22	26	21	25	
Percentage rating insufficient demand for construction work a constraint ²	85	82	84	72	

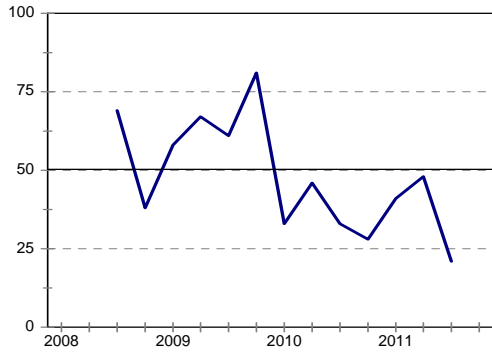
* Expected.

¹ Net balance.

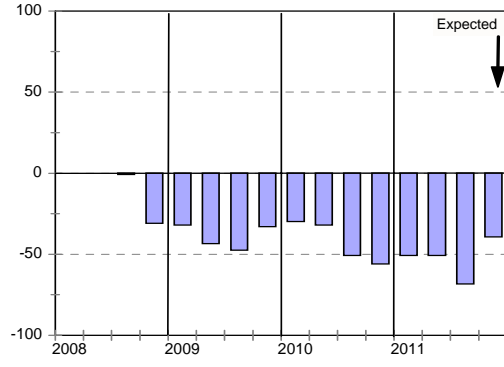
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

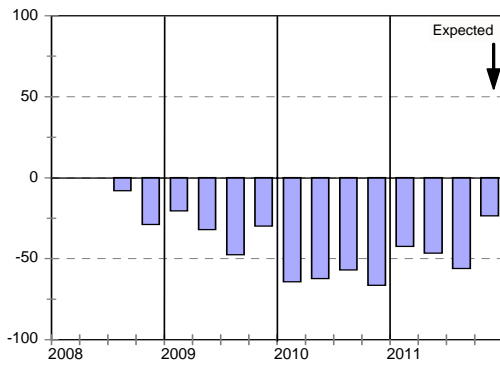
Business confidence



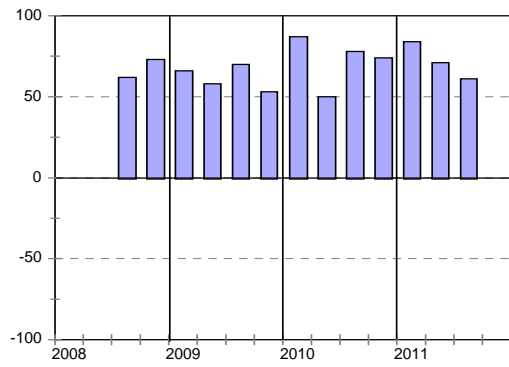
Change in business conditions



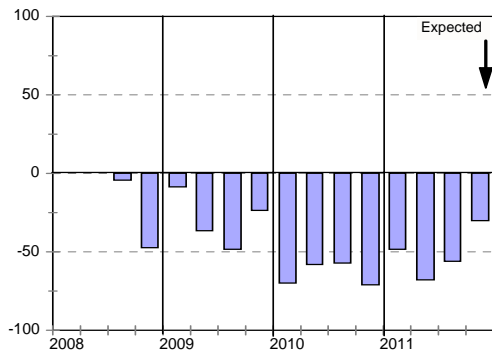
Growth in construction activity



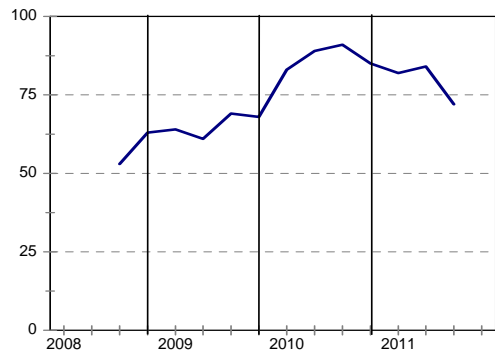
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	40	35	36	32	
Change in business conditions ¹	-50	-34	-21	-48	-17
Growth in building activity ¹	-55	-47	-50	-50	-29
Growth in number of people employed ¹	-47	-41	-21	-39	-38
Growth in profitability of the business ¹	-57	-63	-71	-53	-35
Tendering competition ¹	60	78	50	47	
Percentage rating shortage of skilled labour a constraint ²	41	36	44	39	
Percentage rating inadequate supply of building materials a constraint ²	22	34	41	28	
Percentage rating insufficient demand for building work a constraint ²	84	84	81	74	

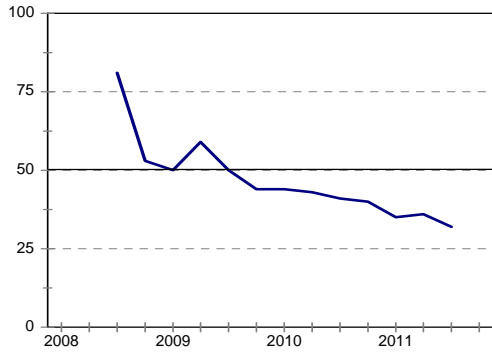
Expected.

¹ Net balance.

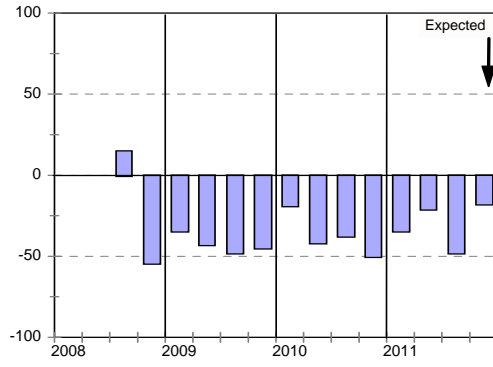
² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by $100/67 = 1,49$ to convert it to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

³ Percentage gross rating prevailing business conditions as satisfactory.

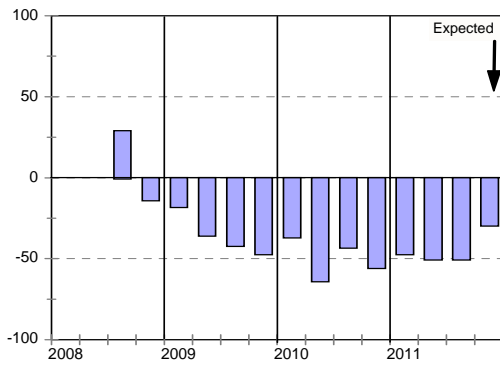
Business confidence



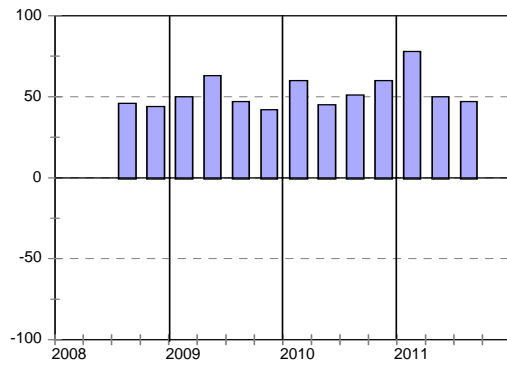
Change in business conditions



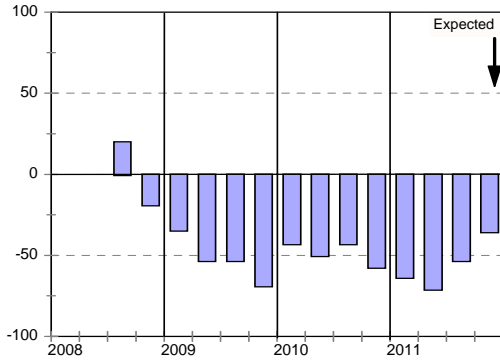
Growth in construction activity



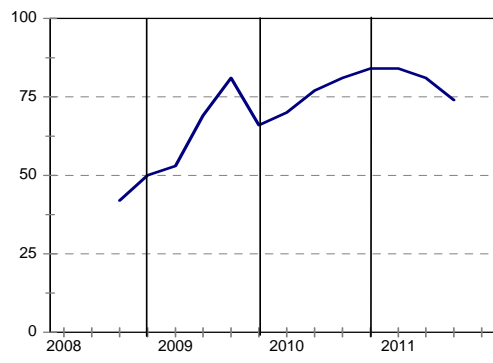
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	36	53	42	42	
Change in business conditions ¹	-42	-33	-38	-38	-4
Growth in construction activity ¹	-52	-49	-50	-43	3
Growth in number of people employed ¹	-55	-48	-32	-43	-13
Growth in profitability of the business ¹	-57	-40	-65	-50	-6
Tendering competition ¹	57	66	44	49	
Percentage rating shortage of skilled labour a constraint ²	45	43	32	50	
Percentage rating inadequate supply of construction materials a constraint ²	23	23	27	41	
Percentage rating insufficient demand for construction work a constraint ²	74	68	79	70	

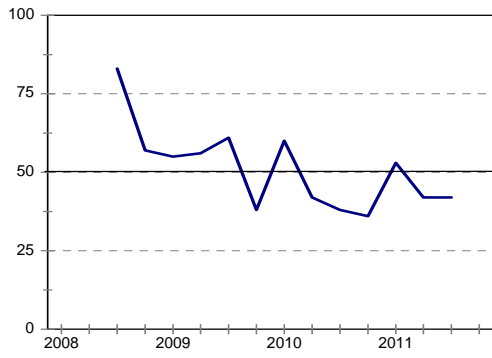
* Expected.

¹ Net balance.

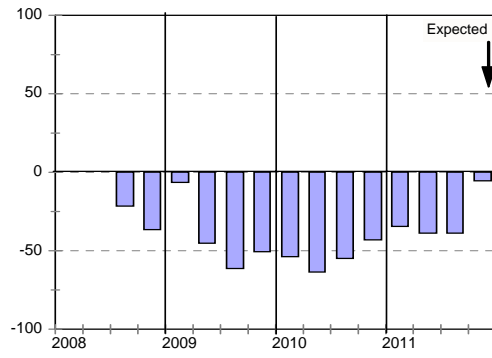
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³ Percentage gross rating prevailing business conditions as satisfactory.

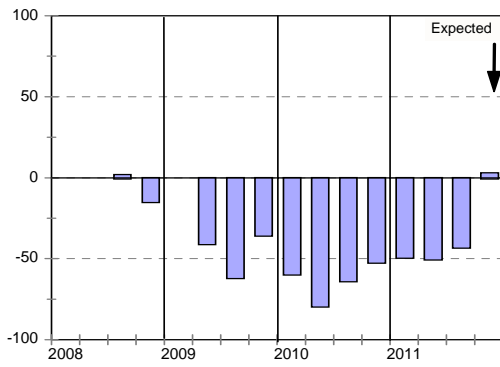
Business confidence



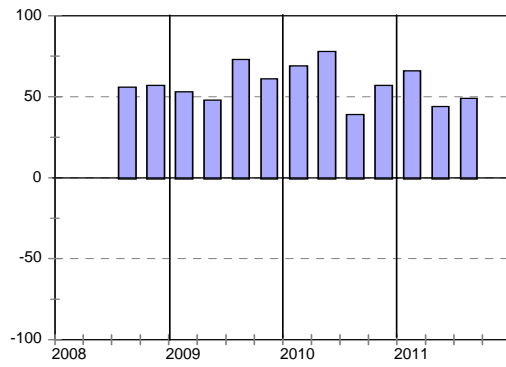
Change in business conditions



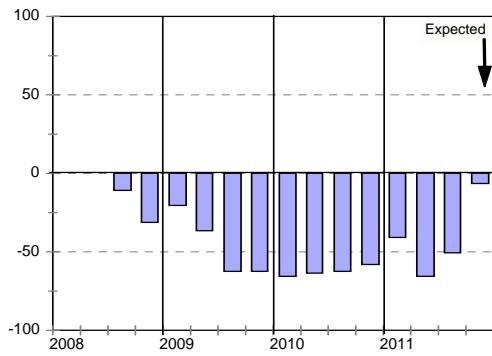
Growth in construction activity



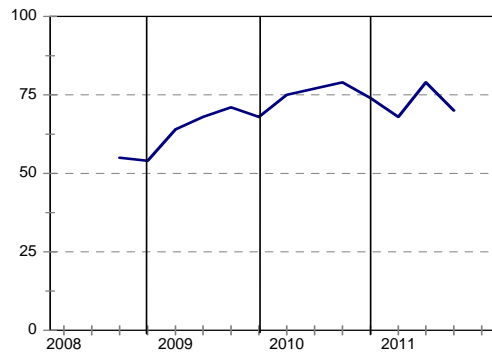
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	10Q4	11Q1	11Q2	11Q3	11Q4*
Business confidence ³	33	32	38	21	
Change in business conditions ¹	-59	-36	-23	-30	-7
Growth in construction activity ¹	-64	-45	-45	-44	-14
Growth in number of people employed ¹	-55	-43	-43	-25	-18
Growth in profitability of the business ¹	-76	-65	-57	-44	-31
Tendering competition ¹	88	83	82	57	
Percentage rating shortage of skilled labour a constraint ²	30	28	37	38	
Percentage rating inadequate supply of construction materials a constraint ²	18	26	27	30	
Percentage rating insufficient demand for construction work a constraint ²	81	86	83	82	

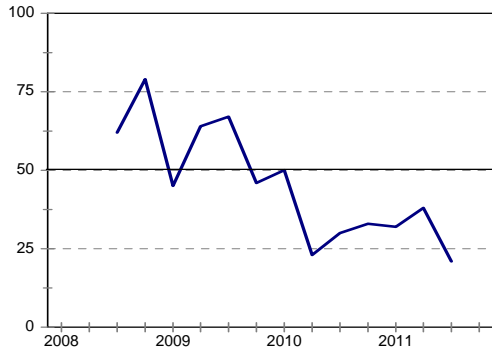
* Expected.

¹ Net balance.

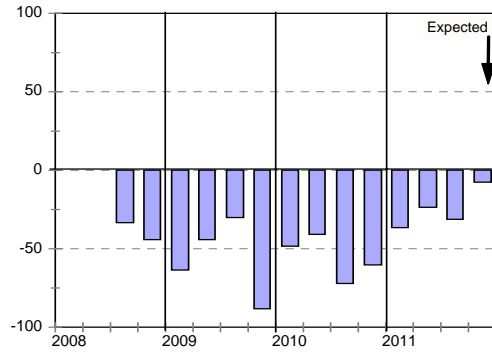
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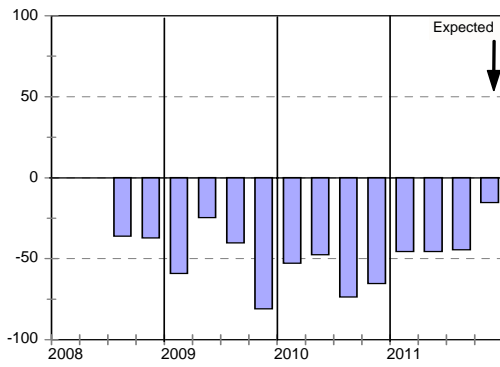
Business confidence



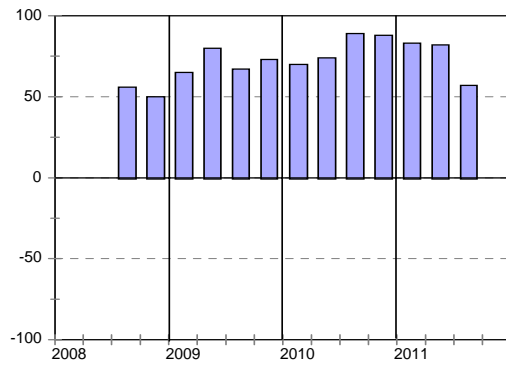
Change in business conditions



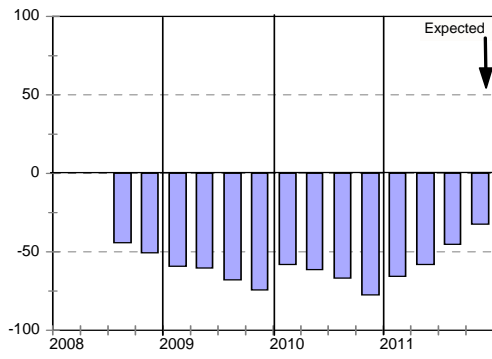
Growth in construction activity



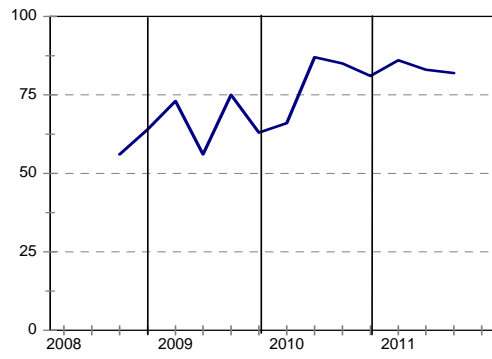
Tendering competition



Growth in profitability



Insufficient building work demand



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