



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

3

2014



University of Stellenbosch

cidb Survey Results: 2014Q3

September 2014

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Summary

Building Contractors

The proportion of building contractors who reported satisfactory business conditions increased marginally from 35 in 2014Q2 to 40 in 2014Q3. In contrast to the higher business confidence, business conditions deteriorated, building activity slowed and employment levels declined. Furthermore, business confidence remained below 50 – a sign of an industry still under pressure.

Confidence across all grades increased. However, Grades 3 & 4 were the only grades that registered a confidence level above 50, mainly driven by easing pressure on profitability. Despite the improvements in confidence, all the grades reported lower employment levels during this survey quarter.

Confidence levels in all the provinces, except for KwaZulu-Natal increased. The biggest increase was registered in the Western Cape (+18 index points).

Civil Contractors

Overall business confidence among civil contractors shed 8 index points to register a level of 50 in 2014Q3. The drop in business confidence was mainly driven by a slowdown in construction activity, increasing pressure on profitability and lower employment. Construction activity gradually accelerated after 2010Q2, but has now declined.

Grades 5 & 6 were the only grades that reported a marginal improvement in business confidence, from 55 in 2014Q2 to 58 in 2014Q3. In contrast, confidence levels of Grades 3 & 4 and Grades 7 & 8 declined by 18 and 14 index points respectively.

Confidence levels in KwaZulu-Natal and Gauteng increased to 61 and 50 index points respectively. A slowdown in construction activity prompted civil contractors in the Western and Eastern Cape to report lower confidence levels.

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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 2014Q3 survey was carried out during the period 4 August 2014 and 1 September 2014.

The analysis that follows provides a synopsis of the survey responses received in 2014Q3, 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.

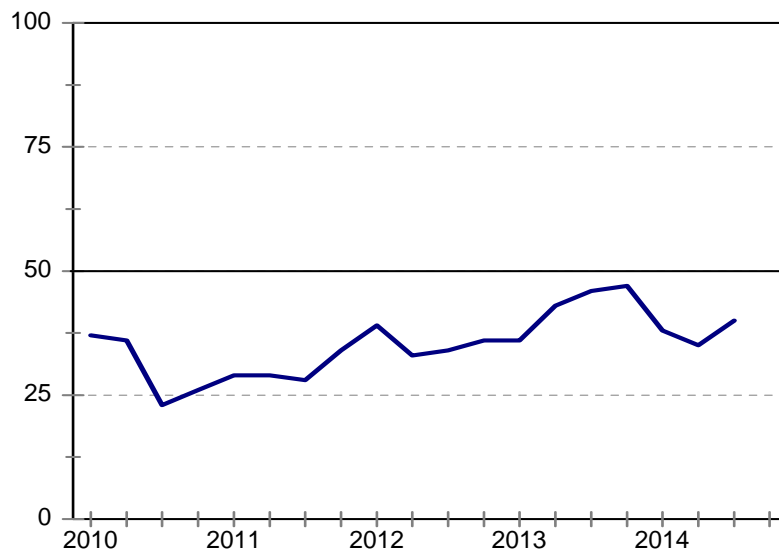
2014Q3 cidb Survey Results

Building Industry

Total

After declining for two quarters, overall business confidence increased from 35 index points to 40 in 2014Q3. In contrast to the increase in confidence, several key underlying indicators painted a picture of an industry that remains under tremendous pressure.

Figure 1: Total
Business confidence



Business conditions deteriorated even further during this survey quarter. A net 31% of respondents indicated that business conditions were tougher compared to the corresponding period last year, up from 19% during 2014Q2.

Building activity slowed for the third consecutive quarter. Compared to a net 25% in 2014Q2, a net 35% of respondents experienced lower building activity during this survey quarter.

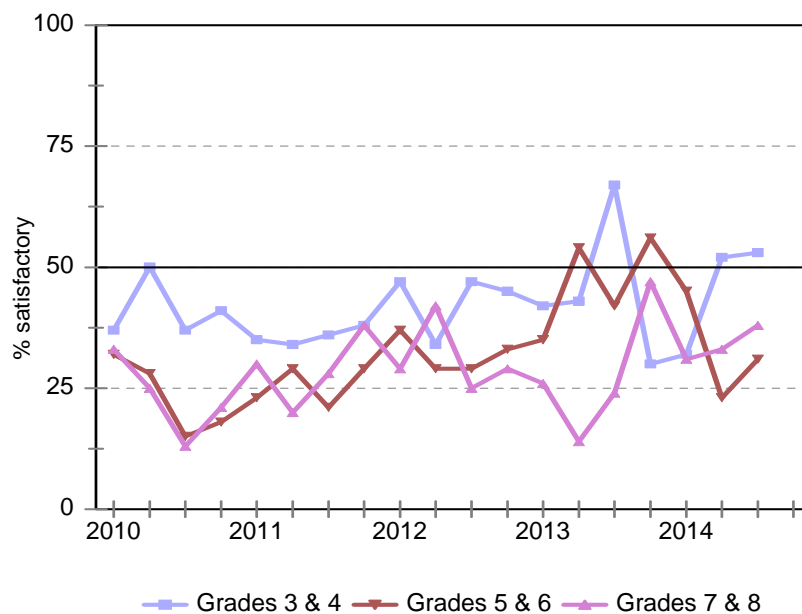
Employment levels declined. The proportion of respondents that registered lower employment levels increased from 18% in 2014Q2 to 33% in 2014Q3.

Furthermore, demand for new building work remains low. Seventy-three per cent of respondents cited insufficient demand for building work as a constraint.

Grades comparison

As shown in Figure 2, all the grades registered an increase in business confidence. However, Grades 3 & 4 were the only grades with a confidence level above 50.

Figure 2: Business confidence per grade

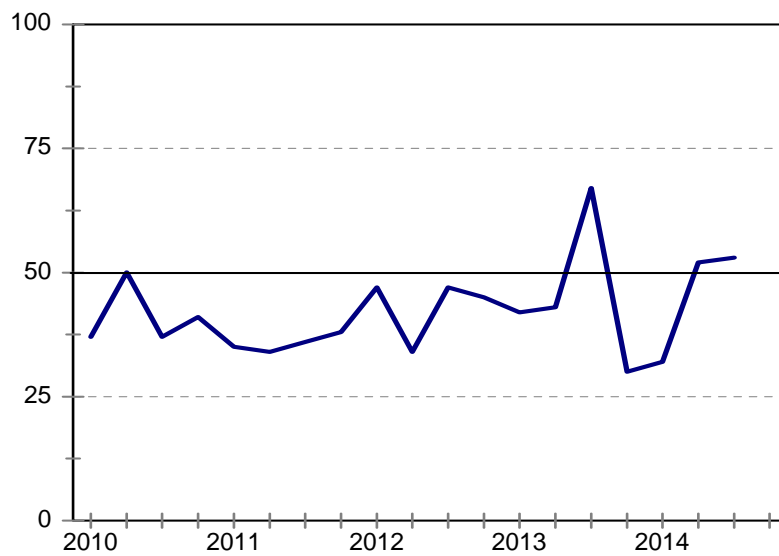


Despite the improvements in business confidence, employment levels were lower across the board.

Grades 3 & 4

Business confidence for building contractors in Grades 3 & 4 increased marginally to a level of 53 in 2014Q3. Although this marks the third consecutive quarter of increases, business confidence is not yet back to its 2013Q3 level of 67 index points.

Figure 3: Grade 3 & 4
Business confidence



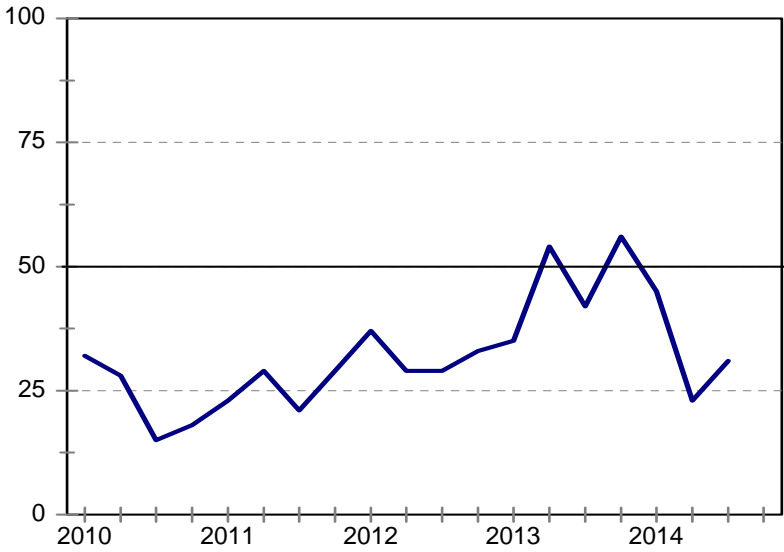
The rise in confidence corresponded with an improvement in profitability. In 2014Q3, a net 39% of respondents noted that profitability was lower compared to the same period last year, down from a net 56% in the previous survey quarter.

The improvement in profitability was likely as a result of an easing in tendering competition. Compared to a net 44% in 2014Q2, only 22% of respondents indicated that competition was keener than during the corresponding quarter last year.

Grades 5 & 6

After a sharp drop in confidence in the previous quarter, business confidence increased by 8 index points to a level of 31 in 2014Q3.

Figure 4: Grade 5 & 6
Business confidence

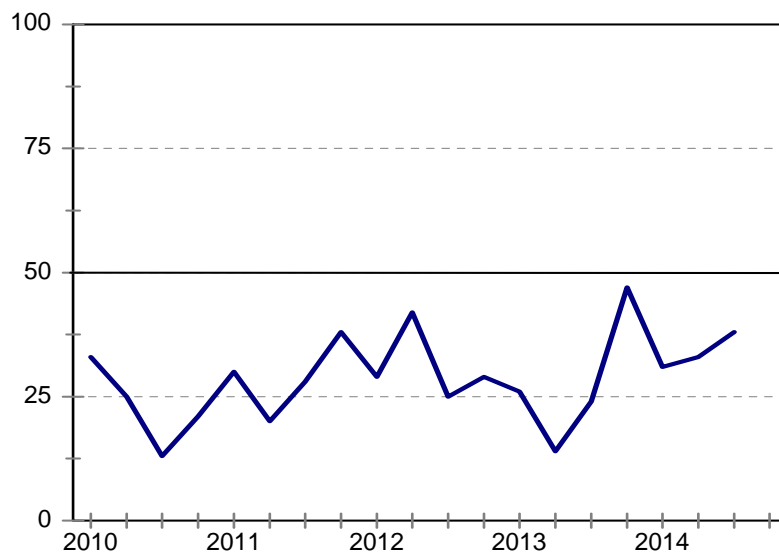


Grades 5 & 6 were the only grades that registered a slight improvement in building activity. The net percentage of respondents reporting a slowdown in building activity decreased from 41% in 2014Q2 to 38% in 2014Q3.

Grades 7 & 8

Business confidence for building contractors in Grades 7 & 8 increased from 33 to 38 index points in 2014Q3. Business confidence has now been below 50 since 2009Q2.

Figure 5: Grade 7 & 8
Business confidence



Despite the improvement in business confidence, most of the key underlying indicators signalled increased pressure in this sector.

Building activity was lower than the same period last year. Compared to a net 0% in 2014Q2, a net 23% experienced a slowdown in building activity during this survey quarter.

Employment levels dropped during this quarter. A net 29% indicated that employment was lower in 2014Q3; this is a deterioration compared to a net 0% of respondents who found this to be the case in 2014Q2.

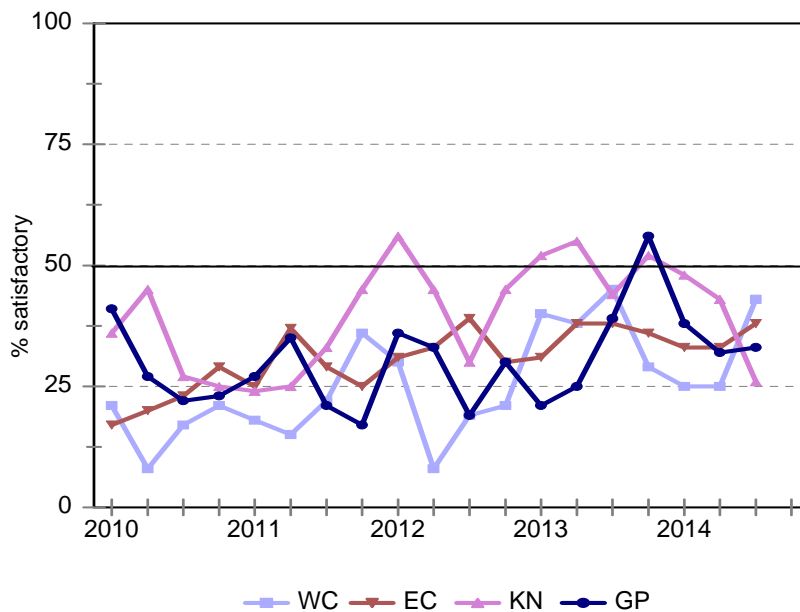
The slowdown in building activity was associated with tougher tendering competition. The proportion of respondents who indicated that tendering competition was higher than the same quarter last year increased from 25% to 47% in 2014Q3.

Unfortunately, building contractors don't expect things to get much better in the final quarter of this year. A significant majority of respondents expects building activity to slow down even further during the coming survey quarter.

Provincial comparison

As shown in the graph below, all the provinces except for KwaZulu-Natal registered an increase in business confidence in the third quarter of 2014. Despite the increases, confidence levels remained below 50 for all the provinces.

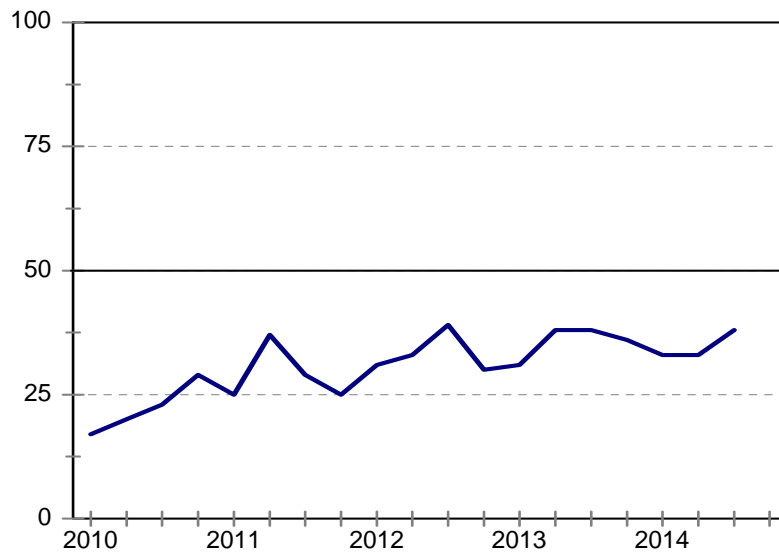
Figure 6: Business confidence per province



Eastern Cape

In 2014Q3, business confidence for building contractors in the Eastern Cape increased from 33 to a level of 38. The rise in confidence was driven by a range of factors, most notably an improvement in business conditions and profitability.

Figure 7: Eastern Cape
Business confidence



The proportion of respondents who reported poorer business conditions fell from a net 67% in 2014Q2, to a net 39% in this survey quarter.

Compared to a net 67% in 2014Q2, a net 23% indicated that profitability was lower than during the same period last year.

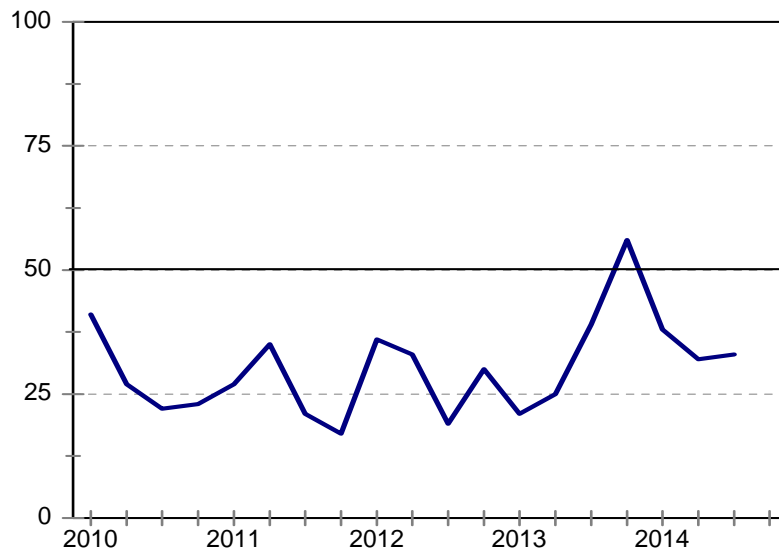
The improvement in profitability was likely due to less keener tendering competition. A net 92% of respondents indicated that tendering price competition was tougher than the corresponding quarter a year ago, down from a net 100% in 2014Q2.

Despite the increase in confidence, demand for building work remained low. Eighty-one per cent of respondents indicated that insufficient demand for building work was a constraint.

Gauteng

After two consecutive quarters of declines, business confidence improved marginally from 32 to 33 index points in 2014Q3. Nevertheless, business conditions deteriorated sharply, building activity dropped and employment levels fell.

**Figure 8: Gauteng
Business confidence**



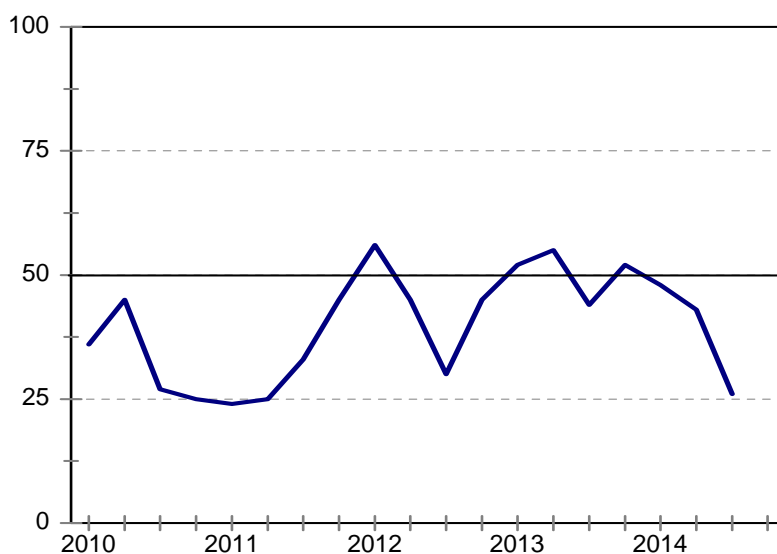
Compared to a net 5% in 2014Q2, a net 56% of respondents reported that business conditions had deteriorated versus the same quarter last year. The percentage of respondents who experienced lower building activity increased from a net 30% in 2014Q2 to a net 44% in 2014Q3. A net 39% reported lower employment in 2014Q2, up from a net 16% in the previous quarter.

Furthermore, 84% of respondents' business operations were hampered by insufficient demand for building work.

KwaZulu-Natal

As mentioned above, Kwazulu-Natal was the only province that registered a drop in confidence levels in this survey quarter – from 43 to 26 index points. This marks the third consecutive quarter of declines.

Figure 9: KwaZulu-Natal
Business confidence



Business conditions deteriorated, pressure on profitability increased, building activity slowed down and employment levels worsened.

Compared to a net 14% in 2014Q2, 32% reported poorer business conditions this quarter.

The proportion of respondents who reported lower profit levels compared to a year ago increased from a net 43% in 2014Q2, to a net 54% in 2014Q3.

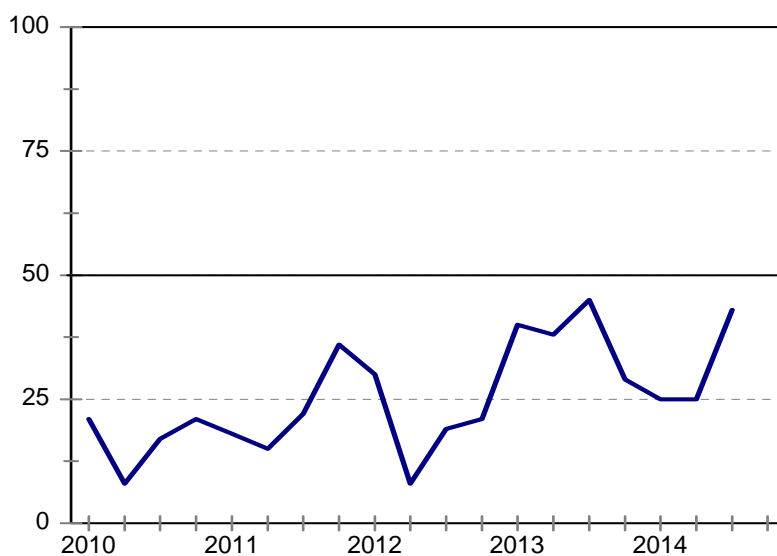
A net 39% of respondents stated that building activity was lower compared to the same quarter in 2013, up from a net 27% in 2014Q2.

In 2014Q2, a net 15% of respondents reported lower employment levels compared to the same period a year ago, this deteriorated to a net 32% in the survey quarter.

Western Cape

Business confidence of building contractors in the Western Cape increased from 25 to 43 index points in 2014Q3.

Figure 10: Western Cape
Business confidence



Business conditions improved considerably. In 2014Q2, a net 38% of respondents reported poorer business conditions compared to the same period a year ago, this rose to a net 0% in this survey quarter.

Pressure on profitability subsided during this survey quarter. Compared to a net 69% in 2014Q2, a net 40% indicated that profitability was lower than the same quarter a year ago.

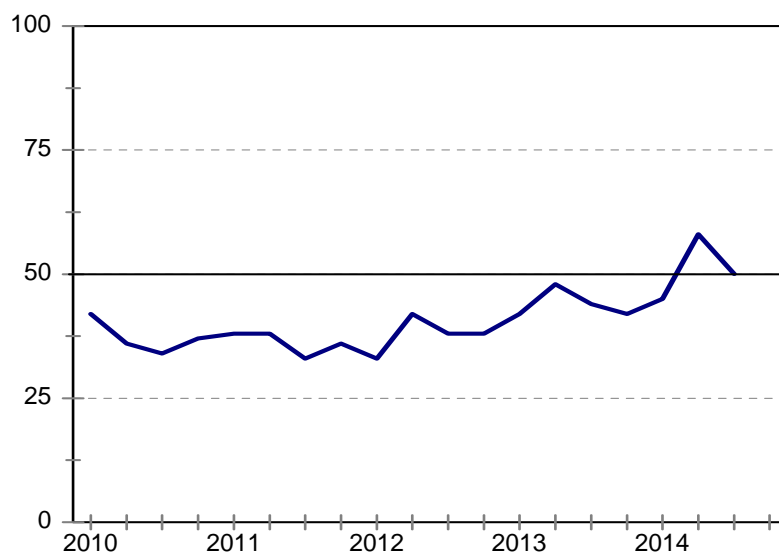
Sixty per cent of respondents experienced skilled labour shortages.

Construction Industry

Total

After two consecutive quarters of increases, the number of civil contractors who reported satisfactory business conditions fell from 58 to 50. The fall in confidence corresponds with a slowdown in construction activity, increasing pressure on profitability and lower employment.

Figure 11: Total
Business confidence



The slowdown in construction activity follows five consecutive quarters of improvements. The percentage of respondents citing lower construction activity increased from a net 12% in 2014Q2, to a net 30% in 2014Q3.

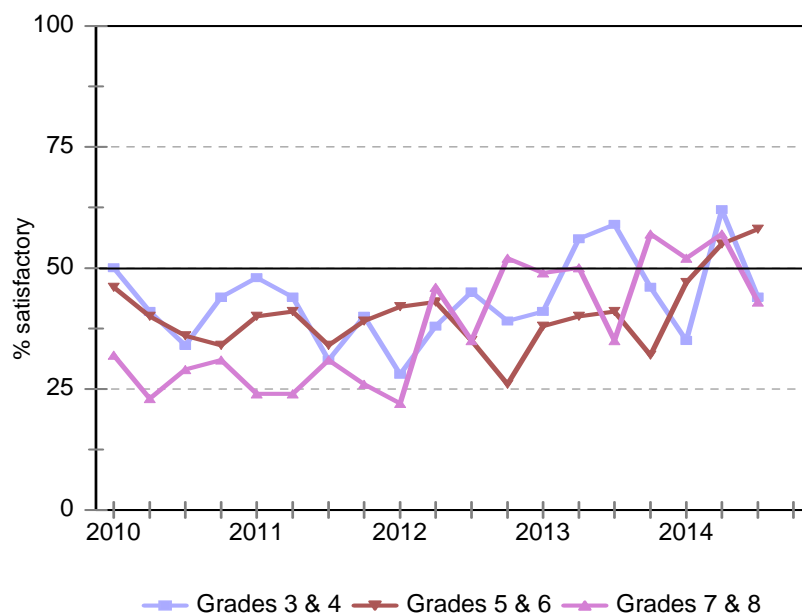
Compared to a net 28% in 2014Q2, a net 37% indicated that profit levels were lower than the same quarter a year ago.

The percentage of respondents who reported lower employment levels increased from a net 14% in 2014Q2, to a net 23% in 2014Q3. This follows four consecutive quarters of improvements in employment levels.

Grades comparison

As shown in Figure 12, Grades 5 & 6 were the only grades that registered an increase in confidence, from an index level of 55 in 2014Q2 to 58 in 2014Q3. In contrast, confidence levels among Grades 3 & 4 and Grades 7 & 8 declined to 44 and 43 index points respectively.

Figure 12: Business confidence per grade

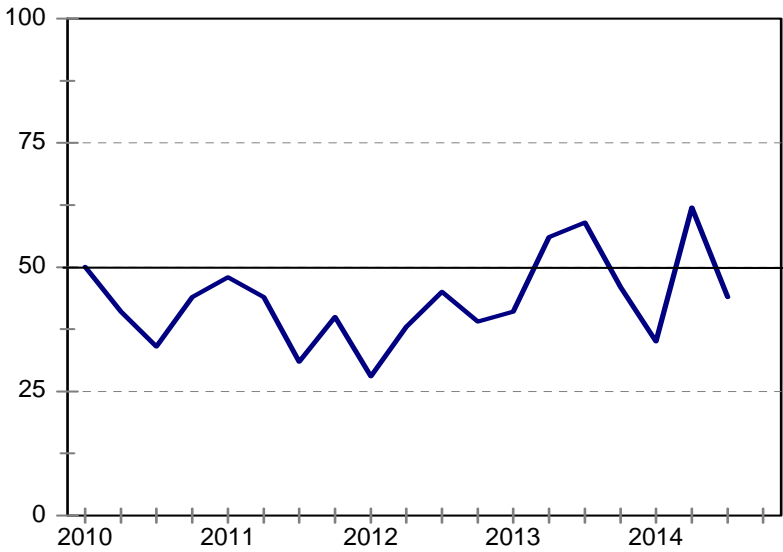


Across the board, respondents registered a slowdown in construction activity during the survey quarter.

Grades 3 & 4

Business confidence for building contractors in Grades 3 & 4 declined by 18 index points to a level of 44 in 2014Q3. The drop in confidence was underpinned by increased pressure in several key underlying indicators, most notably a deterioration in construction activity and profitability.

Figure 13: Grade 3 & 4
 Business confidence



Compared to a net 22% in 2014Q2, a net 36% indicated that construction activity was lower than the same quarter in 2013.

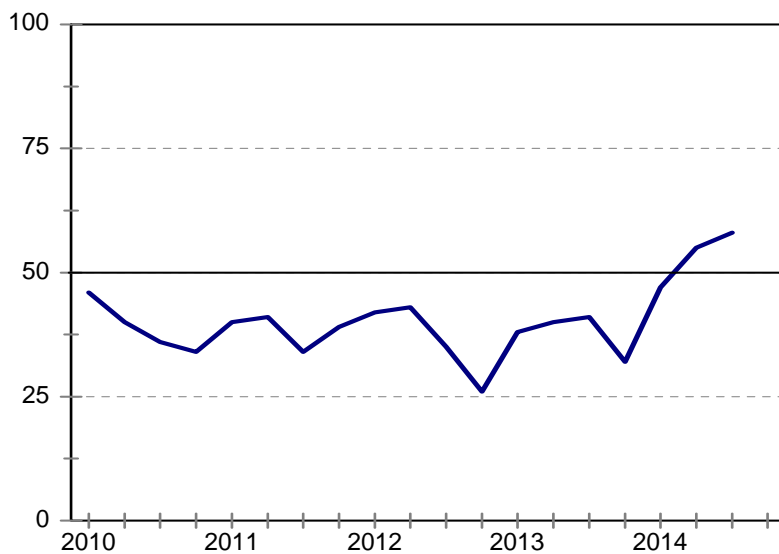
A net 56% of respondents registered lower profit levels in this survey quarter, up from a net 32% who reported the same during 2014Q2.

Due to generally lower levels of construction activity, the proportion of respondents who rated insufficient demand for construction work as a constraint increased from 58% to 73% in 2014Q3.

Grades 5 & 6

The percentage of civil contractors in Grades 5 & 6 that were satisfied with business conditions increased marginally from 55 in 2014Q2 to 58 in 2014Q3. This marks its highest level since 2009Q3.

Figure 14: Grade 5 & 6
Business confidence



The increase in business confidence coincided with an improvement in business conditions. A net 18% reported poorer business conditions in this survey quarter, down from a net 30% who reported this experience during 2014Q2.

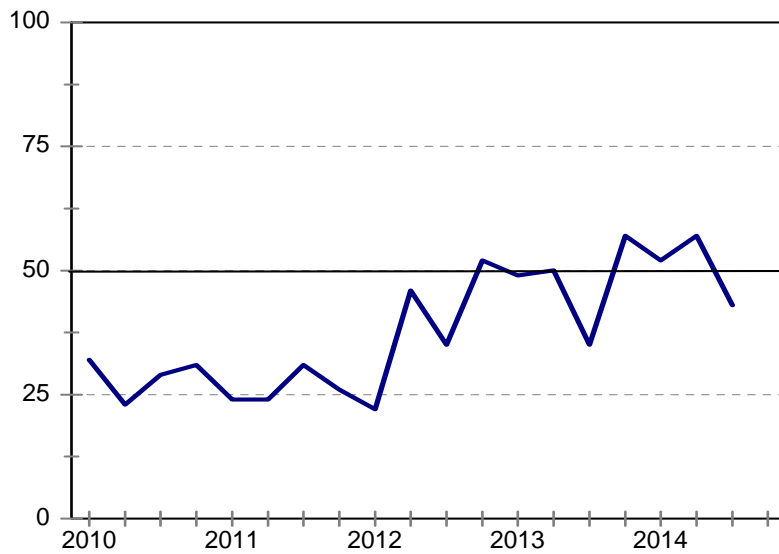
Despite the increase in confidence, construction activity slowed down during 2014Q3. The percentage of respondents who indicated that construction activity was lower compared to the same period last year, increased from a net 19% in 2014Q2 to a net 36% in 2014Q3.

Nevertheless, respondents expect business conditions, construction activity, as well as employment and profitability levels to improve in the coming survey quarter.

Grades 7 & 8

Business confidence among civil contractors in Grades 7 & 8 shed 14 index points to register a level of 43 in 2014Q3.

Figure 15: Grade 7 & 8
Business confidence



Business conditions deteriorated sharply. In 2014Q2, a net 8% indicated that business conditions were better compared to the same period a year ago; in this survey quarter, a net 22% indicated that business conditions had worsened.

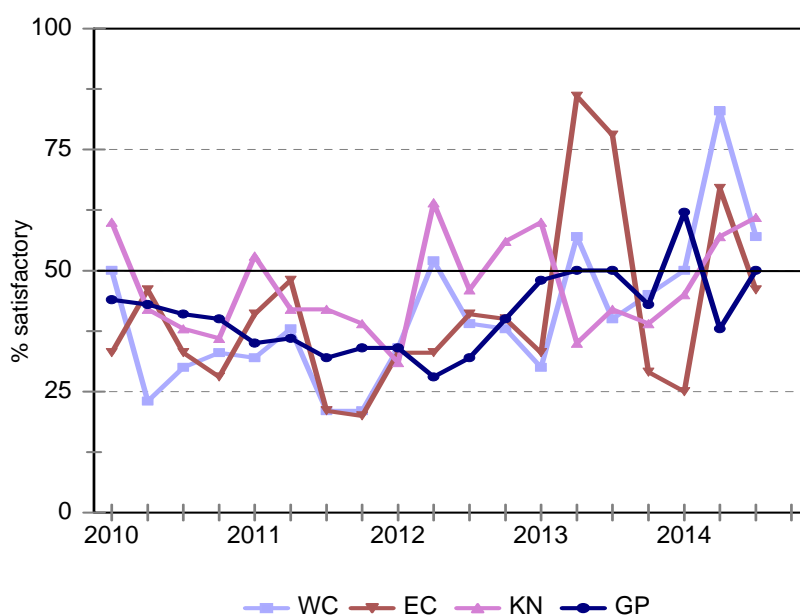
Construction activity slowed down during this survey quarter. A net 13% of respondents experienced a slowdown in construction activity in 2014Q3, a deterioration from a net 4% who registered growth in activity during 2014Q2.

The slowdown in construction activity was associated with keener tendering competition. Compared to 46% in 2014Q2, 61% of respondents indicated that price competition in tendering was tougher compared to the corresponding quarter a year ago.

Provincial comparison

Compared to 2014Q2, the following changes in confidence levels came about, Eastern Cape (-21 index points), Gauteng (+12), KwaZulu-Natal (+4) and the Western Cape (-26). As shown in figure 16, the Eastern Cape is currently the only province with a confidence level below the neutrality level of 50.

Figure 16: Business confidence per province

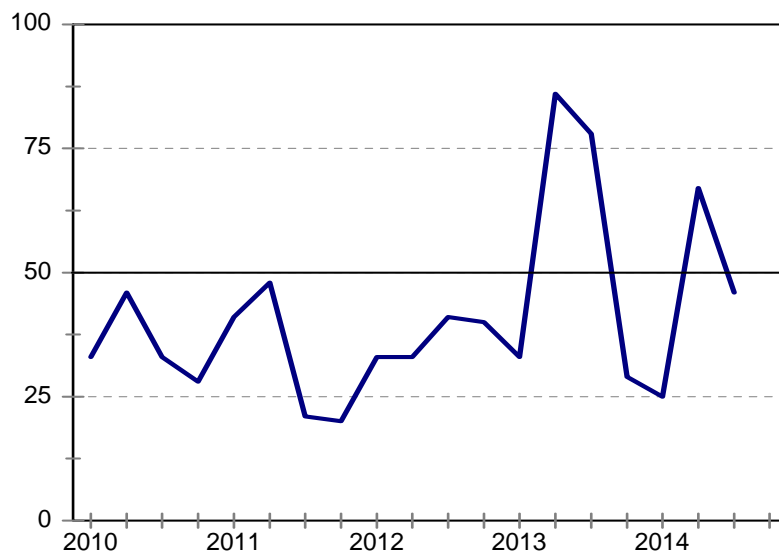


Eastern Cape¹

The proportion of respondents who were satisfied with current business conditions fell from 67 in 2014Q2 to 46 in 2014Q3. Civil contractors in the Eastern Cape were challenged by poorer business conditions, a slowdown in construction activity, lower employment levels and increasing pressure on profitability.

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



In 2014Q3, a net 36% reported poorer business conditions. This is a deterioration from a net 11% that reported an improvement in business conditions in the previous survey quarter.

Compared to a net 11% of respondents who reported growth in construction activity in 2014Q2, a net 50% experienced a slowdown in activity during 2014Q3. The percentage of respondents that indicated lower employment levels increased from a net 0% in 2014Q2 to a net 57% in 2014Q3.

Compared to a net 0% in 2014Q2, a net 50% cited increased pressure on profitability in 2014Q3.

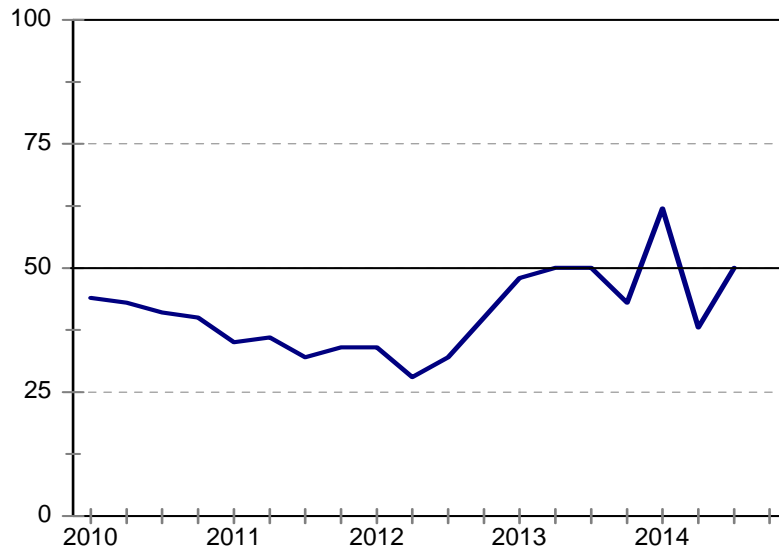
Fifty-seven per cent of respondents cited skilled labour shortages as a constraint on their business operations.

However, despite the fall in confidence, respondents expect business conditions, construction activity and employment to recover in the next survey quarter.

Gauteng

The overall business confidence of civil contractors in Gauteng increased from 38 index points in 2014Q2 to 50 in 2014Q3. The increase in confidence was likely due to an improvement in employment.

Figure 18: Gauteng
Business confidence



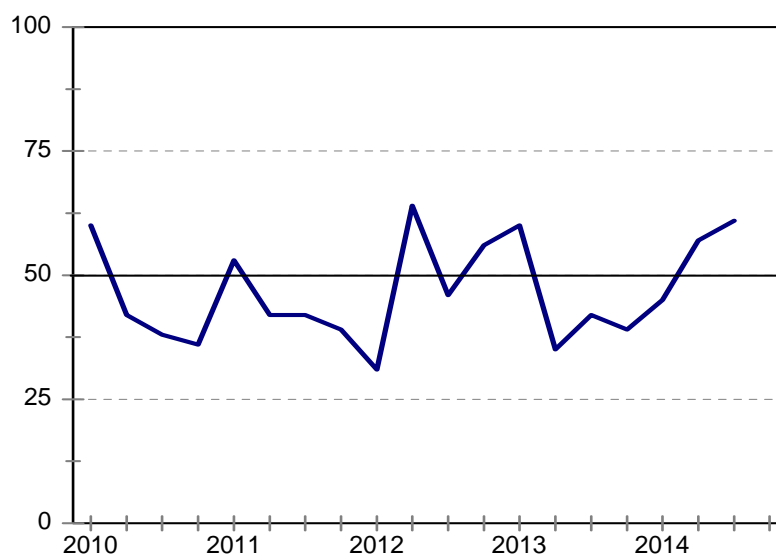
During this survey quarter a net 6% of respondents reported lower employment levels. This is an improvement from a net 13% that reported the same experience in 2014Q2.

Fifty per cent of respondents indicated that skilled labour shortages were a constraint on their business operations.

KwaZulu-Natal

Business confidence among civil contractors in KwaZulu-Natal increased from 57 in 2014Q2 to 61 in 2014Q3. This marks the third consecutive quarter of an improvement in confidence.

Figure 19: KwaZulu-Natal
Business confidence



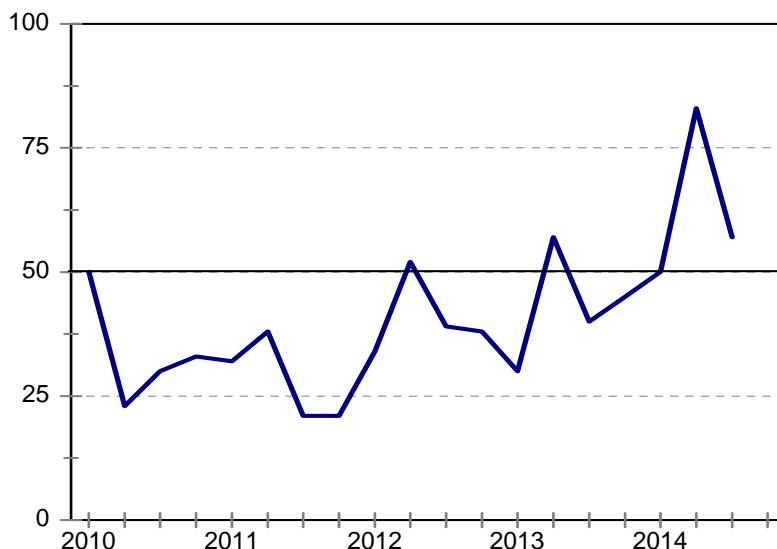
Business conditions improved during this survey quarter. In 2014Q3, a net 11% reported poorer business conditions than the same period a year ago. This is an improvement from the net 36% of the previous quarter.

In 2014Q3, the tempo of job losses slowed. The percentage of respondents that reported lower employment levels improved from a net 22% in 2014Q2, to a net 11% in this survey quarter.

Western Cape

After three consecutive quarters of increases, business confidence in the Western Cape decreased by 26 index points to register a level of 57 in 2014Q3. The drop in confidence was likely due to lower levels of construction activity and poorer business conditions.

Figure 20: Western Cape
Business confidence



A net 6% of respondents stated that construction activity was lower compared to a year ago; a deterioration from the 23% of respondents who reported a real rise in construction activity in the previous quarter.

Compared to a net 15% with improved business conditions in 2014Q2, a net 6% indicated that business conditions had deteriorated during the survey quarter.

The slowdown in construction activity went hand-in-hand with tougher tendering competition. Compared to a net 31% in 2014Q2, 57% of respondents indicated that price competition in tendering was keener compared to the corresponding quarter a year ago.

Due to generally lower levels of construction activity, the proportion of respondents who rated insufficient demand for building work as a constraint increased from 50% to 73%.

Ms Mia Slabber

Ms Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4*</i>
Business confidence ³	47	38	35	40	
Change in business conditions ¹	-6	-15	-19	-31	-20
Growth in building activity ¹	-12	-24	-25	-35	-32
Growth in number of people employed ¹	-14	-23	-18	-33	-29
Growth in profitability of the business ¹	-26	-37	-48	-47	-29
Tendering competition ¹	36	30	49	46	
Percentage rating shortage of skilled labour a constraint ²	55	49	56	54	
Percentage rating inadequate supply of building materials a constraint ²	32	28	30	35	
Percentage rating insufficient demand for building work a constraint ²	69	73	66	73	
Percentage rating firm's inadequate access to credit a constraint ²	33	32	40	35	

* Expected.

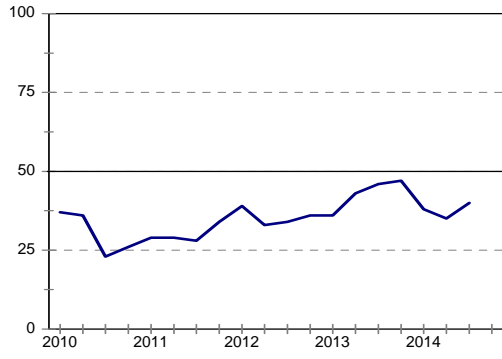
¹ Net balance.

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

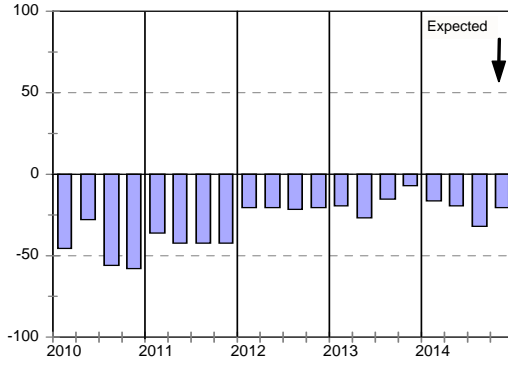
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

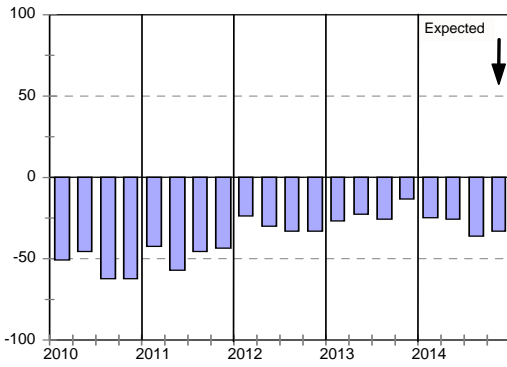
Business confidence



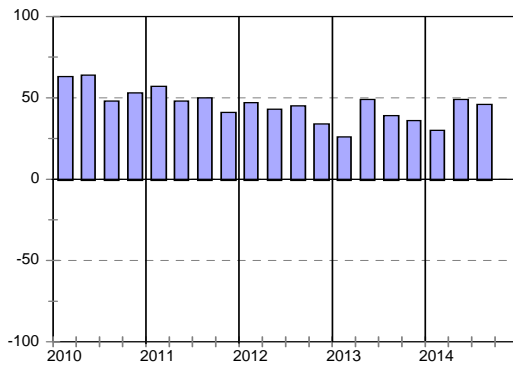
Change in business conditions



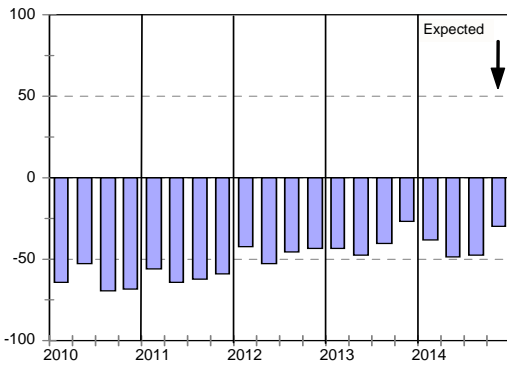
Growth in building activity



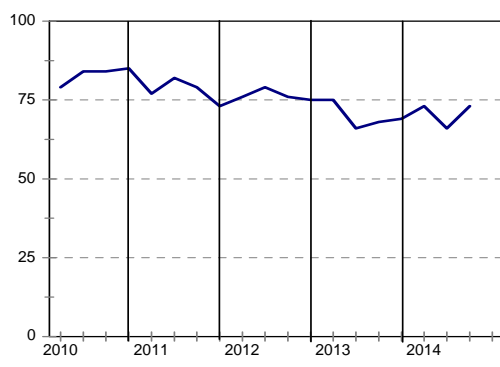
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4*</i>
Business confidence ³	30	32	52	53	
Change in business conditions ¹	-30	-17	-22	-27	-15
Growth in building activity ¹	-29	-25	-13	-36	-17
Growth in number of people employed ¹	-29	-17	-26	-28	-28
Growth in profitability of the business ¹	-40	-41	-56	-39	-17
Tendering competition ¹	12	12	44	22	
Percentage rating shortage of skilled labour a constraint ²	55	42	58	61	
Percentage rating inadequate supply of building materials a constraint ²	33	26	30	39	
Percentage rating insufficient demand for building work a constraint ²	75	72	61	67	
Percentage rating firm's inadequate access to credit a constraint ²	43	32	37	35	

* Expected.

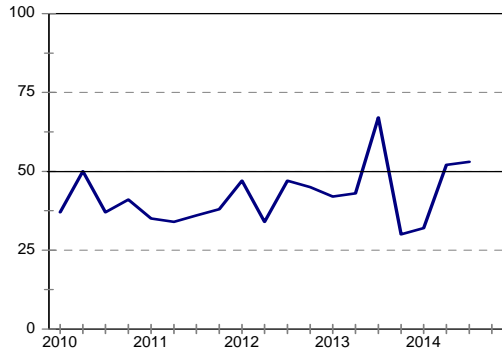
¹ Net balance.

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

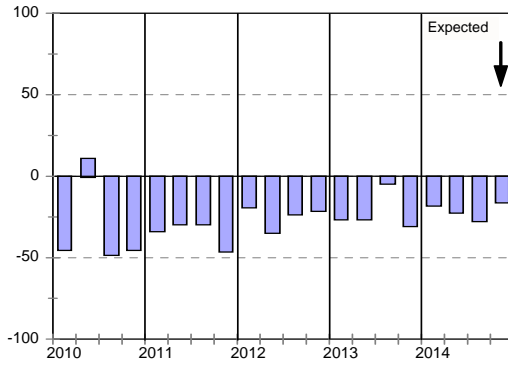
³ Percentage gross rating prevailing business conditions as satisfactory.

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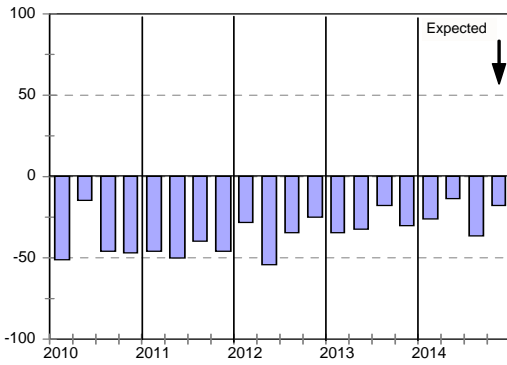
Business confidence



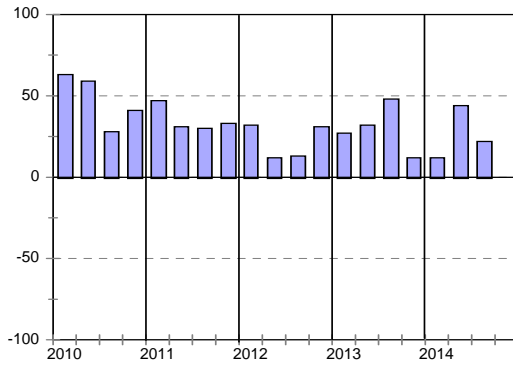
Change in business conditions



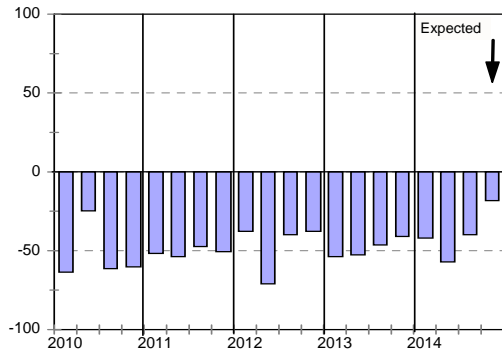
Growth in building activity



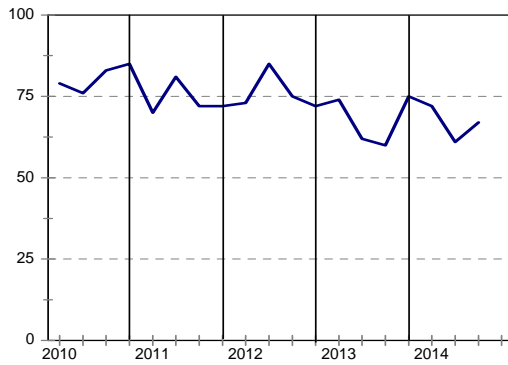
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4*</i>
Business confidence ³	56	45	23	31	
Change in business conditions ¹	7	-22	-17	-31	-15
Growth in building activity ¹	-5	-31	-41	-38	-28
Growth in number of people employed ¹	-5	-29	-18	-38	-30
Growth in profitability of the business ¹	-12	-40	-50	-55	-36
Tendering competition ¹	50	48	62	61	
Percentage rating shortage of skilled labour a constraint ²	55	51	54	51	
Percentage rating inadequate supply of building materials a constraint ²	30	24	32	31	
Percentage rating insufficient demand for building work a constraint ²	65	75	67	79	
Percentage rating firm's inadequate access to credit a constraint ²	27	32	41	37	

* Expected.

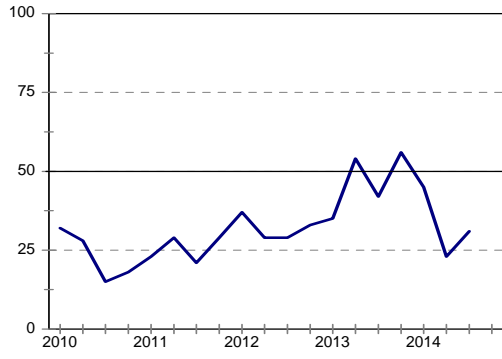
¹ Net balance.

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

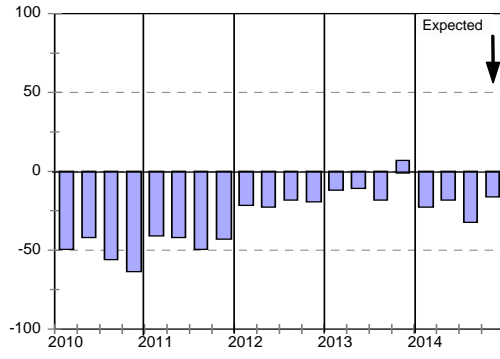
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

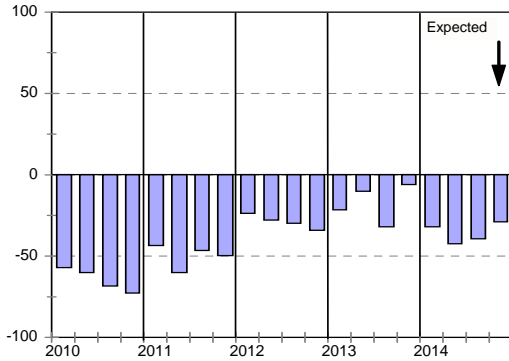
Business confidence



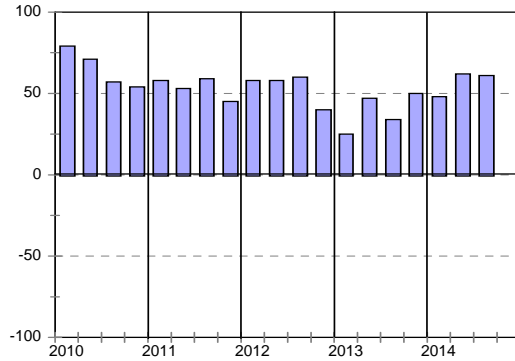
Change in business conditions



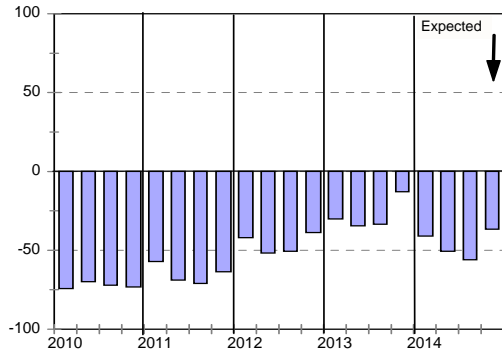
Growth in building activity



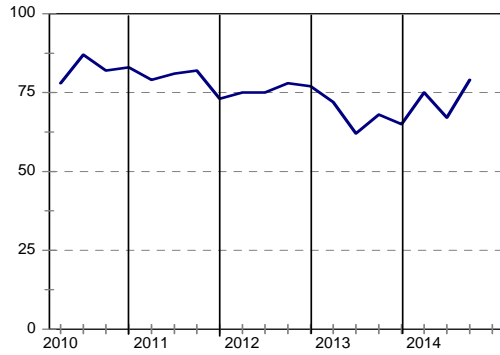
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	13Q4	14Q1	14Q2	14Q3	14Q4*
Business confidence ³	47	31	33	38	
Change in business conditions ¹	0	6	-17	-41	-44
Growth in building activity ¹	0	-7	0	-23	-62
Growth in number of people employed ¹	-11	-13	0	-29	-25
Growth in profitability of the business ¹	-33	-26	-25	-41	-38
Tendering competition ¹	38	13	25	47	
Percentage rating shortage of skilled labour a constraint ²	52	57	54	52	
Percentage rating inadequate supply of building materials a constraint ²	36	41	25	38	
Percentage rating insufficient demand for building work a constraint ²	70	69	73	67	
Percentage rating firm's inadequate access to credit a constraint ²	31	31	46	29	

* Expected.

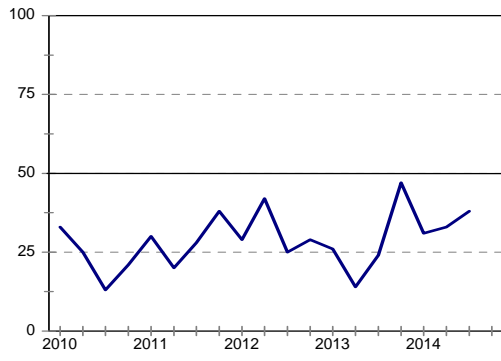
¹ Net balance.

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

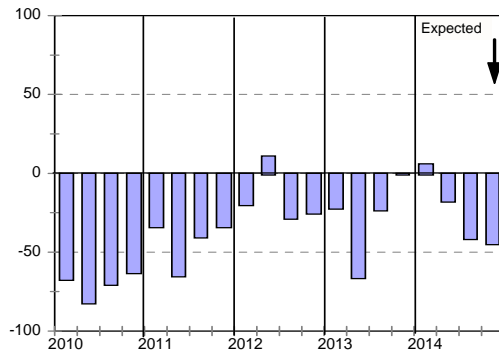
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

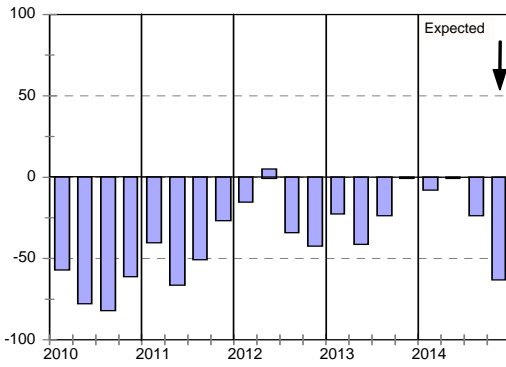
Business confidence



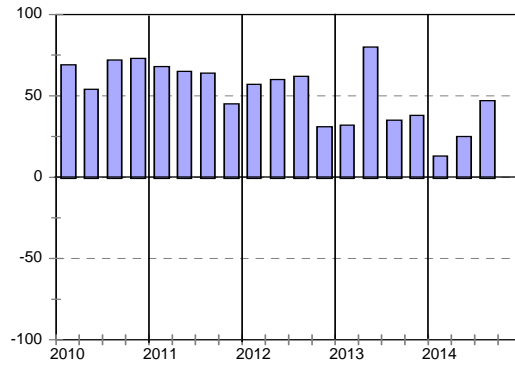
Change in business conditions



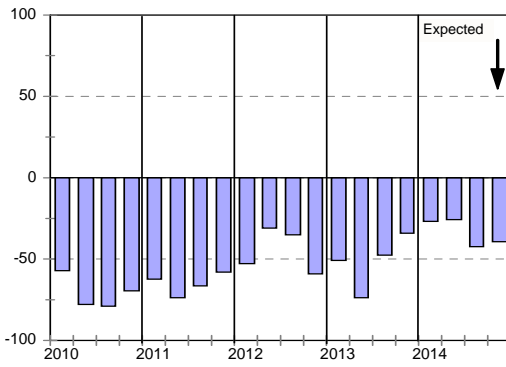
Growth in building activity



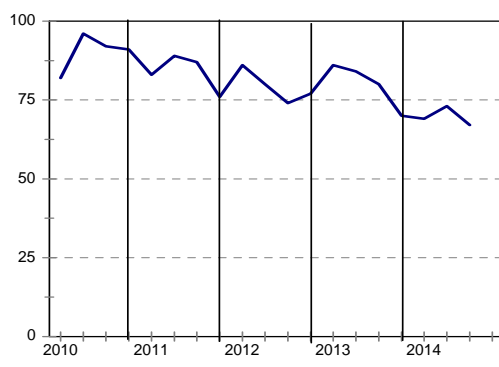
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4*</i>
Business confidence ³	36	33	33	38	
Change in business conditions ¹	-18	-37	-67	-39	-23
Growth in building activity ¹	-27	-23	-34	-31	-31
Growth in number of people employed ¹	-18	-39	-33	-31	-24
Growth in profitability of the business ¹	-46	-41	-67	-23	-38
Tendering competition ¹	64	61	100	92	
Percentage rating shortage of skilled labour a constraint ²	63	61	67	58	
Percentage rating inadequate supply of building materials a constraint ²	32	27	33	46	
Percentage rating insufficient demand for building work a constraint ²	78	73	50	81	
Percentage rating firm's inadequate access to credit a constraint ²	14	31	33	34	

* Expected.

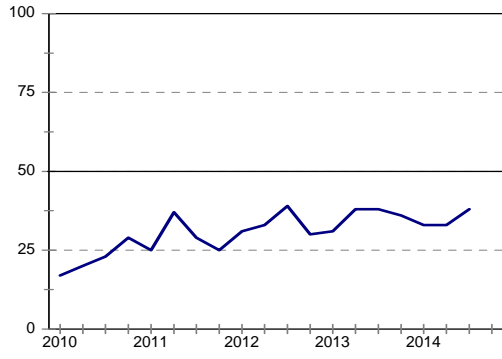
¹ Net balance.

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

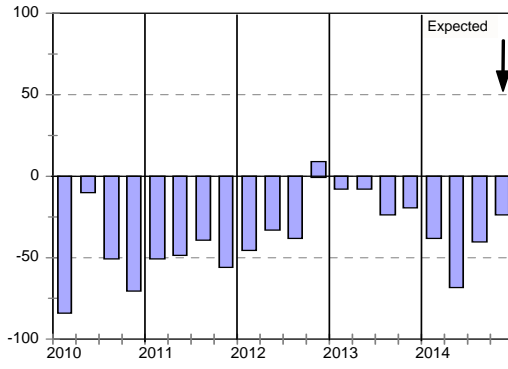
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

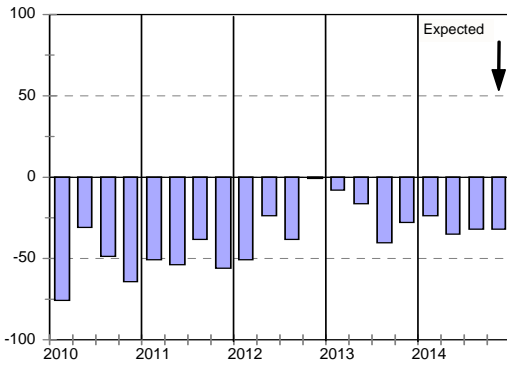
Business confidence



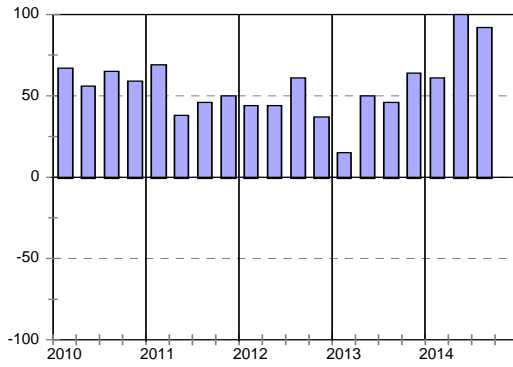
Change in business conditions



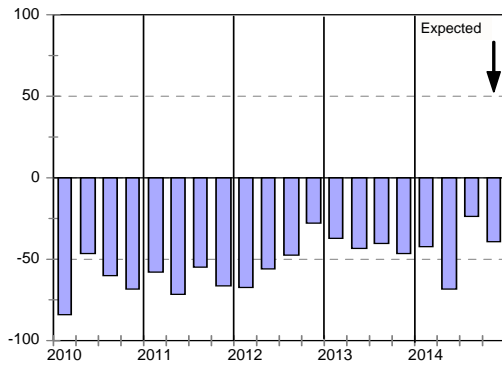
Growth in building activity



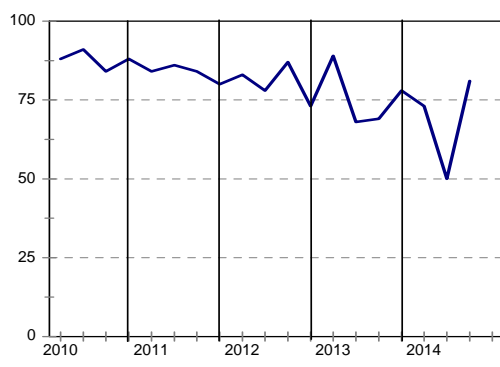
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4*</i>
Business confidence ³	56	38	32	33	
Change in business conditions ¹	7	7	-5	-56	-23
Growth in building activity ¹	6	-6	-30	-44	-29
Growth in number of people employed ¹	-12	-13	-16	-39	-17
Growth in profitability of the business ¹	-19	-33	-45	-45	-11
Tendering competition ¹	46	7	25	33	
Percentage rating shortage of skilled labour a constraint ²	56	46	63	61	
Percentage rating inadequate supply of building materials a constraint ²	34	34	40	39	
Percentage rating insufficient demand for building work a constraint ²	69	73	74	84	
Percentage rating firm's inadequate access to credit a constraint ²	50	36	60	47	

* Expected.

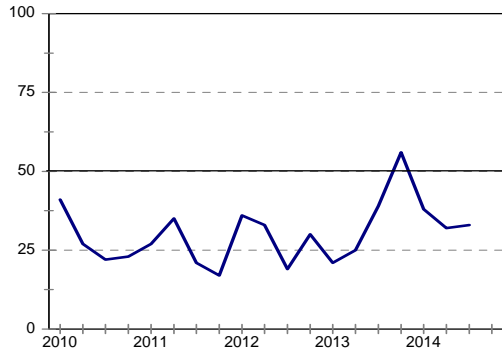
¹ Net balance.

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

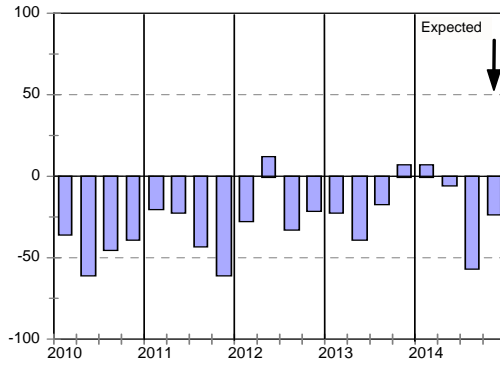
³ Percentage gross rating prevailing business conditions as satisfactory.

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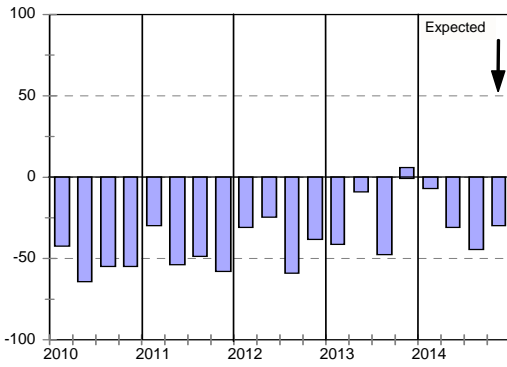
Business confidence



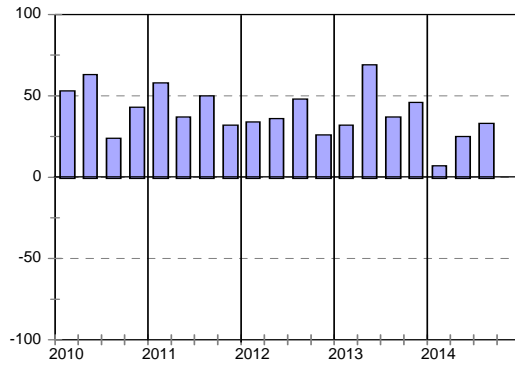
Change in business conditions



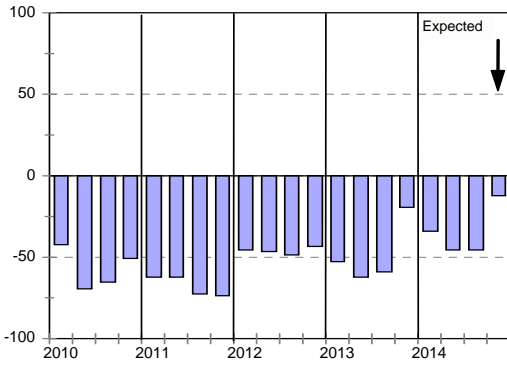
Growth in building activity



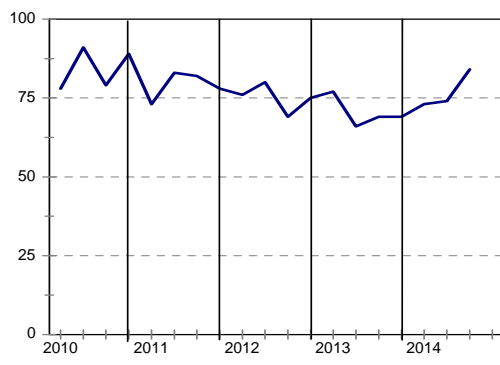
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4*</i>
Business confidence ³	52	48	43	26	
Change in business conditions ¹	-5	-17	-14	-32	-25
Growth in building activity ¹	-9	-40	-27	-39	-38
Growth in number of people employed ¹	-18	-33	-15	-32	-42
Growth in profitability of the business ¹	-17	-42	-43	-54	-38
Tendering competition ¹	23	17	47	32	
Percentage rating shortage of skilled labour a constraint ²	59	46	64	52	
Percentage rating inadequate supply of building materials a constraint ²	35	32	32	29	
Percentage rating insufficient demand for building work a constraint ²	65	76	63	68	
Percentage rating firm's inadequate access to credit a constraint ²	39	33	43	34	

* Expected.

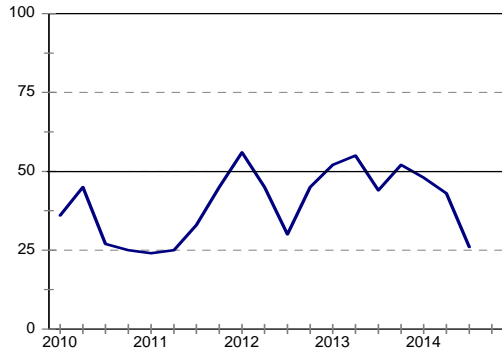
¹ Net balance.

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

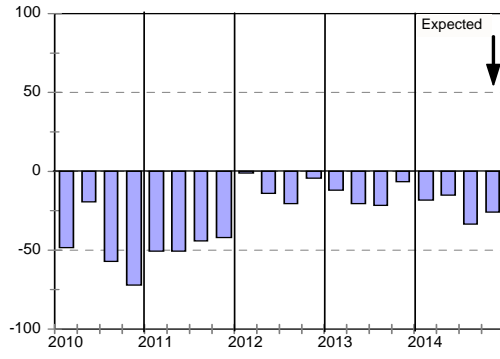
³ Percentage gross rating prevailing business conditions as satisfactory.

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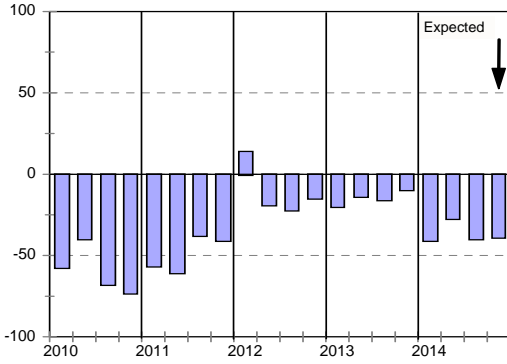
Business confidence



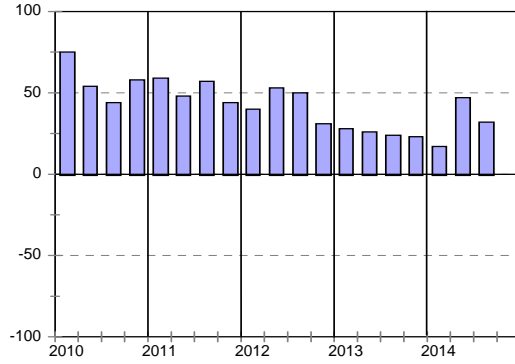
Change in business conditions



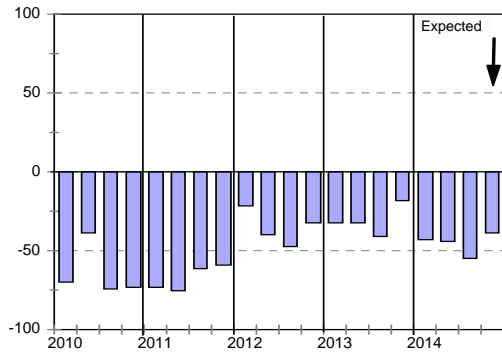
Growth in building activity



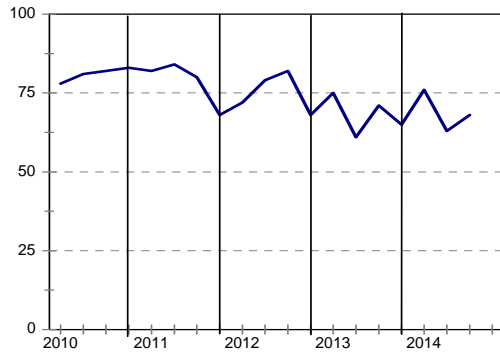
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	<i>13Q4</i>	<i>14Q1</i>	<i>14Q2</i>	<i>14Q3</i>	<i>14Q4*</i>
Business confidence ³	29	25	25	43	
Change in business conditions ¹	7	-8	-38	0	7
Growth in building activity ¹	-12	8	-23	-7	-7
Growth in number of people employed ¹	0	0	-30	-7	0
Growth in profitability of the business ¹	-7	-25	-69	-40	-15
Tendering competition ¹	40	42	62	67	
Percentage rating shortage of skilled labour a constraint ²	57	50	50	60	
Percentage rating inadequate supply of building materials a constraint ²	37	20	23	30	
Percentage rating insufficient demand for building work a constraint ²	82	78	70	70	
Percentage rating firm's inadequate access to credit a constraint ²	34	29	19	35	

* Expected.

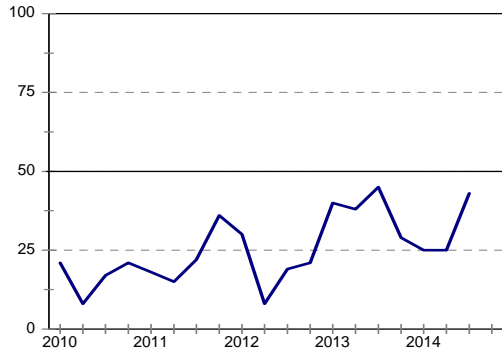
¹ Net balance.

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

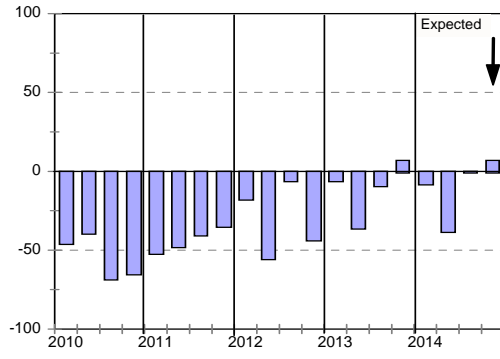
³ Percentage gross rating prevailing business conditions as satisfactory.

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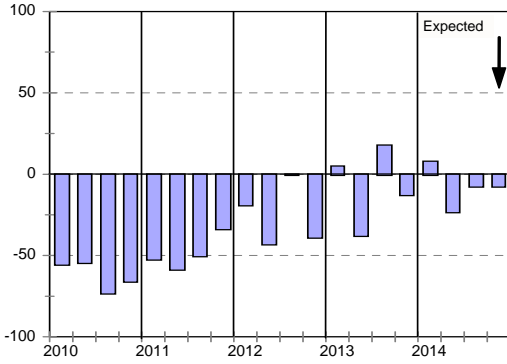
Business confidence



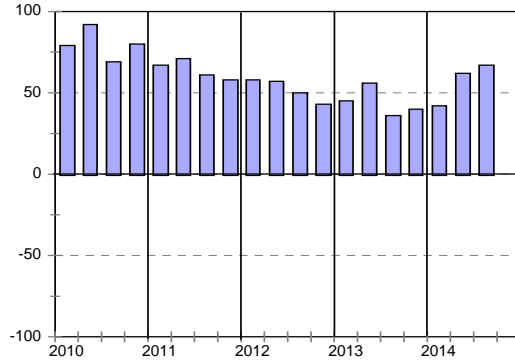
Change in business conditions



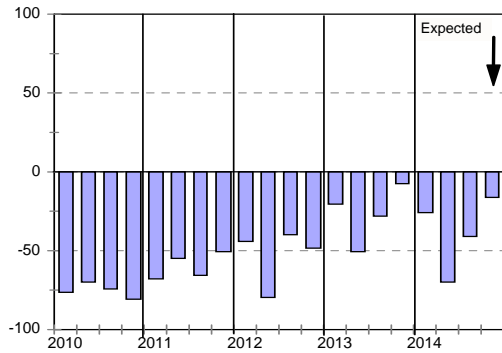
Growth in building activity



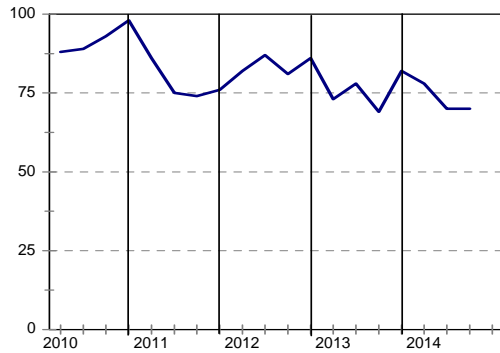
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total					
	13Q4	14Q1	14Q2	14Q3	14Q4*
Business confidence ³	42	45	58	50	
Change in business conditions ¹	-17	-15	-17	-23	-7
Growth in construction activity ¹	-17	-16	-12	-30	-6
Growth in number of people employed ¹	-20	-18	-14	-23	-16
Growth in profitability of the business ¹	-38	-33	-28	-37	-19
Tendering competition ¹	45	41	37	36	
Percentage rating shortage of skilled labour a constraint ²	48	47	43	49	
Percentage rating inadequate supply of construction materials a constraint ²	29	29	35	28	
Percentage rating insufficient demand for construction work a constraint ²	69	68	67	69	
Percentage rating firm's inadequate access to credit a constraint ²	30	28	31	29	

* Expected.

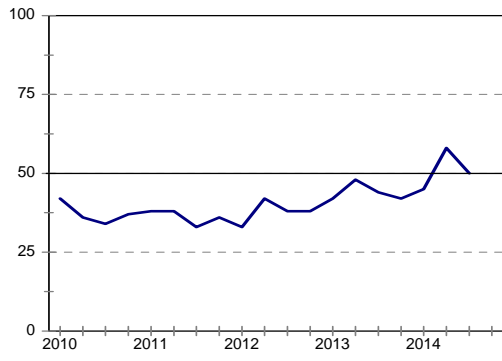
¹ Net balance.

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

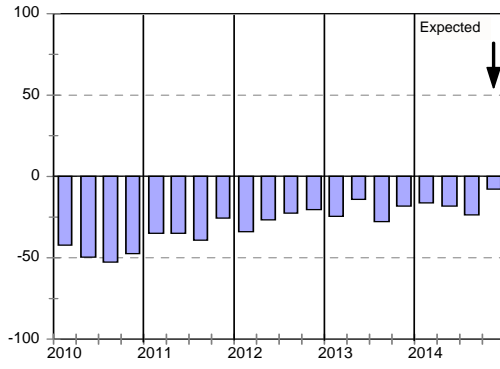
³ Percentage gross rating prevailing business conditions as satisfactory.

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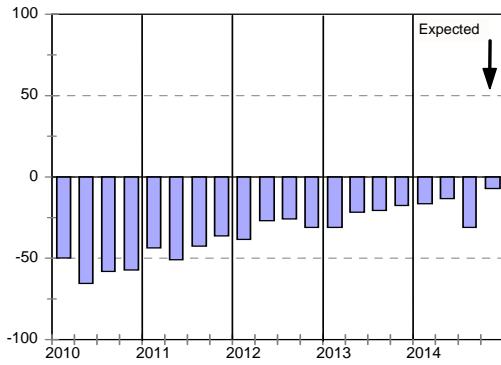
Business confidence



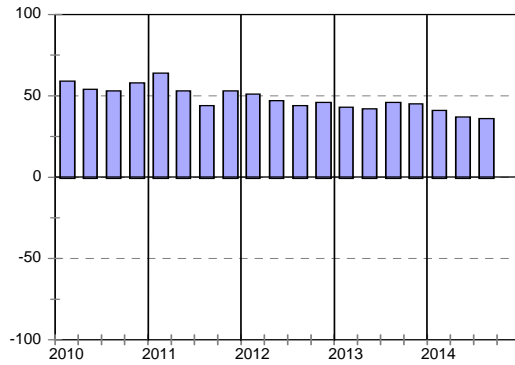
Change in business conditions



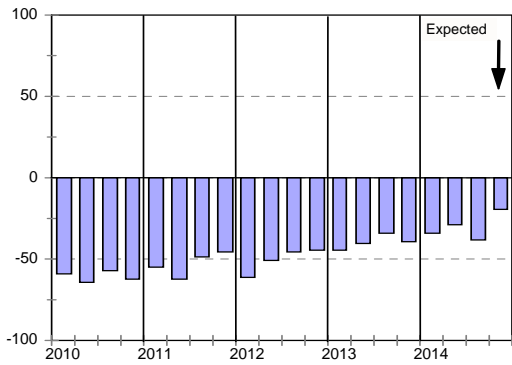
Growth in construction activity



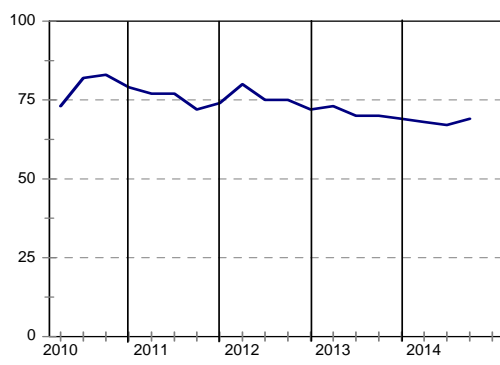
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	13Q4	14Q1	14Q2	14Q3	14Q4*
Business confidence ³	46	35	62	44	
Change in business conditions ¹	-17	-36	-31	-33	-18
Growth in construction activity ¹	-22	-25	-22	-36	-17
Growth in number of people employed ¹	-15	-19	-19	-32	-30
Growth in profitability of the business ¹	-35	-52	-32	-56	-43
Tendering competition ¹	19	15	22	12	
Percentage rating shortage of skilled labour a constraint ²	39	50	37	56	
Percentage rating inadequate supply of construction materials a constraint ²	31	31	35	30	
Percentage rating insufficient demand for construction work a constraint ²	65	65	58	73	
Percentage rating firm's inadequate access to credit a constraint ²	37	19	27	42	

* Expected.

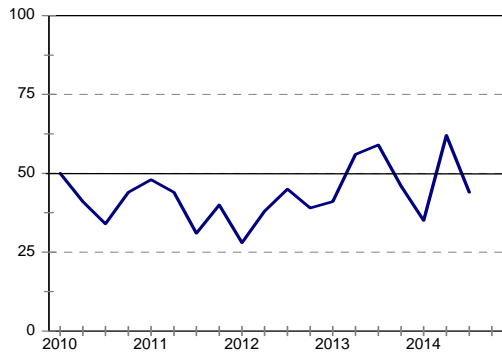
¹ Net balance.

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

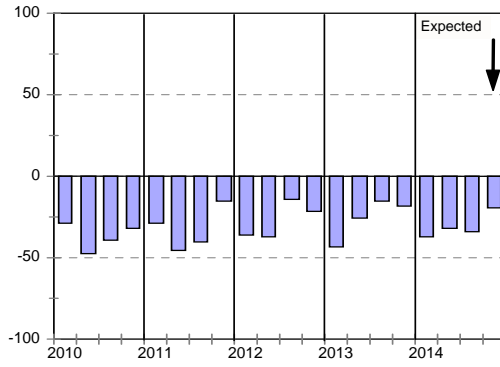
³ Percentage gross rating prevailing business conditions as satisfactory.

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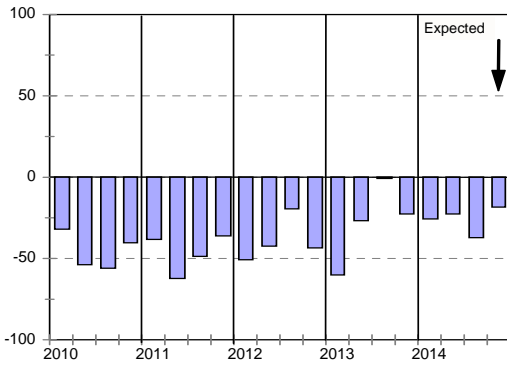
Business confidence



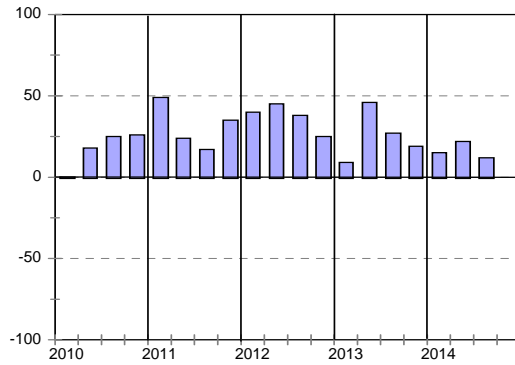
Change in business conditions



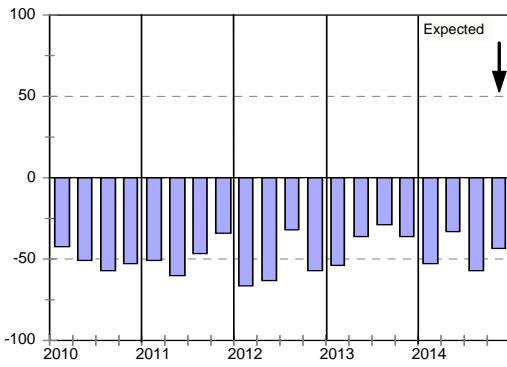
Growth in construction activity



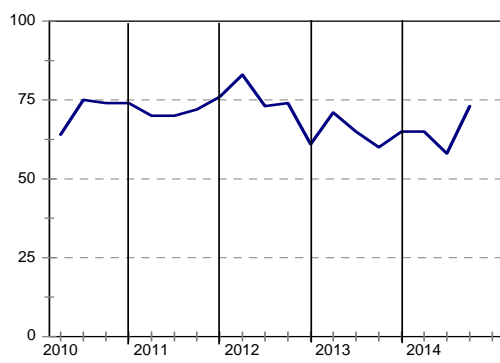
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	13Q4	14Q1	14Q2	14Q3	14Q4*
Business confidence ³	32	47	55	58	
Change in business conditions ¹	-21	-23	-30	-18	6
Growth in construction activity ¹	-24	-28	-19	-36	2
Growth in number of people employed ¹	-34	-26	-14	-25	-6
Growth in profitability of the business ¹	-44	-39	-24	-33	-6
Tendering competition ¹	48	54	47	37	
Percentage rating shortage of skilled labour a constraint ²	52	45	45	47	
Percentage rating inadequate supply of construction materials a constraint ²	30	26	39	30	
Percentage rating insufficient demand for construction work a constraint ²	71	70	79	63	
Percentage rating firm's inadequate access to credit a constraint ²	30	38	36	24	

* Expected.

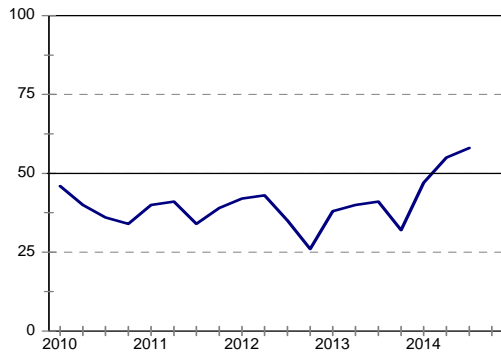
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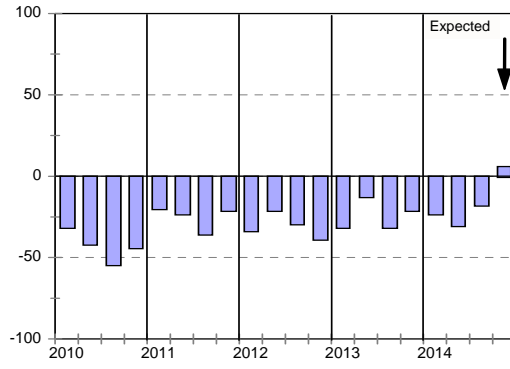
³ Percentage gross rating prevailing business conditions as satisfactory.

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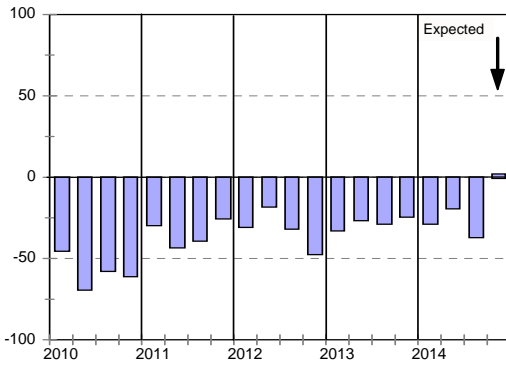
Business confidence



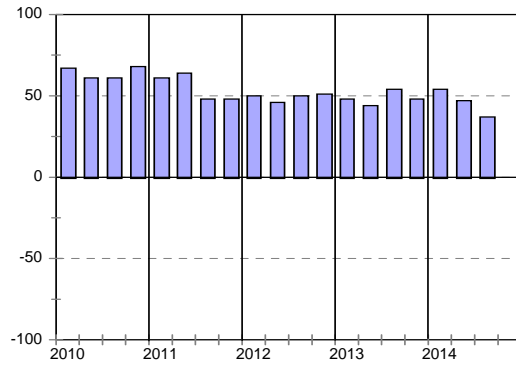
Change in business conditions



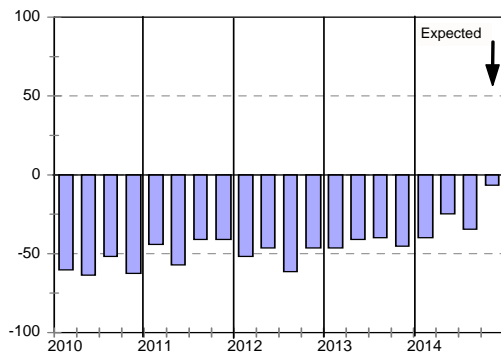
Growth in construction activity



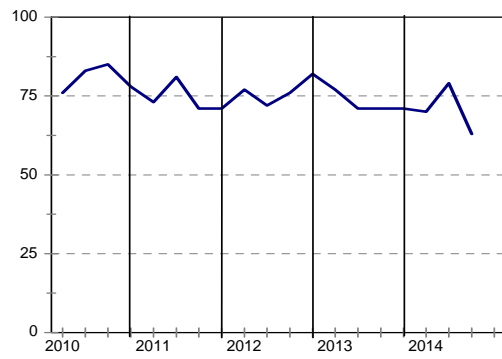
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	13Q4	14Q1	14Q2	14Q3	14Q4*
Business confidence ³	57	52	57	43	
Change in business conditions ¹	-8	21	8	-22	-15
Growth in construction activity ¹	0	17	4	-13	-9
Growth in number of people employed ¹	4	-4	-8	-9	-19
Growth in profitability of the business ¹	-27	-4	-31	-26	-14
Tendering competition ¹	72	48	46	61	
Percentage rating shortage of skilled labour a constraint ²	50	50	47	45	
Percentage rating inadequate supply of construction materials a constraint ²	27	33	34	24	
Percentage rating insufficient demand for construction work a constraint ²	68	68	66	74	
Percentage rating firm's inadequate access to credit a constraint ²	25	22	30	26	

* Expected.

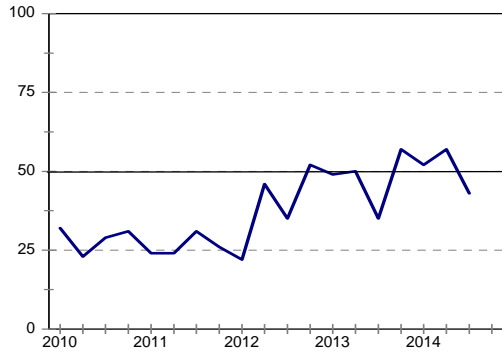
¹ Net balance.

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

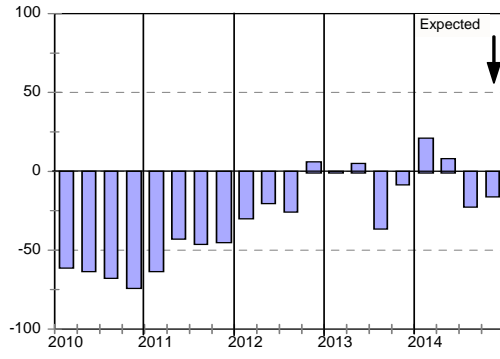
³ Percentage gross rating prevailing business conditions as satisfactory.

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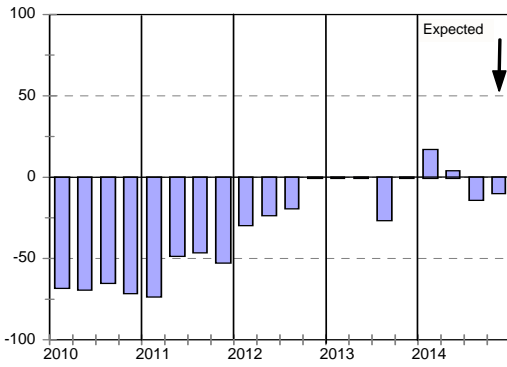
Business confidence



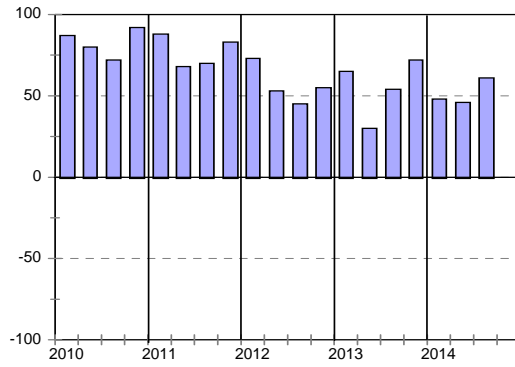
Change in business conditions



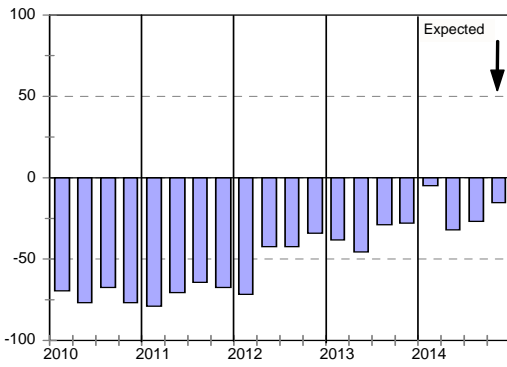
Growth in construction activity



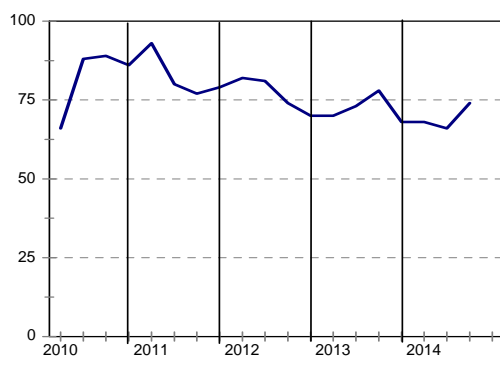
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	13Q4	14Q1	14Q2	14Q3	14Q4*
Business confidence ³	29	25	67	46	
Change in business conditions ¹	-15	-14	11	-36	8
Growth in construction activity ¹	-29	-26	11	-50	0
Growth in number of people employed ¹	15	-25	0	-57	0
Growth in profitability of the business ¹	-15	-50	0	-50	-15
Tendering competition ¹	43	38	50	22	
Percentage rating shortage of skilled labour a constraint ²	64	63	33	57	
Percentage rating inadequate supply of construction materials a constraint ²	35	25	33	28	
Percentage rating insufficient demand for construction work a constraint ²	57	75	73	57	
Percentage rating firm's inadequate access to credit a constraint ²	21	25	27	28	

* Expected.

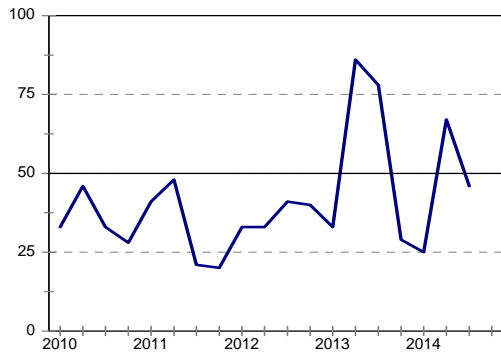
¹ Net balance.

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.

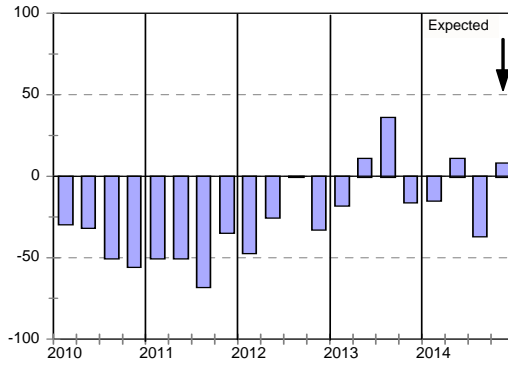
³ Percentage gross rating prevailing business conditions as satisfactory.

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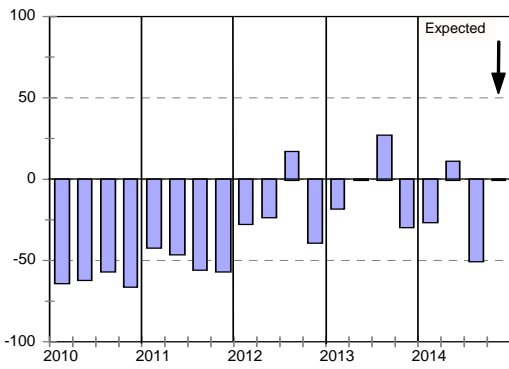
Business confidence



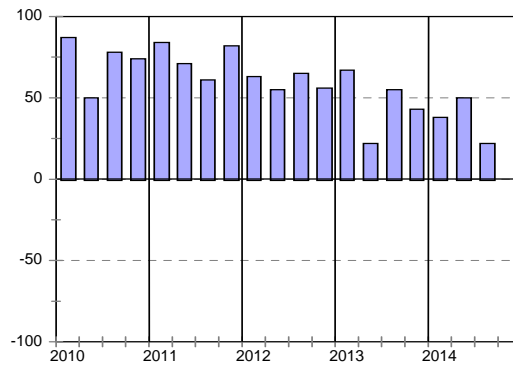
Change in business conditions



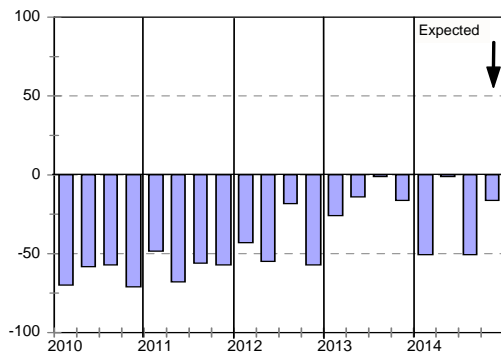
Growth in construction activity



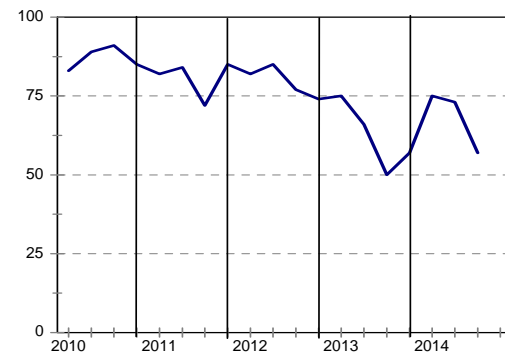
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	13Q4	14Q1	14Q2	14Q3	14Q4*
Business confidence ³	43	62	38	50	
Change in business conditions ¹	-38	0	-27	-27	-27
Growth in building activity ¹	-44	-23	-25	-31	-29
Growth in number of people employed ¹	-25	-7	-13	-6	-15
Growth in profitability of the business ¹	-44	-16	-6	-19	-8
Tendering competition ¹	64	41	40	50	
Percentage rating shortage of skilled labour a constraint ²	44	50	31	36	
Percentage rating inadequate supply of building materials a constraint ²	28	29	34	31	
Percentage rating insufficient demand for building work a constraint ²	72	69	64	72	
Percentage rating firm's inadequate access to credit a constraint ²	22	21	25	28	

* Expected.

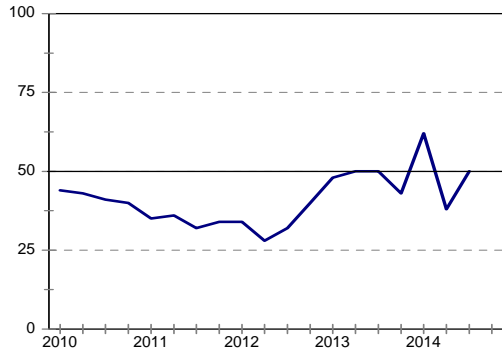
¹ Net balance.

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.

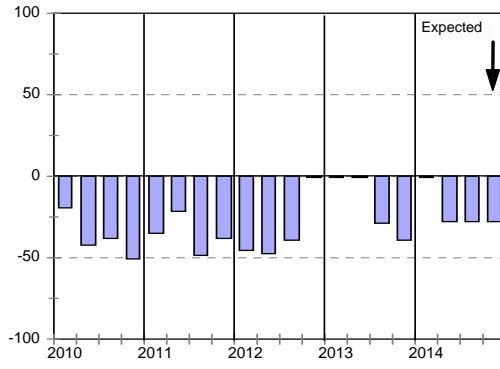
³ Percentage gross rating prevailing business conditions as satisfactory.

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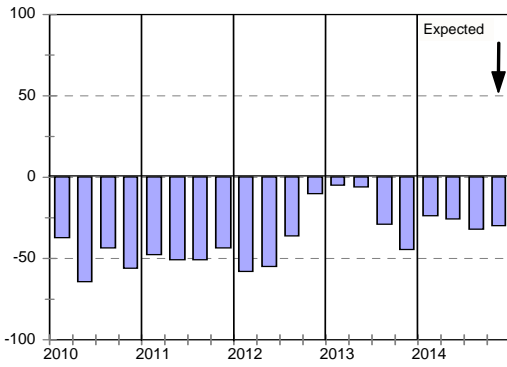
Business confidence



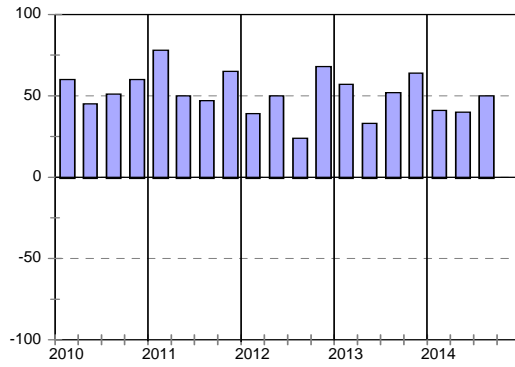
Change in business conditions



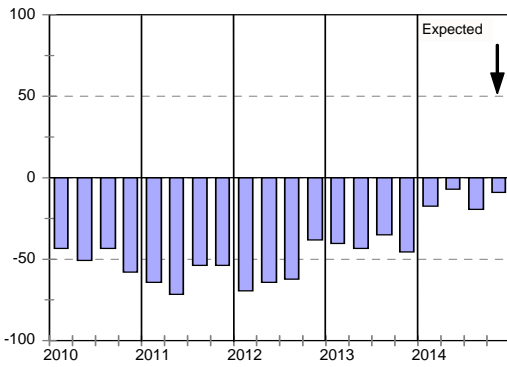
Growth in construction activity



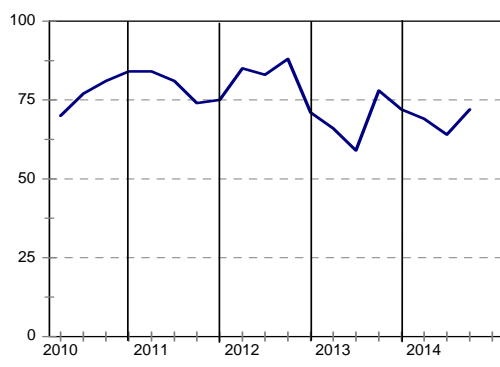
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	13Q4	14Q1	14Q2	14Q3	14Q4*
Business confidence ³	39	45	57	61	
Change in business conditions ¹	-15	-27	-36	-11	6
Growth in construction activity ¹	-17	-19	-20	-26	0
Growth in number of people employed ¹	-14	0	-22	-11	-27
Growth in profitability of the business ¹	-43	-33	-53	-58	-23
Tendering competition ¹	33	71	50	48	
Percentage rating shortage of skilled labour a constraint ²	55	45	53	47	
Percentage rating inadequate supply of construction materials a constraint ²	34	45	34	23	
Percentage rating insufficient demand for construction work a constraint ²	64	69	72	73	
Percentage rating firm's inadequate access to credit a constraint ²	31	40	28	43	

* Expected.

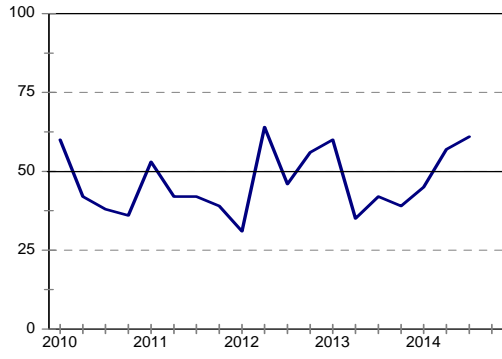
¹ Net balance.

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.

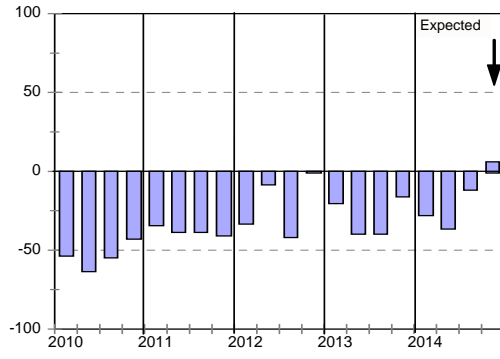
³ Percentage gross rating prevailing business conditions as satisfactory.

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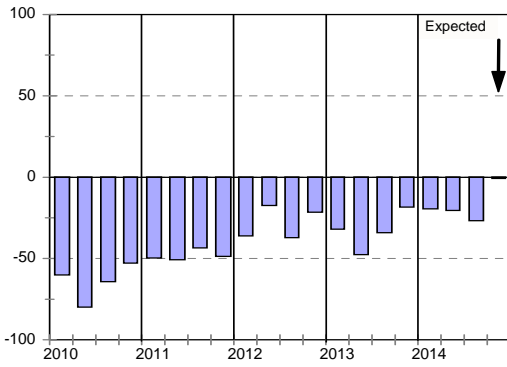
Business confidence



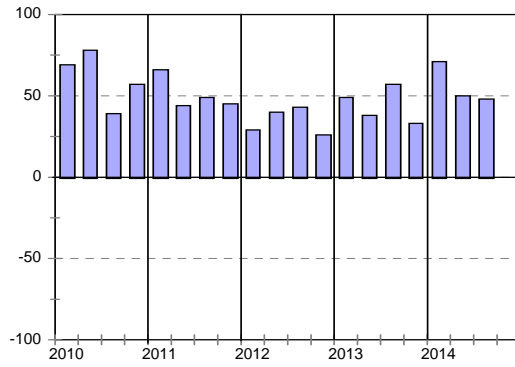
Change in business conditions



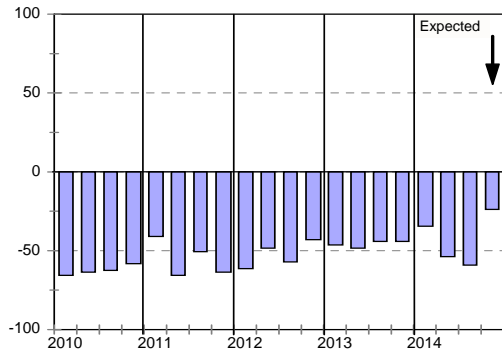
Growth in construction activity



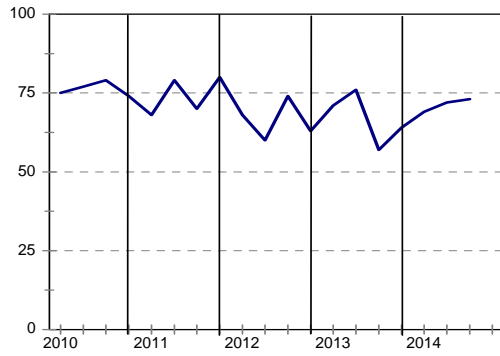
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	13Q4	14Q1	14Q2	14Q3	14Q4*
Business confidence ³	45	50	83	57	
Change in business conditions ¹	-5	4	15	-6	-13
Growth in construction activity ¹	5	9	23	-6	0
Growth in number of people employed ¹	-14	-18	0	6	-14
Growth in profitability of the business ¹	-33	-13	-8	-13	-20
Tendering competition ¹	57	29	31	57	
Percentage rating shortage of skilled labour a constraint ²	42	41	50	56	
Percentage rating inadequate supply of construction materials a constraint ²	31	29	20	21	
Percentage rating insufficient demand for construction work a constraint ²	69	61	50	73	
Percentage rating firm's inadequate access to credit a constraint ²	31	16	19	20	

* Expected.

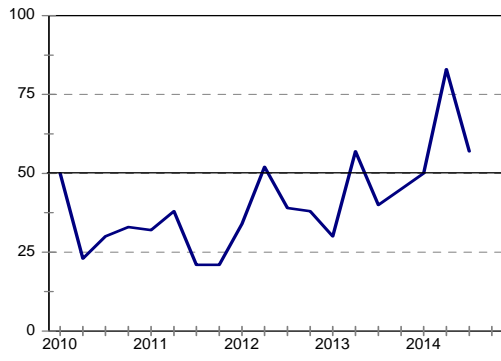
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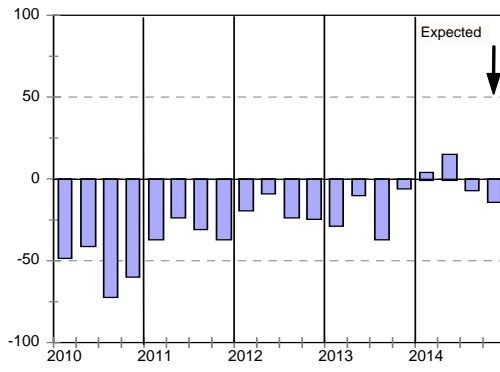
³ Percentage gross rating prevailing business conditions as satisfactory.

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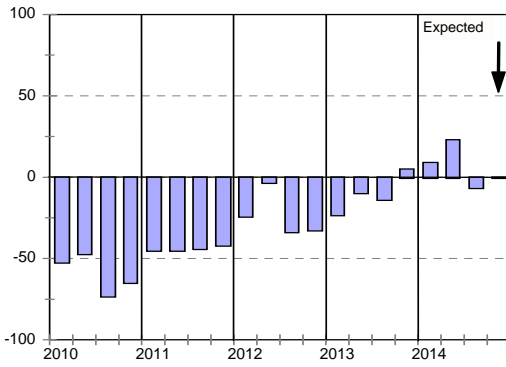
Business confidence



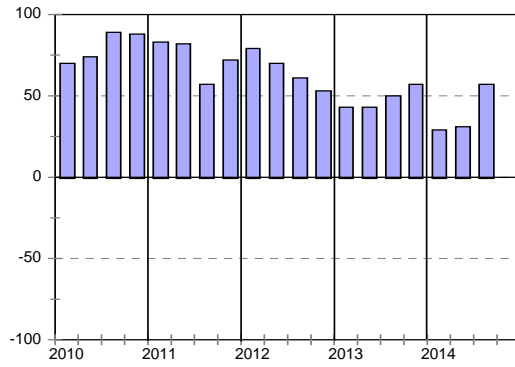
Change in business conditions



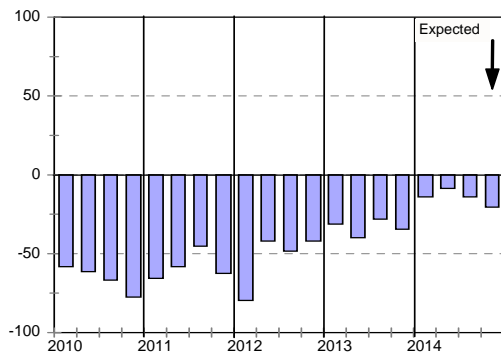
Growth in construction activity



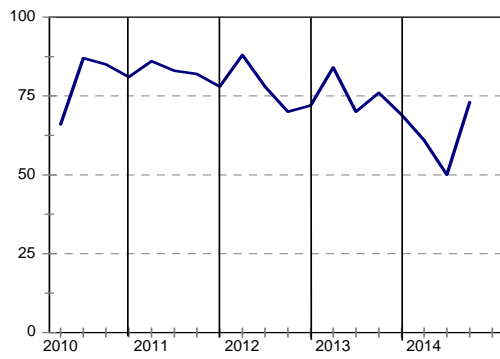
Tendering competition



Growth in profitability



Insufficient building work demand



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