



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

3

2015



University of Stellenbosch

cidb Survey Results: 2015Q3

September 2015

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Summary

Building Contractors

General builder confidence shed 9 index points to register a level of 42 in 2015Q3. This implies that almost 6 out of 10 respondents are dissatisfied with current business conditions.

Business confidence was lower across all the grades, with the sharpest drop registered by Grades 7 & 8 (-32). The lower confidence among general builders in Grades 7 & 8 was largely driven by a slowdown in building activity.

Regionally, confidence declined in all four provinces: Gauteng (-31), the Western Cape (-6), KwaZulu-Natal (-5) and the Eastern Cape (-4). Although confidence edged lower in the Western Cape, it remains above the key 50-mark which indicates that the building sector continues to grow, albeit at a more subdued pace.

Civil Contractors

After recovering somewhat in the first part of this year, business confidence among civil contractors fell back to a level of 45. Lower construction activity and tougher tendering price competition weighed on confidence.

Across the grades the following changes in confidence levels came about, Grades 3 & 4 (-1), Grades 5 & 6 (-10) and Grades 7 & 8 (-12). The sharp drop in Grades 5 & 6 and Grades 7 & 8 confidence was largely driven by lower construction activity compared to the same quarter a year ago.

All the provinces except for KwaZulu-Natal registered a decline in confidence. Civil contractors in the Western Cape were especially negative about current business conditions as reflected by a significant shift in confidence.

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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 2015Q3 survey was carried out during the period 3 August to 1 September 2015.

The analysis that follows provides a synopsis of the survey responses received in 2015Q3, according to region and grades from participating cidb registered building and civil contractors. The detailed survey results are to be found at the end of this report.

The main indicator used for analysis purposes is **business confidence**. The business confidence index is based on the number of survey sample respondents indicating that they find current business conditions satisfactory. It is calculated as a percentage. For example, a business confidence index of 90 implies that 90% of the survey respondents regard prevailing business conditions as satisfactory. The data series can therefore vary between 0 and 100, with 50 seen as neutral. Business confidence, as measured by qualitative opinion surveys, has proved both globally and domestically to be a reliable leading indicator of business activity. Similar to business confidence, the responses relating to **constraints** are presented as percentages. For example, 50% of respondents rated a shortage of skilled labour as a constraint on their activities.

The rest of the responses are converted into net balances. For example, if the percentage of respondents rating building activity higher / the same / lower than a year ago is as follows;

Higher	Same	Lower
70	10	20

then we can conclude that the majority of participants experienced an acceleration in building activity. A net majority (i.e. the percentage of respondents rating activity higher, less the percentage rating activity lower) of 50% is registered in the above example. A net majority of -10%, for example, indicates a slowdown in building activity compared to a year ago. A value of zero therefore indicates no change, between 0 and 100 reflects a rise (or improvement) and between 0 and -100 a decline (or deterioration) compared to the same quarter a year ago.

Note: A low number of responses cause the survey results to vary noticeably between consecutive quarters. We recommend that users base their views on the trend and not on a single data point.

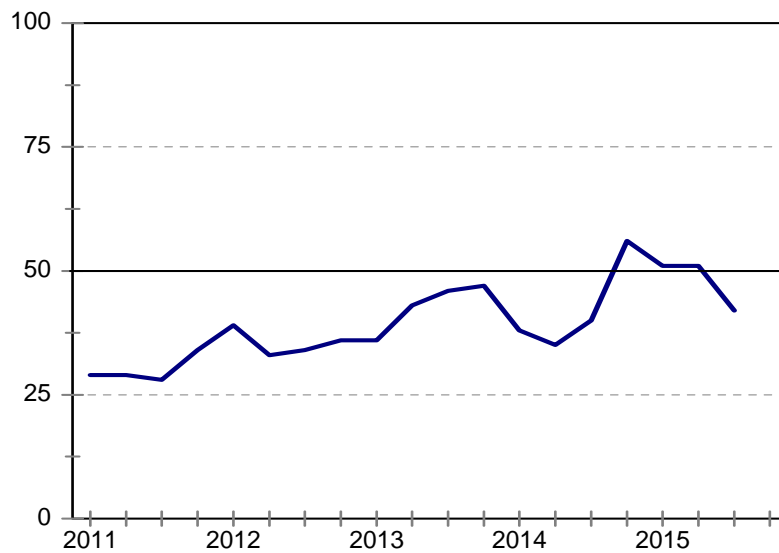
2015Q3 cidb Survey Results

Building Industry

Total

The number of general builders who reported satisfactory business conditions fell by 9 index points to a level of 42 in 2015Q3. This marks the sharpest drop since 2014Q1.

Figure 1: Total
Business confidence



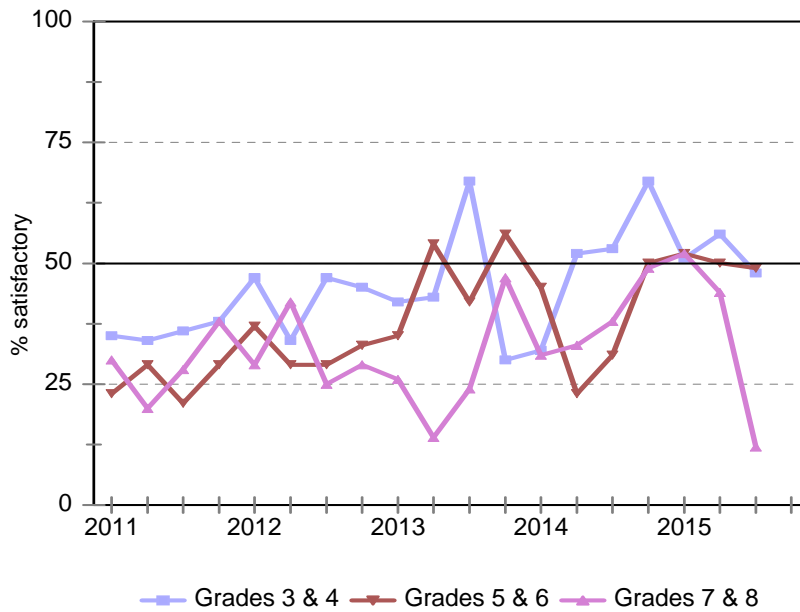
The lower confidence was largely due to tougher tendering competition. A net 35% of respondents indicated that tendering price competition was keener than the same quarter a year ago, up from 31% in 2015Q2.

However, the drop in confidence did not discourage respondents from predicting an improvement in building activity and profitability next quarter.

Grades comparison

As shown in Figure 2, business confidence declined across all the grades. The sharpest drop was registered among general builders in Grades 7 & 8.

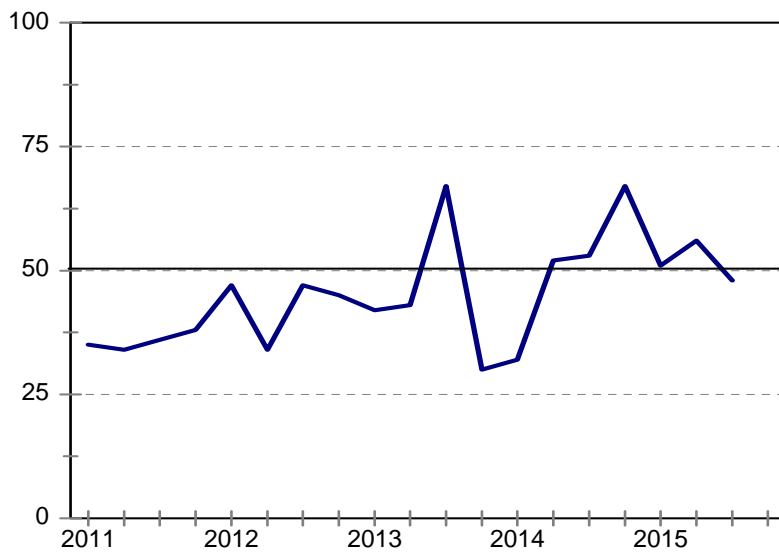
Figure 2: Business confidence per grade



Grades 3 & 4

Business confidence for general builders in Grades 3 & 4 fell by 8 index points to a level of 48. This marks the first time since 2014Q1 that confidence is below the key 50-point mark. The drop in confidence was largely underpinned by lower profitability.

Figure 3: Grade 3 & 4
Business confidence

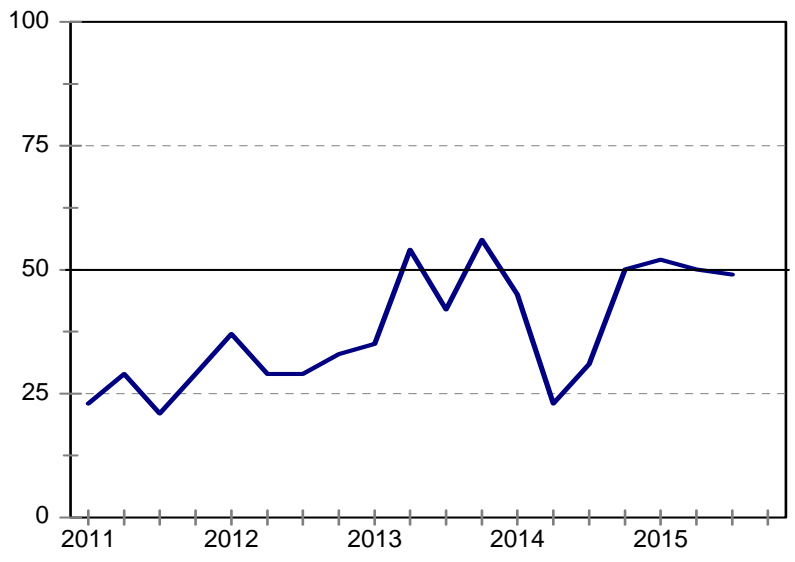


After recovering somewhat in the previous quarter, profitability worsened in 2015Q3. Compared to a net 28% in 2015Q2, 32% of respondents stated that profitability was lower compared to the same period a year ago.

Grades 5 & 6

The proportion of general builders in Grades 5 & 6 who were satisfied with prevailing business conditions fell marginally to 49 in 2015Q3.

Figure 4: Grade 5 & 6
Business confidence

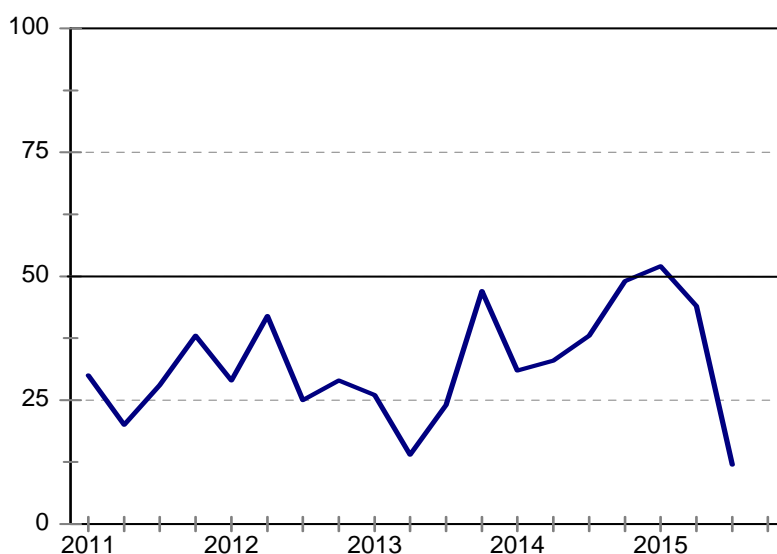


Tougher tendering competition weighed on confidence. Compared to a net 19% in 2015Q2, 40% indicated that competition was tougher than during the same quarter last year.

Grades 7 & 8

In 2015Q3, business confidence among building contractors in Grades 7 & 8 fell to a historical low of 12 index points. Cumulatively, business confidence has fallen by 40 index points since the beginning of the year (see Figure 5).

Figure 5: Grade 7 & 8
Business confidence



The sharp drop in confidence was largely driven by a slowdown in building activity. After increasing from 9% to 32% in 2015Q2, the net percentage of respondents who reported lower building activity increased further to 50% in 2015Q3.

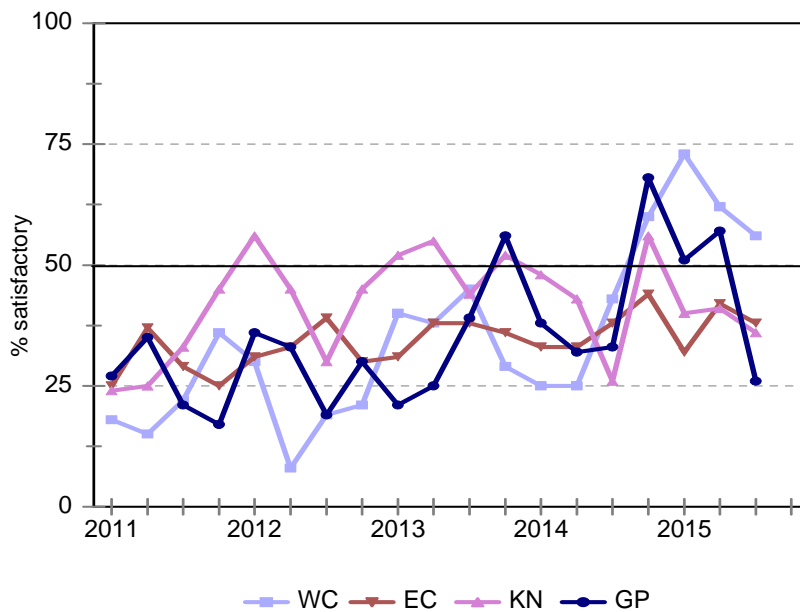
Looking ahead, building activity will likely remain under pressure. The proportion of respondents who rated insufficient demand for new building work as a constraint increased from 73% to 80% in 2015Q3. This marks the third consecutive quarterly increase in the percentage of respondents who suffer from a lack of demand.

Lower building activity led to more job losses during this quarter. In 2015Q3, a net 40% indicated that employment was lower compared to a year ago; up from a net 29% in the previous quarter.

Provincial comparison

As shown in Figure 6, business confidence declined across all four provinces. The biggest quarterly drop was registered in Gauteng. The Western Cape is now the only province with a confidence level above 50.

Figure 6: Business confidence per province

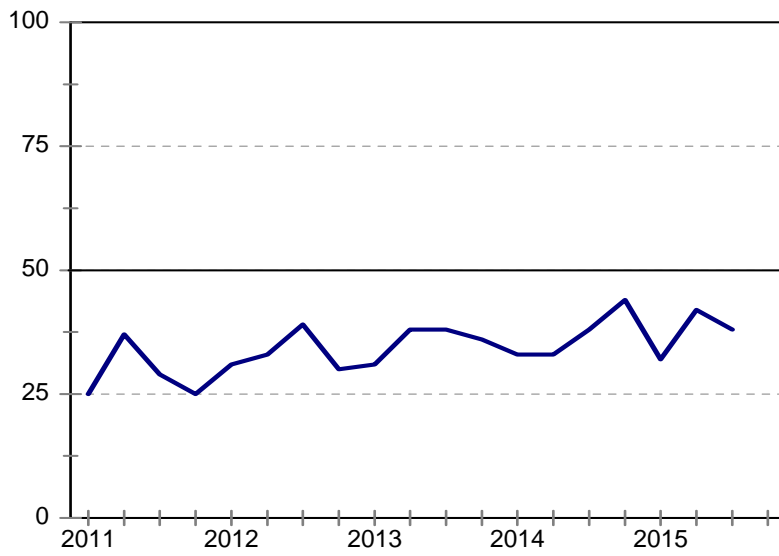


Eastern Cape

Business confidence for general builders in the Eastern Cape fell by 4 index points to a level of 38. Despite the drop, confidence remains above the long term average¹ of 33.

¹ Between 2008Q3 and 2015Q3.

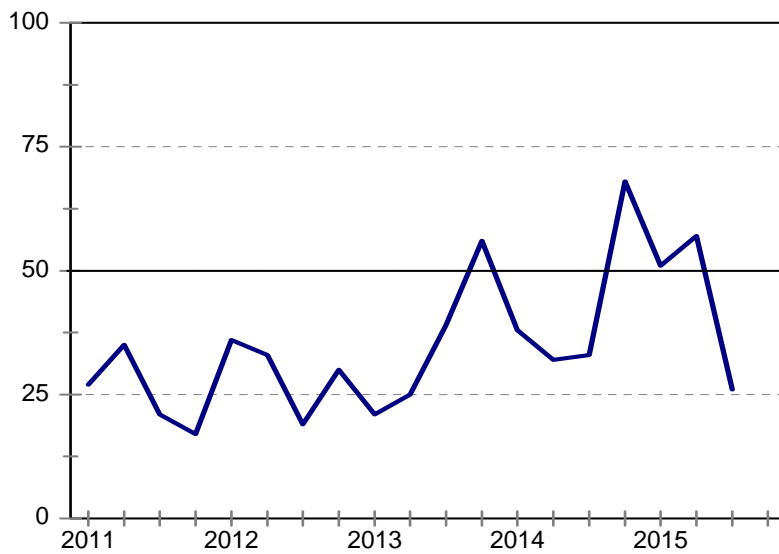
Figure 7: Eastern Cape
Business confidence



Gauteng

Building contractors in Gauteng reported a notable drop in confidence, from 57 in 2015Q2 to 26 in 2015Q3.

Figure 8: Gauteng
Business confidence



The lower confidence can largely be attributed to a slowdown in building activity. Compared to a net 13% in 2015Q2, 42% indicated that building activity was lower than the same quarter a year ago.

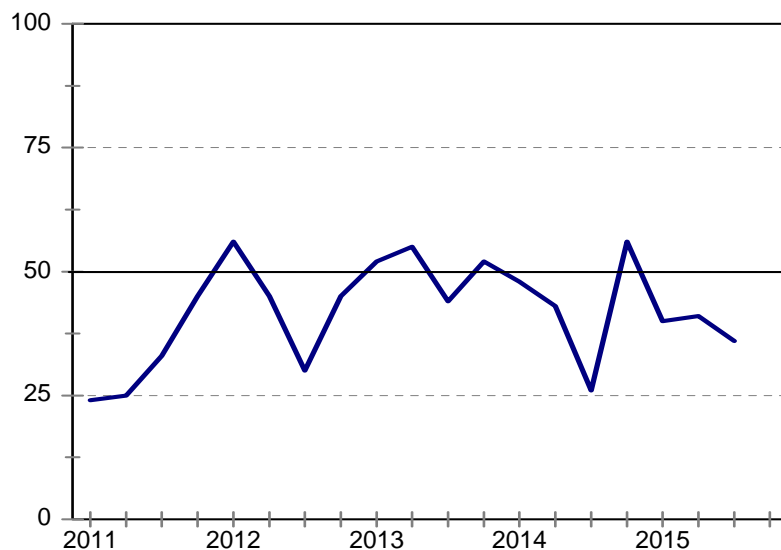
Less building activity, combined with a rise in tendering price competition weighed on profitability. A net 39% of respondents indicated that competition was keener than the same period a year ago; up from a net 33% in 2015Q2. The percentage of general builders who cited lower profit levels increased from a net 35% in 2015Q2, to 41% in this quarter.

In addition, the proportion of respondents who cited insufficient demand for building work as a constraint increased from 60% to 71%.

KwaZulu-Natal

Business confidence declined from a level of 41 in 2015Q2 to 36 in 2015Q3. Despite the 5-point decline, confidence remained above the long-term average of 40.

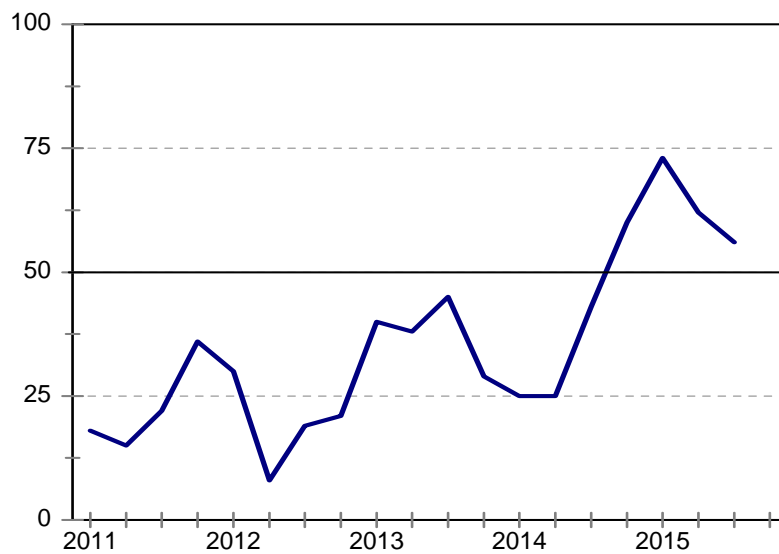
**Figure 9: KwaZulu-Natal
Business confidence**



Western Cape

The proportion of building contractors who were satisfied with prevailing business conditions fell from 62 in 2015Q2, to 56 in 2015Q3. Although confidence is lower, it remains above the key 50-mark which indicates that the building sector continues to grow, albeit at a more subdued pace. The drop in confidence was reflected in several key underlying indices.

Figure 10: Western Cape
Business confidence



In 2015Q3, a net 11% of respondents reported a slowdown in building activity; this is a deterioration from the 3% who indicated an uptick in activity in the previous quarter. As a result of the lower activity, profitability suffered. Compared to a net 3% in 2015Q2, a net 32% stated that profitability was lower compared to the same quarter a year ago.

The weaker profit margins were exacerbated by tougher tendering competition. The proportion of respondents who indicated that tendering competition was higher than the same quarter a year ago increased from a net 14% to 37% in 2015Q3.

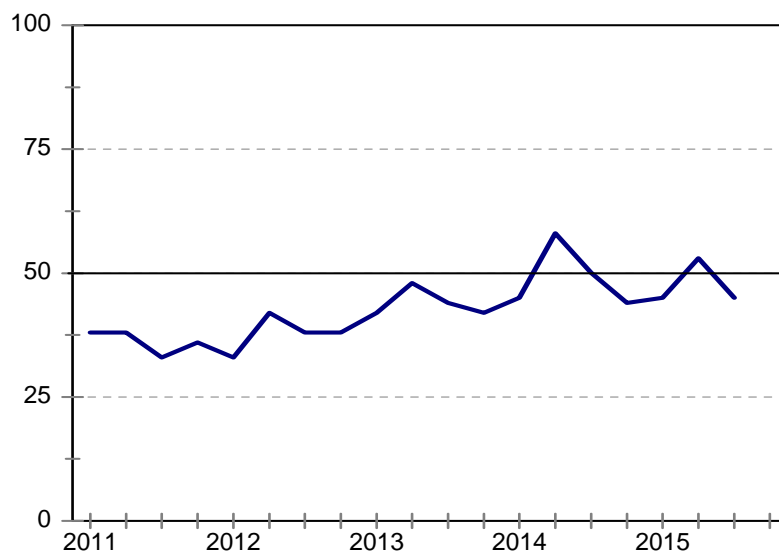
Due to lower confidence levels and a slowdown in activity, general builders in the Western Cape employed fewer people during the quarter. In 2015Q2, a net 2% indicated that employment increased compared to the same period a year ago. In contrast, a net 21% reported lower employment in 2015Q3.

Construction Industry

Total

After recovering somewhat in the first half of this year, business confidence retreated to 45 in 2015Q3.

Figure 11: Total
Business confidence



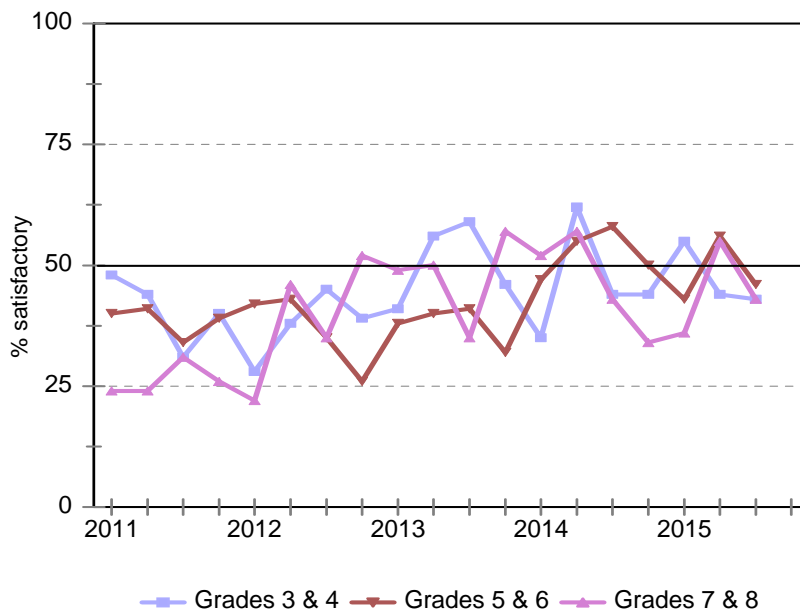
A slowdown in construction activity weighed on confidence. The net percentage of respondents who cited lower activity increased from a net 26% in 2015Q2, to 35% in 2015Q3. This marks the lowest level since 2012Q1.

Lower construction activity coincided with increased tendering competition. Compared to a net 36% in 2015Q2, 48% indicated that tendering price competition was keener than the same period a year ago.

Grades comparison

Figure 12 shows that business confidence among all grades declined and all are now below the key 50-point mark. The sharpest drop was registered by civil contractors in Grades 7 & 8 (-12), followed by Grades 5 & 6 (-10).

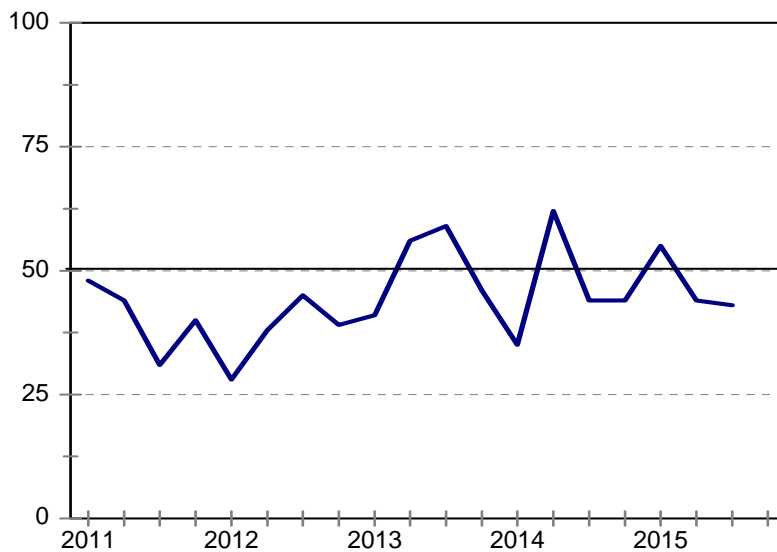
Figure 12: Business confidence per grade



Grades 3 & 4

Business confidence for civil contractors in Grades 3 & 4 fell marginally from 44 to 43 in 2015Q3. This marks the second consecutive quarterly decline.

Figure 13: Grade 3 & 4
Business confidence

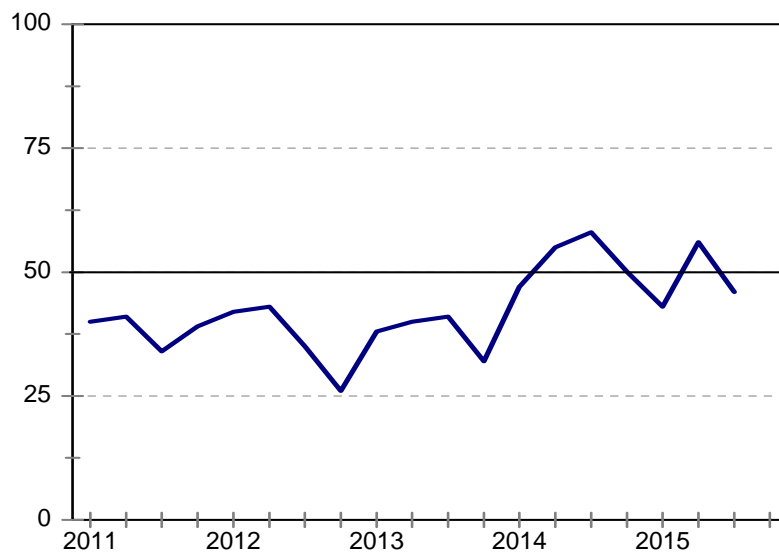


Tendering competition intensified markedly during this quarter. In 2015Q2, a net 4% reported a decline in tendering competition, whereas 28% reported tougher competition in 2015Q3.

Grades 5 & 6

Business confidence fell from 56 to 46 in 2015Q3, partly erasing the previous quarter's 13-point gain.

Figure 14: Grade 5 & 6
Business confidence



The drop in confidence was likely as a result of lower construction activity. Compared to a net 11% of respondents, 33% reported a slowdown in construction activity.

As a result of lower activity, profitability worsened. The net percentage of respondents who reported lower profitability increased from 35% to 39% in 2015Q3.

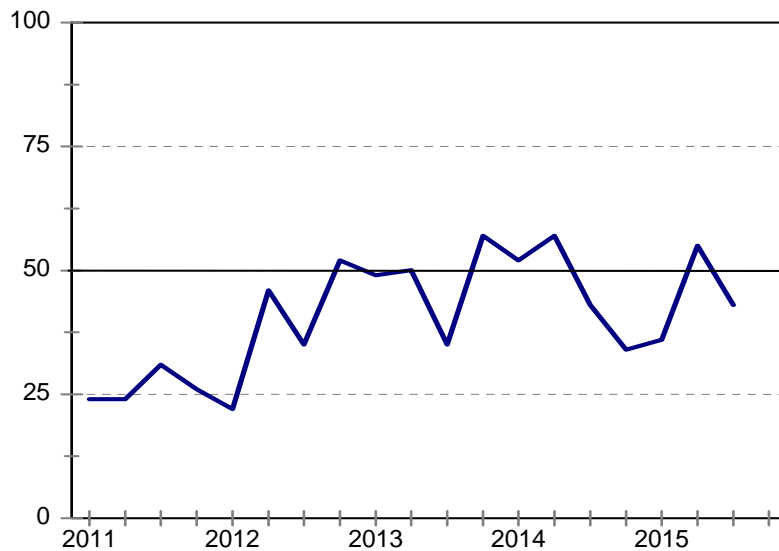
The weaker profit margins were further exacerbated by tougher tendering competition. A net 47% of respondents indicated that tendering competition was keener compared to a year ago, up from 43% in 2015Q2.

A slowdown in activity furthermore led to more job losses during this quarter. Compared to a net 4% in 2015Q2, 24% indicated that employment was lower compared to the same period last year.

Grades 7 & 8

After rebounding in the first part of 2015, business confidence fell by 12 index points to a level of 43. This was likely due to lower construction activity.

Figure 15: Grade 7 & 8
Business confidence



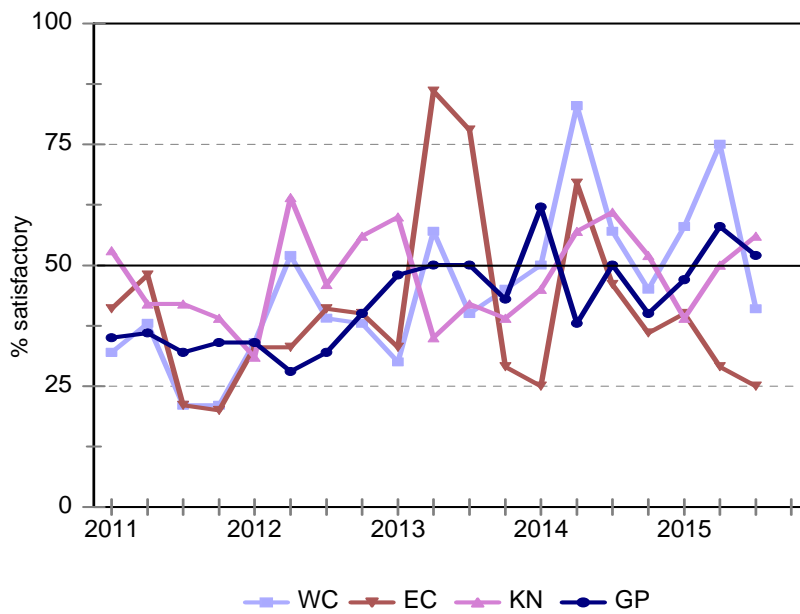
The net percentage of civil contractors in Grades 7 & 8 who reported a slowdown in construction activity increased from a net 30% in 2015Q2 to 40% in 2015Q3.

Due to lower activity, job losses intensified during this quarter. Compared to a net 21% in 2015Q2, 30% indicated that employment was lower than the corresponding quarter a year ago.

Provincial comparison

Regionally, KwaZulu-Natal was the only province that registered an uptick in business confidence (+6). Civil contractors in the Western Cape reported the sharpest drop (-34).

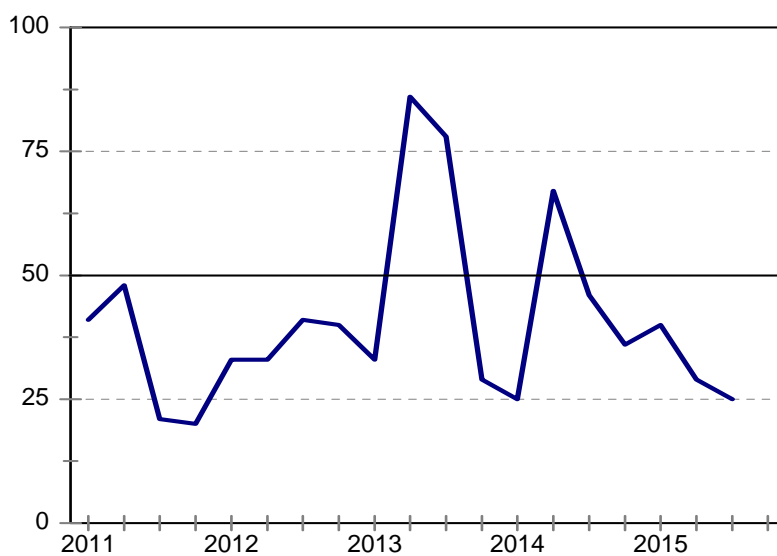
Figure 16: Business confidence per province



Eastern Cape

In the previous quarter, business confidence fell from 40 to 29. In 2015Q3, business confidence fell further to a level of 25.

Figure 17: Eastern Cape
Business confidence



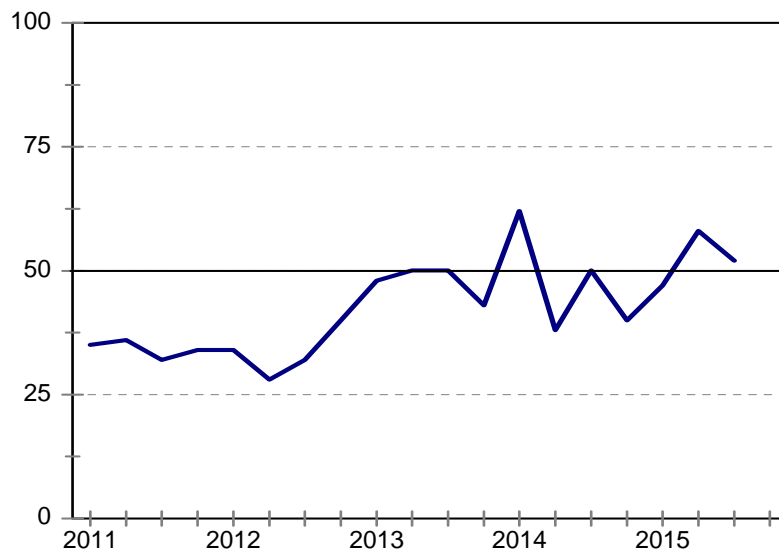
Civil contractors in the Eastern Cape experienced more pressure on profitability. The proportion of respondents who reported lower profit levels increased from 34% in 2015Q2 to 42% in 2015Q3.

Lower profitability was likely as a result of tougher tendering competition. Compared to a net 33% in 2015Q2, a net 42% experienced keener tendering competition.

Gauteng

In 2015Q3, business confidence among civil contractors in Gauteng declined by 6 index points to a level of 52.

**Figure 18: Gauteng
Business confidence**



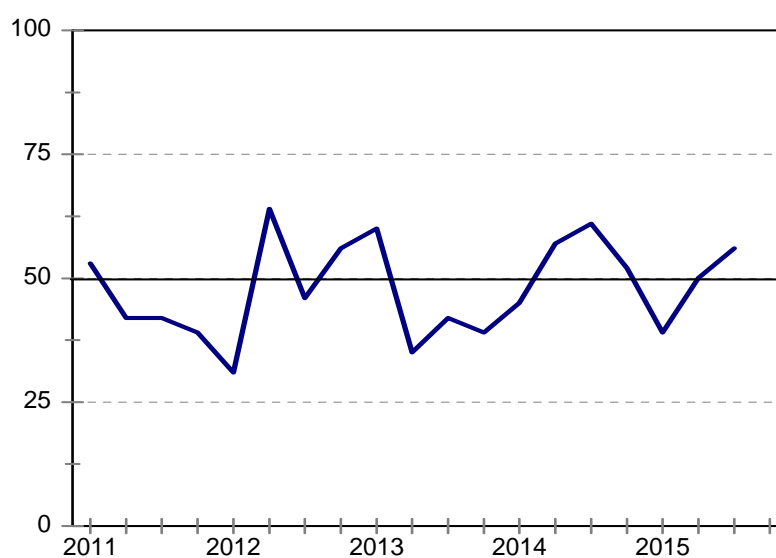
Business conditions deteriorated during this quarter. Compared to a net 11% in 2015Q2, a net 15% of respondents indicated that general business conditions were worse compared to the same period a year ago.

Tougher tendering competition also weighed on confidence. The proportion of respondents that reported keener competition compared to the same quarter last year increased from a net 32% to 56%

KwaZulu-Natal

In 2015Q2, business confidence rose to 50 index points. In 2015Q3, business confidence improved further to 56. Higher confidence was likely as a result of an improvement in profitability.

Figure 19: KwaZulu-Natal
Business confidence

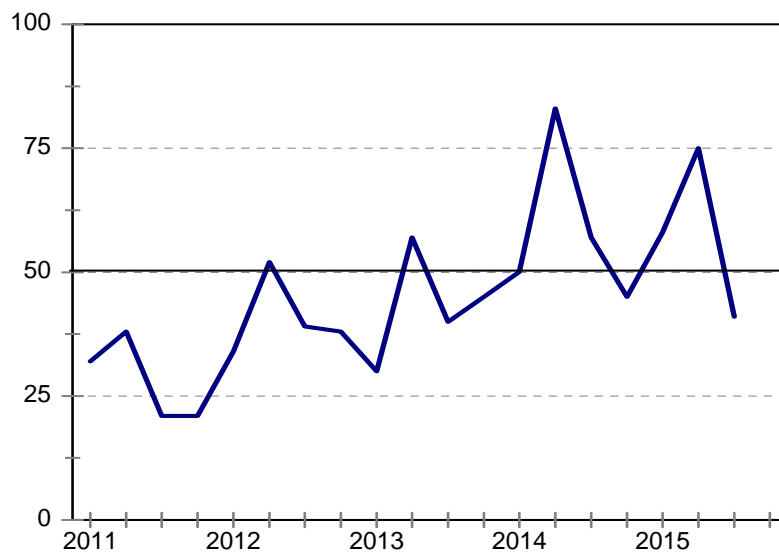


In 2015Q3, a net 33% indicated that overall profitability was lower compared to the same quarter last year; this is an improvement on the net 60% who found this to be the case in 2015Q2.

Western Cape

Business confidence declined from 75 in 2015Q2 to 41 in 2015Q3. This implies that 6 out of every 10 respondents find current business conditions unsatisfactory. The sharp fall in confidence was reflected in all the underlying indices.

Figure 20: Western Cape
Business confidence



Last quarter, a net 20% indicated that business conditions had improved; in this quarter, a net 4% experienced deteriorating business conditions.

In 2015Q2, a net 25% of respondents indicated an uptick in construction activity; in 2015Q3, 38% reported a slowdown in activity.

As a result of lower activity, profitability suffered. Compared to a net 15% in 2015Q2, a net 38% of respondents indicated that pressure on profitability has increased.

The weaker profit margins were furthermore exacerbated by tougher tendering competition. The proportion of respondents that cited keener competition compared to a year ago increased from a net 35% in 2015Q2, to 45% in 2015Q3.

The current difficulties faced by civil contractors in the Western Cape forced them to reduce the number of employees. In 2015Q2, a net 5% indicated that they employed more people than in the same quarter in 2014; in this quarter, 25% reported lower employment.

In addition, the proportion of respondents that experienced insufficient demand for new construction work as a constraint increased from 50% in 2015Q2 to 63% in 2015Q3.

Ms Mia Slabber

Ms Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4*</i>
Business confidence ³	56	51	51	42	
Change in business conditions ¹	-3	-14	-22	-14	-2
Growth in building activity ¹	-18	-22	-26	-25	-16
Growth in number of people employed ¹	-12	-21	-17	-13	-17
Growth in profitability of the business ¹	-25	-34	-33	-26	-18
Tendering competition ¹	28	33	31	35	
Percentage rating shortage of skilled labour a constraint ²	56	56	52	53	
Percentage rating inadequate supply of building materials a constraint ²	37	29	30	29	
Percentage rating insufficient demand for building work a constraint ²	64	65	67	63	
Percentage rating firm's inadequate access to credit a constraint ²	41	40	39	31	

* Expected.

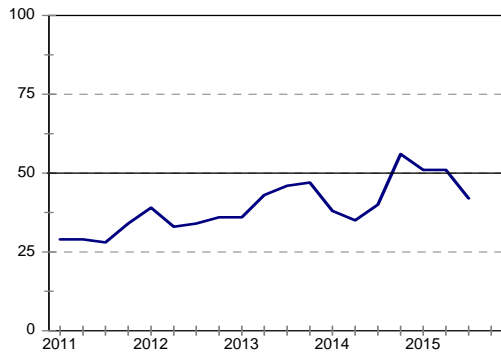
¹ Net balance.

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

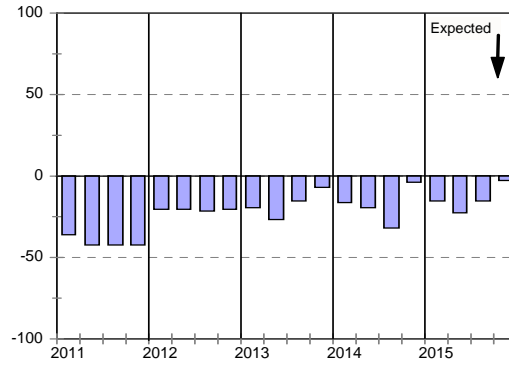
³ Percentage gross rating prevailing business conditions as satisfactory.

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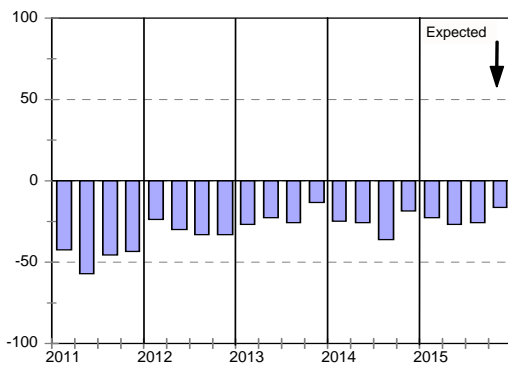
Business confidence



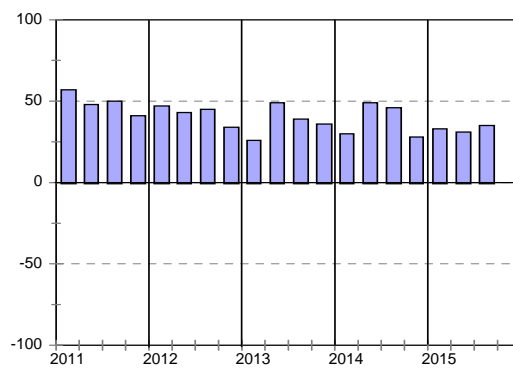
Change in business conditions



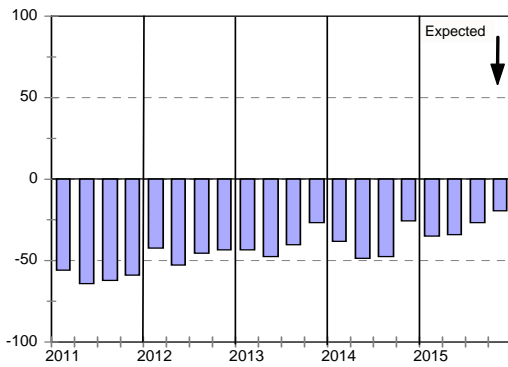
Growth in building activity



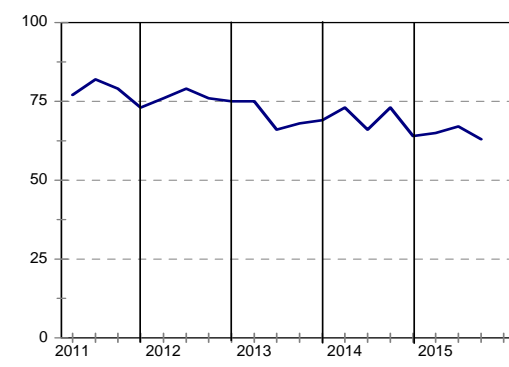
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4*</i>
Business confidence ³	67	51	56	48	
Change in business conditions ¹	13	-21	-17	-17	-3
Growth in building activity ¹	-20	-30	-26	-27	-18
Growth in number of people employed ¹	-7	-25	-15	-7	-26
Growth in profitability of the business ¹	-24	-39	-28	-32	-27
Tendering competition ¹	30	25	28	25	
Percentage rating shortage of skilled labour a constraint ²	48	54	51	54	
Percentage rating inadequate supply of building materials a constraint ²	34	29	29	29	
Percentage rating insufficient demand for building work a constraint ²	63	66	66	63	
Percentage rating firm's inadequate access to credit a constraint ²	43	46	47	34	

* Expected.

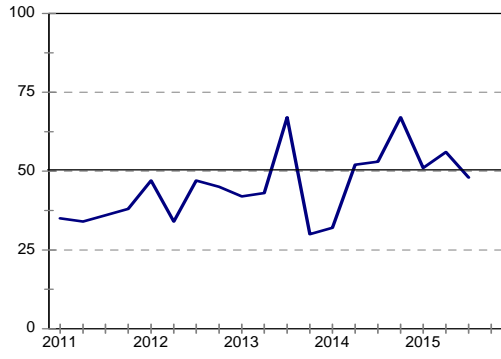
¹ Net balance.

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.

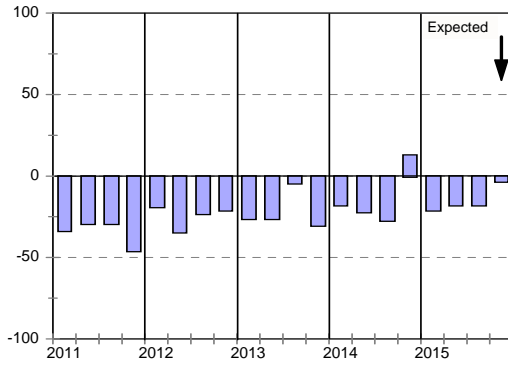
³ Percentage gross rating prevailing business conditions as satisfactory.

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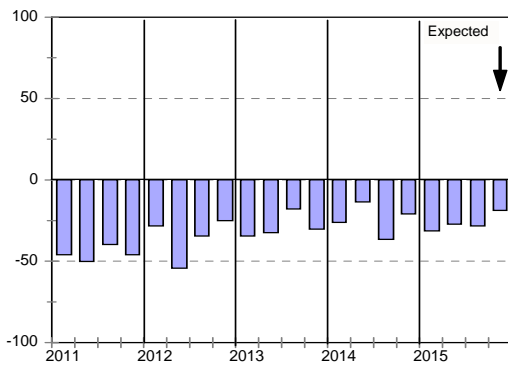
Business confidence



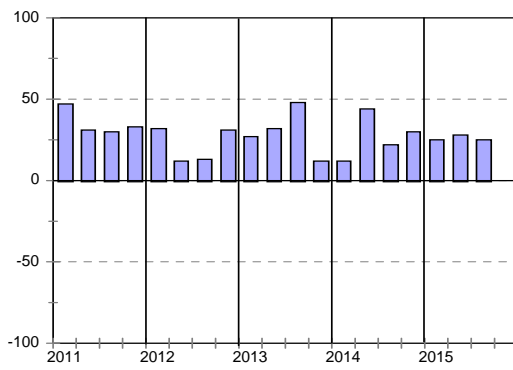
Change in business conditions



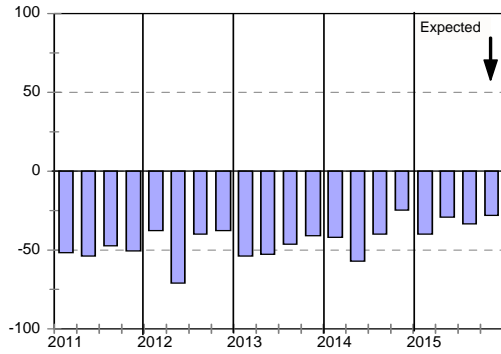
Growth in building activity



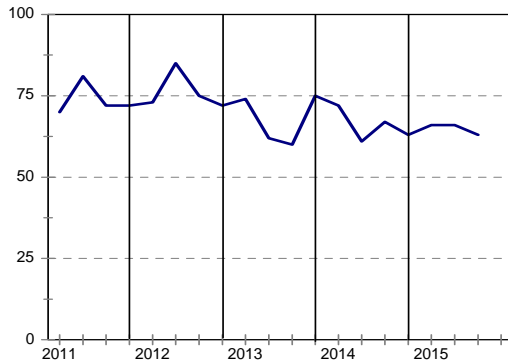
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4*</i>
Business confidence ³	50	52	50	49	
Change in business conditions ¹	-15	-9	-20	-2	9
Growth in building activity ¹	-20	-21	-22	-13	-7
Growth in number of people employed ¹	-15	-16	-12	-7	-3
Growth in profitability of the business ¹	-28	-37	-29	-14	-10
Tendering competition ¹	20	35	19	40	
Percentage rating shortage of skilled labour a constraint ²	59	54	50	54	
Percentage rating inadequate supply of building materials a constraint ²	38	26	23	26	
Percentage rating insufficient demand for building work a constraint ²	66	62	64	57	
Percentage rating firm's inadequate access to credit a constraint ²	43	38	32	28	

* Expected.

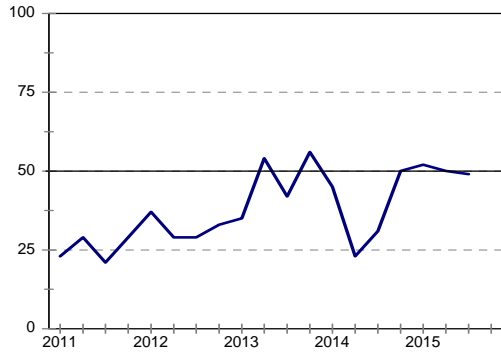
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² The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are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

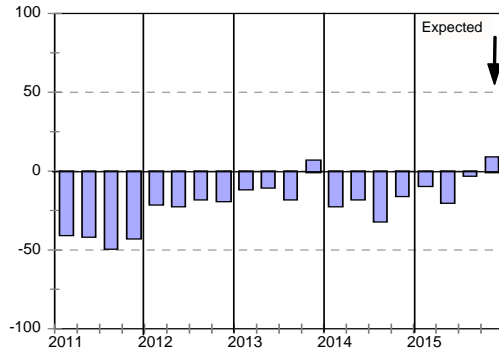
³ Percentage gross rating prevailing business conditions as satisfactory.

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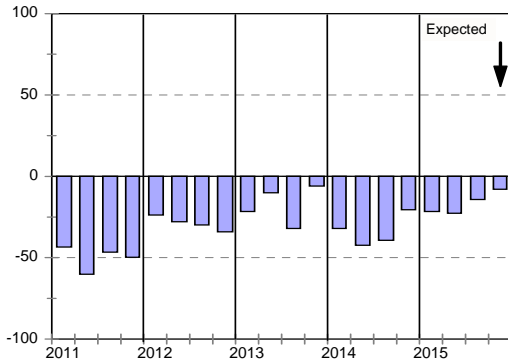
Business confidence



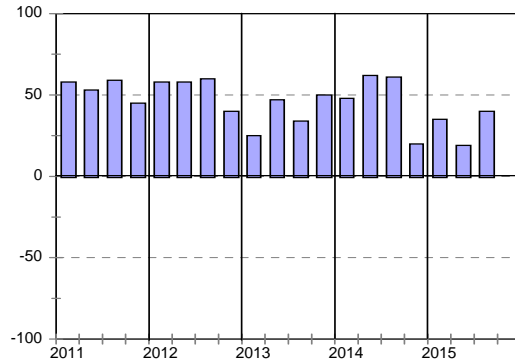
Change in business conditions



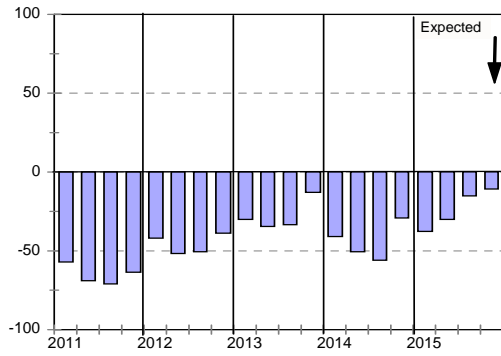
Growth in building activity



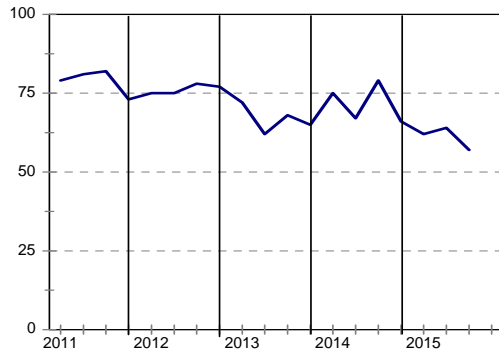
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4*</i>
Business confidence ³	49	52	44	12	
Change in business conditions ¹	-9	-13	-36	-40	-36
Growth in building activity ¹	-6	-9	-32	-50	-33
Growth in number of people employed ¹	-14	-22	-29	-40	-40
Growth in profitability of the business ¹	-20	-23	-50	-50	-27
Tendering competition ¹	37	42	61	40	
Percentage rating shortage of skilled labour a constraint ²	66	63	61	50	
Percentage rating inadequate supply of building materials a constraint ²	40	35	44	40	
Percentage rating insufficient demand for building work a constraint ²	62	68	73	80	
Percentage rating firm's inadequate access to credit a constraint ²	36	33	38	37	

* Expected.

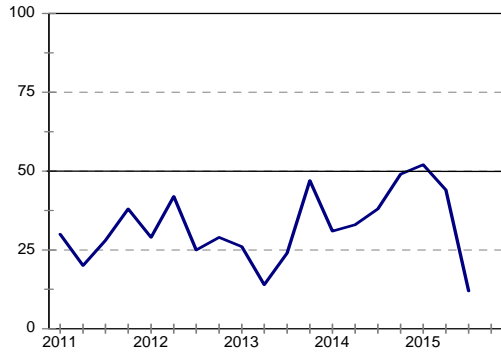
¹ Net balance.

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.

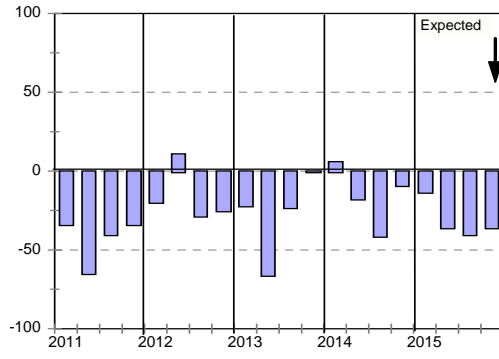
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

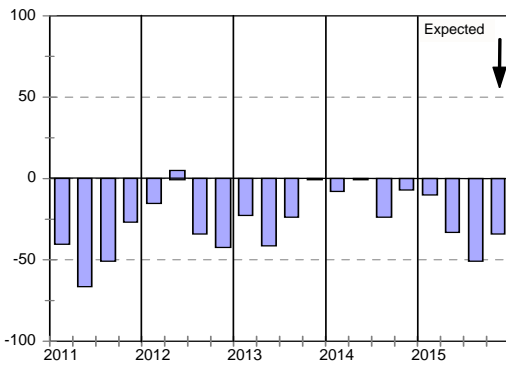
Business confidence



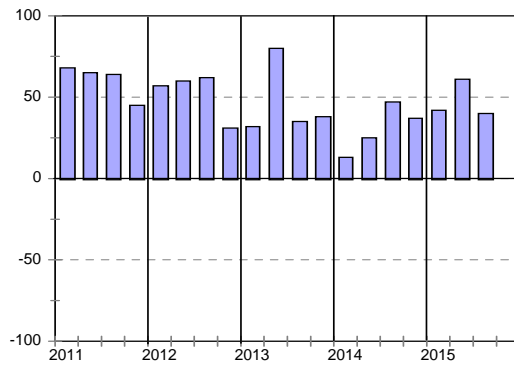
Change in business conditions



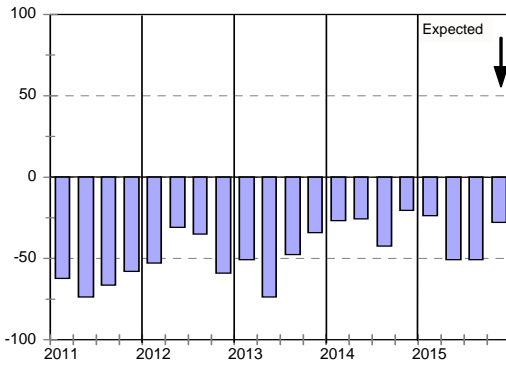
Growth in building activity



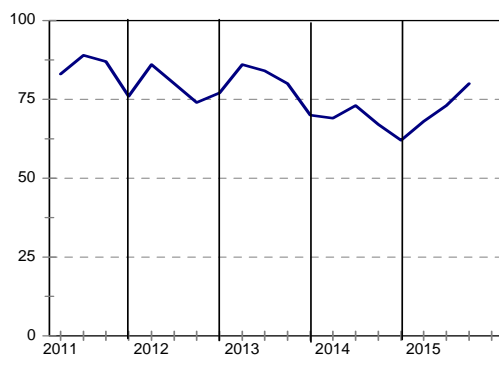
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4*</i>
Business confidence ³	44	32	42	38	
Change in business conditions ¹	-22	-47	-66	-16	-9
Growth in building activity ¹	-46	-58	-70	-39	-16
Growth in number of people employed ¹	-37	-55	-35	0	-33
Growth in profitability of the business ¹	-43	-78	-69	-17	-9
Tendering competition ¹	30	60	71	30	
Percentage rating shortage of skilled labour a constraint ²	56	60	55	70	
Percentage rating inadequate supply of building materials a constraint ²	35	31	33	58	
Percentage rating insufficient demand for building work a constraint ²	70	71	80	74	
Percentage rating firm's inadequate access to credit a constraint ²	31	34	33	43	

* Expected.

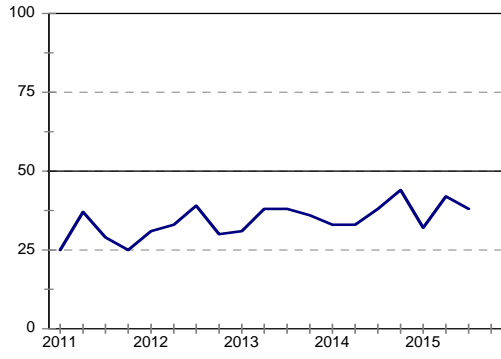
¹ Net balance.

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

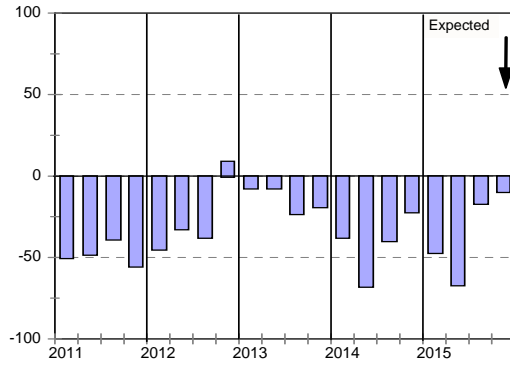
³ Percentage gross rating prevailing business conditions as satisfactory.

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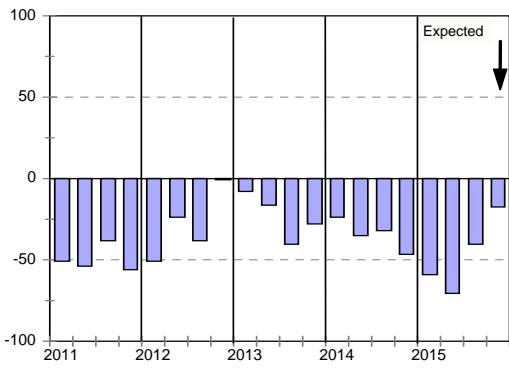
Business confidence



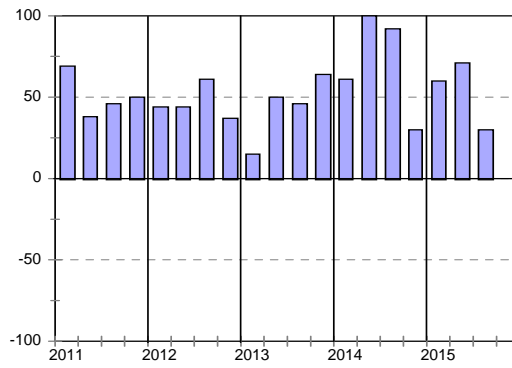
Change in business conditions



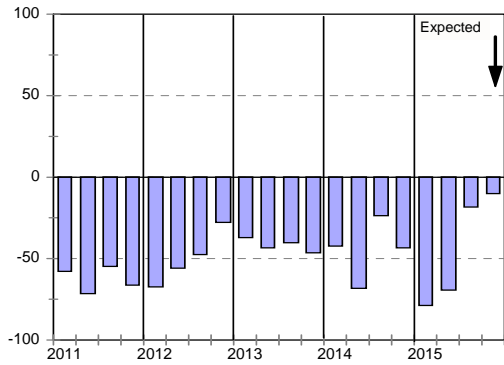
Growth in building activity



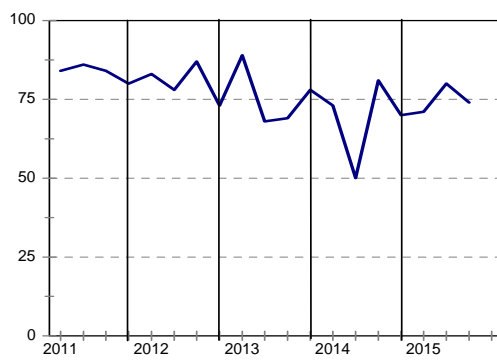
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4*</i>
Business confidence ³	68	51	57	26	
Change in business conditions ¹	20	-13	-10	-22	-17
Growth in building activity ¹	-3	-13	-13	-42	-39
Growth in number of people employed ¹	14	-11	-3	-17	-29
Growth in profitability of the business ¹	0	-19	-35	-41	-41
Tendering competition ¹	30	16	33	39	
Percentage rating shortage of skilled labour a constraint ²	57	60	53	47	
Percentage rating inadequate supply of building materials a constraint ²	40	30	31	29	
Percentage rating insufficient demand for building work a constraint ²	54	61	60	71	
Percentage rating firm's inadequate access to credit a constraint ²	50	46	52	38	

* Expected.

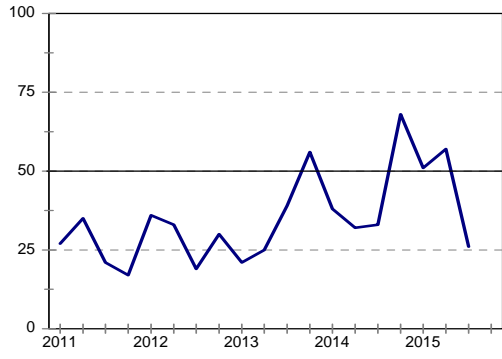
¹ Net balance.

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

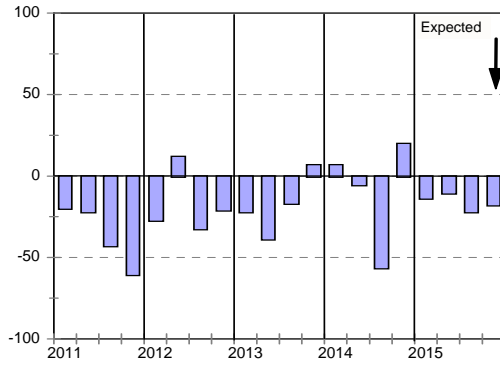
³ Percentage gross rating prevailing business conditions as satisfactory.

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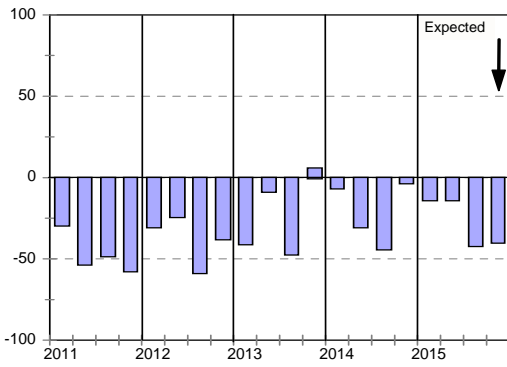
Business confidence



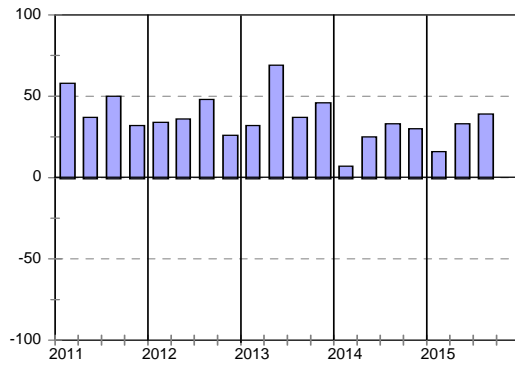
Change in business conditions



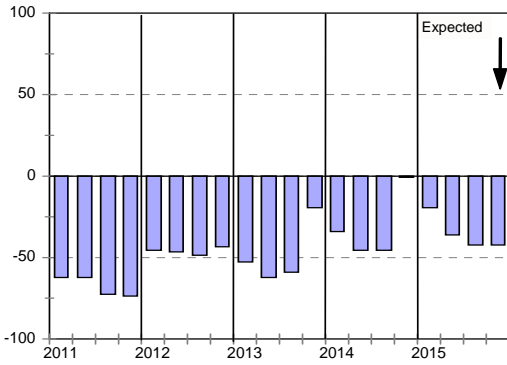
Growth in building activity



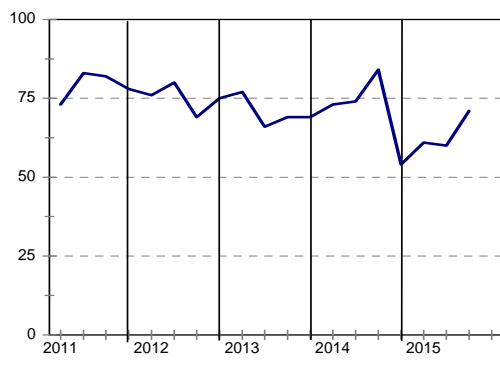
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4*</i>
Business confidence ³	56	40	41	36	
Change in business conditions ¹	-1	-17	-38	-14	-4
Growth in building activity ¹	-11	-34	-42	-18	0
Growth in number of people employed ¹	-20	-40	-29	-20	-32
Growth in profitability of the business ¹	-27	-46	-43	-10	-6
Tendering competition ¹	20	31	15	10	
Percentage rating shortage of skilled labour a constraint ²	60	60	52	48	
Percentage rating inadequate supply of building materials a constraint ²	45	35	31	19	
Percentage rating insufficient demand for building work a constraint ²	69	72	62	52	
Percentage rating firm's inadequate access to credit a constraint ²	48	49	39	23	

* Expected.

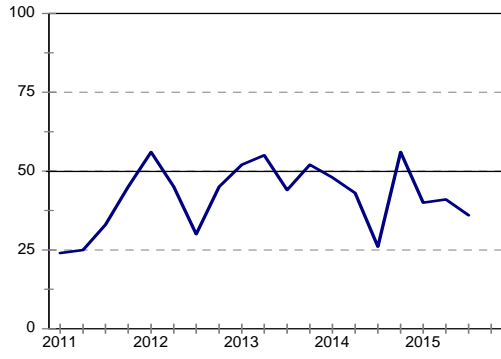
¹ Net balance.

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

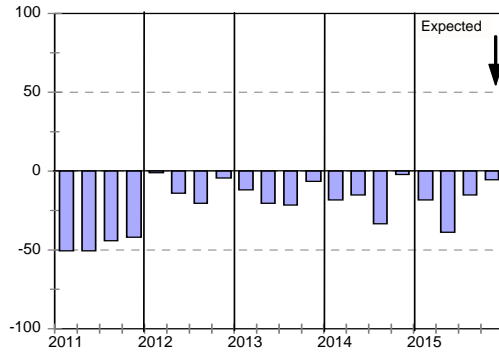
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

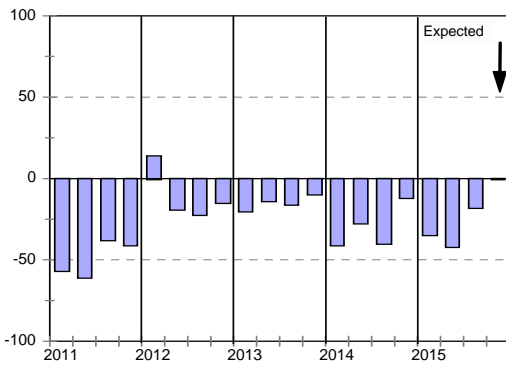
Business confidence



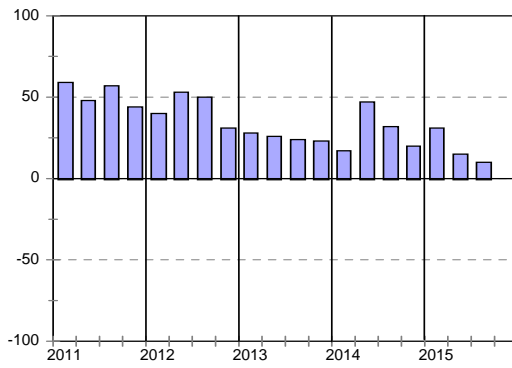
Change in business conditions



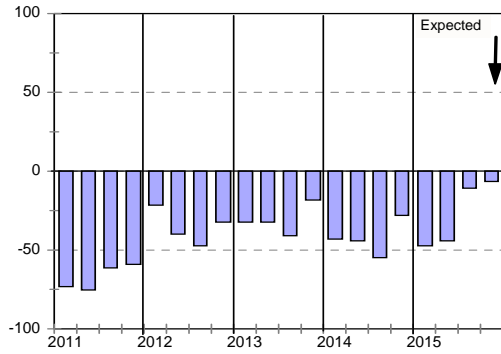
Growth in building activity



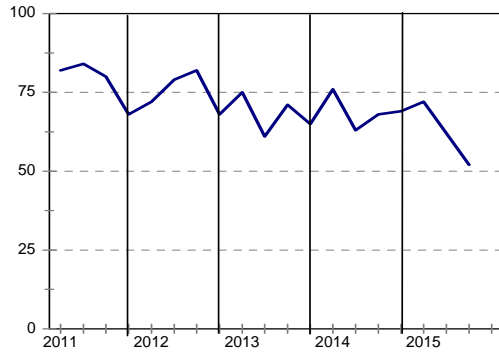
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4*</i>
Business confidence ³	60	73	62	56	
Change in business conditions ¹	-11	8	9	-11	0
Growth in building activity ¹	-15	0	3	-11	-18
Growth in number of people employed ¹	-5	-3	2	-21	-4
Growth in profitability of the business ¹	-24	-18	-3	-32	-22
Tendering competition ¹	24	34	14	37	
Percentage rating shortage of skilled labour a constraint ²	49	49	53	55	
Percentage rating inadequate supply of building materials a constraint ²	28	21	24	28	
Percentage rating insufficient demand for building work a constraint ²	63	55	67	57	
Percentage rating firm's inadequate access to credit a constraint ²	36	32	36	32	

* Expected.

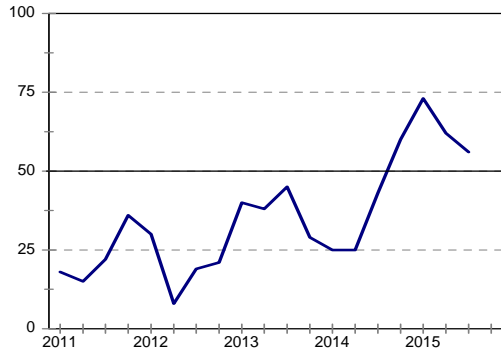
¹ Net balance.

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.

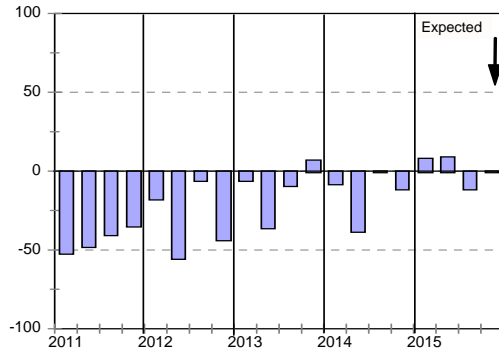
³ Percentage gross rating prevailing business conditions as satisfactory.

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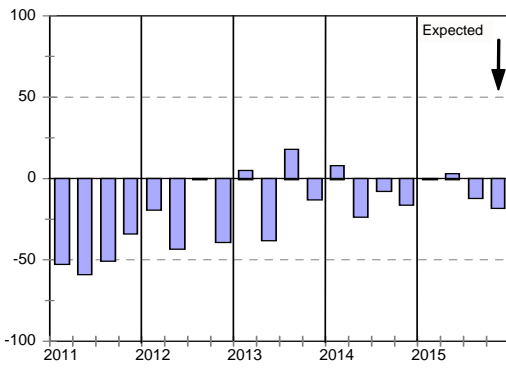
Business confidence



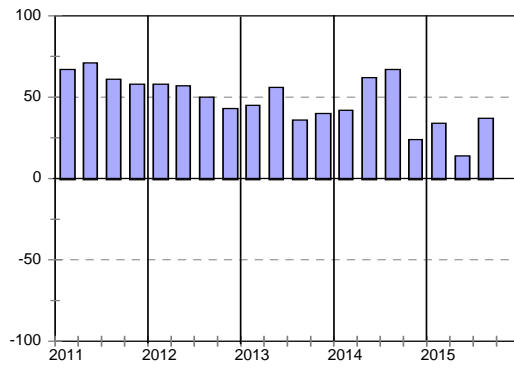
Change in business conditions



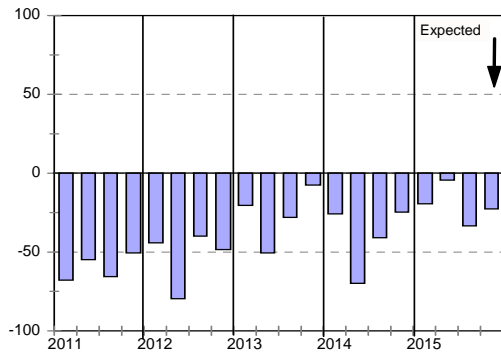
Growth in building activity



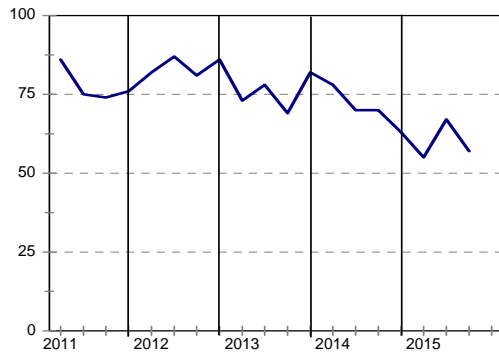
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total					
	14Q4	15Q1	15Q2	15Q3	15Q4*
Business confidence ³	44	45	53	45	
Change in business conditions ¹	-26	-26	-22	-20	-17
Growth in construction activity ¹	-27	-29	-26	-35	-26
Growth in number of people employed ¹	-22	-28	-18	-22	-20
Growth in profitability of the business ¹	-29	-51	-40	-39	-24
Tendering competition ¹	47	41	36	48	
Percentage rating shortage of skilled labour a constraint ²	52	49	48	44	
Percentage rating inadequate supply of construction materials a constraint ²	30	31	26	30	
Percentage rating insufficient demand for construction work a constraint ²	71	69	66	66	
Percentage rating firm's inadequate access to credit a constraint ²	39	42	34	33	

* Expected.

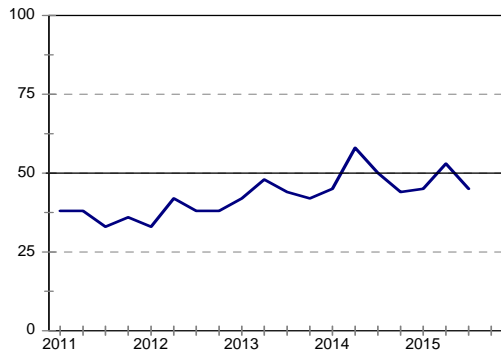
¹ Net balance.

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

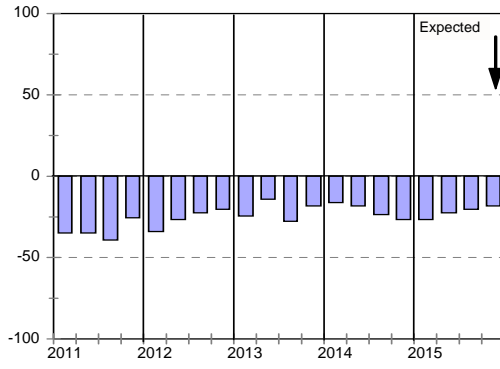
³ Percentage gross rating prevailing business conditions as satisfactory.

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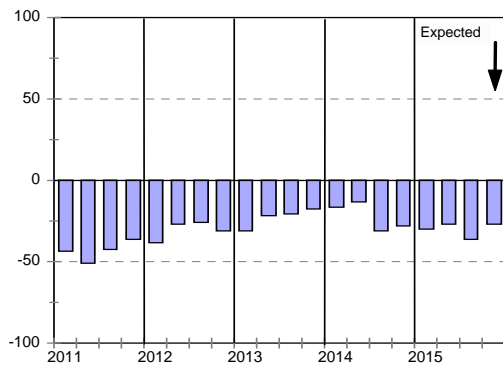
Business confidence



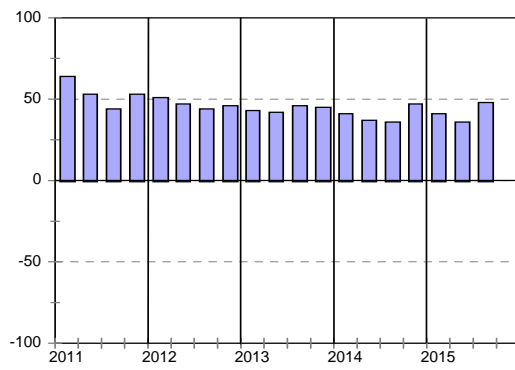
Change in business conditions



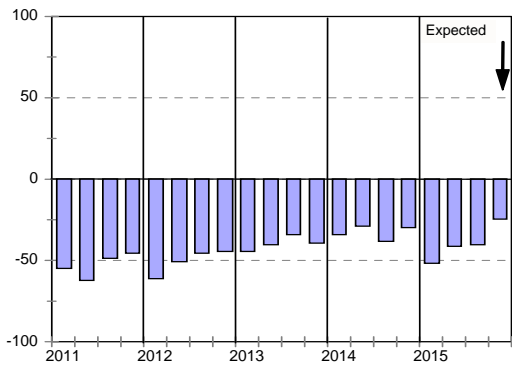
Growth in construction activity



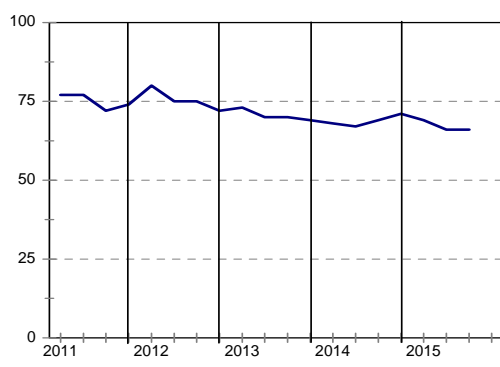
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	14Q4	15Q1	15Q2	15Q3	15Q4*
Business confidence ³	44	55	44	43	
Change in business conditions ¹	-27	-15	-38	-17	-14
Growth in construction activity ¹	-41	-21	-48	-32	-18
Growth in number of people employed ¹	-25	-38	-38	-8	-14
Growth in profitability of the business ¹	-43	-50	-52	-44	-18
Tendering competition ¹	46	29	-4	28	
Percentage rating shortage of skilled labour a constraint ²	49	42	50	42	
Percentage rating inadequate supply of construction materials a constraint ²	30	35	24	30	
Percentage rating insufficient demand for construction work a constraint ²	69	68	68	64	
Percentage rating firm's inadequate access to credit a constraint ²	40	45	46	42	

* Expected.

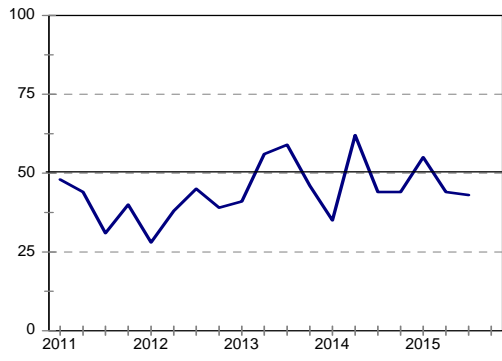
¹ Net balance.

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.

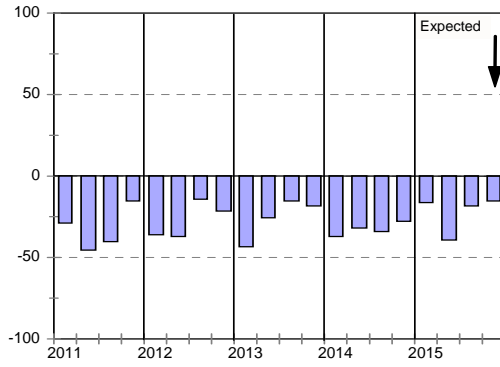
³ Percentage gross rating prevailing business conditions as satisfactory.

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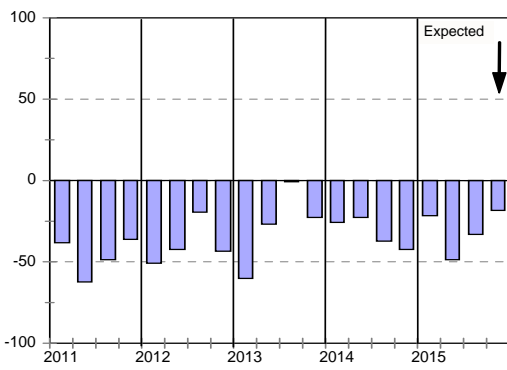
Business confidence



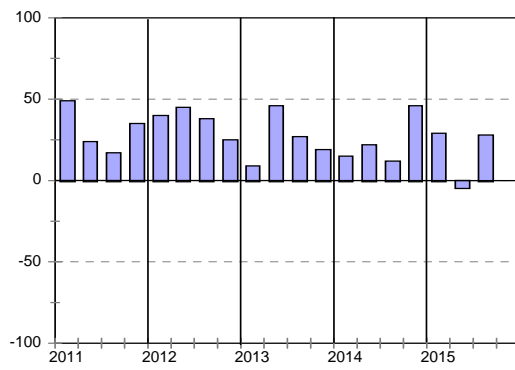
Change in business conditions



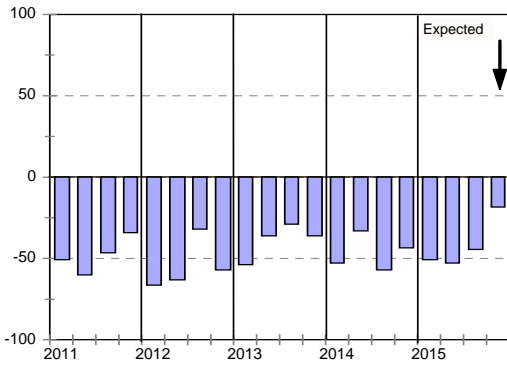
Growth in construction activity



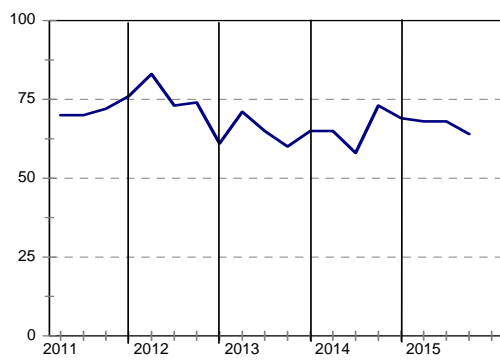
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	14Q4	15Q1	15Q2	15Q3	15Q4*
Business confidence ³	50	43	56	46	
Change in business conditions ¹	-28	-27	-10	-22	-14
Growth in construction activity ¹	-26	-31	-11	-33	-29
Growth in number of people employed ¹	-17	-22	-4	-24	-31
Growth in profitability of the business ¹	-22	-50	-35	-39	-25
Tendering competition ¹	45	45	43	47	
Percentage rating shortage of skilled labour a constraint ²	54	53	51	52	
Percentage rating inadequate supply of construction materials a constraint ²	33	30	29	33	
Percentage rating insufficient demand for construction work a constraint ²	72	69	65	68	
Percentage rating firm's inadequate access to credit a constraint ²	40	44	35	34	

* Expected.

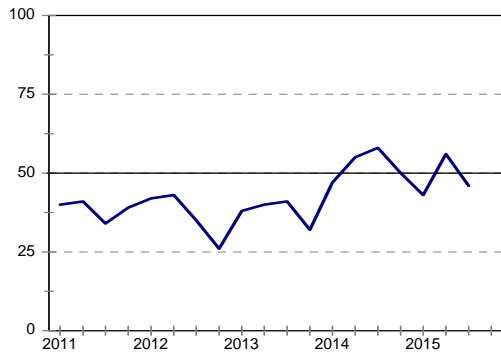
¹ Net balance.

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.

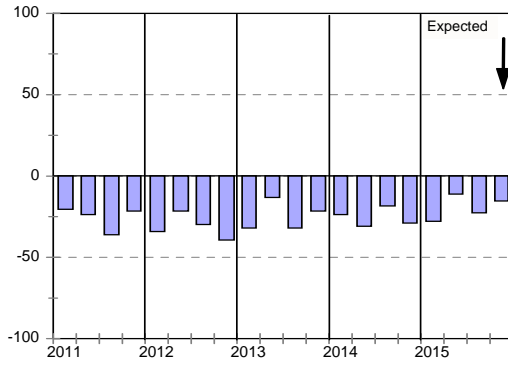
³ Percentage gross rating prevailing business conditions as satisfactory.

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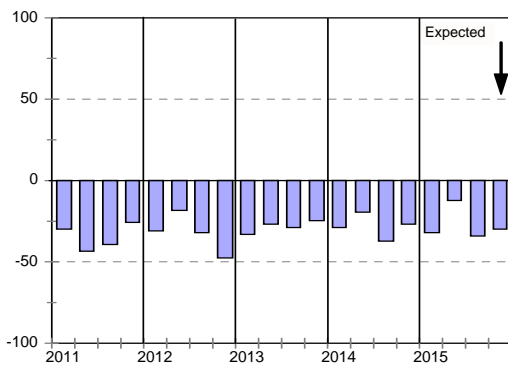
Business confidence



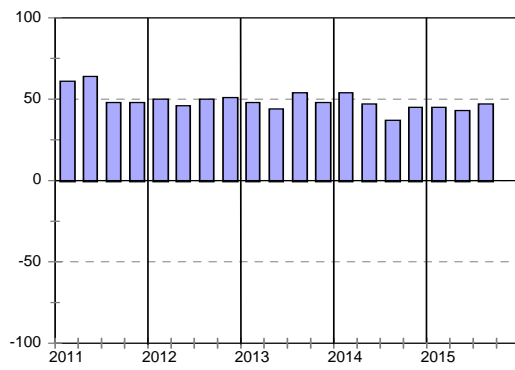
Change in business conditions



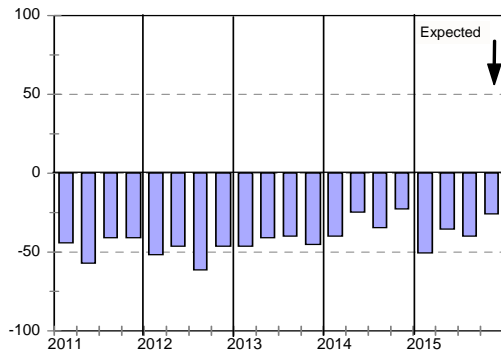
Growth in construction activity



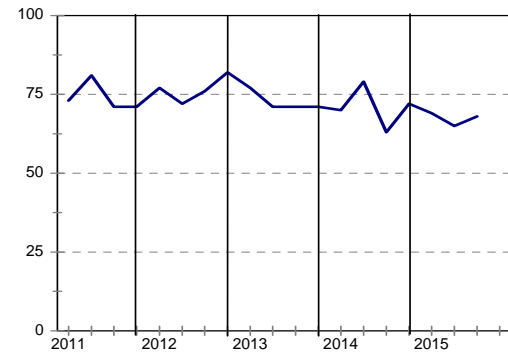
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	14Q4	15Q1	15Q2	15Q3	15Q4*
Business confidence ³	34	36	55	43	
Change in business conditions ¹	-19	-31	-27	-21	-26
Growth in construction activity ¹	-13	-38	-30	-40	-29
Growth in number of people employed ¹	-26	-31	-21	-30	-7
Growth in profitability of the business ¹	-23	-59	-40	-33	-28
Tendering competition ¹	52	48	59	63	
Percentage rating shortage of skilled labour a constraint ²	51	52	42	30	
Percentage rating inadequate supply of construction materials a constraint ²	25	31	22	25	
Percentage rating insufficient demand for construction work a constraint ²	71	66	65	64	
Percentage rating firm's inadequate access to credit a constraint ²	34	34	21	26	

* Expected.

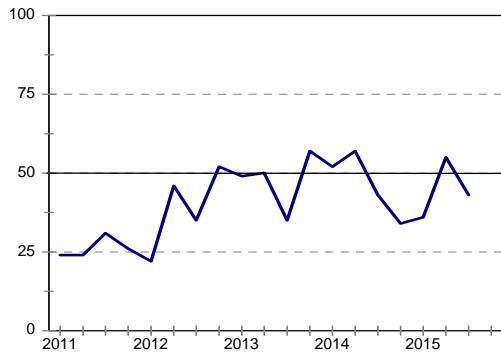
¹ Net balance.

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

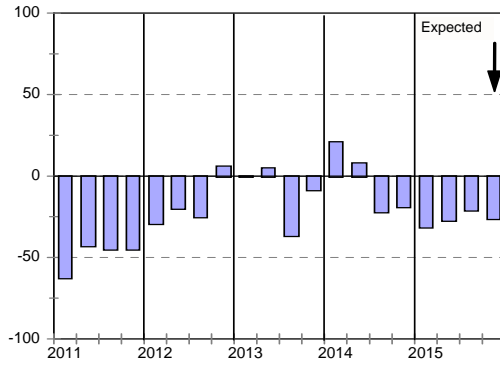
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

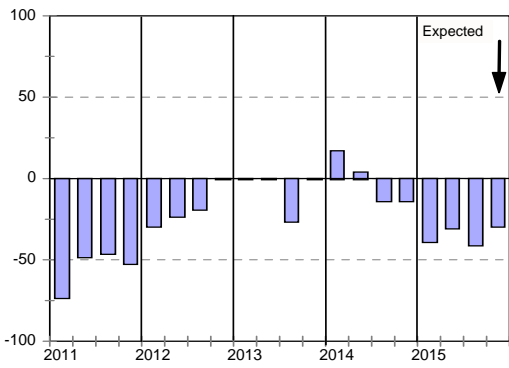
Business confidence



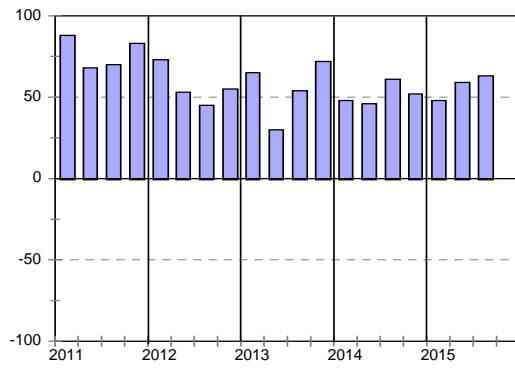
Change in business conditions



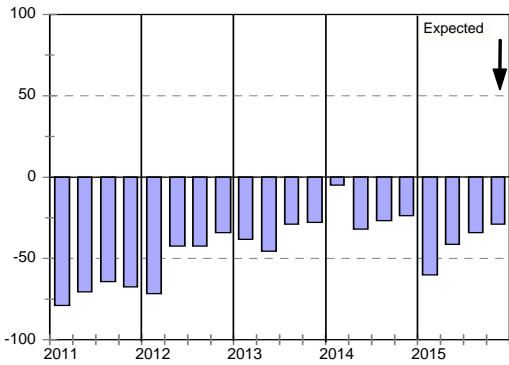
Growth in construction activity



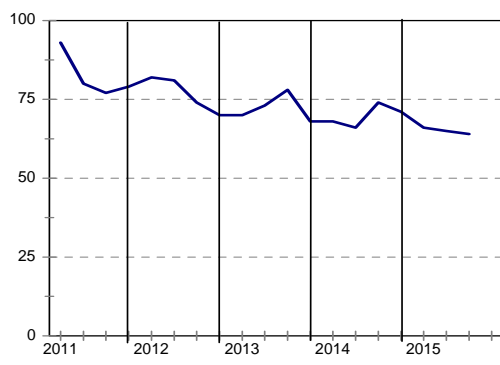
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	14Q4	15Q1	15Q2	15Q3	15Q4*
Business confidence ³	36	40	29	25	
Change in business conditions ¹	-46	-10	-44	-25	0
Growth in construction activity ¹	-25	-30	-33	-25	0
Growth in number of people employed ¹	-22	0	-18	-16	-17
Growth in profitability of the business ¹	-32	-67	-34	-42	8
Tendering competition ¹	35	50	33	42	
Percentage rating shortage of skilled labour a constraint ²	57	65	61	63	
Percentage rating inadequate supply of construction materials a constraint ²	27	35	25	21	
Percentage rating insufficient demand for construction work a constraint ²	73	85	75	75	
Percentage rating firm's inadequate access to credit a constraint ²	37	45	36	38	

* Expected.

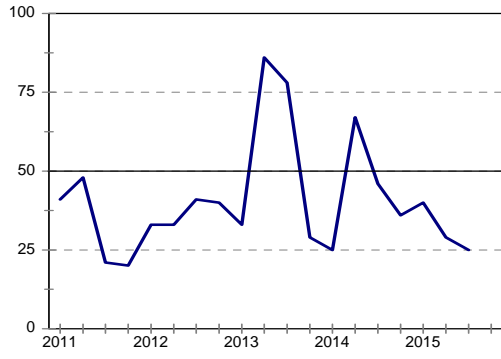
¹ Net balance.

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

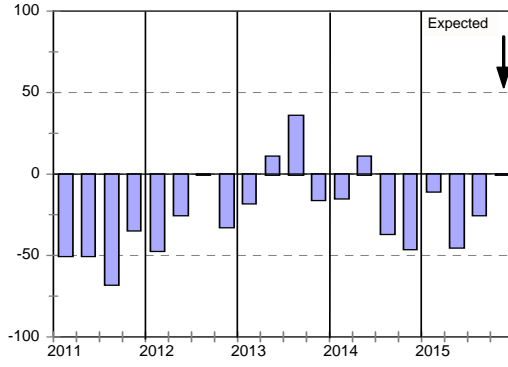
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

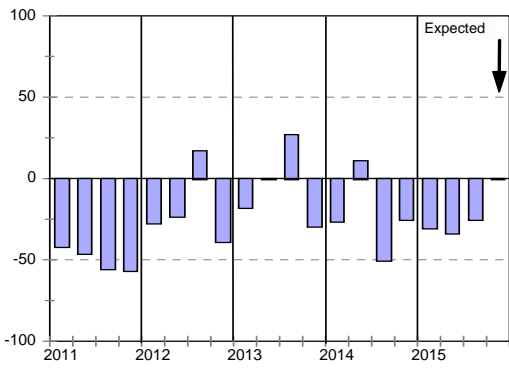
Business confidence



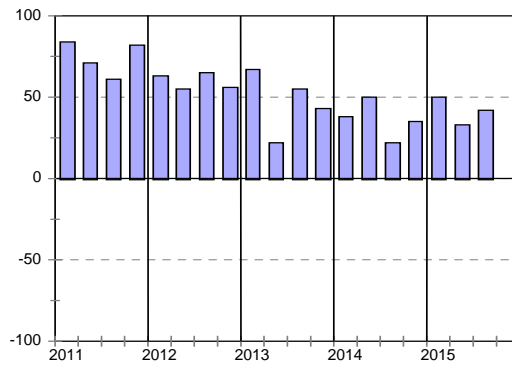
Change in business conditions



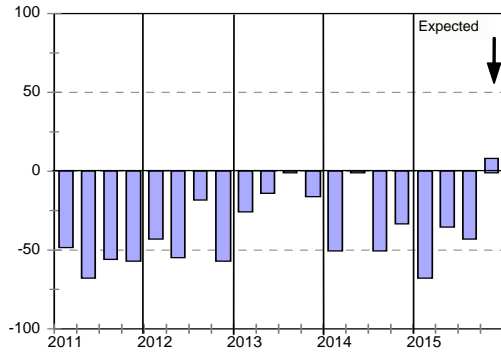
Growth in construction activity



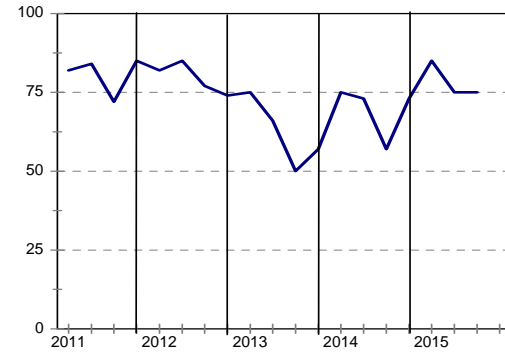
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	<i>14Q4</i>	<i>15Q1</i>	<i>15Q2</i>	<i>15Q3</i>	<i>15Q4*</i>
Business confidence ³	40	47	58	52	
Change in business conditions ¹	-22	-21	-11	-15	9
Growth in building activity ¹	-25	-50	-37	-33	-13
Growth in number of people employed ¹	-36	-35	-8	-12	-4
Growth in profitability of the business ¹	-28	-69	-31	-27	-9
Tendering competition ¹	38	33	32	56	
Percentage rating shortage of skilled labour a constraint ²	43	41	32	33	
Percentage rating inadequate supply of building materials a constraint ²	31	35	16	35	
Percentage rating insufficient demand for building work a constraint ²	69	68	73	61	
Percentage rating firm's inadequate access to credit a constraint ²	50	47	30	41	

* Expected.

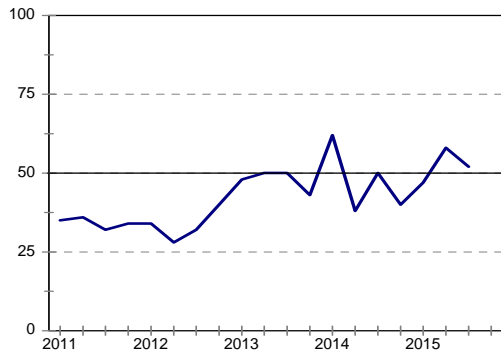
¹ Net balance.

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

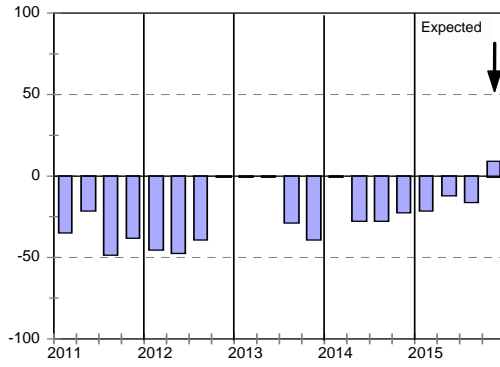
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

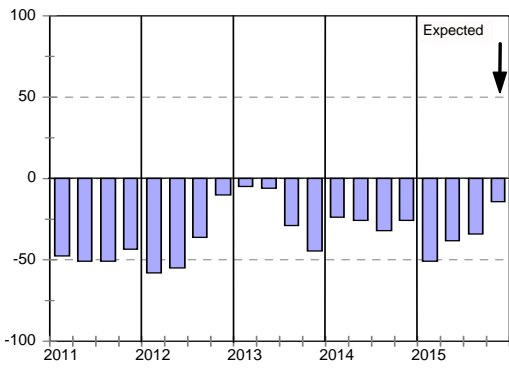
Business confidence



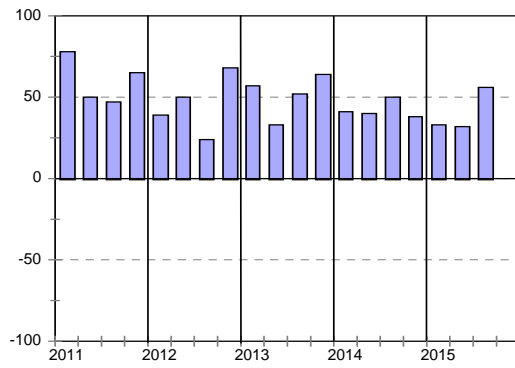
Change in business conditions



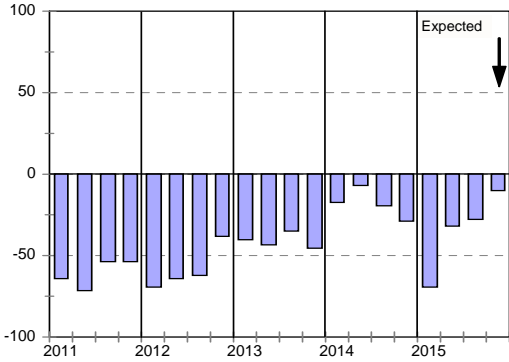
Growth in construction activity



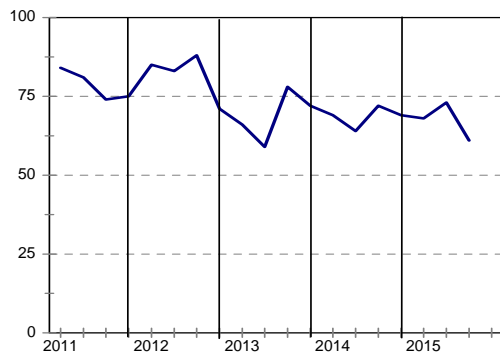
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	14Q4	15Q1	15Q2	15Q3	15Q4*
Business confidence ³	52	39	50	56	
Change in business conditions ¹	-20	-38	-31	-19	-13
Growth in construction activity ¹	-22	-33	-38	-36	-28
Growth in number of people employed ¹	-11	-28	-31	-11	-28
Growth in profitability of the business ¹	-40	-49	-60	-33	-28
Tendering competition ¹	37	46	35	46	
Percentage rating shortage of skilled labour a constraint ²	57	54	58	44	
Percentage rating inadequate supply of construction materials a constraint ²	35	34	36	39	
Percentage rating insufficient demand for construction work a constraint ²	69	69	61	70	
Percentage rating firm's inadequate access to credit a constraint ²	48	43	47	37	

* Expected.

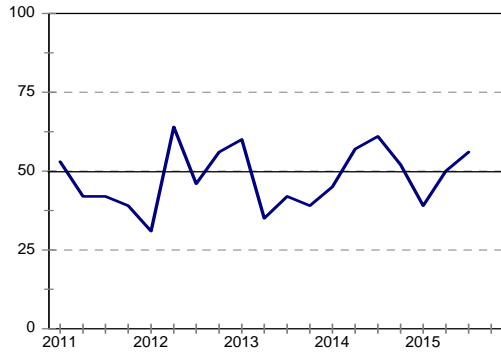
¹ Net balance.

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

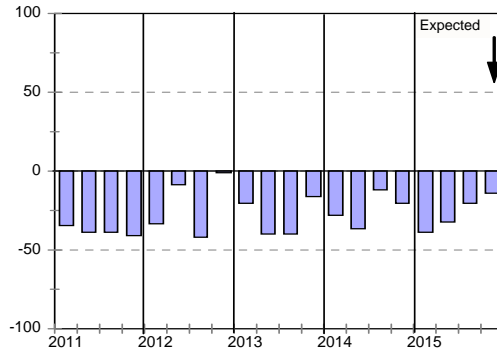
³ Percentage gross rating prevailing business conditions as satisfactory.

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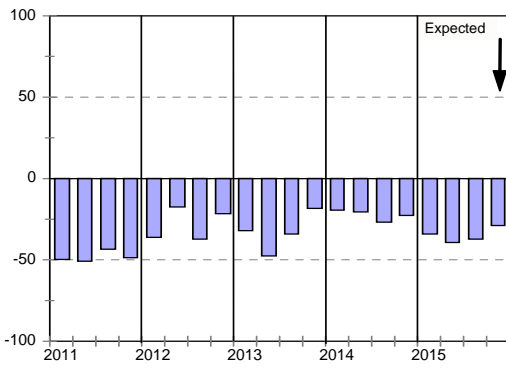
Business confidence



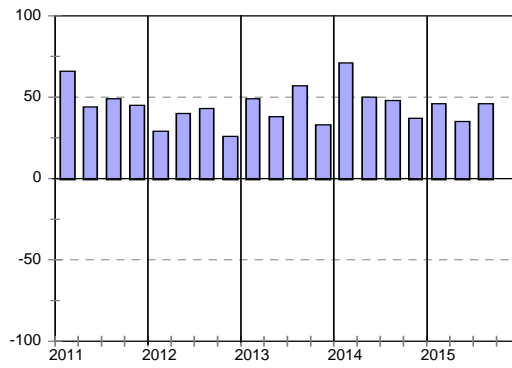
Change in business conditions



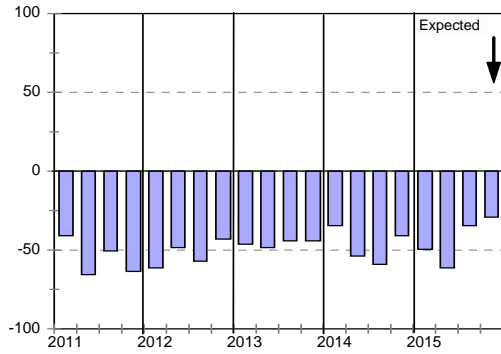
Growth in construction activity



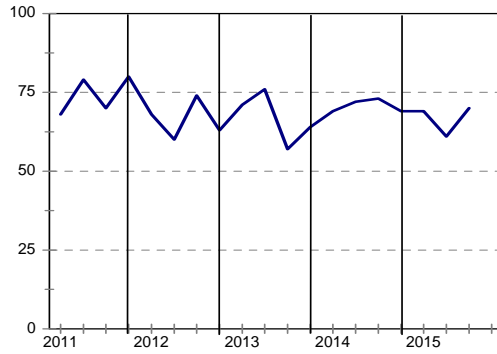
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	14Q4	15Q1	15Q2	15Q3	15Q4*
Business confidence ³	45	58	75	41	
Change in business conditions ¹	-21	-10	20	-4	-30
Growth in construction activity ¹	-26	5	25	-38	-40
Growth in number of people employed ¹	-21	-30	5	-25	-18
Growth in profitability of the business ¹	-15	-25	-15	-38	-22
Tendering competition ¹	63	30	35	45	
Percentage rating shortage of skilled labour a constraint ²	47	47	47	50	
Percentage rating inadequate supply of construction materials a constraint ²	27	17	25	18	
Percentage rating insufficient demand for construction work a constraint ²	73	65	50	63	
Percentage rating firm's inadequate access to credit a constraint ²	28	22	15	15	

* Expected.

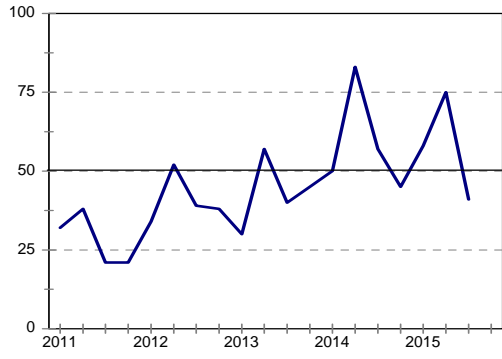
¹ Net balance.

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.

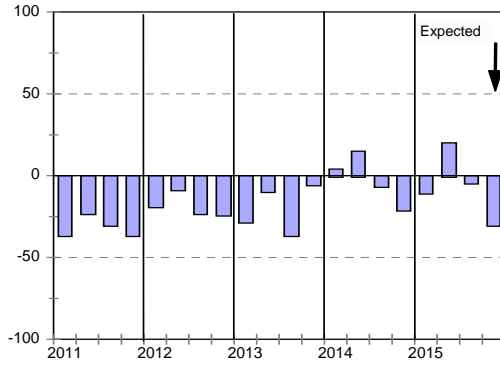
³ Percentage gross rating prevailing business conditions as satisfactory.

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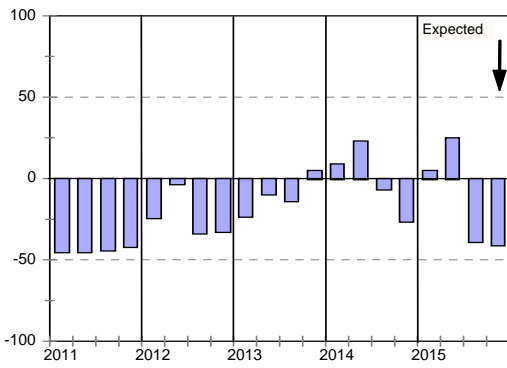
Business confidence



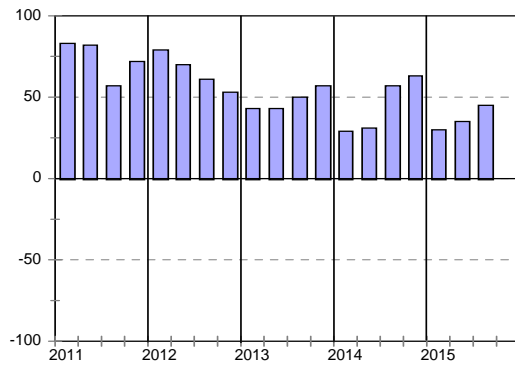
Change in business conditions



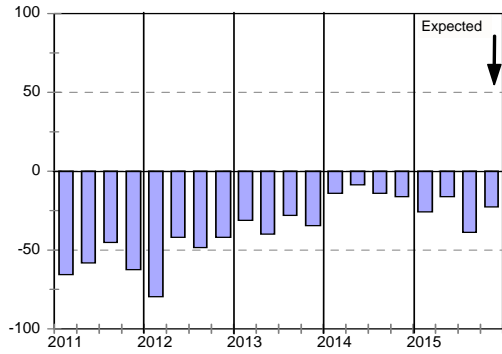
Growth in construction activity



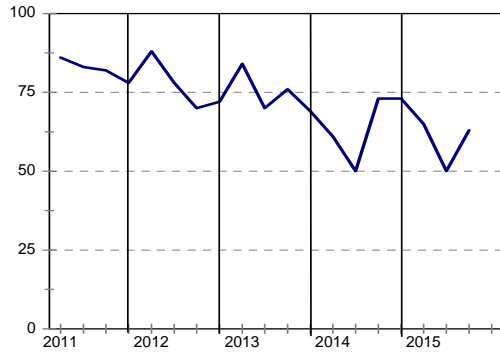
Tendering competition



Growth in profitability



Insufficient building work demand



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