



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

3

2017



University of Stellenbosch

cidb Survey Results: 2017Q3

September 2017

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Summary

Building Contractors¹

During the third quarter of 2017, business confidence for general builders (GB) fell further to 40 index points, from 42 in 2017Q2. GBs remained pessimistic as the broad-based deterioration in underlying indicators persisted. Similar to the previous quarter, building activity growth continued to lose momentum, thus putting even more pressure on profit margins.

Confidence levels remained in contractionary territory (below 50 index points) across all three grades during 2017Q3. Although confidence picked up among the Grades 3 & 4 group, the profitability indicator fell to fresh lows. For Grades 7 & 8 building contractors, confidence was virtually unchanged. Grades 5 & 6 contractors, on the other hand, saw an eight-point drop in confidence, with a mere 35% of respondents rating prevailing business conditions as satisfactory.

At the provincial level, confidence among Western Cape building contractors returned above the key 50-point mark, as building activity gained some momentum. For the remaining three provinces, however, sentiment worsened during the third quarter, with confidence indicators all registering below 40 index points. In KwaZulu-Natal in particular, building confidence dropped sharply by 18 index points to a dismal 19 during 2017Q3.

Civil Contractors²

Civil contractor confidence fell to 38 index points, from 43 in 2017Q2. Similar to the building sector, there was a broad-based deterioration in key underlying indicators. Indeed, weaker construction activity weighed on profitability.

Across the grades, confidence for Grades 3 & 4 edged down only slightly, in line with softer activity and lower profitability. Furthermore, insufficient demand for construction work was more

¹ During 2017Q2, 85 new building respondents were recruited for the cidb. While the inclusion of the new recruits made the overall results relatively more positive compared to the old panel (excluding the new recruits), it is regarded to be more representative of what is actually happening among cidb registered contractors. Nevertheless, confidence and underlying indicators remained relatively poor.

² For the civil sector, 108 new respondents were recruited. The total results including new recruits also made the overall results relatively more positive compared to the old panel. In all, this sector also remained under pressure, as indicated by the confidence and activity levels.

constraining moving to a level near its long-term³ maximum. Conversely for Grades 5 & 6 and Grades 7 & 8, sentiment improved. Although sentiment was supported by an improvement in key indicators for Grades 5 & 6 civil contractors, this was not the case for the Grades 7 & 8 group.

From a provincial perspective, discouragingly, confidence levels were below 50 points for all four regions. For the Western Cape, sentiment fell sharply from 57 points in 2017Q2 to 44 during the survey quarter. While confidence also edged down in KwaZulu-Natal, there was some improvement in the Eastern Cape and Gauteng. The indicator rating insufficient demand as a constraint was significantly elevated across all four provinces during the survey quarter, especially in Gauteng.

To summarise, conditions remained challenging for both the building and civil sector during 2017Q3. Confidence has now been well below the neutral 50-point mark since 2015Q3. For the building sector, sentiment remained downbeat at the grade and provincial level. The Western Cape was an exception, however, where building contractors regained some confidence during the quarter with the indicator coming back above the 50-point threshold. For civil contractors, unfortunately, pessimism prevailed across all three grades and provinces.

³ This is the historical average of the indicator from the inception of the series up to and including the fourth quarter of 2016

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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 2017Q3 survey was carried out during the period 31 July to 5 September 2017.

The analysis that follows provides a synopsis of the survey responses received in 2017Q3, according to grades and region from participating cidb registered building and civil contractors. The detailed survey results can 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 also 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.

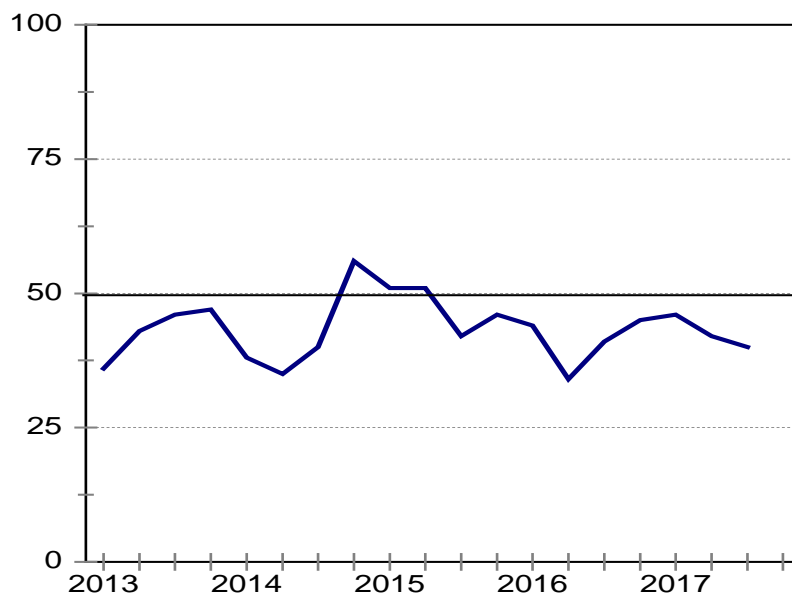
2017Q3 cidb Survey Results

Building Industry

Total

Building confidence edged down further in 2017Q3 to 40 index points, from 42 during the second quarter (see Figure 1 below). Pessimism prevailed across all the grades. Among the provinces, sentiment improved for Western Cape building contractors, where confidence rose back above 50 points during the survey quarter.

Figure 1: Total

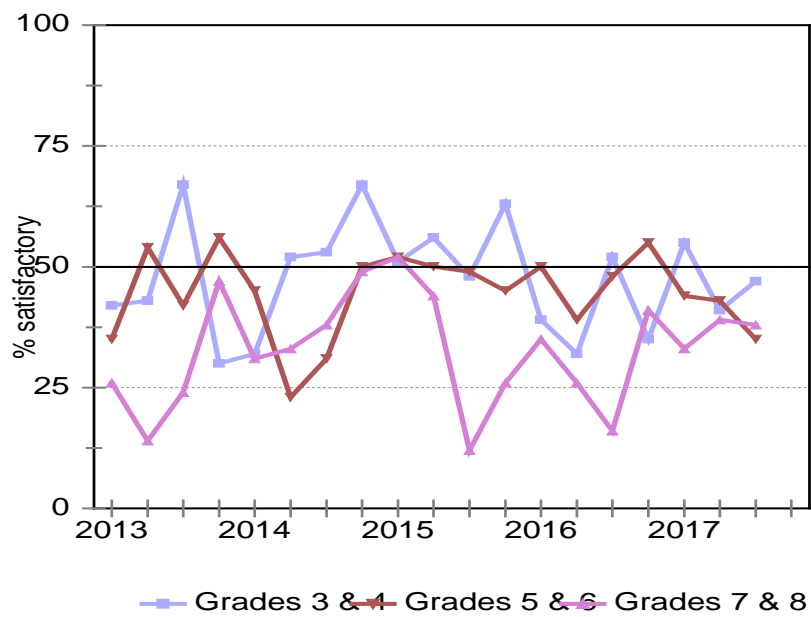


During the third quarter, building contractors saw a broad-based deterioration in underlying indicators. Building activity continued to slow, placing even more pressure on profit margins. Indeed, the profitability indicator sank to an all-time low – an overwhelming net majority of 68% of respondents reported reduced profits, compared to 56% in 2017Q2. Furthermore, contractors were less keen to hire workers. The employment indicator deteriorated to its worst level since 2011Q3, with a net majority of 51% reporting fewer employees during the survey quarter (compared to 41% last quarter). With the exception of insufficient demand for building work, which was unchanged, constraints to business operations eased somewhat.

Grades comparison

The overall picture remained pessimistic at the grade level. Confidence deteriorated for Grades 5 & 6 in line with weaker underlying indicators, while it was mostly unchanged for Grades 7 & 8. Although sentiment improved for Grades 3 & 4, the profitability and employment indicators worsened to an all-time low. In all, confidence levels remained below the neutral 50-point mark for all three contractor groupings.

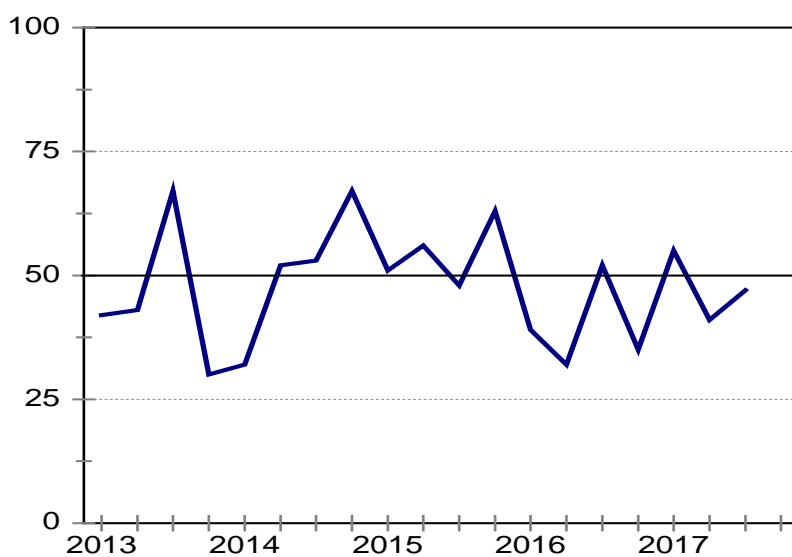
Figure 2: Business confidence per grade



Grades 3 & 4

Business confidence for Grades 3 & 4 builders improved by six points to 47 in 2017Q3. Although confidence ticked up, underlying indicators do not support this.

Figure 3: Grades 3 & 4
Business confidence

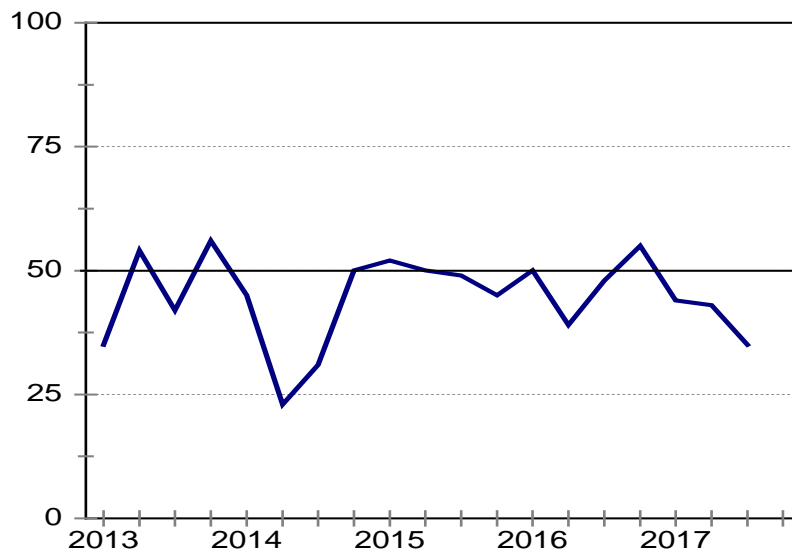


Both the profitability and employment indicators for Grades 3 & 4 building contractors reached their all-time lows. The highest net majority of respondents on record, i.e. 79%, reported weaker profits compared to a net negative 54% in 2017Q2. For the employment indicator, a higher net majority of 58% of respondents attested to lower employment during 2017Q3 (43% previously). It is likely that sentiment improved on the back of the broad-based easing across all constraint indicators.

Grades 5 & 6

Confidence among Grades 5 & 6 general builders fell to 35 index points in 2017Q3, from 43 previously.

Figure 4: Grades 5 & 6
Business confidence



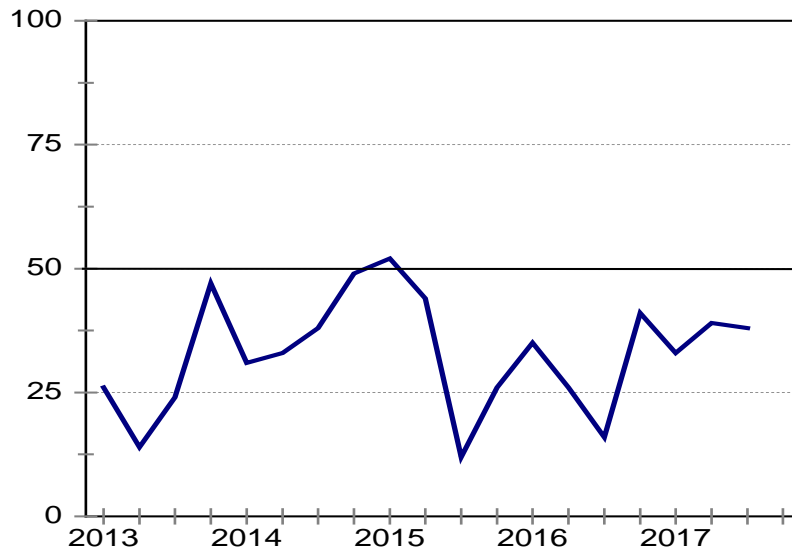
Weaker sentiment among this group of contractors was in line with the broad-based deterioration in underlying indicators. Activity and profitability indicators sank to levels last seen during the second half of 2011. A net of majority of 56% of respondents saw a decline in activity, from 39% previously. This not only squeezed profit margins, but it also kept employment under pressure. Furthermore, the indicator rating insufficient demand for building work as a constraint rose near to its long-term average (73%), which further clouds the outlook for activity.

Grades 7 & 8

Sentiment for Grades 7 & 8 building contractors was virtually unchanged during the third quarter, with confidence shedding one point to 38.

Figure 5: Grades 7 & 8

Business confidence

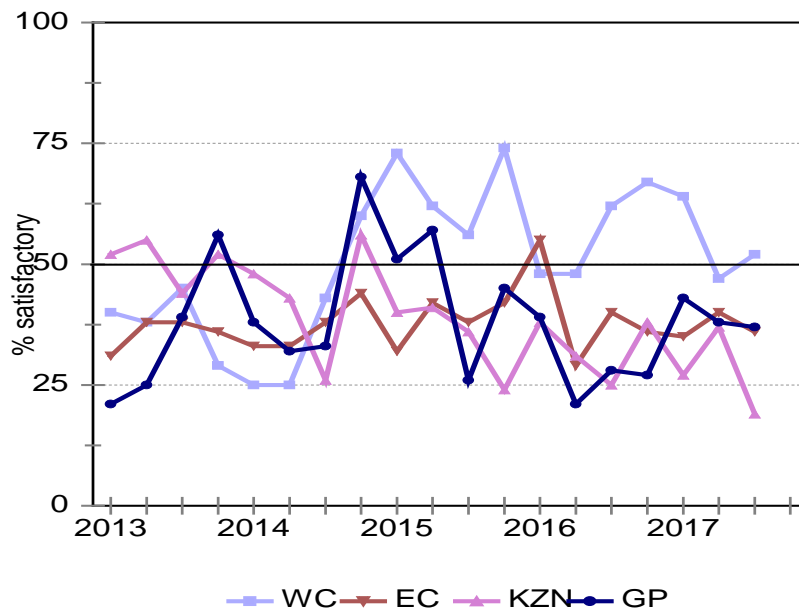


The employment indicator deteriorated, with a net majority of 55% reporting lower employment, from 47% previously. Tendering competition was also keener, pointing to the rising scarcity of building projects. A net majority of 78% of respondents reported a more hostile tendering environment, higher than 67% in the prior quarter and near the long-term average of 80%. This could partly explain why profitability remained under pressure during the survey quarter.

Provincial comparison

At the provincial level, confidence picked up in the Western Cape and returned above the neutral 50-point mark. For the other three provinces, however, sentiment worsened with confidence levels remaining below 40 index points (see Figure 6 below).

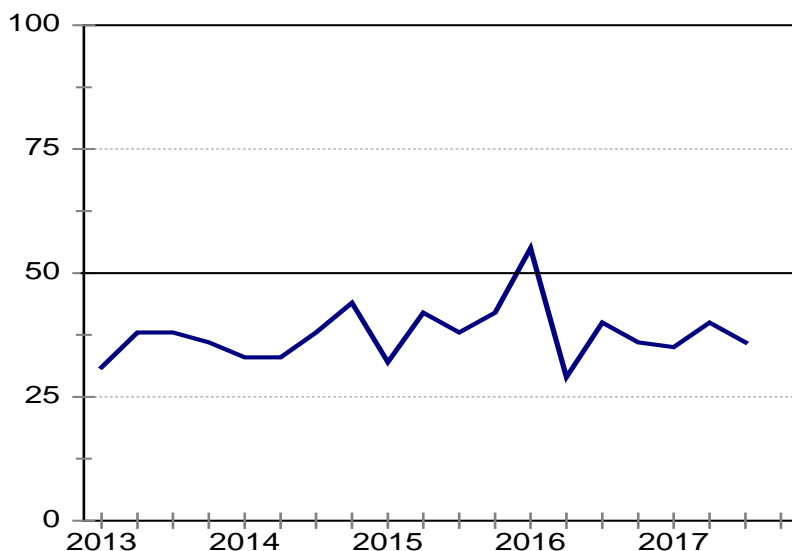
Figure 6: Business confidence per province



Eastern Cape⁴

General builder confidence edged lower for Eastern Cape contractors to 36 index points, from 40 points in 2017Q2.

Figure 7: Eastern Cape
Business confidence



The drop in confidence was in line with weaker underlying indicators. Building activity fell and pulled profitability with it. Indeed, the profitability indicator deteriorated to its lowest level since 2010Q2, with a net majority of 82% of respondents reporting lower profits (50% previously).

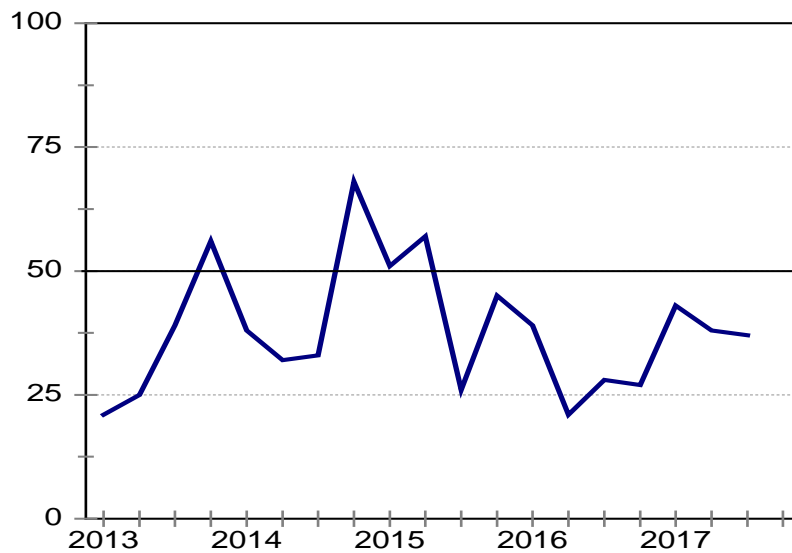
The indicator rating insufficient demand for building work as a constraint was also significantly higher at 92%. This bodes ill for the outlook on building activity in the province.

⁴ Volatility in indicators could be due to the relatively smaller number of respondents from the province.

Gauteng

During 2017Q3, Gauteng building contractor confidence edged down slightly by 1 index point to 37 – painting the picture of a sector that remains under significant pressure.

Figure 8: Gauteng
Business confidence

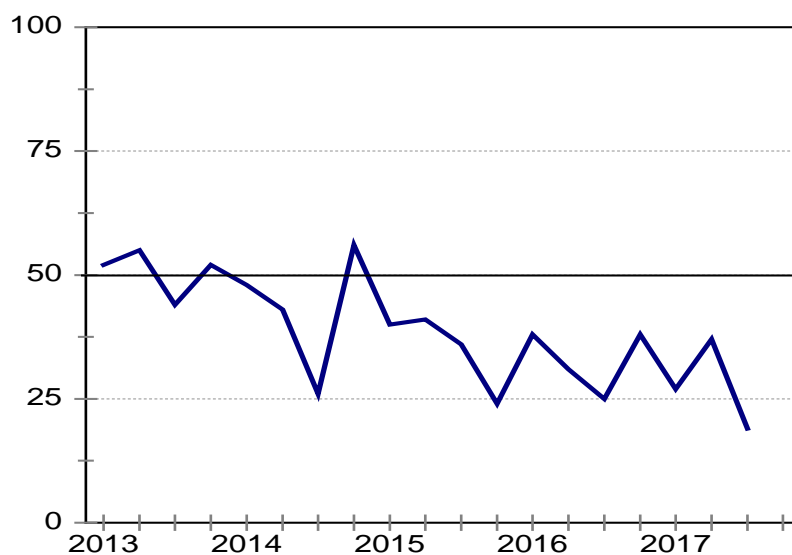


In all, the depressed level of confidence was in line with the fragility of the underlying indicators. The profitability indicator was particularly weaker, with a significantly higher net majority of 71% of respondents attesting to a squeeze in profit margins during the quarter, from 49% in 2017Q2.

KwaZulu-Natal

In KwaZulu-Natal, business confidence fell by 18 index points to a dismal 19 in 2017Q3. This brings confidence to its worst level since 2010Q1.

Figure 9: KwaZulu-Natal
Business confidence



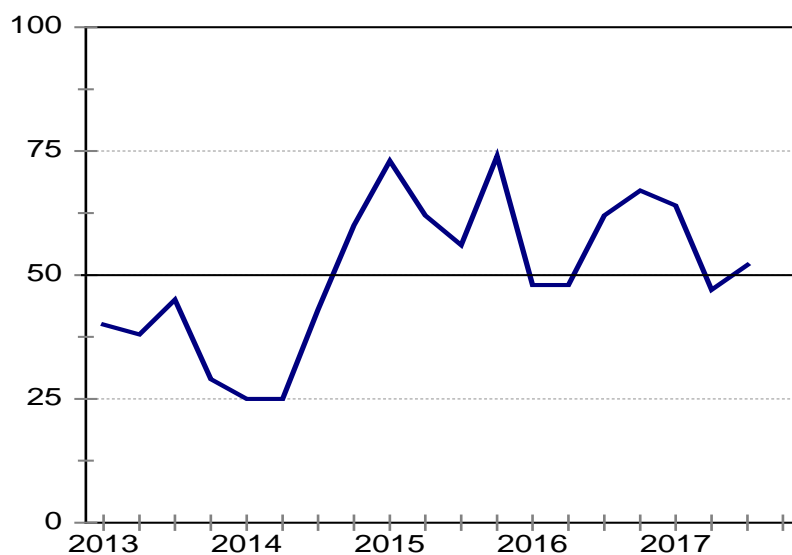
The sharp fall in confidence was reflective of the deterioration in building activity and profitability. Indeed, these two indicators fell to their worst levels on record during the survey quarter. A net majority of 77% of respondents reported weaker activity, which translated into a net majority of 86% reporting weaker profitability.

Furthermore, a higher proportion of 79% reported insufficient demand as a hindrance to business operations. Looking ahead, this points to a persistently challenging environment.

Western Cape

On a more positive note, sentiment improved for Western Cape building contractors. Confidence picked up to 52 index points in 2017Q3, from 47 previously.

Figure 10: Western Cape
Business confidence



The uptick in confidence was in line with key underlying indicators. Constraints to business operations also eased.

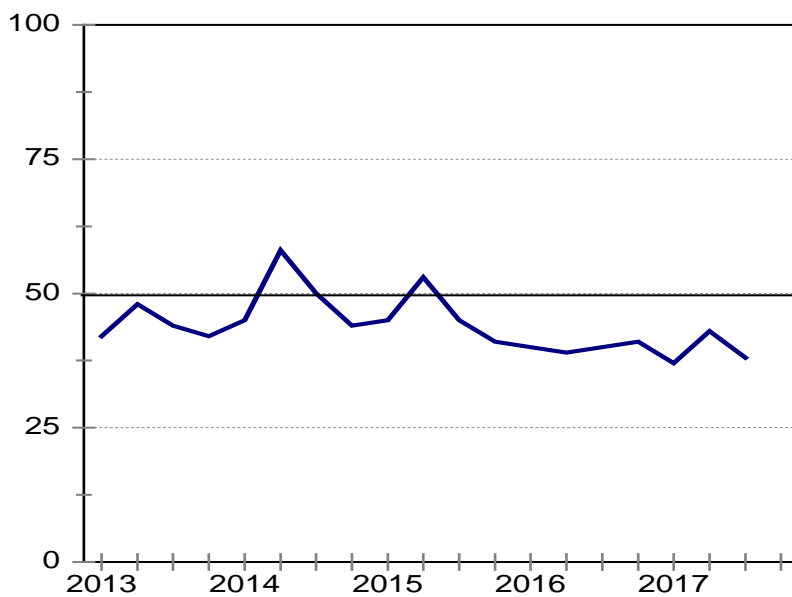
Building activity growth improved with a net majority of 40% of respondents seeing a slowdown in activity during the quarter, compared to 48% previously. Encouragingly, the improvement in activity lifted some pressure off profitability. Indeed, a lower net majority of 48% of respondents reported weaker profits, from 63% in the previous quarter.

Construction Industry

Total

Civil contractor confidence dropped to 38 points in 2017Q3, from 43 during the second quarter. Among the grades, sentiment edged down only slightly for Grades 3 & 4. At the provincial level, confidence levels registered below 50 index points for all four regions.

Figure 11: Total

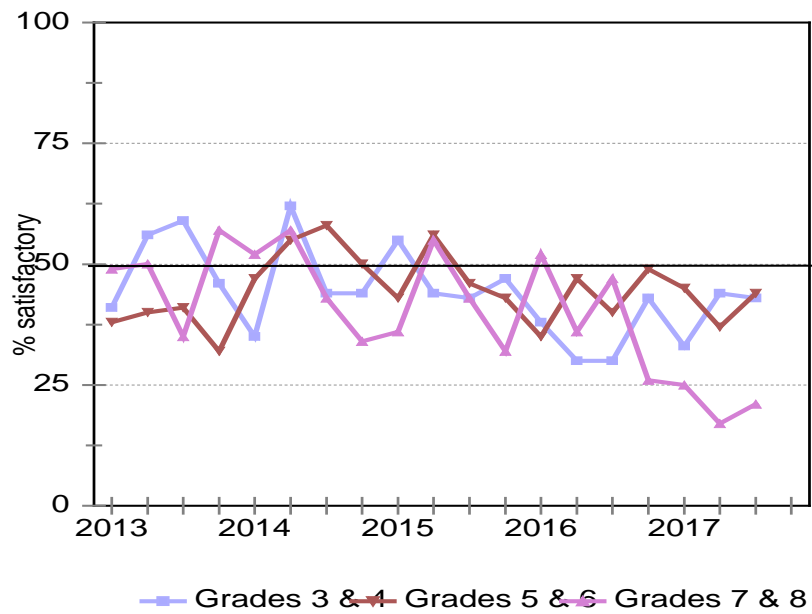


The decline in confidence for civil contractors was in line with the weaker underlying indicators. Construction activity slowed during the quarter and weighed on profitability. Indeed, the activity indicator deteriorated to its worst level since 2012Q2. A net majority of 59% of respondents reported a decline in profitability in 2017Q3, compared to 45% previously. Furthermore, 76% of respondents found insufficient demand for construction work more constraining, up from 70% previously. This will likely have an adverse impact on activity going forward.

Grades comparison

Civil contractor confidence remained below the 50-point mark across all grades. Sentiment edged down for Grades 3 & 4 contractors, while it improved for Grades 5 & 6 and Grades 7 & 8.

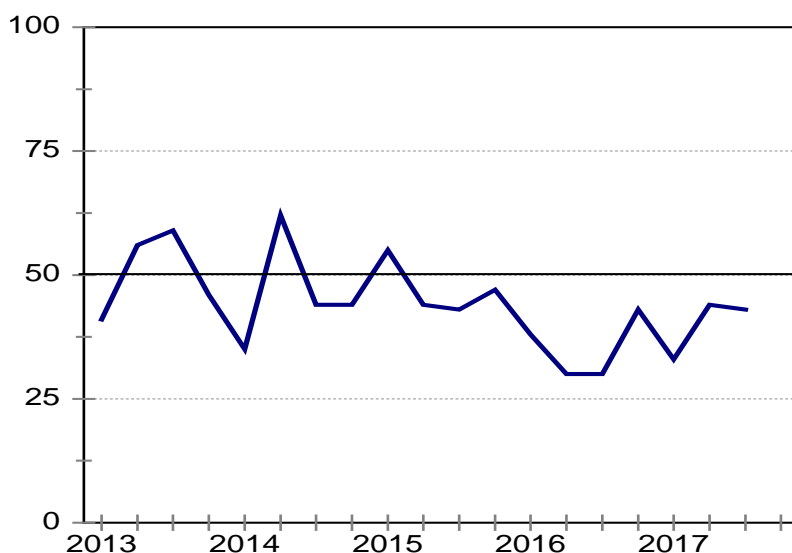
Figure 12: Business confidence per grade



Grades 3 & 4

Business confidence for Grades 3 & 4 civil contractors drifted to 43 index points in 2017Q3, from 44 points previously.

Figure 13: Grades 3 & 4
Business confidence



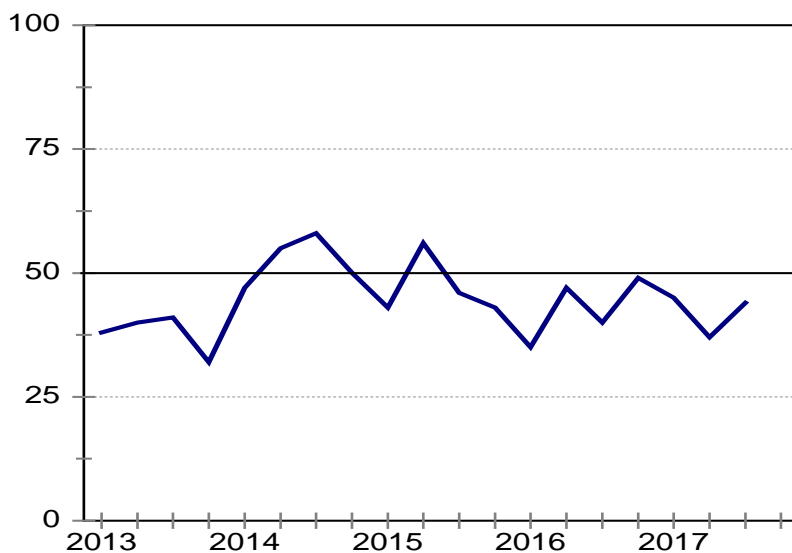
The marginal decline in business confidence was in line with weaker underlying indicators. A net majority of 52% of respondents experienced a slowdown in construction activity, from a negative 47% in Q2. Discouragingly, this had a material negative impact on profitability, with the indicator being squeezed to a record low. Indeed, a net majority of 67% of respondents reported tighter profit margins during 2017Q3, from 47% previously.

Eighty-two per cent of respondents rated insufficient demand for building work as a constraint. This is the worst level since 2012Q2 and a mere point shy of the most constraining level on record. This outcome bodes ill for the civil construction outlook among Grades 3 & 4. It is also in line with the respondents' expectations for further deterioration in the key indicators.

Grades 5 & 6

During 2017Q3, business confidence for Grades 5 & 6 civil contractors picked up to 44 points, from 37 in Q2.

Figure 14: Grades 5 & 6
Business confidence

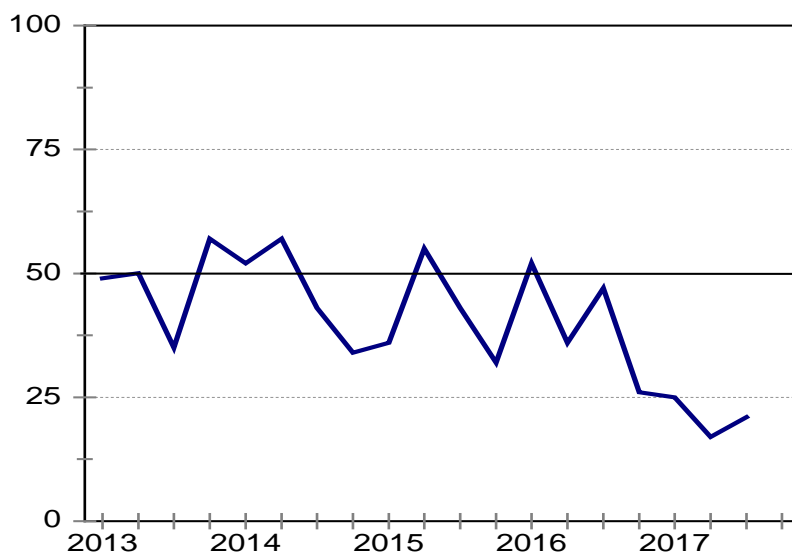


The improvement in sentiment was supported by the gain in momentum in construction activity. The net majority of respondents which saw a fall in activity dropped to 36% during the survey quarter, from 54% previously. Furthermore, keenness in tendering competition was unchanged, which likely helped contain tender prices. The broad-based easing in constraints to business activity also lent support to sentiment.

Grades 7 & 8

Sentiment among Grades 7 & 8 civil contractors picked up to 21 index points during the survey quarter, from 17 in Q2. Despite the uptick, a significant proportion of respondents remained dissatisfied with prevailing business conditions.

Figure 15: Grades 7 & 8
Business confidence



At the current depressed level, confidence is in line with the deterioration in underlying indicators. Construction activity and profitability deteriorated to their worst levels since 2011Q2. A net majority of 67% of respondents saw a fall in activity (54% previously), while 75% felt profit margins being squeezed during the survey quarter (up from 52% in Q2). It follows that employment remained under pressure.

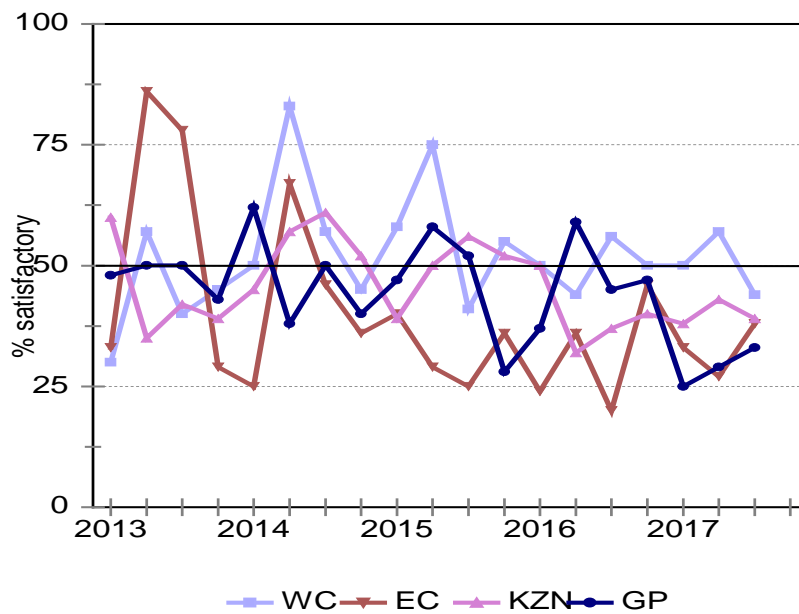
The indicator rating insufficient demand for construction work as a constraint also rose to its highest level since 2011Q2, with 86% confirming demand as a greater hindrance.

Provincial comparison

Discouragingly, all four provinces were notably pessimistic, registering confidence levels below 50 during 2017Q3. Western Cape civil contractor confidence in particular dropped from 57 points to 44 during the quarter. Meanwhile, confidence levels in the other three provinces came in below 40 index points.

The indicator rating insufficient demand as a constraint was particularly high and above 70%, suggesting pressure on activity going forward.

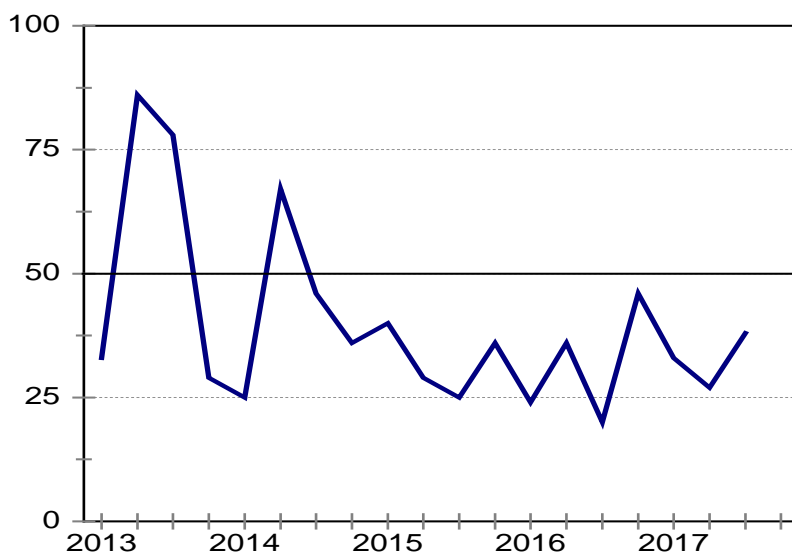
Figure 16: Business confidence per province



Eastern Cape

Confidence among civil contractors in the Eastern Cape picked up to 38 index points during the quarter, from 27 points in 2017Q2.

Figure 17: Eastern Cape
Business confidence



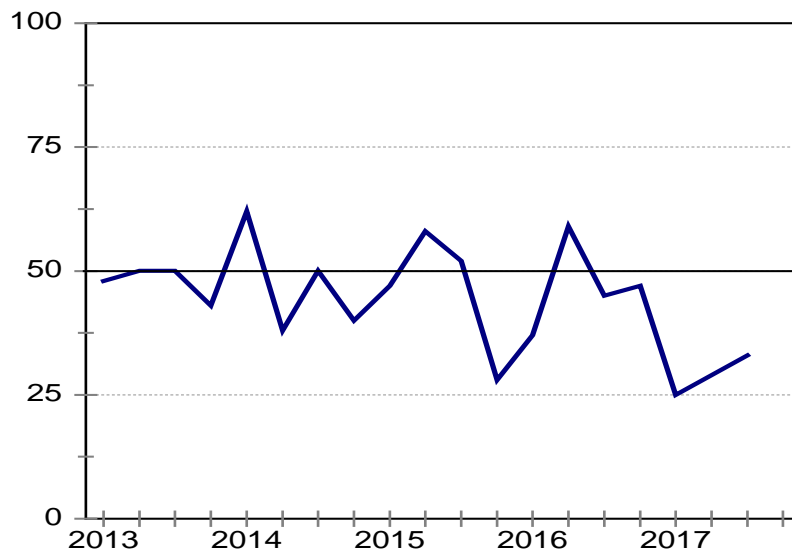
Sentiment was supported by better activity, which gave contractors some relief in profitability. These conditions were positive for employment. Indeed, a significantly lower net majority of 22% of respondents attested to lower employment, from 50% previously.

On a more negative note, however, the indicator rating insufficient demand for construction work as a constraint to business operations ticked up. This implies that activity could remain under pressure going forward.

Gauteng

Sentiment in Gauteng also improved during the third quarter. Confidence picked up further to 33 index points, up from 29 in 2017Q2.

Figure 18: Gauteng
Business confidence

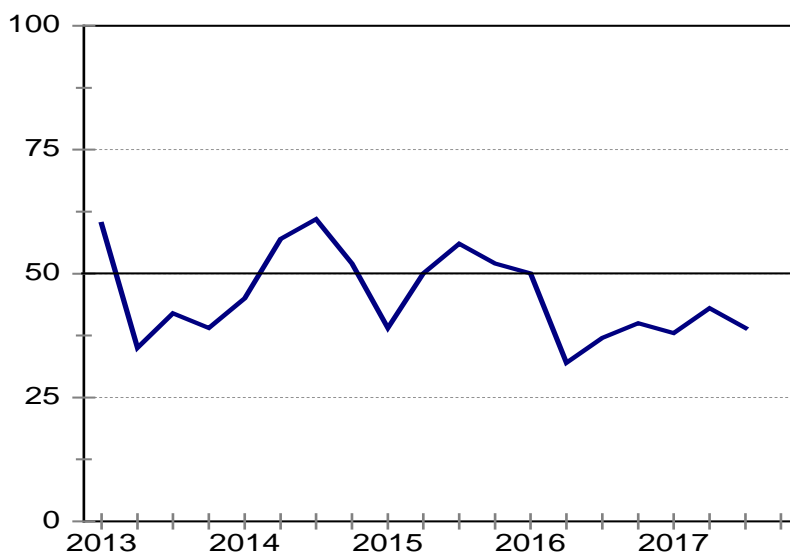


Despite the uptick in confidence, civil construction conditions remained challenging in Gauteng, as construction activity lost momentum and profitability remained under pressure. Furthermore, the indicator rating insufficient demand for construction work registered 81% - its most constraining level since 2013Q2. This points to further potential pressure on the civil sector in Gauteng in the near term.

KwaZulu-Natal

Business confidence among civil contractors in KwaZulu-Natal fell to 39 index points, from 43 points in 2017Q2.

Figure 19: KwaZulu-Natal
Business confidence

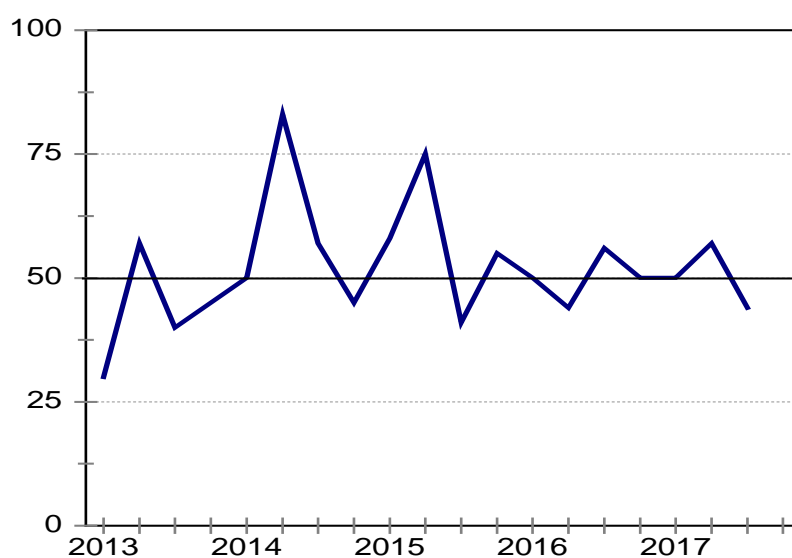


Consistent with the deterioration in sentiment, key underlying indicators weakened further during 2017Q3. Construction activity and profitability underwhelmed during the quarter. Although contractors in the province expect to see some improvement next quarter, this will likely not materialise as the indicator rating insufficient demand for construction work as a constraint remained elevated above the long-term average.

Western Cape

Business confidence fell below 50 index points for Western Cape civil contractors during 2017Q3. The indicator declined by 13 index points to 44, down from 57 in Q2.

Figure 20: Western Cape
Business confidence



The loss in activity momentum put profit margins under more pressure during the quarter. Indeed, a significantly higher net majority of 50% of respondents reported thinner margins in Q3, from 18% previously. This is the worst level since 2012Q2. The tendering keenness indicator rose above its long-term average, signifying scarcity of civil work in the province. It follows that availability of work will likely remain a challenge in the near term. This is suggested by the increase in the indicator rating insufficient demand for construction as a constraint.

Matlhodi Matsei

Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	45	46	42	40	
Change in business conditions ¹	-29	-36	-32	-45	-25
Growth in building activity ¹	-35	-39	-51	-55	-33
Growth in number of people employed ¹	-27	-34	-41	-50	-29
Growth in profitability of the business ¹	-50	-45	-56	-68	-50
Tendering competition ¹	51	44	36	51	
Percentage rating shortage of skilled labour a constraint ²	55	46	46	44	
Percentage rating inadequate supply of building materials a constraint ²	23	20	25	22	
Percentage rating insufficient demand for building work a constraint ²	67	63	70	70	
Percentage rating firm's inadequate access to credit a constraint ²	36	24	39	30	

* Expected.

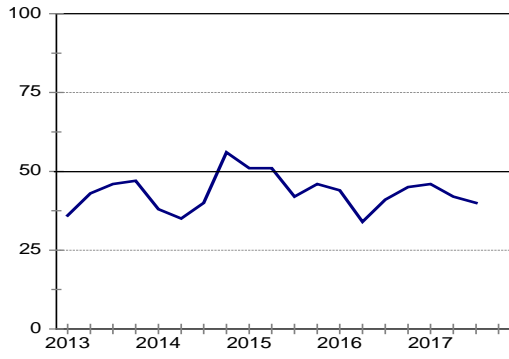
¹ Net balance.

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

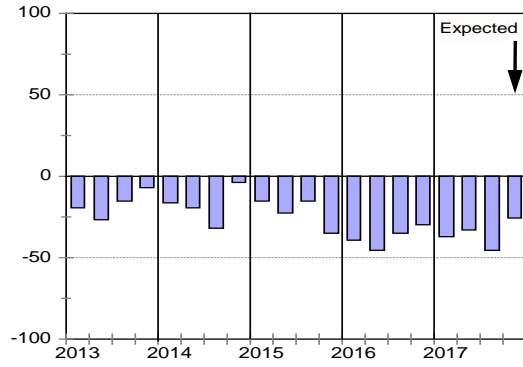
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

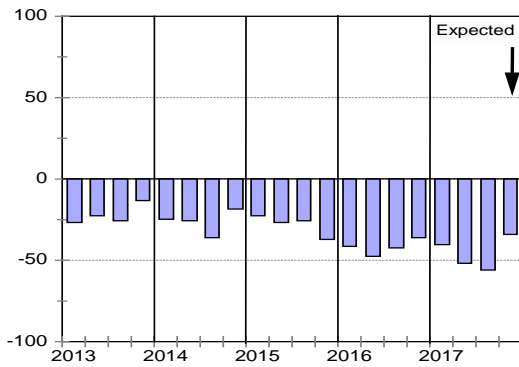
Business confidence



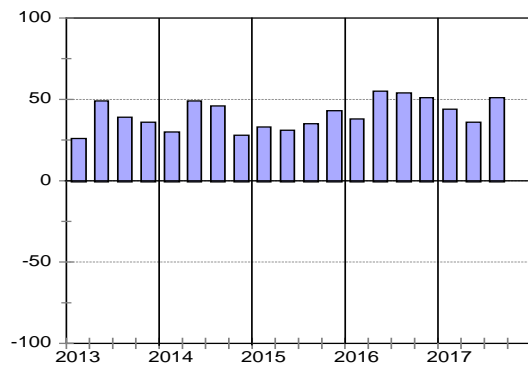
Change in business conditions



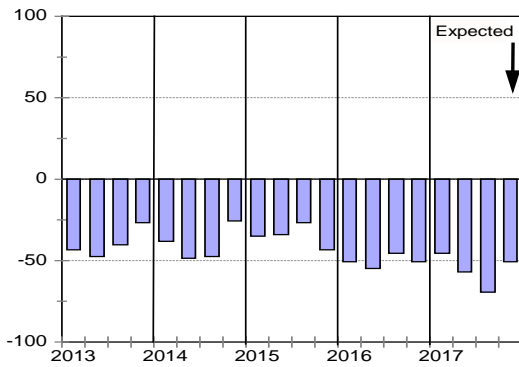
Growth in building activity



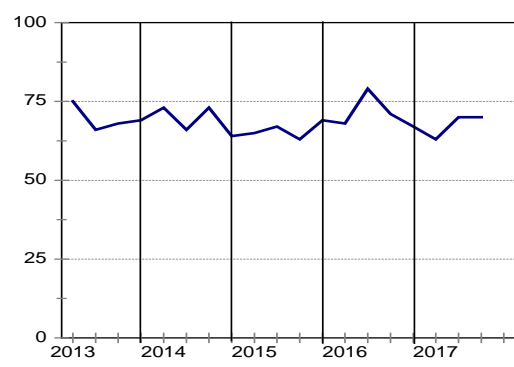
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	35	55	41	47	
Change in business conditions ¹	-41	-29	-38	-48	-36
Growth in building activity ¹	-44	-22	-60	-56	-31
Growth in number of people employed ¹	-37	-30	-43	-58	-35
Growth in profitability of the business ¹	-60	-40	-54	-79	-57
Tendering competition ¹	36	37	9	31	
Percentage rating shortage of skilled labour a constraint ²	57	41	45	33	
Percentage rating inadequate supply of building materials a constraint ²	22	25	29	21	
Percentage rating insufficient demand for building work a constraint ²	71	58	71	67	
Percentage rating firm's inadequate access to credit a constraint ²	50	30	52	46	

* Expected.

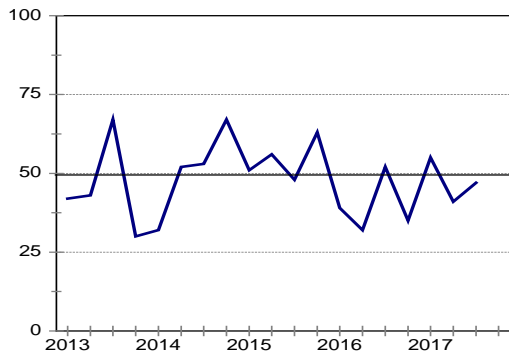
¹ Net balance.

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

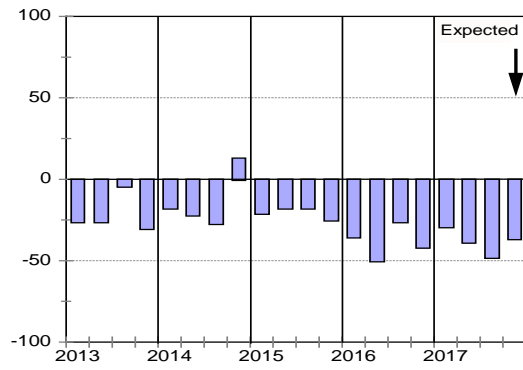
³ Percentage gross rating prevailing business conditions as satisfactory.

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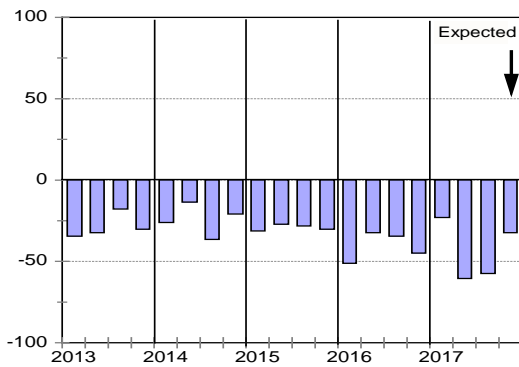
Business confidence



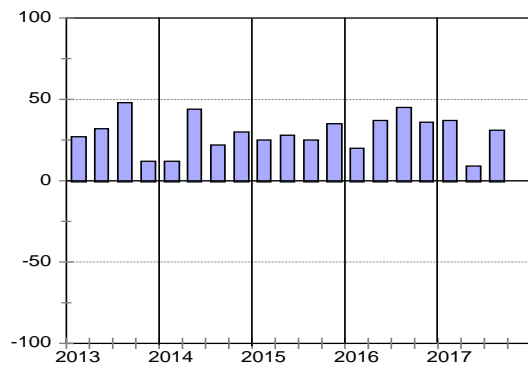
Change in business conditions



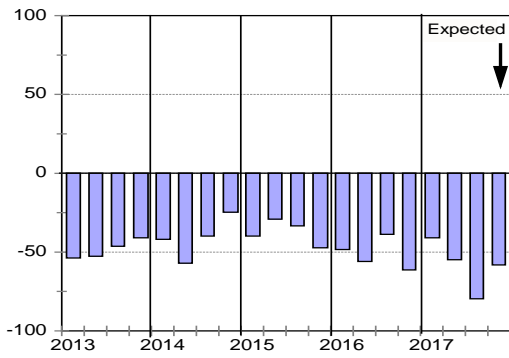
Growth in building activity



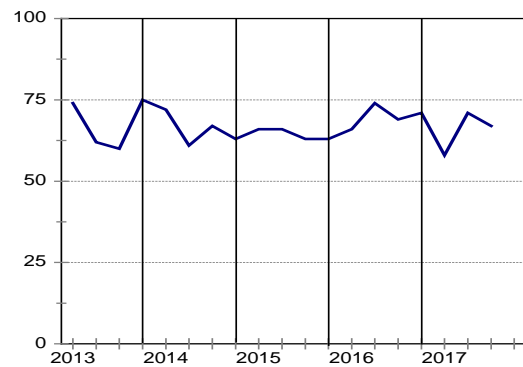
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	55	44	43	35	
Change in business conditions ¹	-7	-30	-28	-49	-24
Growth in building activity ¹	-19	-41	-39	-56	-36
Growth in number of people employed ¹	-9	-28	-31	-39	-28
Growth in profitability of the business ¹	-29	-46	-51	-66	-48
Tendering competition ¹	55	34	51	48	
Percentage rating shortage of skilled labour a constraint ²	59	50	45	48	
Percentage rating inadequate supply of building materials a constraint ²	23	16	24	28	
Percentage rating insufficient demand for building work a constraint ²	58	61	67	72	
Percentage rating firm's inadequate access to credit a constraint ²	35	26	33	23	

* Expected.

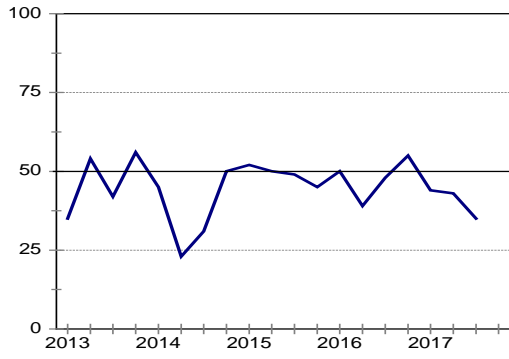
¹ Net balance.

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.

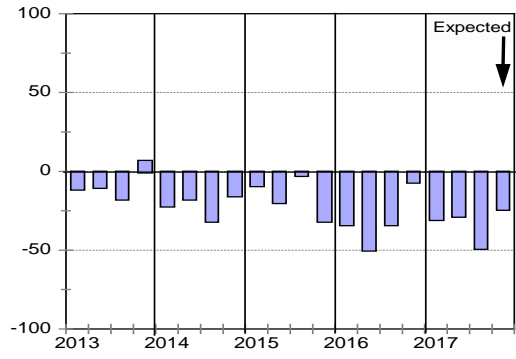
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

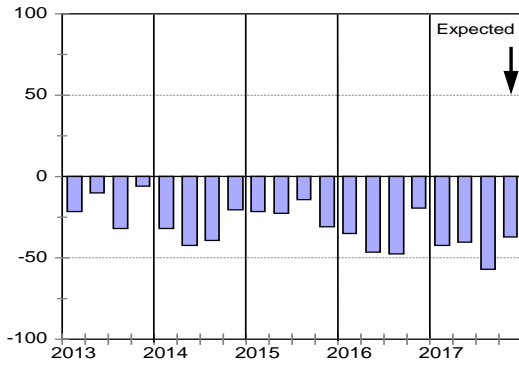
Business confidence



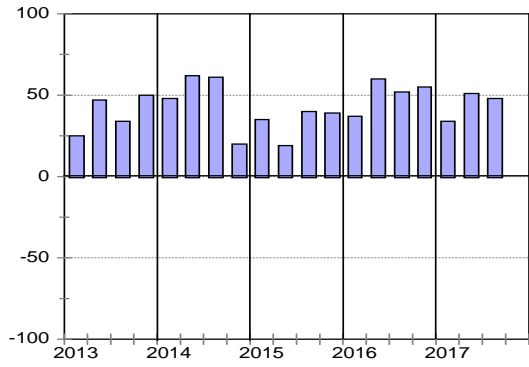
Change in business conditions



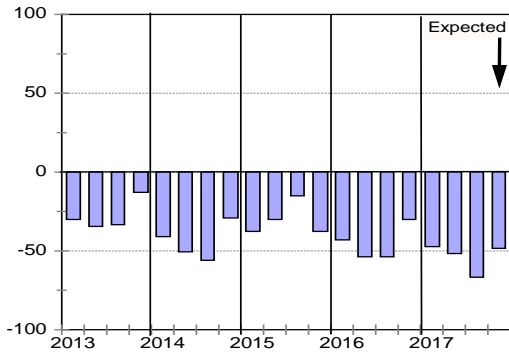
Growth in building activity



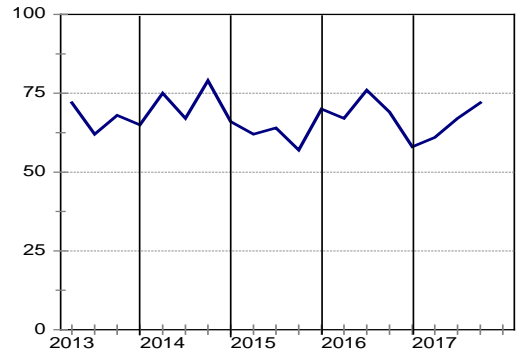
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	41	33	39	38	
Change in business conditions ¹	-50	-65	-37	-35	-18
Growth in building activity ¹	-52	-66	-58	-53	-29
Growth in number of people employed ¹	-44	-55	-47	-55	-23
Growth in profitability of the business ¹	-70	-50	-65	-61	-46
Tendering competition ¹	61	83	67	78	
Percentage rating shortage of skilled labour a constraint ²	48	47	56	50	
Percentage rating inadequate supply of building materials a constraint ²	23	19	17	14	
Percentage rating insufficient demand for building work a constraint ²	75	75	77	71	
Percentage rating firm's inadequate access to credit a constraint ²	23	9	23	23	

* Expected.

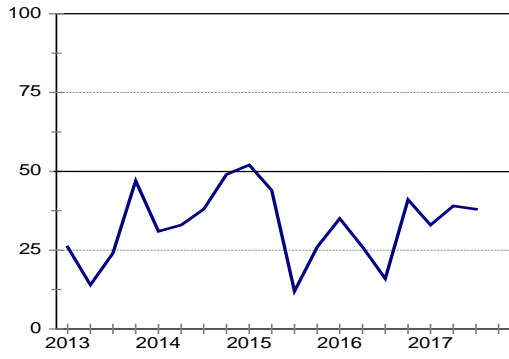
¹ Net balance.

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.

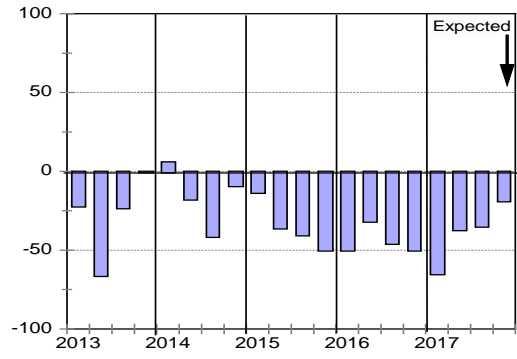
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

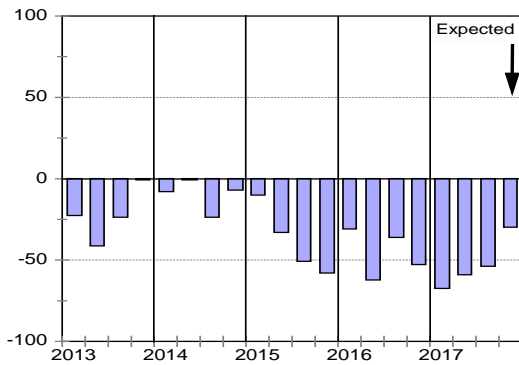
Business confidence



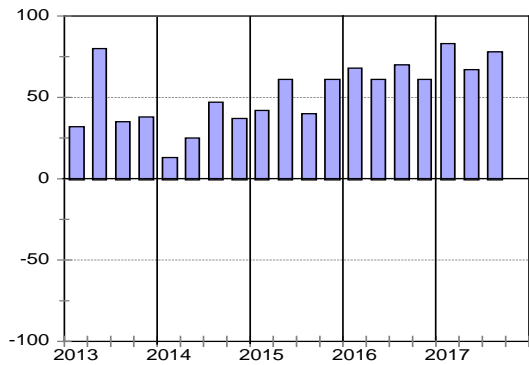
Change in business conditions



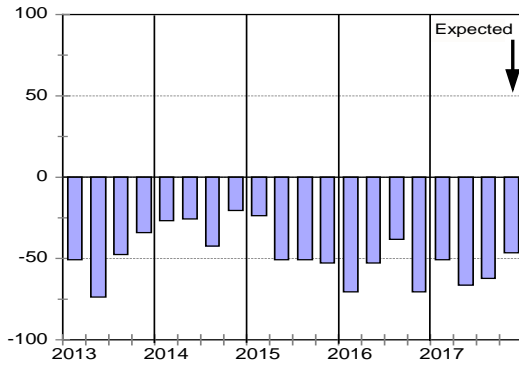
Growth in building activity



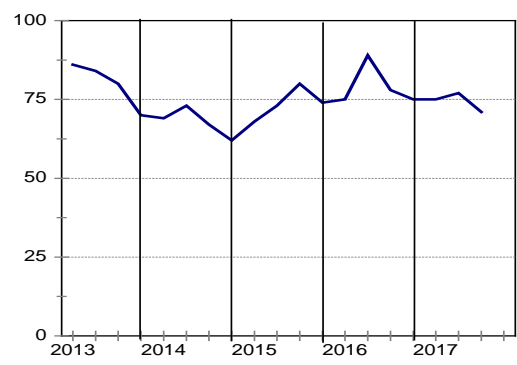
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>16Q4</i>	<i>17Q1</i>	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4*</i>
Business confidence ³	36	35	40	36	
Change in business conditions ¹	-47	-38	-11	-18	9
Growth in building activity ¹	-73	-59	-37	-46	0
Growth in number of people employed ¹	-53	-59	-50	-55	-27
Growth in profitability of the business ¹	-80	-65	-50	-82	-60
Tendering competition ¹	43	47	32	33	
Percentage rating shortage of skilled labour a constraint ²	50	38	44	37	
Percentage rating inadequate supply of building materials a constraint ²	18	12	23	16	
Percentage rating insufficient demand for building work a constraint ²	72	64	66	92	
Percentage rating firm's inadequate access to credit a constraint ²	21	3	28	25	

* Expected.

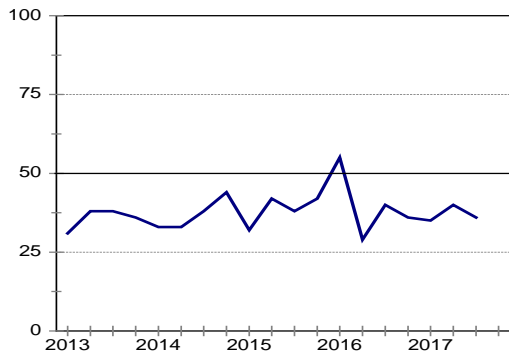
¹ Net balance.

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

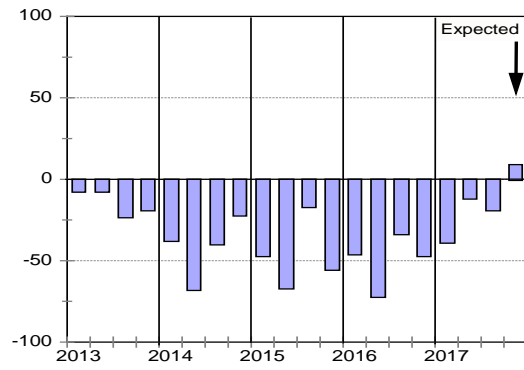
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

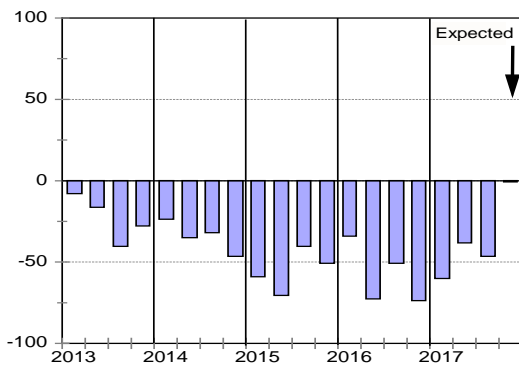
Business confidence



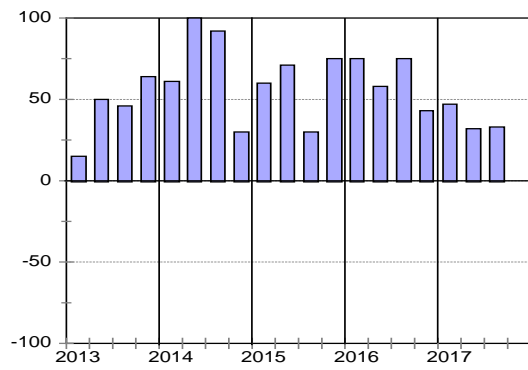
Change in business conditions



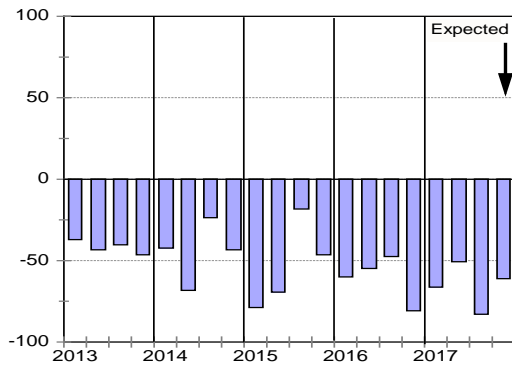
Growth in building activity



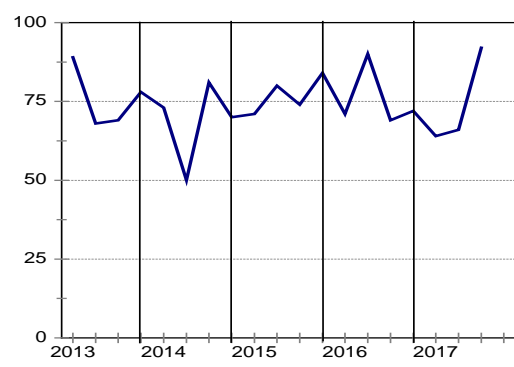
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	<i>16Q4</i>	<i>17Q1</i>	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4*</i>
Business confidence ³	27	43	38	37	
Change in business conditions ¹	-44	-35	-27	-52	-26
Growth in building activity ¹	-48	-33	-64	-60	-40
Growth in number of people employed ¹	-43	-11	-43	-48	-25
Growth in profitability of the business ¹	-61	-28	-49	-71	-50
Tendering competition ¹	73	63	47	47	
Percentage rating shortage of skilled labour a constraint ²	43	44	42	45	
Percentage rating inadequate supply of building materials a constraint ²	17	13	19	12	
Percentage rating insufficient demand for building work a constraint ²	72	55	82	65	
Percentage rating firm's inadequate access to credit a constraint ²	30	21	41	28	

* Expected.

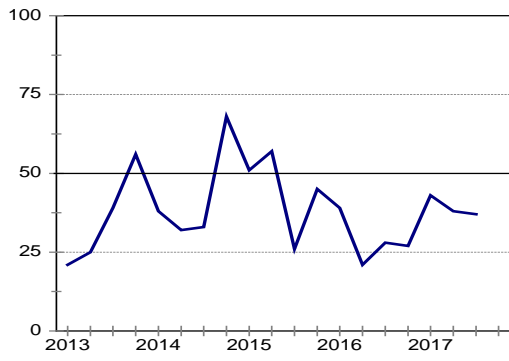
¹ Net balance.

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.

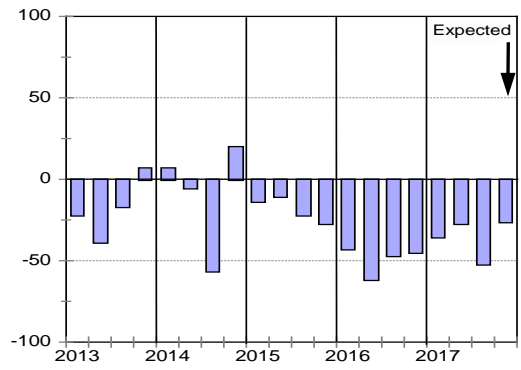
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

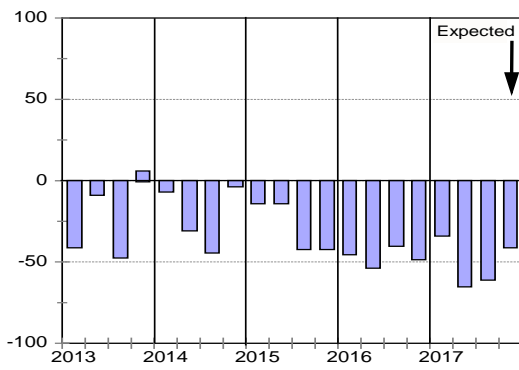
Business confidence



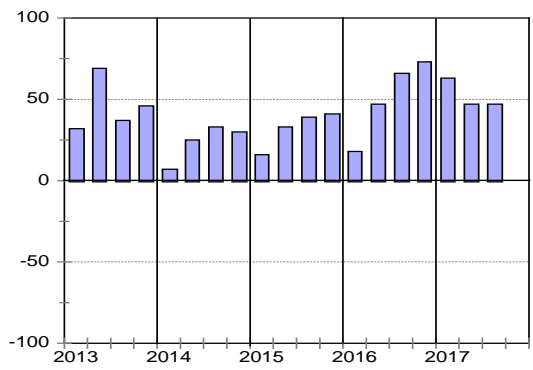
Change in business conditions



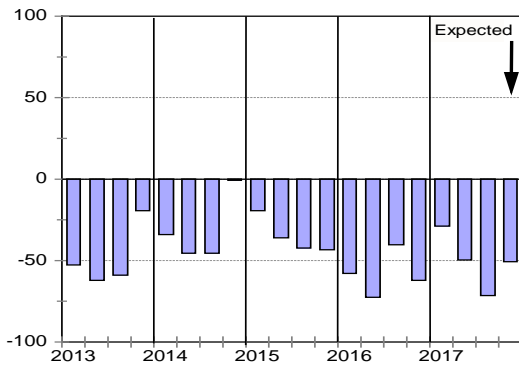
Growth in building activity



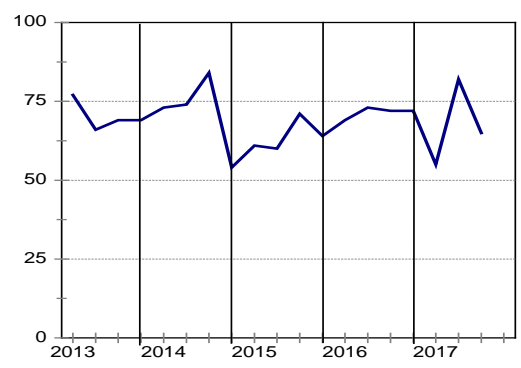
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	<i>16Q4</i>	<i>17Q1</i>	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4*</i>
Business confidence ³	38	27	37	19	
Change in business conditions ¹	-42	-61	-38	-59	-28
Growth in building activity ¹	-41	-62	-40	-77	-43
Growth in number of people employed ¹	-33	-74	-39	-62	-43
Growth in profitability of the business ¹	-61	-83	-67	-86	-57
Tendering competition ¹	27	22	29	40	
Percentage rating shortage of skilled labour a constraint ²	57	48	53	52	
Percentage rating inadequate supply of building materials a constraint ²	22	19	26	30	
Percentage rating insufficient demand for building work a constraint ²	63	66	73	79	
Percentage rating firm's inadequate access to credit a constraint ²	41	31	37	35	

* Expected.

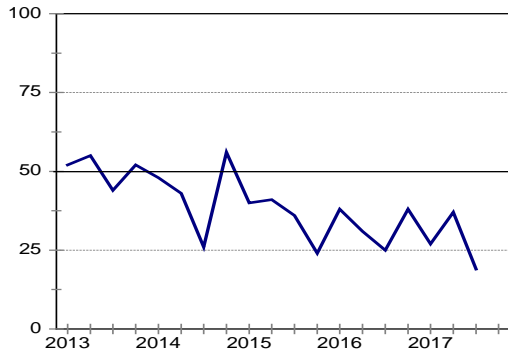
¹ Net balance.

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.

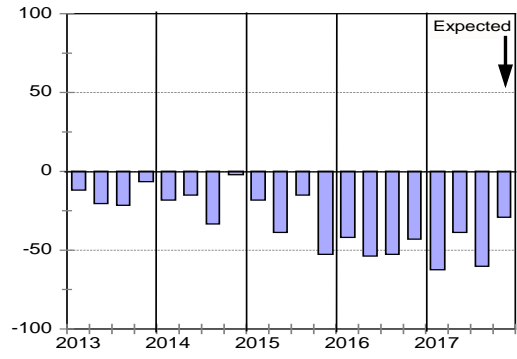
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

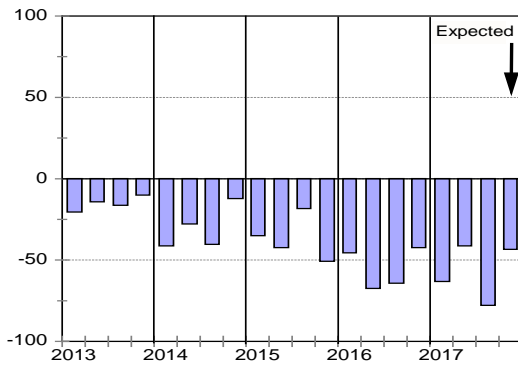
Business confidence



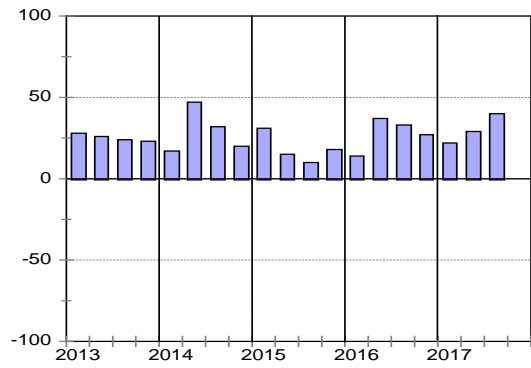
Change in business conditions



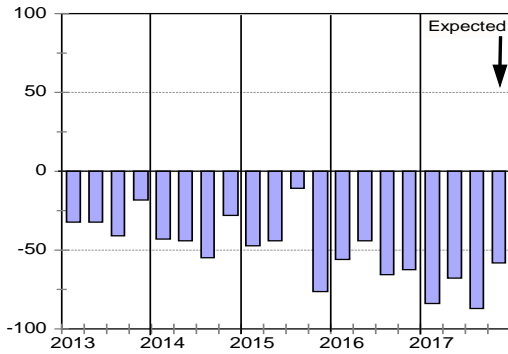
Growth in building activity



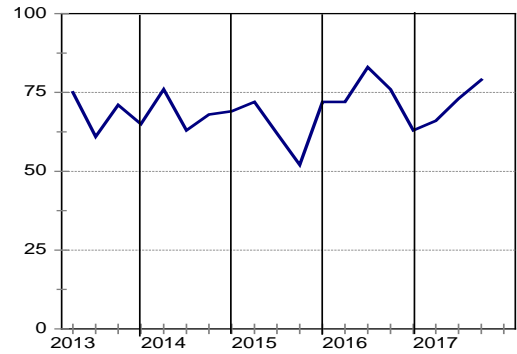
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	<i>16Q4</i>	<i>17Q1</i>	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4*</i>
Business confidence ³	67	64	47	52	
Change in business conditions ¹	9	-22	-41	-40	-42
Growth in building activity ¹	5	-21	-48	-40	-36
Growth in number of people employed ¹	14	-8	-28	-44	-21
Growth in profitability of the business ¹	-9	-21	-63	-48	-38
Tendering competition ¹	57	46	60	73	
Percentage rating shortage of skilled labour a constraint ²	72	52	39	40	
Percentage rating inadequate supply of building materials a constraint ²	36	27	20	19	
Percentage rating insufficient demand for building work a constraint ²	64	60	73	68	
Percentage rating firm's inadequate access to credit a constraint ²	45	35	33	25	

* Expected.

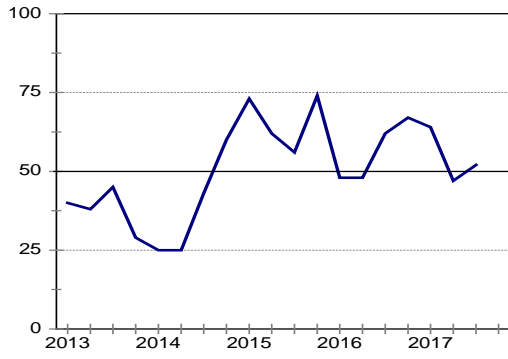
¹ Net balance.

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

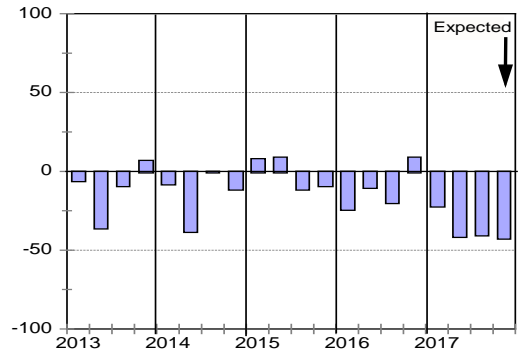
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

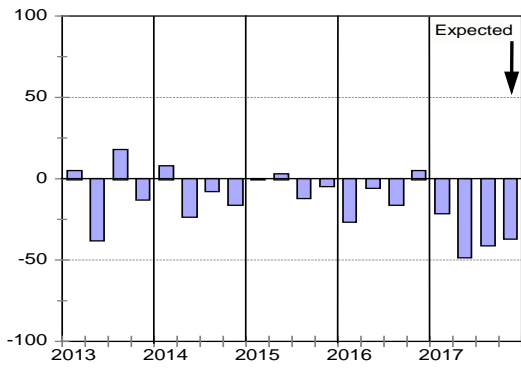
Business confidence



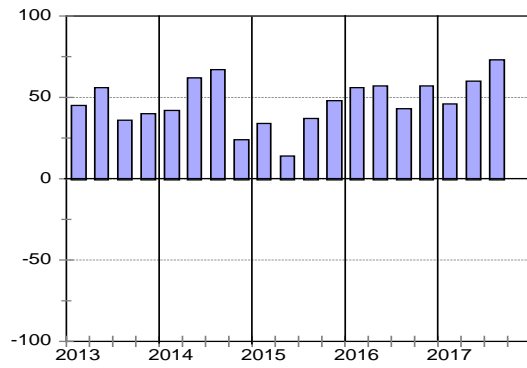
Change in business conditions



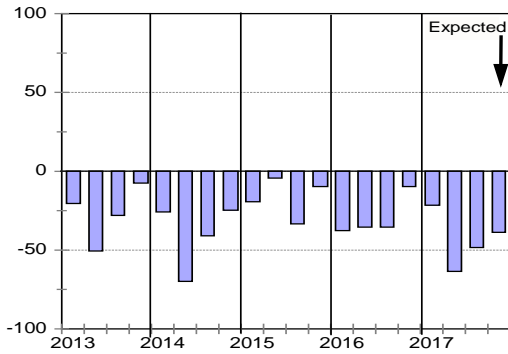
Growth in building activity



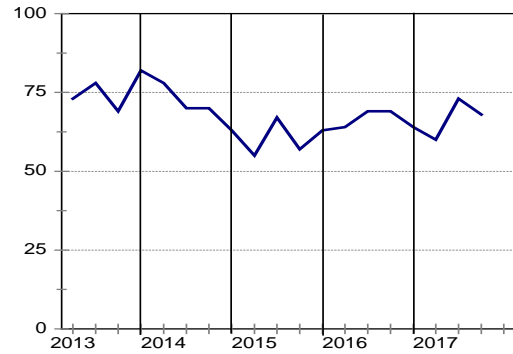
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	41	37	43	38	
Change in business conditions ¹	-34	-44	-27	-41	-13
Growth in construction activity ¹	-39	-48	-39	-49	-26
Growth in number of people employed ¹	-34	-41	-34	-39	-24
Growth in profitability of the business ¹	-40	-47	-45	-59	-29
Tendering competition ¹	42	52	37	37	
Percentage rating shortage of skilled labour a constraint ²	47	45	48	38	
Percentage rating inadequate supply of construction materials a constraint ²	21	20	31	28	
Percentage rating insufficient demand for construction work a constraint ²	67	77	70	76	
Percentage rating firm's inadequate access to credit a constraint ²	32	33	40	39	

* Expected.

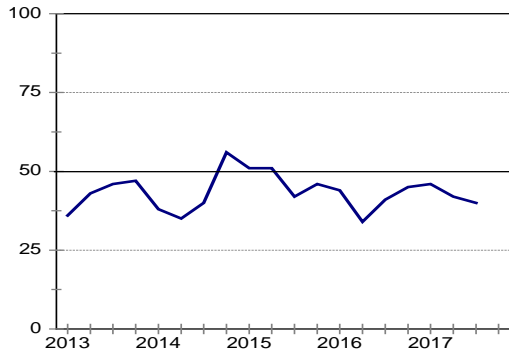
¹ Net balance.

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

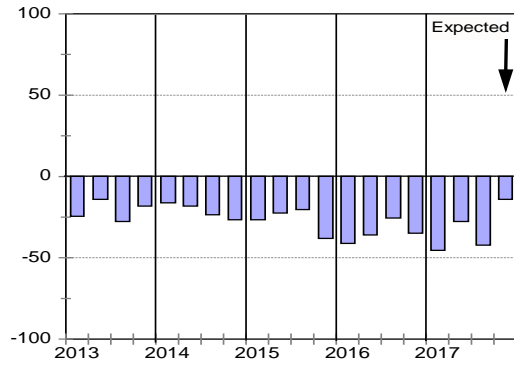
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

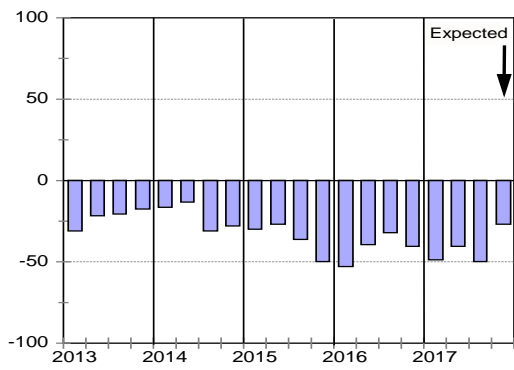
Business confidence



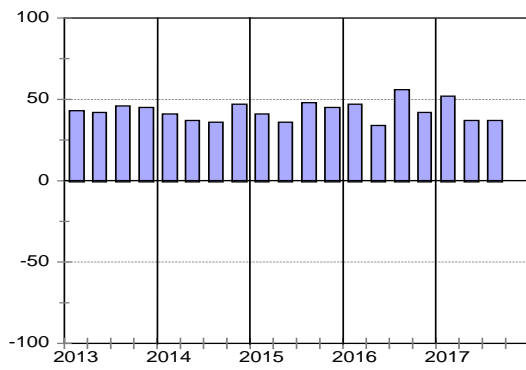
Change in business conditions



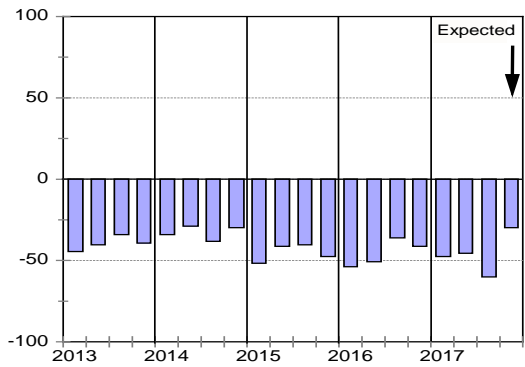
Growth in construction activity



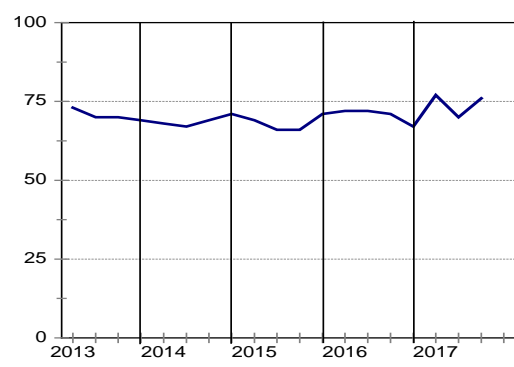
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	43	33	44	43	
Change in business conditions ¹	-45	-50	-35	-43	-36
Growth in construction activity ¹	-50	-71	-47	-52	-37
Growth in number of people employed ¹	-32	-50	-30	-35	-32
Growth in profitability of the business ¹	-46	-55	-47	-67	-43
Tendering competition ¹	9	39	0	6	
Percentage rating shortage of skilled labour a constraint ²	47	44	50	37	
Percentage rating inadequate supply of construction materials a constraint ²	27	14	37	37	
Percentage rating insufficient demand for construction work a constraint ²	61	66	63	82	
Percentage rating firm's inadequate access to credit a constraint ²	48	30	45	47	

* Expected.

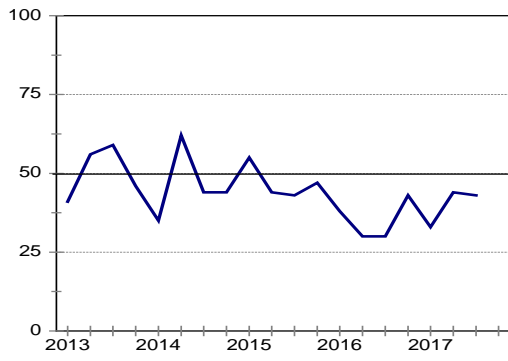
¹ Net balance.

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.

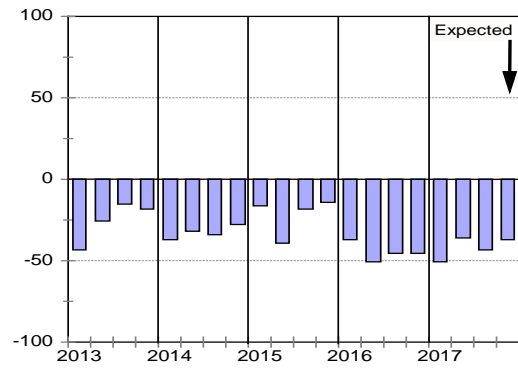
³ Percentage gross rating prevailing business conditions as satisfactory.

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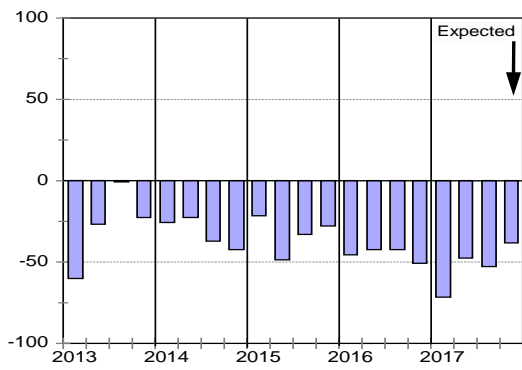
Business confidence



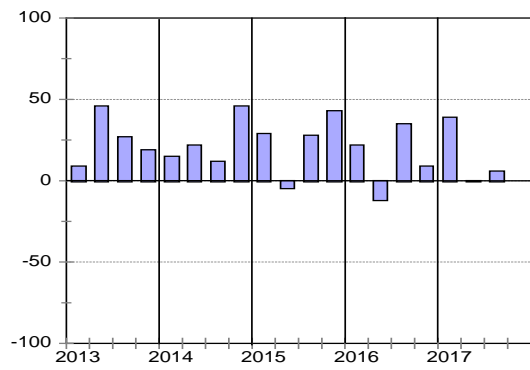
Change in business conditions



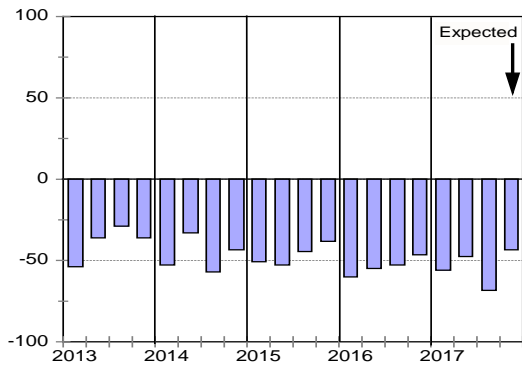
Growth in construction activity



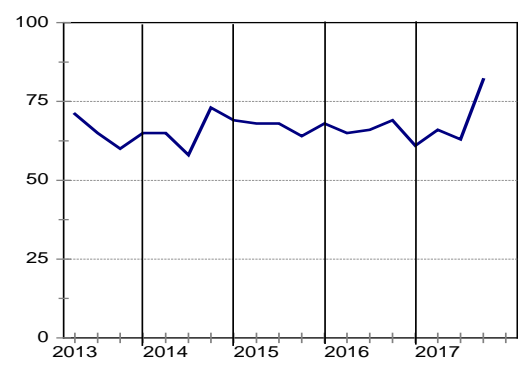
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	49	45	37	44	
Change in business conditions ¹	-27	-35	-42	-24	11
Growth in construction activity ¹	-38	-31	-54	-36	-21
Growth in number of people employed ¹	-26	-32	-39	-36	-15
Growth in profitability of the business ¹	-34	-38	-44	-43	-19
Tendering competition ¹	46	51	39	40	
Percentage rating shortage of skilled labour a constraint ²	52	49	42	42	
Percentage rating inadequate supply of construction materials a constraint ²	17	24	23	27	
Percentage rating insufficient demand for construction work a constraint ²	67	78	72	64	
Percentage rating firm's inadequate access to credit a constraint ²	28	39	29	40	

* Expected.

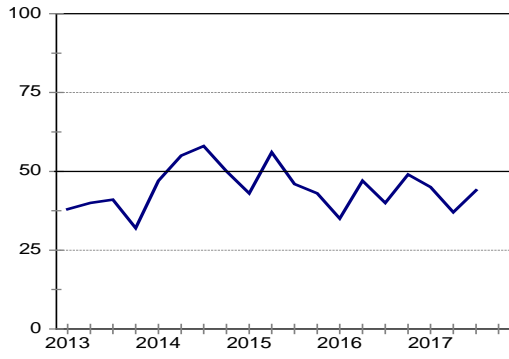
¹ Net balance.

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

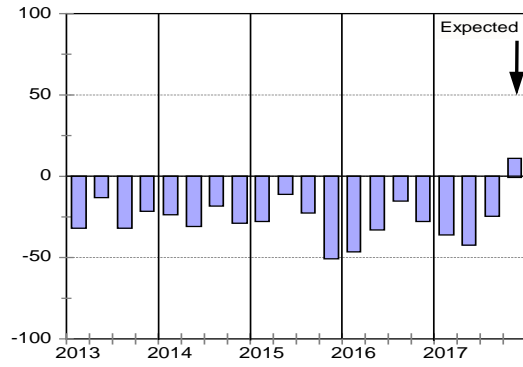
³ Percentage gross rating prevailing business conditions as satisfactory.

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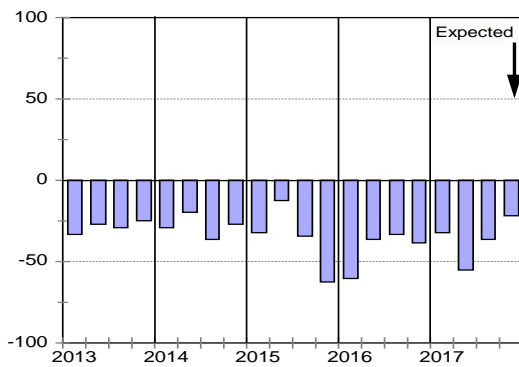
Business confidence



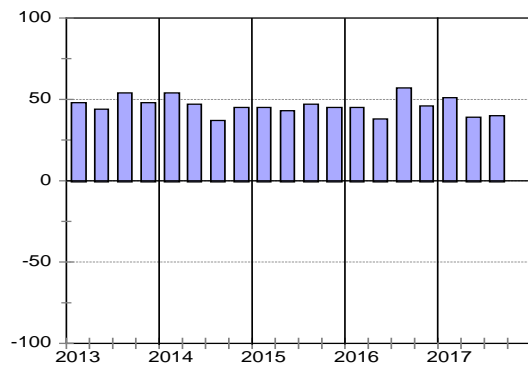
Change in business conditions



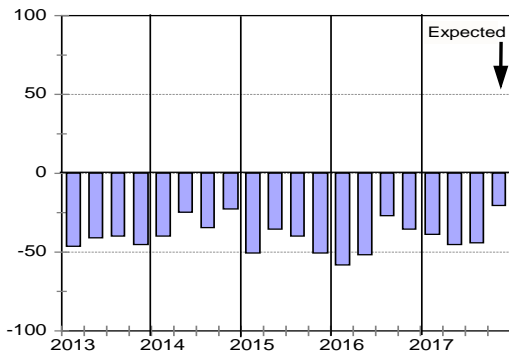
Growth in construction activity



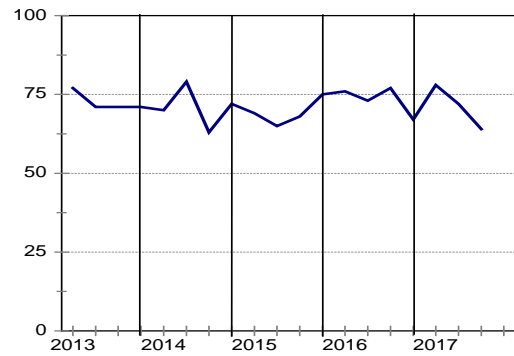
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	26	25	17	21	
Change in business conditions ¹	-35	-54	-50	-62	-21
Growth in construction activity ¹	-31	-61	-54	-67	-18
Growth in number of people employed ¹	-50	-48	-48	-50	-26
Growth in profitability of the business ¹	-48	-56	-52	-75	-30
Tendering competition ¹	66	61	83	79	
Percentage rating shortage of skilled labour a constraint ²	37	40	48	33	
Percentage rating inadequate supply of construction materials a constraint ²	20	17	25	15	
Percentage rating insufficient demand for construction work a constraint ²	72	81	80	86	
Percentage rating firm's inadequate access to credit a constraint ²	24	23	35	28	

* Expected.

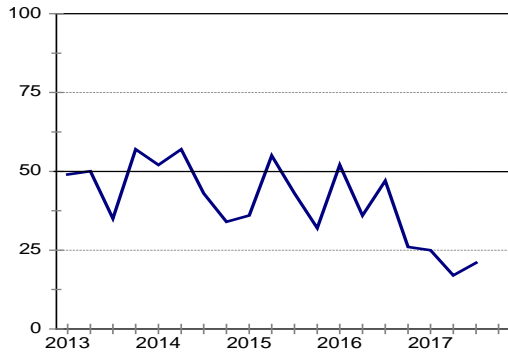
¹ Net balance.

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.

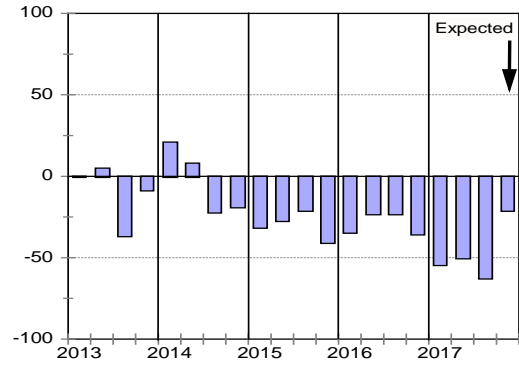
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

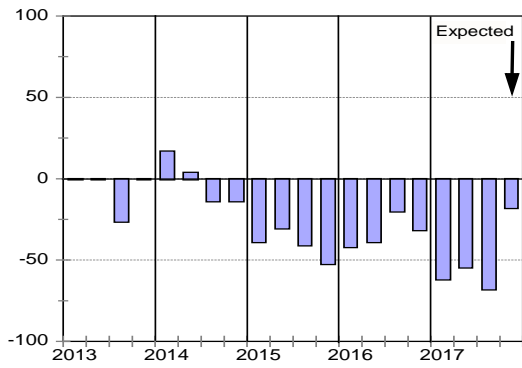
Business confidence



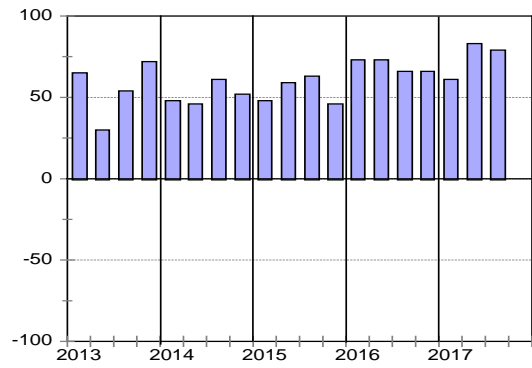
Change in business conditions



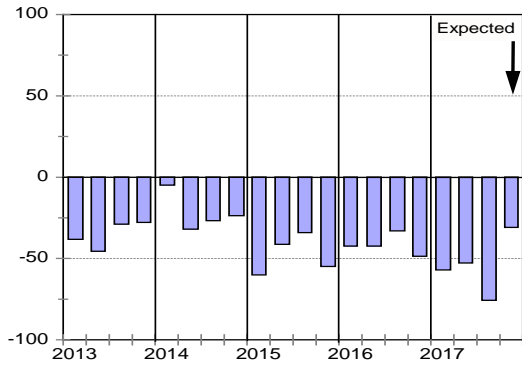
Growth in construction activity



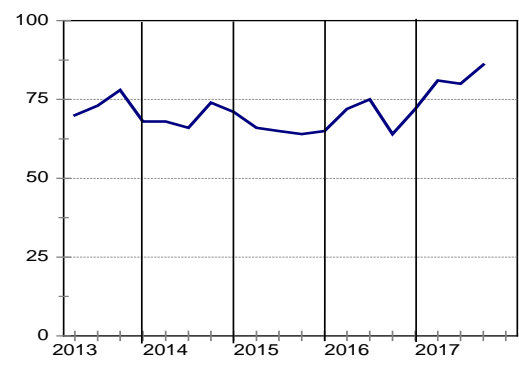
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	46	33	27	38	
Change in business conditions ¹	-29	-54	-46	-27	0
Growth in construction activity ¹	-31	-62	-61	-36	-8
Growth in number of people employed ¹	-7	-61	-50	-22	0
Growth in profitability of the business ¹	-43	-54	-61	-57	-23
Tendering competition ¹	21	46	6	36	
Percentage rating shortage of skilled labour a constraint ²	61	54	37	54	
Percentage rating inadequate supply of construction materials a constraint ²	18	15	13	19	
Percentage rating insufficient demand for construction work a constraint ²	64	81	77	79	
Percentage rating firm's inadequate access to credit a constraint ²	40	42	50	41	

* Expected.

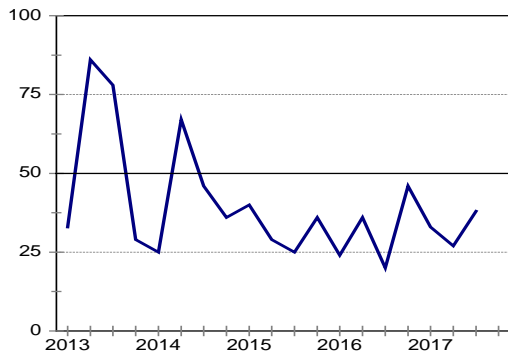
¹ Net balance.

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.

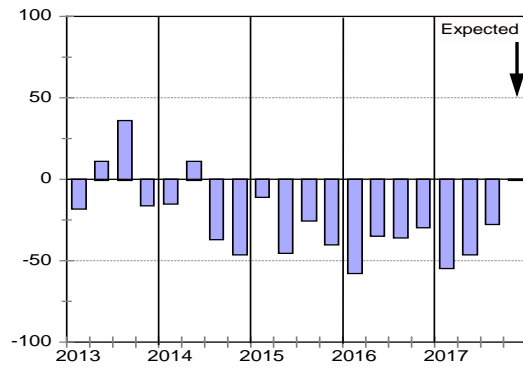
³ Percentage gross rating prevailing business conditions as satisfactory.

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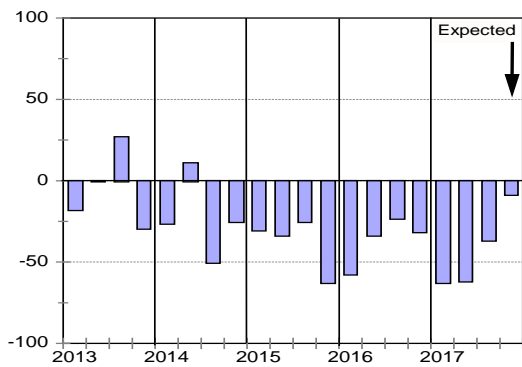
Business confidence



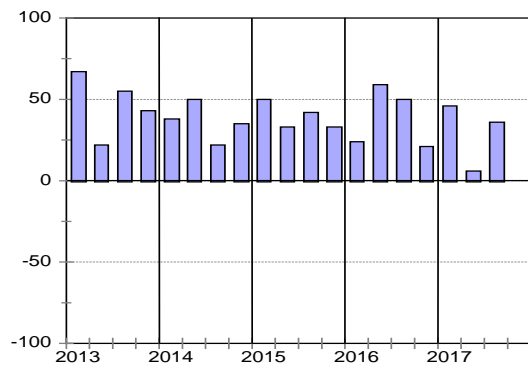
Change in business conditions



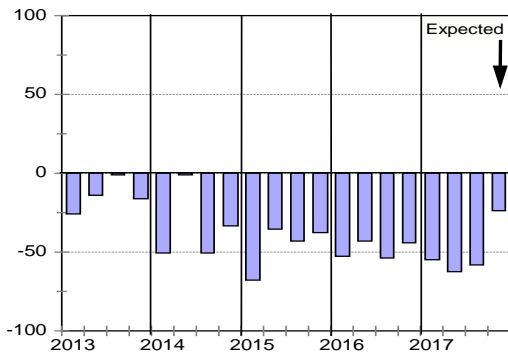
Growth in construction activity



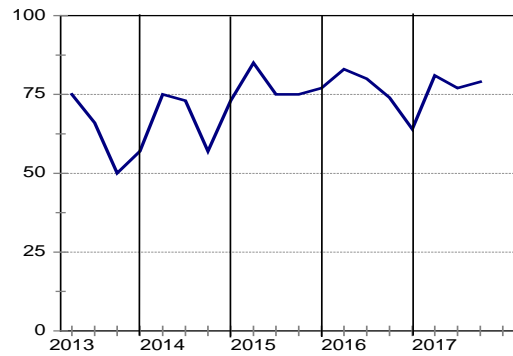
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	47	25	29	33	
Change in business conditions ¹	-53	-44	-32	-33	-7
Growth in building activity ¹	-50	-60	-30	-45	-19
Growth in number of people employed ¹	-47	-50	-29	-45	-38
Growth in profitability of the business ¹	-43	-67	-62	-56	-38
Tendering competition ¹	67	19	40	44	
Percentage rating shortage of skilled labour a constraint ²	23	28	32	23	
Percentage rating inadequate supply of building materials a constraint ²	30	25	25	34	
Percentage rating insufficient demand for building work a constraint ²	66	82	67	81	
Percentage rating firm's inadequate access to credit a constraint ²	33	37	43	39	

* Expected.

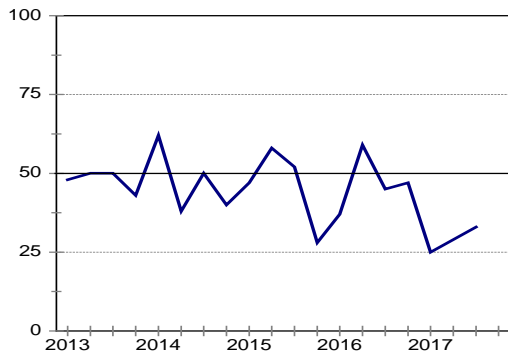
¹ Net balance.

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

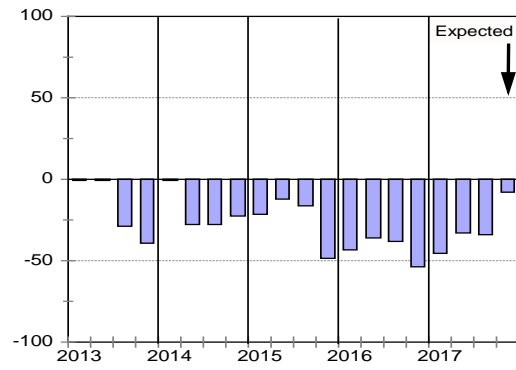
³ Percentage gross rating prevailing business conditions as satisfactory.

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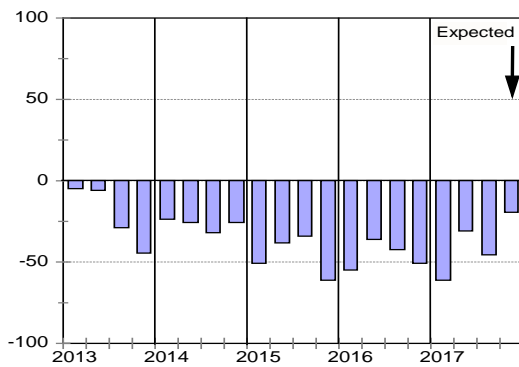
Business confidence



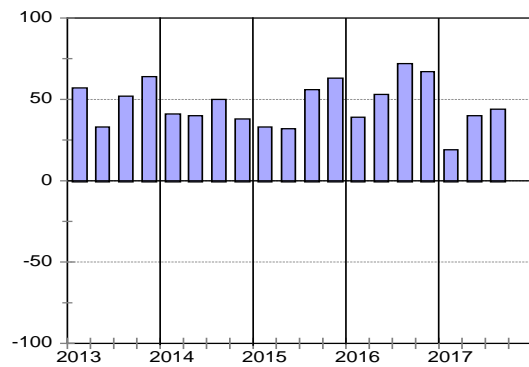
Change in business conditions



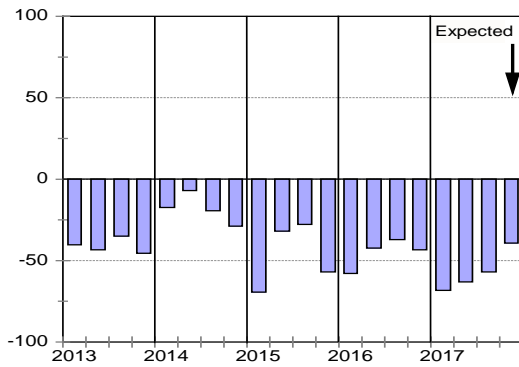
Growth in construction activity



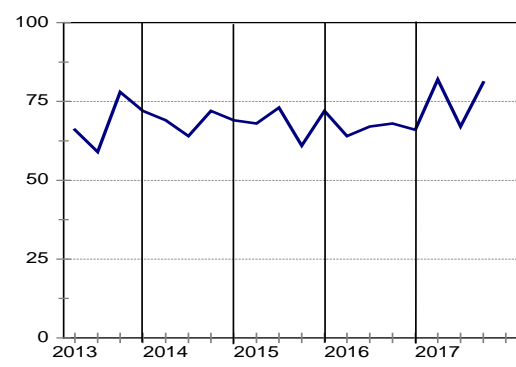
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	40	38	43	39	
Change in business conditions ¹	-29	-41	-39	-52	-13
Growth in construction activity ¹	-38	-31	-50	-53	-36
Growth in number of people employed ¹	-24	-33	-49	-41	-27
Growth in profitability of the business ¹	-38	-37	-56	-69	-39
Tendering competition ¹	38	52	53	21	
Percentage rating shortage of skilled labour a constraint ²	50	44	59	39	
Percentage rating inadequate supply of construction materials a constraint ²	21	22	38	31	
Percentage rating insufficient demand for construction work a constraint ²	67	78	79	74	
Percentage rating firm's inadequate access to credit a constraint ²	33	29	41	33	

* Expected.

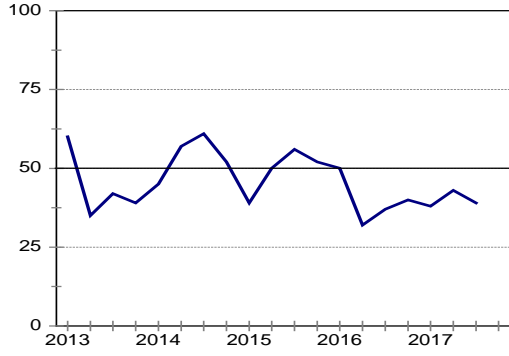
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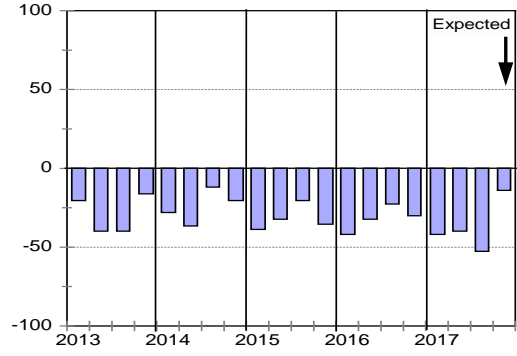
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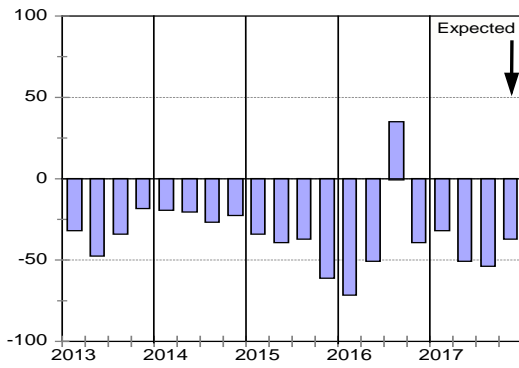
Business confidence



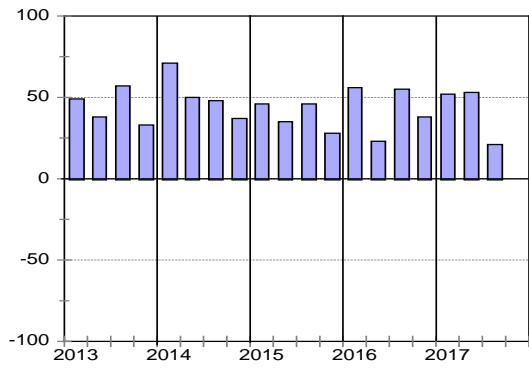
Change in business conditions



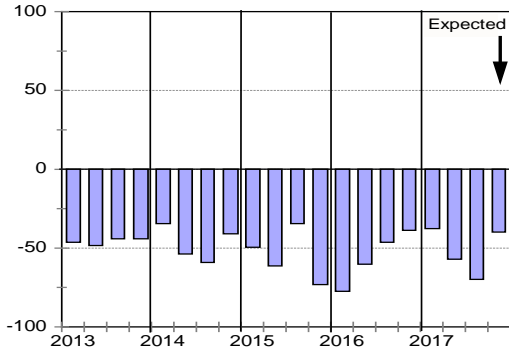
Growth in construction activity



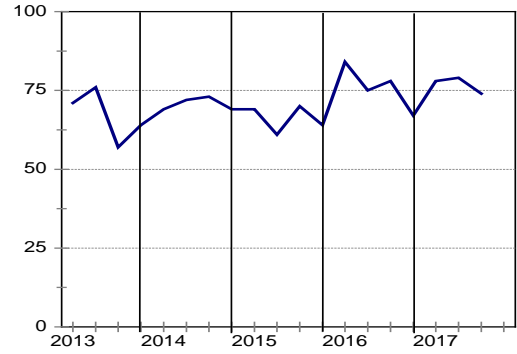
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	16Q4	17Q1	17Q2	17Q3	17Q4*
Business confidence ³	50	50	57	44	
Change in business conditions ¹	-21	-46	-31	-45	-35
Growth in construction activity ¹	-48	-53	-33	-50	-35
Growth in number of people employed ¹	-31	-20	0	-27	-29
Growth in profitability of the business ¹	-26	-27	-18	-50	-29
Tendering competition ¹	42	87	50	67	
Percentage rating shortage of skilled labour a constraint ²	50	56	59	47	
Percentage rating inadequate supply of construction materials a constraint ²	17	17	17	27	
Percentage rating insufficient demand for construction work a constraint ²	58	66	59	78	
Percentage rating firm's inadequate access to credit a constraint ²	22	33	21	36	

* Expected.

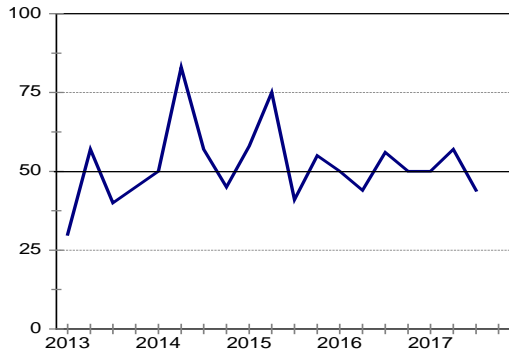
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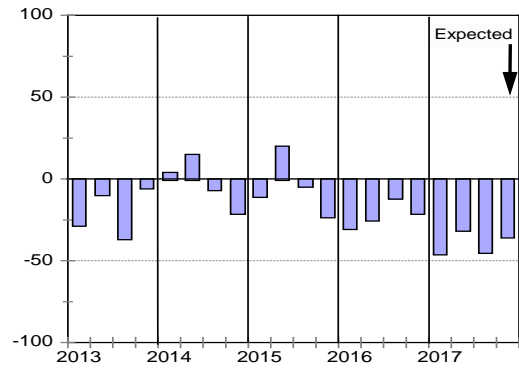
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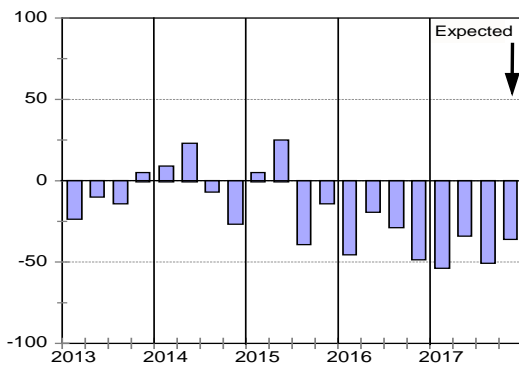
Business confidence



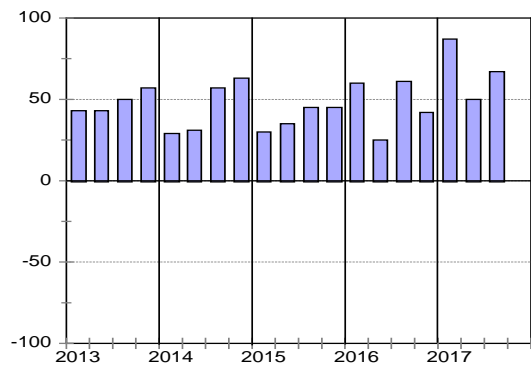
Change in business conditions



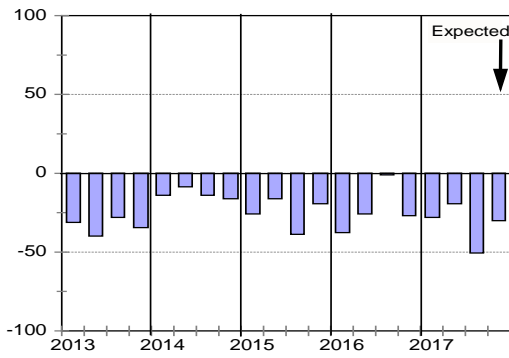
Growth in construction activity



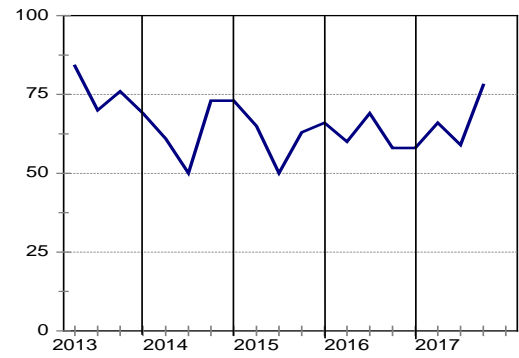
Tendering competition



Growth in profitability



Insufficient building work demand



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