



cidb-SME  
**BUSINESS  
CONDITIONS  
SURVEY**

**4<sup>TH</sup>** QUARTER  
2011





University of Stellenbosch

## **cidb Survey Results: 2011Q4**

*December 2011*



# Summary

## *Building Contractors*

The overall business confidence of building contractors rose marginally from an index number of 28 in 2011Q3, to a value of 34 in 2011Q4.

Growth in building activity seemed to stabilise at low levels in 2011Q4. A net -43% of the survey respondents indicated that building activity was lower than the same quarter a year ago. The tempo of labour shedding slowed during the survey quarter.

When tendering, respondents encountered less intense competition for new work. As a result, the pressure on profit margins eased during the survey quarter.

Seventy-three per cent of the survey respondents reported that insufficient demand for building work was constraining their business operations. Respondents anticipate that business conditions would remain tough in 2012Q1.

The business confidence of Grades 3 & 4 and Grades 5 & 6 rose slightly in 2011Q4. The confidence level of Grades 7 & 8 improved nicely from 28 to 38 in 2011Q4. Regionally, business confidence increased significantly in KwaZulu-Natal and in the Western Cape. However, a slight weakening of business confidence was reported in the Eastern Cape and in Gauteng.

## *Civil Contractors*

The overall business confidence of civil contractors rose slightly from an index value of 33 in 2011Q3, to a level of 36 in 2011Q4. Business conditions during the survey quarter underperformed expectations, but improved considerably when compared to 2011Q3.

Survey respondents indicated that the growth in construction activity improved during the survey quarter, when compared to 2011Q3. However, tendering competition intensified during the survey quarter and continued to put pressure on contractors' profit margins.

A majority of 74% of the respondents reported insufficient demand as a constraint on their operations. Nevertheless, 6% of respondents expect general business conditions to improve in 2012Q1.

The business confidence of civil contractors in Grades 3 & 4, as well as in Grades 5 & 6, improved during the survey quarter. The business confidence of civil contractors in Grades 7 & 8 dropped from an index value of 31 to a level of 26 in 2011Q4. Regionally, business confidence in the Western Cape remained constant, and dropped slightly from 21 to 20 in the Eastern Cape. In Gauteng confidence improved slightly, but confidence levels declined somewhat in KwaZulu-Natal.

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# **Introduction**

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

The 2011Q4 survey was carried out during the period 17 October – 15 November 2011.

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



# 2011Q4 cidb Survey Results

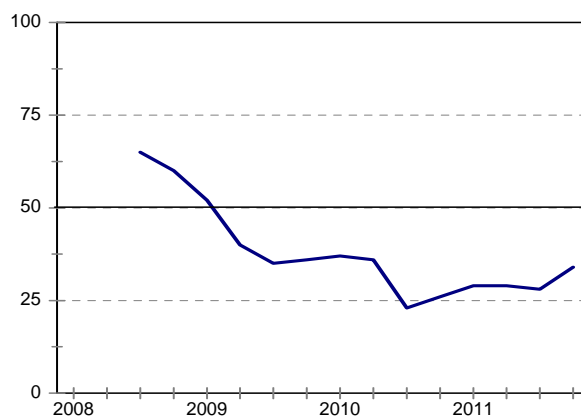
## Building Industry

### Total

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The overall business confidence of building contractors increased from an index number of 28 in 2011Q3, to a value of 34 in 2011Q4. This improvement can be explained by the slight easing in competition in tendering during the quarter.

Figure 1: Total  
Business confidence



Compared to the previous quarter, building activity improved marginally. The pace of job shedding slowed down. The survey results indicate that pressure on profit margins eased during the survey quarter. A shortage of skilled labour remains a constraint on businesses and inadequate supplies of building materials are still being reported by 26% of the respondents. In addition, a majority of 73%<sup>1</sup> of those polled indicated that the lack of building work was hampering their operations.

Nonetheless, respondents expect business conditions to improve during the coming quarter.

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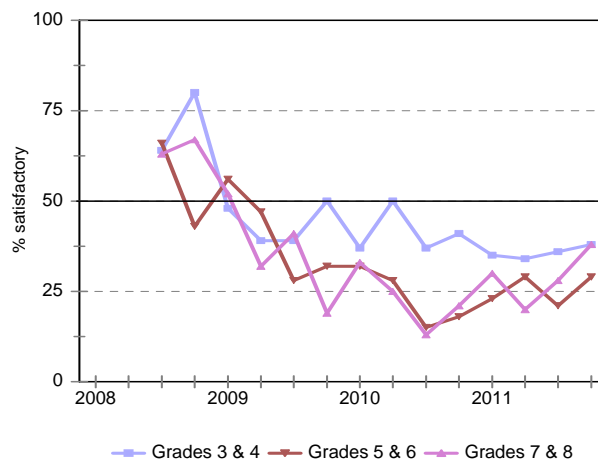
<sup>1</sup> In this report, the net balance is calculated by subtracting the percentage indicating “down” from those reporting “up”, whilst the percentage indicating “the same” is ignored.

## Grades comparison

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

Figure 2: Business confidence per grade



### *Grades 3 & 4*

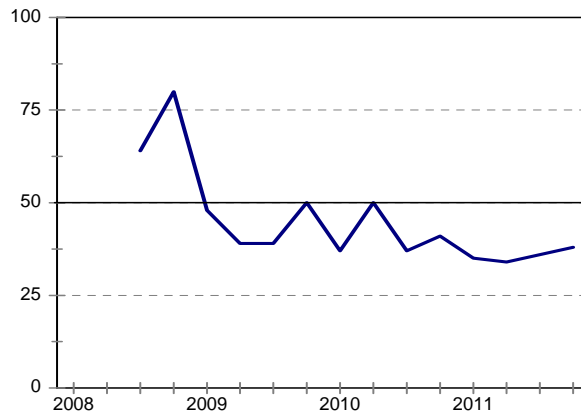
The overall business confidence of building contractors in Grades 3 & 4 improved somewhat in 2011Q4. Business confidence rose from an index value of 36 in 2011Q3, to a level of 38 in 2011Q4.

It is difficult to say where the improvement stems from because the survey results indicate that business conditions were still depressed in 2011Q4. Compared to 2011Q3, growth in building activity continued to deteriorate in 2011Q4. In addition, significant job retrenchments prevailed. When tendering for new work, competition remained keen. Consequently, downward pressure on profit margins increased during the survey quarter. Businesses are still constrained by the lack of skilled labour, as was reported by 47% of respondents.

Seventy-two per cent of the survey respondents indicated that insufficient demand for building work was a constraint on their operations. However, respondents expect general business conditions to improve in 2012Q1.

Figure 3: Grade 3 & 4

Business confidence

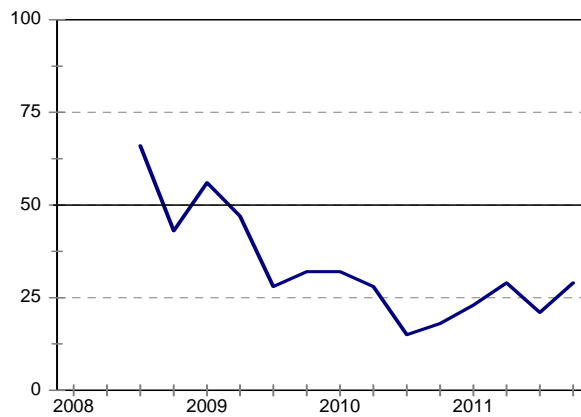


*Grades 5 & 6*

The overall business confidence of building contractors in Grades 5 & 6 rose from a level of 21, to 29 index points in 2011Q4. Compared to the previous quarter, general business conditions improved slightly because the downward spiral in building activity seemed to stabilise in 2011Q4.

Figure 4: Grade 5 & 6

Business confidence



The pace of labour shedding slowed down in 2011Q4. Building contractors encountered less keen competition in tendering. Consequently, overall profitability seemed to improve during the survey quarter. However, a net 73% of the survey respondents specified that insufficient demand for building work was still adversely affecting their business operations.

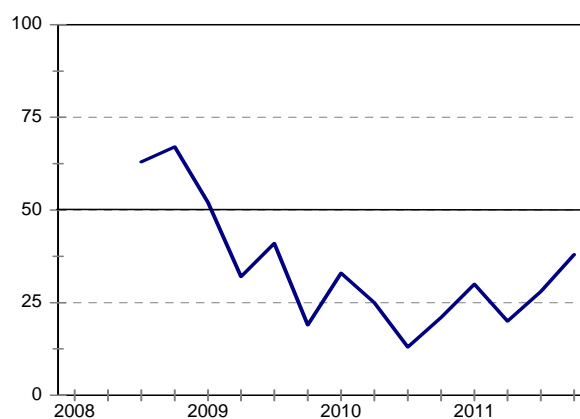
Expectations are that business conditions could show an improvement in 2012Q1.

### *Grades 7 & 8*

The overall business confidence of building contractors in Grades 7 & 8 increased significantly from a reading of 28 in 2011Q3, to a value of 38 in 2011Q4. Overall business conditions improved during the survey quarter and outperformed their expectations.

**Figure 5: Grade 7 & 8**

Business confidence



Compared to 2011Q3, growth in business activity picked up in 2011Q4. However, a net -26% of the respondents reported that business activity was still lower than a year ago. This compares to a net -50% reported in the third quarter. The tempo of job shedding eased sharply and 40% of respondents reported that skilled labour shortages remained a constraint on their business operations. Competition in tendering for new work eased considerably. As a result, there was less downward pressure on profit margins.

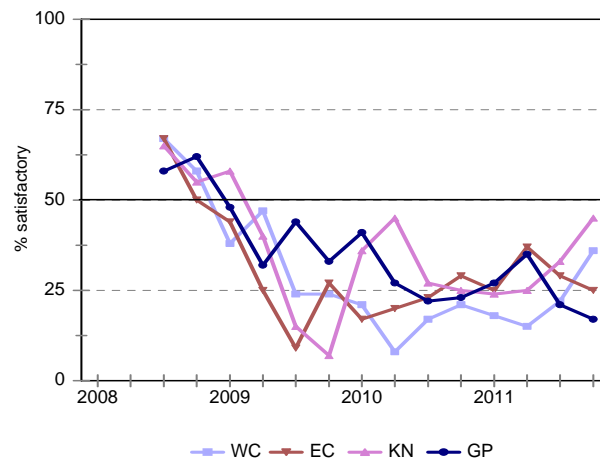
Even though the success of their business operations is limited by the lack of demand for new building work, the survey respondents expect some improvement in business conditions during 2012Q1.

## Provincial comparison

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The accompanying graph compares the change in regional business confidence indices between 2009Q3 and 2011Q4. Possible reasons for the changes are discussed in the text below.

Figure 6: Business confidence per province

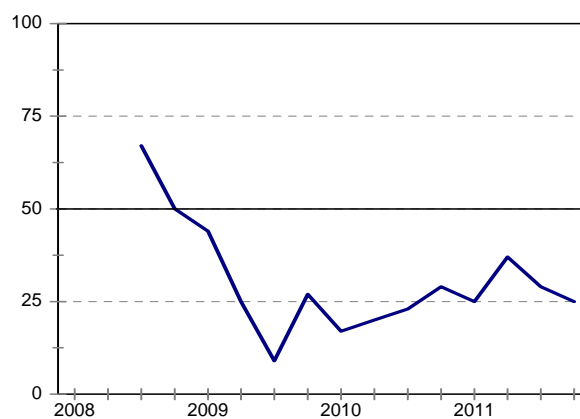


### *Eastern Cape*

The overall business confidence of building contractors (EC) declined marginally from an index value of 29 in 2011Q3, to a level of 25 in 2011Q4. Overall business conditions underperformed their expectations during the survey quarter.

Figure 7: Eastern Cape

Business confidence



Compared to 2011Q3, growth in building activity slowed down significantly during the survey period. Survey respondents experienced intense competition when tendering for new work. Accordingly, overall growth in profitability of their businesses declined in 2011Q4. When compared to the previous quarter, the pace of labour shedding seems to have stabilised. However, businesses are still constrained by the lack of skilled labour. In addition, insufficient demand for building work continues to limit the success of their operations.

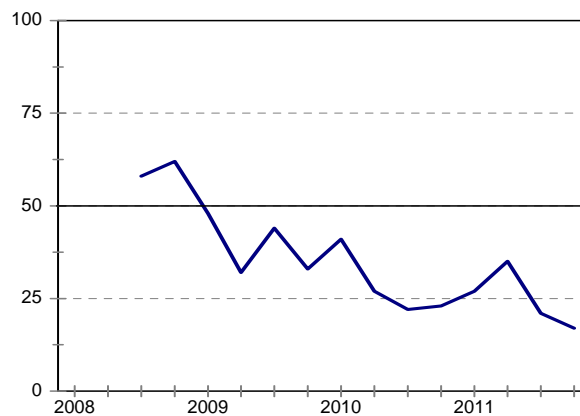
Expectations are for business conditions to improve in the coming quarter, despite the generally weak demand for building work.

### *Gauteng*

The overall business confidence of building contractors (GP) dropped from an index number of 21 in 2011Q3, to a level of 17 in 2011Q4. The percentage of respondents reporting poor business conditions increased from an index value of -42 in 2011Q3 to -60 in 2011Q4.

**Figure 8: Gauteng**

Business confidence



Growth in building activity declined further in 2011Q4. A net 57% of those polled reported that activity was below the level prevailing a year ago. Competition in tendering eased, but profit margins remained under pressure. Seventy-three per cent of the respondents indicated that growth in profitability was lower than in the corresponding quarter a year ago.

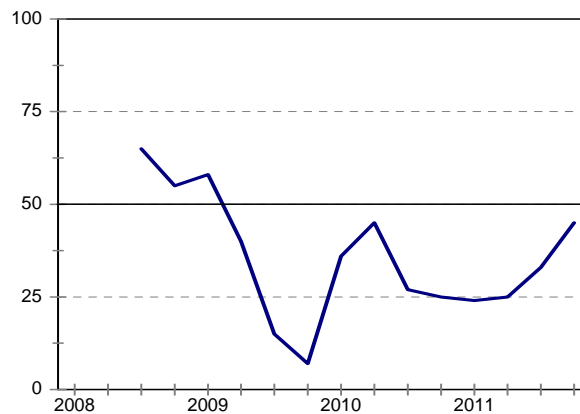


A net 78% of the contributors pointed to a lack of demand for new building work as a constraint on their business operations. Even so, respondents expect business conditions to improve somewhat during 2012Q1.

### *KwaZulu-Natal*

The overall business confidence level of building contractors (KZN) improved quite a bit in the survey quarter. Compared to a level of 33 reported in 2011Q3, business confidence increased to 45 in 2011Q4.

Figure 9: KwaZulu-Natal  
Business confidence



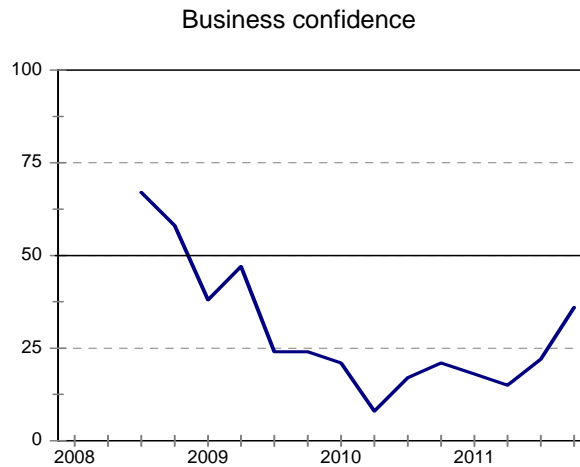
General business conditions improved very slightly when compared to the previous quarter. The survey results show that respondents experienced less intense competition when tendering for new work. However, this did not translate into growth in overall profitability as margins were still under pressure. Growth in building activity remained lackluster during the survey quarter. Sixty-eight per cent of respondents reported that insufficient building demand was hampering their business operations.

Survey respondents expect business conditions to remain tough in the coming quarter.

## Western Cape

The overall business confidence of building contractors (WC) improved considerably in 2011Q4. Compared to a level of 22 reported in 2011Q3, business confidence increased to 36 in 2011Q4.

Figure 10: Western Cape



The growth in building activity improved in 2011Q4, when compared to the previous quarter. A net -33% of those polled indicated that building activity was lower than the level prevailing a year ago. This percentage compares to -50% reported in 2011Q3. The tempo of job shedding slowed down, and the pressure on overall business profitability eased during 2011Q4.

The majority of respondents still find market conditions challenging and a net 76% of them indicated that the present weak state of building demand was a constraint on their businesses. Nevertheless, a majority of 5% of respondents anticipate improved business conditions during 2012Q1.

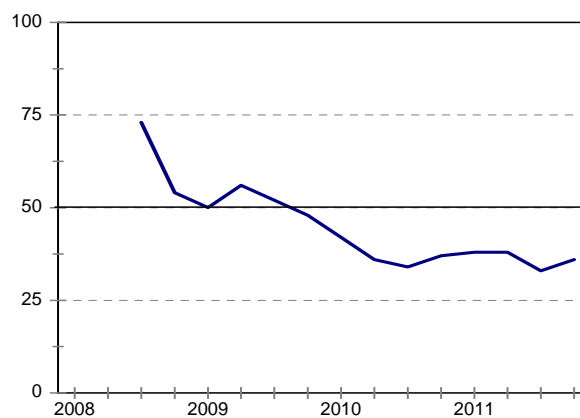
# Civil Engineering Industry

## Total

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The overall business confidence of civil contractors increased slightly from an index value of 33 in 2011Q3, to a level of 36 in 2011Q4. Business conditions underperformed expectations during the survey quarter, but improved considerably when compared to 2011Q3.

Figure 11: Total  
Business confidence



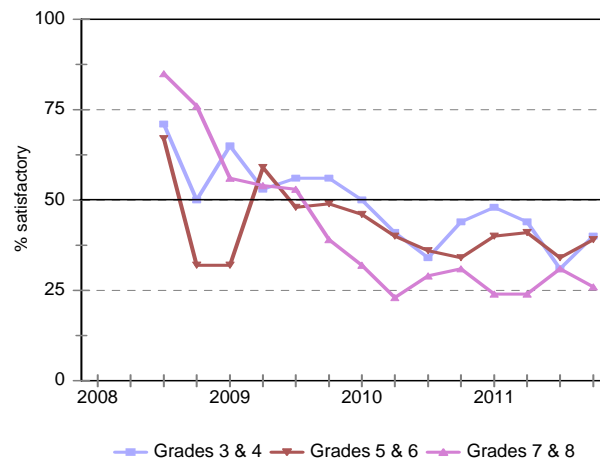
Compared to the previous quarter, growth in construction activity improved in 2011Q4. The survey results indicate that the pace of job shedding slowed slightly in 2011Q4 and that the downward pressure on profit margins eased somewhat. However, when tendering for new building work, survey respondents were faced with fiercer competition.

A net 74% of the respondents reported insufficient construction demand as a constraint on their business operations. Nevertheless, expectations are for business conditions to improve in 2012Q1.

## Grades comparison

The accompanying graph reflects the confidence levels of civil contractor respondents during the period 2009Q3 to 2011Q4. Possible explanations for the observed changes in business confidence are found below.

Figure 12: Business confidence per grade

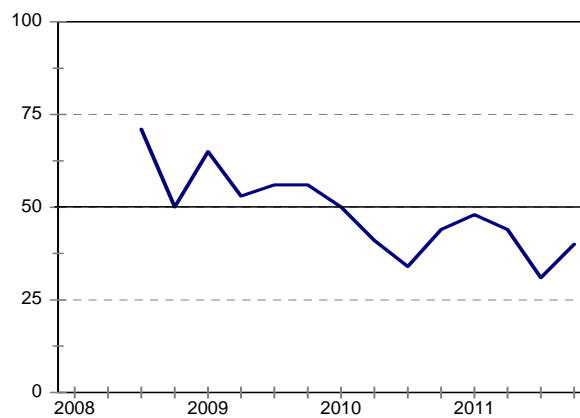


### *Grades 3 & 4*

The business confidence levels of civil contractors in Grades 3 & 4 rose significantly in 2011Q4. Compared to an index value of 31 recorded in 2011Q3, confidence increased to a level of 40 in 2011Q4.

Figure 13: Grade 3 & 4

Business confidence



General business conditions showed some improvement in 2011Q4. A net -14% of those polled indicated that business conditions were poorer than a year ago. This compares to a net -39% reported in 2011Q3.

When compared to the previous quarter, the growth in construction activity improved during 2011Q4. The tempo of job shedding slowed significantly. When compared to a net -38% in 2011Q3, a net-16% of respondents reported in 2011Q4 that growth in employment was lower than a year ago. Tendering competition was keener during the survey quarter. However, the pressure on profit margins eased somewhat.

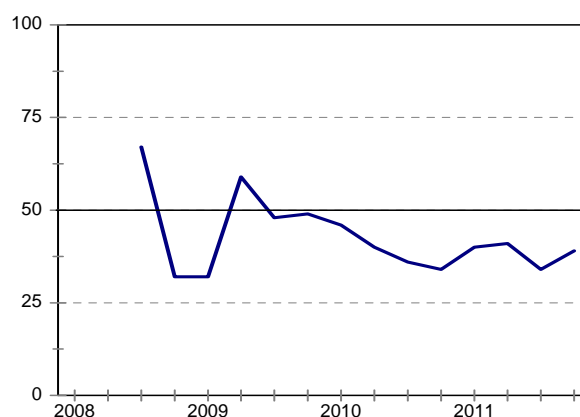
Seventy-six per cent of the respondents to the survey cite insufficient demand for new construction work as a constraint on their business operations. A net majority of 11% of respondents anticipate improved business conditions during the coming quarter.

### *Grades 5 & 6*

The business confidence levels of civil contractors in Grades 5 & 6 rose from an index level of 34 in 2011Q3 to a value of 39 in 2011Q4. Compared to 2011Q3, general business conditions improved significantly during the survey quarter.

**Figure 14: Grade 5 & 6**

**Business confidence**



Growth in construction activity also showed signs of an improvement during the survey quarter. A net -25% of the respondents indicated that construction activity was lower than a year ago. This compares to a net -38% reported in 2011Q3. Tendering competition and downward

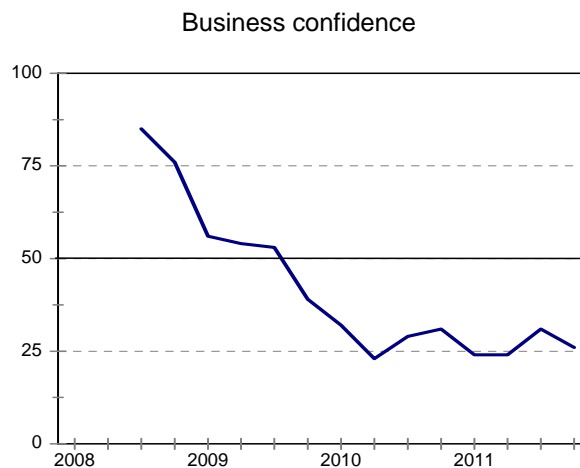
pressure on profit margins stabilised in 2011Q4. However, labour retrenchments prevailed during the survey quarter. Seventy-one per cent of the survey respondents rate insufficient construction demand as a constraint on their business operations.

Respondents to the survey expect business conditions to improve in the coming quarter, despite generally weak demand for new construction work.

### *Grades 7 & 8*

The business confidence level of civil contractors in Grades 7 & 8 fell during the survey quarter. Compared to a level of 31 in 2011Q3, business confidence declined to 26 in 2011Q4.

**Figure 15: Grade 7 & 8**



The growth in construction activity continued to deteriorate during 2011Q4. A net -52% of those polled indicated that construction activity was lower than a year ago. This compares to a net -46% reported in 2011Q3. In a very tough business environment, competition in tendering intensified. A net 83% of those polled encountered stiffer competition when tendering for new construction work.

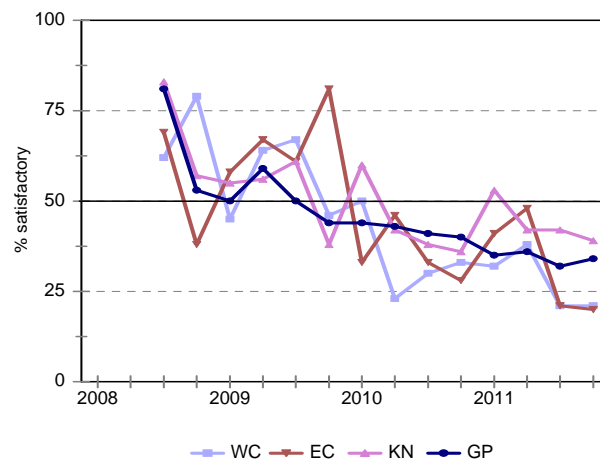
Seventy-nine per cent of the participants to the survey indicated that the lack of demand continued to hamper the success of their operations. Nonetheless, respondents are more optimistic about business conditions in 2012Q1.

## Provincial comparison

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The accompanying graph reflects the regional confidence levels of civil contractor respondents during the period 2009Q3 to 2011Q4. Refer to the section below for possible factors that could have impacted on the changes in confidence levels in the various regions.

Figure 16: Business confidence per province



### *Eastern Cape*

The business confidence level of civil contractors (EC) fell marginally from an index value of 21, to 20 in 2011Q4. This weak confidence level can be explained, in part, by the weak demand for construction work that prevailed during the survey quarter. A net 85% of those polled indicated that insufficient demand for construction work was hampering the success of their business operations.

Figure 17: Eastern Cape



When tendering for new work, respondents experienced fierce competition. Eighty-two percent of the survey participants reported that tendering competition was more intense compared to the corresponding quarter a year ago. Consequently, growth in overall profitability remained under pressure in the survey quarter. Job shedding eased in 2011Q4. According to 53% of respondents, business operations were curtailed by a scarcity of skilled labour. Thirty-five per cent of respondents reported materials shortages.

Expectations are for business conditions to improve in 2011Q4, despite the generally weak demand for new construction work.

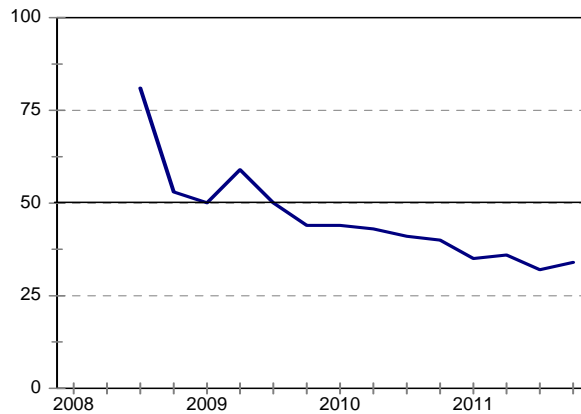
### *Gauteng*

The business confidence of civil contractors (GP) increased from a level of 32 in 2011Q3, to 34 in 2011Q4. Compared to 2011Q3, growth in construction activity improved during the survey period.



Figure 18: Gauteng

Business confidence



The survey results show that general business conditions also improved in 2011Q4. The tempo of labour shedding slowed down and the downward pressure on profit margins stabilised. However, seventy-five per cent of those polled indicated that the lack of demand for construction work was a major constraint on their operations.

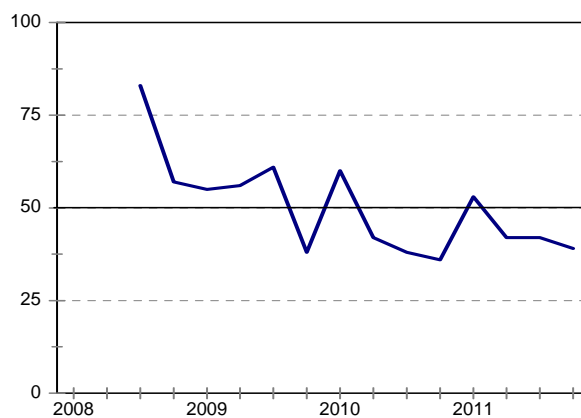
Nevertheless, expectations are for business conditions to improve during the coming quarter.

### *KwaZulu-Natal*

The business confidence levels of civil contractors (KZN) declined from an index value of 42 in 2011Q3, to an index number of 39 in 2011Q4.

Figure 19: KwaZulu-Natal

Business confidence



Growth in construction activity slowed down during the survey period. A net -48% of the respondents indicated that construction activity was lower than a year ago. Tendering competition remained keen, indicating that it was difficult to obtain new work. Accordingly, growth in overall profitability slowed down. General business conditions worsened slightly during the survey period.

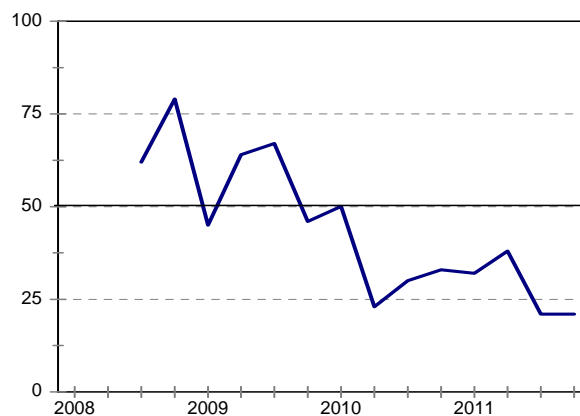
A net 80% of the survey participants indicated that the lack of demand for new construction work was limiting the success of their operations. However, a net 44% of the respondents expect business conditions to improve in 2012Q1.

### *Western Cape*

The overall business confidence of civil contractors (WC) remained constant at an index value of 21 in 2011Q4. The survey results revealed that it became increasingly difficult for the respondents to obtain new work. Seventy-two per cent of the participants encountered stiffer competition when tendering for new work.

Figure 20: Western Cape

Business confidence



Growth in construction activity was sluggish during the survey period, but general business conditions seemed to improve. Job shedding intensified in 2011Q4. A net -42% of the survey respondents indicated that growth in employment deteriorated further in 2011Q4. Downward pressure on profit margins increased, leading to a significant decline in the profitability of their businesses.

A majority of 78% of the respondents indicated that the lack of effective demand for construction work was hampering their business activities. Nevertheless, half of the respondents anticipate better business conditions during 2012Q1.

Ms Mamello Matikinca

Ms Ntombizanele Bakaqana



## **cidb Building Contractor: Survey Results**

## Building Contractors : Total

	11Q1	11Q2	11Q3	11Q4	12Q1*
<b>Business confidence <sup>3</sup></b>	<b>29</b>	<b>29</b>	<b>28</b>	<b>34</b>	
Change in business conditions <sup>1</sup>	-35	-41	-41	-41	-7
Growth in building activity <sup>1</sup>	-42	-56	-45	-43	-14
Growth in number of people employed <sup>1</sup>	-44	-50	-45	-37	-18
Growth in profitability of the business <sup>1</sup>	-55	-63	-61	-58	-24
Tendering competition <sup>1</sup>	57	48	50	41	
Weighted percentage rating shortage of skilled labour a constraint <sup>2</sup>	45	40	45	41	
Weighted percentage rating inadequate supply of building materials a constraint <sup>2</sup>	23	26	27	26	
Weighted percentage rating insufficient demand for building work a constr. <sup>2</sup>	77	82	79	73	

Expected.

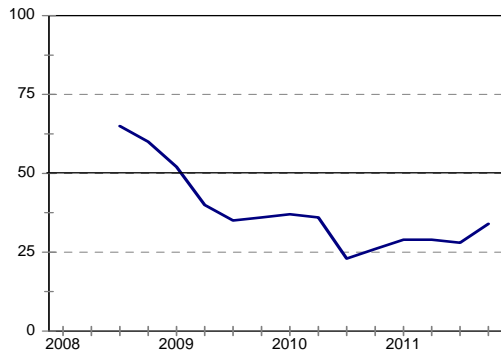
<sup>1</sup> Net balance.

<sup>2</sup> 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.

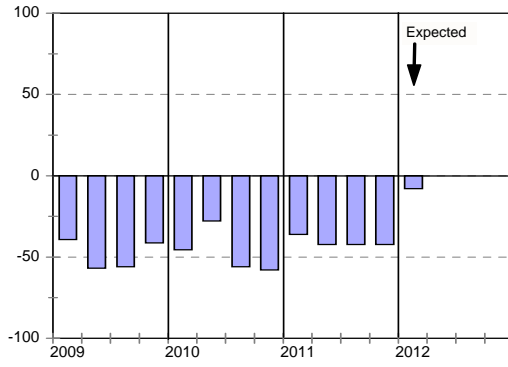
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

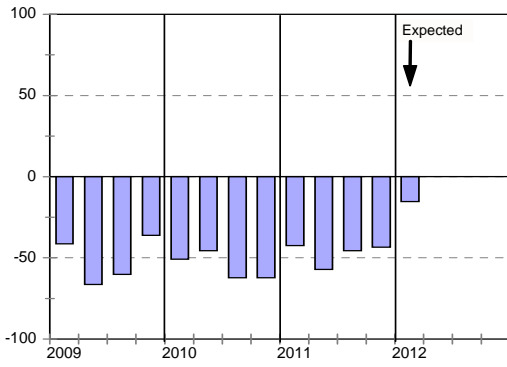
Business confidence



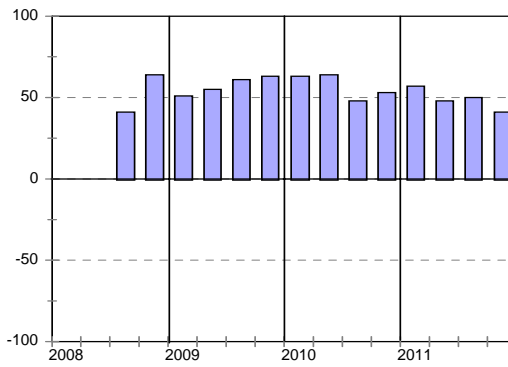
Change in business conditions



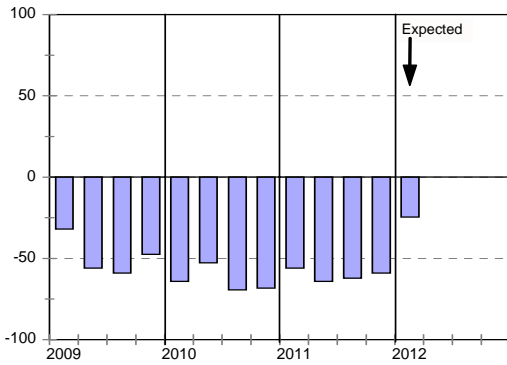
Growth in building activity



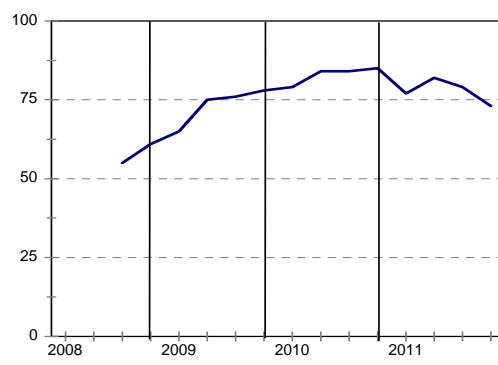
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	11Q1	11Q2	11Q3	11Q4	12Q1*
<b>Business confidence</b> <sup>3</sup>	35	34	36	38	
Change in business conditions <sup>1</sup>	-33	-29	-29	-46	-17
Growth in building activity <sup>1</sup>	-45	-49	-39	-45	-19
Growth in number of people employed <sup>1</sup>	-35	-42	-20	-30	-19
Growth in profitability of the business <sup>1</sup>	-51	-53	-46	-50	-28
Tendering competition <sup>1</sup>	47	31	30	33	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	47	38	46	47	
Percentage rating inadequate supply of building materials a constraint <sup>2</sup>	22	28	26	19	
Percentage rating insufficient demand for building work a constraint <sup>2</sup>	70	81	72	72	

Expected.

<sup>1</sup> Net balance.

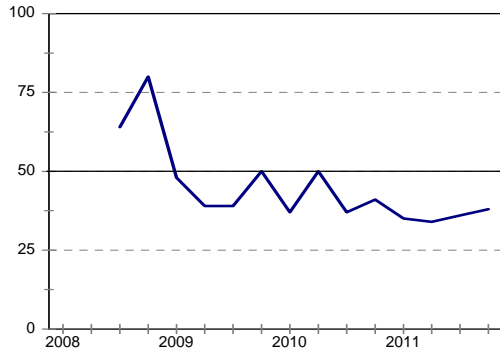
<sup>2</sup> The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by  $100/67 = 1,49$  to convert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

<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

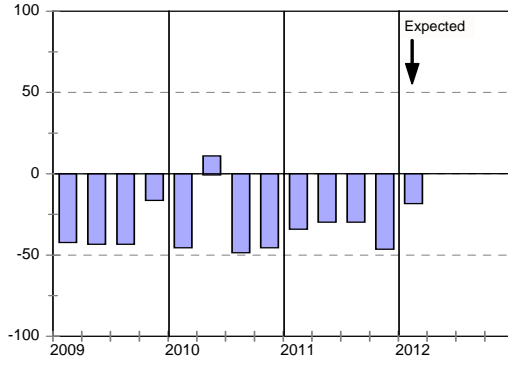
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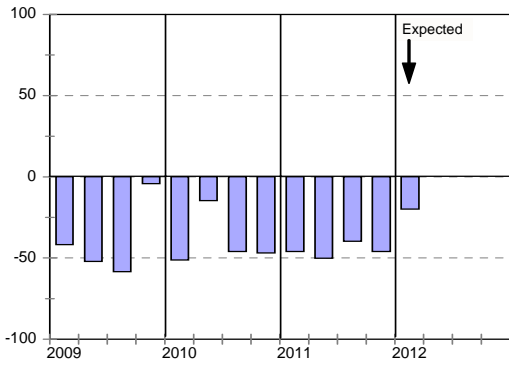
Business confidence



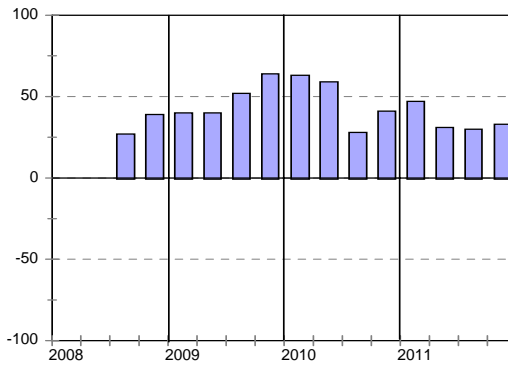
Change in business conditions



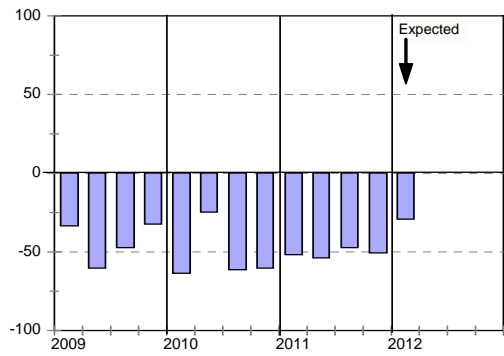
Growth in building activity



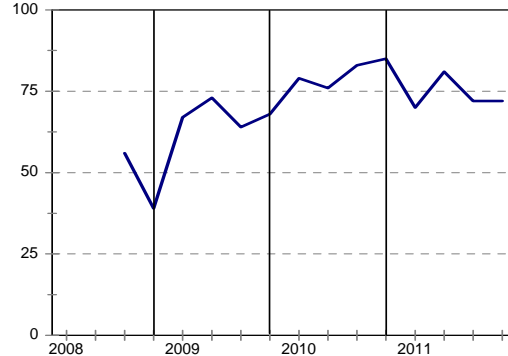
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	11Q1	11Q2	11Q3	11Q4	12Q1*
<b>Business confidence</b> <sup>3</sup>	23	29	21	29	
Change in business conditions <sup>1</sup>	-40	-41	-49	-42	-6
Growth in building activity <sup>1</sup>	-43	-59	-46	-49	-16
Growth in number of people employed <sup>1</sup>	-55	-54	-55	-44	-23
Growth in profitability of the business <sup>1</sup>	-56	-68	-70	-63	-27
Tendering competition <sup>1</sup>	58	53	59	45	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	39	46	47	38	
Percentage rating inadequate supply of building materials a constraint <sup>2</sup>	25	27	25	24	
Percentage rating insufficient demand for building work a constraint <sup>2</sup>	79	81	82	73	

Expected.

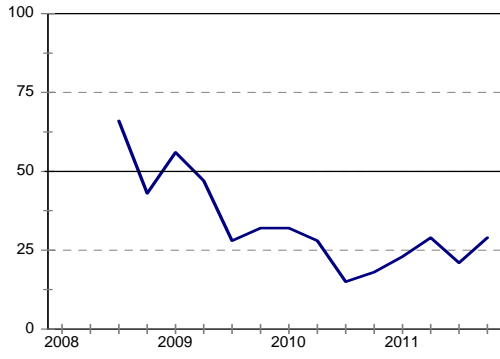
<sup>1</sup> Net balance.

<sup>2</sup> 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.

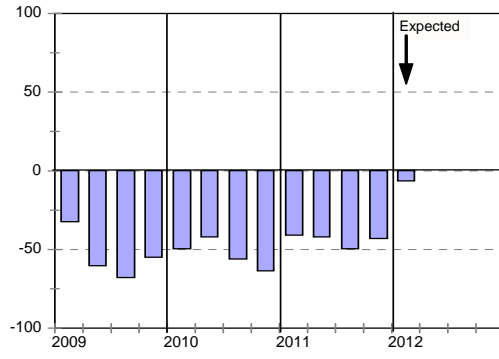
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

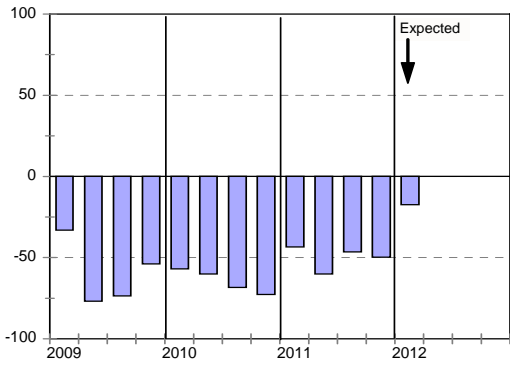
Business confidence



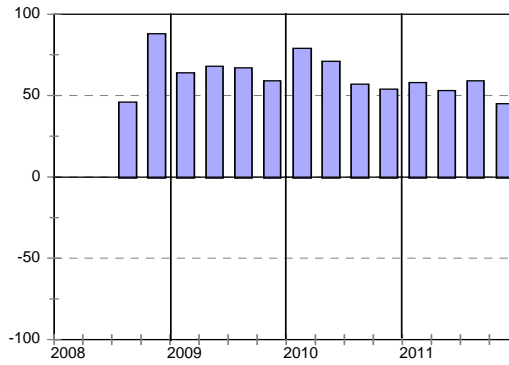
Change in business conditions



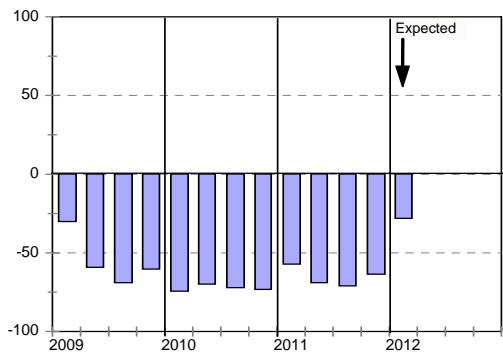
Growth in building activity



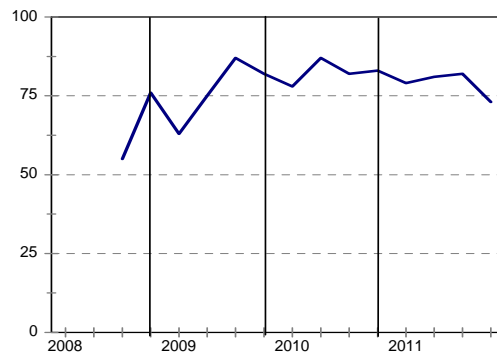
Tendering competition



Growth in profitability



Insufficient building work demand



## Building Contractors : Grades 7 & 8

	<i>11Q1</i>	<i>11Q2</i>	<i>11Q3</i>	<i>11Q4</i>	<i>12Q1*</i>
<b>Business confidence</b> <sup>3</sup>	30	20	28	38	
Change in business conditions <sup>1</sup>	-33	-65	-40	-33	4
Growth in building activity <sup>1</sup>	-39	-65	-50	-26	-3
Growth in number of people employed <sup>1</sup>	-41	-57	-65	-30	-7
Growth in profitability of the business <sup>1</sup>	-61	-73	-65	-57	-10
Tendering competition <sup>1</sup>	68	65	64	45	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	50	30	40	40	
Percentage rating inadequate supply of building materials a constraint <sup>2</sup>	21	21	33	41	
Percentage rating insufficient demand for building work a constraint <sup>2</sup>	83	89	87	76	

Expected.

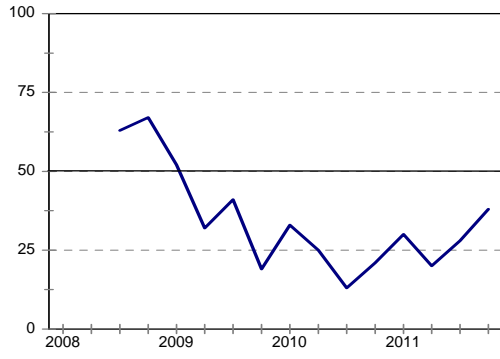
<sup>1</sup> Net balance.

<sup>2</sup> 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.

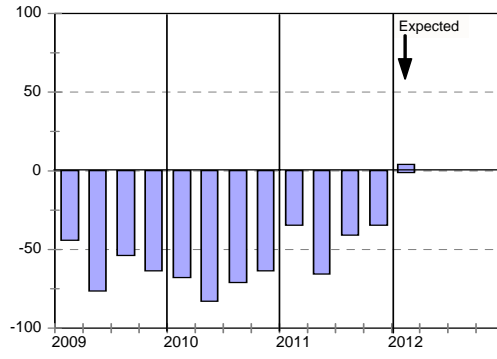
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

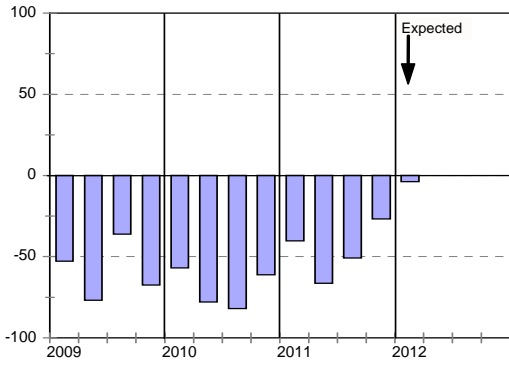
Business confidence



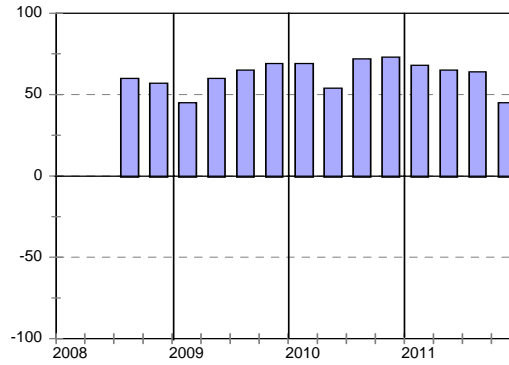
Change in business conditions



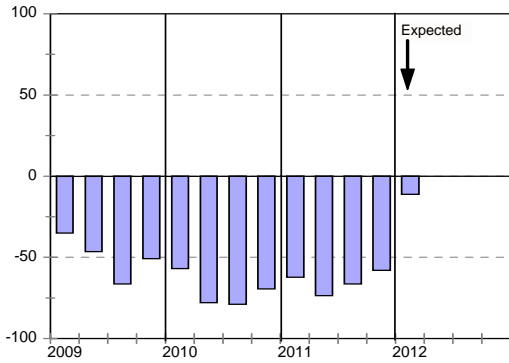
Growth in building activity



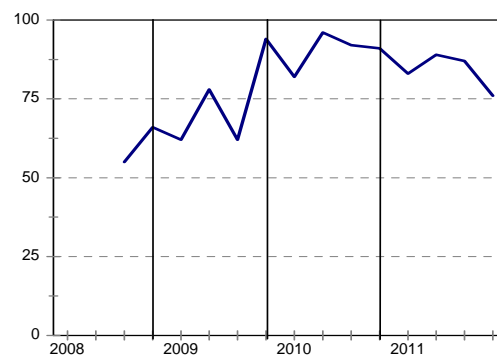
Tendering competition



Growth in profitability



Insufficient building work demand



## Building Contractors : Eastern Cape

	<i>11Q1</i>	<i>11Q2</i>	<i>11Q3</i>	<i>11Q4</i>	<i>12Q1*</i>
<b>Business confidence <sup>3</sup></b>	<b>25</b>	<b>37</b>	<b>29</b>	<b>25</b>	
Change in business conditions <sup>1</sup>	-50	-48	-38	-55	-17
Growth in building activity <sup>1</sup>	-50	-53	-37	-55	-22
Growth in number of people employed <sup>1</sup>	-43	-66	-45	-45	-38
Growth in profitability of the business <sup>1</sup>	-57	-71	-54	-65	-38
Tendering competition <sup>1</sup>	69	38	46	50	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	40	37	36	35	
Percentage rating inadequate supply of building materials a constraint <sup>2</sup>	23	25	27	20	
Percentage rating insufficient demand for building work a constraint <sup>2</sup>	84	86	84	80	

Expected.

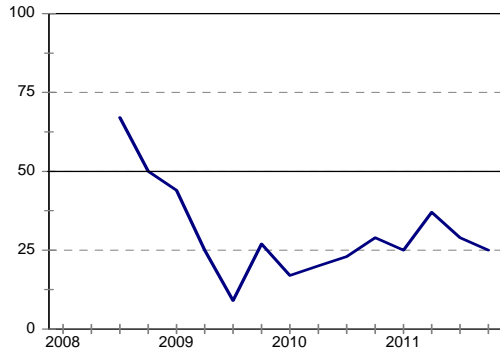
<sup>1</sup> Net balance.

<sup>2</sup> 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.

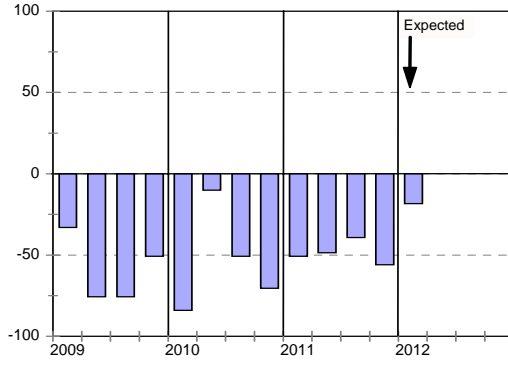
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

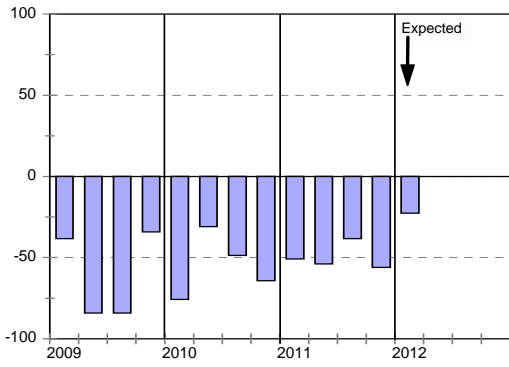
Business confidence



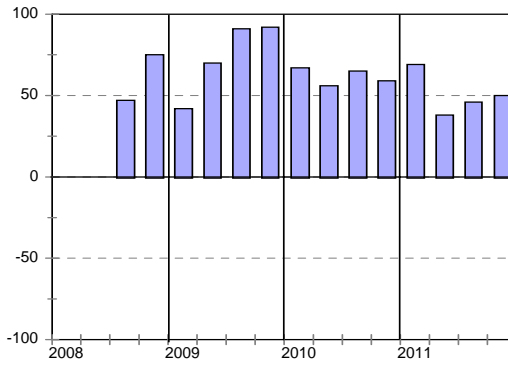
Change in business conditions



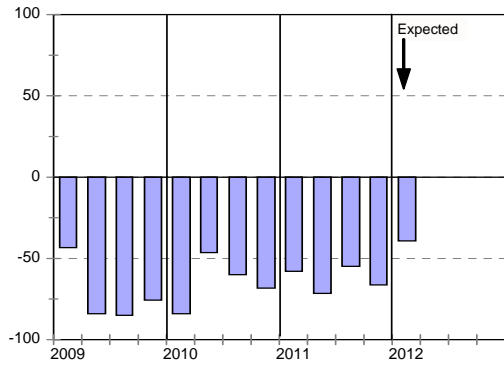
Growth in building activity



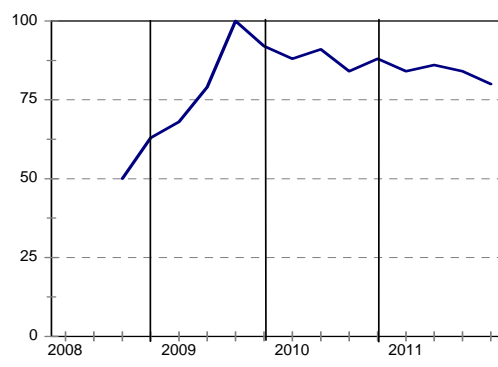
Tendering competition



Growth in profitability



Insufficient building work demand



## Building Contractors : Gauteng

	<i>11Q1</i>	<i>11Q2</i>	<i>11Q3</i>	<i>11Q4</i>	<i>12Q1*</i>
<b>Business confidence <sup>3</sup></b>	<b>27</b>	<b>35</b>	<b>21</b>	<b>17</b>	
Change in business conditions <sup>1</sup>	-20	-22	-42	-60	-18
Growth in building activity <sup>1</sup>	-29	-53	-48	-57	-16
Growth in number of people employed <sup>1</sup>	-29	-27	-40	-50	-17
Growth in profitability of the business <sup>1</sup>	-61	-61	-72	-73	-27
Tendering competition <sup>1</sup>	58	37	50	32	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	50	40	52	50	
Percentage rating inadequate supply of building materials a constraint <sup>2</sup>	26	31	40	32	
Percentage rating insufficient demand for building work a constraint <sup>2</sup>	73	83	82	78	

Expected.

<sup>1</sup> Net balance.

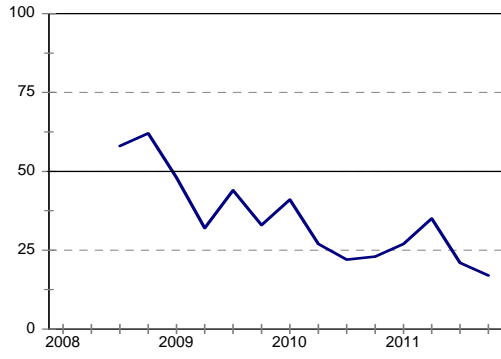
<sup>2</sup> The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by  $100/67 = 1,49$  to convert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

<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

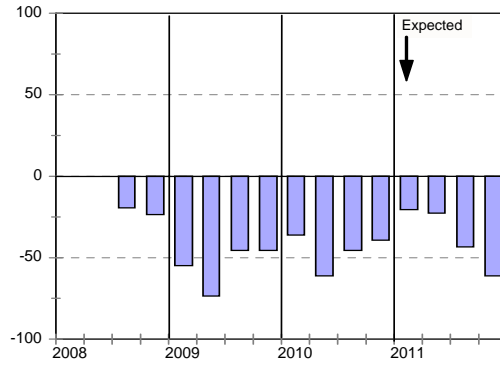
Blank spaces indicate data not available or not asked for.



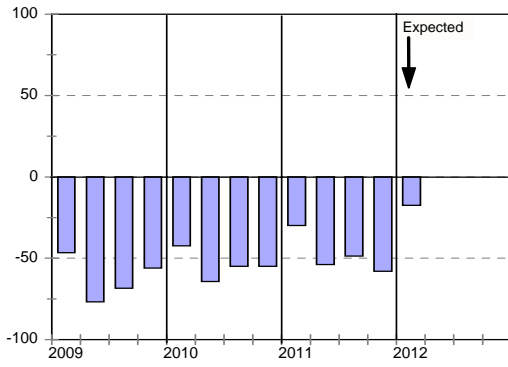
Business confidence



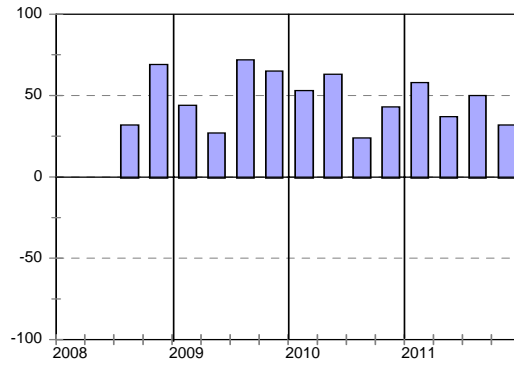
Change in business conditions



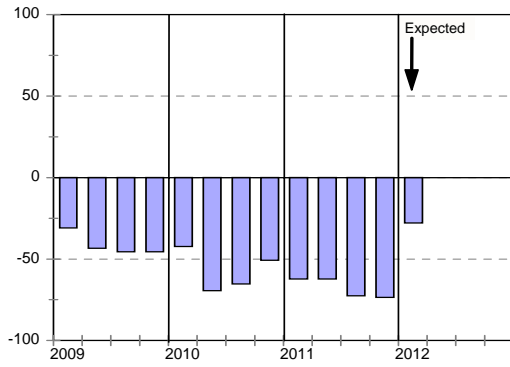
Growth in building activity



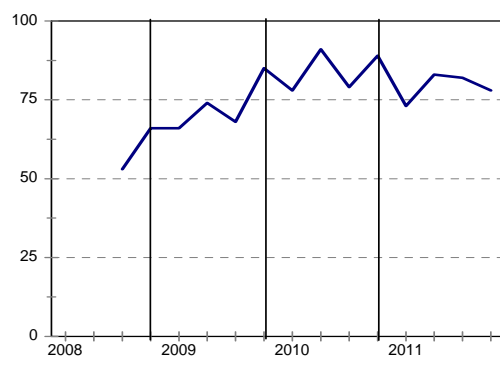
Tendering competition



Growth in profitability



Insufficient building work demand



## Building Contractors : KwaZulu-Natal

	<i>11Q1</i>	<i>11Q2</i>	<i>11Q3</i>	<i>11Q4</i>	<i>12Q1*</i>
<b>Business confidence <sup>3</sup></b>	<b>24</b>	<b>25</b>	<b>33</b>	<b>45</b>	
Change in business conditions <sup>1</sup>	-50	-50	-43	-41	-22
Growth in building activity <sup>1</sup>	-56	-60	-37	-40	-32
Growth in number of people employed <sup>1</sup>	-59	-55	-44	-34	-25
Growth in profitability of the business <sup>1</sup>	-72	-74	-60	-58	-32
Tendering competition <sup>1</sup>	59	48	57	44	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	52	44	40	44	
Percentage rating inadequate supply of building materials a constraint <sup>2</sup>	27	30	22	27	
Percentage rating insufficient demand for building work a constraint <sup>2</sup>	82	84	80	68	

Expected.

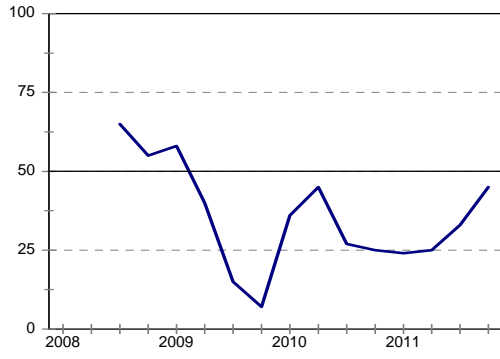
<sup>1</sup> Net balance.

<sup>2</sup> 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.

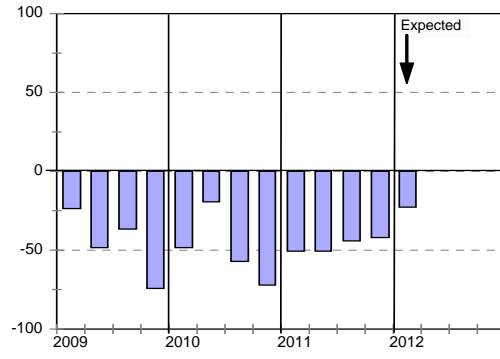
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

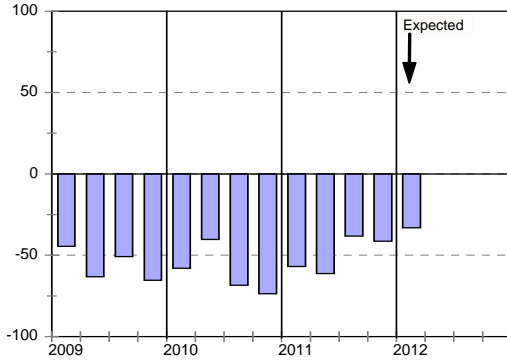
Business confidence



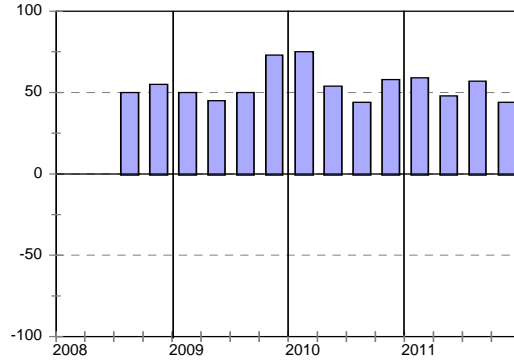
Change in business conditions



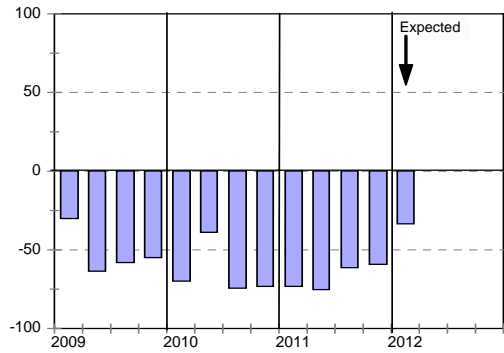
Growth in building activity



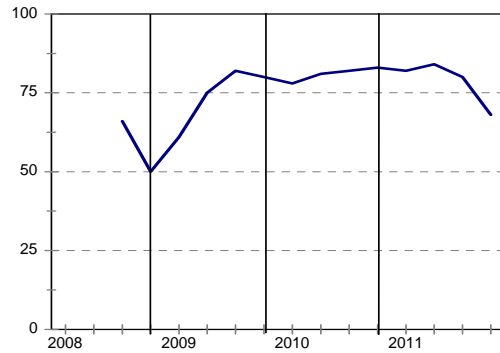
Tendering competition



Growth in profitability



Insufficient building work demand



## Building Contractors : Western Cape

	<i>11Q1</i>	<i>11Q2</i>	<i>11Q3</i>	<i>11Q4</i>	<i>12Q1*</i>
<b>Business confidence <sup>3</sup></b>	<b>18</b>	<b>15</b>	<b>22</b>	<b>36</b>	
Change in business conditions <sup>1</sup>	-52	-48	-40	-34	5
Growth in building activity <sup>1</sup>	-52	-58	-50	-33	-5
Growth in number of people employed <sup>1</sup>	-60	-46	-38	-21	-22
Growth in profitability of the business <sup>1</sup>	-67	-54	-65	-50	-14
Tendering competition <sup>1</sup>	67	71	61	58	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	25	33	46	29	
Percentage rating inadequate supply of building materials a constraint <sup>2</sup>	11	18	21	25	
Percentage rating insufficient demand for building work a constraint <sup>2</sup>	86	75	74	76	

Expected.

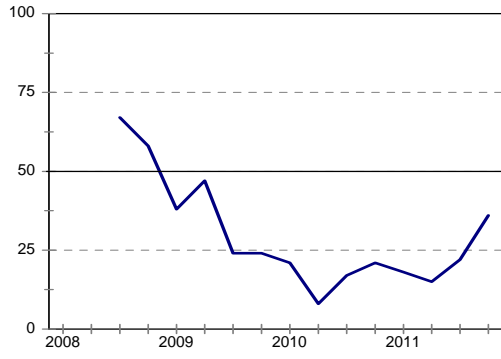
<sup>1</sup> Net balance.

<sup>2</sup> 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.

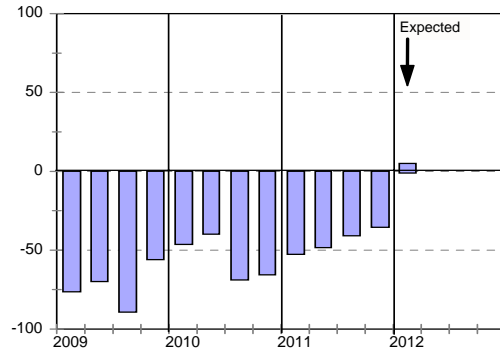
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

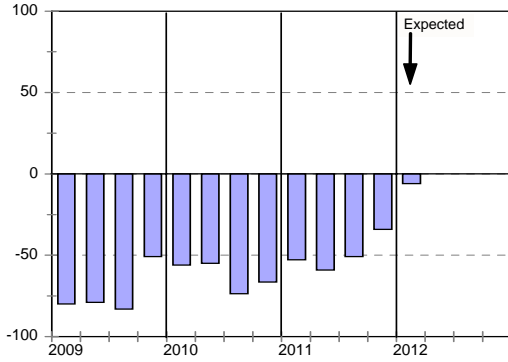
Business confidence



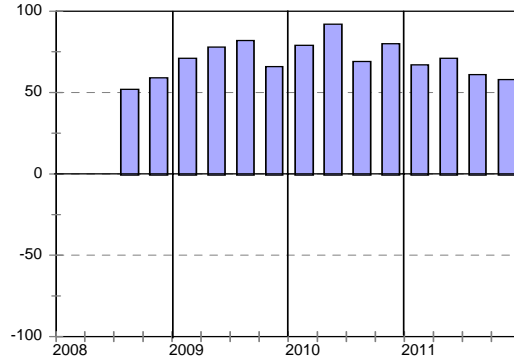
Change in business conditions



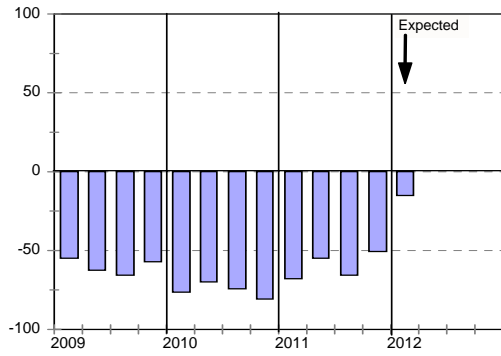
Growth in building activity



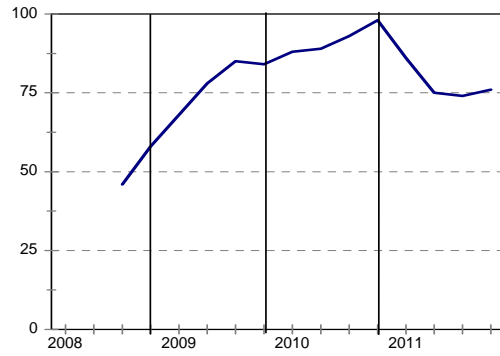
Tendering competition



Growth in profitability



Insufficient building work demand





## **cidb Civil Contractor: Survey Results**

Civil Contractors: Total

	<i>11Q1</i>	<i>11Q2</i>	<i>11Q3</i>	<i>11Q4</i>	<i>12Q1*</i>
<b>Business confidence</b> <sup>3</sup>	<b>38</b>	<b>38</b>	<b>33</b>	<b>36</b>	
Change in business conditions <sup>1</sup>	-34	-34	-38	-25	6
Growth in construction activity <sup>1</sup>	-43	-50	-42	-35	-2
Growth in number of people employed <sup>1</sup>	-44	-36	-35	-30	-10
Growth in profitability of the business <sup>1</sup>	-54	-61	-48	-45	-11
Tendering competition <sup>1</sup>	64	53	44	53	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	41	42	43	39	
Percentage rating inadequate supply of construction materials a constraint <sup>2</sup>	29	30	34	36	
Percentage rating insufficient demand for construction work a constraint <sup>2</sup>	77	77	72	74	

\* Expected.

<sup>1</sup> Net balance.

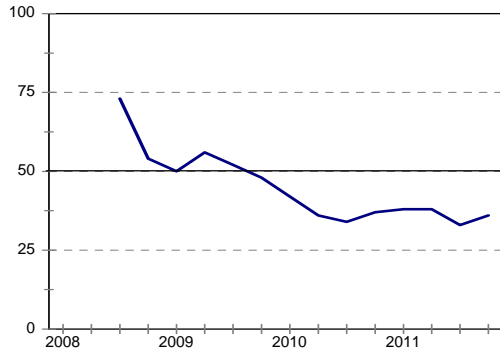
<sup>2</sup> The index is calculated as follows: The answers of respondents rating a particular constraint as "serious" is weighted by 0,67%; those rating it as "slightly" by 0,33% and those rating it as "not a constraint at all" is discarded. The results are then multiplied by  $100/67 = 1,49$  to convert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

<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

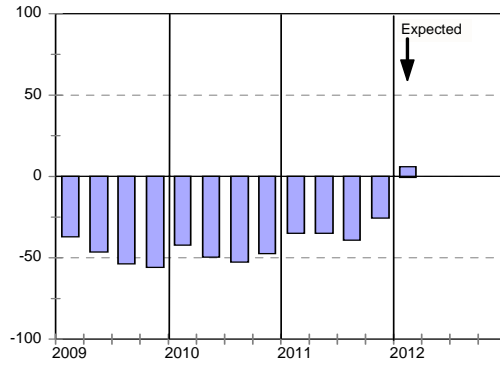
Blank spaces indicate data not available or not asked for.



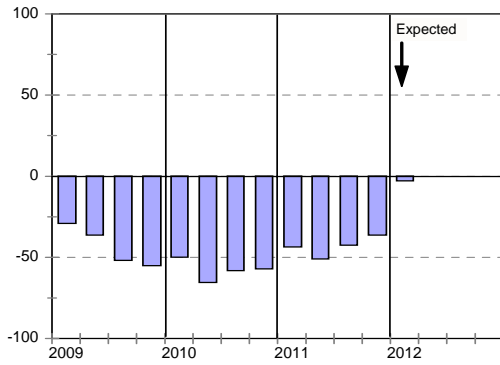
Business confidence



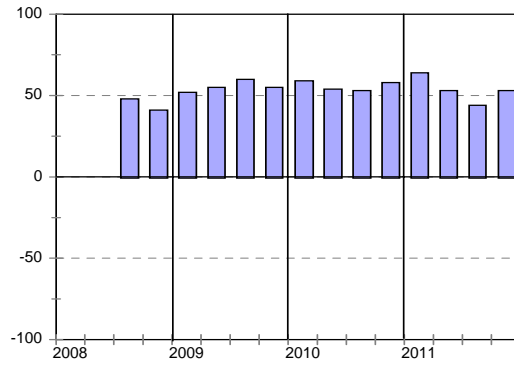
Change in business conditions



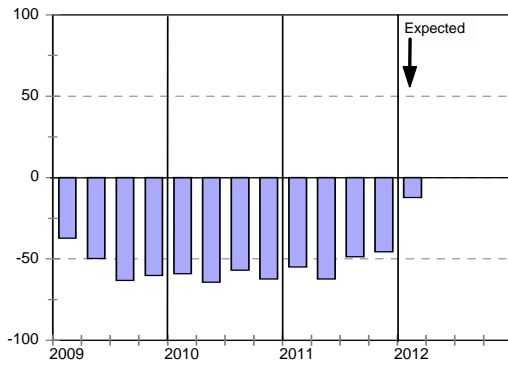
Growth in construction activity



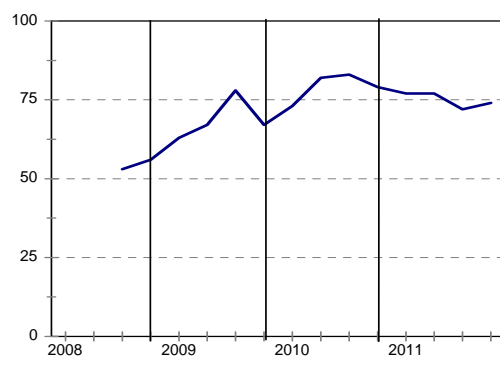
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	<i>11Q1</i>	<i>11Q2</i>	<i>11Q3</i>	<i>11Q4</i>	<i>12Q1*</i>
<b>Business confidence</b> <sup>3</sup>	<b>48</b>	<b>44</b>	<b>31</b>	<b>40</b>	
Change in business conditions <sup>1</sup>	-28	-45	-39	-14	11
Growth in construction activity <sup>1</sup>	-37	-61	-48	-35	6
Growth in number of people employed <sup>1</sup>	-34	-41	-38	-16	3
Growth in profitability of the business <sup>1</sup>	-50	-59	-46	-33	-3
Tendering competition <sup>1</sup>	49	24	17	35	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	38	39	45	39	
Percentage rating inadequate supply of construction materials a constraint <sup>2</sup>	29	26	39	32	
Percentage rating insufficient demand for construction work a constraint <sup>2</sup>	70	70	72	76	

\* Expected.

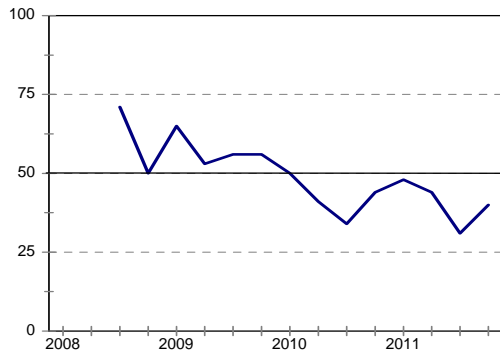
<sup>1</sup> Net balance.

<sup>2</sup> 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.

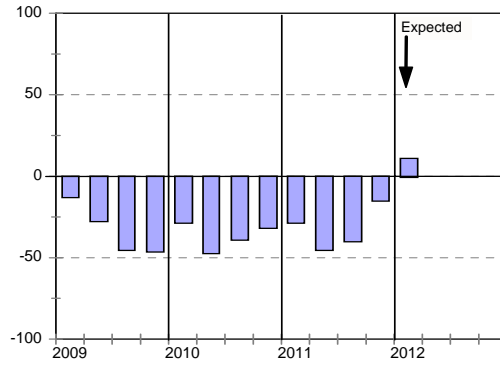
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

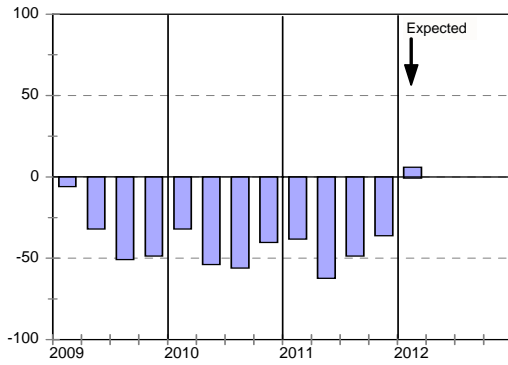
Business confidence



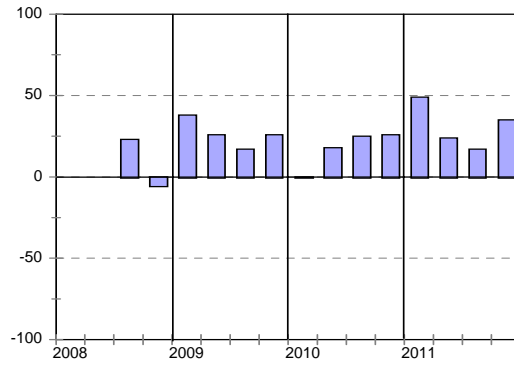
Change in business conditions



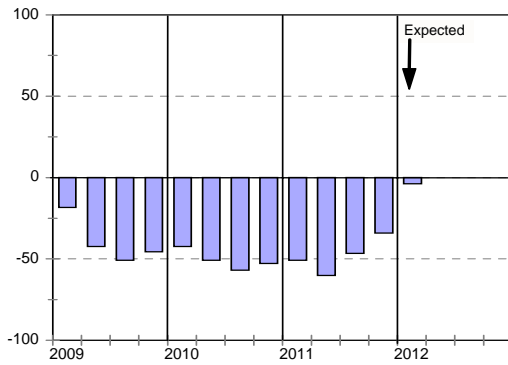
Growth in construction activity



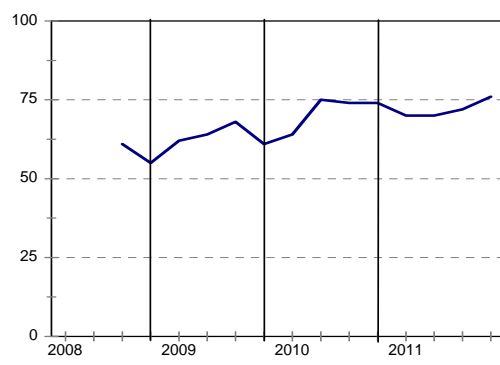
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	11Q1	11Q2	11Q3	11Q4	12Q1*
<b>Business confidence</b> <sup>3</sup>	40	41	34	39	
Change in business conditions <sup>1</sup>	-20	-23	-35	-21	6
Growth in construction activity <sup>1</sup>	-29	-43	-38	-25	-4
Growth in number of people employed <sup>1</sup>	-46	-32	-28	-34	-13
Growth in profitability of the business <sup>1</sup>	-43	-56	-40	-40	-12
Tendering competition <sup>1</sup>	61	64	48	48	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	50	49	45	38	
Percentage rating inadequate supply of construction materials a constraint <sup>2</sup>	29	30	34	32	
Percentage rating insufficient demand for construction work a constraint <sup>2</sup>	73	81	71	71	

\* Expected.

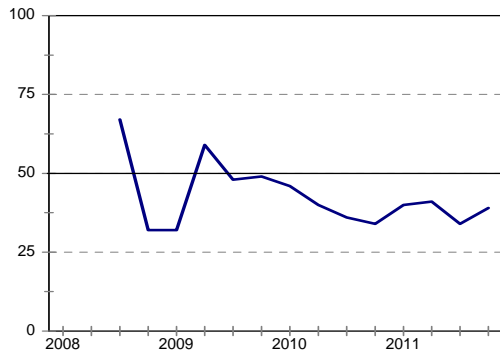
<sup>1</sup> Net balance.

<sup>2</sup> 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.

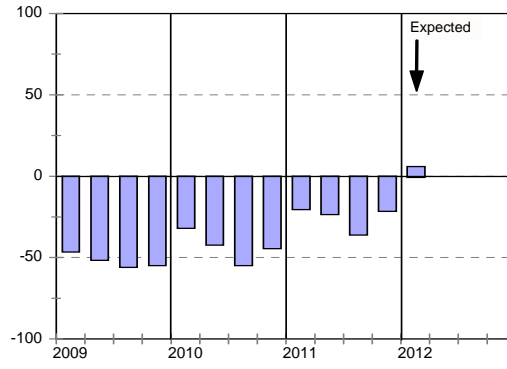
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

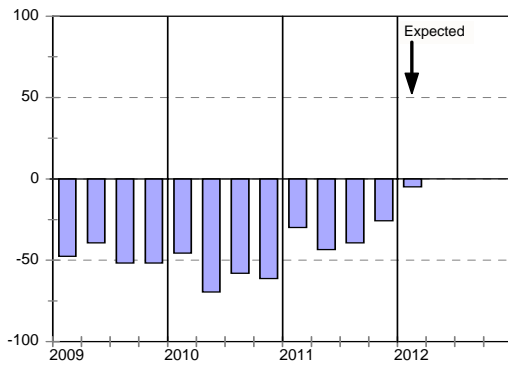
Business confidence



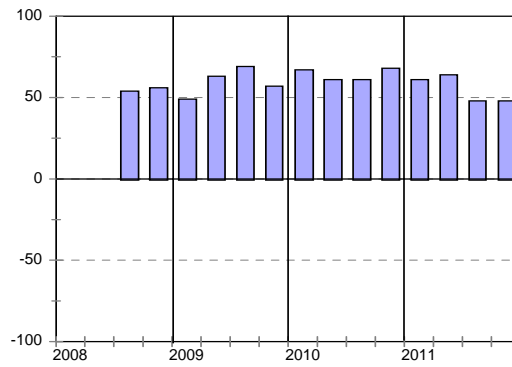
Change in business conditions



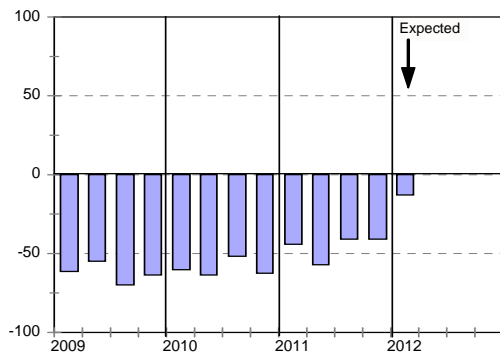
Growth in construction activity



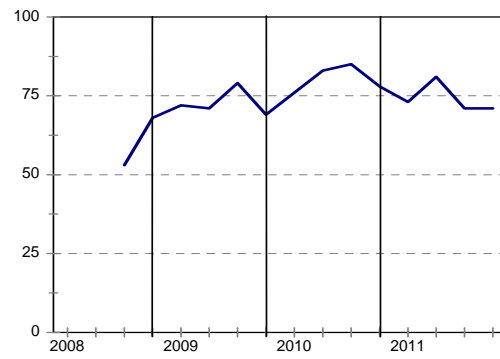
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	11Q1	11Q2	11Q3	11Q4	12Q1*
<b>Business confidence</b> <sup>3</sup>	24	24	31	26	
Change in business conditions <sup>1</sup>	-62	-42	-45	-44	2
Growth in construction activity <sup>1</sup>	-73	-48	-46	-52	-5
Growth in number of people employed <sup>1</sup>	-56	-37	-46	-38	-18
Growth in profitability of the business <sup>1</sup>	-78	-70	-63	-66	-15
Tendering competition <sup>1</sup>	88	68	70	83	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	26	33	35	41	
Percentage rating inadequate supply of construction materials a constraint <sup>2</sup>	32	33	28	46	
Percentage rating insufficient demand for construction work a constraint <sup>2</sup>	93	80	77	79	

\* Expected.

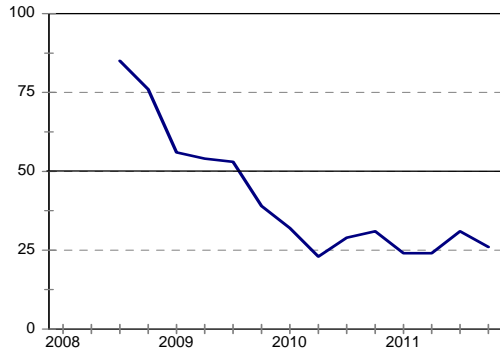
<sup>1</sup> Net balance.

<sup>2</sup> 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.

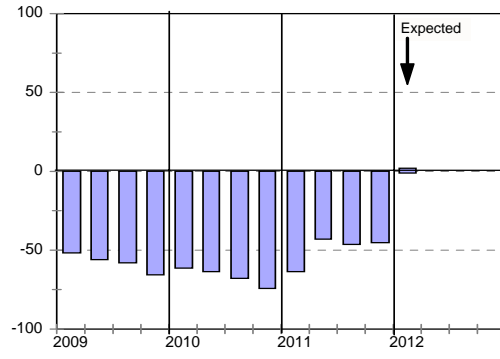
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

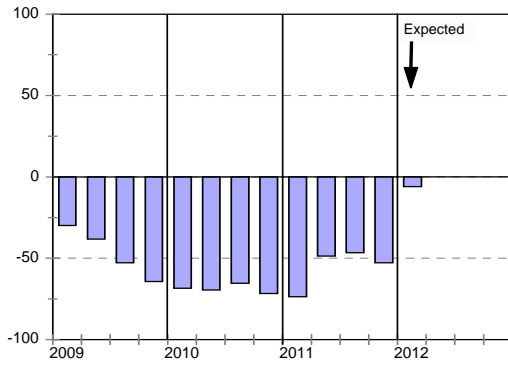
Business confidence



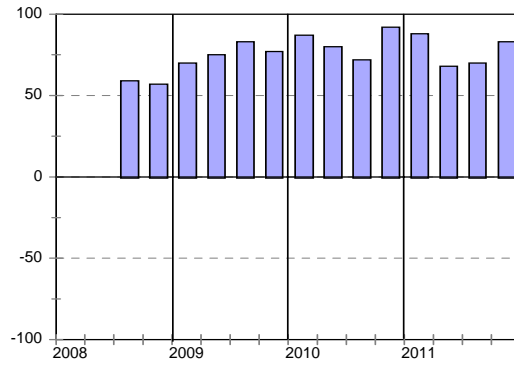
Change in business conditions



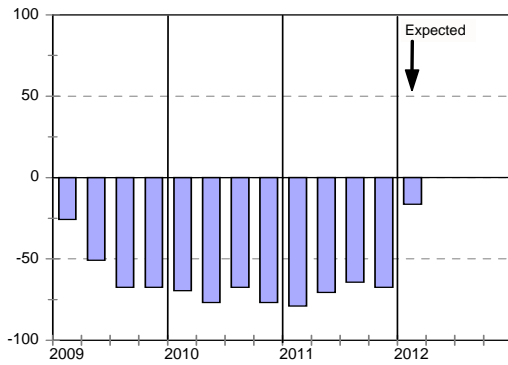
Growth in construction activity



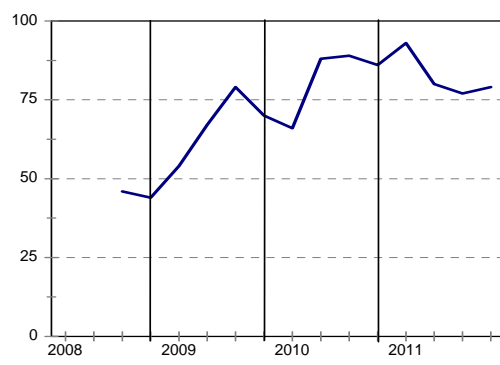
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	11Q1	11Q2	11Q3	11Q4	12Q1*
<b>Business confidence</b> <sup>3</sup>	41	48	21	20	
Change in business conditions <sup>1</sup>	-50	-50	-67	-34	-14
Growth in construction activity <sup>1</sup>	-42	-46	-55	-56	-26
Growth in number of people employed <sup>1</sup>	-37	-38	-50	-44	-20
Growth in profitability of the business <sup>1</sup>	-47	-67	-55	-56	-26
Tendering competition <sup>1</sup>	84	71	61	82	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	42	47	50	53	
Percentage rating inadequate supply of construction materials a constraint <sup>2</sup>	26	21	25	34	
Percentage rating insufficient demand for construction work a constraint <sup>2</sup>	82	84	72	85	

\* Expected.

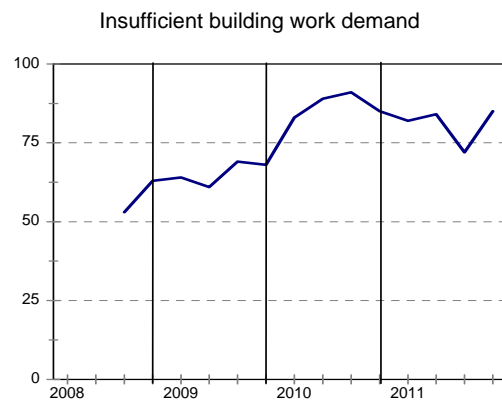
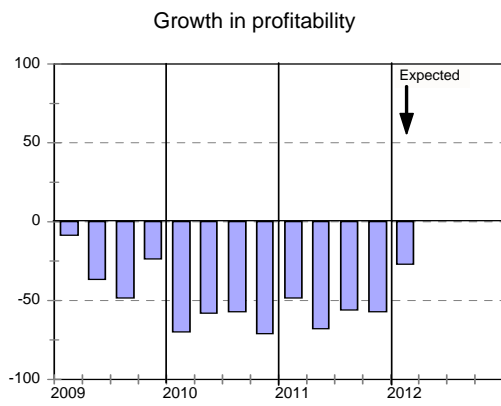
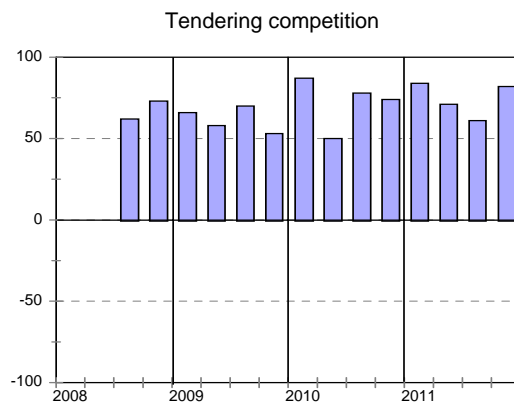
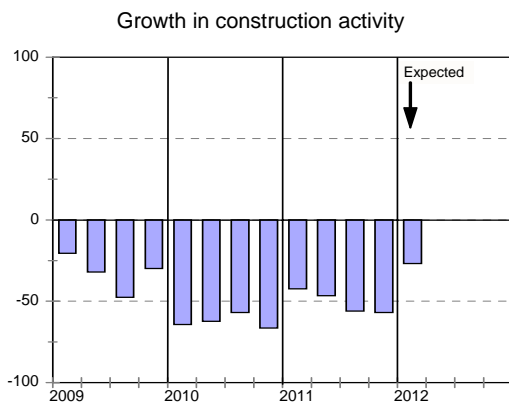
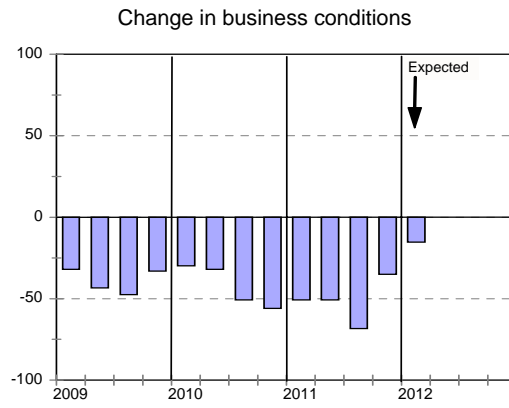
<sup>1</sup> Net balance.

<sup>2</sup> 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.

<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.





Civil Contractors : Gauteng

	11Q1	11Q2	11Q3	11Q4	12Q1*
<b>Business confidence <sup>3</sup></b>	<b>35</b>	<b>36</b>	<b>32</b>	<b>34</b>	
Change in business conditions <sup>1</sup>	-34	-21	-48	-37	-7
Growth in building activity <sup>1</sup>	-47	-50	-50	-43	-16
Growth in number of people employed <sup>1</sup>	-41	-21	-39	-29	-23
Growth in profitability of the business <sup>1</sup>	-63	-71	-53	-53	-36
Tendering competition <sup>1</sup>	78	50	47	65	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	36	44	39	38	
Percentage rating inadequate supply of building materials a constraint <sup>2</sup>	34	41	28	35	
Percentage rating insufficient demand for building work a constraint <sup>2</sup>	84	81	74	75	

Expected.

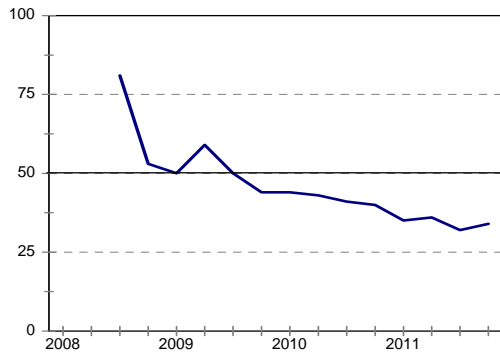
<sup>1</sup> Net balance.

<sup>2</sup> 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.

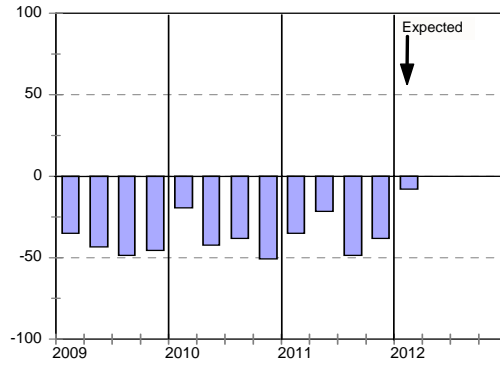
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

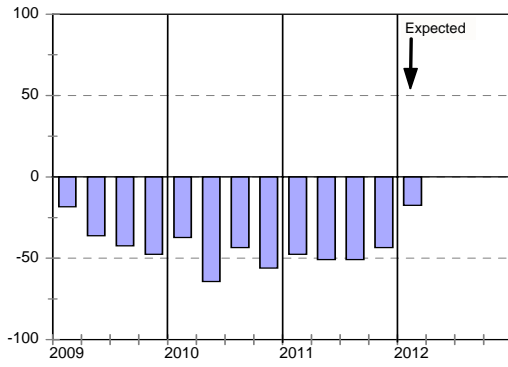
Business confidence



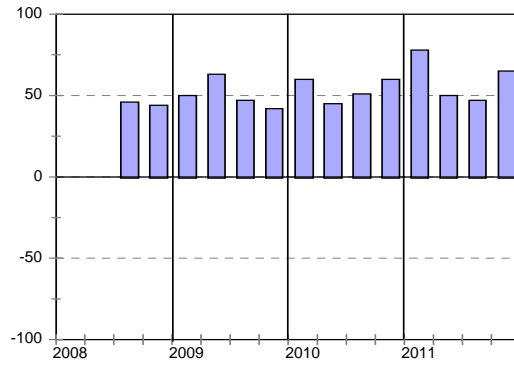
Change in business conditions



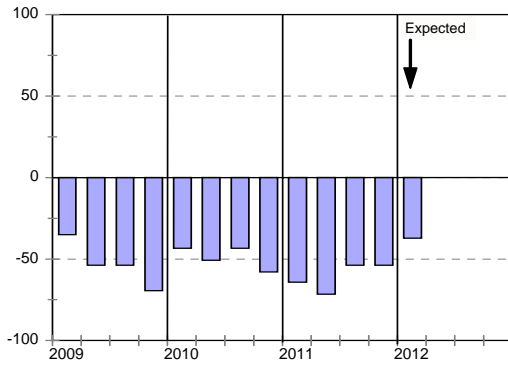
Growth in construction activity



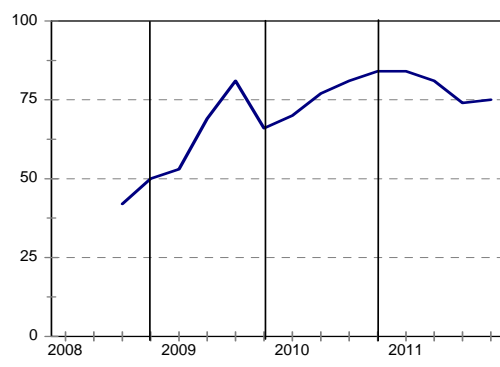
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	<i>11Q1</i>	<i>11Q2</i>	<i>11Q3</i>	<i>11Q4</i>	<i>12Q1*</i>
<b>Business confidence</b> <sup>3</sup>	53	42	42	39	
Change in business conditions <sup>1</sup>	-33	-38	-38	-40	44
Growth in construction activity <sup>1</sup>	-49	-50	-43	-48	15
Growth in number of people employed <sup>1</sup>	-48	-32	-43	-31	4
Growth in profitability of the business <sup>1</sup>	-40	-65	-50	-62	4
Tendering competition <sup>1</sup>	66	44	49	45	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	43	32	50	48	
Percentage rating inadequate supply of construction materials a constraint <sup>2</sup>	23	27	41	37	
Percentage rating insufficient demand for construction work a constraint <sup>2</sup>	68	79	70	80	

\* Expected.

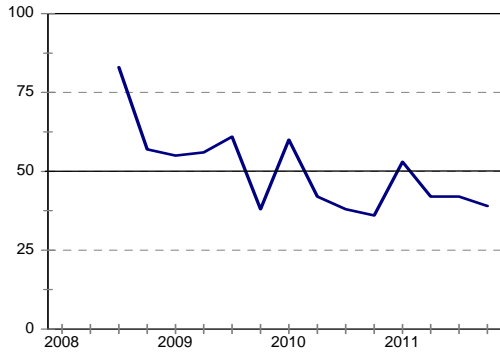
<sup>1</sup> Net balance.

<sup>2</sup> 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.

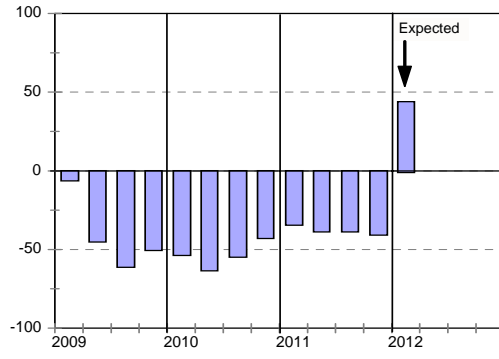
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

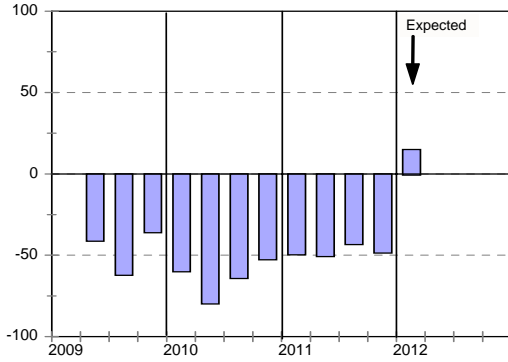
Business confidence



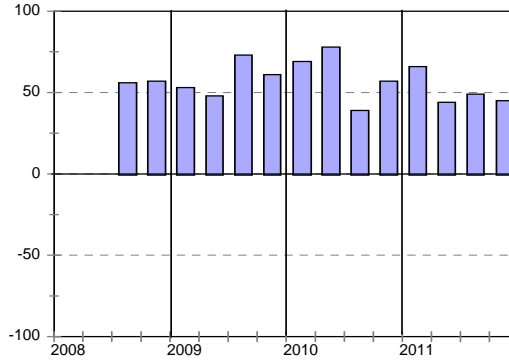
Change in business conditions



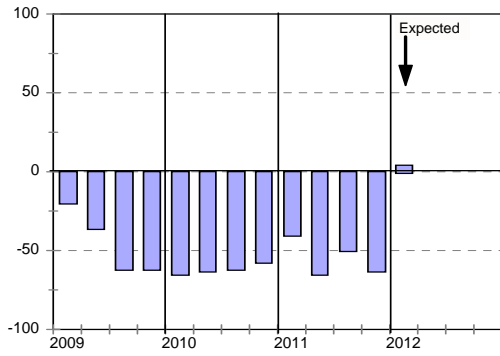
Growth in construction activity



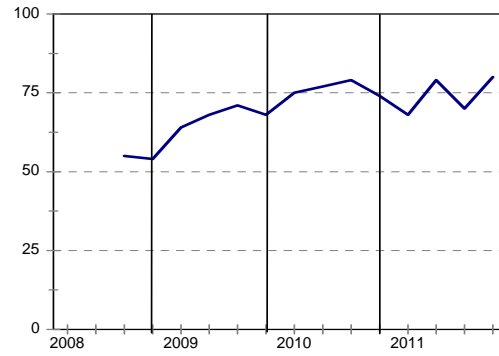
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	11Q1	11Q2	11Q3	11Q4	12Q1*
<b>Business confidence</b> <sup>3</sup>	<b>32</b>	<b>38</b>	<b>21</b>	<b>21</b>	
Change in business conditions <sup>1</sup>	-36	-23	-30	-36	0
Growth in construction activity <sup>1</sup>	-45	-45	-44	-42	-3
Growth in number of people employed <sup>1</sup>	-43	-43	-25	-42	-14
Growth in profitability of the business <sup>1</sup>	-65	-57	-44	-61	-12
Tendering competition <sup>1</sup>	83	82	57	72	
Percentage rating shortage of skilled labour a constraint <sup>2</sup>	28	37	38	24	
Percentage rating inadequate supply of construction materials a constraint <sup>2</sup>	26	27	30	29	
Percentage rating insufficient demand for construction work a constraint <sup>2</sup>	86	83	82	78	

\* Expected.

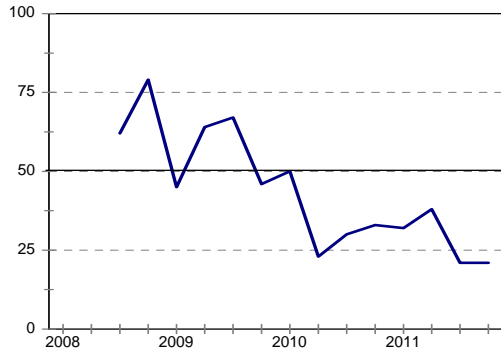
<sup>1</sup> Net balance.

<sup>2</sup> 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.

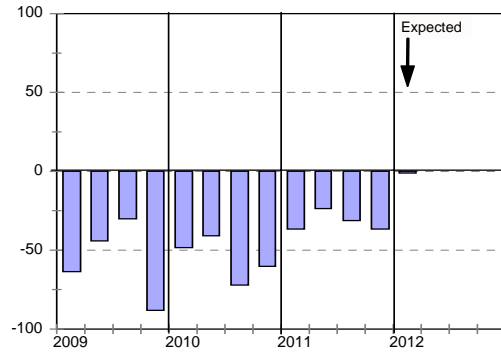
<sup>3</sup> Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

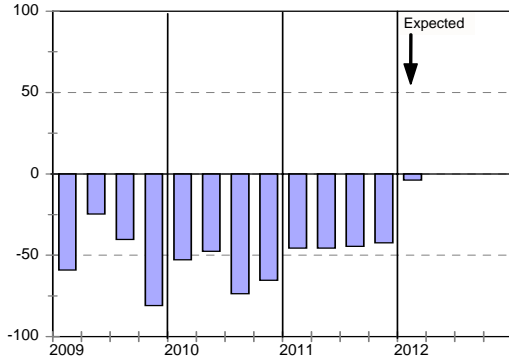
Business confidence



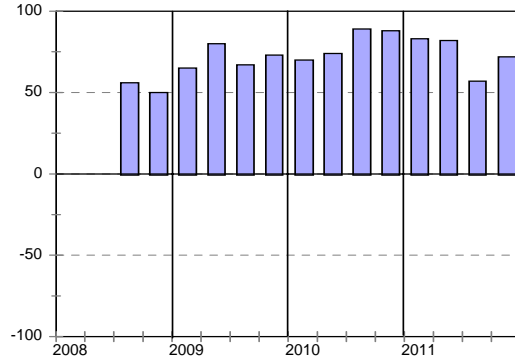
Change in business conditions



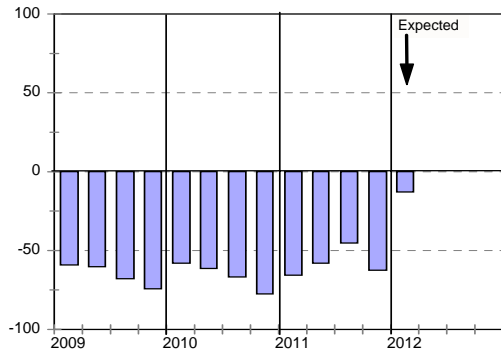
Growth in construction activity



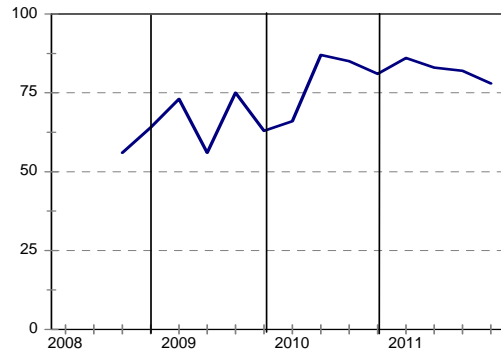
Tendering competition



Growth in profitability



Insufficient building work demand









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