



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

4

2015



University of Stellenbosch

cidb Survey Results: 2015Q4

December 2015

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Summary

Building Contractors

The number of general builders who reported satisfactory business conditions ticked up by 4 index points to a level of 46 in 2015Q4. In contrast to the increase in confidence, several underlying indicators painted a picture of an industry that remains under pressure.

Building contractors in Grades 5 & 6 were the only grades that registered a marginal decline in business confidence (-4 index points). Despite the increase in confidence among the other grades, building activity, employment and profitability declined across all the grades.

Regionally, confidence ticked up in all the provinces except for KwaZulu-Natal. The following changes came about, Gauteng (+19), Western Cape (+18), Eastern Cape (+4) and KwaZulu-Natal (-12).

Civil Contractors

Civil contractor confidence declined by 4 index points and registered a level of 41 in 2015Q4. This implies that almost 6 out of 10 respondents are dissatisfied with current business conditions.

Civil contractors in Grades 5 & 6 and Grades 7 & 8 shed 3 and 11 index points respectively, whereas business confidence increased among Grades 3 & 4.

The rating of business conditions as satisfactory increased in the Western Cape (+14) and the Eastern Cape (+11). In contrast, business confidence among civil contractors in Gauteng (-24) and KwaZulu-Natal (-4) declined.

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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 2015Q4 survey was carried out during the period 19 October to 17 November 2015.

The analysis that follows provides a synopsis of the survey responses received in 2015Q4, according to region and grades from participating cidb registered building and civil contractors. The detailed survey results are to be found at the end of this report.

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

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

| Higher | Same | Lower |
|--------|------|-------|
| 70 | 10 | 20 |

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

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

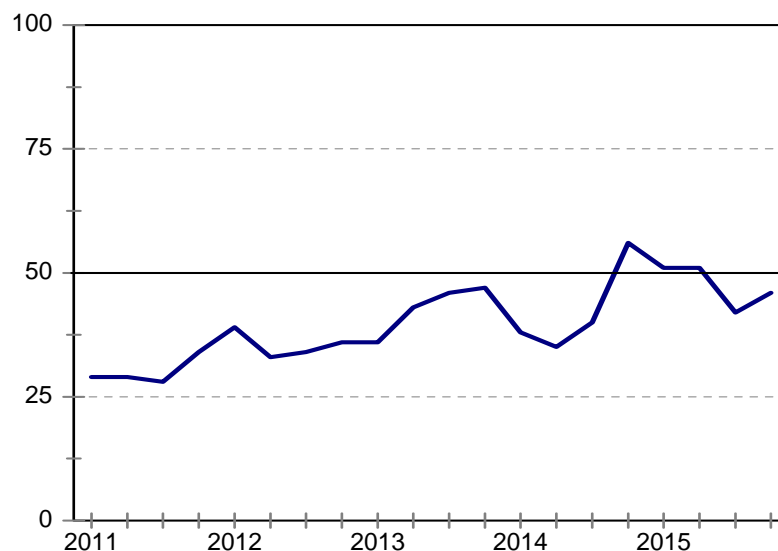
2015Q4 cidb Survey Results

Building Industry

Total

General builder confidence increased from 42 to 46 in the final quarter of 2015. Despite the uptick, business confidence is still 10 index points below 2014Q4's reading. Furthermore, several key underlying indices painted a picture of an industry that remains under pressure.

Figure 1: Total
Business confidence



Compared to a net 25% in 2015Q3, 36% indicated that building activity was lower than the same quarter a year ago. As a result of lower activity, profitability suffered. The percentage of general builders who cited lower profitability increased from a net 26% to 43% in 2015Q4.

The weaker profit margins were furthermore exacerbated by tougher tendering price competition. A net 43% indicated that competition intensified compared to the same period a year ago; up from 35% in 2015Q3.

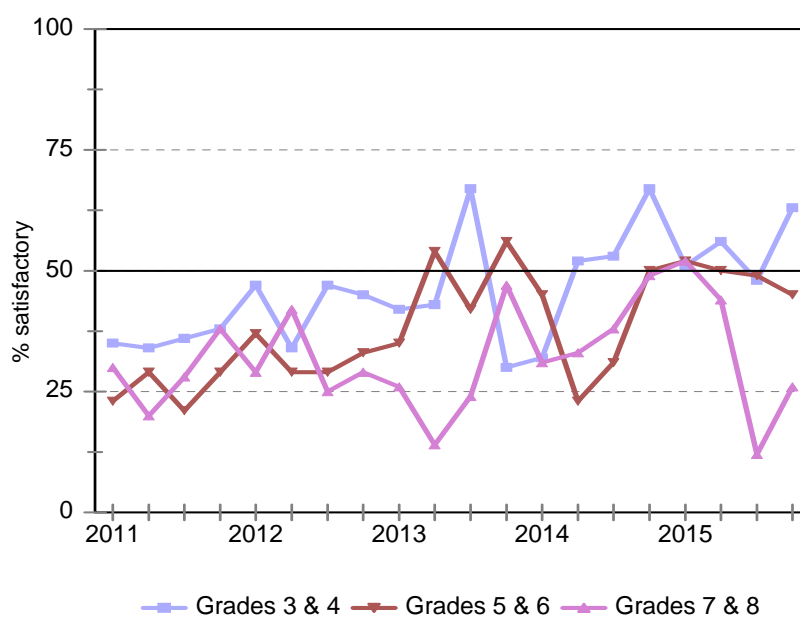
A slowdown in activity also led to more job losses during this quarter. Compared to a net 13% in 2015Q3, a net 25% indicated that employment was lower than the same quarter a year ago.

Looking ahead, activity will likely remain under pressure. Sixty-nine per cent of respondents cited insufficient demand for building work as a constraint, up from 63% in the previous quarter.

Grades comparison

As shown in Figure 2, Grades 3 & 4 (+15) and Grades 7 & 8 (+14) registered higher confidence levels, whereas building contractors in Grades 5 & 6 shed 4 index points.

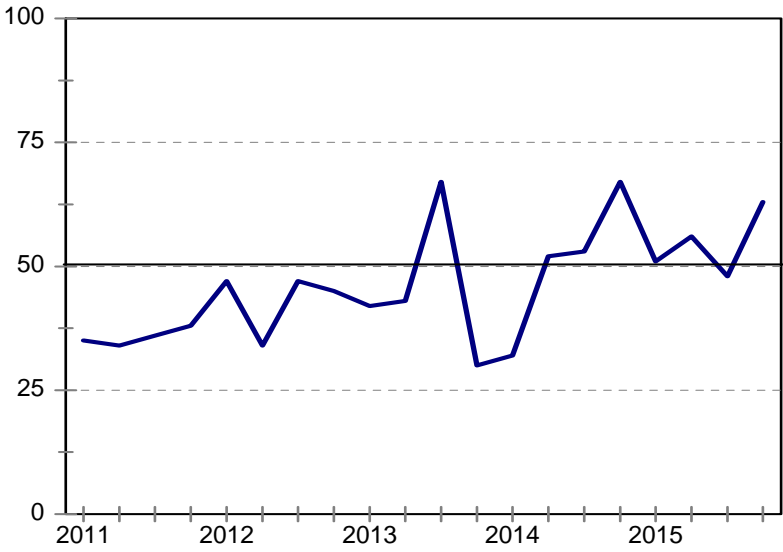
Figure 2: Business confidence per grade



Grades 3 & 4

The proportion of general builders in Grades 3 & 4 who were satisfied with current business conditions increased notably from 48 to 63 in 2015Q4. However, several key underlying indices did not support the higher confidence.

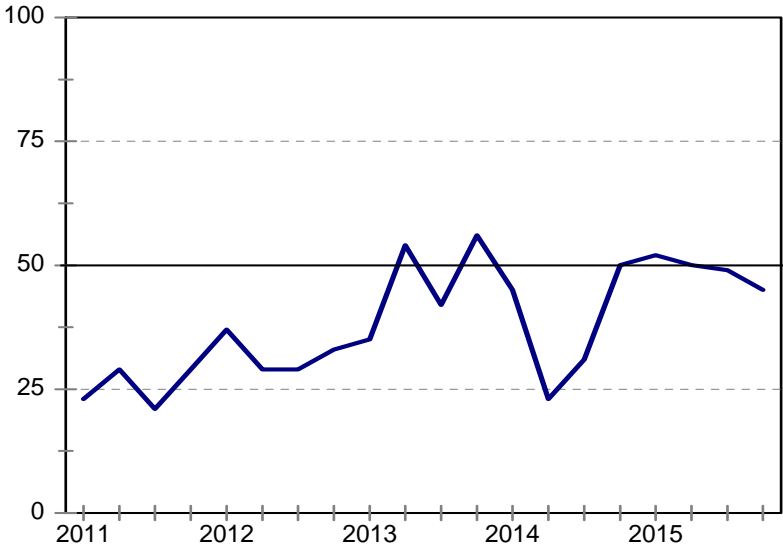
Figure 3: Grade 3 & 4
Business confidence



Grades 5 & 6

Business confidence among general builders in Grades 5 & 6 fell from 49 to 45 in 2015Q4. This marks its third consecutive quarterly decline. The drop in confidence was largely underpinned by a slowdown in building activity and lower profitability.

Figure 4: Grade 5 & 6
Business confidence



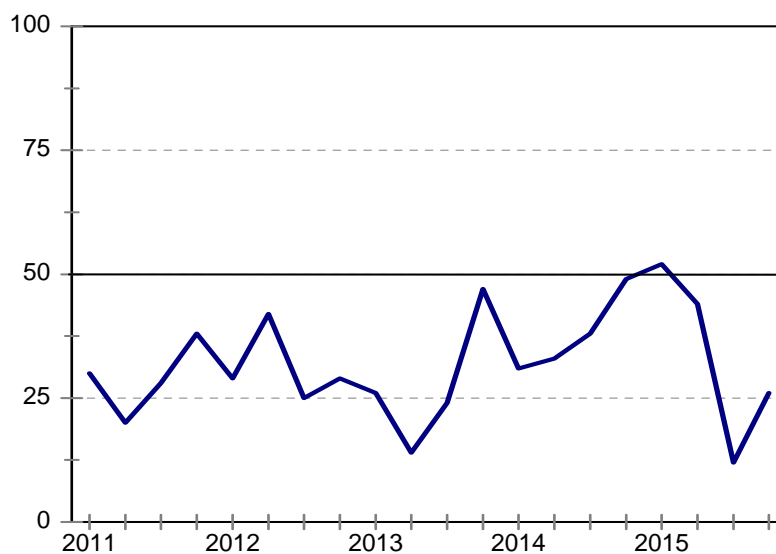
The proportion of respondents who reported a slowdown in building activity increased from a net 13% to 30% in 2015Q4. As a result of lower activity, profitability suffered. Compared to a net 14% in 2015Q3, 37% stated that profitability was lower than the same quarter a year ago.

In addition, 70% of respondents cited insufficient demand for building work as a constraint, up from 57% in the previous quarter.

Grades 7 & 8

After falling to a historical low of 12 index points in 2015Q3, business confidence recovered somewhat to 26 in 2015Q4. Despite the uptick in confidence, the underlying indices suggest that building contractors in Grades 7 & 8 remain under tremendous pressure.

**Figure 5: Grade 7 & 8
Business confidence**



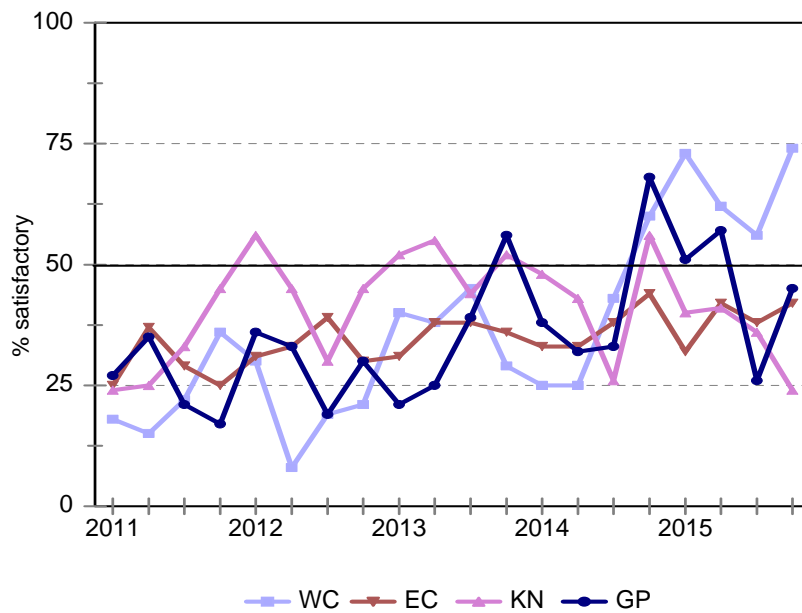
Compared to a net 50% in 2015Q3, 57% indicated that building activity was lower than the same quarter a year ago.

Lower activity coincided with tougher tendering price competition. A net 61% of respondents indicated that competition was keener than the same period a year ago; up from a net 40% in 2015Q3.

Provincial comparison

Figure 6 shows that business confidence increased in all the provinces except for KwaZulu-Natal. The biggest quarterly recovery was registered in Gauteng (+19).

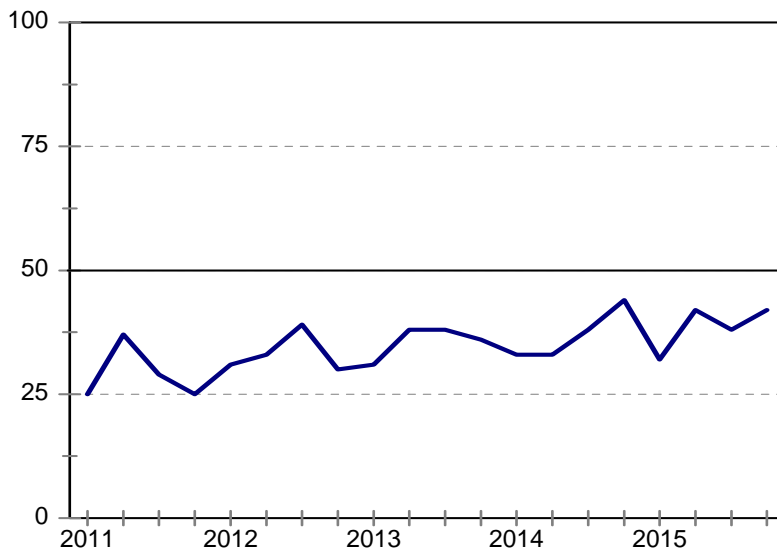
Figure 6: Business confidence per province



Eastern Cape

After a slight dip in 2015Q3, business confidence recovered to 42 index points in 2015Q4. However, the uptick in confidence did not reflect changes in the underlying indices.

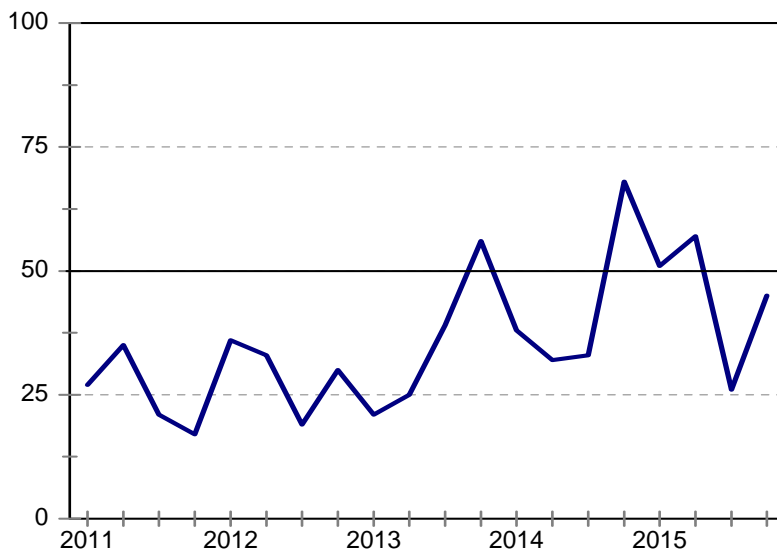
Figure 7: Eastern Cape
Business confidence



Gauteng

After dropping sharply from 57 to 26 in 2015Q3, business confidence recovered to a level of 45 in the final quarter of 2015.

Figure 8: Gauteng
Business confidence



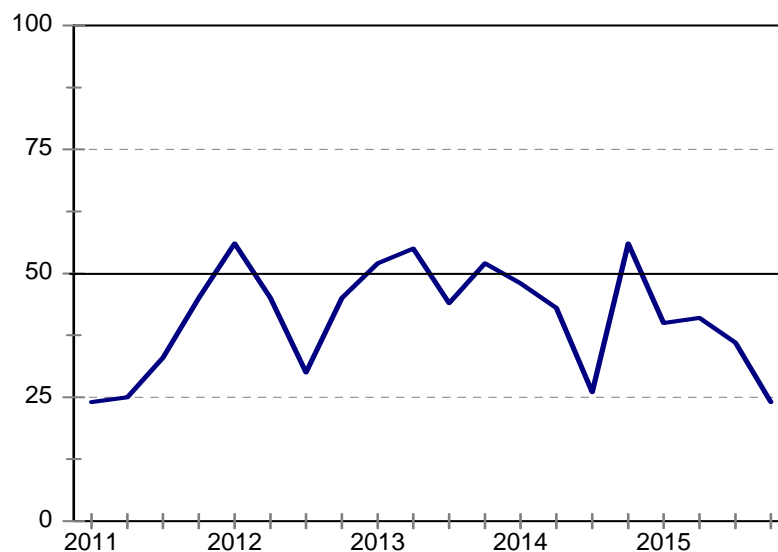
Due to the uptick in confidence, the tempo of job losses slowed during this quarter. The proportion of respondents who reported lower employment fell from a net 17% to 10% in 2015Q4.

Looking ahead, building activity is expected to increase slightly. The proportion of building contractors who indicated insufficient demand for building work as a constraint fell from 71% to 64% in 2015Q4.

KwaZulu-Natal

Business confidence for building contractors in KwaZulu-Natal fell sharply to 24 index points – a level last seen in 2011Q1. A sharp slowdown in building activity and lower profit margins weighed on confidence.

Figure 9: KwaZulu-Natal
Business confidence



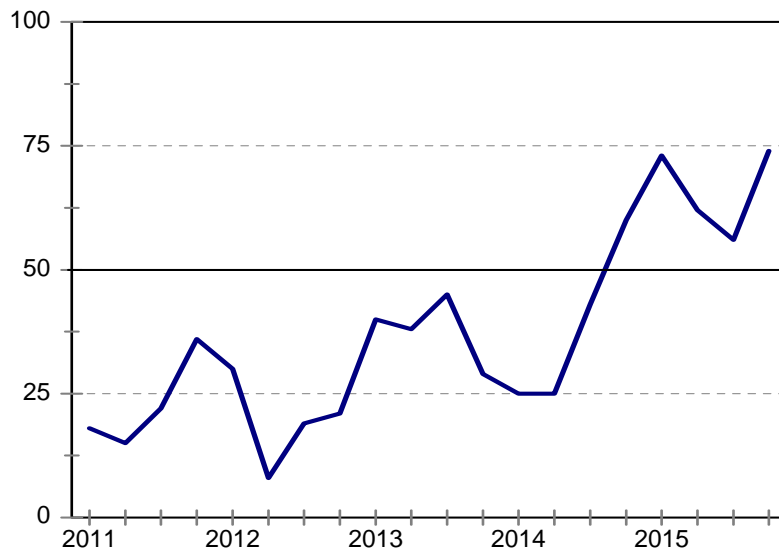
The net percentage of respondents who reported lower building activity increased from 18% to 50% in 2015Q4. As a result of lower activity, profitability worsened. Compared to a net 10% in 2015Q3, 75% indicated that profit margins were worse than the same quarter a year ago.

The current difficulties forced general builders in KwaZulu-Natal to reduce their number of employees. In 2015Q4, a net 60% of respondents indicated lower employment, up from 20% in the previous quarter.

Western Cape

After two consecutive quarterly declines, business confidence rebounded to a historic high of 74 index points. Building activity picked up, pressure on profitability eased and the rate of retrenchments declined.

Figure 10: Western Cape
Business confidence



Compared to a net 11% in 2015Q3, a net 4% indicated that building activity was lower compared to the same quarter a year ago. As a result of the uptick in building activity, pressure on profitability subsided somewhat. The proportion of general builders who cited lower profitability fell from 32% to 9% in 2015Q4.

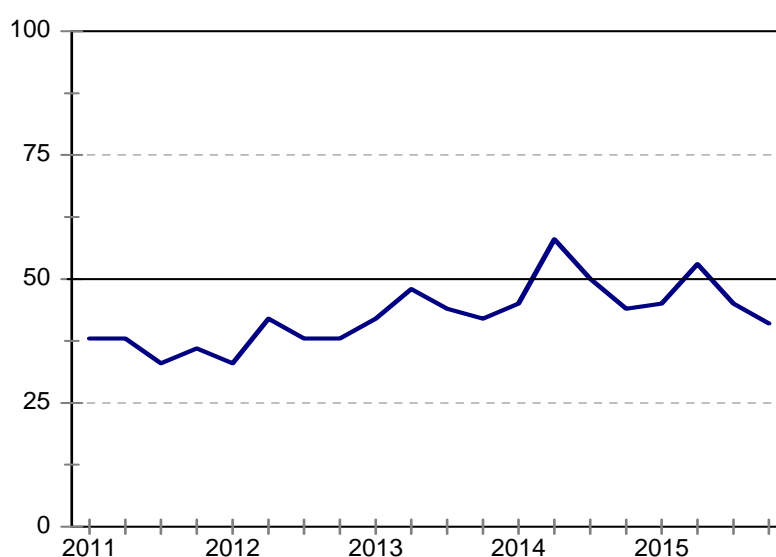
Due to higher confidence levels and a slight recovery in building activity, general builders employed more people during this quarter. In 2015Q4, a net 18% indicated that employment increased compared to the same period a year ago. This is an improvement from a net 21% who reported lower employment in 2015Q3.

Construction Industry

Total

After falling from 53 to 45 in 2015Q3, business confidence fell further to a level of 41 in 2015Q4. Compared to a year ago, business conditions deteriorated, construction activity slowed, the rate of retrenchments increased and pressure on profitability increased.

Figure 11: Total
Business confidence



After increasing from 26% to 35% in 2015Q3, the net percentage of respondents who reported lower activity increased further to 49% in 2015Q4.

Less construction activity weighed on profit margins. Compared to a net 39% in 2015Q3, 47% indicated that profitability was lower than the same quarter a year ago.

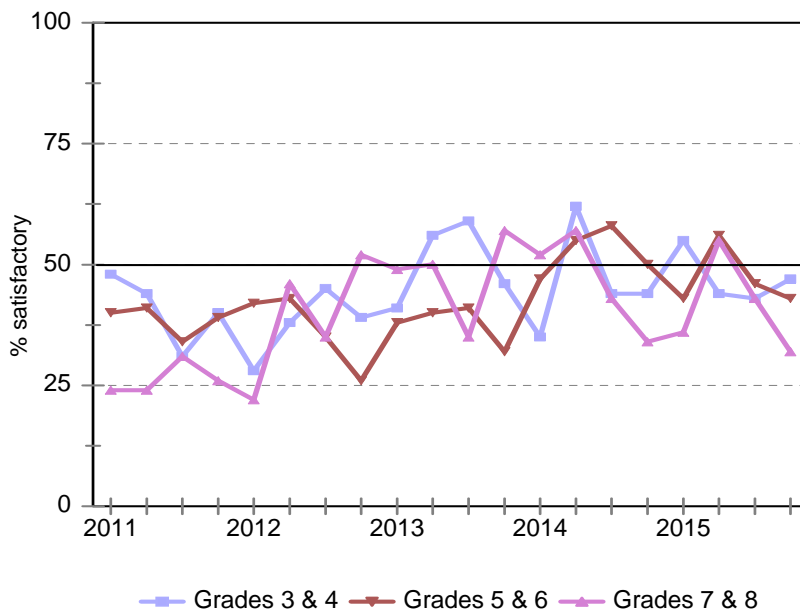
Looking ahead, construction activity will likely remain under pressure. The proportion of respondents who rated insufficient demand for new construction work as a constraint increased from 66% to 71% in 2015Q4.

Due to lower confidence levels and a slowdown in activity, civil contractors employed fewer people during 2015Q4. A net 35% indicated that employment was lower; this is a deterioration compared to a net 22% of respondents who found this to be the case in 2015Q3.

Grades comparison

As shown in Figure 12, Grades 3 & 4 were the only grades that registered an uptick in business confidence in 2015Q4.

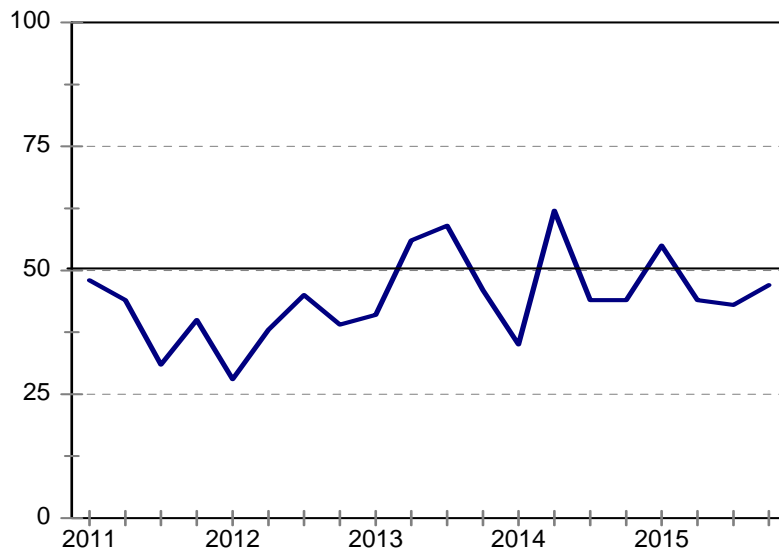
Figure 12: Business confidence per grade



Grades 3 & 4

After two consecutive quarterly declines, business confidence increased to 47 in 2015Q4. This was largely driven by a slight improvement in construction activity and profitability.

Figure 13: Grade 3 & 4
Business confidence



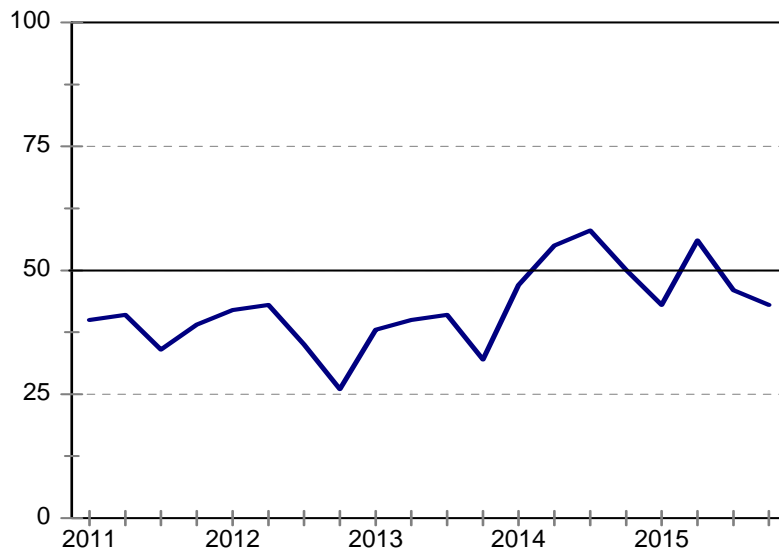
Compared to a net 32% in 2015Q3, 27% indicated that construction activity was lower than the same quarter a year ago.

Due to the uptick in construction activity, pressure on profitability subsided somewhat. A net 37% of respondents stated that profitability was lower compared to the same period last year, down from 44% in 2015Q3.

Grades 5 & 6

Business confidence for civil contractors in Grades 5 & 6 declined from 46 to 43 in 2015Q4.

Figure 14: Grade 5 & 6
Business confidence



The drop in confidence was largely driven by lower construction activity. The net percentage of respondents who indicated lower activity levels increased from a net 33% to 61% in 2015Q4.

The slowdown in activity led to more pressure on profit margins. Compared to a net 39% in 2015Q3, 50% reported lower profitability than the same quarter a year ago.

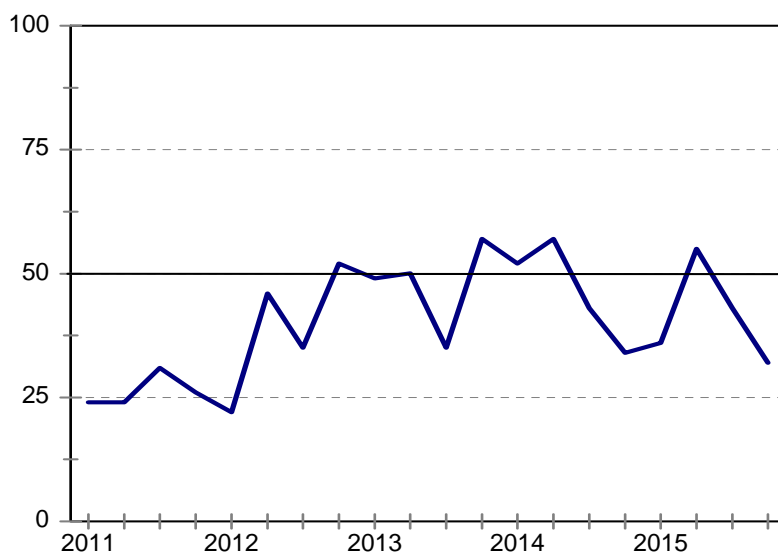
The current moderation in activity is likely to continue into the foreseeable future. The proportion of respondents who cited insufficient demand for construction work as a constraint increased from 68% to 75%.

Due to lower activity, job losses intensified during 2015Q4. A net percentage of 41% of respondents indicated that employment declined compared to the same period a year ago – up from 24% in 2015Q3.

Grades 7 & 8

Business confidence fell by 11 index points to 32 in 2015Q4. This marks its lowest level since 2012Q1.

Figure 15: Grade 7 & 8
Business confidence



The drop in confidence was likely due to a slowdown in construction activity. After increasing from 30% to 40% in 2015Q3, the net percentage of civil contractors who reported lower construction activity increased further to 52% in 2015Q4.

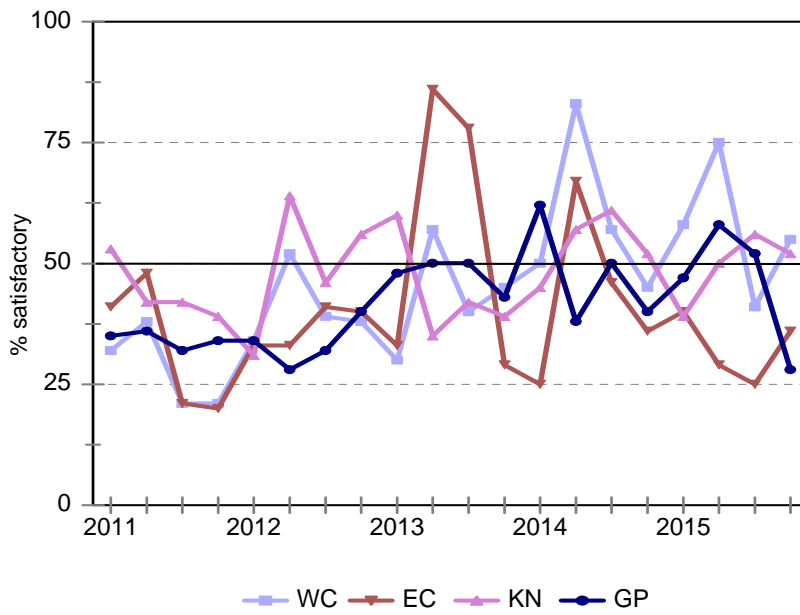
Less construction activity weighed on profitability. The proportion of civil contractors who cited lower profit margins increased from a net 33% to 54% in 2015Q4.

A slowdown in activity furthermore led to more job losses during this quarter. Compared to a net 30% in 2015Q3, 42% indicated that employment was lower compared to the same period last year.

Provincial comparison

Regionally, the following changes in confidence levels came about, Western Cape (+14), Eastern Cape (+11), Gauteng (-24) and KwaZulu-Natal (-4).

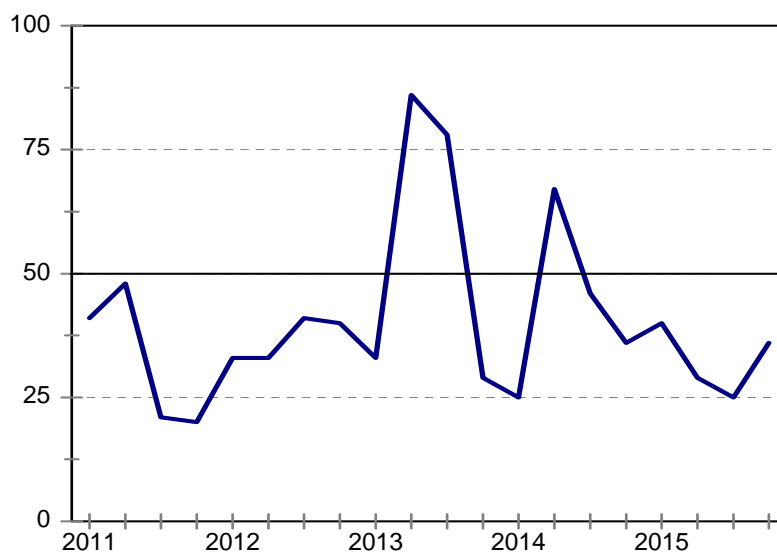
Figure 16: Business confidence per province



Eastern Cape

Business confidence for civil contractors in the Eastern Cape ticked up from 25 to 36 index points.

Figure 17: Eastern Cape
Business confidence

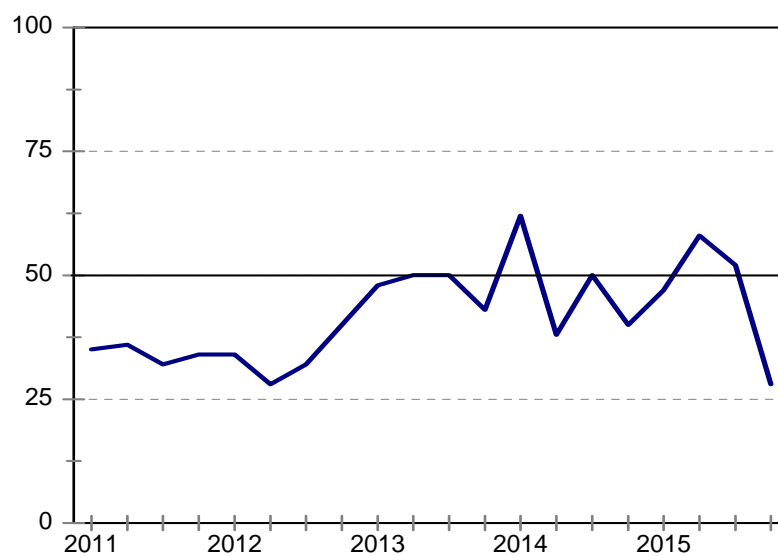


Pressure on profitability subsided somewhat. The proportion of respondents who reported lower profit levels dropped from a net 42% in 2015Q3 to 37% in 2015Q4.

Gauteng

Business confidence among civil contractors in Gauteng fell sharply from 52 to 28 in 2015Q4. The last time that the confidence level was this depressed was in 2012Q2. The drop in confidence was reflected in several key underlying indicators.

**Figure 18: Gauteng
Business confidence**



General business conditions deteriorated even further during this quarter. A net 48% of respondents indicated that conditions were worse compared to the same period a year ago, up from 15% in 2015Q3.

The proportion of respondents who indicated a slowdown in construction activity increased from a net 33% to 60% in 2015Q4.

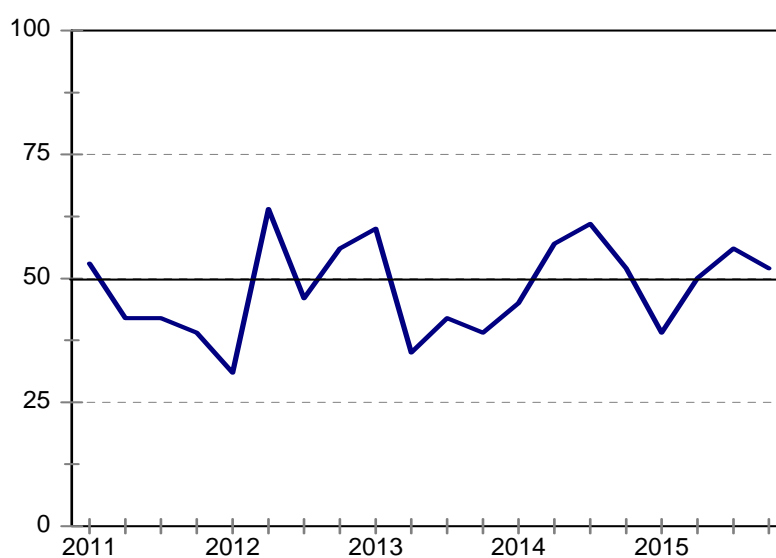
Due to lower construction activity, profit margins came under more pressure. Compared to a net 27% in 2015Q3, a net 56% of respondents reported lower profitability.

The weaker profit margins were furthermore exacerbated by tougher tendering price competition. A net 63% of respondents indicated that tendering competition was keener compared to a year ago, up from 56% in 2015Q3.

KwaZulu-Natal

After increasing from 50 to 56 in 2015Q3, business confidence fell back to a level of 52. Although confidence remained above 50, several underlying indices suggest that civil contractors in KwaZulu-Natal are under tremendous pressure.

Figure 19: KwaZulu-Natal
Business confidence



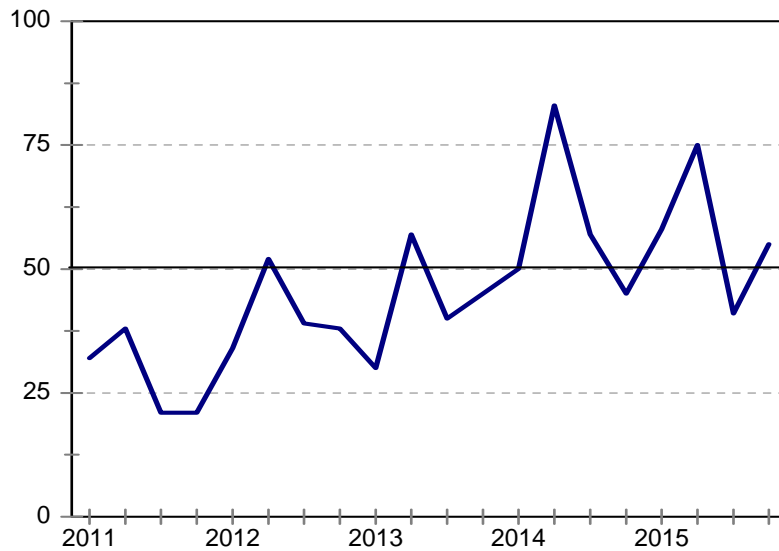
Compared to a net 36% in 2015Q3, 60% indicated that construction activity was lower than the same quarter a year ago. The slowdown in activity weighed on profitability. The proportion of respondents who cited lower profit margins increased from a net 33% to 72% in 2015Q4.

Due to lower activity and profitability, job losses intensified during this quarter. In 2015Q4, a net 56% indicated that employment was lower compared to a year ago; up from a net 11% in the previous quarter.

Western Cape

After a sharp drop in 2015Q3, civil contractors in the Western Cape regained some confidence and registered a level of 55 in 2015Q4.

Figure 20: Western Cape
Business confidence



The increase in confidence was likely due to a rise in construction activity. A net 13% of respondents reported lower construction activity during 2015Q4. This is an improvement from the net 38% who experienced a slowdown in activity in 2015Q3.

As a result of the uptick in activity, pressure on profitability subsided somewhat. A net 18% of respondents stated that profitability was lower compared to the same period in 2014, down from 38% in 2015Q3.

The improvement in activity and profitability led to fewer job losses during this quarter. The percentage of civil contractors who reported having shed jobs improved from a net 25% to 5% in 2015Q4.

Due to the increase in construction activity, the proportion of respondents who experienced skilled labour shortages as a constraint increased from 50% to 61%.

Ms Mia Slabber

Ms Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

| | 15Q1 | 15Q2 | 15Q3 | 15Q4 | 16Q1* |
|---|------|------|------|------|-------|
| Business confidence ³ | 51 | 51 | 42 | 46 | |
| Change in business conditions ¹ | -14 | -22 | -14 | -34 | -25 |
| Growth in building activity ¹ | -22 | -26 | -25 | -36 | -31 |
| Growth in number of people employed ¹ | -21 | -17 | -13 | -25 | -30 |
| Growth in profitability of the business ¹ | -34 | -33 | -26 | -43 | -32 |
| Tendering competition ¹ | 33 | 31 | 35 | 43 | |
| Percentage rating shortage of skilled labour a constraint ² | 56 | 52 | 53 | 47 | |
| Percentage rating inadequate supply of building materials a constraint ² | 29 | 30 | 29 | 25 | |
| Percentage rating insufficient demand for building work a constraint ² | 65 | 67 | 63 | 69 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 40 | 39 | 31 | 34 | |

* Expected.

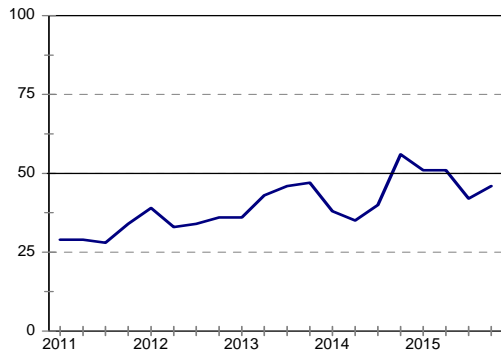
¹ Net balance.

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

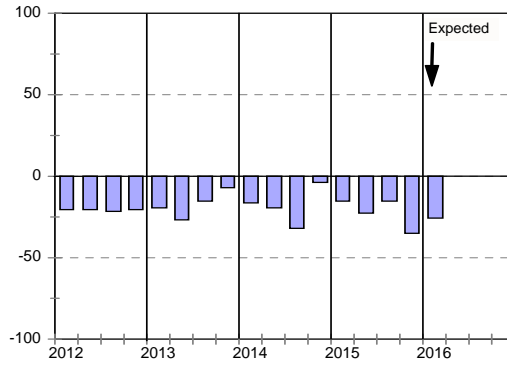
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

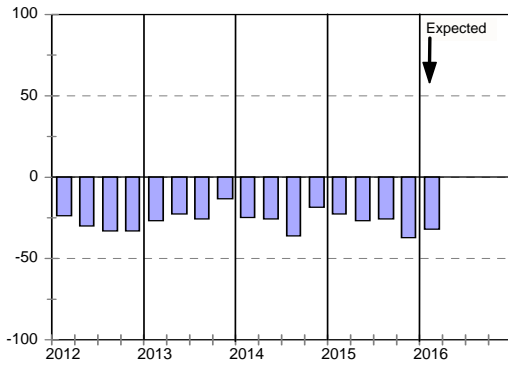
Business confidence



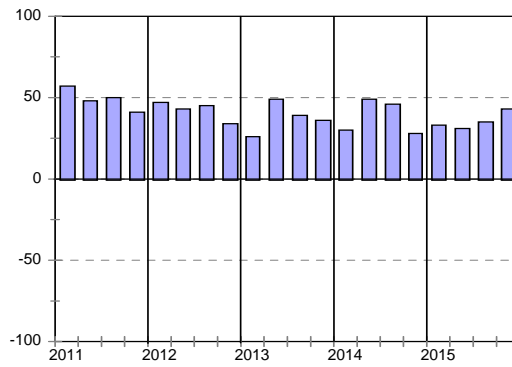
Change in business conditions



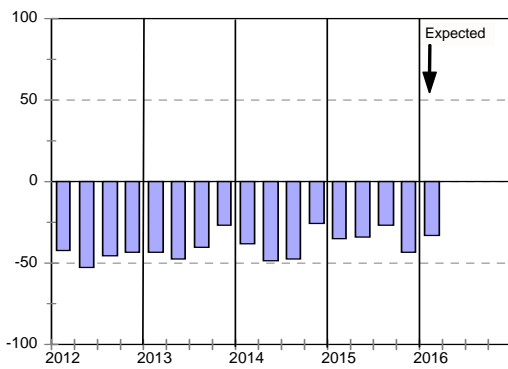
Growth in building activity



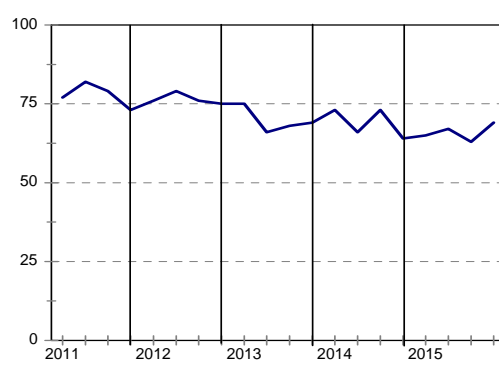
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

| | 15Q1 | 15Q2 | 15Q3 | 15Q4 | 16Q1* |
|---|------|------|------|------|-------|
| Business confidence ³ | 51 | 56 | 48 | 63 | |
| Change in business conditions ¹ | -21 | -17 | -17 | -25 | -18 |
| Growth in building activity ¹ | -30 | -26 | -27 | -29 | -20 |
| Growth in number of people employed ¹ | -25 | -15 | -7 | -13 | -25 |
| Growth in profitability of the business ¹ | -39 | -28 | -32 | -46 | -28 |
| Tendering competition ¹ | 25 | 28 | 25 | 35 | |
| Percentage rating shortage of skilled labour a constraint ² | 54 | 51 | 54 | 42 | |
| Percentage rating inadequate supply of building materials a constraint ² | 29 | 29 | 29 | 31 | |
| Percentage rating insufficient demand for building work a constraint ² | 66 | 66 | 63 | 63 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 46 | 47 | 34 | 36 | |

* Expected.

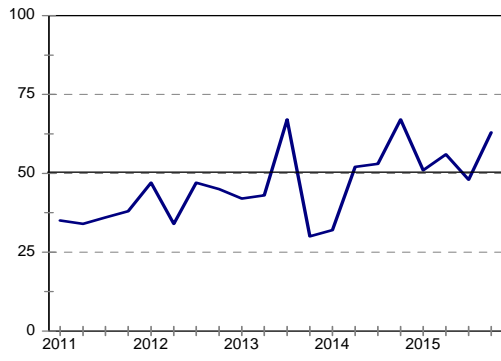
¹ Net balance.

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

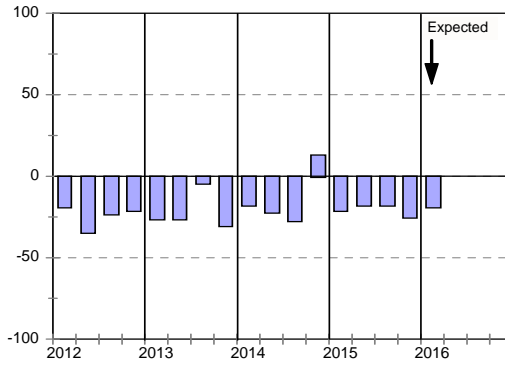
³ Percentage gross rating prevailing business conditions as satisfactory.

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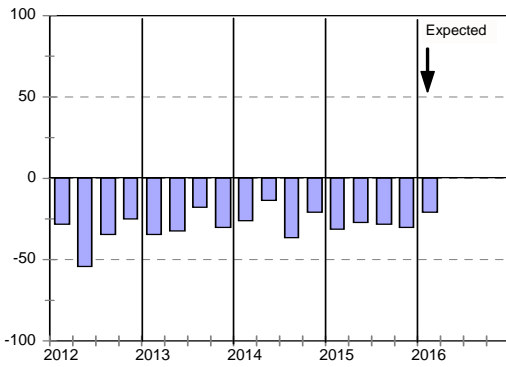
Business confidence



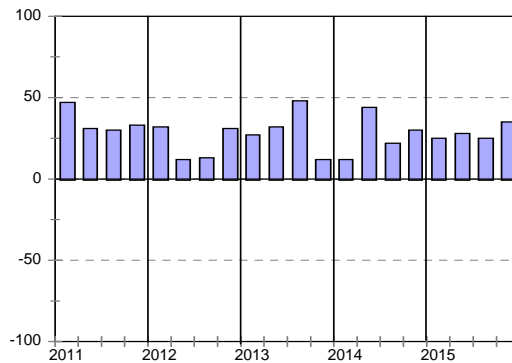
Change in business conditions



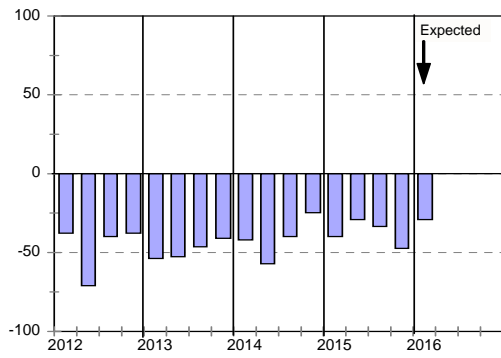
Growth in building activity



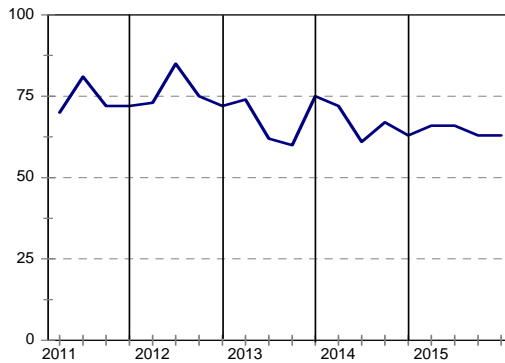
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

| | <i>15Q1</i> | <i>15Q2</i> | <i>15Q3</i> | <i>15Q4</i> | <i>16Q1*</i> |
|---|-------------|-------------|-------------|-------------|--------------|
| Business confidence ³ | 52 | 50 | 49 | 45 | |
| Change in business conditions ¹ | -9 | -20 | -2 | -31 | -30 |
| Growth in building activity ¹ | -21 | -22 | -13 | -30 | -42 |
| Growth in number of people employed ¹ | -16 | -12 | -7 | -15 | -27 |
| Growth in profitability of the business ¹ | -37 | -29 | -14 | -37 | -36 |
| Tendering competition ¹ | 35 | 19 | 40 | 39 | |
| Percentage rating shortage of skilled labour a constraint ² | 54 | 50 | 54 | 46 | |
| Percentage rating inadequate supply of building materials a constraint ² | 26 | 23 | 26 | 21 | |
| Percentage rating insufficient demand for building work a constraint ² | 62 | 64 | 57 | 70 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 38 | 32 | 28 | 34 | |

* Expected.

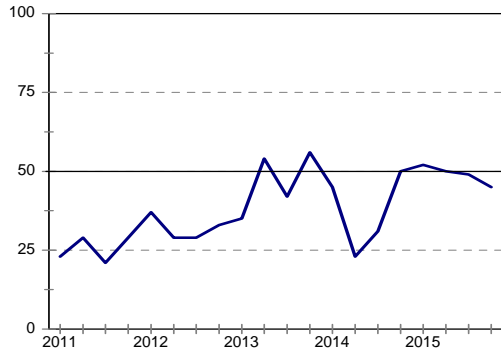
¹ Net balance.

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

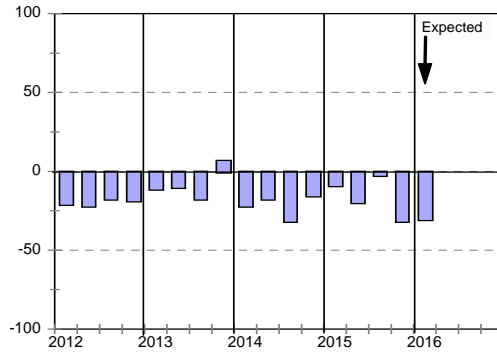
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

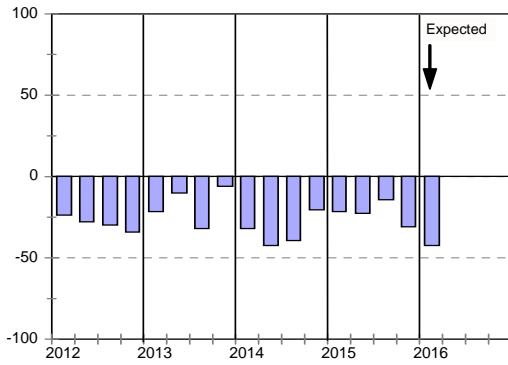
Business confidence



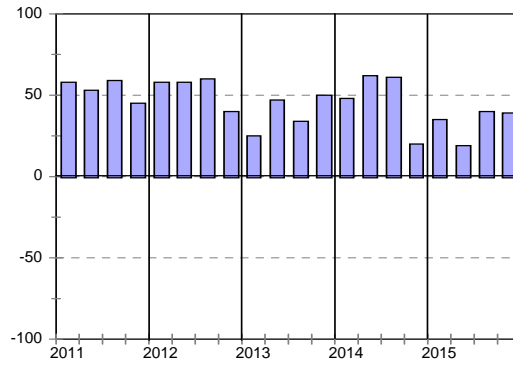
Change in business conditions



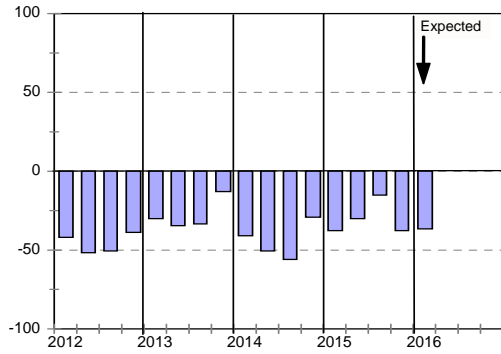
Growth in building activity



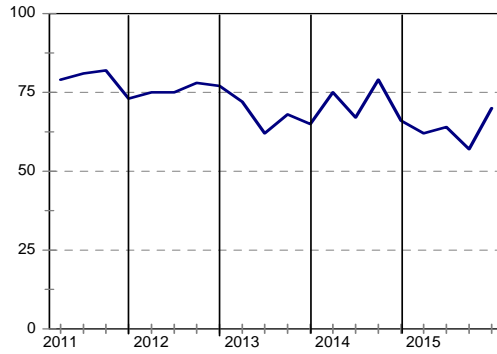
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

| | 15Q1 | 15Q2 | 15Q3 | 15Q4 | 16Q1* |
|---|------|------|------|------|-------|
| Business confidence ³ | 52 | 44 | 12 | 26 | |
| Change in business conditions ¹ | -13 | -36 | -40 | -50 | -25 |
| Growth in building activity ¹ | -9 | -32 | -50 | -57 | -24 |
| Growth in number of people employed ¹ | -22 | -29 | -40 | -62 | -40 |
| Growth in profitability of the business ¹ | -23 | -50 | -50 | -52 | -30 |
| Tendering competition ¹ | 42 | 61 | 40 | 61 | |
| Percentage rating shortage of skilled labour a constraint ² | 63 | 61 | 50 | 54 | |
| Percentage rating inadequate supply of building materials a constraint ² | 35 | 44 | 40 | 24 | |
| Percentage rating insufficient demand for building work a constraint ² | 68 | 73 | 80 | 74 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 33 | 38 | 37 | 33 | |

* Expected.

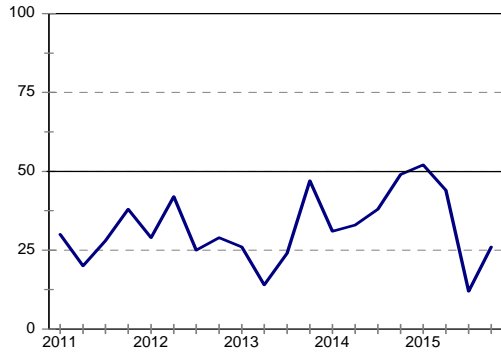
¹ Net balance.

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

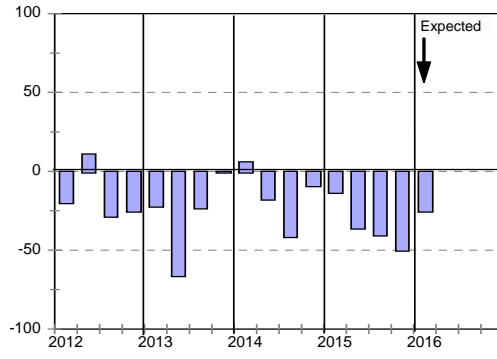
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

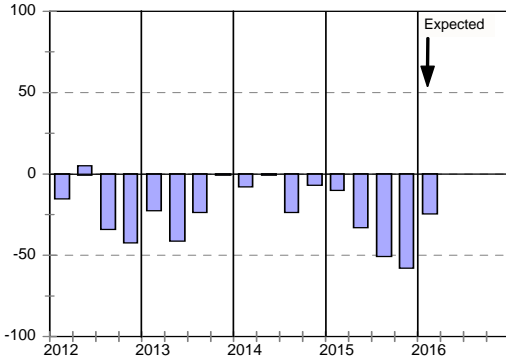
Business confidence



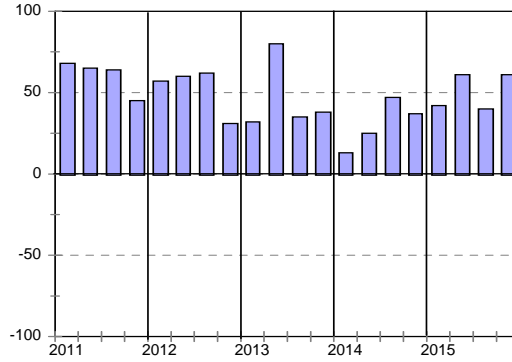
Change in business conditions



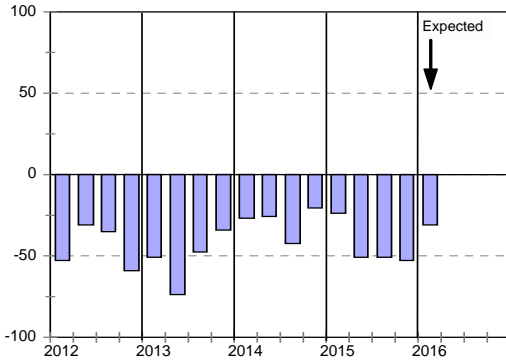
Growth in building activity



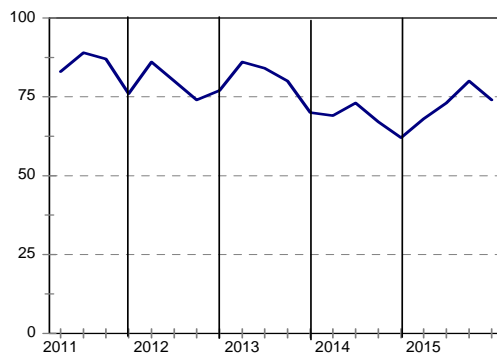
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

| | <i>15Q1</i> | <i>15Q2</i> | <i>15Q3</i> | <i>15Q4</i> | <i>16Q1*</i> |
|---|-------------|-------------|-------------|-------------|--------------|
| Business confidence ³ | 32 | 42 | 38 | 42 | |
| Change in business conditions ¹ | -47 | -66 | -16 | -55 | -50 |
| Growth in building activity ¹ | -58 | -70 | -39 | -50 | -58 |
| Growth in number of people employed ¹ | -55 | -35 | 0 | -59 | -67 |
| Growth in profitability of the business ¹ | -78 | -69 | -17 | -46 | -50 |
| Tendering competition ¹ | 60 | 71 | 30 | 75 | |
| Percentage rating shortage of skilled labour a constraint ² | 60 | 55 | 70 | 62 | |
| Percentage rating inadequate supply of building materials a constraint ² | 31 | 33 | 58 | 46 | |
| Percentage rating insufficient demand for building work a constraint ² | 71 | 80 | 74 | 84 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 34 | 33 | 43 | 46 | |

* Expected.

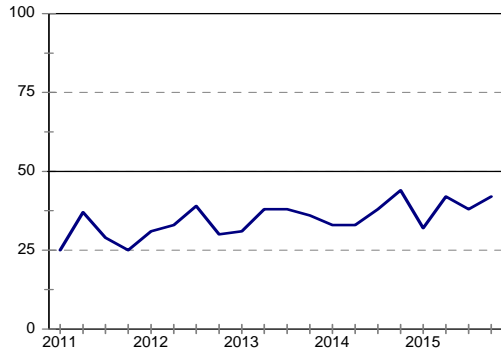
¹ Net balance.

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.

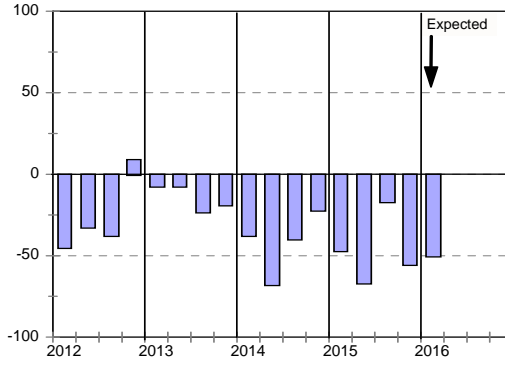
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

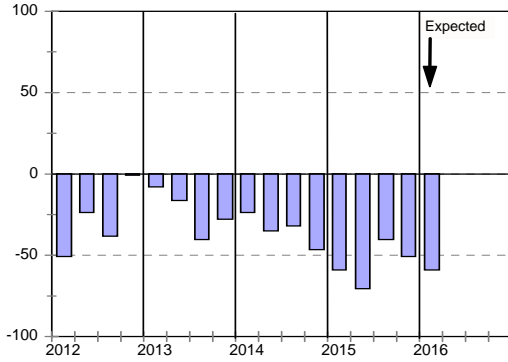
Business confidence



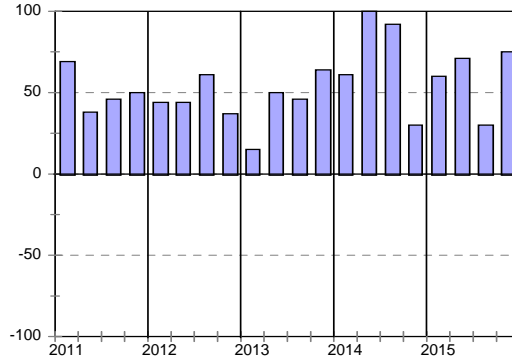
Change in business conditions



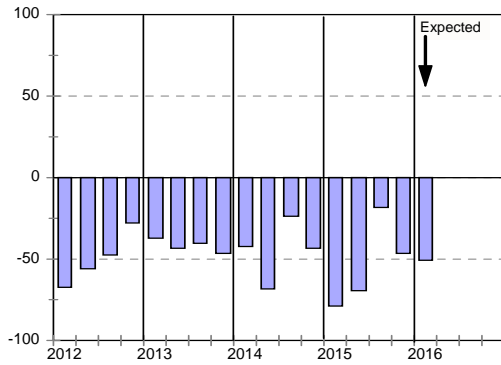
Growth in building activity



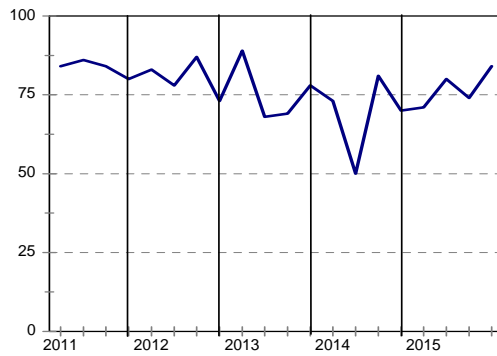
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

| | <i>15Q1</i> | <i>15Q2</i> | <i>15Q3</i> | <i>15Q4</i> | <i>16Q1*</i> |
|---|-------------|-------------|-------------|-------------|--------------|
| Business confidence ³ | 51 | 57 | 26 | 45 | |
| Change in business conditions ¹ | -13 | -10 | -22 | -27 | -33 |
| Growth in building activity ¹ | -13 | -13 | -42 | -42 | -31 |
| Growth in number of people employed ¹ | -11 | -3 | -17 | -10 | -32 |
| Growth in profitability of the business ¹ | -19 | -35 | -41 | -43 | -25 |
| Tendering competition ¹ | 16 | 33 | 39 | 41 | |
| Percentage rating shortage of skilled labour a constraint ² | 60 | 53 | 47 | 43 | |
| Percentage rating inadequate supply of building materials a constraint ² | 30 | 31 | 29 | 23 | |
| Percentage rating insufficient demand for building work a constraint ² | 61 | 60 | 71 | 64 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 46 | 52 | 38 | 32 | |

* Expected.

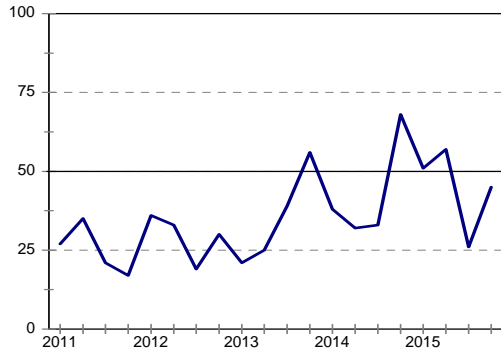
¹ Net balance.

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

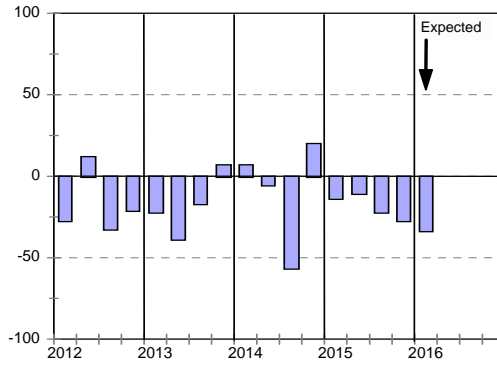
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

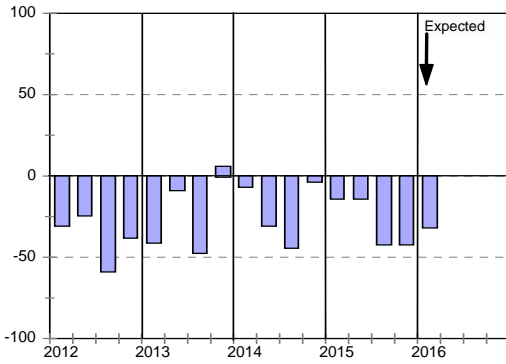
Business confidence



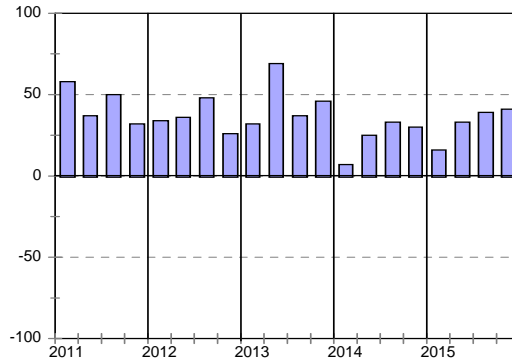
Change in business conditions



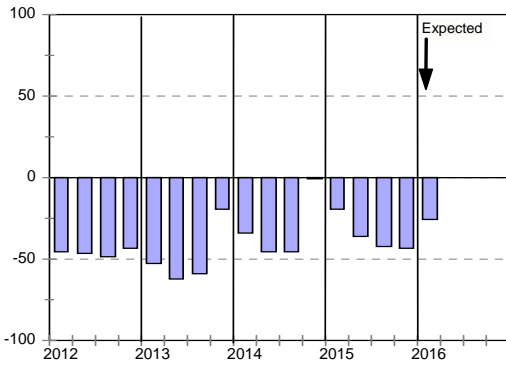
Growth in building activity



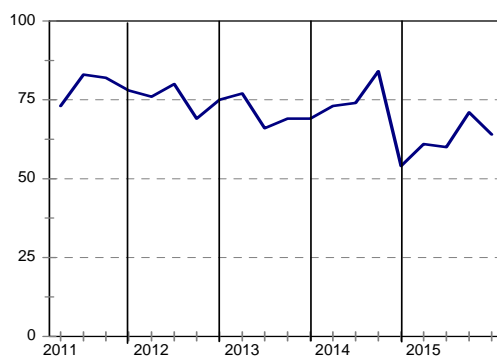
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

| | <i>15Q1</i> | <i>15Q2</i> | <i>15Q3</i> | <i>15Q4</i> | <i>16Q1*</i> |
|---|-------------|-------------|-------------|-------------|--------------|
| Business confidence ³ | 40 | 41 | 36 | 24 | |
| Change in business conditions ¹ | -17 | -38 | -14 | -52 | -17 |
| Growth in building activity ¹ | -34 | -42 | -18 | -50 | -27 |
| Growth in number of people employed ¹ | -40 | -29 | -20 | -60 | -38 |
| Growth in profitability of the business ¹ | -46 | -43 | -10 | -75 | -38 |
| Tendering competition ¹ | 31 | 15 | 10 | 18 | |
| Percentage rating shortage of skilled labour a constraint ² | 60 | 52 | 48 | 49 | |
| Percentage rating inadequate supply of building materials a constraint ² | 35 | 31 | 19 | 19 | |
| Percentage rating insufficient demand for building work a constraint ² | 72 | 62 | 52 | 72 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 49 | 39 | 23 | 34 | |

* Expected.

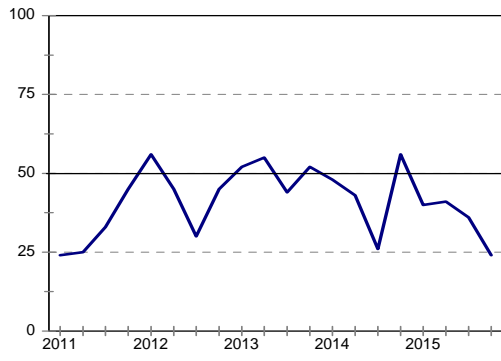
¹ Net balance.

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

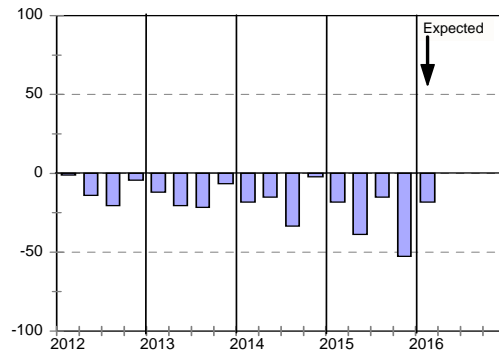
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

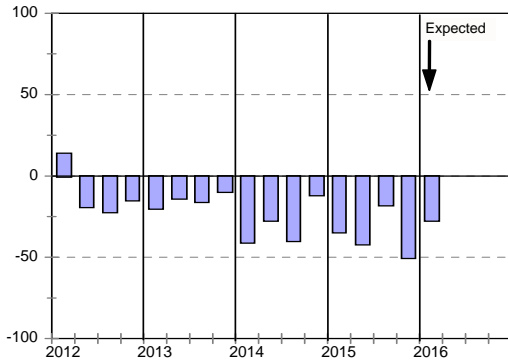
Business confidence



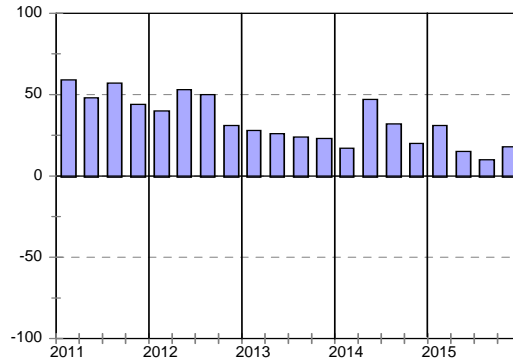
Change in business conditions



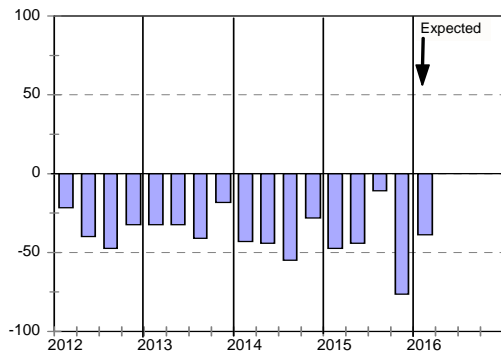
Growth in building activity



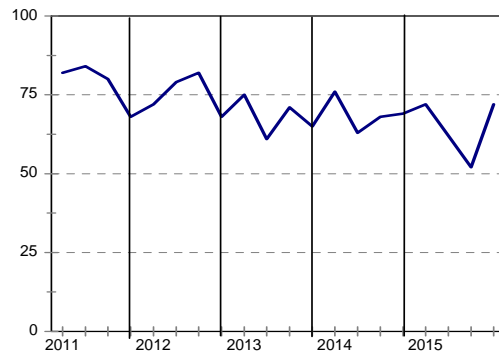
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

| | <i>15Q1</i> | <i>15Q2</i> | <i>15Q3</i> | <i>15Q4</i> | <i>16Q1*</i> |
|---|-------------|-------------|-------------|-------------|--------------|
| Business confidence ³ | 73 | 62 | 56 | 74 | |
| Change in business conditions ¹ | 8 | 9 | -11 | -9 | -13 |
| Growth in building activity ¹ | 0 | 3 | -11 | -4 | -17 |
| Growth in number of people employed ¹ | -3 | 2 | -21 | 18 | 5 |
| Growth in profitability of the business ¹ | -18 | -3 | -32 | -9 | -19 |
| Tendering competition ¹ | 34 | 14 | 37 | 48 | |
| Percentage rating shortage of skilled labour a constraint ² | 49 | 53 | 55 | 45 | |
| Percentage rating inadequate supply of building materials a constraint ² | 21 | 24 | 28 | 28 | |
| Percentage rating insufficient demand for building work a constraint ² | 55 | 67 | 57 | 63 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 32 | 36 | 32 | 39 | |

* Expected.

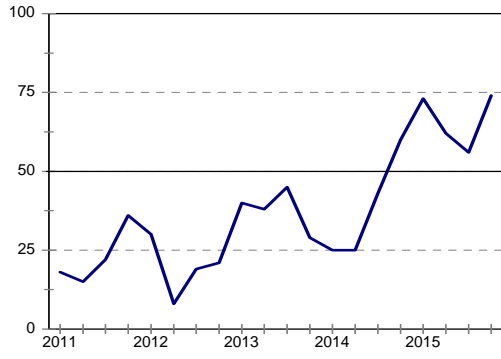
¹ Net balance.

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.

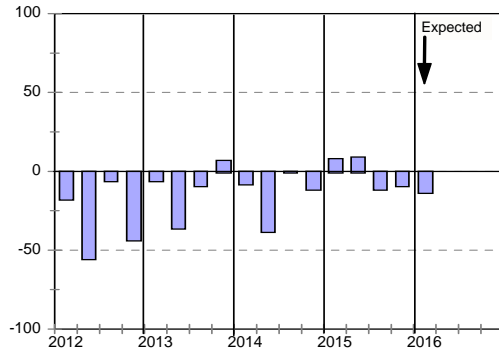
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

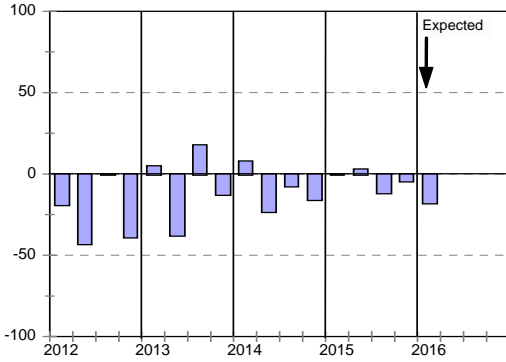
Business confidence



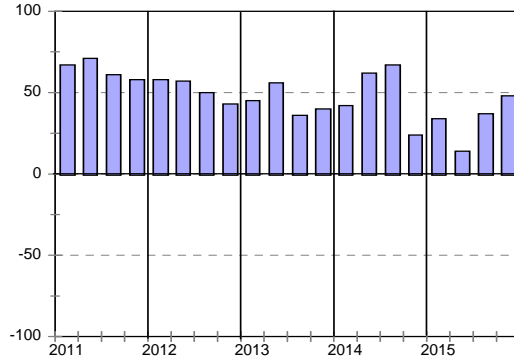
Change in business conditions



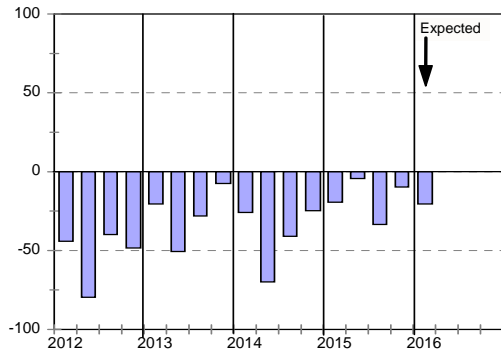
Growth in building activity



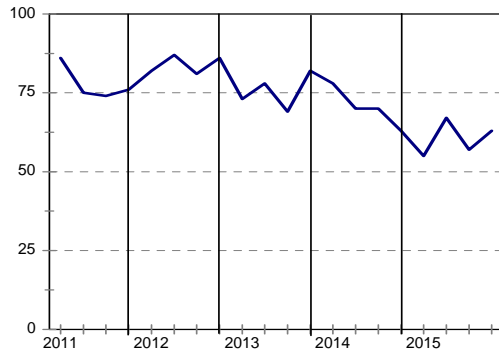
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total

| | 15Q1 | 15Q2 | 15Q3 | 15Q4 | 16Q1* |
|---|------|------|------|------|-------|
| Business confidence ³ | 45 | 53 | 45 | 41 | |
| Change in business conditions ¹ | -26 | -22 | -20 | -37 | -24 |
| Growth in construction activity ¹ | -29 | -26 | -35 | -49 | -24 |
| Growth in number of people employed ¹ | -28 | -18 | -22 | -35 | -21 |
| Growth in profitability of the business ¹ | -51 | -40 | -39 | -47 | -17 |
| Tendering competition ¹ | 41 | 36 | 48 | 45 | |
| Percentage rating shortage of skilled labour a constraint ² | 49 | 48 | 44 | 47 | |
| Percentage rating inadequate supply of construction materials a constraint ² | 31 | 26 | 30 | 27 | |
| Percentage rating insufficient demand for construction work a constraint ² | 69 | 66 | 66 | 71 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 42 | 34 | 33 | 35 | |

* Expected.

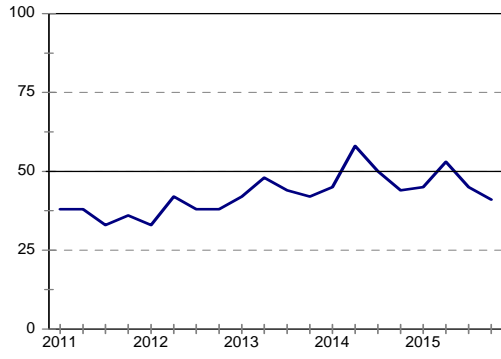
¹ Net balance.

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.

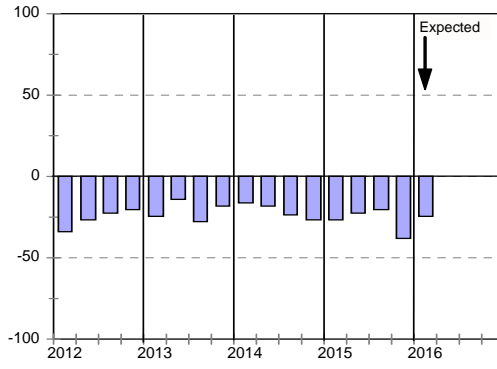
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

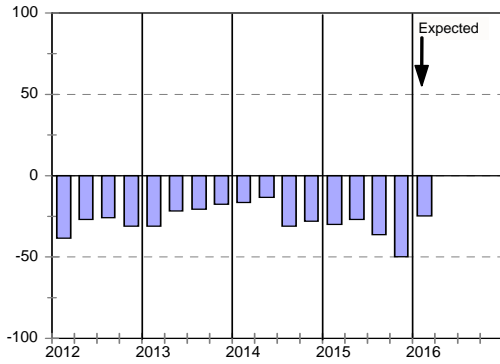
Business confidence



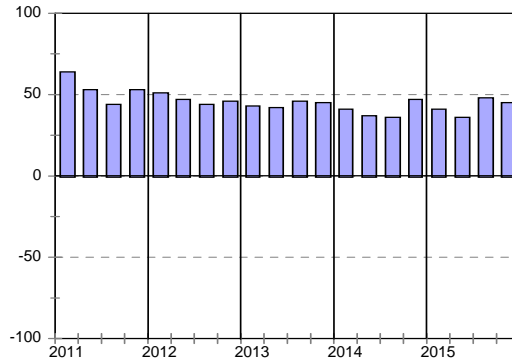
Change in business conditions



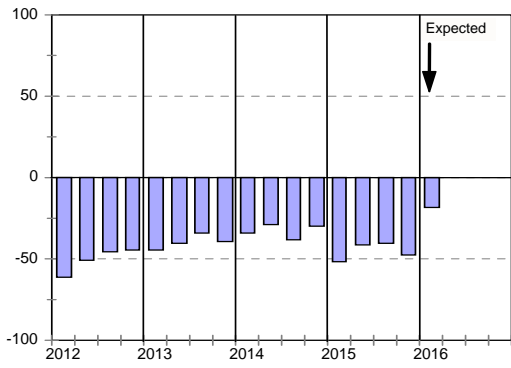
Growth in construction activity



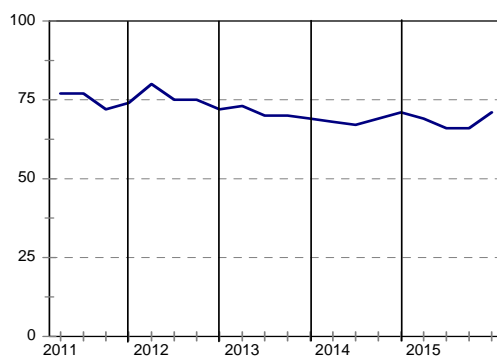
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

| | 15Q1 | 15Q2 | 15Q3 | 15Q4 | 16Q1* |
|---|------|------|------|------|-------|
| Business confidence ³ | 55 | 44 | 43 | 47 | |
| Change in business conditions ¹ | -15 | -38 | -17 | -13 | -12 |
| Growth in construction activity ¹ | -21 | -48 | -32 | -27 | -5 |
| Growth in number of people employed ¹ | -38 | -38 | -8 | -19 | 13 |
| Growth in profitability of the business ¹ | -50 | -52 | -44 | -37 | -4 |
| Tendering competition ¹ | 29 | -4 | 28 | 43 | |
| Percentage rating shortage of skilled labour a constraint ² | 42 | 50 | 42 | 45 | |
| Percentage rating inadequate supply of construction materials a constraint ² | 35 | 24 | 30 | 29 | |
| Percentage rating insufficient demand for construction work a constraint ² | 68 | 68 | 64 | 68 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 45 | 46 | 42 | 50 | |

* Expected.

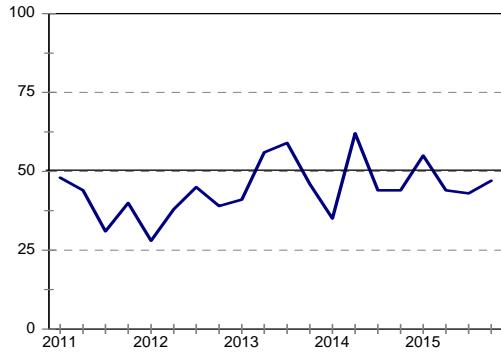
¹ Net balance.

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.

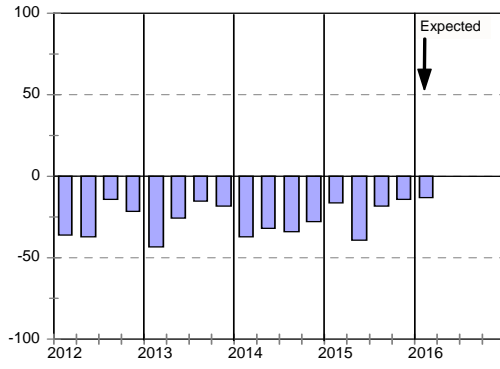
³ Percentage gross rating prevailing business conditions as satisfactory.

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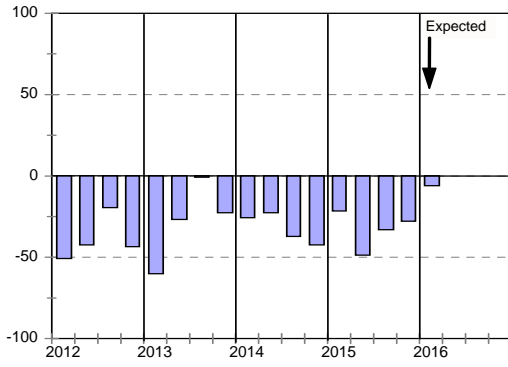
Business confidence



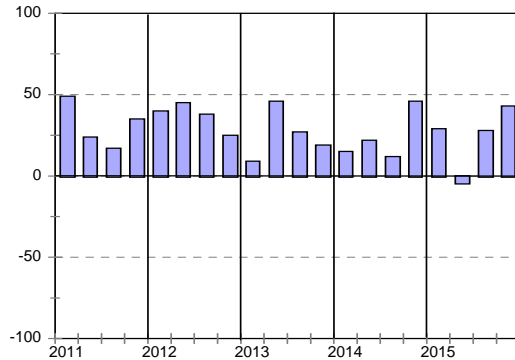
Change in business conditions



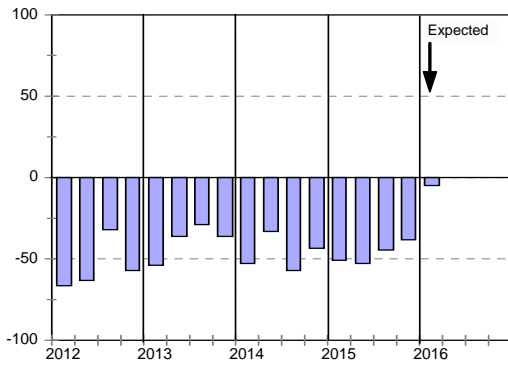
Growth in construction activity



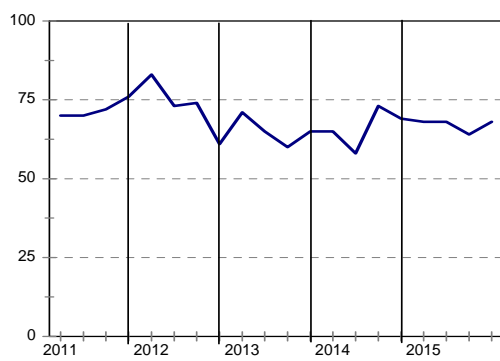
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

| | 15Q1 | 15Q2 | 15Q3 | 15Q4 | 16Q1* |
|---|------|------|------|------|-------|
| Business confidence ³ | 43 | 56 | 46 | 43 | |
| Change in business conditions ¹ | -27 | -10 | -22 | -50 | -31 |
| Growth in construction activity ¹ | -31 | -11 | -33 | -61 | -35 |
| Growth in number of people employed ¹ | -22 | -4 | -24 | -41 | -29 |
| Growth in profitability of the business ¹ | -50 | -35 | -39 | -50 | -14 |
| Tendering competition ¹ | 45 | 43 | 47 | 45 | |
| Percentage rating shortage of skilled labour a constraint ² | 53 | 51 | 52 | 54 | |
| Percentage rating inadequate supply of construction materials a constraint ² | 30 | 29 | 33 | 26 | |
| Percentage rating insufficient demand for construction work a constraint ² | 69 | 65 | 68 | 75 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 44 | 35 | 34 | 29 | |

* Expected.

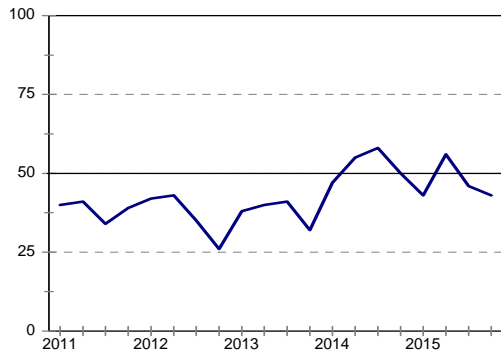
¹ Net balance.

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

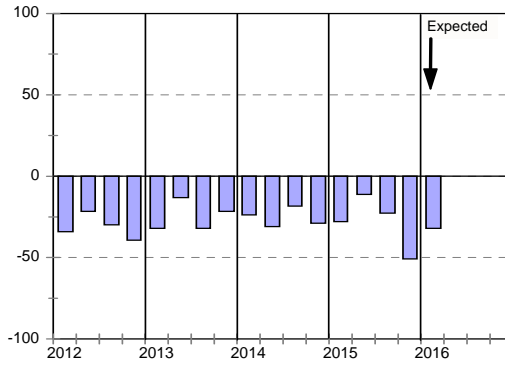
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

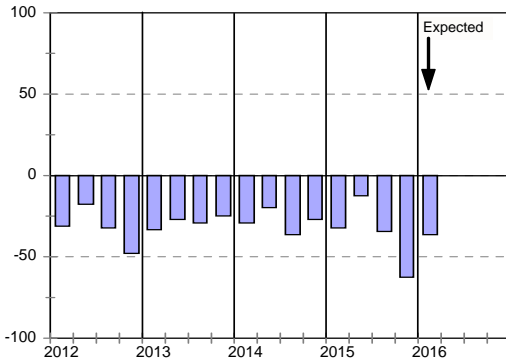
Business confidence



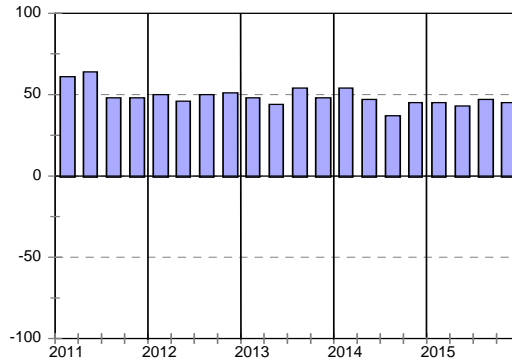
Change in business conditions



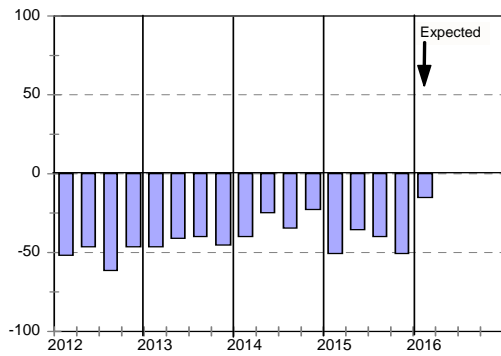
Growth in construction activity



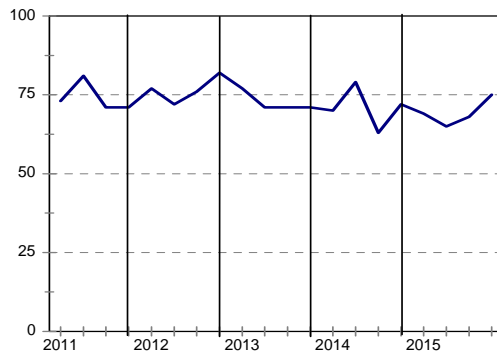
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

| | 15Q1 | 15Q2 | 15Q3 | 15Q4 | 16Q1* |
|---|-----------|-----------|-----------|-----------|-------|
| Business confidence ³ | 36 | 55 | 43 | 32 | |
| Change in business conditions ¹ | -31 | -27 | -21 | -40 | -22 |
| Growth in construction activity ¹ | -38 | -30 | -40 | -52 | -26 |
| Growth in number of people employed ¹ | -31 | -21 | -30 | -42 | -39 |
| Growth in profitability of the business ¹ | -59 | -40 | -33 | -54 | -35 |
| Tendering competition ¹ | 48 | 59 | 63 | 46 | |
| Percentage rating shortage of skilled labour a constraint ² | 52 | 42 | 30 | 38 | |
| Percentage rating inadequate supply of construction materials a constraint ² | 31 | 22 | 25 | 27 | |
| Percentage rating insufficient demand for construction work a constraint ² | 66 | 65 | 64 | 65 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 34 | 21 | 26 | 28 | |

* Expected.

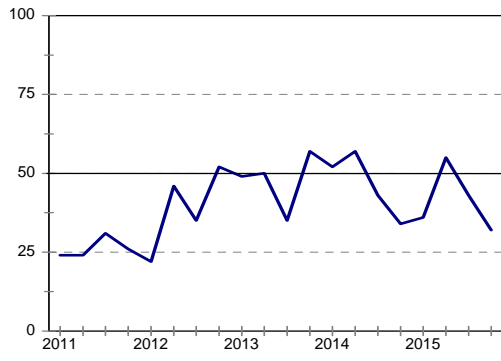
¹ Net balance.

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.

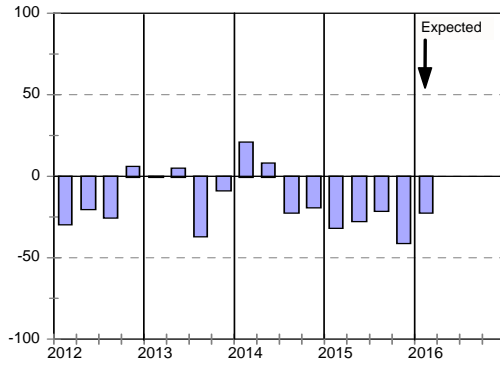
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

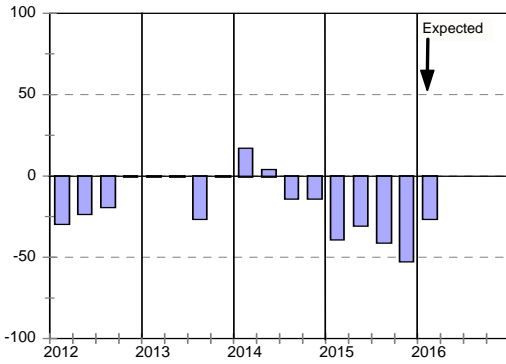
Business confidence



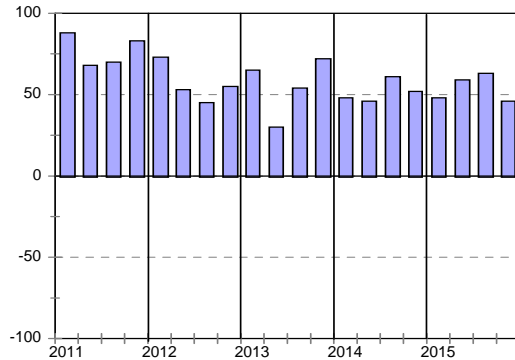
Change in business conditions



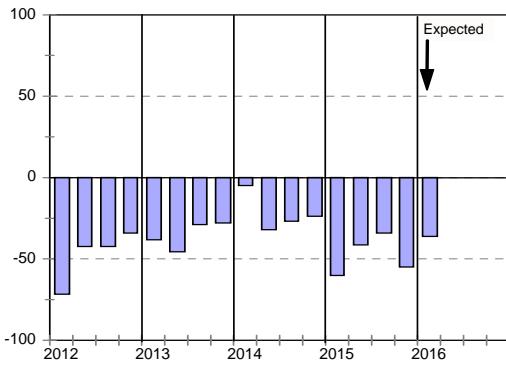
Growth in construction activity



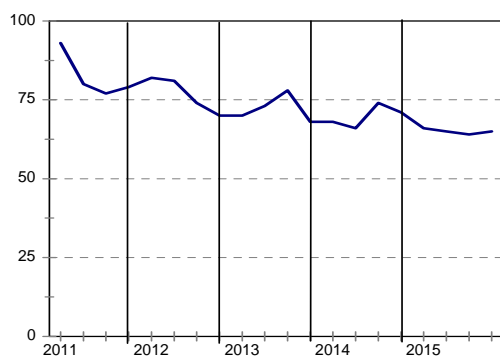
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

| | 15Q1 | 15Q2 | 15Q3 | 15Q4 | 16Q1* |
|---|------|------|------|------|-------|
| Business confidence ³ | 40 | 29 | 25 | 36 | |
| Change in business conditions ¹ | -10 | -44 | -25 | -39 | -9 |
| Growth in construction activity ¹ | -30 | -33 | -25 | -62 | -25 |
| Growth in number of people employed ¹ | 0 | -18 | -16 | -25 | -8 |
| Growth in profitability of the business ¹ | -67 | -34 | -42 | -37 | 9 |
| Tendering competition ¹ | 50 | 33 | 42 | 33 | |
| Percentage rating shortage of skilled labour a constraint ² | 65 | 61 | 63 | 50 | |
| Percentage rating inadequate supply of construction materials a constraint ² | 35 | 25 | 21 | 11 | |
| Percentage rating insufficient demand for construction work a constraint ² | 85 | 75 | 75 | 77 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 45 | 36 | 38 | 35 | |

* Expected.

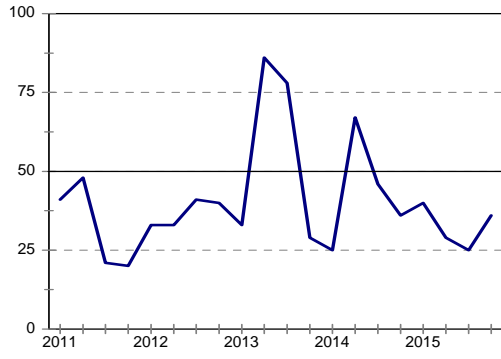
¹ Net balance.

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.

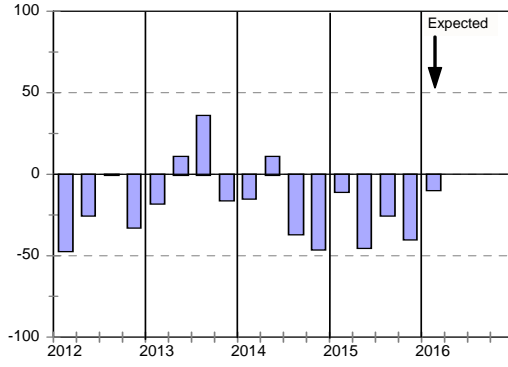
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

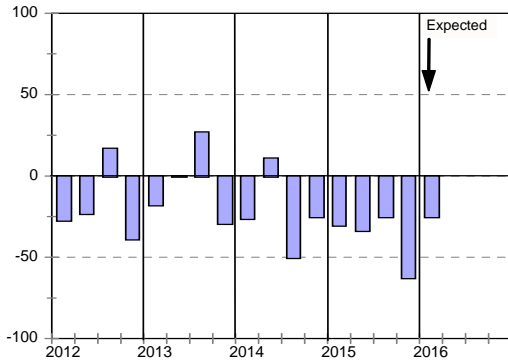
Business confidence



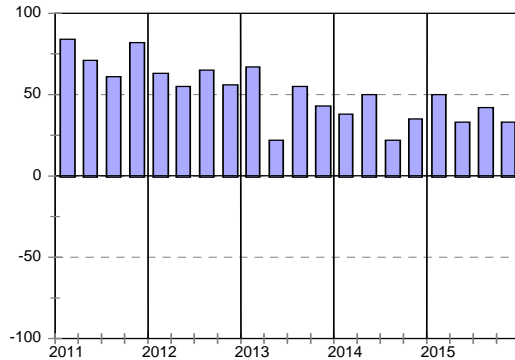
Change in business conditions



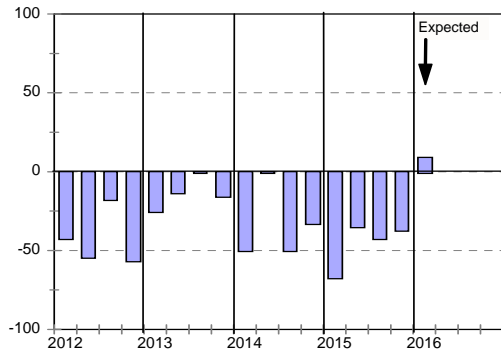
Growth in construction activity



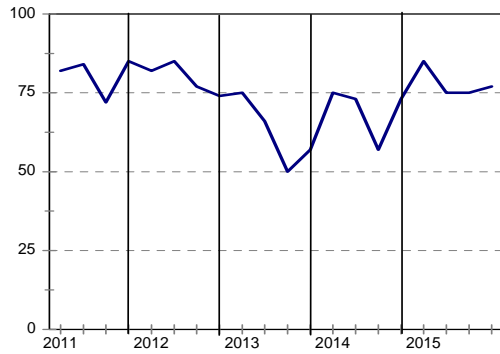
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

| | 15Q1 | 15Q2 | 15Q3 | 15Q4 | 16Q1* |
|---|------|------|------|------|-------|
| Business confidence ³ | 47 | 58 | 52 | 28 | |
| Change in business conditions ¹ | -21 | -11 | -15 | -48 | -36 |
| Growth in building activity ¹ | -50 | -37 | -33 | -60 | -38 |
| Growth in number of people employed ¹ | -35 | -8 | -12 | -48 | -30 |
| Growth in profitability of the business ¹ | -69 | -31 | -27 | -56 | -30 |
| Tendering competition ¹ | 33 | 32 | 56 | 63 | |
| Percentage rating shortage of skilled labour a constraint ² | 41 | 32 | 33 | 37 | |
| Percentage rating inadequate supply of building materials a constraint ² | 35 | 16 | 35 | 33 | |
| Percentage rating insufficient demand for building work a constraint ² | 68 | 73 | 61 | 72 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 47 | 30 | 41 | 44 | |

* Expected.

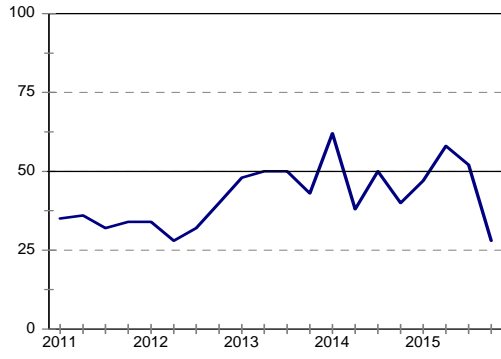
¹ Net balance.

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

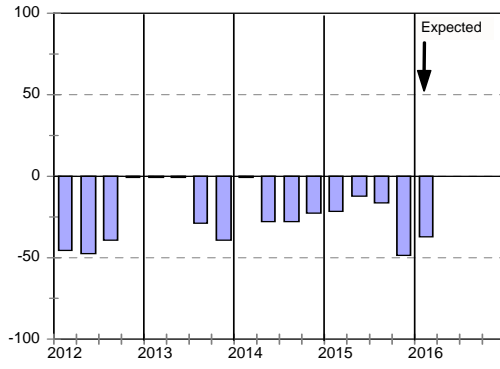
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

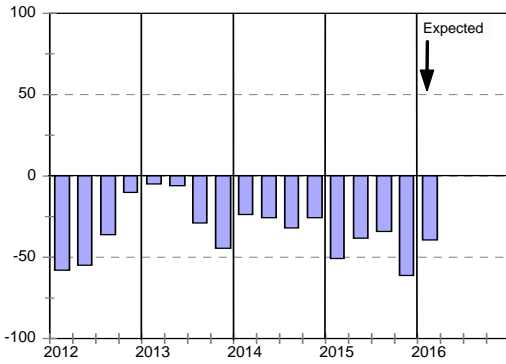
Business confidence



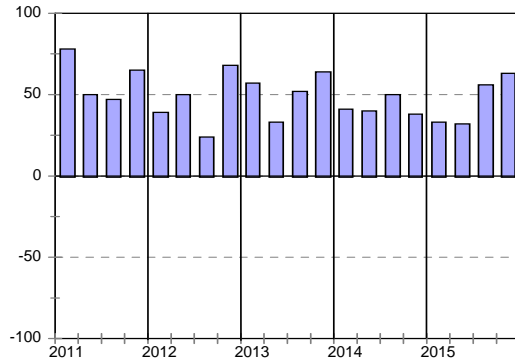
Change in business conditions



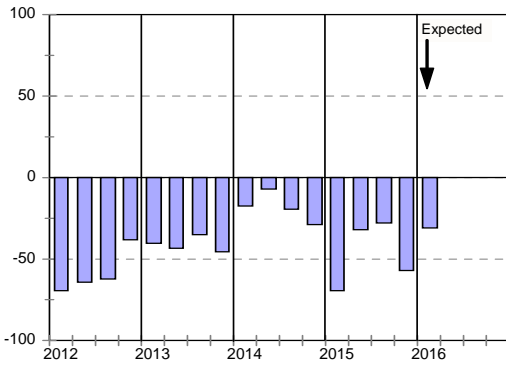
Growth in construction activity



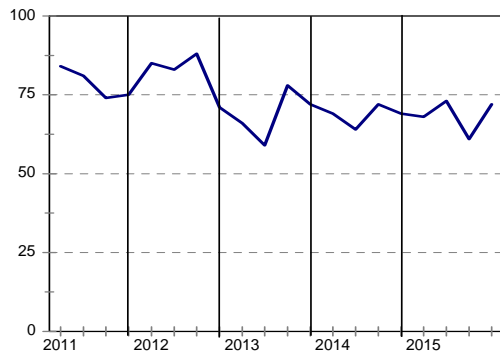
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

| | 15Q1 | 15Q2 | 15Q3 | 15Q4 | 16Q1* |
|---|-----------|-----------|-----------|-----------|-------|
| Business confidence ³ | 39 | 50 | 56 | 52 | |
| Change in business conditions ¹ | -38 | -31 | -19 | -34 | -44 |
| Growth in construction activity ¹ | -33 | -38 | -36 | -60 | -32 |
| Growth in number of people employed ¹ | -28 | -31 | -11 | -56 | -37 |
| Growth in profitability of the business ¹ | -49 | -60 | -33 | -72 | -31 |
| Tendering competition ¹ | 46 | 35 | 46 | 28 | |
| Percentage rating shortage of skilled labour a constraint ² | 54 | 58 | 44 | 44 | |
| Percentage rating inadequate supply of construction materials a constraint ² | 34 | 36 | 39 | 32 | |
| Percentage rating insufficient demand for construction work a constraint ² | 69 | 61 | 70 | 64 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 43 | 47 | 37 | 40 | |

* Expected.

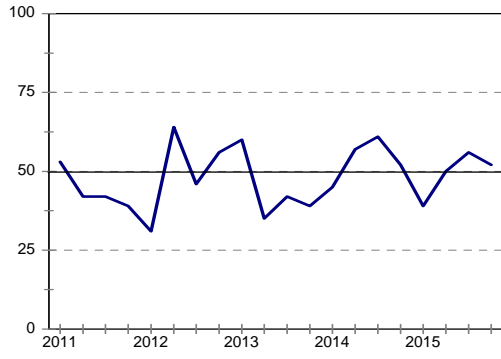
¹ Net balance.

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.

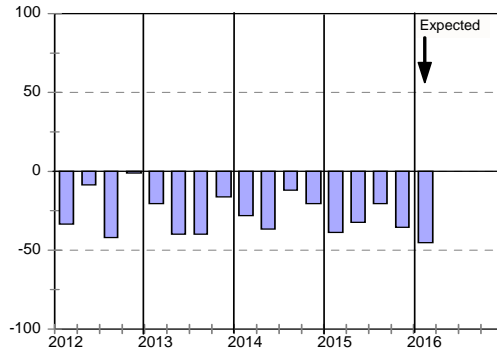
³ Percentage gross rating prevailing business conditions as satisfactory.

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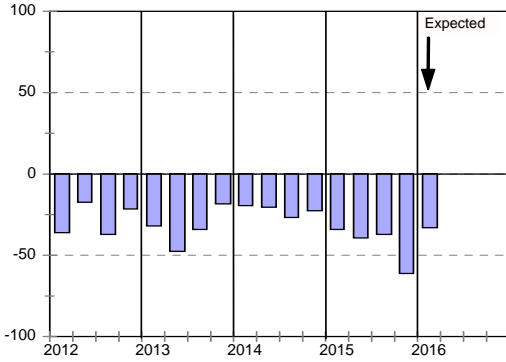
Business confidence



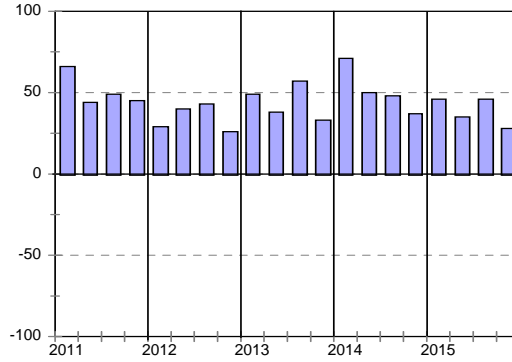
Change in business conditions



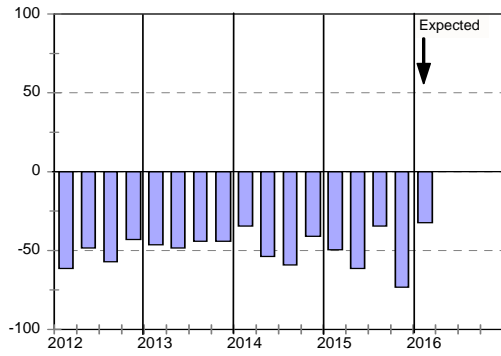
Growth in construction activity



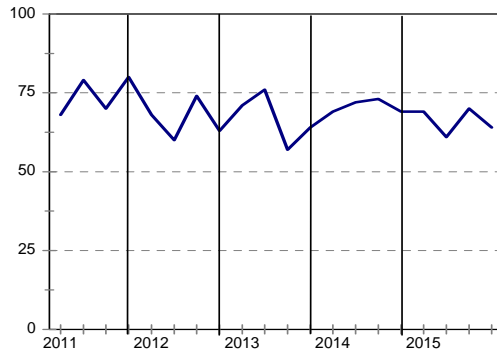
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

| | 15Q1 | 15Q2 | 15Q3 | 15Q4 | 16Q1* |
|---|-----------|-----------|-----------|-----------|-------|
| Business confidence ³ | 58 | 75 | 41 | 55 | |
| Change in business conditions ¹ | -10 | 20 | -4 | -23 | -19 |
| Growth in construction activity ¹ | 5 | 25 | -38 | -13 | -20 |
| Growth in number of people employed ¹ | -30 | 5 | -25 | -5 | -14 |
| Growth in profitability of the business ¹ | -25 | -15 | -38 | -18 | 0 |
| Tendering competition ¹ | 30 | 35 | 45 | 45 | |
| Percentage rating shortage of skilled labour a constraint ² | 47 | 47 | 50 | 61 | |
| Percentage rating inadequate supply of construction materials a constraint ² | 17 | 25 | 18 | 22 | |
| Percentage rating insufficient demand for construction work a constraint ² | 65 | 50 | 63 | 66 | |
| Percentage rating firm's inadequate access to credit a constraint ² | 22 | 15 | 15 | 16 | |

* Expected.

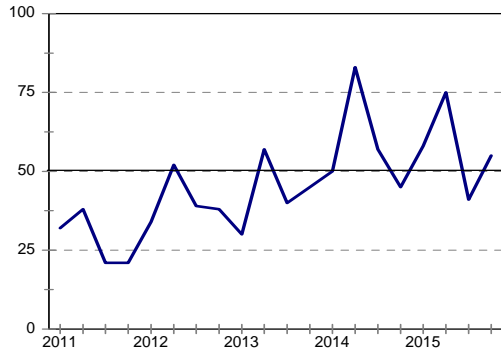
¹ Net balance.

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.

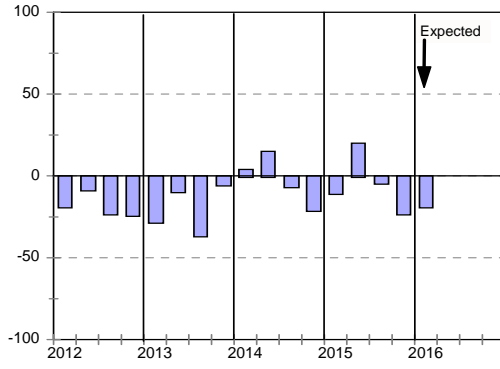
³ Percentage gross rating prevailing business conditions as satisfactory.

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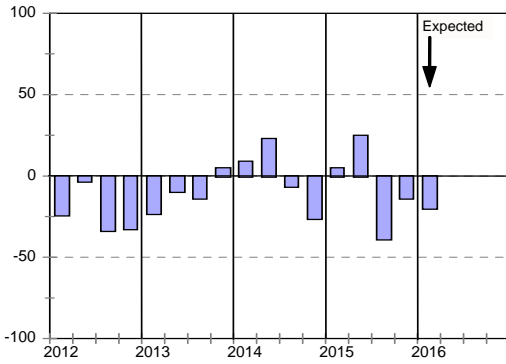
Business confidence



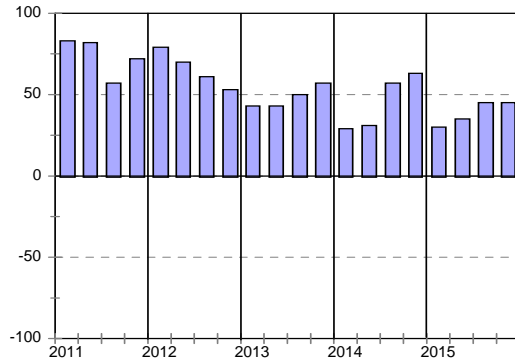
Change in business conditions



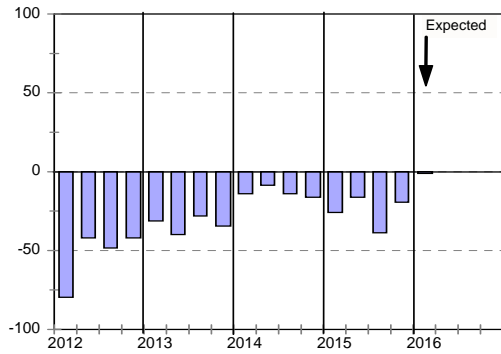
Growth in construction activity



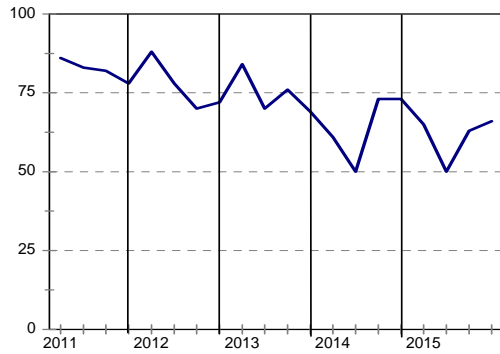
Tendering competition



Growth in profitability



Insufficient building work demand



Blocks N&R, SABS Campus
2 Dr. Lategan Rd
Groenkloof
Pretoria
South Africa

PO Box 2107
Brooklyn Square
0075

Tel +27 12 482 7200 / +27 86 100 cidb

Fax +27 349 8986 / +27 86 681 9995

Anonymous Fraud Line 080 011 2432

E-mail cidb@cidb.org.za

www.cidb.org.za