



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

4

2017



University of Stellenbosch

cidb Survey Results: 2017Q4

November 2017

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Summary

Building Contractors¹

The final quarter of 2017 saw business confidence for general builders (GB) fall further to 36 index points, from 40 in 2017Q3. Although key underlying indicators (specifically building activity and profitability) were largely unchanged, they remained depressed even relative to their long-term averages. In all, constraints to business operations ticked up, which emphasises that conditions remained challenging.

Across the grades, confidence fell by a steep 15 index points to 23 for Grades 7 & 8 building contractors and was supported by underlying indicators. In contrast, confidence remained unchanged for Grades 3 & 4 and Grades 5 & 6 builders during 2017Q4. The balance between slightly better activity and profitability and constraints which ticked up, left confidence levels unchanged

At the provincial level, confidence among Western Cape building contractors ticked further above the 50 point mark. This was mainly on the back of more benign tendering competition despite lower building activity. In contrast, sentiment was even more pessimistic in the remaining three provinces. In the Eastern Cape and KwaZulu-Natal, confidence dropped to levels last seen in 2010Q3 and 2010Q1, respectively.

Civil Contractors²

Civil contractor confidence also fell further in 2017Q4, registering 35 index points, down from 38 previously. The fall in confidence was underpinned by broad-based weakness in underlying indicators.

Contrary to their counterparts in the building sector, Grades 7 & 8 civil contractors gained some confidence. While building activity momentum and pressure on profitability were largely unchanged, tendering competition was more benign and demand for construction work less

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

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

constraining. For Grades 3 & 4 and Grades 5 & 6, sentiment deteriorated. While Grades 3 & 4 civil contractors were faced with more intense tendering competition, lack of demand for new construction work was more of a constraint for Grades 5 & 6.

Across the provinces, sentiment improved in the Western Cape and in Gauteng, while it fell in the Eastern Cape and KwaZulu-Natal. After a sharp fall in 2017Q3, confidence for civil contractors in the Western Cape rebounded to 53 index points in Q4 (44 points previously). Construction activity improved, while constraints to business operations eased somewhat. In Gauteng, the uptick in confidence was not supported by underlying indicators. The fall in Eastern Cape civil contractor confidence was in line with poorer activity and profitability. Meanwhile in KwaZulu-Natal, civil confidence dropped to an all-time low.

In sum, sentiment deteriorated for both the building and civil engineering sector during 2017Q4. Discouragingly, this marks the tenth consecutive quarter that confidence levels in both sectors remain below the neutral 50-point mark. For both sectors, Western Cape confidence rebounded and is currently above 50 index points. This implies relatively more favourable operating conditions compared to the other three provinces where pessimism prevailed.

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Introduction

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

The 2017Q3 survey was carried out during the period 16 October to 21 November 2017.

The analysis that follows provides a synopsis of the survey responses received in 2017Q4, according to grades and region from participating cidb registered building and civil contractors. The detailed survey results can be found at the end of this report.

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

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

Higher	Same	Lower
70	10	20

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

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

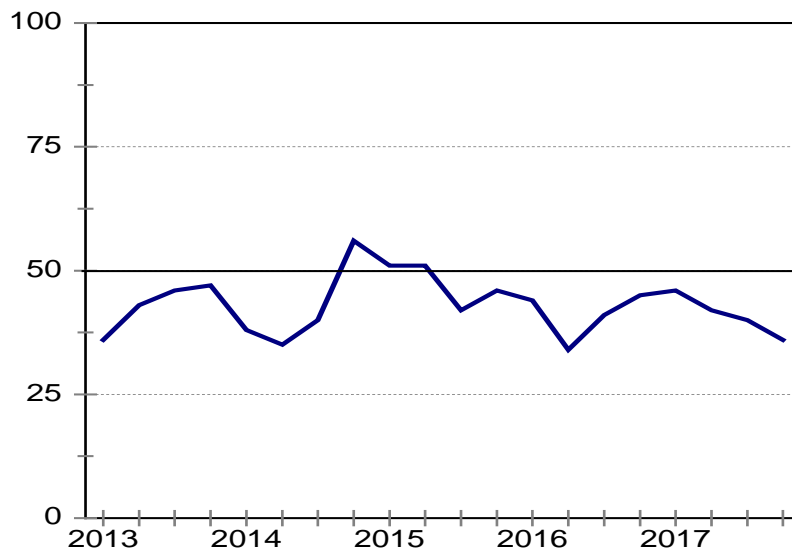
2017Q4 cidb Survey Results

Building Industry

Total

Building confidence continued to fall in 2017Q4 to 36 index points, from 40 during the third quarter (see Figure 1 below). Sentiment remained poor across all three grades. At the provincial level, sentiment ticked higher in the Western Cape above 50 index points. Sentiment deteriorated further below historical averages in the other regions.

Figure 1: Total
Business confidence



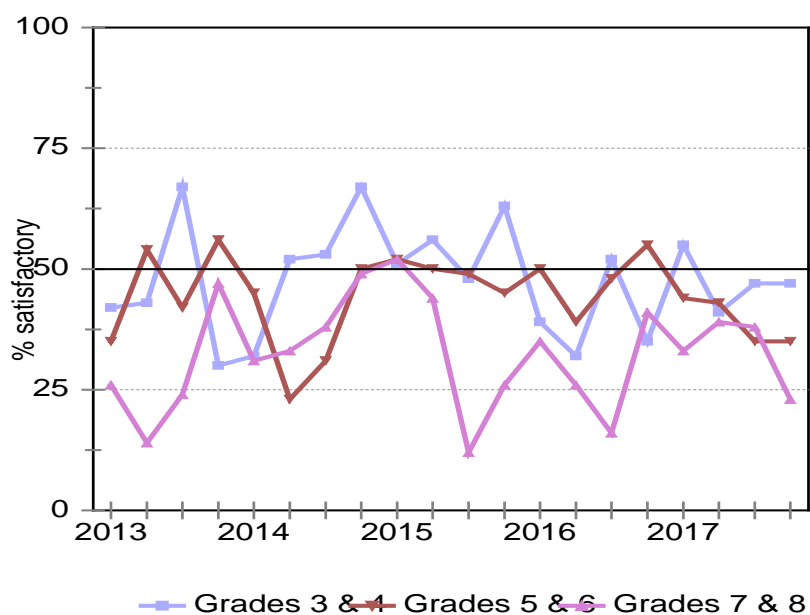
During the fourth quarter, the underlying indicators for the building sector were largely unchanged. Nevertheless, they remained at exceptionally poor levels relative to their long-term averages. This quarter's results point to ongoing weakness in building activity which has, in turn, left profit margins under pressure, albeit off their worst historic level. A net majority of 62% of respondents reported lower profitability during the quarter, following a net 68% previously.

Tendering competition eased somewhat but remained above its long-term average. This is likely due to the scarcity of building work. In addition to this, the indicator rating insufficient demand for new building work as a constraint to business operations ticked up to its highest level since 2016Q3 and reached 73%. This bodes ill for the outlook on building activity.

Grades comparison

Confidence levels were mostly stable at the grade level. Indeed, sentiment was unchanged for Grades 3 & 4 and Grades 5 & 6. While key underlying indicators improved somewhat, constraints to business operations intensified. Discouragingly for Grades 7 & 8, building confidence fell sharply by 15 index points in line with a broad-based deterioration in underlying indicators.

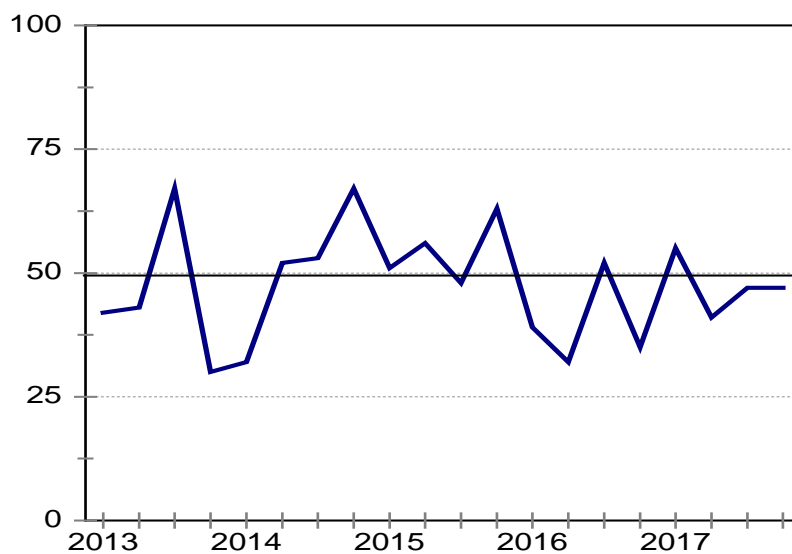
Figure 2: Business confidence per grade



Grades 3 & 4

Business confidence for Grades 3 & 4 builders remained unchanged at 47 index points in 2017Q4.

Figure 3: Grades 3 & 4
Business confidence

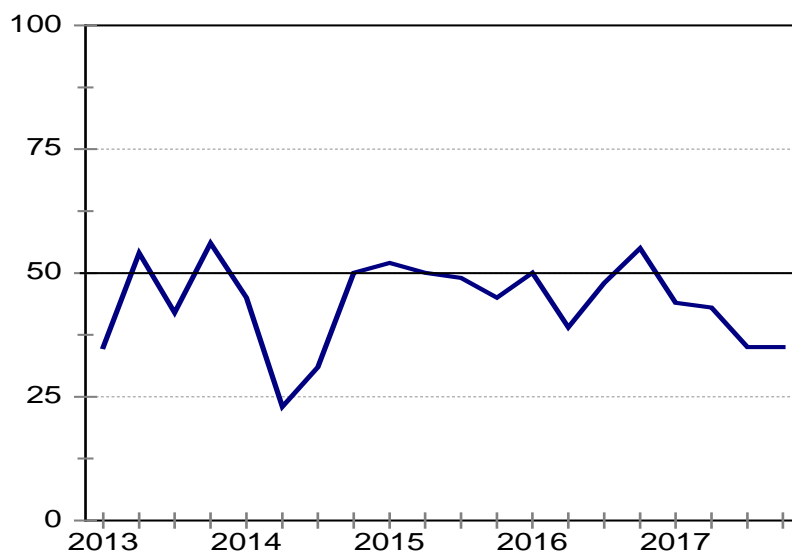


After reaching historic lows in 2017Q3, the indicators measuring profitability and employment improved in 2017Q4, in line with better activity. During the survey quarter, a net majority of 66% of respondents reported weaker profits, down from 79% in the previous quarter. Notwithstanding the improvement in the key underlying indicators, they remained at poor levels relative to their long-term averages. Constraints to business operations intensified during the quarter. Indeed, 71% of Grades 3 & 4 builders rated insufficient demand for new building work as more constraining in 2017Q4 (67% previously). In all, the unchanged sentiment was reflective of the balance between slightly better activity and profitability, against the backdrop of somewhat tighter constraints to business operations.

Grades 5 & 6

Confidence among Grades 5 & 6 general builders stabilised at 35 index points during the survey quarter.

Figure 4: Grades 5 & 6
Business confidence

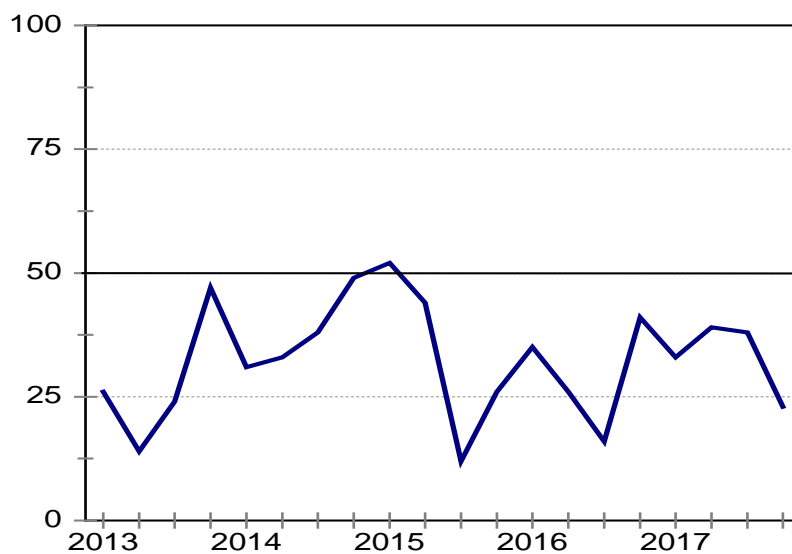


Sentiment remained unchanged even as building activity growth improved. A smaller net majority of 48% of respondents reported weaker activity during 2017Q4, from a net 56% previously. At their current levels, activity and profitability indicators remain below long-term averages; this emphasises that the segment remains under pressure. Furthermore, the indicator rating insufficient demand for new building work as a constraint ticked up to 73% (its long-term average). This bodes ill for building activity going forward.

Grades 7 & 8

Contrary to the smaller grades, confidence for Grades 7 & 8 building contractors fell sharply by 15 index points during 2017Q4 to 23.

Figure 5: Grades 7 & 8
Business confidence



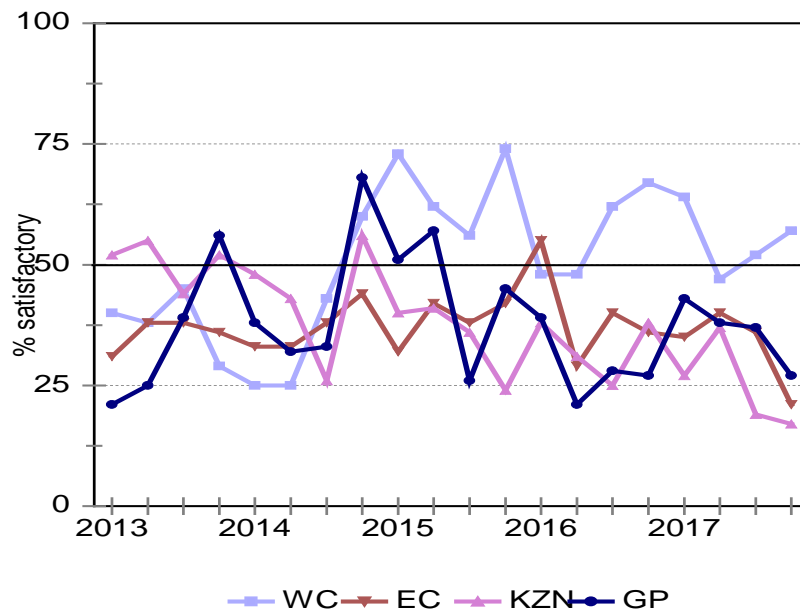
Business conditions deteriorated notably during the fourth quarter, with a net majority of 60% of respondents reporting worse business conditions compared to a year earlier, from a net 35% during 2017Q3. Discouragingly, the activity indicator reached its worst level since 2010Q4. A significantly higher net majority of 73% of respondents attested to weaker building activity in 2017Q4, from a net 53% previously. This contributed to a further deterioration in profitability.

The outlook for activity remains clouded due to insufficient demand for new building work. Indeed, 75% of respondents rated insufficient demand for work as more constraining, compared to 71% previously.

Provincial comparison

At the provincial level, confidence ticked up in the Western Cape while it declined in the rest of the provinces (see Figure 6 below).

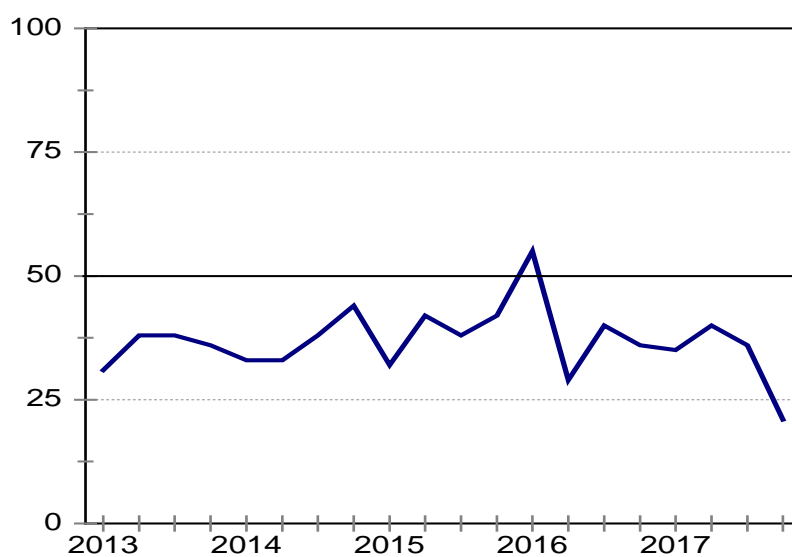
Figure 6: Business confidence per province



Eastern Cape³

General builder confidence for Eastern Cape contractors fell to 21 index points in 2017Q4 - its lowest level since 2010Q3 - from 36 index points previously. In addition, building contractors cited a deterioration in business conditions during the survey quarter.

Figure 7: Eastern Cape
Business confidence



Poor sentiment among Eastern Cape building contractors was not supported by underlying indicators, especially profitability, which improved somewhat. A smaller net majority of 63% of respondents reported a decline in profitability, compared to 82% in 2017Q3.

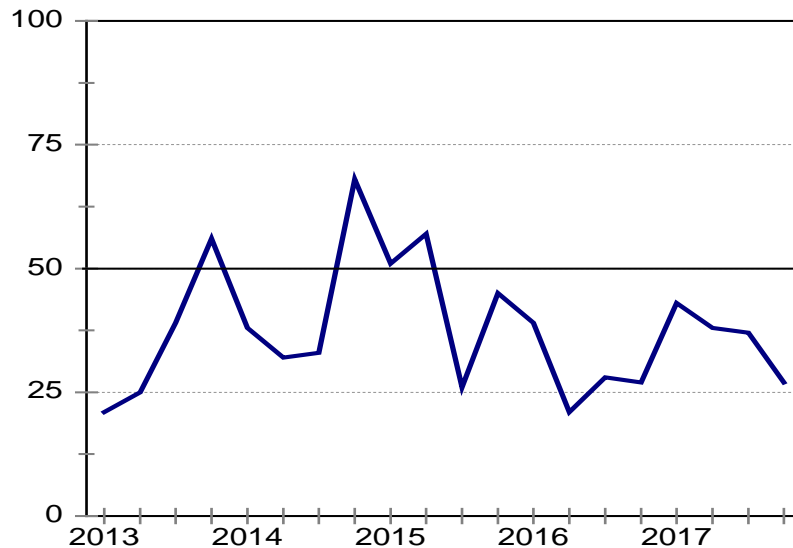
The indicator rating insufficient demand for new building work as a constraint also improved to 71%, from a significantly higher 92% previously. This could translate into some improvement in building activity momentum going forward.

³ Volatility in indicators could be due to the relatively smaller number of respondents from the province.

Gauteng

During 2017Q4, Gauteng building contractor confidence fell by 10 index points to 27.

Figure 8: Gauteng
Business confidence



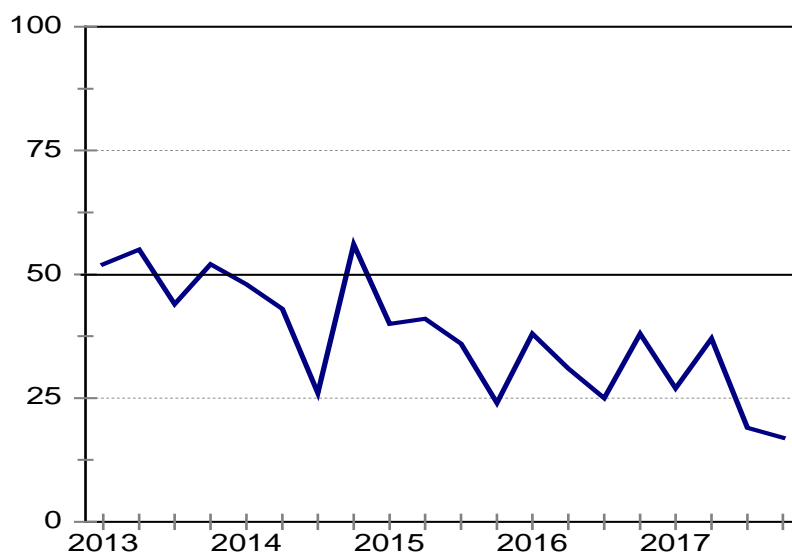
Confidence among Gauteng building contractors was depressed on the back of a notable deterioration in key underlying indicators. Disconcertingly, the highest net majority of respondents on record (75%) cited worse business conditions compared to a year earlier. Also weighing on confidence was significantly poorer activity and profitability, where both indicators also deteriorated to their worst levels on record. Indeed, a net majority of 81% of respondents cited weaker activity as well as poorer profitability during 2017Q4.

Looking ahead, the outlook for activity remains unfavourable, as indicated by the rise in the indicator rating insufficient demand for new building work as a business constraint to 77%.

KwaZulu-Natal

In KwaZulu-Natal, building confidence fell only slightly to 17 index points during the fourth quarter, from 19 previously. However, confidence remains at its worst level since 2010Q1.

Figure 9: KwaZulu-Natal
Business confidence



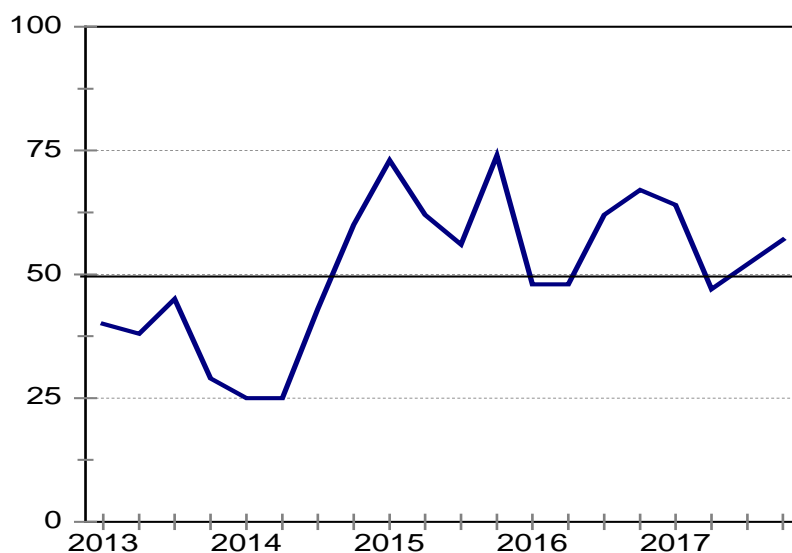
Confidence edged down even though building activity momentum improved somewhat during the quarter. This alleviated some of the profitability pressure although the indicator rests at the long-term minimum of -75%.

In all, underlying indicators remained weak for building contractors in KwaZulu-Natal. In addition, constraints to business operations remained elevated, which emphasises that the sector remains under pressure.

Western Cape

During 2017Q4, sentiment remained positive for Western Cape building contractors. Indeed, confidence increased further to 57 index points, up from 52 points in 2017Q3.

Figure 10: Western Cape
Business confidence



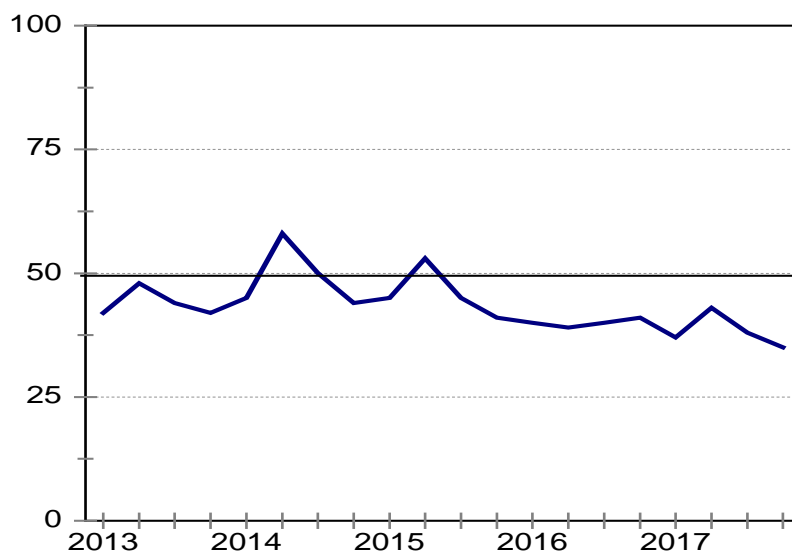
The improvement in confidence was likely reflective of less pressure on profit margins during the quarter. A lower net majority of 36% reported lower profits, compared a net 48% previously. Furthermore, building contractors in the Western Cape enjoyed a less hostile tendering environment.

Construction Industry

Total

Civil contractor confidence fell to 35 index points during the fourth quarter of 2017, from 38 points in Q3. Among the grades, sentiment improved marginally for Grades 7 & 8. At the provincial level, confidence rose above 50 index points in the Western Cape, while it remained below 50 for the rest.

Figure 11: Total
Business confidence

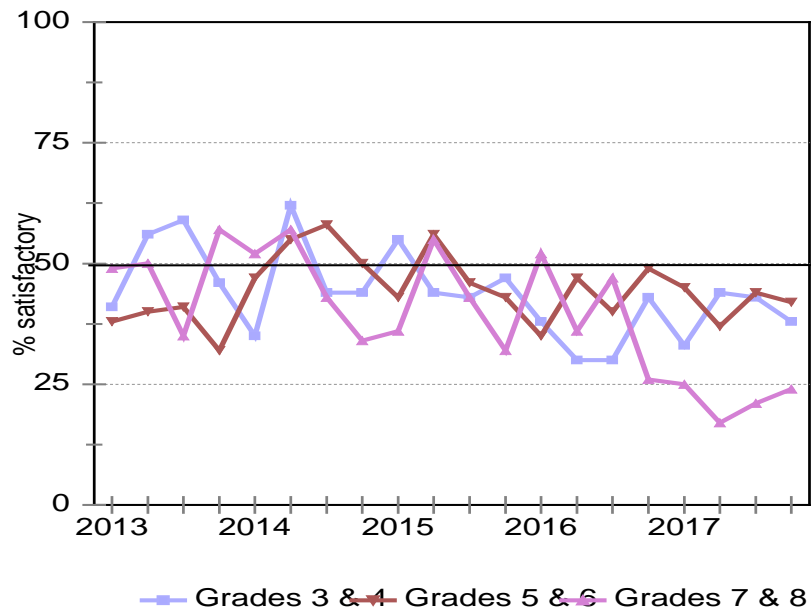


The decline in confidence for civil contractors was in line with the weaker underlying indicators. Construction activity slowed during the quarter and weighed on profitability. Indeed, the activity indicator deteriorated to its worst level since 2011Q1. The profitability indicator not only deteriorated to its poorest level since 2010Q3, but is very close to its worst level on record. A net majority of 62% of respondents reported a decline in profitability in 2017Q4, compared to 59% previously. Furthermore, tendering competition was more intense during the survey quarter, while insufficient demand for construction work remained a key constraint. In all, this highlights the scarcity in construction work within the sector.

Grades comparison

Civil contractor confidence continued to hover at depressed levels across all grades. Sentiment deteriorated for Grades 3 & 4 and Grades 5 & 6 contractors, while it improved marginally for Grades 7 & 8.

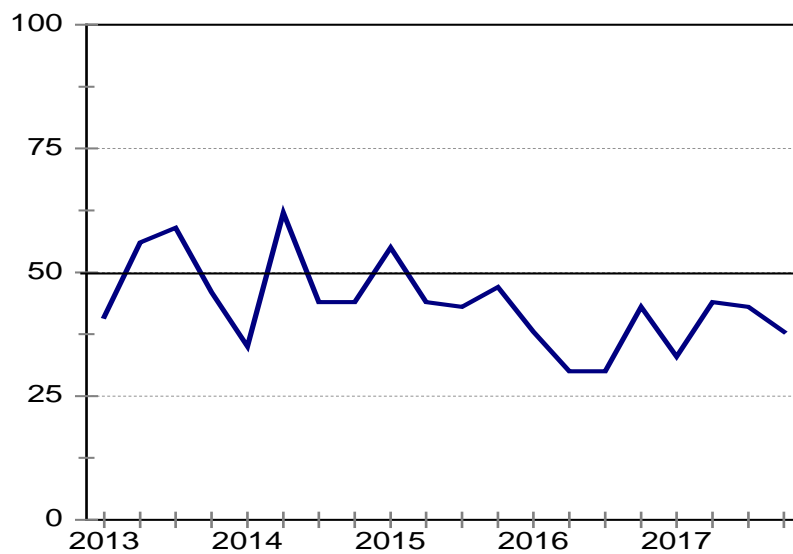
Figure 12: Business confidence per grade



Grades 3 & 4

Business confidence for Grades 3 & 4 civil contractors fell to 38 index points in 2017Q4, from 43 points in 2017Q3.

Figure 13: Grades 3 & 4
Business confidence



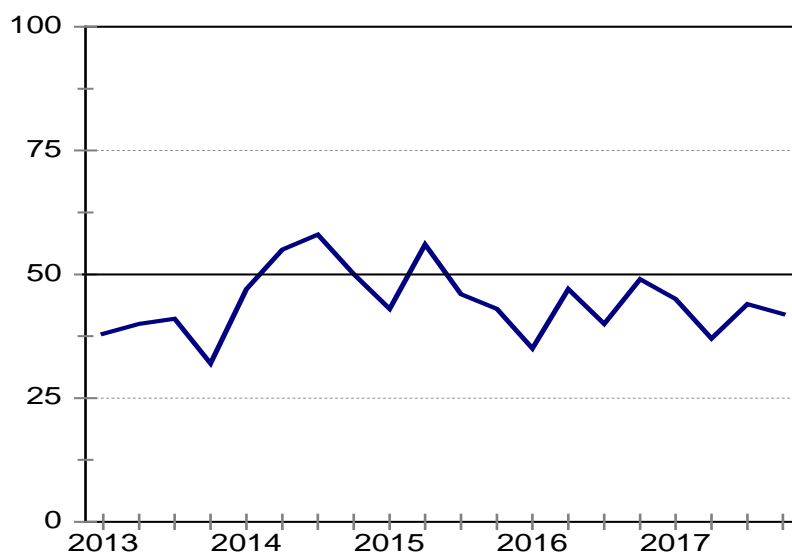
Confidence declined in spite of the improvement in some underlying indicators. During the quarter, Grades 3 & 4 contractors saw gains in construction activity momentum, with a net majority of 40% of respondents reporting weaker activity, from 52% in 2017Q3. Nevertheless, profitability remained under pressure, while tendering competition was keener.

Encouragingly, the indicator rating insufficient demand for construction work as a constraint eased which could mean further improvement in construction activity momentum going forward.

Grades 5 & 6

During 2017Q4, business confidence for Grades 5 & 6 civil contractors edged down slightly to 42 points, from 44 previously.

Figure 14: Grades 5 & 6
Business confidence



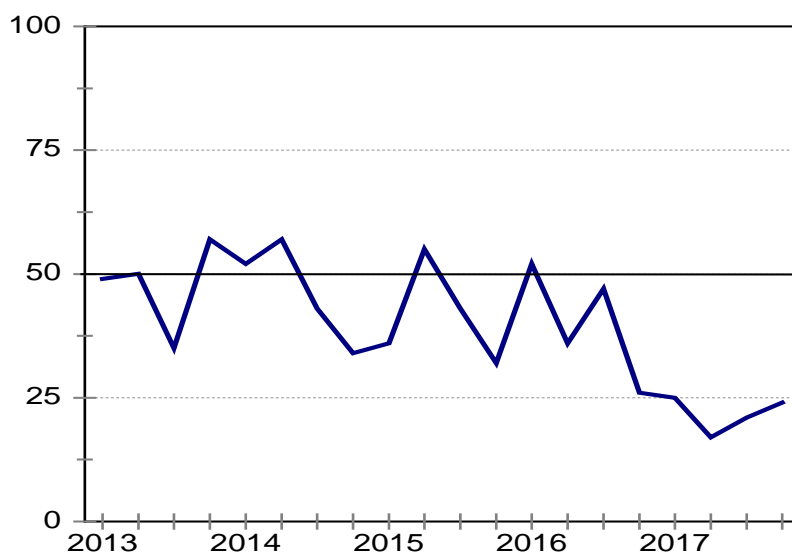
The downward move in confidence was supported by the loss in momentum in construction activity, which placed further pressure on profitability. The net majority of respondents which saw a fall in activity picked up notably to 55% during the survey quarter, from a net 36% previously.

Discouragingly, the indicator rating insufficient demand for new construction work as a constraint rose to its long-term average of 73%, from 64% during 2017Q3. This potentially points to further loss in activity momentum in the near term.

Grades 7 & 8

Contrary to the smaller grades, sentiment among Grades 7 & 8 civil contractors ticked up marginally to 24 index points in 2017Q4, from 21 in 2017Q3.

Figure 15: Grades 7 & 8
Business confidence



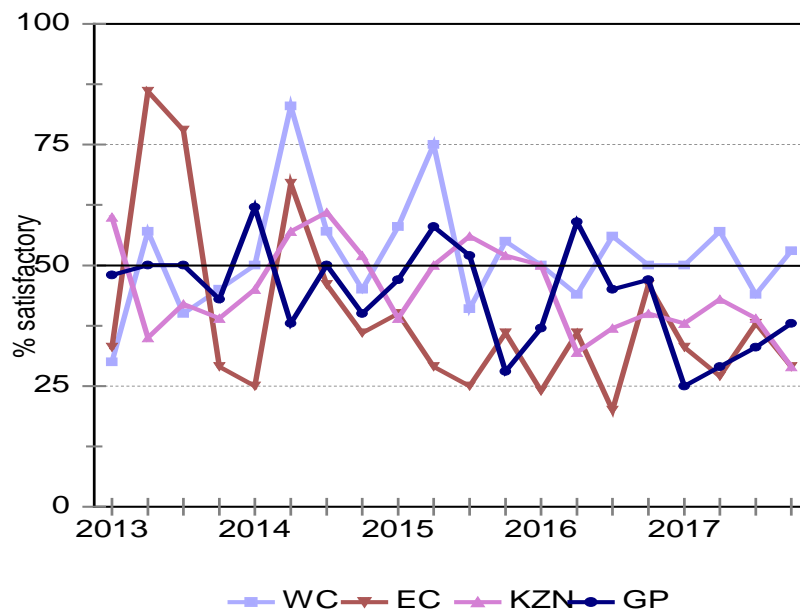
Despite this slight improvement in sentiment, confidence levels remain depressed. Nevertheless, the underlying indicators were somewhat supportive. Although construction activity was stable during the quarter, some pressure on overall profitability was alleviated. A net majority of 70% felt a squeeze in profit margins compared to a net 75% during Q3.

On a more positive note, the tendering environment was more benign while demand for construction work as a constraint eased notably. A significantly lower proportion of 68% of respondents cited insufficient new demand as a hindrance to business operations, which is a substantial improvement from 86% in Q3.

Provincial comparison

After a poor outcome in 2017Q3, where confidence levels registered below 50 points across all four provinces, there were slight improvements in Q4. Western Cape civil contractor confidence in particular rebounded to 53 index points, from 44 during the quarter. Discouragingly, confidence levels in the other three provinces remained below 40.

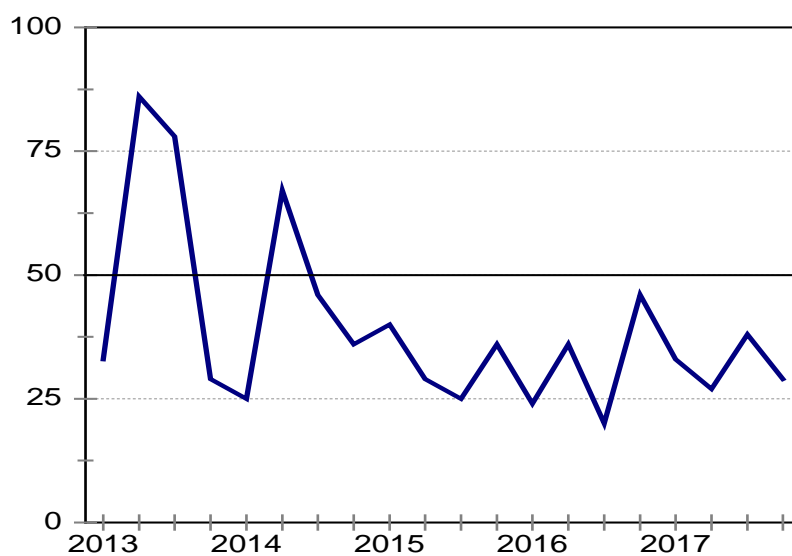
Figure 16: Business confidence per province



Eastern Cape

In the Eastern Cape, civil contractor confidence fell to 29 index points in 2017Q4, from 38 points previously.

Figure 17: Eastern Cape
Business confidence



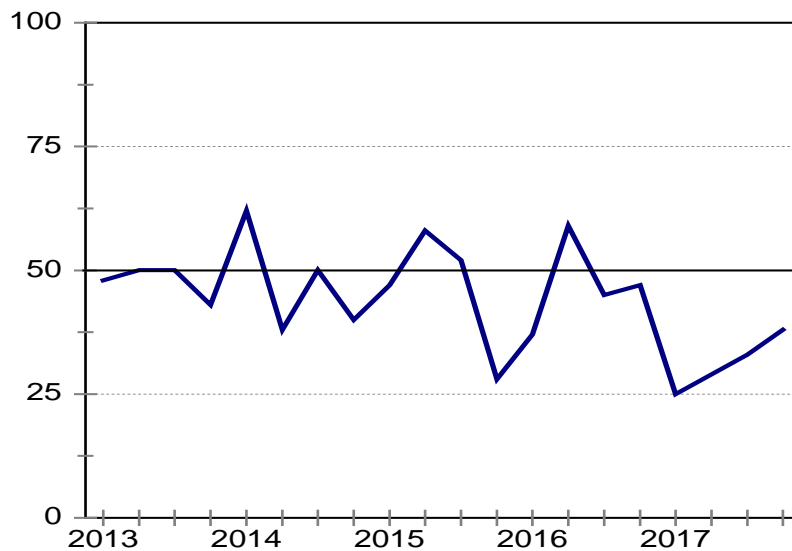
Confidence weakened in line with poorer activity and profitability. Furthermore, employment came under renewed pressure. Construction activity slowed during the quarter, as a net majority of 50% reported weaker activity, from a net 36% during 2017Q3. Meanwhile, the pressure on profitability intensified to its worst level since 2011Q3, with a net 64% reporting lower profits (net 57% previously).

On a more positive note, constraints to business operations eased for the most part, which implies that pressure on activity could be alleviated going forward.

Gauteng

Sentiment in Gauteng also improved during the fourth quarter. Confidence picked up to 38 index points, from 33 in 2017Q3.

Figure 18: Gauteng
Business confidence



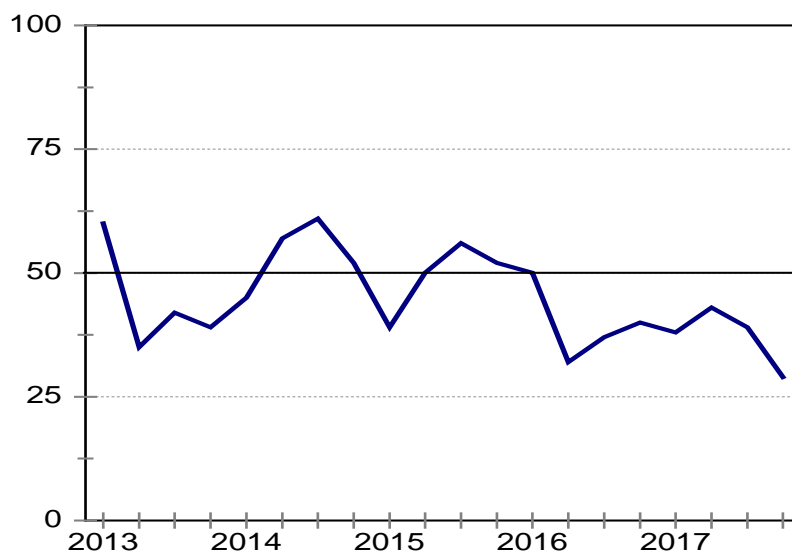
The uptick in confidence was not supported by underlying indicators. Business conditions were notably unfavourable during the quarter on the back of significant weakness in activity and profitability. A higher net majority of 60% of respondents reported weaker growth in construction activity, from a net 45% in 2017Q3. Discouragingly, the profitability indicator deteriorated to its all-time low, with a net majority of 71% reporting declines during the quarter (net 56% previously).

In light of the poor underlying indicators, it is unlikely that the upward momentum in confidence will be sustained going forward.

KwaZulu-Natal

Business confidence among civil contractors in KwaZulu-Natal fell by a steep 10 index points to 29 during 2017Q4. This is the worst level of confidence since the start of the series.

Figure 19: KwaZulu-Natal
Business confidence

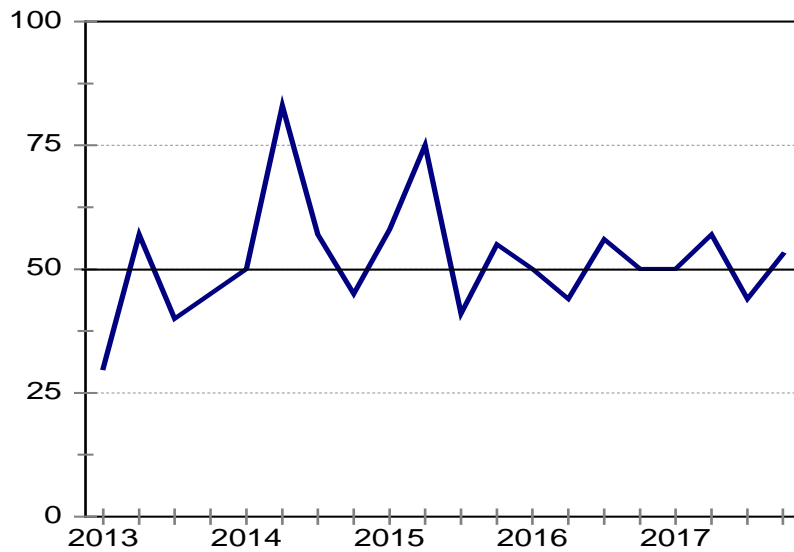


Key underlying indicators weakened further during the fourth quarter, with construction activity and profitability indicators deteriorating near historic lows. Furthermore, the indicator rating insufficient demand for new construction work as a constraint remained elevated above the long-term average. This bodes ill for any near-term recovery in construction activity within the province.

Western Cape

On a more positive note, business confidence rebounded above 50 index points for Western Cape civil contractors. During 2017Q4, confidence increased to 53 index points, up from 44 previously.

Figure 20: Western Cape
Business confidence



In all, the improvement in construction activity momentum was the key driver of higher confidence. A lower net majority of 33% reported a slowdown in activity – an improvement from a net 50% during 2017Q3. Nevertheless, profitability came under more pressure during the survey quarter, sinking to its worst level since 2012Q2. Indeed, a net majority of 56% of respondents reported thinner margins in Q4, from a net 50% during the third quarter.

It is encouraging that constraints to business operations eased during the quarter. Nevertheless, the environment remained challenging within the province as indicated by tendering competition which intensified to its highest level since 2012Q2.

Matlhodi Matsei

Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	17Q1	17Q2	17Q3	17Q4	18Q1*
Business confidence ³	46	42	40	36	
Change in business conditions ¹	-36	-32	-45	-43	-15
Growth in building activity ¹	-39	-51	-55	-55	-28
Growth in number of people employed ¹	-34	-41	-50	-47	-23
Growth in profitability of the business ¹	-45	-56	-68	-62	-33
Tendering competition ¹	44	36	51	47	
Percentage rating shortage of skilled labour a constraint ²	46	46	44	48	
Percentage rating inadequate supply of building materials a constraint ²	20	25	22	23	
Percentage rating insufficient demand for building work a constraint ²	63	70	70	73	
Percentage rating firm's inadequate access to credit a constraint ²	24	39	30	30	

* Expected.

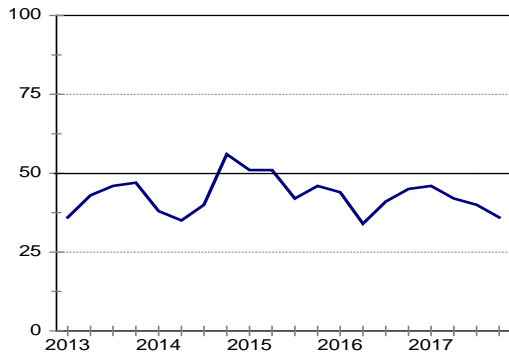
¹ Net balance.

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

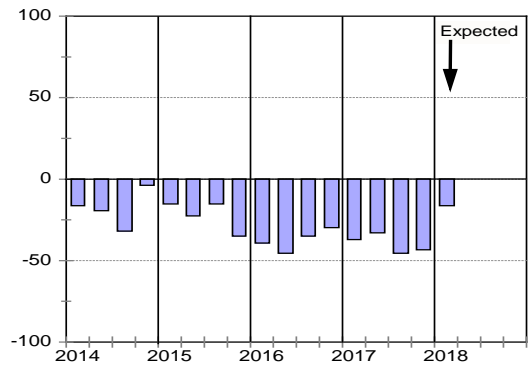
³ Percentage gross rating prevailing business conditions as satisfactory.

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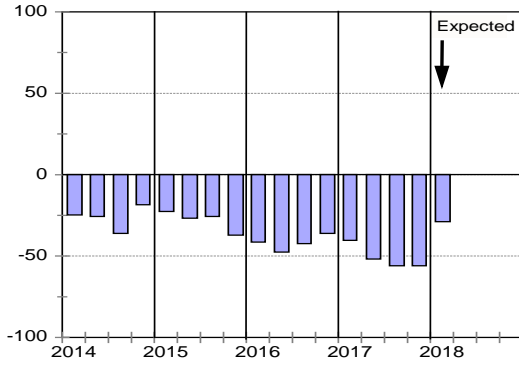
Business confidence



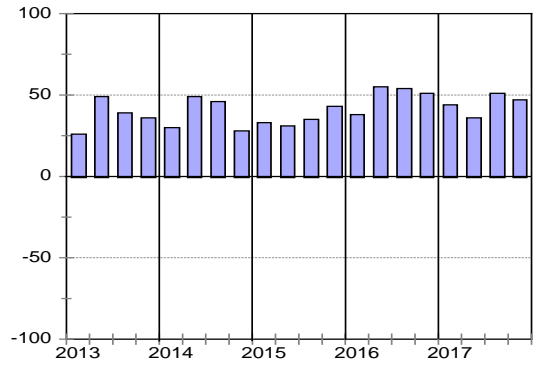
Change in business conditions



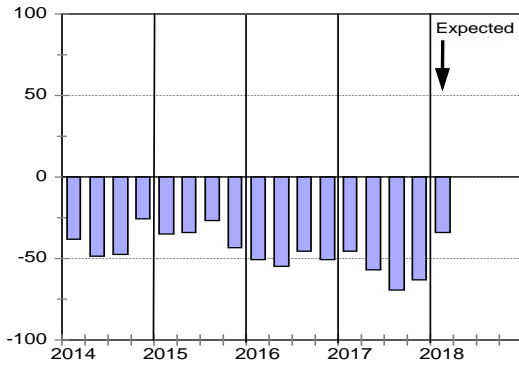
Growth in building activity



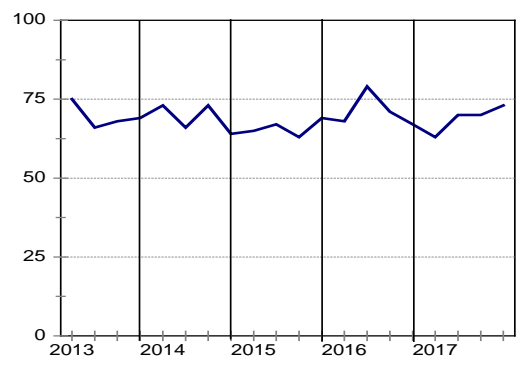
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	17Q1	17Q2	17Q3	17Q4	18Q1*
Business confidence ³	55	41	47	47	
Change in business conditions ¹	-29	-38	-48	-32	-19
Growth in building activity ¹	-22	-60	-56	-48	-33
Growth in number of people employed ¹	-30	-43	-58	-44	-26
Growth in profitability of the business ¹	-40	-54	-79	-66	-34
Tendering competition ¹	37	9	31	20	
Percentage rating shortage of skilled labour a constraint ²	41	45	33	43	
Percentage rating inadequate supply of building materials a constraint ²	25	29	21	26	
Percentage rating insufficient demand for building work a constraint ²	58	71	67	71	
Percentage rating firm's inadequate access to credit a constraint ²	30	52	46	39	

* Expected.

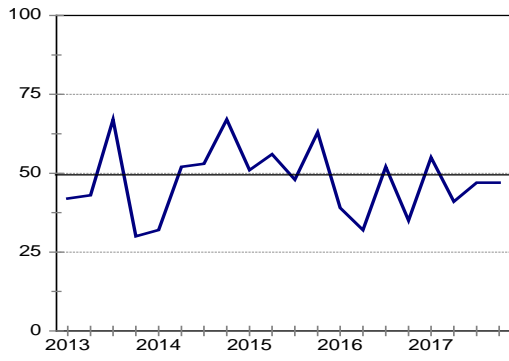
¹ Net balance.

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.

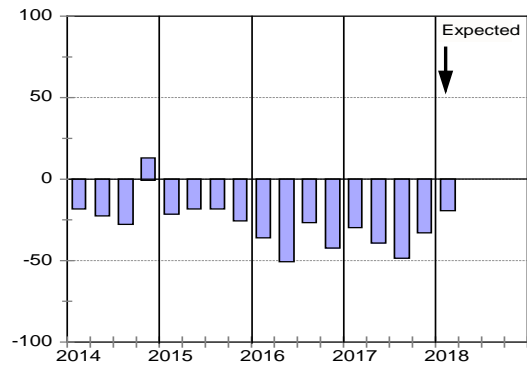
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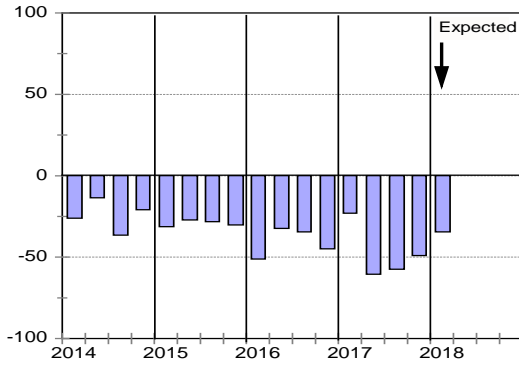
Business confidence



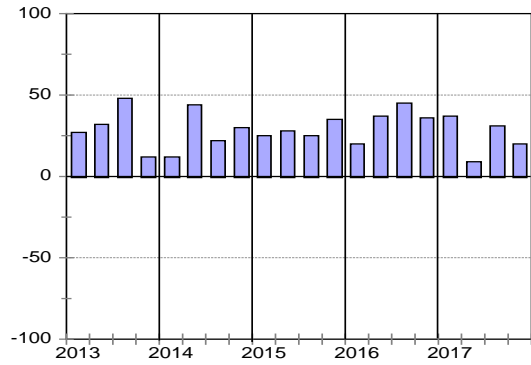
Change in business conditions



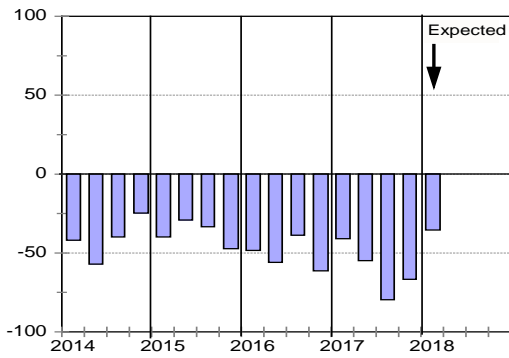
Growth in building activity



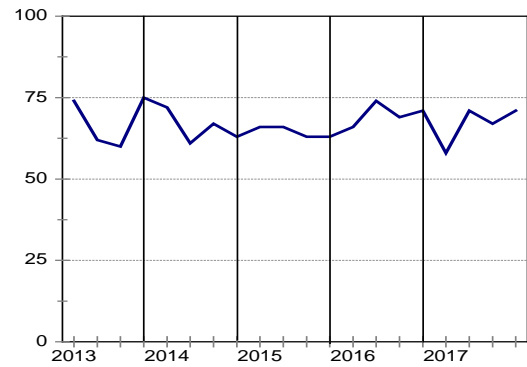
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	17Q1	17Q2	17Q3	17Q4	18Q1*
Business confidence ³	44	43	35	35	
Change in business conditions ¹	-30	-28	-49	-39	-20
Growth in building activity ¹	-41	-39	-56	-48	-35
Growth in number of people employed ¹	-28	-31	-39	-46	-29
Growth in profitability of the business ¹	-46	-51	-66	-57	-38
Tendering competition ¹	34	51	48	50	
Percentage rating shortage of skilled labour a constraint ²	50	45	48	53	
Percentage rating inadequate supply of building materials a constraint ²	16	24	28	20	
Percentage rating insufficient demand for building work a constraint ²	61	67	72	73	
Percentage rating firm's inadequate access to credit a constraint ²	26	33	23	23	

* Expected.

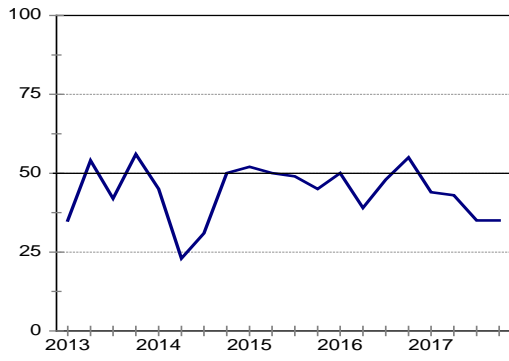
¹ Net balance.

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

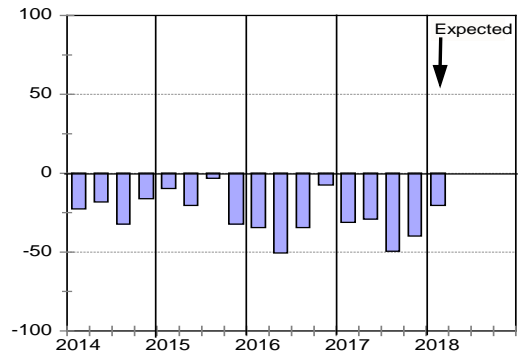
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

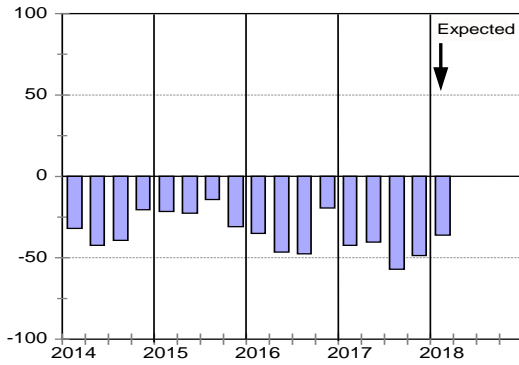
Business confidence



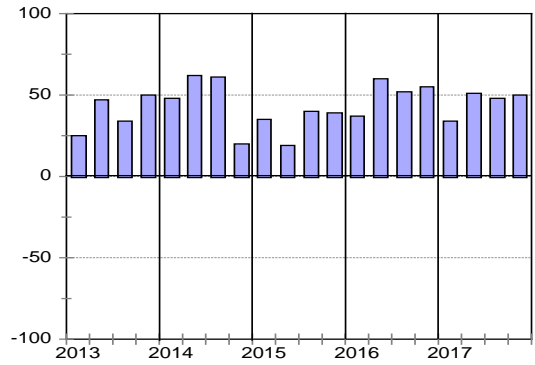
Change in business conditions



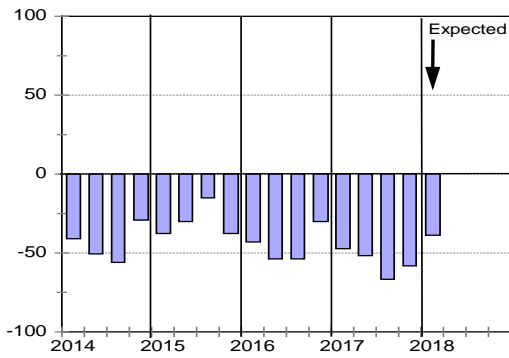
Growth in building activity



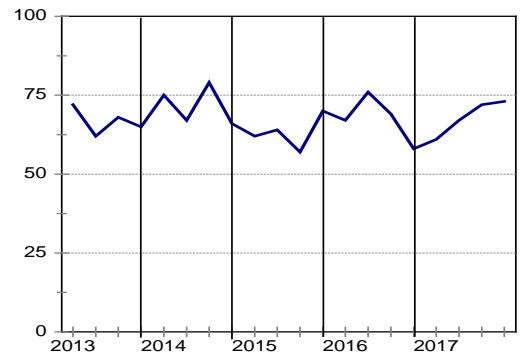
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	17Q1	17Q2	17Q3	17Q4	18Q1*
Business confidence ³	33	39	38	23	
Change in business conditions ¹	-65	-37	-35	-60	-3
Growth in building activity ¹	-66	-58	-53	-70	-13
Growth in number of people employed ¹	-55	-47	-55	-53	-13
Growth in profitability of the business ¹	-50	-65	-61	-63	-27
Tendering competition ¹	83	67	78	77	
Percentage rating shortage of skilled labour a constraint ²	47	56	50	48	
Percentage rating inadequate supply of building materials a constraint ²	19	17	14	21	
Percentage rating insufficient demand for building work a constraint ²	75	77	71	75	
Percentage rating firm's inadequate access to credit a constraint ²	9	23	23	26	

* Expected.

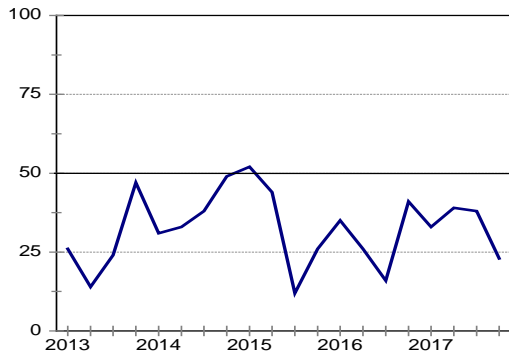
¹ Net balance.

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

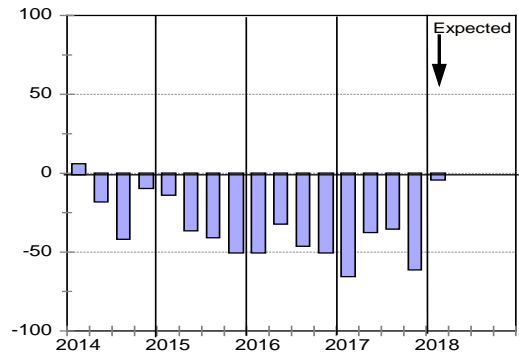
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

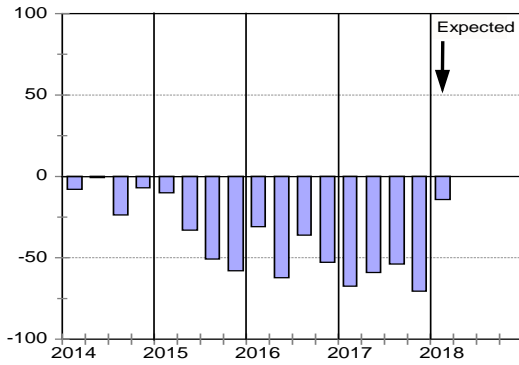
Business confidence



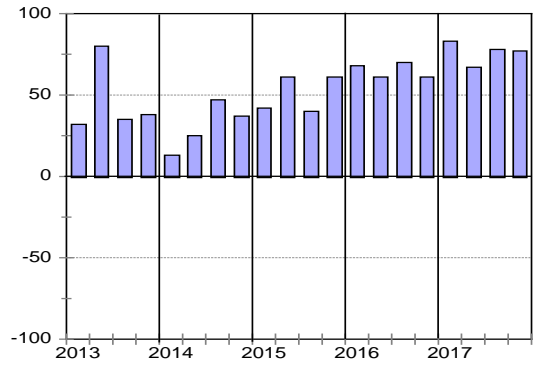
Change in business conditions



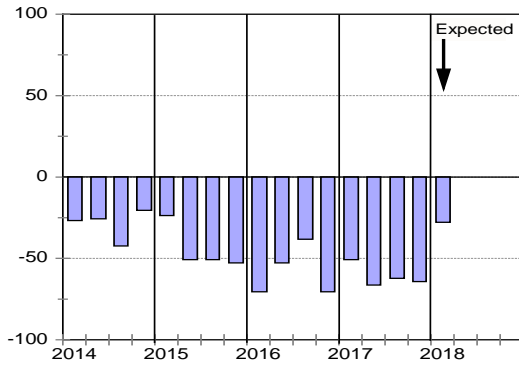
Growth in building activity



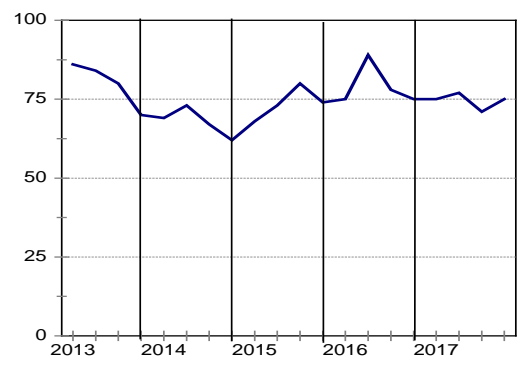
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>17Q1</i>	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1*</i>
Business confidence ³	35	40	36	21	
Change in business conditions ¹	-38	-11	-18	-56	-28
Growth in building activity ¹	-59	-37	-46	-44	-17
Growth in number of people employed ¹	-59	-50	-55	-37	-44
Growth in profitability of the business ¹	-65	-50	-82	-63	-39
Tendering competition ¹	47	32	33	42	
Percentage rating shortage of skilled labour a constraint ²	38	44	37	50	
Percentage rating inadequate supply of building materials a constraint ²	12	23	16	22	
Percentage rating insufficient demand for building work a constraint ²	64	66	92	71	
Percentage rating firm's inadequate access to credit a constraint ²	3	28	25	26	

* Expected.

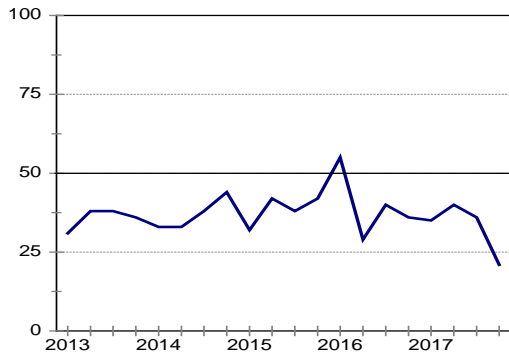
¹ Net balance.

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

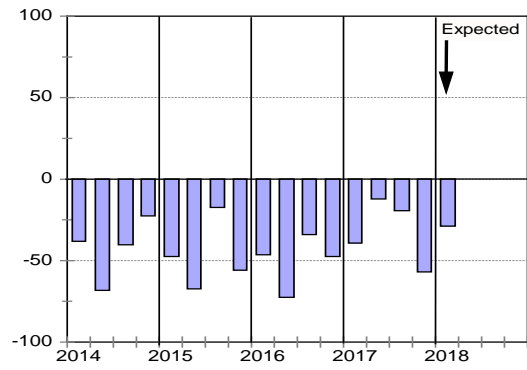
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

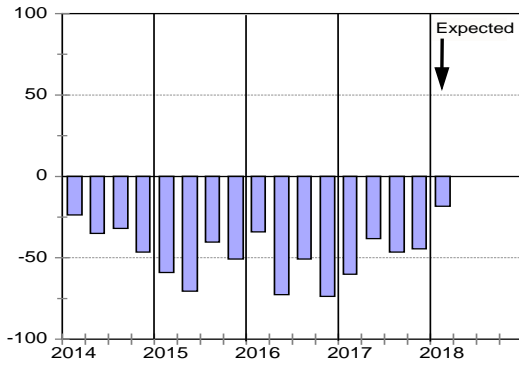
Business confidence



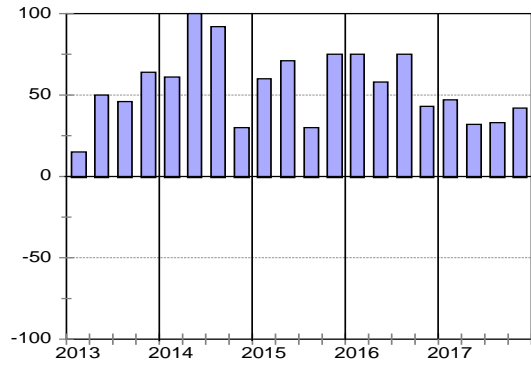
Change in business conditions



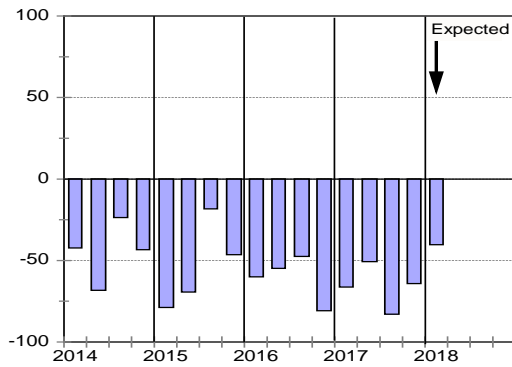
Growth in building activity



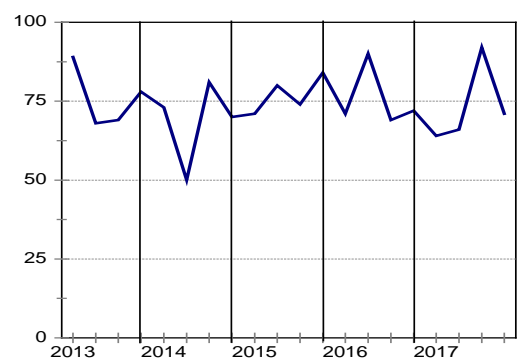
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	<i>17Q1</i>	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1*</i>
Business confidence ³	43	38	37	27	
Change in business conditions ¹	-35	-27	-52	-75	-33
Growth in building activity ¹	-33	-64	-60	-81	-44
Growth in number of people employed ¹	-11	-43	-48	-56	-32
Growth in profitability of the business ¹	-28	-49	-71	-81	-50
Tendering competition ¹	63	47	47	54	
Percentage rating shortage of skilled labour a constraint ²	44	42	45	47	
Percentage rating inadequate supply of building materials a constraint ²	13	19	12	34	
Percentage rating insufficient demand for building work a constraint ²	55	82	65	77	
Percentage rating firm's inadequate access to credit a constraint ²	21	41	28	27	

* Expected.

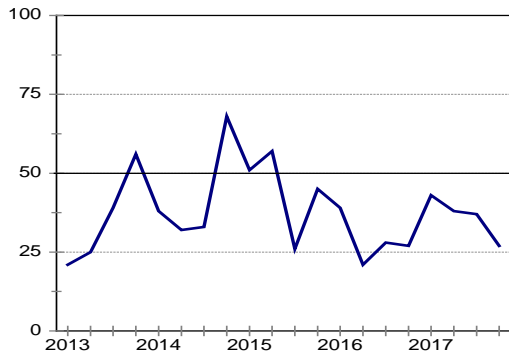
¹ Net balance.

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.

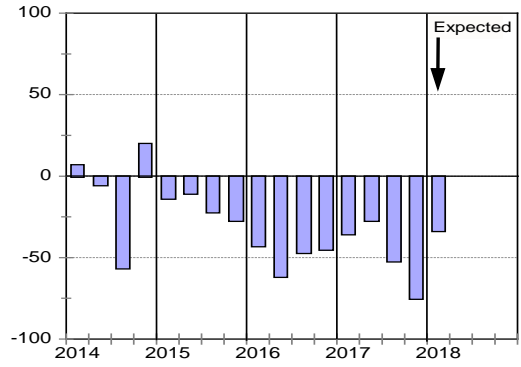
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

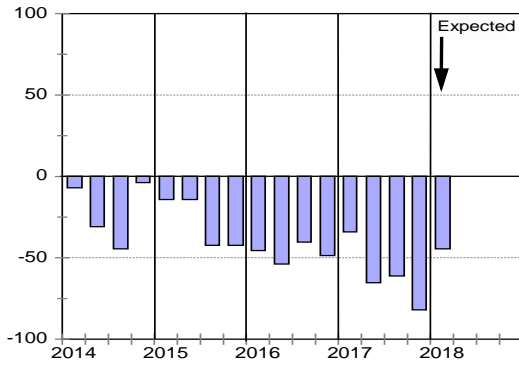
Business confidence



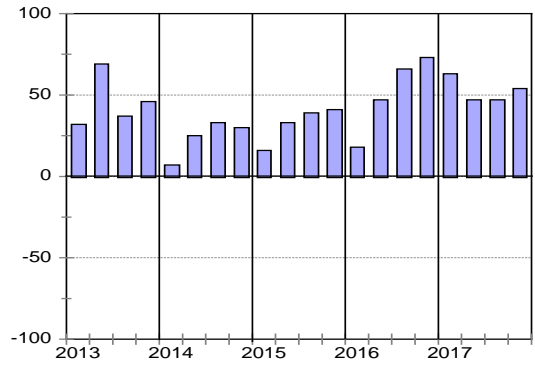
Change in business conditions



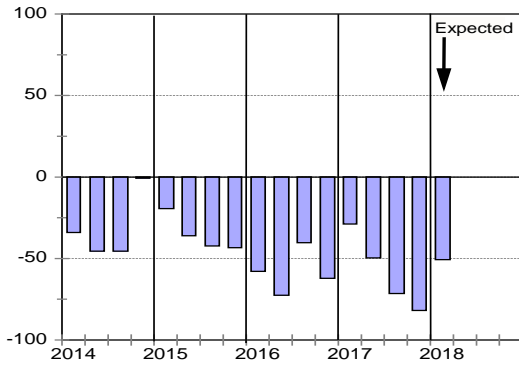
Growth in building activity



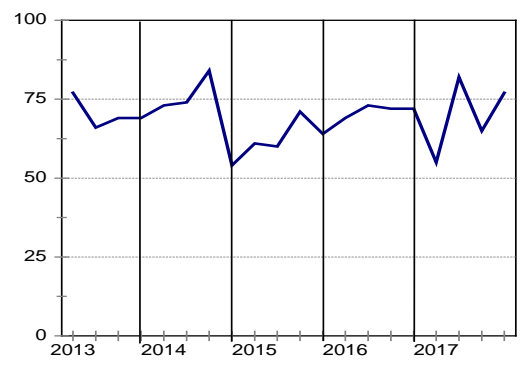
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	<i>17Q1</i>	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1*</i>
Business confidence ³	27	37	19	17	
Change in business conditions ¹	-61	-38	-59	-65	-10
Growth in building activity ¹	-62	-40	-77	-59	-38
Growth in number of people employed ¹	-74	-39	-62	-63	-24
Growth in profitability of the business ¹	-83	-67	-86	-75	-40
Tendering competition ¹	22	29	40	37	
Percentage rating shortage of skilled labour a constraint ²	48	53	52	56	
Percentage rating inadequate supply of building materials a constraint ²	19	26	30	19	
Percentage rating insufficient demand for building work a constraint ²	66	73	79	74	
Percentage rating firm's inadequate access to credit a constraint ²	31	37	35	29	

* Expected.

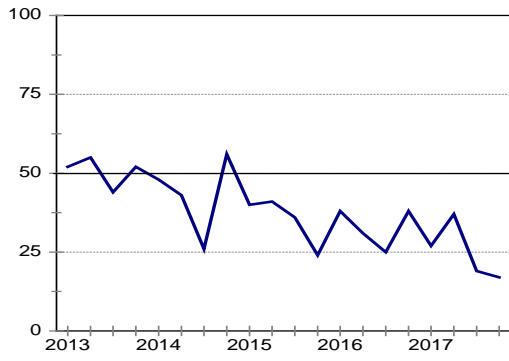
¹ Net balance.

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

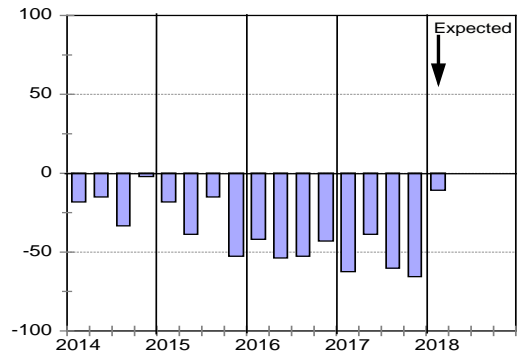
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

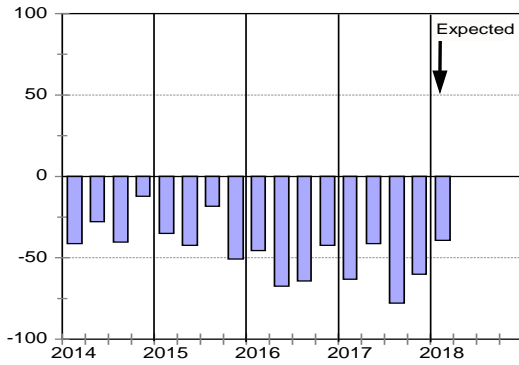
Business confidence



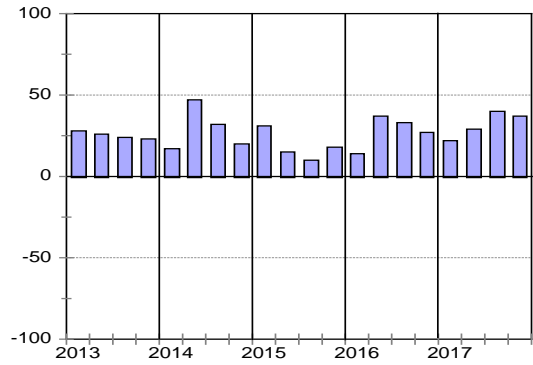
Change in business conditions



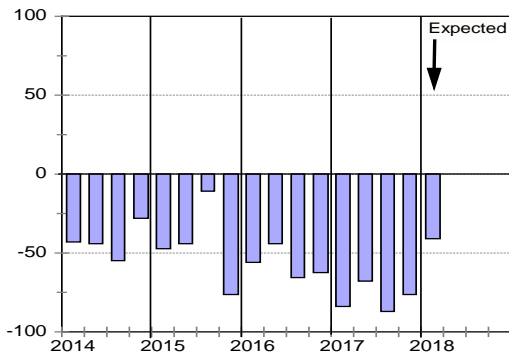
Growth in building activity



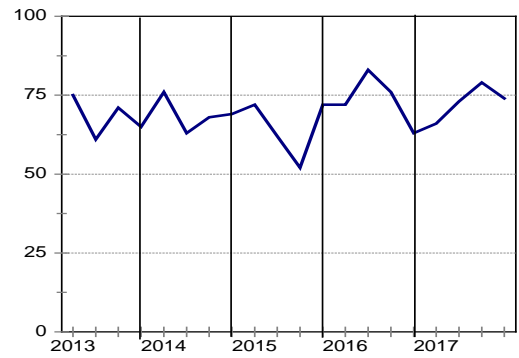
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	<i>17Q1</i>	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1*</i>
Business confidence ³	64	47	52	57	
Change in business conditions ¹	-22	-41	-40	-3	-7
Growth in building activity ¹	-21	-48	-40	-43	-14
Growth in number of people employed ¹	-8	-28	-44	-32	-4
Growth in profitability of the business ¹	-21	-63	-48	-36	-14
Tendering competition ¹	46	60	73	52	
Percentage rating shortage of skilled labour a constraint ²	52	39	40	50	
Percentage rating inadequate supply of building materials a constraint ²	27	20	19	17	
Percentage rating insufficient demand for building work a constraint ²	60	73	68	73	
Percentage rating firm's inadequate access to credit a constraint ²	35	33	25	40	

* Expected.

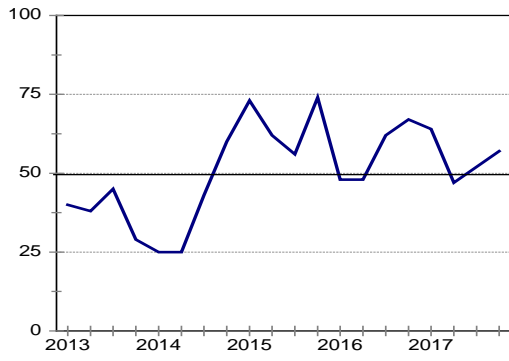
¹ Net balance.

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.

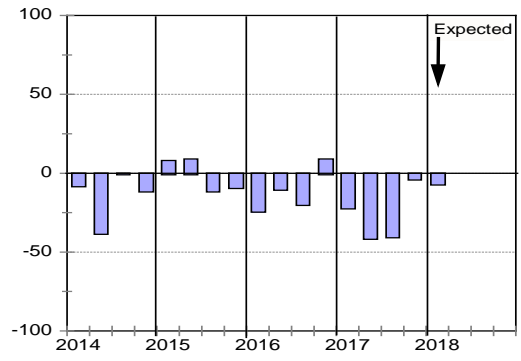
³ Percentage gross rating prevailing business conditions as satisfactory.

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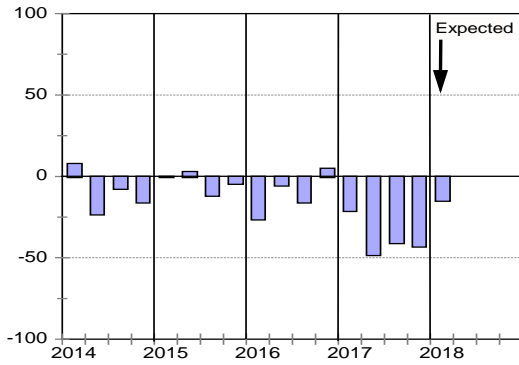
Business confidence



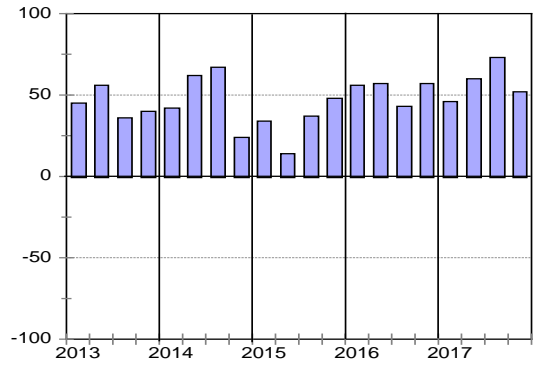
Change in business conditions



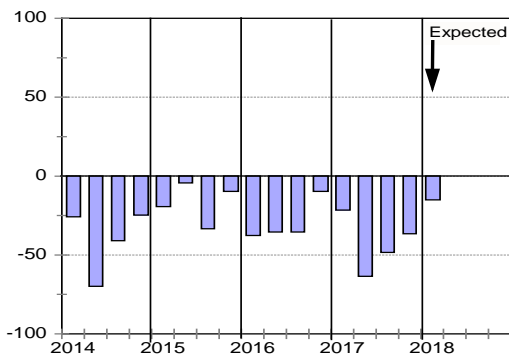
Growth in building activity



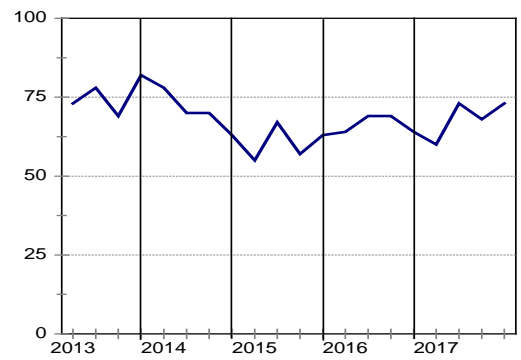
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total

	17Q1	17Q2	17Q3	17Q4	18Q1*
Business confidence ³	37	43	38	35	
Change in business conditions ¹	-44	-27	-41	-38	-27
Growth in construction activity ¹	-48	-39	-49	-55	-42
Growth in number of people employed ¹	-41	-34	-39	-45	-42
Growth in profitability of the business ¹	-47	-45	-59	-62	-40
Tendering competition ¹	52	37	37	46	
Percentage rating shortage of skilled labour a constraint ²	45	48	38	43	
Percentage rating inadequate supply of construction materials a constraint ²	20	31	28	23	
Percentage rating insufficient demand for construction work a constraint ²	77	70	76	72	
Percentage rating firm's inadequate access to credit a constraint ²	33	40	39	39	

* Expected.

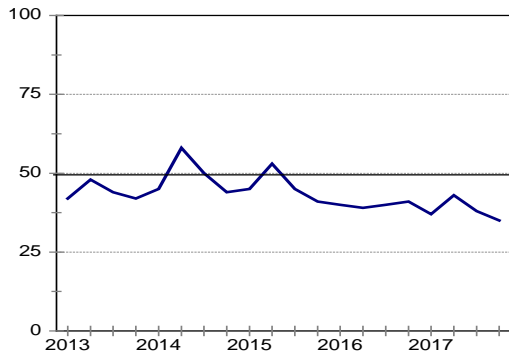
¹ Net balance.

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

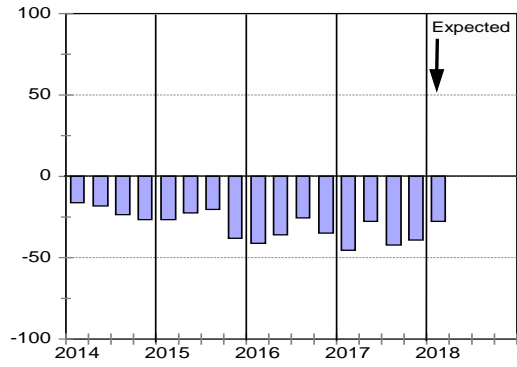
³ Percentage gross rating prevailing business conditions as satisfactory.

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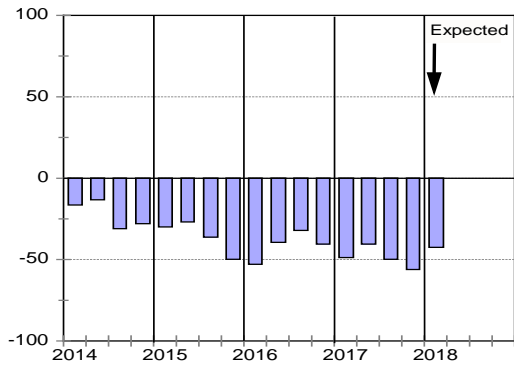
Business confidence



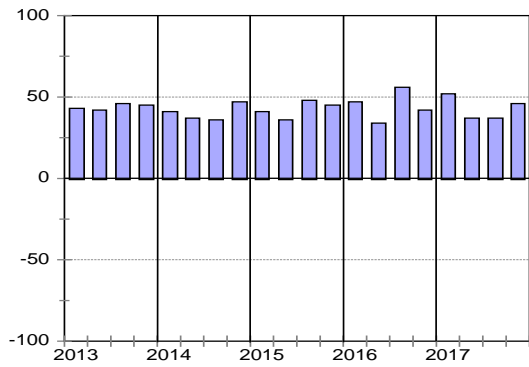
Change in business conditions



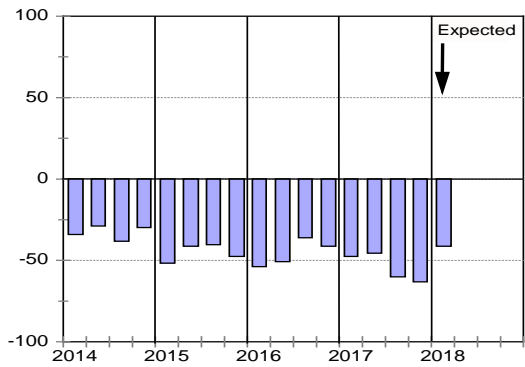
Growth in construction activity



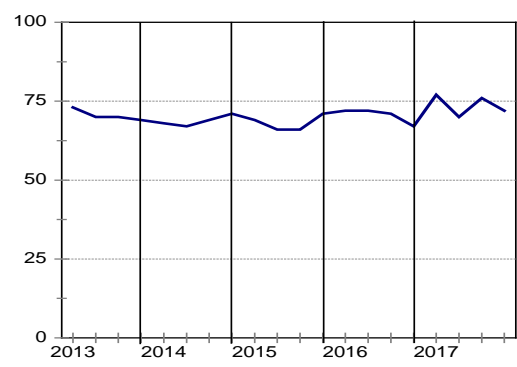
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	17Q1	17Q2	17Q3	17Q4	18Q1*
Business confidence ³	33	44	43	38	
Change in business conditions ¹	-50	-35	-43	-24	-12
Growth in construction activity ¹	-71	-47	-52	-40	-30
Growth in number of people employed ¹	-50	-30	-35	-42	-18
Growth in profitability of the business ¹	-55	-47	-67	-65	-17
Tendering competition ¹	39	0	6	23	
Percentage rating shortage of skilled labour a constraint ²	44	50	37	45	
Percentage rating inadequate supply of construction materials a constraint ²	14	37	37	27	
Percentage rating insufficient demand for construction work a constraint ²	66	63	82	75	
Percentage rating firm's inadequate access to credit a constraint ²	30	45	47	57	

* Expected.

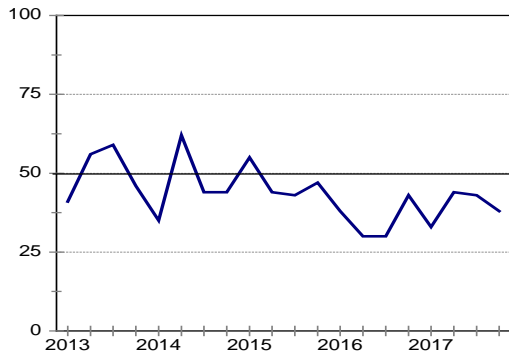
¹ Net balance.

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.

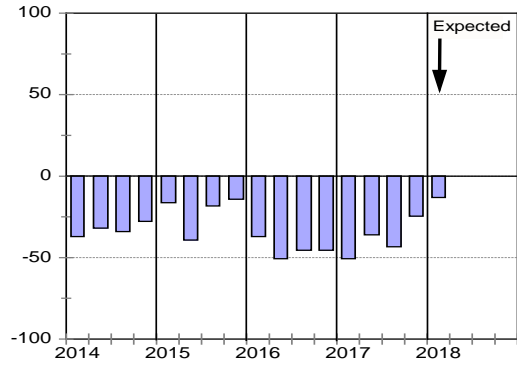
³ Percentage gross rating prevailing business conditions as satisfactory.

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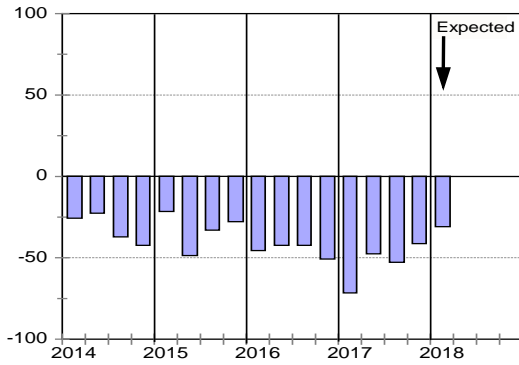
Business confidence



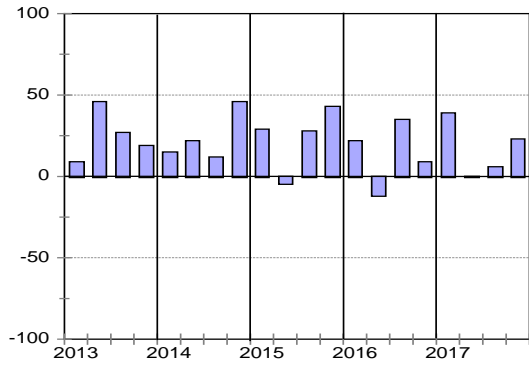
Change in business conditions



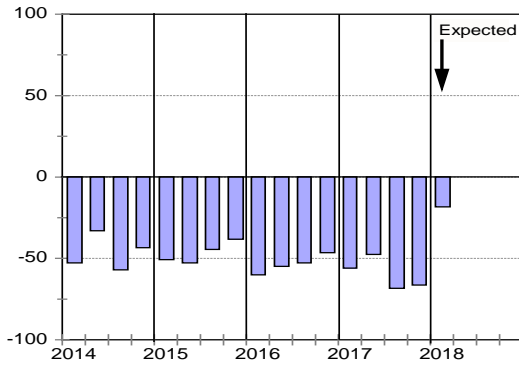
Growth in construction activity



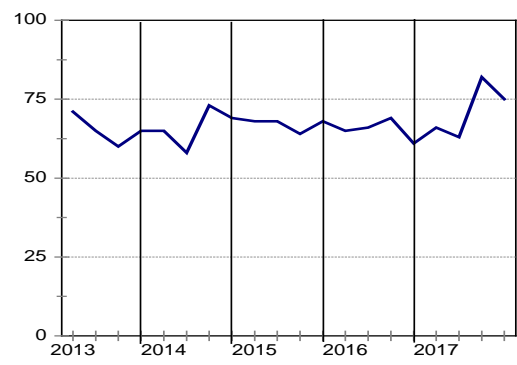
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	17Q1	17Q2	17Q3	17Q4	18Q1*
Business confidence ³	45	37	44	42	
Change in business conditions ¹	-35	-42	-24	-41	-29
Growth in construction activity ¹	-31	-54	-36	-55	-46
Growth in number of people employed ¹	-32	-39	-36	-35	-52
Growth in profitability of the business ¹	-38	-44	-43	-50	-53
Tendering competition ¹	51	39	40	40	
Percentage rating shortage of skilled labour a constraint ²	49	42	42	45	
Percentage rating inadequate supply of construction materials a constraint ²	24	23	27	23	
Percentage rating insufficient demand for construction work a constraint ²	78	72	64	73	
Percentage rating firm's inadequate access to credit a constraint ²	39	29	40	32	

* Expected.

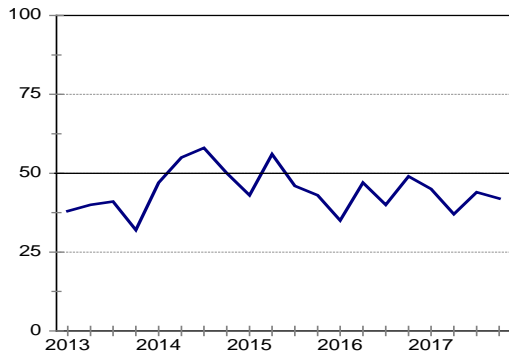
¹ Net balance.

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

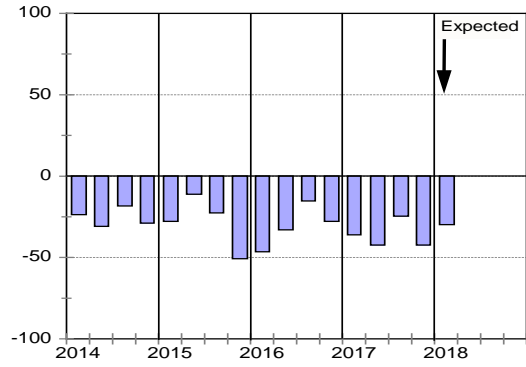
³ Percentage gross rating prevailing business conditions as satisfactory.

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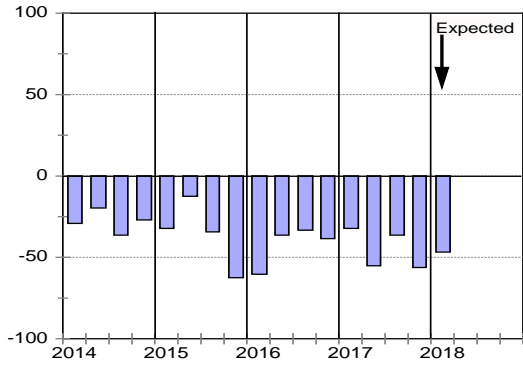
Business confidence



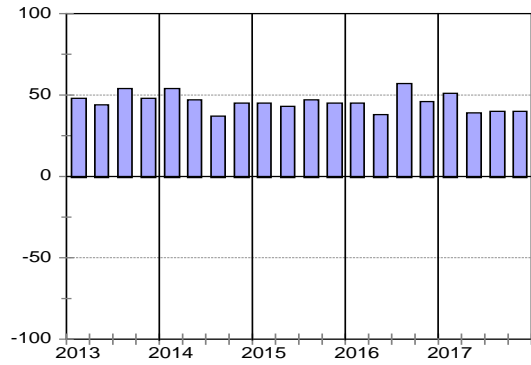
Change in business conditions



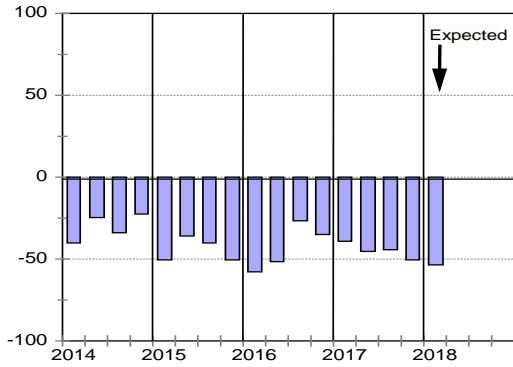
Growth in construction activity



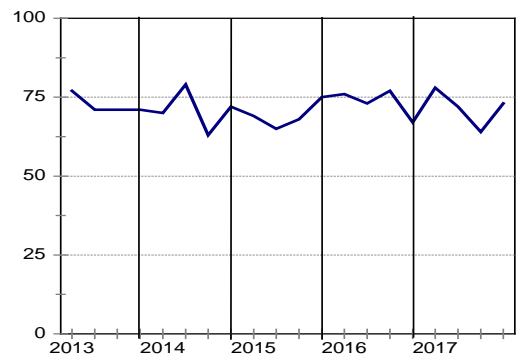
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	17Q1	17Q2	17Q3	17Q4	18Q1*
Business confidence ³	25	17	21	24	
Change in business conditions ¹	-54	-50	-62	-49	-35
Growth in construction activity ¹	-61	-54	-67	-67	-47
Growth in number of people employed ¹	-48	-48	-50	-56	-50
Growth in profitability of the business ¹	-56	-52	-75	-70	-44
Tendering competition ¹	61	83	79	70	
Percentage rating shortage of skilled labour a constraint ²	40	48	33	40	
Percentage rating inadequate supply of construction materials a constraint ²	17	25	15	20	
Percentage rating insufficient demand for construction work a constraint ²	81	80	86	68	
Percentage rating firm's inadequate access to credit a constraint ²	23	35	28	32	

* Expected.

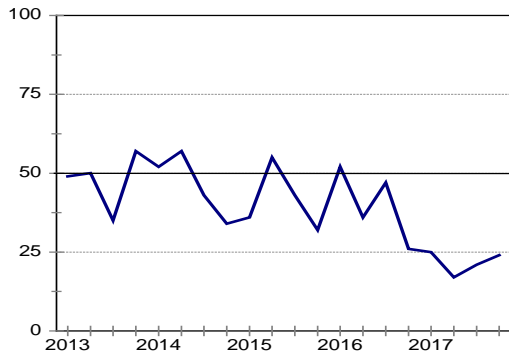
¹ Net balance.

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

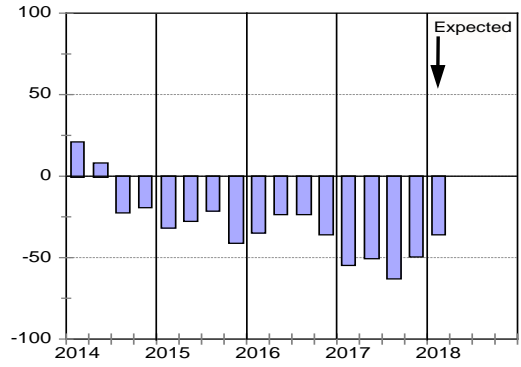
³ Percentage gross rating prevailing business conditions as satisfactory.

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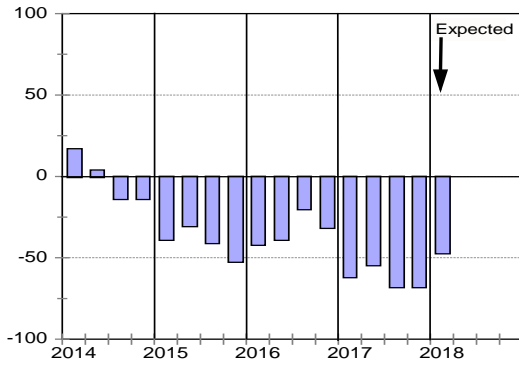
Business confidence



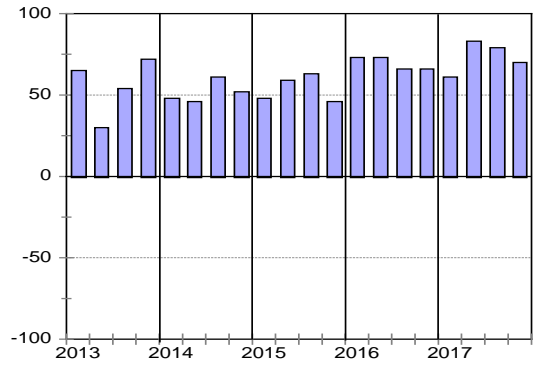
Change in business conditions



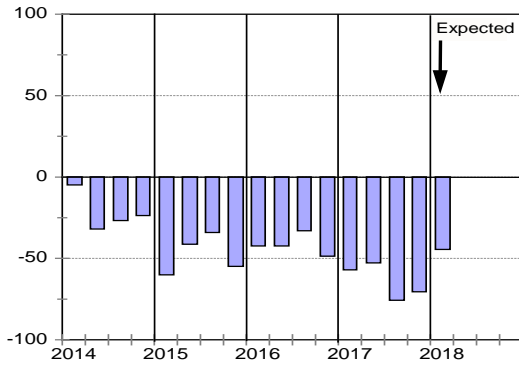
Growth in construction activity



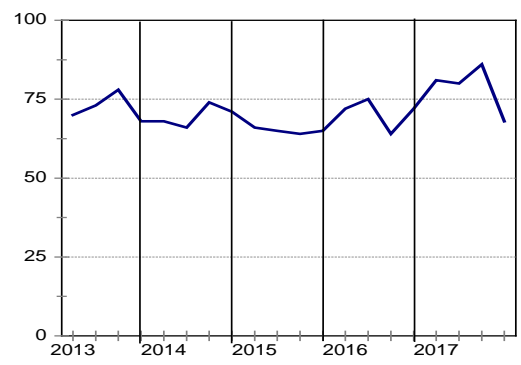
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	<i>17Q1</i>	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1*</i>
Business confidence ³	33	27	38	29	
Change in business conditions ¹	-54	-46	-27	-23	-50
Growth in construction activity ¹	-62	-61	-36	-50	-39
Growth in number of people employed ¹	-61	-50	-22	-43	-54
Growth in profitability of the business ¹	-54	-61	-57	-64	-46
Tendering competition ¹	46	6	36	36	
Percentage rating shortage of skilled labour a constraint ²	54	37	54	50	
Percentage rating inadequate supply of construction materials a constraint ²	15	13	19	21	
Percentage rating insufficient demand for construction work a constraint ²	81	77	79	68	
Percentage rating firm's inadequate access to credit a constraint ²	42	50	41	25	

* Expected.

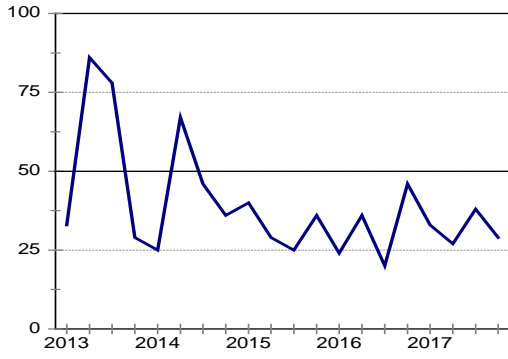
¹ Net balance.

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

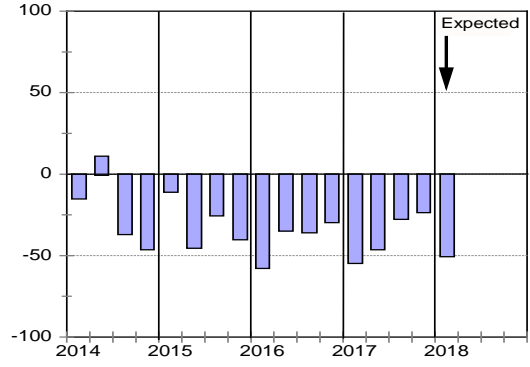
³ Percentage gross rating prevailing business conditions as satisfactory.

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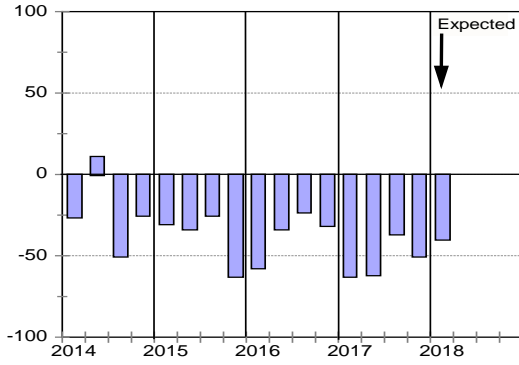
Business confidence



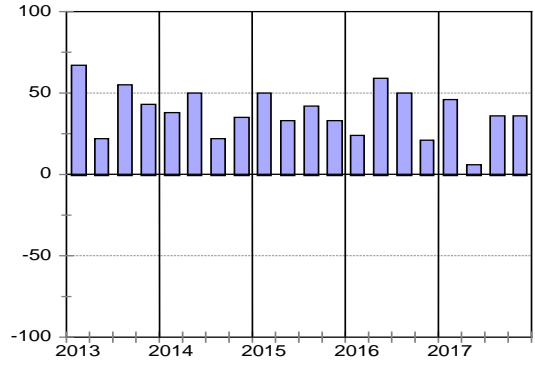
Change in business conditions



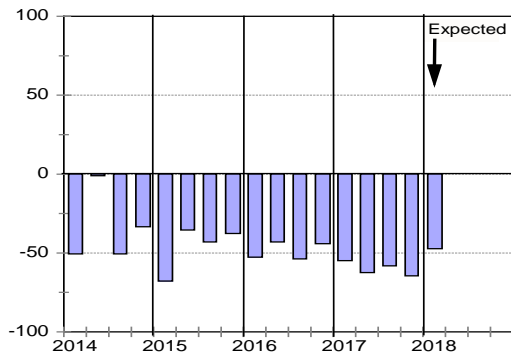
Growth in construction activity



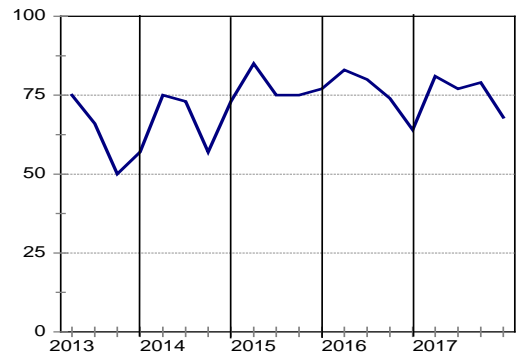
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	17Q1	17Q2	17Q3	17Q4	18Q1*
Business confidence ³	25	29	33	38	
Change in business conditions ¹	-44	-32	-33	-55	-31
Growth in building activity ¹	-60	-30	-45	-60	-38
Growth in number of people employed ¹	-50	-29	-45	-52	-50
Growth in profitability of the business ¹	-67	-62	-56	-71	-50
Tendering competition ¹	19	40	44	57	
Percentage rating shortage of skilled labour a constraint ²	28	32	23	31	
Percentage rating inadequate supply of building materials a constraint ²	25	25	34	19	
Percentage rating insufficient demand for building work a constraint ²	82	67	81	74	
Percentage rating firm's inadequate access to credit a constraint ²	37	43	39	40	

* Expected.

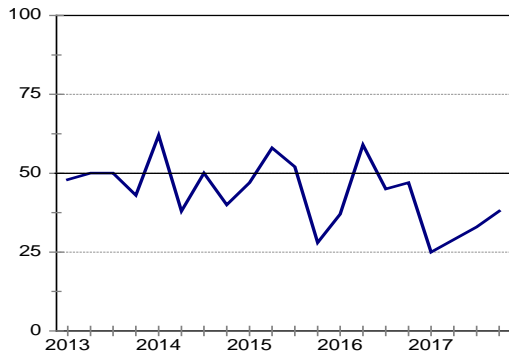
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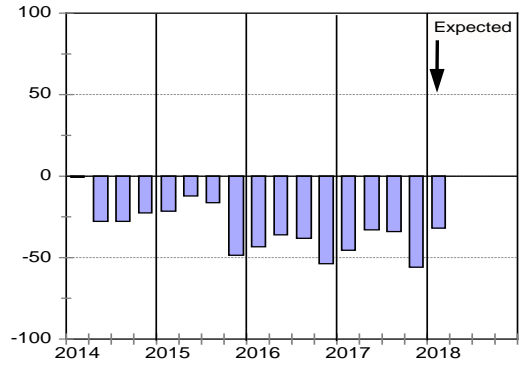
³ Percentage gross rating prevailing business conditions as satisfactory.

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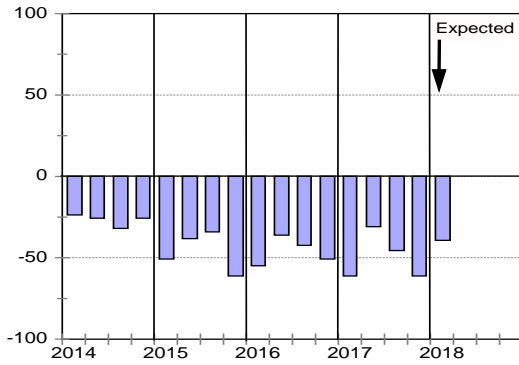
Business confidence



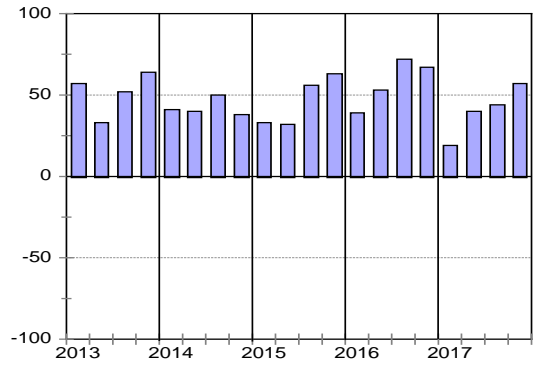
Change in business conditions



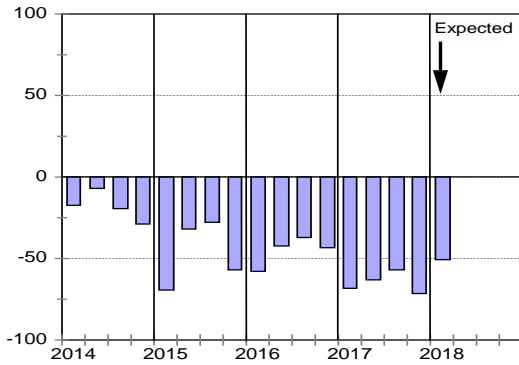
Growth in construction activity



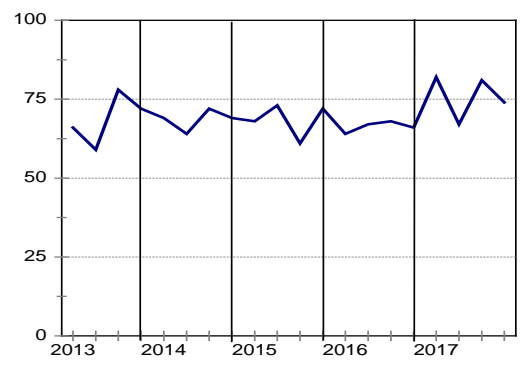
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	17Q1	17Q2	17Q3	17Q4	18Q1*
Business confidence ³	38	43	39	29	
Change in business conditions ¹	-41	-39	-52	-41	-15
Growth in construction activity ¹	-31	-50	-53	-78	-56
Growth in number of people employed ¹	-33	-49	-41	-44	-31
Growth in profitability of the business ¹	-37	-56	-69	-72	-43
Tendering competition ¹	52	53	21	16	
Percentage rating shortage of skilled labour a constraint ²	44	59	39	44	
Percentage rating inadequate supply of construction materials a constraint ²	22	38	31	25	
Percentage rating insufficient demand for construction work a constraint ²	78	79	74	75	
Percentage rating firm's inadequate access to credit a constraint ²	29	41	33	47	

* Expected.

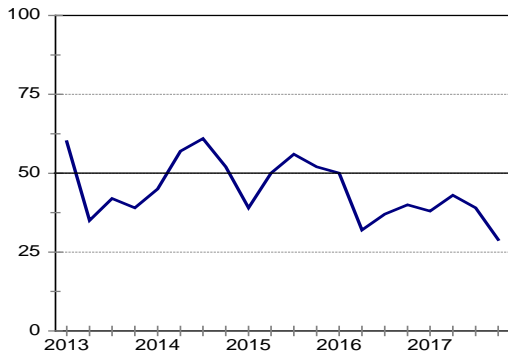
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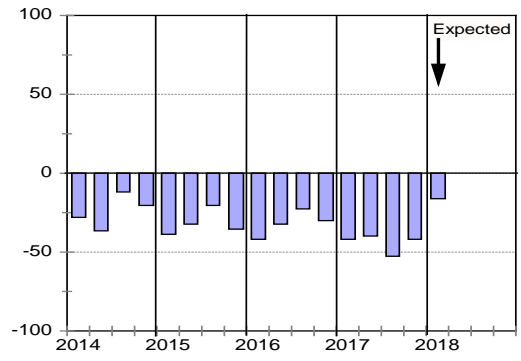
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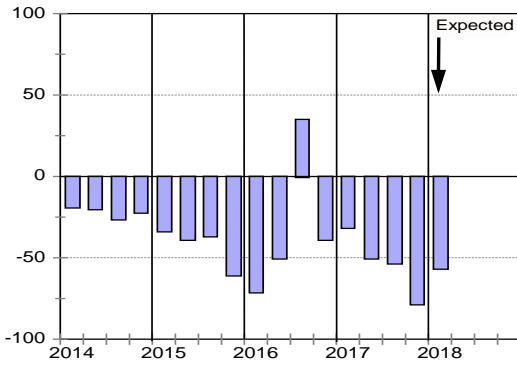
Business confidence



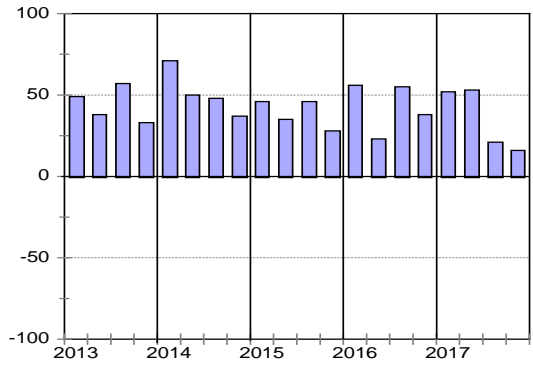
Change in business conditions



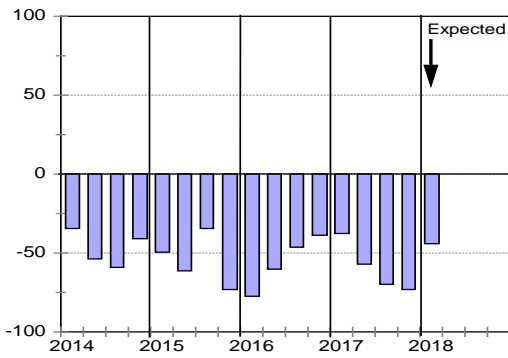
Growth in construction activity



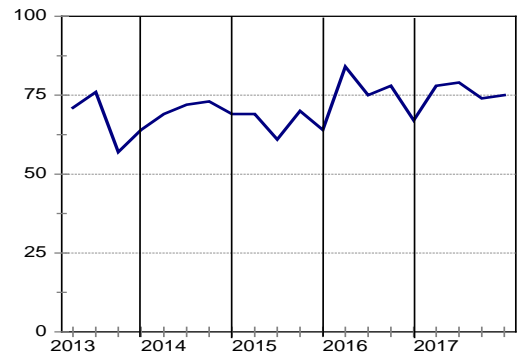
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	17Q1	17Q2	17Q3	17Q4	18Q1*
Business confidence ³	50	57	44	53	
Change in business conditions ¹	-46	-31	-45	-44	-44
Growth in construction activity ¹	-53	-33	-50	-33	-56
Growth in number of people employed ¹	-20	0	-27	-44	-50
Growth in profitability of the business ¹	-27	-18	-50	-56	-44
Tendering competition ¹	87	50	67	77	
Percentage rating shortage of skilled labour a constraint ²	56	59	47	47	
Percentage rating inadequate supply of construction materials a constraint ²	17	17	27	28	
Percentage rating insufficient demand for construction work a constraint ²	66	59	78	72	
Percentage rating firm's inadequate access to credit a constraint ²	33	21	36	33	

* Expected.

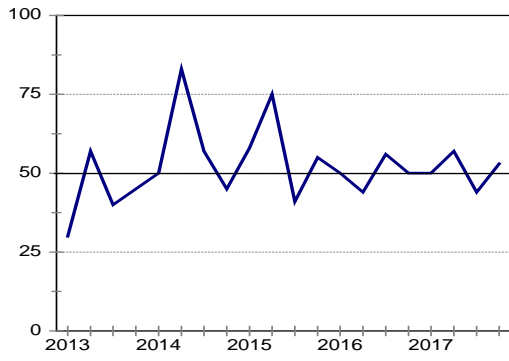
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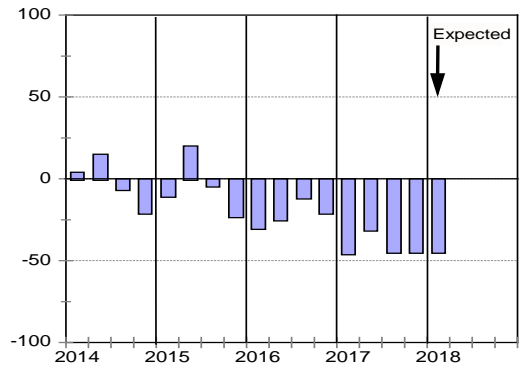
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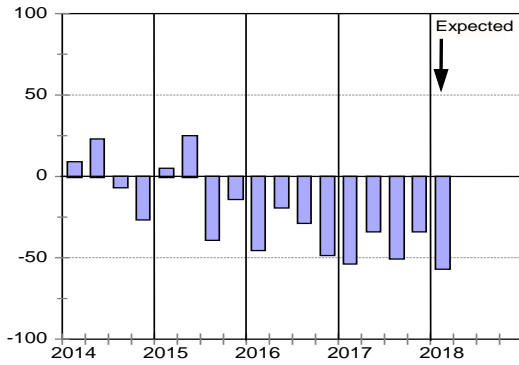
Business confidence



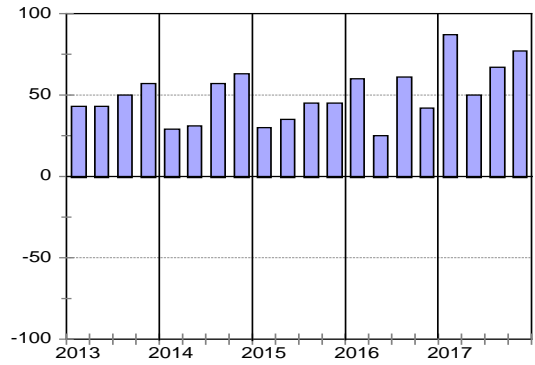
Change in business conditions



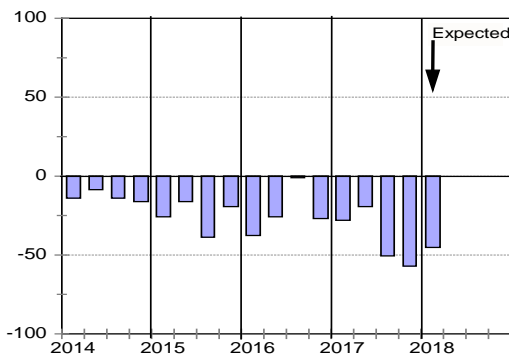
Growth in construction activity



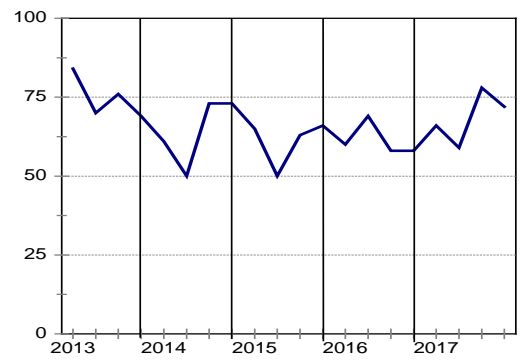
Tendering competition



Growth in profitability



Insufficient building work demand



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