



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

4

2018



University of Stellenbosch

cidb Survey Results: 2018Q4

December 2018

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Summary

Building Contractors

After trending downwards since the beginning of 2017, business confidence for general builders (GBs) improved marginally from 30 to 34 index points. In contrast to the uptick in confidence, building activity slowed and tendering competition was more intense. Furthermore, insufficient demand for building work remained a key constraint. In all, this confirms that the building sector continued to suffer from a shortage in work.

The 2018Q4 survey results suggest that building contractors in Grades 3 & 4 remained under immense pressure. Since the end of last year, their business confidence has dropped by a cumulative 21 index points to a new record low of 26.

At the provincial level, Gauteng was the only province where sentiment improved by a notable 20 index points to 47. In the Western Cape, building confidence fell even further to 26. This marks the lowest level in more than 4 years.

Civil Contractors

In the fourth quarter of 2018, civil contractor confidence improved to 35 index points, from an all-time low of 27. However, despite the uptick in confidence, the underlying indicators, especially construction activity, remained weak.

Sentiment ticked up across all grades. For Grades 5 & 6 and 7 & 8, confidence recovered from the all-time lows that were registered in the previous quarter. Despite the improvements, confidence remained in negative territory for all the grades.

Provincially, civil contractors in the Western Cape experienced the sharpest improvement in sentiment. Despite marginal upticks in confidence among civil contractors in the Eastern Cape and KwaZulu-Natal, sentiment remained at very depressed levels. Gauteng was the only province where confidence 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 2018Q4 survey was carried out during the period 15 October to 19 November 2018.

The analysis that follows provides a synopsis of the survey responses received in 2018Q4, 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.

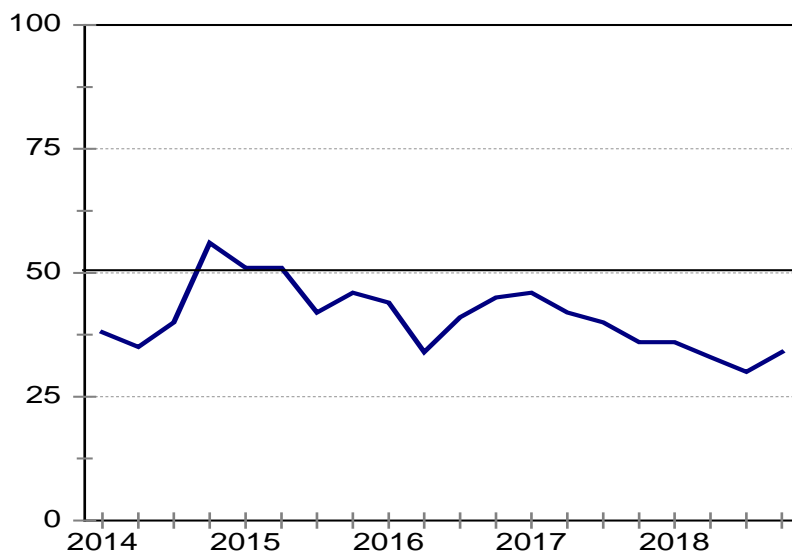
2018Q4 cidb Survey Results

Building Industry

Total

In the fourth quarter of 2018, building contractor confidence ticked up marginally from 30 to 34 index points. Despite the improvement, confidence remains below the long-term average of 40 and the underlying indicators suggest that the industry is still under immense pressure.

Figure 1: Total
Business confidence

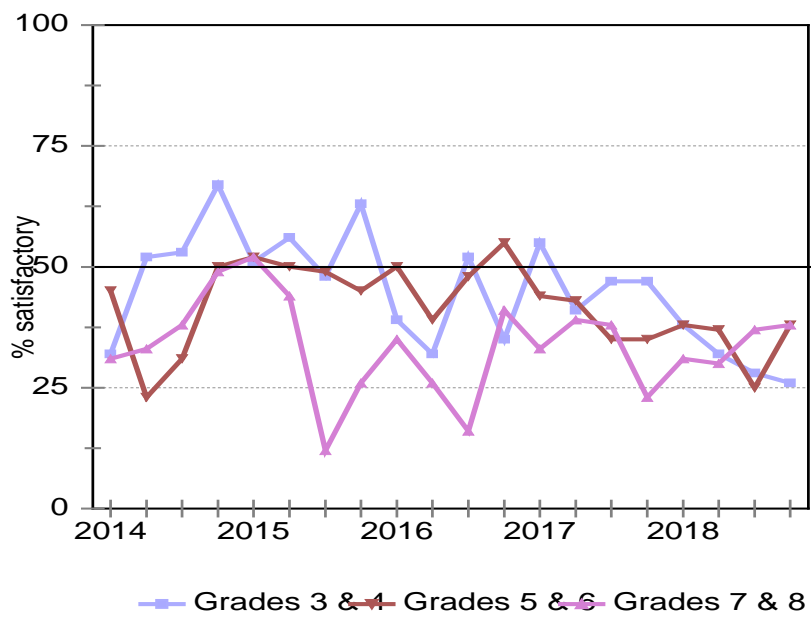


Building activity lost momentum during the survey quarter. Indeed, a net majority of 45% of respondents reported a decline in building activity, compared to 37% previously. Furthermore, tendering competition intensified and insufficient demand for building work remained a key constraint. The latter does not bode well for building activity going forward.

Grades comparison

The building contractors in Grades 3 & 4 continued to struggle as illustrated by another drop in confidence. Business confidence is now at a new record low of 26 index points (see Figure 2). Although confidence among building contractors in Grades 5 & 6 and 7 & 8 improved, it remained at depressing levels.

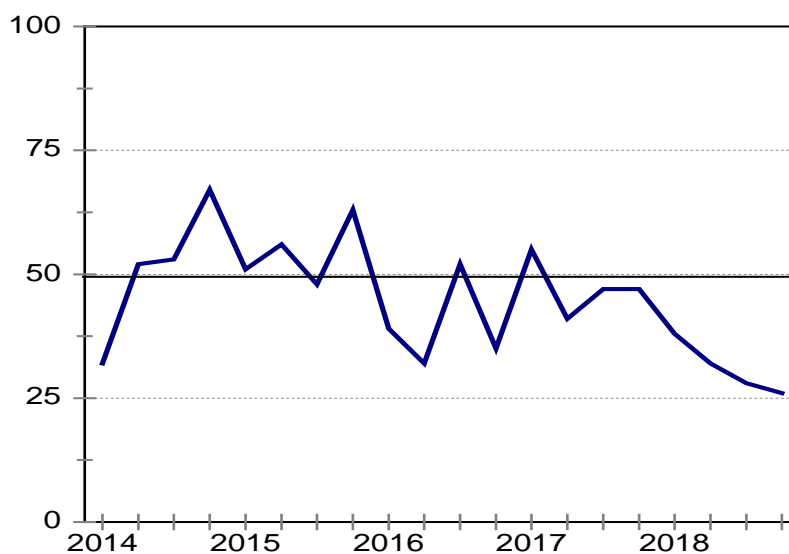
Figure 2: Business confidence per grade



Grades 3 & 4

Building contractor confidence among Grades 3 & 4 fell to a new record low of 26 index points, from 28 previously.

Figure 3: Grades 3 & 4
Business confidence



Building activity came under even more pressure during 2018Q4. Indeed, the net majority of respondents experiencing a slowdown in activity increased to 68%, from 56% previously. This is the worst level on record. Moreover, a greater net majority expect activity to slow in 2019Q1.

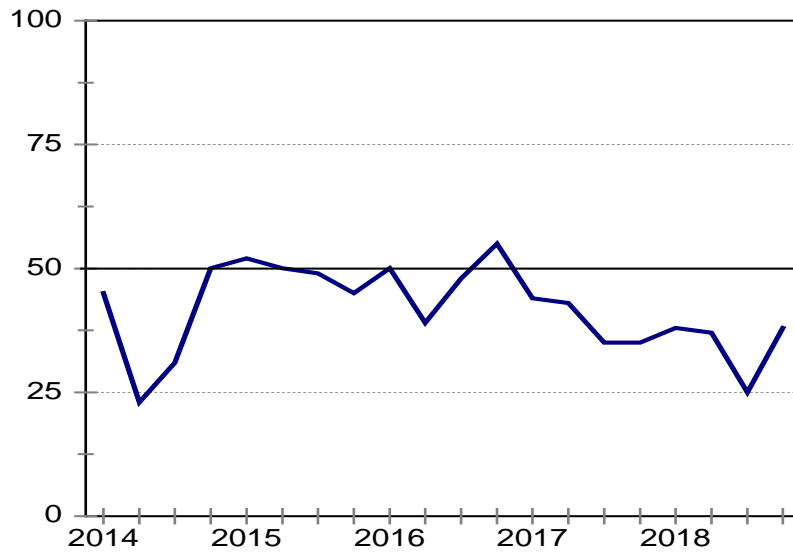
Tendering competition also intensified as a result of the scarcity of building work. The indicator measuring competition in tendering prices came in at a net 42%, relative to 11% previously.

Discouragingly, the proportion of respondents experiencing insufficient demand for building work as a constraint increased from 78% to 83%. This implies that the outlook for building activity growth among the smaller contractors could remain constrained in the near future.

Grades 5 & 6

Business confidence among general builders in Grades 5 & 6 improved from a 4-year low of 25 to 38.

Figure 4: Grades 5 & 6
Business confidence



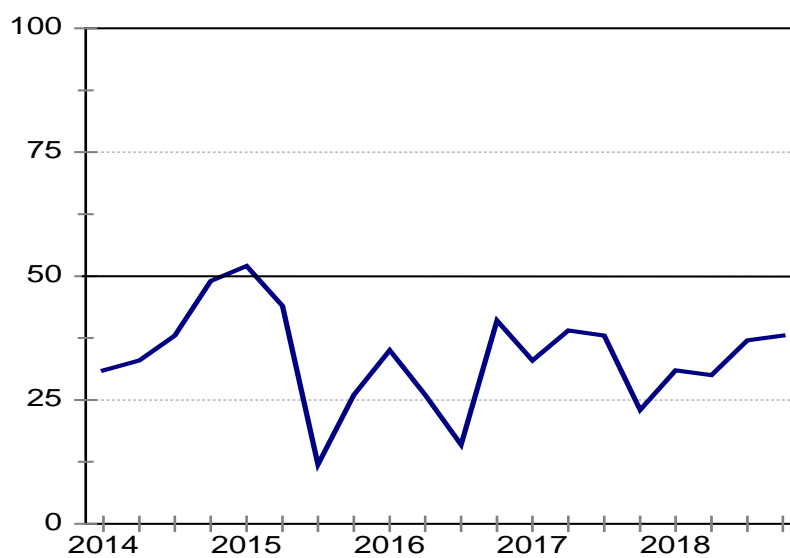
Building activity gained momentum, with a smaller net majority of 35% of respondents reporting a decline in activity compared to a net 45% in 2018Q3.

The improvement in activity coincided with a less intense tendering environment, with the indicator registering a net balance of 42%, compared to 50% previously.

Grades 7 & 8

Sentiment among Grades 7 & 8 improved marginally from 37 to 38 index points. Although business confidence remains at very depressed levels, it is encouraging to see that it is above the long-term average.

Figure 5: Grades 7 & 8
Business confidence

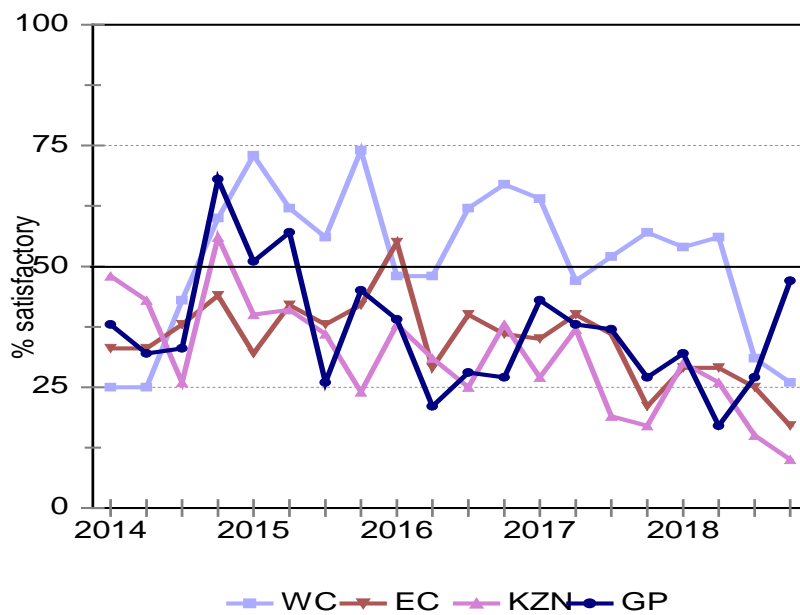


In contrast to the improvement in sentiment, respondents experienced a slowdown in building activity. A net majority of 38% of respondents reported a decline in activity, compared to 11% previously. As a result, tendering competition also intensified. Furthermore, insufficient demand for building work remained a key constraint.

Provincial comparison

Similar to 2018Q3, Gauteng was the only province that registered an improvement in sentiment. In all the other provinces, business confidence fell further relative to 2018Q3 (see Figure 6).

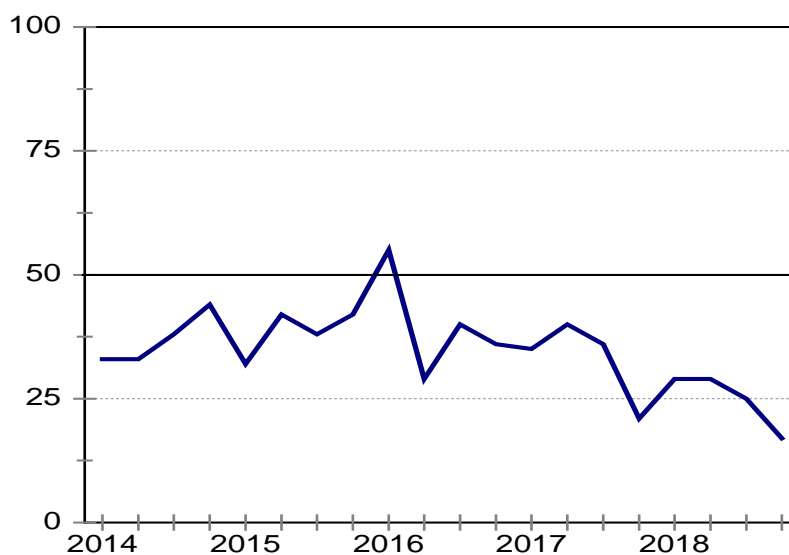
Figure 6: Business confidence per province



Eastern Cape¹

In the Eastern Cape, building contractor confidence declined by another 8 index points to 17. This marks the lowest level in 9 years.

Figure 7: Eastern Cape
Business confidence



The fall in confidence was reflected in a number of underlying indicators, in particular activity growth and profitability.

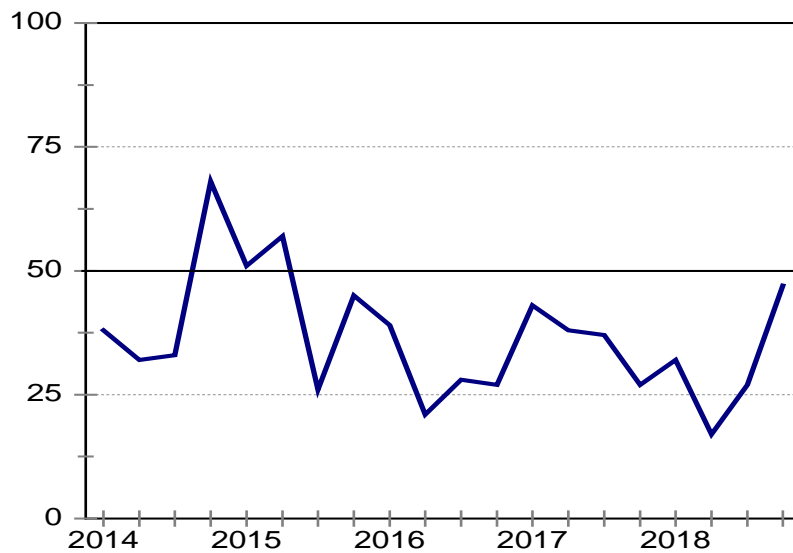
In addition to the poor performance this quarter, the outlook for the province does not look promising as highlighted by a higher number of respondents who rated insufficient demand for new building work as a constraint.

¹ Volatility in indicators could be due to the relatively smaller number of respondents from the province.

Gauteng

Building contractor confidence in Gauteng improved significantly to 47 index points, from 27 previously. The uptick in sentiment was supported by a number underlying indicators.

Figure 8: Gauteng
Business confidence

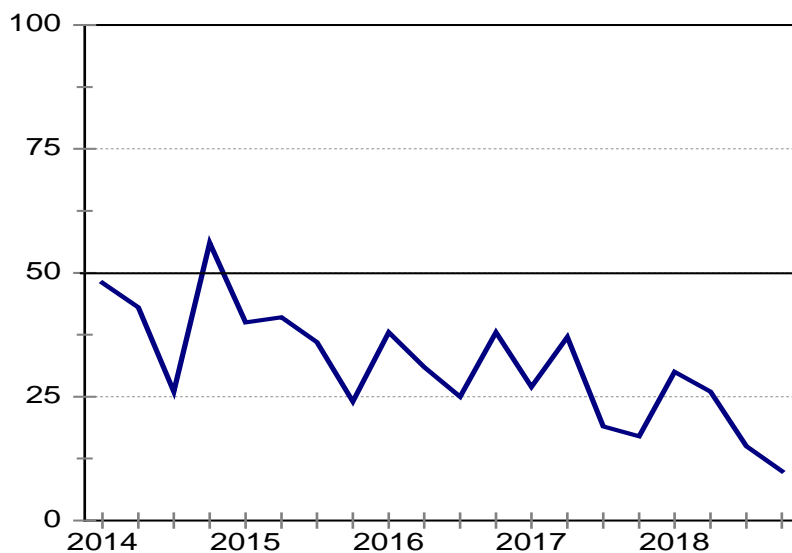


Building activity improved, with a smaller net majority of 23% of respondents reporting a decline in activity compared to a net 40% in 2018Q3. The uptick in building activity helped to ease some profitability pressure.

KwaZulu-Natal

Building contractor confidence in KwaZulu-Natal shed another 5 index points to register a level of 10 (see Figure 9).

Figure 9: KwaZulu-Natal
Business confidence

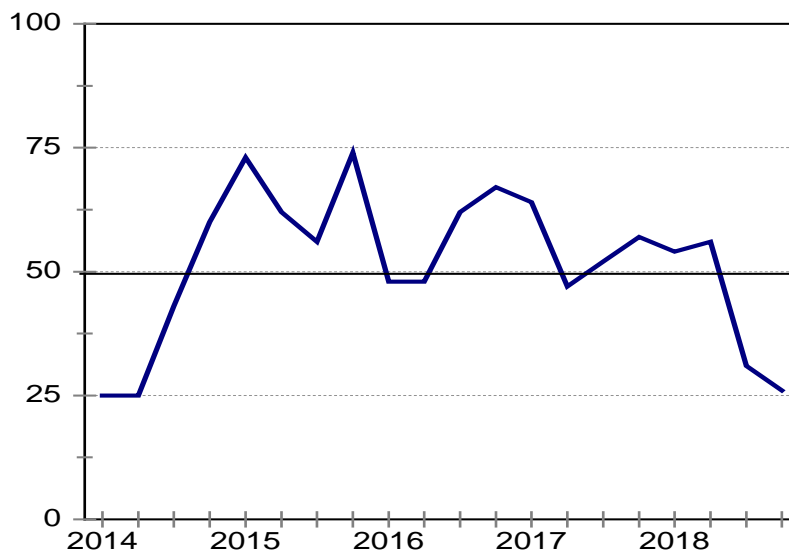


Building activity slowed during the quarter and weighed on profitability. Furthermore, the outlook for KwaZulu-Natal does not look promising as the number of respondents rating insufficient demand for building work as a constraint increased to 88%, from 77% previously. This is the highest level on record.

Western Cape

In the Western Cape, building contractor confidence shed another 5 index points to register a level of 26. Over the past two quarters, business confidence has dropped by a cumulative 30 index points and is now at its lowest level in more than four years (see figure 10).

Figure 10: Western Cape
Business confidence



The fall in confidence was reflected in a number of underlying indicators.

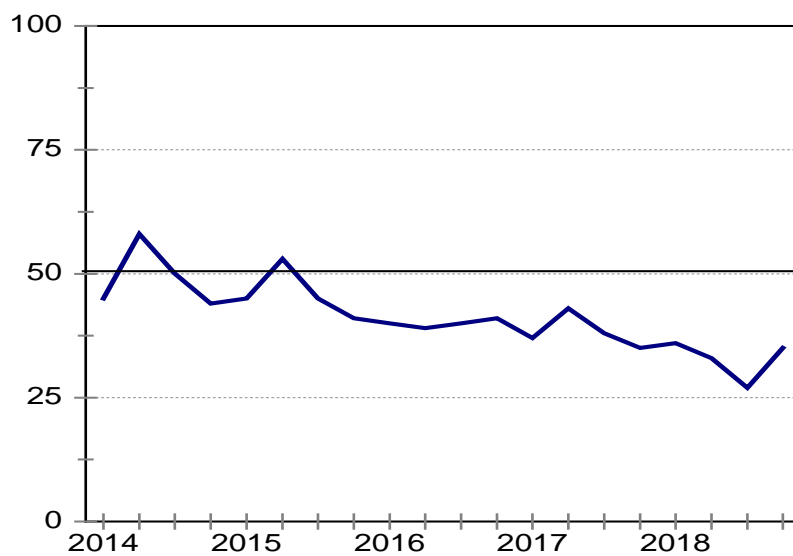
Building activity lost momentum. A net majority of 52% of respondents registered a decline in activity, compared to a net 31% previously. As a result, profitability came under pressure during this survey quarter. Discouragingly, insufficient demand for building work remained a key constraint.

Construction Industry

Total

After registering an all-time low of 27 in 2018Q3, civil contractor confidence improved to 35 index points. In contrast to the uptick in confidence, the underlying indicators, especially construction activity, suggest that the industry remains under pressure.

Figure 11: Total
Business confidence

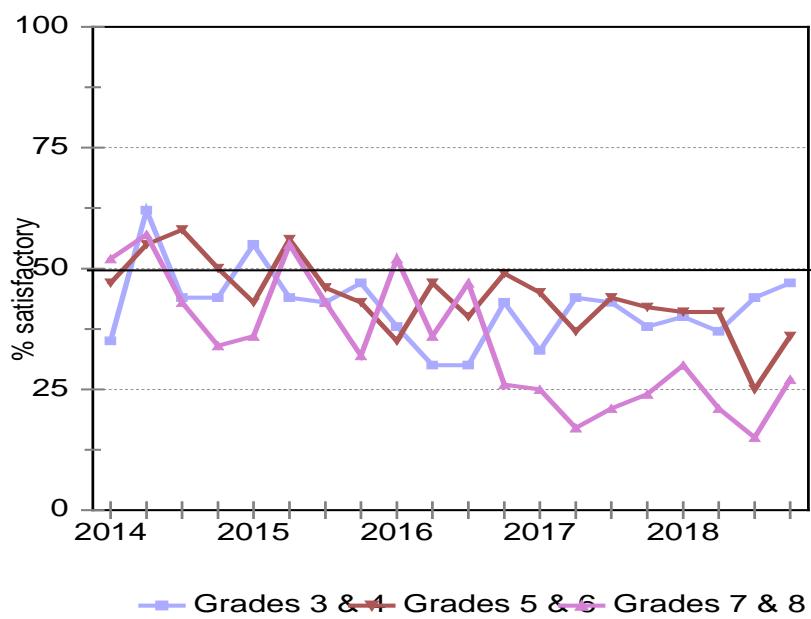


The net majority of respondents who experienced a slowdown in activity remained unchanged at 65%. This is the worst level on record. As a result, tendering competition intensified. Indeed, a net 53% of respondents experienced a tougher tendering environment, compared to 48% previously.

Grades comparison

Civil contractors across all the grades registered an uptick in confidence (see Figure 12). For the civil contractors in Grades 5 & 6 and 7 & 8, confidence recovered from the historic lows that were registered in the previous quarter. Despite this, confidence remained in negative territory (i.e. below 50) across all the grades.

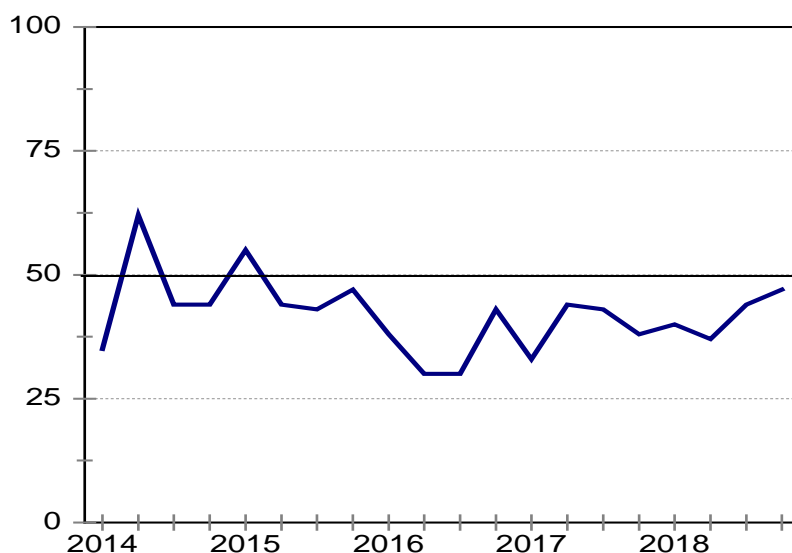
Figure 12: Business confidence per grade



Grades 3 & 4

Business confidence for Grades 3 & 4 civil contractors ticked up to 47 index points in 2018Q4, from 44 previously.

Figure 13: Grades 3 & 4
Business confidence



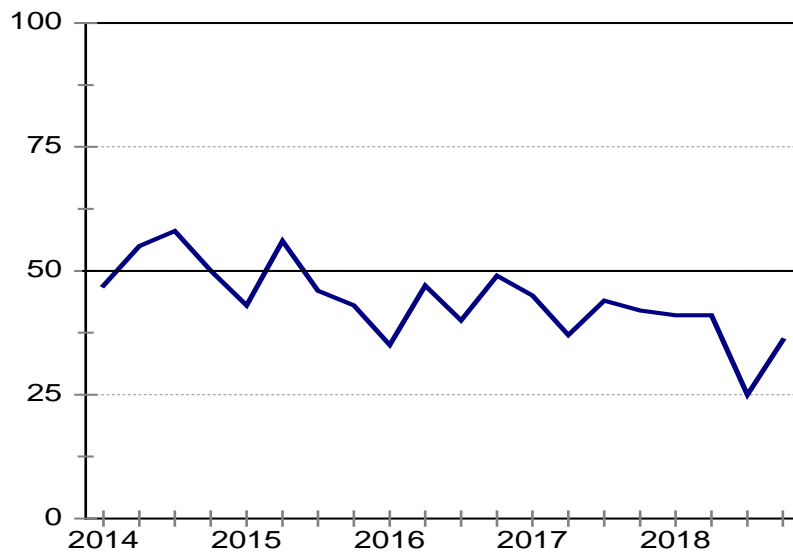
The increase in confidence was not supported by movements in the underlying indicators as a number of them deteriorated significantly. Most notable were construction activity, employment growth and profitability.

Furthermore, the outlook for the smaller civil contractors does not look favourable as the proportion of respondents rating insufficient demand for new construction work increased to 77%, from 62% previously.

Grades 5 & 6

After registering a historic low of 25 in 2018Q3, business confidence for Grades 5 & 6 civil contractors recovered somewhat to 36.

Figure 14: Grades 5 & 6
Business confidence



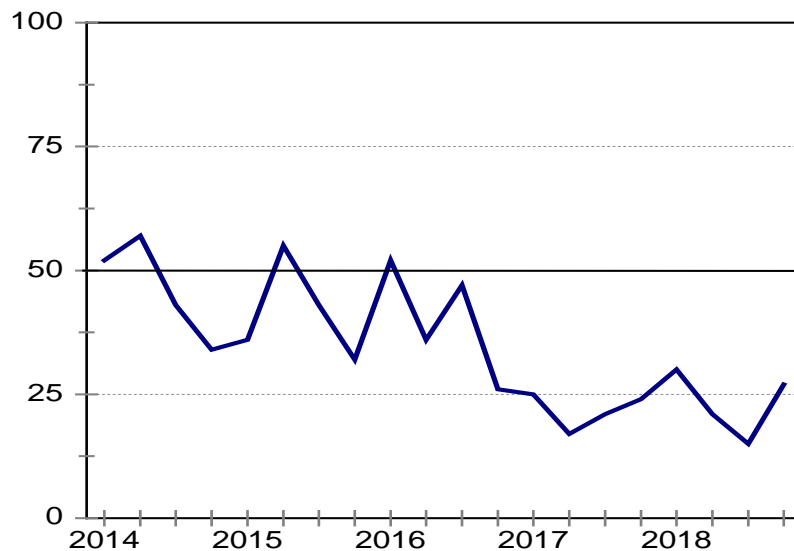
Pressure on profitability subsided somewhat, providing some boost to confidence. Furthermore, the improvement in business conditions also supported the uptick in confidence.

In contrast, growth in activity remains downbeat. A net 59% reported lower activity growth in 2018Q4 compared to the same time last year.

Grades 7 & 8

Business confidence among civil contractors in Grades 7 & 8 increased from an all-time low of 15 index points, to 27 in 2018Q4.

Figure 15: Grades 7 & 8
Business confidence



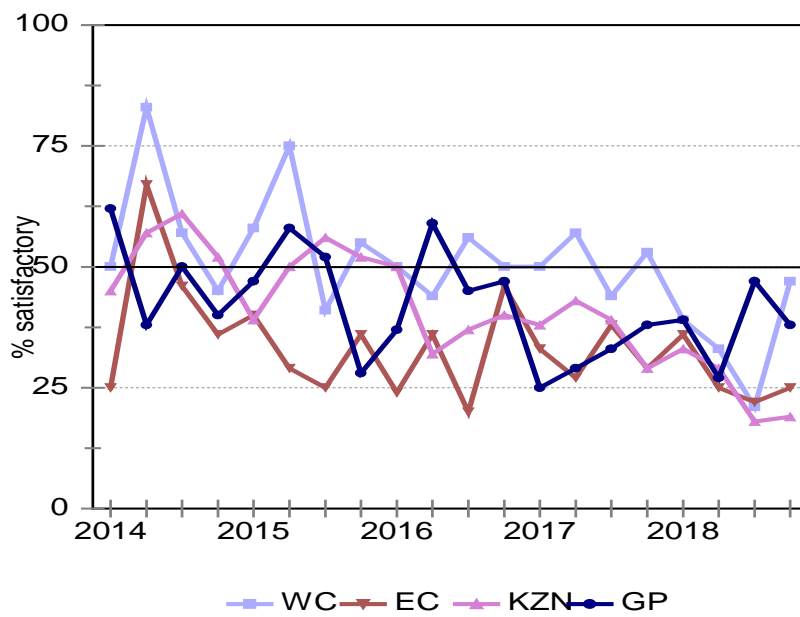
During the previous survey quarter, the indicators for business conditions, construction activity, profitability and employment all deteriorated to their worst levels on record. In 2018Q4, there were notable improvements in all these indicators. Although business confidence and the underlying indicators still remain at very weak levels, it is encouraging to see that there are some improvements.

Furthermore, the number of respondents who rated insufficient demand for construction work as a constraint declined from 90% to 74%. This could mean further improvement in construction activity momentum going forward.

Provincial comparison

Civil contractors in the Western Cape experienced the sharpest improvement in sentiment (+26 index points). Although civil contractors in the Eastern Cape and KwaZulu-Natal registered marginal upticks, confidence remained at very depressed levels. Gauteng was the only province where confidence declined.

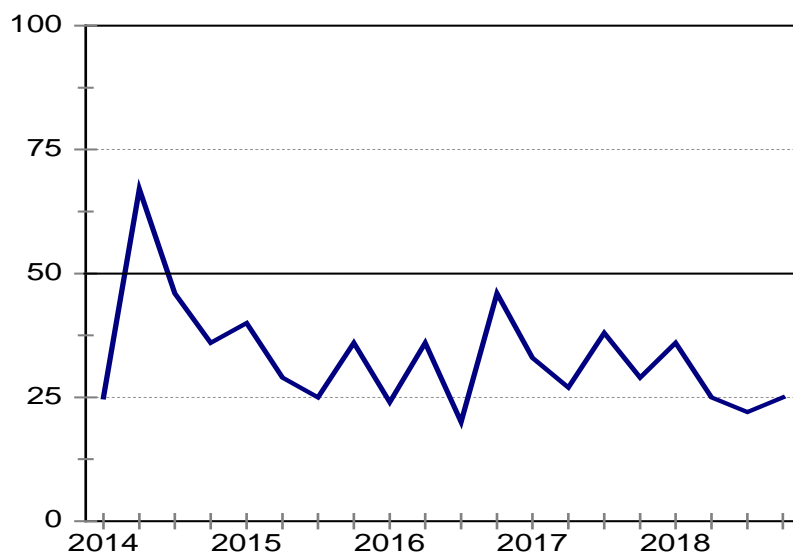
Figure 16: Business confidence per province



Eastern Cape

Business confidence among civil contractors in the Eastern Cape increased marginally to 25 index points, from 22 previously.

Figure 17: Eastern Cape
Business confidence

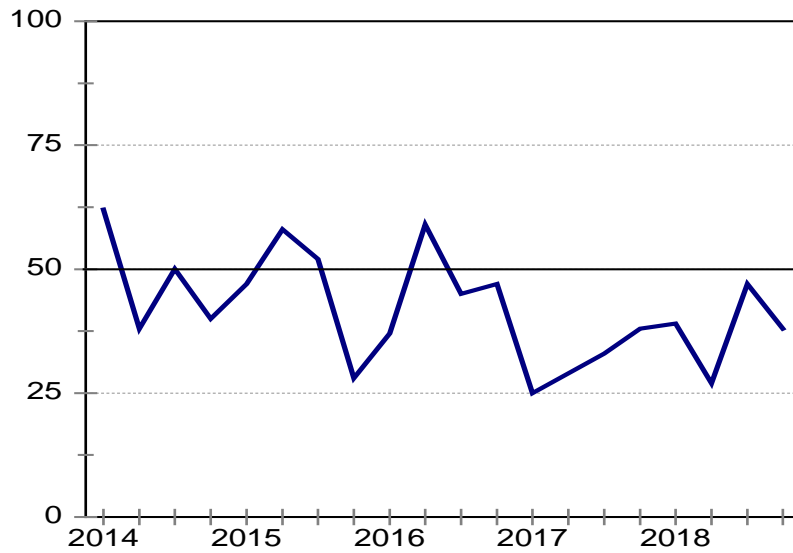


The improvement in confidence was reflected in a number of underlying indicators.

Gauteng

In Gauteng, civil contractor confidence shed 11 index points to register a level of 38 in 2018Q4.

Figure 18: Gauteng
Business confidence

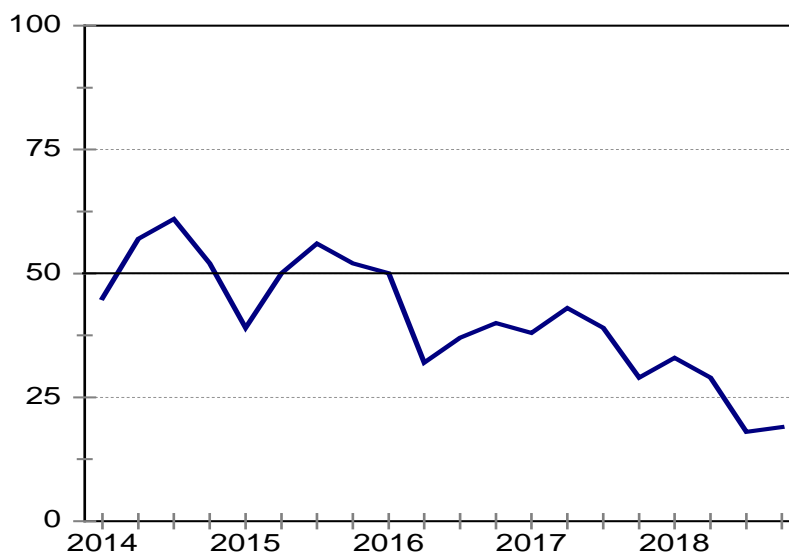


Construction activity slowed meaningfully during the quarter, with a greater net majority of 73% reporting lower activity, compared to 34% previously. Against this backdrop, pressure on profitability increased. Indeed, a net majority of 80% of respondents reported a decline in profitability in 2018Q4, up from a net 36% previously.

KwaZulu-Natal

In KwaZulu-Natal, civil contractor confidence increased marginally to 19 index points, from a historic low of 18 in the previous quarter.

Figure 19: KwaZulu-Natal
Business confidence



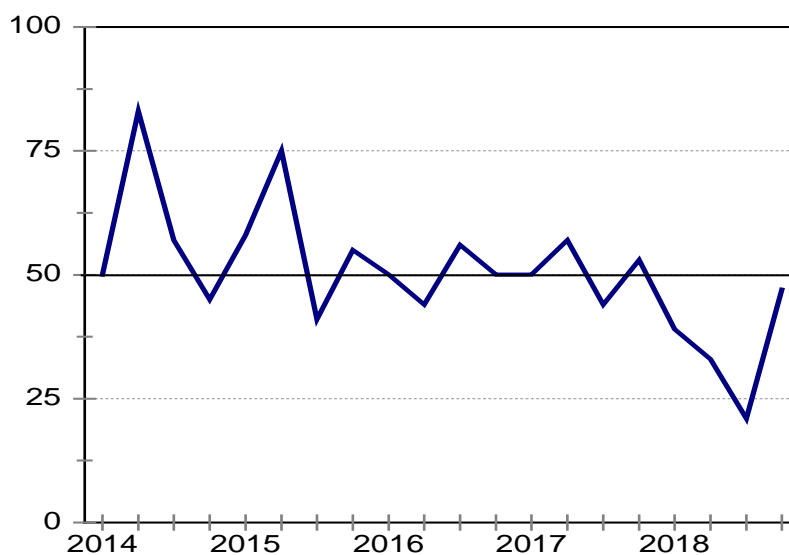
Construction activity continued to slow during the fourth quarter. The net majority of respondents experiencing a slowdown in activity increased to 93%, from 76% previously. This is the worst level on record.

As a result of the shortage in construction work, tendering competition also intensified.

Western Cape

After registering an all-time low of 21 index points in 2018Q3, sentiment among civil contractors in the Western Cape improved to 47 (see Figure 20).

Figure 20: Western Cape
Business confidence



The indicators for business conditions, construction activity, employment and profitability all improved notably, supporting the recovery in confidence.

Encouragingly, the indicator rating insufficient demand for new building work as a constraint also improved to 78%, from 86% previously. This could translate into some improvement in construction activity momentum going forward.

Mia Slabber

Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	18Q1	18Q2	18Q3	18Q4	19Q1*
Business confidence ³	36	33	30	34	
Change in business conditions ¹	-25	-29	-32	-37	-25
Growth in building activity ¹	-42	-44	-37	-45	-37
Growth in number of people employed ¹	-32	-31	-33	-34	-36
Growth in profitability of the business ¹	-58	-55	-48	-46	-39
Tendering competition ¹	47	44	43	52	
Percentage rating shortage of skilled labour a constraint ²	47	46	42	47	
Percentage rating inadequate supply of building materials a constraint ²	23	25	19	17	
Percentage rating insufficient demand for building work a constraint ²	73	74	76	82	
Percentage rating firm's inadequate access to credit a constraint ²	32	37	31	28	

* Expected.

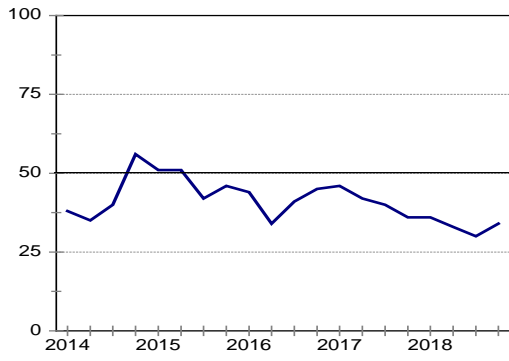
¹ Net balance.

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

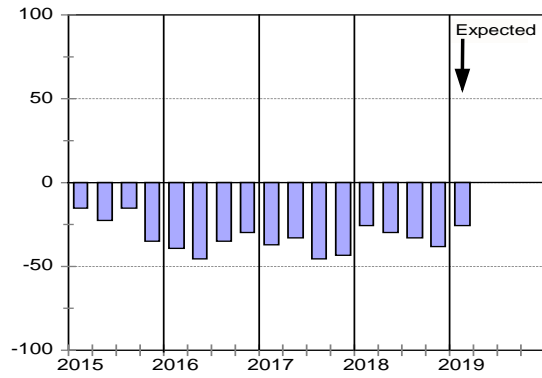
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

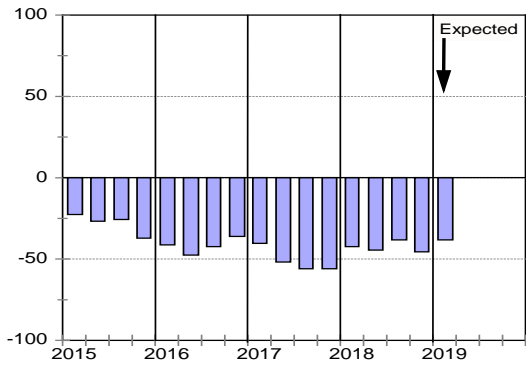
Business confidence



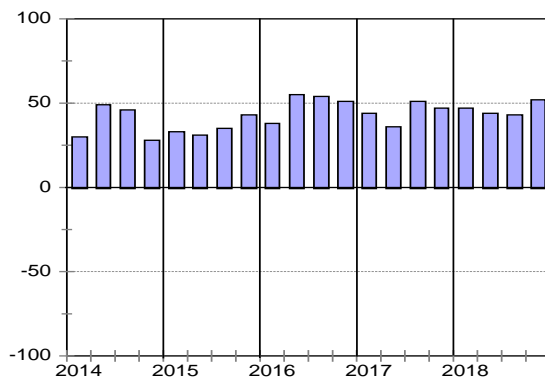
Change in business conditions



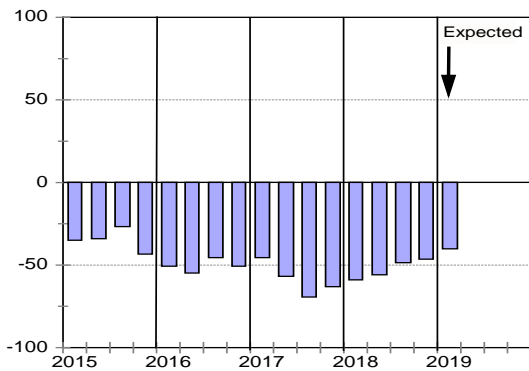
Growth in building activity



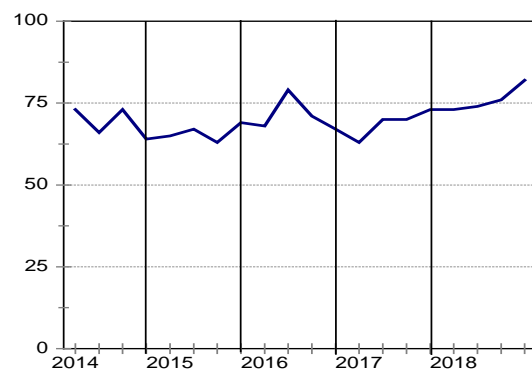
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	18Q1	18Q2	18Q3	18Q4	19Q1*
Business confidence ³	38	32	28	26	
Change in business conditions ¹	-36	-41	-55	-72	-64
Growth in building activity ¹	-64	-52	-56	-68	-72
Growth in number of people employed ¹	-52	-38	-55	-34	-65
Growth in profitability of the business ¹	-66	-59	-66	-55	-70
Tendering competition ¹	32	19	11	42	
Percentage rating shortage of skilled labour a constraint ²	42	41	33	37	
Percentage rating inadequate supply of building materials a constraint ²	24	25	21	15	
Percentage rating insufficient demand for building work a constraint ²	68	73	78	83	
Percentage rating firm's inadequate access to credit a constraint ²	40	52	48	37	

* Expected.

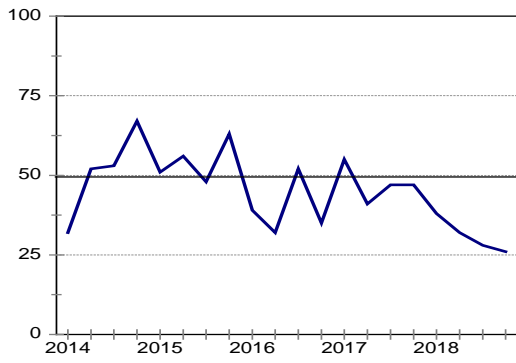
¹ Net balance.

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

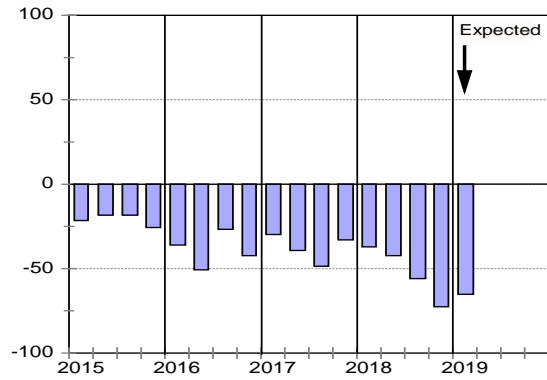
³ Percentage gross rating prevailing business conditions as satisfactory.

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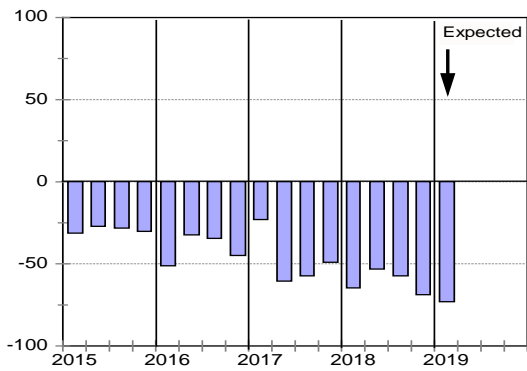
Business confidence



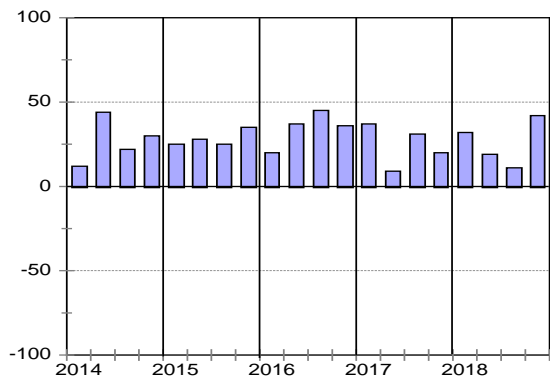
Change in business conditions



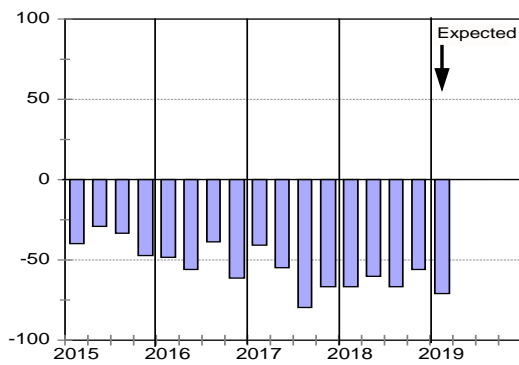
Growth in building activity



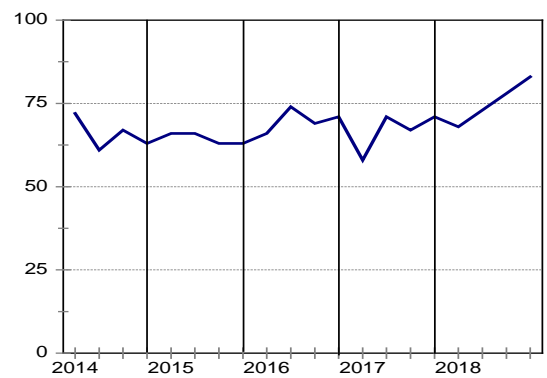
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	18Q1	18Q2	18Q3	18Q4	19Q1*
Business confidence ³	38	37	25	38	
Change in business conditions ¹	-24	-33	-32	-31	-8
Growth in building activity ¹	-44	-52	-45	-35	-24
Growth in number of people employed ¹	-27	-25	-28	-34	-27
Growth in profitability of the business ¹	-54	-59	-42	-46	-27
Tendering competition ¹	48	44	50	42	
Percentage rating shortage of skilled labour a constraint ²	43	46	46	46	
Percentage rating inadequate supply of building materials a constraint ²	23	24	15	13	
Percentage rating insufficient demand for building work a constraint ²	69	74	73	75	
Percentage rating firm's inadequate access to credit a constraint ²	29	33	22	29	

* Expected.

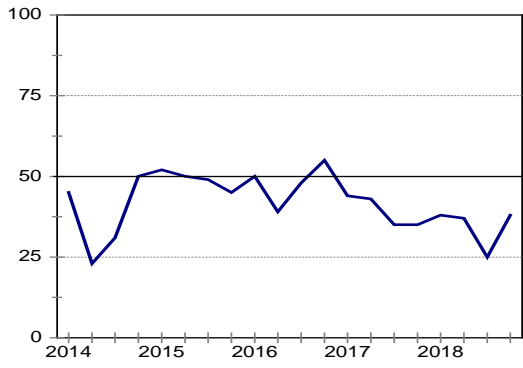
¹ Net balance.

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.

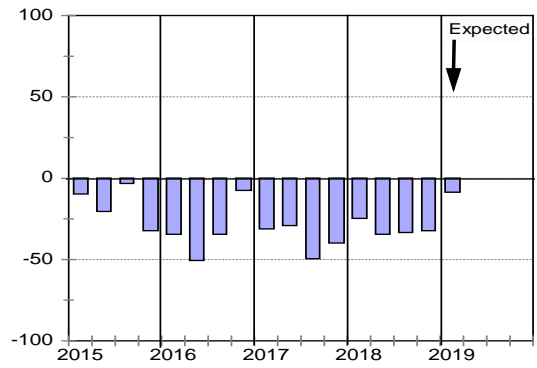
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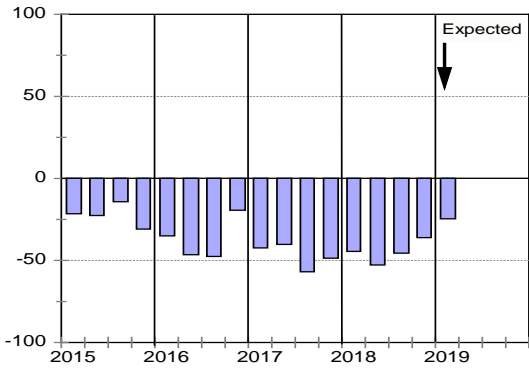
Business confidence



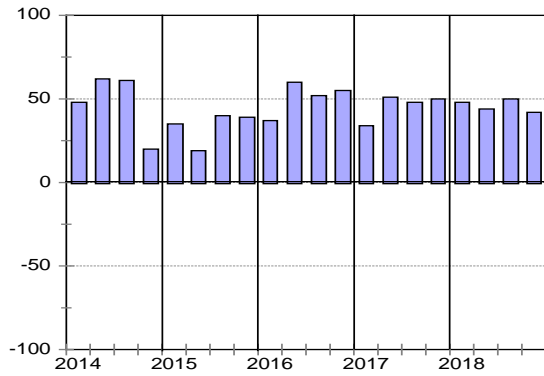
Change in business conditions



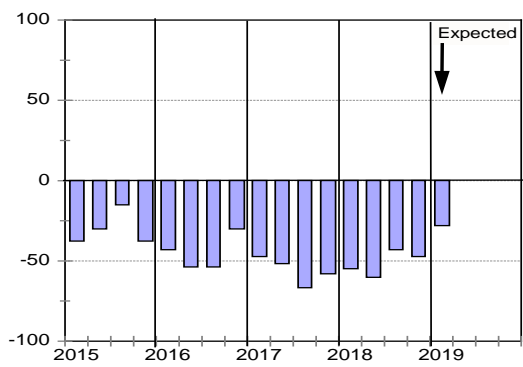
Growth in building activity



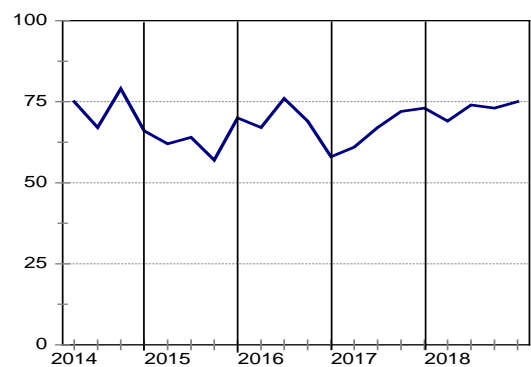
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3</i>	<i>18Q4</i>	<i>19Q1*</i>
Business confidence ³	31	30	37	38	
Change in business conditions ¹	-19	-10	-11	-15	-14
Growth in building activity ¹	-19	-25	-11	-38	-24
Growth in number of people employed ¹	-24	-30	-17	-34	-24
Growth in profitability of the business ¹	-56	-45	-39	-38	-29
Tendering competition ¹	58	70	63	71	
Percentage rating shortage of skilled labour a constraint ²	59	52	44	58	
Percentage rating inadequate supply of building materials a constraint ²	23	27	23	24	
Percentage rating insufficient demand for building work a constraint ²	85	75	77	88	
Percentage rating firm's inadequate access to credit a constraint ²	28	25	26	21	

* Expected.

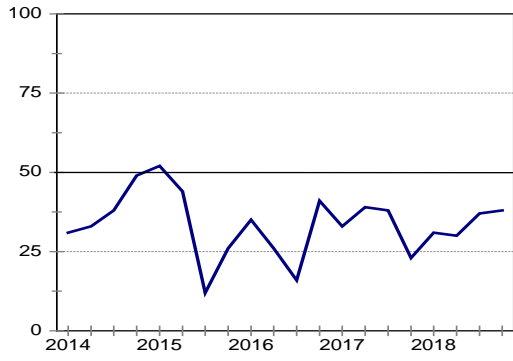
¹ Net balance.

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.

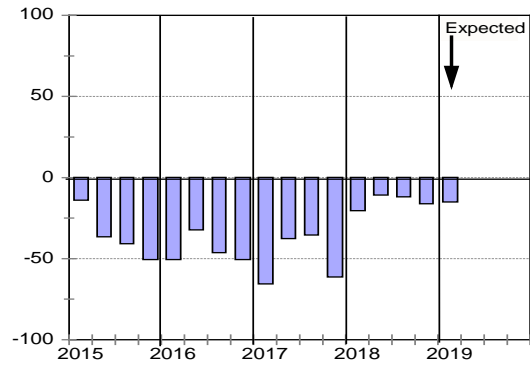
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

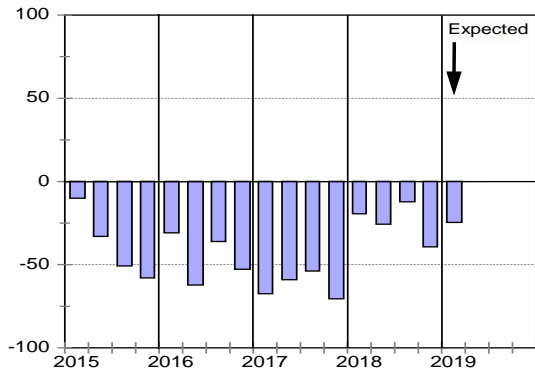
Business confidence



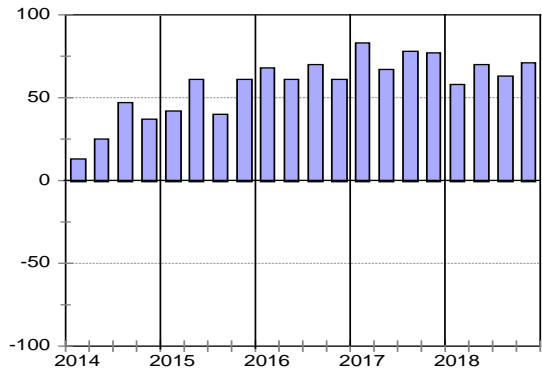
Change in business conditions



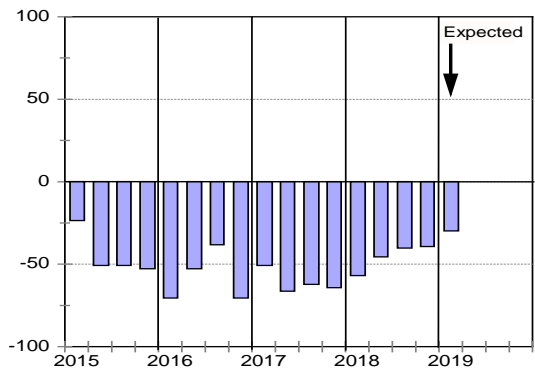
Growth in building activity



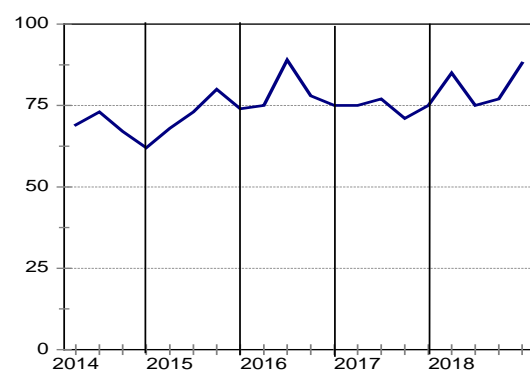
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3</i>	<i>18Q4</i>	<i>19Q1*</i>
Business confidence ³	29	29	25	17	
Change in business conditions ¹	-20	-43	-50	-67	-83
Growth in building activity ¹	-40	-43	-43	-83	-83
Growth in number of people employed ¹	-20	-29	-38	-67	-100
Growth in profitability of the business ¹	-47	-43	-38	-67	-100
Tendering competition ¹	33	-14	12	-17	
Percentage rating shortage of skilled labour a constraint ²	50	50	37	25	
Percentage rating inadequate supply of building materials a constraint ²	33	14	18	0	
Percentage rating insufficient demand for building work a constraint ²	67	79	69	84	
Percentage rating firm's inadequate access to credit a constraint ²	20	28	18	0	

* Expected.

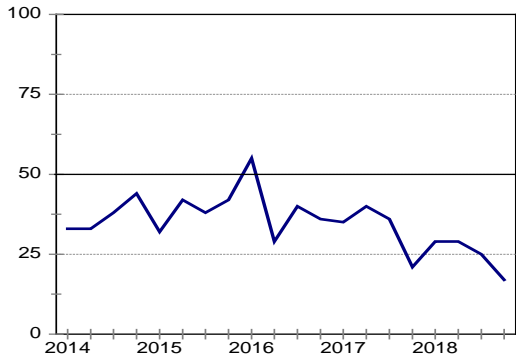
¹ Net balance.

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.

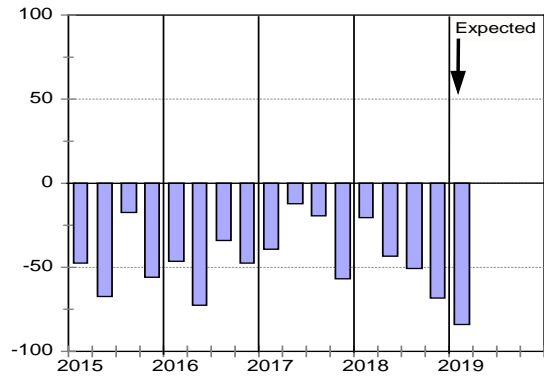
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

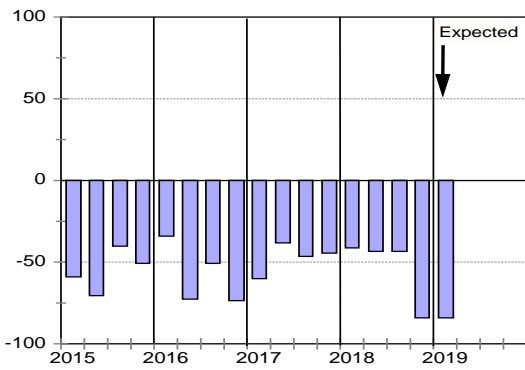
Business confidence



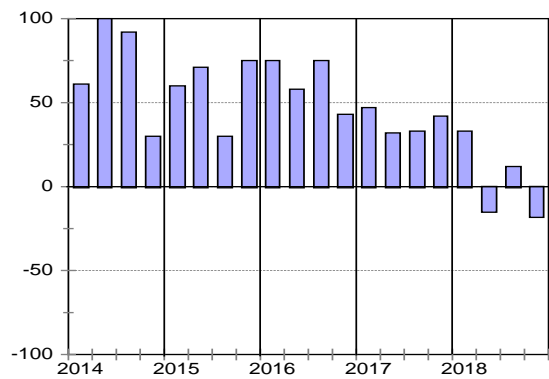
Change in business conditions



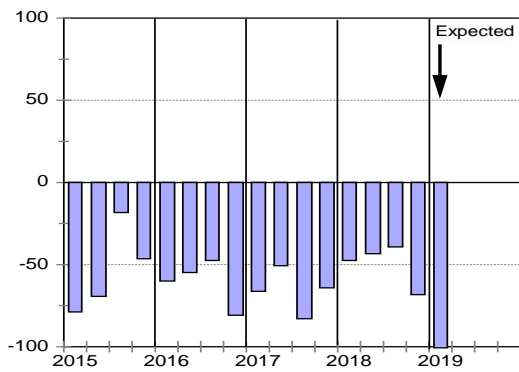
Growth in building activity



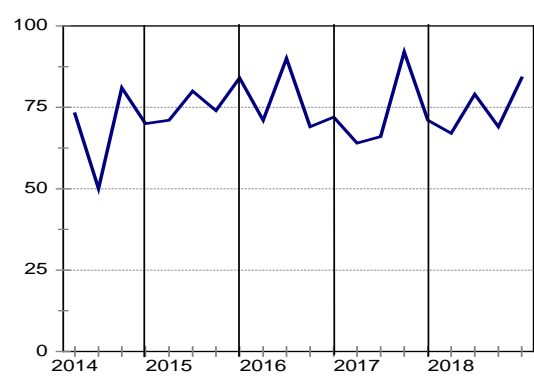
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3</i>	<i>18Q4</i>	<i>19Q1*</i>
Business confidence ³	32	17	27	47	
Change in business conditions ¹	-26	-27	-27	-11	-19
Growth in building activity ¹	-37	-45	-40	-23	-31
Growth in number of people employed ¹	-55	-22	-33	-5	-38
Growth in profitability of the business ¹	-72	-67	-60	-29	-25
Tendering competition ¹	26	33	26	71	
Percentage rating shortage of skilled labour a constraint ²	48	36	36	50	
Percentage rating inadequate supply of building materials a constraint ²	18	19	10	20	
Percentage rating insufficient demand for building work a constraint ²	74	75	77	80	
Percentage rating firm's inadequate access to credit a constraint ²	26	33	20	32	

* Expected.

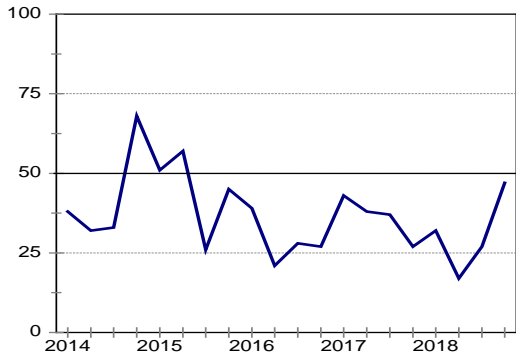
¹ Net balance.

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.

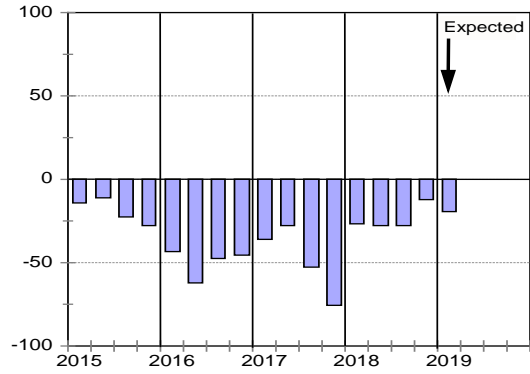
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

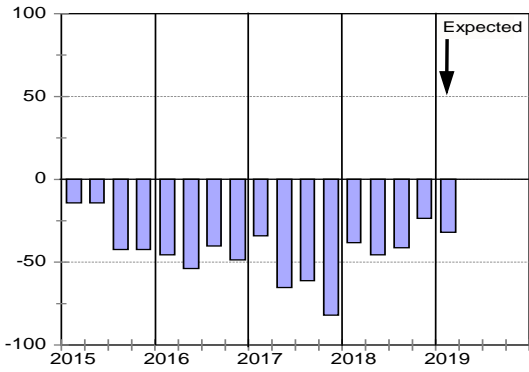
Business confidence



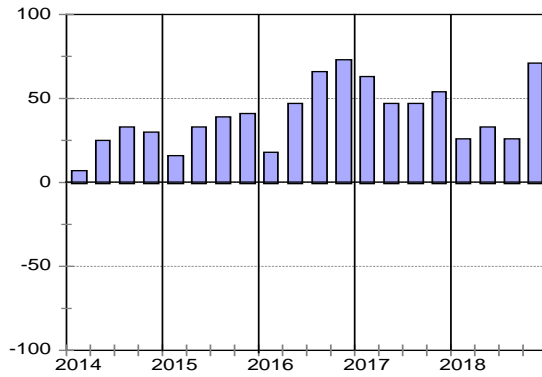
Change in business conditions



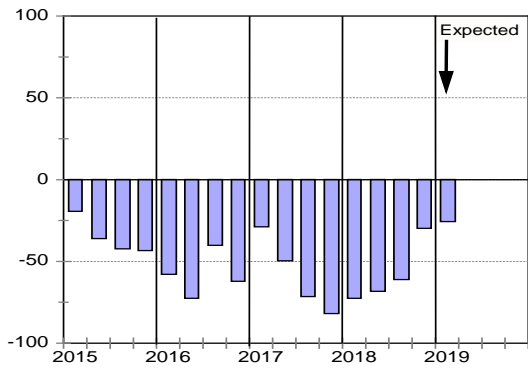
Growth in building activity



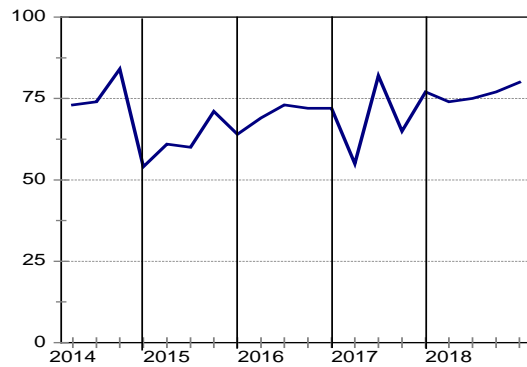
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3</i>	<i>18Q4</i>	<i>19Q1*</i>
Business confidence ³	30	26	15	10	
Change in business conditions ¹	-38	-32	-20	-50	-25
Growth in building activity ¹	-52	-42	-39	-67	-25
Growth in number of people employed ¹	-61	-58	-54	-64	-36
Growth in profitability of the business ¹	-78	-53	-50	-73	-46
Tendering competition ¹	43	50	40	25	
Percentage rating shortage of skilled labour a constraint ²	48	50	50	59	
Percentage rating inadequate supply of building materials a constraint ²	19	26	25	29	
Percentage rating insufficient demand for building work a constraint ²	81	71	77	88	
Percentage rating firm's inadequate access to credit a constraint ²	38	37	47	37	

* Expected.

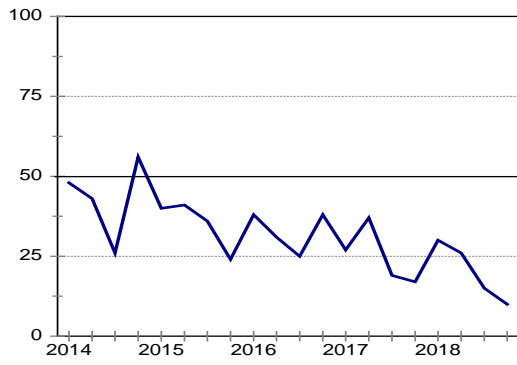
¹ Net balance.

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

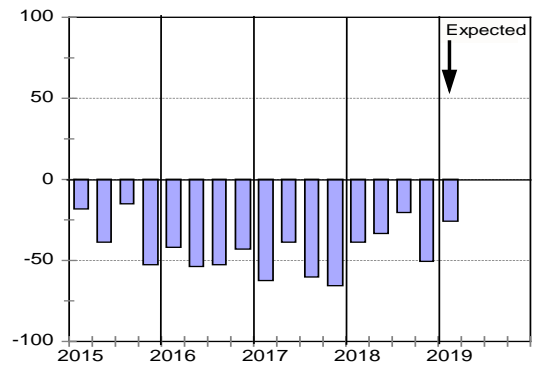
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

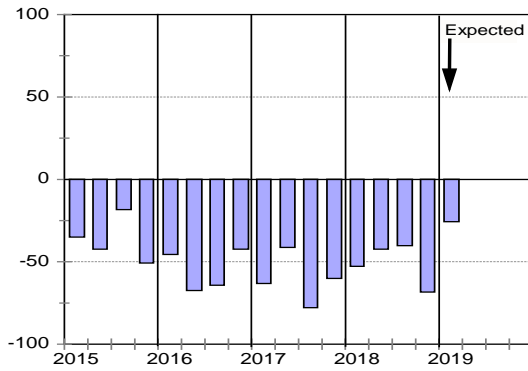
Business confidence



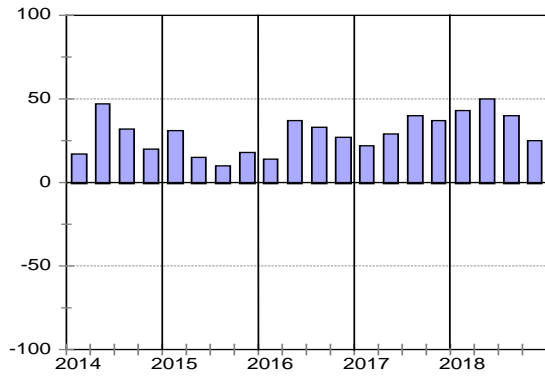
Change in business conditions



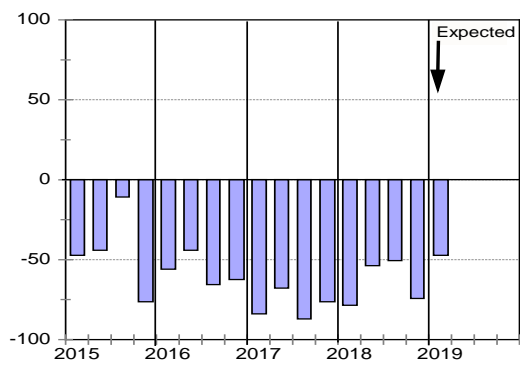
Growth in building activity



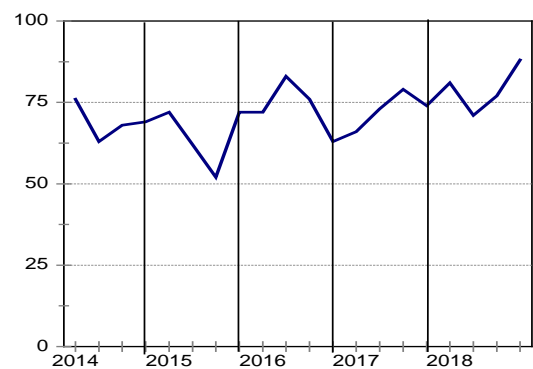
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3</i>	<i>18Q4</i>	<i>19Q1*</i>
Business confidence ³	54	56	31	26	
Change in business conditions ¹	-8	-19	-37	-55	-27
Growth in building activity ¹	-27	-33	-31	-52	-39
Growth in number of people employed ¹	-8	0	-20	-35	-26
Growth in profitability of the business ¹	-40	-44	-40	-48	-35
Tendering competition ¹	72	69	69	66	
Percentage rating shortage of skilled labour a constraint ²	44	46	40	43	
Percentage rating inadequate supply of building materials a constraint ²	21	28	18	11	
Percentage rating insufficient demand for building work a constraint ²	63	78	82	84	
Percentage rating firm's inadequate access to credit a constraint ²	36	43	31	28	

* Expected.

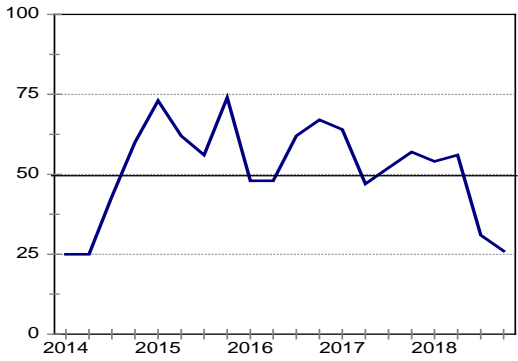
¹ Net balance.

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

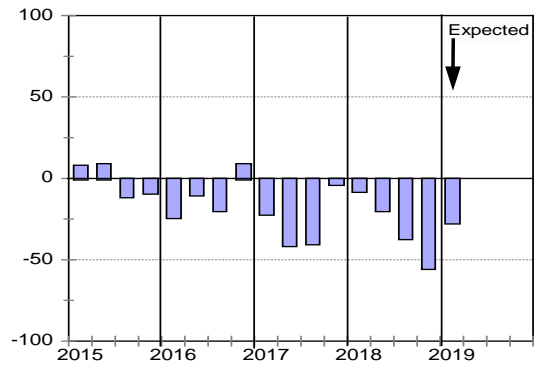
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

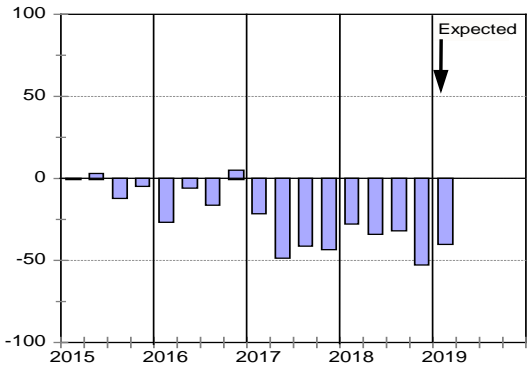
Business confidence



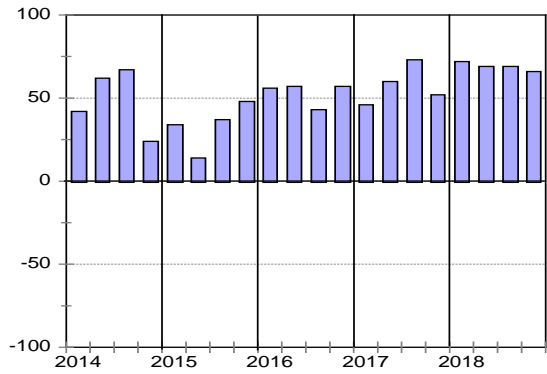
Change in business conditions



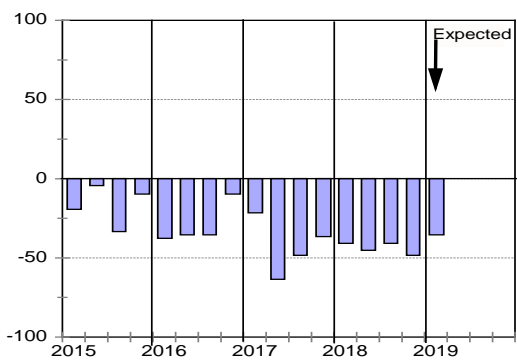
Growth in building activity



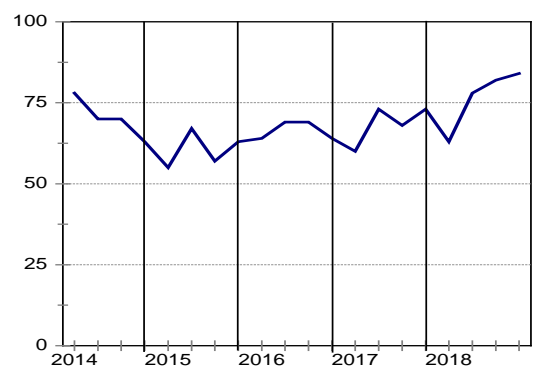
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total

	18Q1	18Q2	18Q3	18Q4	19Q1*
Business confidence ³	36	33	27	35	
Change in business conditions ¹	-44	-49	-57	-53	-49
Growth in construction activity ¹	-52	-49	-65	-65	-54
Growth in number of people employed ¹	-39	-41	-58	-54	-54
Growth in profitability of the business ¹	-59	-61	-67	-63	-59
Tendering competition ¹	40	35	48	53	
Percentage rating shortage of skilled labour a constraint ²	33	41	33	33	
Percentage rating inadequate supply of construction materials a constraint ²	22	22	28	19	
Percentage rating insufficient demand for construction work a constraint ²	69	71	77	76	
Percentage rating firm's inadequate access to credit a constraint ²	32	34	43	38	

* Expected.

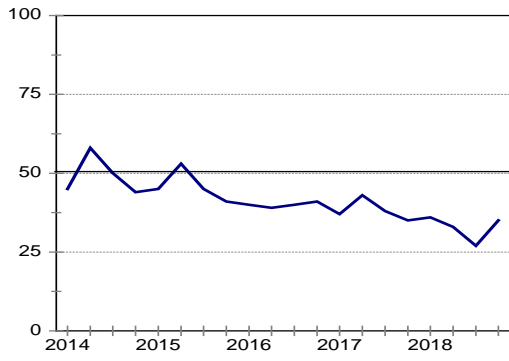
¹ Net balance.

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

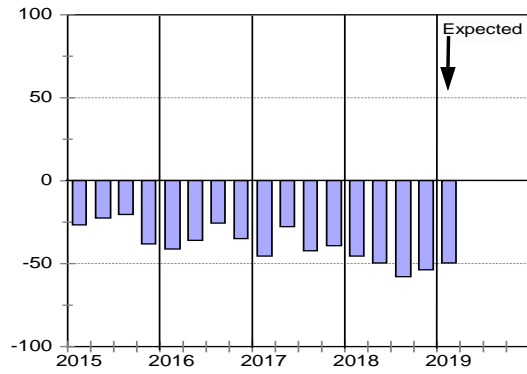
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

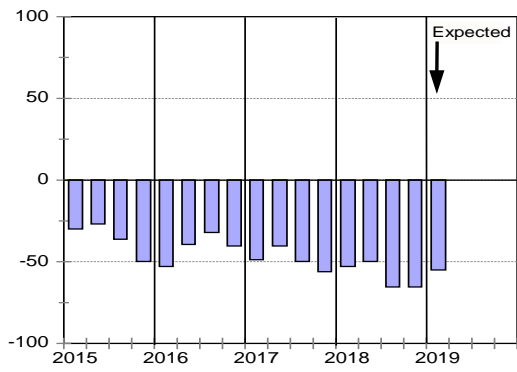
Business confidence



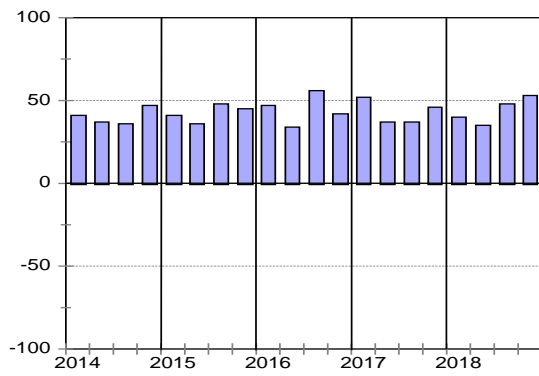
Change in business conditions



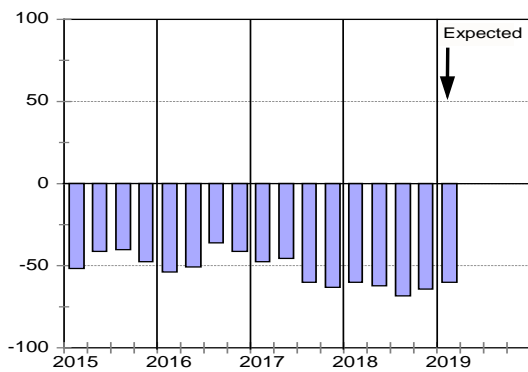
Growth in construction activity



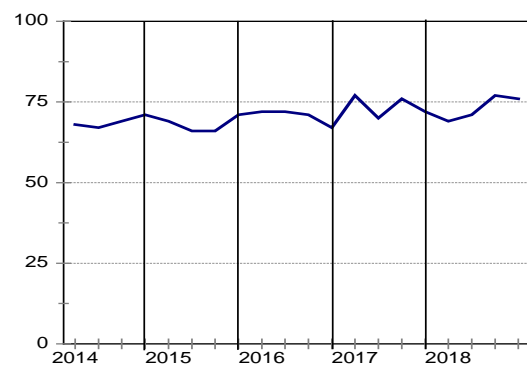
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	18Q1	18Q2	18Q3	18Q4	19Q1*
Business confidence ³	40	37	44	47	
Change in business conditions ¹	-46	-50	-22	-66	-43
Growth in construction activity ¹	-60	-47	-44	-73	-71
Growth in number of people employed ¹	-50	-50	-29	-69	-58
Growth in profitability of the business ¹	-79	-79	-56	-77	-67
Tendering competition ¹	-12	-10	22	0	
Percentage rating shortage of skilled labour a constraint ²	38	50	43	42	
Percentage rating inadequate supply of construction materials a constraint ²	29	31	35	32	
Percentage rating insufficient demand for construction work a constraint ²	64	61	62	77	
Percentage rating firm's inadequate access to credit a constraint ²	32	26	23	50	

* Expected.

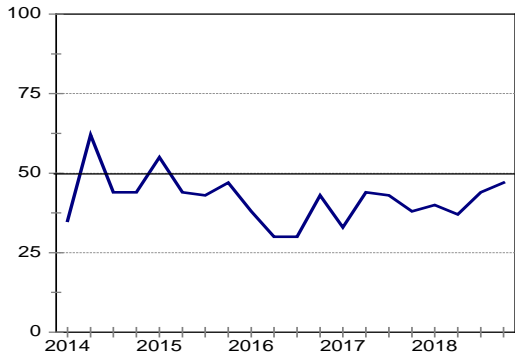
¹ Net balance.

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.

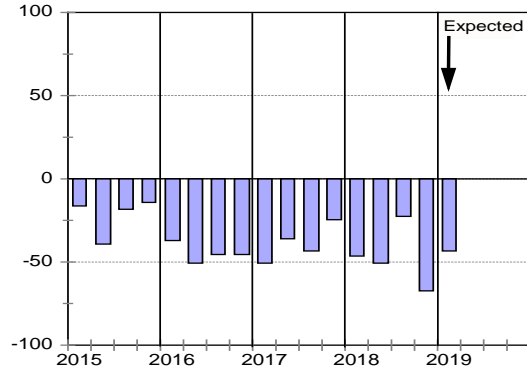
³ Percentage gross rating prevailing business conditions as satisfactory.

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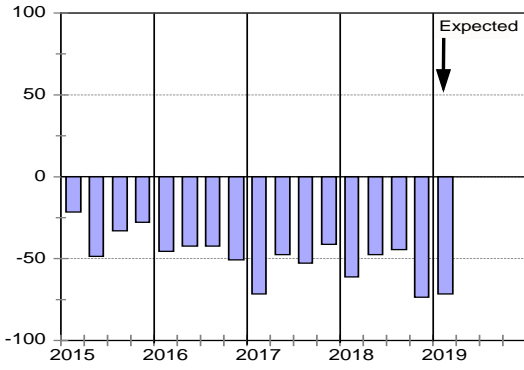
Business confidence



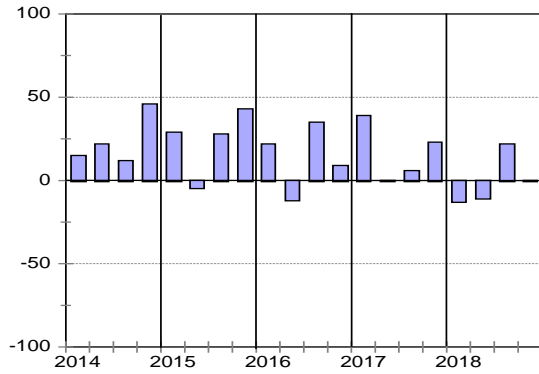
Change in business conditions



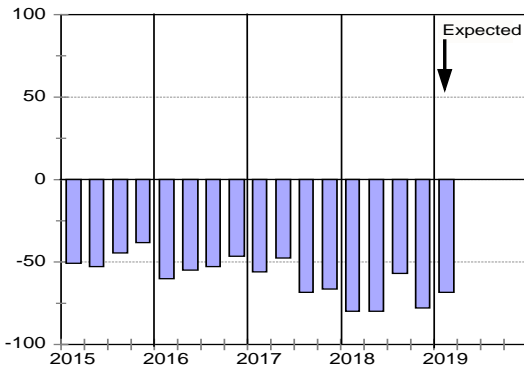
Growth in construction activity



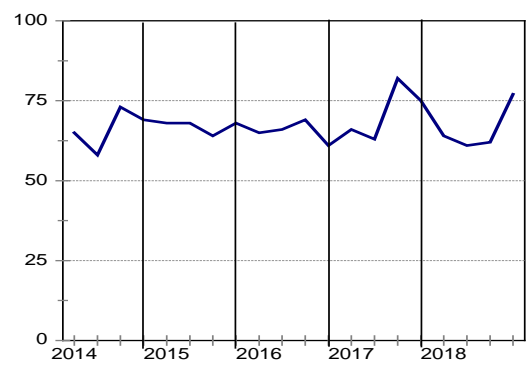
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	18Q1	18Q2	18Q3	18Q4	19Q1*
Business confidence ³	41	41	25	36	
Change in business conditions ¹	-46	-39	-53	-33	-52
Growth in construction activity ¹	-48	-43	-59	-59	-44
Growth in number of people employed ¹	-33	-40	-62	-50	-48
Growth in profitability of the business ¹	-54	-56	-58	-50	-52
Tendering competition ¹	45	43	44	64	
Percentage rating shortage of skilled labour a constraint ²	30	43	37	35	
Percentage rating inadequate supply of construction materials a constraint ²	16	20	29	10	
Percentage rating insufficient demand for construction work a constraint ²	65	72	77	76	
Percentage rating firm's inadequate access to credit a constraint ²	40	37	60	35	

* Expected.

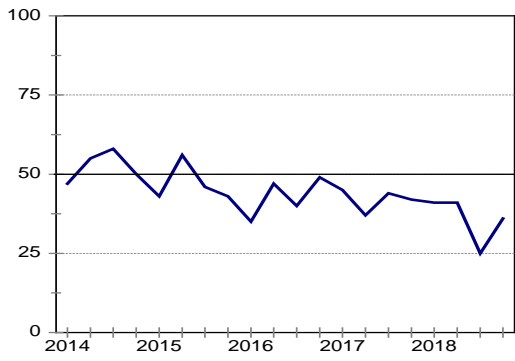
¹ Net balance.

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.

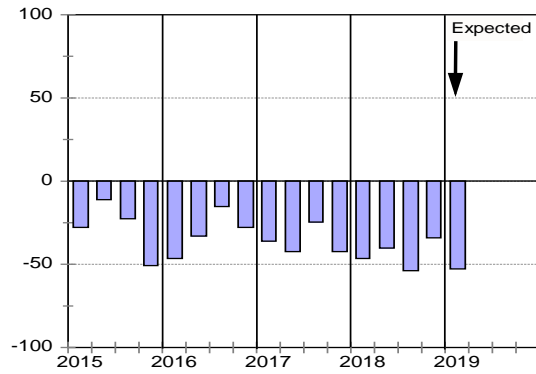
³ Percentage gross rating prevailing business conditions as satisfactory.

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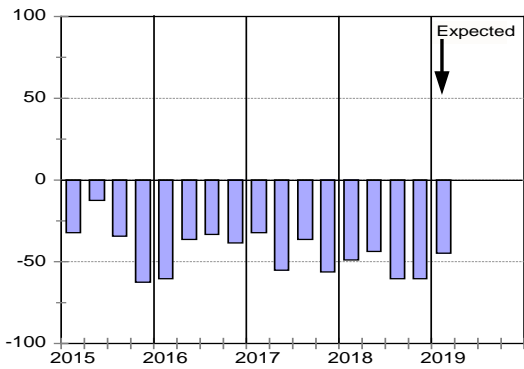
Business confidence



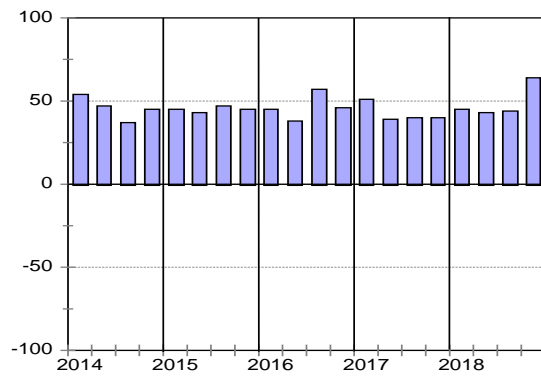
Change in business conditions



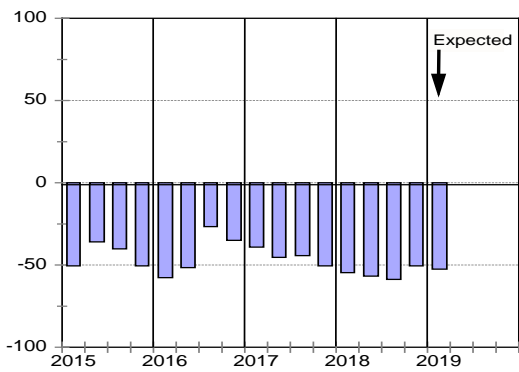
Growth in construction activity



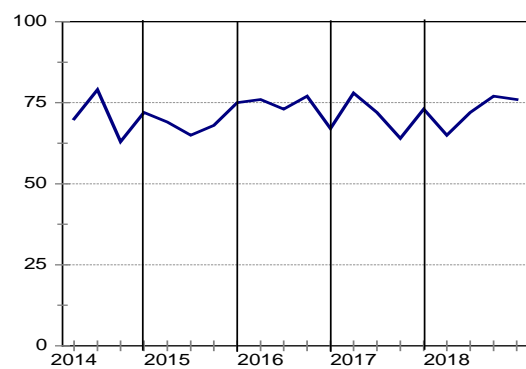
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	18Q1	18Q2	18Q3	18Q4	19Q1*
Business confidence ³	30	21	15	27	
Change in business conditions ¹	-39	-58	-95	-62	-50
Growth in construction activity ¹	-49	-59	-95	-68	-54
Growth in number of people employed ¹	-36	-35	-75	-51	-57
Growth in profitability of the business ¹	-50	-54	-90	-68	-60
Tendering competition ¹	74	65	80	71	
Percentage rating shortage of skilled labour a constraint ²	33	31	20	25	
Percentage rating inadequate supply of construction materials a constraint ²	26	17	20	19	
Percentage rating insufficient demand for construction work a constraint ²	74	77	90	74	
Percentage rating firm's inadequate access to credit a constraint ²	24	38	35	34	

* Expected.

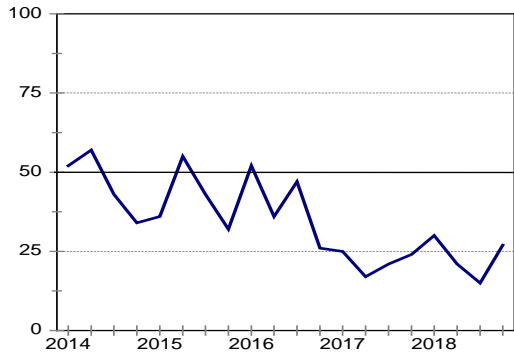
¹ Net balance.

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

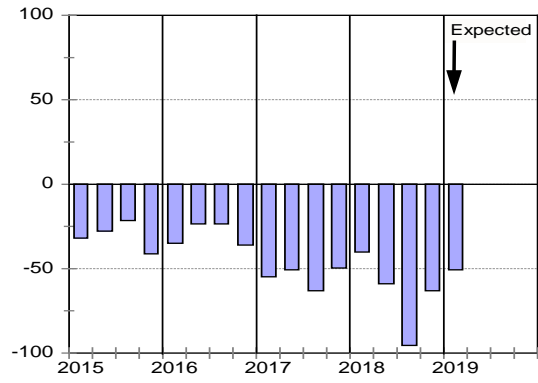
³ Percentage gross rating prevailing business conditions as satisfactory.

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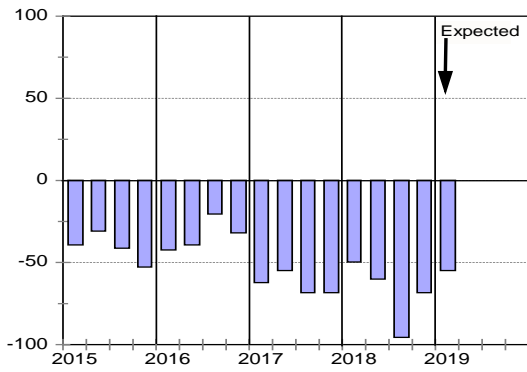
Business confidence



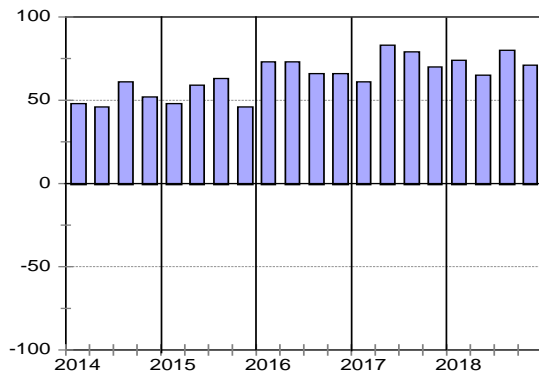
Change in business conditions



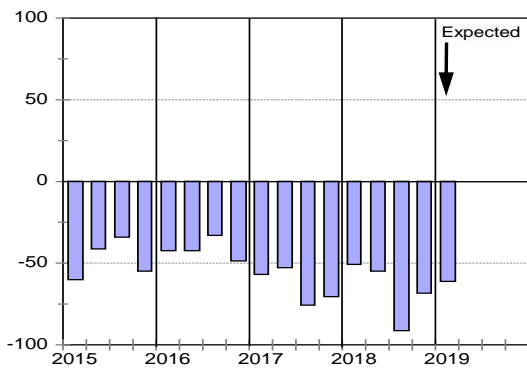
Growth in construction activity



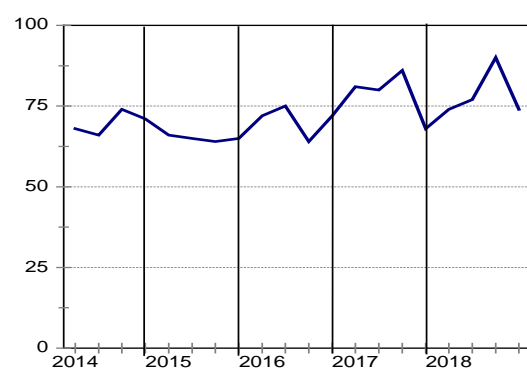
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3</i>	<i>18Q4</i>	<i>19Q1*</i>
Business confidence ³	36	25	22	25	
Change in business conditions ¹	-29	-50	-67	-13	-38
Growth in construction activity ¹	-57	-38	-56	0	-38
Growth in number of people employed ¹	-36	-50	-56	-42	-43
Growth in profitability of the business ¹	-43	-62	-76	-42	-29
Tendering competition ¹	57	63	45	50	
Percentage rating shortage of skilled labour a constraint ²	50	43	43	50	
Percentage rating inadequate supply of construction materials a constraint ²	23	6	33	21	
Percentage rating insufficient demand for construction work a constraint ²	64	81	84	75	
Percentage rating firm's inadequate access to credit a constraint ²	38	25	62	57	

* Expected.

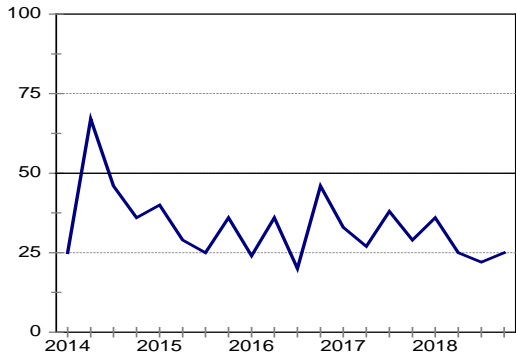
¹ Net balance.

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.

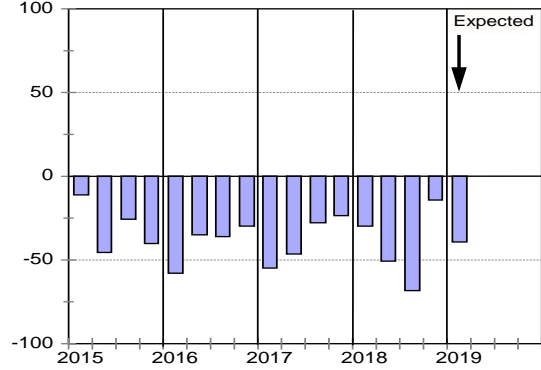
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

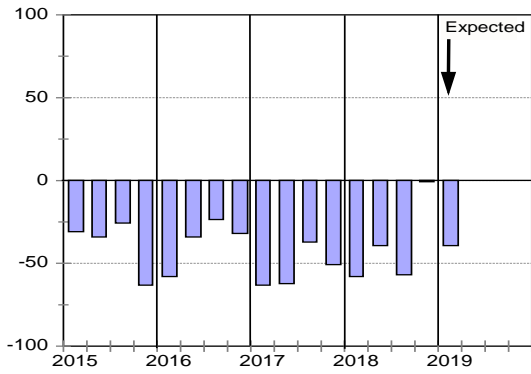
Business confidence



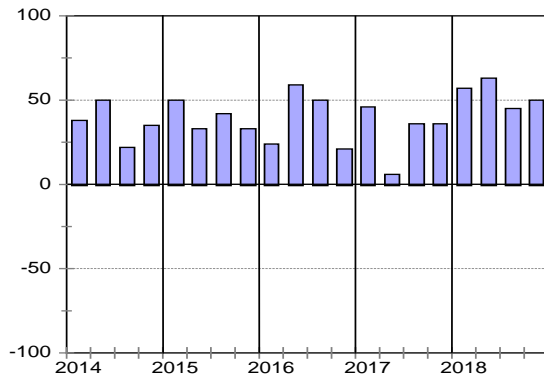
Change in business conditions



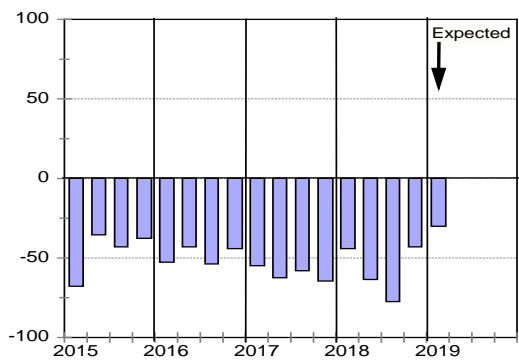
Growth in construction activity



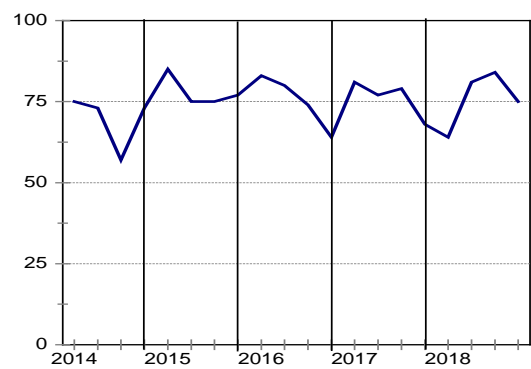
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	18Q1	18Q2	18Q3	18Q4	19Q1*
Business confidence ³	39	27	47	38	
Change in business conditions ¹	-50	-53	-27	-54	-33
Growth in building activity ¹	-45	-50	-34	-73	-33
Growth in number of people employed ¹	-41	-38	-22	-60	-40
Growth in profitability of the business ¹	-71	-67	-36	-80	-60
Tendering competition ¹	22	40	46	38	
Percentage rating shortage of skilled labour a constraint ²	16	18	16	34	
Percentage rating inadequate supply of building materials a constraint ²	14	21	23	31	
Percentage rating insufficient demand for building work a constraint ²	73	70	70	72	
Percentage rating firm's inadequate access to credit a constraint ²	47	47	36	50	

* Expected.

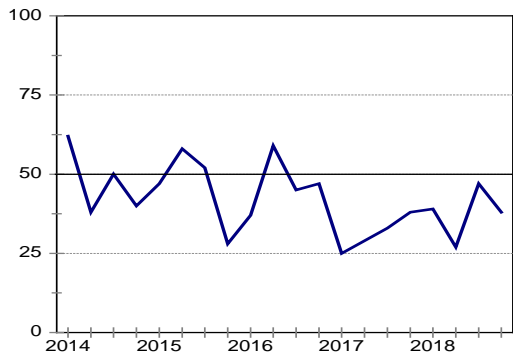
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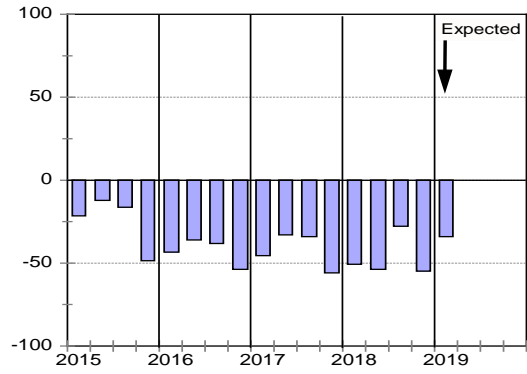
³ Percentage gross rating prevailing business conditions as satisfactory.

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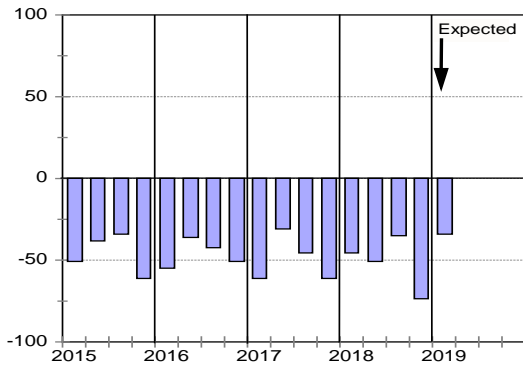
Business confidence



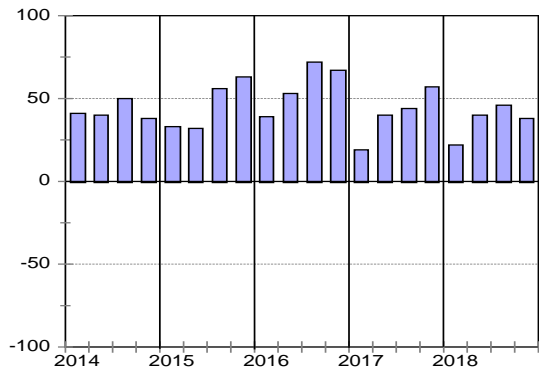
Change in business conditions



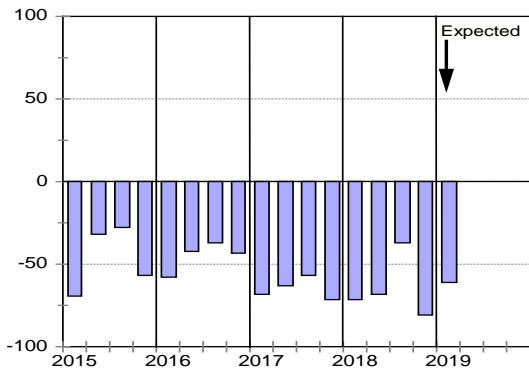
Growth in construction activity



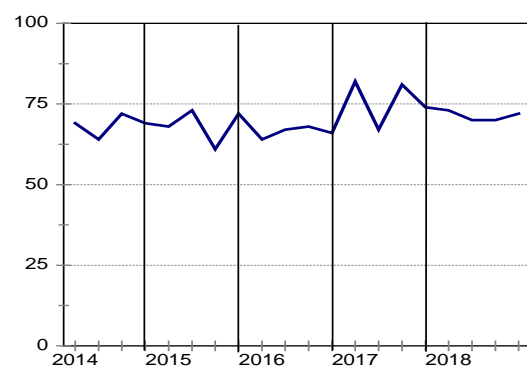
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	18Q1	18Q2	18Q3	18Q4	19Q1*
Business confidence ³	33	29	18	19	
Change in business conditions ¹	-53	-44	-65	-87	-71
Growth in construction activity ¹	-66	-66	-76	-93	-79
Growth in number of people employed ¹	-44	-44	-71	-71	-69
Growth in profitability of the business ¹	-61	-78	-82	-79	-77
Tendering competition ¹	59	11	29	47	
Percentage rating shortage of skilled labour a constraint ²	33	47	38	14	
Percentage rating inadequate supply of construction materials a constraint ²	34	35	32	10	
Percentage rating insufficient demand for construction work a constraint ²	72	74	83	77	
Percentage rating firm's inadequate access to credit a constraint ²	23	41	50	21	

* Expected.

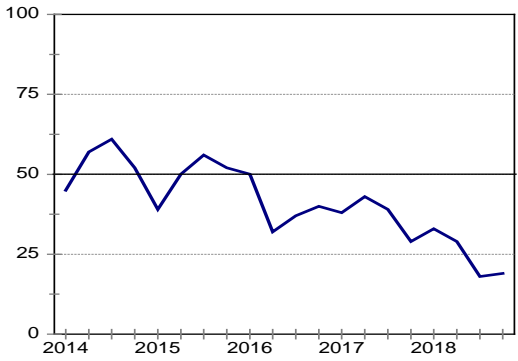
¹ Net balance.

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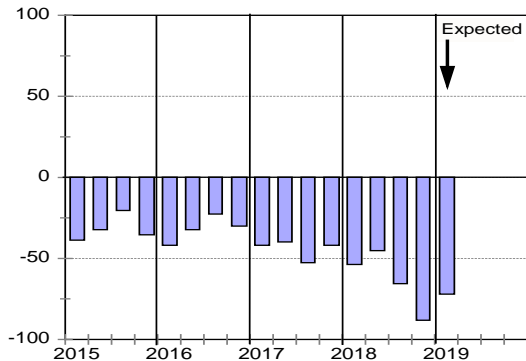
³ Percentage gross rating prevailing business conditions as satisfactory.

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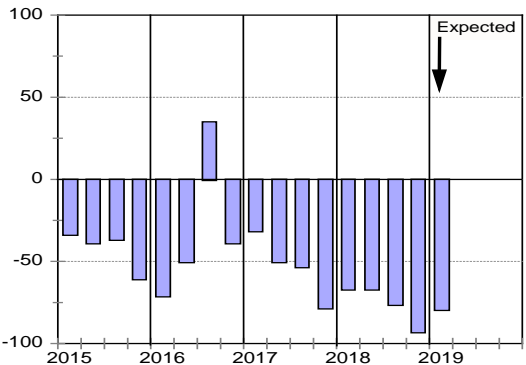
Business confidence



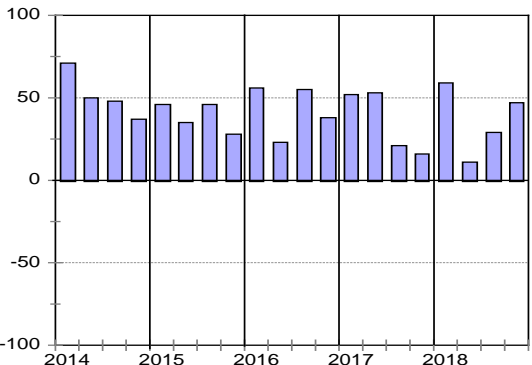
Change in business conditions



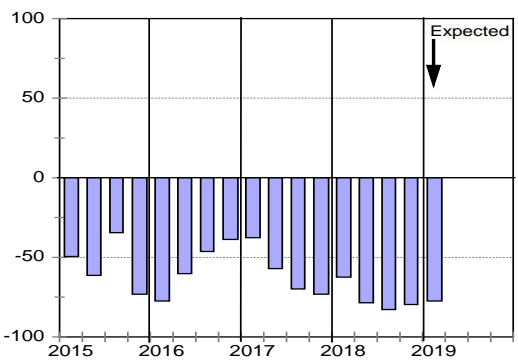
Growth in construction activity



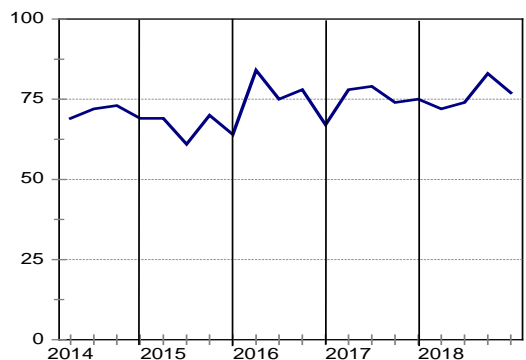
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	18Q1	18Q2	18Q3	18Q4	19Q1*
Business confidence ³	39	33	21	47	
Change in business conditions ¹	-61	-50	-72	-28	-61
Growth in construction activity ¹	-50	-59	-79	-56	-61
Growth in number of people employed ¹	-22	-50	-79	-39	-56
Growth in profitability of the business ¹	-61	-41	-64	-44	-56
Tendering competition ¹	72	75	86	89	
Percentage rating shortage of skilled labour a constraint ²	33	42	46	47	
Percentage rating inadequate supply of construction materials a constraint ²	17	14	19	17	
Percentage rating insufficient demand for construction work a constraint ²	69	71	86	78	
Percentage rating firm's inadequate access to credit a constraint ²	28	14	23	28	

* Expected.

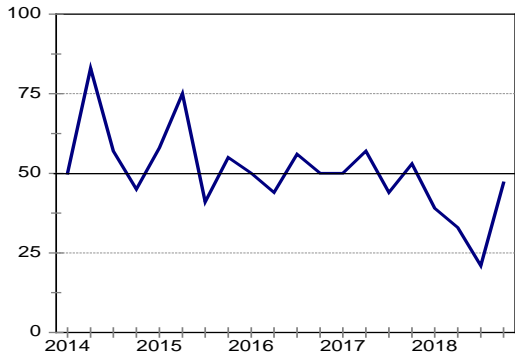
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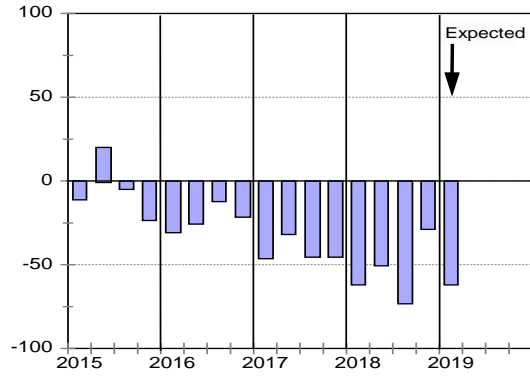
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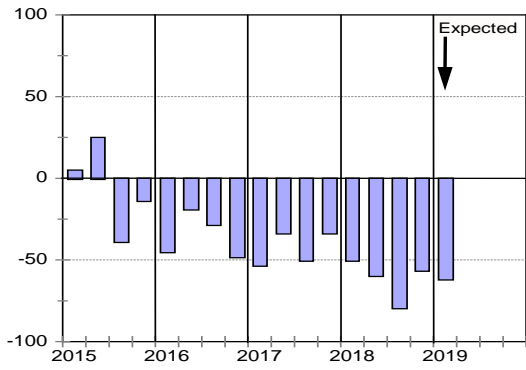
Business confidence



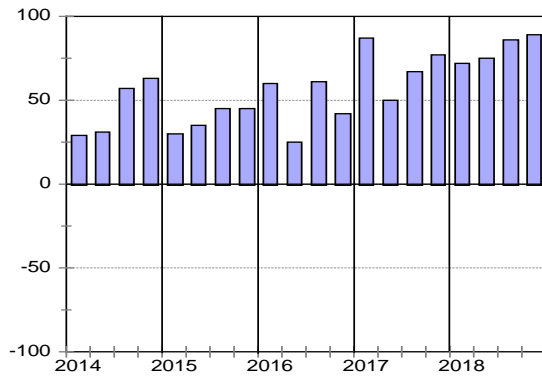
Change in business conditions



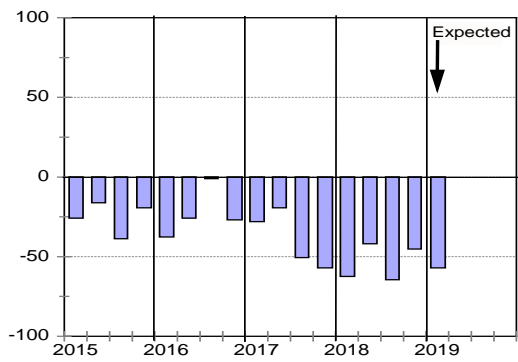
Growth in construction activity



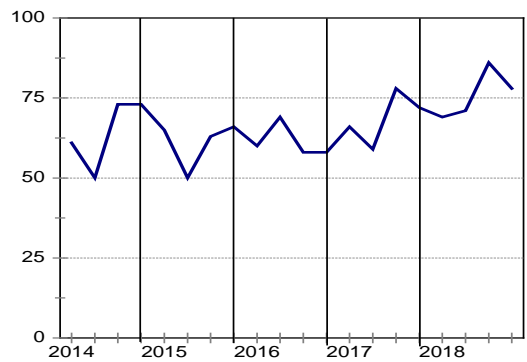
Tendering competition



Growth in profitability



Insufficient building work demand



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