The cidb Quarterly Monitor: April 2009

cidb
development through partnership

THE ECONOMICS OF CONSTRUCTION IN SOUTH AFRICA

The Construction Industry Development Board

Acknowledgements: The support of Industry Insight in providing details of contracts awarded is gratefully acknowledged.

CIDB QUARTERLY MONITOR ; APRIL 2009

1. Introduction

The cidb Quarterly Monitor provides an overview of the state of contractor development in South Africa as input to developing targeted development intervention strategies in support of the National Contractor Development Programme (NCDP). This Quarterly Monitor is covering the 2nd quarter of 2008 to 1st quarter of 2009 – focuses on public sector supply and demand at a provincial level, and deals only with the General Building (GB) and Civil Engineering (CE) cidb Class of Works.

The cidb Quarterly Monitor also includes an overview of contracts awarded on maintenance, refurbishment, renovations, etc., which provides an indication of public spending in line with the National Infrastructure Maintenance Strategy (NIMS). Furthermore, the cidb Quarterly Monitor includes perceptions of the confidence in business conditions and perceptions in insufficient demand for work obtained from the recently introduced cidb BER SME Business Conditions Survey.

The cidb Quarterly Monitor must only be seen as a guide to assist in developing targeted intervention strategies. Specifically, the cidb Quarterly Monitor should be seen as a tool for interrogating existing intervention strategies.

2. Background and Assumptions

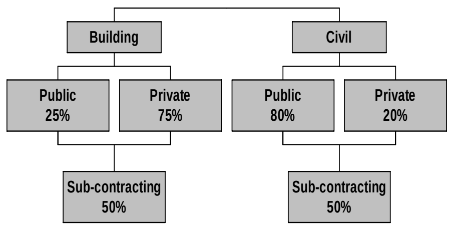
The background and assumptions used in developing and in interpreting the cidb Quarterly Monitor are highlighted below:

i) *Contracts Awarded*: Details of contracts awarded is obtained from the cidb iTender Register of Projects supported by the *Industry Insight* Project Database. The *Industry Insight* Project Database is considered to be about 60% or more accurate (and is constantly being improved). This data has then been scaled up to reflect total construction spend as reflected from Reserve Bank data. (The support of *Industry Insight* in providing this information is gratefully acknowledged.)

ii) *Public vs. Private Sector Demand*: The cidb Quarterly Monitor only presents information on public sector contracts for General Building (GB) and Civil Engineering (CE) cidb Class of Works. Most contractors would however target both public and private sector opportunities. Currently, public sector spend accounts for about 25% of total General Building activity and about 80% of Civil Engineering activity, although lower grade contractors, and in particular emerging contractors, would be more dependent of public sector contracts.

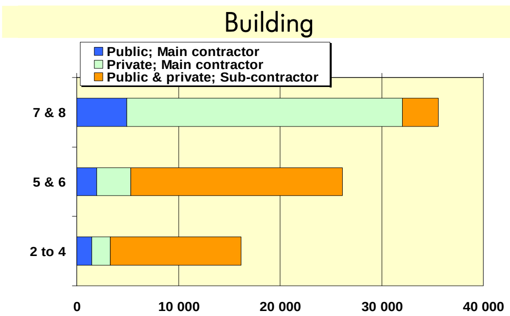
Class of Works	% Public Sector Spend
General Building (GB)	25%
Civil Engineering (CE)	80%

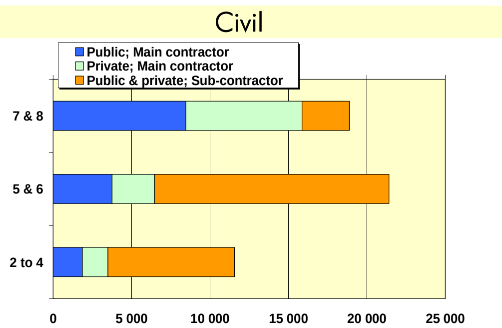
iii) *Sub-contracting*: Much of the work of contractors in Grades 2 to 6 is obtained through sub-contracting to higher level contractors, and not as main contractors. Typically, around 50% of work is sub-contracted to lower Grade or to speciality contractors.



The impact of sub-contracting is illustrated in the adjacent table and following figures, using an assumed distribution of work between the grades. Typically, direct public sector contracts to contractors in Grades 2 to 6 accounts for about 10% of total turnover in General Building and about 20% in Civil Engineering.

Class of Works	Public Sector Main Contracts as % of Total
General Building (GB)	10%
Civil Engineering (CE)	20%





iv) *Supply*: Contractor information is obtained from the cidb Register of Contractors, and considers only:

- contractors registered in Grades 2 to 8; and
- General Building (GB) and Civil Engineering (CE) Class of Works.

The data is then aggregated into the following categories:

- Grades 2 to 4; typically established and developing contractors that operate at a local level;
- Grades 5 and 6; typically contractors in transition from operating at a local to a regional / provincial level; and
- Grades 7 and 8; typically contractors that operate a regional / provincial level.

Grade	Characteristics
7 & 8	provincial / regional
5 & 6	local / regional
2 to 4	local

Grade 9 contractors are excluded from the analysis as these typically operate at a national / international level.

v) *Business Conditions*: The cidb Quarterly Monitor includes perceptions of the confidence in business conditions and insufficient demand for work obtained from the recently introduced cidb SME Business Conditions Survey. The cidb Survey is undertaken by the Bureau for Economic Research (BER) for the cidb, and measures business conditions at a provincial level and in various contractor grades. The full results of the survey are available on the cidb web.

The Confidence Index represents the percentage of respondents rating the business conditions as satisfactory, while the index for demand for work is obtained by formula (0,67 * seriously + 0,33 * slightly) scaled up to 100 to give a % index.

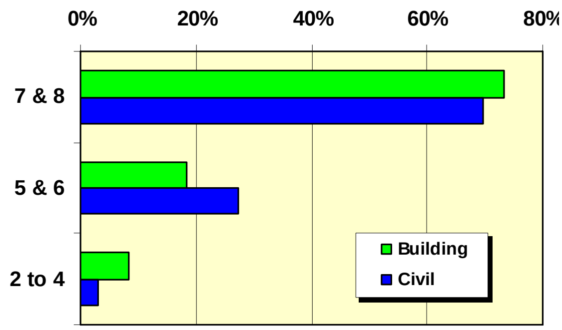
vi) *Contractor Development*: This cidb Quarterly Monitor includes information on new upgrades per contractor grade and new registrations during the preceding 12 months. The method of evaluating upgrades in the cidb Quarterly Monitor has been changed from previous editions of the cidb Quarterly Monitor. Previously, only upgrades were considered for "compliant" applications (i.e. where the full financial and track record information has been provided), and new business enterprises (i.e. who do not have a previous track record at time of registration) were also excludes. The present method excludes non-compliant applications, but includes new entrants.

3. South Africa

Demand: The value and distribution of public sector contracts awarded in South Africa in Grades 2 to 8 is shown. The distribution in the public sector contracts awarded between the grades clearly reflects the infrastructure requirements of South Africa, but it is noticeable that from the available data for the four quarters under review that:

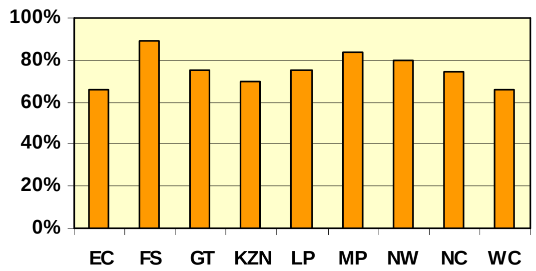
- in General Building, the distribution of public sector contracts awarded in the Free State remains skewed towards Grades 7 and 8 as compared to other provinces;
- in Civil Engineering, the distribution of public sector contracts awarded in Gauteng is skewed towards Grades 7 and 8 as compared to other provinces; and
- in relative terms, the lowest allocation of work to Grades 2 to 4 in General Building occurs in the Free State, Gauteng and Mpumalanga, and in Civil Engineering in the Free State and Gauteng – while the highest allocation of contracts in Grades 2 to 4 occurs in Mpumalanga in Civil Engineering.

Demand; Public Sector Awards (Corrected)		
Grade	Value pa (Rm; Corrected)	% Distribution
Building		
7 & 8	22 126	73%
5 & 6	5 530	18%
2 to 4	2 553	8%
Total	30 208	100%
Civil		
7 & 8	60 061	70%
5 & 6	15 579	27%
2 to 4	5 728	3%
Total	81 369	100%

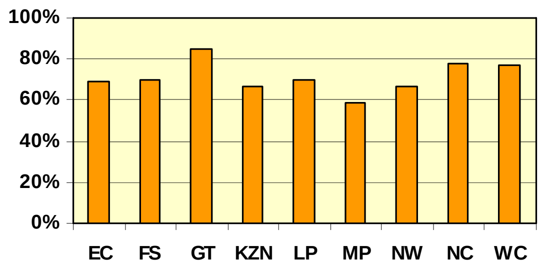


Grades 7 & 8

Building

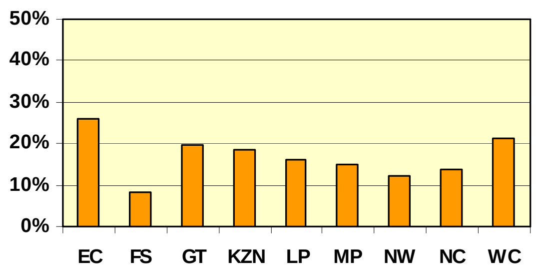


Civil

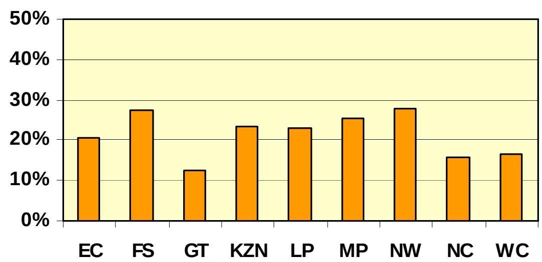


Grades 5 & 6

Building

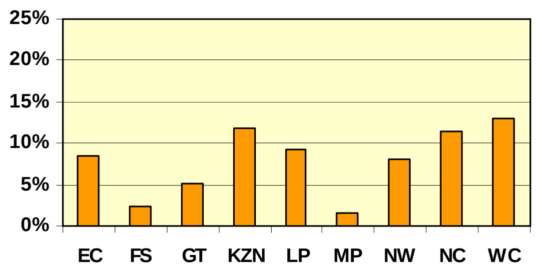


Civil

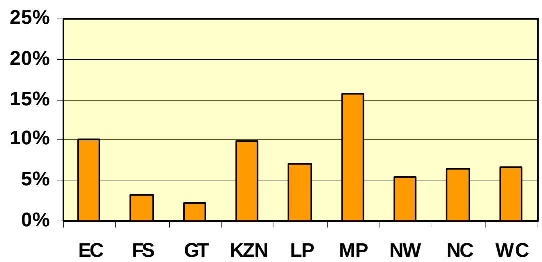


Grades 2 to 4

Building



Civil

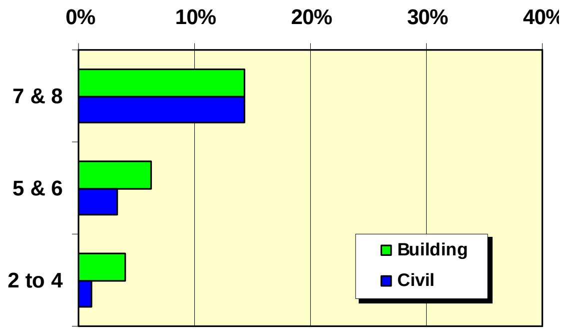


Maintenance: The value and distribution of public sector maintenance contracts (including refurbishment, renovations, etc.) awarded in South Africa in Grades 2 to 8 is shown in the table. Overall, about 25% of public sector contracts in General Building and around 20% of contracts in Civil Engineering are for maintenance – which is somewhat encouraging given the state of infrastructure in South Africa.

However, the breakdown of maintenance contracts across the provinces is variable, with Free State, KwaZulu-Natal and Limpopo allocating much lower proportions to maintenance in General Building, and KwaZulu-Natal and North West in Civil Engineering.

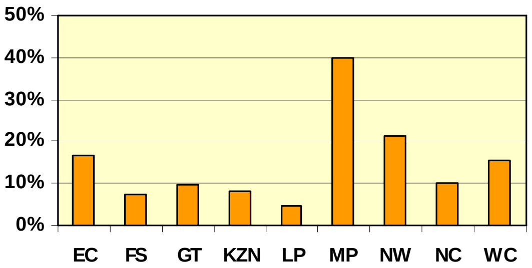
Maintenance; Public Sector Awards (%)

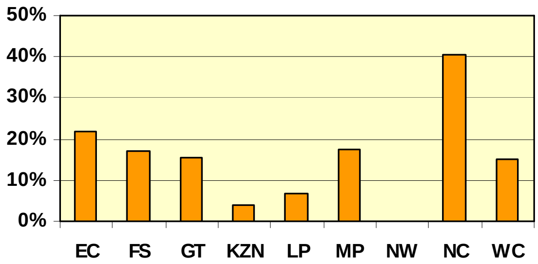
Grade	Value pa (Rm; Corrected)	Distribution 15% +/- Average
	Building	
7 & 8	4 317	14%
5 & 6	1 890	6%
2 to 4	1 227	4%
Total	7 434	25%
	Civil	
7 & 8	11 675	14%
5 & 6	2 759	3%
2 to 4	899	1%
Total	15 332	19%



Grades 7 & 8

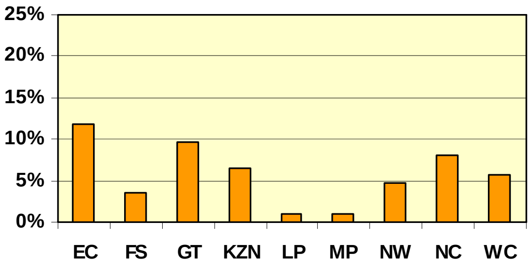
Building | **Civil**

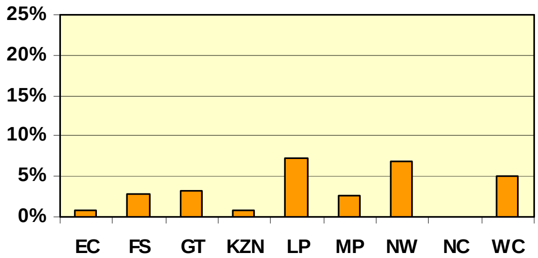




Grades 5 & 6

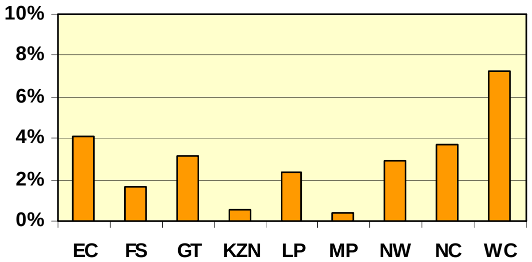
Building | **Civil**

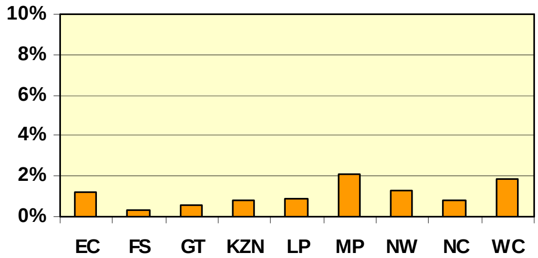




Grades 2 to 4

Building | **Civil**



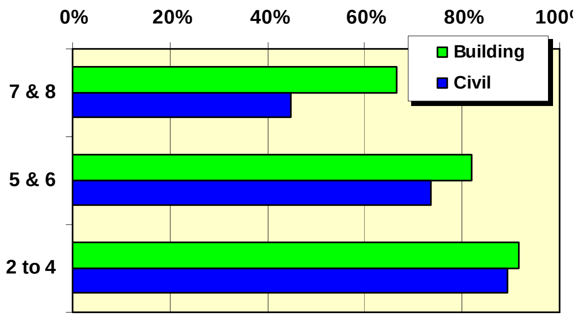


Supply; Black Ownership: For South Africa as a whole (and in fact for every province in South Africa other than the Northern Cape), more than 80% of cidb registered Grade 2 to 4 building and civil contractors are black owned (defined as more than 50% ownership control). Furthermore, more than 60% of all Grade 5 and 6 General Building and Civil Engineering contractors are black owned, while around 60% of all Grade 7 and 8 building contractors are black owned.

While the high proportion of black owned contractors is encouraging, the sustainability and growth of contractors should be the end goal – which is examined later in this cidb Quarterly Monitor.

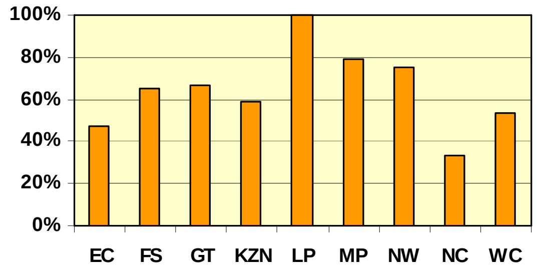
Supply; Black Ownership

Grade	Number of Contractors	Number Black Contractors	% Black Owned
Building			
7 & 8	261	174	40% to 80%
5 & 6	784	643	>80%
2 to 4	3 954	3 627	>80%
Total	4 999	4 444	>80%
Civil			
7 & 8	329	147	40% to 80%
5 & 6	994	731	40% to 80%
2 to 4	2 933	2 622	>80%
Total	4 256	3 500	>80%

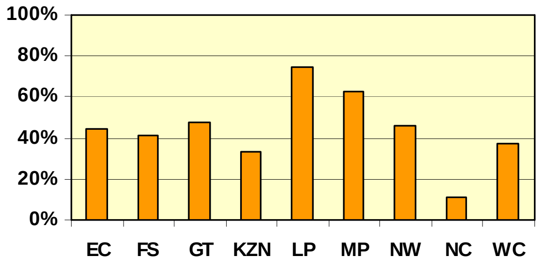


Grade 7 & 8

Building

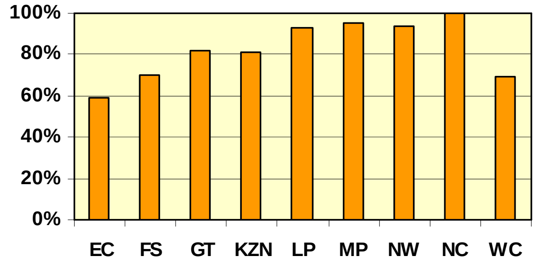


Civil

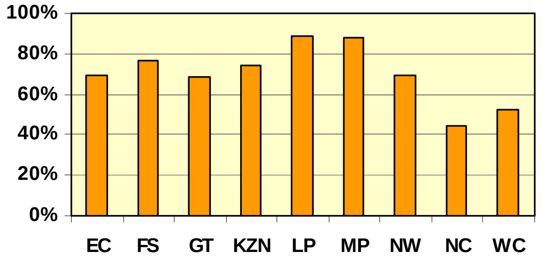


Grade 4 & 5

Building

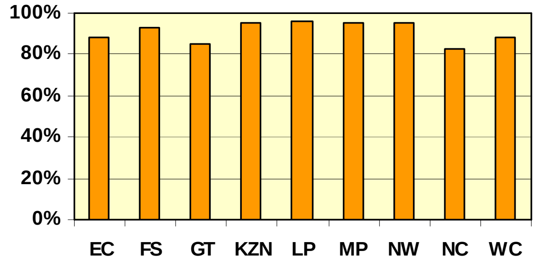


Civil

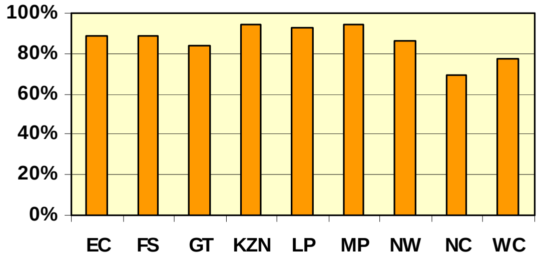


Grade 2 to 4

Building



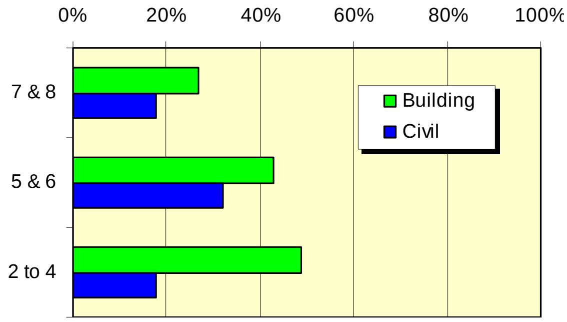
Civil



Supply; Women Ownership: On average, around 40% of all Grade 2 to 4 contractors are women owned – with the highest ownership in Limpopo (which probably reflects tender preferencing in this province), followed by Mpumalanga. However, women ownership varies significantly from province to province, and across the Grades. From Grades 5 and 6 and above, women ownership is typically less than 30% in the civil sector, when in the building sector it is around 30 to 50%.

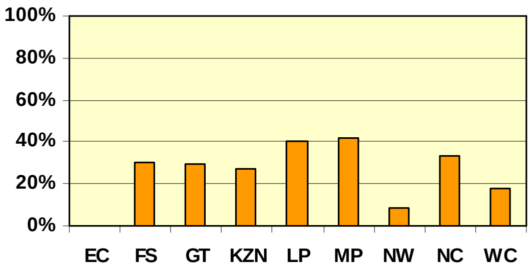
Supply; Women Ownership

Grade	Number of Contractors	Number of Women Contractors	% Women Owned
Building			
7 & 8	261	70	<30%
5 & 6	784	335	30% to 50%
2 to 4	3 954	1 924	30% to 50%
Total	4 999	2 329	30% to 50%
Civil			
7 & 8	329	58	<30%
5 & 6	994	319	30% to 50%
2 to 4	2 933	524	<30%
Total	4 256	901	<30%

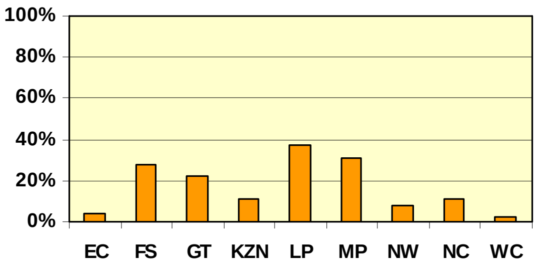


Grades 7 & 8

Building

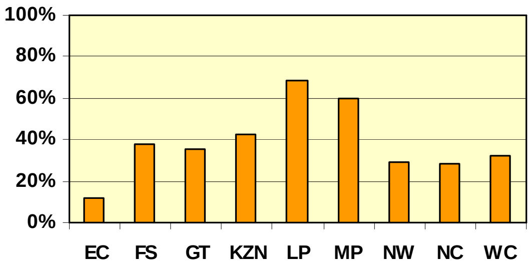


Civil

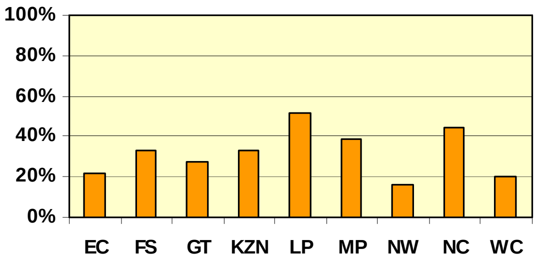


Grades 5 & 6

Building

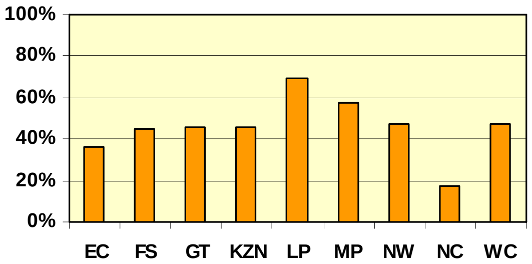


Civil

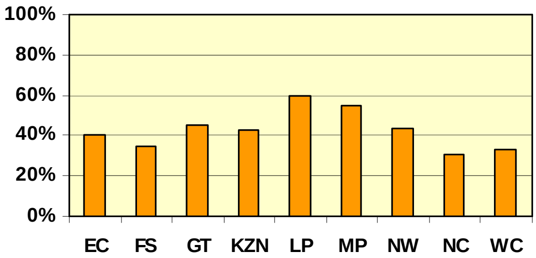


Grades 2 to 4

Building



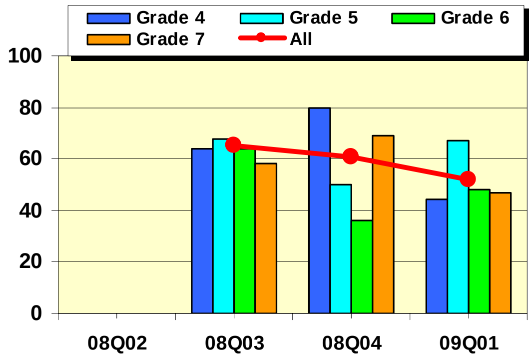
Civil

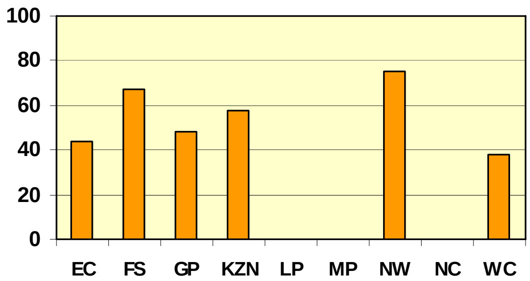


Business Conditions: The cidb/BER SME Business Confidence Index and Index of Insufficient Demand for Work is given in the adjacent figures. Overall, business confidence in the building sector has continued to drop over the last quarter – suggesting increasing competitiveness between contractors. Insufficient demand for work has increased in both the building and civil contractors over the past quarter.

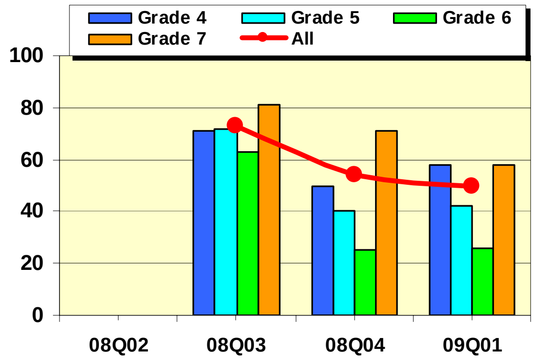
Business Confidence

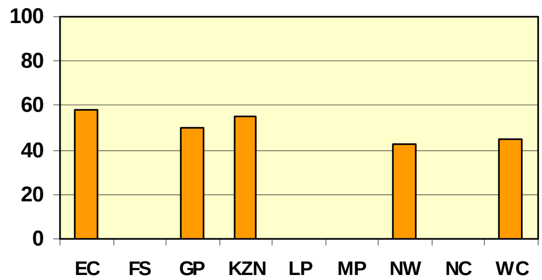
Building





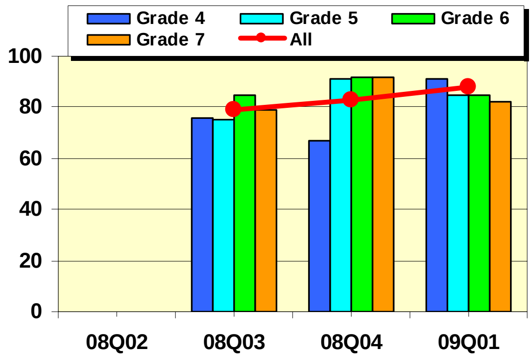
Civil

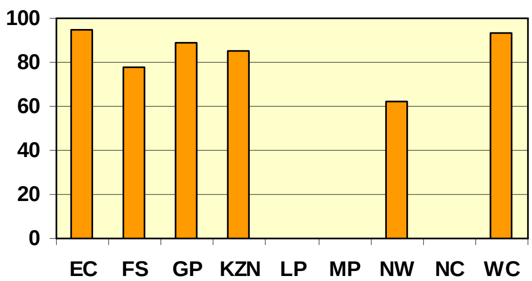




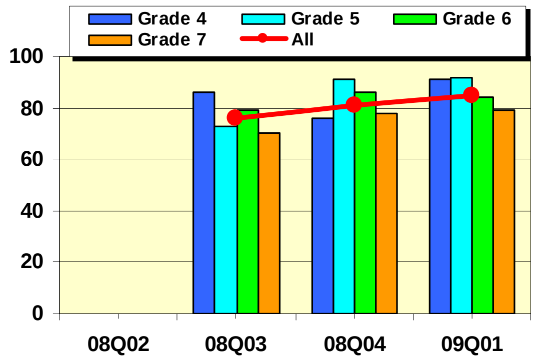
Insufficient Demand for Work

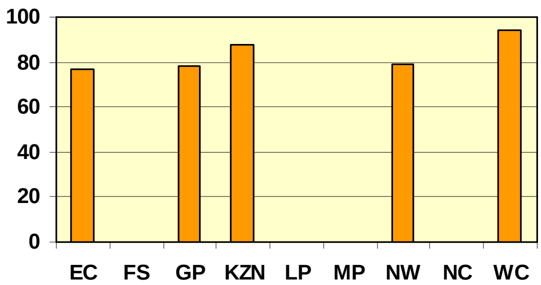
Building





Civil

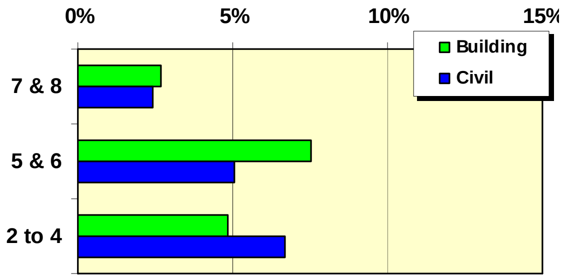




Contractor Development: Details of the upgrading of contractors in the building and civil sectors within the past four quarters is shown in the table. On average, around 6% of Grade 2 to 4 contractors are upgrading per year, around 7% within Grades 5 and 6, and around 3% in Grades 7 and 8.

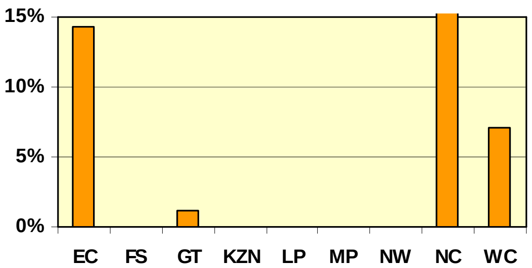
Contractor Upgrades %

Grade (from)	Number of Upgrades	%	
Building			
7 & 8	7	3%	<5%
5 & 6	59	8%	5% to 10%
2 to 4	191	5%	<5%
Total	257		
Civil			
7 & 8	8	2%	<5%
5 & 6	50	5%	5% to 10%
2 to 4	196	7%	5% to 10%
Total	254		

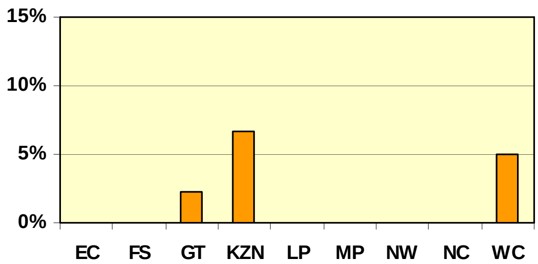


Grades 7 & 8

Building

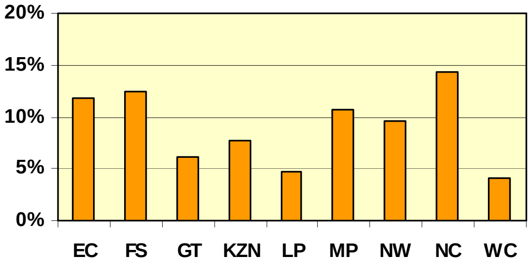


Civil

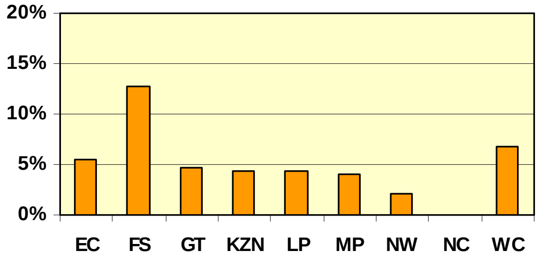


Grades 5 & 6

Building

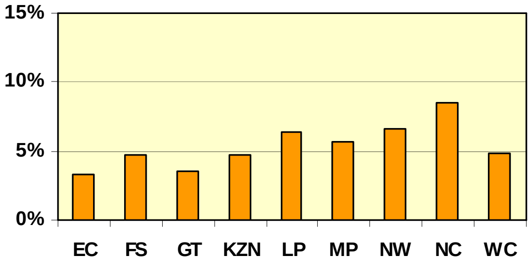


Civil

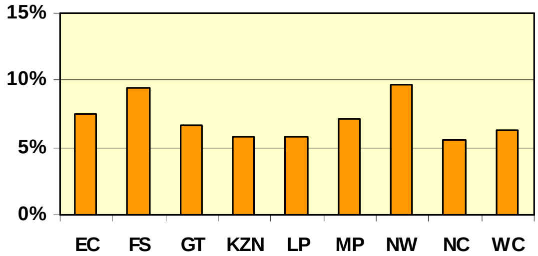


Grades 2 to 4

Building



Civil



Contractor Development (continued): A comparison between the number of upgrades and the number of new registrations over the past four quarters is given in the table. On interest is that the number of new entrants within Grades 2 to 4 over the past few quarters far exceeds the number of upgrades – suggesting an unsustainable situation. However, the number of new registrations per quarter in Grades 2 to 4 shows a noticeable decrease over the past three quarters.

Furthermore, it is noticeable that in most of the provinces (e.g. other than Eastern Cape, Northern Cape and Western Cape for General Building), there has been limited new registrations in Grades 7 and 8 in General Building and in Civil Engineering.

Contractor Upgrades

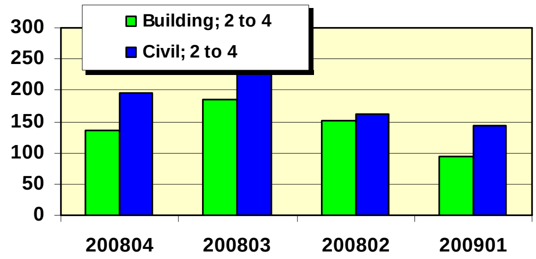
From/To	2 to 4	5 & 6	7 & 8	9
Building				
7 & 8			6	1
5 & 6		30	29	0
2 to 4	117	69	5	0
Civil				
7 & 8			5	3
5 & 6		31	17	2
2 to 4	94	99	3	0

Upgrades & New Registrations

	2 to 4	5 & 6	7 & 8
Building			
Upgrades (to)	117	99	40
New Reg.	564	104	27
Civil			
Upgrades (to)	94	130	25
New Reg.	727	100	23

Number New Registrations

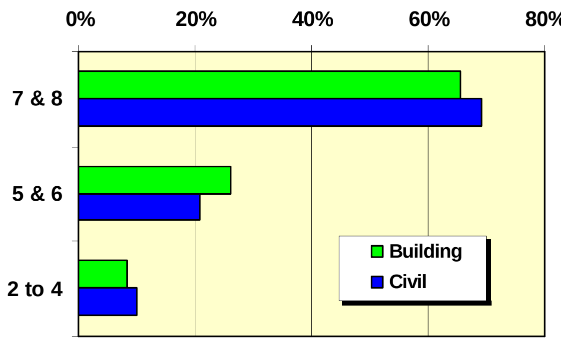
Quarter	2 to 4	5 & 6	7 & 8
Building			
200804	136	23	6
200803	184	30	7
200802	150	21	3
200901	94	30	11
Civil			
200804	195	31	5
200803	228	26	4
200802	161	21	7
200901	143	22	7



4. Eastern Cape

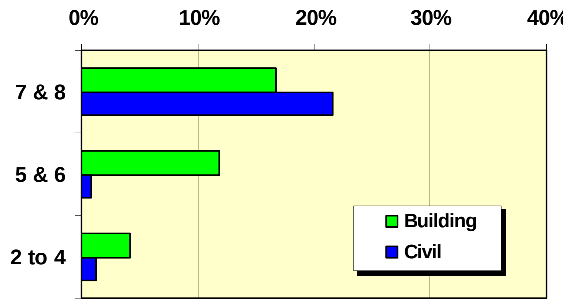
Demand; Public Sector Awards (Corrected)

Grade	Value pa (Rm; Corrected)	% Distribution	Distribution 15% +/- Average
Building			
7 & 8	3 105	66%	=
5 & 6	1 230	26%	>
2 to 4	399	8%	=
Total	4 734	100%	
Civil			
7 & 8	7 577	69%	=
5 & 6	2 270	21%	=
2 to 4	1 111	10%	>
Total	10 958	100%	



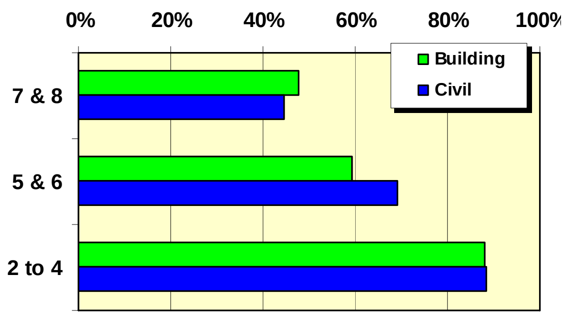
Maintenance; Public Sector Awards (%)

Grade	Value pa (Rm; Corrected)	% of Total in Grade	Distribution 15% +/- Average
Building			
7 & 8	791	17%	>
5 & 6	559	12%	>
2 to 4	195	4%	=
Total	1 544	33%	>
Civil			
7 & 8	2 374	22%	>
5 & 6	94	1%	<
2 to 4	131	1%	=
Total	2 599	24%	>



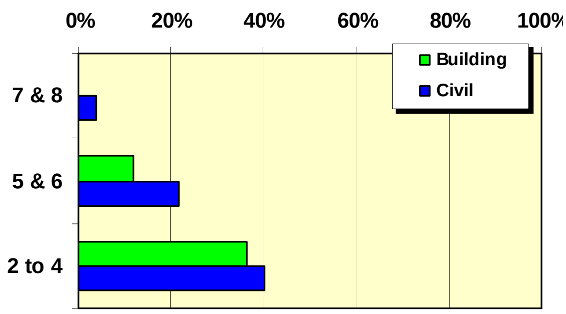
Supply; Black Ownership

Grade	Number of Contractors	Number Black Contractors	% Black Owned
Building			
7 & 8	21	10	40% to 80%
5 & 6	59	35	40% to 80%
2 to 4	389	343	>80%
Total	469	388	>80%
Civil			
7 & 8	27	12	40% to 80%
5 & 6	110	76	40% to 80%
2 to 4	319	282	>80%
Total	456	370	>80%



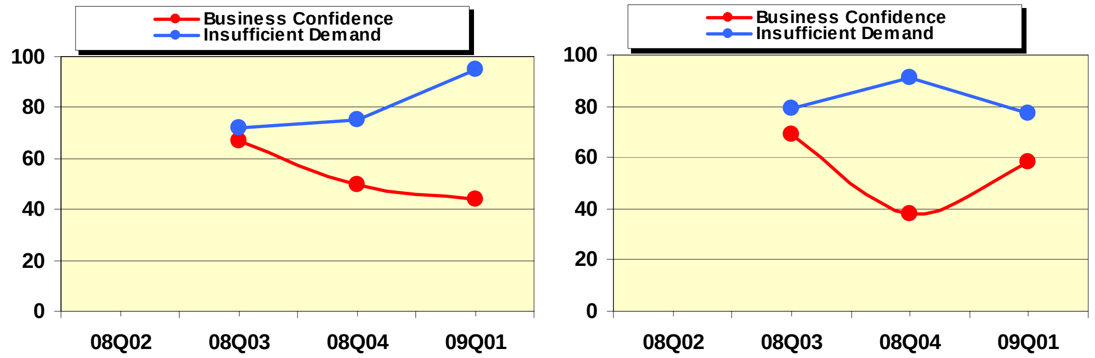
Supply; Women Ownership

Grade	Number of Contractors	Number of Women Contractors	% Women Owned
Building			
7 & 8	21	0	<30%
5 & 6	59	7	<30%
2 to 4	389	141	30% to 50%
Total	469	148	30% to 50%
Civil			
7 & 8	27	1	<30%
5 & 6	110	24	<30%
2 to 4	319	128	30% to 50%
Total	456	153	30% to 50%



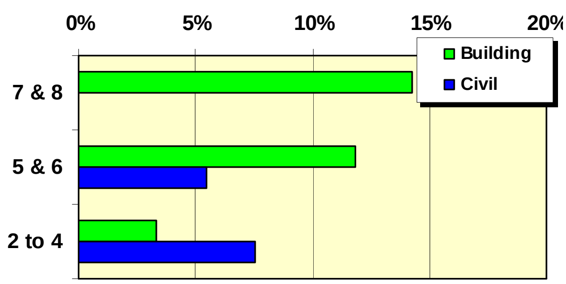
Insufficient Demand for Work per Grade / Business Confidence Index (BCI)

Building | Civil



Contractor Upgrades %

Grade (from)	Number of Upgrades	%	
Building			
7 & 8	3	14%	>10%
5 & 6	7	12%	>10%
2 to 4	13	3%	<5%
Total	23		
Civil			
7 & 8	0	0%	<5%
5 & 6	6	5%	5% to 10%
2 to 4	24	8%	5% to 10%
Total	30		



Contractor Upgrades

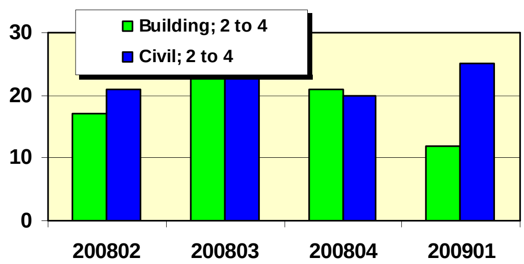
From/To	2 to 4	5 & 6	7 & 8	9
Building				
7 & 8			3	0
5 & 6		2	5	0
2 to 4	8	4	1	0
Civil				
7 & 8			0	0
5 & 6		3	2	1
2 to 4	14	10	0	0

Upgrades & New Registrations

	2 to 4	5 & 6	7 & 8
Building			
Upgrades (to)	8	6	9
New Reg.	76	9	5
Civil			
Upgrades (to)	14	13	2
New Reg.	93	7	0

Number New Registrations

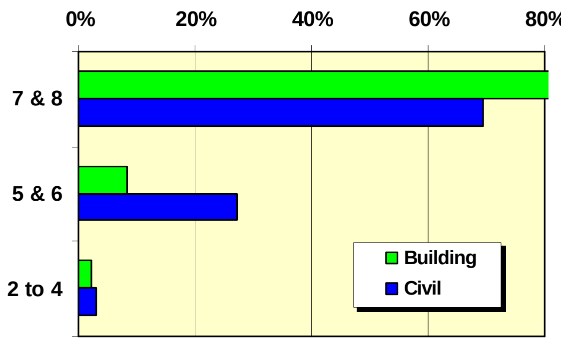
Quarter	2 to 4	5 & 6	7 & 8
Building			
200802	17	3	2
200803	26	1	1
200804	21	3	0
200901	12	2	2
Civil			
200802	21	1	0
200803	27	4	0
200804	20	1	0
200901	25	1	0



5. Free State

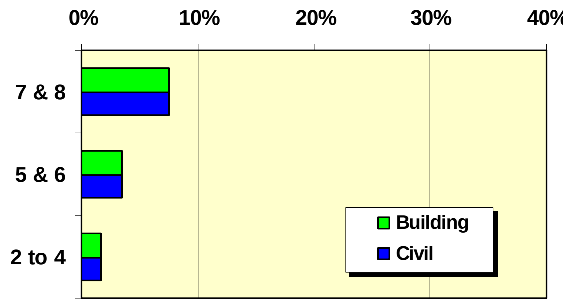
Demand; Public Sector Awards (Corrected)

Grade	Value pa (Rm; Corrected)	% Distribution	Distribution 15% +/- Average
Building			
7 & 8	2 121	89%	>
5 & 6	194	8%	<
2 to 4	55	2%	<
Total	2 370	100%	
Civil			
7 & 8	2 207	70%	=
5 & 6	866	27%	>
2 to 4	100	3%	<
Total	3 173	100%	



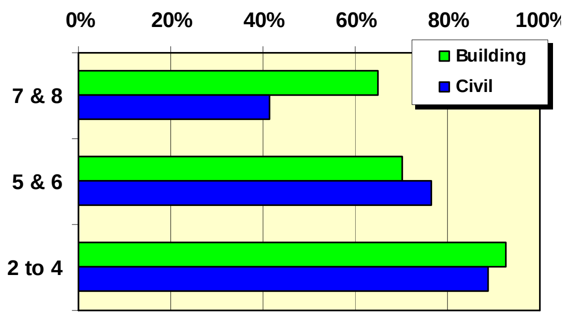
Maintenance; Public Sector Awards (%)

Grade	Value pa (Rm; Corrected)	% of Total in Grade	Distribution 15% +/- Average
Building			
7 & 8	178	8%	<
5 & 6	84	4%	<
2 to 4	40	2%	<
Total	302	13%	<
Civil			
7 & 8	538	8%	>
5 & 6	90	4%	<
2 to 4	10	2%	=
Total	639	13%	=



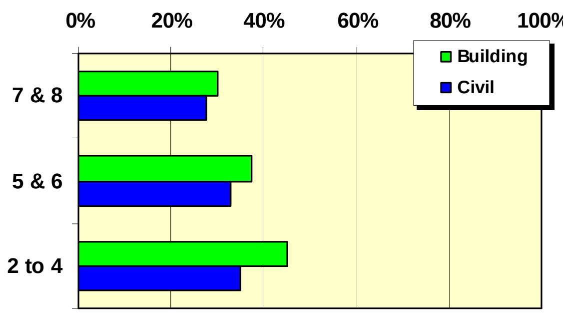
Supply; Black Ownership

Grade	Number of Contractors	Number Black Contractors	% Black Owned
Building			
7 & 8	20	13	40% to 80%
5 & 6	40	28	40% to 80%
2 to 4	230	213	>80%
Total	290	254	>80%
Civil			
7 & 8	29	13	40% to 80%
5 & 6	55	28	40% to 80%
2 to 4	158	213	>80%
Total	242	254	>80%



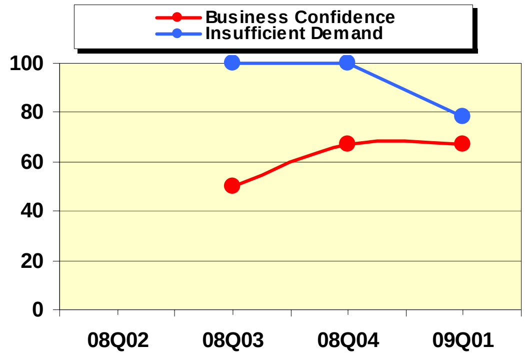
Supply; Women Ownership

Grade	Number of Contractors	Number of Women Contractors	% Women Owned
Building			
7 & 8	20	6	30% to 50%
5 & 6	40	15	30% to 50%
2 to 4	230	104	30% to 50%
Total	290	125	30% to 50%
Civil			
7 & 8	29	8	<30%
5 & 6	55	18	30% to 50%
2 to 4	158	55	30% to 50%
Total	242	81	30% to 50%

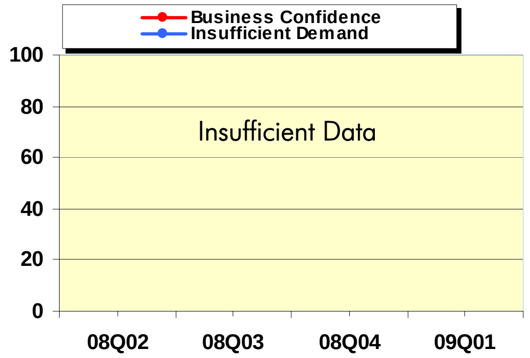


Insufficient Demand for Work per Grade / Business Confidence Index (BCI)

Building

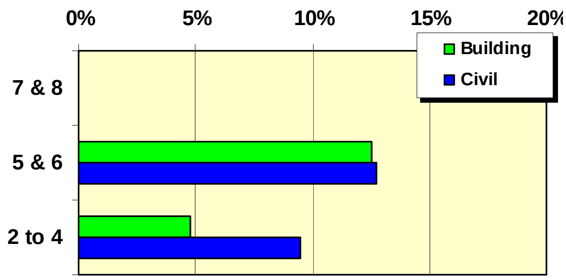


Civil



Contractor Upgrades %

Grade (from)	Number of Upgrades	%	
Building			
7 & 8	0	0%	<5%
5 & 6	5	13%	>10%
2 to 4	11	5%	<5%
Total	16		
Civil			
7 & 8	0	0%	<5%
5 & 6	7	13%	>10%
2 to 4	15	9%	5% to 10%
Total	22		



Contractor Upgrades

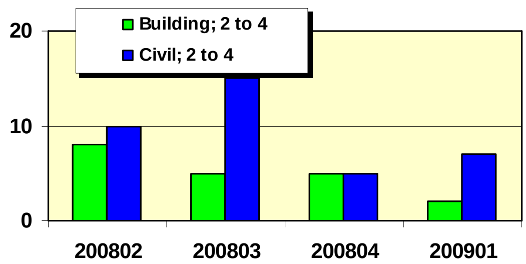
From/To	2 to 4	5 & 6	7 & 8	9
Building				
7 & 8			1	0
5 & 6		7	5	0
2 to 4	19	9	1	0
Civil				
7 & 8			2	1
5 & 6		7	5	0
2 to 4	12	24	2	0

Upgrades & New Registrations

	2 to 4	5 & 6	7 & 8
Building			
Upgrades (to)	19	16	7
New Reg.	20	5	0
Civil			
Upgrades (to)	12	31	9
New Reg.	37	1	0

Number New Registrations

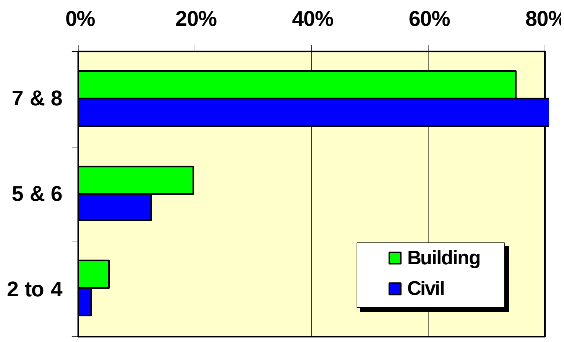
Quarter	2 to 4	5 & 6	7 & 8
Building			
200802	8	0	0
200803	5	3	0
200804	5	2	0
200901	2	0	0
Civil			
200802	10	0	0
200803	15	1	0
200804	5	0	0
200901	7	0	0



6. Gauteng

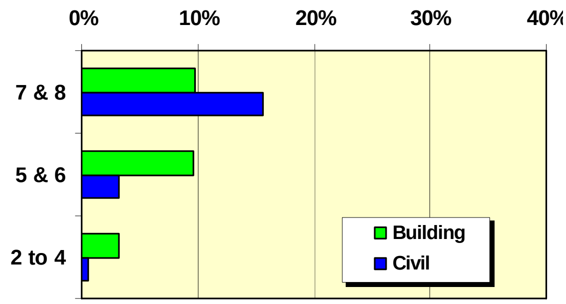
Demand; Public Sector Awards (Corrected)

Grade	Value pa (Rm; Corrected)	% Distribution	Distribution 15% +/- Average
Building			
7 & 8	2 471	75%	=
5 & 6	649	20%	=
2 to 4	170	5%	<
Total	3 290	100%	
Civil			
7 & 8	16 913	85%	>
5 & 6	2 470	12%	<
2 to 4	451	2%	<
Total	19 834	100%	



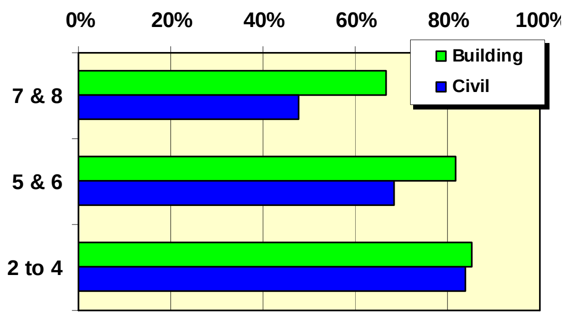
Maintenance; Public Sector Awards (%)

Grade	Value pa (Rm; Corrected)	% of Total in Grade	Distribution 15% +/- Average
Building			
7 & 8	323	10%	<
5 & 6	315	10%	>
2 to 4	104	3%	<
Total	741	23%	=
Civil			
7 & 8	3 086	16%	=
5 & 6	639	3%	=
2 to 4	107	1%	<
Total	3 832	19%	=



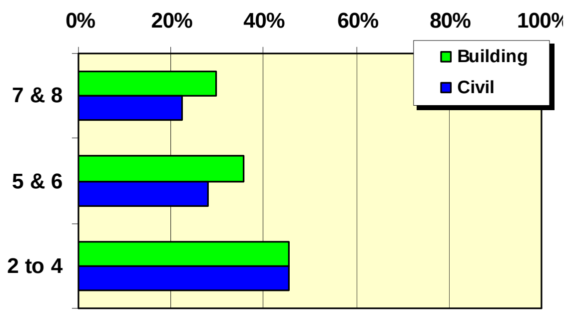
Supply; Black Ownership

Grade	Number of Contractors	Number Black Contractors	% Black Owned
Building			
7 & 8	84	56	40% to 80%
5 & 6	193	158	>80%
2 to 4	823	702	>80%
Total	1 100	916	>80%
Civil			
7 & 8	134	64	40% to 80%
5 & 6	259	177	40% to 80%
2 to 4	567	475	>80%
Total	960	716	40% to 80%



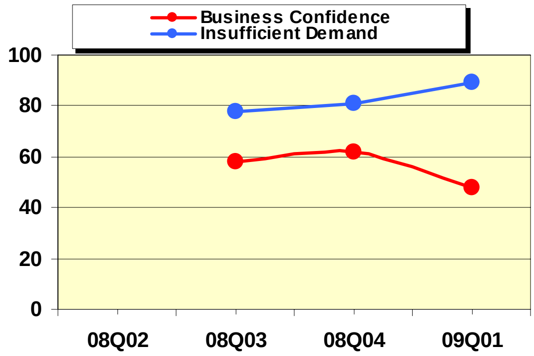
Supply; Women Ownership

Grade	Number of Contractors	Number of Women Contractors	% Women Owned
Building			
7 & 8	84	25	<30%
5 & 6	193	69	30% to 50%
2 to 4	823	373	30% to 50%
Total	1 100	467	30% to 50%
Civil			
7 & 8	134	30	<30%
5 & 6	259	72	<30%
2 to 4	567	257	30% to 50%
Total	960	359	30% to 50%

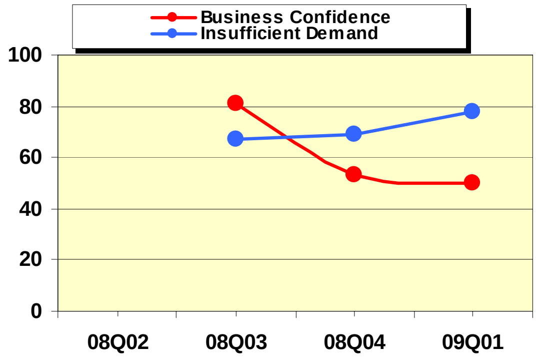


Insufficient Demand for Work per Grade / Business Confidence Index (BCI)

Building

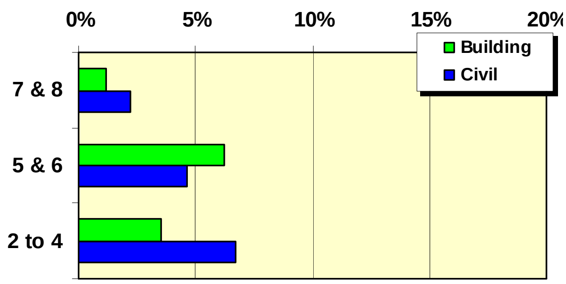


Civil



Contractor Upgrades %

Grade (from)	Number of Upgrades	%	
Building			
7 & 8	1	1%	<5%
5 & 6	12	6%	5% to 10%
2 to 4	29	4%	<5%
Total	42		
Civil			
7 & 8	3	2%	<5%
5 & 6	12	5%	<5%
2 to 4	38	7%	5% to 10%
Total	53		



Contractor Upgrades

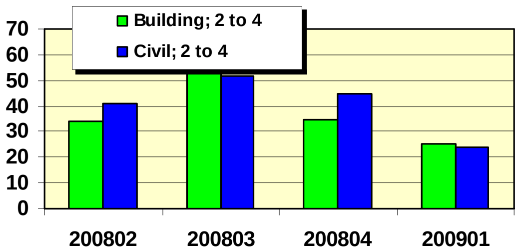
From/To	2 to 4	5 & 6	7 & 8	9
Building				
7 & 8			1	0
5 & 6		7	5	0
2 to 4	19	9	1	0
Civil				
7 & 8			2	1
5 & 6		7	5	0
2 to 4	12	24	2	0

Upgrades & New Registrations

	2 to 4	5 & 6	7 & 8
Building			
Upgrades (to)	19	16	7
New Reg.	152	40	11
Civil			
Upgrades (to)	12	31	9
New Reg.	162	36	14

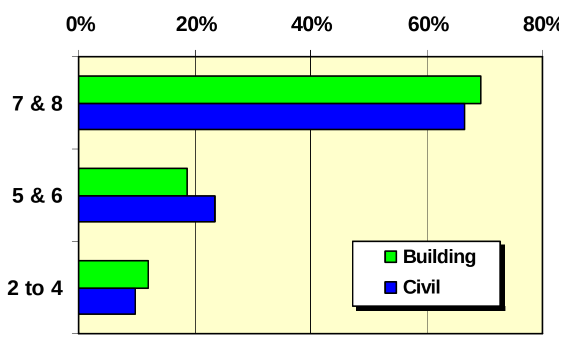
Number New Registrations

Quarter	2 to 4	5 & 6	7 & 8
Building			
200802	34	9	1
200803	58	13	3
200804	35	6	1
200901	25	12	6
Civil			
200802	41	11	3
200803	52	8	3
200804	45	10	4
200901	24	7	4

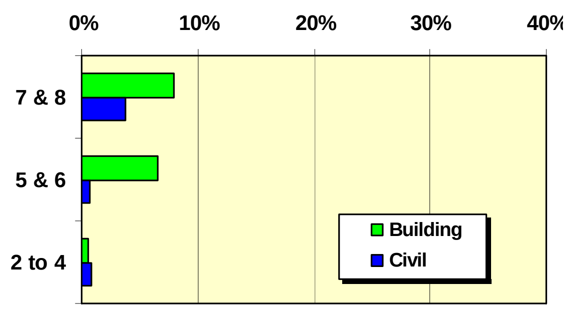


7. KwaZulu Natal

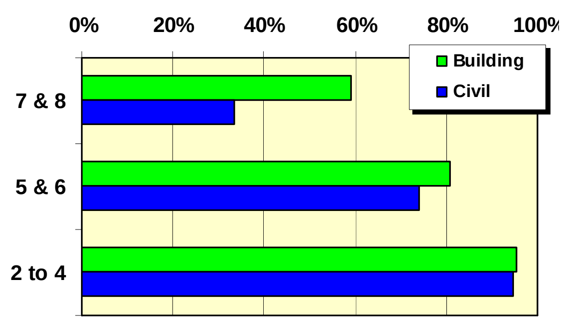
Demand; Public Sector Awards (Corrected)			
Grade	**Value pa (Rm; Corrected)**	**% Distribution**	**Distribution 15% +/- Average**
Building			
7 & 8	5 454	69%	=
5 & 6	1 461	19%	=
2 to 4	934	12%	>
Total	7 850	100%	
Civil			
7 & 8	6 664	67%	=
5 & 6	2 334	23%	>
2 to 4	991	10%	>
Total	9 989	100%	



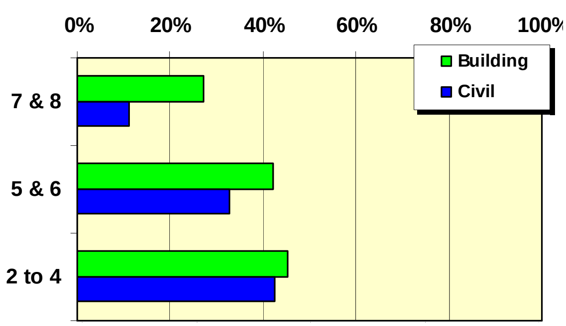
Maintenance; Public Sector Awards (%)			
Grade	**Value pa (Rm; Corrected)**	**% of Total in Grade**	**Distribution 15% +/- Average**
Building			
7 & 8	624	8%	<
5 & 6	517	7%	>
2 to 4	42	1%	<
Total	1 184	15%	=
Civil			
7 & 8	379	4%	<
5 & 6	72	1%	<
2 to 4	78	1%	<
Total	530	5%	<



Supply; Black Ownership			
Grade	**Number of Contractors**	**Number Black Contractors**	**% Black Owned**
Building			
7 & 8	44	26	40% to 80%
5 & 6	168	136	>80%
2 to 4	986	940	>80%
Total	1 198	1 102	>80%
Civil			
7 & 8	45	15	<40%
5 & 6	162	120	40% to 80%
2 to 4	916	867	>80%
Total	1 123	1 002	>80%

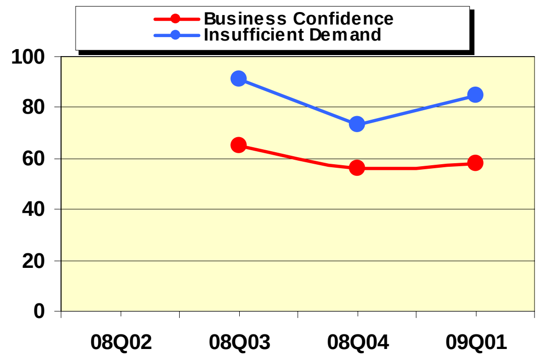


Supply; Women Ownership			
Grade	**Number of Contractors**	**Number of Women Contractors**	**% Women Owned**
Building			
7 & 8	44	12	<30%
5 & 6	168	71	30% to 50%
2 to 4	986	448	30% to 50%
Total	1 198	531	30% to 50%
Civil			
7 & 8	45	5	<30%
5 & 6	162	53	30% to 50%
2 to 4	916	390	30% to 50%
Total	1 123	448	30% to 50%

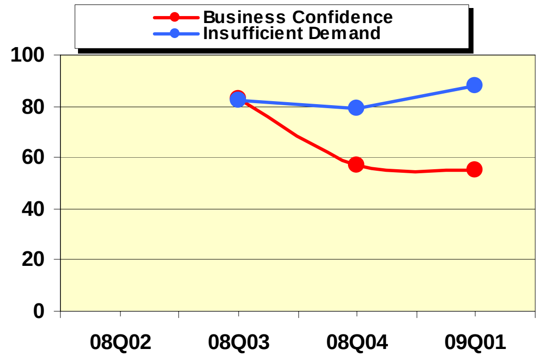


Insufficient Demand for Work per Grade / Business Confidence Index (BCI)

Building

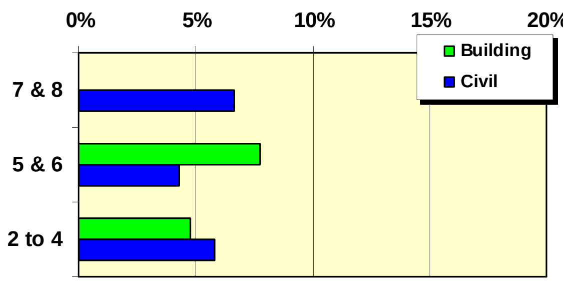


Civil



Contractor Upgrades %

Grade (from)	Number of Upgrades	%	
Building			
7 & 8	0	0%	<5%
5 & 6	13	8%	5% to 10%
2 to 4	47	5%	<5%
Total	60		
Civil			
7 & 8	3	7%	5% to 10%
5 & 6	7	4%	<5%
2 to 4	53	6%	5% to 10%
Total	63		



Contractor Upgrades

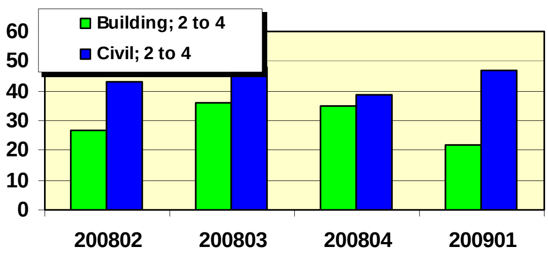
From/To	2 to 4	5 & 6	7 & 8	9
Building				
7 & 8			0	0
5 & 6		6	7	0
2 to 4	29	16	2	0
Civil				
7 & 8			2	1
5 & 6		5	1	1
2 to 4	37	16	0	0

Upgrades & New Registrations

	2 to 4	5 & 6	7 & 8
Building			
Upgrades (to)	29	22	9
New Reg.	120	15	1
Civil			
Upgrades (to)	37	21	3
New Reg.	177	14	1

Number New Registrations

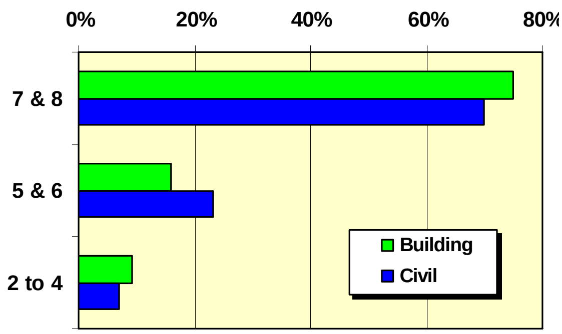
Quarter	2 to 4	5 & 6	7 & 8
Building			
200802	27	4	0
200803	36	1	0
200804	35	5	0
200901	22	5	1
Civil			
200802	43	6	0
200803	48	1	0
200804	39	2	0
200901	47	5	1



8. Limpopo

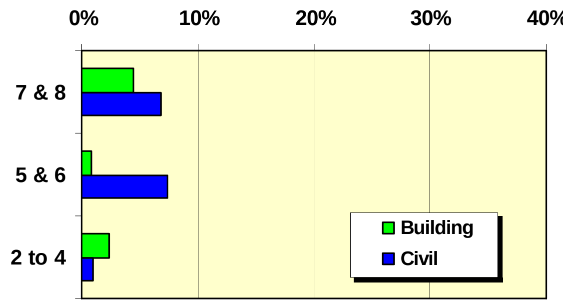
Demand; Public Sector Awards (Corrected)

Grade	Value pa (Rm; Corrected)	% Distribution	Distribution 15% +/- Average
Building			
7 & 8	1 955	75%	=
5 & 6	418	16%	=
2 to 4	239	9%	=
Total	2 612	100%	
Civil			
7 & 8	6 480	70%	=
5 & 6	2 142	23%	>
2 to 4	656	7%	=
Total	9 278	100%	



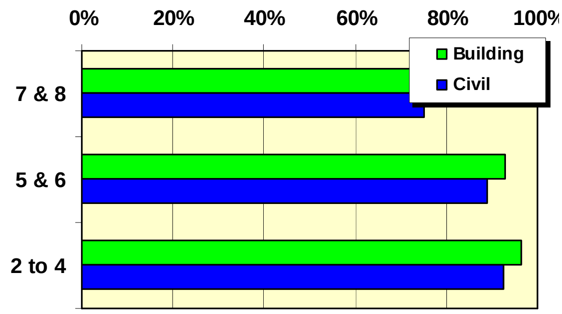
Maintenance; Public Sector Awards (%)

Grade	Value pa (Rm; Corrected)	% of Total in Grade	Distribution 15% +/- Average
Building			
7 & 8	118	4%	<
5 & 6	24	1%	<
2 to 4	62	2%	<
Total	203	8%	<
Civil			
7 & 8	639	7%	<
5 & 6	682	7%	>
2 to 4	85	1%	<
Total	1 406	15%	<



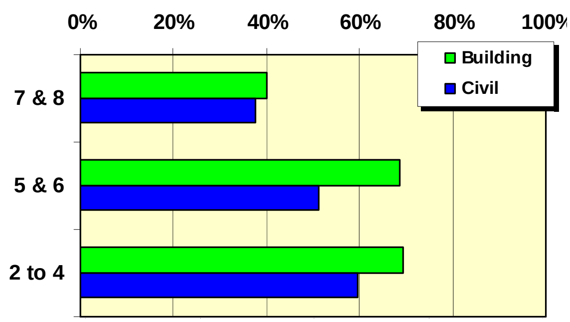
Supply; Black Ownership

Grade	Number of Contractors	Number Black Contractors	% Black Owned
Building			
7 & 8	25	25	>80%
5 & 6	128	119	>80%
2 to 4	515	496	>80%
Total	668	640	>80%
Civil			
7 & 8	16	12	40% to 80%
5 & 6	162	144	>80%
2 to 4	313	290	>80%
Total	491	446	>80%



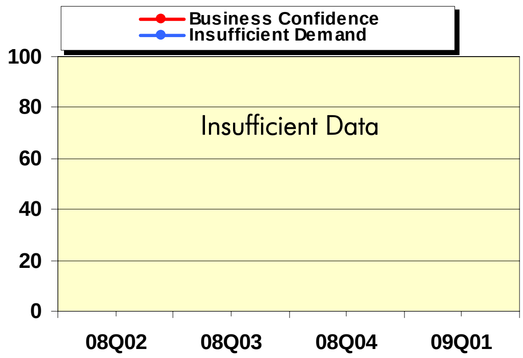
Supply; Women Ownership

Grade	Number of Contractors	Number of Women Contractors	% Women Owned
Building			
7 & 8	25	10	30% to 50%
5 & 6	128	88	>50%
2 to 4	515	357	>50%
Total	668	455	>50%
Civil			
7 & 8	16	6	30% to 50%
5 & 6	162	83	>50%
2 to 4	313	187	>50%
Total	491	276	>50%

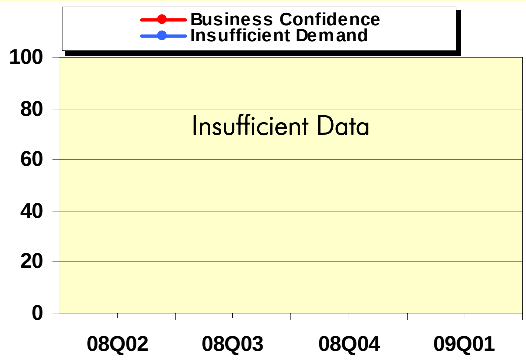


Insufficient Demand for Work per Grade / Business Confidence Index (BCI)

Building

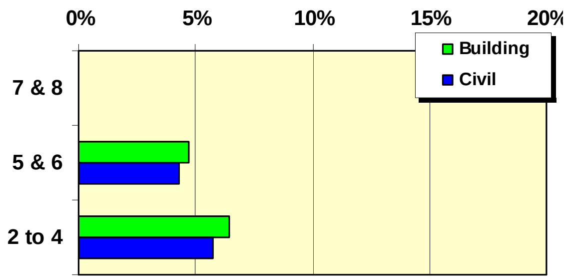


Civil



Contractor Upgrades %

Grade (from)	Number of Upgrades	%	
Building			
7 & 8	0	0%	<5%
5 & 6	6	5%	<5%
2 to 4	33	6%	5% to 10%
Total	39		
Civil			
7 & 8	0	0%	<5%
5 & 6	7	4%	<5%
2 to 4	18	6%	5% to 10%
Total	25		



Contractor Upgrades

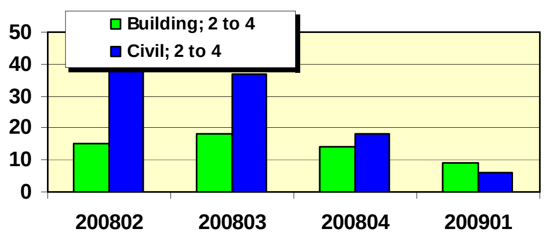
From/To	2 to 4	5 & 6	7 & 8	9
Building				
7 & 8			0	0
5 & 6		4	2	0
2 to 4	18	15	0	0
Civil				
7 & 8			0	0
5 & 6		5	2	0
2 to 4	4	14	0	0

Upgrades & New Registrations

	2 to 4	5 & 6	7 & 8
Building			
Upgrades (to)	18	19	2
New Reg.	56	7	0
Civil			
Upgrades (to)	4	19	2
New Reg.	102	14	2

Number New Registrations

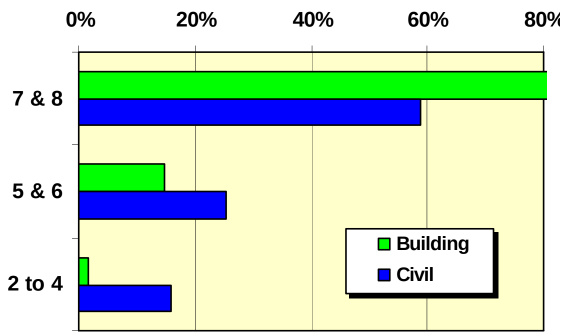
Quarter	2 to 4	5 & 6	7 & 8
Building			
200802	15	1	0
200803	18	4	0
200804	14	2	0
200901	9	0	0
Civil			
200802	41	3	0
200803	37	2	0
200804	18	4	1
200901	6	5	1



9. Mpumalanga

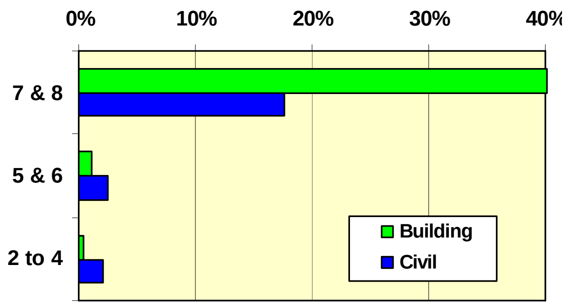
Demand; Public Sector Awards (Corrected)

Grade	Value pa (Rm; Corrected)	% Distribution	Distribution 15% +/- Average
Building			
7 & 8	2 897	83%	=
5 & 6	517	15%	<
2 to 4	55	2%	<
Total	3 470	100%	
Civil			
7 & 8	3 711	59%	<
5 & 6	1 602	25%	>
2 to 4	995	16%	>
Total	6 307	100%	



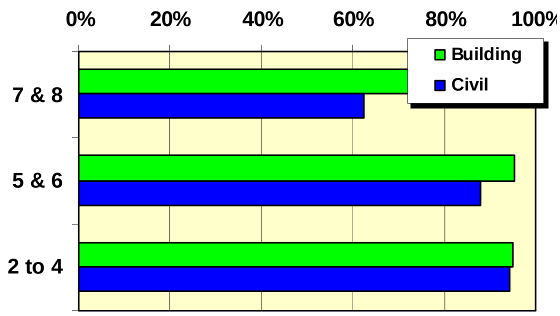
Maintenance; Public Sector Awards (%)

Grade	Value pa (Rm; Corrected)	% of Total in Grade	Distribution 15% +/- Average
Building			
7 & 8	1 392	40%	>
5 & 6	37	1%	<
2 to 4	15	0%	<
Total	1 443	42%	>
Civil			
7 & 8	1 113	18%	>
5 & 6	159	3%	<
2 to 4	130	2%	>
Total	1 402	22%	>



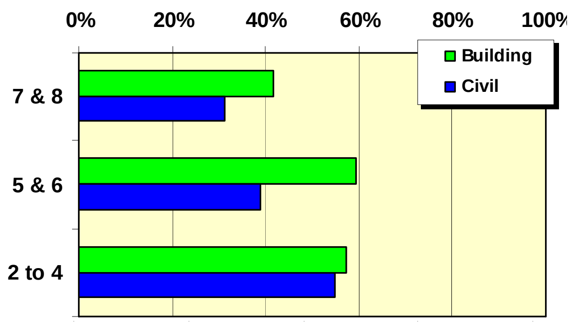
Supply; Black Ownership

Grade	Number of Contractors	Number Black Contractors	% Black Owned
Building			
7 & 8	24	19	40% to 80%
5 & 6	84	80	>80%
2 to 4	409	389	>80%
Total	517	488	>80%
Civil			
7 & 8	16	10	40% to 80%
5 & 6	100	88	>80%
2 to 4	292	275	>80%
Total	408	373	>80%



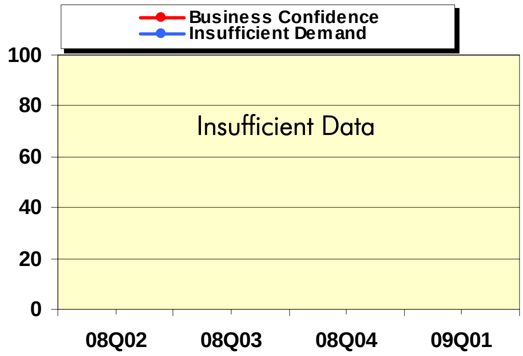
Supply; Women Ownership

Grade	Number of Contractors	Number of Women Contractors	% Women Owned
Building			
7 & 8	24	10	30% to 50%
5 & 6	84	50	>50%
2 to 4	409	234	>50%
Total	517	294	>50%
Civil			
7 & 8	16	5	30% to 50%
5 & 6	100	39	30% to 50%
2 to 4	292	160	>50%
Total	408	204	30% to 50%

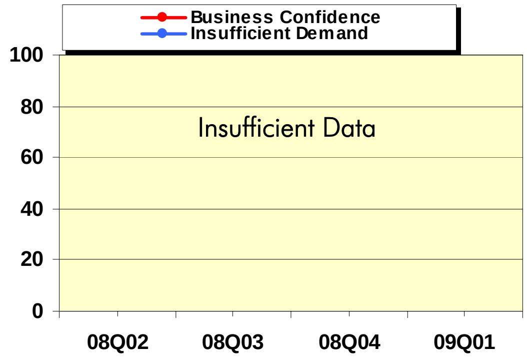


Insufficient Demand for Work per Grade / Business Confidence Index (BCI)

Building

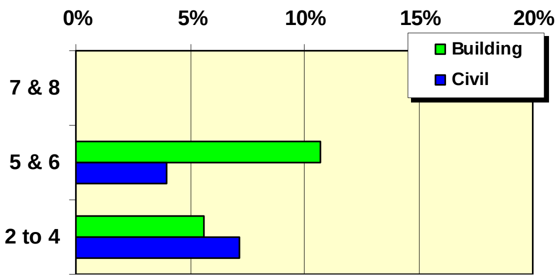


Civil



Contractor Upgrades %

Grade (from)	Number of Upgrades	%	
Building			
7 & 8	0	0%	<5%
5 & 6	9	11%	>10%
2 to 4	23	6%	5% to 10%
Total	32		
Civil			
7 & 8	0	0%	<5%
5 & 6	4	4%	<5%
2 to 4	21	7%	5% to 10%
Total	25		



Contractor Upgrades

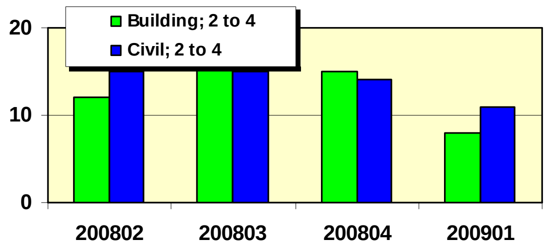
From/To	2 to 4	5 & 6	7 & 8	9
Building				
7 & 8			0	0
5 & 6		4	5	0
2 to 4	9	13	1	0
Civil				
7 & 8			0	0
5 & 6		3	1	0
2 to 4	8	13	0	0

Upgrades & New Registrations

	2 to 4	5 & 6	7 & 8
Building			
Upgrades (to)	9	17	6
New Reg.	52	12	2
Civil			
Upgrades (to)	8	16	1
New Reg.	55	14	3

Number New Registrations

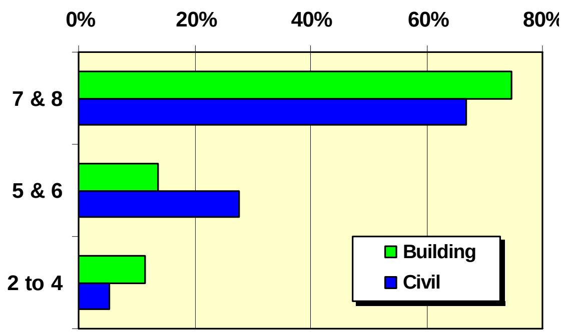
Quarter	2 to 4	5 & 6	7 & 8
Building			
200802	12	3	0
200803	17	4	1
200804	15	0	0
200901	8	5	1
Civil			
200802	15	5	0
200803	15	5	1
200804	14	3	1
200901	11	1	1



10. North West

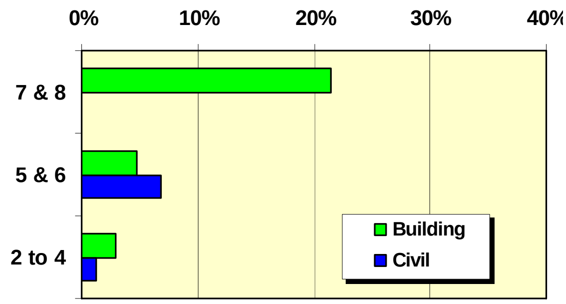
Demand; Public Sector Awards (Corrected)

Grade	Value pa (Rm; Corrected)	% Distribution	Distribution 15% +/- Average
Building			
7 & 8	771	75%	=
5 & 6	118	14%	<
2 to 4	79	12%	=
Total	968	100%	
Civil			
7 & 8	1 902	67%	=
5 & 6	786	28%	>
2 to 4	154	5%	<
Total	2 842	100%	



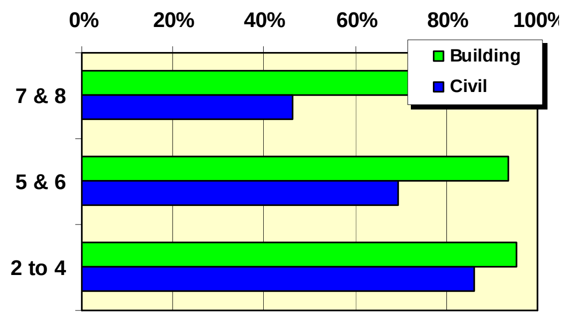
Maintenance; Public Sector Awards (%)

Grade	Value pa (Rm; Corrected)	% of Total in Grade	Distribution 15% +/- Average
Building			
7 & 8	207	21%	>
5 & 6	46	5%	<
2 to 4	28	3%	<
Total	282	29%	>
Civil			
7 & 8	0	0%	<
5 & 6	195	7%	>
2 to 4	37	1%	>
Total	232	8%	<



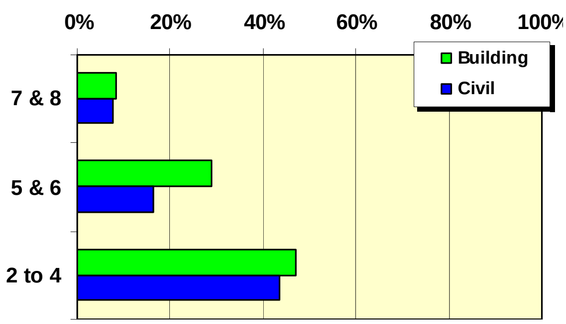
Supply; Black Ownership

Grade	Number of Contractors	Number Black Contractors	% Black Owned
Building			
7 & 8	12	9	40% to 80%
5 & 6	31	29	>80%
2 to 4	212	202	>80%
Total	255	240	>80%
Civil			
7 & 8	13	6	40% to 80%
5 & 6	49	34	40% to 80%
2 to 4	124	107	>80%
Total	186	147	40% to 80%



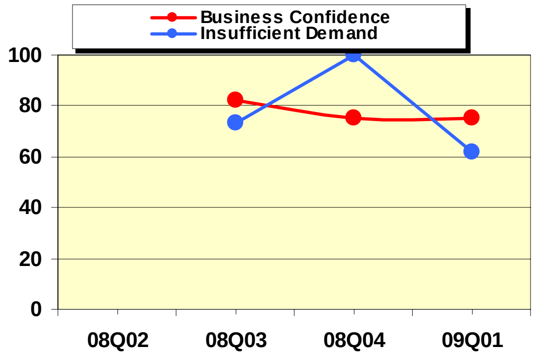
Supply; Women Ownership

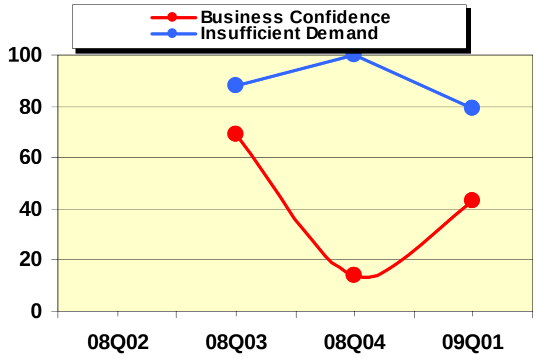
Grade	Number of Contractors	Number of Women Contractors	% Women Owned
Building			
7 & 8	12	1	<30%
5 & 6	31	9	<30%
2 to 4	212	100	30% to 50%
Total	255	110	30% to 50%
Civil			
7 & 8	13	1	<30%
5 & 6	49	8	<30%
2 to 4	124	54	30% to 50%
Total	186	63	30% to 50%



Insufficient Demand for Work per Grade / Business Confidence Index (BCI)

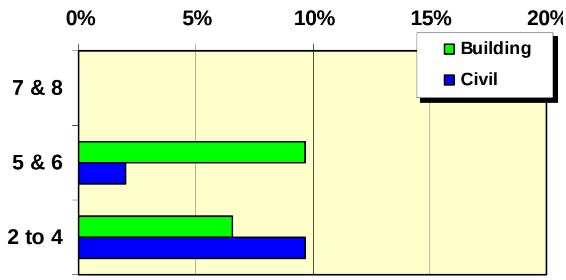
Building	Civil





Contractor Upgrades %

Grade (from)	Number of Upgrades	%	
Building			
7 & 8	0	0%	<5%
5 & 6	3	10%	5% to 10%
2 to 4	14	7%	5% to 10%
Total	17		
Civil			
7 & 8	0	0%	<5%
5 & 6	0	2%	<5%
2 to 4	2	10%	5% to 10%
Total	2		



Contractor Upgrades

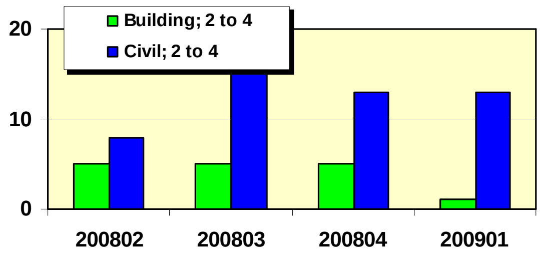
From/To	2 to 4	5 & 6	7 & 8	9
Building				
7 & 8			0	0
5 & 6		3	0	0
2 to 4	11	3	0	0
Civil				
7 & 8			0	0
5 & 6		0	0	0
2 to 4	0	2	0	0

Upgrades & New Registrations

	2 to 4	5 & 6	7 & 8
Building			
Upgrades (to)	11	6	0
New Reg.	16	3	2
Civil			
Upgrades (to)	0	2	0
New Reg.	52	8	1

Number New Registrations

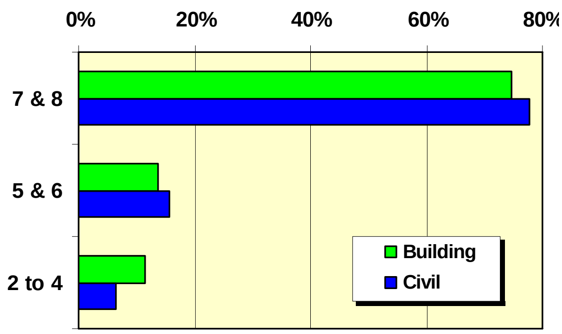
Quarter	2 to 4	5 & 6	7 & 8
Building			
200802	5	1	1
200803	5	2	0
200804	5	0	1
200901	1	0	0
Civil			
200802	8	3	0
200803	18	3	0
200804	13	1	1
200901	13	1	0



10. Northern Cape

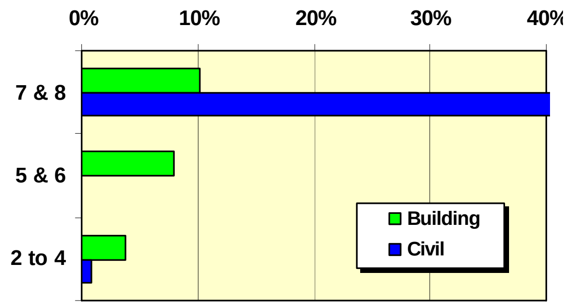
Demand; Public Sector Awards (Corrected)

Grade	Value pa (Rm; Corrected)	% Distribution	Distribution 15% +/- Average
Building			
7 & 8	986	75%	=
5 & 6	181	14%	<
2 to 4	152	12%	>
Total	1 319	100%	
Civil			
7 & 8	2 107	78%	=
5 & 6	427	16%	<
2 to 4	176	6%	=
Total	2 709	100%	



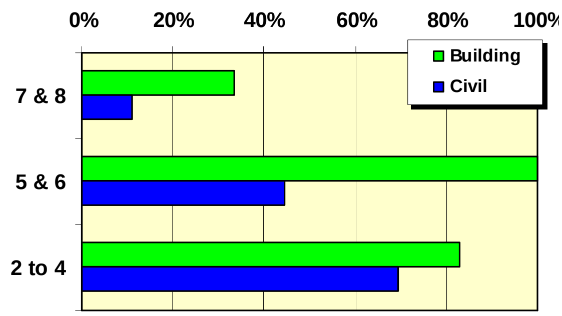
Maintenance; Public Sector Awards (%)

Grade	Value pa (Rm; Corrected)	% of Total in Grade	Distribution 15% +/- Average
Building			
7 & 8	134	10%	<
5 & 6	106	8%	>
2 to 4	49	4%	=
Total	289	22%	=
Civil			
7 & 8	1 100	41%	>
5 & 6	0	0%	<
2 to 4	23	1%	<
Total	1 123	41%	>



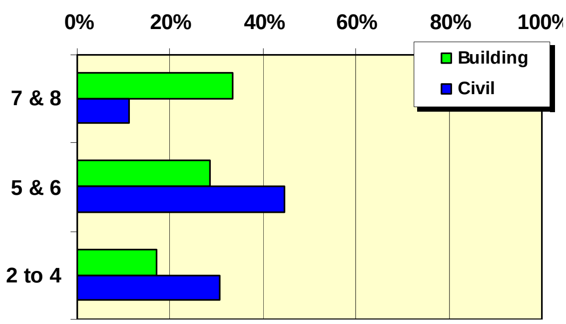
Supply; Black Ownership

Grade	Number of Contractors	Number Black Contractors	% Black Owned
Building			
7 & 8	3	1	<40%
5 & 6	7	7	>80%
2 to 4	59	49	>80%
Total	69	57	>80%
Civil			
7 & 8	9	1	<40%
5 & 6	9	4	40% to 80%
2 to 4	36	25	40% to 80%
Total	54	30	40% to 80%



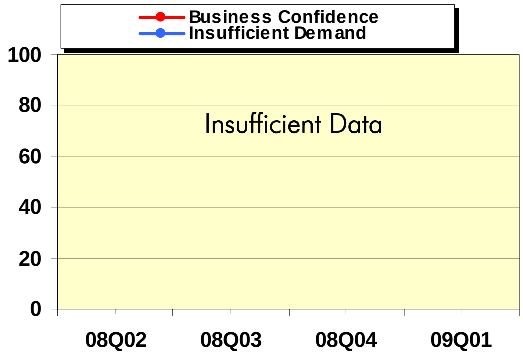
Supply; Women Ownership

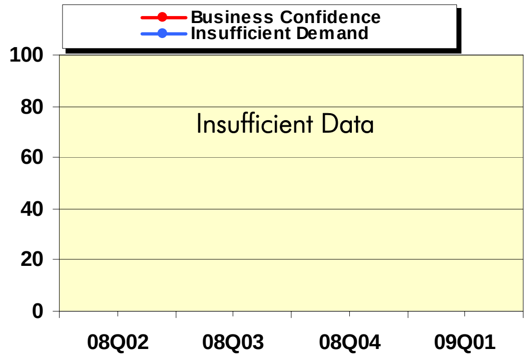
Grade	Number of Contractors	Number of Women Contractors	% Women Owned
Building			
7 & 8	3	1	30% to 50%
5 & 6	7	2	<30%
2 to 4	59	10	<30%
Total	69	13	<30%
Civil			
7 & 8	9	1	<30%
5 & 6	9	4	30% to 50%
2 to 4	36	11	30% to 50%
Total	54	16	<30%



Insufficient Demand for Work per Grade / Business Confidence Index (BCI)

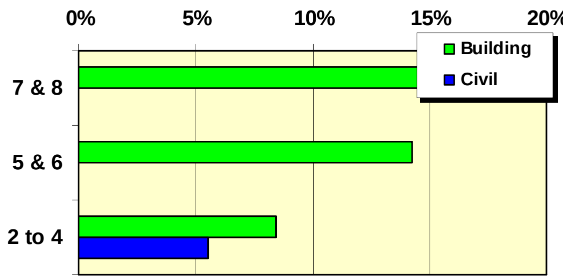
Building	Civil





Contractor Upgrades %

Grade (from)	Number of Upgrades	%	
Building			
7 & 8	1	33%	>10%
5 & 6	1	14%	>10%
2 to 4	5	8%	5% to 10%
Total	7		
Civil			
7 & 8	0	0%	<5%
5 & 6	0	0%	<5%
2 to 4	2	6%	5% to 10%
Total	2		



Contractor Upgrades

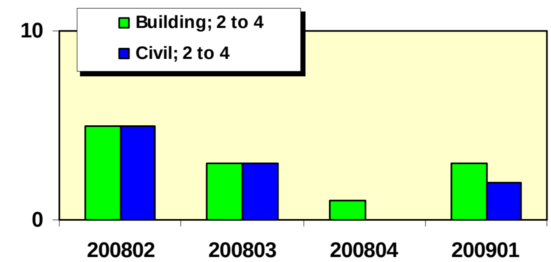
From/To	2 to 4	5 & 6	7 & 8	9
Building				
7 & 8			1	0
5 & 6		1	0	0
2 to 4	3	2	0	0
Civil				
7 & 8			0	0
5 & 6		0	0	0
2 to 4	0	2	0	0

Upgrades & New Registrations

	2 to 4	5 & 6	7 & 8
Building			
Upgrades (to)	3	3	1
New Reg.	12	1	0
Civil			
Upgrades (to)	0	2	0
New Reg.	10	0	0

Number New Registrations

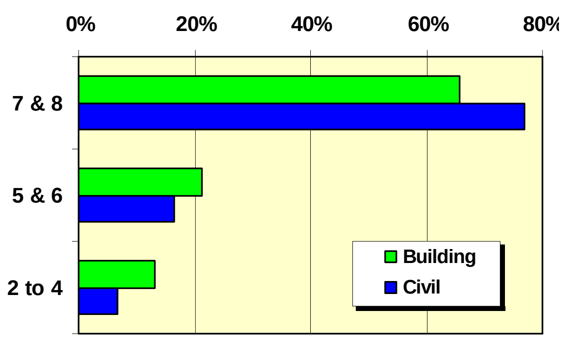
Quarter	2 to 4	5 & 6	7 & 8
Building			
200802	5	1	0
200803	3	0	0
200804	1	0	0
200901	3	0	0
Civil			
200802	5	0	0
200803	3	0	0
200804	0	0	0
200901	2	0	0



11. Western Cape

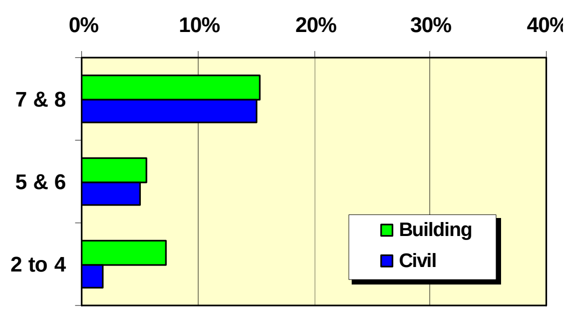
Demand; Public Sector Awards (Corrected)

Grade	Value pa (Rm; Corrected)	% Distribution	Distribution 15% +/- Average
Building			
7 & 8	2 365	66%	=
5 & 6	761	21%	>
2 to 4	468	13%	>
Total	3 594	100%	
Civil			
7 & 8	12 500	77%	=
5 & 6	2 682	16%	=
2 to 4	1 095	7%	=
Total	16 277	100%	



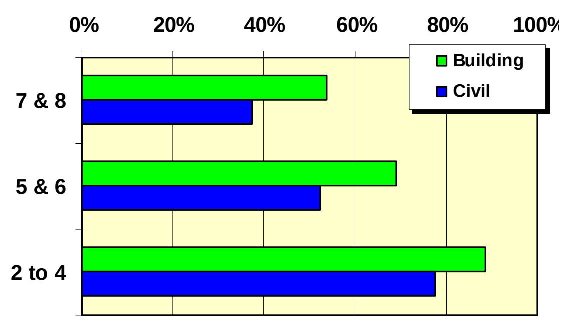
Maintenance; Public Sector Awards (%)

Grade	Value pa (Rm; Corrected)	% of Total in Grade	Distribution 15% +/- Average
Building			
7 & 8	551	15%	=
5 & 6	203	6%	=
2 to 4	261	7%	>
Total	1 014	28%	=
Civil			
7 & 8	2 445	15%	=
5 & 6	827	5%	>
2 to 4	298	2%	>
Total	3 570	22%	>



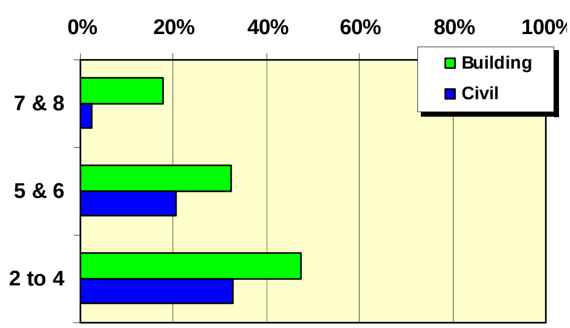
Supply; Black Ownership

Grade	Number of Contractors	Number Black Contractors	% Black Owned
Building			
7 & 8	28	15	40% to 80%
5 & 6	74	51	40% to 80%
2 to 4	331	293	>80%
Total	433	359	>80%
Civil			
7 & 8	40	15	<40%
5 & 6	88	46	40% to 80%
2 to 4	208	161	40% to 80%
Total	336	222	40% to 80%

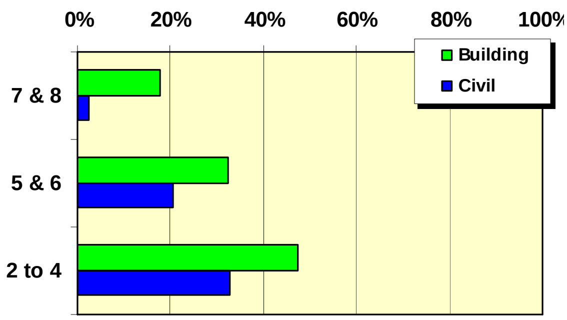


Supply; Women Ownership

Grade	Number of Contractors	Number of Women Contractors	% Women Owned
Building			
7 & 8	28	5	<30%
5 & 6	74	24	30% to 50%
2 to 4	331	157	30% to 50%
Total	433	186	30% to 50%
Civil			
7 & 8	40	1	<30%
5 & 6	88	18	<30%
2 to 4	208	68	30% to 50%
Total	336	87	<30%

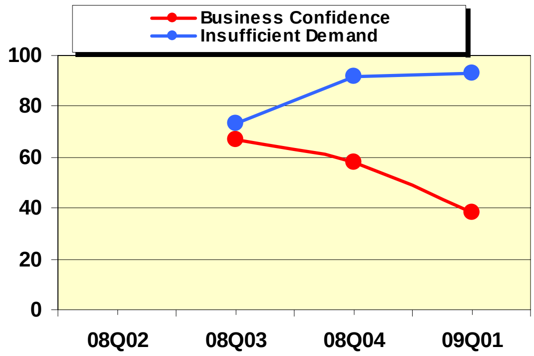


Supply; Women Ownership			
Grade	Number of Contractors	Number of Women Contractors	% Women Owned
Building			
7 & 8	28	5	<30%
5 & 6	74	24	30% to 50%
2 to 4	331	157	30% to 50%
Total	433	186	30% to 50%
Civil			
7 & 8	40	1	<30%
5 & 6	88	18	<30%
2 to 4	208	68	30% to 50%
Total	336	87	<30%

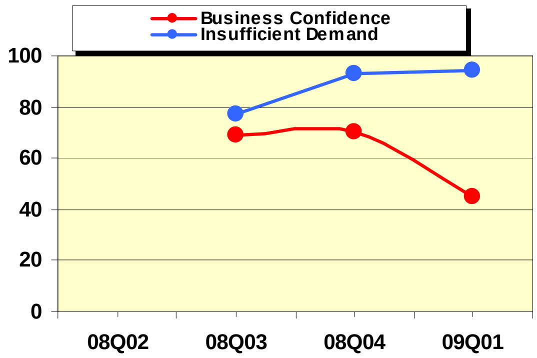


Insufficient Demand for Work per Grade / Business Confidence Index (BCI)

Building



Civil



Contractor Upgrades				
From/To	2 to 4	5 & 6	7 & 8	9
Building				
7 & 8			1	1
5 & 6		1	2	0
2 to 4	12	4	0	0
Civil				
7 & 8			1	1
5 & 6		5	1	0
2 to 4	7	6	0	0

Upgrades & New Registrations			
	2 to 4	5 & 6	7 & 8
Building			
Upgrades (to)	12	5	3
New Reg.	60	12	6
Civil			
Upgrades (to)	7	11	2
New Reg.	39	6	2

Number New Registrations			
Quarter	2 to 4	5 & 6	7 & 8
Building			
200802	13	1	2
200803	16	2	2
200804	19	3	1
200901	12	6	1
Civil			
200802	11	2	2
200803	13	2	0
200804	7	0	0
200901	8	2	0