



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

1

2018



University of Stellenbosch

cidb Survey Results: 2018Q1

March 2018

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Summary

Building Contractors¹

During the first quarter of 2018, business confidence for general builders (GB) was unchanged at 36 index points. However, business conditions were more favourable, in line with better activity and profitability. Constraints to business operations were largely unchanged. Nevertheless, the indicator rating insufficient demand for new building work as a constraint to business operations remained elevated, which bodes ill for building activity in the near term.

Results across the three grades showed a fall in confidence among the Grades 3 & 4 (supported by weakness in underlying indicators). For Grades 5 & 6 and Grades 7 & 8, improved sentiment came mostly on the back of better activity growth. It should be noted that, irrespective of the movements in sentiment for all three grades, confidence levels remained below their long-term averages.

Amongst the big four provinces, confidence for Western Cape building contractors remained above 50 index points, while the opposite was true for the others. In sum, an improvement in underlying indicators was seen for all four provinces, except in KwaZulu-Natal. Discouragingly, building confidence in the Eastern Cape, KwaZulu-Natal and Gauteng is oscillating around the poor level of 30 index points.

Civil Contractors²

Civil contractor confidence was barely changed in 2018Q1. The cidb index edged up by 1 index point to 36. Some positive movements in construction activity helped alleviate some pressure off profitability. Both activity and profitability were lifted from exceptionally low levels seen in the previous quarter.

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

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

Grades 5 & 6 civil contractor confidence was mostly stable at 41 index points. This was reflective of persistent pressure on profitability in spite of some improvement in activity. For Grades 3 & 4 the slight pick-up in sentiment was barely supported by underlying indicators. On the other hand, higher confidence for Grades 7 & 8 came on the back of improved activity and profitability.

The overall provincial picture for civil contractors was rather morose, especially in light of the reversed gain in confidence in the Western Cape. While there were some slight improvements in sentiment for the other three provinces during 2018Q1, Western Cape confidence plunged to its worst level since 2013Q2. In all, confidence levels for all four provinces rested below 40-index points during the survey quarter. This should not be surprising, however, given that key underlying indicators are well below their long-term averages.

Confidence for both the building and civil engineering sectors was largely unchanged at the depressed level of 36 index points each during 2018Q1. From a grades perspective, confidence levels are oscillating around 40 index points in both sectors, reflecting broad-based strain. The picture is hardly more encouraging at the provincial level. General builders in the Western Cape seem to be the only ones who remain upbeat, with confidence above 50 points. For the rest of the provinces in both building and civil, confidence levels are mostly in the 30's.

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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 2018Q1 survey was carried out during the period 29 January to 6 March 2018.

The analysis that follows provides a synopsis of the survey responses received in 2018Q1, 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.

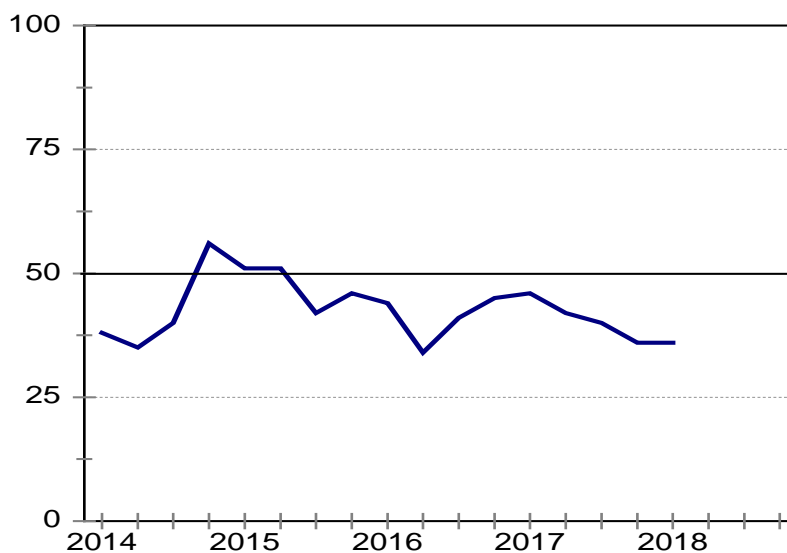
2018Q1 cidb Survey Results

Building Industry

Total

Building confidence remained unchanged at 36 index points in 2018Q1. (see Figure 1 below). Among the three grades, confidence came in below 40 index points across the board. At the provincial level, sentiment ticked lower only in the Western Cape, but remained above 50 index points. Although there were upticks in the other regions, confidence levels remained below their historical averages.

Figure 1: Total
Business confidence



Overall, conditions were better for general builders during the first quarter of 2018. There was some improvement in underlying indicators, however, they remained at poorer levels relative to their long-term averages. Building contractors saw slightly better activity, as well as some alleviation in pressure on profitability. A slightly lower net majority of 58% of respondents reported poorer profitability, following a net 62% during the previous quarter.

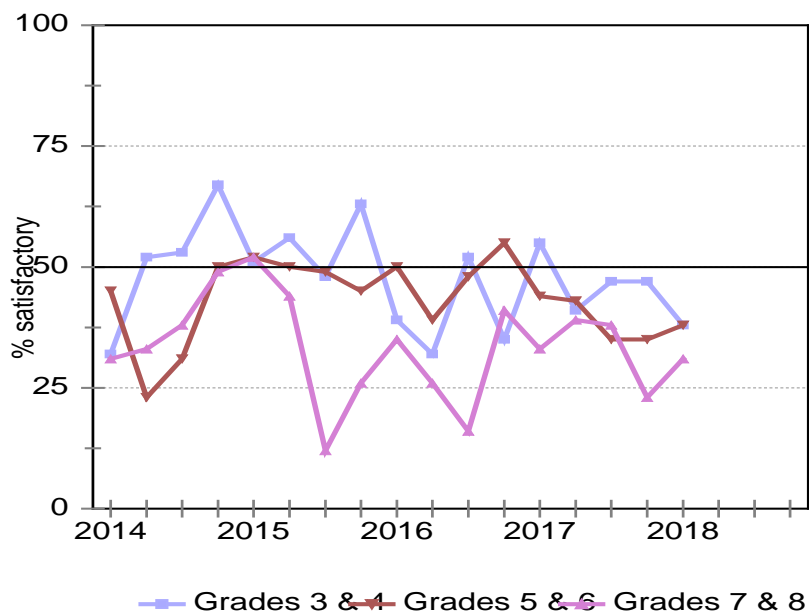
Constraints to operating conditions were largely unchanged. Nevertheless, the indicator rating insufficient demand for new building work as a constraint to business operations remained

elevated at 73% - its highest level since 2016Q3. Discouragingly, this bodes ill for building activity going forward.

Grades comparison

Confidence fell only for Grades 3 & 4 during 2018Q1, in line with weaker underlying indicators. For Grades 5 & 6 and Grades 7 & 8, there was some improvement in sentiment. Business conditions were less disconcerting, as activity growth improved somewhat. This helped to alleviate some pressure off profitability. In all, the picture is rather concerning across all three contractor groups, as all confidence levels are currently below long-term averages.

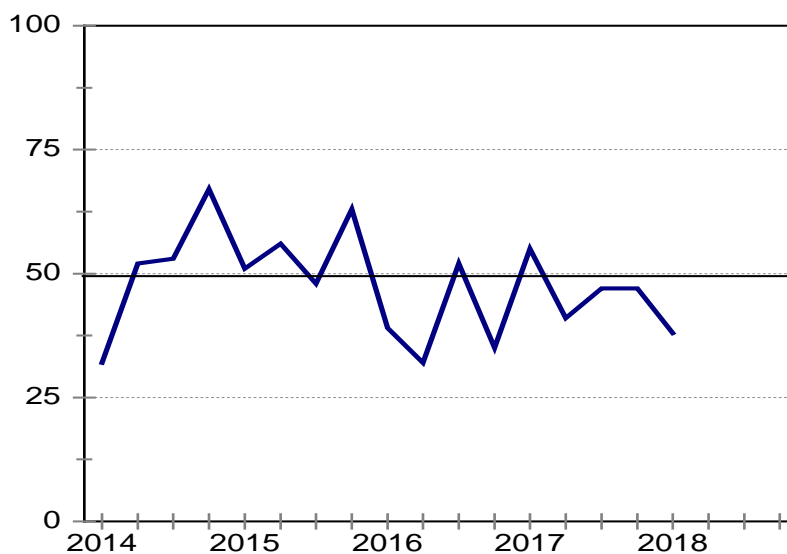
Figure 2: Business confidence per grade



Grades 3 & 4

Business confidence for Grades 3 & 4 builders fell to 38 index points in 2018Q1, from 47 in 2017Q4.

Figure 3: Grades 3 & 4
Business confidence



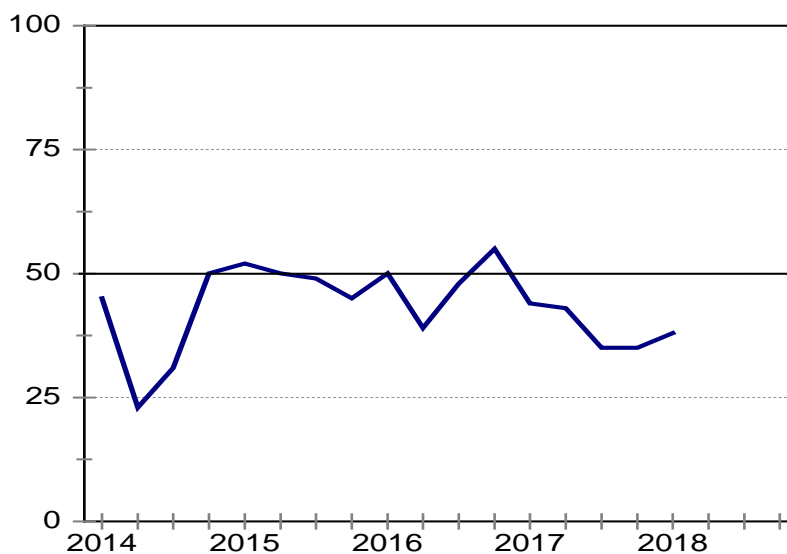
During the quarter, the building activity indicator deteriorated to its worst level on record for the smaller grades. A net majority of 64% of respondents reported a decline in activity, compared to a net 48% previously. Needless to say, the contraction in building activity kept profitability under pressure. The employment indicator was also significantly weaker. Constraints to business operations were largely unchanged during the quarter.

Grades 5 & 6

Sentiment improved marginally among Grades 5 & 6, with the confidence index ticking up to 38 index points, from 35 in 2017Q4.

Figure 4: Grades 5 & 6

Business confidence



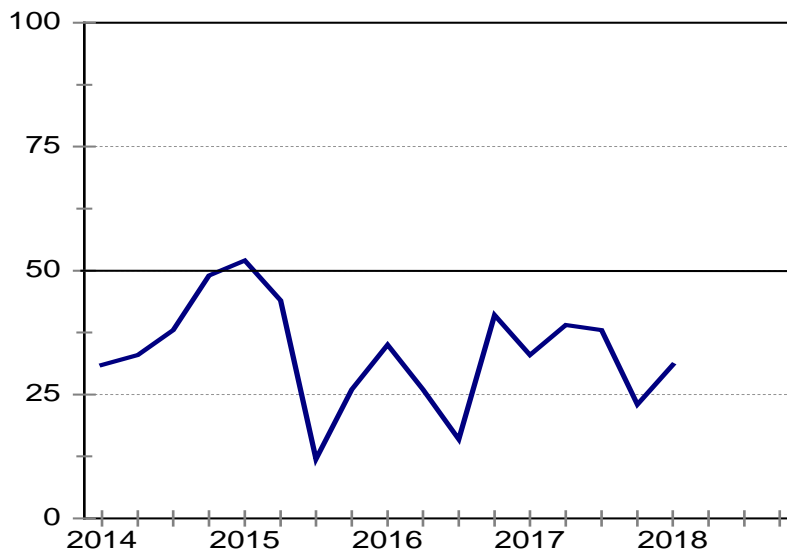
The slight improvement in overall confidence was indeed mirrored by movements in the underlying indicators. To begin, respondents within this group found business conditions to be more favourable. Building activity momentum improved slightly, with profitability pressure moving in accordance with it. The improvement in the employment indicator was more pronounced, with a significantly lower net majority of 27% reporting lower employment (net 46% previously). It is also encouraging that the indicator rating insufficient demand for new building work as a constraint improved to 69% - above its long-term average of 72%. This suggests some improvement in building activity momentum going forward.

Grades 7 & 8

For Grades 7 & 8, confidence increased to 31 index points in 2018Q1, from 23 during the last quarter of 2017.

Figure 5: Grades 7 & 8

Business confidence



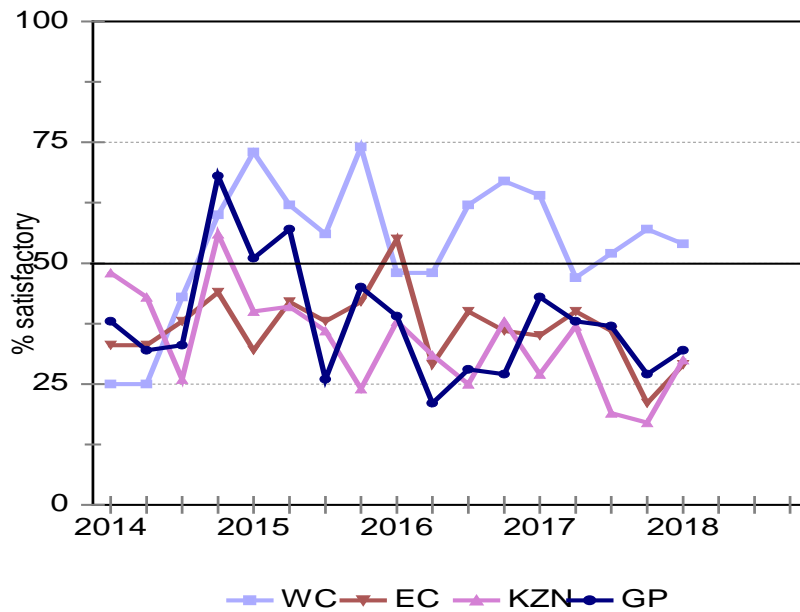
This group of building contractors saw a noteworthy improvement in business conditions and activity during the quarter, to their best levels since 2015Q2. The net majority of respondents noting poorer conditions relative to 2017Q1 fell considerably during the survey quarter to 19%, compared to a net 60% previously. For activity, the indicator encouragingly came off its worst levels since 2010Q4 last quarter. Indeed, a significantly lower net majority of 19% reported a slowdown during 2018Q1, from a net 70% previously.

Tendering competition eased, indicating some availability for building work. However, the rise in the indicator rating insufficient demand for work as a constraint was rather steep. The indicator is currently at 85% (highest level since 2016Q3), up from 75% last quarter. This clouds the outlook for building activity for Grades 7 & 8.

Provincial comparison

At the provincial level, confidence edged down only in the Western Cape. Nonetheless, confidence remained above 50 index points. For the rest of the provinces, sentiment improved, but persisted at low levels. (see Figure 6 below).

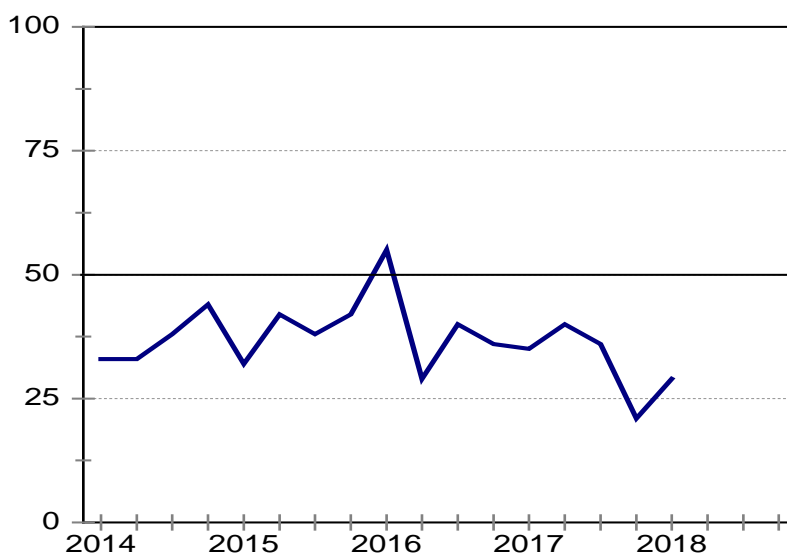
Figure 6: Business confidence per province



Eastern Cape³

Confidence for Eastern Cape building contractors increased by 8 index points to 29 in 2018Q1. This uptick was supported by an improvement in business conditions.

Figure 7: Eastern Cape
Business confidence



Improved sentiment among Eastern Cape building contractors was in line with movements in the underlying indicators. Building activity momentum continued to improve during the quarter, helping profitability. Indeed, a net majority of 47% of respondents reported a decline in profitability in 2018Q1, down from a net 63% previously.

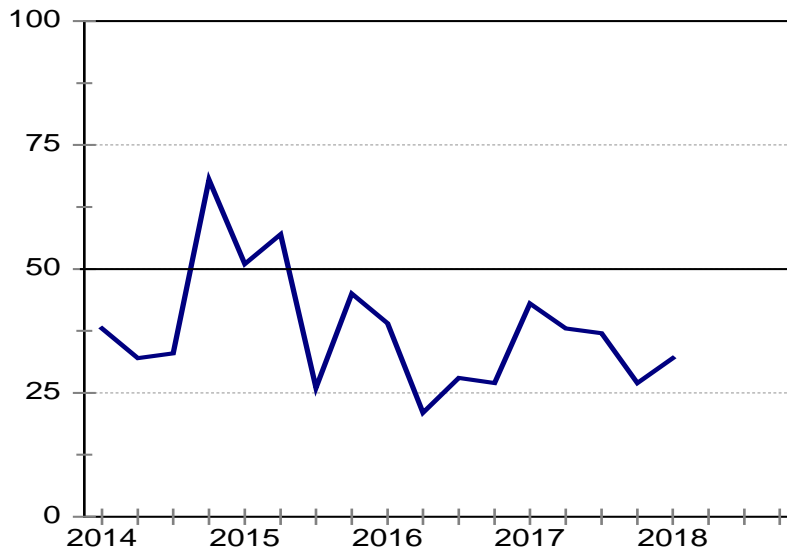
The tendering environment was slightly more benign during the quarter, while insufficient demand for new building work was less of a constraint.

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

Gauteng

Gauteng building contractor confidence increased to 32 index points during 2018Q1, from 27 previously.

Figure 8: Gauteng
Business confidence

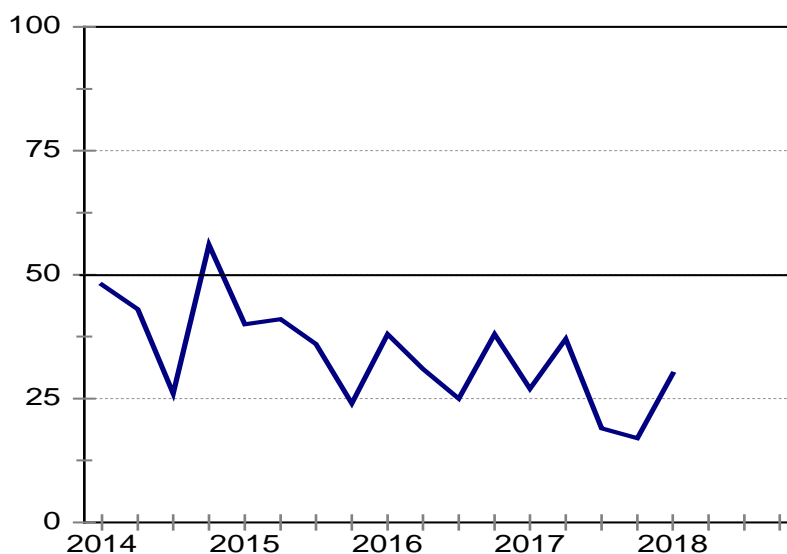


The improvement in confidence among Gauteng building contractors came on the back of broad-based improvements in the underlying indicators. The net majority of respondents citing a slowdown in building activity fell to a considerably low 27% in 2018Q1, after deteriorating to its worst historical level of 81% last quarter. This outcome helped lift profitability, after it also fell to its worst level on record previously. Respondents expect even less pressure on profitability in the coming quarter.

KwaZulu-Natal

The KwaZulu-Natal building contractor confidence index gained 13 index points in 2018Q1 to 30. During the previous quarter, confidence came in at 17 points, which marked its worst level since 2010Q1.

Figure 9: KwaZulu-Natal
Business confidence



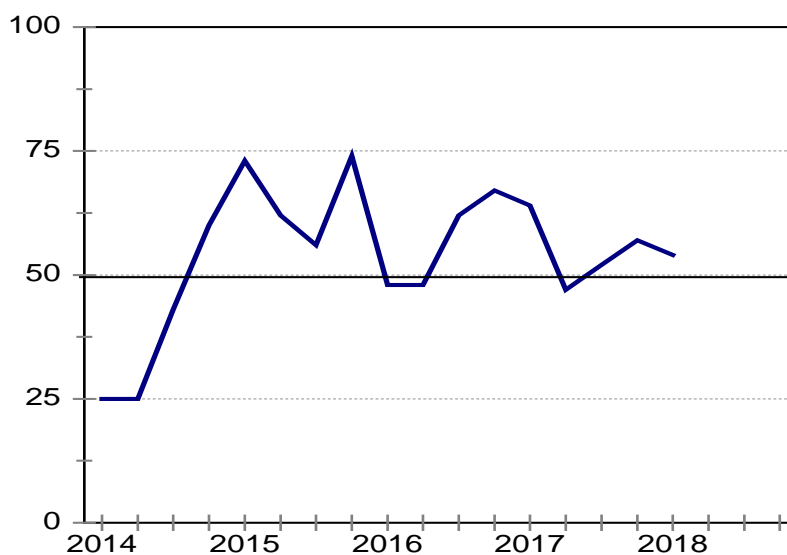
On balance, the magnitude of the improvement in confidence was not reflected in the movements of the underlying indicators. Indeed, marginally better activity momentum was not enough to support profitability, which came under even more pressure. A higher net majority of 78% of respondents attested to weaker profits in 2018Q1, from a net 75% previously.

The indicator rating insufficient demand for building work as a constraint tightened to its highest level since 2016Q3. An overwhelming 81% of respondents pointed to insufficient demand as a hindrance to their activities, from 74% in 2017Q4. This suggests rough seas ahead for building activity in the province.

Western Cape

During 2018Q1, Western Cape building contractor confidence edged down to 54 index points, from 57 points in 2017Q4.

Figure 10: Western Cape
Business confidence



Building activity growth momentum improved during the quarter. Nevertheless, the tendering environment was more hostile in 2018Q1, which saw pressure on profitability intensify. An elevated net majority of 72% of respondents attested to more competition within the tendering space, down from a net 52% previously.

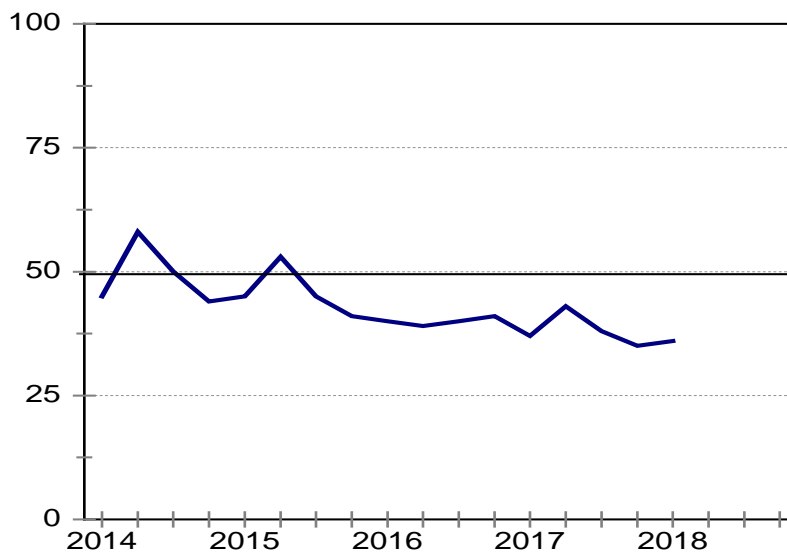
Further improvements in building activity are likely in the near term within the province, however. This is partly reflected in the indicator rating insufficient demand for building work as a constraint, which fell to 63% during the survey quarter, from 73% previously.

Construction Industry

Total

Civil contractor confidence was largely unchanged at 36 index points in 2018Q1, up by 1 point. Among the grades, confidence was higher for Grades 3 & 4 and Grades 7 & 8. At the provincial level, the Western Cape confidence plummeted steeply. In all, confidence levels across all the four provinces came in below 40 index points during the survey quarter.

Figure 11: Total
Business confidence

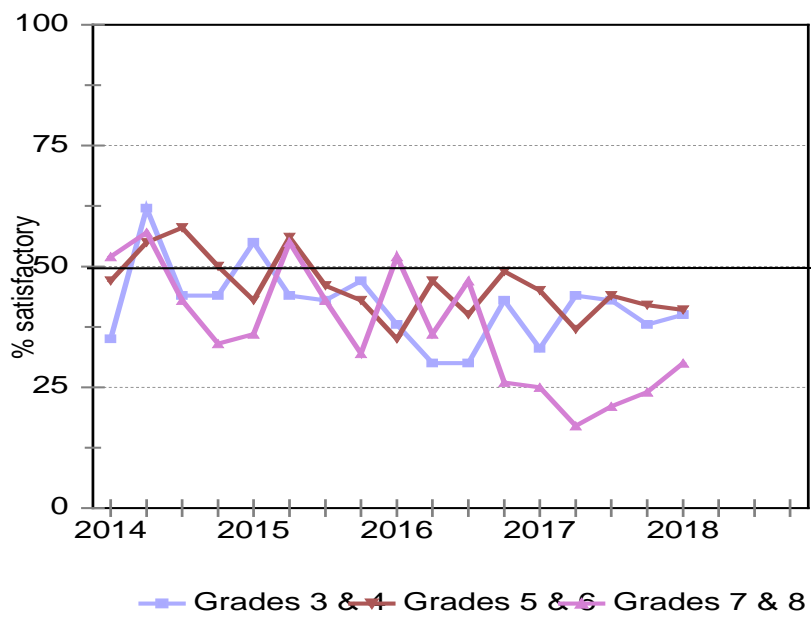


During the quarter, there was some improvement in the underlying indicators. Most notably, construction activity, which lent some support to profitability. It is encouraging that both the activity and profitability indicators managed to move off their worst levels since 2011Q1 and 2010Q3, respectively. However, they remain below their long-term averages, which explains why confidence stayed at a depressed level. The outlook for construction activity improved somewhat as the indicator rating insufficient demand for construction work eased.

Grades comparison

Civil contractor confidence picked up for Grades 3 & 4 and Grades 7 & 8, while it barely changed for Grades 5 & 6.

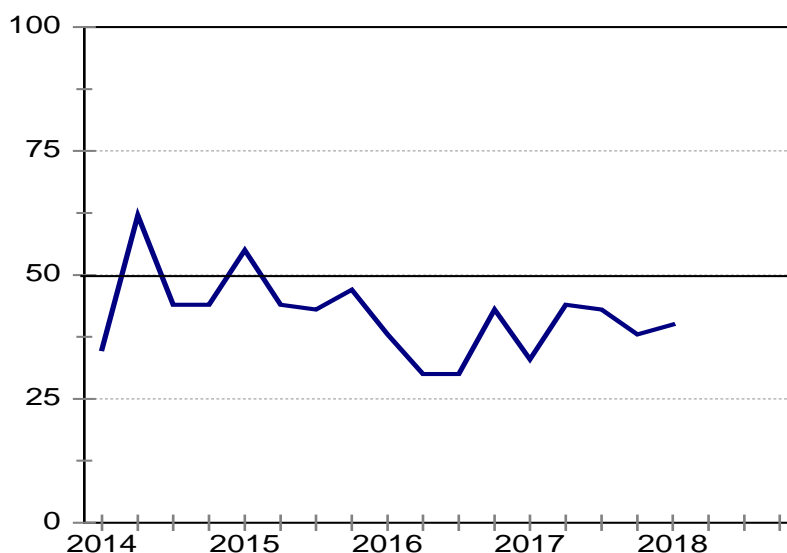
Figure 12: Business confidence per grade



Grades 3 & 4

Business confidence for Grades 3 & 4 civil contractors ticked up by 2 index points to 40 in 2018Q1.

Figure 13: Grades 3 & 4
Business confidence



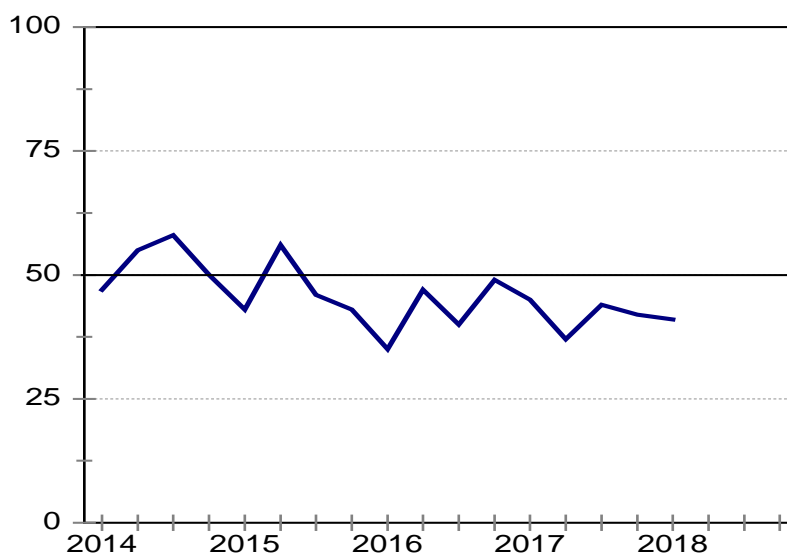
The uptick in confidence was not supported by underlying indicators. The deterioration in the construction activity and profitability indicators was notable. The highest net majority of respondents on record for Grades 3 & 4 (79%) reported lower profit, from a net 65% in the previous quarter.

On a more positive note, however, tendering competition was significantly more benign, near its record lows. Constraints to business operations also eased, which helped offset the weaker activity and profitability, likely nudging sentiment higher.

Grades 5 & 6

Business confidence for Grades 5 & 6 civil contractors was barely changed at 41 index points during the survey quarter (42 points previously).

Figure 14: Grades 5 & 6
Business confidence



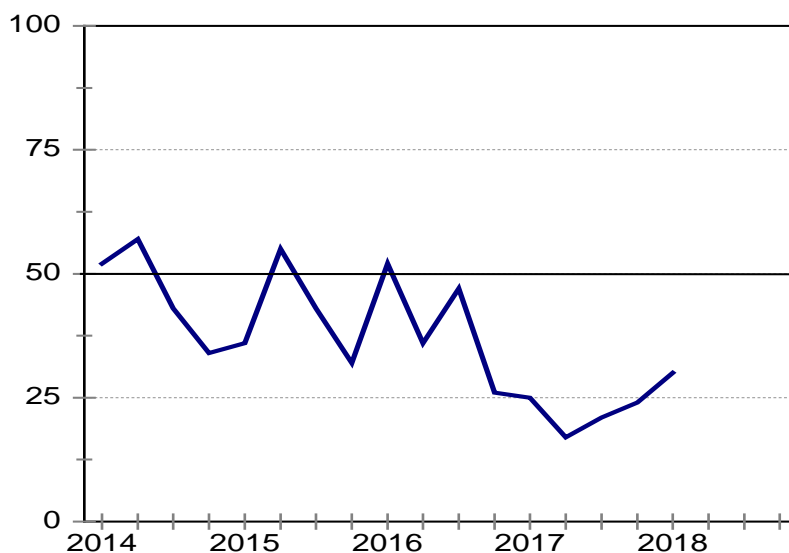
Although the activity indicator was slightly better during the quarter, profitability remained under pressure. The net majority of respondents reporting poorer profitability increased to 54% in 2018Q1, from a net 50% previously.

Encouragingly, all constraints to business operations eased below their long-term averages. The indicator rating insufficient demand for new construction work as a constraint fell to 65%, after rising to its long-term average of 73% last quarter. This could mean support for construction activity momentum for Grades 5 & 6 in the near term.

Grades 7 & 8

Sentiment among Grades 7 & 8 picked up to 30 index points in 2018Q1, from 24 in 2017Q4.

Figure 15: Grades 7 & 8
Business confidence



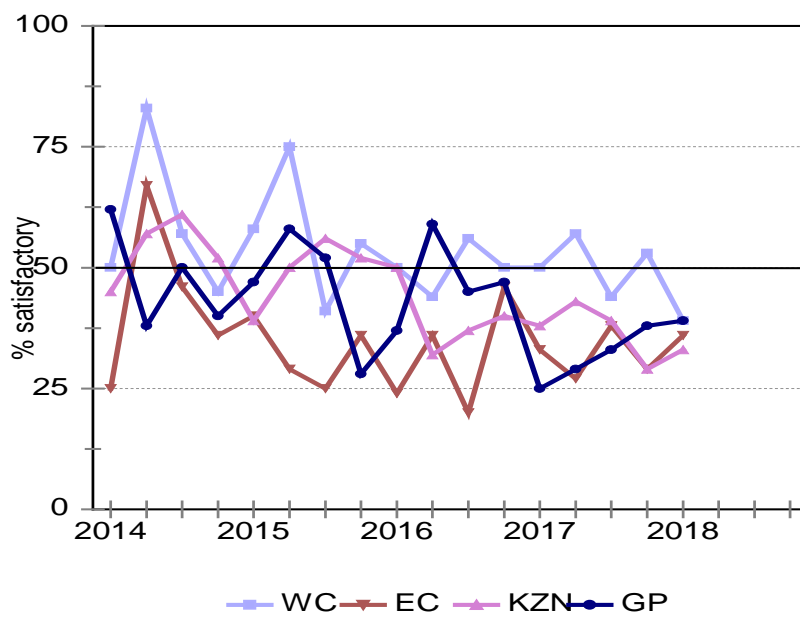
The movement in confidence was in line with better underlying indicators during the survey quarter. The improvement in the activity indicator was mostly in line with expectations. The impact on profitability was indeed positive, as a significantly lower net majority of 50% felt a squeeze in profit margins, down from 70% in 2017Q4.

The tendering environment was more hostile, while the lack of demand for new construction work was more of a constraint. Indeed, 74% of respondents cited insufficient new demand as a hindrance to business operations, up from 68% in the previous quarter.

Provincial comparison

The outcome for the big four provinces was disappointing in 2018Q1, with confidence levels across all provinces registering below 40 index points. This follows an improvement in 2017Q4, after a disappointing Q3. Discouragingly, Western Cape civil contractor confidence, which rebounded meaningfully above 50 points last quarter, plummeted to its lowest level since mid-2013.

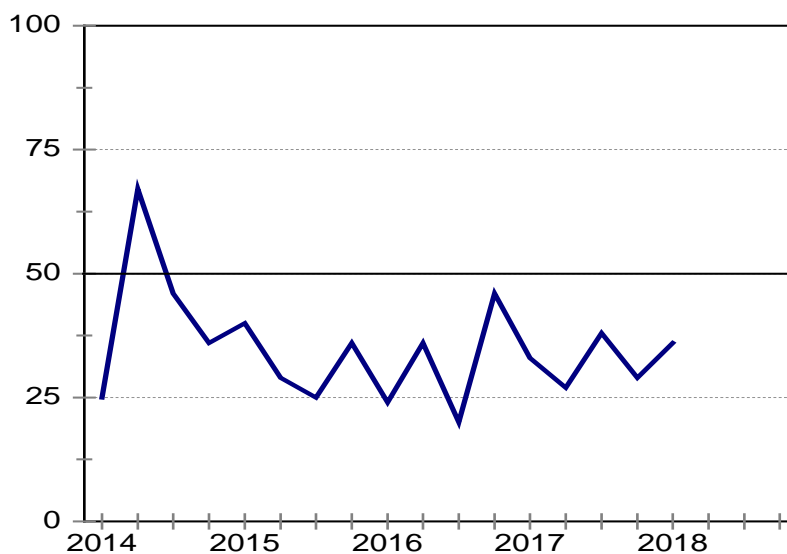
Figure 16: Business confidence per province



Eastern Cape

In the Eastern Cape, civil contractor confidence picked up to 33 index points during 2018Q1 from 29 last quarter.

Figure 17: Eastern Cape
Business confidence



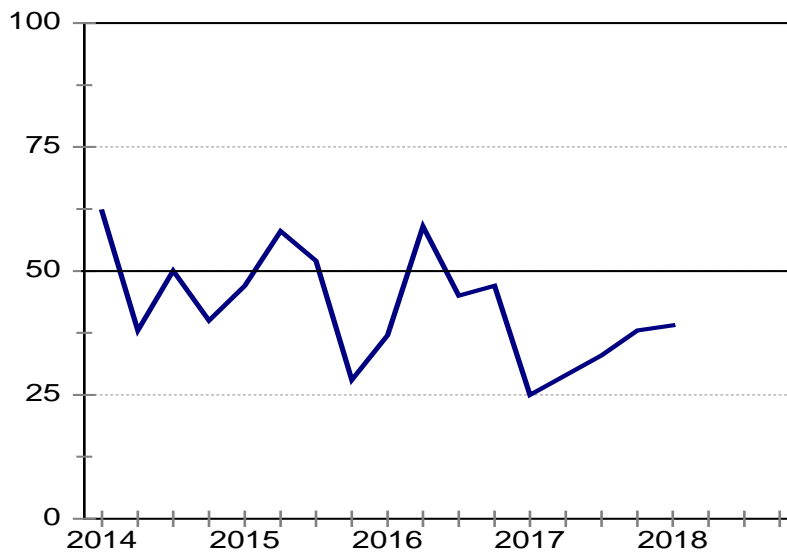
Confidence was mostly supported by some alleviation in pressure on profitability. A smaller net majority of 43% of respondents earned lower profits during the quarter, down from a net 64% previously. This made it possible for them to retain more labour than was the case during the last quarter of 2017.

Discouragingly, tendering competition was more intense in 2018Q1, which signals scarcity of work. On a more positive note, however, the indicator rating insufficient demand for construction work as a constraint fell further below its long term average. This points to some possible uptick in growth momentum for new construction activity in the near term.

Gauteng

Sentiment in Gauteng was stable during the first quarter of 2018, with the confidence indicator ticking up by 1 index point to 39.

Figure 18: Gauteng
Business confidence

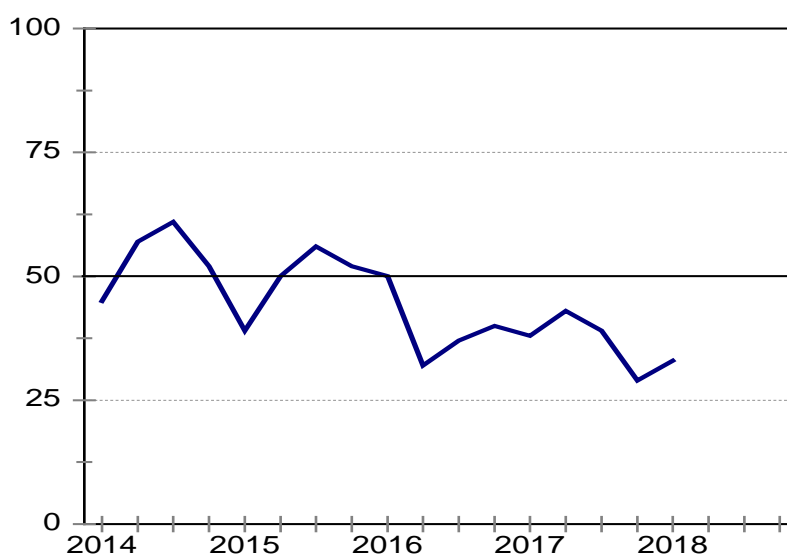


The sideways movement of confidence among Gauteng civil contractors was a culmination of two opposing forces. On the positive side, activity momentum improved, as reflected by a smaller net majority (45%) of respondents reporting weaker growth in construction activity compared to the previous quarter (60%). On the other hand, profitability remained under pressure, with the indicator being unchanged at its all-time low of a negative net 71%. Furthermore, key constraints to business operations remained elevated.

KwaZulu-Natal

In KwaZulu-Natal, civil contractor confidence edged up to 33 index points in 2018Q1, from 29 points previously. The current uptick follows a steep fall in the previous quarter, which saw the index reach its worst level of confidence since the start of the series.

Figure 19: KwaZulu-Natal
Business confidence

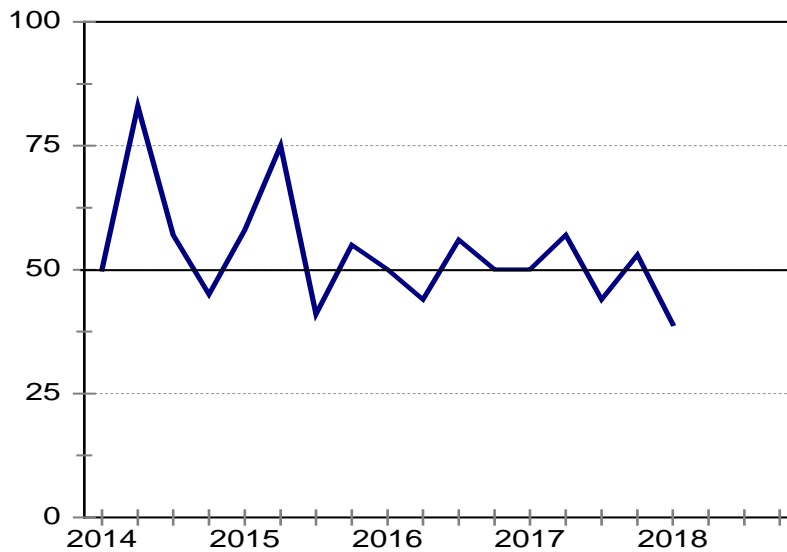


The slight uptick in confidence during the first quarter was in line with construction activity and profitability indicators for the province, which came off their near-historic lows. While the indicator rating insufficient demand for new construction work as a constraint eased somewhat compared to last quarter, it remains elevated. This is likely to prevent any meaningful recovery in construction activity within the province in the near term.

Western Cape

After an encouraging rebound in 2017Q4, Western Cape civil contractor confidence started 2018 on a rather disappointing note. Sentiment dropped to 39 index points during the survey quarter – its worst level since 2013Q2 - from 53 points previously.

Figure 20: Western Cape
Business confidence



Business confidence among Western Cape civil contractors came under pressure against the backdrop of weaker activity, as well as the persistent squeeze in profit margins. During the survey quarter, the profitability indicator deteriorated further and was once again at its worst level since 2012Q2. A net majority of 61% of respondents reported poorer profit, up from a net 56% during 2017Q4.

Discouragingly, constraints to business operations eased only marginally. Work scarcity remained a challenge for this group of civil contractors in 2018Q1 and the tendering environment remained hostile. In addition, the indicator rating insufficient demand for construction work as a constraint came in near to its long-term average, further tainting the outlook for construction work.

Matlhodi Matsei

Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	42	40	36	36	
Change in business conditions ¹	-32	-45	-43	-25	-12
Growth in building activity ¹	-51	-55	-55	-42	-25
Growth in number of people employed ¹	-41	-50	-47	-32	-30
Growth in profitability of the business ¹	-56	-68	-62	-58	-34
Tendering competition ¹	36	51	47	47	
Percentage rating shortage of skilled labour a constraint ²	46	44	48	47	
Percentage rating inadequate supply of building materials a constraint ²	25	22	23	23	
Percentage rating insufficient demand for building work a constraint ²	70	70	73	73	
Percentage rating firm's inadequate access to credit a constraint ²	39	30	30	32	

* Expected.

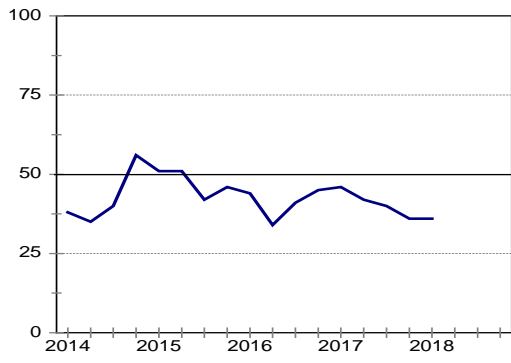
¹ Net balance.

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.

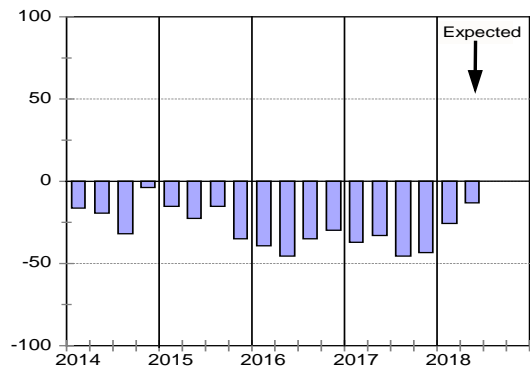
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

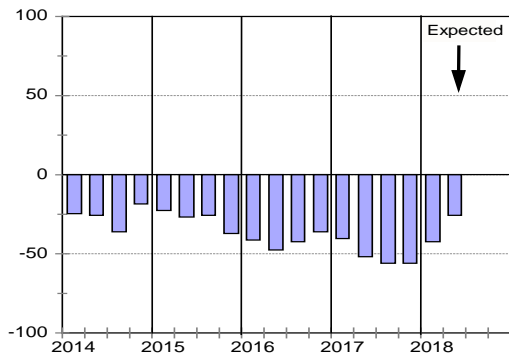
Business confidence



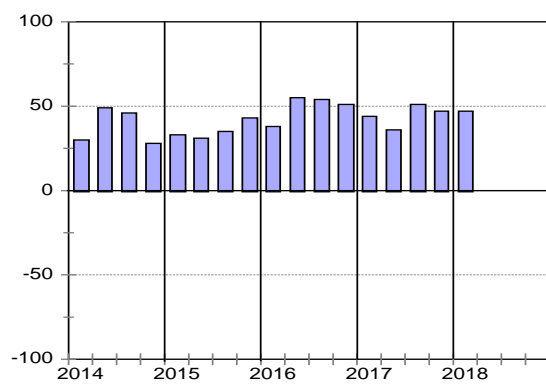
Change in business conditions



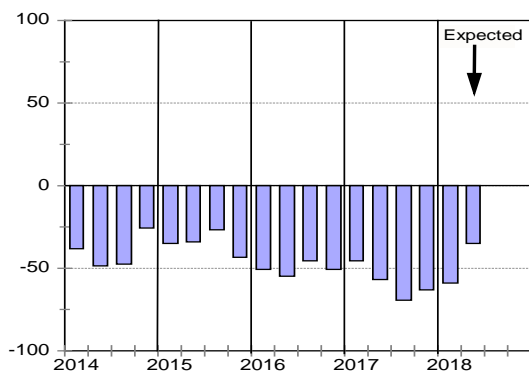
Growth in building activity



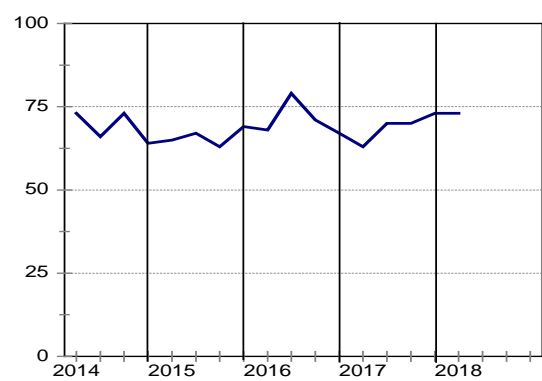
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	41	47	47	38	
Change in business conditions ¹	-38	-48	-32	-36	-18
Growth in building activity ¹	-60	-56	-48	-64	-36
Growth in number of people employed ¹	-43	-58	-44	-52	-42
Growth in profitability of the business ¹	-54	-79	-66	-66	-50
Tendering competition ¹	9	31	20	32	
Percentage rating shortage of skilled labour a constraint ²	45	33	43	42	
Percentage rating inadequate supply of building materials a constraint ²	29	21	26	24	
Percentage rating insufficient demand for building work a constraint ²	71	67	71	68	
Percentage rating firm's inadequate access to credit a constraint ²	52	46	39	40	

* Expected.

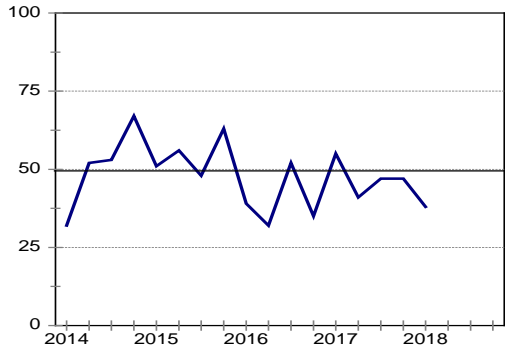
¹ Net balance.

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

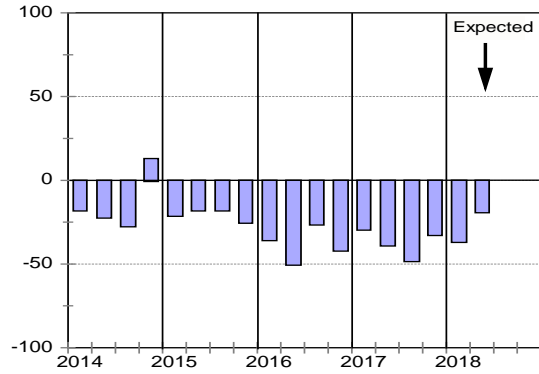
³ Percentage gross rating prevailing business conditions as satisfactory.

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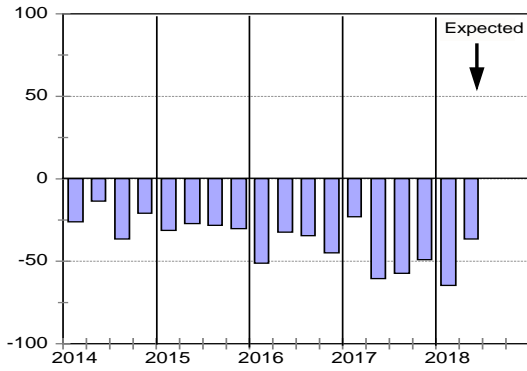
Business confidence



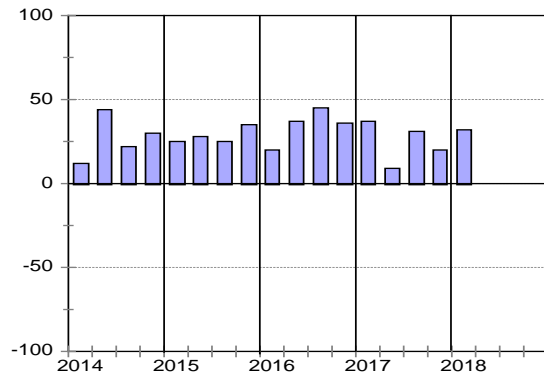
Change in business conditions



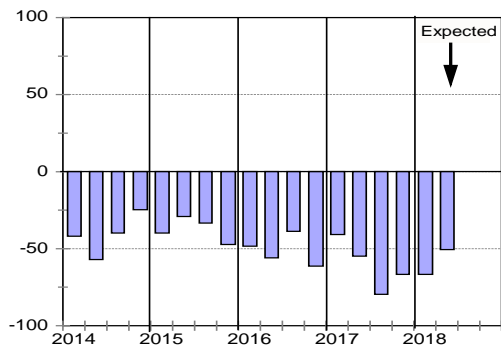
Growth in building activity



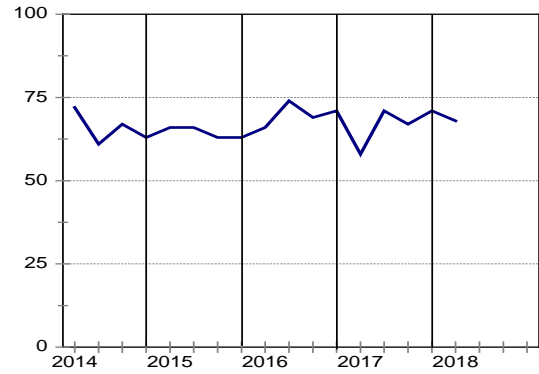
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	43	35	35	38	
Change in business conditions ¹	-28	-49	-39	-24	-11
Growth in building activity ¹	-39	-56	-48	-44	-21
Growth in number of people employed ¹	-31	-39	-46	-27	-16
Growth in profitability of the business ¹	-51	-66	-57	-54	-24
Tendering competition ¹	51	48	50	48	
Percentage rating shortage of skilled labour a constraint ²	45	48	53	43	
Percentage rating inadequate supply of building materials a constraint ²	24	28	20	23	
Percentage rating insufficient demand for building work a constraint ²	67	72	73	69	
Percentage rating firm's inadequate access to credit a constraint ²	33	23	23	29	

* Expected.

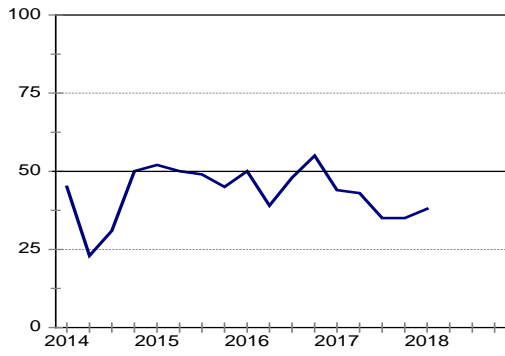
¹ Net balance.

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

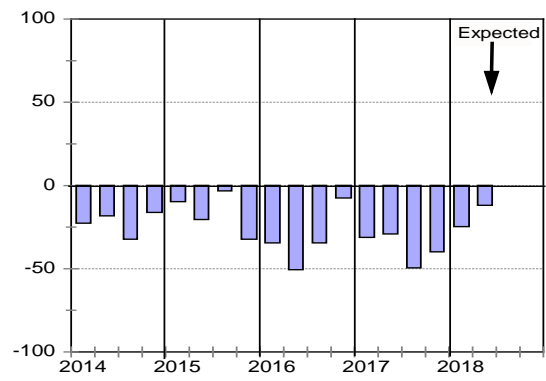
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

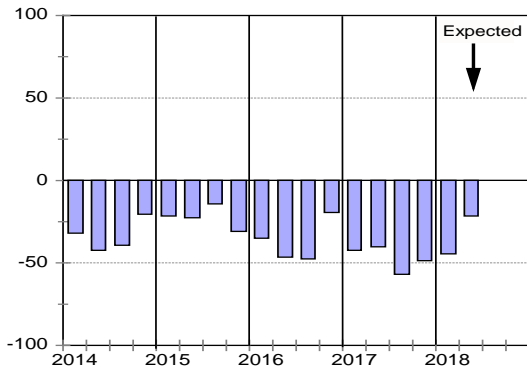
Business confidence



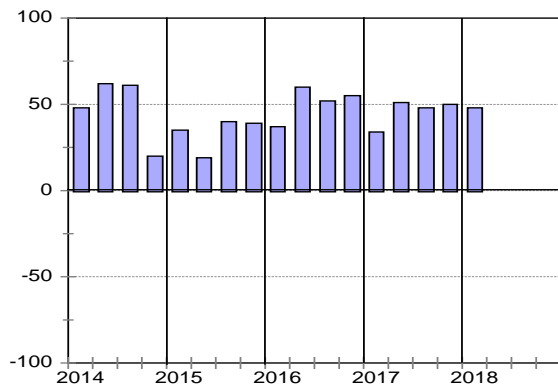
Change in business conditions



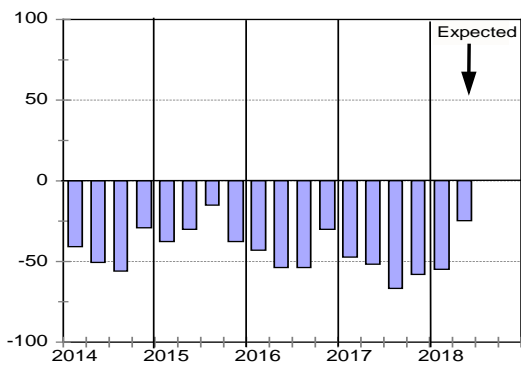
Growth in building activity



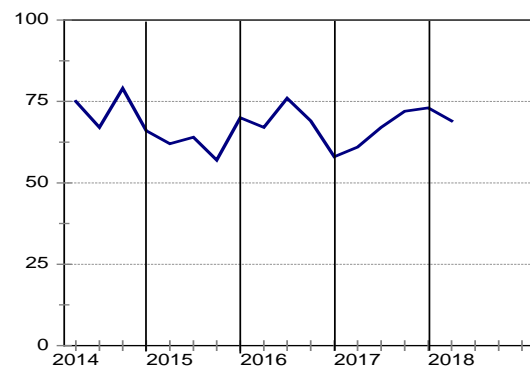
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	39	38	23	31	
Change in business conditions ¹	-37	-35	-60	-19	-8
Growth in building activity ¹	-58	-53	-70	-19	-20
Growth in number of people employed ¹	-47	-55	-53	-24	-42
Growth in profitability of the business ¹	-65	-61	-63	-56	-38
Tendering competition ¹	67	78	77	58	
Percentage rating shortage of skilled labour a constraint ²	56	50	48	59	
Percentage rating inadequate supply of building materials a constraint ²	17	14	21	23	
Percentage rating insufficient demand for building work a constraint ²	77	71	75	85	
Percentage rating firm's inadequate access to credit a constraint ²	23	23	26	28	

* Expected.

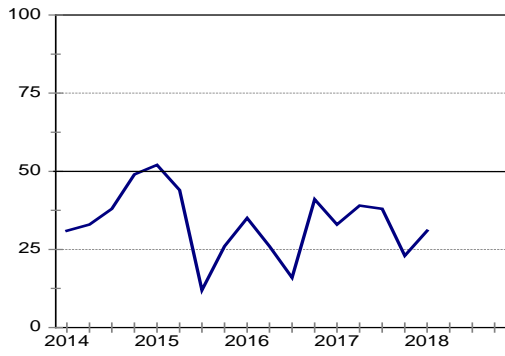
¹ Net balance.

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

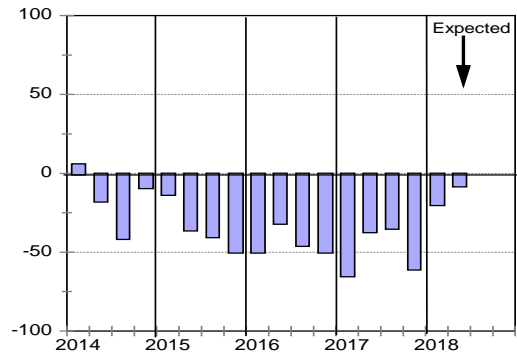
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

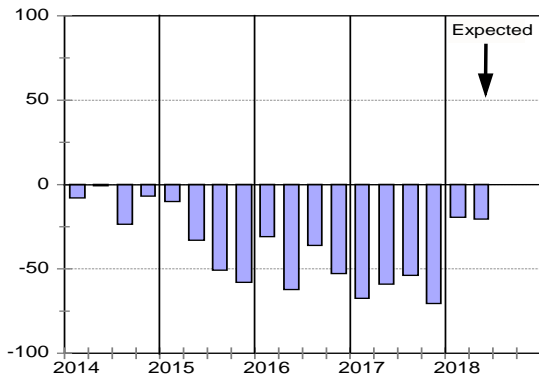
Business confidence



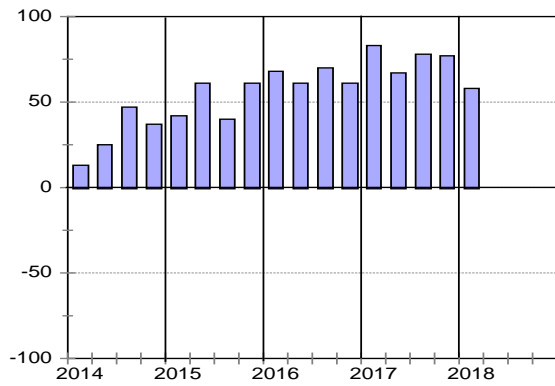
Change in business conditions



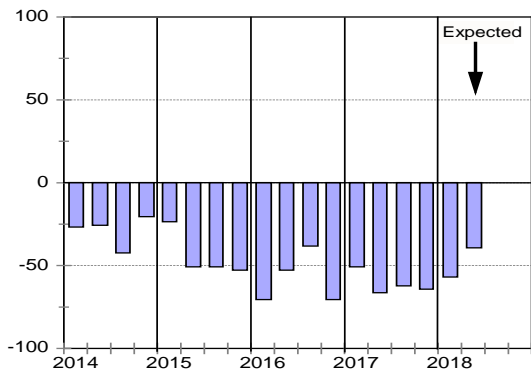
Growth in building activity



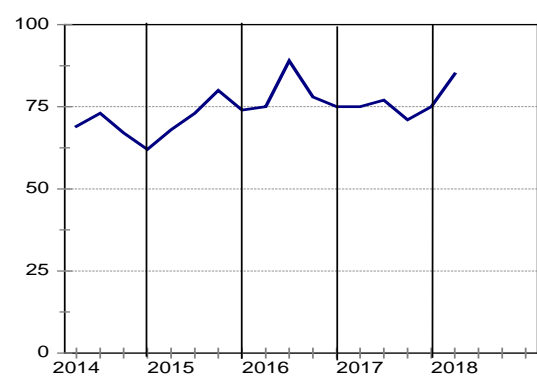
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1</i>	<i>18Q2*</i>
Business confidence ³	40	36	21	29	
Change in business conditions ¹	-11	-18	-56	-20	-59
Growth in building activity ¹	-37	-46	-44	-40	-67
Growth in number of people employed ¹	-50	-55	-37	-20	-67
Growth in profitability of the business ¹	-50	-82	-63	-47	-64
Tendering competition ¹	32	33	42	33	
Percentage rating shortage of skilled labour a constraint ²	44	37	50	50	
Percentage rating inadequate supply of building materials a constraint ²	23	16	22	33	
Percentage rating insufficient demand for building work a constraint ²	66	92	71	67	
Percentage rating firm's inadequate access to credit a constraint ²	28	25	26	20	

* Expected.

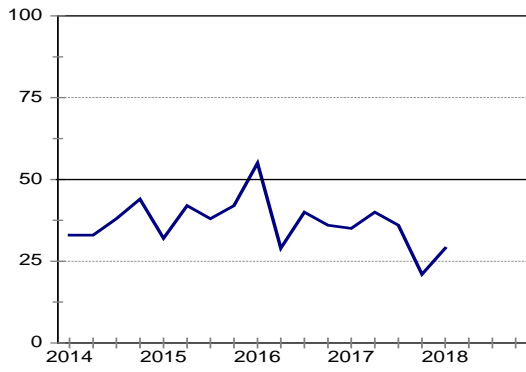
¹ Net balance.

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.

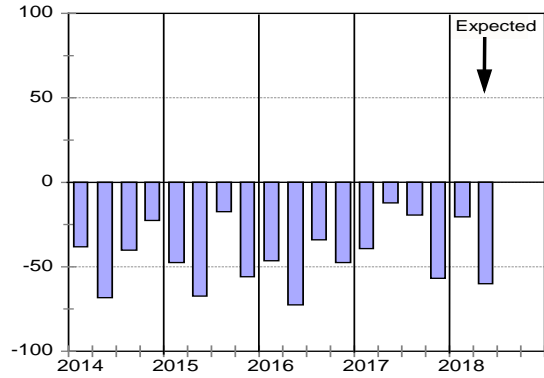
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

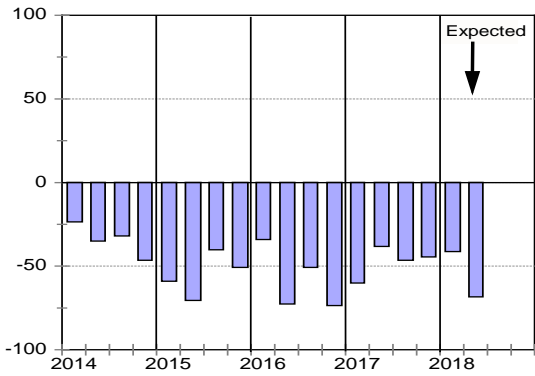
Business confidence



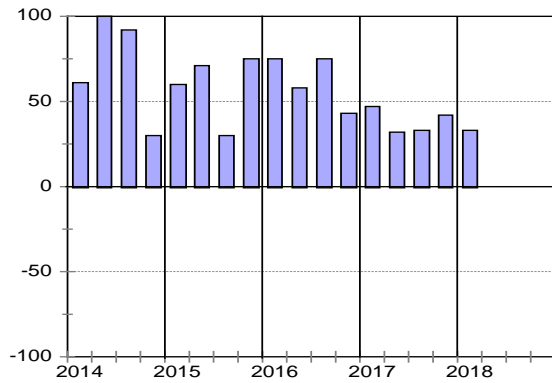
Change in business conditions



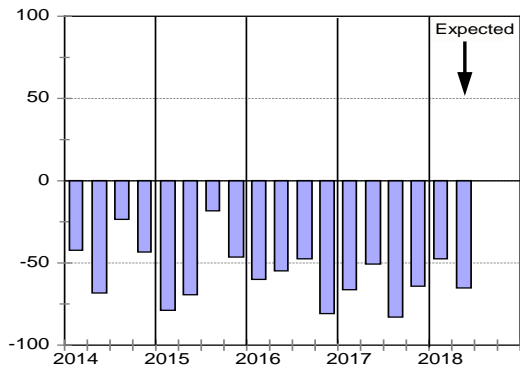
Growth in building activity



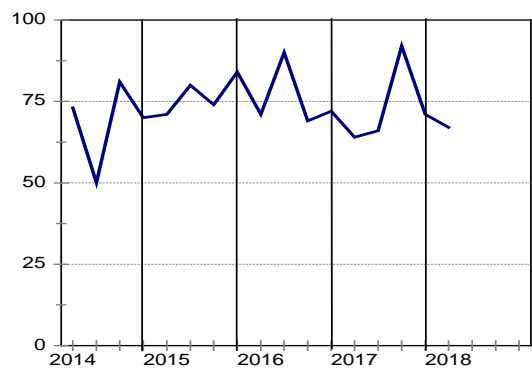
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1</i>	<i>18Q2*</i>
Business confidence ³	38	37	27	32	
Change in business conditions ¹	-27	-52	-75	-26	-29
Growth in building activity ¹	-64	-60	-81	-37	-47
Growth in number of people employed ¹	-43	-48	-56	-55	-44
Growth in profitability of the business ¹	-49	-71	-81	-72	-69
Tendering competition ¹	47	47	54	26	
Percentage rating shortage of skilled labour a constraint ²	42	45	47	48	
Percentage rating inadequate supply of building materials a constraint ²	19	12	34	18	
Percentage rating insufficient demand for building work a constraint ²	82	65	77	74	
Percentage rating firm's inadequate access to credit a constraint ²	41	28	27	26	

* Expected.

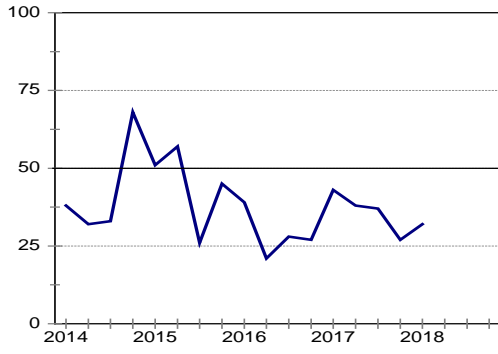
¹ Net balance.

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

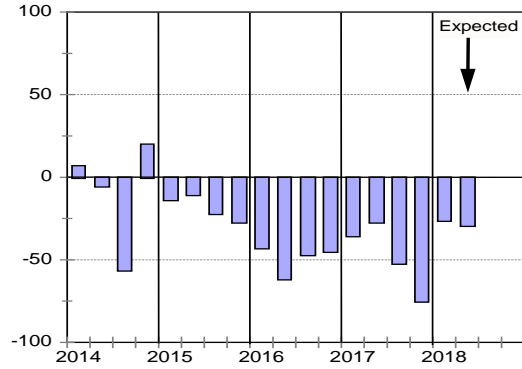
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

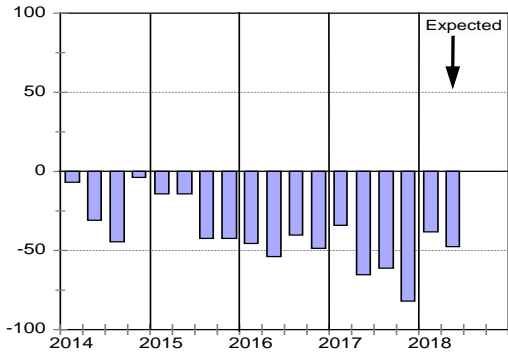
Business confidence



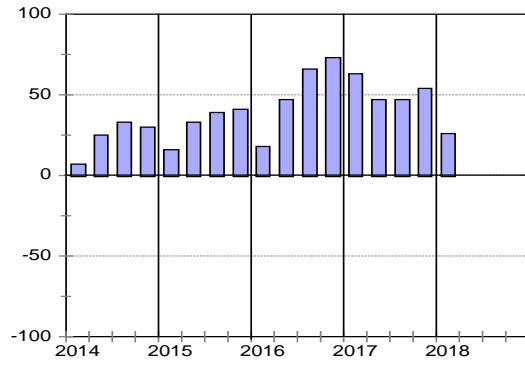
Change in business conditions



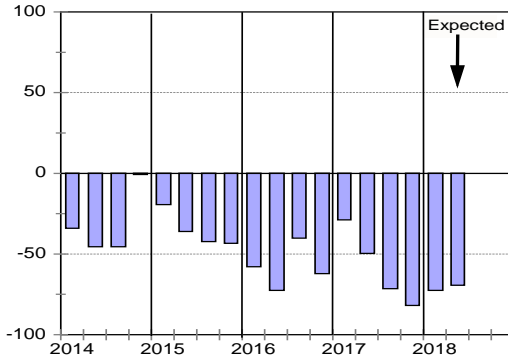
Growth in building activity



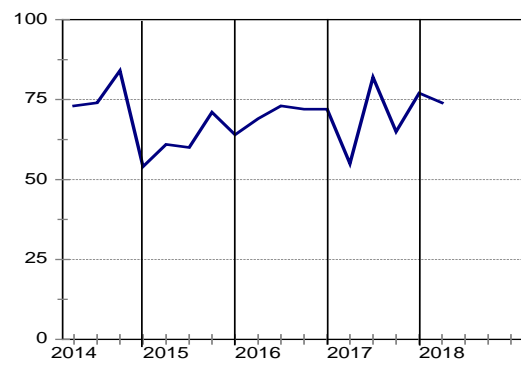
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	<i>17Q2</i>	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1</i>	<i>18Q2*</i>
Business confidence ³	37	19	17	30	
Change in business conditions ¹	-38	-59	-65	-38	-22
Growth in building activity ¹	-40	-77	-59	-52	-31
Growth in number of people employed ¹	-39	-62	-63	-61	-47
Growth in profitability of the business ¹	-67	-86	-75	-78	-47
Tendering competition ¹	29	40	37	43	
Percentage rating shortage of skilled labour a constraint ²	53	52	56	48	
Percentage rating inadequate supply of building materials a constraint ²	26	30	19	19	
Percentage rating insufficient demand for building work a constraint ²	73	79	74	81	
Percentage rating firm's inadequate access to credit a constraint ²	37	35	29	38	

* Expected.

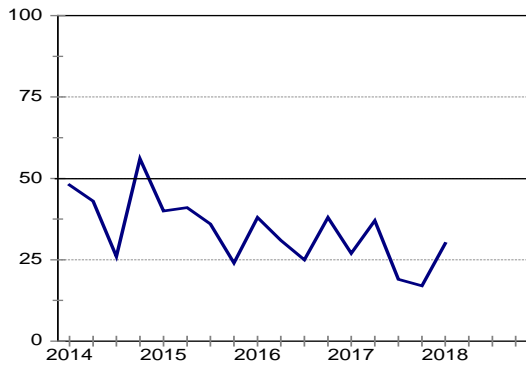
¹ Net balance.

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.

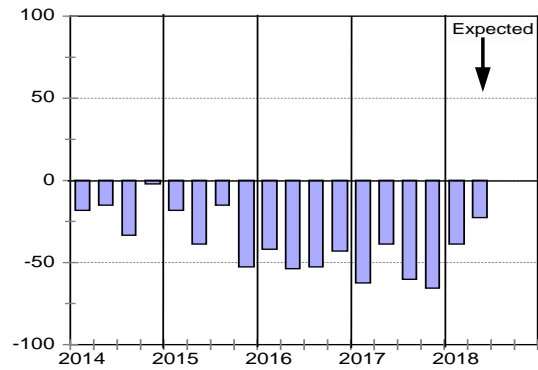
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

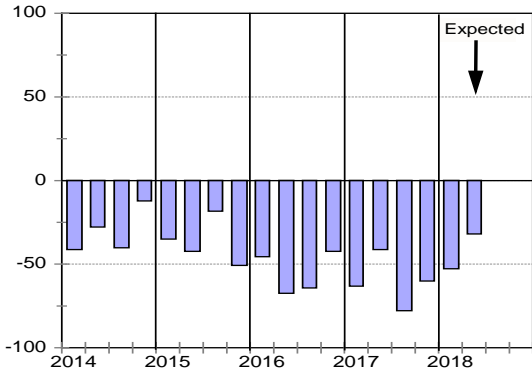
Business confidence



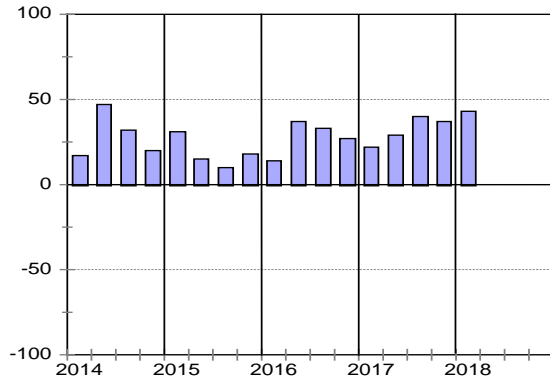
Change in business conditions



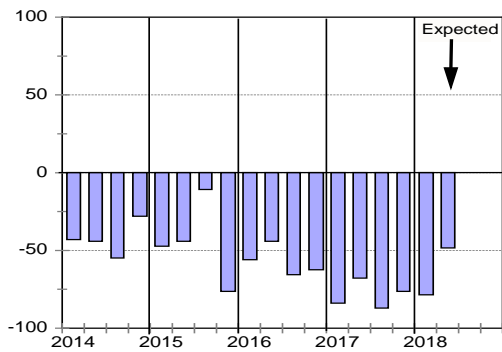
Growth in building activity



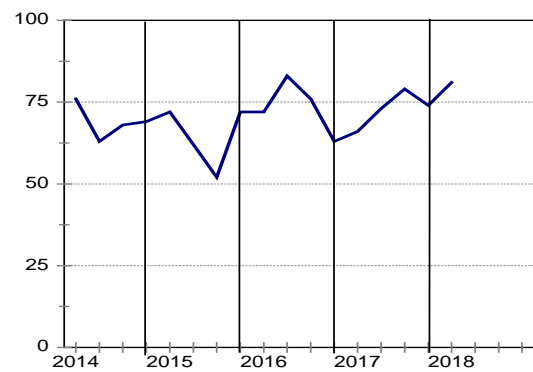
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	47	52	57	54	
Change in business conditions ¹	-41	-40	-3	-8	28
Growth in building activity ¹	-48	-40	-43	-27	4
Growth in number of people employed ¹	-28	-44	-32	-8	0
Growth in profitability of the business ¹	-63	-48	-36	-40	4
Tendering competition ¹	60	73	52	72	
Percentage rating shortage of skilled labour a constraint ²	39	40	50	44	
Percentage rating inadequate supply of building materials a constraint ²	20	19	17	21	
Percentage rating insufficient demand for building work a constraint ²	73	68	73	63	
Percentage rating firm's inadequate access to credit a constraint ²	33	25	40	36	

* Expected.

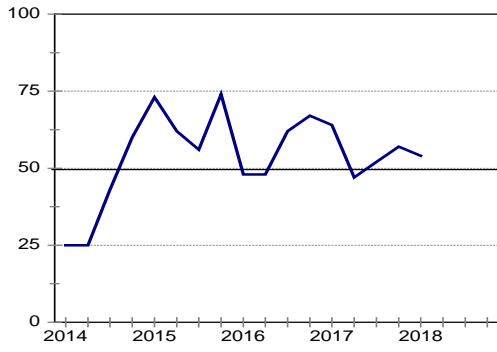
¹ Net balance.

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

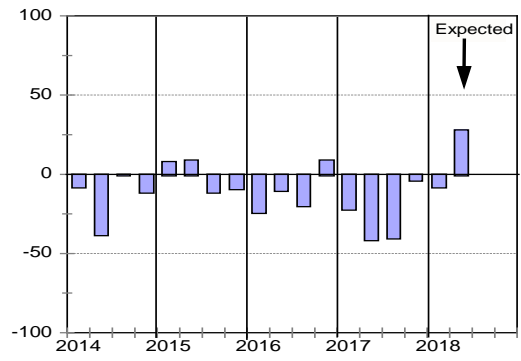
³ Percentage gross rating prevailing business conditions as satisfactory.

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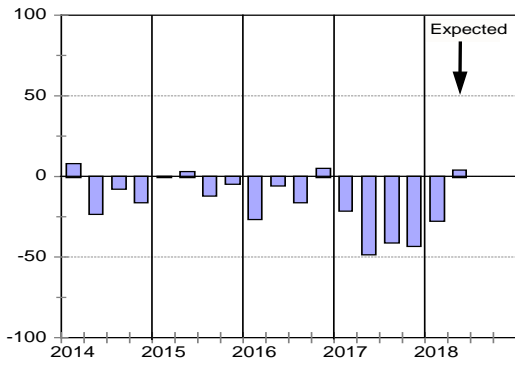
Business confidence



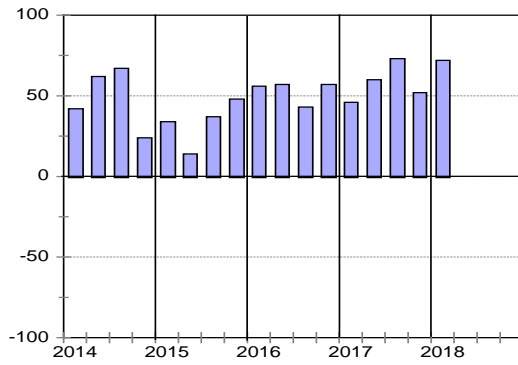
Change in business conditions



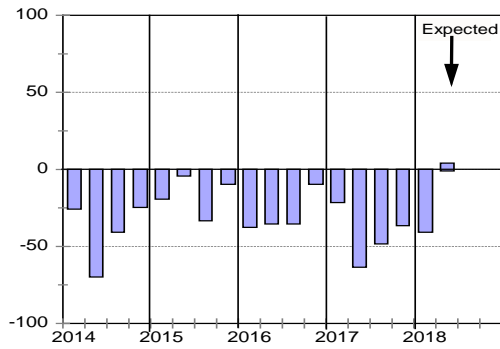
Growth in building activity



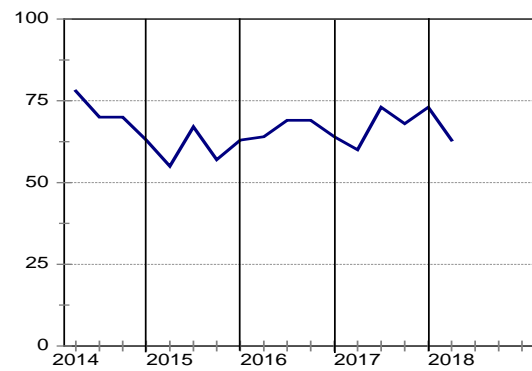
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total					
	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	43	38	35	36	
Change in business conditions ¹	-27	-41	-38	-44	-15
Growth in construction activity ¹	-39	-49	-55	-52	-20
Growth in number of people employed ¹	-34	-39	-45	-39	-18
Growth in profitability of the business ¹	-45	-59	-62	-59	-28
Tendering competition ¹	37	37	46	40	
Percentage rating shortage of skilled labour a constraint ²	48	38	43	33	
Percentage rating inadequate supply of construction materials a constraint ²	31	28	23	22	
Percentage rating insufficient demand for construction work a constraint ²	70	76	72	69	
Percentage rating firm's inadequate access to credit a constraint ²	40	39	39	32	

* Expected.

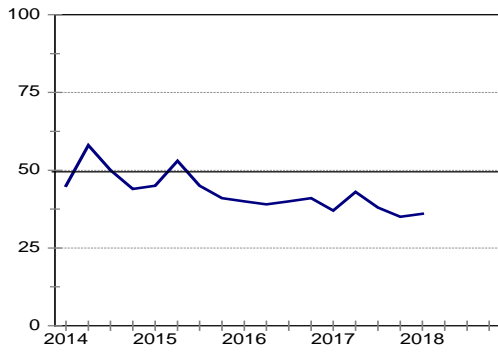
¹ Net balance.

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

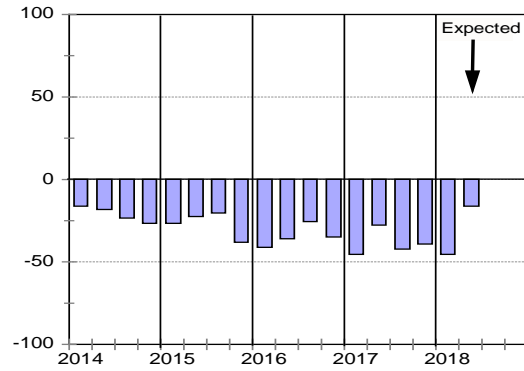
³ Percentage gross rating prevailing business conditions as satisfactory.

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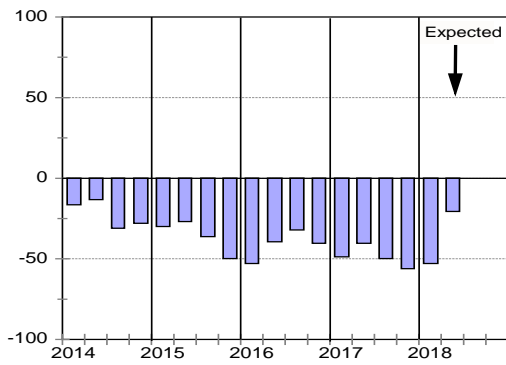
Business confidence



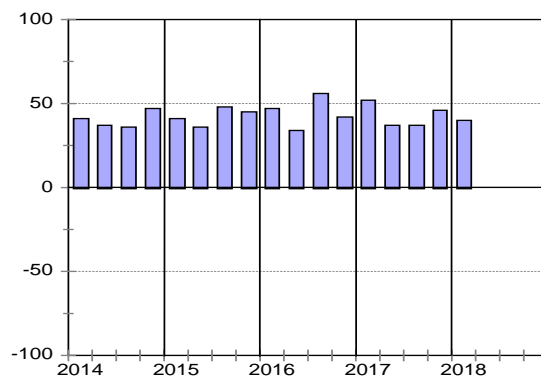
Change in business conditions



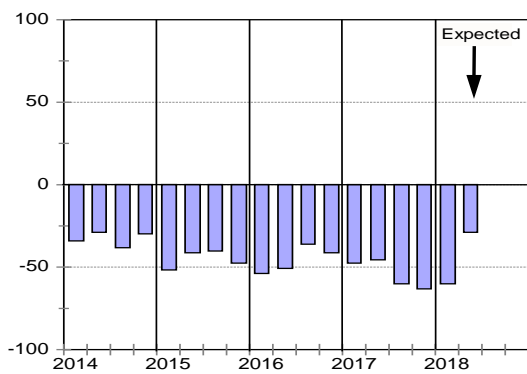
Growth in construction activity



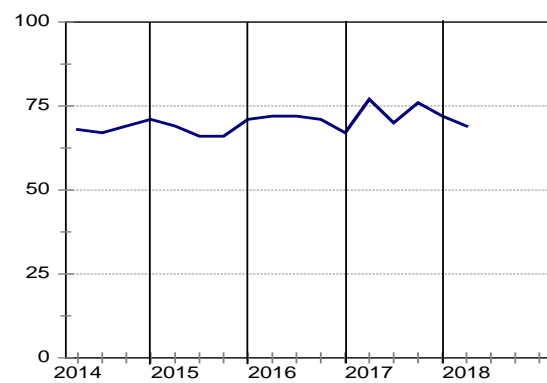
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	44	43	38	40	
Change in business conditions ¹	-35	-43	-24	-46	-6
Growth in construction activity ¹	-47	-52	-40	-60	-31
Growth in number of people employed ¹	-30	-35	-42	-50	-27
Growth in profitability of the business ¹	-47	-67	-65	-79	-55
Tendering competition ¹	0	6	23	-12	
Percentage rating shortage of skilled labour a constraint ²	50	37	45	38	
Percentage rating inadequate supply of construction materials a constraint ²	37	37	27	29	
Percentage rating insufficient demand for construction work a constraint ²	63	82	75	64	
Percentage rating firm's inadequate access to credit a constraint ²	45	47	57	32	

* Expected.

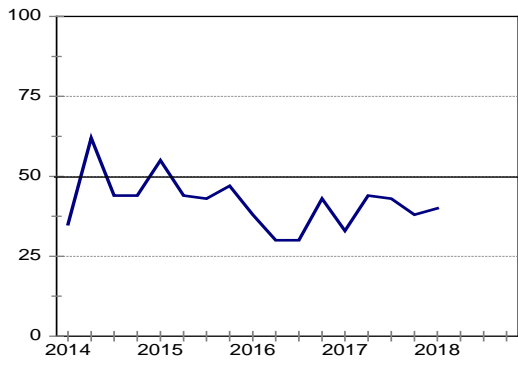
¹ Net balance.

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

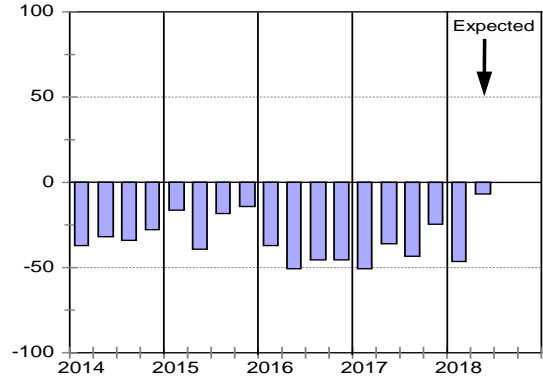
³ Percentage gross rating prevailing business conditions as satisfactory.

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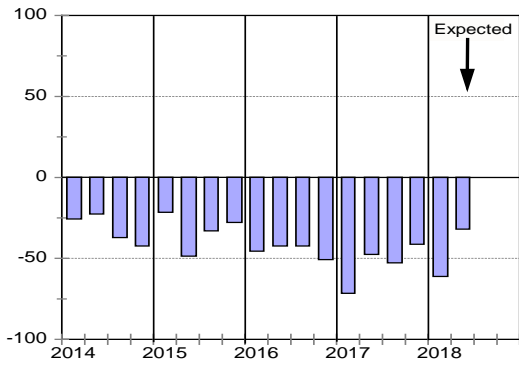
Business confidence



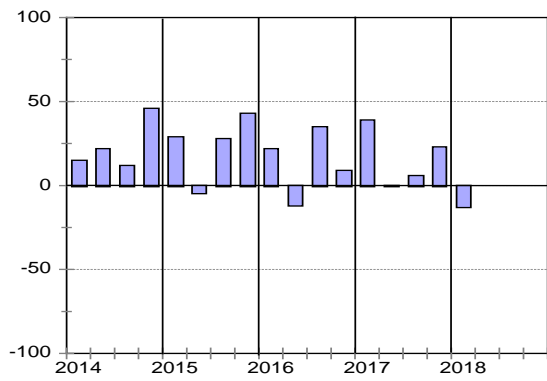
Change in business conditions



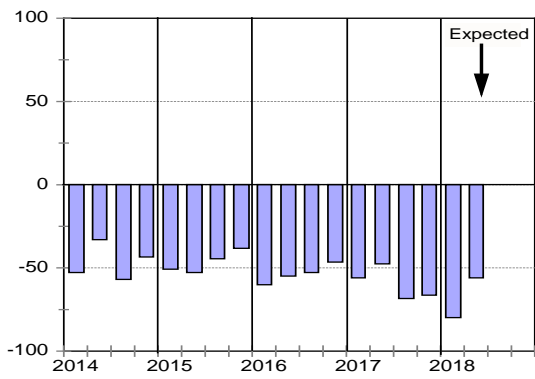
Growth in construction activity



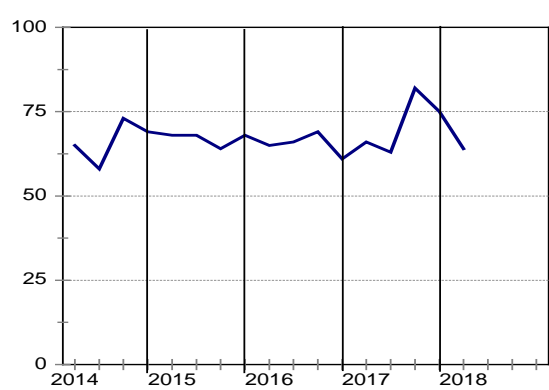
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	37	44	42	41	
Change in business conditions ¹	-42	-24	-41	-46	-20
Growth in construction activity ¹	-54	-36	-55	-48	-18
Growth in number of people employed ¹	-39	-36	-35	-33	-17
Growth in profitability of the business ¹	-44	-43	-50	-54	-23
Tendering competition ¹	39	40	40	45	
Percentage rating shortage of skilled labour a constraint ²	42	42	45	30	
Percentage rating inadequate supply of construction materials a constraint ²	23	27	23	16	
Percentage rating insufficient demand for construction work a constraint ²	72	64	73	65	
Percentage rating firm's inadequate access to credit a constraint ²	29	40	32	40	

* Expected.

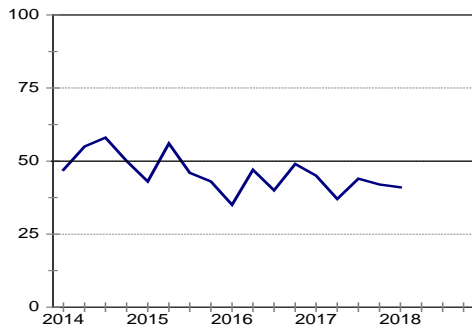
¹ Net balance.

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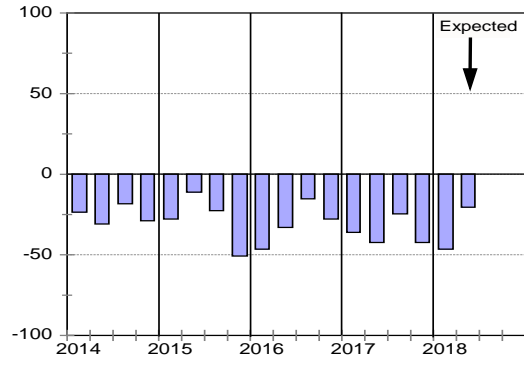
³ Percentage gross rating prevailing business conditions as satisfactory.

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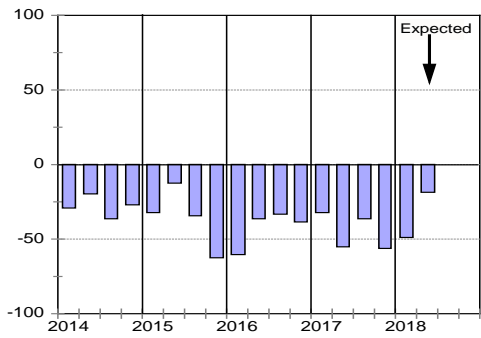
Business confidence



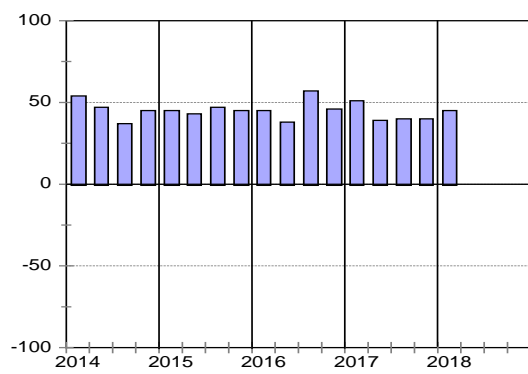
Change in business conditions



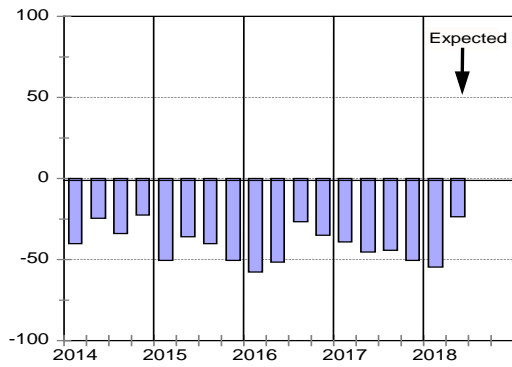
Growth in construction activity



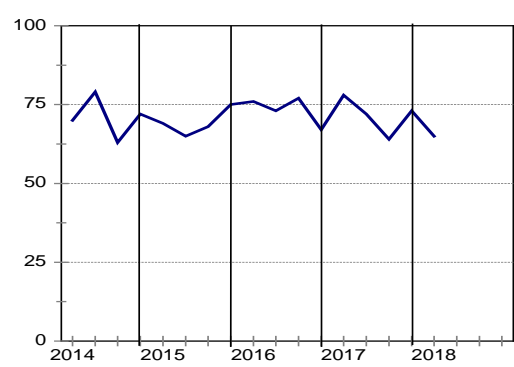
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	17	21	24	30	
Change in business conditions ¹	-50	-62	-49	-39	-14
Growth in construction activity ¹	-54	-67	-67	-49	-14
Growth in number of people employed ¹	-48	-50	-56	-36	-14
Growth in profitability of the business ¹	-52	-75	-70	-50	-17
Tendering competition ¹	83	79	70	74	
Percentage rating shortage of skilled labour a constraint ²	48	33	40	33	
Percentage rating inadequate supply of construction materials a constraint ²	25	15	20	26	
Percentage rating insufficient demand for construction work a constraint ²	80	86	68	74	
Percentage rating firm's inadequate access to credit a constraint ²	35	28	32	24	

* Expected.

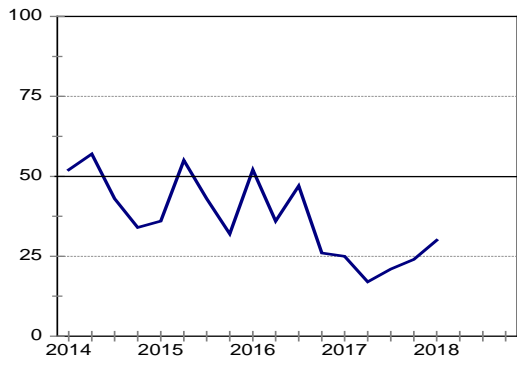
¹ Net balance.

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

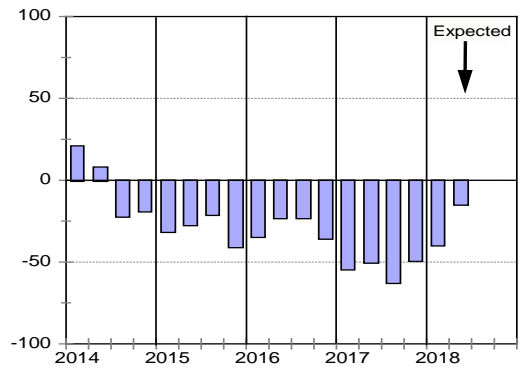
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

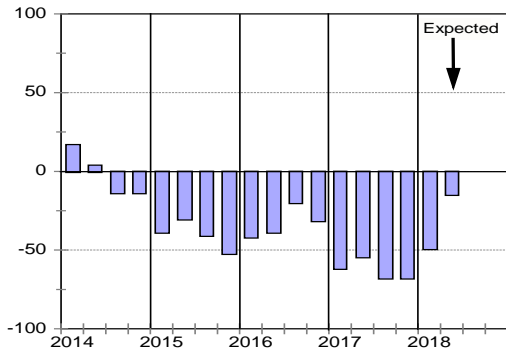
Business confidence



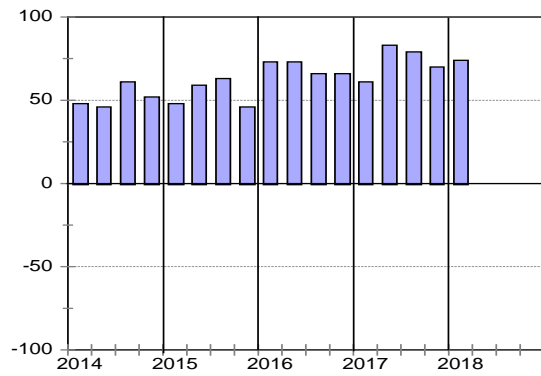
Change in business conditions



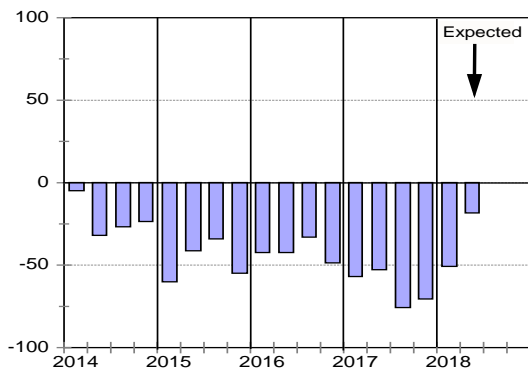
Growth in construction activity



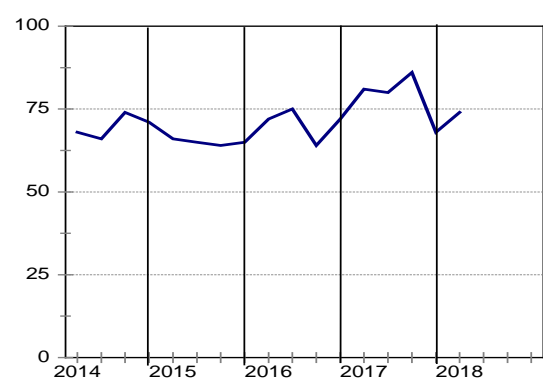
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	27	38	29	36	
Change in business conditions ¹	-46	-27	-23	-29	0
Growth in construction activity ¹	-61	-36	-50	-57	-15
Growth in number of people employed ¹	-50	-22	-43	-36	-23
Growth in profitability of the business ¹	-61	-57	-64	-43	-23
Tendering competition ¹	6	36	36	57	
Percentage rating shortage of skilled labour a constraint ²	37	54	50	50	
Percentage rating inadequate supply of construction materials a constraint ²	13	19	21	23	
Percentage rating insufficient demand for construction work a constraint ²	77	79	68	64	
Percentage rating firm's inadequate access to credit a constraint ²	50	41	25	38	

* Expected.

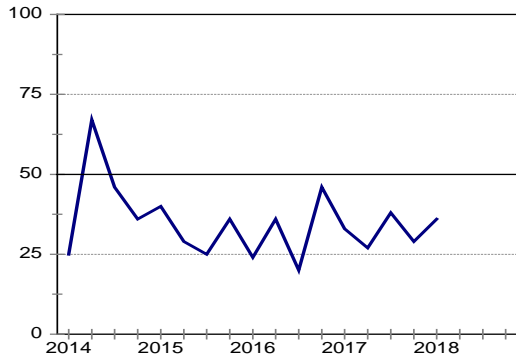
¹ Net balance.

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.

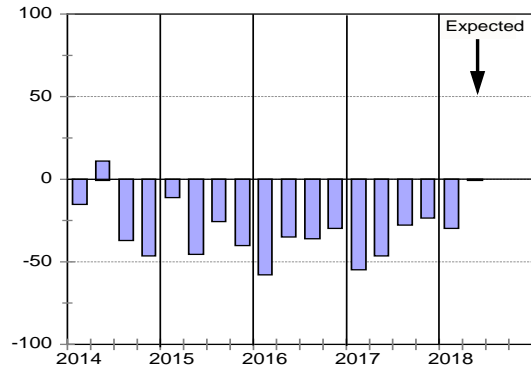
³ Percentage gross rating prevailing business conditions as satisfactory.

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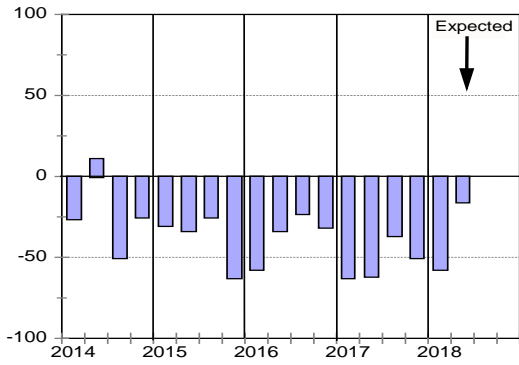
Business confidence



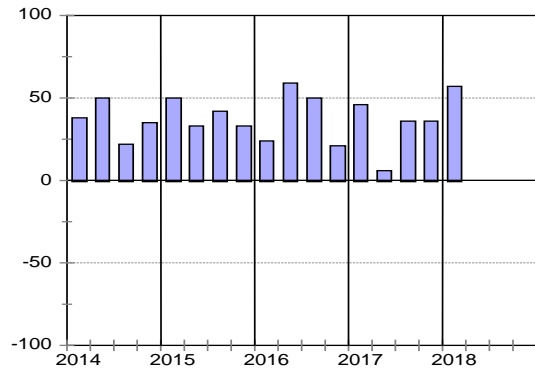
Change in business conditions



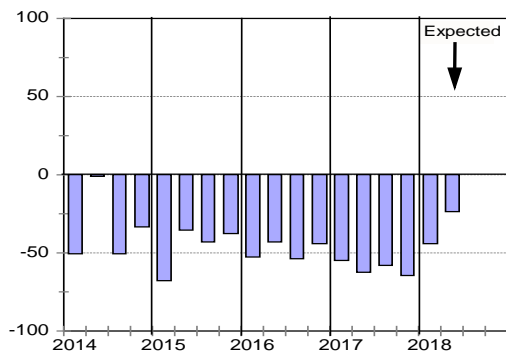
Growth in construction activity



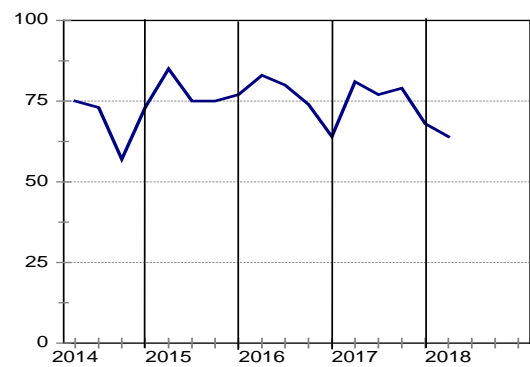
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	29	33	38	39	
Change in business conditions ¹	-32	-33	-55	-50	-20
Growth in building activity ¹	-30	-45	-60	-45	-19
Growth in number of people employed ¹	-29	-45	-52	-41	-26
Growth in profitability of the business ¹	-62	-56	-71	-71	-47
Tendering competition ¹	40	44	57	22	
Percentage rating shortage of skilled labour a constraint ²	32	23	31	16	
Percentage rating inadequate supply of building materials a constraint ²	25	34	19	14	
Percentage rating insufficient demand for building work a constraint ²	67	81	74	73	
Percentage rating firm's inadequate access to credit a constraint ²	43	39	40	47	

* Expected.

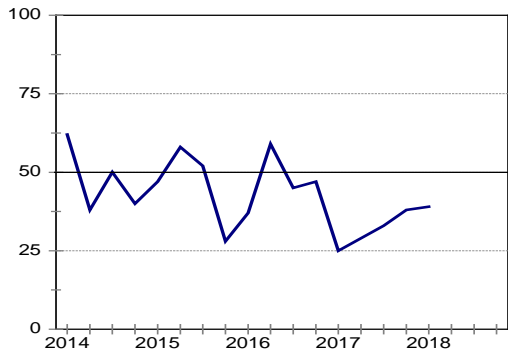
¹ Net balance.

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.

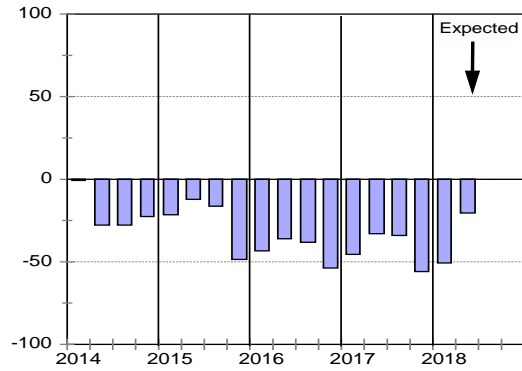
³ Percentage gross rating prevailing business conditions as satisfactory.

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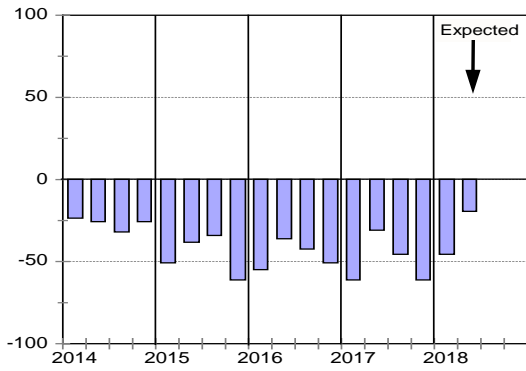
Business confidence



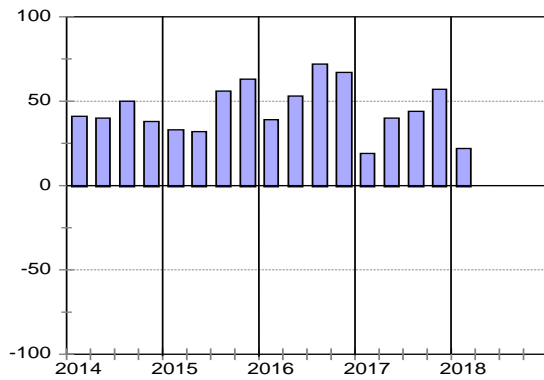
Change in business conditions



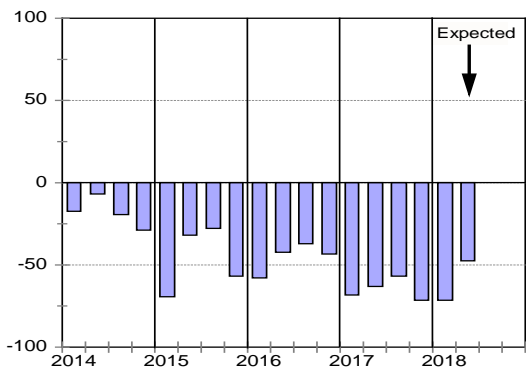
Growth in construction activity



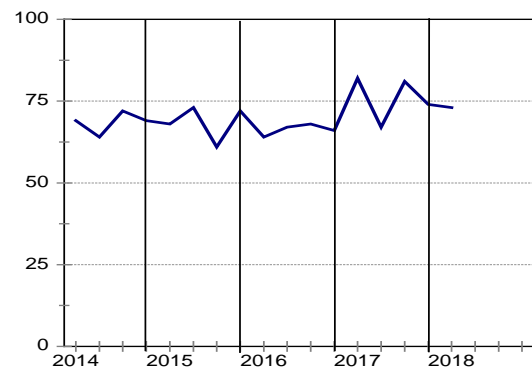
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	43	39	29	33	
Change in business conditions ¹	-39	-52	-41	-53	-7
Growth in construction activity ¹	-50	-53	-78	-66	-22
Growth in number of people employed ¹	-49	-41	-44	-44	-15
Growth in profitability of the business ¹	-56	-69	-72	-61	-22
Tendering competition ¹	53	21	16	59	
Percentage rating shortage of skilled labour a constraint ²	59	39	44	33	
Percentage rating inadequate supply of construction materials a constraint ²	38	31	25	34	
Percentage rating insufficient demand for construction work a constraint ²	79	74	75	72	
Percentage rating firm's inadequate access to credit a constraint ²	41	33	47	23	

* Expected.

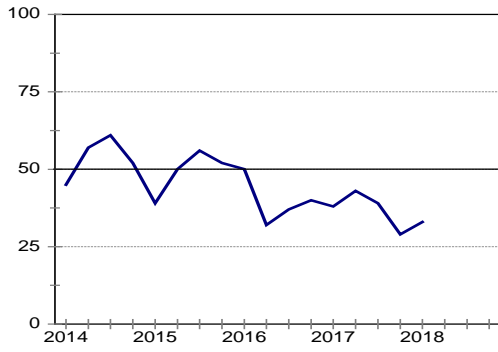
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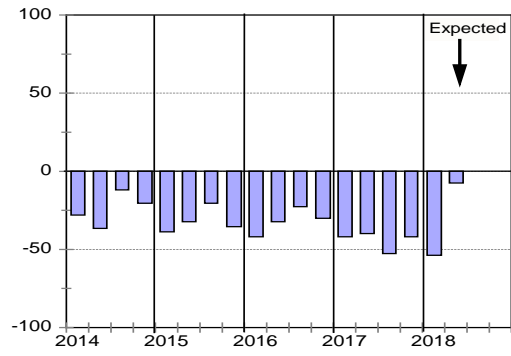
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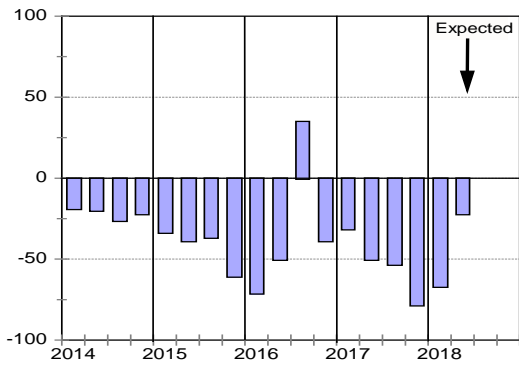
Business confidence



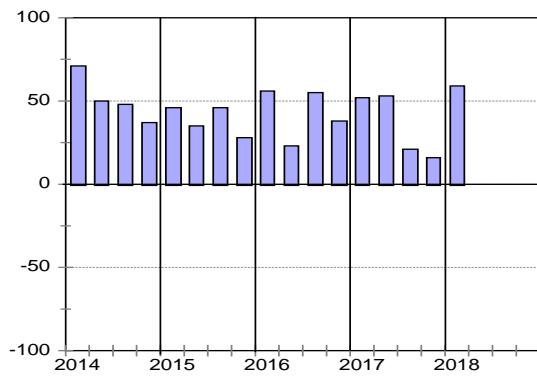
Change in business conditions



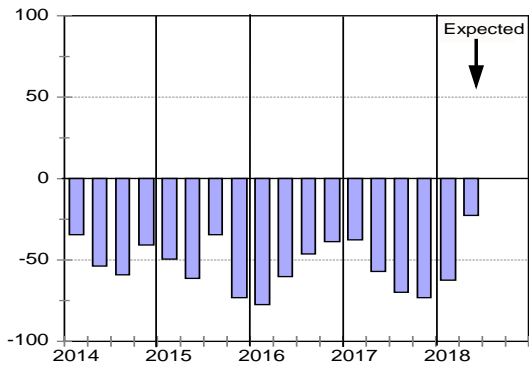
Growth in construction activity



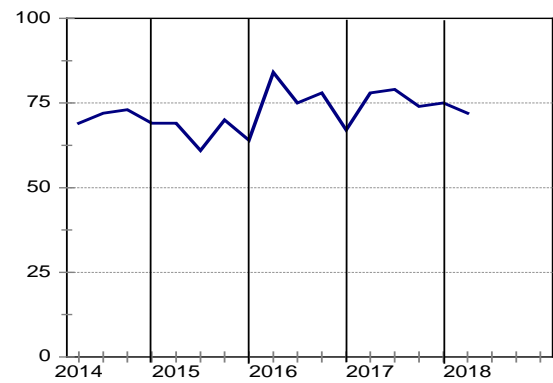
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	17Q2	17Q3	17Q4	18Q1	18Q2*
Business confidence ³	57	44	53	39	
Change in business conditions ¹	-31	-45	-44	-61	-69
Growth in construction activity ¹	-33	-50	-33	-50	-47
Growth in number of people employed ¹	0	-27	-44	-22	-29
Growth in profitability of the business ¹	-18	-50	-56	-61	-53
Tendering competition ¹	50	67	77	72	
Percentage rating shortage of skilled labour a constraint ²	59	47	47	33	
Percentage rating inadequate supply of construction materials a constraint ²	17	27	28	17	
Percentage rating insufficient demand for construction work a constraint ²	59	78	72	69	
Percentage rating firm's inadequate access to credit a constraint ²	21	36	33	28	

* Expected.

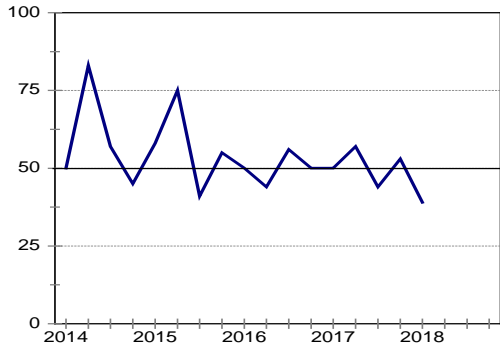
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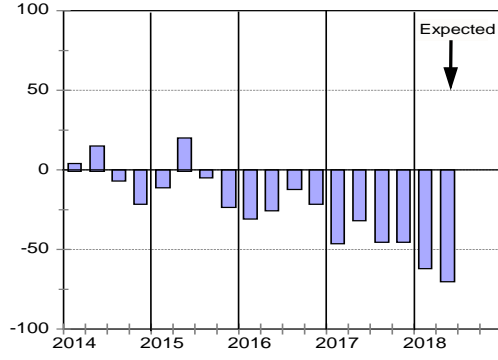
³ Percentage gross rating prevailing business conditions as satisfactory.

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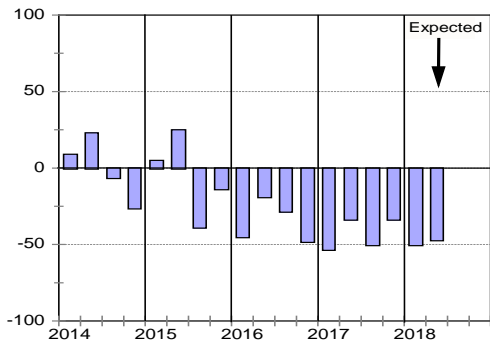
Business confidence



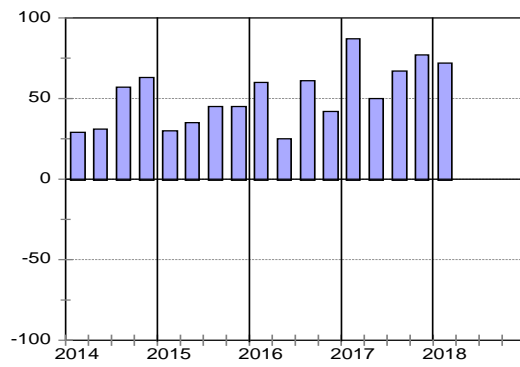
Change in business conditions



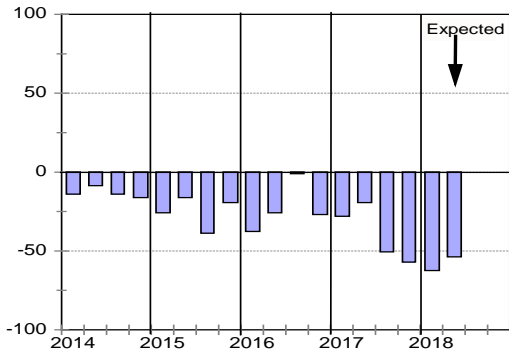
Growth in construction activity



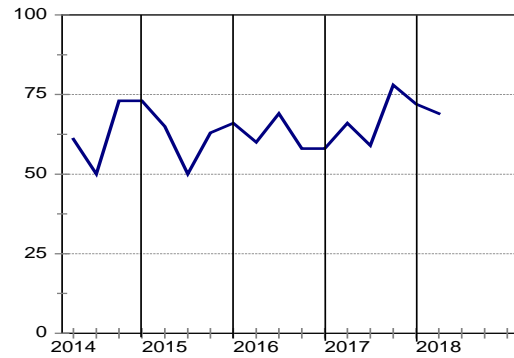
Tendering competition



Growth in profitability



Insufficient building work demand



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