



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

2

2018



University of Stellenbosch

cidb Survey Results: 2018Q2

June 2018

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Summary

Building Contractors

During the second quarter of 2018, business confidence for general builders (GB) declined by 3 index points to 33 from 36 points previously. Building activity deteriorated, while profitability and employment indicators remained under pressure. Constraints to business operations were largely unchanged. However, the rating of insufficient demand for building work as a constraint increased slightly. This continues to muddy the waters for the building activity outlook in the near-term.

Sentiment deteriorated in all three building contractor grades. A relatively bigger decline in confidence was sustained by the Grades 3 & 4 cohort, even against the backdrop of slightly better underlying indicators. For Grades 5 & 6 and Grades 7 & 8, confidence edged down by one point. On balance, the underlying indicators remained at weak levels across the board. This likely explains why confidence levels are chronically low when compared to long-term averages.

At the provincial level, confidence edged up for Western Cape building contractors to 56 index points. The worst reading was recorded for contractors in Gauteng, where confidence fell to an all-time low of 17 points (also registered in 2011Q4). Underlying indicators remained poor across all the four provinces.

Civil Contractors

Similar to their building counterparts, civil contractors lost confidence, with the index falling to a six year-low of 33 in 2018Q2 (36 points previously). The downward movement in confidence mostly mirrored weaker profitability. In addition to this, the indicator rating insufficient demand for construction work as a constraint edged higher. This emphasises the scarcity of construction work available during the quarter.

Among the three grades, confidence fell for Grades 3 & 4 and for Grades 7 & 8. The decline in confidence for Grades 7 & 8 was supported by underlying indicators, which deteriorated across the board. Confidence for Grades 5 & 6 remained flat at a relatively low level. This corresponds with the level of the underlying indicators, which persisted below their long-term average levels.

Discouragingly, from a provincial perspective the picture looked unfavourable in all four regions. Confidence fell across the board. Key underlying indicators continued to perform poorly during the quarter. A common occurrence across all four provinces was that the indicator rating insufficient demand for construction work remained elevated. This means that the downbeat outlook is broad-based across regions.

Confidence fell for both the building and civil sectors to 33 index points each during 2018Q2. This means that 67% of building and civil contractors were dissatisfied with business conditions during the quarter. For both sectors, this level of confidence was last seen six years ago. From a grades perspective, underlying indicators remained weak across the board in both sectors. 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 remainder of the provinces in both building and civil, confidence levels remain weak.

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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 2018Q2 survey was carried out during the period 30 April to 5 June 2018.

The analysis that follows provides a synopsis of the survey responses received in 2018Q2, 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.

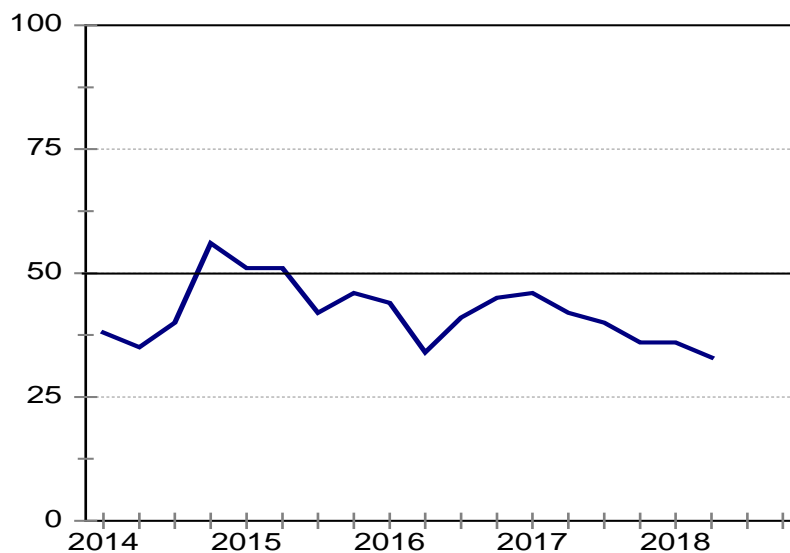
2018Q2 cidb Survey Results

Building Industry

Total

Building confidence fell to 33 index points in 2018Q2 from 36 points previously. Confidence was last seen at the current level in 2012Q2. Confidence was lower across the 3 grades. At the provincial level, sentiment came in above 50 index points only in the Western Cape, while it remained significantly downbeat in the other regions.

Figure 1: Total
Business confidence



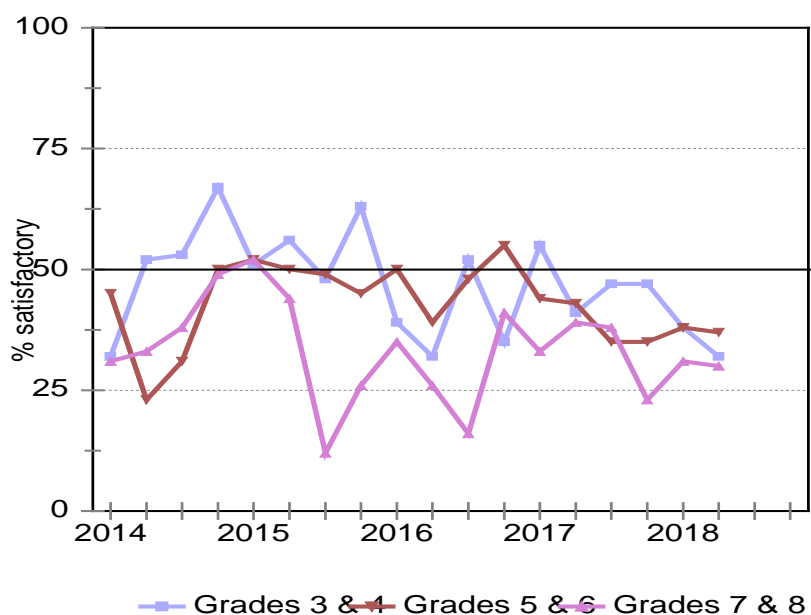
Business conditions deteriorated for general builders during the second quarter of 2018. Discouragingly, underlying indicators remained at weak levels relative to their long-term averages. Building contractors saw a slowdown in activity, while pressure on profitability persisted. A slightly higher net majority of 44% of respondents reported poorer activity, following a net 42% during 2018Q1.

Constraints to operating conditions were largely unchanged. Nevertheless, the indicator rating insufficient demand for new building work as a constraint to business operations increased slightly to 74% - still at its highest level since 2016Q3. In all, this bodes ill for building activity in the near-term.

Grades comparison

Confidence fell across all three grades during 2018Q2. The sharpest fall was registered by Grades 3 & 4 building contractors, but this was not supported by the underlying indicators. For Grades 5 & 6 and Grades 7 & 8, the drop in confidence was marginal and came on the back of on-going pressure on profitability and activity. In all, confidence levels remained discouragingly low, and well below long-term averages.

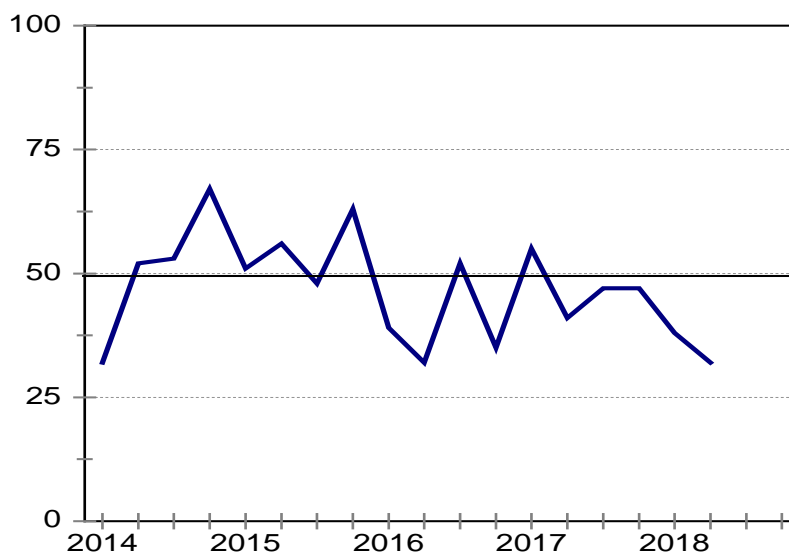
Figure 2: Business confidence per grade



Grades 3 & 4

Business confidence for Grades 3 & 4 builders declined to 32 index points in 2018Q2 from 38 in the first quarter. This low level of confidence was last seen in 2016Q2.

Figure 3: Grades 3 & 4
Business confidence



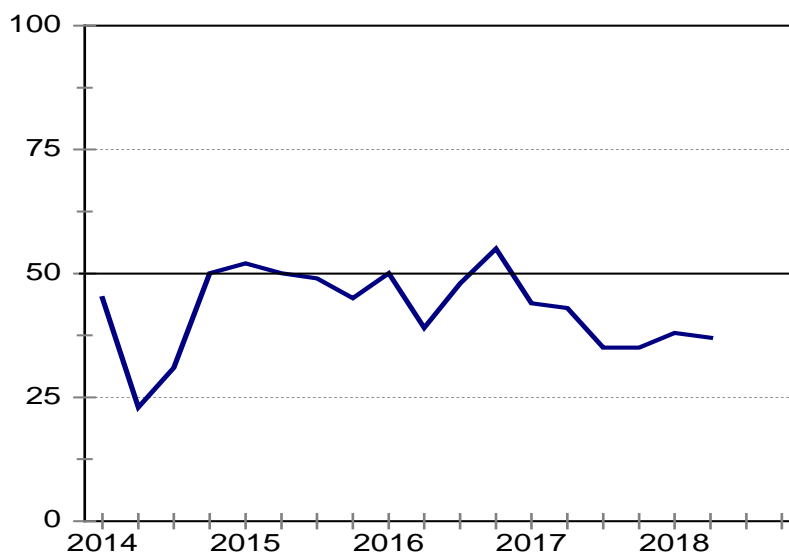
The fall in confidence for the Grades 3 & 4 contractors was not supported by movements in the underlying indicators. Building activity improved, with a smaller net majority of 52% of respondents reporting a decline in activity compared to a net 64% in 2018Q1. The improvement in building activity helped alleviate some profitability pressure. Tendering competition was also significantly less intense during the quarter, with the indicator coming in at a notably benign net of 19% relative to 32% previously.

Constraints to business operations were a mixed bag in 2018Q2. The most pronounced change was in the indicator rating demand for building work as a constraint, which at 73% is at its worst level since 2016Q3.

Grades 5 & 6

Sentiment was largely unchanged among Grades 5 & 6 building contractors during 2018Q2. The confidence index ticked lower to 37 index points, from 38 in 2018Q1.

Figure 4: Grades 5 & 6
Business confidence

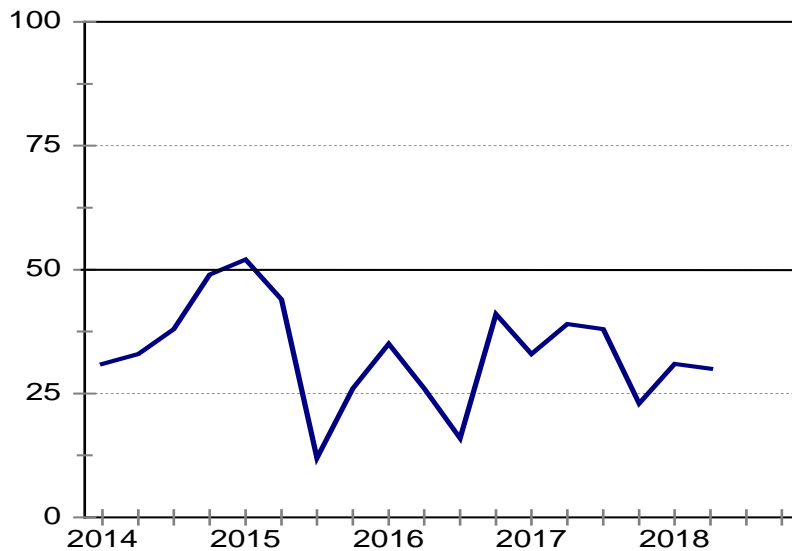


The marginal decline in overall confidence was supported by movements in the underlying indicators. Building activity momentum was weaker during the quarter, with a greater net majority of 52% reporting a slowdown in building activity (from a net 44% previously). Against this backdrop, profitability came under increased pressure. Discouragingly, the indicator rating insufficient demand for new building work as a constraint deteriorated. At 74%, it has returned above its long-term average of 72%. In all, this bodes ill for building activity momentum going forward.

Grades 7 & 8

For Grades 7 & 8, confidence edged down to 30 index points in 2018Q2 from 31 previously.

Figure 5: Grades 7 & 8
Business confidence



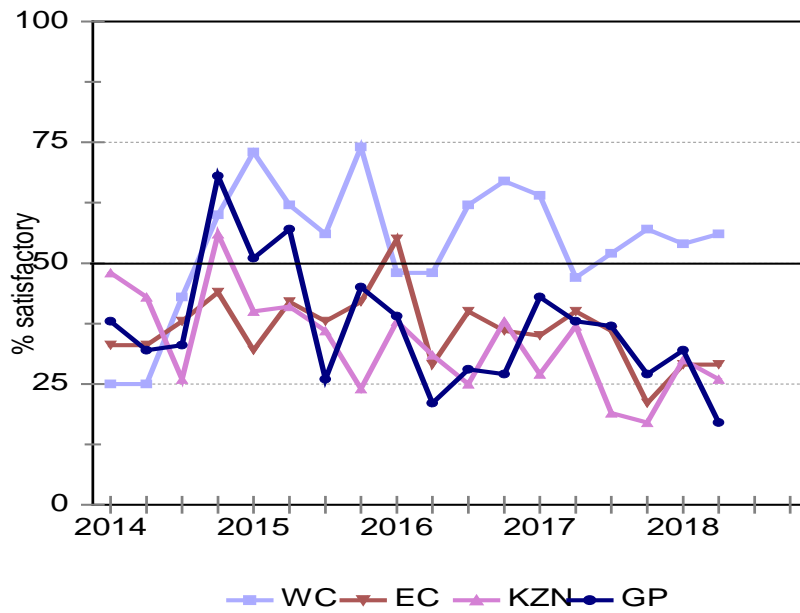
The marginal fall in confidence was mainly reflective of poorer building activity. A slightly greater net majority of 25% reported a slowdown during 2018Q2, up from a net 19% previously. Tendering competition also intensified as a result of the scarcity of building work.

On the other hand, there were some improvements in profitability, with a lower net majority of 45% of respondents reporting weaker profitability in 2018Q2, down from 56% previously. Furthermore, the indicator rating insufficient demand for building work as a constraint eased, which bodes well for activity momentum in the near-term.

Provincial comparison

At the provincial level, confidence edged up in the Western Cape, where it remained above 50 index points. For the rest of the provinces, confidence remained at depressed levels.

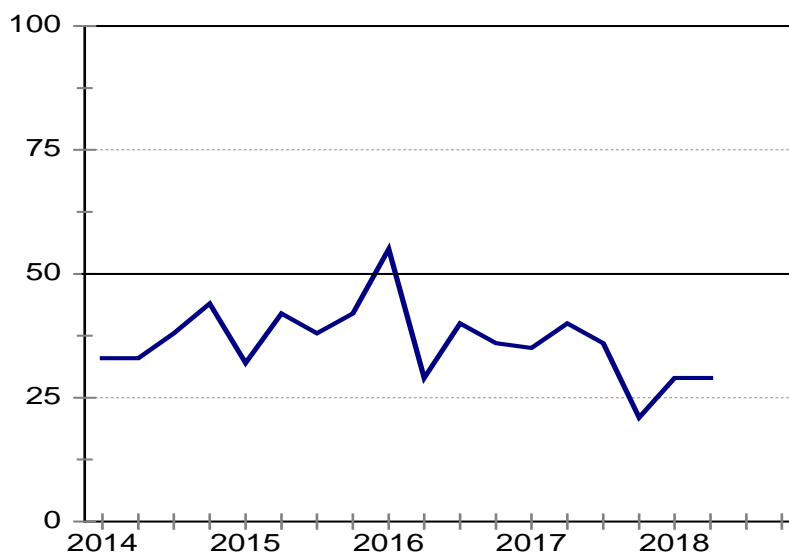
Figure 6: Business confidence per province



Eastern Cape¹

Confidence for Eastern Cape building contractors was unchanged at 29 in 2018Q2.

Figure 7: Eastern Cape
Business confidence



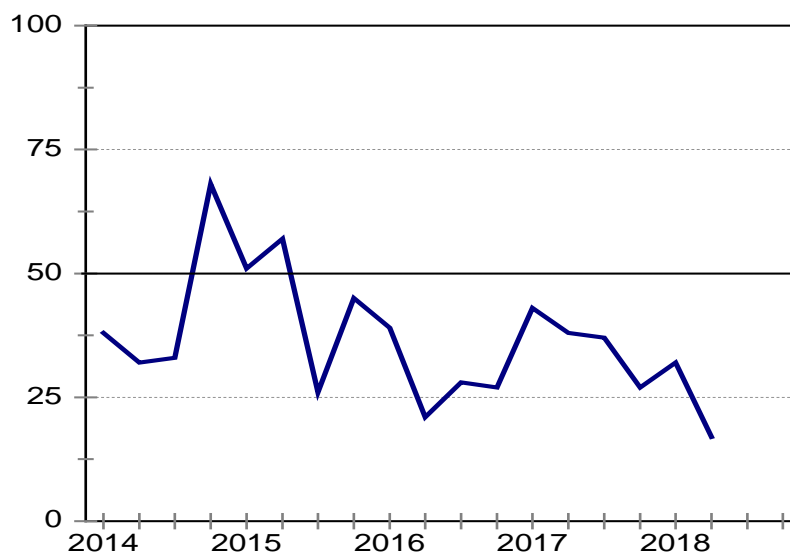
Building activity slowed during quarter. A net majority of 43% of respondents reported lower building activity relative to 2017Q2, compared to a net 40% previously. Profitability remained under pressure, while the lack of demand for building work was more of a constraint to business operations. The constraint indicator jumped to 79% from 67% in the previous quarter. In sum, the picture looks unfavourable for the building sector in the Eastern Cape.

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

Gauteng

Building contractors in Gauteng had a very challenging quarter, with the level of confidence dropping to an all-time low. The index tumbled to 17 points during the quarter from 32 previously. At this level, 83% of contractors in Gauteng were dissatisfied with business conditions within the building sector.

Figure 8: Gauteng
Business confidence



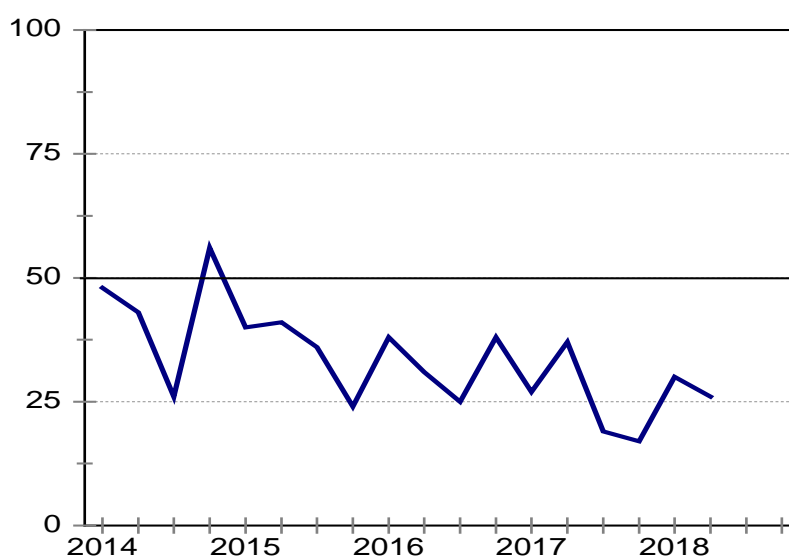
The sharp fall in confidence among Gauteng building contractors was in line with poorer building activity. A higher net majority of 45% of respondents report a drop in building activity, compared to a net 37% in 2018Q1. Profitability remained under pressure, albeit to a lesser extent.

The indicator rating insufficient demand for building work as a constraint in Gauteng remained high relative to its long term average. It follows that building activity could remain under pressure going forward.

KwaZulu-Natal

In KwaZulu-Natal, building contractor confidence fell by 4 index points to 26 during the second quarter of 2018.

Figure 9: KwaZulu-Natal
Business confidence



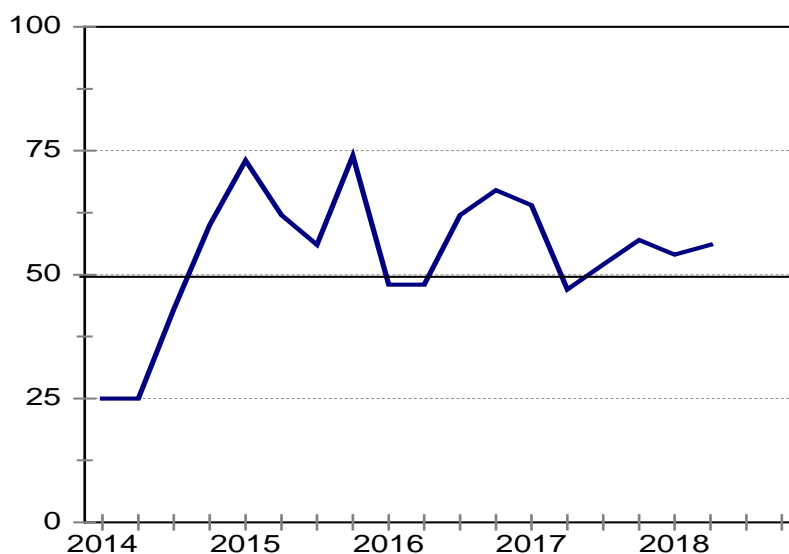
In all, the loss in confidence was not reflected in the movements of the underlying indicators. On balance, respondents alluded to an improvement in business conditions during the quarter. Furthermore, building activity, profitability and employment all fared better. The profitability indicator in particular showed an impressive improvement. A significantly lower net majority of 53% of respondents cited lower profits, compared to a net 78% in 2018Q1.

The indicator rating insufficient demand for building work as a constraint also improved notably. Indeed, a net 71% of respondents pointed to insufficient demand as a hindrance to business activities, down from a significantly elevated 81% (highest level since 2016Q3) previously. This could translate into a slight pick-up in building activity for the province in the near-term.

Western Cape

Building contractors remained optimistic in the Western Cape, despite broadly weaker underlying indicators in 2018Q2. Confidence ticked up further above the 50-point mark to 56 during the quarter from 54 previously.

Figure 10: Western Cape
Business confidence



Building activity and profitability indicators deteriorated to levels worse than their long term averages. For activity in particular, the net balance of respondents reporting poorer momentum rose to 33% during the quarter, up from a net 27% in 2018Q1. This weighed on profitability. On a more positive note, however, no job losses were incurred (on balance), in line with expectations.

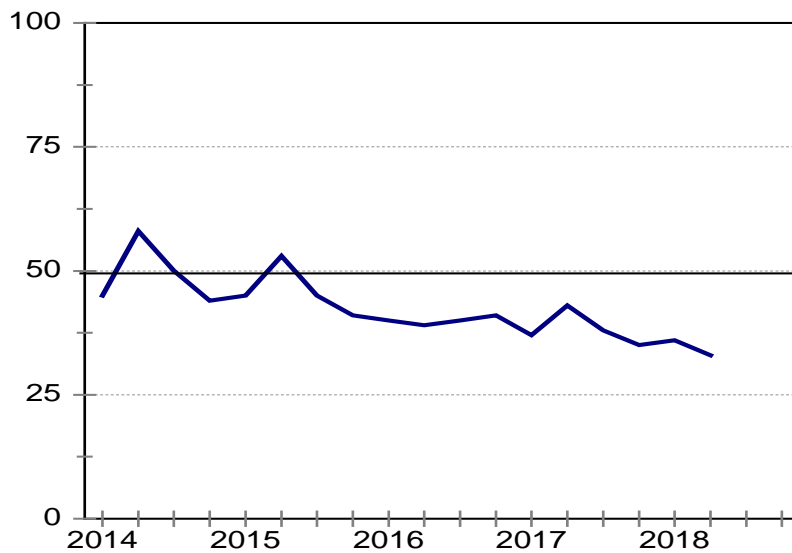
However, there was a broad tightening in constraints to business operations. The indicator rating insufficient demand for work as a constraint shot up to 78% - its highest level since mid-2014. Looking ahead, this dims the outlook for activity in the sector within the province.

Construction Industry

Total

Similar to the building sector, civil contractor confidence also shed 3 index points during the second quarter of 2018 to 33. Confidence across all three grades was downwardly biased for the most part. The picture looked even worse at the provincial level, where the highest confidence level registered in the low 30's.

Figure 11: Total
Business confidence

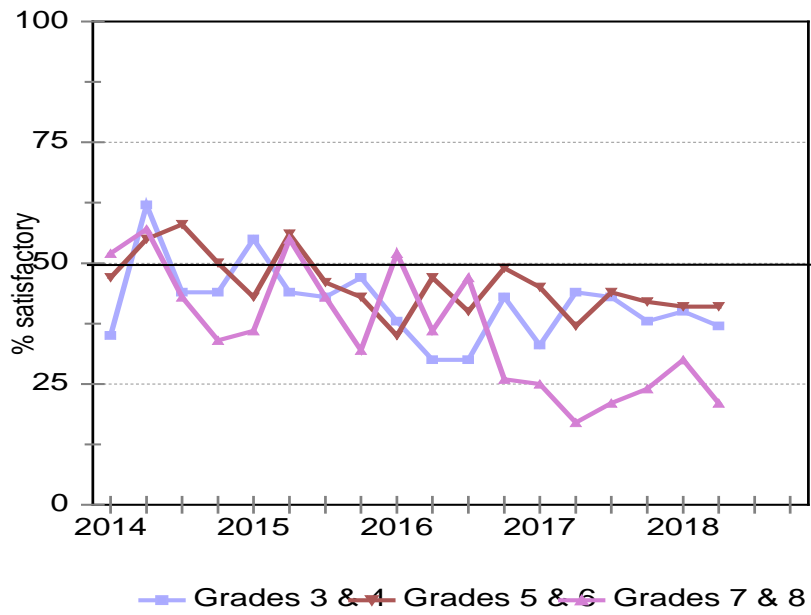


Although contractors in the civil sector saw some improvement in construction activity during the quarter, this was not enough to boost profitability. This is likely why confidence declined. Indeed, the net majority of respondents reporting lower profitability during 2018Q2 edged higher to 61% - a mere 2% points shy of its worst historic level. Disconcertingly, the outlook for construction activity is somewhat poorer, as the indicator rating insufficient demand for construction work ticked higher to 71% (its long term average).

Grades comparison

Civil contractor confidence fell for Grades 3 & 4 and Grades 7 & 8, while it remained flat for Grades 5 & 6.

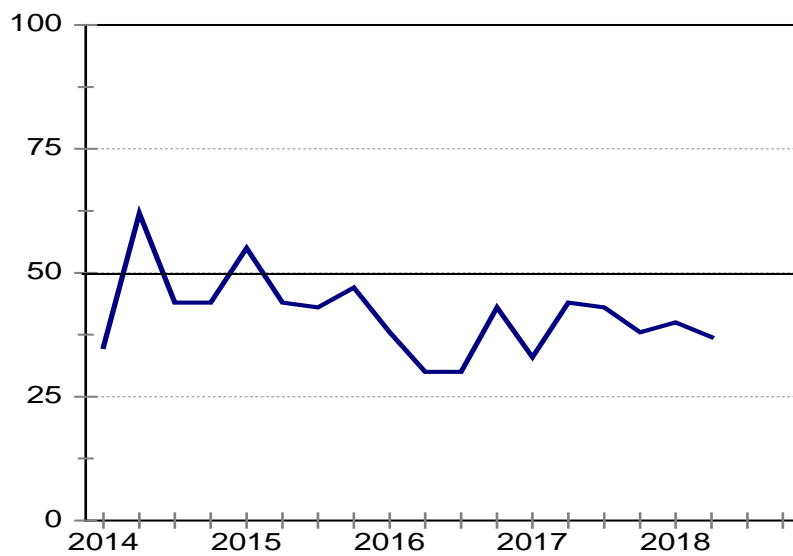
Figure 12: Business confidence per grade



Grades 3 & 4

Business confidence for Grades 3 & 4 civil contractors fell to 37 index points in 2018Q2 from 40 previously.

Figure 13: Grades 3 & 4
Business confidence



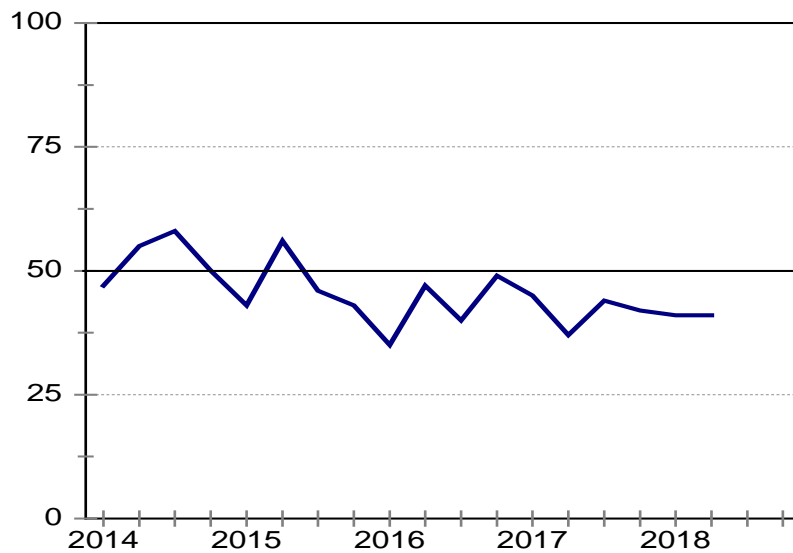
The deterioration in civil contractor sentiment was in line with the notable pressure that persisted on profitability. The highest net majority of respondents on record for Grades 3 & 4 (79%) continued to report lower profits during the quarter.

On a more positive note, however, insufficient demand for construction work was less constraining during the quarter, which could give some support to activity in the near-term.

Grades 5 & 6

Business confidence for Grades 5 & 6 civil contractors remained unchanged at 41 index points during the survey quarter.

Figure 14: Grades 5 & 6
Business confidence

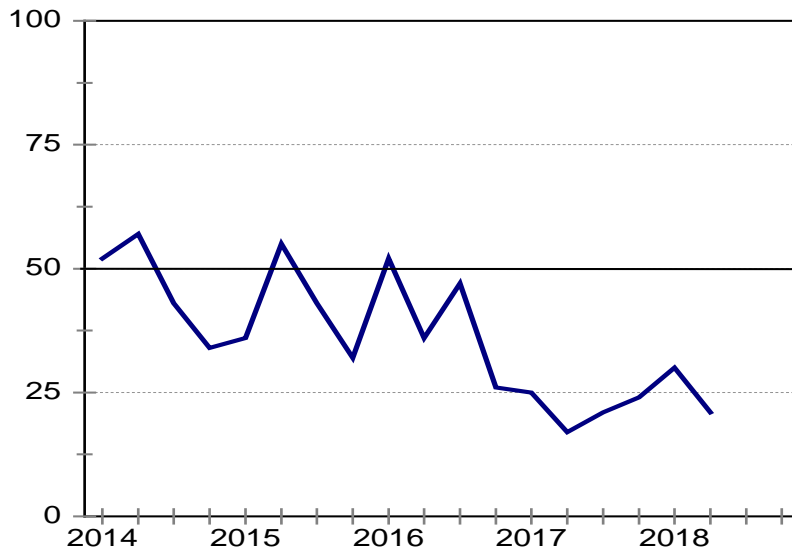


Sentiment remained stable, even though underlying indicators presented a mixed bag of outcomes. On the positive side, respondents attested to an improvement in activity. Business conditions were also more favourable, while the tendering environment was friendlier relative to the previous quarter. On the other hand, profitability pressures remained, while insufficient demand for construction work was more of a constraint. At 72%, this indicator is only 1% point lower than its long-term average, which signals a possible dip in activity going forward.

Grades 7 & 8

Confidence among Grades 7 & 8 fell to 21 index points in 2018Q2 from 30 in 2018Q1.

Figure 15: Grades 7 & 8
Business confidence



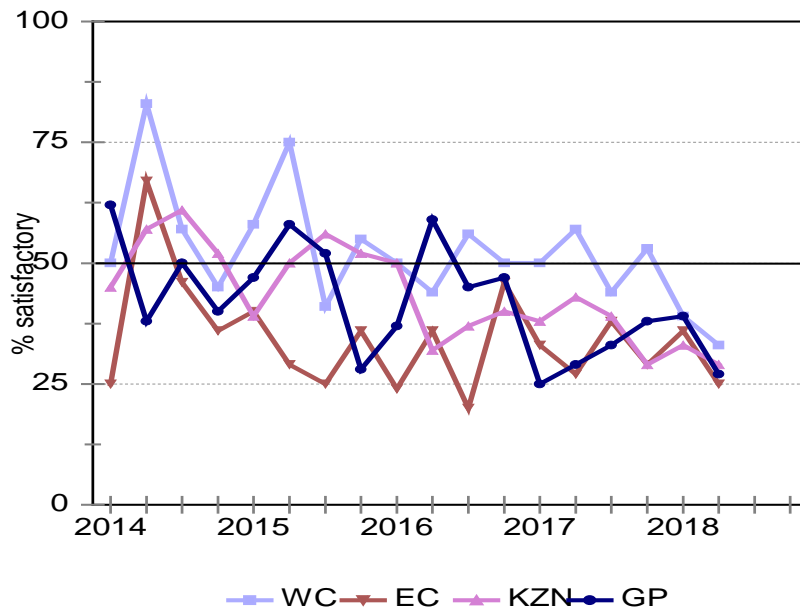
The decline in confidence was in line with poorer underlying indicators during the survey quarter. Indeed, construction activity momentum was weaker, with the net majority reporting lower volumes coming in at 59% from 49% previously. Not surprisingly, this outcome weighed on profitability.

The outlook for construction activity for this group of contractors remains clouded, as a staggering proportion of 77% of respondents cited the insufficient demand for new construction work as a hindrance to business operations (74% previously).

Provincial comparison

Confidence levels were lower across the board all the four regions, with the Western Cape rearing above the rest at a meagre 33 index points.

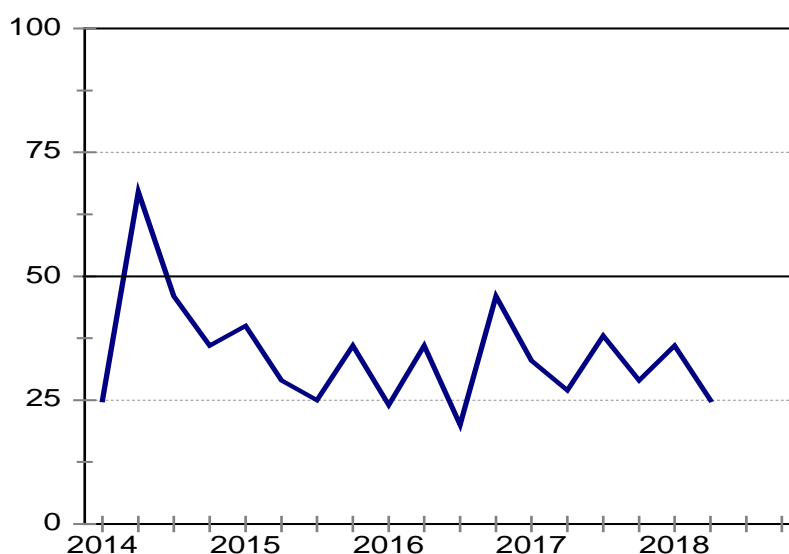
Figure 16: Business confidence per province



Eastern Cape

In the Eastern Cape, civil contractor confidence slid to a disappointing 25 index points in 2018Q2 from 33 points during the first quarter. At this level, a notable 75% of respondents within the province were dissatisfied with business conditions during the survey quarter.

Figure 17: Eastern Cape
Business confidence



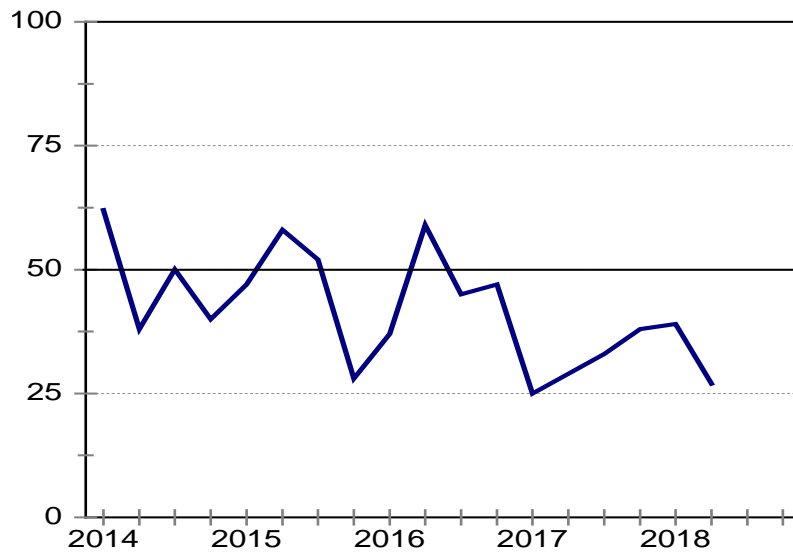
The primary drag on confidence emanated from the added pressure on profitability. A higher net 62% of contractors reported lower profits during the quarter, up from 43% previously. In addition, scarcity of construction work within the province was highlighted by increased hostility within the tendering environment. Indeed, the indicator measuring tendering competition came in at an elevated net of 63% (57% previously), which is the highest level since 2013Q2.

Looking ahead, it is likely that there will be some pressure on construction activity within the province. According to 81% of the respondents, insufficient demand for construction work was significantly more constraining during the quarter, up from 64% previously.

Gauteng

Confidence among civil contractors in Gauteng fell by a notable 12 index points during the second quarter of 2018 to 27. The current level of confidence is only 2 points shy of its worst level on record.

Figure 18: Gauteng
Business confidence

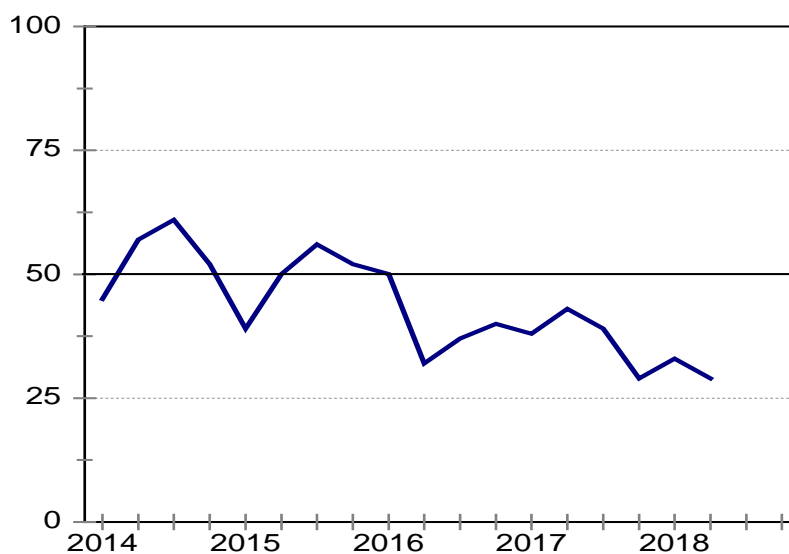


Overall, the underlying indicators remained significantly depressed compared to historical averages. Construction activity momentum was dampened during the quarter, with a net majority of 50% stating it was lower relative to a year ago (net 45% previously). Although there was some alleviation in profitability pressure which came off its worst level on record, this was not sufficient to lift sentiment. Furthermore, key constraints to business operations remained elevated.

KwaZulu-Natal

In KwaZulu-Natal, civil contractor confidence retreated to 29 index points during the survey quarter, down from 33 points in 2018Q1. At 29, this is the worst level of confidence since the start of the series.

Figure 19: KwaZulu-Natal
Business confidence

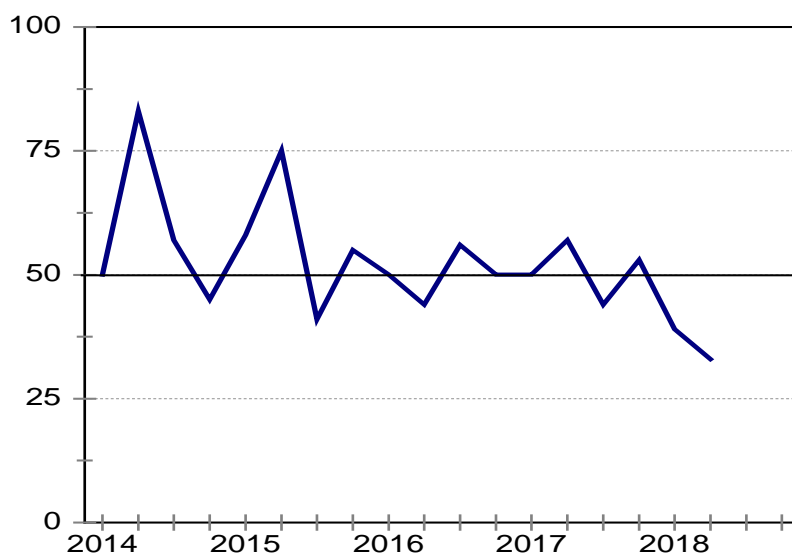


Civil contractors in KwaZulu-Natal saw no change in construction activity growth. However, profit margins were squeezed further during the quarter. Indeed, the highest net majority on record (78%) reported a decline in profitability, up from a net 61% previously. Demand for construction work was also poor during the quarter, with the indicator ticking up to above its historic average. This bodes ill for construction activity within the province in the near term.

Western Cape

Western Cape civil contractors were more downbeat during 2018Q2, with confidence falling further to 33 points from 36 previously. At this level, confidence is at its lowest since 2013Q2.

Figure 20: Western Cape
Business confidence



The broad-based weakness in the underlying indicators was mirrored in the poor confidence levels. In fact, construction activity growth deteriorated to its worst level since the beginning of 2011. A net majority of 59% reported lower activity during the quarter, up from a net 50% previously. Nevertheless, there was some relief in profitability pressure, which likely helped limit the deterioration in sentiment. A net majority of 41% of contractors reported lower profits, an improvement over the 61% recorded in 2018Q1 which was the lowest level for the indicator since 2012Q2.

Regarding constraints to business operations, the indicator rating insufficient demand for construction work as a constraint came in just above its long-term average, further tainting the outlook for construction activity within the province.

Mathodi Matsei

Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3*</i>
Business confidence ³	40	36	36	33	
Change in business conditions ¹	-45	-43	-25	-29	-3
Growth in building activity ¹	-55	-55	-42	-44	-20
Growth in number of people employed ¹	-50	-47	-32	-31	-13
Growth in profitability of the business ¹	-68	-62	-58	-55	-31
Tendering competition ¹	51	47	47	44	
Percentage rating shortage of skilled labour a constraint ²	44	48	47	46	
Percentage rating inadequate supply of building materials a constraint ²	22	23	23	25	
Percentage rating insufficient demand for building work a constraint ²	70	73	73	74	
Percentage rating firm's inadequate access to credit a constraint ²	30	30	32	37	

* Expected.

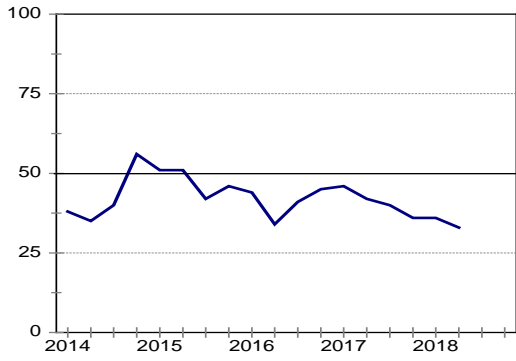
¹ Net balance.

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

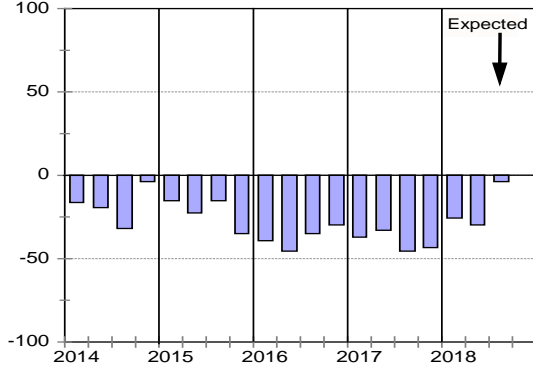
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

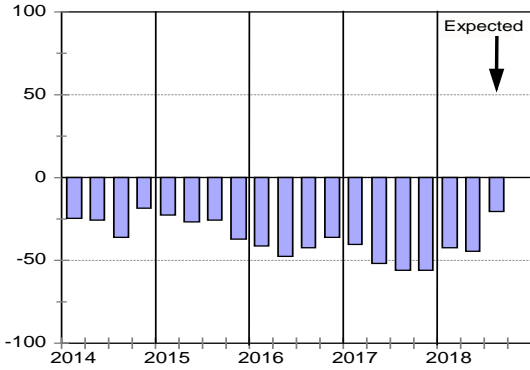
Business confidence



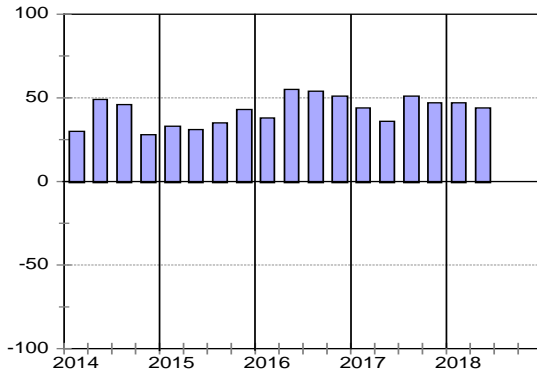
Change in business conditions



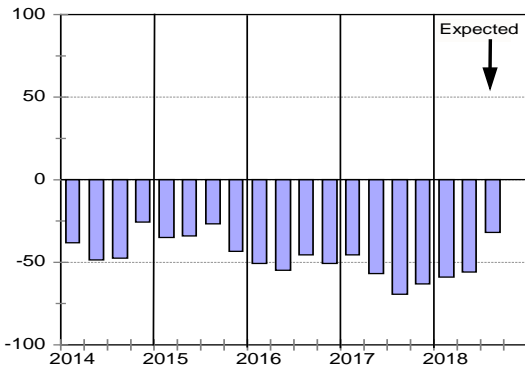
Growth in building activity



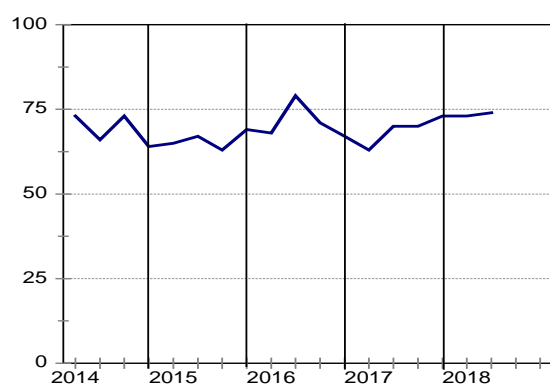
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3*</i>
Business confidence ³	47	47	38	32	
Change in business conditions ¹	-48	-32	-36	-41	0
Growth in building activity ¹	-56	-48	-64	-52	5
Growth in number of people employed ¹	-58	-44	-52	-38	-10
Growth in profitability of the business ¹	-79	-66	-66	-59	-19
Tendering competition ¹	31	20	32	19	
Percentage rating shortage of skilled labour a constraint ²	33	43	42	41	
Percentage rating inadequate supply of building materials a constraint ²	21	26	24	25	
Percentage rating insufficient demand for building work a constraint ²	67	71	68	73	
Percentage rating firm's inadequate access to credit a constraint ²	46	39	40	52	

* Expected.

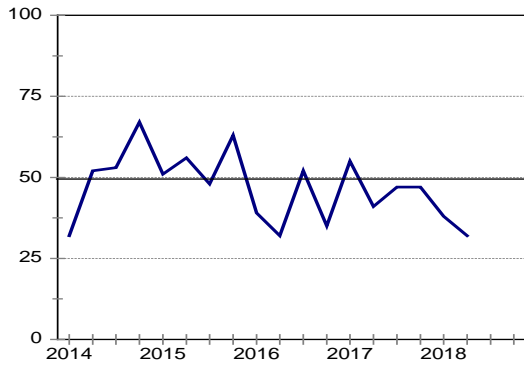
¹ Net balance.

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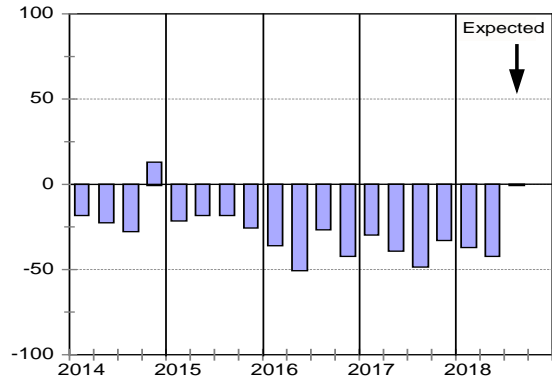
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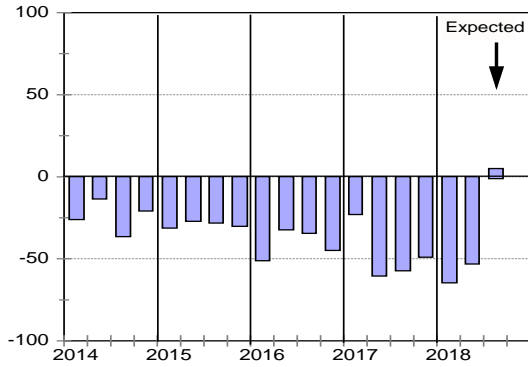
Business confidence



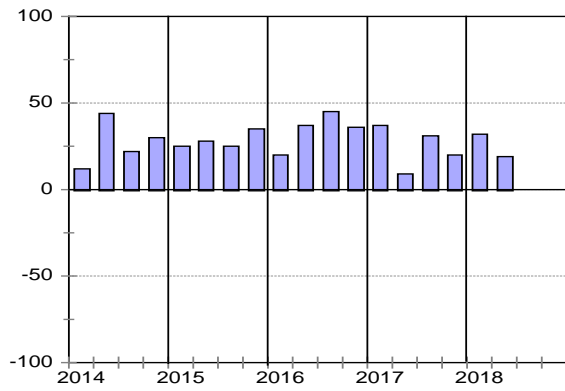
Change in business conditions



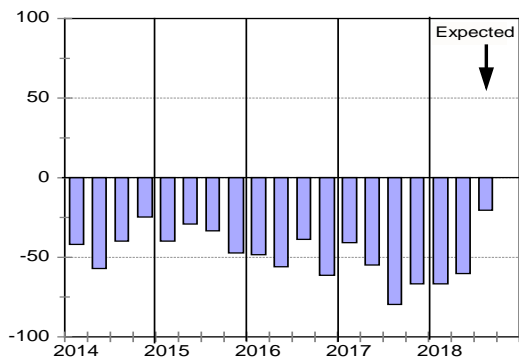
Growth in building activity



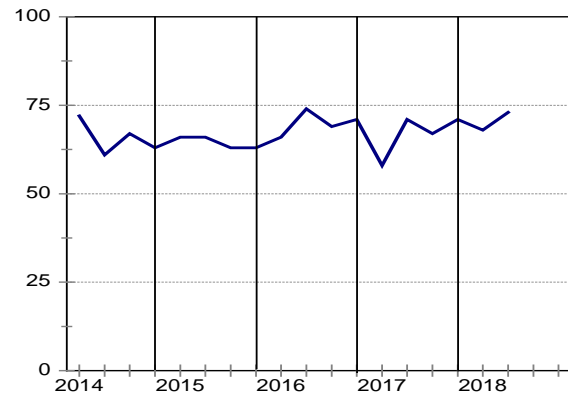
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	17Q3	17Q4	18Q1	18Q2	18Q3*
Business confidence ³	35	35	38	37	
Change in business conditions ¹	-49	-39	-24	-33	-22
Growth in building activity ¹	-56	-48	-44	-52	-49
Growth in number of people employed ¹	-39	-46	-27	-25	-30
Growth in profitability of the business ¹	-66	-57	-54	-59	-52
Tendering competition ¹	48	50	48	44	
Percentage rating shortage of skilled labour a constraint ²	48	53	43	46	
Percentage rating inadequate supply of building materials a constraint ²	28	20	23	24	
Percentage rating insufficient demand for building work a constraint ²	72	73	69	74	
Percentage rating firm's inadequate access to credit a constraint ²	23	23	29	33	

* Expected.

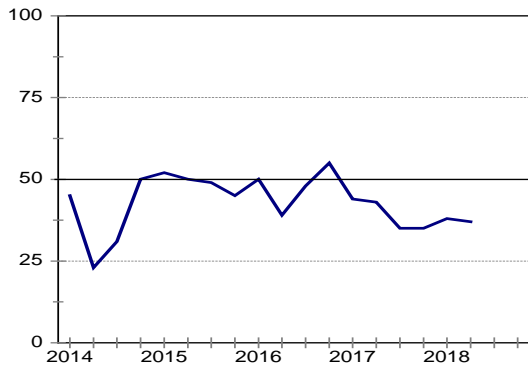
¹ Net balance.

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

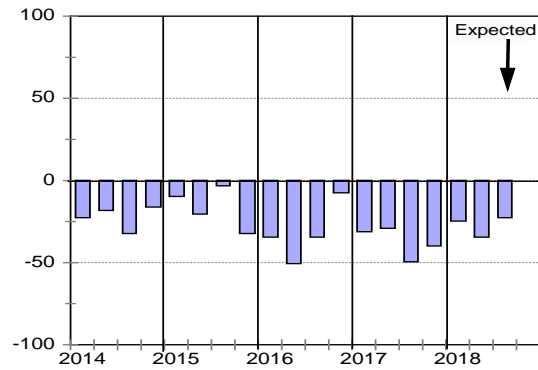
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

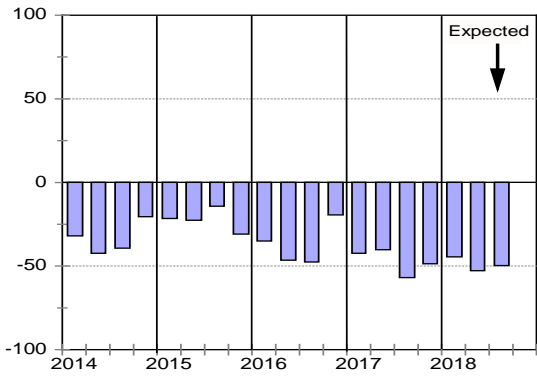
Business confidence



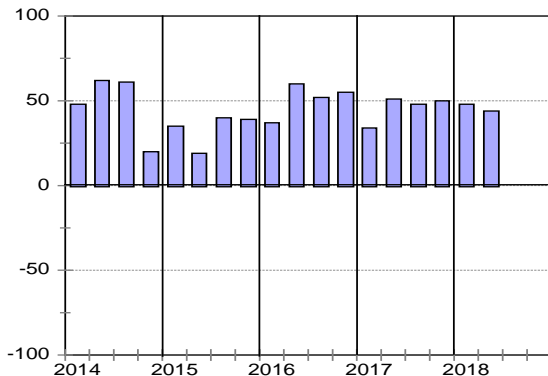
Change in business conditions



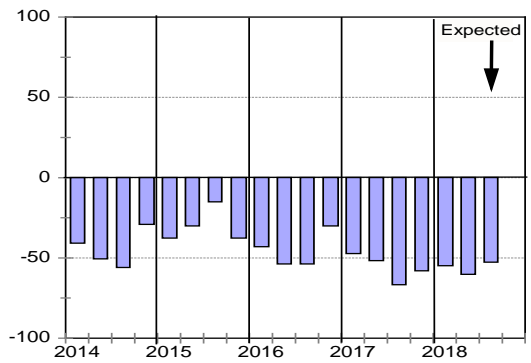
Growth in building activity



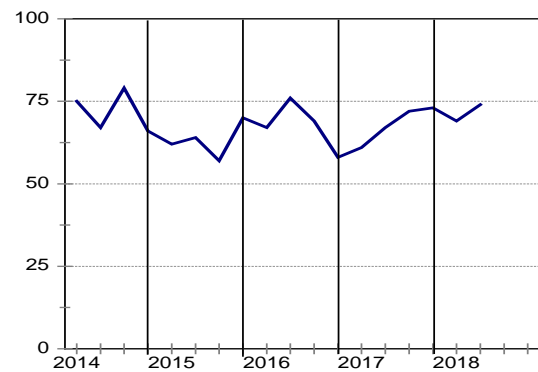
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3*</i>
Business confidence ³	38	23	31	30	
Change in business conditions ¹	-35	-60	-19	-10	20
Growth in building activity ¹	-53	-70	-19	-25	-6
Growth in number of people employed ¹	-55	-53	-24	-30	5
Growth in profitability of the business ¹	-61	-63	-56	-45	-16
Tendering competition ¹	78	77	58	70	
Percentage rating shortage of skilled labour a constraint ²	50	48	59	52	
Percentage rating inadequate supply of building materials a constraint ²	14	21	23	27	
Percentage rating insufficient demand for building work a constraint ²	71	75	85	75	
Percentage rating firm's inadequate access to credit a constraint ²	23	26	28	25	

* Expected.

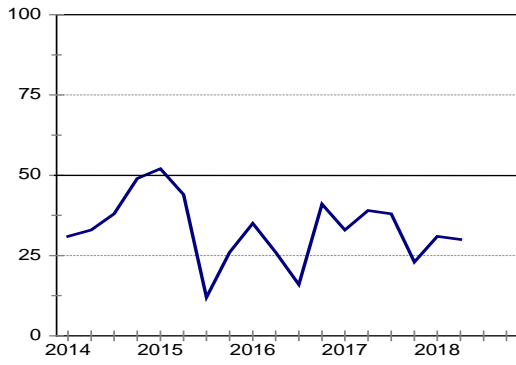
¹ Net balance.

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

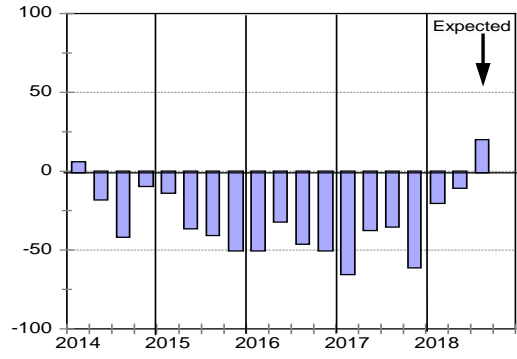
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

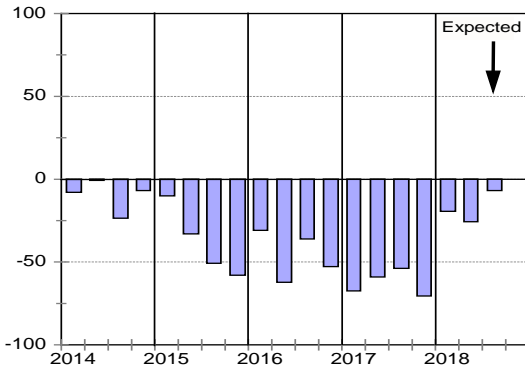
Business confidence



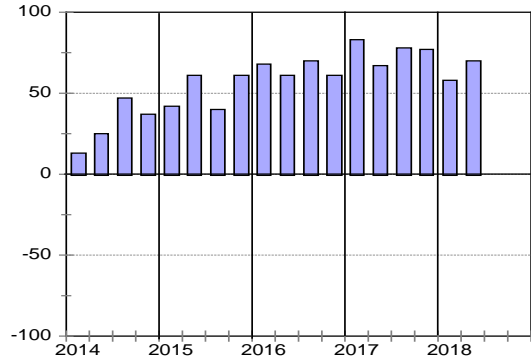
Change in business conditions



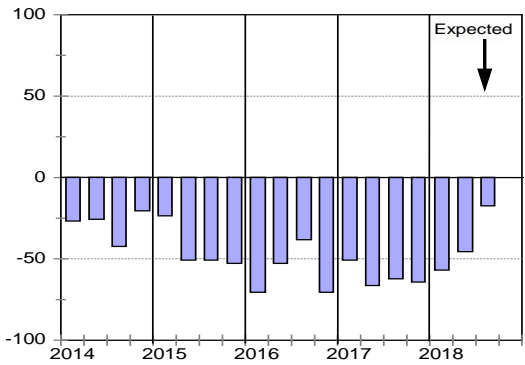
Growth in building activity



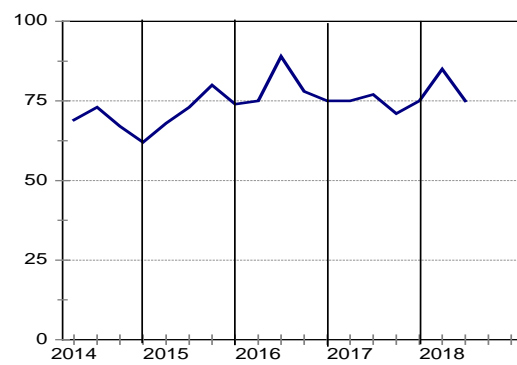
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3*</i>
Business confidence ³	36	21	29	29	
Change in business conditions ¹	-18	-56	-20	-43	-28
Growth in building activity ¹	-46	-44	-40	-43	-28
Growth in number of people employed ¹	-55	-37	-20	-29	-43
Growth in profitability of the business ¹	-82	-63	-47	-43	-28
Tendering competition ¹	33	42	33	-14	
Percentage rating shortage of skilled labour a constraint ²	37	50	50	50	
Percentage rating inadequate supply of building materials a constraint ²	16	22	33	14	
Percentage rating insufficient demand for building work a constraint ²	92	71	67	79	
Percentage rating firm's inadequate access to credit a constraint ²	25	26	20	28	

* Expected.

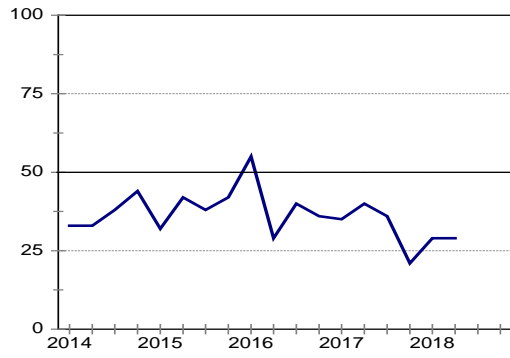
¹ Net balance.

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.

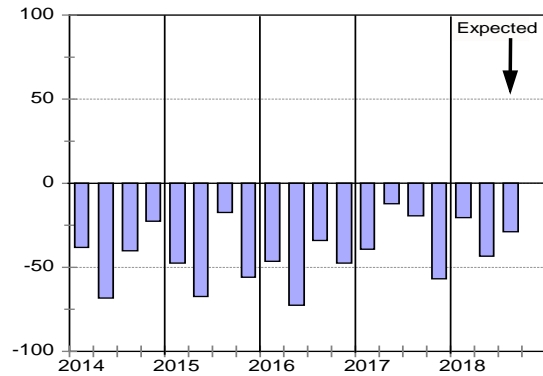
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

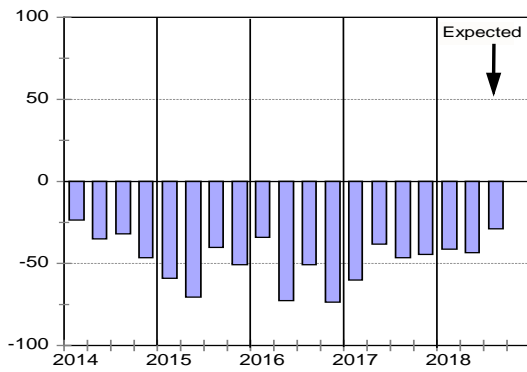
Business confidence



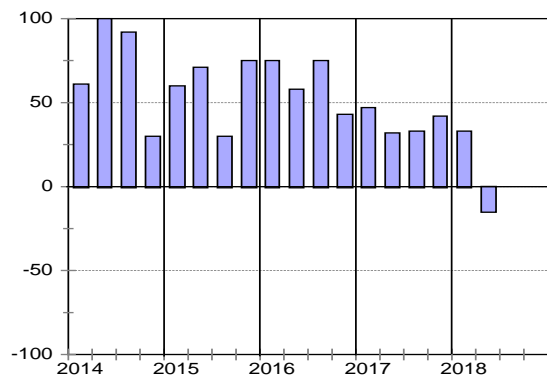
Change in business conditions



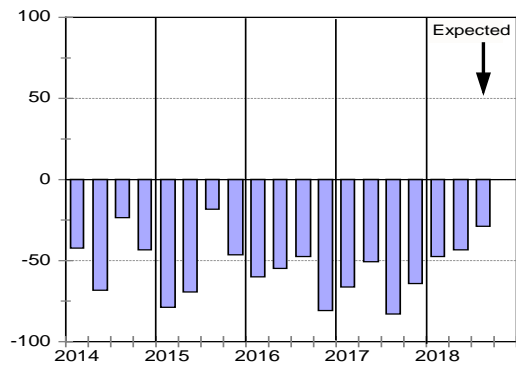
Growth in building activity



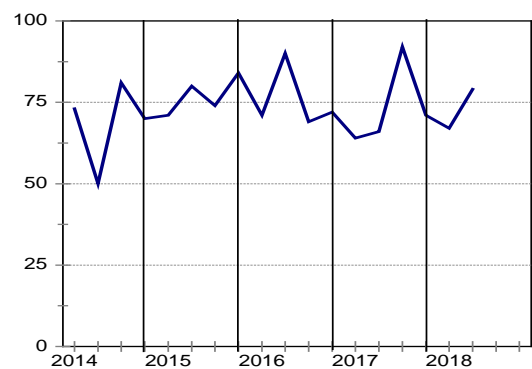
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3*</i>
Business confidence ³	37	27	32	17	
Change in business conditions ¹	-52	-75	-26	-27	11
Growth in building activity ¹	-60	-81	-37	-45	-5
Growth in number of people employed ¹	-48	-56	-55	-22	0
Growth in profitability of the business ¹	-71	-81	-72	-67	-33
Tendering competition ¹	47	54	26	33	
Percentage rating shortage of skilled labour a constraint ²	45	47	48	36	
Percentage rating inadequate supply of building materials a constraint ²	12	34	18	19	
Percentage rating insufficient demand for building work a constraint ²	65	77	74	75	
Percentage rating firm's inadequate access to credit a constraint ²	28	27	26	33	

* Expected.

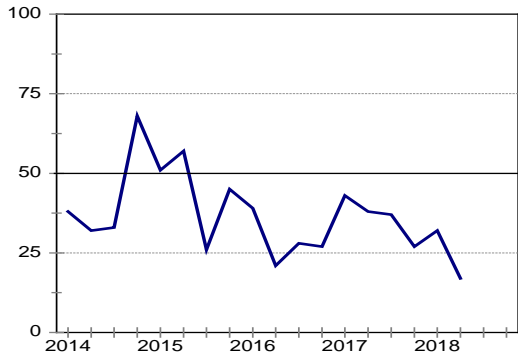
¹ Net balance.

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

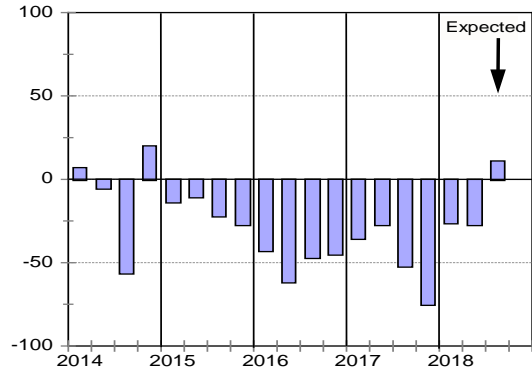
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

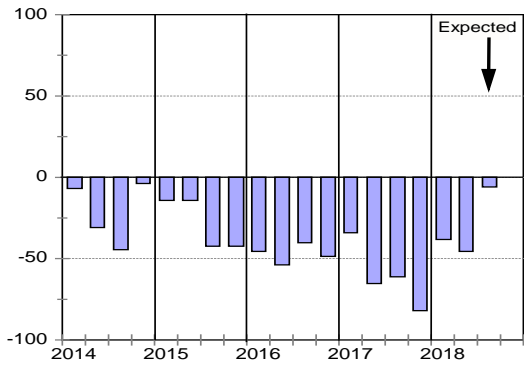
Business confidence



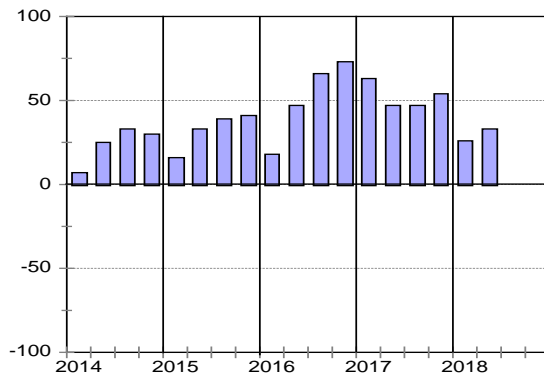
Change in business conditions



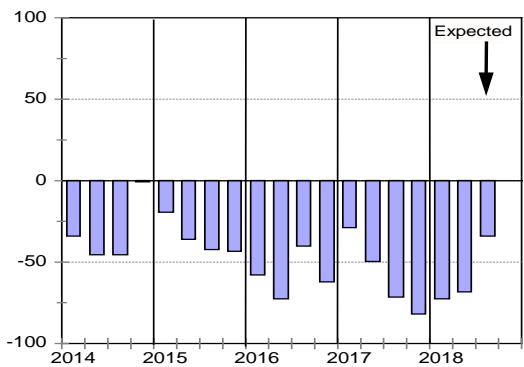
Growth in building activity



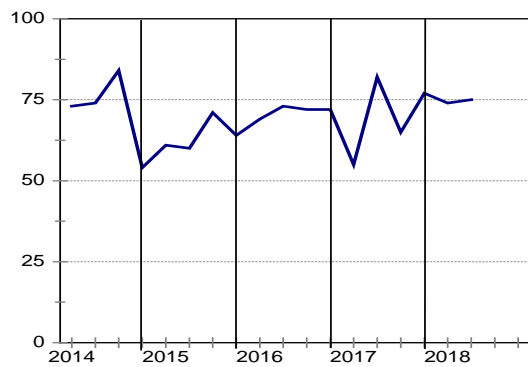
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3*</i>
Business confidence ³	19	17	30	26	
Change in business conditions ¹	-59	-65	-38	-32	-16
Growth in building activity ¹	-77	-59	-52	-42	-23
Growth in number of people employed ¹	-62	-63	-61	-58	-22
Growth in profitability of the business ¹	-86	-75	-78	-53	-28
Tendering competition ¹	40	37	43	50	
Percentage rating shortage of skilled labour a constraint ²	52	56	48	50	
Percentage rating inadequate supply of building materials a constraint ²	30	19	19	26	
Percentage rating insufficient demand for building work a constraint ²	79	74	81	71	
Percentage rating firm's inadequate access to credit a constraint ²	35	29	38	37	

* Expected.

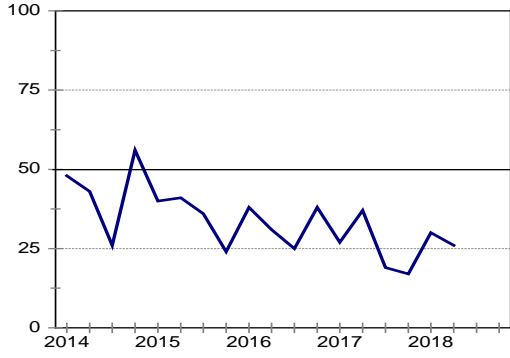
¹ Net balance.

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

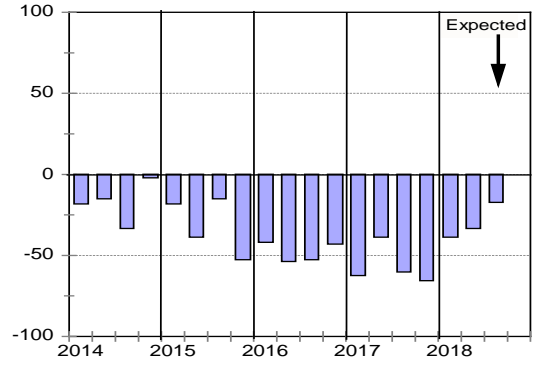
³ Percentage gross rating prevailing business conditions as satisfactory.

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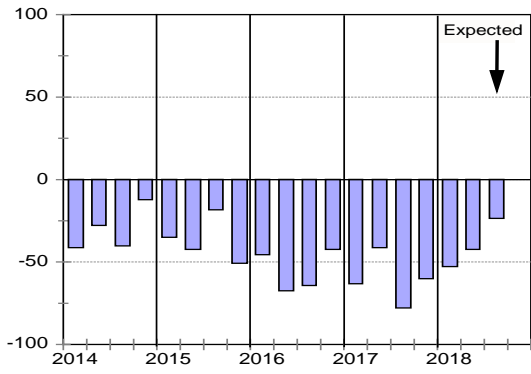
Business confidence



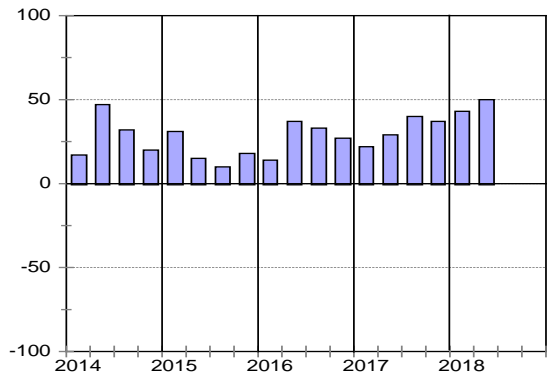
Change in business conditions



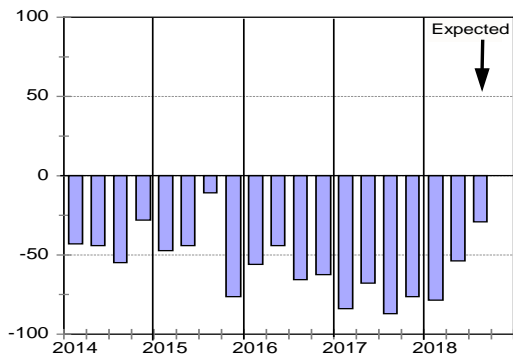
Growth in building activity



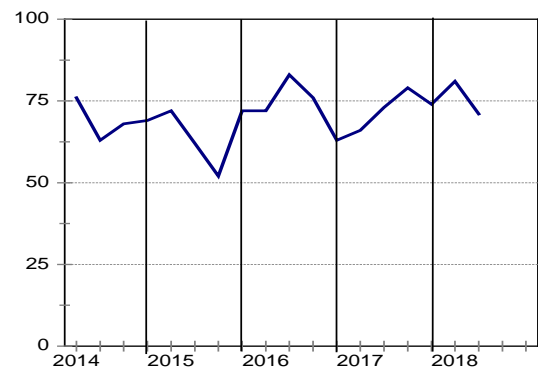
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	17Q3	17Q4	18Q1	18Q2	18Q3*
Business confidence ³	52	57	54	56	
Change in business conditions ¹	-40	-3	-8	-19	-13
Growth in building activity ¹	-40	-43	-27	-33	-40
Growth in number of people employed ¹	-44	-32	-8	0	-12
Growth in profitability of the business ¹	-48	-36	-40	-44	-44
Tendering competition ¹	73	52	72	69	
Percentage rating shortage of skilled labour a constraint ²	40	50	44	46	
Percentage rating inadequate supply of building materials a constraint ²	19	17	21	28	
Percentage rating insufficient demand for building work a constraint ²	68	73	63	78	
Percentage rating firm's inadequate access to credit a constraint ²	25	40	36	43	

* Expected.

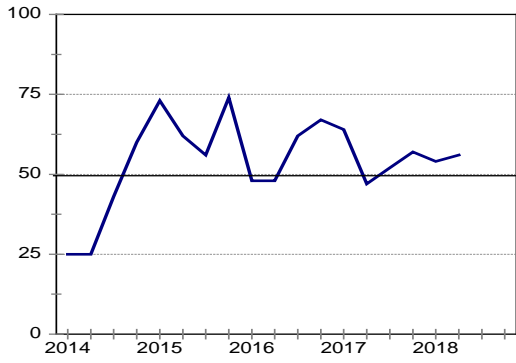
¹ Net balance.

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.

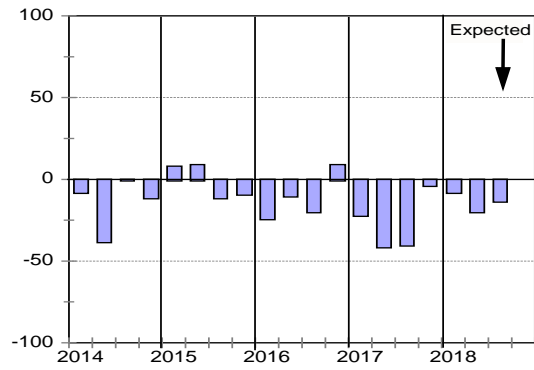
³ Percentage gross rating prevailing business conditions as satisfactory.

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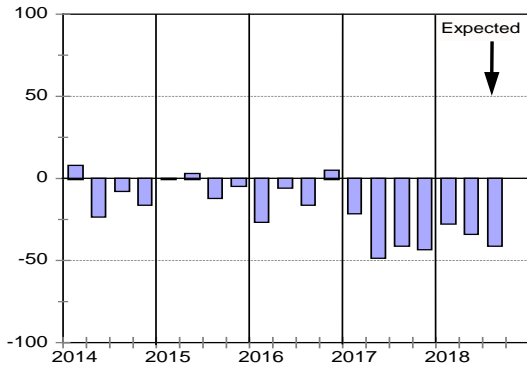
Business confidence



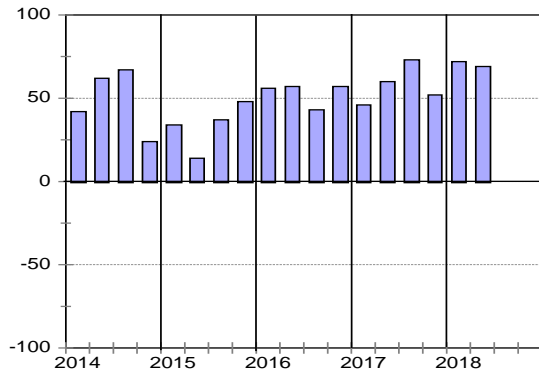
Change in business conditions



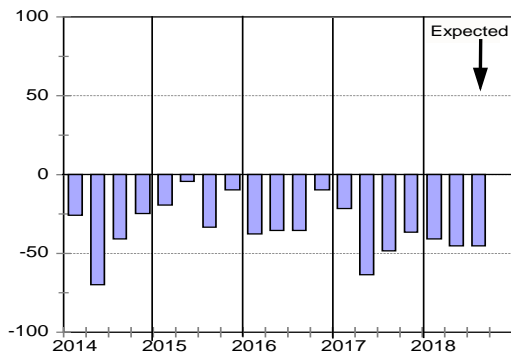
Growth in building activity



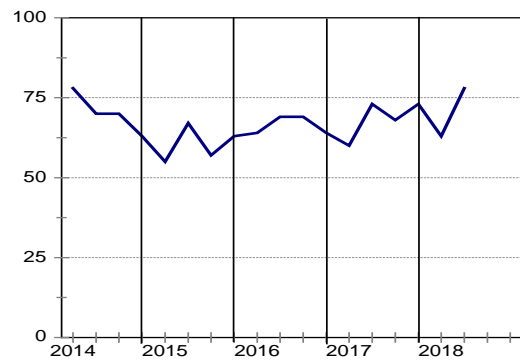
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total

	17Q3	17Q4	18Q1	18Q2	18Q3*
Business confidence ³	38	35	36	33	
Change in business conditions ¹	-41	-38	-44	-49	-25
Growth in construction activity ¹	-49	-55	-52	-49	-29
Growth in number of people employed ¹	-39	-45	-39	-41	-30
Growth in profitability of the business ¹	-59	-62	-59	-61	-36
Tendering competition ¹	37	46	40	35	
Percentage rating shortage of skilled labour a constraint ²	38	43	33	41	
Percentage rating inadequate supply of construction materials a constraint ²	28	23	22	22	
Percentage rating insufficient demand for construction work a constraint ²	76	72	69	71	
Percentage rating firm's inadequate access to credit a constraint ²	39	39	32	34	

* Expected.

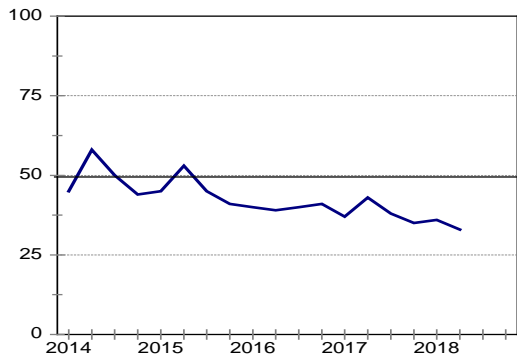
¹ Net balance.

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

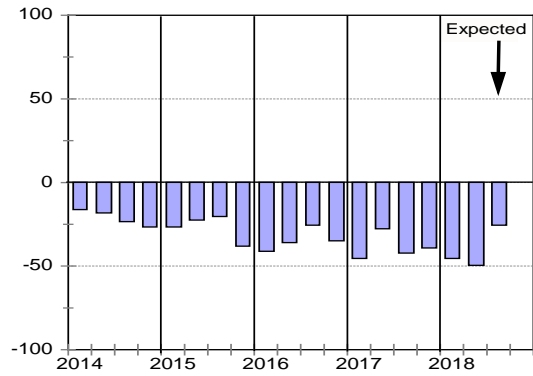
³ Percentage gross rating prevailing business conditions as satisfactory.

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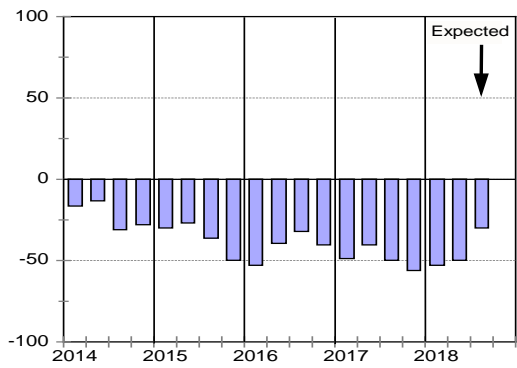
Business confidence



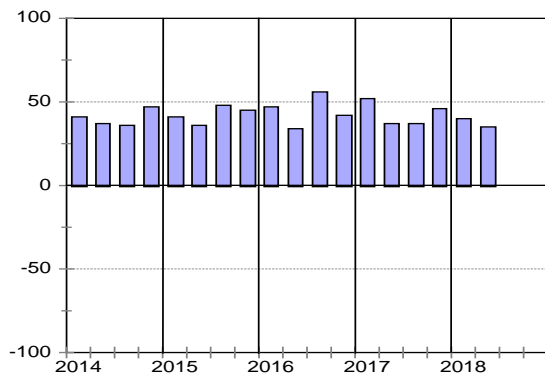
Change in business conditions



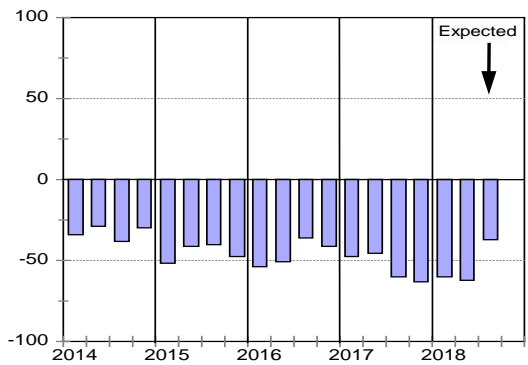
Growth in construction activity



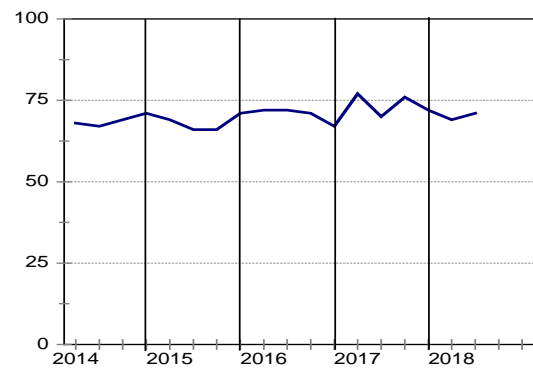
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	17Q3	17Q4	18Q1	18Q2	18Q3*
Business confidence ³	43	38	40	37	
Change in business conditions ¹	-43	-24	-46	-50	-33
Growth in construction activity ¹	-52	-40	-60	-47	-35
Growth in number of people employed ¹	-35	-42	-50	-50	-23
Growth in profitability of the business ¹	-67	-65	-79	-79	-53
Tendering competition ¹	6	23	-12	-10	
Percentage rating shortage of skilled labour a constraint ²	37	45	38	50	
Percentage rating inadequate supply of construction materials a constraint ²	37	27	29	31	
Percentage rating insufficient demand for construction work a constraint ²	82	75	64	61	
Percentage rating firm's inadequate access to credit a constraint ²	47	57	32	26	

* Expected.

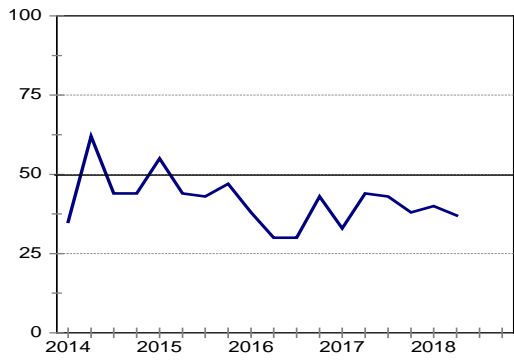
¹ Net balance.

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.

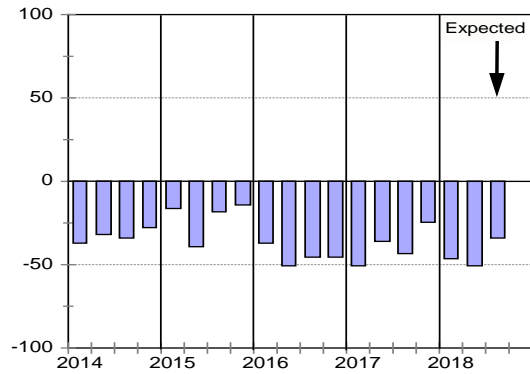
³ Percentage gross rating prevailing business conditions as satisfactory.

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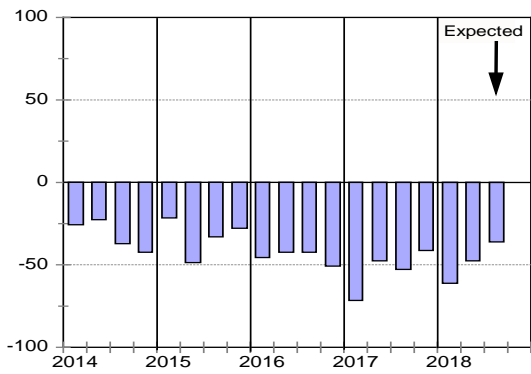
Business confidence



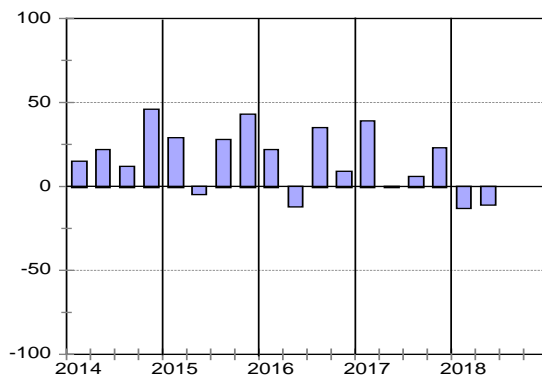
Change in business conditions



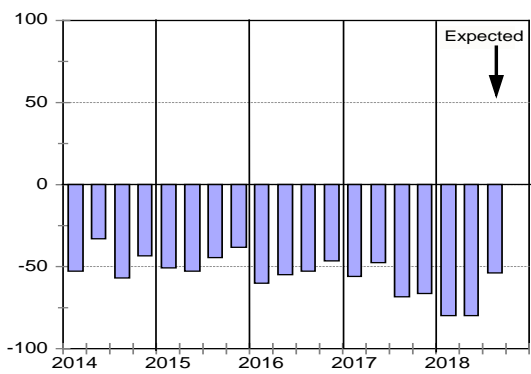
Growth in construction activity



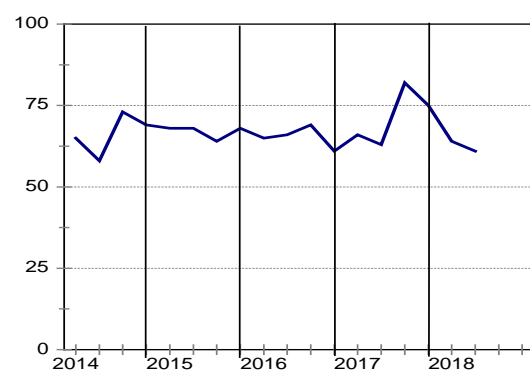
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	17Q3	17Q4	18Q1	18Q2	18Q3*
Business confidence ³	44	42	41	41	
Change in business conditions ¹	-24	-41	-46	-39	-22
Growth in construction activity ¹	-36	-55	-48	-43	-18
Growth in number of people employed ¹	-36	-35	-33	-40	-29
Growth in profitability of the business ¹	-43	-50	-54	-56	-33
Tendering competition ¹	40	40	45	43	
Percentage rating shortage of skilled labour a constraint ²	42	45	30	43	
Percentage rating inadequate supply of construction materials a constraint ²	27	23	16	20	
Percentage rating insufficient demand for construction work a constraint ²	64	73	65	72	
Percentage rating firm's inadequate access to credit a constraint ²	40	32	40	37	

* Expected.

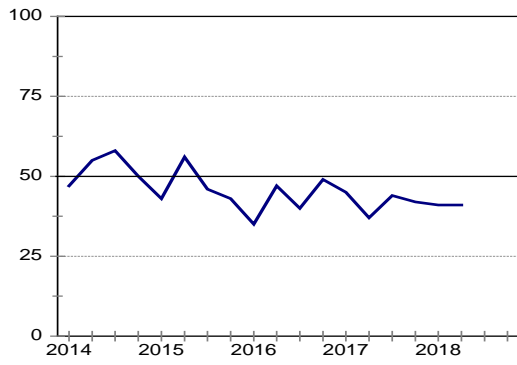
¹ Net balance.

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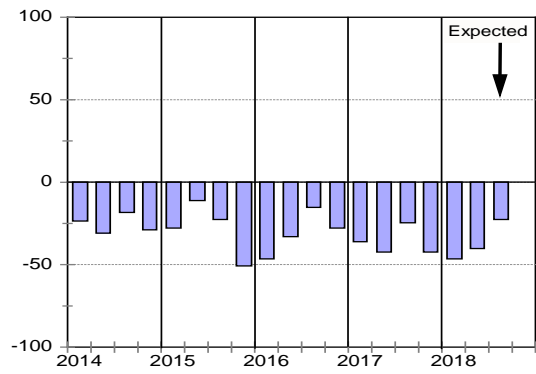
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

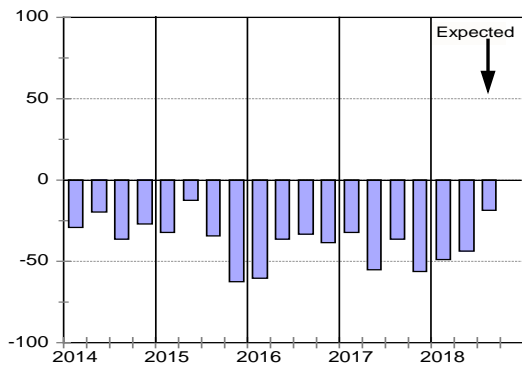
Business confidence



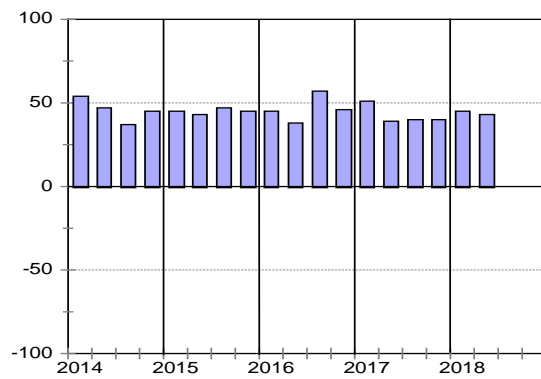
Change in business conditions



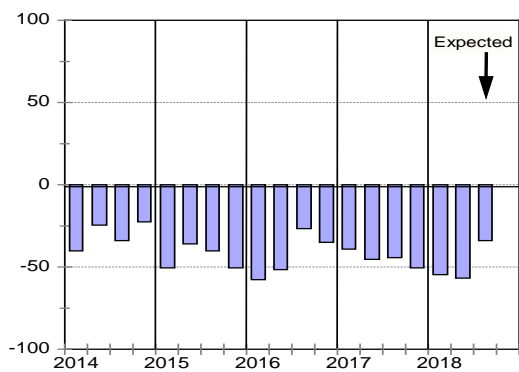
Growth in construction activity



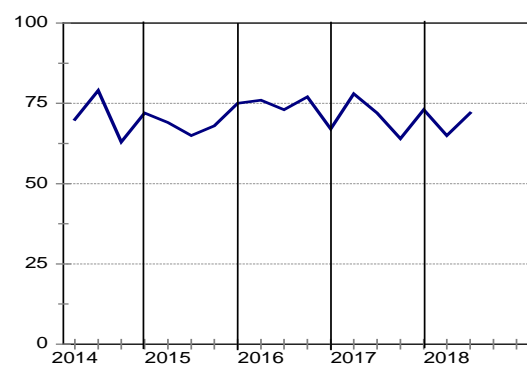
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	17Q3	17Q4	18Q1	18Q2	18Q3*
Business confidence ³	21	24	30	21	
Change in business conditions ¹	-62	-49	-39	-58	-22
Growth in construction activity ¹	-67	-67	-49	-59	-38
Growth in number of people employed ¹	-50	-56	-36	-35	-36
Growth in profitability of the business ¹	-75	-70	-50	-54	-26
Tendering competition ¹	79	70	74	65	
Percentage rating shortage of skilled labour a constraint ²	33	40	33	31	
Percentage rating inadequate supply of construction materials a constraint ²	15	20	26	17	
Percentage rating insufficient demand for construction work a constraint ²	86	68	74	77	
Percentage rating firm's inadequate access to credit a constraint ²	28	32	24	38	

* Expected.

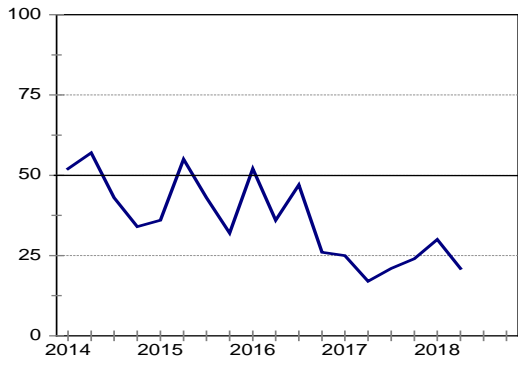
¹ Net balance.

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.

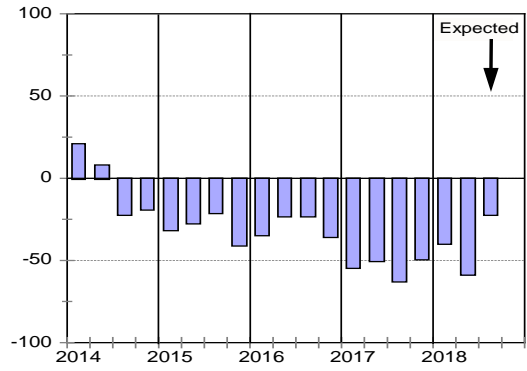
³ Percentage gross rating prevailing business conditions as satisfactory.

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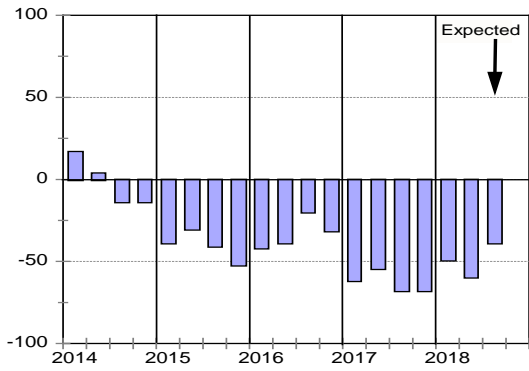
Business confidence



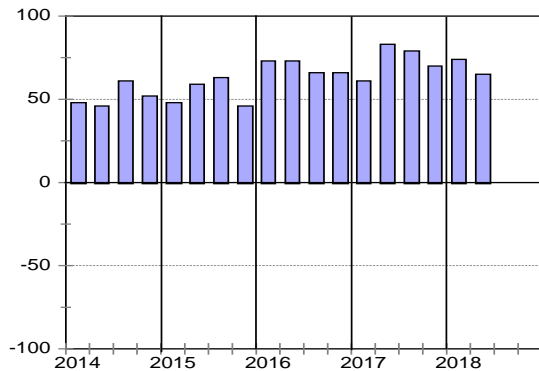
Change in business conditions



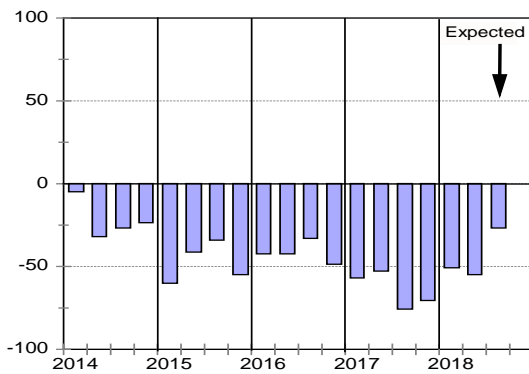
Growth in construction activity



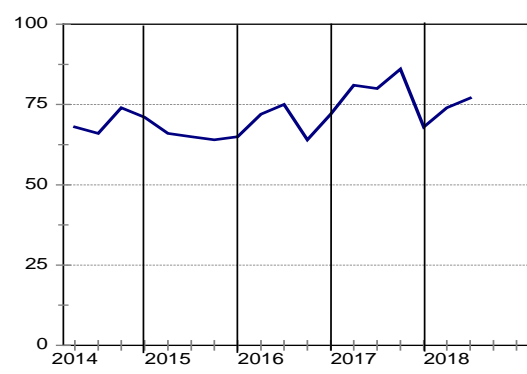
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	17Q3	17Q4	18Q1	18Q2	18Q3*
Business confidence ³	38	29	36	25	
Change in business conditions ¹	-27	-23	-29	-50	-25
Growth in construction activity ¹	-36	-50	-57	-38	-13
Growth in number of people employed ¹	-22	-43	-36	-50	-13
Growth in profitability of the business ¹	-57	-64	-43	-62	-26
Tendering competition ¹	36	36	57	63	
Percentage rating shortage of skilled labour a constraint ²	54	50	50	43	
Percentage rating inadequate supply of construction materials a constraint ²	19	21	23	6	
Percentage rating insufficient demand for construction work a constraint ²	79	68	64	81	
Percentage rating firm's inadequate access to credit a constraint ²	41	25	38	25	

* Expected.

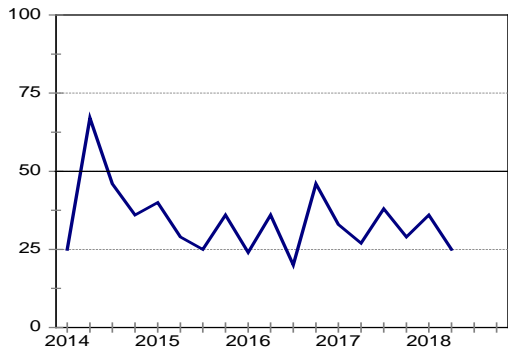
¹ Net balance.

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

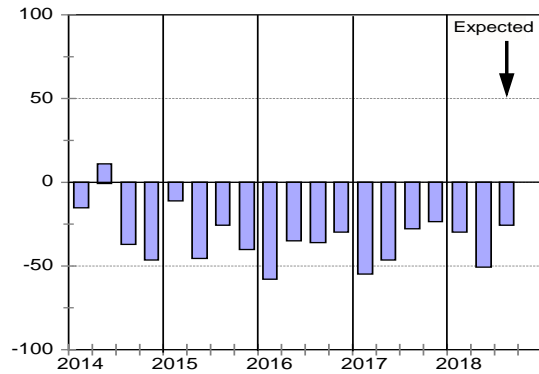
³ Percentage gross rating prevailing business conditions as satisfactory.

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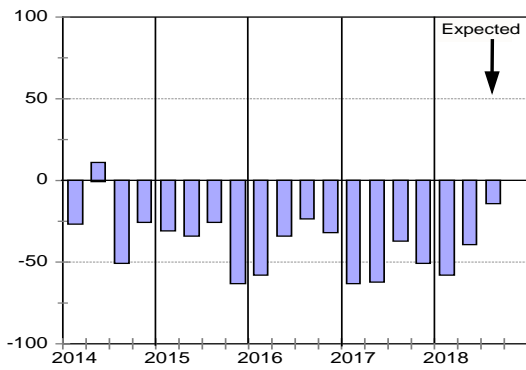
Business confidence



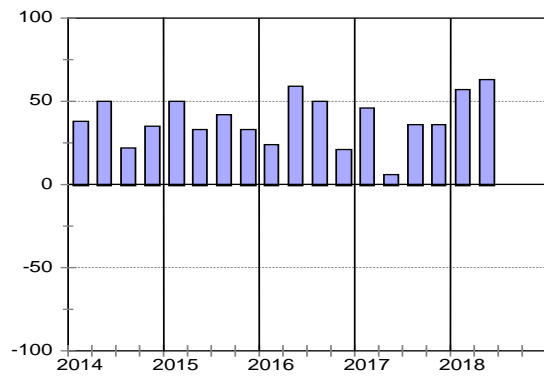
Change in business conditions



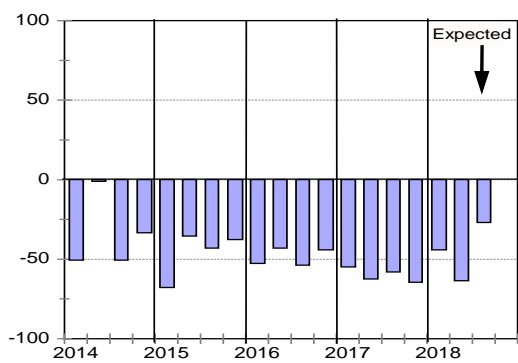
Growth in construction activity



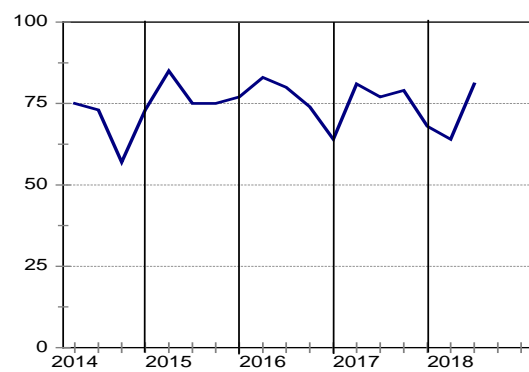
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	17Q3	17Q4	18Q1	18Q2	18Q3*
Business confidence ³	33	38	39	27	
Change in business conditions ¹	-33	-55	-50	-53	-16
Growth in building activity ¹	-45	-60	-45	-50	-18
Growth in number of people employed ¹	-45	-52	-41	-38	-25
Growth in profitability of the business ¹	-56	-71	-71	-67	-30
Tendering competition ¹	44	57	22	40	
Percentage rating shortage of skilled labour a constraint ²	23	31	16	18	
Percentage rating inadequate supply of building materials a constraint ²	34	19	14	21	
Percentage rating insufficient demand for building work a constraint ²	81	74	73	70	
Percentage rating firm's inadequate access to credit a constraint ²	39	40	47	47	

* Expected.

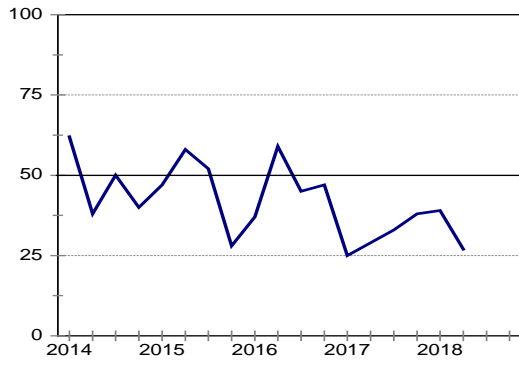
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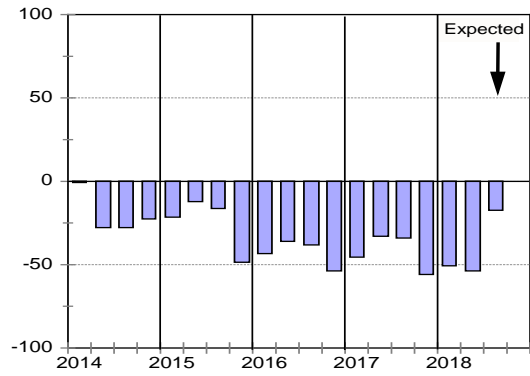
³ Percentage gross rating prevailing business conditions as satisfactory.

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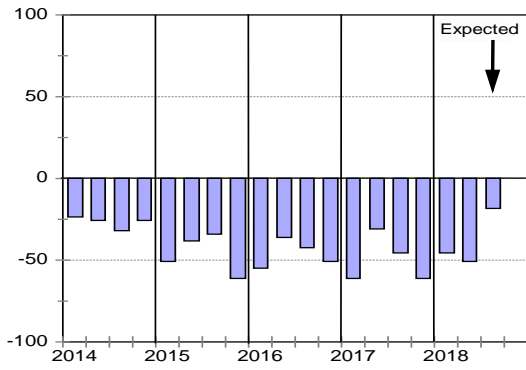
Business confidence



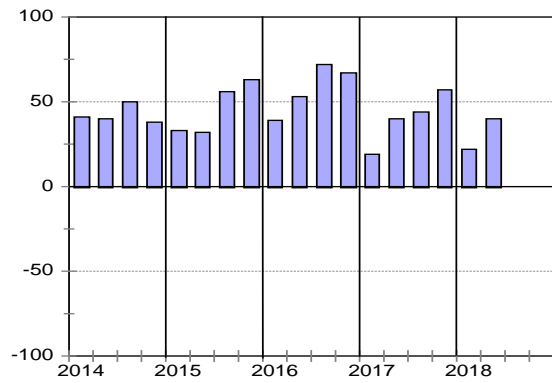
Change in business conditions



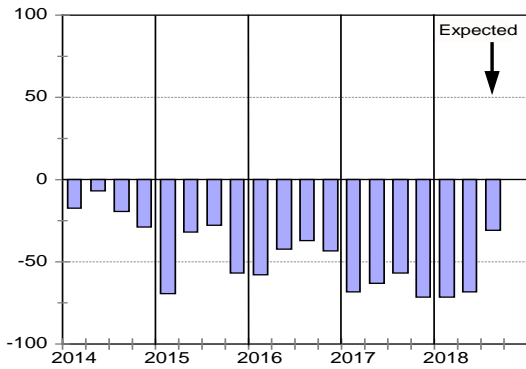
Growth in construction activity



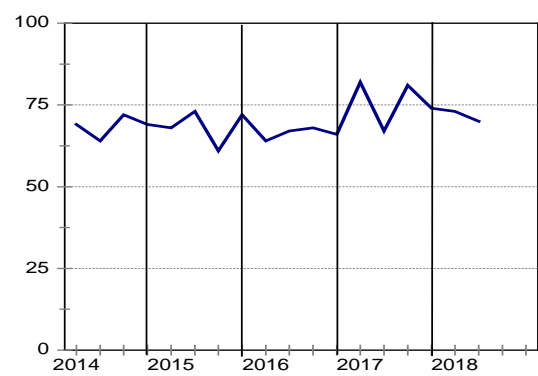
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	17Q3	17Q4	18Q1	18Q2	18Q3*
Business confidence ³	39	29	33	29	
Change in business conditions ¹	-52	-41	-53	-44	-29
Growth in construction activity ¹	-53	-78	-66	-66	-56
Growth in number of people employed ¹	-41	-44	-44	-44	-41
Growth in profitability of the business ¹	-69	-72	-61	-78	-71
Tendering competition ¹	21	16	59	11	
Percentage rating shortage of skilled labour a constraint ²	39	44	33	47	
Percentage rating inadequate supply of construction materials a constraint ²	31	25	34	35	
Percentage rating insufficient demand for construction work a constraint ²	74	75	72	74	
Percentage rating firm's inadequate access to credit a constraint ²	33	47	23	41	

* Expected.

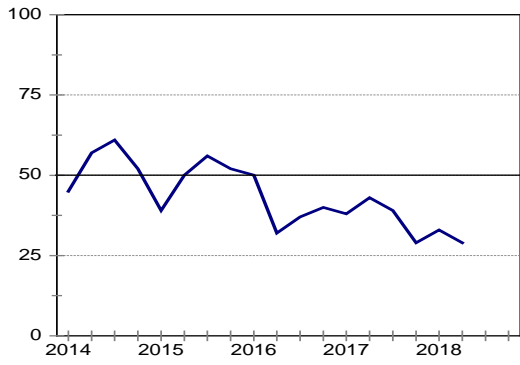
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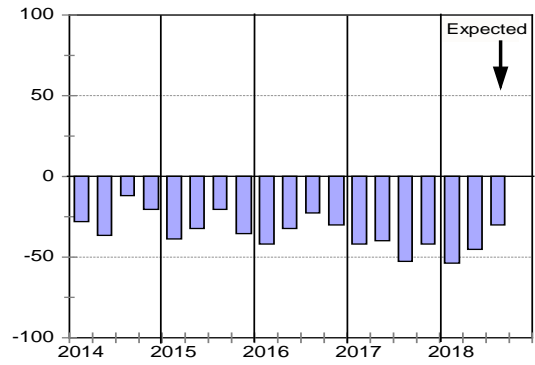
³ Percentage gross rating prevailing business conditions as satisfactory.

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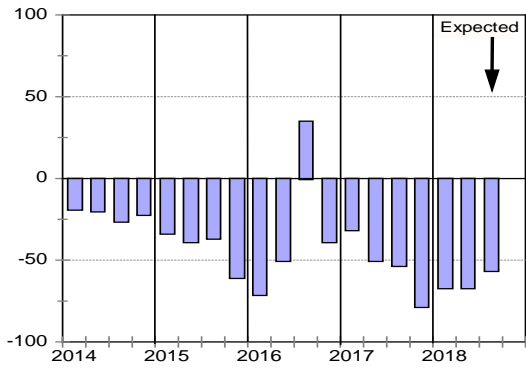
Business confidence



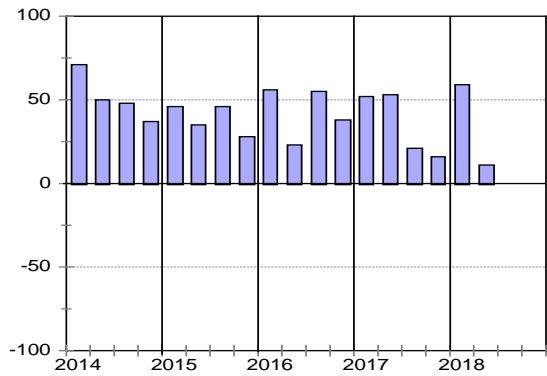
Change in business conditions



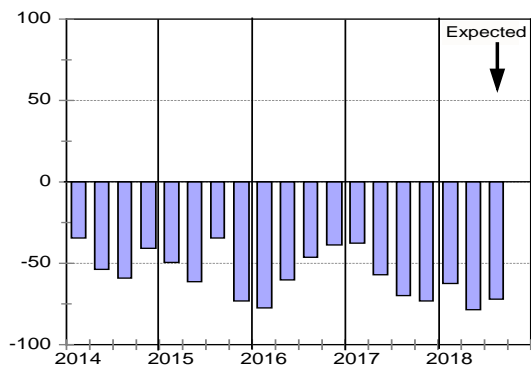
Growth in construction activity



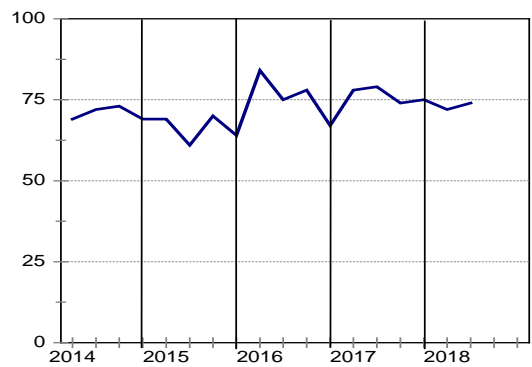
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	<i>17Q3</i>	<i>17Q4</i>	<i>18Q1</i>	<i>18Q2</i>	<i>18Q3*</i>
Business confidence ³	44	53	39	33	
Change in business conditions ¹	-45	-44	-61	-50	-75
Growth in construction activity ¹	-50	-33	-50	-59	-58
Growth in number of people employed ¹	-27	-44	-22	-50	-59
Growth in profitability of the business ¹	-50	-56	-61	-41	-59
Tendering competition ¹	67	77	72	75	
Percentage rating shortage of skilled labour a constraint ²	47	47	33	42	
Percentage rating inadequate supply of construction materials a constraint ²	27	28	17	14	
Percentage rating insufficient demand for construction work a constraint ²	78	72	69	71	
Percentage rating firm's inadequate access to credit a constraint ²	36	33	28	14	

* Expected.

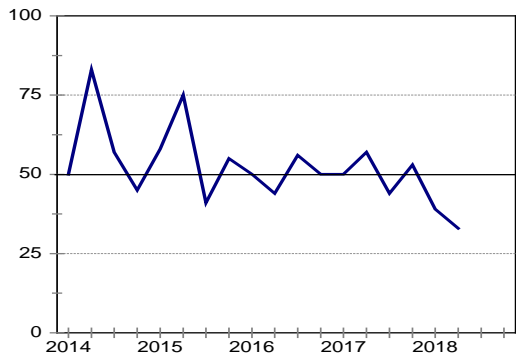
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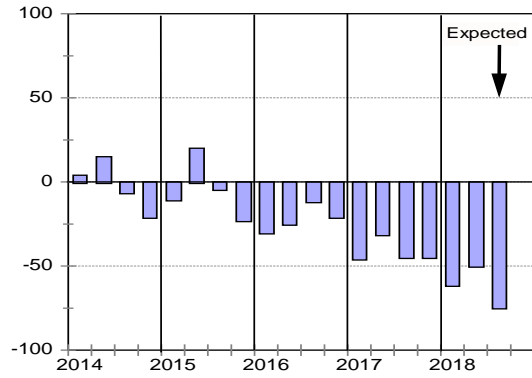
³ Percentage gross rating prevailing business conditions as satisfactory.

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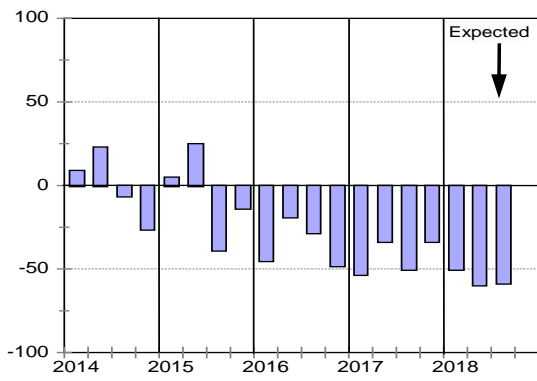
Business confidence



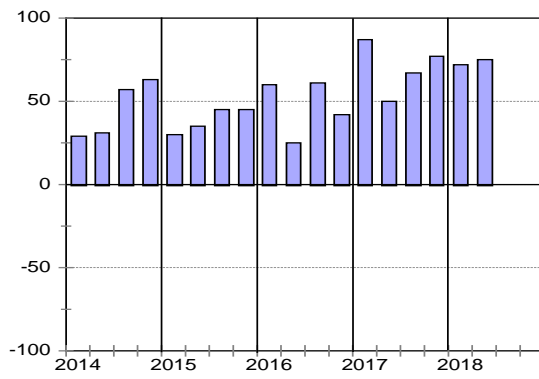
Change in business conditions



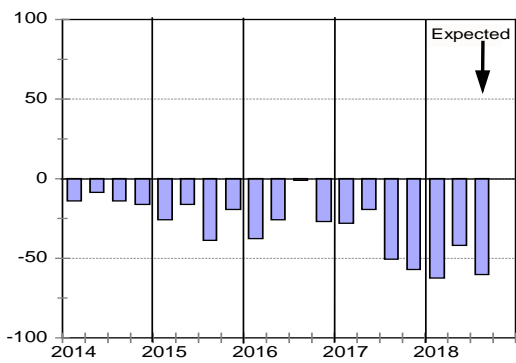
Growth in construction activity



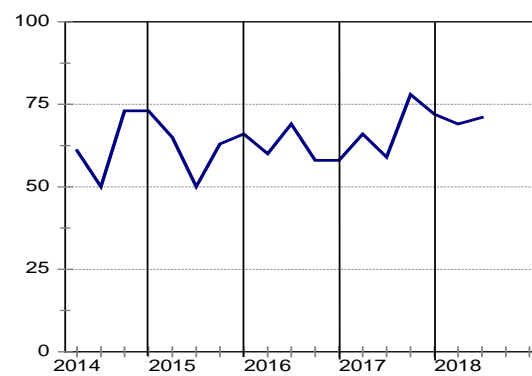
Tendering competition



Growth in profitability



Insufficient building work demand



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