



DEVELOPMENT THROUGH PARTNERSHIP

cidb - SME Business Conditions Survey

Quarter

3

2018



University of Stellenbosch

cidb Survey Results: 2018Q3

September 2018

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Summary

Building Contractors

During the third quarter of 2018, business confidence for general builders (GB) fell by 3 index points to 30. This marks its lowest level in almost 7 years. Discouragingly, the percentage of building contractors who rated insufficient demand for building work as a constraint increased further to 76%. This does not instil much hope for building activity in the near term.

Grades 7 & 8 were the only grades where sentiment improved. In contrast, the smaller contractors remained under immense pressure. Building confidence among Grades 3 & 4 fell to an all-time low of 28 index points. Grades 5 & 6 also saw a dip in confidence to a 4-year low of 25.

On a provincial level, building contractors in the Western Cape registered the biggest drop in confidence – from 56 to a 4-year low of 31. GBs in the Eastern Cape and KwaZulu-Natal also showed a fall in confidence to 25 and 15 index points respectively. Gauteng was the only province where sentiment improved from a historic low of 17 index points in 2018Q2 to 27 in 2018Q3.

It is important to note that irrespective of the movements in confidence, sentiment remained below 40 across all the grades and provinces.

Civil Contractors

Civil contractor confidence fell to a historic low of 27 index points, from 33 previously. Sentiment worsened as pressure on profitability intensified, in line with a sharp slowdown in activity and a more hostile tendering environment.

Among the grades, confidence fell to historic lows of 25 and 15 for Grades 5 & 6 and Grades 7 & 8 respectively. Contractors in these grades suffered from a sharp slowdown in activity which weighed on profitability. Although contractors in Grades 3 & 4 registered an uptick in confidence, sentiment remained in net negative territory.

On a provincial level, Gauteng was the only province where sentiment improved by a notable 20 index points to 47. In contrast, confidence in both the Western Cape and KwaZulu-Natal fell to its lowest level on record. The Eastern Cape also registered a marginal decline in sentiment.

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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 2018Q3 survey was carried out during the period 30 July to 4 September 2018.

The analysis that follows provides a synopsis of the survey responses received in 2018Q3, 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.

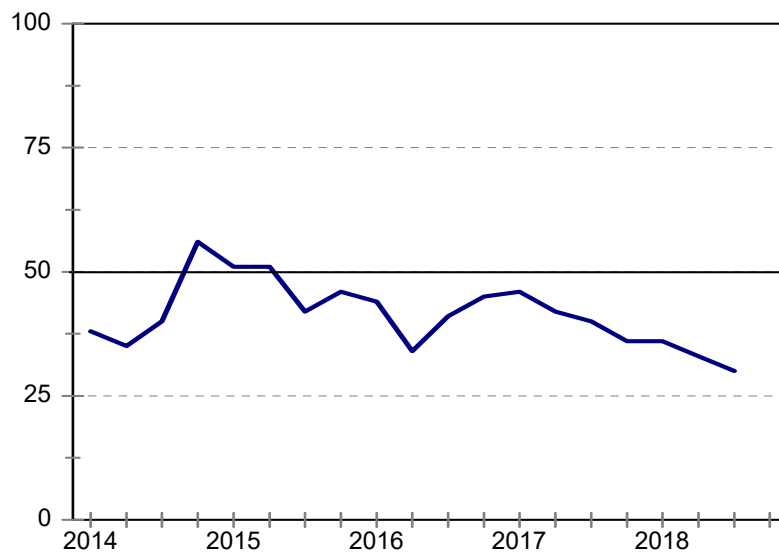
2018Q3 cidb Survey Results

Building Industry

Total

Building confidence has been trending downwards since the beginning of 2017 (see Figure 1 below). In 2018Q3, business confidence shed another 3 index points to register a level of 30. This marks its lowest level in almost seven years. Among the grades, contractors in Grades 3 & 4 and Grades 5 & 6 came under even more pressure during this survey quarter. At the provincial level, Western Cape confidence plummeted steeply. In all, confidence was below 40 across all the grades and provinces, confirming that the industry is still under immense pressure.

Figure 1: Total
Business confidence



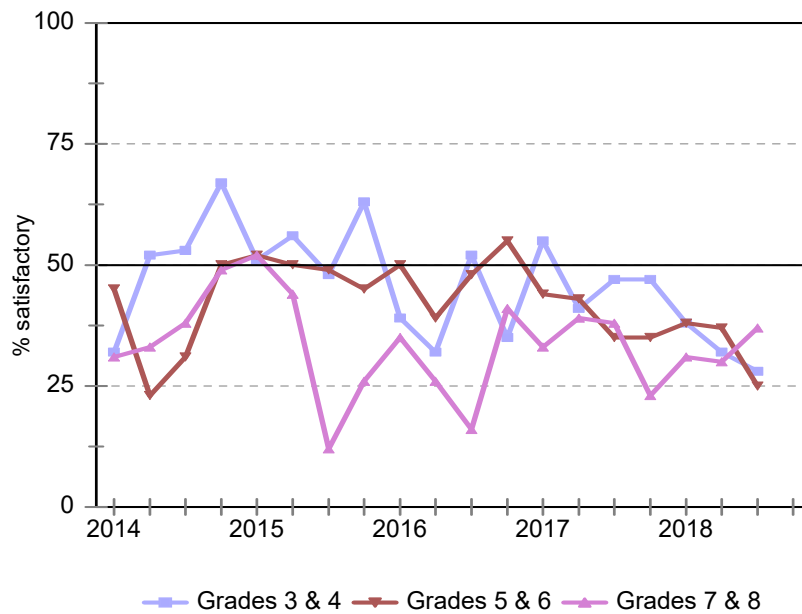
Building contractors were challenged by poorer business conditions and the employment indicator was also slightly weaker.

Discouragingly, demand for new building work remains low. Seventy-six per cent of respondents cited insufficient demand for building work as a constraint. This does not bode well for building activity growth going forward.

Grades comparison

Grades 7 & 8 were the only contractor groups that registered an improvement in sentiment, albeit still low (see Figure 2). For Grades 3 & 4, sentiment fell to a historic low of 28 index points, while business confidence among Grades 5 & 6 declined to a 4-year low of 25.

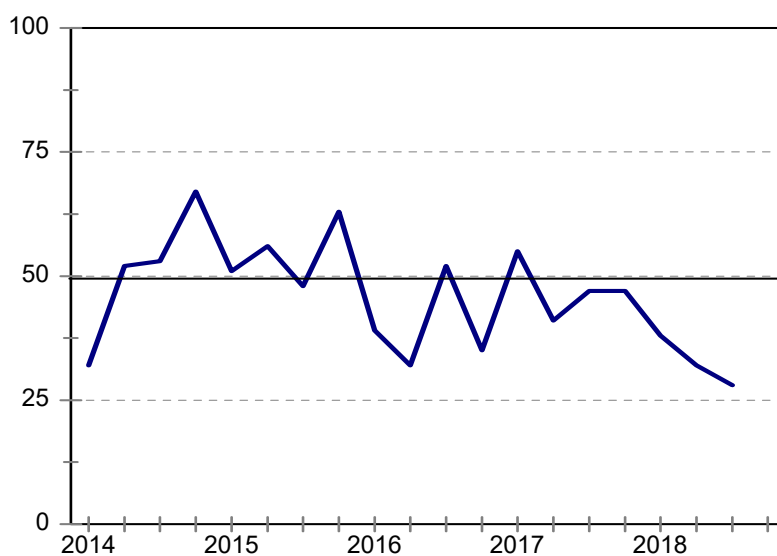
Figure 2: Business confidence per grade



Grades 3 & 4

The 2018Q3 survey results suggest that pressure on smaller building contractors is escalating. Over the past year, business confidence for Grades 3 & 4 builders has dropped by a cumulative 19 index points to a historic low of 28.

Figure 3: Grades 3 & 4
Business confidence



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

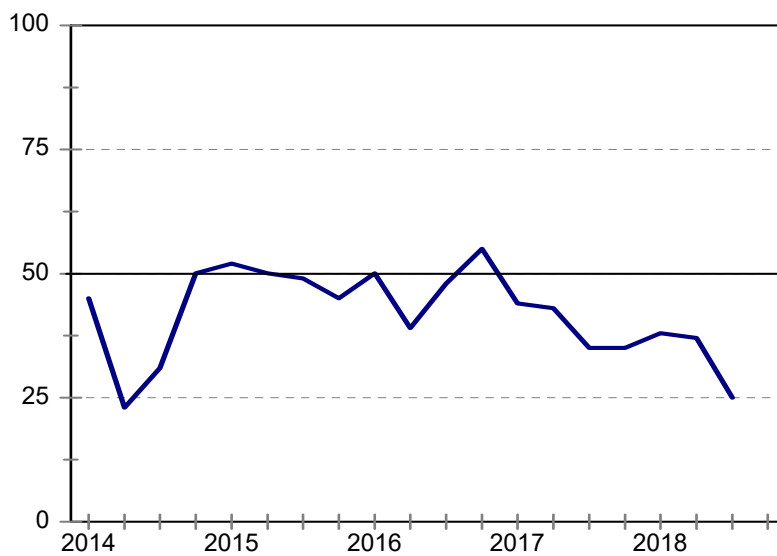
Respondents experienced a slowdown in building activity. Compared to a net 52% in 2018Q2, a net 56% of respondents attested to lower activity during this survey quarter. As a result of lower activity, profitability suffered. The proportion of respondents reporting lower profit levels increased from a net 59% in 2018Q2, to a net 66% in 2018Q3. Business conditions and employment growth also deteriorated.

Seventy-eight per cent of respondents cited insufficient demand for building work as a constraint, suggesting that building activity will most likely remain under pressure in the near future.

Grades 5 & 6

Business confidence among general builders in Grades 5 & 6 declined by 8 index points to a 4-year low of 25 index points.

Figure 4: Grades 5 & 6
Business confidence

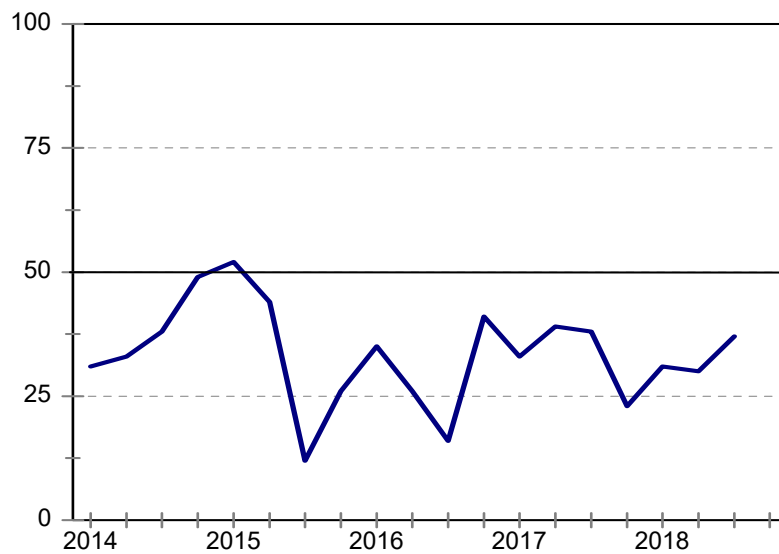


Apart from a slightly tougher tendering environment, movements in the underlying indicators did not really support the drop in confidence.

Grades 7 & 8

As mentioned earlier, Grades 7 & 8 were the only contractors that registered an improvement in confidence – from 30 to 37 index points. However, despite the uptick, business confidence has now been below 50 since 2015Q2 (see Figure 5).

Figure 5: Grades 7 & 8
Business confidence

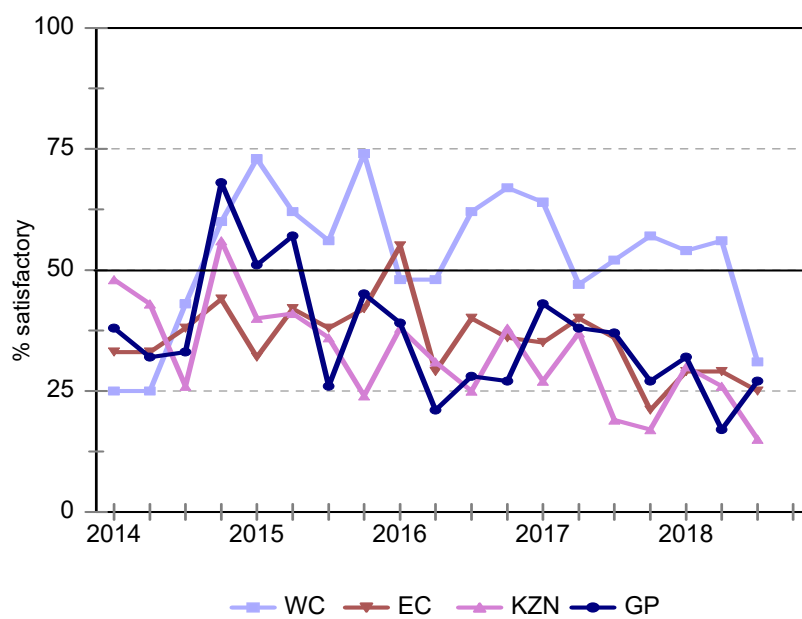


Building activity improved, with a smaller net majority of 11% of respondents reporting a decline in activity compared to a net 25% in 2018Q2. The uptick in building activity helped to ease some profitability pressure. The improvement in activity and profitability coincided with a less intense tendering environment, with the indicator registering a net balance of 44%, compared to 52% previously.

Provincial comparison

Among the big four provinces, Gauteng was the only province that registered an improvement in sentiment. Nonetheless, confidence remained well below the neutral 50-index point level (see Figure 6 below). Building contractors in the Western Cape experienced the sharpest drop in confidence (-25 index points), followed by KwaZulu-Natal (-11) and the Eastern Cape (-4).

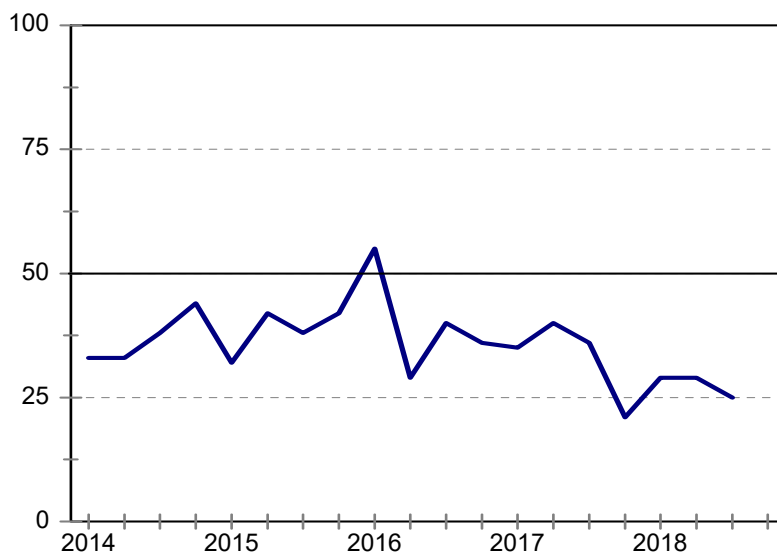
Figure 6: Business confidence per province



Eastern Cape¹

Building confidence in the Eastern Cape declined by 4 index points to 25.

Figure 7: Eastern Cape
Business confidence



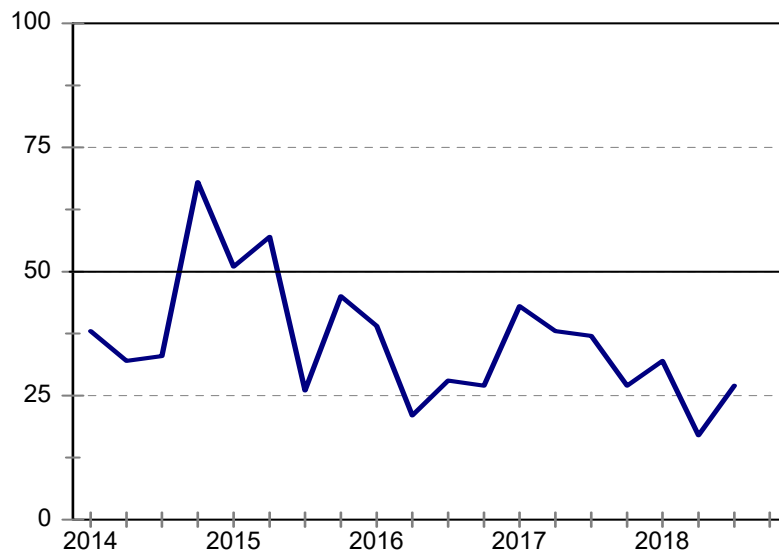
The deterioration in business conditions and employment supported the drop in confidence. The tendering environment was also tougher during this survey quarter. Indeed, a net 12% of respondents experienced a tougher tendering environment, compared to 14% that cited an easing in tendering competition in 2018Q2.

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

Gauteng

After falling to a historic low of 17 in 2018Q2, building confidence in Gauteng increased by 10 index points to 27. However, despite the uptick, sentiment has now been in negative territory for the past three years (see Figure 8).

Figure 8: Gauteng
Business confidence

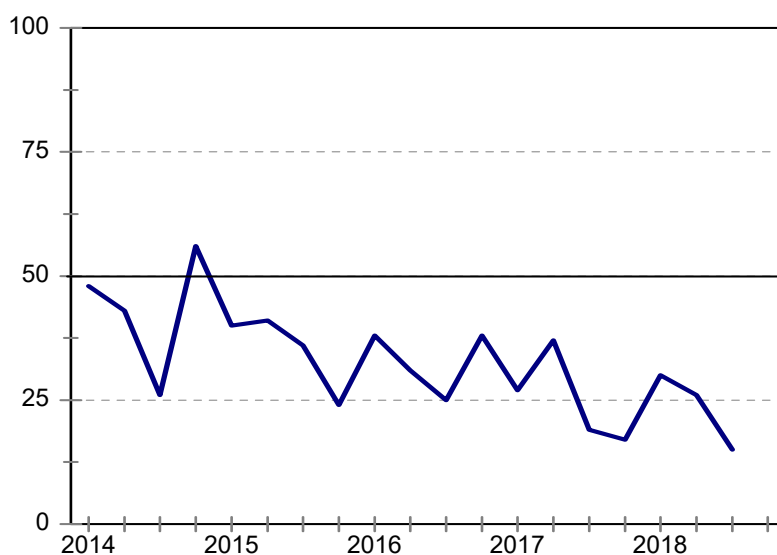


Building activity improved somewhat, with a smaller net majority of 40% of respondents reporting a decline in activity compared to a net 45% in 2018Q2. The improvement in building activity helped to lift profitability. The tendering environment was also more favourable, with the indicator coming in at a net 26%, from 33% in 2018Q2.

KwaZulu-Natal

Building contractor confidence in KwaZulu-Natal shed 11 index points to register a value of 15. This marks the lowest level since 2009Q4.

Figure 9: KwaZulu-Natal
Business confidence

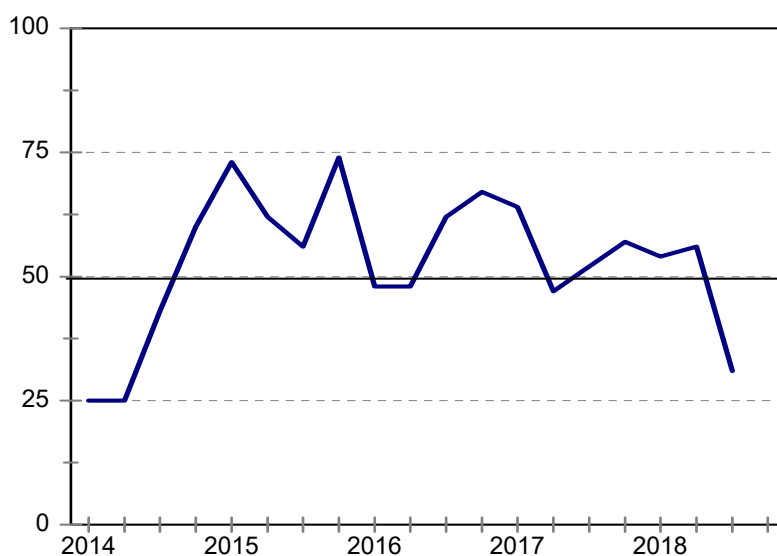


The fall in confidence was not supported by movements in the underlying indicators as all of them improved somewhat. Nevertheless, the outlook for the province does not look promising based on the increase in the number of respondents rating insufficient demand for building work as a constraint – from 71% previously to 77% in 2018Q3.

Western Cape

In the Western Cape, building contractor confidence fell sharply by 25 index points to 31. This marks its lowest level in four years. Building contractors were challenged by poorer business conditions, while employment growth worsened.

Figure 10: Western Cape
Business confidence



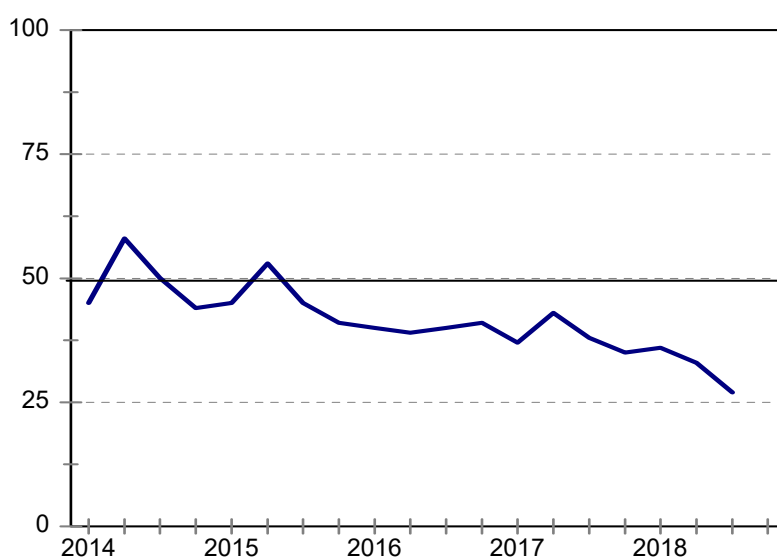
Discouragingly, the proportion of respondents experiencing insufficient demand for building work as a constraint increased from 78% to 82% – its highest level since 2014Q1. This implies that building activity growth in the Western Cape could come under more pressure in the near future.

Construction Industry

Total

Civil contractor confidence shed 6 index points to register an all-time low of 27. Among the grades, confidence fell to historic lows for both Grades 5 & 6 and Grades 7 & 8. On a provincial level, Gauteng was the only province where sentiment improved. In both the Western Cape and KwaZulu-Natal, confidence deteriorated to its lowest level on record.

Figure 11: Total
Business confidence



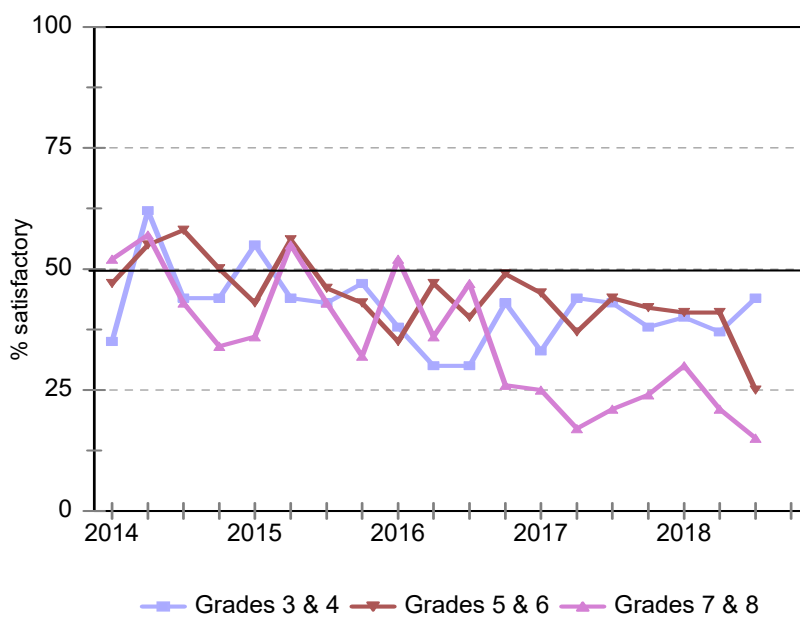
Construction activity came under immense pressure during 2018Q3. The net majority of respondents experiencing a slowdown in construction activity increased to 65%, from 49% previously. This is the worst level on record. As a result of lower activity, profitability came under increased pressure during this survey quarter. Weaker profit margins were furthermore exacerbated by tougher tendering competition. Indeed, the indicator measuring competition in tendering prices came in at a net 48%, relative to 35% previously.

Discouragingly, the outlook for construction activity does not look promising as illustrated by the uptick in the number of respondents experiencing insufficient demand for construction work as a constraint – from 71% to 77%.

Grades comparison

As shown in Figure 12, Grades 3 & 4 (+7) were the only contractor groups that registered an increase in confidence, whereas civil contractors in Grades 5 & 6 and Grades 7 & 8 shed 16 and 6 index points respectively. Despite the uptick among the smaller contractors, confidence remained in negative territory across all the grades.

Figure 12: Business confidence per grade

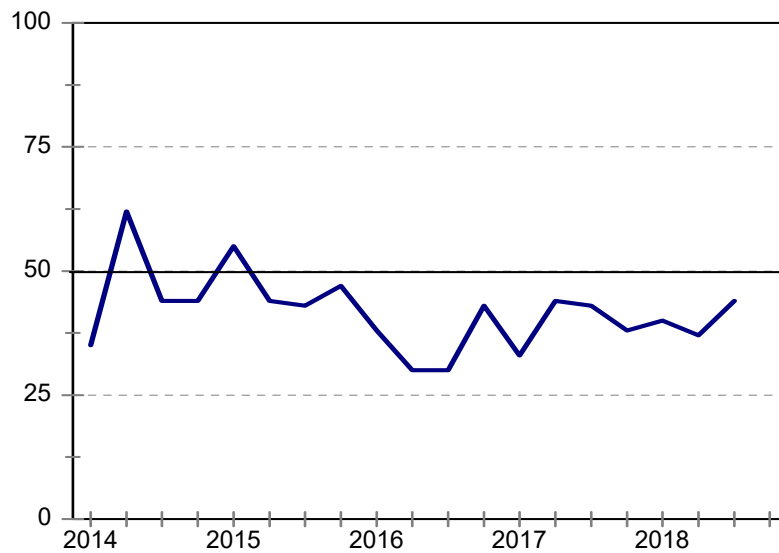


Grades 3 & 4

Sentiment improved among Grades 3 & 4, with the business confidence indicator ticking up to 44 index points in 2018Q3, from 37 previously.

Figure 13: Grades 3 & 4

Business confidence



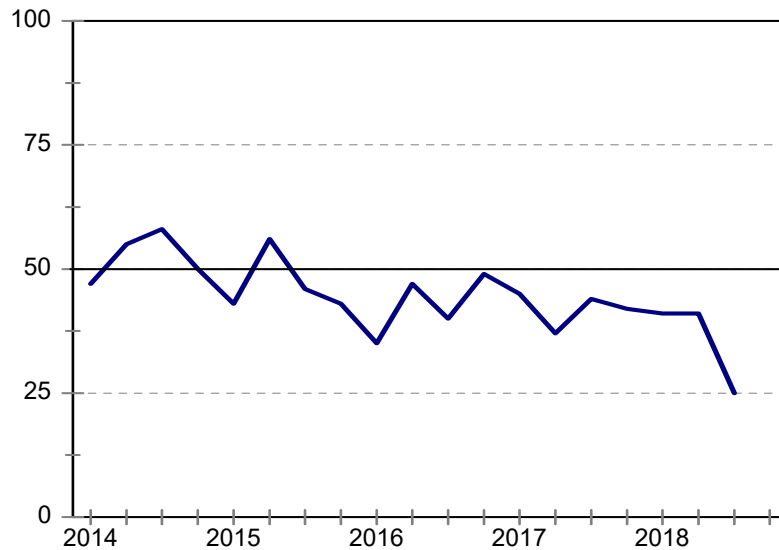
Construction activity continued to improve, helping to take some pressure off profitability. After deteriorating to a historic low of a 79% in the previous quarter, the net majority of respondents who experienced lower profitability fell to 56% in 2018Q3.

The improvement in business conditions and employment growth also supported the uptick in confidence.

Grades 5 & 6

Business confidence for Grades 5 & 6 civil contractors fell to an all-time low of 25 index points, from 41 points previously.

Figure 14: Grades 5 & 6
Business confidence



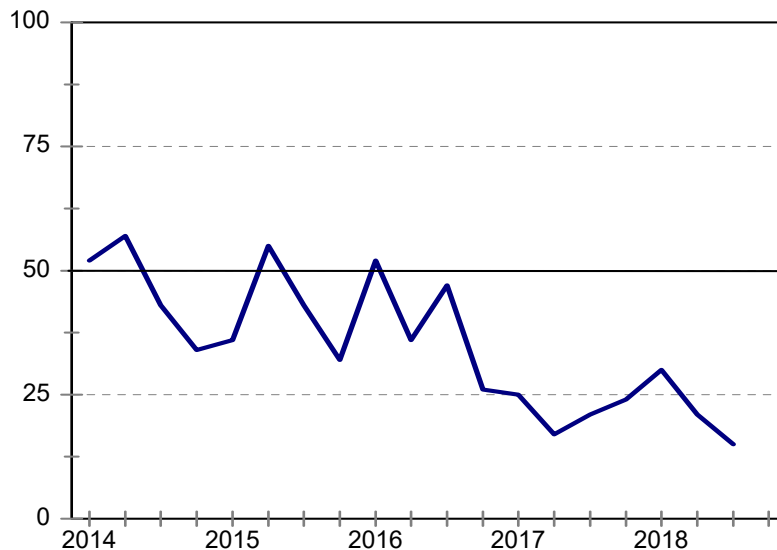
Construction activity slowed during the quarter, with a greater net majority of 59% reporting lower activity, compared to 43% previously. Against this backdrop, profitability came under even more pressure.

Discouragingly, the increase in respondents citing insufficient demand for construction work as a constraint (from 72% to 77%), does not bode well for activity growth in the near term.

Grades 7 & 8

Business confidence among civil contractors in Grades 7 & 8 shed 6 index points to register a historic low of 15 points.

Figure 15: Grades 7 & 8
Business confidence



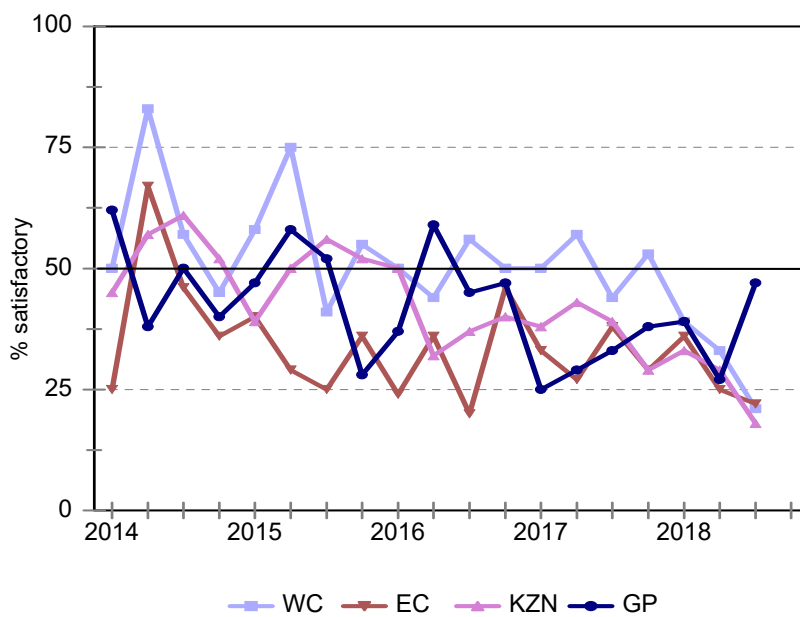
The indicators for business conditions, construction activity, profitability and employment all deteriorated to their worst levels on record. For construction activity in particular, the net majority of respondents reporting a slowdown in activity rose to 95% during 2018Q3, up from 59% previously. This weighed on profitability. A more hostile tendering environment also contributed to weaker profit levels.

Ninety per cent of respondents cited insufficient demand for construction work as a constraint, implying that the larger contractors will remain under pressure in the foreseeable future.

Provincial comparison

Gauteng was the only province where sentiment improved. Nonetheless, despite the significant uptick (+20 index points), confidence remained below the key 50-index point level. For the rest of the provinces, business confidence continued to decline.

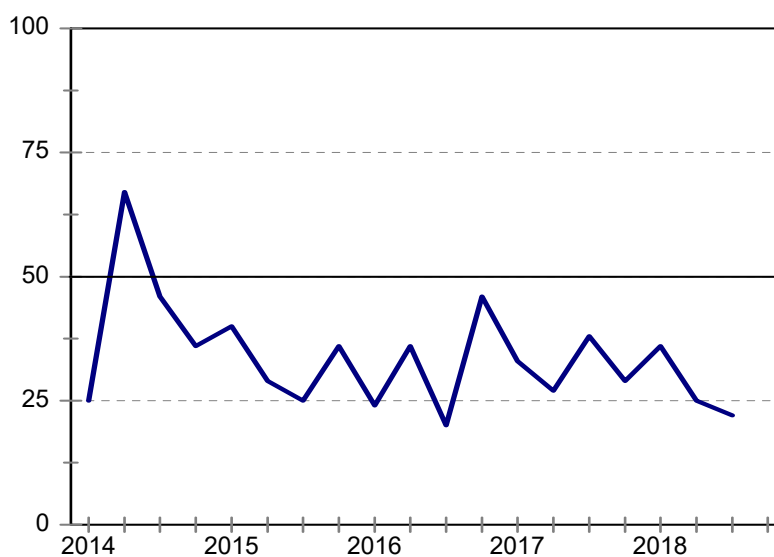
Figure 16: Business confidence per province



Eastern Cape

Business confidence among civil contractors in the Eastern Cape edged down to 22 in 2018Q3, from 25 previously.

Figure 17: Eastern Cape
Business confidence

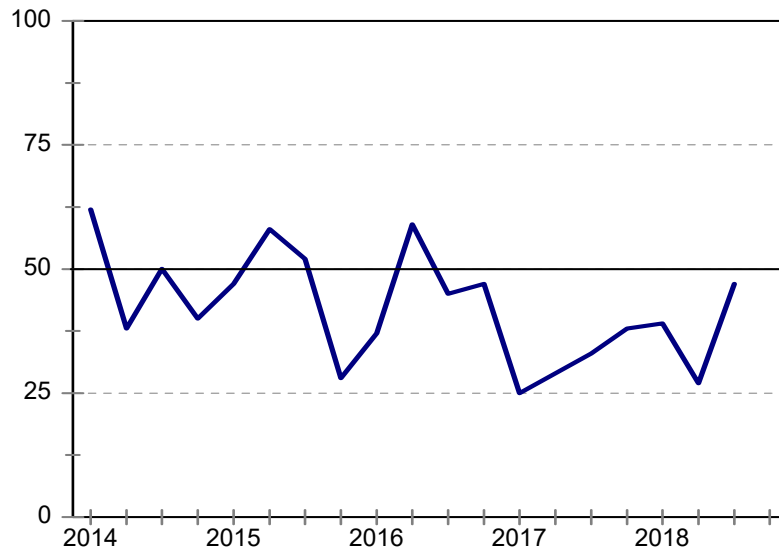


Civil contractors in the Eastern Cape experienced a slowdown in activity, while pressure on profitability persisted. The net majority of respondents reporting poorer profitability increased to 76% in 2018Q3, from 62% previously.

Gauteng

Civil contractor confidence in Gauteng improved significantly to 47 index points, from 27 previously. The uptick in sentiment was supported by all the underlying indicators.

**Figure 18: Gauteng
Business confidence**

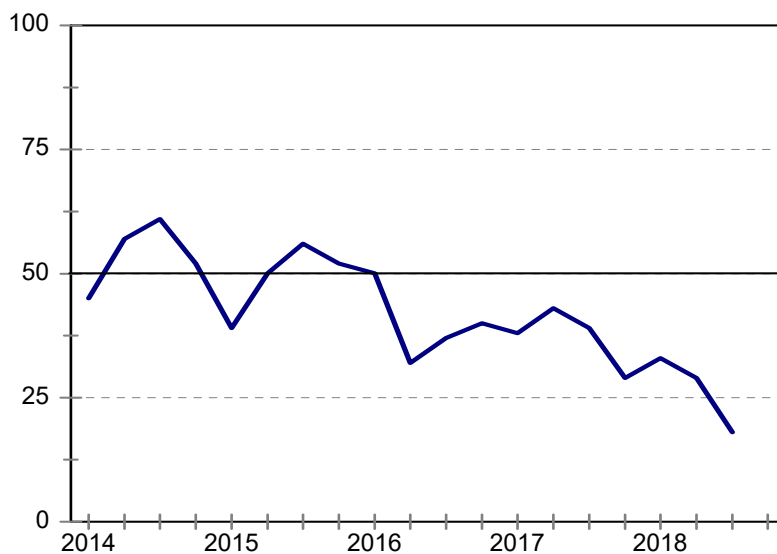


Civil contractors experienced an uptick in activity, which helped to take some pressure off profitability. Indeed, a net majority of 36% of respondents reported a decline in profitability in 2018Q3, down from a net 67% previously. The business conditions and employment indicators also improved.

KwaZulu-Natal

In KwaZulu-Natal, civil contractor confidence shed 11 index points to register a historic low of 18 points.

Figure 19: KwaZulu-Natal
Business confidence

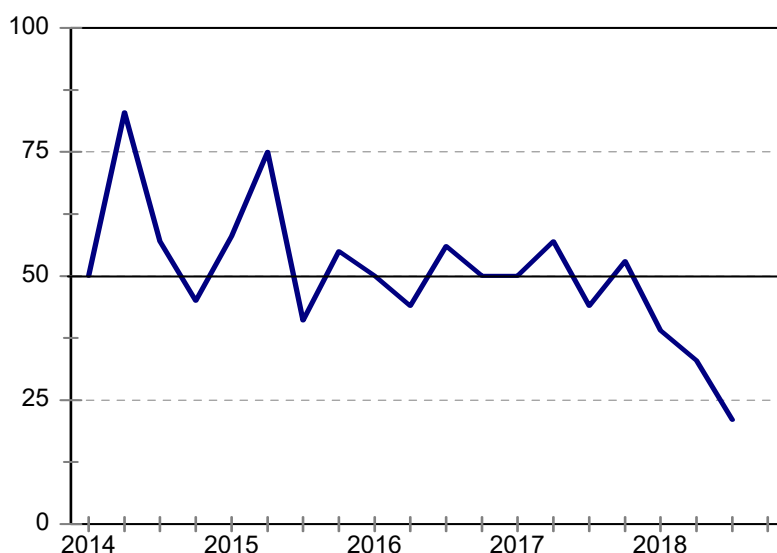


Sentiment worsened as profitability came under more pressure, in line with weaker activity and keener tendering competition. A net majority of 76% of respondents reported a slowdown in activity, up from 66% during 2018Q2.

Western Cape

Since 2017Q4, civil contractor confidence in the Western Cape lost a cumulative 32 index points to register a historical low of 21 in 2018Q3.

Figure 20: Western Cape
Business confidence



The sharp drop in confidence was in line with movements in all the underlying indicators. Construction activity continued to slow during the quarter, weighing on profitability. Indeed, a net majority of 64% of respondents reported a decline in profitability in 2018Q3, up from a net 41% previously. Weaker profit margins were furthermore aggravated by a tougher tendering environment. An elevated net majority of 86% of respondents reported more intense tendering competition, compared to 75% previously.

Eighty-six per cent of respondents cited insufficient demand for construction work as a constraint, up from 71% in the previous quarter. This implies that construction activity in the Western Cape will most likely remain under pressure in the coming quarters.

Mia Slabber

Ntombizanele Bakaqana

cidb Building Contractor: Survey Results

Building Contractors : Total

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	36	36	33	30	
Change in business conditions ¹	-43	-25	-29	-32	-14
Growth in building activity ¹	-55	-42	-44	-37	-19
Growth in number of people employed ¹	-47	-32	-31	-33	-27
Growth in profitability of the business ¹	-62	-58	-55	-48	-34
Tendering competition ¹	47	47	44	43	
Percentage rating shortage of skilled labour a constraint ²	48	47	46	42	
Percentage rating inadequate supply of building materials a constraint ²	23	23	25	19	
Percentage rating insufficient demand for building work a constraint ²	73	73	74	76	
Percentage rating firm's inadequate access to credit a constraint ²	30	32	37	31	

* Expected.

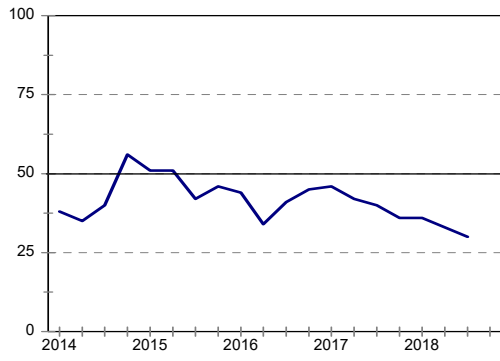
¹ Net balance.

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

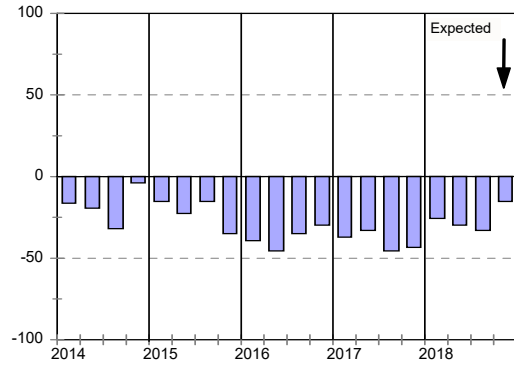
³ Percentage gross rating prevailing business conditions as satisfactory.

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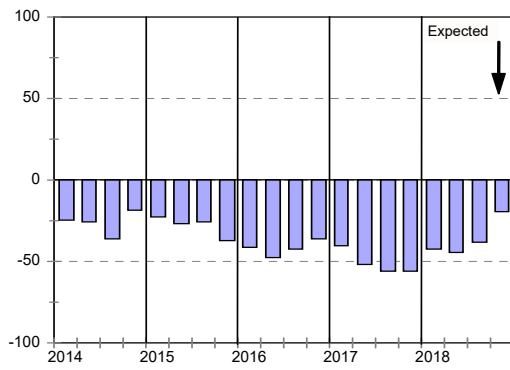
Business confidence



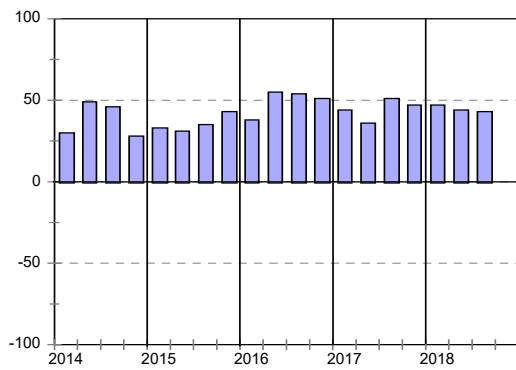
Change in business conditions



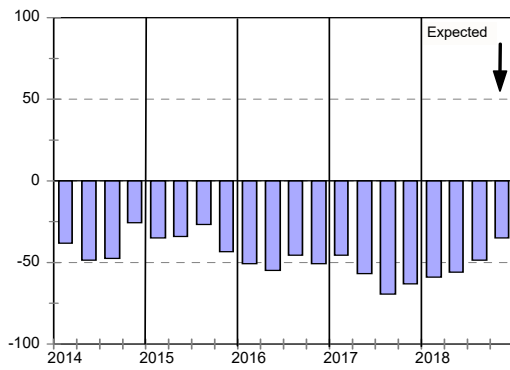
Growth in building activity



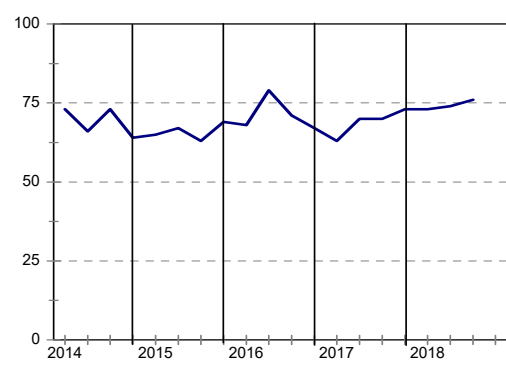
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 3 & 4

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	47	38	32	28	
Change in business conditions ¹	-32	-36	-41	-55	-29
Growth in building activity ¹	-48	-64	-52	-56	-12
Growth in number of people employed ¹	-44	-52	-38	-55	-29
Growth in profitability of the business ¹	-66	-66	-59	-66	-41
Tendering competition ¹	20	32	19	11	
Percentage rating shortage of skilled labour a constraint ²	43	42	41	33	
Percentage rating inadequate supply of building materials a constraint ²	26	24	25	21	
Percentage rating insufficient demand for building work a constraint ²	71	68	73	78	
Percentage rating firm's inadequate access to credit a constraint ²	39	40	52	48	

* Expected.

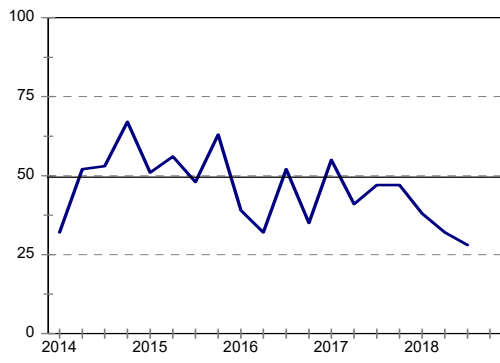
¹ Net balance.

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.

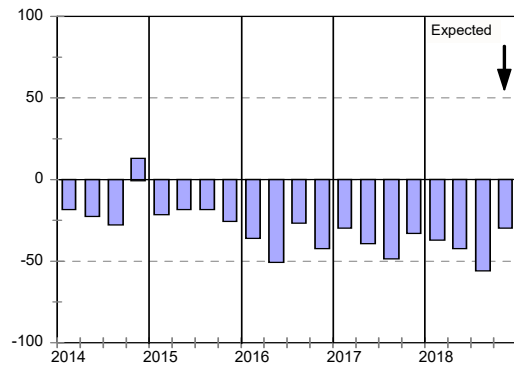
³ Percentage gross rating prevailing business conditions as satisfactory.

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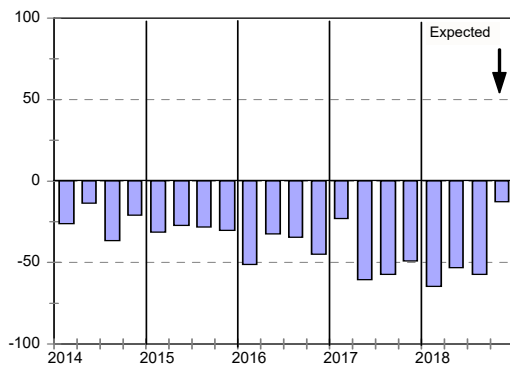
Business confidence



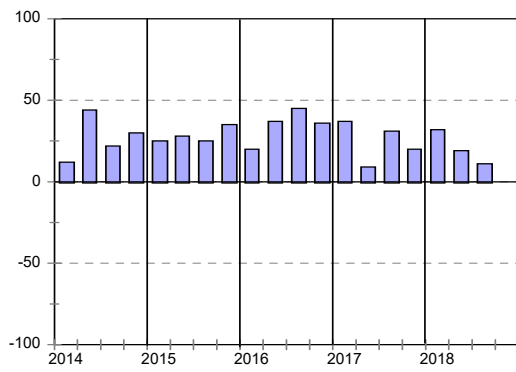
Change in business conditions



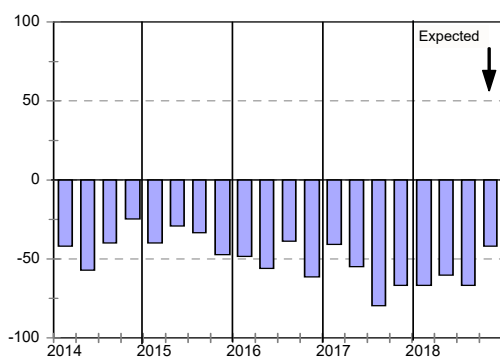
Growth in building activity



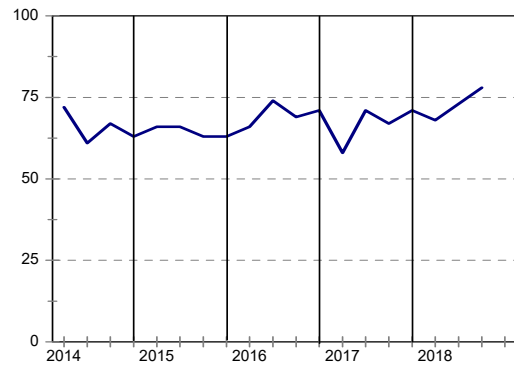
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 5 & 6

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	35	38	37	25	
Change in business conditions ¹	-39	-24	-33	-32	-8
Growth in building activity ¹	-48	-44	-52	-45	-36
Growth in number of people employed ¹	-46	-27	-25	-28	-40
Growth in profitability of the business ¹	-57	-54	-59	-42	-38
Tendering competition ¹	50	48	44	50	
Percentage rating shortage of skilled labour a constraint ²	53	43	46	46	
Percentage rating inadequate supply of building materials a constraint ²	20	23	24	15	
Percentage rating insufficient demand for building work a constraint ²	73	69	74	73	
Percentage rating firm's inadequate access to credit a constraint ²	23	29	33	22	

* Expected.

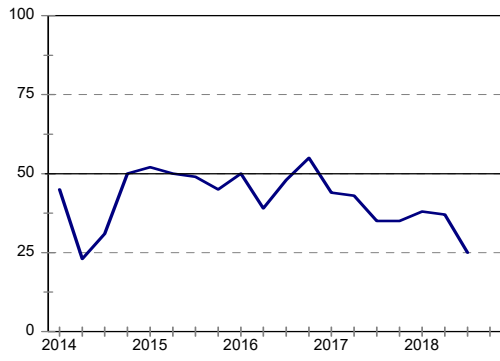
¹ Net balance.

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.

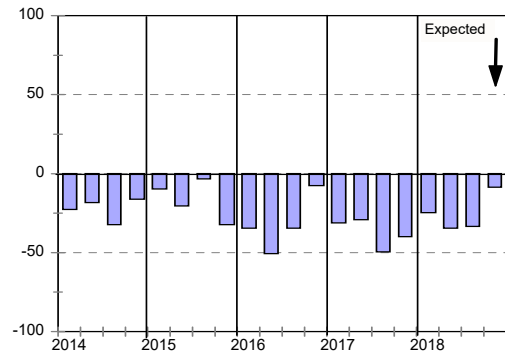
³ Percentage gross rating prevailing business conditions as satisfactory.

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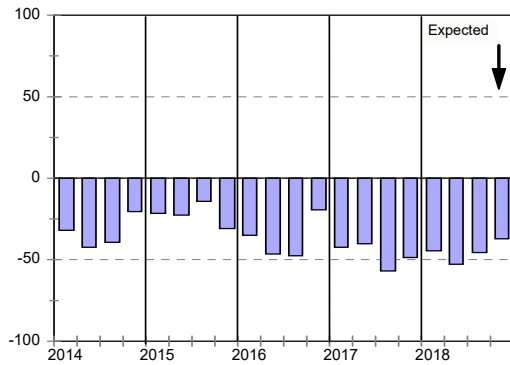
Business confidence



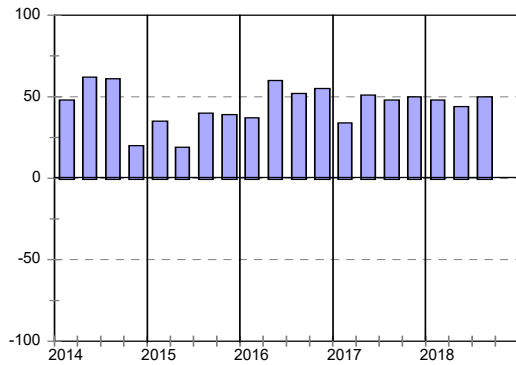
Change in business conditions



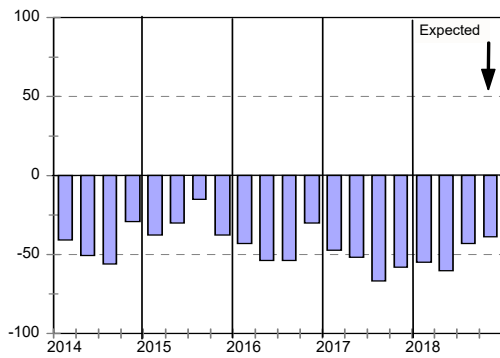
Growth in building activity



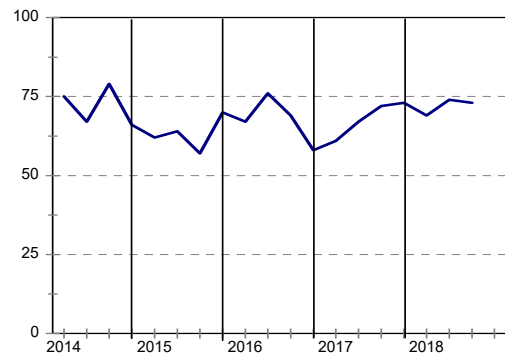
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Grades 7 & 8

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	23	31	30	37	
Change in business conditions ¹	-60	-19	-10	-11	-5
Growth in building activity ¹	-70	-19	-25	-11	-6
Growth in number of people employed ¹	-53	-24	-30	-17	-5
Growth in profitability of the business ¹	-63	-56	-45	-39	-23
Tendering competition ¹	77	58	70	63	
Percentage rating shortage of skilled labour a constraint ²	48	59	52	44	
Percentage rating inadequate supply of building materials a constraint ²	21	23	27	23	
Percentage rating insufficient demand for building work a constraint ²	75	85	75	77	
Percentage rating firm's inadequate access to credit a constraint ²	26	28	25	26	

* Expected.

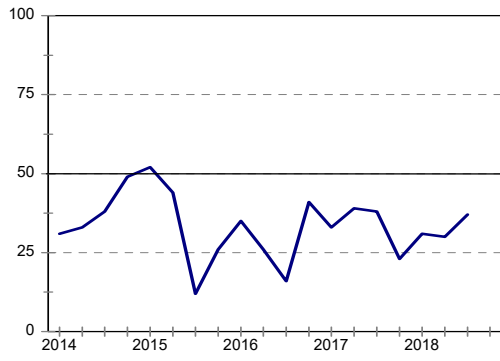
¹ Net balance.

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

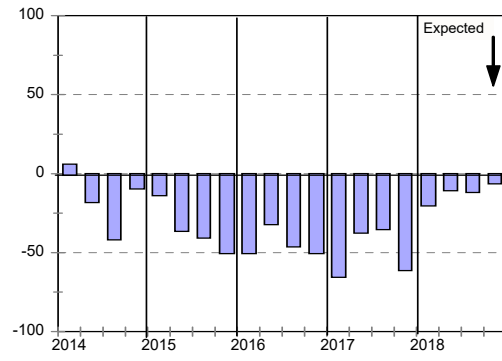
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

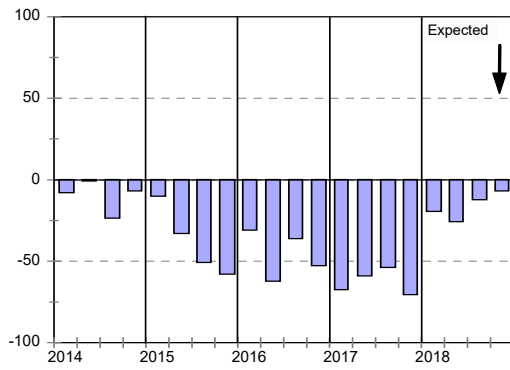
Business confidence



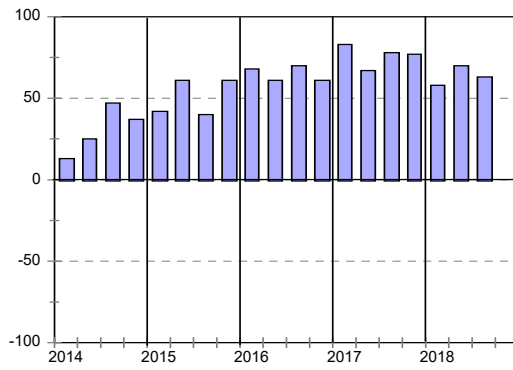
Change in business conditions



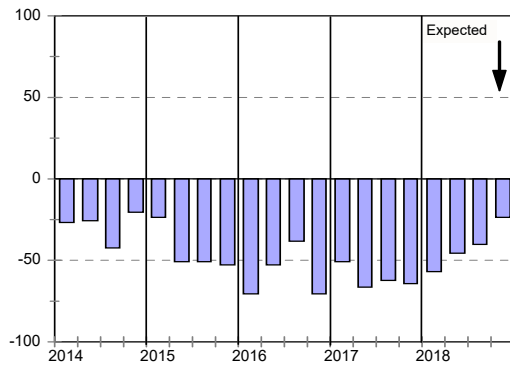
Growth in building activity



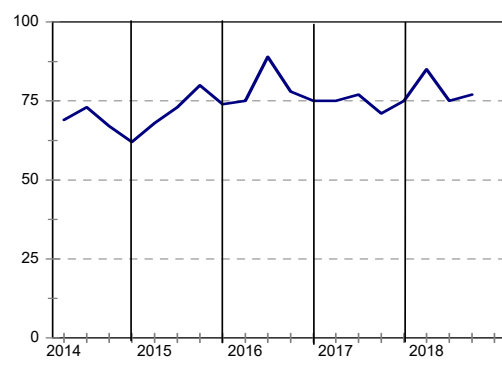
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Eastern Cape

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	21	29	29	25	
Change in business conditions ¹	-56	-20	-43	-50	-25
Growth in building activity ¹	-44	-40	-43	-43	-14
Growth in number of people employed ¹	-37	-20	-29	-38	-38
Growth in profitability of the business ¹	-63	-47	-43	-38	-50
Tendering competition ¹	42	33	-14	12	
Percentage rating shortage of skilled labour a constraint ²	50	50	50	37	
Percentage rating inadequate supply of building materials a constraint ²	22	33	14	18	
Percentage rating insufficient demand for building work a constraint ²	71	67	79	69	
Percentage rating firm's inadequate access to credit a constraint ²	26	20	28	18	

* Expected.

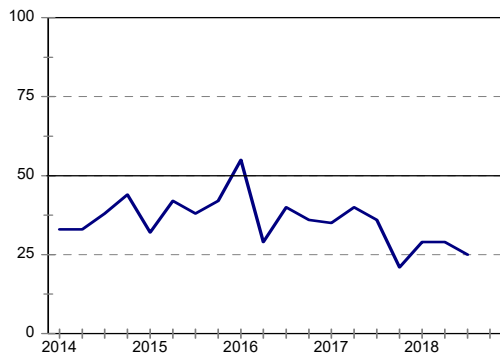
¹ Net balance.

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.

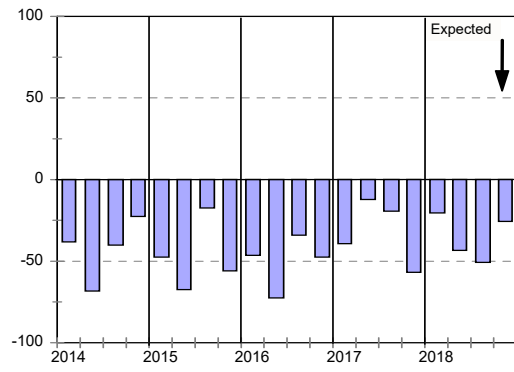
³ Percentage gross rating prevailing business conditions as satisfactory.

Blank spaces indicate data not available or not asked for.

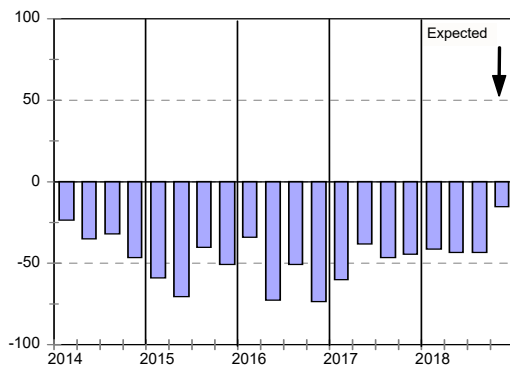
Business confidence



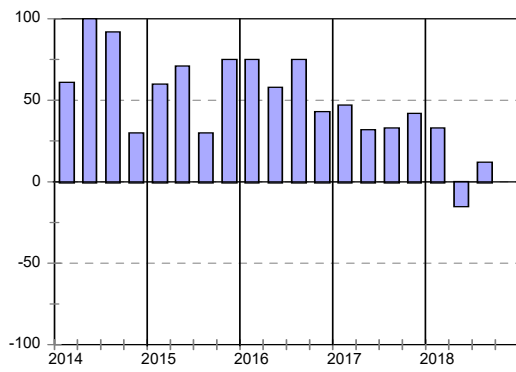
Change in business conditions



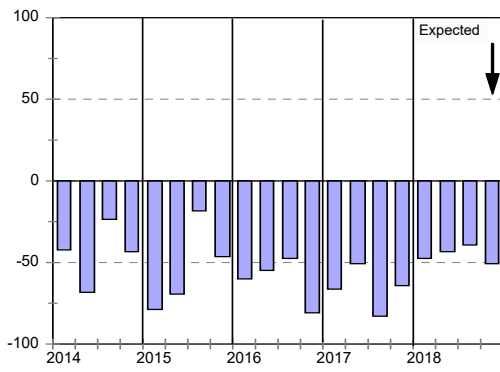
Growth in building activity



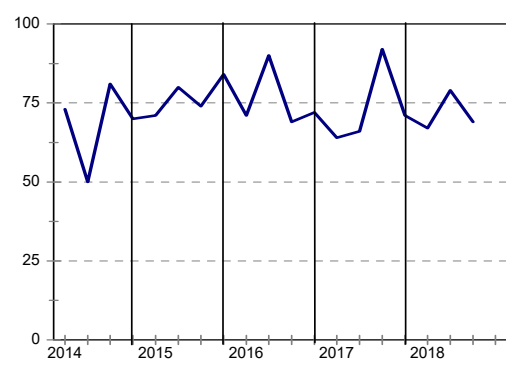
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Gauteng

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	27	32	17	27	
Change in business conditions ¹	-75	-26	-27	-27	-6
Growth in building activity ¹	-81	-37	-45	-40	-22
Growth in number of people employed ¹	-56	-55	-22	-33	-13
Growth in profitability of the business ¹	-81	-72	-67	-60	-27
Tendering competition ¹	54	26	33	26	
Percentage rating shortage of skilled labour a constraint ²	47	48	36	36	
Percentage rating inadequate supply of building materials a constraint ²	34	18	19	10	
Percentage rating insufficient demand for building work a constraint ²	77	74	75	77	
Percentage rating firm's inadequate access to credit a constraint ²	27	26	33	20	

* Expected.

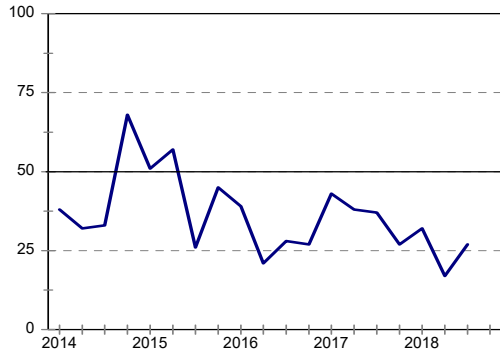
¹ Net balance.

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.

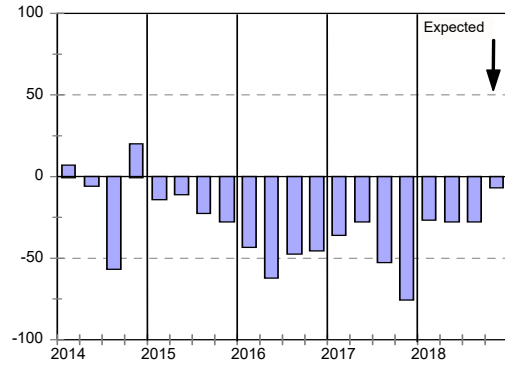
³ Percentage gross rating prevailing business conditions as satisfactory.

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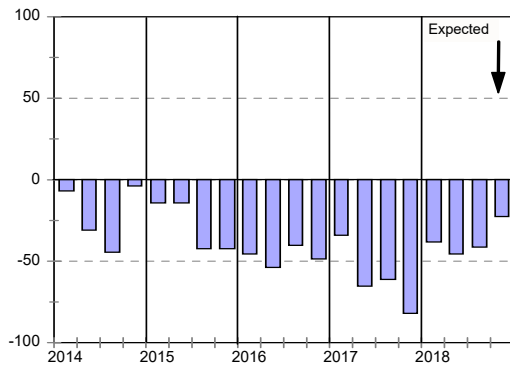
Business confidence



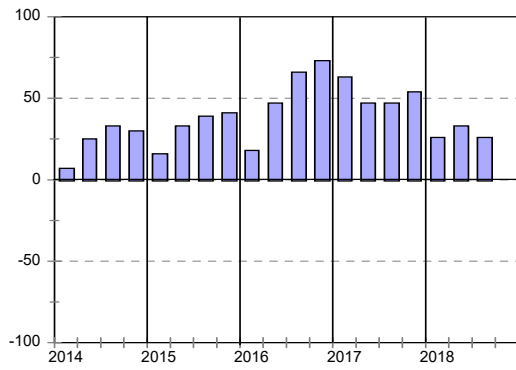
Change in business conditions



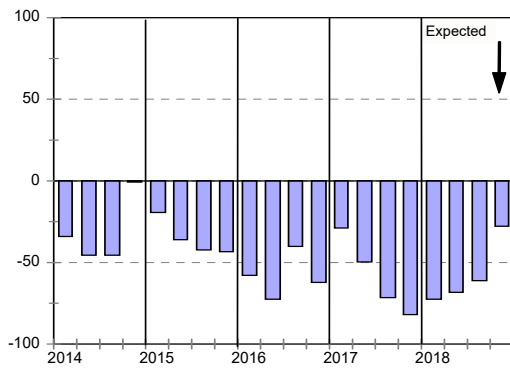
Growth in building activity



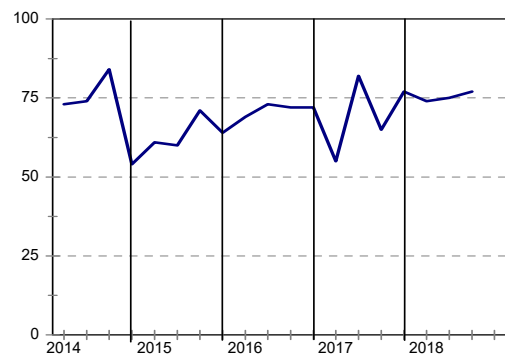
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : KwaZulu-Natal

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	17	30	26	15	
Change in business conditions ¹	-65	-38	-32	-20	-27
Growth in building activity ¹	-59	-52	-42	-39	-31
Growth in number of people employed ¹	-63	-61	-58	-54	-40
Growth in profitability of the business ¹	-75	-78	-53	-50	-57
Tendering competition ¹	37	43	50	40	
Percentage rating shortage of skilled labour a constraint ²	56	48	50	50	
Percentage rating inadequate supply of building materials a constraint ²	19	19	26	25	
Percentage rating insufficient demand for building work a constraint ²	74	81	71	77	
Percentage rating firm's inadequate access to credit a constraint ²	29	38	37	47	

* Expected.

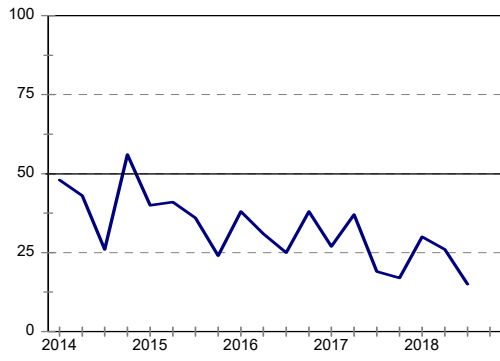
¹ Net balance.

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.

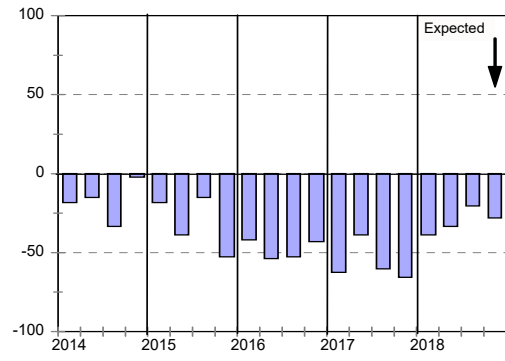
³ Percentage gross rating prevailing business conditions as satisfactory.

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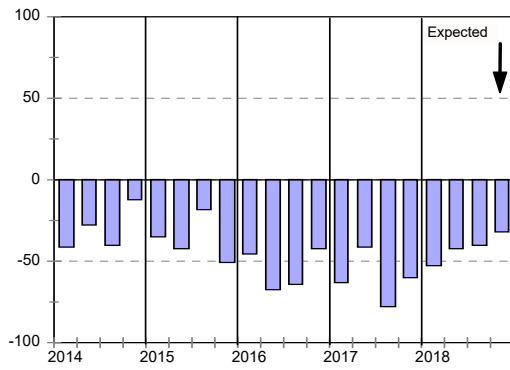
Business confidence



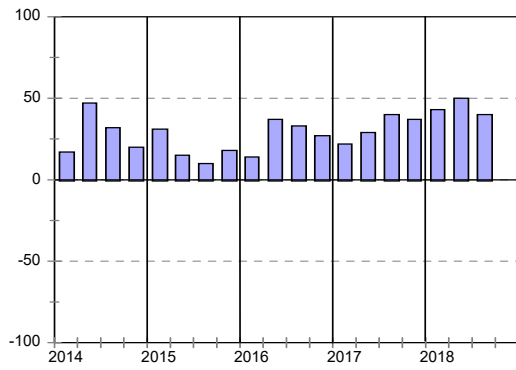
Change in business conditions



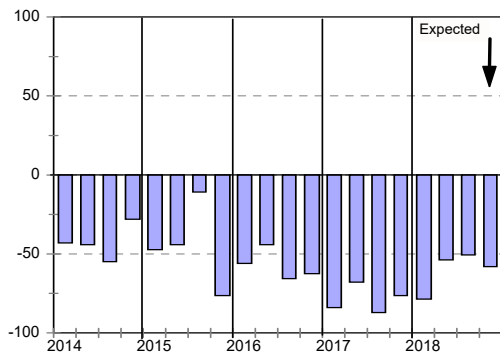
Growth in building activity



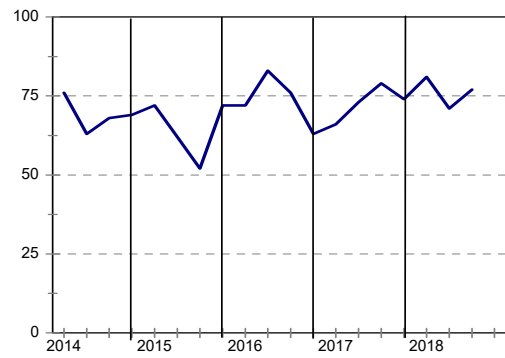
Tendering competition



Growth in profitability



Insufficient building work demand



Building Contractors : Western Cape

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	57	54	56	31	
Change in business conditions ¹	-3	-8	-19	-37	-27
Growth in building activity ¹	-43	-27	-33	-31	-31
Growth in number of people employed ¹	-32	-8	0	-20	-40
Growth in profitability of the business ¹	-36	-40	-44	-40	-34
Tendering competition ¹	52	72	69	69	
Percentage rating shortage of skilled labour a constraint ²	50	44	46	40	
Percentage rating inadequate supply of building materials a constraint ²	17	21	28	18	
Percentage rating insufficient demand for building work a constraint ²	73	63	78	82	
Percentage rating firm's inadequate access to credit a constraint ²	40	36	43	31	

* Expected.

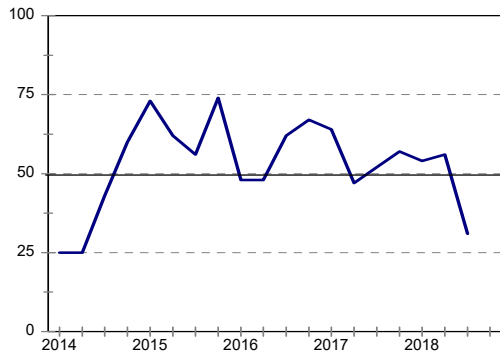
¹ Net balance.

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.

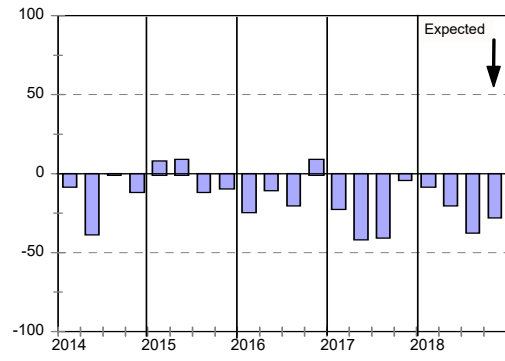
³ Percentage gross rating prevailing business conditions as satisfactory.

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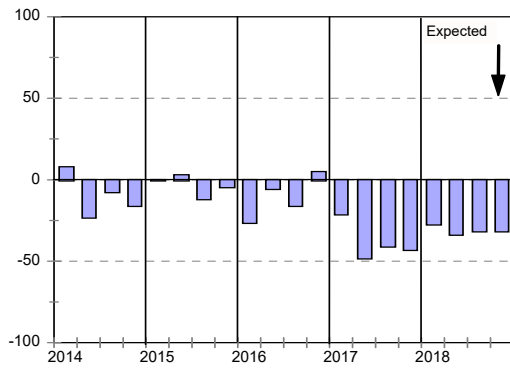
Business confidence



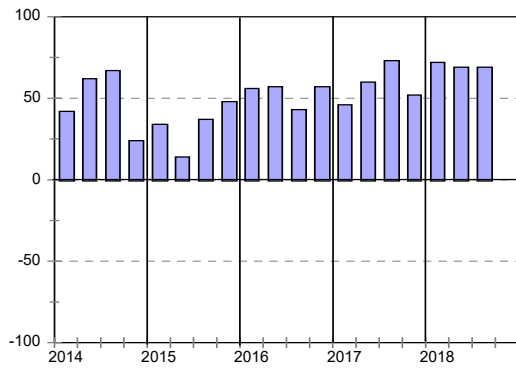
Change in business conditions



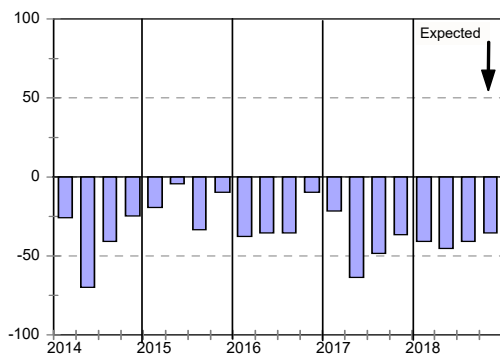
Growth in building activity



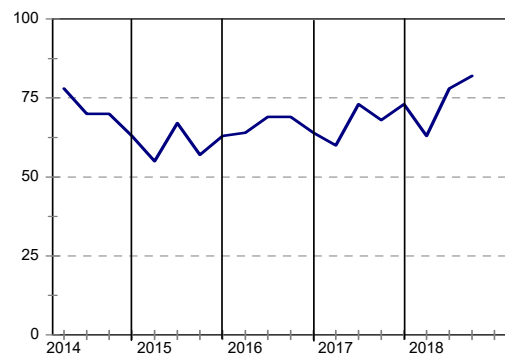
Tendering competition



Growth in profitability



Insufficient building work demand



cidb Civil Contractor: Survey Results

Civil Contractors: Total

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	35	36	33	27	
Change in business conditions ¹	-38	-44	-49	-57	-44
Growth in construction activity ¹	-55	-52	-49	-65	-49
Growth in number of people employed ¹	-45	-39	-41	-58	-48
Growth in profitability of the business ¹	-62	-59	-61	-67	-56
Tendering competition ¹	46	40	35	48	
Percentage rating shortage of skilled labour a constraint ²	43	33	41	33	
Percentage rating inadequate supply of construction materials a constraint ²	23	22	22	28	
Percentage rating insufficient demand for construction work a constraint ²	72	69	71	77	
Percentage rating firm's inadequate access to credit a constraint ²	39	32	34	43	

* Expected.

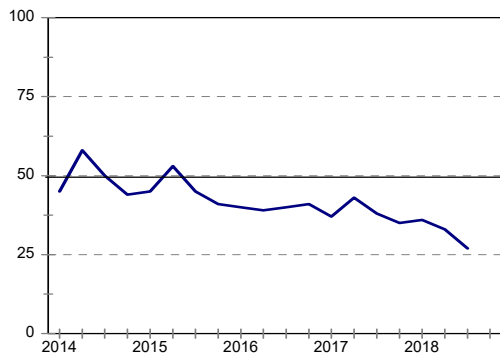
¹ Net balance.

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.

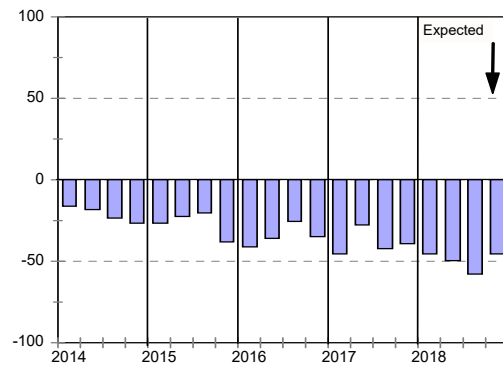
³ Percentage gross rating prevailing business conditions as satisfactory.

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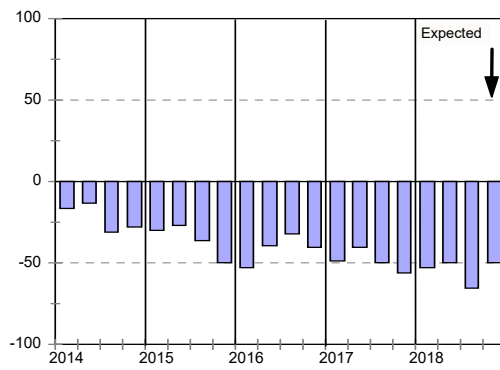
Business confidence



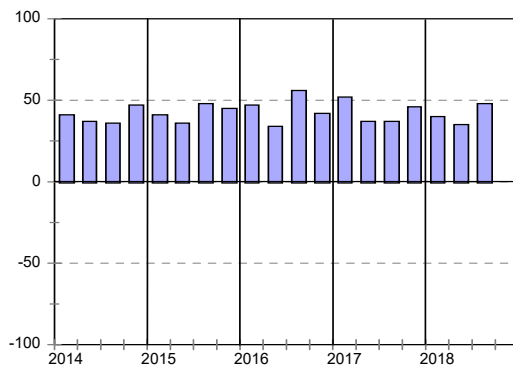
Change in business conditions



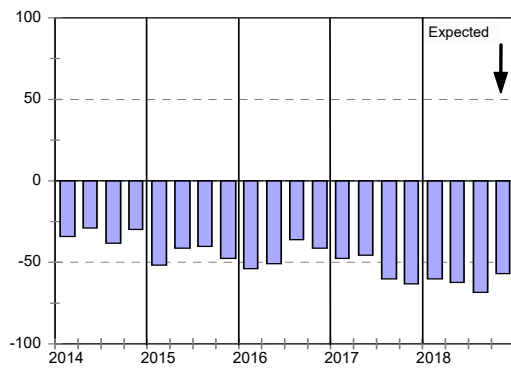
Growth in construction activity



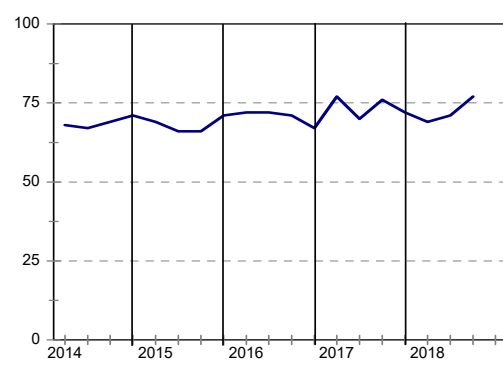
Tendering competition



Growth in profitability



Insufficient construction work demand



Civil Contractors : Grades 3 & 4

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	38	40	37	44	
Change in business conditions ¹	-24	-46	-50	-22	-43
Growth in construction activity ¹	-40	-60	-47	-44	-64
Growth in number of people employed ¹	-42	-50	-50	-29	-34
Growth in profitability of the business ¹	-65	-79	-79	-56	-67
Tendering competition ¹	23	-12	-10	22	
Percentage rating shortage of skilled labour a constraint ²	45	38	50	43	
Percentage rating inadequate supply of construction materials a constraint ²	27	29	31	35	
Percentage rating insufficient demand for construction work a constraint ²	75	64	61	62	
Percentage rating firm's inadequate access to credit a constraint ²	57	32	26	23	

* Expected.

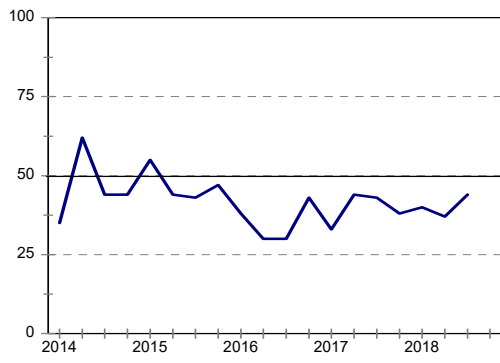
¹ Net balance.

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

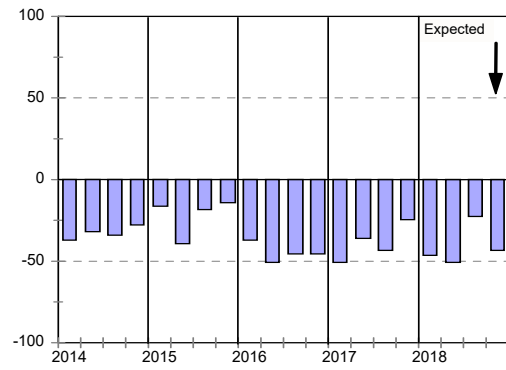
³ Percentage gross rating prevailing business conditions as satisfactory.

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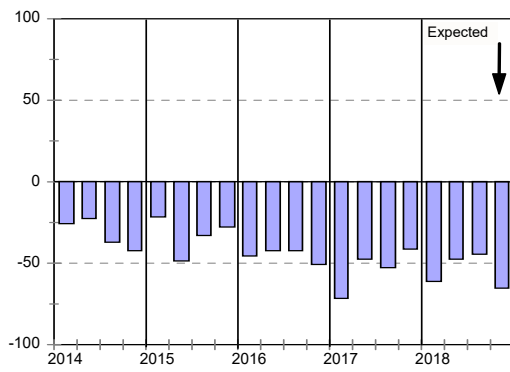
Business confidence



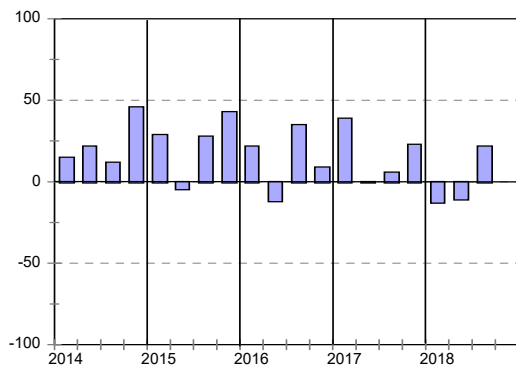
Change in business conditions



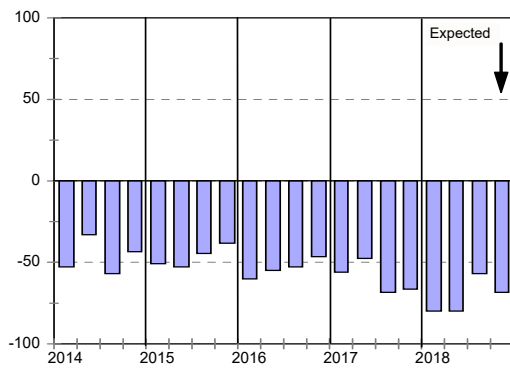
Growth in construction activity



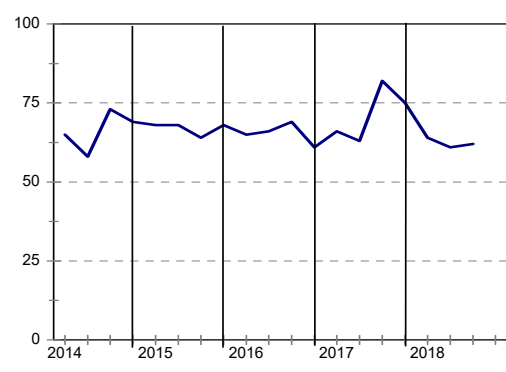
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 5 & 6

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	42	41	41	25	
Change in business conditions ¹	-41	-46	-39	-53	-38
Growth in construction activity ¹	-55	-48	-43	-59	-38
Growth in number of people employed ¹	-35	-33	-40	-62	-42
Growth in profitability of the business ¹	-50	-54	-56	-58	-44
Tendering competition ¹	40	45	43	44	
Percentage rating shortage of skilled labour a constraint ²	45	30	43	37	
Percentage rating inadequate supply of construction materials a constraint ²	23	16	20	29	
Percentage rating insufficient demand for construction work a constraint ²	73	65	72	77	
Percentage rating firm's inadequate access to credit a constraint ²	32	40	37	60	

* Expected.

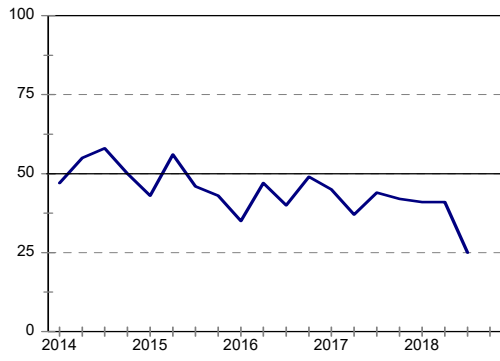
¹ Net balance.

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

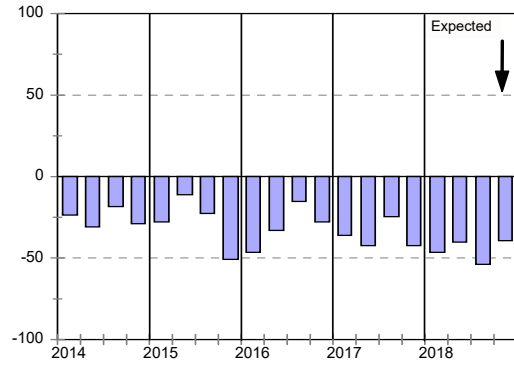
³ Percentage gross rating prevailing business conditions as satisfactory.

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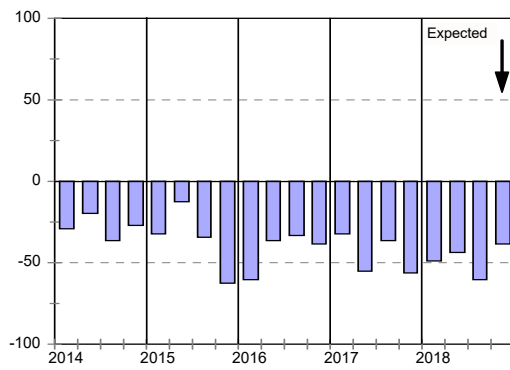
Business confidence



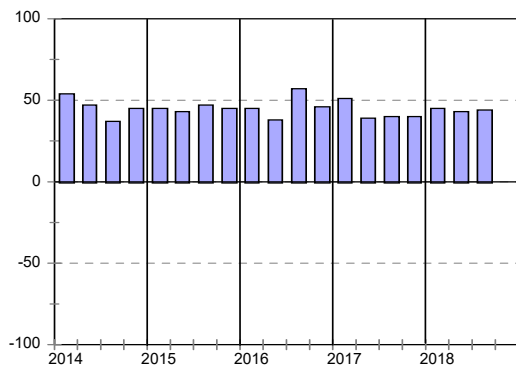
Change in business conditions



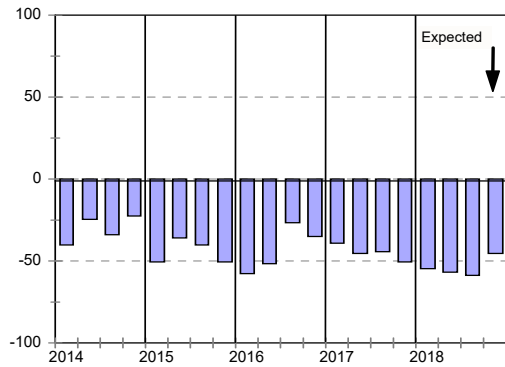
Growth in construction activity



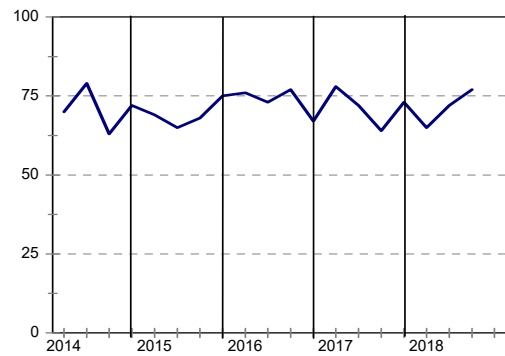
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Grades 7 & 8

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	24	30	21	15	
Change in business conditions ¹	-49	-39	-58	-95	-53
Growth in construction activity ¹	-67	-49	-59	-95	-53
Growth in number of people employed ¹	-56	-36	-35	-75	-63
Growth in profitability of the business ¹	-70	-50	-54	-90	-63
Tendering competition ¹	70	74	65	80	
Percentage rating shortage of skilled labour a constraint ²	40	33	31	20	
Percentage rating inadequate supply of construction materials a constraint ²	20	26	17	20	
Percentage rating insufficient demand for construction work a constraint ²	68	74	77	90	
Percentage rating firm's inadequate access to credit a constraint ²	32	24	38	35	

* Expected.

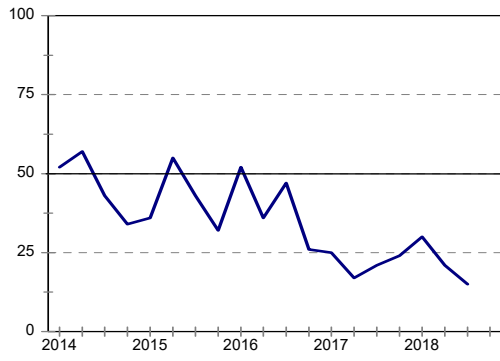
¹ Net balance.

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

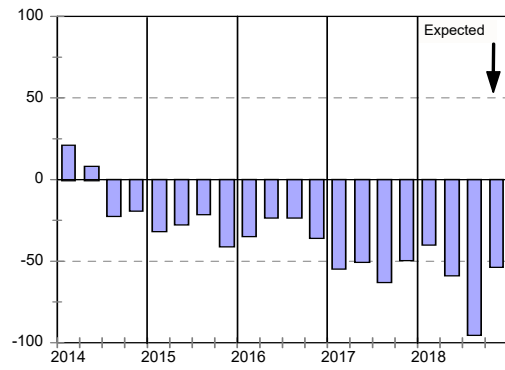
³ Percentage gross rating prevailing business conditions as satisfactory.

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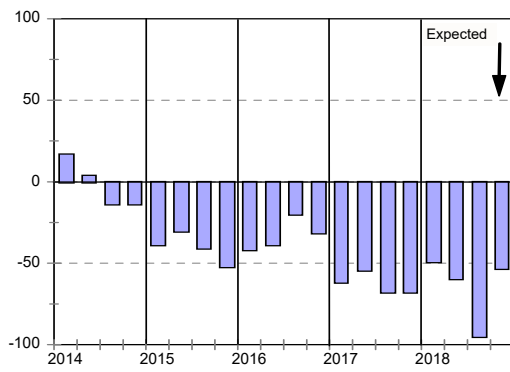
Business confidence



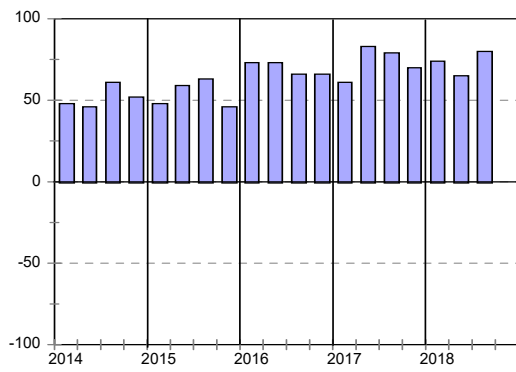
Change in business conditions



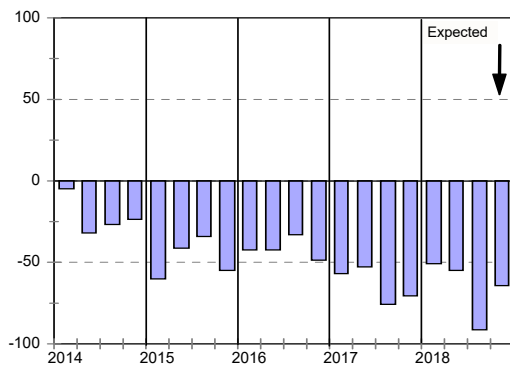
Growth in construction activity



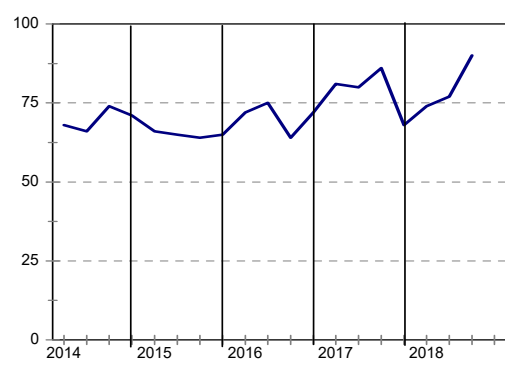
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors: Eastern Cape

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	29	36	25	22	
Change in business conditions ¹	-23	-29	-50	-67	-33
Growth in construction activity ¹	-50	-57	-38	-56	-33
Growth in number of people employed ¹	-43	-36	-50	-56	-26
Growth in profitability of the business ¹	-64	-43	-62	-76	-75
Tendering competition ¹	36	57	63	45	
Percentage rating shortage of skilled labour a constraint ²	50	50	43	43	
Percentage rating inadequate supply of construction materials a constraint ²	21	23	6	33	
Percentage rating insufficient demand for construction work a constraint ²	68	64	81	84	
Percentage rating firm's inadequate access to credit a constraint ²	25	38	25	62	

* Expected.

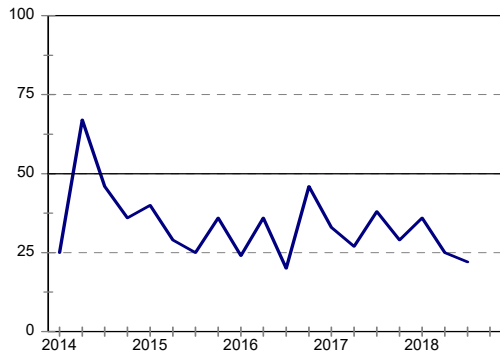
¹ Net balance.

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.

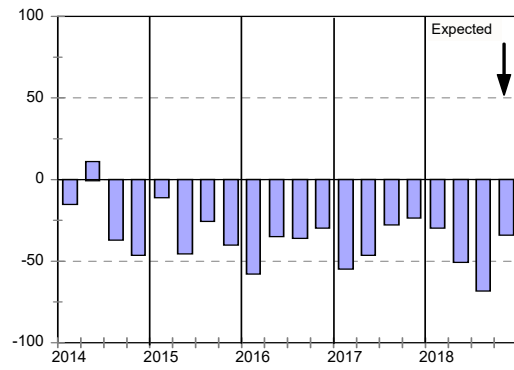
³ Percentage gross rating prevailing business conditions as satisfactory.

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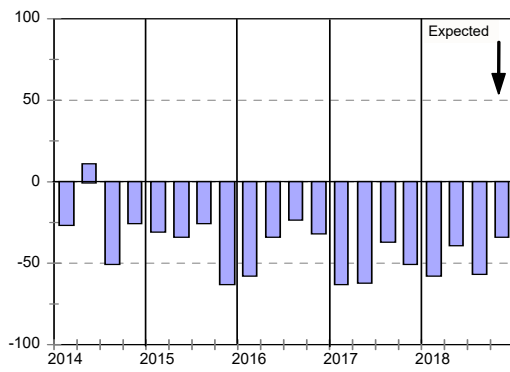
Business confidence



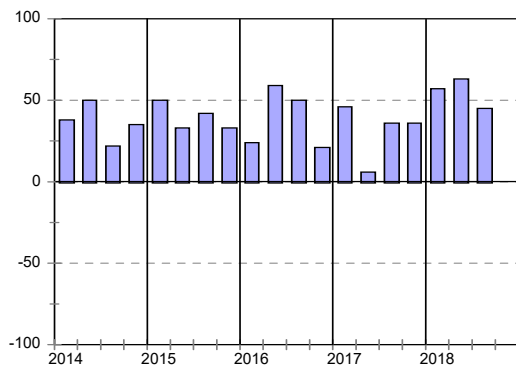
Change in business conditions



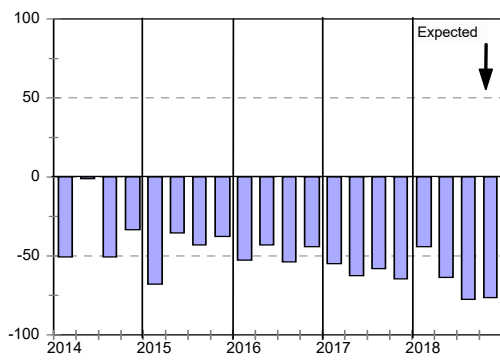
Growth in construction activity



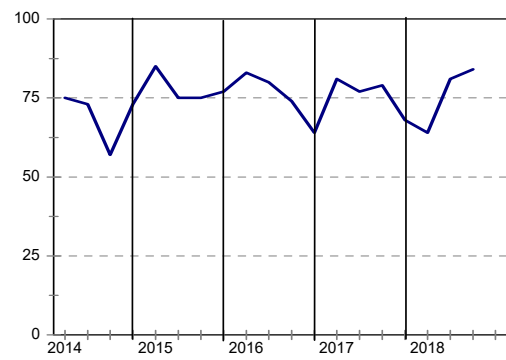
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Gauteng

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	38	39	27	47	
Change in business conditions ¹	-55	-50	-53	-27	-25
Growth in building activity ¹	-60	-45	-50	-34	-27
Growth in number of people employed ¹	-52	-41	-38	-22	-20
Growth in profitability of the business ¹	-71	-71	-67	-36	-20
Tendering competition ¹	57	22	40	46	
Percentage rating shortage of skilled labour a constraint ²	31	16	18	16	
Percentage rating inadequate supply of building materials a constraint ²	19	14	21	23	
Percentage rating insufficient demand for building work a constraint ²	74	73	70	70	
Percentage rating firm's inadequate access to credit a constraint ²	40	47	47	36	

* Expected.

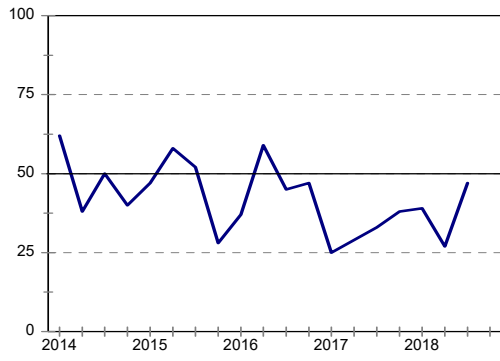
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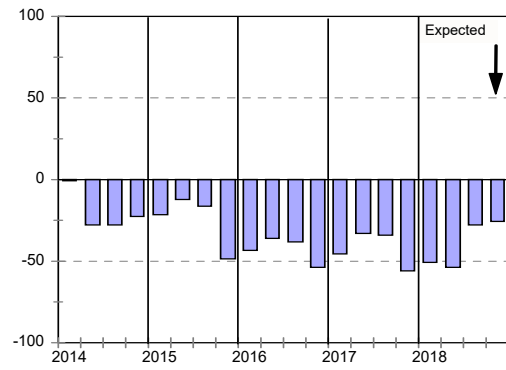
³ Percentage gross rating prevailing business conditions as satisfactory.

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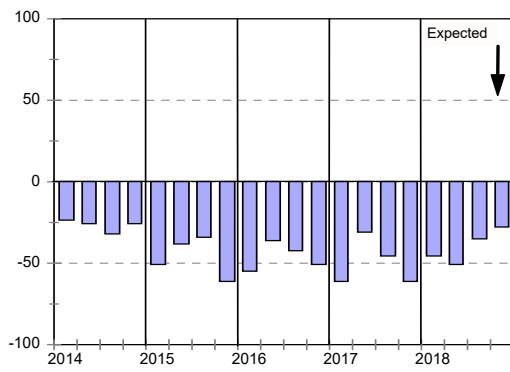
Business confidence



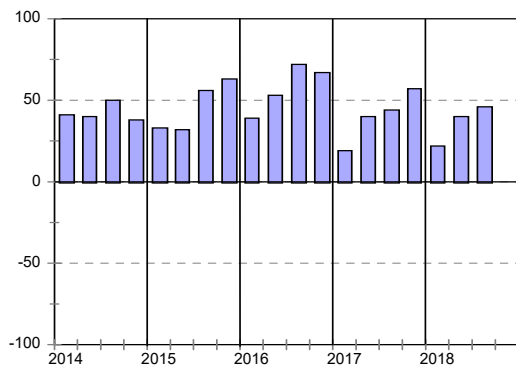
Change in business conditions



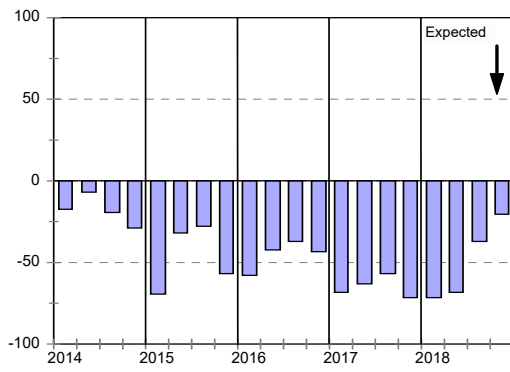
Growth in construction activity



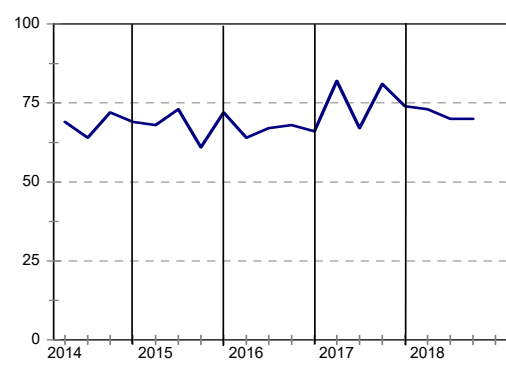
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : KwaZulu-Natal

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	29	33	29	18	
Change in business conditions ¹	-41	-53	-44	-65	-47
Growth in construction activity ¹	-78	-66	-66	-76	-60
Growth in number of people employed ¹	-44	-44	-44	-71	-73
Growth in profitability of the business ¹	-72	-61	-78	-82	-73
Tendering competition ¹	16	59	11	29	
Percentage rating shortage of skilled labour a constraint ²	44	33	47	38	
Percentage rating inadequate supply of construction materials a constraint ²	25	34	35	32	
Percentage rating insufficient demand for construction work a constraint ²	75	72	74	83	
Percentage rating firm's inadequate access to credit a constraint ²	47	23	41	50	

* Expected.

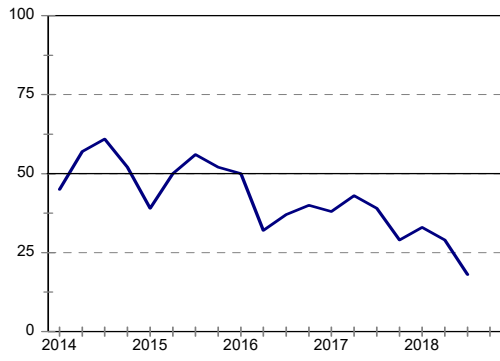
¹ Net balance.

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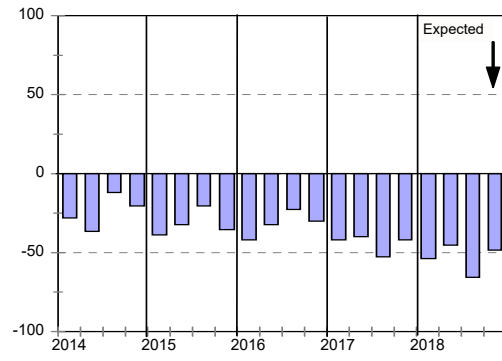
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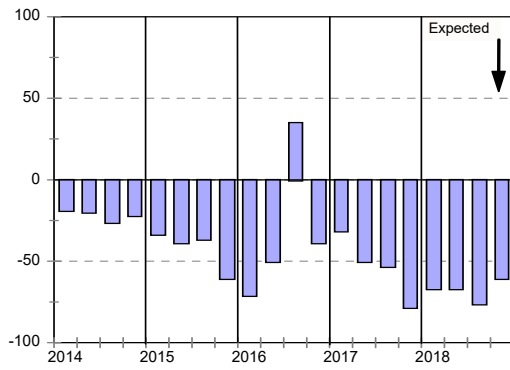
Business confidence



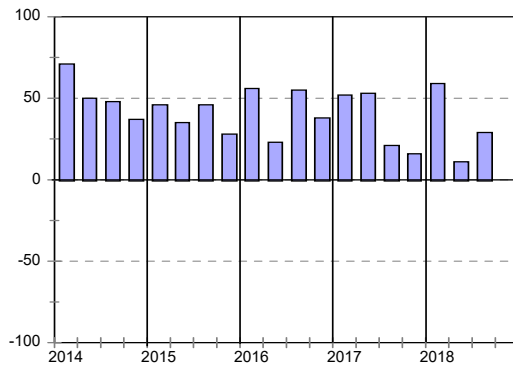
Change in business conditions



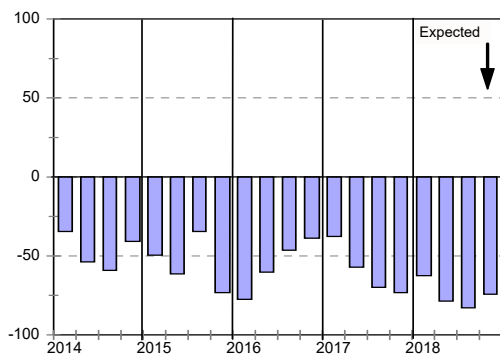
Growth in construction activity



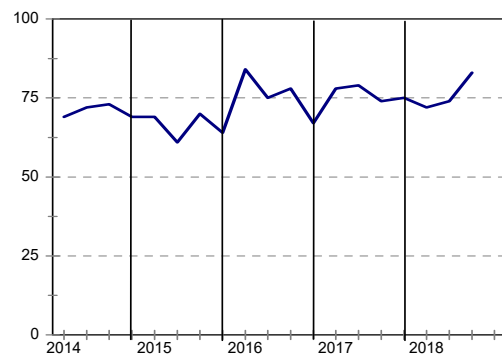
Tendering competition



Growth in profitability



Insufficient building work demand



Civil Contractors : Western Cape

	17Q4	18Q1	18Q2	18Q3	18Q4*
Business confidence ³	53	39	33	21	
Change in business conditions ¹	-44	-61	-50	-72	-67
Growth in construction activity ¹	-33	-50	-59	-79	-62
Growth in number of people employed ¹	-44	-22	-50	-79	-54
Growth in profitability of the business ¹	-56	-61	-41	-64	-62
Tendering competition ¹	77	72	75	86	
Percentage rating shortage of skilled labour a constraint ²	47	33	42	46	
Percentage rating inadequate supply of construction materials a constraint ²	28	17	14	19	
Percentage rating insufficient demand for construction work a constraint ²	72	69	71	86	
Percentage rating firm's inadequate access to credit a constraint ²	33	28	14	23	

* Expected.

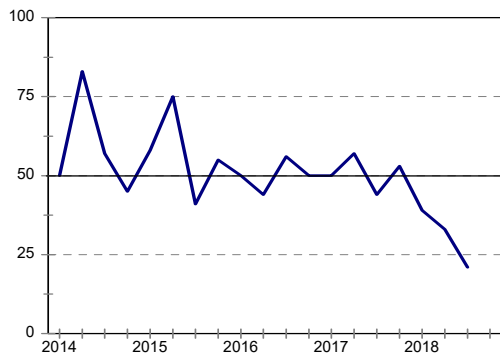
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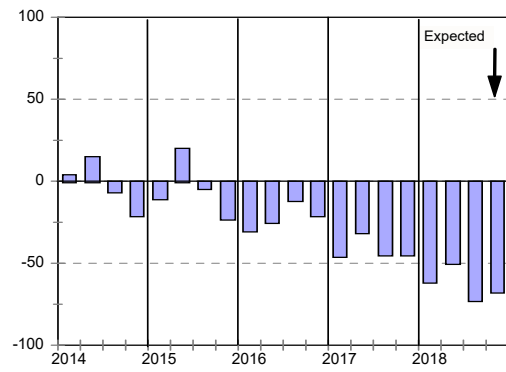
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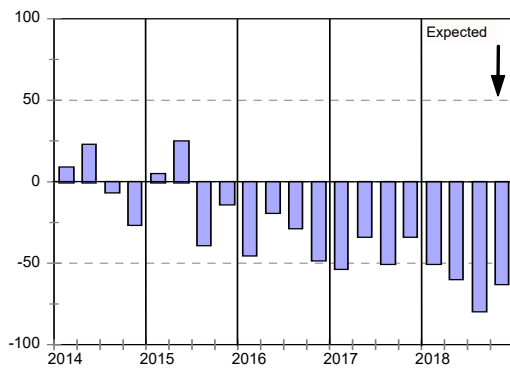
Business confidence



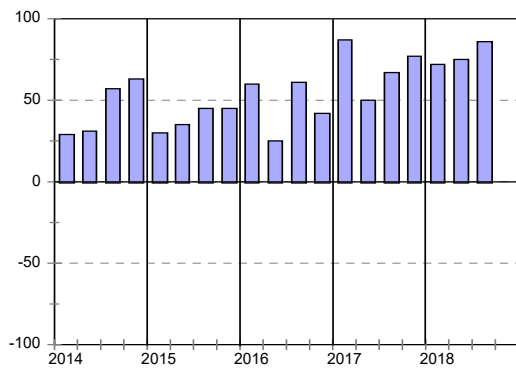
Change in business conditions



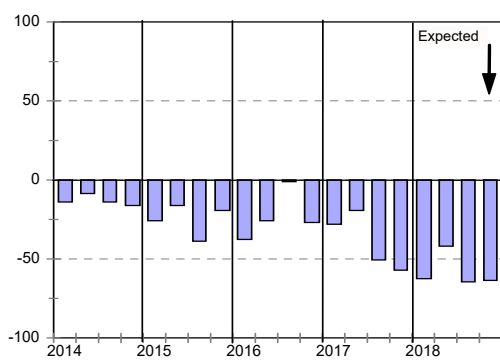
Growth in construction activity



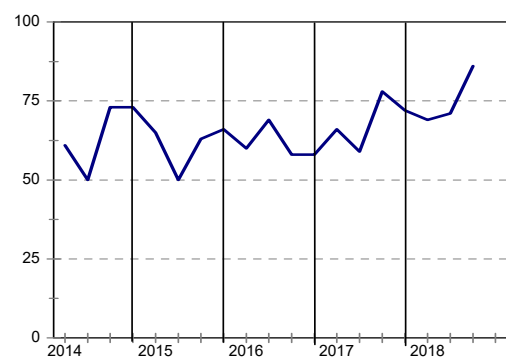
Tendering competition



Growth in profitability



Insufficient building work demand



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