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1. Introduction

This publication presents estimates in respect of the 2017 construction industry large sample survey (LSS). The survey aims to determine changes (if any) in the nature and structure of the construction industry.

The last construction LSS was conducted in 2014 (Report No. 50-02-01 (2014)).

1.1 Scope and coverage

The 2017 construction industry LSS covers enterprises registered for value added tax (VAT) that are mainly engaged in the following activities classified according to the January 1993 edition of the Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, Report No. 09-09-02:

- Site preparation (SIC 5010);
- Construction of buildings (SIC 5021);
- Construction of civil engineering structures (SIC 5022);
- Construction of other structures (SIC 5023);
- Construction by specialist trade contractors (SIC 5024);
- Plumbing (SIC 5031);
- Electrical contractors (SIC 5032);
- Shopfitting (SIC 5033);
- Other building installation (SIC 5039);
- Painting and decorating (SIC 5041);
- Other building completion (SIC 5049); and
- Renting of construction or demolition equipment with operators (SIC 5050).

The following activities are included

- The South Africa-based activities of enterprises, which operate in multiple countries.

1.2 Data items

The following categories of data items were collected: industrial classification, details of employment, trading income, expenditure, profit or loss, inventories, capital expenditure on new assets, details of services rendered, details of purchases, client base and geographical distribution.

1.3 Reference period

The questionnaires were completed for the financial year of the enterprise which **ends on any date between 1 July of the preceding year and 30 June of the reference year**, according to the usual reporting schedule of the enterprise.

Example

- 1 October 2015 – 30 September 2016
- 1 January 2016 – 31 December 2016
- 1 February 2016 – 31 January 2017
- 1 March 2016 – 28 February 2017
- 1 April 2016 – 31 March 2017

1.4 Current prices

The rand values are at current prices.

1.5 Reliability of data

All estimates compiled for this industry are subject to both sampling and non-sampling errors.

The following are some of the likely sources of non-sampling errors: sampling frame not up to date, wrong definitions and classification, phrasing of questions, non-response, processing and estimation. Every effort is made to minimise non-sampling errors by careful design of questionnaires, testing them with a sample of respondents, editing reported data and implementing efficient operating procedures. Non-sampling errors occur in both sample surveys and censuses.

1.6 Confidentiality

According to section 17 of the Statistics Act, 1999 (Act No. 6 of 1999), completed questionnaires remain confidential to Statistics South Africa (Stats SA). Individual business information is never disclosed. Results are presented in aggregated form only.

1.7 Reporting unit

The statistical unit for the collection of information is an enterprise. An enterprise is a legal unit (or a combination of legal units) that includes and directly controls all functions necessary to carry out its activities. Each enterprise is classified to an industry that reflects its predominant activity.

2. Summary of findings

2.1 Income

Table A – Income in the construction industry, 2007–2017

Type of service	2007		2011		2014		2017	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Site preparation	3 130	1,8	6 376	2,4	6 024	1,5	7 187	1,5
Construction of buildings	60 199	35,6	61 860	23,0	84 354	21,4	117 851	23,8
Construction of civil engineering structures	46 386	27,4	116 651	43,4	162 466	41,1	198 363	40,0
Construction of other structures	3 079	1,8	3 146	1,2	7 878	2,0	7 894	1,6
Construction by specialist trade contractors	8 294	4,9	10 131	3,8	20 119	5,1	22 714	4,6
Plumbing	3 055	1,8	3 419	1,3	5 957	1,5	6 724	1,4
Electrical contractors	10 252	6,1	18 272	6,8	24 017	6,1	23 812	4,8
Shopfitting	1 290	0,8	1 320	0,5	2 111	0,5	3 095	0,6
Other building installation	12 010	7,1	19 799	7,4	27 114	6,9	40 965	8,3
Painting and decorating	1 937	1,1	2 464	0,9	4 073	1,0	4 078	0,8
Other building completion	15 943	9,4	14 432	5,4	33 076	8,4	40 370	8,1
Renting of construction or demolition equipment with operators	3 674	2,2	11 096	4,1	17 892	4,5	22 406	4,5
Total	169 249	100,0	268 966	100,0	395 081	100,0	495 459	100,0

The total income for the construction industry in 2017 was R495,5 billion. The total income represents an increase of 7,8% per annum over the income reported in the corresponding survey of 2014 (R395,1 billion). Comparing 2014 and 2017, large increases were reported for 'construction of civil engineering structures' (+R35,9 billion), 'construction of buildings' (+R33,5 billion) and 'other building installation' (+R13,9 billion).

In 2017, two of the 12 service types accounted for 64,1% of total income, namely 'construction of civil engineering structures' (40,0%) and 'construction of buildings' (23,8%).

Table B – Concentration ratio for total income in the construction industry, 2007–2017

Type of service	2007	2011	2014	2017
	%			
CR5	15,3	15,6	13,2	10,7
CR10	19,0	20,5	19,4	16,8
CR20	22,3	25,8	25,2	21,7
CR50	27,8	33,0	32,8	29,3
CR100	33,5	39,8	40,0	36,3

In 2017, the top 100 enterprises in the construction industry contributed 36,3% of the total income. This is the second lowest concentration ratio of the top 100 enterprises (CR100) in the four periods shown. The concentration ratios of the top 5, 10, 20 and 50 were the highest in 2011 at 15,6%, 20,5%, 25,8% and 33,0% respectively. The concentration ratio is lower for 2017 when compared with 2014 in all five categories.

Table C – Profit margin in the construction industry, 2007–2017

Type of service	Net profit/loss after tax				Turnover				Profit margin			
	2007	2011	2014	2017	2007	2011	2014	2017	2007	2011	2014	2017
	R million				R million				%			
Site preparation	124	378	558	429	3 066	6 365	5 939	7 027	4,0	5,9	9,4	6,1
Construction of buildings	2 395	2 525	2 883	5 024	59 282	66 817	82 113	114 903	4,0	3,8	3,5	4,4
Construction of civil engineering structures	1 274	2 484	1 864	2 984	44 922	103 689	156 895	187 235	2,8	2,4	1,2	1,6
Construction of other structures	148	34	420	651	3 031	2 858	7 725	7 758	4,9	1,2	5,4	8,4
Construction by specialist trade contractors	411	355	-918	258	8 164	13 655	19 695	22 021	5,0	2,6	-4,7	1,2
Plumbing	146	50	317	259	3 036	3 490	5 872	6 545	4,8	1,4	5,4	4,0
Electrical contractors	533	815	1 305	581	10 082	16 882	23 550	23 355	5,3	4,8	5,5	2,5
Shopfitting	74	33	184	152	1 255	1 272	1 955	3 078	5,9	2,6	9,4	4,9
Other building installation	677	1 007	802	2 477	11 664	19 412	26 331	40 507	5,8	5,2	3,0	6,1
Painting and decorating	142	-36	116	176	1 835	2 445	4 009	4 007	7,7	-1,5	2,9	4,4
Other building completion	348	381	1 494	498	15 629	14 211	32 610	39 189	2,2	2,7	4,6	1,3
Renting of construction or demolition equipment with operators	330	-400	1 052	117	3 505	10 552	17 281	21 725	9,4	-3,8	6,1	0,5
Total	6 602	7 626	10 077	13 606	165 471	261 648	383 975	477 350	4,0	2,9	2,6	2,9

The profit margin for the construction industry was 2,9% in 2017. 'Construction of other structures' had the highest profit margin at 8,4%, followed by 'site preparation' and 'other building installation' both at 6,1%. 'Renting of construction or demolition equipment with operators' had the lowest profit margin of 0,5%.

Between 2007 and 2017, the construction industry recorded a highest overall profit margin of 4,0% in 2007. The highest profit margin by type of service was 'renting of construction or demolition equipment with operators' in 2007, 'site preparation' in 2014 and 'shopfitting' in 2014, all three at 9,4%. 'Other building installation' is the only service that had profit margins higher than the overall profit margin in all four years surveyed.

2.2 Employment

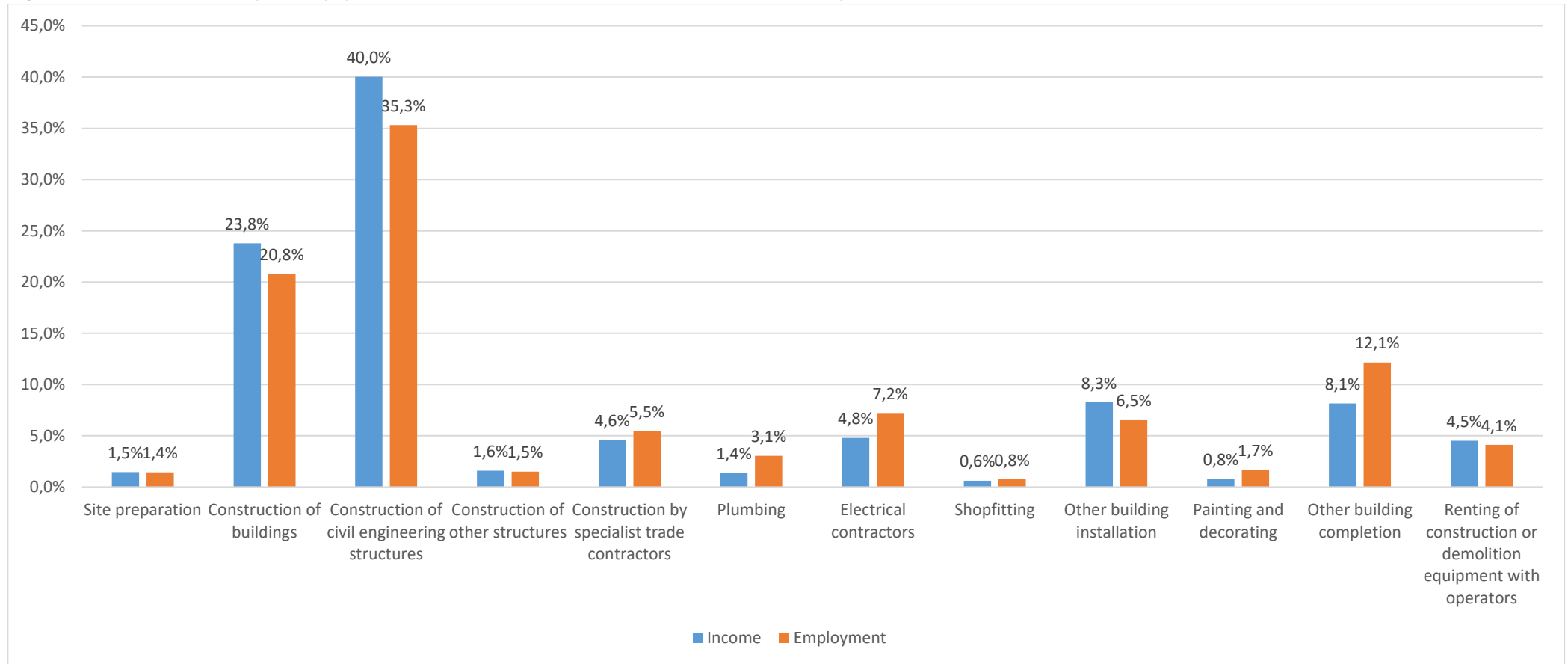
Table D – Employment as at the end of June in the construction industry, 2007–2017

Type of service	2007		2011		2014		2017	
	Number	% contribution	Number	% contribution	Number	% contribution	Number	% contribution
Site preparation	15 679	2,9	18 161	3,8	9 349	1,9	8 556	1,4
Construction of buildings	171 670	31,8	120 311	24,9	109 328	21,8	124 176	20,8
Construction of civil engineering structures	120 660	22,3	152 337	31,5	165 582	33,1	210 808	35,3
Construction of other structures	13 912	2,6	10 420	2,2	12 723	2,5	9 016	1,5
Construction by specialist trade contractors	32 609	6,0	25 304	5,2	26 351	5,3	32 592	5,5
Plumbing	15 343	2,8	14 792	3,1	16 987	3,4	18 213	3,1
Electrical contractors	45 233	8,4	39 873	8,2	43 986	8,8	43 060	7,2
Shopfitting	3 720	0,7	3 313	0,7	2 889	0,6	4 500	0,8
Other building installation	23 375	4,3	30 045	6,2	27 568	5,5	38 961	6,5
Painting and decorating	10 097	1,9	12 740	2,6	9 980	2,0	10 029	1,7
Other building completion	73 782	13,6	33 259	6,9	55 171	11,0	72 535	12,1
Renting of construction or demolition equipment with operators	14 501	2,7	23 096	4,8	20 538	4,1	24 560	4,1
Total	540 581	100,0	483 651	100,0	500 452	100,0	597 006	100,0

The total number of persons employed in the construction industry as at the end of June 2017 was 597 006. 'Construction of civil engineering structures' employed the largest number of persons (210 808 or 35,3%), followed by 'construction of buildings' (124 176 or 20,8%), 'other building completion' (72 535 or 12,1%) and 'electrical contractors' (43 060 or 7,2%).

Formal employment declined from a high of 540 581 in 2007 to a low of 483 651 in 2011. However, there was a significant increase to 597 006 in 2017. The biggest gain in employment between 2014 and 2017 was in 'construction of civil engineering structures' (+45 226 jobs), followed by 'other building completion' (+17 364 jobs), 'construction of buildings' (+14 848 jobs) and 'other building installation' (+11 393 jobs).

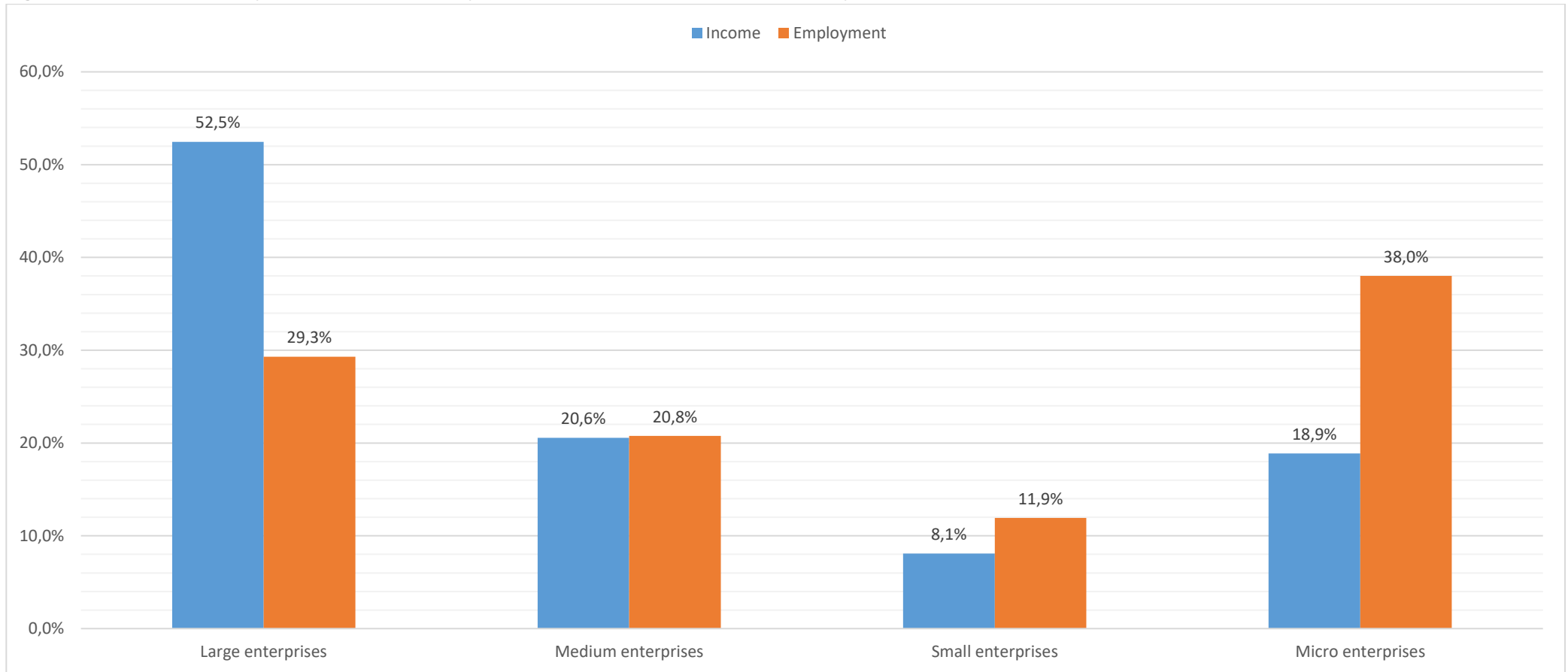
Figure 1 – Income and employment by type of service (% contribution) in the construction industry, 2017



The type of service with the highest proportion of income compared with its proportion of employment (based on the ratio of the two proportions) was 'other building installation' (8,3% of income and 6,5% of employment), followed by 'construction of buildings' (23,8% of income and 20,8% of employment) and 'construction of civil engineering structures' (40,0% of income and 35,3% of employment).

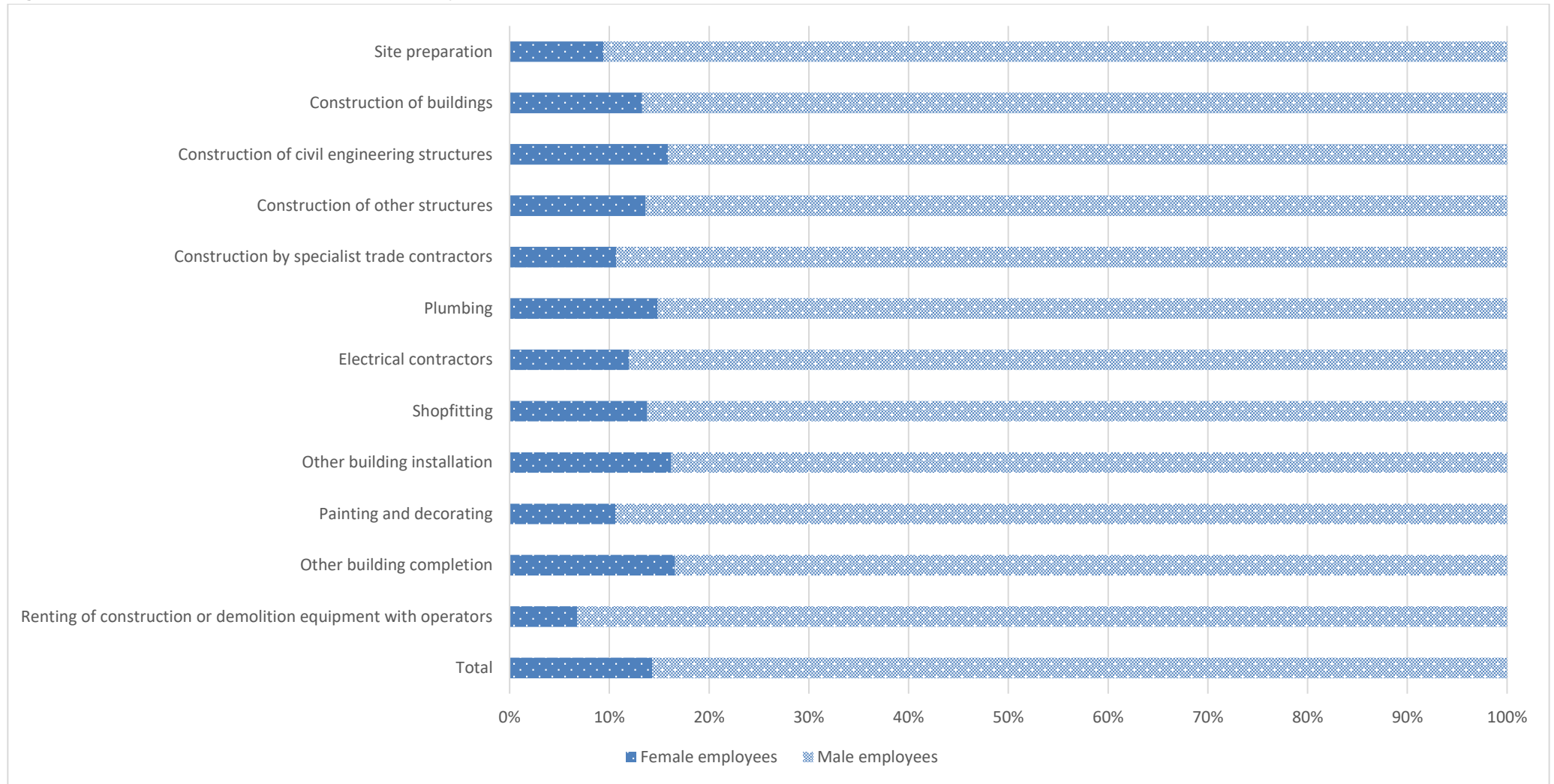
'Electrical contractors' had the highest proportion of employment compared with its proportion of income (7,2% of employment and 4,8% of income), followed by 'other building completion' (12,1% of employment and 8,1% of income).

Figure 2 – Income and employment (% contribution) by enterprise size in the construction industry, 2017



Although large enterprises contributed 52,5% of the total income of the construction industry in 2017 their contribution to employment was only 29,3%. Most (70,7%) of the employment in the industry was created by small, medium and micro enterprises (SMMEs).

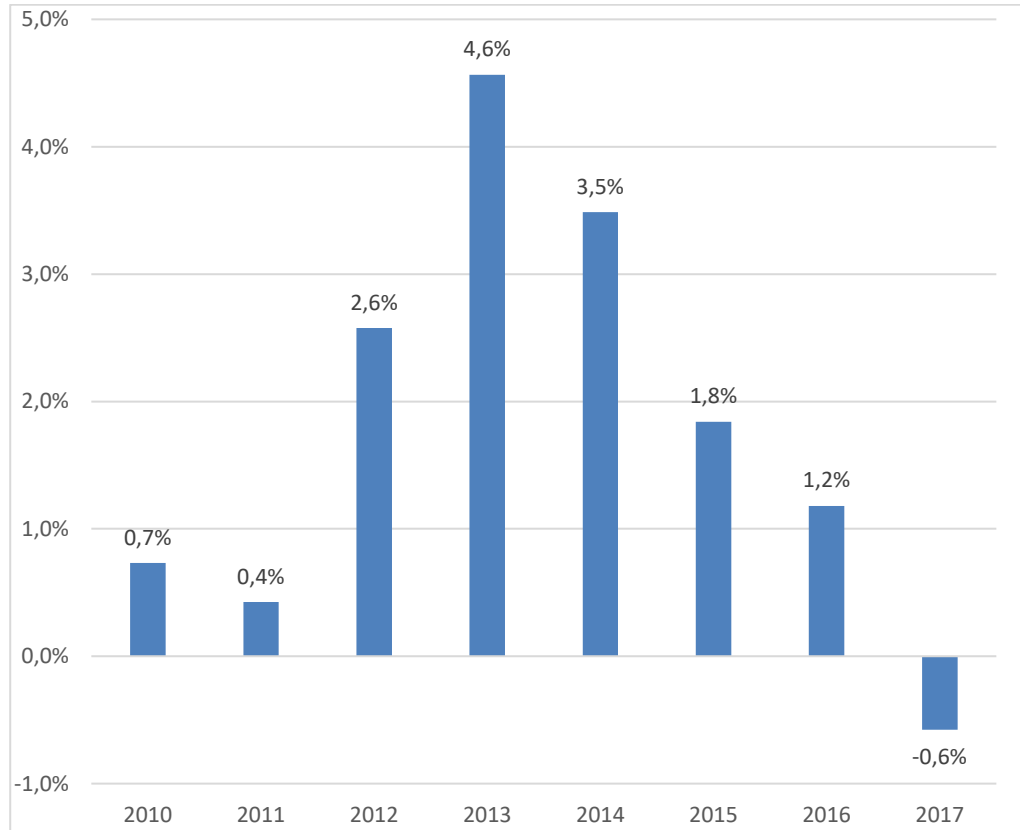
Figure 3 – Gender ratios in the construction industry, 2017



The proportion of females who were employed in the construction industry in 2017 was 14,3%. The group with the highest proportion of females was 'other building completion' (16,7%), while 'renting of construction or demolition equipment with operators' had the highest proportion of males employed (92,4%).

2.3 Construction industry value added

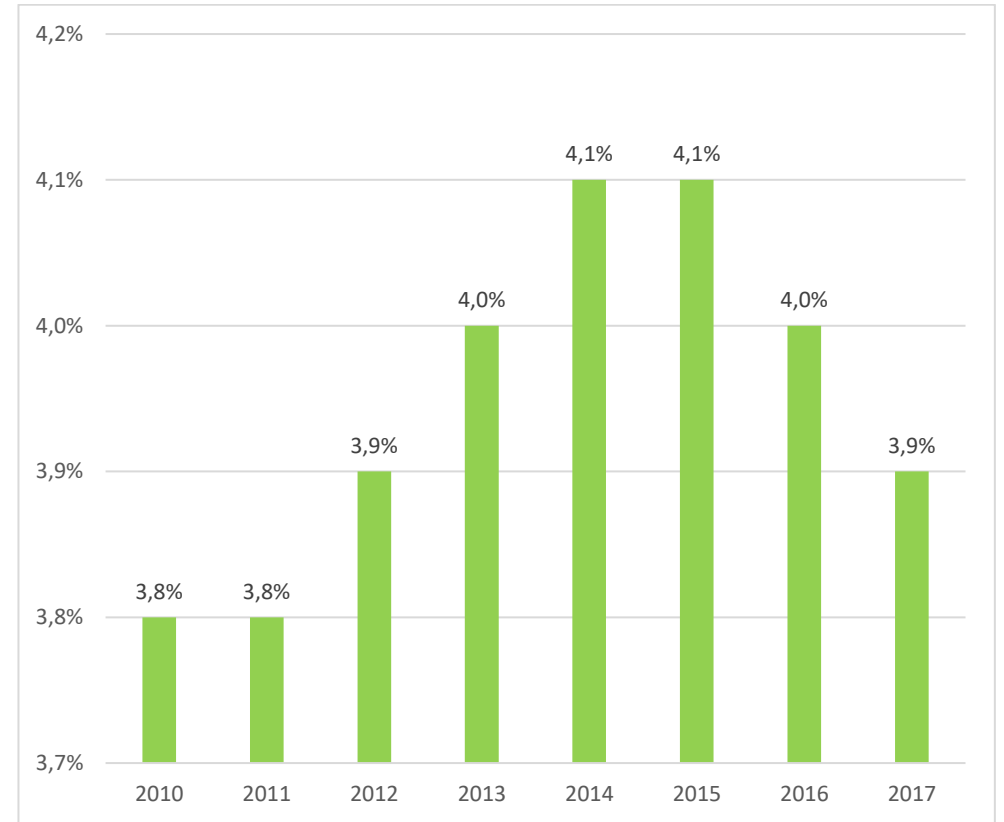
Figure 4 – Construction industry value added, percentage change (constant 2010 prices), 2010–2017



Source: P0441, Gross domestic product

Construction value added at constant 2010 prices increased from R95,5 billion in 2010 to R109,0 billion in 2017. During this period, the highest annual increase was 4,6% in 2013. In 2017 there was a decrease of 0,6%.

Figure 5 – Percentage contribution of the construction industry to total value added (current prices), 2010–2017



Source: P0441, Gross domestic product

Between the two survey years of 2014 and 2017, the contribution of the construction industry to the total value added decreased from 4,1% to 3,9%. In the period 2010 to 2017, the average contribution of construction to total value added was 4,0%. The contribution ranged from 3,8% (2010 and 2011) to 4,1% (2014 and 2015).

2.4 Capital expenditure on new assets

Table E – Capital expenditure on new assets in the construction industry, 2007–2017

Type of service	2007		2011		2014		2017	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Site preparation	381	6,2	771	6,8	372	2,8	379	2,7
Construction of buildings	1 346	21,9	1 564	13,9	3 484	26,5	3 192	22,8
Construction of civil engineering structures	2 163	35,2	5 066	45,0	3 324	25,3	3 442	24,6
Construction of other structures	168	2,7	86	0,8	135	1,0	172	1,2
Construction by specialist trade contractors	170	2,8	338	3,0	375	2,9	1 002	7,2
Plumbing	44	0,7	142	1,3	123	0,9	134	1,0
Electrical contractors	312	5,1	829	7,4	1 092	8,3	1 508	10,8
Shopfitting	30	0,5	30	0,3	100	0,8	109	0,8
Other building installation	188	3,1	423	3,8	958	7,3	513	3,7
Painting and decorating	63	1,0	65	0,6	127	1,0	95	0,7
Other building completion	366	6,0	251	2,2	479	3,6	795	5,7
Renting of construction or demolition equipment with operators	907	14,8	1 699	15,1	2 575	19,6	2 669	19,1
Total	6 138	100,0	11 264	100,0	13 144	100,0	14 010	100,0

The total capital expenditure on new assets in the construction industry in 2017 was R14,0 billion. The largest contributor to total capital expenditure was 'construction of civil engineering structures' (R3,4 billion or 24,6%), followed by 'construction of buildings' (R3,2 billion or 22,8%) and 'renting of construction or demolition equipment with operators' (R2,7 billion or 19,1%).

The capital expenditure on new assets in 2017 (R14,0 billion) represents an increase of 2,1% per annum over the expenditure reported in the corresponding survey of 2014 (R13,1 billion). From 2007 to 2017, capital expenditure on new assets was dominated by 'construction of civil engineering structures' in each of the survey years except 2014.

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Statistician-General

3. Tables

Table 1 – Principal statistics in the construction industry, 2014 and 2017

Type of service	Total income			Total expenditure			Total value of opening inventories		
	2014 ¹	2017 ²	Annualised % change	2014 ¹	2017 ²	Annualised % change	2014 ¹	2017 ²	Annualised % change
	R million			R million			R million		
Site preparation	6 024	7 187	6,1	5 364	6 680	7,6	86	92	2,3
Construction of buildings	84 354	117 851	11,8	80 706	112 252	11,6	8 332	12 915	15,7
Construction of civil engineering structures	162 466	198 363	6,9	161 356	191 818	5,9	5 510	6 517	5,8
Construction of other structures	7 878	7 894	0,1	7 382	7 134	-1,1	109	176	17,3
Construction by specialist trade contractors	20 119	22 714	4,1	20 539	22 201	2,6	900	563	-14,5
Plumbing	5 957	6 724	4,1	5 577	6 470	5,1	266	148	-17,8
Electrical contractors	24 017	23 812	-0,3	22 249	22 778	0,8	757	1 049	11,5
Shopfitting	2 111	3 095	13,6	1 882	2 917	15,7	74	47	-14,0
Other building installation	27 114	40 965	14,7	25 951	37 807	13,4	1 224	1 551	8,2
Painting and decorating	4 073	4 078	0,0	3 933	3 781	-1,3	101	55	-18,3
Other building completion	33 076	40 370	6,9	31 201	39 553	8,2	383	1 015	38,4
Renting of construction or demolition equipment with operators	17 892	22 406	7,8	16 475	21 755	9,7	198	203	0,8
Total	395 081	495 459	7,8	382 615	475 146	7,5	17 940	24 331	10,7

¹Revised figures.²Preliminary figures.

Table 1 – Principal statistics in the construction industry, 2014 and 2017 (concluded)

Type of service	Total value of closing inventories			Net profit or loss before tax		Capital expenditure on new assets		
	2014 ¹	2017 ²	Annualised % change	2014 ¹	2017 ²	2014 ¹	2017 ²	Annualised % change
	R million			R million		R million		
Site preparation	125	102	-6,6	699	517	372	379	0,6
Construction of buildings	9 162	14 499	16,5	4 478	7 183	3 484	3 192	-2,9
Construction of civil engineering structures	7 808	5 186	-12,8	3 408	5 214	3 324	3 442	1,2
Construction of other structures	127	152	6,2	514	736	135	172	8,4
Construction by specialist trade contractors	668	697	1,4	-652	647	375	1 002	38,8
Plumbing	321	337	1,6	435	443	123	134	2,9
Electrical contractors	859	1 072	7,7	1 870	1 057	1 092	1 508	11,4
Shopfitting	102	56	-18,1	257	187	100	109	2,9
Other building installation	1 406	1 774	8,1	1 345	3 381	958	513	-18,8
Painting and decorating	121	17	-48,0	160	259	127	95	-9,2
Other building completion	516	1 081	28,0	2 008	883	479	795	18,4
Renting of construction or demolition equipment with operators	359	238	-12,8	1 578	686	2 575	2 669	1,2
Total	21 574	25 211	5,3	16 100	21 193	13 144	14 010	2,1

¹Revised figures.²Preliminary figures.

Table 2 – Principal statistics by type of service in the construction industry, 2017²

Type of service	Total income	Total expenditure	Total value of opening inventories	Total value of closing inventories	Net profit or loss before tax	Total capital expenditure	Total employees
	R million						Number
Site preparation	7 187	6 680	92	102	517	379	8 556
Construction of buildings	117 851	112 252	12 915	14 499	7 183	3 192	124 176
Construction of civil engineering structures	198 363	191 818	6 517	5 186	4 960	3 442	210 808
Construction of other structures	7 894	7 134	176	152	736	172	9 016
Construction by specialist trade contractors	22 714	22 201	563	697	647	1 002	32 592
Plumbing	6 724	6 470	148	337	444	134	18 213
Electrical contractors	23 812	22 778	1 049	1 072	1 032	1 508	43 060
Shopfitting	3 095	2 917	47	56	187	109	4 500
Other building installation	40 965	37 807	1 551	1 774	3 381	513	38 961
Painting and decorating	4 078	3 781	55	17	259	95	10 029
Other building completion	40 370	39 553	1 015	1 081	883	795	72 535
Renting of construction or demolition equipment with operators	22 406	21 755	203	238	687	2 669	24 560
Total	495 459	475 146	24 331	25 211	20 916	14 010	597 006

²Preliminary figures.

Table 3 – Income in the construction industry, 2014 and 2017

Type of service	2014 ¹	2017 ²	2014 ¹	2017 ²	Annualised % change
	R million		% contribution		
Sales of goods	19 616	37 515	5,0	7,6	24,1
Services rendered	361 478	435 638	91,5	87,9	6,4
Rental and leasing income	2 881	4 197	0,7	0,8	13,4
Interest	3 872	4 049	1,0	0,8	1,5
Other	7 234	14 060	1,8	2,8	24,8
Total	395 081	495 459	100,0	100,0	7,8

¹Revised figures.²Preliminary figures.

Table 4 – Income by type of service in the construction industry, 2017²

Type of service	Sales	Services	Rental	Interest	Other income total	Total income
	R million					
Site preparation	39	6 893	95	110	50	7 187
Construction of buildings	8 849	105 163	891	677	2 271	117 851
Construction of civil engineering structures	20 129	164 890	2 216	2 533	8 595	198 363
Construction of other structures	389	7 058	311	26	110	7 894
Construction by specialist trade contractors	197	21 443	381	96	597	22 714
Plumbing	149	6 378	18	59	120	6 724
Electrical contractors	794	22 550	11	136	321	23 812
Shopfitting	88	2 990	0	7	10	3 095
Other building installation	6 393	34 095	19	173	285	40 965
Painting and decorating	0	4 000	7	25	46	4 078
Other building completion	338	38 795	56	89	1 092	40 370
Renting of construction or demolition equipment with operators	150	21 383	192	118	563	22 406
Total	37 515	435 638	4 197	4 049	14 060	495 459

²Preliminary figures.

Table 5 – Expenditure in the construction industry, 2014 and 2017

Type of service	2014 ¹	2017 ²	2014 ¹	2017 ²	Annualised % change
	R million		% contribution		
Purchases	170 631	200 874	44,6	42,3	5,6
Subcontractors paid	87 826	87 832	23,0	18,5	0,0
Salaries and wages	61 594	83 310	16,1	17,5	10,6
Leasing and hiring	6 890	9 528	1,8	2,0	11,4
Motor vehicle expenses	4 741	7 064	1,2	1,5	14,2
Repair and maintenance	3 186	4 757	0,8	1,0	14,3
Other expenses	47 747	81 781	12,5	17,2	19,6
Total expenditure	382 615	475 146	100,0	100,0	7,5

¹Revised figures.²Preliminary figures.

Table 6 – Expenditure in the construction industry, 2017²

Type of service	Purchases	Salaries and wages	Subcontractors paid	Leasing and hiring	Motor vehicle expenses	Other expenses	Total expenditure
	R million						
Site preparation	2 344	1 299	699	659	192	1 487	6 680
Construction of buildings	53 623	13 753	30 124	716	1 387	12 649	112 252
Construction of civil engineering structures	67 648	33 357	37 197	5 854	1 809	45 953	191 818
Construction of other structures	2 939	1 166	2 106	85	155	683	7 134
Construction by specialist trade contractors	9 076	4 014	4 157	326	353	4 275	22 201
Plumbing	2 998	1 601	93	120	242	1 416	6 470
Electrical contractors	13 004	4 623	1 349	130	597	3 075	22 778
Shopfitting	1 583	561	208	31	76	458	2 917
Other building installation	17 894	8 199	6 783	201	619	4 111	37 807
Painting and decorating	1 656	1 066	338	30	105	586	3 781
Other building completion	18 656	8 764	4 194	183	1 151	6 605	39 553
Renting of construction or demolition equipment with operators	9 453	4 907	584	1 193	378	5 240	21 755
Total	200 874	83 310	87 832	9 528	7 064	86 538	475 146

²Preliminary figures.

Table 7 – Capital expenditure on new assets by type of asset in the construction industry, 2014 and 2017

Type of asset	2014 ¹	2017 ²	2014 ¹	2017 ²	Annualised % change
	R million		% contribution		
Land, buildings and construction	1 455	1 480	11,1	10,6	0,6
Vehicles	3 445	3 532	26,2	25,2	0,8
Plant, machinery and capital work in progress	7 403	8 188	56,3	58,4	3,4
Other	841	809	6,4	5,8	-1,3
Total	13 144	14 009	100,0	100,0	2,1

¹Revised figures.²Preliminary figures.

Table 8 – Capital expenditure on new assets in the construction industry, 2017²

Type of service	Land, buildings and construction	Plant and machinery	Computers	Vehicles	Capital work in progress	Other	Total
	R million						
Site preparation	6	271	8	94	0	0	379
Construction of buildings	741	525	34	448	1 392	52	3 192
Construction of civil engineering structures	130	2 291	88	429	103	401	3 442
Construction of other structures	35	61	1	75	0	0	172
Construction by specialist trade contractors	70	729	7	180	14	2	1 002
Plumbing	13	29	11	80	1	0	134
Electrical contractors	307	725	22	416	28	10	1 508
Shopfitting	33	19	3	47	6	1	109
Other building installation	15	331	29	136	1	1	513
Painting and decorating	10	18	4	57	6	0	95
Other building completion	108	58	13	520	3	93	795
Renting of construction or demolition equipment with operators	12	1 561	17	1 050	16	13	2 669
Total	1 480	6 618	237	3 532	1 570	573	14 010

²Preliminary figures.

Table 9 – Employment in the construction industry as at the end of June, 2014 and 2017

Type of service	Male employees			Female employees			Total		
	2014 ¹	2017 ²	Annualised % change	2014 ¹	2017 ²	Annualised % change	2014 ¹	2017 ²	Annualised % change
	Number			Number			Number		
Site preparation	8 471	7 752	-2,9	878	804	-2,9	9 349	8 556	-2,9
Construction of buildings	97 013	107 671	3,5	12 315	16 505	10,3	109 328	124 176	4,3
Construction of civil engineering structures	145 338	177 240	6,8	20 244	33 568	18,4	165 582	210 808	8,4
Construction of other structures	11 869	7 786	-13,1	854	1 230	12,9	12 723	9 016	-10,8
Construction by specialist trade contractors	24 913	29 093	5,3	1 438	3 499	34,5	26 351	32 592	7,3
Plumbing	15 871	15 523	-0,7	1 116	2 690	34,1	16 987	18 213	2,4
Electrical contractors	39 545	37 902	-1,4	4 441	5 158	5,1	43 986	43 060	-0,7
Shopfitting	2 303	3 881	19,0	586	619	1,8	2 889	4 500	15,9
Other building installation	24 176	32 666	10,6	3 392	6 295	22,9	27 568	38 961	12,2
Painting and decorating	8 792	8 962	0,6	1 188	1 067	-3,5	9 980	10 029	0,2
Other building completion	50 233	60 488	6,4	4 938	12 047	34,6	55 171	72 535	9,5
Renting of construction or demolition equipment with operators	18 619	22 883	7,1	1 919	1 677	-4,4	20 538	24 560	6,1
Total	447 143	511 847	4,6	53 309	85 159	16,9	500 452	597 006	6,1

¹Revised figures.²Preliminary figures.

Table 10 – Details of services in the construction industry, 2014 and 2017

Type of service	2014 ¹	2017 ²	2014 ¹	2017 ²	Annualised % change
	R million		% contribution		
Site preparation	7 665	9 963	2,1	2,3	9,1
Rental of construction equipment with driver/operator	13 569	20 587	3,8	4,7	14,9
Construction of residential buildings	28 094	33 672	7,8	7,7	6,2
Construction of non-residential buildings					
Construction of commercial and industrial buildings	26 529	36 696	7,3	8,4	11,4
Construction of other non-residential buildings	12 345	16 061	3,4	3,7	9,2
Civil engineering works					
Construction, alterations and repair of highways (excluding elevated highways)	33 640	45 072	9,3	10,3	10,2
Construction of mines and industrial plants	40 158	34 107	11,1	7,8	-5,3
Construction of harbours, waterways, dams and irrigation and other water works	3 893	3 582	1,1	0,8	-2,7
Construction of long-distance pipelines and communication and power lines	5 531	4 890	1,5	1,1	-4,0
Construction local pipelines, cables and related works	5 480	7 507	1,5	1,7	11,1
Other civil engineering works	6 651	7 595	1,8	1,7	4,5
Construction by specialist trade contractors	14 763	21 401	4,1	4,9	13,2
Building installation and completion					
Plumbing	5 807	7 009	1,6	1,6	6,5
Electrical contracting	21 357	28 300	5,9	6,5	9,8
Shopfitting services	19 777	27 780	5,5	6,4	12,0
Other building installation services	1 988	1 976	0,5	0,5	-0,2
Painting and decorating	4 859	8 789	1,3	2,0	21,8
Other building completion	7 958	20 368	2,2	4,7	36,8
Architectural services	88	92	0,0	0,0	1,3
Engineering services	5 196	6 150	1,4	1,4	5,8
Project management services for construction projects	188	268	0,1	0,1	12,5
Other activities	8 116	5 941	2,2	1,4	-9,9
Total income from services rendered (excluding work subcontracted out)	273 652	347 806	75,7	79,8	8,3
Income from services for work subcontracted out	87 826	87 832	24,3	20,2	0,0
Total income from services rendered	361 478	435 638	100,0	100,0	6,4

¹Revised figures.²Preliminary figures.

Table 11 – Details of purchases in the construction industry, 2014 and 2017

Details of purchases	2014 ¹	2017 ²	2014 ¹	2017 ²	Annualised % change
	R million		% contribution		
Cement	10 376	11 206	6,1	5,6	2,6
Sand, aggregate, gravel, pebbles, crushed stone	8 768	10 301	5,1	5,1	5,5
Ready mixed concrete	13 269	14 457	7,8	7,2	2,9
Walling, roofing and flooring material (including bricks and blocks)	43 382	48 327	25,4	24,1	3,7
Reinforcing steel products (gabions, re-bars, wire reinforcing mesh and strips)	20 696	29 343	12,1	14,6	12,3
Electrical fittings, equipment and supplies	36 104	36 245	21,2	18,0	0,1
Paint and lime washes (including pigments, binders and thinners)	3 730	5 117	2,2	2,5	11,1
Asphalt and bitumen products	10 179	12 106	6,0	6,0	5,9
Fuel for off-road vehicles, machinery and trucks used in construction	8 070	10 265	4,7	5,1	8,3
Other construction purchases	11 431	13 995	6,7	7,0	7,0
Other purchases	4 626	9 512	2,7	4,7	27,2
Total purchases and transfers-in of materials	170 631	200 874	100,0	100,0	5,6

¹Revised figures.²Preliminary figures.

Table 12 – Client base in the construction industry, 2017²

Type of service	Businesses (including parastatals)	Individuals	Government (national, provincial and local)	Non-profit organisations	Total income from services
	R million				
Site preparation	5 748	879	266	0	6 893
Construction of buildings	81 770	11 332	11 384	677	105 163
Construction of civil engineering structures	105 372	7 929	50 919	670	164 890
Construction of other structures	6 387	659	12	0	7 058
Construction by specialist trade contractors	19 860	793	790	0	21 443
Plumbing	5 034	1 064	275	5	6 378
Electrical contractors	19 937	795	1 663	155	22 550
Shopfitting	2 930	60	0	0	2 990
Other building installation	30 930	1 341	1 823	1	34 095
Painting and decorating	3 601	399	0	0	4 000
Other building completion	31 644	4 707	2 444	0	38 795
Renting of construction or demolition equipment with operators	19 444	45	1 835	59	21 383
Total income from services	332 657	30 003	71 411	1 567	435 638

²Preliminary figures.

Table 13 – Information and communication technology usage by type of service in the construction industry, 2017²

Type of service	Use computer	Use internet	Use fixed lines	Use fax machine	Use corporate mobile	IT outsourced
	%					
Site preparation	39,4	39,1	37,2	31,2	34,7	23,9
Construction of buildings	53,2	53,2	50,0	41,9	48,4	27,4
Construction of civil engineering structures	38,1	37,7	36,0	30,9	31,8	23,6
Construction of other structures	49,3	48,5	47,4	39,5	43,9	30,1
Construction by specialist trade contractors	26,5	26,5	26,5	25,0	26,5	17,6
Plumbing	41,6	41,6	40,0	27,2	38,4	25,6
Electrical contractors	31,0	31,0	27,7	22,7	26,4	16,9
Shopfitting	41,6	40,4	37,6	31,6	36,8	27,2
Other building installation	22,2	22,2	21,2	17,2	22,2	16,2
Painting and decorating	51,6	52,1	50,7	39,6	46,1	29,5
Other building completion	25,4	25,4	21,4	16,7	23,0	11,1
Renting of construction or demolition equipment with operators	24,8	24,8	23,2	21,1	22,1	14,1
Total	53,9	53,9	51,1	46,8	48,9	36,2

²Preliminary figures.

Explanatory notes

Background	<p>The results presented in this publication have been derived from the 2017 construction industry large sample survey. This is a periodic survey which measures economic activity in the construction industry of the South African economy. This survey is based on a sample of private enterprises operating in the construction industry.</p> <p>The sample was drawn from Stats SA's business register. The business register is mainly based on the value added tax (VAT) database of the South African Revenue Service (SARS). Stats SA continuously updates its business register, based on units registered in the taxation system at SARS.</p> <p>The previous survey of the construction industry, namely 'Construction industry, 2014' was conducted for the year 2014. All figures exclude value added tax (VAT).</p>
Reference period	<p>The information was collected from enterprises for their financial year, which ended on any date between 1 July 2016 and 30 June 2017.</p>
Purpose of the survey	<p>Results of survey are used within stats SA for benchmarking national accounts (e.g. the gross domestic product (GDP)) and compiling supply-use tables. These statistics are also used by government to develop and monitor policies and plans to grow the economy and create jobs. The private sector uses the data to analyse comparative businesses.</p>
Scope and coverage	<p>This survey covers enterprises registered in the taxation system that are mainly engaged in construction. It includes the following groups within its scope:</p> <ul style="list-style-type: none"> • Site preparation (SIC 5010); • Construction of buildings (SIC 5021); • Construction of civil engineering structures (SIC 5022); • Construction of other structures (SIC 5023); • Construction by specialist trade contractors (SIC 5024); • Plumbing (SIC 5031); • Electrical contractors (SIC 5032); • Shopfitting (SIC 5033); • Other building installation (SIC 5039); • Painting and decorating (SIC 5041); • Other building completion (SIC 5049); and • Renting of construction or demolition equipment with operators (SIC 5050).
Classification by industry	<p>The 1993 edition of the <i>Standard Industrial Classification of all Economic Activities</i> (SIC), Fifth Edition, Report No. 09-09-02, was used to classify the statistical units in the survey. The SIC is based on the 1990 <i>International Standard Industrial Classification of all Economic Activities</i> (ISIC) with suitable adaptations for local conditions. Each enterprise is classified to an industry which reflects its predominant activity.</p>
Statistical unit	<p>The survey's data were collected at an enterprise level. An enterprise is a legal unit or a combination of legal units that includes and directly controls all functions necessary to carry out its production activities.</p>

Size groups The enterprises are divided into four size groups according to the value of their business register turnover. Large enterprises are enterprises with an annual turnover of R156 million and more. Table 14 presents the size groups using the Department of Trade and Industry (DTI) cut-off points multiplied by 4,5.

Table 14 – Size groups for the construction industry, 2017

Size Group	Turnover
Large	≥ R156 000 000
Medium	R36 000 000 ≤ VAT turnover < R156 000 000
Small	R18 000 000 ≤ VAT turnover < R36 000 000
Micro	< R18 000 000

Survey methodology and design

The survey was conducted by e-mail, telephone and personal visits.

A sample of approximately 2 952 enterprises was drawn using cluster stratified simple random sampling. The enterprises were stratified at 4-digit level according to the SIC and then by size of enterprise. All large and medium enterprises were completely enumerated. Business register turnover was used as the measure of size for stratification.

Collection rate

Collection rate = ((collected enterprises + finalised investigations) / sample size)*100. The collection rate was 72,7%.

Turnover collection rate

Turnover collection rate = ((weighted collected enterprises BR turnover + weighted finalised investigations BR turnover) / population turnover)*100. The turnover collection rate was 83,9%.

Weighting methodology

For those strata not completely enumerated, the weights to produce estimates are the inverse ratio of the sampling fraction, modified to take account of non-response in the survey. Stratum estimates were calculated and then aggregated with the completely enumerated stratum to form group estimates. These procedures, which are in line with international best practice, are described in more detail on the Stats SA website at www.statssa.gov.za/publications/publicationsearch.asp

Revisions to previous results

Revisions were made to previous results due to new information obtained after publication.

**Relative
standard error**

Data presented in this publication are based on information obtained from a sample and are, therefore, subject to sampling variability; that is, they may differ from the figures that would have been produced if the data had been obtained from all enterprises in the construction industry in South Africa. One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of enterprises was used. The relative standard error (RSE) provides an immediate indication of the percentage error likely to have accrued due to sampling.

Table 15 – Income in the construction industry within 95% confidence limits, 2017²

Type of service	Lower limit	Total income	Upper limit	Relative standard error (RSE)
Site preparation	6 331	7 187	8 043	6,1
Construction of buildings	105 090	117 851	130 612	5,5
Construction of civil engineering structures	187 127	198 363	209 599	2,9
Construction of other structures	6 884	7 894	8 904	6,5
Construction by specialist trade contractors	18 661	22 714	26 767	9,1
Plumbing	5 247	6 724	8 201	11,2
Electrical contractors	19 521	23 812	28 103	9,2
Shopfitting	2 330	3 095	3 860	12,6
Other building installation	38 574	40 965	43 356	3,0
Painting and decorating	2 680	4 078	5 224	16,4
Other building completion	29 146	40 370	51 594	14,2
Renting of construction or demolition equipment with operators	19 301	22 406	25 511	7,1
Total	472 052	495 459	515 474	2,2

²Preliminary figures.

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Non-sampling errors

Inaccuracies may occur because of imperfections in reporting by enterprises and errors made in the collection and processing of the data. Inaccuracies of this kind are referred to as non-sampling errors. Every effort is made to minimise non-sampling errors by careful design of questionnaires, testing them in pilot studies, editing reported data and implementing efficient operating procedures. Non-sampling errors occur in both sample surveys and censuses.

Rounding off of figures

The figures in the tables have, where necessary, been rounded off to the nearest final digit shown. There may therefore be slight discrepancies between the sums of the constituent items and the totals shown.

Symbols and abbreviations

DTI	Department of Trade and Industry
GDP	Gross domestic product
ISIC	International Standard Industrial Classification of all Economic Activities
IT	Income tax
RSE	Relative standard error
SARS	South African Revenue Service
SE	Standard error
SIC	Standard Industrial Classification of all Economic Activities
SNA	System of National Accounts
Stats SA	Statistics South Africa
VAT	Value added tax
0	Nil or less than half the final digit shown

Glossary

Casual employees	Employees who fall neither within the 'permanent employees' category nor the 'temporary employees' category. Such employees are typically working daily or hourly.
Concentration ratio	The ratio of the income of the <i>n</i> largest enterprises to the total income.
Construction worker	A professional, tradesman or labourer who is directly involved in actual construction activity.
Employees	Persons employed by a business or organisation and who received payment (in salaries, wages, commission, piece rates or payments in kind) for the last pay period ended on or before 30 June 2017.
Enterprise	A legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its activities.
Industry	An industry consists of a group of enterprises engaged in the same or similar kinds of economic activity. Industries are defined in the <i>System of National Accounts (SNA)</i> in the same way as in the <i>Standard Industrial Classification of all Economic Activities</i> , Fifth Edition, Report No. 09-90-02 of January 1993 (SIC).
Net profit or loss before tax	Net profit or loss before tax is derived as: Total income <i>plus</i> closing inventories <i>minus</i> total expenditure <i>minus</i> opening inventories
Other building installation	Includes: Other building installation n.e.c. such as the installation of heating and air-conditioning systems, antennas, alarm systems, elevators and escalators. Also included are insulation work (water, heat, sound), industrial process piping work, commercial refrigeration work, the installation of illumination and signalling systems for roads, railways, airports, harbours, etc. and the installation of certain plants such as manufacturing plants, electric power and transformer plants, telecommunication and radar plants, etc.
Other building completion	Includes: Other building completion activities such as glazing, floor and wall tiling, carpet laying, floor sanding, finish carpentry, acoustical work, the cleaning of exteriors, etc.

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Other expenditure	Includes: Accommodation; advertising; amortisation, <i>excluding depreciation</i> ; bank charges; bursaries for own employees (staff bursaries); containers and packaging materials; computer expenditure (when not part of non-current assets); donations, sponsorships and social investment for <i>non-employees</i> ; entertainment; excise and customs duty; losses on foreign exchange as a result of variations in foreign exchange rates; losses on financial and other liabilities: redemption, liquidation or revaluation; paper, printing and stationery; postal and courier services; property taxes paid; provisions; railage and transport-out; research and development; security services; severance, termination and redundancy payments; skills development levy; staff training; subscriptions; travelling; water and electricity; payments to labour brokers; and other expenditure.
Other income	Includes: Capital transfers received (only from the South African government); customs duty received; dividends received; excise duty received; mineral rights leases; net profit on foreign loans as a result of variations in foreign exchange rates; royalties, franchise fees, copyright, trade names and patent rights received; profit on financial and other liabilities: redemption, liquidation and revaluation of liabilities; provisions; government subsidies and incentives received (only from the South African government); and other income.
Profit margin	Profit margin is derived as: Net profit or loss after tax <i>divided by</i> turnover <i>multiplied by 100</i>
Statistical unit	A unit about which statistics are tabulated, compiled or published. The statistical units are derived from and linked to the South African Revenue Service (SARS) administrative data.
Stratum	A stratum is constructed by concatenating the SIC classification and size group variables.
Subcontractors	A subcontractor is a person who is hired by a general contractor (or prime contractor, or main contractor) to perform a specific task as part of the overall project and is normally paid for services provided to the project by the originating general contractor.
Turnover	Turnover includes: the value of sales of goods; amounts received for work done; amounts received for services rendered; rent and/or lease payments received for land and buildings; and rent, leasing and hiring received for machinery, vehicles and other equipment. Turnover excludes: value added tax (VAT); net profit or loss on sales or revaluation of fixed assets (including profit or loss on foreign exchange); export freight charges; interest received; and excise duty.
Zero values	All rand values less than R500 000.

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