

# Construction industry, 2014

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## Construction industry, 2014

### 1. Introduction

This publication updates statistical release P5002, *Construction industry*, 2014, and provides details at the 4-digit SIC (*Standard Industrial Classification of all Economic Activities* (SIC), Fifth Edition, Report No. 09-90-02).

The estimates presented here are derived from the results of the 2014 construction industry large sample survey (LSS).

The previous construction LSS was conducted in 2011 (Statistical release P5502 *Construction industry*, 2011 and Report No. 50-02-01 (2011)).

#### 1.1 Scope and coverage

This survey covers enterprises registered in the taxation system that are mainly engaged in construction. It includes the following groups within its scope:

- 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).

##### *Including*

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

##### *Excluding*

- Activities of South Africa-based companies in other 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, information and communication technology usage, client base and the breakdown of income from services by province.

### 1.3 Reference period

The questionnaires were completed for the financial year of the enterprise which **ends on any date between 1 July 2013 and 30 June 2014**, according to the usual reporting schedule of the enterprise.

#### *Example*

- 1 October 2012 – 30 September 2013
- 1 January 2013 – 31 December 2013
- 1 February 2013 – 31 January 2014
- 1 March 2013 – 28 February 2014
- 1 April 2013 – 31 March 2014

### 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 estimates are subject to sampling variability since they are based on information obtained from a sample. They may therefore 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. The standard error (SE) 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) (the standard error expressed as a percentage of the estimate) provides an indication of the percentage error likely to have occurred due to sampling, and thus avoids the need to refer to the size of the estimate. The larger the RSE, the less reliable the estimate is.

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.

## 2. Summary of findings for the year 2014

### 2.1. Income

**Table A – Income in the construction industry, 2004 – 2014**

Type of service	2004		2007		2011		2014	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Site preparation	2 306	2,3	3 130	1,8	6 376	2,4	6 118	1,6
Construction of buildings	33 117	32,9	60 199	35,6	61 860	23,0	88 519	22,6
Construction of civil engineering structures	27 478	27,4	46 386	27,4	116 651	43,2	163 476	41,7
Construction of other structures	1 515	1,5	3 079	1,8	3 146	1,2	6 374	1,6
Construction by specialist trade contractors	4 079	4,1	8 294	4,9	10 131	3,8	19 836	5,1
Plumbing	2 112	2,1	3 055	1,8	3 419	1,3	5 906	1,5
Electrical contractors	5 642	5,6	10 252	6,1	18 272	6,8	24 471	6,2
Shopfitting	825	0,8	1 290	0,8	1 320	0,5	1 982	0,5
Other building installation	8 992	9,0	12 010	7,1	19 799	7,4	28 338	7,2
Painting and decorating	1 611	1,6	1 937	1,1	2 464	0,9	3 241	0,8
Other building completion	10 625	10,6	15 943	9,4	14 432	5,4	26 290	6,7
Renting of construction or demolition equipment with operators	2 140	2,1	3 674	2,2	11 096	4,1	17 741	4,5
<b>Total</b>	<b>100 442</b>	<b>100,0</b>	<b>169 249</b>	<b>100,0</b>	<b>268 966</b>	<b>100,0</b>	<b>392 292</b>	<b>100,0</b>

(Sources: Report No. 50-02-01)

The total income for the construction industry in 2014 was R392,3 billion. The total income represents an increase of 13,4% per annum over the income reported in the corresponding survey of 2011 (R269,0 billion). Comparing 2011 and 2014, large increases were reported for 'construction of civil engineering structures' (+R46,8 billion), 'construction of buildings' (+R26,6 billion) and 'other building completion' (+R11,8 billion).

Since 2004, 'construction of civil engineering structures' gained the biggest percentage share (14,3 percentage points) in income from the construction industry when compared with the results of 2014 (from a percentage contribution of 27,4% in 2004 to 41,7% in 2014). 'Construction of buildings' service lost the biggest percentage share (-10,3 percentage points) in the same period (from 32,9% in 2004 to 22,6% in 2014).

**Table B – Concentration ratio for total income in the construction industry, 2004 – 2014**

Concentration ratio	2004	2007	2011	2014
	%			
CR5	15,0	15,3	15,6	13,2
CR10	18,8	19,0	20,5	19,4
CR20	22,8	22,3	25,8	25,2
CR50	22,2	27,8	33,0	32,8
CR100	34,8	33,5	39,8	40,0

(Sources: Report No. 50-02-01)

In 2014 the top 100 enterprises in the construction industry contributed 40,0% to the total income. This is the highest concentration ratio of the top 100 enterprises (CR100) in the four periods shown. The concentration ratios of the top 5, 10, 20 and 50 enterprises were the highest in 2011 at 15,6%, 20,5%, 25,8% and 33,0%, respectively. This illustrates the dominance of the top 100 enterprises in the construction industry.



**Table C – Profit margin in the construction industry, 2004 – 2014**

Type of service	Net profit/loss after tax				Turnover				Profit margin			
	2004	2007	2011	2014	2004	2007	2011	2014	2004	2007	2011	2014
	R million				R million				%			
Site preparation	149	124	378	489	2 187	3 066	6 365	6 035	6,8	4,0	5,9	8,1
Construction of buildings	853	2 395	2 525	3 013	31 982	59 282	66 817	86 210	2,7	4,0	3,8	3,5
Construction of civil engineering structures	623	1 274	2 484	2 175	26 219	44 922	103 689	157 244	2,4	2,8	2,4	1,4
Construction of other structures	54	148	34	614	1 474	3 031	2 858	6 121	3,7	4,9	1,2	10,0
Construction by specialist trade contractors	97	411	355	85	4 010	8 164	13 655	19 510	2,4	5,0	2,6	0,4
Plumbing	96	146	50	315	2 082	3 036	3 490	5 822	4,6	4,8	1,4	5,4
Electrical contractors	196	533	815	1 128	5 563	10 082	16 882	24 029	3,5	5,3	4,8	4,7
Shopfitting	46	74	33	169	818	1 255	1 272	1 945	5,6	5,9	2,6	8,7
Other building installation	500	677	1 007	1 035	8 651	11 664	19 412	27 532	5,8	5,8	5,2	3,8
Painting and decorating	23	142	-36	91	1 596	1 835	2 445	3 191	1,4	7,7	-1,5	2,9
Other building completion	347	348	381	950	10 452	15 629	14 211	26 021	3,3	2,2	2,7	3,7
Renting of construction or demolition equipment with operators	127	330	-400	992	1 995	3 505	10 552	17 137	6,4	9,4	-3,8	5,8
<b>Total</b>	<b>3 111</b>	<b>6 602</b>	<b>7 626</b>	<b>11 056</b>	<b>97 029</b>	<b>165 471</b>	<b>261 648</b>	<b>380 797</b>	<b>3,2</b>	<b>4,0</b>	<b>2,9</b>	<b>2,9</b>

(Sources: Report No. 50-02-01)

The profit margin for the construction industry was 2,9% in 2014. 'Construction of other structures' had the highest profit margin at 10,0%, followed by 'shopfitting' at 8,7% and 'site preparation' at 8,1%. 'Construction by specialist trade contractors' had the lowest profit margin of 0,4%.

Between 2004 and 2014, the construction industry recorded the highest profit margin of 4,0% in 2007. The highest profit margin by type of service was 'construction of other structures' at 10,0% in 2014. 'Electrical contractors' and 'other building installation' are the only services which had profit margins higher than the overall profit margin in all four years surveyed.

## 2.2. Employment

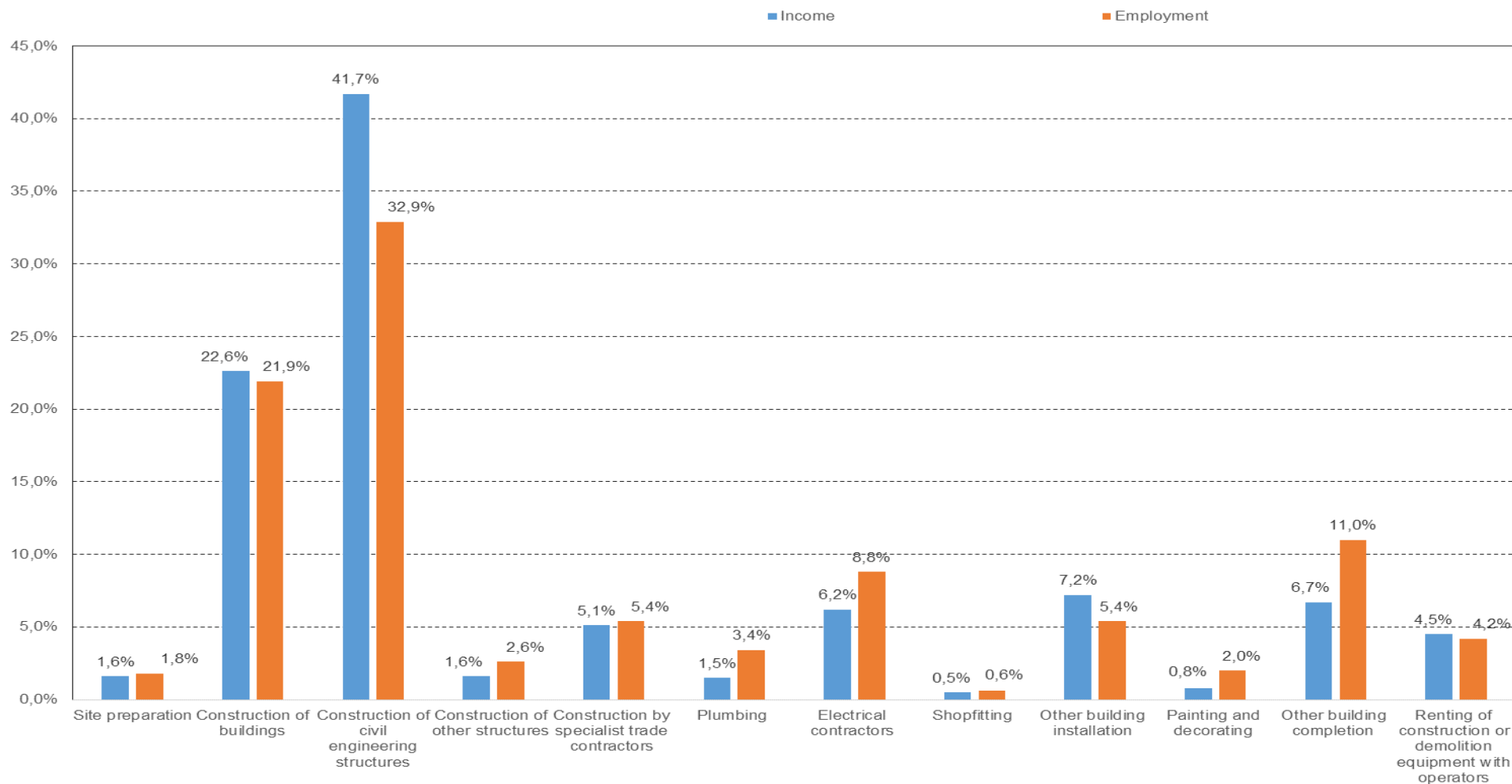
**Table D – Employment as at the end of June in the construction industry, 2004 – 2014**

Type of service	2004		2007		2011		2014	
	Number of employees							
	'000	% contribution	'000	% contribution to total	'000	% contribution to total	'000	% contribution to total
Site preparation	10	2,5	16	2,9	10	2,1	9	1,8
Construction of buildings	126	31,2	171	31,8	111	22,9	110	21,9
Construction of civil engineering structures	89	22,1	121	22,3	170	35,1	166	32,9
Construction of other structures	10	2,5	14	2,6	9	1,9	13	2,6
Construction by specialist trade contractors	17	4,2	33	6,0	23	4,7	27	5,4
Plumbing	16	4,0	15	2,8	14	2,9	17	3,4
Electrical contractors	29	7,2	45	8,4	39	8,0	44	8,8
Shopfitting	3	0,7	4	0,7	3	0,6	3	0,6
Other building installation	27	6,7	23	4,3	29	6,0	27	5,4
Painting and decorating	12	3,0	10	1,9	17	3,5	10	2,0
Other building completion	56	13,9	74	13,6	40	8,2	55	11,0
Renting of construction or demolition equipment with operators	8	2,0	15	2,7	20	4,1	21	4,2
Total	403	100,0	541	100,0	485	100,0	502	100,0

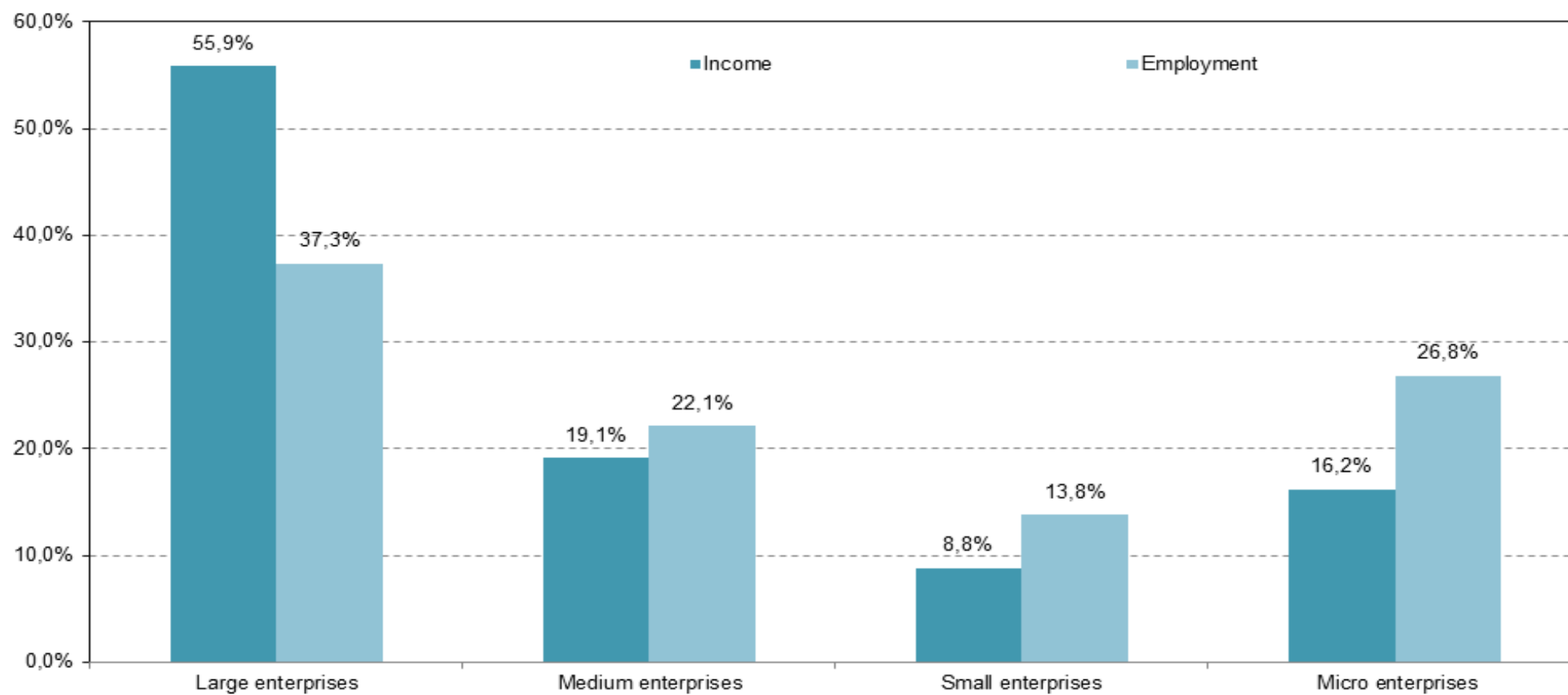
(Sources: Report No. 50-02-01)

The total number of persons employed in the construction industry as at end of June 2014 was 502 000. The 'construction of civil engineering structures' service employed the largest number of persons (166 000 or 32,9%), followed by 'construction of buildings' (110 000 or 21,9%), 'other building completion' (55 000 or 11,0%) and 'electrical contractors' (44 000 or 8,8%).

Formal employment declined from a high of 541 000 in 2007 to a low of 485 000 in 2011 before showing a slight recovery to 502 000 in 2014 (a loss of 39 000 jobs between 2007 and 2014). The biggest loss in employment since 2007 was in 'construction of buildings' (-61 000) and 'other building completion' (-19 000). The highest growth in employment was in 'construction of civil engineering structures' (+45 000 jobs).

**Figure 1 – Income and employment by type of service (% contribution) in the construction industry, 2014**

The type of service with the highest proportion of employment compared with its proportion of income was 'painting and decorating' (contributing 2,0% of employment and 0,8% of income), followed by 'plumbing' (3,4% of employment and 1,5% of income) and 'other building completion' (11,0% of employment and 6,7% of income). Although 'construction of civil engineering structures' contributed 41,7% of the total income of the construction industry in 2014, its contribution to employment was only 32,9%.

**Figure 2 – Income and employment by enterprise size (% contribution) in the construction industry, 2014**

Whereas large enterprises (those with turnover equal to or greater than R117 million) contributed 55,9% of the total income of the construction industry in 2014, their contribution to employment was only 37,3%. Most (62,7%) of the employment in the industry was created by small, medium and micro enterprises (SMMEs).

**Table E – Average salaries and wages in the construction industry, 2004 - 2014**

Type of service	2004			2007			2011			2014		
	Salaries and wages	Total employees	Average salaries and wages	Salaries and wages	Total employees	Average salaries and wages	Salaries and wages	Total employees	Average salaries and wages	Salaries and wages	Total employees	Average salaries and wages
	R million	'000	Rands	R million	'000	Rands	R million	'000	Rands	R million	'000	Rands
Site preparation	591	10	59 100	594	16	37 885	1 040	10	107 371	1 288	9	143 302
Construction of buildings	4 009	126	31 817	7 554	171	44 003	6 932	111	66 809	9 378	110	85 056
Construction of civil engineering structures	4 537	89	50 978	8 249	121	68 366	24 807	170	141 635	27 098	166	163 876
Construction of other structures	267	10	26 700	558	14	40 109	646	9	67 559	1 694	13	134 263
Construction by specialist trade contractors	761	17	44 765	1 166	33	35 757	1 564	23	73 382	2 251	27	82 183
Plumbing	442	16	27 625	717	15	46 731	1 017	14	71 898	1 274	17	75 635
Electrical contractors	1 055	29	36 379	2 053	45	45 387	4 599	39	110 383	4 328	44	98 114
Shopfitting	177	3	59 000	233	4	62 634	252	3	92 308	417	3	146 728
Other building installation	1 739	27	64 407	2 078	23	88 898	3 685	29	124 907	4 895	27	178 519
Painting and decorating	400	12	33 333	388	10	38 427	704	17	41 078	692	10	69 172
Other building completion	1 757	56	31 375	2 380	74	32 257	2 348	40	58 485	4 224	55	76 533
Renting of construction or demolition equipment with operators	427	8	53 375	752	15	51 858	2 203	20	106 554	3 778	21	182 266
<b>Total</b>	<b>16 162</b>	<b>403</b>	<b>40 104</b>	<b>26 722</b>	<b>541</b>	<b>49 432</b>	<b>49 797</b>	<b>485</b>	<b>102 575</b>	<b>61 317</b>	<b>502</b>	<b>122 206</b>

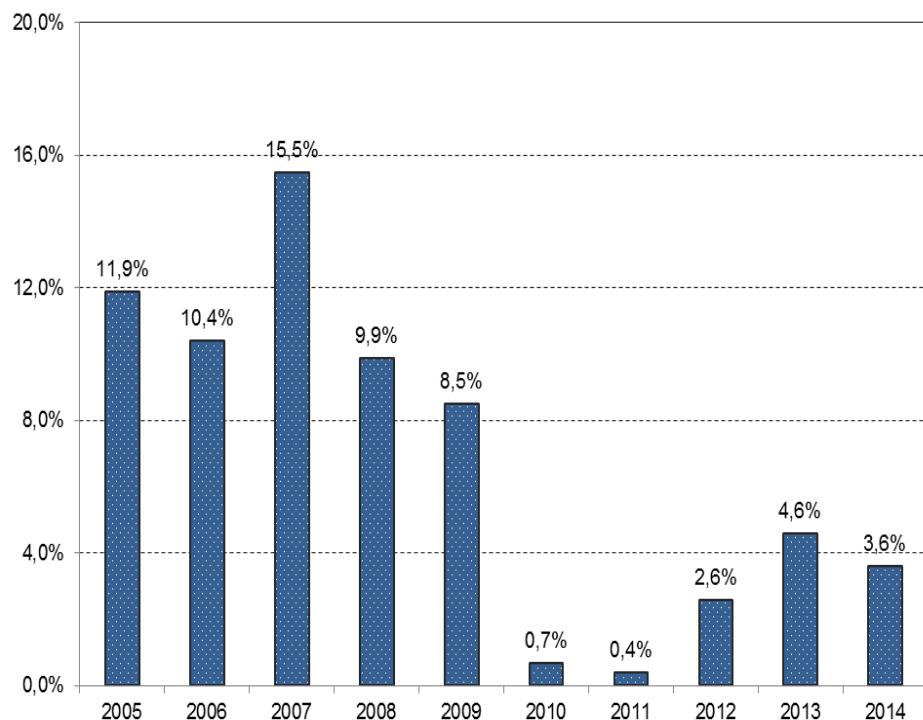
(Sources: Report No. 50-02-01)

Total average salaries and wages in the construction industry in 2014 was R122 206. The type of service with the highest average salaries and wages was 'renting of construction or demolition equipment with operators' (R182 266), followed by 'other building installation' (R178 519) and 'construction of civil engineering structures' (R163 876). The type of service with the lowest average salaries and wages was 'painting and decorating' (R69 172).

Total average salaries and wages increased from R40 104 in 2004 to R122 206 in 2014, an annualised growth rate of 11,8%. The highest annualised growth rate was 20,0% between 2007 and 2011.

### 2.3. Construction industry value added

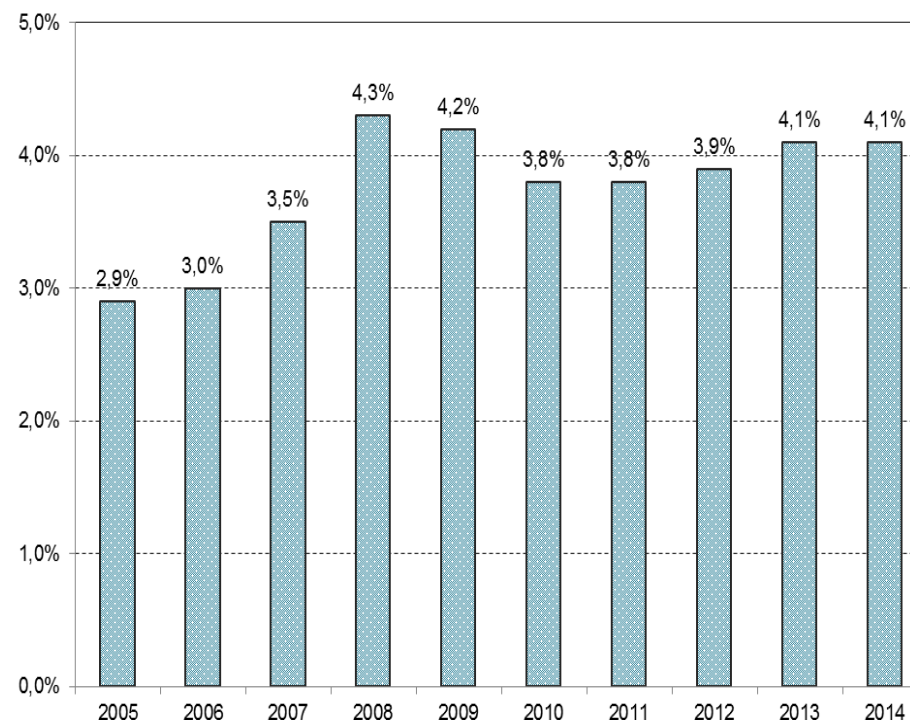
**Figure 3 – Construction value added, annual percentage change (constant 2010 prices), 2005 – 2014**



(Source: P0441, GDP annual and regional tables 2016)

Construction value added at constant 2010 prices increased from R55,6 billion in 2004 to R106,5 billion in 2014. During this period, the highest annual increase was recorded between the years 2006 and 2007 (15,5%), followed by an increase between the years 2004 and 2005 (11,9%).

**Figure 4 – Percentage contribution of construction to total value added (current prices), 2005 – 2014**



(Source: P0441, GDP annual and regional tables 2016)

Between the two survey years of 2011 and 2014, the contribution of the construction industry to total value added increased from 3,8% to 4,1%.

The contribution of the construction industry to total value added in 1993 was 3,4%. Since then, the largest contribution of the construction industry to total value added was in 2008 (4,3%) and 2009 (4,2%) due to preparation for the 2010 Soccer World Cup. The contribution to total value added in 2014 was 4,1%. The lowest contribution since 1993 was recorded in 2002 at 2,4% (P0441, GDP annual and regional tables 2016).

## 2.4. Capital expenditure on new assets

**Table F – Capital expenditure on new assets in the construction industry, 2004 – 2014**

Type of service	2004		2007		2011		2014	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Site preparation	205	9,1	381	6,2	771	6,8	2 008	15,6
Construction of buildings	567	25,4	1 346	21,9	1 564	13,9	1 643	12,7
Construction of civil engineering structures	509	22,6	2 163	35,2	5 066	45,0	3 641	28,2
Construction of other structures	48	2,1	168	2,7	86	0,8	134	1,0
Construction by specialist trade contractors	58	2,6	170	2,8	338	3,0	710	5,5
Plumbing	37	1,6	44	0,7	142	1,3	228	1,8
Electrical contractors	85	3,8	312	5,1	829	7,4	1 120	8,7
Shopfitting	11	0,5	30	0,5	30	0,3	36	0,3
Other building installation	74	3,3	188	3,1	423	3,8	553	4,3
Painting and decorating	18	0,8	63	1,0	65	0,6	97	0,8
Other building completion	264	11,7	366	6,0	251	2,2	364	2,8
Renting of construction or demolition equipment with operators	372	16,5	907	14,8	1 699	15,1	2 374	18,4
<b>Total</b>	<b>2 248</b>	<b>100,0</b>	<b>6 138</b>	<b>100,0</b>	<b>11 264</b>	<b>100,0</b>	<b>12 908</b>	<b>100,0</b>

(Sources: Report No. 50-02-01)

The total capital expenditure on new assets in the construction industry in 2014 was R12,9 billion. The largest contributor to total capital expenditure was 'construction of civil engineering structures' (R3,6 billion or 28,2%), followed by 'renting of construction or demolition equipment with operators' (R2,4 billion or 18,4%), 'site preparation' (R2,0 billion or 15,6%), 'construction of buildings' (R1,6 billion or 12,7%) and 'electrical contractors' (R1,1 billion or 8,7%).

The expenditure on new assets represents an increase of 4,6% per annum over the expenditure reported in the corresponding survey of 2011 (R11,3 billion). Comparing 2011 and 2014, the largest increase was reported for 'site preparation' (+R1,2 billion). The largest decrease was reported for 'construction of civil engineering structures' (-R1,4 billion).

Since 2004, 'site preparation' service gained the biggest percentage share (6,5 percentage points) in capital expenditure on new assets when compared with the results of 2014. 'Construction of buildings' service lost the biggest percentage share (-12,7 percentage points) in the same period (from 25,4% in 2004 to 12,7% in 2014).

## 2.5. Selected provincial statistics

Table G – Key statistics by province in the construction industry, 2014

Province	Sales of goods and services rendered		Salaries and wages		Employment	
	R million	% contribution	R million	% contribution	'000	% contribution
Western Cape	55 278	14,6	8 732	14,2	64	12,7
Eastern Cape	22 028	5,8	3 584	5,8	43	8,5
Northern Cape	18 893	5,0	2 059	3,4	18	3,6
Free State	14 358	3,8	2 150	3,5	21	4,3
KwaZulu-Natal	45 595	12,0	7 728	12,6	80	15,9
North West	11 570	3,1	3 173	5,2	19	3,7
Gauteng	144 946	38,3	23 954	39,0	180	36,0
Mpumalanga	45 602	12,0	7 146	11,7	55	10,9
Limpopo	20 397	5,4	2 791	4,6	22	4,4
<b>Total</b>	<b>378 667</b>	<b>100,0</b>	<b>61 317</b>	<b>100,0</b>	<b>502</b>	<b>100,0</b>

(Sources: Report No. 50-02-01)

The province with the largest income from sales of goods and services was 'Gauteng' with R144,9 billion (or 38,3% of industry total) in the construction industry in 2014. The second largest province with income from sales of goods and services was 'Western Cape' (R55,3 billion or 14,6%), followed by 'Mpumalanga' (R45,6 billion or 12,0%) and 'KwaZulu-Natal' (R45,6 billion or 12,0%).

In terms of employment, Gauteng was still the largest contributor with 180 000 (36,0%) employees working in the industry, followed by Kwazulu-Natal with 80 000 or (15,9%), Western Cape 64 000 or (12,7%) and Mpumalanga 55 000 or (10,9%).

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**Statistician-General**



## 3. Tables

Table 1 – Principal statistics in the construction industry, 2011 and 2014

Type of service	Total income			Total expenditure			Total value of opening inventories		
	2011	2014	Annualised % change	2011	2014	Annualised % change	2011	2014	Annualised % change
	R million			R million			R million		
Site preparation	6 376	6 118	-1,4	5 844	5 541	-1,8	95	78	-6,4
Construction of buildings	61 860	88 519	12,7	59 237	84 690	12,7	7 863	8 316	1,9
Construction of civil engineering structures	116 651	163 476	11,9	112 080	161 899	13,0	2 961	5 268	21,2
Construction of other structures	3 146	6 374	26,5	2 932	5 693	24,8	192	104	-18,5
Construction by specialist trade contractors	10 131	19 836	25,1	9 694	19 473	26,2	180	535	43,8
Plumbing	3 419	5 906	20,0	3 344	5 529	18,2	65	264	59,6
Electrical contractors	18 272	24 471	10,2	17 039	22 957	10,4	487	753	15,6
Shopfitting	1 320	1 983	14,5	1 268	1 779	11,9	42	78	22,9
Other building installation	19 799	28 338	12,7	18 371	26 667	13,2	831	1 489	21,5
Painting and decorating	2 464	3 241	9,6	2 553	3 131	7,0	102	87	-5,2
Other building completion	14 432	26 289	22,1	13 886	25 126	21,9	1 508	406	-35,4
Renting of construction or demolition equipment with operators	11 096	17 741	16,9	11 250	16 415	13,4	137	206	14,6
Total	268 966	392 292	13,4	257 498	378 900	13,7	14 463	17 584	6,7

**Table 1 – Principal statistics in the construction industry, 2011 and 2014 (concluded)**

Type of service	Total value of closing inventories			Net profit or loss before tax		Capital expenditure on new assets		
	2011	2014	Annualised % change	2011	2014	2011	2014	Annualised % change
	R million			R million		R million		
Site preparation	97	117	6,4	534	616	771	2 008	37,6
Construction of buildings	8 140	9 176	4,1	2 900	4 689	1 564	1 643	1,7
Construction of civil engineering structures	3 514	7 489	28,7	5 124	3 798	5 066	3 641	-10,4
Construction of other structures	84	130	15,7	106	707	86	134	15,9
Construction by specialist trade contractors	122	599	70,0	379	427	338	710	28,1
Plumbing	66	319	69,1	76	432	142	228	17,1
Electrical contractors	458	884	24,5	1 204	1 645	829	1 120	10,5
Shopfitting	46	112	34,5	56	238	30	36	6,3
Other building installation	806	1 481	22,5	1 403	1 663	423	553	9,3
Painting and decorating	183	103	-17,4	-8	126	65	97	14,3
Other building completion	1 489	443	-33,2	527	1 200	251	364	13,2
Renting of construction or demolition equipment with operators	142	388	39,8	-149	1 508	1 699	2 374	11,8
Total	15 147	21 241	11,9	12 152	17 049	11 264	12 908	4,6

**Table 2 – Profit margin in the construction industry, 2011 and 2014**

Type of service	Net profit/loss after tax		Turnover			Profit margin <sup>1</sup>	
	2011	2014	2011	2014	Annualised % change	2011	2014
	R million		R million			%	
Site preparation	376	489	6 271	6 035	-1,3	6,0	8,1
Construction of buildings	1 988	3 013	60 376	86 210	12,6	3,3	3,5
Construction of civil engineering structures	3 053	2 175	112 625	157 244	11,8	2,7	1,4
Construction of other structures	68	614	3 047	6 121	26,2	2,2	10,0
Construction by specialist trade contractors	246	85	9 944	19 510	25,2	2,5	0,4
Plumbing	42	315	3 356	5 822	20,2	1,3	5,4
Electrical contractors	888	1 128	18 090	24 029	9,9	4,9	4,7
Shopfitting	37	169	1 304	1 945	14,3	2,8	8,7
Other building installation	968	1 035	19 217	27 532	12,7	5,0	3,8
Painting and decorating	-36	91	2 445	3 191	9,3	-1,5	2,9
Other building completion	371	950	14 268	26 021	22,2	2,6	3,7
Renting of construction or demolition equipment with operators	-380	992	10 704	17 137	17,0	-3,6	5,8
Total	7 621	11 056	261 647	380 797	13,3	2,9	2,9

<sup>1</sup> Net profit after tax divided by turnover multiplied by 100.

**Table 3 – Income in the construction industry, 2011 and 2014**

Type of income	2011	2014	Annualised % change
	R million		
Sales of goods	8 847	19 842	30,9
Services rendered	251 710	358 825	12,5
Rental and leasing income	1 090	2 130	25,0
Interest	2 423	3 463	12,6
Other	4 896	8 032	17,9
Total	268 966	392 292	13,4

**Table 4 – Income in the construction industry, 2014**

Type of service	Sales of goods	Services rendered	Rental and leasing income	Interest	Other	Total
	R million					
Site preparation	21	6 005	9	23	60	6 118
Construction of buildings	3 018	82 160	1 032	791	1 518	88 519
Construction of civil engineering structures	8 592	148 418	234	2 044	4 188	163 476
Construction of other structures	3	6 102	16	21	232	6 374
Construction by specialist trade contractors	173	19 293	44	110	216	19 836
Plumbing	39	5 764	19	26	58	5 906
Electrical contractors	1 049	22 963	17	135	307	24 471
Shopfitting	2	1 942	1	4	34	1 983
Other building installation	5 325	22 061	146	125	681	28 338
Painting and decorating	31	3 157	3	15	35	3 241
Other building completion	772	25 229	20	65	203	26 289
Renting of construction or demolition equipment with operators	817	15 731	589	104	500	17 741
<b>Total</b>	<b>19 842</b>	<b>358 825</b>	<b>2 130</b>	<b>3 463</b>	<b>8 032</b>	<b>392 292</b>

**Table 5 – Income by enterprise size in the construction industry, 2014**

Type of service	Large enterprises	Medium enterprises	Small enterprises	Micro enterprises	Total of all enterprises
	R million				
Site preparation	4 516	1 073	246	283	6 118
Construction of buildings	37 978	24 964	10 580	14 997	88 519
Construction of civil engineering structures	132 493	18 919	4 605	7 459	163 476
Construction of other structures	1 738	1 770	1 021	1 845	6 374
Construction by specialist trade contractors	7 897	3 221	2 206	6 512	19 836
Plumbing	198	1 091	695	3 922	5 906
Electrical contractors	5 874	6 481	3 408	8 708	24 471
Shopfitting	360	366	414	842	1 982
Other building installation	16 153	6 549	3 733	1 903	28 338
Painting and decorating	0	960	639	1 642	3 241
Other building completion	1 849	4 998	5 481	13 962	26 290
Renting of construction or demolition equipment with operators	10 075	4 559	1 598	1 509	17 741
<b>Total</b>	<b>219 131</b>	<b>74 951</b>	<b>34 626</b>	<b>63 584</b>	<b>392 292</b>

**Table 6 – Concentration ratios for total income in the construction industry, 2014**

Type of service	Total Income	Income of the 5 largest enterprises	Relative contribution of the 5 largest enterprises	Income of the 10 largest enterprises	Relative contribution of the 10 largest enterprises	Income of the 20 largest enterprises	Relative contribution of the 20 largest enterprises
	R million		%	R million	%	R million	%
Site preparation	6 118	3 351	54,8	4 516	73,8	5 178	84,6
Construction of buildings	88 519	5 403	6,1	9 213	10,4	15 455	17,5
Construction of civil engineering structures	163 476	52 148	31,9	72 416	44,3	91 222	55,8
Construction of other structures	6 374	1 785	28,0	2 359	37,0	2 891	45,4
Construction by specialist trade contractors	19 836	5 910	29,8	7 130	35,9	8 455	42,6
Plumbing	5 906	585	9,9	893	15,1	1 279	21,7
Electrical contractors	24 471	2 219	9,1	3 458	14,1	5 320	21,7
Shopfitting	1 983	574	28,9	742	37,4	948	47,8
Other building installation	28 338	9 705	34,2	12 277	43,3	14 767	52,1
Painting and decorating	3 241	359	11,1	604	18,6	947	29,2
Other building completion	26 289	1 124	4,3	1 738	6,6	2 772	10,5
Renting of construction or demolition equipment with operators	17 741	5 226	29,5	7 265	41,0	9 308	52,5
<b>Total</b>	<b>392 292</b>	<b>52 148<sup>2</sup></b>	<b>13,2<sup>3</sup></b>	<b>76 838<sup>2</sup></b>	<b>19,4<sup>3</sup></b>	<b>98 929<sup>2</sup></b>	<b>25,2<sup>3</sup></b>

<sup>2</sup> These figures reflect the income of the five (respectively 10 and 20) largest enterprises, and not the column totals.

<sup>3</sup> Relative contribution = income of the largest enterprises divided by total income multiplied by 100.

**Table 7 – Expenditure in the construction industry, 2011 and 2014**

Type of expenditure	2011	2014	Annualised % change
	R million		
Purchases	110 787	172 922	16,0
Salaries and wages	49 797	61 317	7,2
Payments to sub-contractors and labour brokers	52 843	85 696	17,5
Vehicle running costs	3 522	4 957	12,1
Rental of plant, machinery and equipment	5 659	6 891	6,8
Repair and maintenance	2 280	3 160	11,5
Interest paid	2 495	3 286	9,6
Rental of land, buildings and other structures	1 672	1 998	6,1
Other expenditure	28 444	38 673	10,8
Total	257 499	378 900	13,7

**Table 8 – Expenditure in the construction industry, 2014**

Type of service	Purchases	Salaries and wages	Payments to construction sub-contractors and labour brokers	Vehicle running costs	Rental of plant, machinery and equipment	Repairs and maintenance	Interest paid	Rental of land, buildings and other structures	Other expenditure	Total
	R million									
Site preparation	1 677	1 288	866	210	635	163	123	16	563	5 541
Construction of buildings	41 840	9 378	24 697	804	914	312	1 088	300	5 358	84 691
Construction of civil engineering structures	63 549	27 098	45 814	1 307	2 957	1 203	1 036	549	18 385	161 898
Construction of other structures	2 660	1 694	245	112	198	43	28	68	645	5 693
Construction by specialist trade contractors	10 546	2 251	3 251	278	435	81	145	152	2 333	19 472
Plumbing	2 975	1 274	247	210	53	43	31	60	637	5 530
Electrical contractors	13 877	4 328	1 609	643	140	115	120	176	1 949	22 957
Shopfitting	892	417	90	66	16	14	4	43	237	1 779
Other building installation	13 134	4 895	3 706	448	237	164	211	254	3 618	26 667
Painting and decorating	1 819	692	85	94	24	30	14	39	336	3 133
Other building completion	14 382	4 224	3 654	485	258	127	82	179	1 733	25 124
Renting of construction or demolition equipment with operators	5 571	3 778	1 432	300	1 024	865	404	162	2 879	16 415
<b>Total</b>	<b>172 922</b>	<b>61 317</b>	<b>85 696</b>	<b>4 957</b>	<b>6 891</b>	<b>3 160</b>	<b>3 286</b>	<b>1 998</b>	<b>38 673</b>	<b>378 900</b>



**Table 9 – Capital expenditure on new assets in the construction industry, 2011 and 2014**

Type of asset	2011	2014	Annualised % change
	R million		
Land, buildings and construction	789	975	7,3
Vehicles	3 193	2 914	-3,0
Plant, machinery and equipment	6 276	8 037	8,6
Other	1 006	982	-0,8
Total	11 264	12 908	4,6

**Table 10 – Capital expenditure on new assets in the construction industry, 2014**

Type of service	Vehicles	Plant, machinery and equipment	Other assets	Total capital expenditure on new assets
	R million			
Site preparation	51	1 948	9	2 008
Construction of buildings	528	832	283	1 643
Construction of civil engineering structures	466	2 206	969	3 641
Construction of other structures	57	58	19	134
Construction by specialist trade contractors	68	536	106	710
Plumbing	127	71	30	228
Electrical contractors	831	176	113	1 120
Shopfitting	11	24	1	36
Other building installation	241	212	100	553
Painting and decorating	46	43	8	97
Other building completion	187	157	20	364
Renting of construction or demolition equipment with operators	301	1 774	299	2 374
<b>Total</b>	<b>2 914</b>	<b>8 037</b>	<b>1 957</b>	<b>12 908</b>

**Table 11 – Employment in the construction industry as at the end of June 2011 and 2014**

Type of service	Male employees			Female employees			Total employees		
	2011	2014	Annualised % change	2011	2014	Annualised % change	2011	2014	Annualised % change
Site preparation	8 825	8 125	-2,7	861	863	0,1	9 686	8 988	-2,5
Construction of buildings	92 996	97 013	1,4	10 762	13 244	7,2	103 758	110 257	2,0
Construction of civil engineering structures	157 733	145 338	-2,7	17 414	20 019	4,8	175 147	165 357	-1,9
Construction of other structures	8 730	11 869	10,8	832	748	-3,5	9 562	12 617	9,7
Construction by specialist trade contractors	19 051	24 913	9,4	2 262	2 477	3,1	21 313	27 390	8,7
Plumbing	12 609	15 737	7,7	1 536	1 107	-10,3	14 145	16 844	6,0
Electrical contractors	36 066	39 545	3,1	5 598	4 567	-6,6	41 664	44 112	1,9
Shopfitting	2 464	2 268	-2,7	266	574	29,2	2 730	2 842	1,3
Other building installation	25 870	24 176	-2,2	3 632	3 244	-3,7	29 502	27 420	-2,4
Painting and decorating	15 845	8 792	-17,8	1 293	1 212	-2,1	17 138	10 004	-16,4
Other building completion	36 078	50 233	11,7	4 069	4 959	6,8	40 147	55 192	11,2
Renting of construction or demolition equipment with operators	18 192	18 619	0,8	2 483	2 109	-5,3	20 675	20 728	0,1
<b>Total</b>	<b>434 459</b>	<b>446 628</b>	<b>0,9</b>	<b>51 008</b>	<b>55 123</b>	<b>2,6</b>	<b>485 467</b>	<b>501 751</b>	<b>1,1</b>

**Table 12 – Employment by type of service in the construction industry as at the end of June 2014**

Type of service	Working proprietors			Construction workers			Other workers			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Number of employees											
Site preparation	38	7	45	7 877	743	8 620	210	113	323	8 125	863	8 988
Construction of buildings	2 192	163	2 355	79 480	9 127	88 607	15 341	3 954	19 295	97 013	13 244	110 257
Construction of civil engineering structures	657	79	736	131 552	16 308	147 860	13 129	3 632	16 761	145 338	20 019	165 357
Construction of other structures	186	13	199	10 137	572	10 709	1 546	163	1 709	11 869	748	12 617
Construction by specialist trade contractors	733	83	816	20 736	1 691	22 427	3 444	703	4 147	24 913	2 477	27 390
Plumbing	346	40	386	14 217	400	14 617	1 174	667	1 841	15 737	1 107	16 844
Electrical contractors	660	132	792	35 761	3 070	38 831	3 124	1 365	4 489	39 545	4 567	44 112
Shopfitting	45	14	59	1 715	502	2 217	508	58	566	2 268	574	2 842
Other building installation	365	136	501	21 027	1 805	22 832	2 784	1 303	4 087	24 176	3 244	27 420
Painting and decorating	454	85	539	7 427	743	8 170	911	384	1 295	8 792	1 212	10 004
Other building completion	1 080	303	1 383	43 712	2 190	45 902	5 441	2 466	7 907	50 233	4 959	55 192
Renting of construction or demolition equipment with operators	256	37	293	13 992	1 121	15 113	4 371	951	5 322	18 619	2 109	20 728
<b>Total</b>	<b>7 012</b>	<b>1 092</b>	<b>8 104</b>	<b>387 633</b>	<b>38 272</b>	<b>425 905</b>	<b>51 983</b>	<b>15 759</b>	<b>67 742</b>	<b>446 628</b>	<b>55 123</b>	<b>501 751</b>

**Table 13 – Employment by enterprise size in the construction industry as at the end of June 2014**

Type of service	Large enterprises	Medium enterprises	Small enterprises	Micro enterprises	Total of all enterprises
	Number of employees				
Site preparation	6 113	1 947	376	552	8 988
Construction of buildings	27 919	29 697	24 326	28 315	110 257
Construction of civil engineering structures	114 815	31 305	7 219	12 018	165 357
Construction of other structures	2 780	4 172	1 845	3 820	12 617
Construction by specialist trade contractors	8 496	4 786	2 673	11 435	27 390
Plumbing	637	2 921	1 934	11 352	16 844
Electrical contractors	7 340	11 553	7 116	18 103	44 112
Shopfitting	232	598	582	1 430	2 842
Other building installation	7 433	6 706	9 513	3 768	27 420
Painting and decorating	1	2 577	2 000	5 426	10 004
Other building completion	3 146	7 937	9 054	35 055	55 192
Renting of construction or demolition equipment with operators	8 183	6 922	2 662	2 961	20 728
<b>Total</b>	<b>187 095</b>	<b>111 121</b>	<b>69 300</b>	<b>134 235</b>	<b>501 751</b>

**Table 14 – Details of income from services rendered for construction industry, 2011 and 2014**

Type of construction activity	R million		% contribution to total income from services		Annualised % change
	2011	2014	2011	2014	
Site preparation	5 973	5 846	2,4	1,6	-0,7
Rental of construction equipment with driver/operator	9 227	15 238	3,7	4,2	18,2
Construction of residential buildings	20 771	27 908	8,3	7,8	10,3
Construction of commercial and industrial buildings	21 475	30 231	8,5	8,4	12,1
Construction of other non-residential buildings	9 962	12 687	4,0	3,5	8,4
Construction, alterations and repair of highways, streets, bridges, tunnels and railways	32 645	36 052	13,0	10,0	3,4
Other civil engineering	37 547	50 943	14,9	14,4	10,7
Construction of other structures	3 124	3 049	1,2	0,8	-0,8
Construction by specialist trade contractors	8 363	15 717	3,3	4,4	23,4
Plumbing	3 329	7 425	1,3	2,1	30,7
Electrical contracting	14 259	21 620	5,7	6,0	14,9
Shopfitting	1 495	1 926	0,6	0,5	8,8
Other building installations	15 227	20 342	6,0	5,7	10,1
Painting and decorating	4 104	4 698	1,6	1,3	4,6
Other building completion	5 796	13 927	2,3	3,9	33,9
Architectural services	44	76	0,0	0,0	20,0
Engineering services	4 629	5 006	1,8	1,4	2,6
Other activities	897	438	0,4	0,1	-21,3
<b>Total income from services rendered (excluding work subcontracted out)</b>	<b>198 867</b>	<b>273 129</b>	<b>79,0</b>	<b>76,1</b>	<b>11,2</b>
Income from services for work subcontracted out	52 843	85 696	21,0	23,9	17,5
<b>Total income from services rendered</b>	<b>251 710</b>	<b>358 825</b>	<b>100,0</b>	<b>100,0</b>	<b>12,5</b>

**Table 15 – Details of purchases for construction industry, 2011 and 2014**

Details of purchases	R million		% contribution to total purchases		Annualised % change
	2011	2014	2011	2014	
Cement	8 301	10 276	7,5	5,9	7,4
Sand and aggregate	5 934	8 650	5,4	5,0	13,4
Ready-mix concrete	8 044	13 064	7,3	7,6	17,5
Walling , roofing and flooring material (including bricks and blocks)	20 989	39 297	19,0	22,8	23,3
Reinforcing and structural steel	11 243	20 116	10,1	11,6	21,4
Electrical fittings, equipment and supplies	19 669	33 321	17,8	19,3	19,2
Paint and limewashes (including pigments, binders and thinners)	3 353	4 220	3,0	2,4	8,0
Asphalt and bitumen products	7 132	9 950	6,4	5,8	11,7
Fuel for off-road vehicles, machinery and trucks used in construction	5 469	7 864	4,9	4,5	12,9
Other purchases	20 656	26 164	18,6	15,1	8,2
<b>Total purchases</b>	<b>110 790</b>	<b>172 922</b>	<b>100,0</b>	<b>100,0</b>	<b>16,0</b>

**Table 16 – Income from sales of goods and services rendered by client base in the construction industry, 2011 and 2014**

Client	R million		% contribution to total income from services		Annualised % change
	2011	2014	2011	2014	
Businesses (including parastatals) and individuals	204 651	313 083	81,3	82,7	15,2
Government (national, provincial and local)	47 059	65 584	18,7	17,3	11,7
<b>Total income</b>	<b>251 710</b>	<b>378 667</b>	<b>100,0</b>	<b>100,0</b>	<b>14,6</b>

**Table 17 – Income from sales of goods and services rendered by type of service and client base in the construction industry, 2014**

Type of service	Individuals	Businesses (including parastatals)	Government (national, provincial and local)	Total income
	R million			
Site preparation	22	5 915	89	6 026
Construction of buildings	9 421	62 808	12 949	85 178
Construction of civil engineering structures	1 066	121 109	35 030	157 205
Construction of other structures	435	4 896	774	6 105
Construction by specialist trade contractors	731	17 995	547	19 273
Plumbing	721	4 061	1 020	5 802
Electrical contractors	1 024	19 814	3 174	24 012
Shopfitting	119	1 822	2	1 943
Other building installation	850	18 985	7 552	27 387
Painting and decorating	149	2 542	497	3 188
Other building completion	2 096	21 191	2 714	26 001
Renting of construction or demolition equipment with operators	707	14 850	990	16 547
<b>Total</b>	<b>17 341</b>	<b>295 988</b>	<b>65 338</b>	<b>378 667</b>



**Table 18 – Key statistics by province in the construction industry, 2014**

Province	Sales of goods and services rendered		Salaries and wages		Employment		Average annual salaries and wages
	R million	% Contribution	R million	% Contribution	Number	% Contribution	Rand
Western Cape	55 278	14,6	8 732	14,2	63 518	12,7	137 473
Eastern Cape	22 028	5,8	3 584	5,8	42 718	8,5	83 899
Northern Cape	18 893	5,0	2 059	3,4	17 979	3,6	114 522
Free State	14 358	3,8	2 150	3,5	21 399	4,3	100 472
KwaZulu-Natal	45 595	12,0	7 728	12,6	79 557	15,9	97 138
North West	11 570	3,1	3 173	5,2	18 622	3,7	170 390
Gauteng	144 946	38,3	23 954	39,0	181 246	36,0	132 163
Mpumalanga	45 602	12,0	7 146	11,7	54 868	10,9	130 240
Limpopo	20 397	5,4	2 791	4,6	21 844	4,4	127 770
<b>Total</b>	<b>378 667</b>	<b>100,0</b>	<b>61 317</b>	<b>100,0</b>	<b>501 751</b>	<b>100,0</b>	<b>122 206</b>

**Table 19 – Information and communication technology usage in the construction industry, 2014**

Type of service	Use computer	Use internet	Use internet banking	Have web page	Receive orders over internet	Place orders over internet	IT outsourced
	%						
Site preparation	100,0	100,0	100,0	33,3	35,9	25,6	48,7
Construction of buildings	99,8	99,8	92,0	43,1	23,9	32,2	64,1
Construction of civil engineering structures	99,7	99,7	93,1	52,9	30,1	33,0	63,0
Construction of other structures	98,4	98,4	85,5	40,3	25,8	24,2	50,0
Construction by specialist trade contractors	99,0	99,0	92,1	46,5	33,7	36,6	60,4
Plumbing	100,0	100,0	89,0	31,7	31,7	23,2	63,4
Electrical contractors	100,0	100,0	91,4	32,6	30,3	33,7	60,6
Shopfitting	100,0	100,0	96,0	52,0	36,0	36,0	60,0
Other building installation	99,4	99,4	92,3	57,1	38,5	41,0	63,5
Painting and decorating	100,0	100,0	95,1	46,3	34,1	26,8	58,5
Other building completion	100,0	100,0	90,4	37,2	24,5	28,7	58,5
Renting of construction or demolition equipment with operators	100,0	100,0	90,5	41,9	33,1	30,4	71,6
<b>Total</b>	<b>99,7</b>	<b>99,7</b>	<b>91,9</b>	<b>44,6</b>	<b>29,8</b>	<b>32,3</b>	<b>62,5</b>

**Table 19 – Information and communication technology usage in the construction industry, 2014 (concluded)**

Type of service	Main uses of the internet					Main activity of web			Internet connection speed		
	Email	Information services	Business promotions (Advertising)	E-commerce	Other	Advertising own business	Selling goods and services	Other	Narrow band	Broad band	No internet
	%										
Site preparation	100,0	33,3	17,9	2,6	7,7	35,9	7,7	0,0	0,0	100,0	0,0
Construction of buildings	98,8	42,1	10,2	5,7	1,0	44,4	5,0	0,5	1,7	98,3	0,0
Construction of civil engineering structures	98,7	45,5	13,6	5,6	1,1	53,5	10,6	0,3	3,2	96,8	0,0
Construction of other structures	98,4	38,7	12,9	8,1	1,6	41,9	6,5	0,0	6,5	93,5	0,0
Construction by specialist trade contractors	98,0	42,6	11,9	7,9	0,0	45,5	5,9	4,0	1,0	99,0	0,0
Plumbing	100,0	28,0	9,8	3,7	2,4	32,9	7,3	1,2	1,2	98,8	0,0
Electrical contractors	98,3	41,1	9,7	6,9	1,1	34,3	2,9	0,0	5,7	94,3	0,0
Shopfitting	100,0	36,0	16,0	8,0	8,0	52,0	12,0	0,0	4,0	96,0	0,0
Other building installation	95,5	50,0	16,7	7,1	1,3	55,8	6,4	0,6	2,6	97,4	0,0
Painting and decorating	100,0	31,7	12,2	7,3	0,0	46,3	0,0	0,0	4,9	95,1	0,0
Other building completion	98,9	36,2	11,7	5,3	1,1	36,2	5,3	0,0	2,1	97,9	0,0
Renting of construction or demolition equipment with operators	97,3	36,5	10,1	5,4	3,4	40,5	8,1	0,0	1,4	98,6	0,0
<b>Total</b>	<b>98,4</b>	<b>41,4</b>	<b>12,1</b>	<b>6,0</b>	<b>1,5</b>	<b>45,0</b>	<b>6,7</b>	<b>0,5</b>	<b>2,7</b>	<b>97,3</b>	<b>0,0</b>

## Explanatory notes

### Background

The results presented in this publication have been derived from the 2014 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 and public enterprises operating in the construction industry.

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.

The previous survey of the construction industry, namely 'Construction industry, 2011' was conducted for the year 2011.

All figures exclude value added tax (VAT).

### Reference period

The information was collected from enterprises for their financial year, which ended on any date between 1 July 2013 and 30 June 2014.

### Purpose of the survey

Results of the survey are used within Stats SA for benchmarking national accounts (e.g. the gross domestic product (GDP)), compiling supply-use tables and refreshing weights for the producer price index. These statistics are also used by the private sector in analyses of comparative business and industry performance.

### Scope and coverage

This survey covers enterprises registered in the taxation system that are mainly engaged in construction. It includes the following groups within its scope:

- 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

The 1993 edition of the *Standard Industrial Classification of all Economic Activities* (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 *International Standard Industrial Classification of all Economic Activities* (ISIC) with suitable adaptations for local conditions. Statistics in this publication are presented at 4-digit SIC level (group). Each enterprise is classified to an industry which reflects its predominant activity.

**Statistical unit** The statistical unit for the collection of the 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 production activities.

**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 R117 million and more. Table 20 presents the size groups as defined using the Department of Trade and Industry (DTI) cut-off points multiplied by 4,5.

**Table 20 – Size groups for the construction industry, 2014**

Size Group	Turnover
Large	≥ R117 000 000
Medium	R27 000 000 ≤ VAT turnover < R117 000 000
Small	R13 500 000 ≤ VAT turnover < R27 000 000
Micro	< R13 500 000

**Survey methodology and design** The survey was conducted by e-mail, telephone, personal visits, fax and post.

A sample of approximately 4 500 enterprises was drawn using cluster stratified simple random sampling. The enterprises were first clustered by province, then 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. The collection rate was 76,3%.

**Collection rate** Collection rate = ((collected + finalised investigations) / sample size) x 100.

**Turnover collection rate** Turnover collection rate = ((weighted collected enterprises BR turnover + weighted finalised investigations BR turnover)/population turnover)\*100. The turnover collection rate was 87,5%.

**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](http://www.statssa.gov.za/publications/publicationsearch.asp).

**Revisions to previous results** Revisions were made to previous results due to new information obtained after the publications.

**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 21 – Income in the ‘construction’ industry within 95% confidence limit: 2014**

Type of service	Lower limit	Total income	Upper limit	Relative standard error (RSE)
	R million			%
Site preparation	6 034	6 118	6 202	0,7
Construction of buildings	84 702	88 519	92 336	2,2
Construction of civil engineering structures	160 913	163 476	166 039	0,8
Construction of other structures	5 862	6 374	6 886	4,1
Construction by specialist trade contractors	17 231	19 836	22 441	6,7
Plumbing	4 853	5 906	6 959	9,1
Electrical contractors	21 881	24 471	27 061	5,4
Shopfitting	1 719	1 983	2 247	6,8
Other building installation	27 394	28 338	29 282	1,7
Painting and decorating	2 625	3 241	3 857	9,7
Other building completion	21 446	26 289	31 132	9,4
Renting of construction or demolition equipment with operators	17 219	17 741	18 263	1,5
<b>Total</b>	<b>384 603</b>	<b>392 292</b>	<b>399 981</b>	<b>1,0</b>

**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

<b>Casual employees</b>	Employees who fall neither within the 'permanent employees' category nor the 'temporary employees' category. Such employees are typically working daily or hourly.
<b>Concentration ratio</b>	The ratio of the income of the <i>n</i> largest enterprises to the total income.
<b>Construction worker</b>	A professional, tradesman or labourer who is directly involved in the actual construction activity.
<b>Employees</b>	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 2014.
<b>Enterprise</b>	A legal entity or a combination of legal units that includes and directly controls all functions necessary to carry out its activities.
<b>Formal employment</b>	Employment by the formal sector. The formal sector includes all businesses that are registered for VAT.
<b>Informal employment</b>	Employment by the informal sector. The formal sector includes all businesses that are not registered for VAT.
<b>Industry</b>	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).
<b>Net profit or loss before tax</b>	Net profit or loss before tax is derived as:  Total income <b>plus</b> closing inventories <b>minus</b> total expenditure <b>minus</b> opening inventories
<b>Other building installations</b>	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.
<b>Other building completion</b>	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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<b>Other expenditure</b>	<p>Includes:</p> <p>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; mineral rights leases; paper, printing and stationery; postal and courier services; property taxes paid; provisions; railage and transport-out; research and development; royalties, franchise fees, copyright, trade names, trademarks and patent rights paid; security services; severance, termination and redundancy payments; skills development levy; staff training; subscriptions; travelling; water and electricity; payments to labour brokers and other expenditure.</p>
<b>Other income</b>	<p>Includes:</p> <p>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.</p>
<b>Permanent employees</b>	<p>Employees appointed on an open-ended contract with no stipulated termination date or fixed-term contract for periods of more than one year.</p>
<b>Profit margin</b>	<p>Profit margin is derived as:</p> <p>Net profit or loss after tax <b><i>divided by</i></b> turnover <b><i>multiplied by</i></b> 100</p>
<b>Statistical unit</b>	<p>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.</p>

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<b>Stratum</b>	A stratum is constructed by concatenating the SIC classification and size group variables.
<b>Subcontractors</b>	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.
<b>Temporary employees</b>	Employees appointed on a short-term contract basis with a stipulated termination date for periods not exceeding one year.
<b>Turnover</b>	<p>Turnover includes:</p> <ul style="list-style-type: none"><li>• the value of sales of good;</li><li>• amounts received for work done;</li><li>• amounts received for services rendered;</li><li>• rent and or lease payments received for land and buildings; and</li><li>• rent, leasing and hiring received for machinery, vehicles and other equipment.</li></ul> <p>Turnover excludes:</p> <ul style="list-style-type: none"><li>• value added tax (VAT);</li><li>• net profit or loss on sales or revaluation of fixed assets (including profit or loss on foreign exchange);</li><li>• export freight charges;</li><li>• interest received; and</li><li>• excise duty.</li></ul>
<b>Working proprietors</b>	Owners, members or partners actively engaged in the work of the enterprise, excluding silent or inactive partners whose principal activity is outside of the enterprise.
<b>Zero values</b>	All rand values less than R500 000.