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1. Introduction

This publication presents estimates in respect of the 2020 construction industry large sample survey (LSS). The data for the number of employees were provided for the last pay period ended on or before 30 June 2020.

The last construction LSS was conducted in 2017 (Report No. 50-02-01 (2017)).

1.1 Scope and coverage

The 2020 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. 09-90-02:

- 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.

The following activities are excluded

- Activities of South Africa-based companies in other countries.

1.2 Data items

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

1.3 Reference period

The questionnaires were completed for the financial year of the enterprise **ending on any date between 1 July 2019 and 30 June 2020**, according to the usual reporting schedule of the enterprise.

For example, (2020)

- 1 October 2018 – 30 September 2019
- 1 January 2019 – 31 December 2019
- 1 February 2019 – 31 January 2020
- 1 March 2019 – 29 February 2020
- 1 July 2019 – 30 June 2020

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 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 industry is classified to an industry that reflects its predominant activity.

2. Summary of findings

2.1 Income

Table A – Income in the construction industry, 2011–2020

Type of service	2011		2014		2017		2020	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Site preparation	6 376	2,4	6 024	1,5	7 188	1,5	7 461	1,7
Construction of buildings	61 860	23,0	84 354	21,4	115 923	24,7	134 157	30,7
Construction of civil engineering structures	116 651	43,4	162 466	41,1	186 740	39,7	127 958	29,3
Construction of other structures	3 146	1,2	7 878	2,0	7 139	1,5	8 362	1,9
Construction by specialist trade contractors	10 131	3,8	20 119	5,1	22 353	4,8	19 318	4,4
Plumbing	3 419	1,3	5 957	1,5	6 724	1,4	7 573	1,7
Electrical contractors	18 272	6,8	24 017	6,1	20 640	4,4	26 257	6,0
Shopfitting	1 320	0,5	2 111	0,5	3 095	0,7	2 984	0,7
Other building installation	19 799	7,4	27 114	6,9	32 394	6,9	29 307	6,7
Painting and decorating	2 464	0,9	4 073	1,0	4 078	0,9	4 667	1,1
Other building completion	14 432	5,4	33 076	8,4	41 157	8,8	48 336	11,1
Renting of construction or demolition equipment with operators	11 096	4,1	17 892	4,5	22 716	4,8	20 325	4,7
Total	268 966	100,0	395 081	100,0	470 147	100,0	436 705	100,0

Source: Report No. 50-02-01

The total income for the construction industry in 2020 was R436,7 billion. The total income represents a decrease of 2,4% per annum over the income reported in the corresponding survey of 2017 (R470,1 billion). Comparing 2017 and 2020, a large decrease was reported for 'construction of civil engineering structures' (-R58,8 billion). However, large increases were reported for 'construction of buildings' (R18,2 billion) and 'electrical contractors' (R5,6 billion) over the same period.

Between 2011 and 2020, 'construction of civil engineering structures' lost the biggest percentage share of income (-14,1 percentage points) (from a percentage contribution of 43,4% in 2011 to 29,3% in 2020). 'Construction of buildings' gained the biggest percentage share of income over the same period (+7,7 percentage points) (from 23,0% in 2011 to 30,7% in 2020).

Table B – Concentration ratio for total income in the construction industry, 2011–2020

Concentration ratio	2011	2014	2017	2020
	%			
CR5	15,6	13,2	9,8	6,8
CR10	20,5	19,4	14,6	9,5
CR20	25,8	25,2	19,3	13,9
CR50	33,0	32,8	27,1	21,1
CR100	39,8	40,0	34,4	28,1

Sources: Report No. 50-02-01

In 2020, the top 100 enterprises in the construction industry contributed 28,1% to the total income. This is the 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. In all five categories (CR5 to CR100), the concentration ratios are lower in 2020 compared with the other three periods.

Table C – Profit margin in the construction industry, 2011–2020

Type of service	Net profit/loss after tax				Turnover				Profit margin			
	2011	2014	2017	2020	2011	2014	2017	2020	2011	2014	2017	2020
	R million				R million				R million			
Site preparation	378	558	429	421	6 365	5 939	7 027	7 309	5,9	9,4	6,1	5,8
Construction of buildings	2 525	2 883	5 509	3 507	66 817	82 113	113 011	130 746	3,8	3,5	4,9	2,7
Construction of civil engineering structures	2 484	1 864	5 238	-306	103 689	156 895	175 651	117 878	2,4	1,2	3,0	-0,3
Construction of other structures	34	420	655	257	2 858	7 725	7 006	7 718	1,2	5,4	9,3	3,3
Construction by specialist trade contractors	355	-918	296	164	13 655	19 695	21 689	18 950	2,6	-4,7	1,4	0,9
Plumbing	50	317	343	300	3 490	5 872	6 545	7 396	1,4	5,4	5,2	4,1
Electrical contractors	815	1 305	748	589	16 882	23 550	20 184	25 826	4,8	5,5	3,7	2,3
Shopfitting	33	184	151	4	1 272	1 955	3 078	2 932	2,6	9,4	4,9	0,1
Other building installation	1 007	802	1 540	828	19 412	26 331	31 965	28 715	5,2	3,0	4,8	2,9
Painting and decorating	-36	116	176	144	2 445	4 009	4 007	4 595	-1,5	2,9	4,4	3,1
Other building completion	381	1 494	586	2 291	14 211	32 610	40 002	46 701	2,7	4,6	1,5	4,9
Renting of construction or demolition equipment with operators	-400	1 052	136	846	10 552	17 281	22 025	19 562	-3,8	6,1	0,6	4,3
Total	7 626	10 077	15 807	9 045	261 648	383 975	452 190	418 328	2,9	2,6	3,5	2,2

Source: Report No. 50-02-01

The profit margin for the construction industry was 2,2% in 2020. 'Site preparation' had the highest profit margin at 5,8%, followed by 'other building completion' at 4,9%. 'Construction of civil engineering structures' had the lowest profit margin with a loss of 0,3%.

Between 2011 and 2020, the construction industry recorded the highest overall profit margin of 3,5% in 2017. The highest profit margin by type of service was 'shopfitting' and 'site preparation', each at 9,4% in 2014.

Table D – Details of services in the construction industry, 2017 and 2020

Type of service	2017	2020	2017	2020	Annualised % change
	R million		% contribution		
Rental of construction equipment with driver/operator	22 536	17 492	5,2	4,3	-8,1
Construction of residential buildings	37 847	44 263	8,8	10,9	5,4
Construction of non-residential buildings	40 677	47 505	9,5	11,7	5,3
Civil engineering works	111 296	95 770	25,9	23,7	-4,9
Construction by specialist trade contractors	21 686	18 796	5,0	4,6	-4,7
Building installation and completion	88 064	90 394	20,5	22,3	0,9
Other activities	27 979	32 093	6,5	7,9	4,7
Total income from services rendered (excluding work subcontracted out)	350 085	346 313	81,4	85,4	-0,4
Work subcontracted out	80 083	59 427	18,6	14,6	-9,5
Total income from services rendered	430 168	405 740	100,0	100,0	-1,9

Source: Report No. 50-02-01

The total income from services rendered for the construction industry in 2020 was R405,7 billion. The total income from services rendered represents a decrease of 1,9% per annum over the income reported in the corresponding survey of 2017 (R430,2 billion). Large decreases were reported for 'work subcontracted out' (-R20,7 billion), 'civil engineering works' (-R15,5 billion) and 'rental of construction equipment with driver/operator' (-R5,0 billion).

2.2 Employment

Table E – Employment for the last pay period ended on or before 30 June in the construction industry, 2011–2020

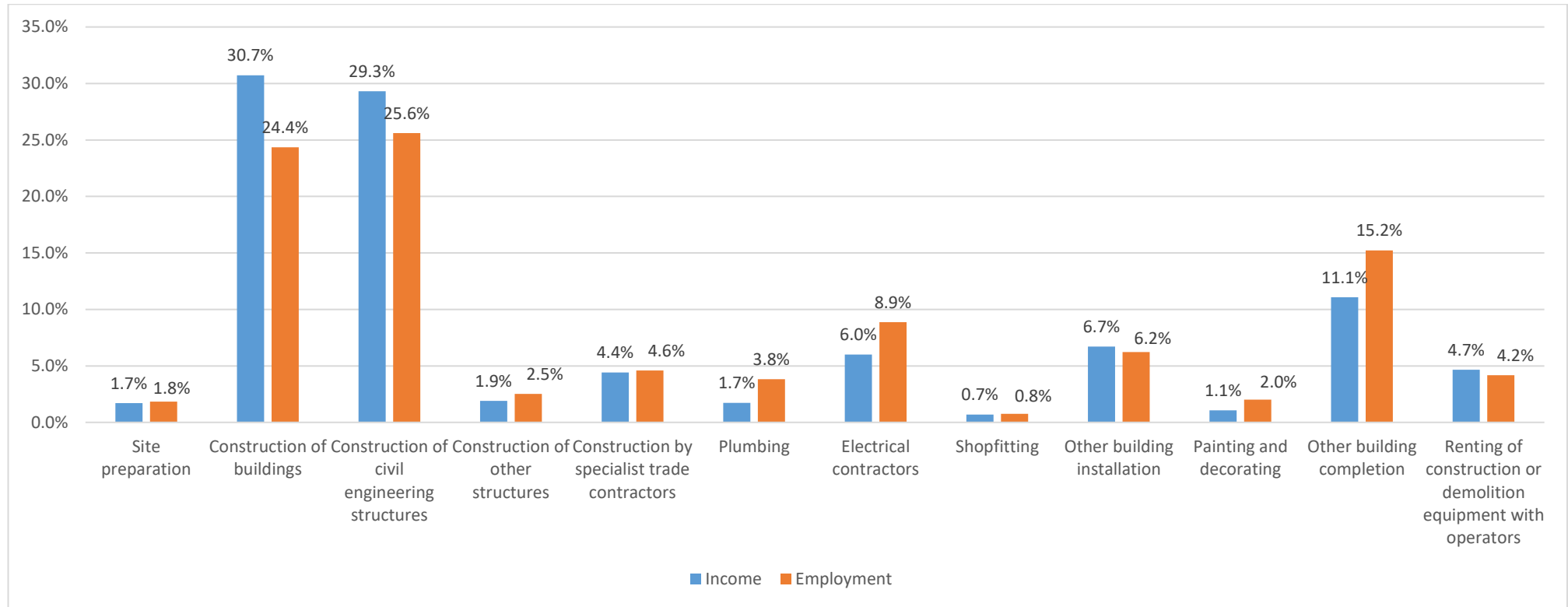
Type of service	2011		2014		2017		2020	
	Number	% contribution to total	Number	% contribution to total	Number	% contribution to total	Number	% contribution to total
Site preparation	18 161	3,8	9 349	1,9	8 536	1,4	8 713	1,8
Construction of buildings	120 311	24,9	109 328	21,8	133 201	22,5	115 229	24,4
Construction of civil engineering structures	152 337	31,5	165 582	33,1	210 167	35,5	121 157	25,6
Construction of other structures	10 420	2,2	12 723	2,5	7 480	1,3	11 942	2,5
Construction by specialist trade contractors	25 304	5,2	26 351	5,3	32 264	5,4	21 784	4,6
Plumbing	14 792	3,1	16 987	3,4	17 945	3,0	18 089	3,8
Electrical contractors	39 873	8,2	43 986	8,8	34 246	5,8	41 933	8,9
Shopfitting	3 313	0,7	2 889	0,6	4 269	0,7	3 630	0,8
Other building installation	30 045	6,2	27 568	5,5	37 961	6,4	29 456	6,2
Painting and decorating	12 740	2,6	9 980	2,0	9 988	1,7	9 494	2,0
Other building completion	33 259	6,9	55 171	11,0	71 064	12,0	72 042	15,2
Renting of construction or demolition equipment with operators	23 096	4,8	20 538	4,1	25 004	4,2	19 745	4,2
Total	483 651	100,0	500 452	100,0	592 125	100,0	473 214	100,0

Source: Report No. 50-02-01

The total number of persons employed in the construction industry as at end of June 2020 was 473 214. This represents a decrease of 7,2% per annum over the employment reported in the corresponding survey of 2017 (592 125). Comparing 2017 and 2020, large decreases were reported for 'construction of civil engineering structures' (-89 010 jobs), 'construction of buildings' (-17 972 jobs), 'construction by specialist trade contractors' (-10 480 jobs) and 'other building installation' (-8 505 jobs).

Between 2017 and 2020, 'construction of civil engineering structures' lost the biggest percentage share of employment (-9,9 percentage points) (from a percentage contribution of 35,5% in 2017 to 25,6% in 2020).

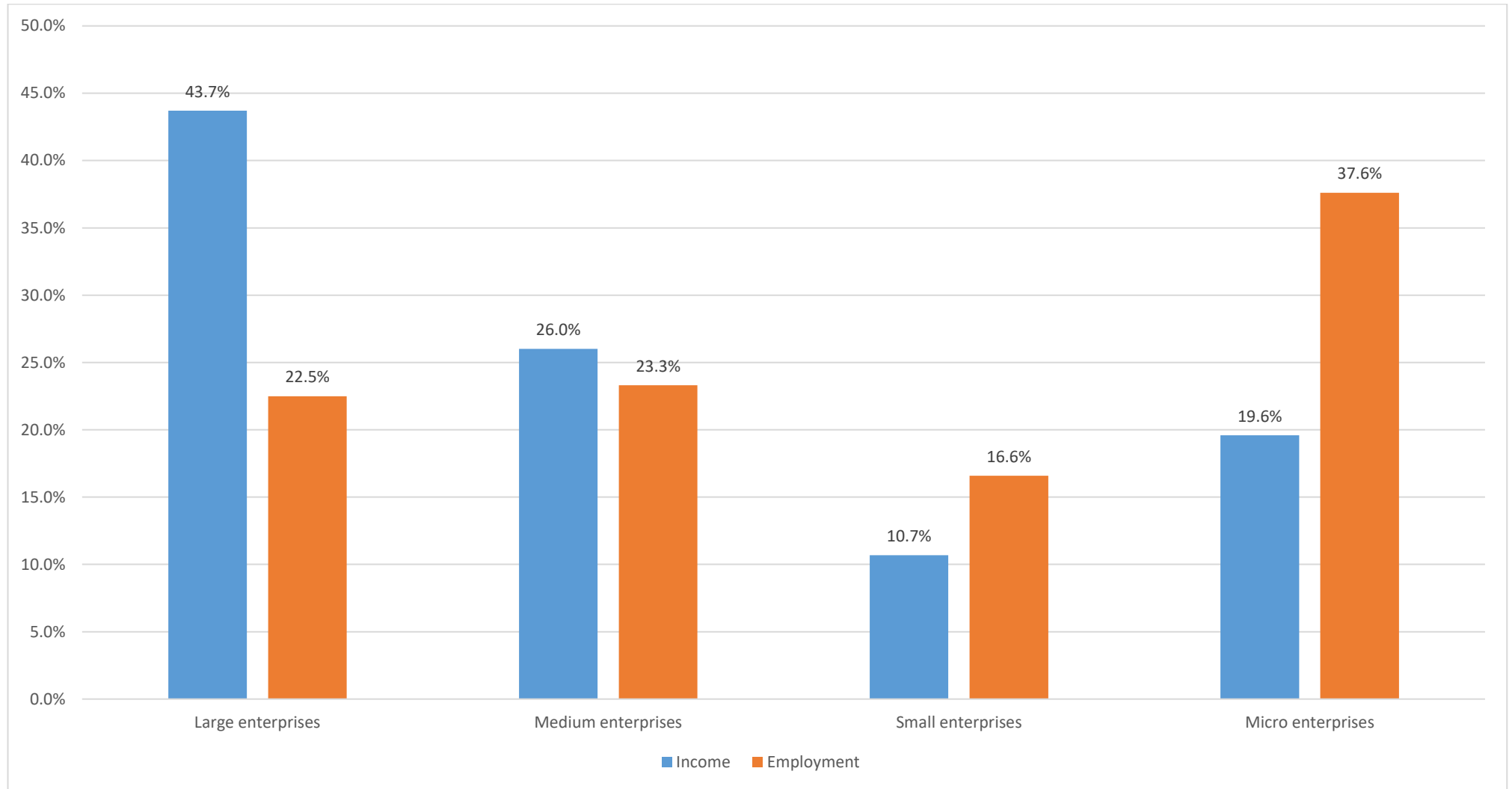
Figure 1 – Income and employment by type of service (% contribution) in the construction industry, 2020



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 ‘construction of buildings’ (30,7% of income and 24,4% of employment), followed by ‘construction of civil engineering structures’ (29,3% of income and 25,6% of employment).

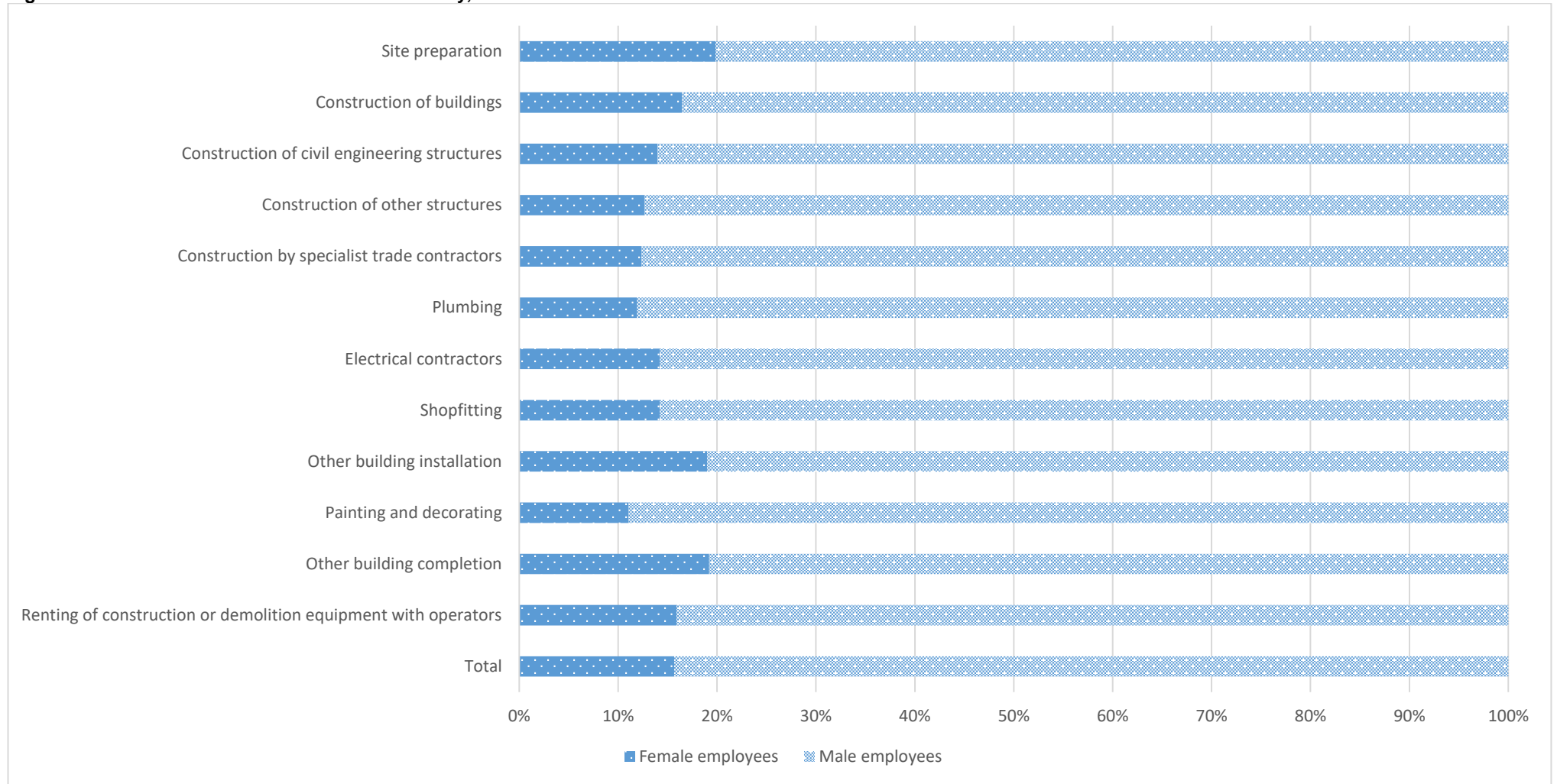
‘Plumbing’ had the highest proportion of employment compared with its proportion of income (3,8% of employment and 1,7% of income), followed by ‘painting and decorating’ (2,0% of employment and 1,1% of income).

Figure 2 – Income and employment by enterprise size (% contribution) in the construction industry, 2020



Whereas large enterprises contributed 43,7% of the total income of the construction industry in 2020, their contribution to employment was only 22,5%. Most (77,5%) of the employment in the industry was created by small, medium and micro enterprises (SMMEs).

Figure 3 – Gender ratios in the construction industry, 2020



The proportion of females out of the total persons employed was 15,7%. The sector with the highest proportion of females was 'site preparation' (19,9%) whilst 'painting and decoration' had the highest proportion of males employed (88,9%)

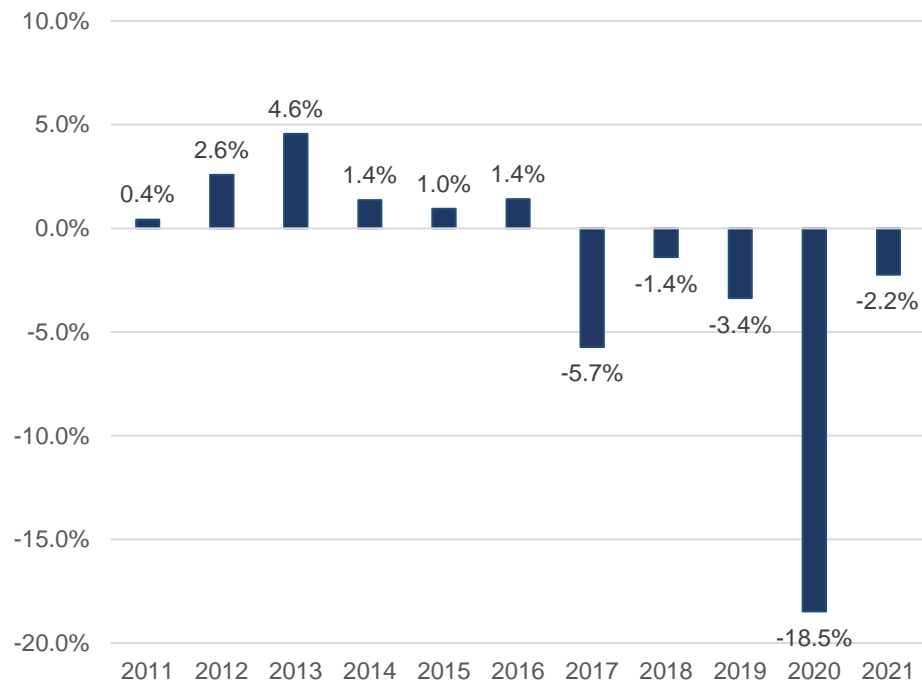
Table F – Average salaries and wages in the construction industry, 2011–2020

Type of service	2011			2014			2017			2020		
	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	Number	Rands	R million	Number	Rands	R million	Number	Rands	R million	Number	Rands
Site preparation	1 040	9 686	107 371	1 306	9 349	139 694	1 134	8 536	132 849	1 652	8 713	189 602
Construction of buildings	6 932	103 758	66 809	9 093	109 328	83 172	13 270	133 201	99 624	15 750	115 229	136 684
Construction of civil engineering structures	24 807	175 147	141 635	27 558	165 582	166 431	32 395	210 167	154 139	21 910	121 157	180 840
Construction of other structures	646	9 562	67 559	1 082	12 723	85 043	999	7 480	133 556	2 357	11 942	197 371
Construction by specialist trade contractors	1 564	21 313	73 382	3 030	26 351	114 986	4 136	32 264	128 192	2 596	21 784	119 170
Plumbing	1 017	14 145	71 898	1 283	16 987	75 528	1 601	17 945	89 217	1 824	18 089	100 835
Electrical contractors	4 599	41 664	110 383	4 143	43 986	94 189	4 112	34 246	120 072	5 992	41 933	142 895
Shopfitting	252	2 730	92 308	411	2 889	142 264	561	4 269	131 413	583	3 630	160 606
Other building installation	3 685	29 502	124 907	4 873	27 568	176 763	7 760	37 961	204 420	5 940	29 456	201 657
Painting and decorating	704	17 138	41 078	791	9 980	79 259	1 066	9 988	106 728	1 340	9 494	141 142
Other building completion	2 348	40 147	58 485	4 280	55 171	77 577	9 085	71 064	127 843	6 872	72 042	95 389
Renting of construction or demolition equipment with operators	2 203	20 675	106 554	3 744	20 538	182 296	4 988	25 004	199 488	4 566	19 745	231 248
Total	49 797	485 467	102 575	61 594	500 452	123 077	81 107	592 125	136 976	71 382	473 214	150 845

The average value of salaries and wages in the construction industry in 2020 was R150 845, representing an annualised increase of 3,3% compared with 2017. In 2020, 'renting of construction or demolition equipment with operators' reported the highest average salaries and wages (R231 248). However, 'construction of other structures' reported the highest annualised increase between 2017 and 2020 (13,9%).

2.3 Construction industry value added

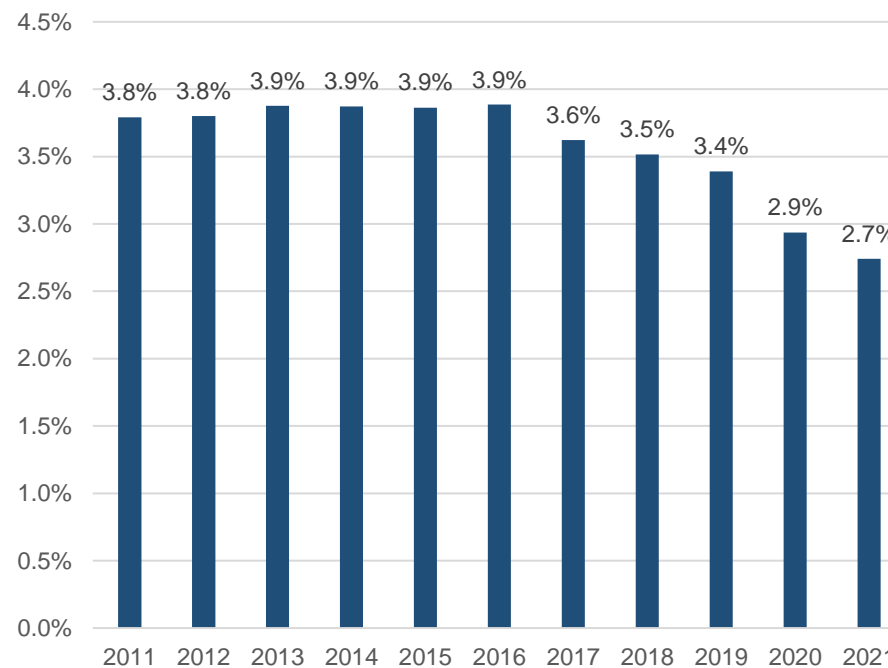
Figure 4 – Construction industry value added, annual percentage change (constant 2015 prices), 2011–2021



Source: P0441

The annual growth rate in the construction industry fell from 4,6% in 2013 to -18,5% in 2020, based on value added at constant prices. Between 2011 and 2021, the annual growth rate averaged -2,0%.

Figure 5 – Percentage contribution of the construction industry to total value added (current prices), 2011–2021



Source: P0441

Between the two survey years of 2017 and 2020, the contribution of the construction industry to total value added decreased from 3,6% to 2,9%. The decline of 1,1 percentage points between 2011 (3,8%) and 2021 (2,7%) was steeper.

2.4 Capital expenditure on new assets

Table G – Capital expenditure on new assets in the construction industry, 2011–2020

Type of service	2011		2014		2017		2020	
	R million	% contribution	R million	% contribution	R million	% contribution	R million	% contribution
Site preparation	771	6,8	2 007	15,5	378	2,8	848	7,6
Construction of buildings	1 564	13,9	1 643	12,7	3 179	23,7	1 459	13,1
Construction of civil engineering structures	5 066	45,0	3 642	28,2	3 397	25,3	2 222	20,0
Construction of other structures	86	0,8	135	1,0	173	1,3	47	0,4
Construction by specialist trade contractors	338	3,0	711	5,5	955	7,1	321	2,9
Plumbing	142	1,3	228	1,8	134	1,0	128	1,2
Electrical contractors	829	7,4	1 121	8,7	1 023	7,6	602	5,4
Shopfitting	30	0,3	36	0,3	109	0,8	38	0,3
Other building installation	423	3,8	553	4,3	505	3,8	166	1,5
Painting and decorating	65	0,6	97	0,8	95	0,7	46	0,4
Other building completion	251	2,2	364	2,8	776	5,8	1 425	12,8
Renting of construction or demolition equipment with operators	1 699	15,1	2 374	18,4	2 697	20,1	3 800	34,2
Total	11 264	100,0	12 911	100,0	13 421	100,0	11 102	100,0

The total capital expenditure on new assets in the construction industry in 2020 was R11,1 billion. The largest contributor to total capital expenditure was 'renting of construction or demolition equipment with operators' (R3,8 billion or 34,2%), followed by 'construction of civil engineering structures' (R2,2 billion or 20,0%) and 'construction of buildings' (R1,5 billion or 13,1%).

The capital expenditure on new assets of R11,1 billion in 2020 represents a decrease of 6,1% per annum over the expenditure reported in the corresponding survey of 2017 (R13,4 billion). Comparing 2017 and 2020, 'renting of construction or demolition equipment with operators' shows the largest increase (+R1,1 billion) and 'construction of buildings' shows the largest decrease (-R1,7 billion).



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Statistician-General

3. Tables

Table 1 – Principal statistics in the construction industry, 2017 and 2020

Type of service	Total income			Total expenditure			Total value of opening inventory		
	2017 ¹	2020 ²	Annualised % change	2017 ¹	2020 ²	Annualised % change	2017 ¹	2020 ²	Annualised % change
	R million			R million			R million		
Site preparation	7 188	7 461	1,3	6 681	6 884	1,0	92	102	3,5
Construction of buildings	115 923	134 157	5,0	110 339	128 388	5,2	12 811	15 466	6,5
Construction of civil engineering structures	186 740	127 958	-11,8	178 654	126 502	-10,9	4 541	5 488	6,5
Construction of other structures	7 139	8 362	5,4	6 372	8 756	11,2	180	296	18,0
Construction by specialist trade contractors	22 353	19 318	-4,7	21 800	18 499	-5,3	554	1 223	30,2
Plumbing	6 724	7 573	4,0	6 470	7 269	4,0	148	277	23,2
Electrical contractors	20 640	26 257	8,4	19 625	25 841	9,6	963	724	-9,1
Shopfitting	3 095	2 984	-1,2	2 917	2 820	-1,1	47	100	28,6
Other building installation	32 394	29 307	-3,3	30 717	27 790	-3,3	1 068	1 520	12,5
Painting and decorating	4 078	4 667	4,6	3 781	4 512	6,1	55	180	48,5
Other building completion	41 157	48 336	5,5	40 146	46 486	5,0	1 056	1 574	14,2
Renting of construction or demolition equipment with operators	22 716	20 325	-3,6	22 041	18 863	-5,1	209	289	11,4
Total	470 147	436 705	-2,4	449 543	422 610	-2,0	21 724	27 239	7,8

¹Revised figures²Preliminary figures

Table 1 – Principal statistics in the construction industry, 2017 and 2020 (concluded)

Type of service	Total value of closing inventories			Net profit or loss before tax		Capital expenditure on new assets		
	2017 ¹	2020 ²	Annualised % change	2017 ¹	2020 ²	2017 ¹	2020 ²	Annualised % change
	R million			R million		R million		
Site preparation	102	100	-0,7	517	575	378	848	30,9
Construction of buildings	14 378	15 050	1,5	7 151	5 353	3 179	1 459	-22,9
Construction of civil engineering structures	3 311	5 407	17,8	6 856	1 375	3 397	2 222	-13,2
Construction of other structures	155	1 003	86,3	742	313	173	47	-35,2
Construction by specialist trade contractors	685	810	5,7	684	406	955	321	-30,5
Plumbing	337	347	1,0	443	374	134	128	-1,5
Electrical contractors	1 002	1 147	4,6	1 054	839	1 023	602	-16,2
Shopfitting	56	88	16,3	187	152	109	38	-29,6
Other building installation	1 459	1 310	-3,5	2 068	1 307	505	166	-31,0
Painting and decorating	17	204	128,9	259	179	95	46	-21,5
Other building completion	1 135	2 816	35,4	1 090	3 092	776	1 425	22,5
Renting of construction or demolition equipment with operators	245	471	24,3	711	1 644	2 697	3 800	12,1
Total	22 882	28 753	7,9	21 762	15 609	13 421	11 102	-6,1

¹Revised figures²Preliminary figures

Table 2 – Principal statistics by type of service in the construction industry, 2020²

Type of service	Total income	Total expenditure	Total value of opening inventories	Total value of closing inventories	Net profit or loss before tax	Capital expenditure on new assets	Total employees
	R million						Number
Site preparation	7 461	6 884	102	100	575	848	8 713
Construction of buildings	134 157	128 388	15 466	15 050	5 353	1 459	115 229
Construction of civil engineering structures	127 958	126 502	5 488	5 407	1 375	2 222	121 157
Construction of other structures	8 362	8 756	296	1 003	313	47	11 942
Construction by specialist trade contractors	19 318	18 499	1 223	810	406	321	21 784
Plumbing	7 573	7 269	277	347	374	128	18 089
Electrical contractors	26 257	25 841	724	1 147	839	602	41 933
Shopfitting	2 984	2 820	100	88	152	38	3 630
Other building installation	29 307	27 790	1 520	1 310	1 307	166	29 456
Painting and decorating	4 667	4 512	180	204	179	46	9 494
Other building completion	48 336	46 486	1 574	2 816	3 092	1 425	72 042
Renting of construction or demolition equipment with operators	20 325	18 863	289	471	1 644	3 800	19 745
Total	436 705	422 610	27 239	28 753	15 609	11 102	473 214

²Preliminary figures

Table 3 – Income in the construction industry, 2017 and 2020

Type of income	2017 ¹	2020 ²	2017 ¹	2020 ²	Annualised % change
	R million		% contribution		
Sales of goods	17 846	10 525	3,8	2,4	-16,1
Services rendered	430 168	405 740	91,4	92,9	-1,9
Rental and leasing income	4 176	2 063	0,9	0,5	-20,9
Interest	4 025	6 443	0,9	1,5	17,0
Other	13 932	11 934	3,0	2,7	-5,0
Total	470 147	436 705	100,0	100,0	-2,4

¹Revised figures²Preliminary figures

Table 4 – Income by type of service in the construction industry, 2020²

Type of service	Sales	Services	Rental	Interest	Other income total	Total income
	R million					
Site preparation	125	7 171	13	29	123	7 461
Construction of buildings	1 070	128 756	920	1 734	1 677	134 157
Construction of civil engineering structures	1 056	116 430	392	3 730	6 350	127 958
Construction of other structures	199	7 505	14	65	579	8 362
Construction by specialist trade contractors	99	18 773	78	106	262	19 318
Plumbing	29	7 365	2	50	127	7 573
Electrical contractors	575	25 224	27	175	256	26 257
Shopfitting	255	2 671	6	4	48	2 984
Other building installation	3 691	25 021	3	207	385	29 307
Painting and decorating	1	4 590	4	25	47	4 667
Other building completion	3 119	43 567	15	132	1 503	48 336
Renting of construction or demolition equipment with operators	306	18 667	589	186	577	20 325
Total	10 525	405 740	2 063	6 443	11 934	436 705

²Preliminary figures

Table 5 – Expenditure in the construction industry, 2017 and 2020

Type of expenditure	2017 ¹	2020 ²	2017 ¹	2020 ²	Annualised % change
	R million		% contribution		
Administration and management fees	3 762	2 867	0,8	0,7	-8,7
Salaries and wages	81 107	71 382	18,1	16,9	-4,2
Insurance premiums	2 760	3 419	0,6	0,8	7,4
Interest paid	4 120	6 196	0,9	1,5	14,6
Leasing and hiring	9 917	5 690	2,2	1,3	-16,9
Purchases	193 381	210 224	43,0	49,7	2,8
Rental	3 406	3 181	0,8	0,8	-2,3
Repair and maintenance	5 042	3 759	1,1	0,9	-9,3
Subcontractors paid	80 083	59 427	17,8	14,0	-9,5
Motor vehicle expenses	7 076	5 882	1,6	1,4	-6,0
Other expenses	58 889	50 583	13,1	12,0	-4,9
Total expenditure	449 543	422 610	100,0	100,0	-2,0

¹Revised figures²Preliminary figures

Table 6 – Expenditure in the construction industry, 2020²

Type of service	Purchases	Salaries and wages	Subcontractors paid	Leasing and hiring	Motor vehicle expenses	Other expenses	Total expenditure
	R million						
Site preparation	2 396	1 652	63	259	189	2 325	6 884
Construction of buildings	60 953	15 750	32 434	1 186	1 585	16 480	128 388
Construction of civil engineering structures	58 237	21 910	19 846	2 275	1 077	23 157	126 502
Construction of other structures	3 821	2 357	113	184	124	2 157	8 756
Construction by specialist trade contractors	10 153	2 596	776	290	326	4 358	18 499
Plumbing	4 028	1 824	41	48	301	1 027	7 269
Electrical contractors	14 844	5 992	380	107	560	3 958	25 841
Shopfitting	1 606	583	60	16	91	464	2 820
Other building installation	16 242	5 940	1 511	347	421	3 329	27 790
Painting and decorating	1 851	1 340	429	81	135	676	4 512
Other building completion	29 558	6 872	3 249	342	782	5 683	46 486
Renting of construction or demolition equipment with operators	6 535	4 566	525	555	291	6 391	18 863
Total	210 224	71 382	59 427	5 690	5 882	70 005	422 610

²Preliminary figures

Table 7 – Capital expenditure on new assets by type of asset in the construction industry, 2017 and 2020

Type of asset	2017 ¹	2020 ²	2017 ¹	2020 ²	Annualised % change
	R million		% contribution		
Land, buildings and construction	1 210	1 204	9,0	10,8	-0,2
Vehicles	3 248	2 593	24,2	23,4	-7,2
Plant, machinery and capex work in progress	8 188	6 763	61,0	60,9	-6,2
Other	775	542	5,8	4,9	-11,2
Total	13 421	11 102	100,0	100,0	-6,1

¹Revised figures²Preliminary figures

Table 8 – Capital expenditure on new assets in the construction industry, 2020²

Type of service	Land and buildings and construction	Plant and machinery	Computers	Vehicles	Capex work in progress	Other	Total
	R million						
Site preparation	0	693	5	145	3	2	848
Construction of buildings	500	569	33	277	46	34	1 459
Construction of civil engineering structures	46	1 435	86	507	136	12	2 222
Construction of other structures	0	29	1	15	0	2	47
Construction by specialist trade contractors	39	88	2	153	0	39	321
Plumbing	0	70	1	53	2	2	128
Electrical contractors	54	90	10	428	18	2	602
Shopfitting	0	18	1	18	0	1	38
Other building installation	16	48	18	62	0	22	166
Painting and decorating	2	15	2	26	0	1	46
Other building completion	541	141	63	660	0	20	1 425
Renting of construction or demolition equipment with operators	6	3 362	14	249	0	169	3 800
Total	1 204	6 558	236	2 593	205	306	11 102

²Preliminary figures

Table 9 – Employment in the construction industry as at the end of June, 2017 and 2020

Type of service	Male employees			Female employees			Total employees		
	2017 ¹	2020 ²	Annualised % change	2017 ¹	2020 ²	Annualised % change	2017 ¹	2020 ²	Annualised % change
	Number			Number			Number		
Site preparation	7 232	6 984	-1,2	1 304	1 729	9,9	8 536	8 713	0,7
Construction of buildings	117 096	96 258	-6,3	16 105	18 971	5,6	133 201	115 229	-4,7
Construction of civil engineering structures	176 926	104 208	-16,2	33 241	16 949	-20,1	210 167	121 157	-16,8
Construction of other structures	6 410	10 433	17,6	1 070	1 509	12,1	7 480	11 942	16,9
Construction by specialist trade contractors	28 855	19 087	-12,9	3 409	2 697	-7,5	32 264	21 784	-12,3
Plumbing	15 409	15 930	1,1	2 536	2 159	-5,2	17 945	18 089	0,3
Electrical contractors	29 695	35 970	6,6	4 551	5 963	9,4	34 246	41 933	7,0
Shopfitting	3 734	3 113	-5,9	535	517	-1,1	4 269	3 630	-5,3
Other building installation	32 090	23 858	-9,4	5 871	5 598	-1,6	37 961	29 456	-8,1
Painting and decorating	8 946	8 443	-1,9	1 042	1 051	0,3	9 988	9 494	-1,7
Other building completion	59 429	58 203	-0,7	11 635	13 839	6,0	71 064	72 042	0,5
Renting of construction or demolition equipment with operators	23 323	16 601	-10,7	1 681	3 144	23,2	25 004	19 745	-7,6
Total	509 145	399 088	-7,8	82 980	74 126	-3,7	592 125	473 214	-7,2

¹Revised figures²Preliminary figures

Table 10 – Details of services in the construction industry, 2017 and 2020

Type of service	2017 ¹	2020 ²	2017 ¹	2020 ²	Annualised % change
	R million		% contribution		
Site preparation	9 985	11 602	2,3	2,9	5,1
Rental of construction equipment with driver/operator	22 536	17 492	5,2	4,3	-8,1
Construction of residential buildings	37 847	44 263	8,8	10,9	5,4
Construction of non-residential buildings					
Construction of commercial and industrial buildings	29 613	32 503	6,9	8,0	3,2
Construction of other non-residential buildings	11 064	15 002	2,6	3,7	10,7
Civil engineering works					
Construction, alterations and repair of highways (excluding elevated highways)	41 330	43 482	9,6	10,7	1,7
Construction of mines and industrial plants	39 239	26 497	9,1	6,5	-12,3
Construction of harbours, waterways, dams, irrigation and other water works	3 307	2 776	0,8	0,7	-5,7
Construction of long-distance pipelines and communication and power lines	4 527	3 953	1,1	1,0	-4,4
Construction local pipelines, cables and related works	7 025	10 155	1,6	2,5	13,1
Other civil engineering works	15 868	8 907	3,7	2,2	-17,5
Construction by specialist trade contractors	21 686	18 796	5,0	4,6	-4,7
Building installation and completion					
Plumbing	7 006	7 870	1,6	1,9	4,0
Electrical contracting	25 307	27 319	5,9	6,7	2,6
Shopfitting services	1 977	2 964	0,5	0,7	14,5
Other building installation services	25 892	26 490	6,0	6,6	0,8
Painting and decorating	8 984	4 759	2,1	1,2	-19,1
Other building completion	18 898	20 992	4,4	5,2	3,6
Engineering services	8 749	10 772	2,0	2,7	7,2
Project management services for construction projects	3 699	3 312	0,9	0,8	-3,6
Other activities	5 546	6 407	1,3	1,6	4,9
Total income from services rendered (excluding work subcontracted out)	350 085	346 313	81,4	85,4	-0,4
Work subcontracted out	80 083	59 427	18,6	14,6	-9,5
Total income from services rendered	430 168	405 740	100,0	100,0	-1,9

¹Revised figures²Preliminary figures

Table 11 – Details of purchases in the construction industry, 2017 and 2020

Type of purchase	2017 ¹	2020 ²	2017 ¹	2020 ²	Annualised % change
	R million		% contribution		
Cement	9 242	8 809	4,8	4,2	-1,6
Sand, aggregate, gravel, pebbles, crushed stone	12 658	12 487	6,5	5,9	-0,5
Ready mixed concrete	16 849	15 051	8,7	7,2	-3,7
Walling, roofing and flooring material (including bricks and blocks)	43 098	53 985	22,2	25,7	7,8
Reinforcing steel products (gabions, re-bars, wire reinforcing mesh and strips)	33 228	28 640	17,2	13,6	-4,8
Electrical fittings, equipment and supplies	31 209	33 581	16,1	16,0	2,5
Paint and lime washes (including pigments, binders and thinners)	4 992	4 025	2,6	1,9	-6,9
Asphalt and bitumen products	9 596	11 841	5,0	5,6	7,3
Fuel for off-road vehicles, machinery and trucks used in construction	10 248	9 552	5,3	4,5	-2,3
Other construction purchases	13 845	19 072	7,2	9,1	11,3
Other purchases	8 416	13 181	4,4	6,3	16,1
Total purchases and transfers-in of materials	193 381	210 224	100,0	100,0	2,8

¹Revised figures²Preliminary figures

Table 12 – Client base in the construction industry, 2020²

Type of service	Businesses (including parastatals)	Individuals	Government (national, provincial and local)	Total income from services
	R million			
Site preparation	6 836	246	89	7 171
Construction of buildings	101 824	8 369	18 563	128 756
Construction of civil engineering structures	77 011	823	38 596	116 430
Construction of other structures	6 014	410	1 081	7 505
Construction by specialist trade contractors	14 625	257	3 891	18 773
Plumbing	6 472	833	60	7 365
Electrical contractors	19 166	688	5 370	25 224
Shopfitting	2 172	385	114	2 671
Other building installation	22 388	722	1 911	25 021
Painting and decorating	4 355	235	0	4 590
Other building completion	31 896	3 827	7 844	43 567
Renting of construction or demolition equipment with operators	17 960	23	684	18 667
Total	310 719	16 818	78 203	405 740

²Preliminary figures

Table 13 – Information and communication technology usage by type of service in the construction industry, 2020²

Type of service	Use computer	Use internet	Use fixed phone lines	Use fax machine	Use corporate mobile phone	IT outsourced
	%					
Site preparation	40,6	40,2	38,3	32,2	35,9	24,4
Construction of buildings	58,1	58,1	54,8	46,8	53,2	27,4
Construction of civil engineering structures	38,9	38,7	36,7	31,5	32,8	24,2
Construction of other structures	50,4	49,4	48,2	40,2	44,5	30,6
Construction by specialist trade contractors	30,9	30,9	30,9	29,4	30,9	17,6
Plumbing	42,5	42,5	40,9	29,1	39,4	25,2
Electrical contractors	31,8	31,8	28,5	23,6	27,3	17,8
Shopfitting	41,6	40,4	37,6	31,2	37,2	27,6
Other building installation	24,0	24,0	23,0	19,0	24,0	18,0
Painting and decorating	53,4	53,4	52,5	41,6	47,0	29,7
Other building completion	26,6	26,6	23,4	17,7	24,2	12,9
Renting of construction or demolition equipment with operators	25,9	25,9	24,5	22,4	23,8	13,3
Total	55,2	55,2	51,0	46,9	50,3	37,1

²Preliminary figures

Explanatory notes**Background**

The results presented in this publication have been derived from the 2020 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.

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, 2017' was conducted for the year 2017. 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 2019 and 30 June 2020.

Purpose of the survey

Results of the 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.

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. 09-90-02, 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. Each enterprise is classified to an industry which reflects its predominant activity.

Statistical unit

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.

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 as defined using the Department of Trade and Industry (DTI) cut-off points multiplied by 6.

Table 14 – Size groups for the construction industry, 2020

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 3 191 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 82,9%.

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 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 15 – Income in the construction industry within 95% confidence limit, 2020²

Type of service	Lower limit	Total income	Upper limit	Relative standard error (RSE)
Site preparation	7 232	7 461	7 690	1,6
Construction of buildings	119 818	134 157	148 496	5,5
Construction of civil engineering structures	120 434	127 958	135 482	3,0
Construction of other structures	7 311	8 362	9 413	6,4
Construction by specialist trade contractors	15 307	19 318	23 329	10,6
Plumbing	6 857	7 573	8 289	4,8
Electrical contractors	23 244	26 257	29 270	5,9
Shopfitting	2 342	2 984	3 626	11,0
Other building installation	26 706	29 307	31 908	4,5
Painting and decorating	4 074	4 667	5 260	6,5
Other building completion	37 188	48 336	59 484	11,8
Renting of construction or demolition equipment with operators	18 043	20 325	22 607	5,7
Total	416 064	436 705	457 346	2,4

²Preliminary figures

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, tradesperson or labourer who is directly involved in actual construction activity.
Employees	Persons employed by a business or organisation and who receives payment (in salaries, wages, commission, piece rates or payments in kind).
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: 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: Glazing, floor and wall tiling, carpet laying, floor sanding, finish carpentry, acoustical work, the cleaning of exteriors, etc.

Other expenditure	<p>Includes: Accommodation; advertising; amortisation, <i>excluding depreciation</i>; bank charges; bursaries for own employees (staff bursaries); 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.</p>
Other income	<p>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.</p>
Profit margin	<p>Profit margin is derived as: Net profit or loss after tax <i>divided by</i> turnover <i>multiplied by 100</i></p>
Statistical unit	<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>
Stratum	<p>A stratum is constructed by concatenating the SIC classification and size group variables.</p>
Subcontractors	<p>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.</p>
Turnover	<p>Turnover includes: the value of sales of good; 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.</p> <p>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.</p>
Working proprietors	<p>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.</p>

