CESA

Consulting Engineers South Africa

Biannual Economic and

Capacity Survey

July – December 2018

Firm distribution based on Annual Turnover

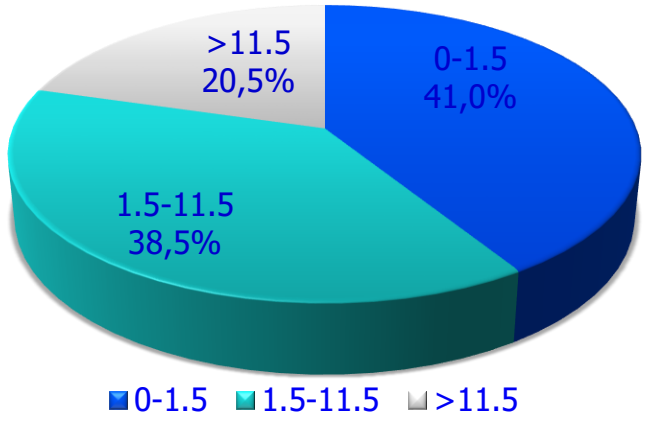
(based on responses received)

July – December 2018

Full survey

Category by gross annual income	% of firms
0 – R1,5m	41,0%
R1,5m – R11,5m	38,5%
> R11,5m	20,5%
Total	100.0%

Firm distribution based on turnover

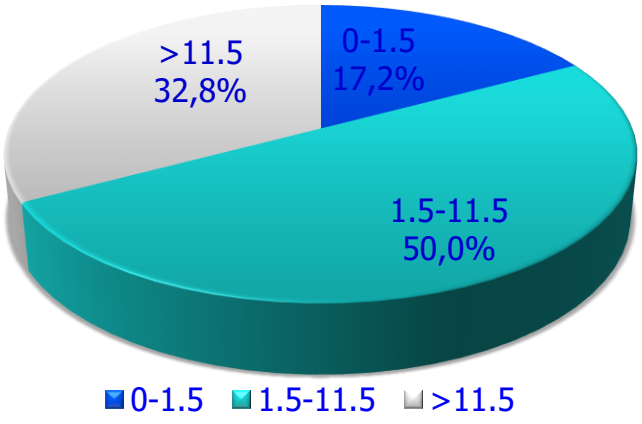


Jan – June 2018

Full survey

Category by gross annual income	% of firms
0 – R1,5m	17,2%
R1,5m – R11,5m	50,0%
> R11,5m	32,8%
Total	100.0%

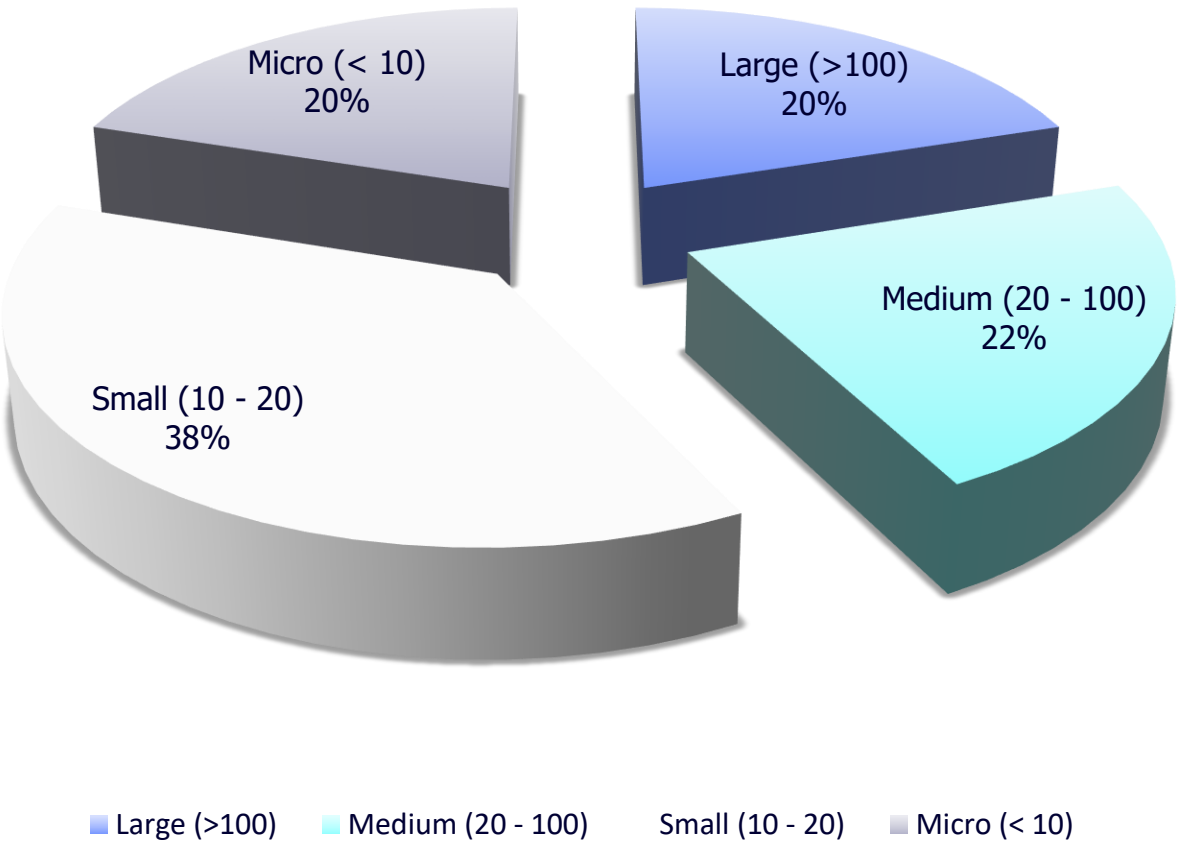
Firm distribution based on turnover



Source: CESA BECS

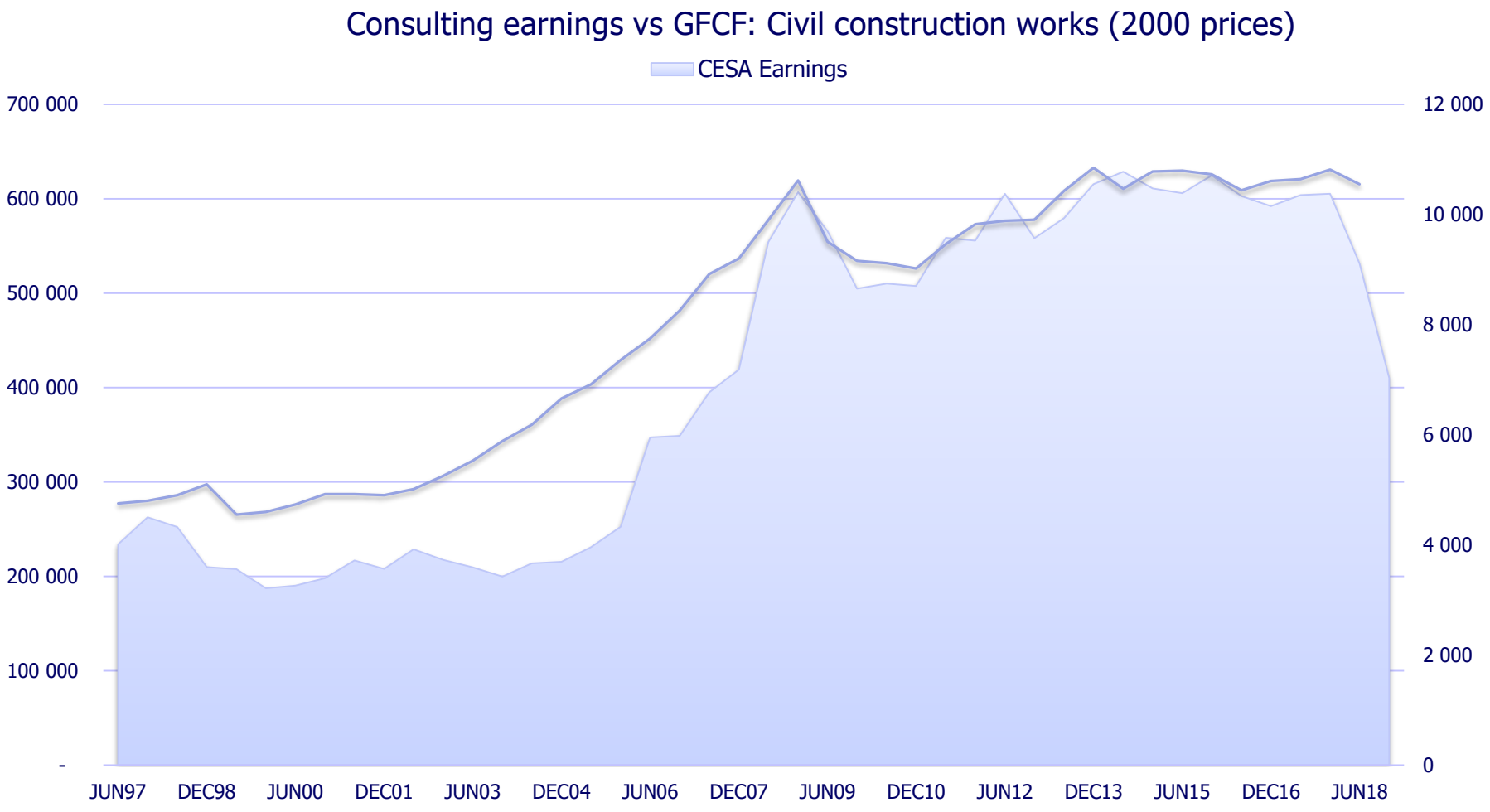
Profile of respondents – by firm size

Based on full and part time employment



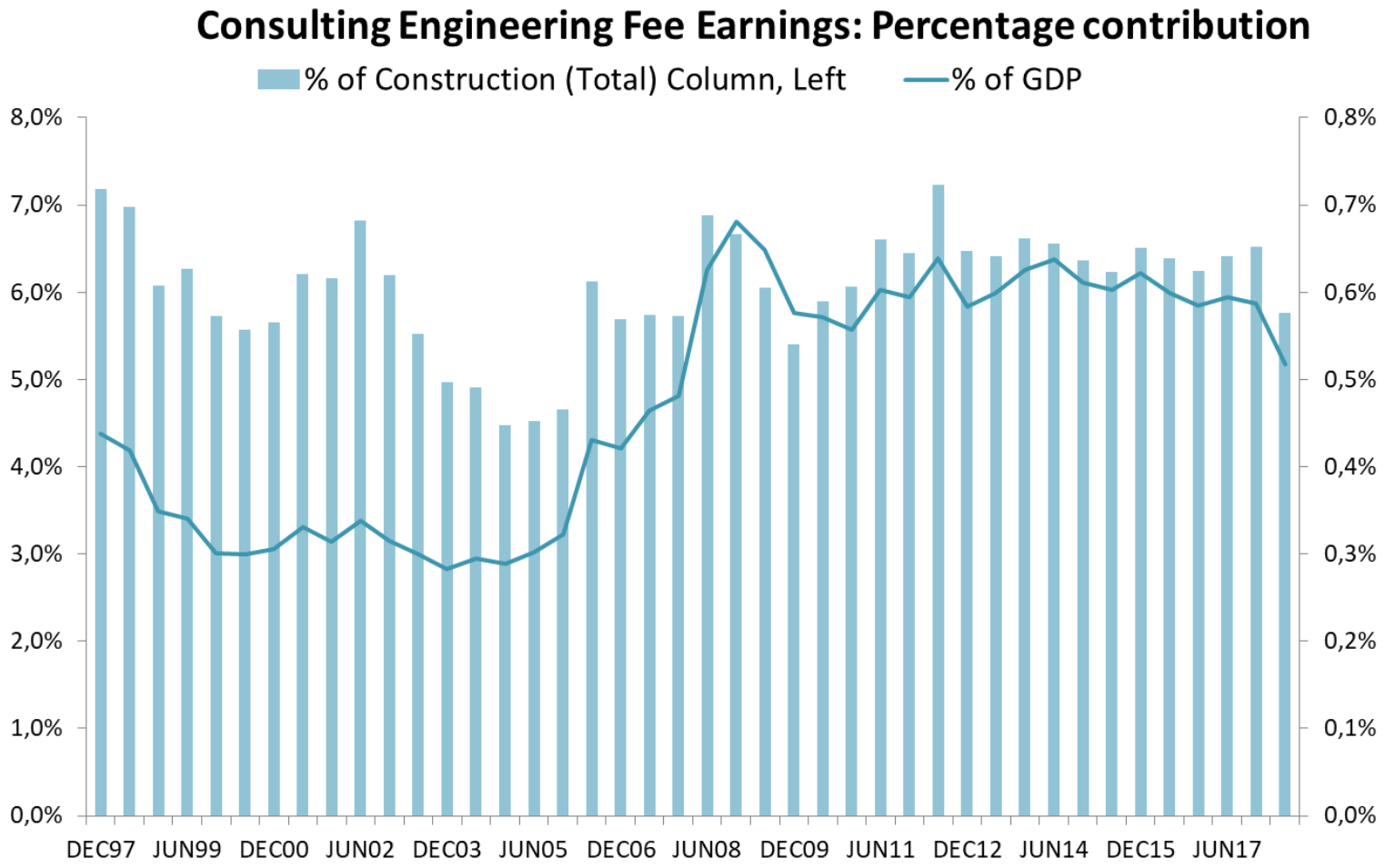
Source: CESA BECS

Fee earnings vs Gross Fixed Capital Formation (Res, Non-Res, Construction works) | Rbn, Constant 2010 prices



Source: RBQN, CESA BECS, Industry Insight

Consulting Engineering Earnings
Percentage of GDP / GFCF construction



Source: RBQN, CESA BECS, Industry Insight

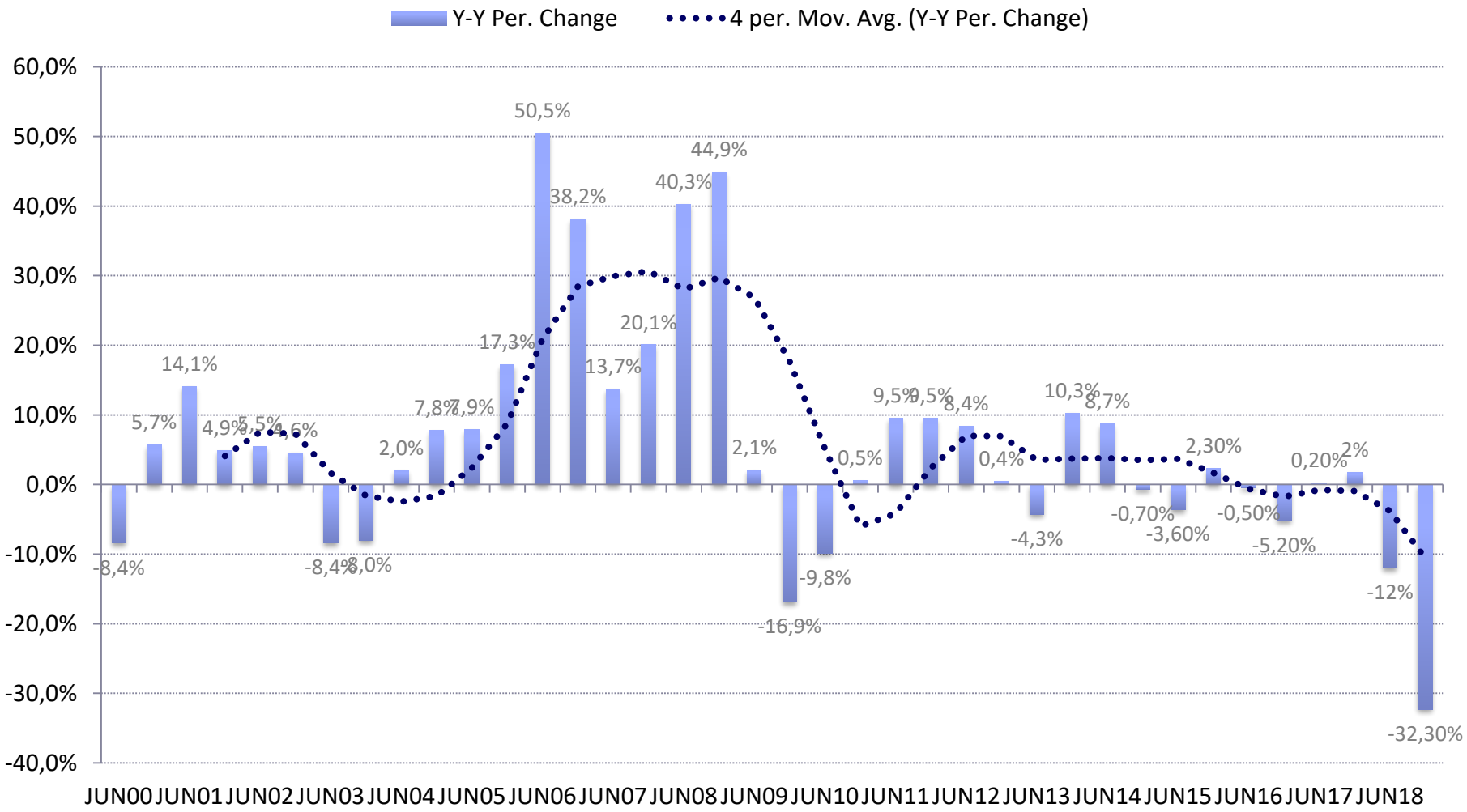
Fee income, R billions Real 2000 prices

Annualised | Deflator = CPI

Source: CESA BECS

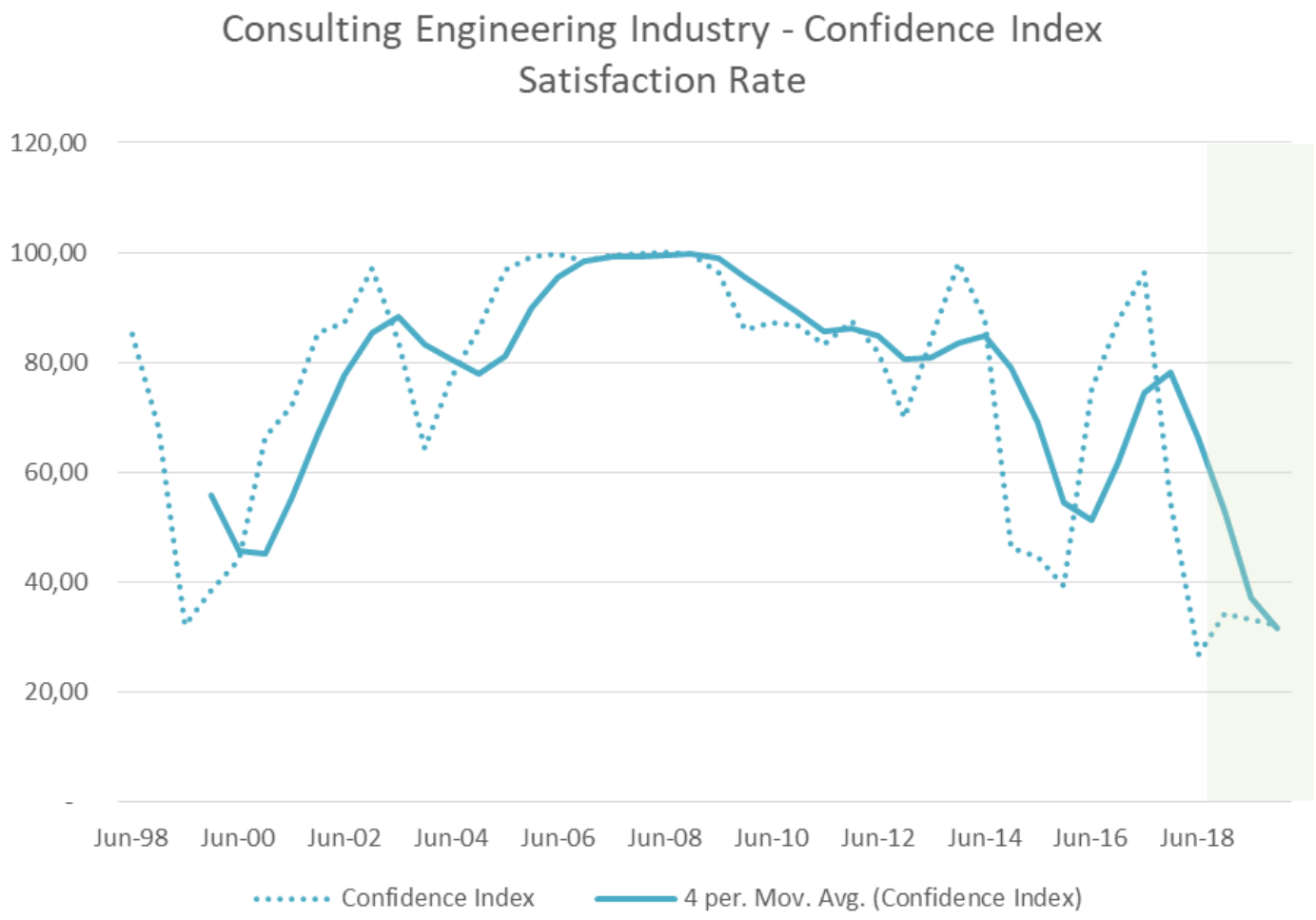
Real Fee income, Real prices

Annual Change | Deflator = CPI



Source: CESA BECS

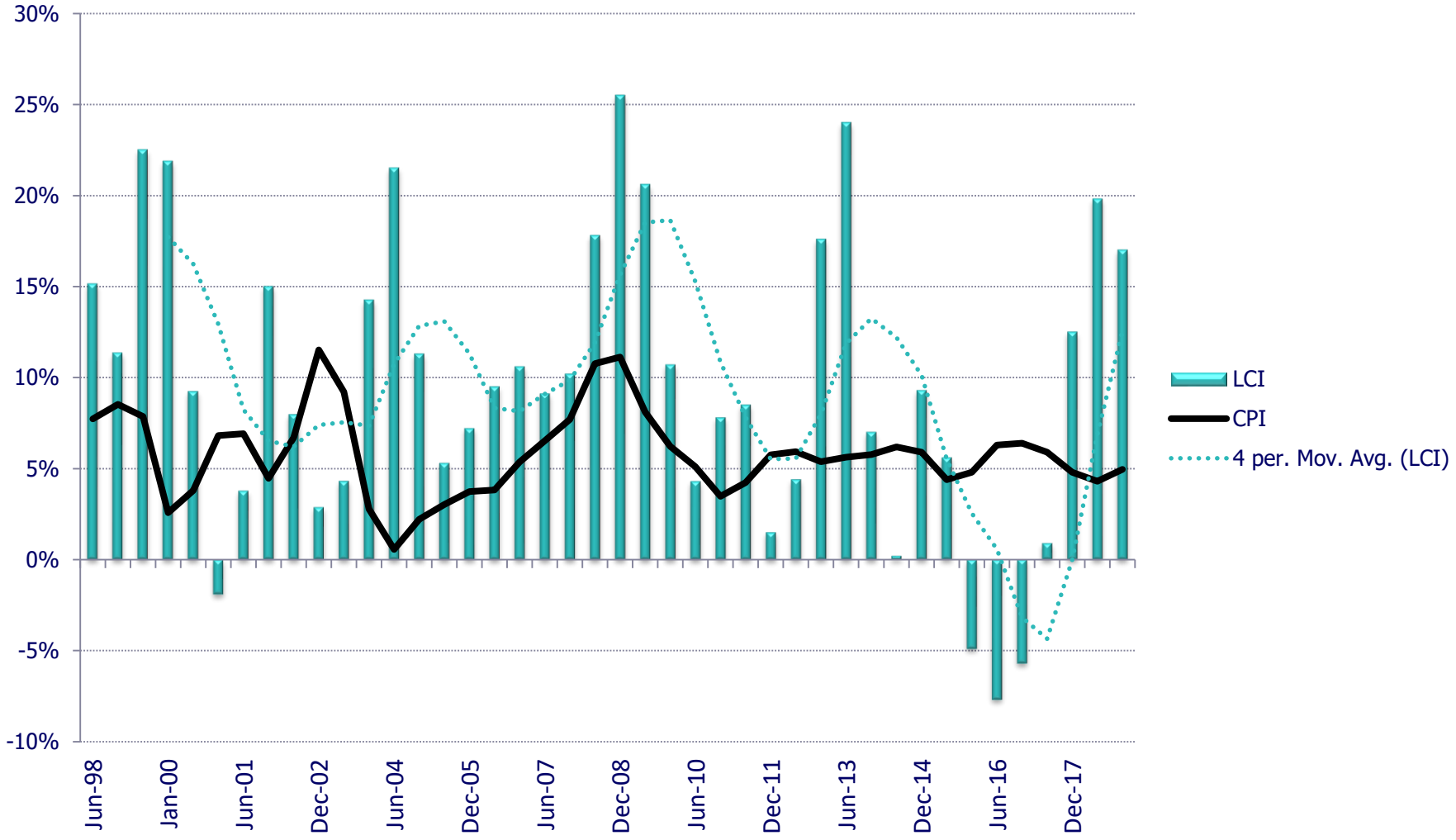
CESA Confidence Index



Source: CESA BECS

CESA Labour Cost Indicator vs CPI

Year on Year percentage change

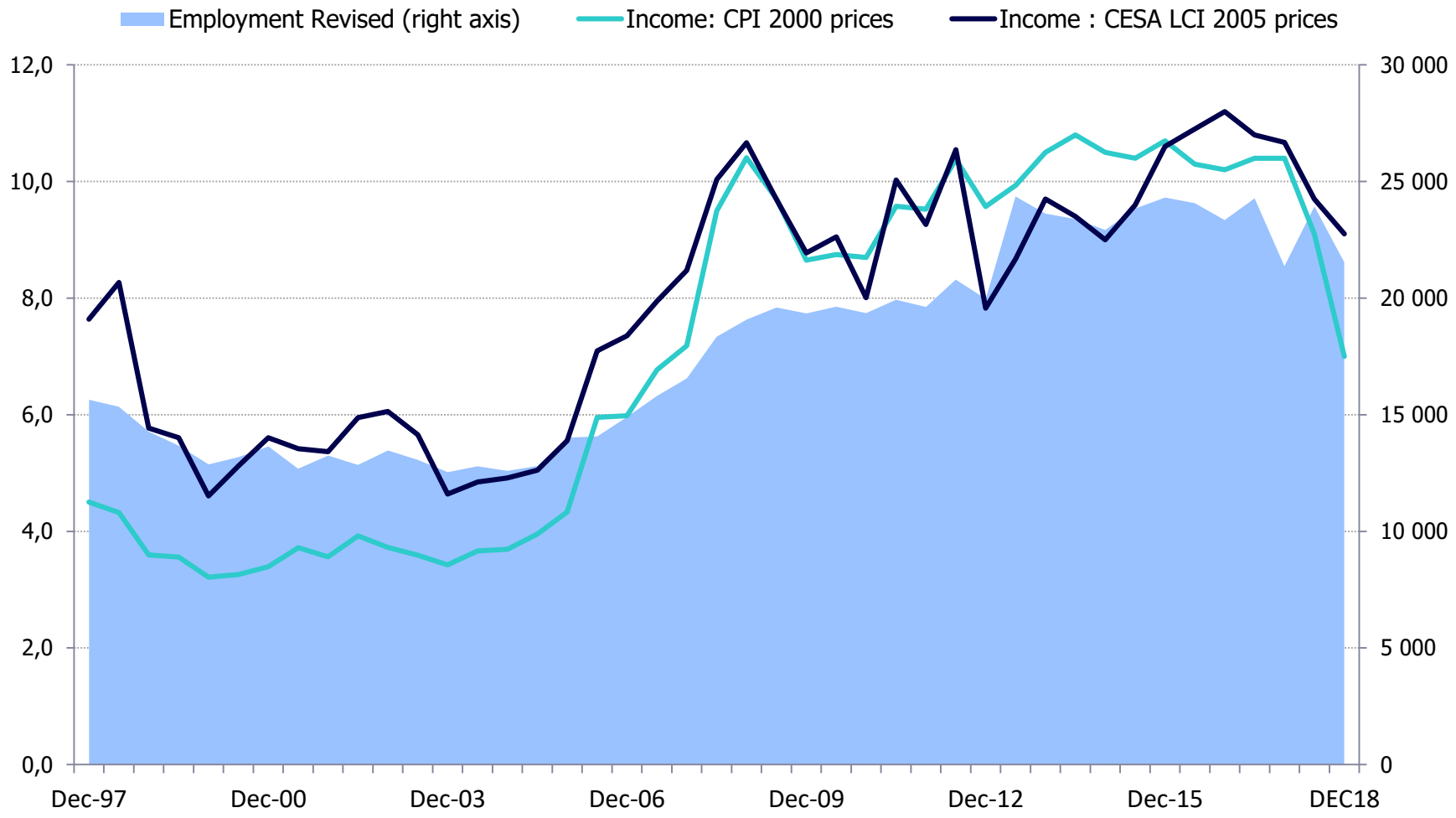


Source: CESA BECS

Employment vs REAL fee income (Rbn)

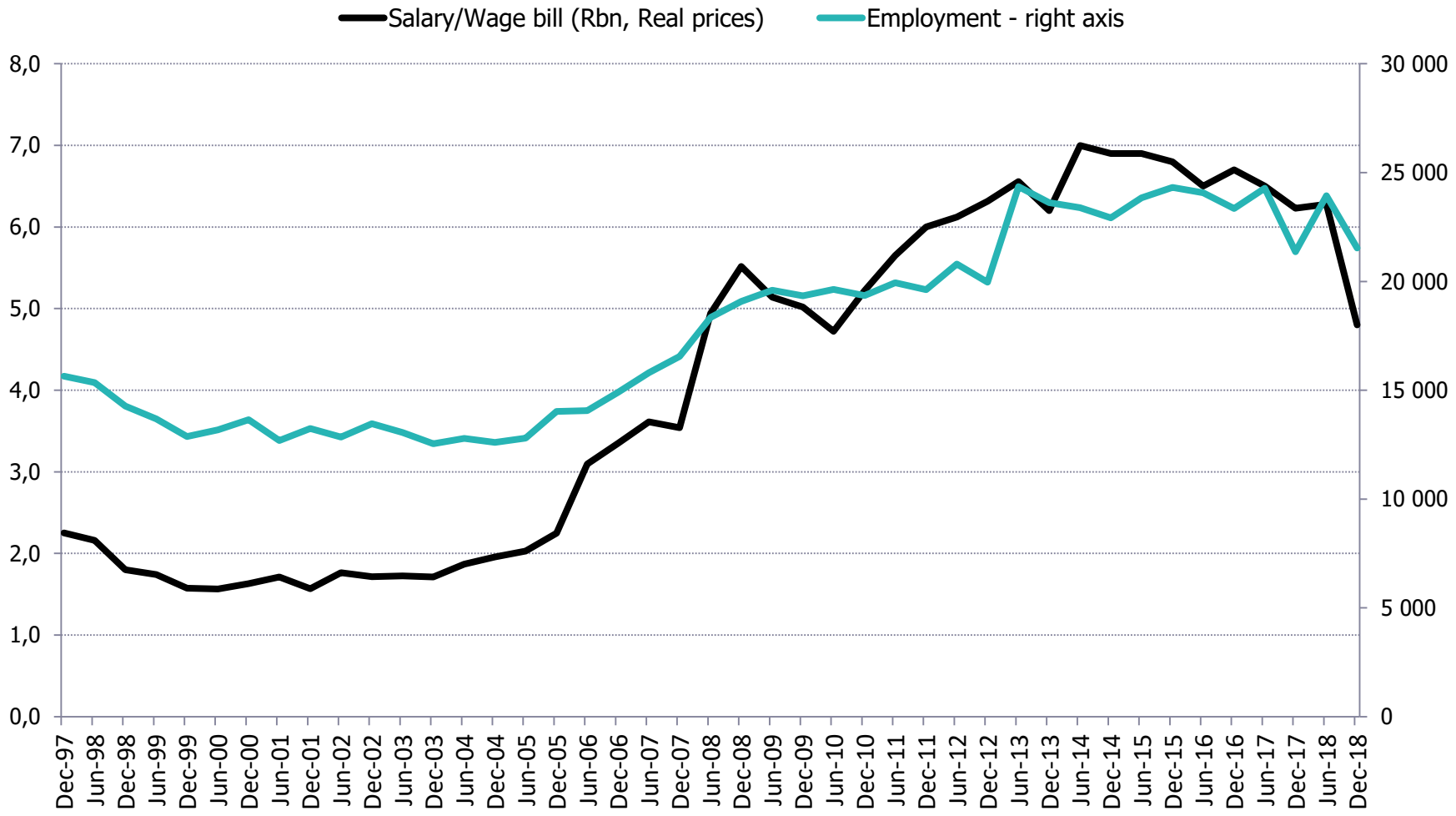
(Deflated using the CPI & LCI)

- *CPI: Consumer price index*
- *LCI : Labour Cost Indicator*



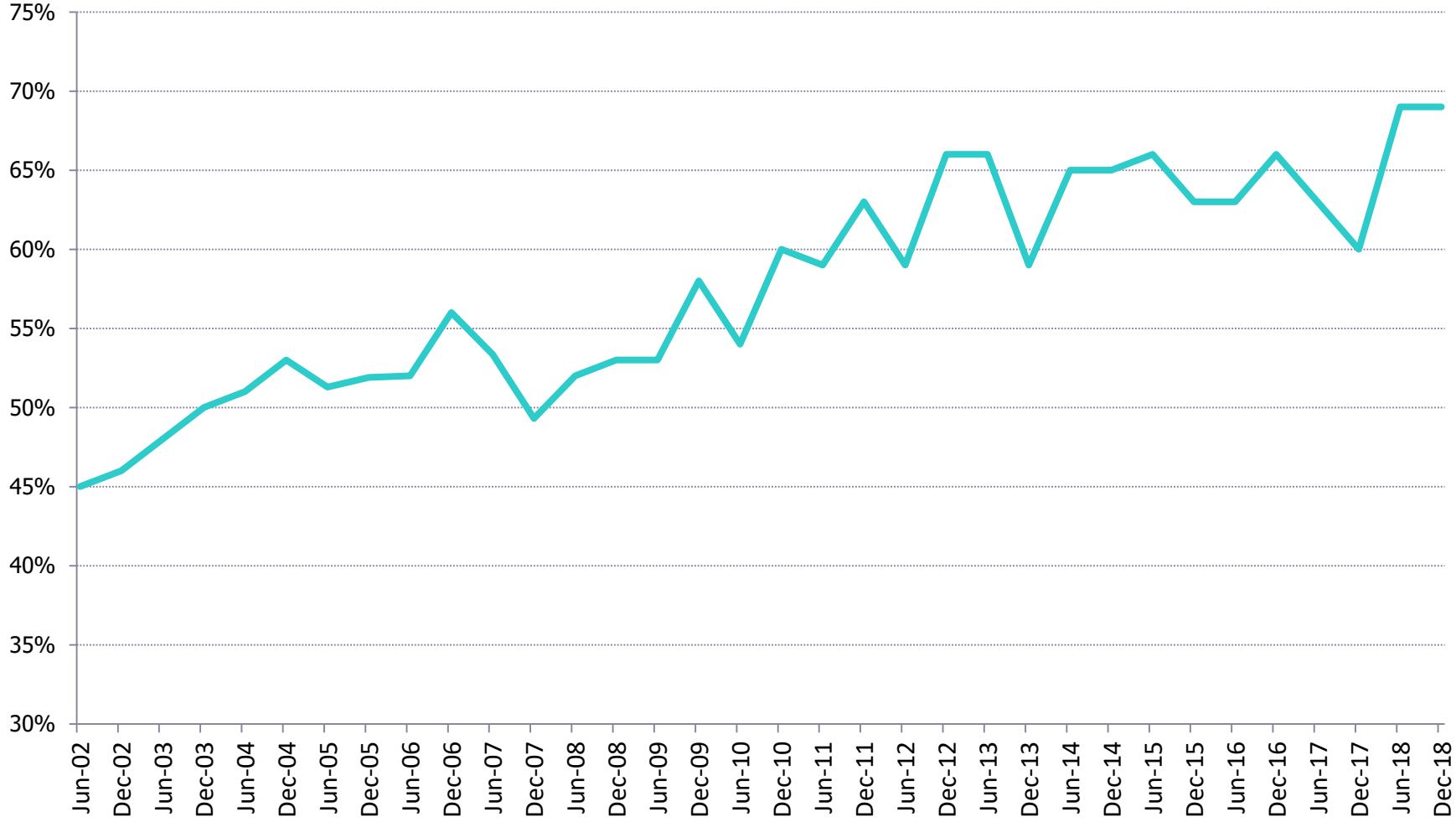
Source: CESA BECS

Salary and wage vs Employment



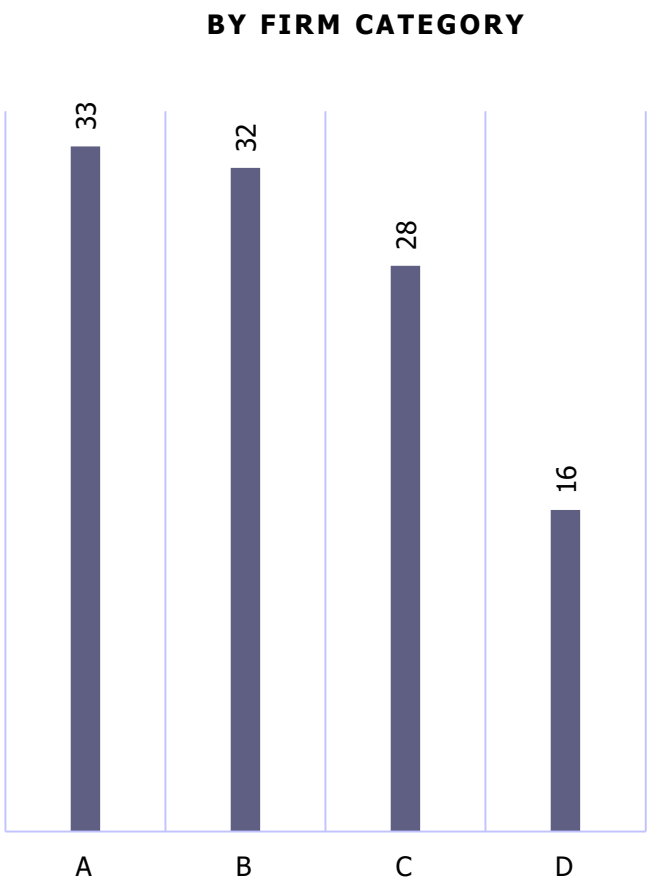
Source: CESA BECS

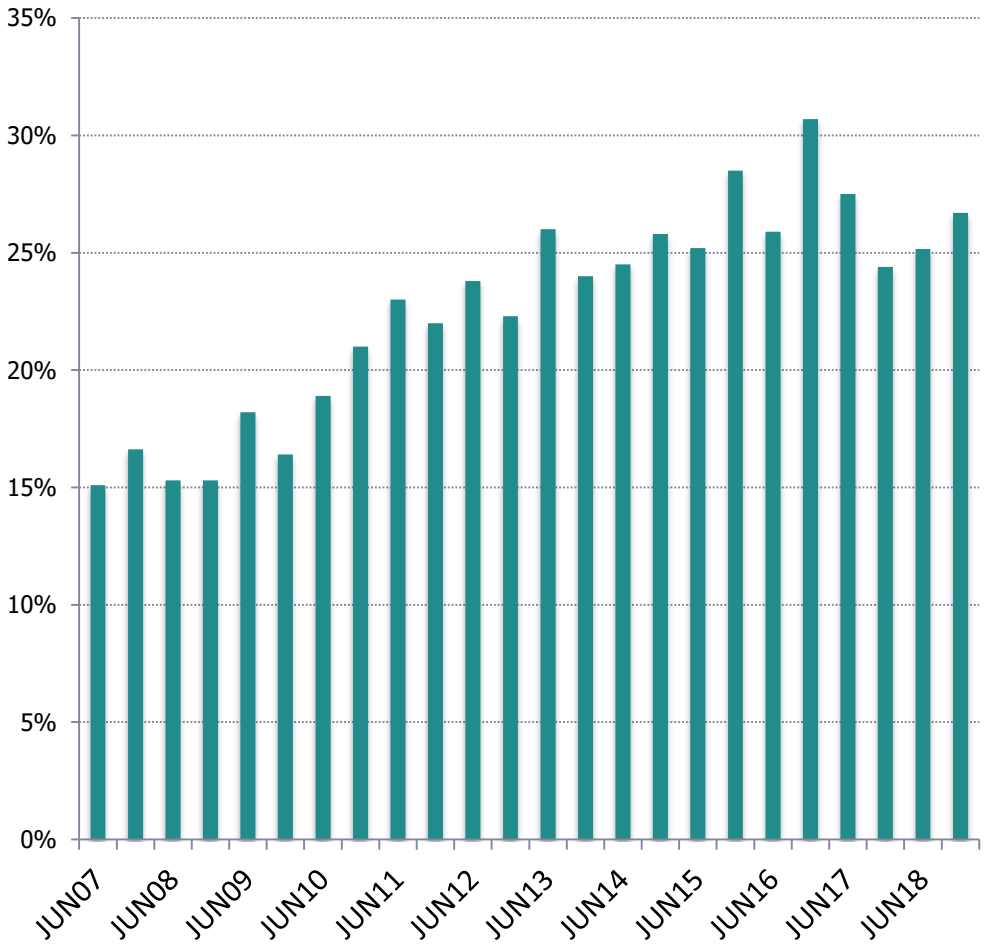
Salary and wage bill | Percentage of gross fee earnings



Source: CESA BECS

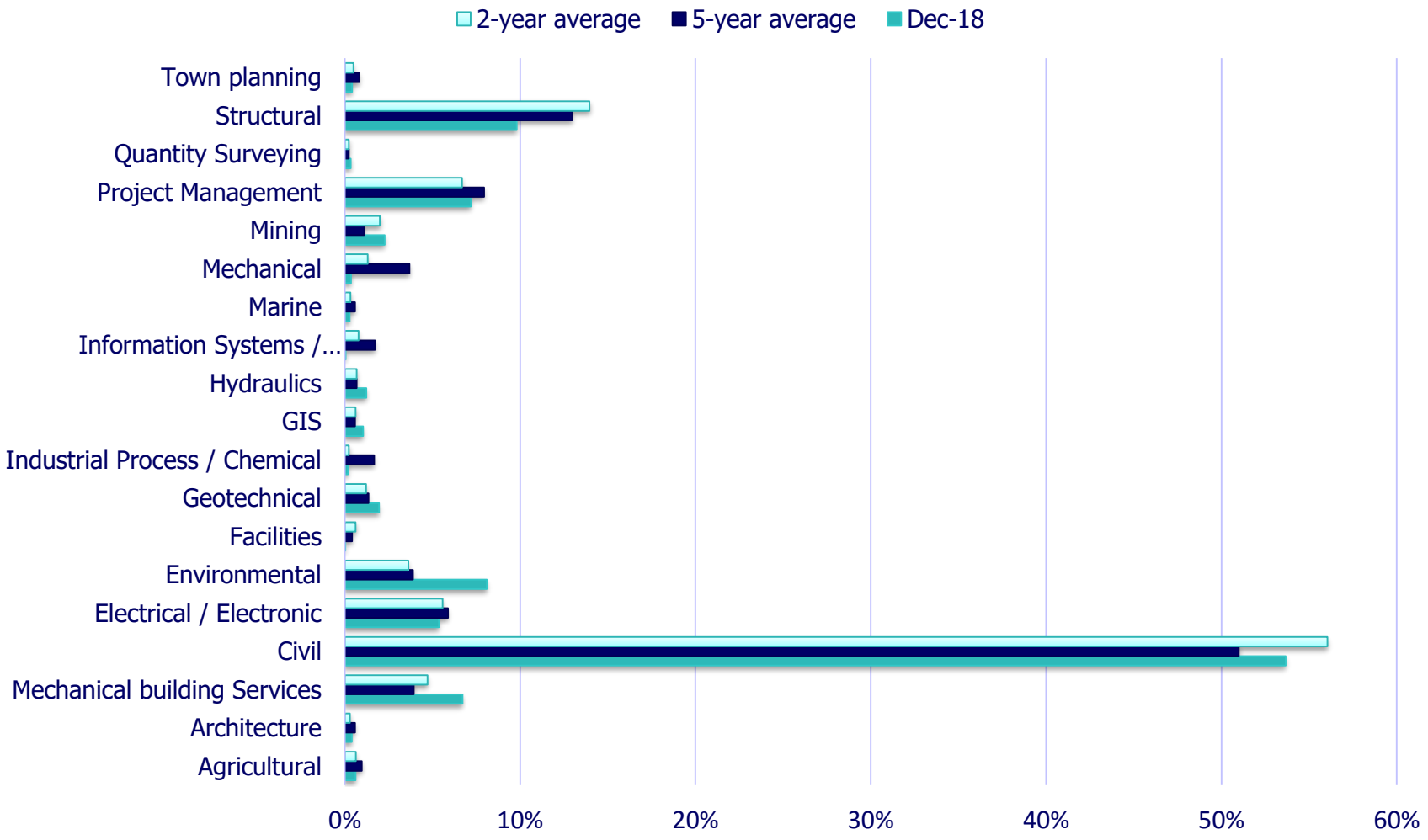
Average Discounting rate





Source: CESA BECS

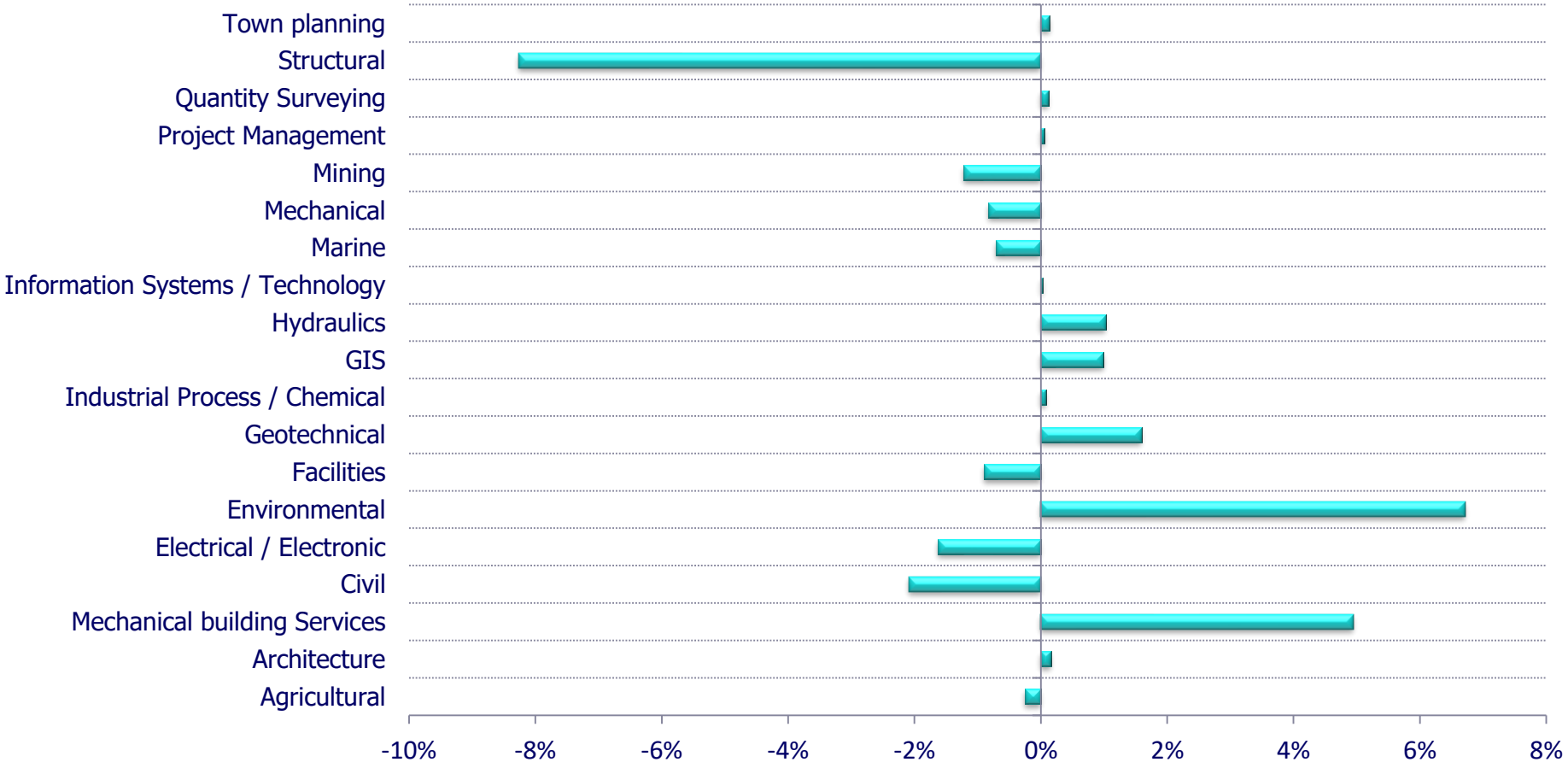
Fee income earned by Sub-disciplines: % Share



Source: CESA BECS

Fee income earned by Sub-disciplines: % Share

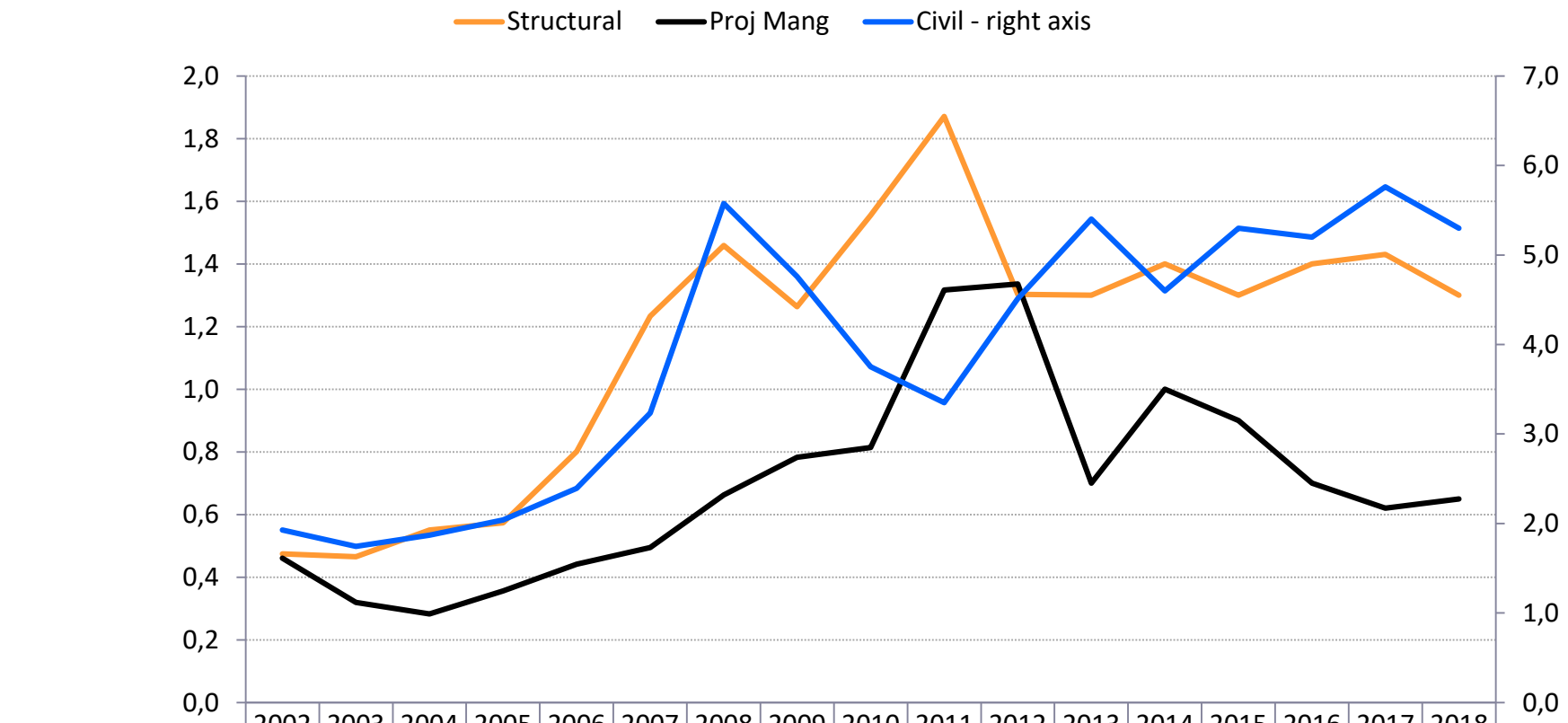
Change in market share in the last 6 months



Source: CESA BECS

Fee income earned by TOP THREE disciplines: R bn Real 2000 prices

Moving average (2 survey period): 2002-June 2017

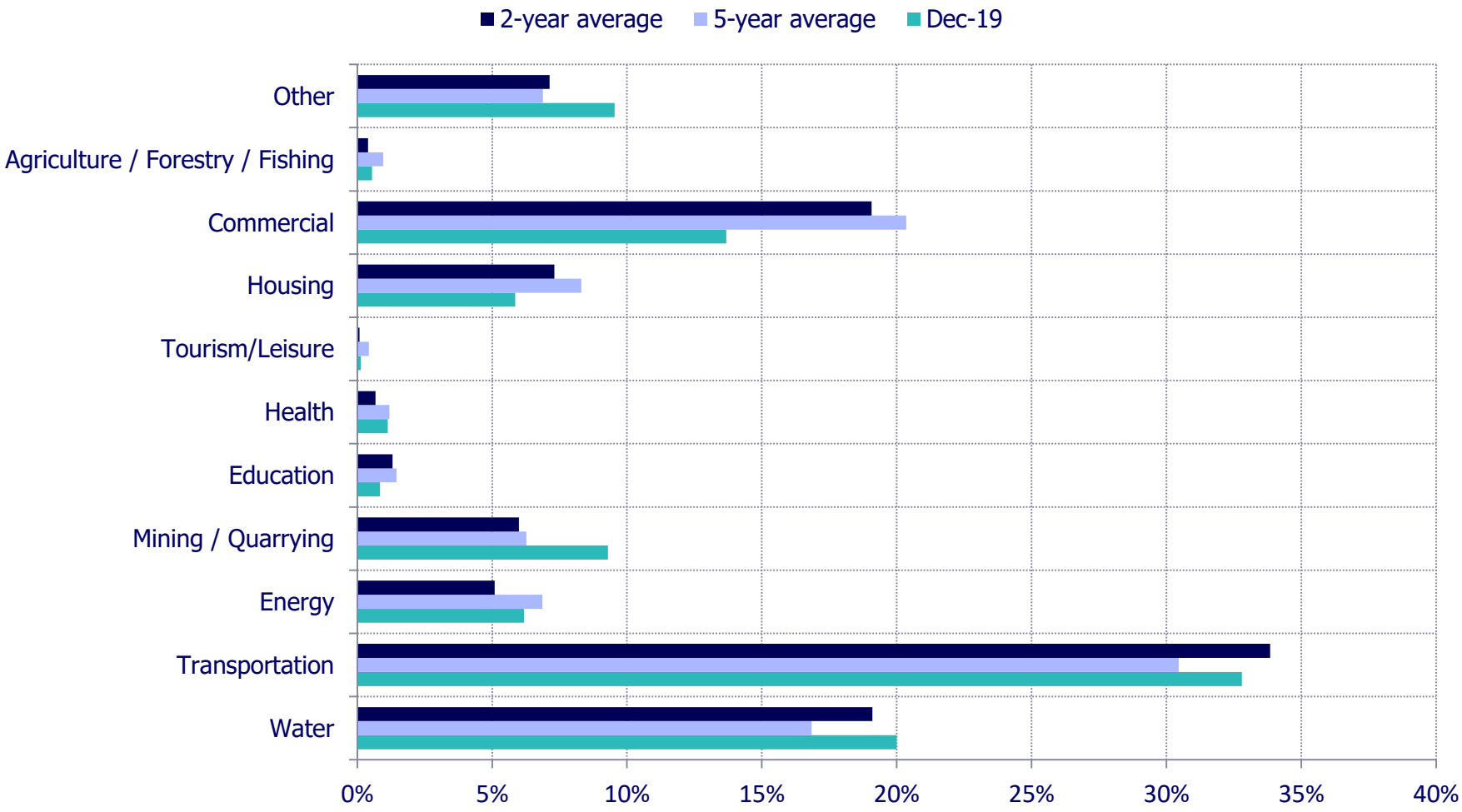


	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Structural	0,5	0,5	0,6	0,6	0,8	1,2	1,5	1,3	1,6	1,9	1,3	1,3	1,4	1,3	1,4	1,4	1,3
Proj Mang	0,5	0,3	0,3	0,4	0,4	0,5	0,7	0,8	0,8	1,3	1,3	0,7	1,0	0,9	0,7	0,6	0,7
Civil - right axis	1,9	1,7	1,9	2,0	2,4	3,2	5,6	4,8	3,8	3,3	4,5	5,4	4,6	5,3	5,2	5,8	5,3

Source: CESA BECS

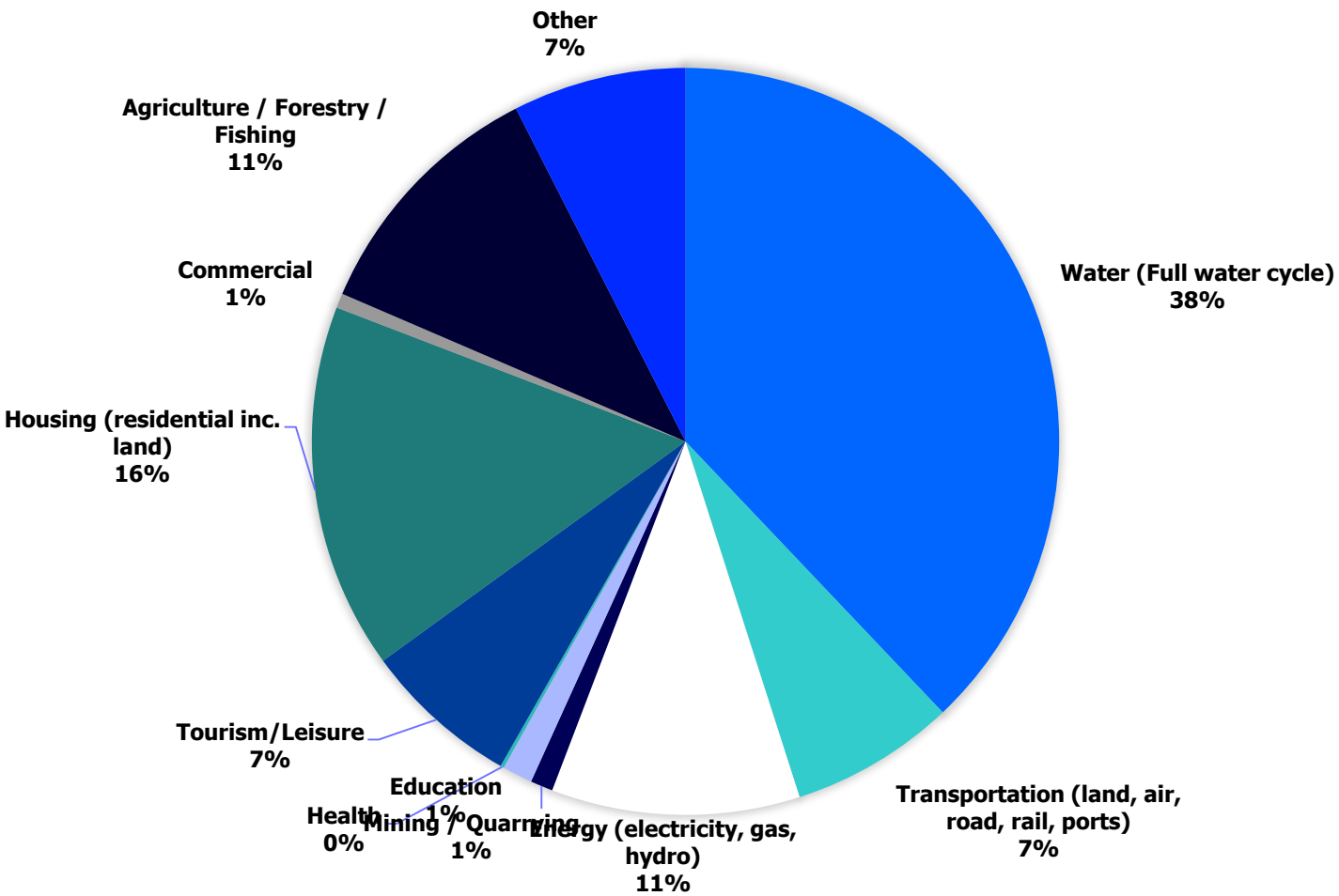
Fee income earned by economic sector

Percentage market share



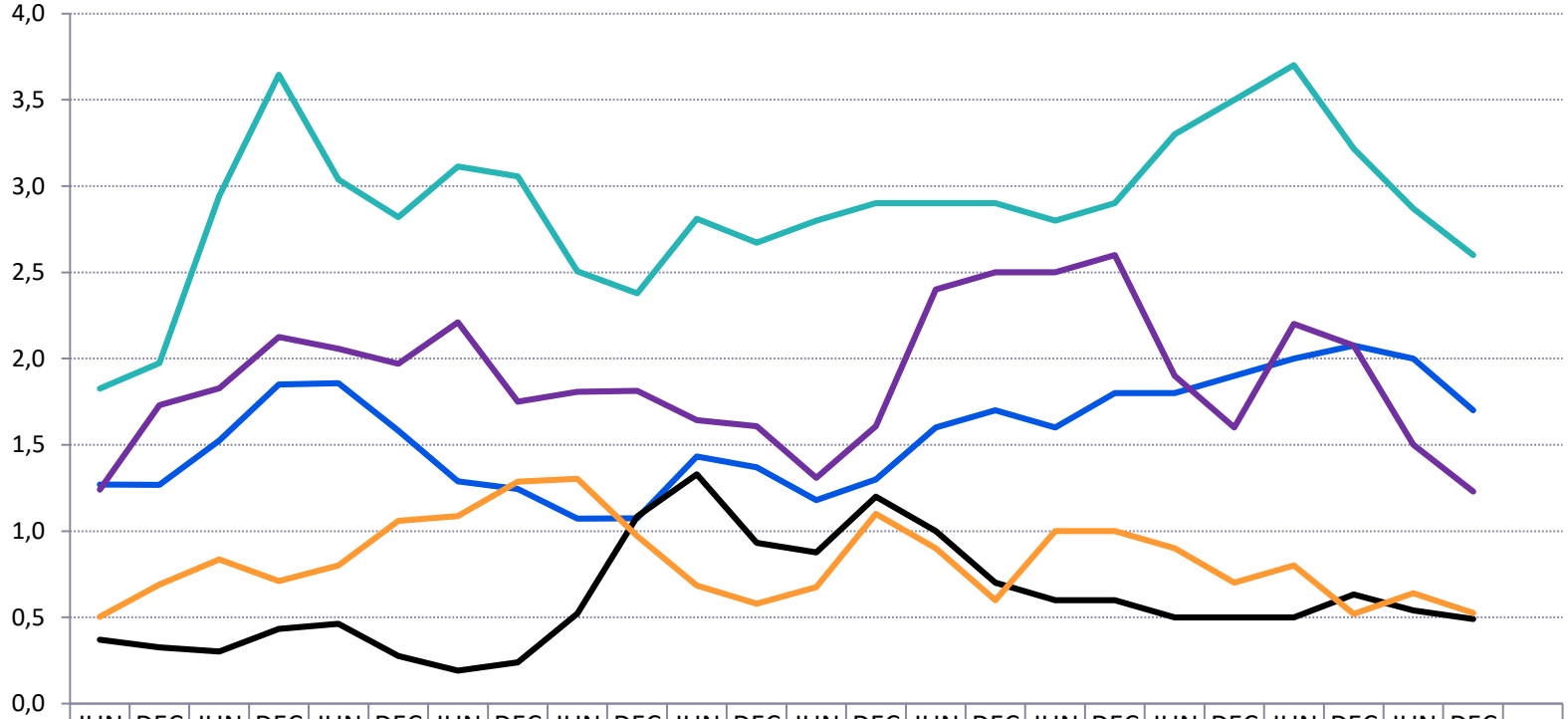
Source: CESA BECS

Profile of earnings by sector



Fee earnings by selected sector

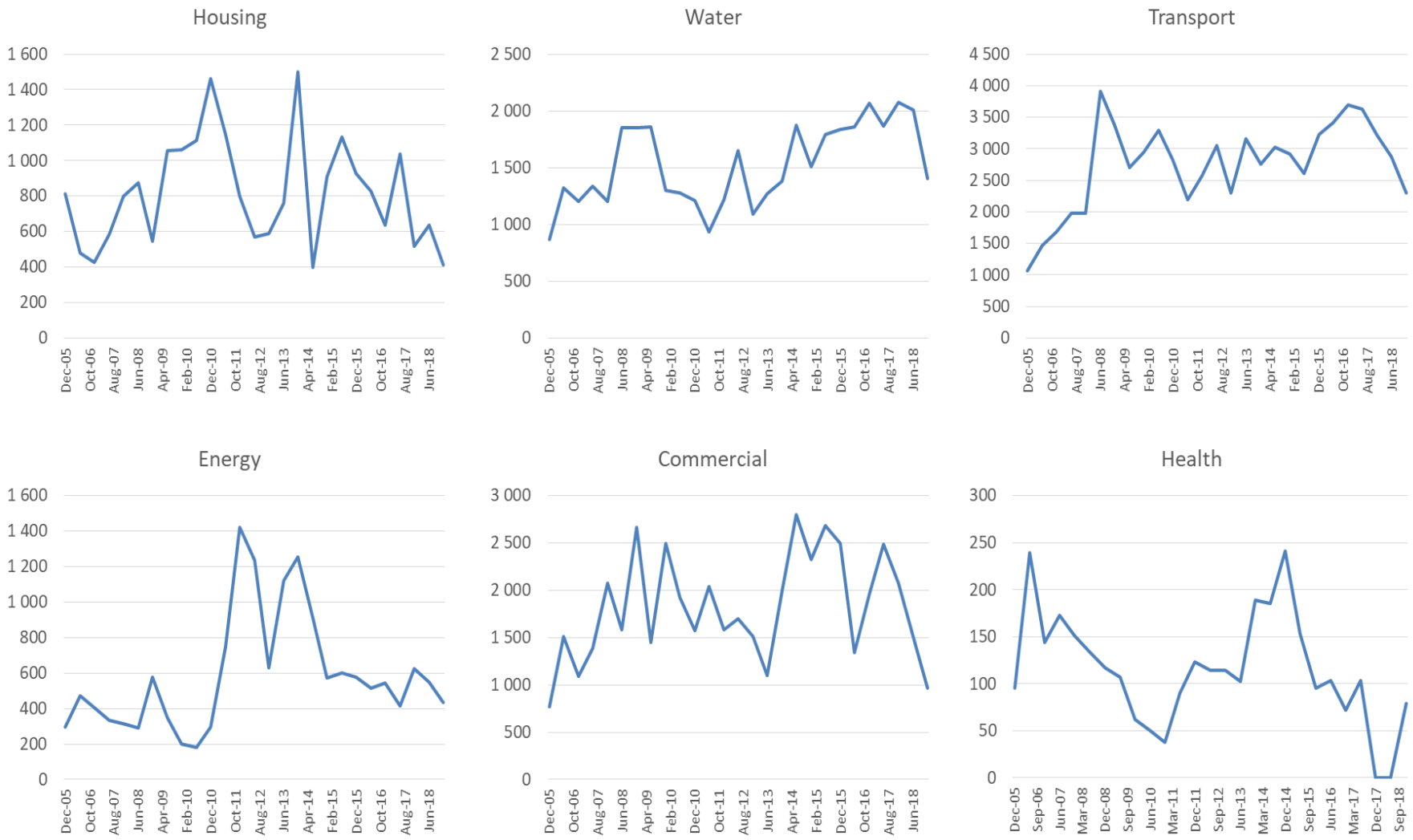
R billions, Real 2000 prices | Smoothed |2 survey average



	JUN 07	DEC 07	JUN 08	DEC 08	JUN 09	DEC 09	JUN 10	DEC 10	JUN 11	DEC 11	JUN 12	DEC 12	JUN 13	DEC 13	JUN 14	DEC 14	JUN 15	DEC 15	JUN 16	DEC 16	JUN 17	DEC 17	JUN 18	DEC 18
Water	1,3	1,3	1,5	1,9	1,9	1,6	1,3	1,2	1,1	1,1	1,4	1,4	1,2	1,3	1,6	1,7	1,6	1,8	1,8	1,9	2,0	2,1	2,0	1,7
Transportation	1,8	2,0	2,9	3,6	3,0	2,8	3,1	3,1	2,5	2,4	2,8	2,7	2,8	2,9	2,9	2,9	2,8	2,9	3,3	3,5	3,7	3,2	2,9	2,6
Energy	0,4	0,3	0,3	0,4	0,5	0,3	0,2	0,2	0,5	1,1	1,3	0,9	0,9	1,2	1,0	0,7	0,6	0,6	0,5	0,5	0,5	0,6	0,5	0,5
Housing	0,5	0,7	0,8	0,7	0,8	1,1	1,1	1,3	1,3	1,0	0,7	0,6	0,7	1,1	0,9	0,6	1,0	1,0	0,9	0,7	0,8	0,5	0,6	0,5
Commercial	1,2	1,7	1,8	2,1	2,1	2,0	2,2	1,8	1,8	1,8	1,6	1,6	1,3	1,6	2,4	2,5	2,5	2,6	1,9	1,6	2,2	2,1	1,5	1,2

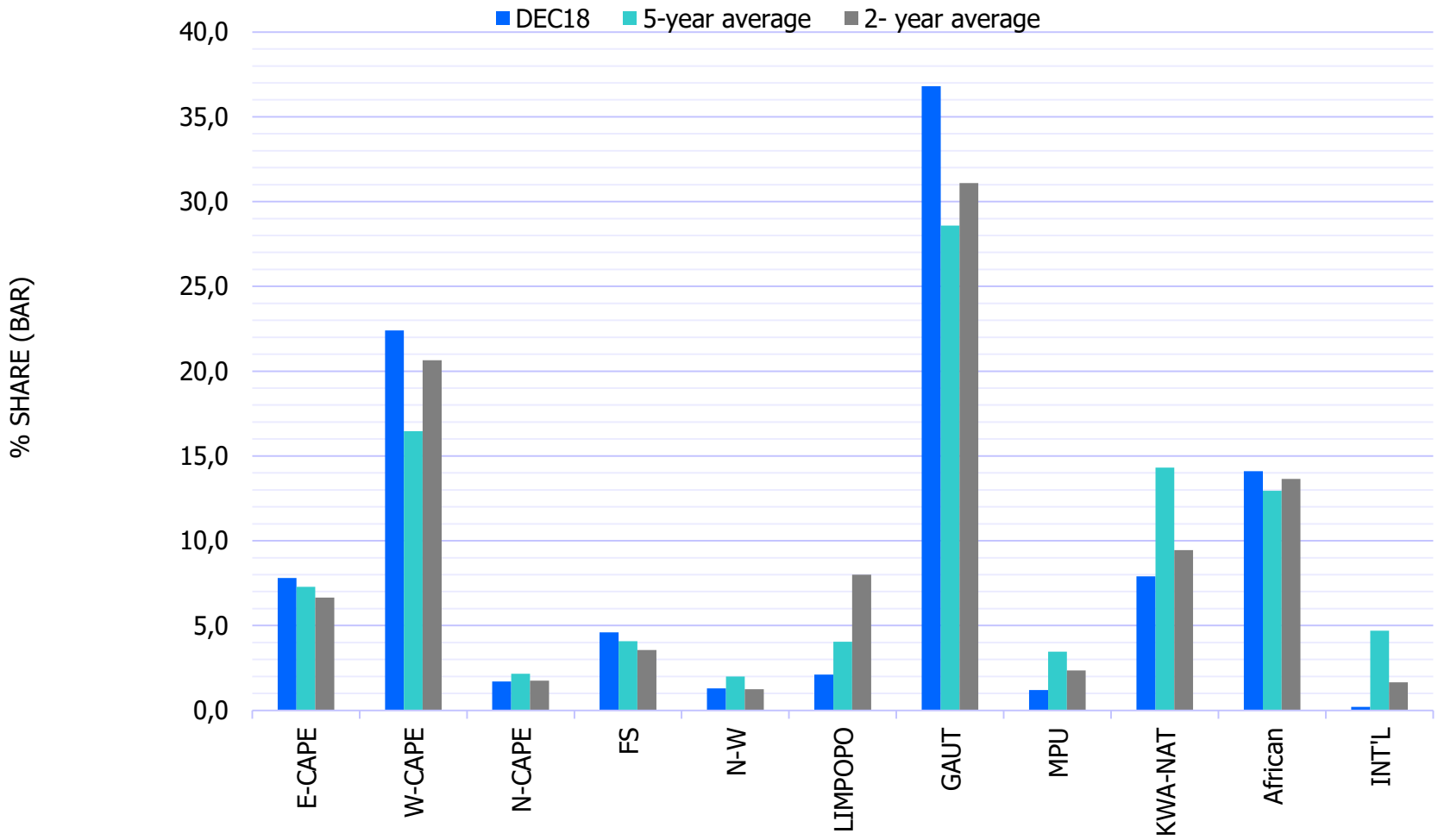
Source: CESA BECS

Fee income (Rm annualised, Real prices) earned by key economic sectors



Source: CESA BECS

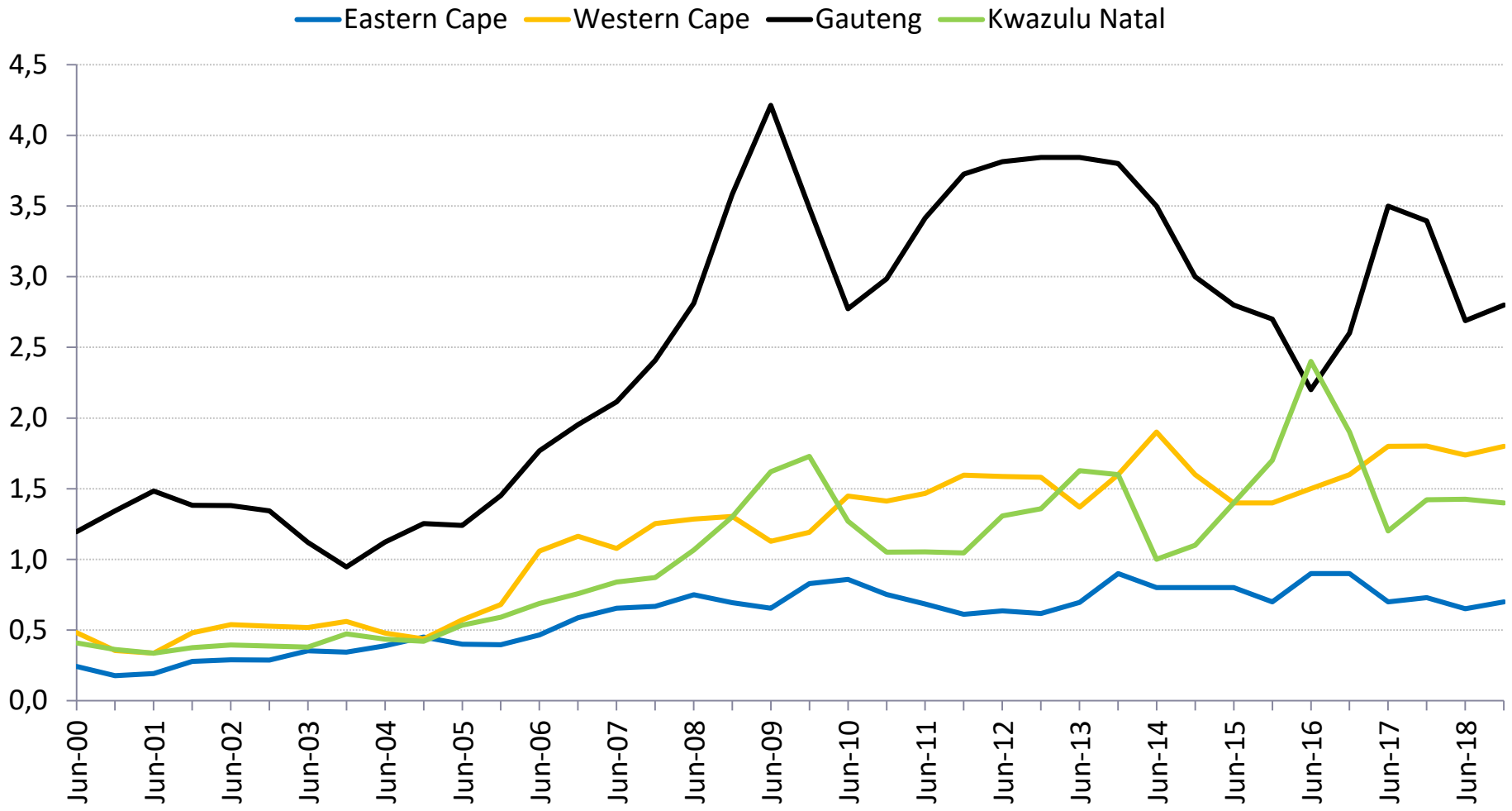
Provincial Market Share



Source: CESA BECS

Fee income earned by province (Rbn, real prices)

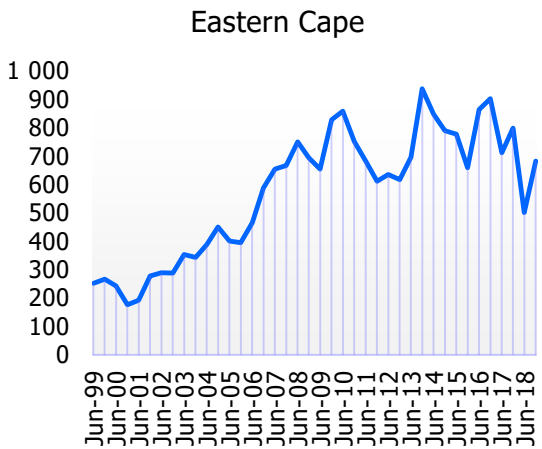
High Capacity economies |TREND Annualised smoothed, average over 2 past surveys

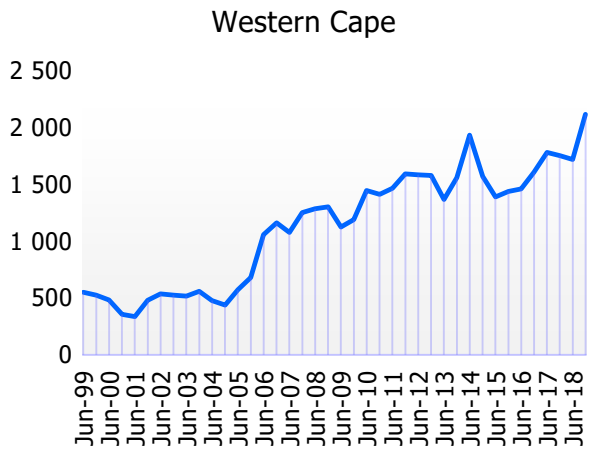


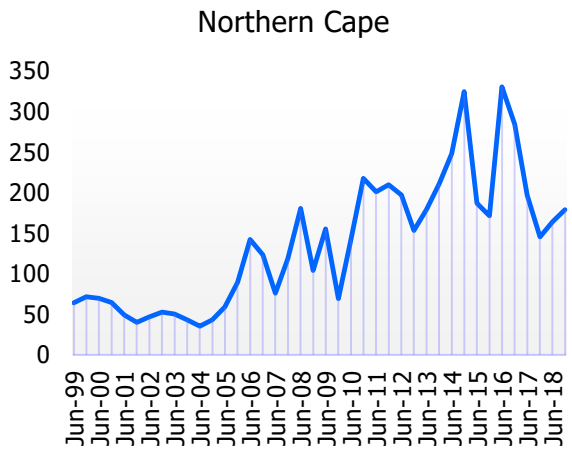
Source: CESA BECS

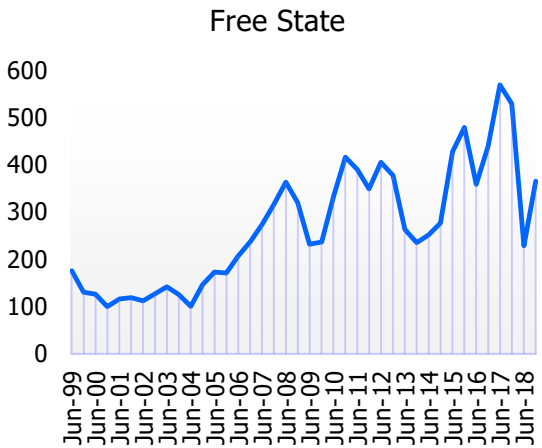
Fee income earned by province

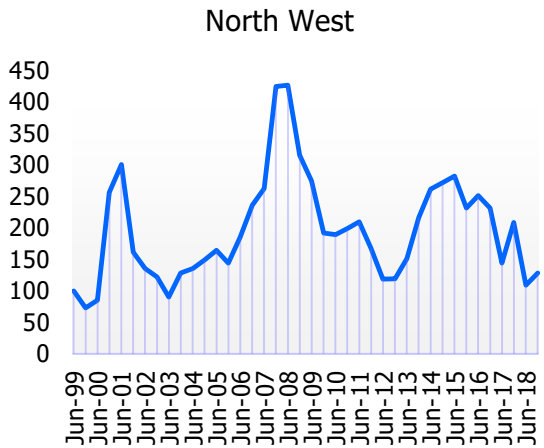
June 1999 – December 2016| Rm real prices

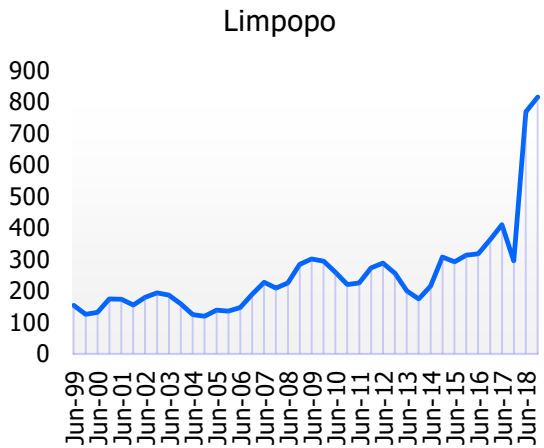








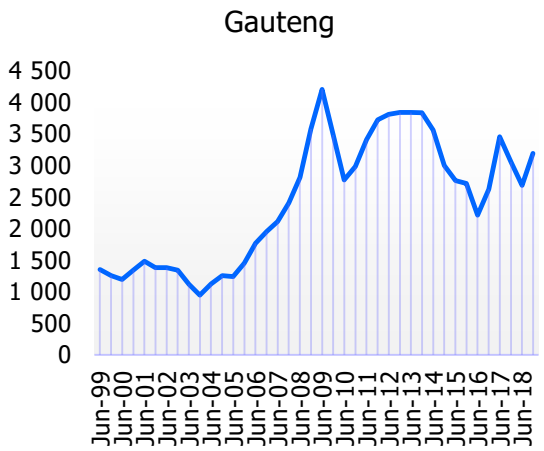


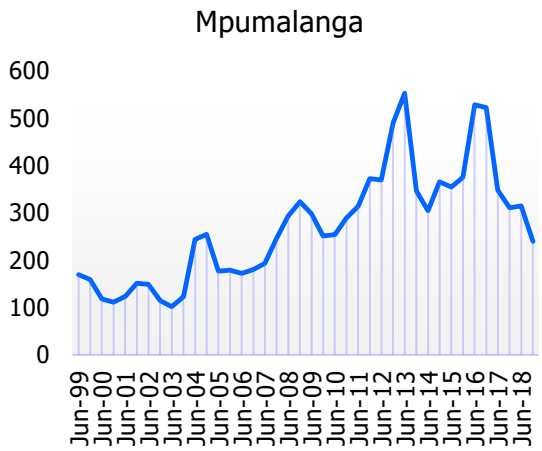


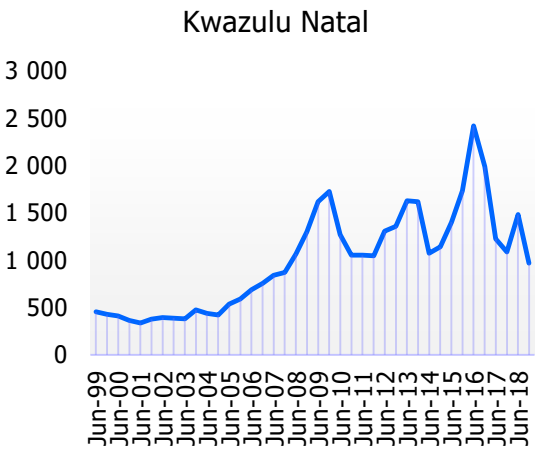
Source: CESA BECS

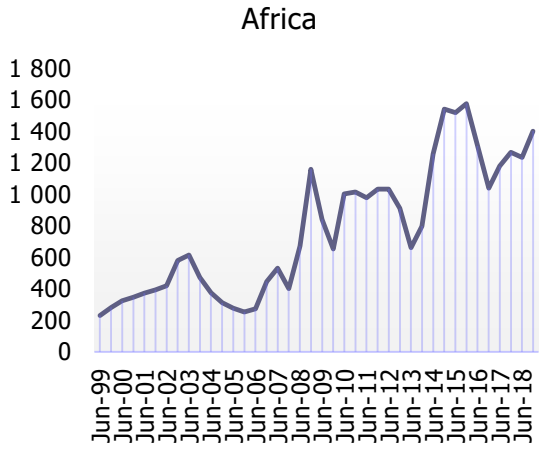
Fee income earned by province

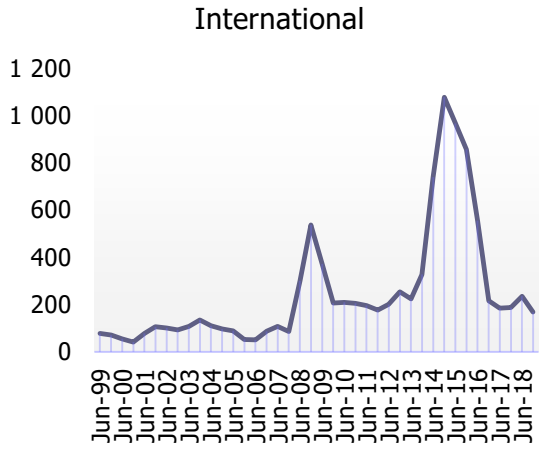
June 1999 – December 2016| Rm real prices

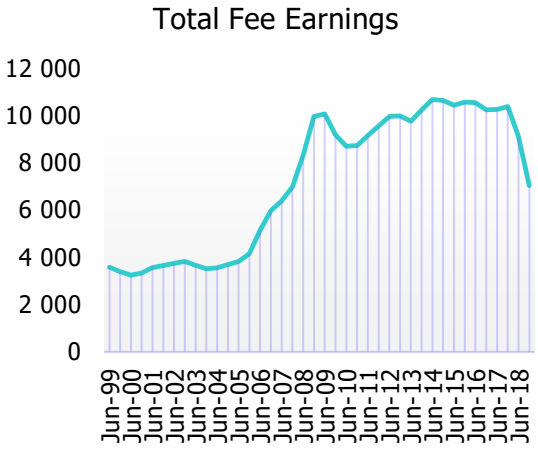








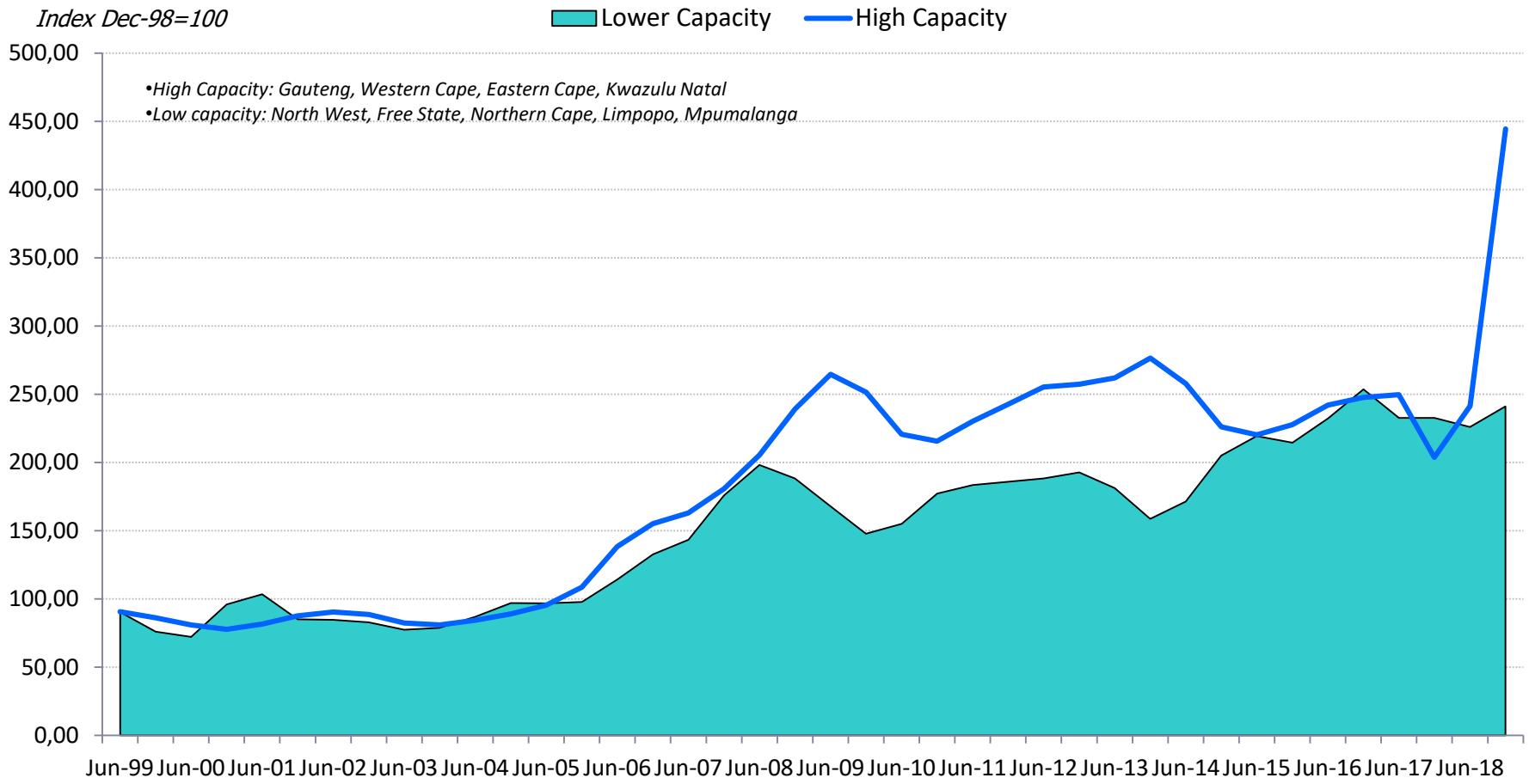




Source: CESA BECS

Fee income earned (Real 2000 prices)

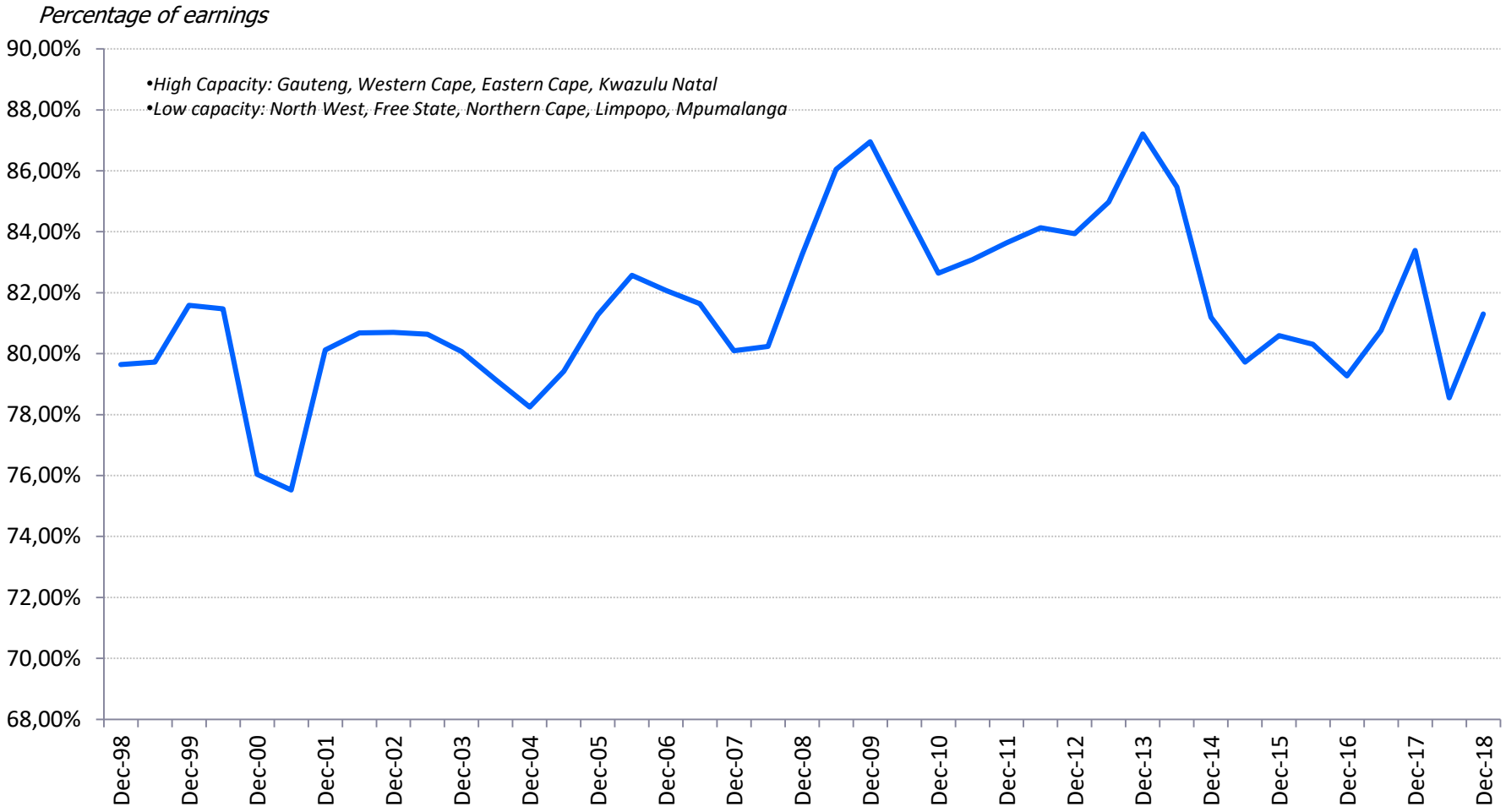
High Capacity vs lower capacity provincial economies |Smoothed



Source: CESA BECS

Fee income earned (Real 2000 prices)

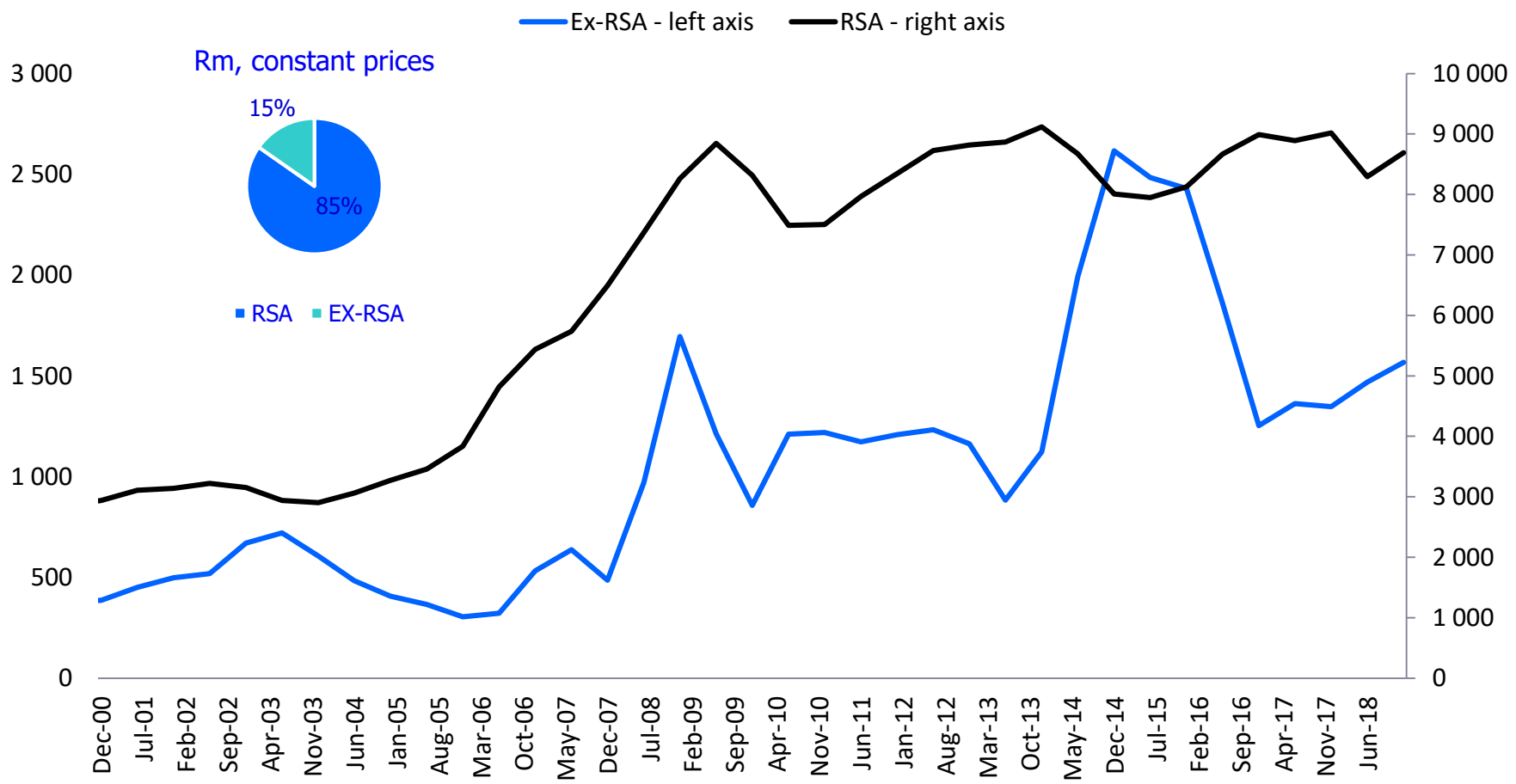
Contribution to Higher Capacity provinces (Gauteng, Western Cape, Eastern Cape and KZN)



Source: CESA BECS

Fee income earned : RSA vs EX-RSA

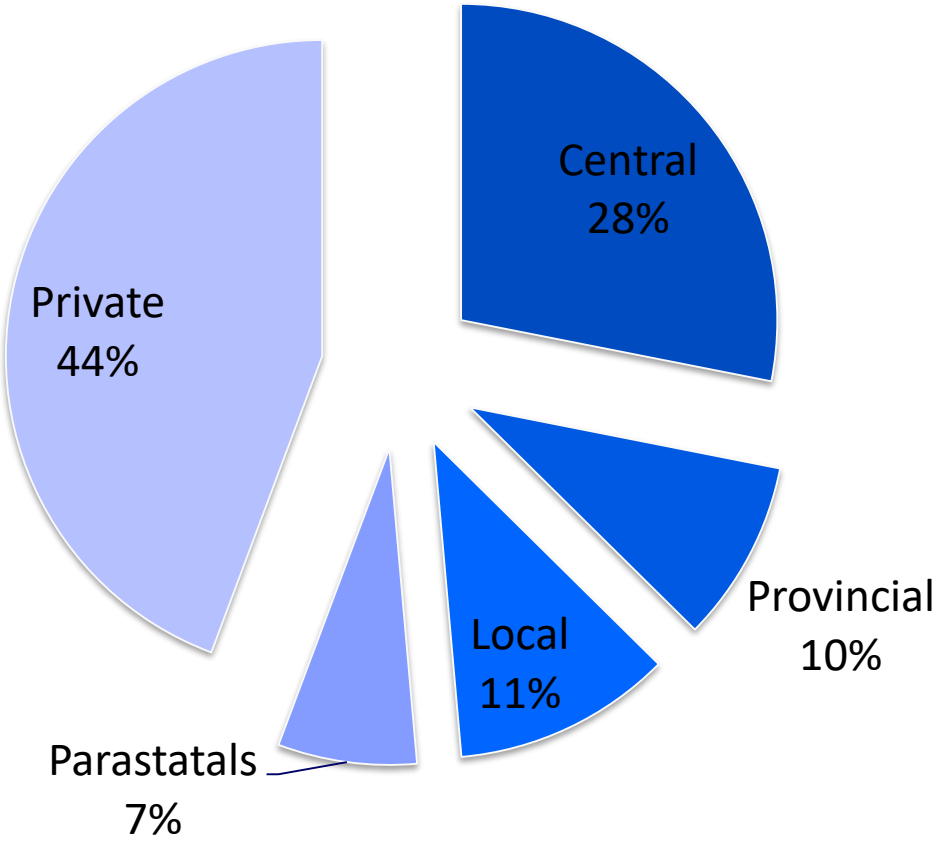
R mill, Real 2000 prices | Annualised, smoothed



Source: CESA BECS

Fee income earned by type of client

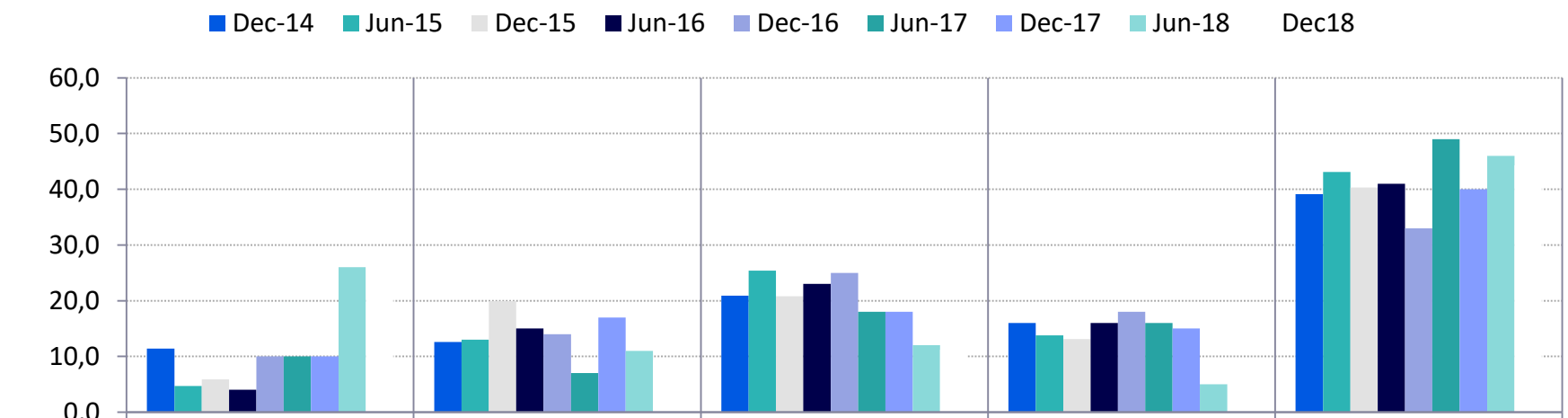
Percentage share as at Dec 2018



Source: CESA BECS

Fee income earned by type of client

Percentage share

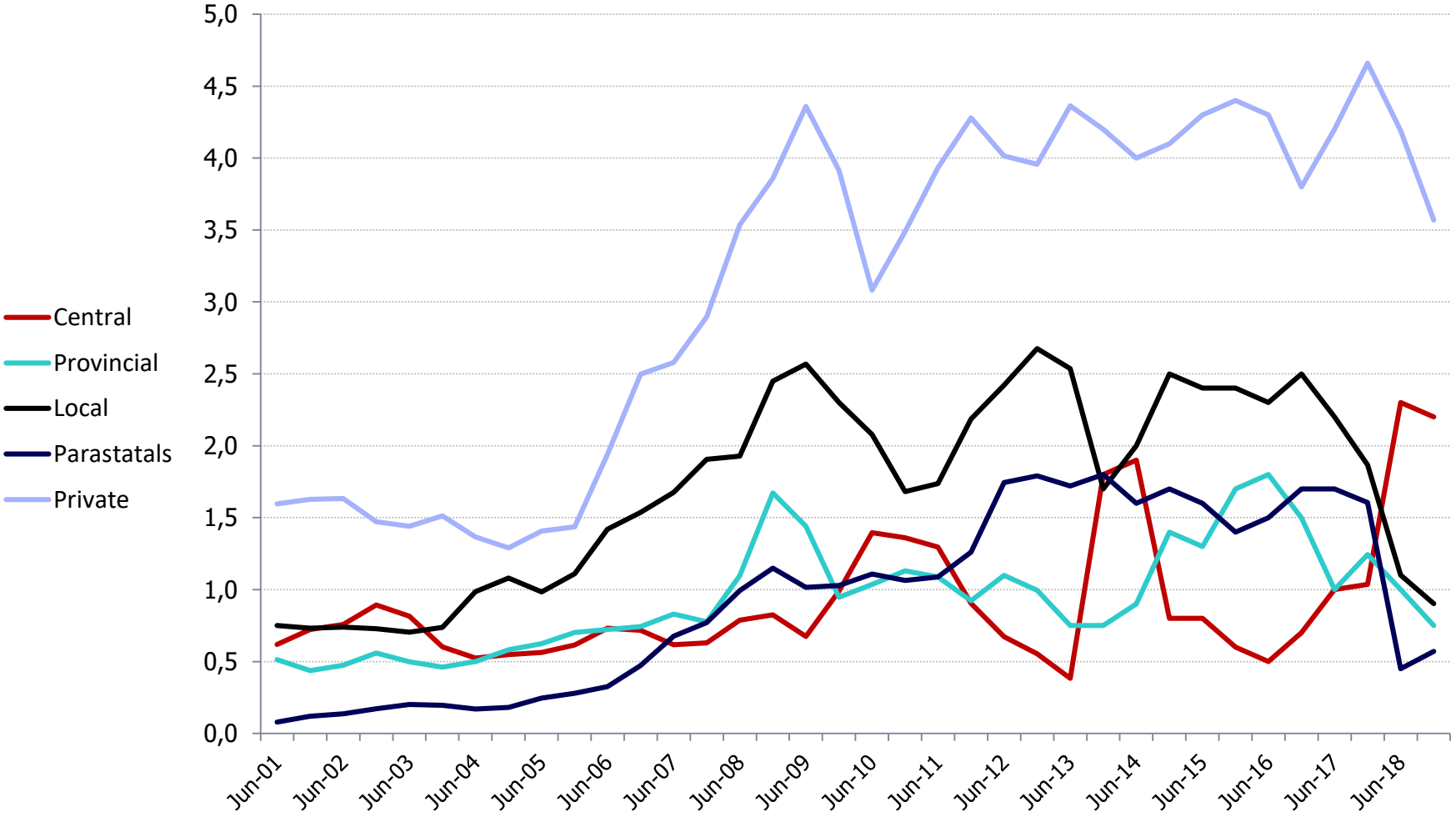


	Central	Provincial	Local	Parastatals	Private
Dec-14	11,4	12,6	20,9	16,0	39,1
Jun-15	4,7	13,0	25,4	13,8	43,1
Dec-15	5,9	19,9	20,8	13,1	40,3
Jun-16	4,0	15,0	23,0	16,0	41,0
Dec-16	10,0	14,0	25,0	18,0	33,0
Jun-17	10,0	7,0	18,0	16,0	49,0
Dec-17	10,0	17,0	18,0	15,0	40,0
Jun-18	26,0	11,0	12,0	5,0	46,0
Dec18	28,1	9,3	11,2	7,1	44,3

Source: CESA BECS

Fee income earned by type of client

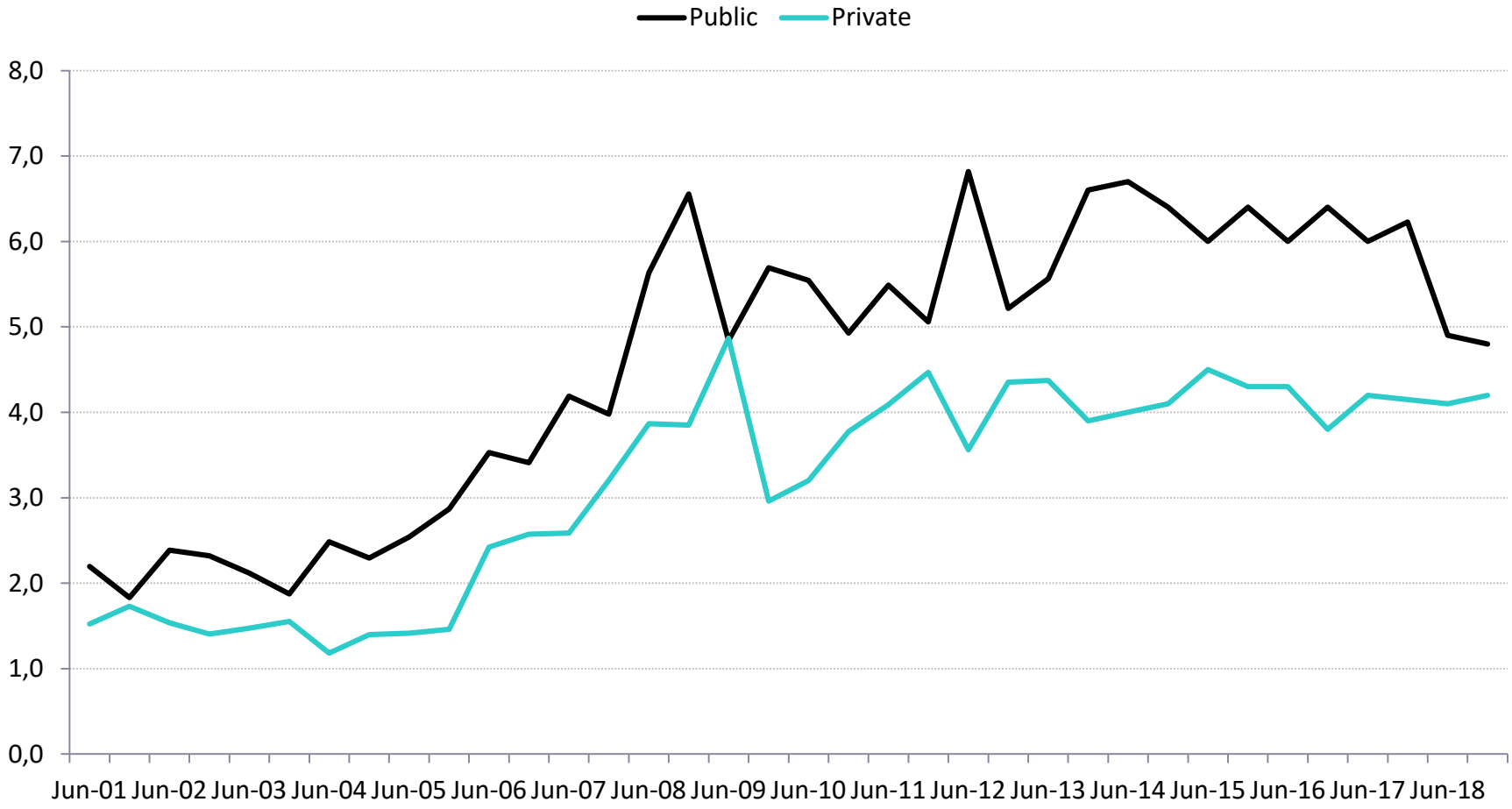
R billion Real 2000 prices | Annualised, smoothed - avg over 2 survey periods



Source: CESA BECS

Fee income earned by type of client

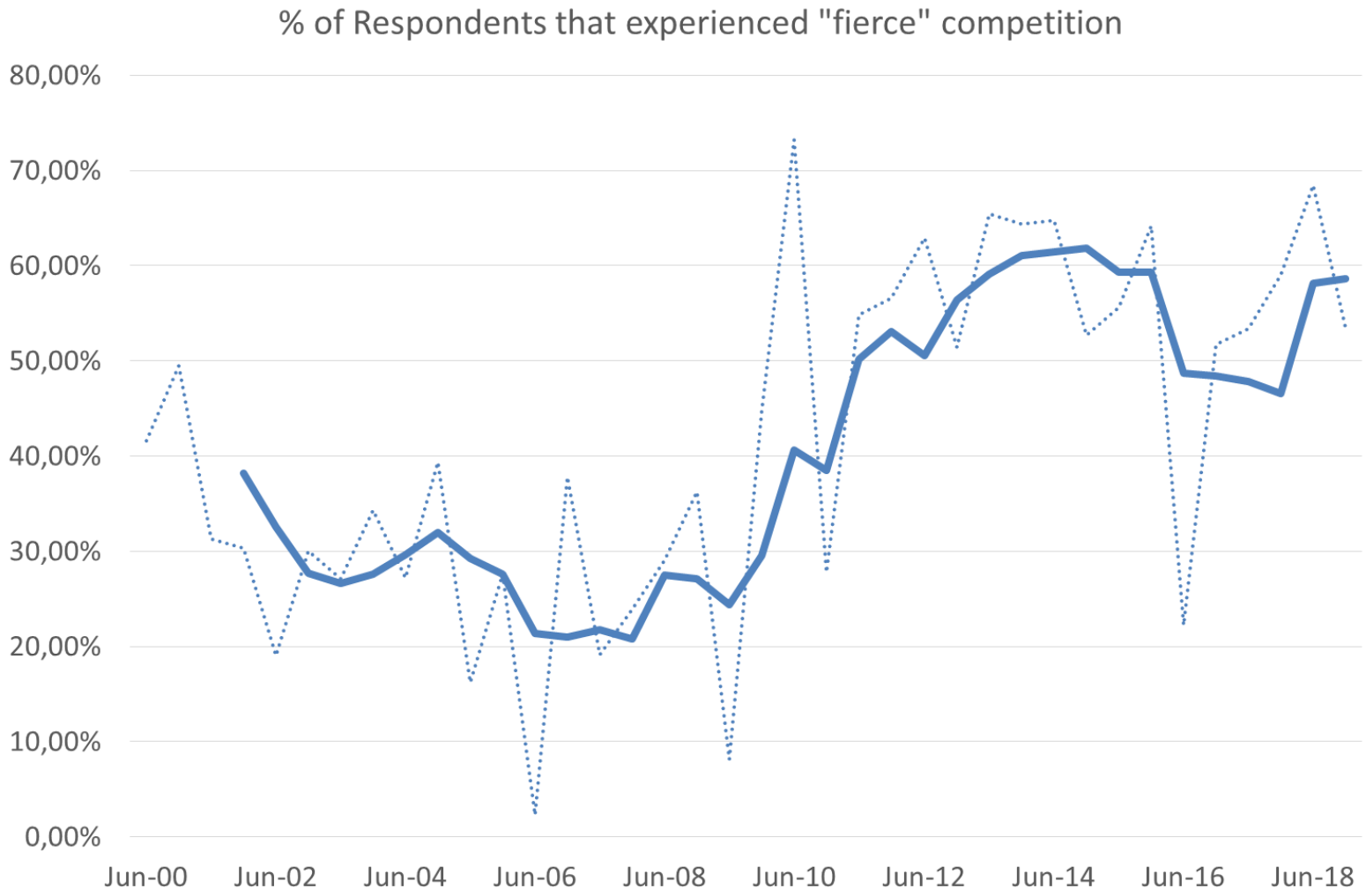
R billions Real 2000 prices | Annualised, smoothed - average over 2 survey periods



Source: CESA BECS

Competition in tendering

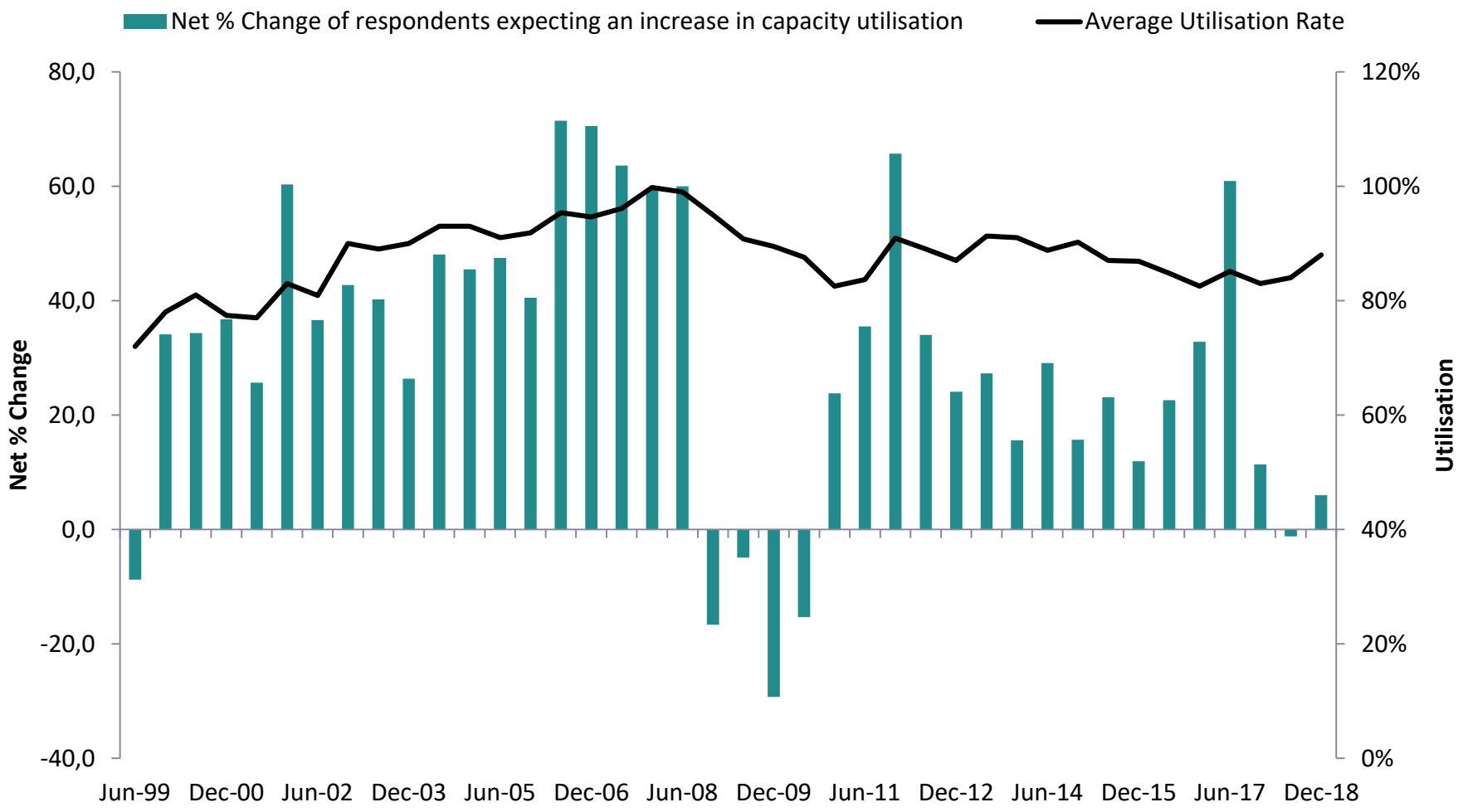
Percentage of respondents that reported “Fierce” competition



Source: CESA BECS

Industry Capacity Utilisation

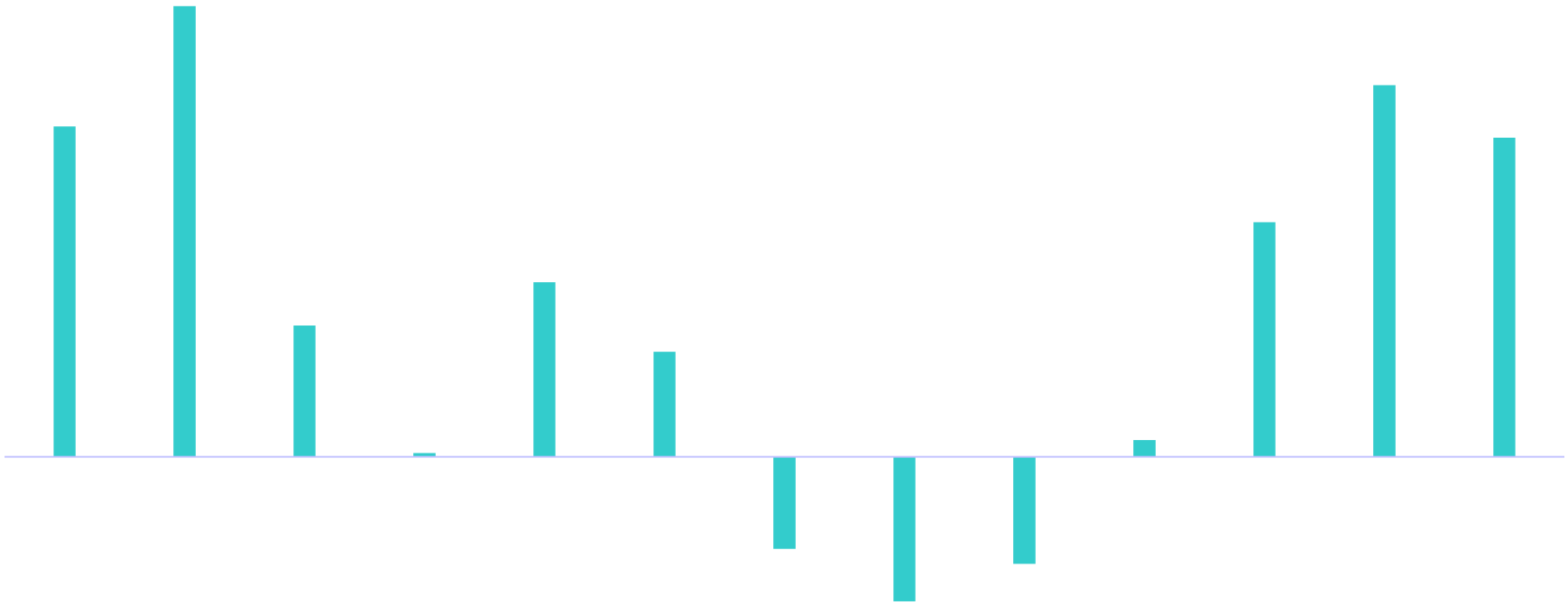
Of existing technical staff



Source: CESA BECS

Labour unit cost indicator

Year-on-Year % Change (Smoothed)

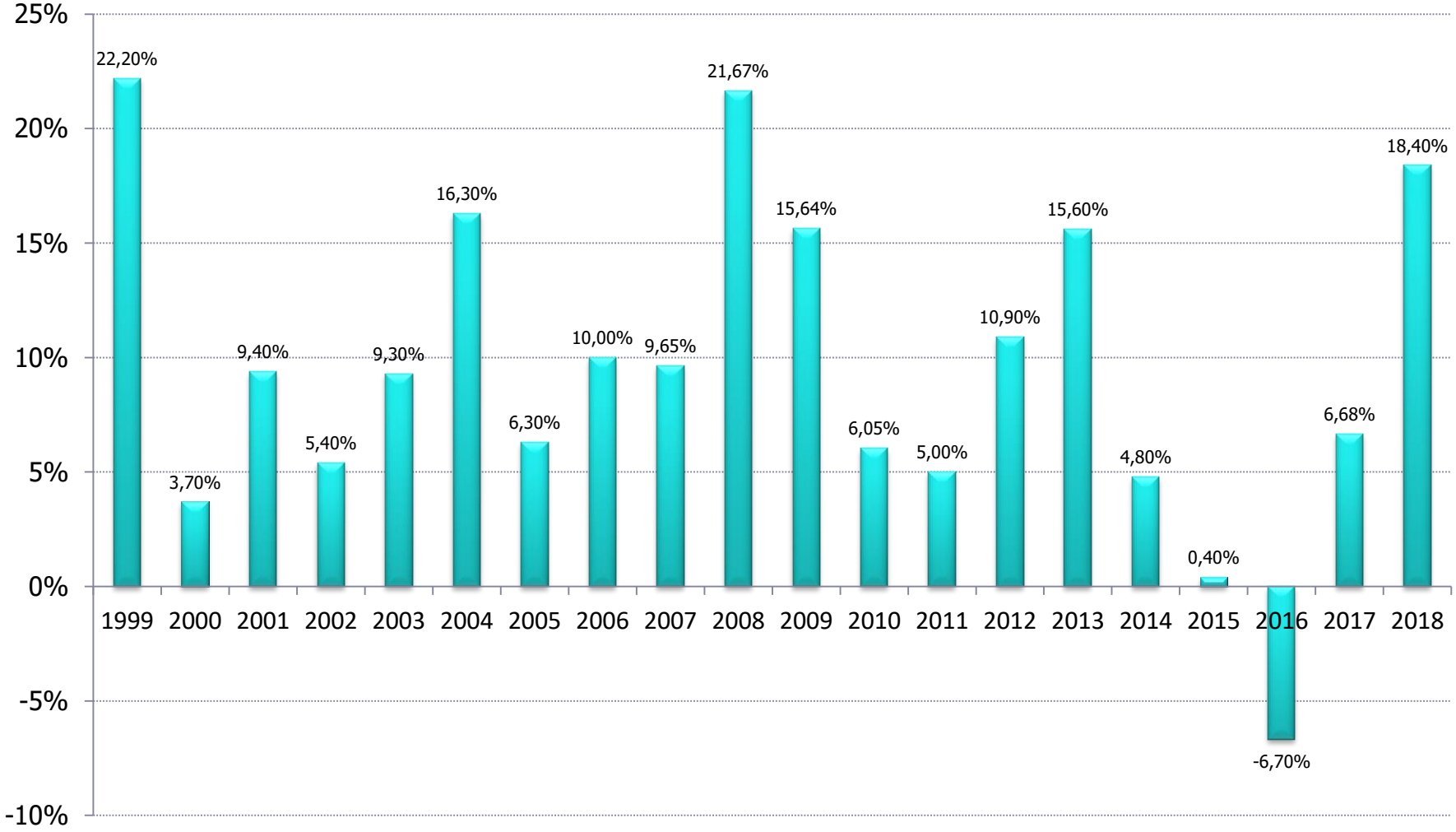


	Dec-12	Jun-13	Dec-13	Jun-14	Dec-14	Jun-15	Dec-15	Jun-16	Dec-16	Jun-17	Dec-17	Jun-18	Dec-18
%	17,60%	24%	7%	0%	9,30%	5,60%	-4,90%	-7,70%	-5,70%	0,90%	12,50%	20%	17%

Source: CESA BECS

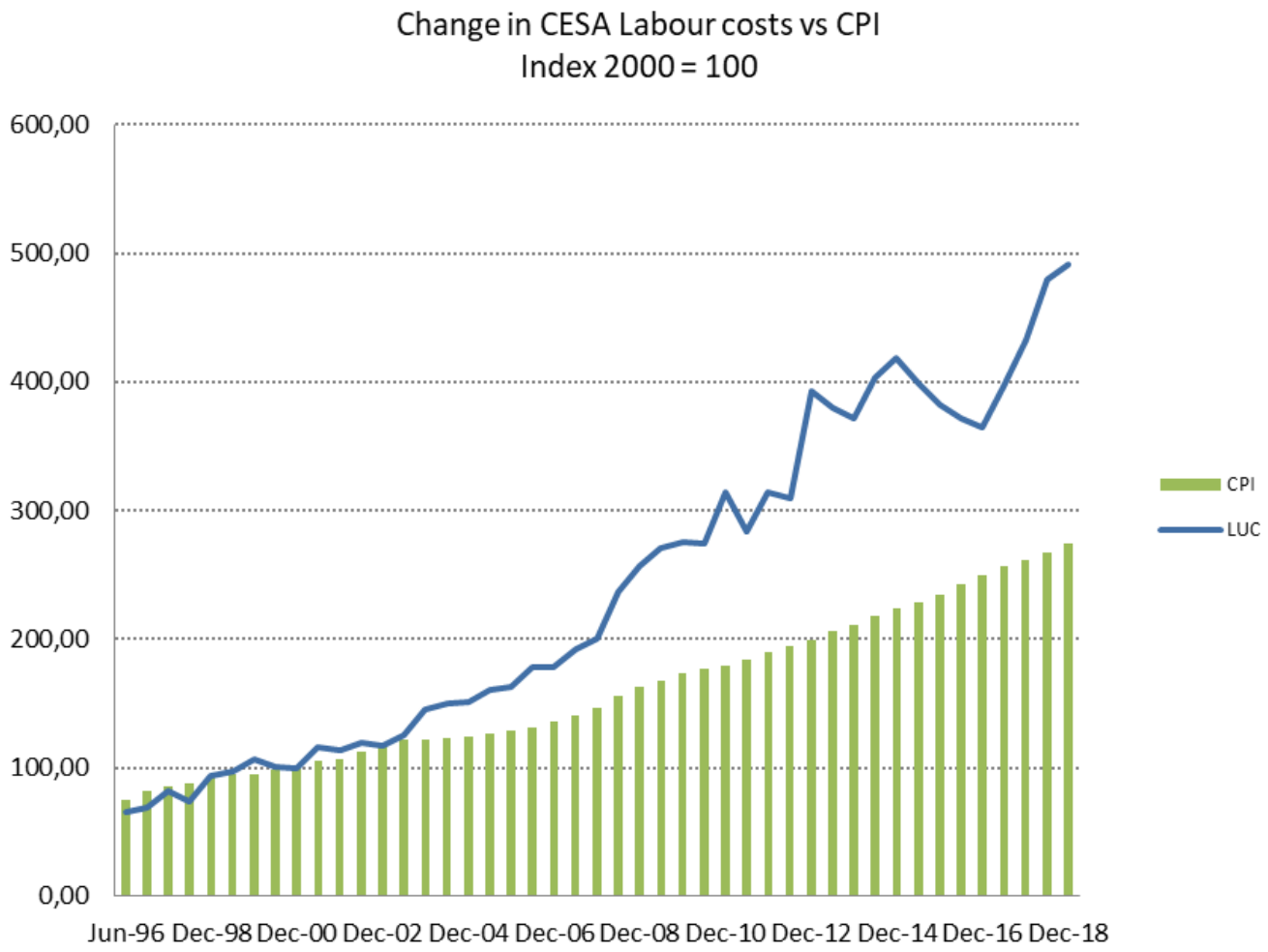
Labour unit cost indicator

Annual Average Year-on-Year Percentage Change



Source: CESA BECS

CESA labour costs outpace CPI



Source: CESA BECS, Statistics South Africa

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Thank you

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Tel: 011 463 2022