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Consulting Engineers South Africa

Bi-Annual Economic and Capacity Survey

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1. Economic overview

1.1 International Developments

Global growth projections has been marked down to 3,4 percent in the July 2014 IMF World economic outlook, in part due to a disappointing first quarter in the US and a less optimistic outlook for emerging markets. However, the more optimistic view in terms of stronger growth in advanced economics is maintained, expecting global growth to accelerate to 4,0 percent in 2015. Downside risks remain a concern. Increased geopolitical risks could lead to sharply higher oil prices, although this has as yet not materialized as oil supplies continue to surpass demand. In emerging markets growth is now expected to slow to 4.6 percent in 2014 and strengthen to 5.2 percent in 2015. There are downside risks for those emerging economies with domestic weakness and external vulnerabilities as they could face a sudden worsening of financial conditions and a reversal of capital flows in the event of a shift in financial market sentiment. According to IMF (July 2014 World economic outlook) many of these (emerging) economies are still adjusting to tighter financial conditions, and implied higher cost of capital since mid 2013, and weaker medium term growth trajectories.

Table 1: Global Growth projections

	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
World	3.1	3.0	3.4	4.0
US	2.2	1.9	1.7	3.0
Eurozone	-0.6	-0.4	1.0	1.4
UK	0.3	1.7	1.1	1.5
Emerging Markets		4.7	4.6	5.2
Brazil	0.9	2.3	1.3	2.0
Russia	3.60	1.5	0.2	1.0
India	3.2	4.4	5.4	6.4
China	7.8	7.7	7.4	7.1
Sub-Saharan Africa	4.9	5.1	5.4	5.8
SA	2.5	1.8	1.7	2.7

Source: IMF World Economic outlook July 2014

1.2 Domestic Economy

The South African economy just barely missed a technical recession when GDP grew by 0.6 percent in the 2nd quarter, following the 0.6 percent contraction in the 1st quarter. However, the economy remains under pressure as underlying fundamentals are simply not supportive of stronger economic growth. Industrial strike action during the first seven months of the year resulted in weak private sector confidence, contracted mining production and also negatively impacted on manufacturing. Energy constraints are also seen as a growth obstacle.

As a result weaker economic growth is now expected, revised downward from between 2,2 percent and 2,7 percent at the start of the year, to between 1,3 percent and 1,7 percent for 2014, and 2,7 percent for 2015.

The ballooning current account deficit is considered a formidable downward risk. Original projections were to narrow the deficit to 3,2 percent by 2015, but is now expected to remain at above 5 percent for the foreseeable future. The cumulative deficit increased to R55bn in 2014 compared to R41bn during the same period in 2013. This is something the rating agencies will keep a close watch on, and there is an upward risk that, in the event that South Africa is unable to lower its current account deficit as projected, that a further downgrade may be inevitable. Minister of Finance, Nhlanhla Nene has confirmed that the economy is in “trouble” operating at below its potential. Nene would focus on three key principles, to sustain the fiscus, namely counter-cyclicality, debt sustainability and intergenerational fairness. Weaker economic growth had resulted in lower than anticipated revenue, but Nene remains committed to that expenditure will continue to grow and the real value of social spending will be maintained. This however needs to be accompanied by more effective resource allocation.

Consumer inflation eased to 6.3 percent in July 2014, from 5.9 percent in February 2014, but an acceleration in the month on month change in the CPI over the last few months, suggests that inflationary pressures have not as yet subsided. The current inflationary environment remains challenging for policy decision makers. Characterised by stagflation, the Reserve Bank needs to somehow balance higher inflation amidst a low growth environment. Generally economies struggle to escape the grips of stagflation and it could take years for the economy to reach a healthy balance. The Reserve Bank tightened monetary policy in January 2014 by increasing the repo rate to 5.5 percent, and again by a further 25 basis points in July, resulting in an increase to 9.25 percent in the prime lending rate. The repo rate was left unchanged at the September 2014 MPC meeting.

The currency was relatively stable in the last few months and even appreciated to R10.41/US Dollar on average in May 2014. The price of Brent crude oil moderated to an average of \$103.5/barrel by August 2014, and fell to \$99/barrel on the 11th of September. The rand however came under increasing pressure during September, breaching R11/\$ on the 12th of September (averaging R10.8/\$ for the 12 days in September), vs an average international Brent crude oil price of \$101/barrel during the same period. The rand is currently under pressure due to a stronger dollar as investors bet on the US Federal Reserve to start tightening policy sooner than expected.

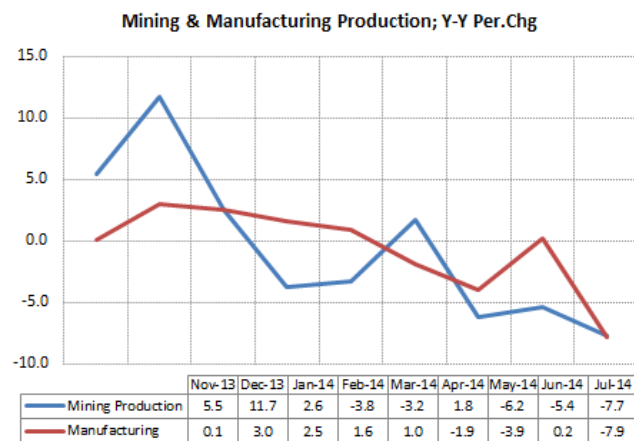
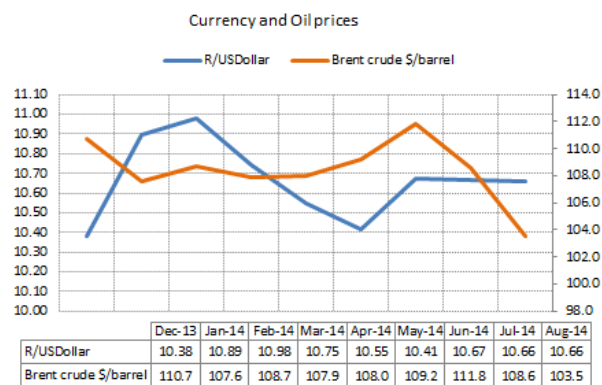
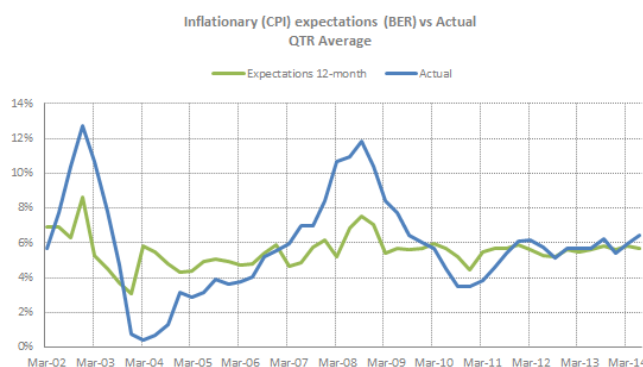
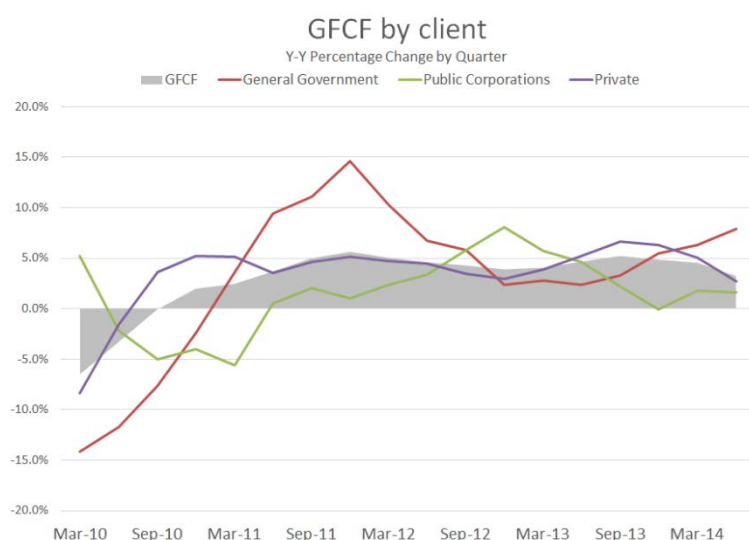


Table 2: Macro economic growth projections (Economist Poll)

	2012	2013	2014	2015	2016	2017
GDP	2.5	1.9	1.7	2.7	3.1	3.5
Household consumption	3.5	2.6	2.0	2.1	3.0	3.4
Government consumption	4.0	2.4	1.9	2.4	3.3	2.9
Gross Fixed capital formation	4.4	4.7	3.5	3.9	4.9	6.0
US/ZAR	8.2	9.7	10.7	10.4	10.5	9.8
CPI Inflation	5.7	5.8	6.2	5.6	5.5	5.6
Prime Lending rate	8.7	8.5	9.5	10.0	11.0	11.0
Current account % of GDP	(5.2)	(5.8)	(5.4)	(4.9)	(5.0)	(5.3)

Poll: Investec, Standard Bank, Reuters, Nedbank, Treasury (2014 Budget Review), Industry Insight Estimates

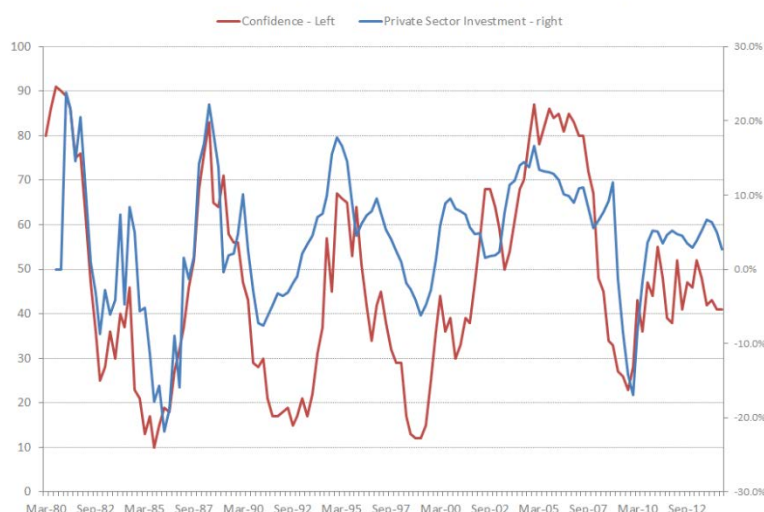
1.4 Gross fixed capital formation



(2,7 percent vs 5,0 percent over the same period).

Gross fixed capital formation increased by 3,2 percent y-y (seasonally adjusted annualised rates) in the 2nd quarter of 2014, compared to an increase of 4,5 percent y-y in the 1st quarter against a projected increase of 4,2 percent for 2014 (Treasury estimates). Gross fixed capital formation was largely supported by a strong increase in construction works, up 20,4 percent and a 3,8 percent increase in transport. Increased spending by the private sector on renewable energy projects supported growth in construction works, according to reports by the South African Reserve Bank.

Fixed investment by general government accelerated to an annual increase of 7,9 percent in the 2nd quarter (6,3 percent 2014Q1), but this was offset by more moderate growth by public corporations (1,6 percent in the 2nd quarter vs 1,8 percent in the 1st quarter) and by the private sector

Business confidence vs change in Private Sector fixed investment

Investment growth is expected to continue to surpass GDP growth, projected to increase by between 4 and 5 percent over the next two years. The outlook for 2016 however remains uncertain, pending further developments in amongst others, interest rates. Should interest rates be increased to by between 10 and 11 percent by end 2015 as predicted by some institutions, it is unlikely that investment growth will be sustained at the current rates.

The outlook for private sector spending is also uncertain, and is expected to be negatively affected by recurring industrial strike action, weak business confidence and the impact of tighter monetary policy. Confidence is an important element necessary to stimulate private sector investment. Affordability is also important and mainly includes

access to finance, either by means of savings or borrowings. With savings still at zero percent of disposable income, and debt levels likely to increase again due to the impact of higher interest rates, borrowing options are also limited. There is therefore simply insufficient evidence to support a faster recovery in private sector investment. Private business enterprises contributed 64 percent to total gross fixed capital formation in the 2nd quarter of 2014, compared with 15,6 percent by the government and 20,4 percent by public corporations.

According to the South African Reserve Bank, a total of R298bn was spent on construction in 2013, including investment in residential and non-residential buildings and construction works. This would also include purchases of machinery and equipment, often imported, used in the construction process such as the installation of turbines. Government invested R94,7 bn, compared with R87bn by SOE's and R116 bn by the private sector. A breakdown of investment in construction by client type is only provided on an annual basis.

Gross fixed capital formation (GFCF) as a percentage of GDP stabilized at 20,7 percent over the last two quarters, from an average of 22,9 percent in 2012. The NDP has set a target of 30 percent contribution of GFCF to GDP by 2030.

Table 3: GFCF Residential, Non-Residential and Construction works, by client 2013 Current prices

<i>2013</i>	<i>Government</i>	<i>SOE's</i>	<i>Private</i>	<i>Total</i>
Residential	2,970	165	38,697	41,832
Non-residential	15,095	6,608	47,994	69,697
Civil works	76,658	80,353	29,971	186,982
Total	94,723	87,126	116,662	298,511

Source: South African Reserve Bank

Table 4: GFCF by client type, 2005 prices

	<i>Rm, 2005 prices, seasonally adj annualised</i>				<i>Annual Percentage Change</i>				<i>GFCF % of GDP</i>
	General Government	Public Corporations	Private Business enterprises	Total	General Government	Public Corporations	Private Business enterprises	Total	
2007	54,028	47,477	235,587	337,092	22.2%	34.8%	8.9%	14.0%	19.2%
2008	59,912	64,661	256,336	380,909	10.9%	36.2%	8.8%	13.0%	21.0%
2009	55,935	79,048	229,639	364,622	-6.6%	22.2%	-10.4%	-4.3%	20.4%
2010	50,793	77,838	228,500	357,131	-9.2%	-1.5%	-0.5%	-2.1%	19.4%
2011	55,720	77,386	239,019	372,125	9.7%	-0.6%	4.6%	4.2%	19.5%
2012	59,160	81,179	248,326	388,665	6.2%	4.9%	3.9%	4.4%	19.9%
2013	61,223	83,670	262,034	406,927	3.5%	3.1%	5.5%	4.7%	20.4%
1 st QTR 2014	63,721	85,063	267,920	416,704	6.3%	1.8%	5.0%	4.5%	20.7%
2 nd QTR 2014	65,089	84,291	267,164	417,174	7.9%	1.6%	2.7%	3.2%	20.7%

Source: South African Reserve Bank, Quarterly Bulletin

Table 5: GFCF Building and Construction (Rm)

	<i>GFCF Residential</i>		<i>GFCF Non-residential</i>		<i>Total Residential + Non-residential</i>		<i>GFCF Construction works</i>		<i>Total (Residential, Non-residential & Construction works)</i>	
	Current prices	2005 prices, SEA Adj annualised	Current prices	2005 prices, SEA Adj annualised	Current prices	2005 prices, SEA Adj annualised	Current prices	2005 prices, SEA Adj annualised	Current prices	2005 prices, SEA Adj annualised
2007	44235	35882	41,850	33874	86,085	69756	80,879	65674	166,964	135430
2008	47834	33055	52,938	36486	100,772	69541	127,302	87351	228,074	156892
2009	45392	30033	55,915	37440	101,307	67473	161,595	108296	262,902	175769
2010	37466	23956	55,031	35544	92,497	59500	156,717	102501	249,214	162001
2011	37715	22902	59,886	36530	97,601	59432	166,354	103160	263,955	162592

2012	40693	23344	64,553	36849	105,246	60193	175,093	102968	280,339	163161
2013	41832	22547	69,697	37319	111,529	59866	186,982	104385	298,511	164251
1 st QTR 2014	10204	22221	18773	37345	28977	59566	53609	114468	82586	174034
2 nd QTR 2014	10357	21012	18184	37243	28541	58255	56654	122328	85195	180583

Source: South African Reserve Bank Quarterly Bulletin

Table 6: GFCF: Y-Y percentage change (real prices seasonally adjusted)

	Residential	Non-Residential	Total Buildings	Construction Works	Total Construction	Total GFCF
2007	-6.3%	9.0%	0.8%	44.5%	19.5%	14.0%
2008	-7.4%	10.6%	1.6%	31.7%	17.2%	13.0%
2009	-8.1%	-2.3%	-4.9%	12.2%	5.0%	-4.3%
2010	-21.0%	-6.6%	-12.9%	-7.5%	-9.5%	-2.1%
2011	-1.3%	4.6%	2.2%	1.8%	1.9%	4.2%
2012	0.8%	0.1%	0.3%	0.0%	0.2%	4.4%
2013	-3.0%	2.4%	0.3%	5.2%	3.4%	4.7%
1 st QTR 2014	-3.1%	0.6%	-0.8%	11.1%	6.7%	4.5%
2 nd QTR 2014	-6.6%	-0.7%	-2.9%	20.4%	11.8%	3.2%

Source: South African Reserve Bank Quarterly Bulletin

Investment by the private sector in particularly renewable energy supported growth in construction works which increased by 20,4 percent year on year in the 2nd quarter of 2014.

2. CESA Survey: Background

A total of 107 questionnaires were returned via both the on-line and hard copy system. Of these 57 were used in the survey, having submitted returns for the last two consecutive surveys. The sample for the current survey represents a fee income of R2,0 bn, and 5385 employees for the period January – June 2014.

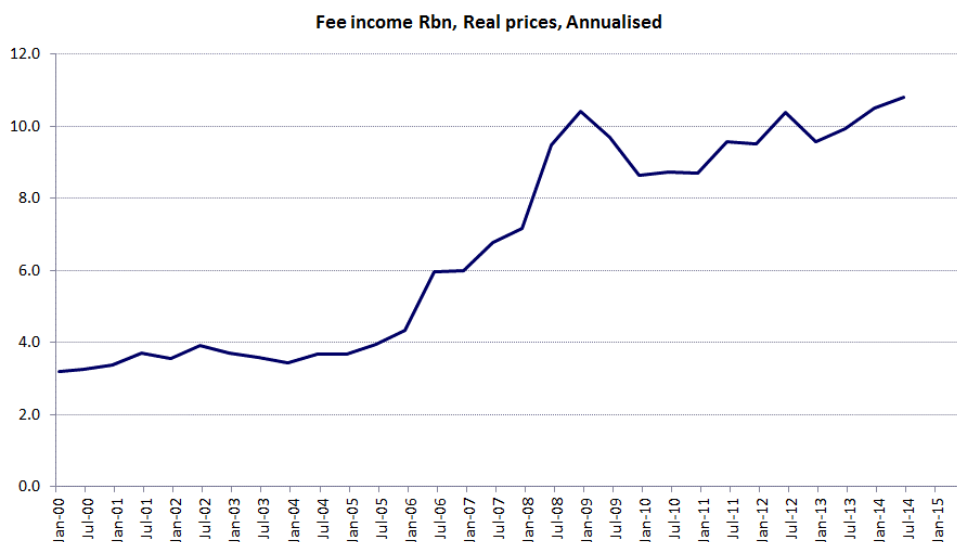
The analysis of the questionnaires completed by active firms in the consulting engineering profession provides a proxy for current and expected working conditions for the profession, which can be measured on a regular basis.

CESA welcomes commentary received from firms and invites all members to actively participate in sending commentary on either the survey or conditions in the work place thereby increasing the relevance of these reports.

The survey is re-evaluated on a continuous basis, to ensure that the questions asked are pertinent and relevant to current conditions in the industry. Several new questions were included in the current survey to improve the compilation of benchmark indicators.

3. Prevailing conditions in the Consulting Engineering Industry

3.1 Financial Indicators



Fee earnings disappointed during the first six months. According to respondents earnings increased by 6 percent in the first six months of 2014, against an expected 11 percent increase. This follows the 9 percent nominal increase reported during the last six months of 2013. Fee income increased to R24 bn, annualised, current prices as at June 2014.

- Following the 6 percent nominal increase in earnings, real growth increased by 8,7 percent year on year

compared to the same period in 2014. The outlook for the last six months is however more optimistic as earnings are expected to increase by around 20 percent, compared to the first six months of 2014, which would then translate into a 19 percent year on year real increase (allowing for an 6% inflationary cost increase) compared to the last six months of 2013.

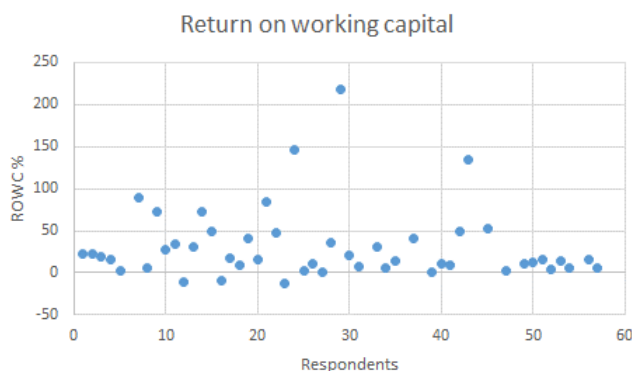
A summary of fee earnings by firm size, as well as projected earnings for the last six months of 2014 is provided in the table below.

Table 7: Fee earnings, actual vs projected by firm size

Firm size category	Projected for June 2014	Actual (June 2014 vs December 2013)	Projected for December 2014
Large	25%	11%	25%
Medium	-11%	-15%	3%
Small	7%	-1%	-12%

Micro	-1%	-24%	-19%
Total	11%	6%	20%

- The value of outstanding payments, not yet invoiced, for confirmed appointments in firms order books increased by 7 percent in the first six months of 2014, compared to the last six months of 2013. The ratio between prevailing orderbooks and current earnings improved from 1:3 in the December 2013 survey to 1:6 in the June 2014 survey, which also supports the stronger expectations for earnings in the next six months.
- Higher earnings however are not accompanied by increased profitability. According to respondents, the average (un-weighted) **net profit** (before tax) moderated to 13 percent, from an average of 15 percent in the previous survey .
 - The average profit margin for firms employing more than 100 people fell from 13 percent (revised) in the last six months of 2013 to an average of 8 percent in the first six months of 2014, and stabilised at 14 percent for medium size firms employing between 10 and 100 people.
 - Majority of larger firms expect margins to improve in the last six months (78 percent), while 52 percent of the medium size firms expect margins stabilise. Larger firms were aware of the fact that margins would be under pressure in the first six months of 2014, as only 3 percent then expected margins to improve.
 - Not surprising, majority of larger firms are unsatisfied with prevailing margins (73 percent), compared to 16 percent reported as unsatisfied by medium size firms.
- The industry's **return on working capital**¹ (un-weighted average) moderated to 31,0 percent from 44,9 percent in the previous survey, and an average of 40,9 percent and 46 percent in the past two surveys. Majority of firms reported a ROI of between 20% and 100%, with a few reporting negative rates.



- There was an improvement in payment according to respondents. Approximately 7,7 percent of **fee earnings were outstanding for longer than 90 days**, including income outstanding from foreign clients, compared to 22 percent and 9,9 percent in the previous two surveys. This translates to an estimated R4bn outstanding in fee earnings. A breakdown by firm size is provided in the two tables below.
 - Majority of fees outstanding for longer than 90 days was owed by the private sector (36 percent) followed by 22,6 percent owed by local government and 21 percent owed by foreign clients. As a percentage of earnings, private clients owed 16,8 percent for longer than 90 days, followed by 14,2 percent by local authorities and 13,1 percent by State owed enterprises.

¹ Return on investment is defined as the company's annual profit after interest and tax, as a percentage of Net Working Capital (current assets – current liabilities) during the last completed financial year. Working capital is considered part of operating capital as it affects the day to day operating liquidity. An increase in working capital indicates the business has either increased current assets (ie accounts receivable or inventory), or has decreased its current liabilities (accounts payable).

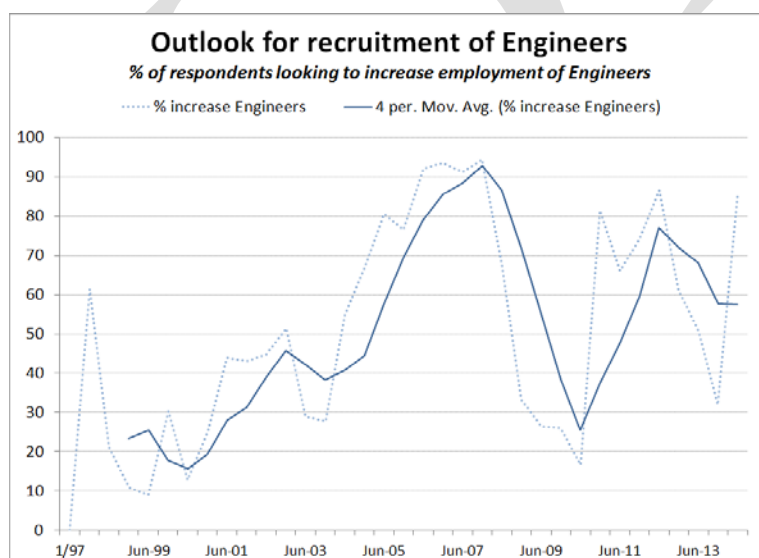
Table 8: Percentage of fee income outstanding for longer than 90 days, by client type

	<i>Central</i>	<i>Provincial</i>	<i>Local</i>	<i>SOE's</i>	<i>Private</i>	<i>Foreign</i>	<i>% of total income outstanding for longer than 90 days</i>
Large	3.1%	7.5%	16.1%	16.0%	23.9%	5.9%	19%
Medium	0.4%	7.1%	11.2%	7.8%	8.5%	52.2%	12%
Small	0.0%	15.2%	6.4%	1.8%	17.6%	-	17%
Micro	26.0%	8.8%	14.5%	0.5%	18.8%	8.4%	12%
Total	2.8%	8.3%	14.2%	13.1%	16.8%	7.4%	17%

3.2 Human Resources

3.2.1 Employment

- Employment fell by 1 percent in the first six months of 2014 compared with the last six months of 2013, to 23,389, compared with an increase of 3 percent reported in the June 2013 survey. Compared to the same period in 2013, employment was 4 percent lower, which is a decrease of close to 1000 people.
- In spite of the overall decline of 1 percent in employment, there was an increase in the employment of support staff including administration and laboratory assistants.
- The number of firms looking for engineers increased to 82 percent, from 32 percent in the December 2013 survey. Smoothed over a 4-survey period, the trend is still considerably lower, and just started to show an upward trajectory.
- A total of 31 percent of firms reported difficulties in recruiting male engineers and 91 percent reported problems recruiting female engineers.
- A higher percentage (94 percent) reported difficulties in recruiting previously disadvantaged male and/or female engineers. It would seem the issue on recruiting female engineers is becoming more profound, although bursaries are still mainly in favour of male recipients.



82 percent of respondents said they expect demand for Engineers to increase over the next 6 months

Table 9: % of firms wanting to increase staff, by type of personnel

Type of personnel	% of firms wanting to	% of firms wanting to	% of firms wanting to	% of firms wanting to	% of firms wanting to	% of firms wanting to	% of firms wanting to
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	increase staff June 2011	increase staff December 2011	increase staff June 2012	increase staff December 2012	increase staff June 2013	increase staff December 2013	increase staff June 2014
Engineers	66.0	74.0	86.5	61.2	50.8	32.0	86.2
Technologists	51.8	36.0	38.2	19.9	46.2	23.0	26.7
Technicians	52.7	22.0	22.2	18.1	30.5	22.0	12.9
Other technical staff	8.3	4.8	17.5	12.5	20.9	36.0	3.4
Support Staff	6.6	6.9	6.6	7.5	24.0	28.0	2.1

3.2.2 Salary and Wage bill

- The contribution of the salary and wage bill to fee earnings averaged 66 percent (compared to 60 percent in the previous survey), and is a significant contributor to the average cost of production in the consulting engineering industry.
- The contribution of the salary and wage bill was similar between the various size firms.

3.2.3 Outsourcing

- On average firms **outsourced** a higher percentage of turnover due to procurement and transformation requirements as prescribed by public sector clients, compared to outsourcing to external enterprises or black owned enterprises
- On average larger firms outsourced 29 percent to external enterprises, 34 percent for procurement purposes laid down by the public sector and 25 percent to black owned enterprises.
 - Measured as a percentage of total turnover in the sector, 9,4 percent of earnings were outsourced to external enterprises or individuals, including sub-consultants, joint ventures and contractors. The average percentage rate outsourced by larger firms was 29 percent.
 - On average the industry outsourced 8,6 percent of earnings to satisfy procurement / transformational requirements as laid down by the public sector clients. The average percentage rate outsourced by larger firms was 34 percent.
 - On average the industry outsourced 6,2 percent of earnings to black owned enterprises. The average percentage rate outsourced by larger firms was 25 percent.

% of Turnover outsourced to:

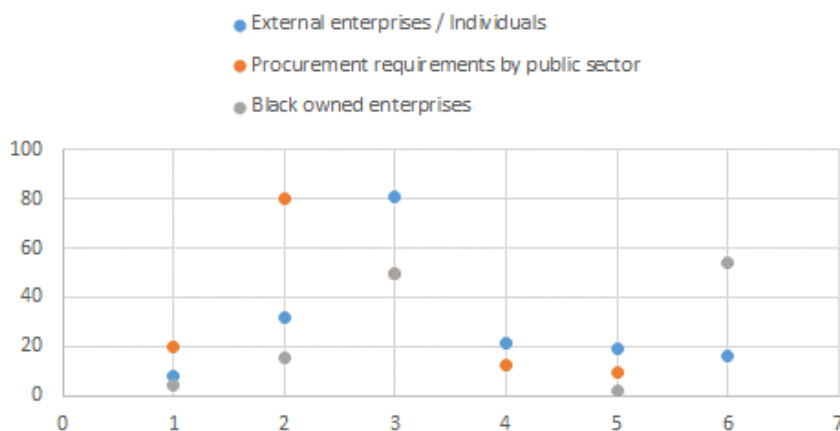


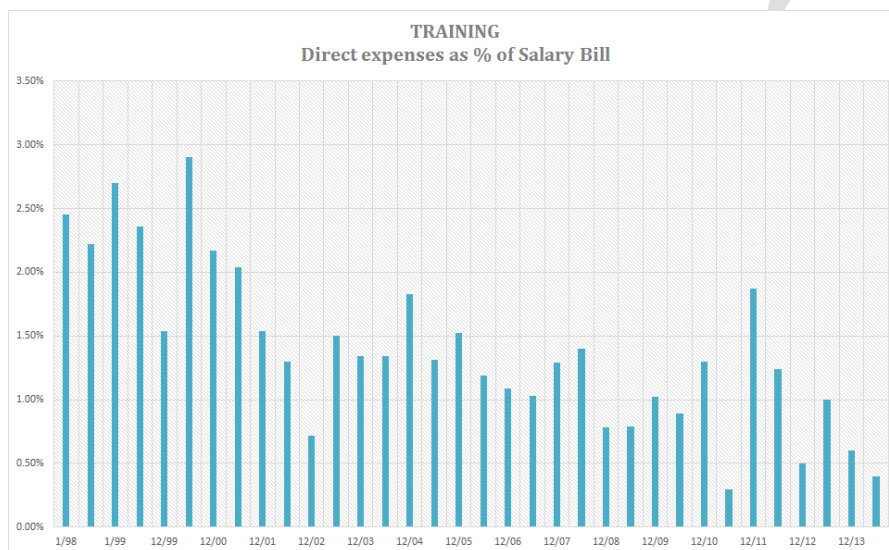
Figure 1: Matrix distribution of average percentage outsourced by larger firms, according to main purpose

Table 10: Average percentage of turnover outsourced, for consulting services only, by firm, size and purpose

	External enterprises or individuals including sub-consultants, joint ventures and contract workers	Procurement / Transformational requirements as laid down by the public	Black owned enterprises
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	<i>sector clients</i>		
A	29.50	34.36	25.09
B	17.99	46.50	26.84
C	15.10	13.25	9.77
D	31.11	7.00	12.00
Average % of industry turnover	9.4%	8.6%	6.2%

3.3 Training



Expenditure on training, and in particular bursaries, is of a seasonal nature and responses can therefore be distorted in terms of timing when the bi-annual survey is conducted. Training expenses, which include the costs directly associated with training as well as the cost of salaries but excluding the 1% CETA skills development levy, averaged 4,5 percent of the total estimated salary bill, relatively on par with the 4,2 percent reported in the previous survey but still lower than the 6,1 percent reported in the June 2013 survey. This data is not entirely reliable, as many firms generally do not complete this section of the questionnaire. Majority of the firms

report only on “direct training costs”.

Direct training costs, an easier measurement of firms contribution to training, averaged 0,4 percent of the salary and wage bill, compared to 1,6 percent in the December 2013 survey. Larger firms spent on average 0.6 percent of their salary and wage bill on direct training, ranging from 0.1% to 1.4%. Only 23 percent of the firms spent more than 1 percent of their salary and wage bill on direct training. Over the years, firms have spent a smaller portion of their salary and wage bill on training, deteriorating from between 2 and 2,5 percent to less than 1 percent.

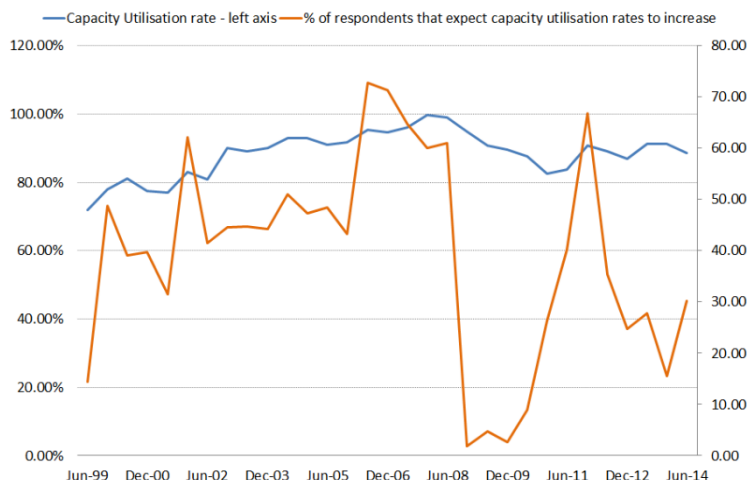
3.4 Industry profile of Executive Staff

The appointment of Black executive staff (including Black, Asian and Coloured), measured by the contribution of black executive directors, non-executive directors, members and partners as a percentage of total executive staff, **increased to 36,0 percent from 35,8 percent and 35,5 percent** in the previous two surveys. The appointment of Black executive staff has steadily increased from 28,1 percent in the June 2012 survey. This shows real significant progress in terms of industry transformation. A detailed breakdown is provided in Statistical Tables.

Women (including all races) appointed at an executive level represented 8,8 percent of total executives, from 7,5 percent in the previous survey. Of the total women employed in the consulting engineering industry, 1,2 percent are appointed at an executive level (up from 0,9 percent in the December 2013 survey), compared to around 6,8 percent amongst male employees.

3.5 Capacity Utilisation

Capacity Utilisation Rate



The capacity utilisation rate moderated slightly to 89 percent from an average of 91 percent over the previous two surveys, after having deteriorated to a level of 87 percent in 2012.

Majority of firms expect utilisation rates to remain unchanged, but the percentage of firms that expect it to increase, rose from 15 percent in the December 2013 survey to 30 percent.

3.6 Competition in tendering

Impact of competition on discounting



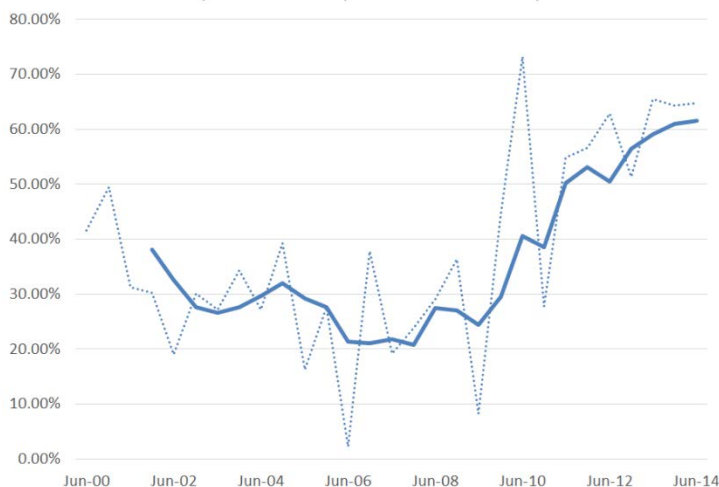
Competition in tendering generally eases during a time when the availability of work increases and intensifies during periods of work shortages. An easing of competition will generally lead to an increase in prices, while price inflation is capped during periods of work shortages due to the fact that an increasing number of firms tender on the same project. The tendering process is costly and time consuming, and higher levels of competition significantly increases the risk for the engineering firm.

A slightly lower percentage of respondents reported “Very keen to fierce” competition, although it was sustained at above the 90 percent level.

Competition for work was experienced as “Very keen to fierce” by 91,1 percent of firms, compared to 91,9 percent in the previous survey.

An overwhelming 64,7 percent of firms experienced “fierce” competition during the survey period. Smoothed over the last two years, this is the highest level since the inception of the survey (Refer fig on the left).

The average discount being offered to clients increased marginally from 24,0 percent to 24,5 percent in the current survey. Discounting has gradually increased in line with the tougher tendering conditions experienced by firms. Discounted rates are benchmarked against the ECSA Guideline fee scales.



By comparison larger firms tend to discount more aggressively, an average of 40,0 percent in the last two surveys, compared to 35 percent in the June 2013 survey, and between 25% and 30%, in the previous surveys. The average for medium size firms increased slightly from 20,9 percent in the December 2013 survey to 23,0 percent.

Larger firms also experience more intense competition, with 79 percent of the firms reporting competition as “fierce”, compared to only 13 percent in medium size firms, with an average discounting rate of 23,0 percent.

Table 11: Capacity and Discounting by Firm size category

<i>Firm Size Category</i>	<i>Capacity Utilisation of existing technical staff during the past 6 months</i>	<i>% of Respondents that expect capacity utilisation of technical staff to increase over the next 6 months</i>	<i>Average discount being offered by respondents in tendering situation to clients, benchmarked against the ECSA guideline fee scales</i>	<i>% of Respondents that reported FIERCE Competition for work during the last six months</i>
Large	80.4	28.0	40.0	71.0
Medium	88.3	34.0	23.0	34.0
Small	95.5	60.0	20.6	16.0
Micro	88.8	23.0	21.7	19.0
Industry Average	91.1 (Weighted)	30.0 (Weighted)	24.5(Weighted)	64.7 (Weighted)

3.7 Pricing

No specific escalation index is available for the consulting engineering industry. After exploring many different avenues it was proposed to calculate a CESA Cost index that is based on a “labour unit cost” and extracted directly from the CESA BECS Survey. This should accommodate at least between 60% and 65% of the firms’ costs and should therefore, in theory, be a reliable indicator of escalation. The CPI is currently used to deflate all financial information, until such time CESA officially applies the CESA Labour cost index as an industry price deflator.

The index is based on the sample of total number of employees versus the salaries and wages paid during the period under review.

According to CESA’s labour cost indicator, the average unit cost of labour for the industry, increased by an average of 0,2 percent y-y in the first six months of 2014, compared to an increase of 7 percent in the last six months of 2013 and 24 percent y-y in the first six months. The average annual increase in labour costs accelerated from 10,9 percent in 2012 to 15,6 percent in 2013. The impact of higher salaries and wages is profound on the engineering business considering that between 55% and 66% of earnings are paid towards the salary and wage bill.

While changes in the general cost of living (as measured by the Statistics South Africa’s Consumer Price Index) are clearly not indicative of labour cost changes in the consulting engineering industry, the CPI may have a strong influence in the determination of ECSA Guideline Fees, which has shown an average increase of 6,2 percent in the first half of 2014, compared to 5,8 percent in the second half of 2013 and 5,6 percent in the first six months of 2013. Consumer inflation has breached the Reserve Bank’s upper inflationary target, earlier than expected (March 2014), and is expected to average 6,2 percent for 2014, moderating to 5,8 percent in 2015. External factors are largely to blame for the uptick in inflation, related mostly to exchange rate factors.

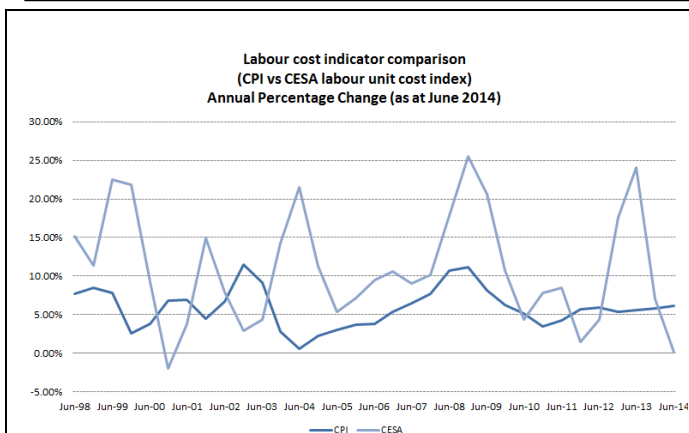


Figure 2: CESA Labour Cost Indicator (LCI)

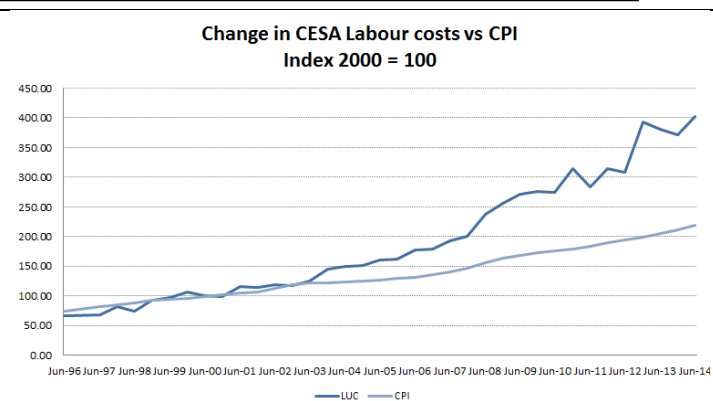
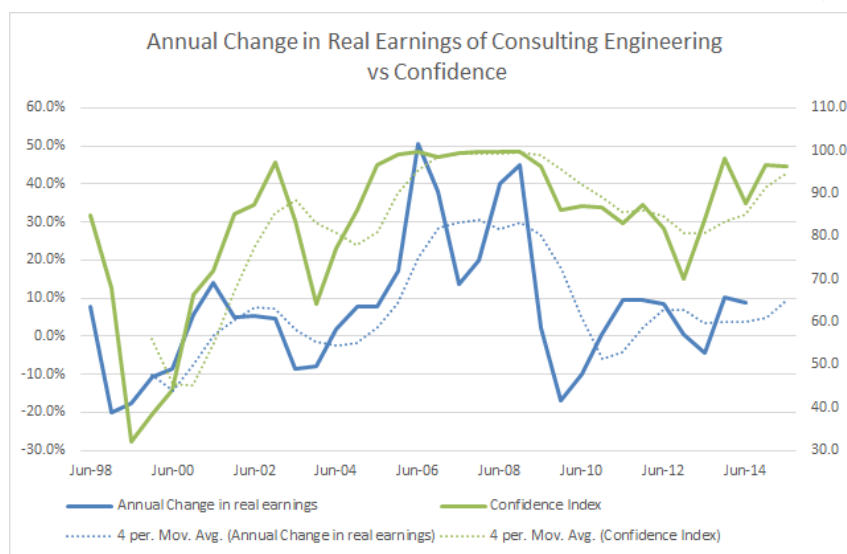


Figure 3: Change in CESA LCI vs CPI

4. Industry Outlook



Explanatory note: The confidence index, as an indicator of members' assessments regarding current and future prospects with regard to market developments, it is a "weighted" index. The response of each company is weighted according to its total employment, including full and part time staff, and the index represents the net percentage of members satisfied with business conditions.² To ensure that possible distortions emanating from ad hoc replies do not occur, only those members that have submitted returns during the last two consecutive surveys are used. The confidence index is used as a leading indicator to determine a short to medium term outlook for the consulting engineering industry.

After a more optimistic 2013, conditions in the first six months of 2014 appeared to have been less satisfactory. The confidence index for the first six months was revised downward from an expected level of 98.3 to 87.7, suggesting weaker than expected conditions. In spite of the slower than expected start to the year, firms are more optimistic with regard to business conditions for the next 12 months, averaging 96.6 for the last six months of 2014 and 96.2 percent for the first six months of 2015.

Larger firms were unanimous in their views that the outlook for business conditions is satisfactory over the next 12 months, compared with 82,5 percent of the medium size firms.

Table 12: Confidence as at December 2013, by firm size category (% of respondents that experienced satisfactory business conditions)

Firm size category	First six months of 2014	Next 6 months	Next 12 months
Large	89.0%	100.0%	100.0%
Medium	83.9%	82.5%	82.5%
Small	84.4%	100.0%	92.2%

² The net percentage reflects only those members that expect conditions to be satisfactory, quite busy or very busy.

Micro	73.5%	79.4%	71.6%
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So how does the business environment perceptions in the consulting engineering industry compare with the contracting industry and business in general?

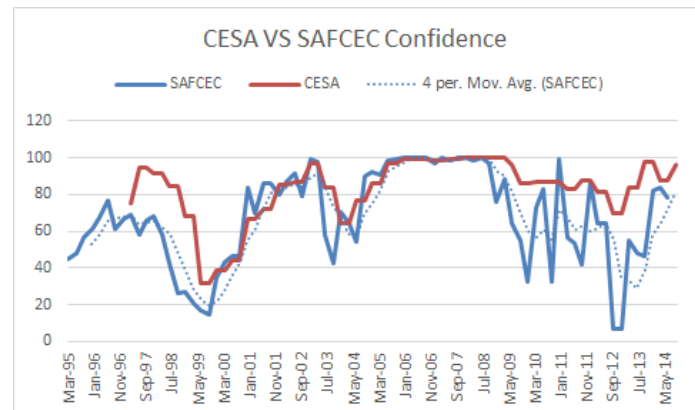
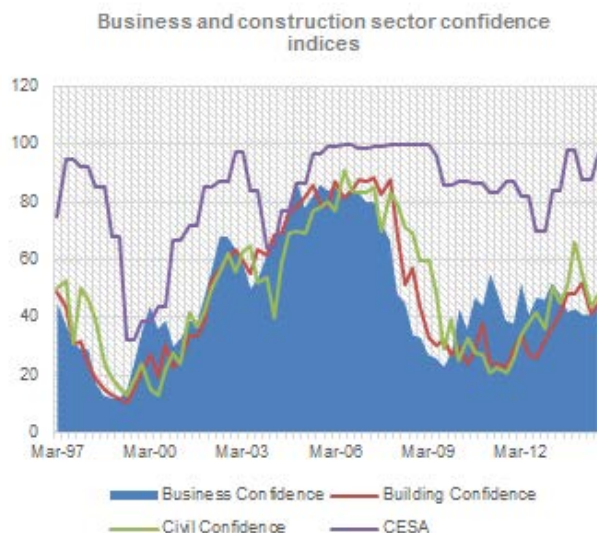


Figure 4: CESA vs SAFCEC Confidence

Figure 5: Business and construction sector confidence indices (FNB/BER, CESA, SAFCEC)

The relationship between confidence levels of engineers and civil contractors deteriorated from 2009 onwards, as the business environment in terms of consulting engineering did not seem to deteriorate at the same pace as that experienced by the civil construction industry. Opinions expressed by civil contractors, as measured by the FNB/BER indices, were more depressed in the first three quarters of 2014, moderating from a nett satisfaction rate of 66 percent in the last quarter of 2013, to 55, 44 and 48 percent in the first three quarters. The FNB/BER Building Industry confidence index, declined to a nett satisfaction rate of 45 percent in the 3rd quarter of 2014, from 52 percent in the first quarter. Thus at a contracting level, conditions in both the building and civil industries are still very much depressed.

Confidence in the consulting engineering sector generally lags business sentiment. Business sentiment slumped back to a level of 41 in the 1st and 2nd quarters of 2014, but showed some improvement to a level of 46 in the 3rd quarter. Business confidence is still negatively impacted by the industrial strike action in the first half of the year, poor economic growth, rising inflation and the expectation of further monetary policy tightening. Confidence levels have deteriorated since 2007 (when it was at a level of 69) and until it recovers back to a level of at least 60, the outlook for increased private sector investment will remain subdued.

Table 13: CESA Confidence index: % respondents satisfied with working conditions

Survey Period	CESA Confidence Index	% Change on previous survey	% Change on survey same time last year
Jun-05	96.8	12.2%	25.4%
Dec-05	99.3	2.5%	14.9%
Jun-06	99.7	0.5%	3.0%
Dec-06	98.4	-1.30	-0.8
Jun-07	99.4	1.0%	-0.3%
Dec-07	99.8	0.4%	1.4%
Jun-08	99.9	0.1%	0.5%
Dec-08	99.8	-0.1%	0.0%
Jun-09	96.2	-3.6%	-3.7%
Dec-09	86.0	-10.6%	-13.8%
Jun-10	87.1	1.3%	-9.4%
Dec-10	86.7	-0.5%	0.8%
Jun-11	83.2	-4.0%	-4.5%
Dec-11	87.4	5.0%	0.8%
Jun-12	81.8	-6.4%	-1.7%
Dec-12	70.0	-14.4%	-19.9%
Jun-13	84.0	20.0%	2.7%
Dec-13	98.1	16.8%	40.1%
Jun-14	87.7	-10.6%	4.4%
Dec-14 (forecast)	96.6	10.1%	-1.5%
Jun-15 (forecast)	96.2	-0.4%	9.7%

5. Industry challenges as noted by respondents

Many of the challenges were noted before but as they are still applicable are included again in this report.

- Regulation issues, including the procurement of consulting engineering services, remain one of the biggest challenges faced by the industry. Procurement is currently based on price and broad-based black economic empowerment (BBBEE) points, with functionality or quality having a minimum threshold, thus being largely price driven. This is affecting tender prices, as firms sometimes tender below cost in view of the diminished availability of projects.
- Unrealistic tendering fees remain a concern for members, while the extended time it takes in which to finalise a proposal is affecting profitability in the industry.
- The quality of technical personnel is argued by some firms to have deteriorated, putting greater risk on the built environment sector. Skills shortage is regarded as one the most significant institutional challenge faced by the private and the public sector. CESA has offered their services to government to procure and implement projects.
- Fraud and corruption is affecting the ethos of our society, with a lot of talk and little action accompanying the growing evidence of corruption. CESA is aware that members are under pressure from contractors and corrupt officials, to certify payment for work not completed. This is regarded as an extremely serious matter for CESA and as such will be relentless in holding those in power accountable.
- Unlocking greater private sector participation is seen as a critical element to fast track delivery which will support engineering fees and as such engineering development in the industry. Private sector participation in this context refers to involvement on a more technical level (and not as a client), to improve municipal capacity and efficiency. Government must create an environment for the private sector so that it can play a much bigger role in infrastructure delivery. Many of the projects highlighted in the NDP can be carried out by the private sector through public-private partnerships.
- Service delivery, especially at municipal level remains a critical burning issue. The consulting engineering industry is threatened by incapacitated local and provincial governments. As major clients to the industry, it is important that

these institutions become more effective, more proactive in identifying needs and priorities and more efficient in project implementation and – management.

- The involvement of non-CESA members in government tenders and procurement continues to threaten the standard and performance of the industry. Non-CESA members do not seem to comply with the same standards and principles as those firms that are members of CESA. Whether this is linked to complaints of “below cost” tendering during 2009, is not certain, but CESA members should be better informed about engaging in below cost tendering.
- Firms from across South African borders are tendering at rates that are not competitive for local firms. Complaints have been received of some of these firms not producing proper drawings and not attending site visits. Clients, unfortunately, are not always properly experienced or educated to conduct proper procurement assessments and unknowingly award contracts to these “unscrupulous” firms. While these occurrences may be limited to smaller rural areas, it remains an unacceptable practice.
- Lack of attention to maintain infrastructure poses a serious problem for the industry. Not only is it much more costly to build new infrastructure, but dilapidated infrastructure hampers economic growth potential. The cost of resurfacing a road after seven years at current prices, is estimated at R175 000 per kilometer, compared to R3 million per kilometer to rebuild, less than 6% of the construction price. In many cases, infrastructure is left to deteriorate to such a state, that maintenance becomes almost impossible.
- A further challenge to the industry is to find a way to standardize the procurement procedures applied by the different government departments. Procurement procedures should be standard for the country, or at least for the specific tier of government.
- Adapting to a low growth environment as outlook for infrastructure spending is hampered by poor economic growth, lower than expected revenue by government, international economic instability and price volatility, and low private sector confidence.

6. Market Profile

6.1 Sub-disciplines of fee income earned

The South African consulting engineering industry is represented by many different sub-disciplines. The most common disciplines within larger firms include civil, structural services and electrical services, contributing 40 percent, 13,2 percent and 10,1 percent in earnings during the first 6 months of 2014. The contribution of project management accelerated to 10,3 percent, from 6,8 percent in the previous survey.

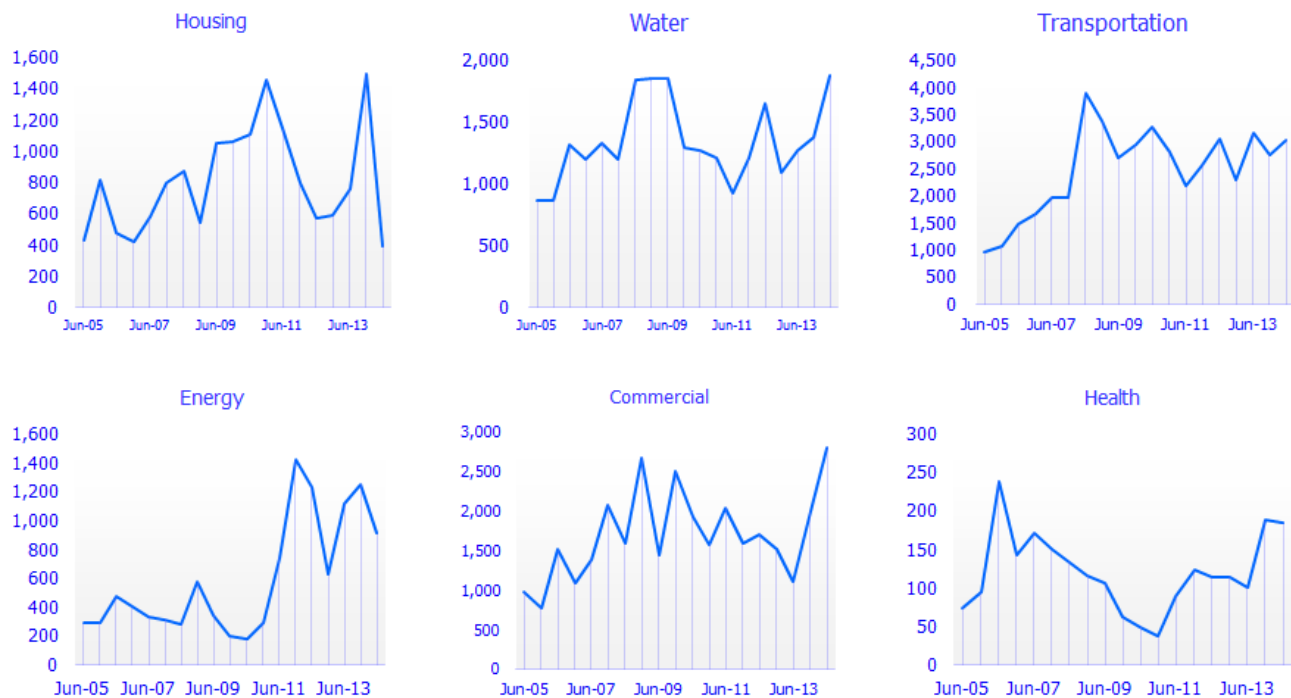
With the recent amendment to Standard Building regulations, which provides more focus on health and safety issues, it may be necessary to amend forthcoming surveys to include this as a discipline offered by the engineering services sector.

Details of the various sub-disciplines are provided for under Statistical Tables.

6.2 Economic Sectors

The economic sectors include all infrastructure associated within that sector including expenditure related to soft issues such as feasibility studies or environmental assessments. From this, three key sectors evolved namely water services, transportation and commercial, with a growing emphasis on housing.

The two most prominent sectors were Transportation, with a more moderate contribution of 28 percent compared to 26 percent in the December 2013 survey, and the Commercial sector which contributed 26,0 percent compared with 18,9 percent in the previous survey. The contribution by the mining sector continued to deteriorate, and contributed only 3,8 percent to earnings in the first six months of 2014, compared to 17 percent in the same period in 2013. There was a slight increase in the contribution by the water sector, up to 17,4 percent from an average of 13,0 in the 2013.



The table below provides a snapshot of earnings by sector categorized between large, medium, small and micro firms.

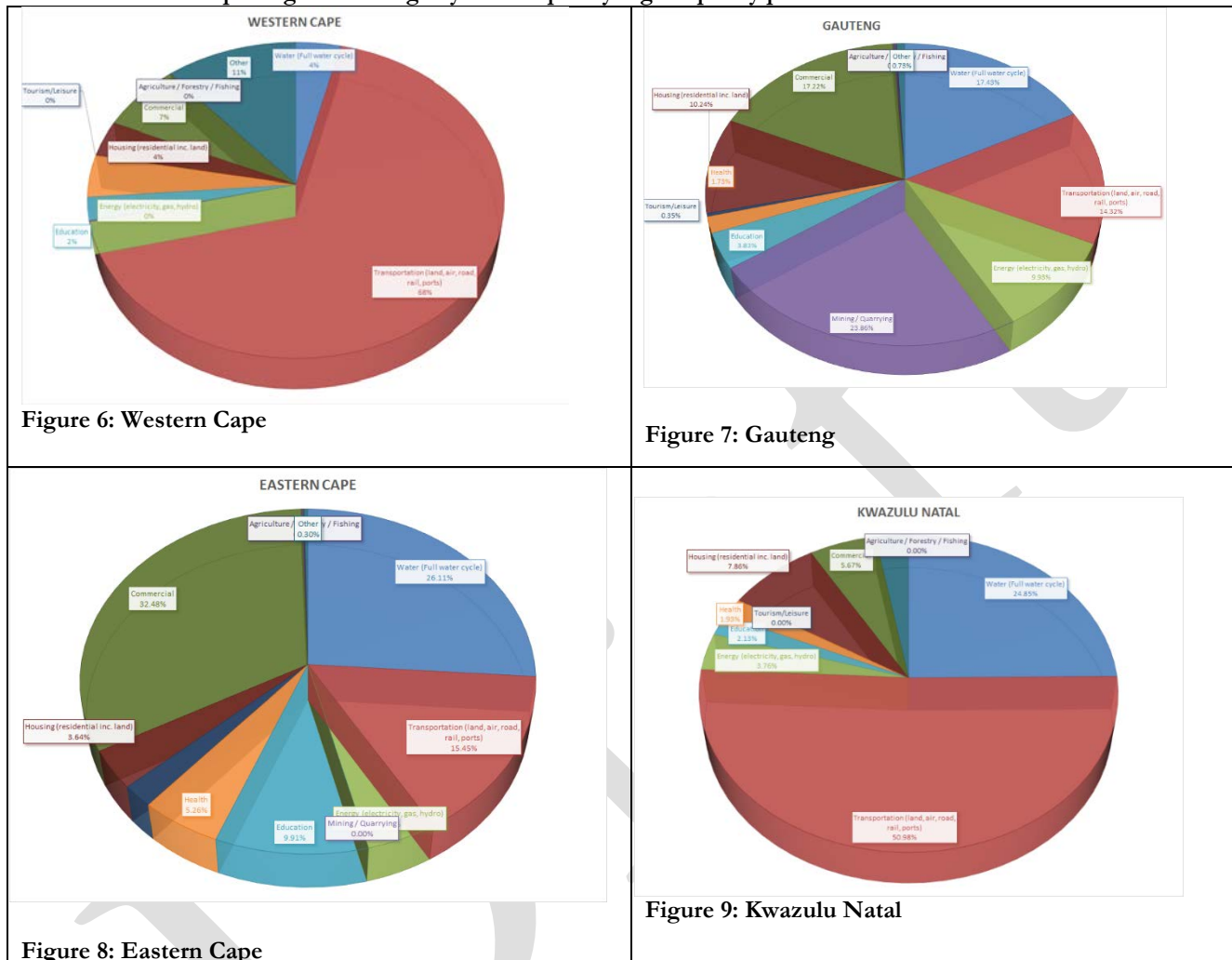
Table 14: Distribution of fee earnings by economic sector, by firm size

	Water	Transportation	Energy	Mining	Education	Health	Tourism	Housing	Commercial	Agriculture	Eco other	Total
Large	17.3%	29.4%	7.4%	4.0%	0.7%	1.0%	0.3%	3.5%	27.1%	1.4%	7.8%	100.0%
Medium	14.7%	21.9%	11.7%	3.4%	11.0%	5.7%	0.5%	5.1%	23.9%	1.3%	1.0%	100.0%
Small	37.5%	23.7%	21.5%	0.8%	4.7%	2.3%	0.3%	2.5%	2.3%	0.3%	4.1%	100.0%
Micro	11.5%	21.5%	9.4%	0.1%	1.8%	1.5%	1.1%	0.9%	28.5%	3.0%	20.9%	100.0%
Total	17.4%	28.1%	8.5%	3.8%	2.3%	1.7%	0.4%	3.7%	26.0%	1.4%	6.8%	100.0%

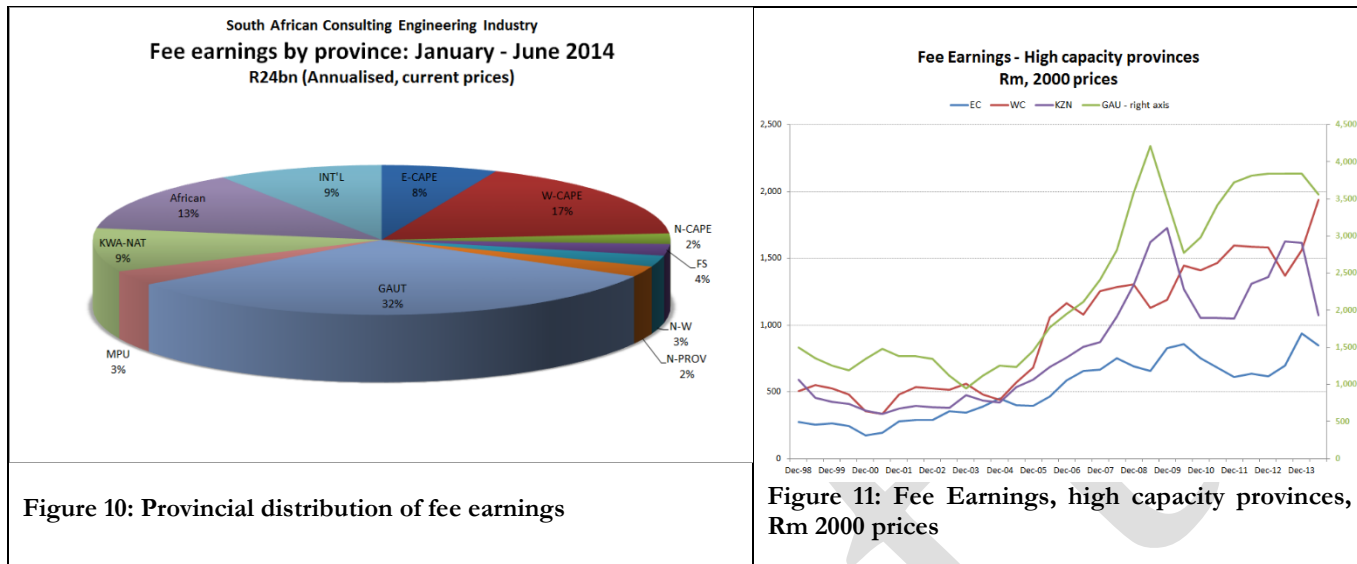
Based on a provincial distribution of fee earnings - where earnings for a particular firm exceeded 50% within one specific province – the four charts below show the distribution within the four high capacity provinces by economic sector in order to gauge some profile of activity at a provincial level. In Western Cape for example earnings were dominated by the transportation sector, while mining was more dominant in Gauteng, commercial in Kwazulu Natal and transportation in the Eastern Cape.

Please note that this data is not suitable to determine regional market shares. It is merely a proxy of market activity where a particular firm earned more than 50 percent of its earnings in a particular province and to determine how those earnings have been made up.

Table 15: Charts depicting fee earnings by sector split by high capacity provinces



6.3 Geographic Location



Bulk of fees were earned in Gauteng, 32 percent, compared to 35 percent and 40 percent in the previous two surveys. The contribution by the Western Cape moderated to an average of 17,1 percent from 19,2 percent, while the contribution by Kwazulu Natal declined further to 9,4 percent from 10,7 percent.

Smoothed over a two survey period, fee earnings have started to deteriorate in Gauteng (down 7 percent in real terms), while earnings increased by 21 percent in the Eastern Cape and by 41 percent in the Western Cape. Out of the four high capacity provinces, Western Cape has shown the most positive upward trajectory in earnings.

6.4 Clients

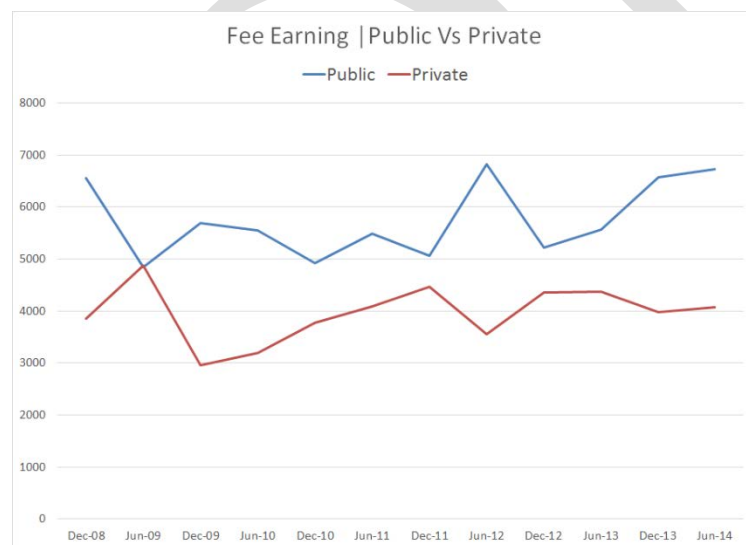


Figure 12: Fee Earnings Public vs Private Sector

is provided in the table below.

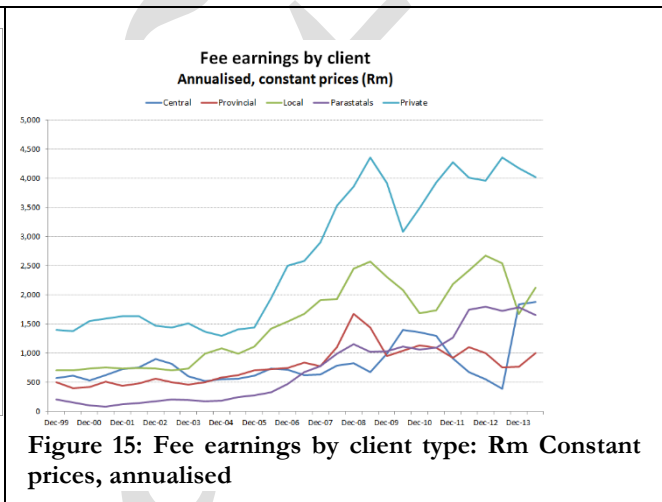
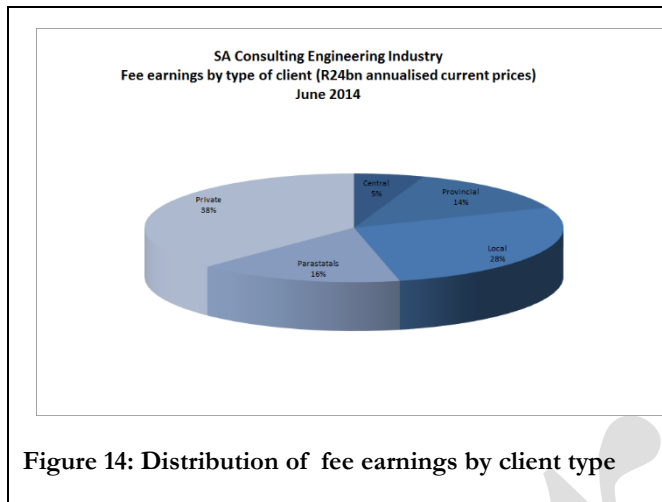
The contribution to fee earnings by the private sector stabilized at 37,7 percent in the current survey, from 44,0 percent in the June 2013 survey. The contribution by government normalized to 5,4 percent, after a surprise uptick in the December 2013 survey to over 30 percent. The contribution by provincial government accelerated to 13,1 percent, from between 5 and 10 percent in the previous two surveys, and local government accelerated to a contribution of 27,6 percent. The contribution by Parastatals was also stable at 15,8 percent, on par with the previous survey.

In aggregate the public sector remains the most important client to the consulting engineering industry where earnings have shown a marginal increase compared to the private sector. Refer figure on the left.

A breakdown of earnings by client type and firm size

Table 16: Fee earnings distribution by client by firm size

	<i>Central</i>	<i>Provincial</i>	<i>Local</i>	<i>Parastatals</i>	<i>Private</i>	<i>Total</i>
Large	5.5%	11.1%	31.8%	19.5%	32.1%	100.0%
Medium	4.8%	15.3%	19.9%	9.8%	50.3%	100.0%
Small	8.0%	24.2%	31.3%	13.7%	22.8%	100.0%
Micro	6.2%	15.8%	21.8%	15.1%	41.1%	100.0%
Total	5.4%	13.5%	27.6%	15.8%	37.7%	100.0%



7. Professional Indemnity Insurance

The industry spends approximately between R200 million and R400 million on premiums for professional indemnity insurance, or roughly 1 percent of gross fee earnings (compared to 1.8 percent in the previous survey). Majority of firms (64 percent) spend less than 1% of their income on insurance, but a few did report between 3 percent and 11 percent. Most of the larger firms reported a level of between 0,2 percent and 1,0 percent.

Table 17: Average annual premium as percentage of gross fee income, by firm size category

Firm size category	Average annual premium as percentage of gross fee income
A	0.5
B	1.3
C	0.8
D	1.6
Average	0.8

Majority of firms (72%) reported a low risk exposure, while none of the respondents reported to have a high risk exposure. Only a few firms reported on the value of claims paid by insurers as a percentage of premiums paid, so the results from this section of the survey is deemed unreliable and not suitable for analytical purposes.

Approximately 30 percent of the responding firms, reported claims over the last five years, averaging 2,6 claims per firm, compared to an average claims per firm of 2,5 and 4,1 in the last two surveys. On average (based on limited responses), of the 45 claims reported by participating firms, 2 (or 4 percent) were not refunded. This is somewhat lower compared to the previous survey, when an average of 13 percent of claims were reported not to have been refunded.

The industry's average limit of indemnity (LOI) as a percentage of gross fee income over the 12 month period increased substantially compared to previous surveys, mainly due to participation of larger firms that affected the average. The limit of indemnity averaged between 2 percent and 46 percent for larger firms, an average of 28 percent.

The industry average in terms of deductibles as a percentage of the indemnity limit averaged 2,8 percent in the June 2014 survey, from an average of 3,6 percent and 2,9 percent in the previous two surveys. Larger firms averaged mostly between 2 percent and 3 percent. Majority of medium size firms averaged below 2 percent.

8. Quality Management System

A quality management system (QMS) is a control that is implemented at various stages of production process or service delivery stages. All firms are required to have a QMS as a condition of CESA membership. Majority of firms reported to have a QMS system in place (96 percent), although this should be at a rate of 100 percent.

Having a QMS in place is now compulsory for all CESA members, who recognize the importance of good efficient quality control. CESA recommends the ISO:9001:2008 frame work, recognizing this framework as being comprehensive and internationally recognized.

Members can, provided the correct procedures are followed, claim a portion of the skills development levy for quality management training. For more information on statutory requirements for members, please refer to the practice note released by CESA.

Members are obliged to use accredited agents should they wish to obtain an ISO 9001:2008 certificate. Details of certification bodies used by Members consenting to make this information available, is published on the CESA website.

On average 32 percent of the firms certified, on par with the previous survey. Majority of the small to micro firms are not ISO 9001:2008 certified, compared to 100 percent of the larger firms (employing more than 100 people) that are certified. An ISO certification is not a condition of membership at this stage.

Statistical Tables

Table 18: General financial indicators

Survey period	Employment ³	Salaries / Wages 2000 prices (Annualised)	Fee Income, R mill (Annualised)			Cost Deflator	
			Current prices	Constant 2000 prices	Y/Y real % change	CPI Index 2000 = 100	CPI y/y % Change
Dec-05	14,026	2,247	5,597	4,330	17.3%	129.3	3.7%
Jun-06	14,068	3,096	7,835	5,954	50.5%	131.6	3.8%
Dec-06	14,912	3,350	8,149	5,983	38.2%	136.2	5.4%
Jun-07	15,807	3,613	9,493	6,771	13.7%	140.2	6.5%
Dec-07	16,755	3,542	10,537	7,183	20.1%	146.7	7.7%
Jun-08	18,347	4,940	14,752	9,499	40.3%	155.3	10.8%
Dec-08	19,081	5,516	16,965	10,407	44.9%	163.0	11.1%
Jun-09	19,596	5,141	16,287	9,700	2.1%	167.9	8.1%
Dec-09	19,342	5,019	14,984	8,653	-16.9%	173.2	6.2%
Jun-10	19,632	4,723	15,433	8,746	-9.8%	176.5	5.1%
Dec-10	19,357	5,220	15,588	8,699	0.5%	179.2	3.5%
Jun-11	19,937	5,650	17,614	9,576	9.5%	183.9	4.2%
Dec-11	19,618	6,002	18,054	9,527	9.5%	189.5	5.8%
Jun-12	20,796	6,124	20,221	10,380	8.4%	194.8	5.9%
Dec-12	19,964	6,316	19,109	9,569	0.4%	199.7	5.4%
Jun-13	24,356	6,557	20,446	9,935	-4.3%	205.8	5.6%
Dec-13	23,625 (r)	6,226	22,286	10,552	10.3%	211.2	5.8%
Jun-14	23,389	7,019	23,557	10,799	8.7%	218.15	6.0%

Table 19: Consulting Engineering Profession: Financial indicators: Annual Percentage Change (Real)

Survey period	Employment	Salary and Wage bill	Fee income	Cost escalation based on CPI index (Stats Sa)
Dec-05	11.3%	14.8%	17.3%	3.70%
Jun-06	9.9%	52.5%	50.5%	3.80%
Dec-06	6.3%	49.1%	38.2%	5.40%
Jun-07	12.4%	16.7%	13.7%	6.50%
Dec-07	12.4%	5.7%	20.1%	7.70%
Jun-08	16.1%	36.7%	40.3%	10.80%
Dec-08	13.9%	55.7%	44.9%	11.10%
Jun-09	6.8%	4.1%	2.1%	8.10%
Dec-09	1.4%	-9.0%	-16.9%	6.20%
Jun-10	0.2%	-8.1%	-9.8%	5.10%
Dec-10	0.1%	4.0%	0.5%	3.50%
Jun-11	1.6%	19.6%	9.5%	4.20%
Dec-11	1.4%	15.0%	9.5%	5.80%
Jun-12	4.3%	8.4%	8.4%	5.90%
Dec-12	1.8%	5.2%	0.4%	5.40%
Jun-13	17.1%	7.1%	-4.3%	5.60%
Dec-13	18.3%	-1.4%	10.3%	5.80%
Jun-14	-4.0%	7.0%	8.7%	6.00%

* Revised

³ Revised June 2007

Table 20: Sub-disciplines: June 2013 – June 2014 Percentage share

Sub-discipline	Jun-13	Dec-13	Jun-14	Change in market share Last 6 months	Change in market share Last 12 months
Agricultural	0.7%	0.5%	2.4%	1.9%	1.7%
Architecture	0.3%	1.0%	1.0%	0.0%	0.8%
Mechanical building Services	3.5%	5.1%	2.3%	-2.8%	-1.2%
Civil	56.7%	49.4%	40.0%	-9.4%	-16.7%
Electrical / Electronic	7.3%	7.6%	10.1%	2.5%	2.8%
Environmental	2.0%	2.2%	3.7%	1.5%	1.7%
Facilities Management (New)	0.4%	0.0%	0.3%	0.3%	-0.1%
Geotechnical	0.9%	1.2%	1.3%	0.1%	0.3%
Industrial Process / Chemical	0.5%	0.1%	1.8%	1.7%	1.3%
GIS	0.4%	0.7%	0.6%	-0.1%	0.2%
Hydraulics (New)	1.2%	1.0%	1.0%	0.1%	-0.1%
Information Systems / Technology	0.0%	0.7%	0.0%	-0.7%	0.0%
Marine	1.7%	2.8%	0.0%	-2.8%	-1.7%
Mechanical	1.8%	2.2%	7.0%	4.8%	5.2%
Mining	0.1%	0.1%	0.9%	0.9%	0.9%
Project Management	7.7%	6.8%	10.3%	3.5%	2.5%
Quantity Surveying	1.0%	0.2%	0.4%	0.1%	-0.6%
Structural	10.4%	14.5%	13.2%	-1.2%	2.8%
Town planning	3.2%	3.8%	3.5%	-0.3%	0.3%
Total	100.0%	100.0%	100.0%	0.0%	0.0%

Table 21: Sub-disciplines: June 2013 – June 2014, Annualized R mill, Real 2000 prices

Sub-discipline	Jun-13	Dec-13	Jun-14	Change Jun-14/Dec-13	Change Jun-14/Jun-13
Agricultural	74	53	259	389.3%	251.6%
Architecture	26	108	110	2.1%	318.3%
Mechanical building Services	350	541	248	-54.2%	-29.3%
Civil	5,636	5,213	4,322	-17.1%	-23.3%
Electrical / Electronic	730	805	1,092	35.6%	49.7%
Environmental	195	234	400	70.6%	105.3%
Facilities Management (New)	43	1	32	2227.2%	-24.9%
Geotechnical	94	125	138	9.8%	46.1%
Industrial Process / Chemical	52	11	198	1672.8%	284.9%
GIS	41	70	62	-12.1%	51.6%
Hydraulics (New)	117	100	111	10.9%	-4.5%
Information Systems / Technology	0	74	1	-98.2%	#DIV/0!
Marine	171	297	3	-98.8%	-98.0%
Mechanical	182	236	760	222.5%	318.2%
Mining	7	7	102	1415.3%	1291.6%
Project Management	768	719	1,109	54.3%	44.4%
Quantity Surveying	95	25	41	63.2%	-57.1%
Structural	1,036	1,527	1,429	-6.4%	38.0%
Town planning	320	405	380	-6.1%	18.8%
Total	9,935	10,552	10,799	2.0%	8.7%

Table 22: Provincial Turnover, R mill, Real 2000 prices (Annualized)

Province	Survey period							
	Dec-10	Jun-11	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14
EC	687	680	543	727	507	884	992	702
WC	1 400	1 532	1 658	1 516	1,646	1,093	2,026	1,847
NC	217	201	210	197	153	179	211	248
FS	426	354	343	467	287	238	232	270
NW	217	201	133	104	134	169	264	259
LIM	200	249	295	280	230	169	179	248
GAU	3 018	3 811	3 639	3 986	3,703	3,984	3,693	3,434
MPU	322	306	438	301	679	427	264	346
KZN	1 061	1 044	1 048	1 567	1,148	2,106	1,129	1,015
AFRICAN	948	1 006	1 058	1 007	813	507	1,087	1,425
INT'L	200	192	162	239	268	179	475	1,004
Total	8 698	9 576	9 527	10 380	9,569	9,935	10,552	10,799

Table 23: Y-Y Change (Trend – SMOOTHED over two consecutive surveys, to remove short term volatility)

Province	Survey period							
	Dec-10	Jun-11	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14
EC	-9.2%	-20.4%	-18.7%	-7.1%	0.9%	9.6%	52.1%	21.7%
WC	18.6%	1.3%	12.9%	8.2%	-0.9%	-13.7%	-1.3%	41.4%
NC	60.0%	98.5%	14.4%	-2.8%	-14.7%	-18.4%	11.3%	38.4%
FS	75.7%	17.5%	-16.1%	3.8%	8.1%	-35.1%	-37.6%	-4.5%
NW	3.5%	10.6%	-15.7%	-43.3%	-28.9%	27.7%	82.0%	72.7%
LIM	-25.3%	-12.9%	24.0%	28.2%	-6.3%	-30.8%	-31.7%	7.3%
GAU	-14.4%	23.1%	24.8%	11.6%	3.2%	0.8%	-0.2%	-7.3%
MPU	15.1%	23.7%	28.6%	17.7%	31.6%	49.7%	-29.5%	-44.9%
KZN	-39.1%	-17.1%	-0.6%	24.2%	29.8%	24.4%	19.1%	-34.1%
AFRICAN	55.4%	-2.6%	1.8%	5.7%	-11.8%	-36.1%	-12.4%	90.3%
INT'L	-0.3%	-6.2%	-13.8%	2.3%	43.3%	11.5%	29.0%	231.1%
Total	-5.0%	5.0%	9.5%	9.0%	4.5%	-2.1%	2.6%	9.5%

Table 24: Market share (% of fee earnings)

Province	Survey period							
	Dec-10	Jun-11	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14
EC	7.90	7.10	5.70	7.00	5.30	8.90	9.40	6.50
WC	16.10	16.00	17.40	14.60	17.20	11.00	19.20	17.10
NC	2.50	2.10	2.20	1.90	1.60	1.80	2.00	2.30
FS	4.90	3.70	3.60	4.50	3.00	2.40	2.20	2.50
NW	2.50	2.10	1.40	1.00	1.40	1.70	2.50	2.40
LIM	2.30	2.60	3.10	2.70	2.40	1.70	1.70	2.30
GAU	34.70	39.80	38.20	38.40	38.70	40.10	35.00	31.80
MPU	3.70	3.20	4.60	2.90	7.10	4.30	2.50	3.20
KZN	12.20	10.90	11.00	15.10	12.00	21.20	10.70	9.40
AFRICAN	10.90	10.50	11.10	9.70	8.50	5.10	10.30	13.20
INT'L	2.30	2.00	1.70	2.30	2.80	1.80	4.50	9.30
Total	100.0%	100.0%	100%	100%	100%	100%	100%	100%

Table 25: Fee income earned by type of client, R mill, Real 2000 prices (Annualized)

Client	Survey period						
	Jun-11	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14
Central	1 302	505	841	268	497	3,176	583
Provincial	1 130	715	1 484	507	994	538	1,458
Local	1 896	2 477	2 367	2,986	2,086	1,266	2,980
State Owned	1 159	1 362	2 128	1,455	1,987	1,593	1,706
Private	4 089	4 468	3 560	4,354	4,371	3,978	4,071
Total	9 576	9 527	10 380	9,569	9,935	10,552	10,799

Table 26: Percentage market share by client

Client	Survey period						
	Jun-11	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14
Central	13.6%	5.3%	8.1%	2.8%	5.0%	30.1%	5.4%
Provincial	11.8%	7.5%	14.3%	5.3%	10.0%	5.1%	13.5%
Local	19.8%	26.0%	22.8%	31.2%	21.0%	12.0%	27.6%
State Owned	12.1%	14.3%	20.5%	15.2%	20.0%	15.1%	15.8%
Private	42.7%	46.9%	34.3%	45.5%	44.0%	37.7%	37.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 27: Percentage of fee income earned by economic sector

Economic sector	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14	Change in the last 6 months
Water (Full water cycle)	12.8%	15.9%	11.4%	13%	13.1%	17.4%	4.3%
Transportation (land, air, road, rail, ports)	27.0%	29.4%	24.0%	32%	26.2%	28.1%	1.9%
Energy (electricity, gas, hydro)	14.9%	11.9%	6.6%	11%	11.9%	8.5%	-3.4%
Mining / Quarrying	6.6%	5.6%	18.5%	17%	5.3%	3.8%	-1.6%
Education	1.3%	1.2%	1.2%	1%	2.2%	2.3%	0.1%
Health	1.3%	1.1%	1.2%	1%	1.8%	1.7%	-0.1%
Tourism/Leisure	0.5%	0.7%	0.8%	1%	1.2%	0.4%	-0.8%
Housing (residential inc. land)	8.4%	5.5%	6.1%	8%	14.2%	3.7%	-10.5%
Commercial ⁴	16.6%	16.4%	15.8%	11%	18.9%	26.0%	7.1%
Agriculture / Forestry / Fishing	1.3%	1.3%	1.1%	3%	0.7%	1.4%	0.7%
Other	9.4%	11.0%	13.4%	3%	4.5%	6.8%	2.3%
Total	100.0%	100.0%	100.0%	100.0%	100%	100%	-

Table 28: Fee income earned by economic sector, Rm, Real 2000 prices, Annualized

Economic sector	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14	Real % Change Jun-14/Jun-13
Water (Full water cycle)	1 216	1 650	1,090	1,271	1,381	1,880	47.9%
Transportation (land, air, road, rail, ports)	2 569	3 052	2,293	3,164	2,760	3,032	-4.2%
Energy (electricity, gas, hydro)	1 423	1 235	628	1,123	1,255	913	-18.7%
Mining / Quarrying	629	581	1,768	1,656	564	407	-75.4%
Education	119	125	114	86	237	250	192.2%
Health	123	114	115	102	189	185	80.9%
Tourism/Leisure	49	73	76	69	126	40	-41.3%
Housing (residential inc. land)	797	571	588	762	1,501	398	-47.8%
Commercial	1 581	1 702	1,513	1,104	1,996	2,804	154.0%
Agriculture / Forestry / Fishing	122	135	105	286	70	150	-47.5%
Other	898	1 142	1,280	311	474	738	137.0%
Total	9 527	10 380	9,569	9,935	10,552	10,799	8.7%

⁴ Commercial includes: Manufacturing, industrial buildings, communication, financial, facilities management

Table 29: Proposed CESA Labour unit cost index

Survey period	Labour Unit cost (LUC) per hour	Index (2000 = 100) Smoothed	Year on Year percentage change in Index	Annual Average Annual Increase
Jun-00	R 63.90	103.88	9.2%	
Dec-00	R 63.08	100.00	-1.9%	3.7%
Jun-01	R 73.80	107.80	3.8%	
Dec-01	R 72.23	115.00	15.0%	9.4%
Jun-02	R75.56	116.39	8.0%	
Dec-02	R74.67	118.31	2.9%	5.4%
Jun-03	R79.51	121.42	4.3%	
Dec-03	R92.14	135.18	14.3%	9.3%
Jun-04 * Revised	R95.22	147.56	21.5%	
Dec-04	R95.75	150.40	11.3%	16.4%
Jun-05	R101.62	155.44	5.3%	
Dec-05	R 103.07	161.20	7.2%	6.3%
Jun-06	R 112.97	170.14	9.5%	
Dec-06	R113.40	178.28	10.6%	10.0%
Jun-07	R122.3	185.61	9.1%	
Dec-07	R127,21	196.49	10.2%	9.7%
Jun-08	R150.43	218.65	17.8%	
Dec-08	R162.80	246.68	25.5%	21.7%
Jun-09	R171.98 r	263.65 r	20.6% r	
Dec-09	R174.77	273.07	10.7%	15.6%
Jun-10	R174.50	275.06	4.3%	
Dec-10	R199.3	294.37	7.8%	6.1%
Jun-11	R179.8	298.5	8.5%	
Dec-11	R199.5	298.7	1.5%	5.0%
Jun-12	R196.2	311.6	4.4%	
Dec-12	R249.8	351.2	17.6%	10.9%
Jun-13	R241.3	386.7	24.1%	
Dec-13	R236.1	375.9	7.0%	15.6%
Jun-14	R255.8	387.4	0.2%	

Table 30: Fee income outstanding for more than 90 days (including foreign fee income earnings)

Income distribution	Fee income outstanding for more than 90 days as % of total annualized fee income (total fee income = gross fee income + fee income outstanding)				
	Jan - Jun 2012 %	Jul-Dec 2012 %	Jan-Jun 2013 %	Jul-Dec 2013 %	Jan-Jun 2014 %
Central government	6.2%	6.4%	6.6%	11.8%	2.8%
Provincial government	17.0%	9.5%	44.7%	6.1%	8.3%
Local government	10.7%	7.0%	5.4%	7.4%	14.2%
State owned enterprises	21.3%	8.5%	7.0%	4.2%	13.1%
Private Sector	11.4%	5.5%	11.2%	6.7%	16.8%
Foreign (all EX-RSA)	15.3%	8.3%	9.9%	56.0%	7.4%
Total	9.4%	8.3%	9.9%	22%	7.7%

* Note:

In the July – December 2001 survey the questionnaire was changed to exclude non-payment for periods less than 60 days, which leads to distortions when comparing previous survey's results. In the July – December 2002 survey the questionnaire was changed to include non-payments by foreign clients (irrespective of client classification). The total percentage of fee income outstanding therefore includes non-payments by foreign clients, previously excluded.

Table 31: Contribution to education and training (excluding 1% CETA Levy)

Survey	Bursaries % of salary bill	Bursaries R mill current prices	Training % of Salary bill ⁵	Training R mill current prices
Dec-00	0,6%	R10	2,1%	R 36.0
Jun-01	0,8%	R14	2,0%	R 36.6
Dec-01	0,5%	R9	1,5%	R 25.7
Jun-02	0,5%	R10	1,3%	R 25.7
Dec-02	0,9%	R19	0,7% ⁶	R 14.6
Jun-03	0,6%	R13	1,5%	R 31.7
Dec-03	0,5%	R11	1,3%	R 28.0
Jun-04	0,6%	R13	1,3%	R30.0
Dec-04	0,5%	R12	1,8%	R44.6
Jun-05	0,6%	R15	1,3%	R33.7
Dec-05	0,7%	R19	1,5%	R44.2
Jun-06	0,9%	R35	1,2%	R48.5
Dec-06	0,6%	R29	1,1%	R49.7
Jun-07	0,9%	R44	1,0%	R52.2
Dec-07	0,6%	R32	1,3%	R67.0
Jun-08	1.1%	R82	1.4%	R107.4
Dec-08	0.5%	R40	0.8%	R70.1
Jun-09	0.6%	R52	0.8%	R68.2
Dec-09	0.4%	R37	1.0%	R88.9
Jun-10	0.9%	R72	0.9%	R74.2
Dec-10	0.4%	R37	1.3%	R121.6
Jun-11	0.5%	R 53	0.3%	R31.2
Dec-11	0.3%	R34	1.9%	R212
Jun-12	0.8%	R95	1.2%	R148
Dec-12	0.4%	R50	0.5%	R63
Jun-13	0.6%	R81	1.0%	R134
Dec-13	1.6%	R210	0.6%	R78
Jun-14	0.5%	R76	0.4%	R61

⁵ Training now includes all training, in-house and external. Comparisons with previous surveys not compatible. – excludes costs related to salaries⁶ Revised: Removed outlier questionnaire erroneously included in previous sample.

Table 32: Employment profile of the consulting engineering industry: Percentage contribution: January – June 2014

Job Category	Black	Coloured	Asian	White	Total
Professional Engineer Pr.Eng	5.6%	2.5%	4.0%	87.9%	100.00%
Professional Architects	16.7%	0.0%	16.7%	66.7%	100.00%
Professional Quantity Surveyors	12.5%	0.0%	12.5%	75.0%	100.00%
Professional Other	12.1%	2.4%	7.2%	78.3%	100.00%
Technologists Pr TEchENg	9.9%	5.3%	7.2%	77.6%	100.00%
Technicians PrTechni	38.4%	4.1%	4.1%	53.4%	100.00%
Unregistered technical staff: Engineer	17.4%	4.9%	8.1%	69.5%	100.00%
Unregistered technical staff: Technologist	33.1%	8.7%	5.8%	52.5%	100.00%
Unregistered technical staff: Technician	47.5%	13.1%	4.4%	35.0%	100.00%
Unregistered technical staff: Other	38.4%	4.6%	3.2%	53.7%	100.00%
Technical Assistants	47.0%	11.5%	4.3%	37.2%	100.00%
Draughts Persons	10.3%	12.9%	4.0%	72.7%	100.00%
Laboratory / Survey Assistants	94.7%	1.8%	2.6%	0.9%	100.00%
Administration / Support staff	33.1%	5.1%	11.7%	50.2%	100.00%
Total	30.1%	6.4%	7.3%	56.3%	100.00%

**Table 33: Employment profile of the consulting engineering industry: Percentage contribution: January – June 2014
Change in contribution since December 2013 survey**

Job Category	Black	Coloured	Asian	White
Professional Engineer Pr.Eng	-1.3%	-0.4%	0.3%	1.3%
Professional Architects	4.9%	0.0%	10.8%	-15.7%
Professional Quantity Surveyors	1.0%	0.0%	1.0%	-1.9%
Professional Other	3.1%	1.7%	2.0%	-6.8%
Technologists Pr TEchENg	-2.2%	-0.2%	1.8%	0.6%
Technicians PrTechni	0.4%	-2.8%	0.7%	1.7%
Unregistered technical staff: Engineer	-4.3%	0.7%	-0.6%	4.2%
Unregistered technical staff: Technologist	0.8%	-4.2%	1.8%	1.6%
Unregistered technical staff: Technician	0.4%	1.1%	-0.4%	-1.1%
Unregistered technical staff: Other	1.3%	-5.6%	-5.1%	9.4%
Technical Assistants	5.9%	1.1%	0.3%	-7.3%
Draughts Persons	-2.5%	0.9%	-3.4%	5.0%
Laboratory / Survey Assistants	12.3%	1.8%	-2.8%	-11.3%
Administration / Support staff	-3.8%	-7.8%	5.6%	6.0%
Total	1.5%	-2.4%	1.4%	-0.5%

Table 34: Executive Staff profile - contribution by BLACK people, as percentage of TOTAL Executive Staff, by company type
 (Black include Black, Asian and Coloured)

Company Type	Owner category	Professional Category	Jun-11	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14
(PTY) LTD	Executive Directors	Pr.Eng	9.2%	11.2%	12.3%	13.7%	12.1%	15.5%	16.3%
		PrTechEng	26.7%	23.7%	33.3%	23.8%	41.9%	37.5%	33.3%
		Other	26.9%	45.9%	46.5%	60.5%	60.0%	68.6%	73.0%
		TOTAL	15.3%	20.8%	19.7%	22.6%	26.3%	29.8%	29.2%
	Non-Executive Directors	Pr.Eng	16.7%	100.0%	66.7%	50.0%	60.0%	16.7%	100.0%
		PrTechEng	-	50.0%	50.0%	100.0%	100.0%	60.0%	#DIV/0!
		Other	82.4%	86.2%	89.0%	84.2%	100.0%	87.5%	78.6%
		TOTAL	55.2%	85.7%	79.6%	75.0%	90.0%	58.0%	82%
CC	Members	Pr.Eng	33.3%	32.5%	36.7%	71.4%	80.0%	75.0%	77.8%
		PrTechEng	42.9%	35.7%	36.4%	40.0%	60.0%	60.0%	42.9%
		Other	40%	55.6%	33.3%	85.7%	83.3%	50.0%	80.0%
		TOTAL	37.5%	36.5%	36.0%	62.5%	70.9%	65.0%	66.7%
Partnership	Partners	Pr.Eng	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		PrTechEng	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		Other	0.0%	50.0%	50.0%	50.0%	50.0%	66.7%	75.0%
		TOTAL	22.2%	14.3%	20.0%	11.1%	12.5%	25.0%	30.0%
Total			21.2%	27.8%	28.1%	30.2%	35.5%	35.8%	36.0%

Table 35: CESA Confidence index: % respondents satisfied with working conditions

Survey Period	CESA Confidence Index	% Change on previous survey	% Change on survey same time last year
Dec-99	38.5	20.31%	-43.4%
Jun-00	44.0	14.29%	37.5%
Dec-00	66.5	51.05%	72.6%
Jun-01	71.9	8.23%	63.5%
Dec-01	85.4	18.67%	28.4%
Jun-02	87.3	2.24%	21.3%
Dec-02	97.2	11.34%	13.8%
Jun-03	83.8	-13.76%	-3.9%
Dec-03	64.2	-23.38%	-33.9%
Jun-04	77.2	20.25%	-7.9%
Dec-04	86.3	11.77%	34.4%
Jun-05	96.8	12.2%	25.4%
Dec-05	99.3	2.5%	14.9%
Jun-06	99.7	0.5%	3.0%
Dec-06	98.4	-1.30	-0.8
Jun-07	99.4	1.0%	-0.3%
Dec-07	99.8	0.4%	1.4%
Jun-08	99.9	0.1%	0.5%
Dec-08	99.8	-0.1%	0.0%
Jun-09	96.2	-3.61%	-3.7%
Dec-09	86.0	-10.6%	-13.8%
Jun-10	87.1	1.3%	-9.4%
Dec-10	86.7	-0.5%	0.8%
Jun-11	83.2	-4.0%	-4.5%
Dec-11	87.4	5.0%	0.8%
Jun-12	81.8	-6.4%	-1.7%
Dec-12	70.0	-14.4%	-19.9%
Jun-13	84.0	20.0%	2.7%
Dec-13	98.1	16.8%	40.1%
Jun-14	87.7	-10.6%	4.4%
Dec-14 (forecast)	96.6	10.1%	-1.5%
Jun-15 (forecast)	96.2	-0.4%	9.7%

Table 36: Employment Breakdown, by race, gender and job category January – June 2014

Job category	Black			Coloured			Asian			White			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Professional Engineer Pr.Eng	139	13	153	70	0	70	96	13	109	2,310	96	2,406	2,615	122	2,737
Professional Architects	4	0	4	0	0	0	0	4	4	4	13	17	9	17	26
Professional Quantity Surveyors	4	0	4	0	0	0	4	0	4	13	13	26	22	13	35
Professional Other	74	35	109	9	13	22	26	39	65	423	283	706	532	370	902
Technologists Pr TEchENg	57	9	65	35	0	35	39	9	48	484	31	514	615	48	663
Technicians PrTechni	92	31	122	13	0	13	9	4	13	157	13	170	270	48	318
Unregistered technical staff: Engineer	397	126	523	122	26	148	161	83	244	1,722	362	2,083	2,402	597	2,999
Unregistered technical staff: Technologist	244	105	349	61	31	92	48	13	61	519	35	554	872	183	1,055
Unregistered technical staff: Technician	911	357	1,268	244	105	349	96	22	118	876	57	933	2,127	540	2,668
Unregistered technical staff: Other	266	96	362	26	17	44	17	13	31	410	96	506	719	222	941
Technical Assistants	427	92	519	78	48	126	31	17	48	288	122	410	824	279	1,103
Draughts Persons	135	22	157	157	39	196	44	17	61	588	514	1,103	924	593	1,517
Laboratory / Survey Assistants	837	100	937	13	4	17	26	0	26	9	0	9	885	105	989
Administration / Support staff	902	1,556	2,458	105	275	379	288	580	867	1,565	2,166	3,731	2,859	4,577	7,436
Total	4,489	2,541	7,031	933	558	1,491	885	815	1,700	9,367	3,801	13,168	15,674	7,715	23,389
% of total	19.2%	10.9%	30.1%	4.0%	2.4%	6.4%	3.8%	3.5%	7.3%	40.0%	16.3%	56.3%	67.0%	33.0%	100.0%

Table 37: Employment Breakdown, by race, gender and job category: January – June 2014: Percentage share

Job category	Black			Coloured			Asian			White			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Professional Engineer Pr.Eng	0.6%	0.1%	0.7%	0.3%	0.0%	0.3%	0.4%	0.1%	0.5%	9.9%	0.4%	10.3%	11.2%	0.5%	11.7%
Professional Architects	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%
Professional Quantity Surveyors	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Professional Other	0.3%	0.1%	0.5%	0.0%	0.1%	0.1%	0.1%	0.2%	0.3%	1.8%	1.2%	3.0%	2.3%	1.6%	3.9%
Technologists Pr TEchENG	0.2%	0.0%	0.3%	0.1%	0.0%	0.1%	0.2%	0.0%	0.2%	2.1%	0.1%	2.2%	2.6%	0.2%	2.8%
Technicians PrTechni	0.4%	0.1%	0.5%	0.1%	0.0%	0.1%	0.0%	0.0%	0.1%	0.7%	0.1%	0.7%	1.2%	0.2%	1.4%
Unregistered technical staff: Engineer	1.7%	0.5%	2.2%	0.5%	0.1%	0.6%	0.7%	0.4%	1.0%	7.4%	1.5%	8.9%	10.3%	2.6%	12.8%
Unregistered technical staff: Technologist	1.0%	0.4%	1.5%	0.3%	0.1%	0.4%	0.2%	0.1%	0.3%	2.2%	0.1%	2.4%	3.7%	0.8%	4.5%
Unregistered technical staff: Technician	3.9%	1.5%	5.4%	1.0%	0.4%	1.5%	0.4%	0.1%	0.5%	3.7%	0.2%	4.0%	9.1%	2.3%	11.4%
Unregistered technical staff: Other	1.1%	0.4%	1.5%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%	1.8%	0.4%	2.2%	3.1%	1.0%	4.0%
Technical Assistants	1.8%	0.4%	2.2%	0.3%	0.2%	0.5%	0.1%	0.1%	0.2%	1.2%	0.5%	1.8%	3.5%	1.2%	4.7%
Draughts Persons	0.6%	0.1%	0.7%	0.7%	0.2%	0.8%	0.2%	0.1%	0.3%	2.5%	2.2%	4.7%	4.0%	2.5%	6.5%
Laboratory / Survey Assistants	3.6%	0.4%	4.0%	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	3.8%	0.4%	4.2%
Administration / Support staff	3.9%	6.7%	10.5%	0.4%	1.2%	1.6%	1.2%	2.5%	3.7%	6.7%	9.3%	16.0%	12.2%	19.6%	31.8%
Total	19.2%	10.9%	30.1%	4.0%	2.4%	6.4%	3.8%	3.5%	7.3%	40.0%	16.3%	56.3%	67.0%	33.0%	100.0%

Table 38: Executive Staff profile: Employment, company type, race & gender: January – June 2014

Comp any Type	Owner category	Professional	Black			Coloured			Asian			White			Total		
		Category	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
(PTY) LTD	Executive Director	PrEng	26	4	31	38	0	38	22	5	27	472	0	472	553	5	558
		PrTechEng	13	4	17	16	0	16	5	0	5	54	0	54	87	0	87
		Other	70	0	70	0	0	0	27	22	49	49	11	60	157	33	190
	Non-Executive Director	PrEng	4	0	4	0	0	0	0	0	0	27	0	27	33	0	33
		PrTechEng	0	0	0	0	0	0	0	0	0	11	0	11	27	0	27
		Other	13	31	44	0	5	5	0	5	5	5	0	5	11	33	43
CC	Member	PrEng	13	0	13	16	0	16	5	0	5	81	0	11	114	0	43
		PrTechEng	0	0	0	11	0	11	5	5	11	22	0	22	49	5	54
		Other	9	0	9	0	0	0	0	0	0	11	5	5	16	5	11
Partnership	Partner	PrEng	0	0	0	0	0	0	0	0	0	27	0	27	27	0	27
		PrTechEng	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Other	4	0	4	5	0	5	0	0	0	16	0	5	27	0	16
GRAND TOTAL			153	39	192	87	5	92	65	38	103	775	16	699	1101	81	1090
% distribution of executive staff			14.0%	3.6%	17.6%	8.0%	0.5%	8.5%	6.0%	3.5%	9.5%	71.1%	1.5%	64.2%	101.0%	7.5%	100.0%
% directorship only			13.1%	1.0%	14.1%	6.5%	0.0%	6.5%	6.5%	3.2%	9.7%	68.8%	1.3%	70.1%	95.5%	4.5%	100.0%
Total employment			4,489	2,541	7,031	933	558	1,491	885	815	1,700	9,367	3,801	13,168	15,674	7,715	23,389
Executive Staff as % of total employment			3.4%	1.5%	2.7%	9.3%	1.0%	6.2%	7.4%	4.7%	6.1%	8.3%	0.4%	5.3%	7.0%	1.1%	4.7%

End of report

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