



**BER** BUREAU for  
ECONOMIC  
RESEARCH

## **PRESS RELEASE**

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# **THE STATE OF THE CIVIL CONSTRUCTION INDUSTRY**

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## Construction activity loses some momentum in Q3

- The **FNB/BER Civil Confidence Index** registered a level of 43 in 3Q2025, from 41 in 2Q2025.
  - Sentiment ticked higher despite a deterioration in activity.
  - Overall, however, the sector is still on track for a much-improved performance for full year 2025 than recorded in 2024.
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After dropping from 45 to 41 in 2Q2025, the **FNB/BER Civil Confidence Index** recovered partially to 43 in 3Q2025.

The current reading means that close to 55% of respondents are dissatisfied with prevailing business conditions.

The uptick in sentiment contrasts with a significant decline in activity. *“While the activity index weakened considerably in 3Q2025 compared to the previous quarter, it remains close to its long-term average. Importantly, the index has held relatively high levels in recent quarters. Since it reflects annual growth, base effects may explain the lower reading. However, if this weaker level persists over the next two or three quarters, it would be cause for concern,”* noted Siphamandla Mkhwanazi, Senior Economist at FNB.

According to Statistics South Africa (Stats SA), the real value of construction works contracted by only 0.3% on an annual basis in 2Q2025, from a 3.2% decline in 1Q2025. The 3Q2025 survey results suggest a slightly more pronounced decrease in 3Q2025. *“Overall, the sector is still on track for a much-improved performance for full year 2025 than the 6.1% drop recorded in 2024,”* said Mkhwanazi.

Respondents’ own expectations for work next quarter and the rating of insufficient new demand as a constraint to business operations (a proxy for

order books) reiterate the stance that the availability of work is not yet a major concern. Although the latter registered its highest level since 4Q2022 of 71, it merely returned to its long-term average.

In conclusion: The **FNB/BER Civil Confidence Index** gained two points to register a level of 43 in 3Q2025.

The business mood improved despite a marked weakness in activity growth. However, this is likely due to base effects and actual spending on civil construction is unlikely to be as downbeat.

*“Looking ahead, it remains prudent to monitor the risks to sentiment in the sector over the short- to medium-term. These include persistent inefficiencies in tender adjudication, payment processes, project management, and crime, as highlighted by survey respondents. On a positive note, recent progress on key reforms in energy and logistics is encouraging, although it may take time to translate into increased activity in the sector”,* remarked Mkhwanazi.

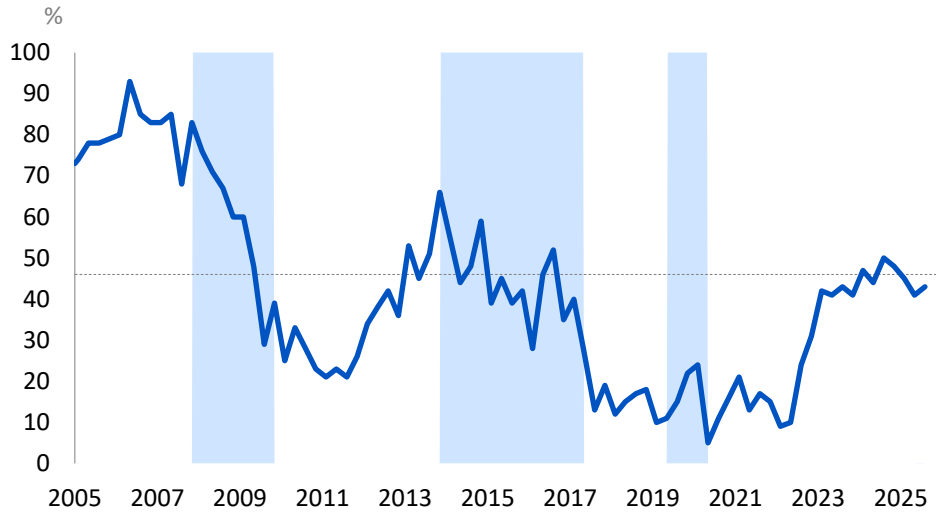
About the survey:

The FNB/BER civil confidence index can vary between a maximum of 100 (which indicates that all respondents were satisfied with prevailing business conditions) and a minimum of zero (indicating that all respondents were dissatisfied). A level of 50 indicates that the respondents are equally divided between those satisfied and dissatisfied.

The fieldwork for the third quarter survey was conducted between 6 and 25 August 2025.

### FNB/BER Civil Confidence Index

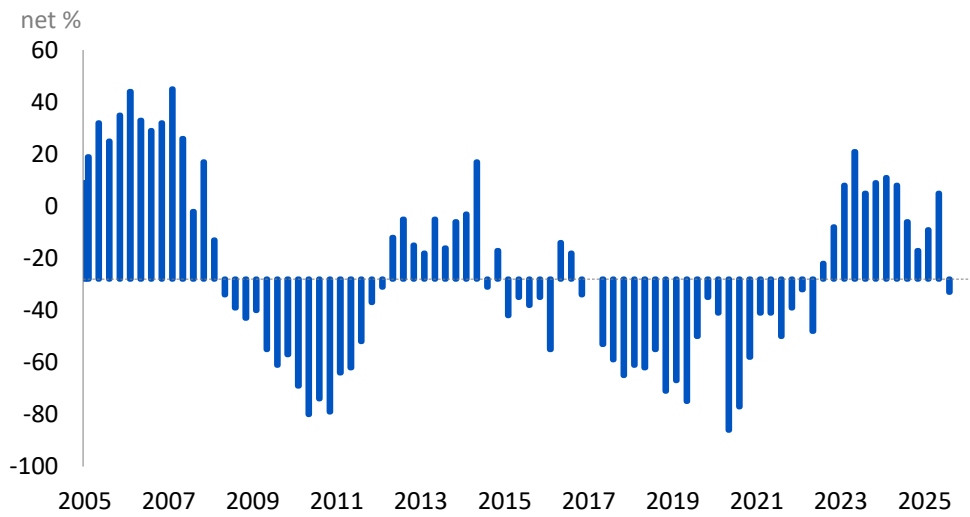
Percentage satisfied



Source: BER Stellenbosch University

### Civil construction

Growth in construction activity



Source: BER Stellenbosch University