



**BER** BUREAU for  
ECONOMIC  
RESEARCH

## **PRESS RELEASE**

**ENQUIRIES:**

**Siphamandla Mkhwanazi: Senior Economist, FNB**

**Tel: (087) 312 3280**

**E-mail: [Siphamandla.Mkhwanazi@fnb.co.za](mailto:Siphamandla.Mkhwanazi@fnb.co.za)**

**Media enquiries:**

**Dineo Molaba-Skhosana**

**[dineo.molaba@fnb.co.za](mailto:dineo.molaba@fnb.co.za)**

**Philisiwe Kobeli**

**Public Relations Manager: FNB Corporate Affairs**

**Communications Consultant**

**071 235 5975**

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

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## Majority of civil contractors dissatisfied with prevailing business conditions in Q2

- The **FNB/BER Civil Confidence Index** fell to 41, from 45 in 1Q2025.
  - Sentiment was lower even though activity and overall profitability improved.
  - Despite the improved work this quarter, the outlook is relatively downbeat.
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The **FNB/BER Civil Confidence Index** declined for the third consecutive quarter to register a level of 41 in 2Q2025, from 45 in 1Q2025.

The current reading means that close to 60% of respondents are dissatisfied with prevailing business conditions.

Business sentiment was lower despite an uptick in construction activity. *“According to Statistics South Africa, the real value of spending on construction works decreased by an annual rate of 2.4% in 1Q2025. These results point to an improvement in 2Q2025,”* said Siphamandla Mkhwanazi, Senior Economist at FNB. On the back of better activity, overall profitability and even the index measuring employment improved.

There are signs that work may come under strain in future. The rating of insufficient demand as a business constraint (a proxy for order books) rose, and respondents’ expectations for activity next quarter were relatively downbeat compared to the actual outcomes this quarter. *“The comments from respondents highlight some of their concerns regarding activity going forward, such as the lack of published tenders, persistent delays in adjudication and, concerningly, a lack of large infrastructure projects in particular,”* added Mkhwanazi.

In conclusion: The **FNB/BER Civil Confidence Index** shed four points to register a level of 41 in 2Q2025.

Uncertainty regarding future work seemed to weigh on confidence this quarter, especially given the relatively good outcomes for activity and overall profitability.

According to Mkhwanazi, *“there is a broad sense – from official data, the survey data and anecdotally – that infrastructure projects, particularly large state-led projects, are not as forthcoming as previously hoped. Indeed, despite many dialogues, conferences and speeches on infrastructure and its importance to growth and development, we have yet to see this reflected in the form of sustainable construction activity”*.

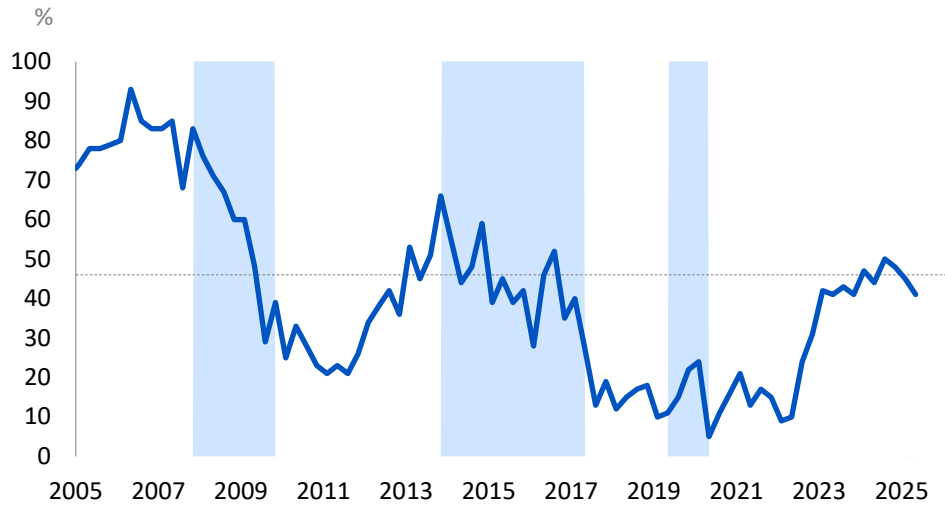
About the survey:

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 second quarter survey was conducted between 7 and 26 May 2025.

### FNB/BER Civil Confidence Index

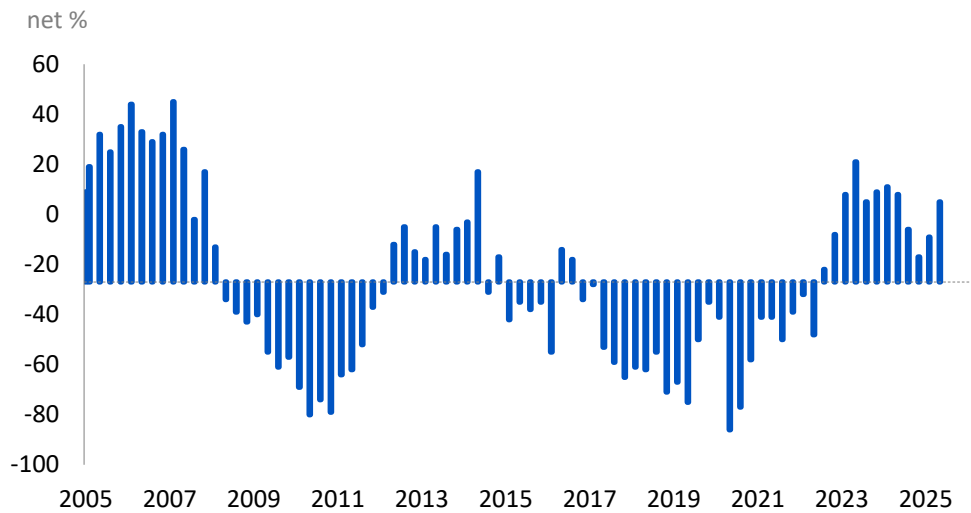
Percentage satisfied



Source: BER Stellenbosch University

### Civil construction

Growth in construction activity



Source: BER Stellenbosch University