

## **ABSTRACT**

The construction industry in South Africa has an array of challenges. These challenges make it difficult for emerging contractors to establish and maintain successful companies. The purpose of this report is to establish why there are so few successful emerging contractors in the construction industry. In this study, the success of an emerging contracting company was judged by the survival of that company for a minimum period of five years and an improvement in the company's CIDB grade by at least three levels during its existence. Structured interviews were conducted with a sample of 10 successful emerging contractors in Gauteng. The study found that technical capacity is one of the components of successful emerging contracting companies. It also found that technical capacity, inconsistent work opportunities and financial constraints are challenges that affect contractors when trying to increase their CIDB grade. The successful emerging contractors in the study utilised various strategies to overcome challenges in the industry, however, these strategies were flexible for changing circumstances and new opportunities.