

S&P Global South Africa PMI[®]

Business conditions stabilise after four months of decline

Output and new orders tick up for first time in five months

Supplier delivery times improve after lengthy run of deterioration

Input price pressures ramp up amid currency weakness

South Africa's private sector emerged from a downturn in April, as a slight pick-up in sales prompted mild recoveries in activity and employment.

Businesses were also helped by a strengthening of supply chains for the first time in almost two years, which supported a modest upturn in purchasing activity. At the same time, there was a sharp acceleration of input price pressures, as a weakening of exchange rates drove business costs higher.

The S&P Global South Africa Purchasing Managers' Index™ (PMI[®]), a composite gauge designed to provide a single-figure snapshot of operating conditions in the private sector economy, rose to 50.0 in April, which is the neutral mark separating growth from contraction. The index increased from 48.3 in March, having resided in negative territory in each of the past four months.

New orders, output and employment all moved into growth mode during April. New orders rose for the first time since November 2024, although the rate of expansion was only fractional. Some firms reported larger orders from clients, new contracts and payoff from marketing campaigns, whereas others cited a decrease in customer spend amid increased economic uncertainty.

The expansion in output across the private sector was likewise relatively mild, with disparate performances across key sectors especially observed. Sales growth among services firms supported a robust increase in activity, while there were modest upturns in wholesale & retail and construction. Industry was the laggard as production fell from the previous month.

A recovery in supply chain dynamics was also recorded by the survey data in April. After a lengthy period of deterioration, most recently driven by port congestion, suppliers' delivery times shortened for the first time since June 2023. Panellists highlighted that an easing of pressures at the port of Durban and switching to new vendors helped to improve lead times.

With supply constraints subsiding and demand making a minor recovery, private sector companies increased their purchases of buying materials and key components for the first time in four months. This helped to slow the rate at which warehoused inputs were used in operations, as total

S&P Global South Africa PMI
Index, sa, >50 = improvement m/m



Data were collected 9-28 April 2025.
Source: S&P Global PMI. ©2025 S&P Global.

Comment

David Owen, Senior Economist at S&P Global Market Intelligence:

"The PMI print of 50.0 in April was better news for South African businesses as the second quarter began. A sustained decline in operating conditions across Q1 suggests that GDP growth has softened, but early signs for Q2 were more promising.

"Not only did demand conditions pick up, but supply-side conditions were healthier. Overall delivery times shortened for the first time in nearly two years and at the quickest pace since the end of 2018. The data signal that the lengthy disruption from Durban's port congestion has finally subsided, which should support businesses in their efforts to increase output.

"Volatility in the rand especially during the first half of April made its mark on prices, with purchase prices rising at the fastest rate since last August. The currency market may face further choppiness as firms await clarity on the national budget and global trade conditions amid US tariff announcements. These uncertainties partly weighed on output expectations, although in general firms remain confident about the year ahead."

inventories fell only slightly.

Job creation was renewed in April, with employment rising for the first time in 2025 to date. In line with the trends for output and sales, the rate of staffing growth was only marginal though. While some firms reportedly added to their workforces to build capacity, others noted retrenchment efforts. This came as the overall level of outstanding work decreased for the eighth month running, signalling that firms generally remained on top of their workloads.

South African companies meanwhile reported a notable step-up in the rate of input price inflation in April. After slipping to a modest pace that was among the weakest on record, the pace of inflation accelerated markedly to an eight-month high. Firms particularly noted that a worsening of the exchange rate against the US dollar had led to an increase in purchase prices, while some highlighted greater input demand and higher taxation. Wage inflation was comparatively mild, having eased to its lowest for six months.

The sharp increase in input costs led to a renewed uplift in selling prices, which offset a brief reduction in March. However, the pace of inflation was modest and mainly driven by the industry and wholesale & retail sectors.

Despite better trends for activity and new business, expectations for the year ahead slipped further and were the second-weakest in 19 months (greater only than in December 2024). Concerns about domestic and international politics contributed to lower sentiment, according to some firms, although 40% of respondents retained a positive assessment of future activity.

Methodology

The S&P Global South Africa PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in July 2011.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

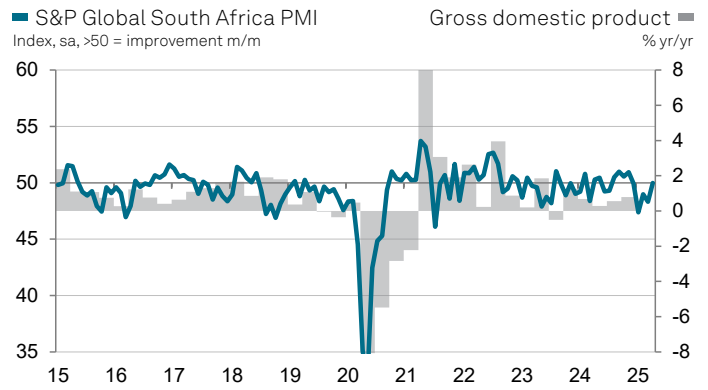
The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

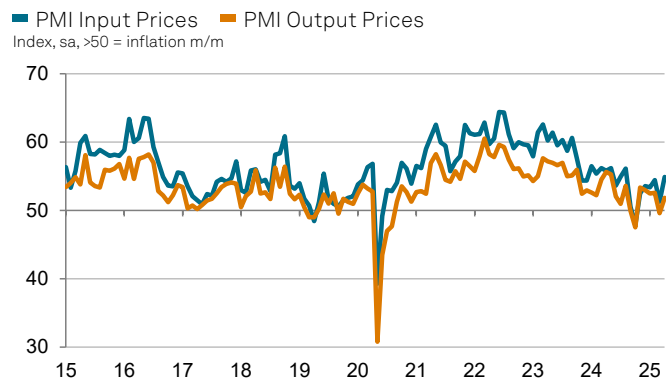
For further information on the PMI survey methodology, please contact economics@spglobal.com.

PMI by S&P Global

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi



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