

S&P Global South Africa PMI[®]

Business activity declines sharply amid weak demand

December 2025

Strongest downturn in business conditions since last January

Output, new orders, purchasing and inventories decrease

Businesses remain confident for an upturn in activity

The South Africa PMI[®] ended the year in its weakest position since last January, as customers rowed back on spending, leading to a sharp reduction in business activity. Firms also curtailed their purchases and input stocks, but employment edged higher and confidence towards the outlook remained strong.

The S&P Global South Africa Purchasing Managers' Index[™] (PMI[®]) is a composite gauge designed to provide a single-figure snapshot of operating conditions in the private sector economy. Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

The headline PMI dropped to 47.7 in December, from 49.0 in November, signalling a moderate and faster decline in operating conditions at South African companies. The index was in contraction territory throughout the final quarter of the year, while the latest reading was the weakest seen in 11 months.

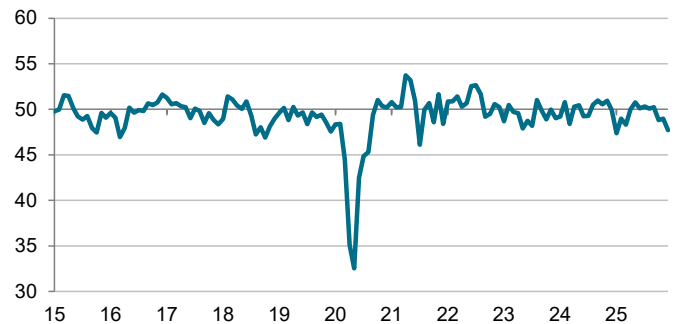
Business activity decreased sharply over the course of December, with the contraction widespread across the monitored sectors and the most marked since last January. Firms reporting to the survey noted that output had fallen amid challenging economic conditions and weaker client demand.

New work intakes decreased in December for the third month in a row, and the downturn was the sharpest recorded since March 2024. A lack of spending from households, pullbacks in business orders, and lower sales from international clients were all mentioned by survey panellists. Notably, total exports decreased on the month after a marginal rise in November.

With firms struggling to win sales, they often turned to existing work to facilitate business activity. This resulted in a solid decrease in total backlogs, with the rate of depletion accelerating to its quickest for more than five years.

Businesses responded to a dampening of operating conditions by reducing their purchasing activity in December, at a rate that was modest in nature but the quickest since last March. Some panellists added that overbuying in recent months as

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



Data were collected 4-19 December 2025.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

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

"After a strong couple of quarters, the South African economy experienced damper conditions in Q4, with business activity declining for three months running. The downturn has been mainly down to a pullback in demand, which deepened in December as customers reacted to an uplift in price pressures in the prior month and broader economic headwinds.

"Subsequently, firms showed greater caution towards purchases, recording a fresh reduction in December, as well as a decrease in stock volumes. However, the employment picture was slightly brighter, with the data signalling a slight rise attributed to short-term hires.

"Regarding the year ahead, South African firms gave reasons to be confident that the current downturn in business conditions will fade. Survey comments pointed to a positive demand outlook, hopes of reduced headwinds and stronger customer relationships."

well as resource shortages led to lower purchasing volumes. This also contributed to a fresh contraction in input stocks over the latest survey period. In contrast, employment numbers across the private sector rose for the third consecutive month (albeit fractionally).

Delivery times continued to improve, stretching the record sequence that began last April, although the latest upturn was only marginal. According to panellists, weaker input demand contributed to stronger supply chains, offsetting some reports of shipment delays and input shortages.

December data indicated some relief on inflationary pressures at South African companies, which was typically due to a further improvement in the exchange rate with the US dollar. Input costs rose solidly overall, to a lesser extent than in November, but quicker than the mild rates observed in recent months. Businesses responded with a softer increase in output charges.

Focusing on 2026, South African firms looked past their current struggles to predict a robust upturn in business activity for the next 12 months. They were hopeful of a pick-up in both economic conditions and client sales, whilst also highlighting new projects as a reason to be confident. Business optimism was higher than the long-run trend, despite easing slightly from November.

Contact

David Owen
Senior Economist
S&P Global Market Intelligence
T: +44 1491 461 002
david.owen@spglobal.com

Kriti Khurana
Corporate Communications
S&P Global Market Intelligence
T: +91-971-101-7186
kritikhurana@spglobal.com
press.mi@spglobal.com

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, click [here](#).

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.

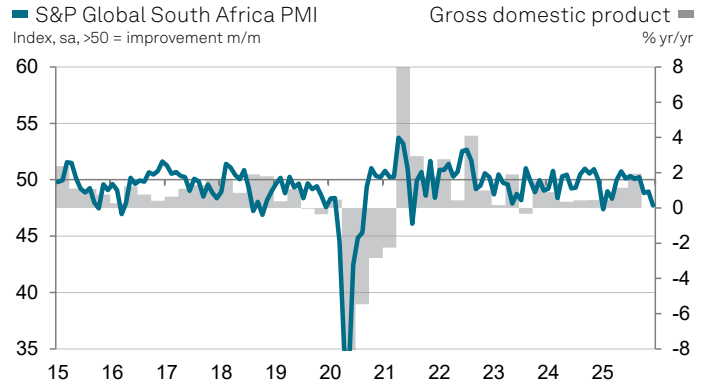
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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

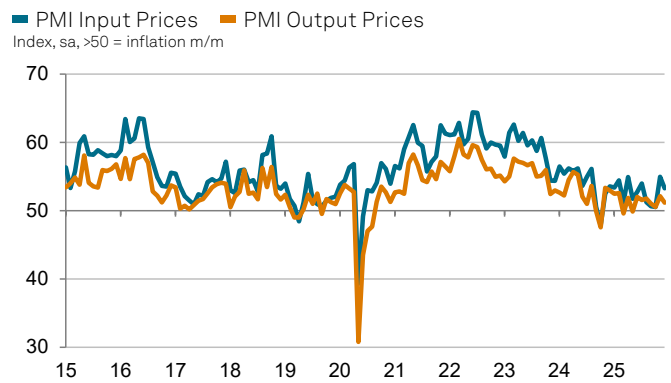
Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.



Sources: S&P Global PMI, Stats SA via S&P Global Market Intelligence. ©2026 S&P Global.



Source: S&P Global PMI. ©2026 S&P Global.

S&P Global

S&P Global (NYSE: SPGI) provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.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