

S&P Global South Africa PMI[®]

Stronger output and employment growth registered, but sales weaken

March 2026

Middle East war hits domestic exports and supply chains

Output growth quickens, alongside stock levels and hiring

Purchase prices rise at fastest rate since August 2024

South African businesses hired staff at a quicker rate and built up inventories during March, supporting a slightly greater expansion in private sector activity. However, the war in the Middle East contributed to supply chain stresses and client hesitancy, hitting new business volumes.

Input price inflation accelerated, driven by heightening fuel prices, a stronger US dollar and changes to the minimum wage. In response, output charges were lifted to the greatest extent in just over a year.

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.

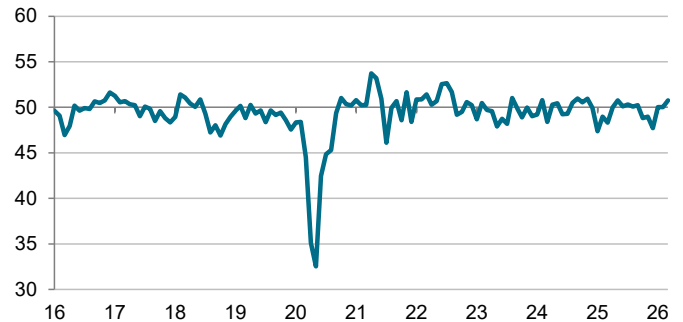
The South Africa PMI rose to 50.8 in March, from 50.0 in February, signalling the first upturn in business conditions for six months. Four out of the five sub-components provided a positive impact on the PMI's direction, although one of these, suppliers' delivery times, was due to increased constraints on shipping.

Output and employment both recorded larger gains during March, whilst stocks of purchases expanded for the first time in four months. Where output was lifted, companies reported taking on new projects and renewed efforts to build stocks. New project starts were also a factor behind an increase in staffing capacity, with the rate of job creation the steepest observed since May 2024.

While the survey data signalled a stronger upturn in general private sector business conditions, there were some signs that heightened economic uncertainty and international supply chain disruptions due to the war in the Middle East had disrupted South African companies.

The first signal was a moderate but quicker decline in new orders, driven by a fall in export sales that was the most pronounced in just over two years. Hesitancy amongst foreign clients, as well as fluctuations in exchange rates, resulted in a loss of orders, according to panel members. A rise in fuel

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



Data were collected 12-27 March 2026.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

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

"The latest data showed a bifurcated trend in the South African private sector. Amid evidence of stock building and starting pending projects, businesses raised their output at the fastest rate in six months, strengthened the pace of job creation, and increased their input stocks for the first time since last November.

"On the other hand, the steep drop in export orders, combined with greater delivery delays and input cost pressures, all of which linked to the war in the Middle East, points to a degree of trouble ahead for South African firms. A strengthening of the US dollar put pressure on import prices, whilst a sharp uplift in fuel prices constrained business and consumer demand.

"Going forward, the duration of the war will be a key factor determining the extent of the impact on South African companies, including how much a drop in foreign demand and a mark-up in prices filters through to domestic activity."

prices was also noted to have weakened demand.

Overall delivery times lengthened in March, with the rate of increase quickening to a 16-month high. Firms widely noted disruptions to sea freight linked to the Strait of Hormuz and associated supply bottlenecks. Input delays contributed to the slowest reduction in backlogs of work for six months.

Input price inflation accelerated sharply in March, driven by the fastest increase in purchase prices since August 2024. Here, panellists mostly cited an increase in fuel prices and US dollar-denominated list prices. There were also signs of elevated wage pressures, due in part to the increase in the minimum wage. Firms responded by raising their selling prices to the greatest extent since the end of 2024.

Amid rising cost concerns, businesses chose to add to their stocks and purchase more inputs. Total inventories rose for the first time in four months and at the fastest rate since last May.

Concerns over the severity and duration of the Middle East war meant that expectations for future activity in the South African private sector weakened further in March. The level of positive sentiment was the lowest recorded since July 2021.

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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.

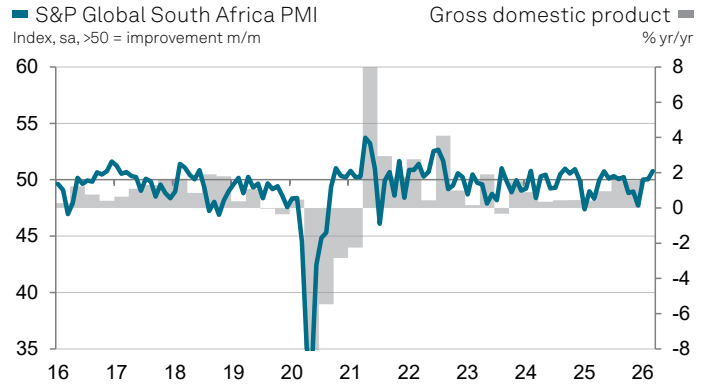
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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

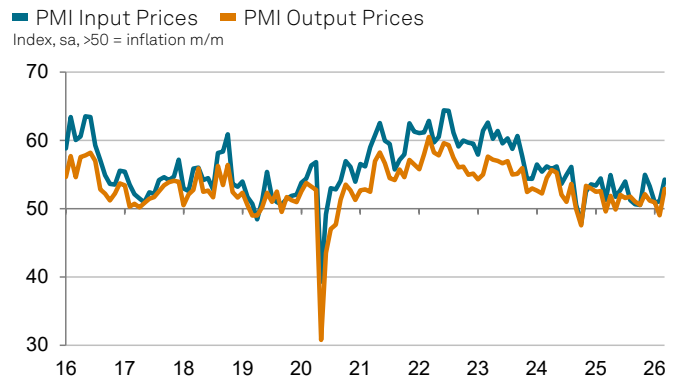
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PMI by S&P Global

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