

S&P Global South Africa PMI[®]

Input price inflation falls to 11-month low in September

September 2025

Cost pressures ease again in September

Output and new orders increase further

Business expectations drop to lowest since July 2021

Business conditions at South African companies improved for the fifth month in a row during September, as output and new orders increased further. Firms were also helped by a sustained easing of cost pressures, with input prices rising at the weakest rate in almost 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 headline PMI recorded 50.2 in September, up fractionally from 50.1 in August. The index signalled a mild improvement in the health of the private sector economy, marking the fifth consecutive month in which growth has been recorded.

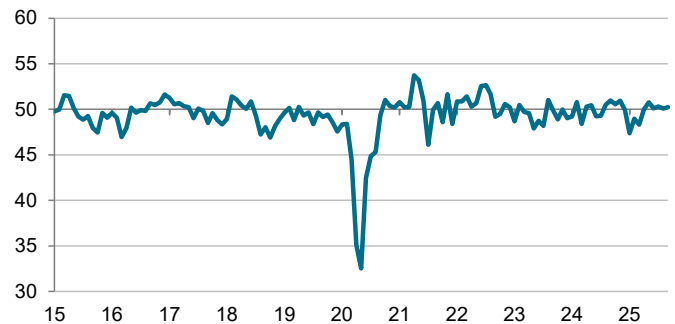
South African companies noted a back-to-back expansion in activity at the end of the third quarter. The pace of growth was little-changed from the previous survey period, but marginal overall. Firms reported that activity had risen due to a greater volume of new business.

New order intakes improved in September, confirming a full quarter of growth over Q3. Higher customer demand and new contract wins were often mentioned by surveyed businesses that saw an upturn. The latest expansion was supported by a rise in new orders from international markets for the first time since March. Panellists mostly linked this to stronger demand from African markets, offsetting weak orders from the US and Europe.

As well as indicating a positive demand picture, the PMI survey data continued to provide encouraging signals about supply conditions and price pressures. Average delivery times shortened for the sixth straight month, linked to improving material availability and reduced congestion. Combined with growing input requirements, this prompted firms to expand their purchasing, although the rate of increase softened from August and was only modest.

South African firms meanwhile reported the slowest rise in input costs for almost a year in September. The rate of

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



Data were collected 11-26 September 2025.
Source: S&P Global PMI. ©2025 S&P Global.

Comment

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

"Another softening of price pressures in September is a further boon to South African companies, suggesting that CPI inflation could decline again from its recent high in July, especially as many firms passed these cost savings onto customers."

"Historically, these index readings have indicated a higher likelihood of interest rate cuts. While the Monetary Policy Committee opted not to implement a cut in its latest meeting, some members expressed support for such a move, suggesting that further moderation in inflationary pressures could pave the way for a cut in November."

"Although the private sector environment remained strong in September according to the PMI data, businesses were less optimistic about the economic outlook. Less than a third of firms expect output to grow over the next 12 months, taking expectations to their lowest level in over four years. Survey comments signal that the uncertain geopolitical landscape has dented growth prospects, while leading some firms to reroute export channels away from disrupted markets. Positively, new export orders rose for the first time since March as regional demand improved."

inflation was marginal, with just 3% of the survey panel noting a month-on-month increase. Some firms commented on higher material prices and greater salary costs. However, these drivers were partly offset by a better exchange rate against the US dollar and lower headcounts.

Employment at private sector firms dropped for the second month running in September. Largely, this was attributed to difficulties finding staff replacements. Amid this and growing demand pressures, the overall level of work-in-hand rose for the first time since August 2024.

With cost pressures narrowing, South African companies raised their selling prices to a lesser extent during September. The mark-up was modest and the softest in four months.

When estimating future activity, businesses in South Africa were more cautious in September. While many firms showed confidence towards new work inflows and growth initiatives, others were less hopeful about their ability to boost sales amid economic and political uncertainty. Consequently, overall business sentiment towards the 12-month outlook dropped to the lowest level in over four years.

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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.

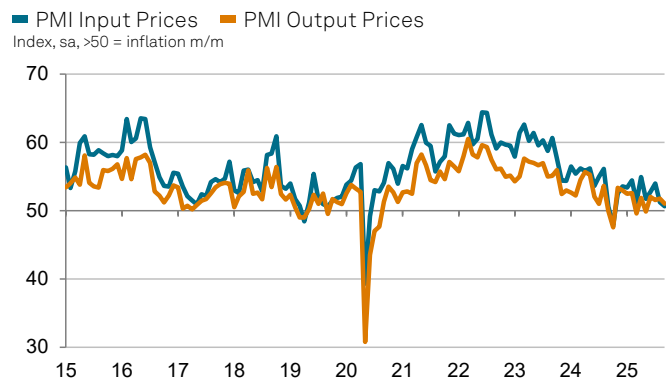
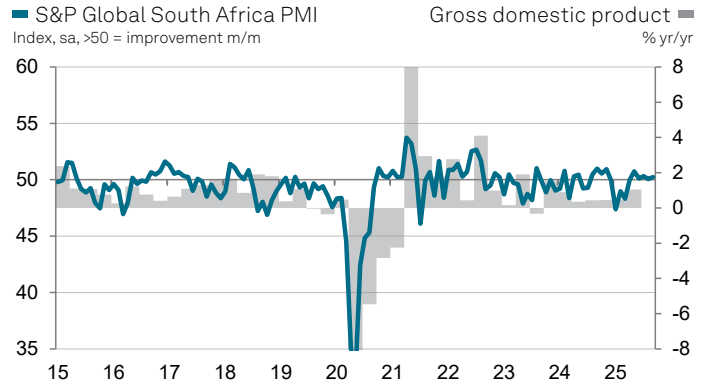
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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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