

# S&P Global South Africa PMI®

## Confidence levels soften as private sector performance stalls

### June 2025

PMI dragged down by fresh reductions in output and new orders

Future activity prospects drop to weakest level since July 2021

Employment and inventories still rise

South Africa's private sector economy showed signs of fragility in June, as the S&P Global PMI® was barely inside expansion territory. In addition, business confidence fell to its weakest level in almost four years.

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 from 50.8 in May to 50.1 in June, printing just above the 50.0 neutral threshold. There were mixed signals from the PMI's underlying components, as renewed declines in output and new business contrasted with an increase in stocks and a fresh rise in headcounts.

Output levels across the private sector contracted in June, marking a significant reversal from May when the growth rate hit a four-year high. While the reduction was marginal, it represented the first decline in activity in three months, with weakness evident across all sectors except services.

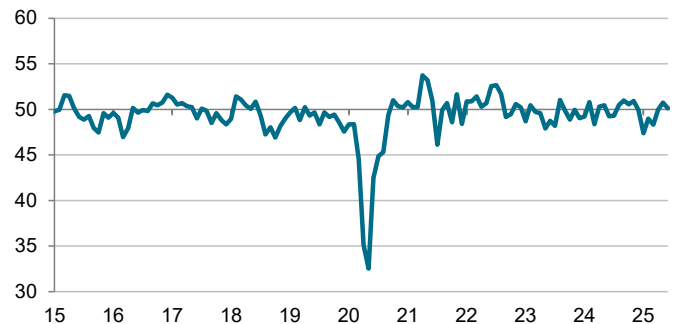
New business volumes fell for the first time since March, albeit fractionally. The downturn was partly linked to continued weakness in export orders, which registered a third successive monthly contraction.

Meanwhile, South African firms displayed reduced confidence in their outlook for business activity. In fact, the degree of optimism slipped to its lowest level in close to four years, as the proportion of firms expecting output growth fell solidly from May. While project starts and efforts to reach new customers supported optimism, this was partly offset by concerns about domestic and foreign policy uncertainty.

Employment emerged as a positive highlight in the latest data, with businesses increasing their workforces for the second time in three months. The modest rise in staffing levels was the fastest since May 2024, primarily driven by an expansion in the service sector.

Supply chain performance also improved, with the second-quarter recovery in supplier conditions marking the longest

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



Data were collected 12-26 June 2025.

Source: S&P Global PMI. ©2025 S&P Global.

### Comment

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

*"The drop in business expectations to their lowest since July 2021 shows that firms are growing increasingly nervous about the domestic and non-domestic economic outlook. Nevertheless, the survey data suggests that companies were still willing to expand their headcounts and store more inputs, helped by a relatively benign (albeit quickening) cost environment."*

*"And whilst the headline PMI dropped to 50.1 in June, eroding much of the growth in private sector conditions seen during May's six-month high, this was still a higher reading than those recorded in the first quarter, adding to estimates of a solid upturn in Q2 GDP."*

period of enhancement in nearly nine years. This improvement was attributed to reduced port disruptions and lower input demand, although the latest decrease in lead times was minimal. Input demand mainly fell in response to decreasing new order volumes. Firms maintained positive inventory levels for the second consecutive month, though growth momentum did slow due to reduced purchasing activity.

Meanwhile, cost pressures across the South African economy intensified in June, with input prices rising at a solid pace. All sectors covered by the survey registered increases in costs, though it was wholesale & retail where inflation rates stayed the most pronounced. Quicker inflation was driven by increases in both purchase prices and staff wages, with labour expenses notably rising at an above-average pace.

Despite these pressures, selling price increases remained modest in June, as firms balanced the need to pass on rising costs with increased competition. Some reports also indicated that greater strength in the rand led some firms to cut their prices.

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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.

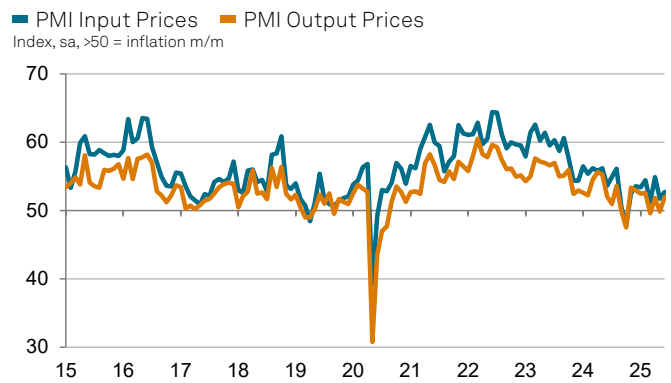
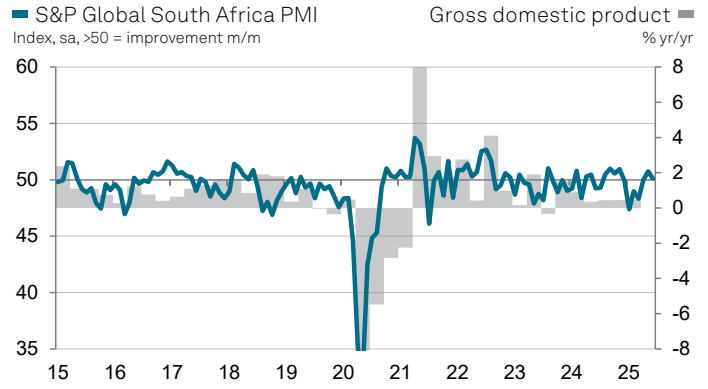
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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