

S&P Global South Africa PMI[®]

PMI stays at 50.0 in February

February 2026

Output broadly stable, but sales dip

Lowest business optimism since July 2021

Selling prices fall amid mild cost pressures

South African business conditions remained stable in February, adding to signs of a steady economic environment following a weak end to 2025. Businesses also reported a fresh increase in employment, as well as limited pressure on their input costs, which enabled them to discount their prices.

Total sales volumes decreased though, leading firms to make sizeable reductions in their order backlogs to sustain output. The drop in work-in-hand hinted at a softer activity outlook, with business expectations for the 12-month horizon dropping to their weakest level since July 2021.

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 stood at 50.0 for the second month running in February, indicating that business conditions were unchanged since the start of the year. The results nevertheless marked an improvement since the final quarter of 2025 when conditions deteriorated throughout.

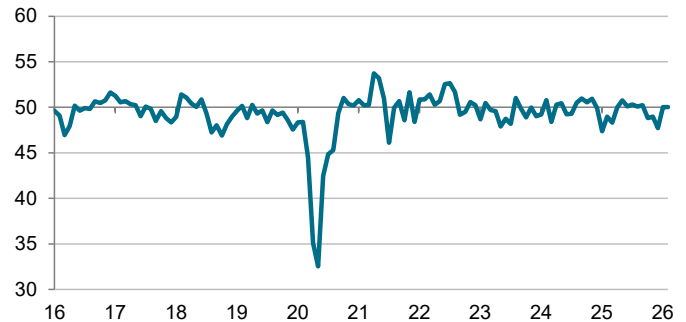
In line with January, private sector activity in South Africa was broadly unmoved during February. Survey comments showed that companies had remained settled because of a benign demand environment. Levels of new business dipped slightly in February, marking the fourth decline in the past five months. Business operations were partly directed at completing backlogs, leading to another solid fall in outstanding work volumes.

Reductions in order pipelines pointed to a soft outlook, with private sector firms regarding future activity with a degree of caution. In fact, output projections for the next 12 months were the weakest recorded in over four-and-a-half years. That said, panellists remained broadly optimistic about sales volumes, whilst also hoping that lower inflation, falling interest rates and a strong local currency will support growth.

Meanwhile, the survey data suggested that price pressures on South African firms had stayed relatively subdued, which

S&P Global South Africa PMI

Index, sa, >50 = improvement m/m



Data were collected 10-25 February 2026.

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Comment

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

"Private sector conditions remained steady in February, as domestic companies indicated that they had secured enough work to keep business activity ticking along smoothly. That said, survey reports also suggested that output was backed up by efforts to clear backlogs, which fell at a faster pace than the series trend for the fifth month running. A shortage of order intakes made some firms hesitant to predict an expansion in activity over the next 12 months, bringing expectations down to their weakest level since mid-2021.

"That said, there are a number of economic fundamentals that could rebuild confidence. Soft inflation, helped by a strong rand (vs the dollar), continued to keep cost pressures at bay in February. This led to a fresh fall in selling prices that could support an uplift in customer spending. In addition, domestic interest rates are expected to trend downwards in 2026, while the recent ruling on US tariffs should bring some relief to exporters."

respondents closely linked to the improving exchange rate against the US dollar and declining fuel prices. There was however a stronger increase in wage costs, with the rate of inflation picking up to a seven-month high. Nonetheless, muted cost burdens enabled businesses to offer discounts to customers. In fact, average selling charges decreased for the first time since May 2025.

A renewed uplift in employment levels was also observed in February, following a slight reduction in the previous survey period. In contrast, inventory strategies remained cautious, with firms shedding stocks for the third consecutive month. While disruption to input supplies were observed again in February, after January saw an end to the record run of vendor performance gains, these delays were only mild and less severe than at the beginning of the year.

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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.

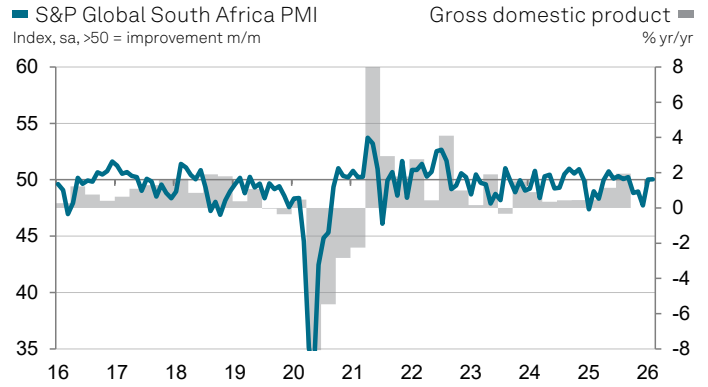
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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

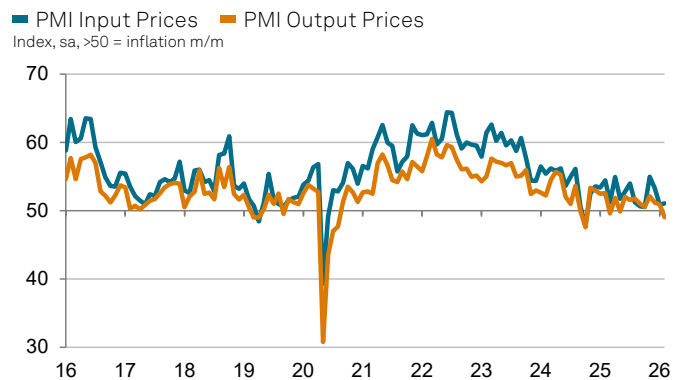
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PMI by S&P Global

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