

SA factory activity expands at faster pace in November - Absa PMI

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South African manufacturing activity expanded at a faster pace in November as business activity and new sales orders grew, a survey showed on Wednesday.



Source: Reuters/Siphiwe Sibeko

The seasonally-adjusted Absa Purchasing Managers' Index (PMI) rose to 57.2 points in November from a revised 53.6 points in October, remaining above the 50-point mark that separates expansion from contraction.

"Business activity and new sales orders, the two sub-indices that were most severely impacted by the steel sector strike in October, were also the ones that improved the most in November," Absa said in a statement accompanying the survey's findings.

"It is heartening that factory activity and the demand for manufactured goods seemed to be resilient against the impact of further bouts of load-shedding (power cuts) in November."

But the index measuring expected business conditions declined, Absa said, as the emergence of a new Covid-19 variant and subsequent global travel bans, as well as an interest rate hike by the central bank, weighed on sentiment.

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