

SA factory activity expands at faster pace in January

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South African manufacturing activity expanded at a faster pace in January, with business picking up as new sales orders and inventories edged higher, a survey showed on Tuesday.



Source: Getty

The seasonally-adjusted Absa Purchasing Managers' Index (PMI) rose to 57.1 points in January from 54.1 points in December, remaining above the 50-point mark that separates expansion from contraction.

Absa said in a statement accompanying the survey's findings that the improvement in the headline PMI was largely driven by a rebound in the business activity index, which rose to 56.6 in January from 48.7 points in December.

"Indeed, an improvement in the new sales orders index suggests that demand looked better. In particular, respondents noted a rise in export sales, which could have boosted output," Absa said.

"Further supporting the rise in the headline index was another increase in the inventories index."

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