

SA factory activity slumps in Feb on record load shedding - Absa PMI

By [Olivia Kumwenda-Mtambo](#)

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South African manufacturing activity contracted sharply in February as unprecedented power cuts led to a marked deterioration in business conditions, a survey showed on Wednesday, 1 March.



Source: Reuters/James Oatway

The seasonally-adjusted Absa Purchasing Managers' Index (PMI) fell to 48.8 points in February from 53.0 points in January, slumping below the 50-point mark that separates expansion from contraction for the first time since September 2022.

The business activity, new sales orders, employment and inventories indices were all in contractionary terrain, Absa said in a statement.

"Load shedding once again featured frequently in the commentary where respondents explained why activity declined relative to the previous month," Absa said.

Eskom has implemented power cuts every day this year due to breakdowns at its coal-fired power plants, after a record number of days with outages last year.



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There was a steep fall in the PMI index measuring expected business conditions in six months' time, with the index falling to its lowest level since May 2020.

"This means that respondents have not been this downbeat about future conditions since the country was slowly moving out of the strictest phase of the Covid lockdown," Absa said.

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