

South African factory activity slumps in January - Absa PMI

South African manufacturing activity slumped in January, with the headline Absa Purchasing Managers' Index (PMI) falling to levels rarely seen.



Source: Reuters.

The seasonally-adjusted PMI dropped to 43.6 points in January from 50.9 in December, falling far below the 50-point mark that separates expansion from contraction.

The index was partly dragged down by a sharp fall in the new sales orders sub-index, an indicator of demand.

The survey "reflects a very poor start to the year for the local manufacturing sector," bank Absa, which sponsors the PMI, said in a statement.

"Outside of the global financial crisis in 2008/09 and the pandemic-induced lockdown period of 2020, the index has only fallen to this low level a handful of times."

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