

# Manufacturing production falls marginally in May

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Manufacturing production fared better than expected, falling only marginally in May 2017. It fell by 0.8% year on year compared with May 2016.



This comes after positive signs in the Absa Purchasing Managers' Index (PMI) which picked up significantly from 44.7 in April to 51.5 in May. A score above 50 indicates an expanding manufacturing sector.

The decrease was mainly due to lower production in petroleum, chemical products, rubber and plastic products which contracted by 8.4%, which reduced the overall figure by 2.1 percentage points, while basic iron and steel, non-ferrous metal products, metal products and machinery increased by 5.2% and contributed one percentage point, and food and beverages which increased by 3.5% and contributed 0.9 of a percentage point.

Investec economist Kamilla Kaplan said she expected manufacturing production to have declined 4.9% year on year in May after a contraction of 4.1% in April. Trading Economics forecasts a marginal increase of 0.2%.

Seasonally adjusted manufacturing production decreased by a marginal 0.3% in May 2017 compared with April 2017.

Source: *BDpro*

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