

South African factory activity improves in October - Absa PMI

By [Bhargav Acharya](#)

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South African manufacturing activity improved in October, but rolling power cuts and a crippling strike at freight rail and ports company Transnet prevented a stronger recovery, a survey showed on Tuesday, 1 November.



Source: Reuters/Siphiwe Sibeko/File Photo

The seasonally-adjusted Absa Purchasing Managers' Index (PMI) was at 50.0 points in October from 48.2 points in September, hitting the 50-point mark that separates contraction from expansion.

"Exports remained poor amidst the paralysing Transnet strike during the month, while global demand is faltering," Absa said in a statement.

Workers at state-owned Transnet went on strike for nearly two weeks from 6 October, throttling exports from Africa's most industrialised nation.

PMI respondents said persistent power cuts by Eskom curtailed production and demand for their products.



Transnet lifts force majeure at all port terminals

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In October purchasing managers were at their most pessimistic about the outlook for business since May 2020, likely reflecting little hope that the power situation will improve soon, Absa said.

Electricity outages have reached record levels in South Africa this year.

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