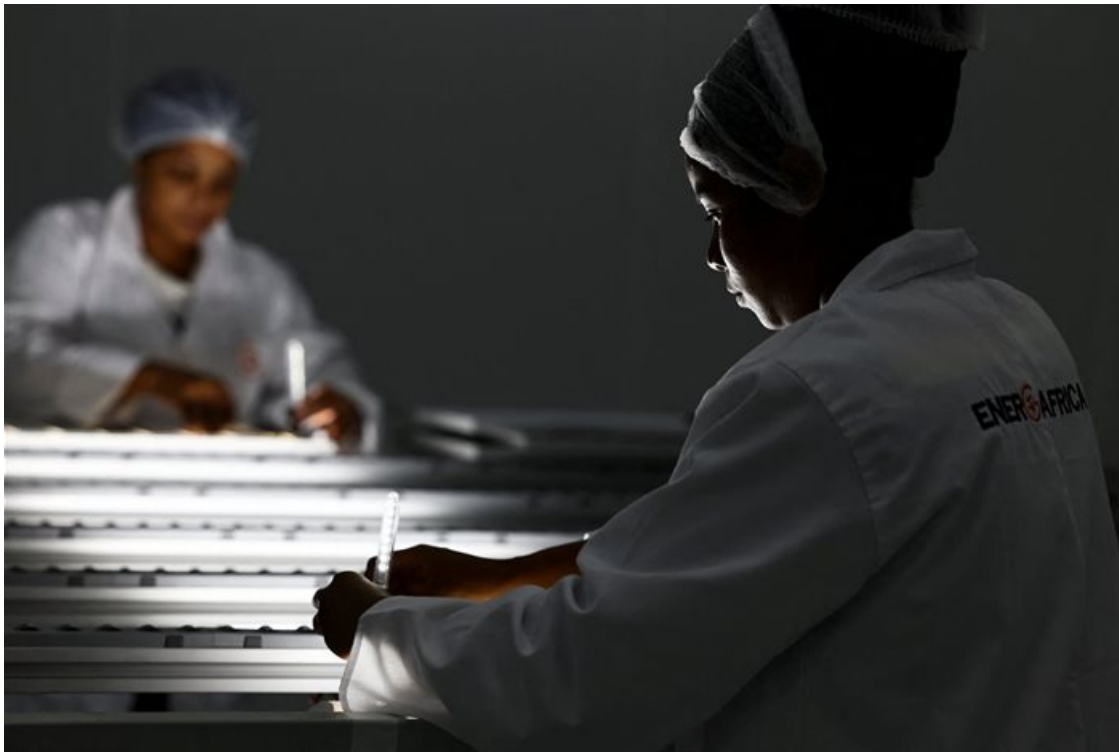


South African factory activity contracts for 4th straight month - Absa PMI

By [Anait Miridzhanian](#)

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South African manufacturing activity contracted for the fourth consecutive month in May, with a particularly steep decline in expected business conditions, a survey showed on Thursday, 1 June.



Source: Reuters/Esa Alexander

The seasonally-adjusted Absa Purchasing Managers' Index (PMI) edged down to 49.2 in May from 49.8 in April, moving further below the 50-point mark that separates expansion from contraction.

The index measuring expected business conditions in six months' time fell to its lowest since early 2020, with sentiment affected by concerns that power cuts will get worse in the upcoming winter months.

"This is the most pessimistic respondents have been about the near-term outlook since the strictest phase of South Africa's Covid-lockdown three years ago," Absa said in a statement.

"The average index level of business activity in the first two months of the second quarter is below the first-quarter average. This suggests that the sector may once again detract from quarterly GDP growth after an expected expansion in the first quarter."

Statistics South Africa will release first-quarter gross domestic product (GDP) figures next week.

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