

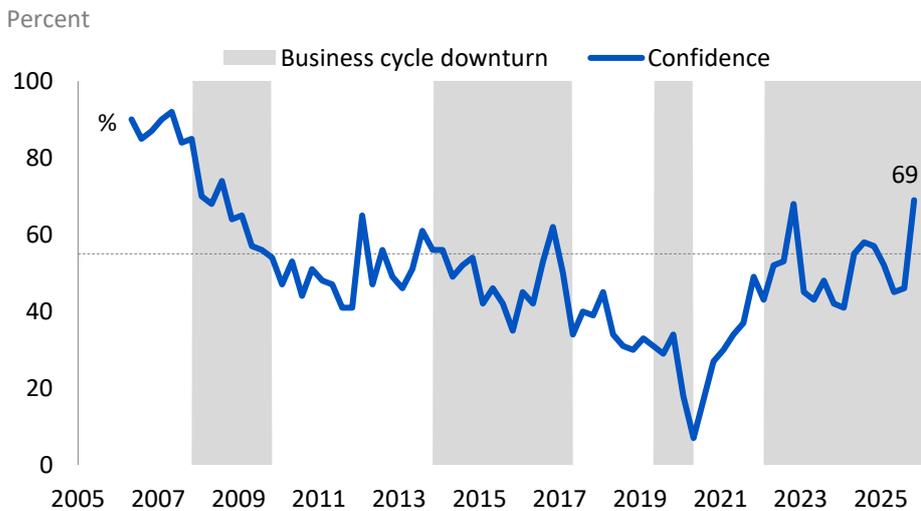
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# Other services survey results 2025Q4

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Confidence in the Other Services<sup>1</sup> sector jumped by 23 points to 69 in 2025Q4, making it only the second time this metric is above 65 since 2008Q3, and marking a post-GFC<sup>2</sup> record. This rise is driven by significant gains in business volumes, conditions, and profitability, all of which are now well above long-term averages. Concurrently, average selling price inflation fell in line with lower inflation in South Africa.

**Figure 1: Other Services confidence and long-run average**



Source: BER and SARB (the SARB changed their business cycle estimates in October 2025)

The Q4 survey results reflect improved macroeconomic conditions, including lower interest rates, subdued inflation, and a stronger rand exchange rate. Over the past three months, geopolitical and trade concerns have also eased. In addition, the successful hosting of the G20 Summit<sup>3</sup> not only increased visitors during the quarter but appears to have reinforced positive

<sup>1</sup> Hotels, restaurants, transport, real estate and business services make up the Other Services sector. They are denoted as “other” services to distinguish them from the retail, wholesale and motor trade sectors, which are also part of the services sector but included in the RMB/BER business confidence index (BCI). The Other Services sector is not included in the BCI due to its lagging business cycle characteristics, i.e., it recovers/deteriorates later than the BCI sectors. Although the Other Services sector contributes a considerable 22% (2019) to GDP and employment, the BER does not include it in the BCI to safeguard its advanced signalling properties.

<sup>2</sup> Global Financial Crisis (GFC), 2008

<sup>3</sup> Multiple G20 events took place leading up to the G20 Leaders’ Summit. See <https://www.g20.utoronto.ca/2025/2025-road.html>

sentiment towards South Africa, which supported the hospitality sector. In the hospitality subsector, higher business volumes were driven by improved demand, which in turn led to a significant improvement in profitability despite lower selling prices.

**Table 1: Other services and subsector confidence, %**

Indicator	Long-term average	25Q1	25Q2	25Q3	25Q4	Δ
<b>Other Services (overall)</b>	52	52	45	46	<b>69</b>	23
<b>Hospitality (15%)</b>	51	67	41	56	<b>79</b>	23
<b>Transport &amp; storage (22%)</b>	46	34	42	27	<b>61</b>	34
<b>Real estate (18%)</b>	44	51	36	29	<b>72</b>	43
<b>Business services (45%)</b>	56	53	56	60	<b>65</b>	5

Transport and storage confidence rose to its highest level in two years (61), surging by a statistically significant margin in Q4. The increase in confidence was supported by improved business volumes and business conditions. Additionally, profitability jumped and is now above its long-run average, as demand strengthened and constraints such as shortages of skilled labour and equipment eased.

Real estate confidence surged to 72 in Q4, up from 29 in Q3. Both realised and expected business conditions increased significantly, while business volumes jumped to levels far above the long-run average. The lower interest rate environment and return-to-office trend were particularly important drivers.

Business services confidence rose by five points to 65, well above its long-term average of 42, despite weaker activity. Business conditions fell and business volumes declined by only one point. However, for the last couple of quarters, volumes have remained close to their long-term average, indicating a period of relative stability within the subsector. Given the importance of stability, especially for business services, this likely explains the disconnect between business conditions and confidence.

## WHERE TO FROM HERE?

Although the results were stronger than expected, more time is required to assess whether the surge in sentiment within the Other Services sector in Q4 is a new trend. As pointed out, the uptick in confidence was underpinned by unexpected positive economic outcomes. Therefore, the outlook will largely depend on how broader economic developments unfold in the coming months. Other services tend to lag the rest of the economy.

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