Economic Snapshot | JUL 2025

BUREAU for ECONOMIC RESEARCH

Contents

Note: Shaded area in graphs denotes the downward phase of the business cycle.

Compiled by Nicolaas vd Wath
Email: wnwath@sun.ac.za
Phone: 021 808 9779

Highlights

GDP GROWTH BARELY POSITIVE IN Q1

The real economy expanded by a meagre 0.1% (s.a) during the first quarter of 2025. Among the key industries, only the agricultural sector grew significantly, mostly as it recovered from a severe contraction in the middle of last year. Transport, trade and finance also expanded, though at a soft 0.2% or lower. Six other economic sectors registered a fall in output; mining and manufacturing both contracted by 0.2% and electricity and construction by 0.1%. Mining output was down mostly due to a fall in platinum group metal production. From the demand side view, growth was recorded in household consumption expenditure, inventory investment, and exports. These were countered by a significant rise in imports (0.6%) and a mild (but persistent) contraction in fixed investment.

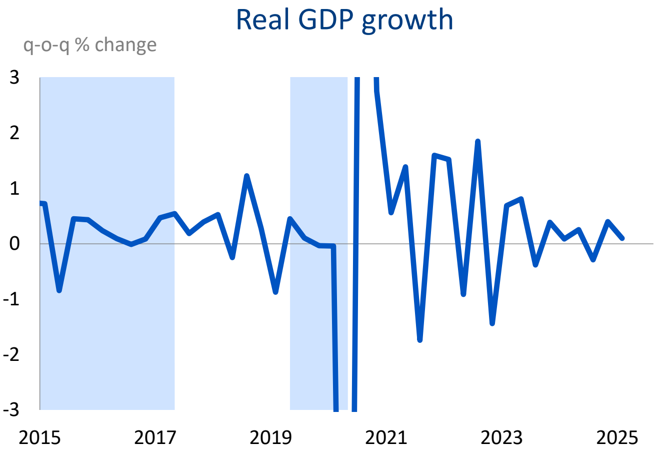
BUSINESS CONFIDENCE DOWN IN Q2

The RMB/BER Business Confidence index (BCI) declined by five points to 40 in the second quarter of 2025. This implies that only four out of ten business respondents in the most cyclically sensitive sectors of the economy were satisfied with prevailing business conditions. While remaining above the average of 2023 and 2024, confidence is now a touch below the long-term average level. Indeed, the underlying survey results point to a loss of momentum in the South African economy. The improvement in the FNB/BER Consumer Confidence Index in the second quarter is more encouraging, albeit that this came from an extremely weak print record in the first quarter.

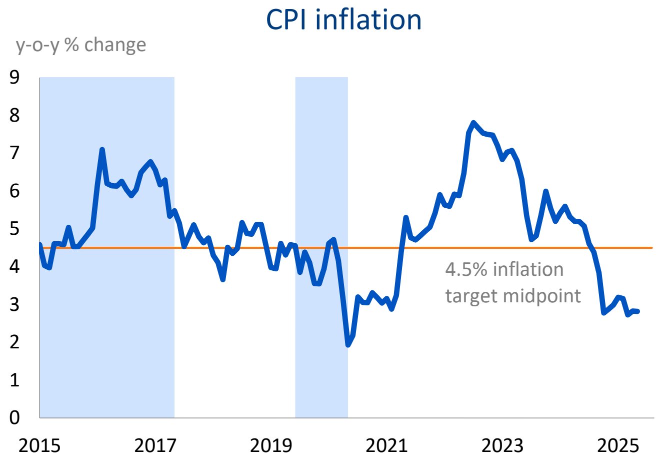
CPI INFLATION REMAIN BELOW 3% IN MAY

Regarding price levels, annual headline consumer inflation remained subdued in May at 2.8%, unchanged from the April reading. The largest contributions came from food and non-alcoholic beverages, which rose by 4.8%, and housing and utilities, which increased by 4.5%. The rise in food inflation was primarily driven by higher meat prices. However, while the recent foot and mouth disease outbreak has put pressure on red meat prices, it is not the sole driver. In contrast, transport prices registered 4.8% annual deflation in May, primarily reflecting a 14.9% annual drop in fuel prices. Of note is that core inflation (which excludes volatile food and fuel), dropped to 0% on a monthly basis. It is encouraging that inflation expectations also subsided during the second quarter, among a broad base of economic agents.

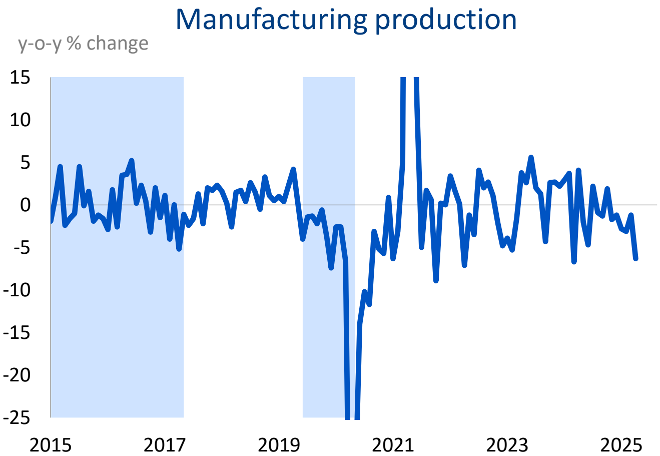
Core indicators



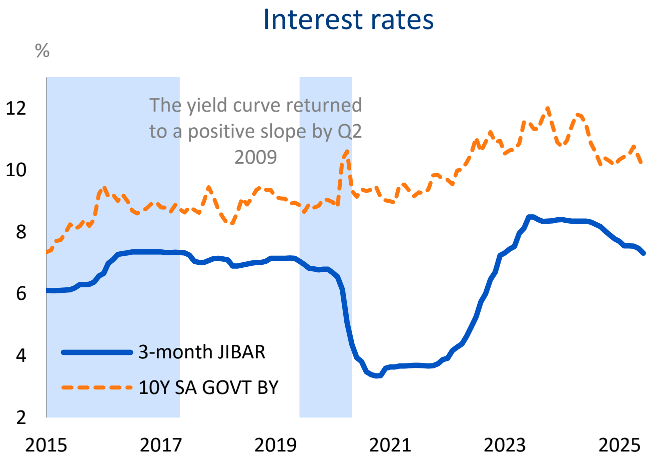
Source: Stats SA



Source: Stats SA



Source: Stats SA

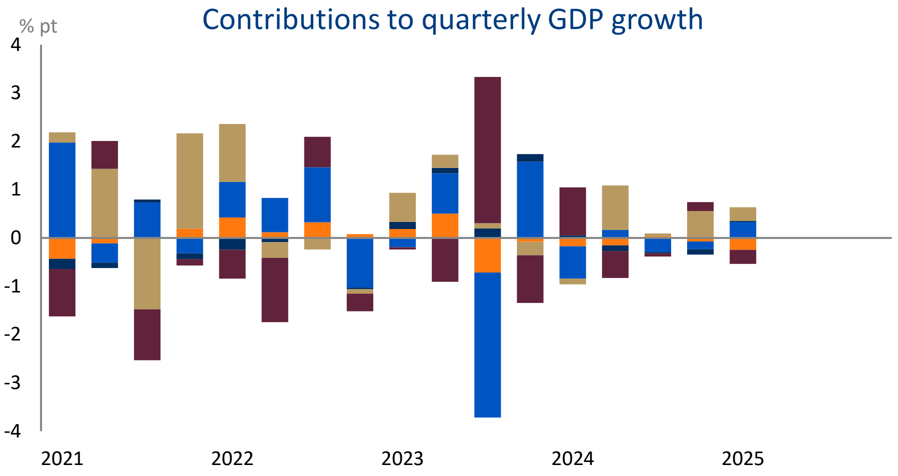


Source: DataStream

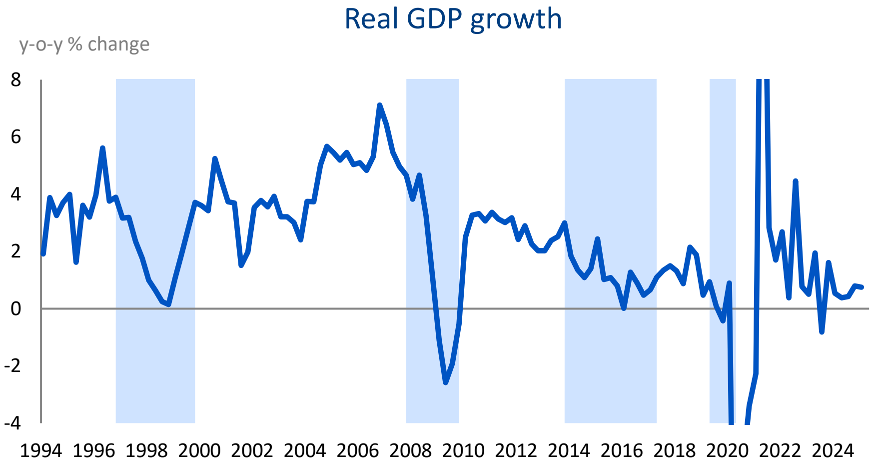
Please refer to the glossary on the BER's website for explanations of technical terms.
Click here for more information about the BER's services.

BER BUREAU *for* ECONOMIC RESEARCH

GDP growth



Source: Stats SA

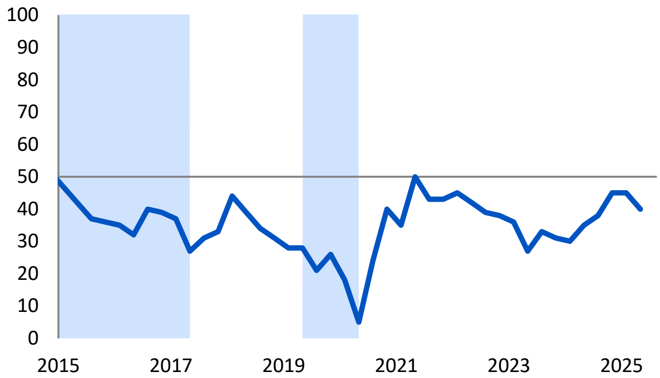


Source: Stats SA

Please refer to the **glossary on the BER's website** for explanations of technical terms.
Click here for more information about the BER's services.

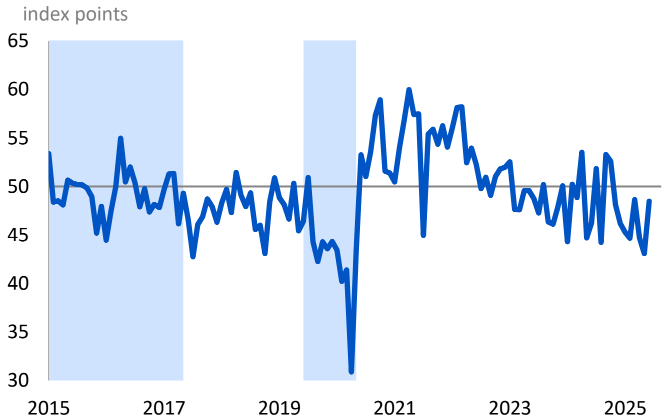
Business environment

RMB/BER Business Confidence Index



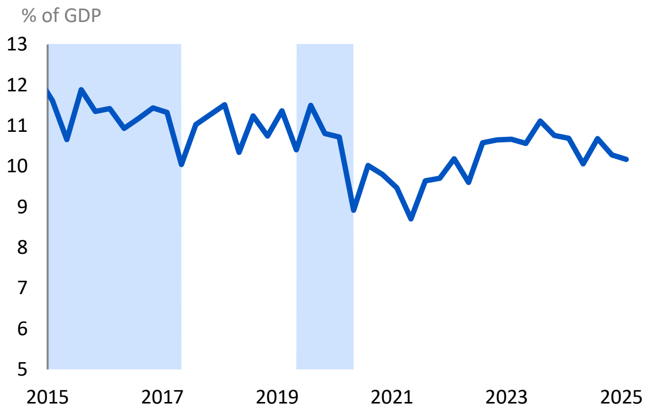
Source: BER

Absa Purchasing Managers' Index



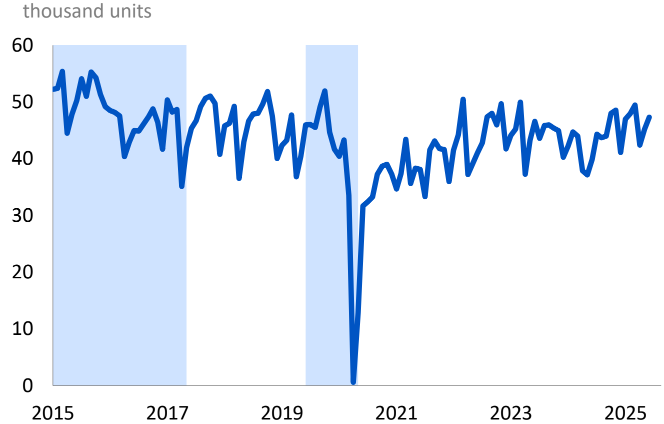
Source: BER

Private fixed investment



Source: SARB, Stats SA

Total domestic vehicle sales



Source: Naamsa

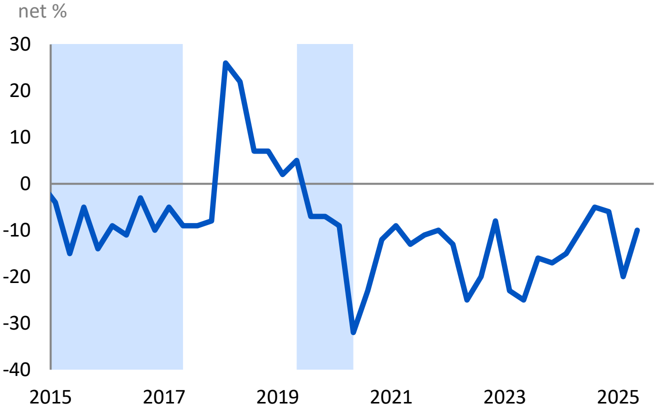
Please refer to the **glossary on the BER's website** for explanations of technical terms.

Click here for more information about the BER's services.

BUREAU *for* ECONOMIC RESEARCH

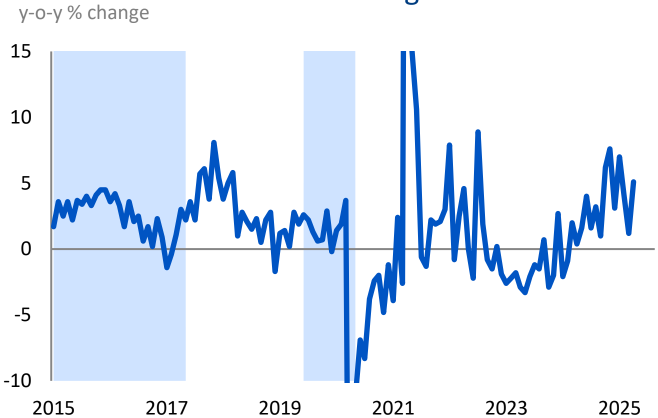
Household consumption

FNB/BER Consumer Confidence Index



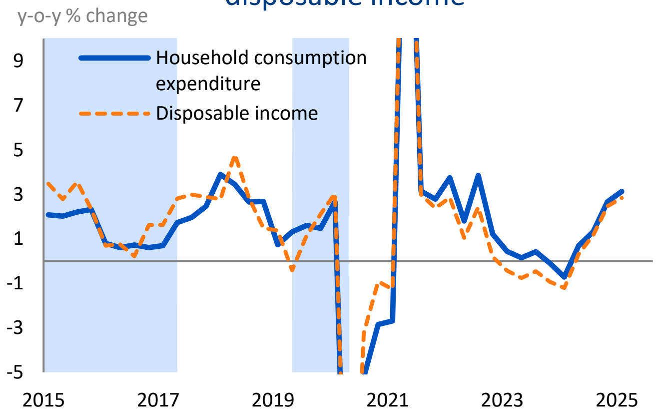
Source: BER

Real retail sales growth



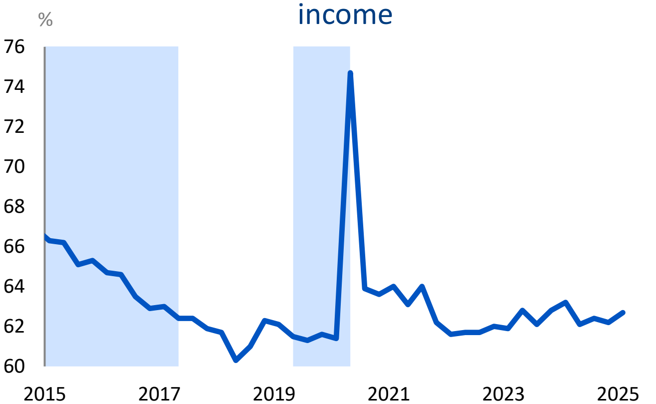
Source: Stats SA

Household consumption and real disposable income



Source: SARB, Stats SA

Ratio of household debt to disposable income



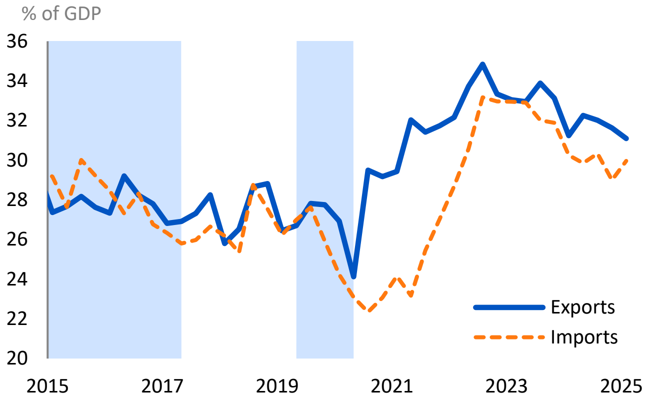
Source: SARB

Please refer to the **glossary on the BER's website** for explanations of technical terms.
Click here for more information about the BER's services.

BUREAU *for* ECONOMIC RESEARCH

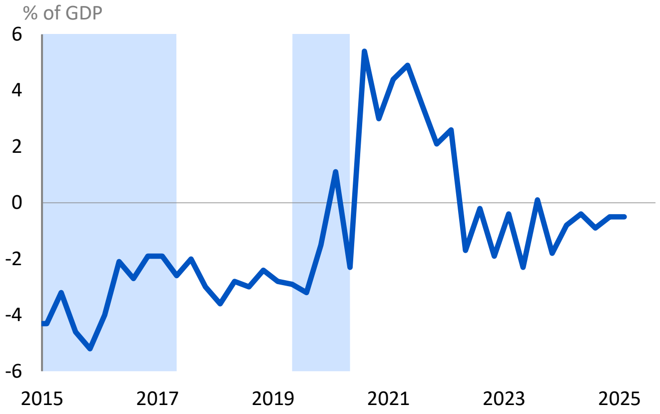
International trade

Imports and exports



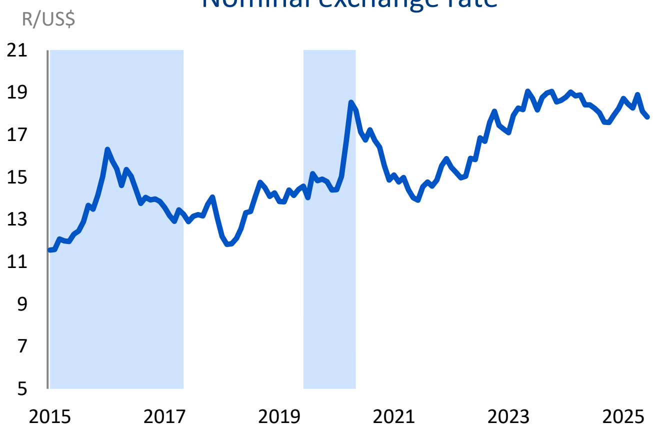
Source: SARB

Current account balance



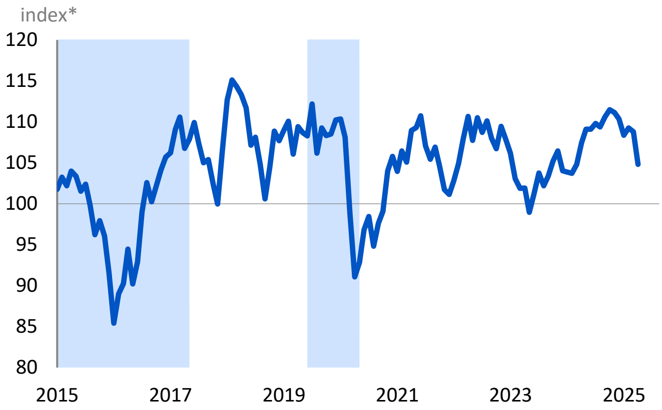
Source: SARB

Nominal exchange rate



Source: DataStream

Real effective exchange rate of the Rand



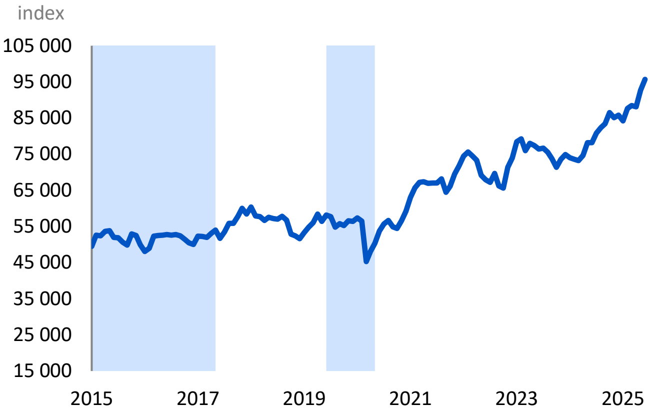
*Source: SARB *higher values denote a stronger rand*

Please refer to the **glossary on the BER's website** for explanations of technical terms.

Click here for more information about the BER's services.

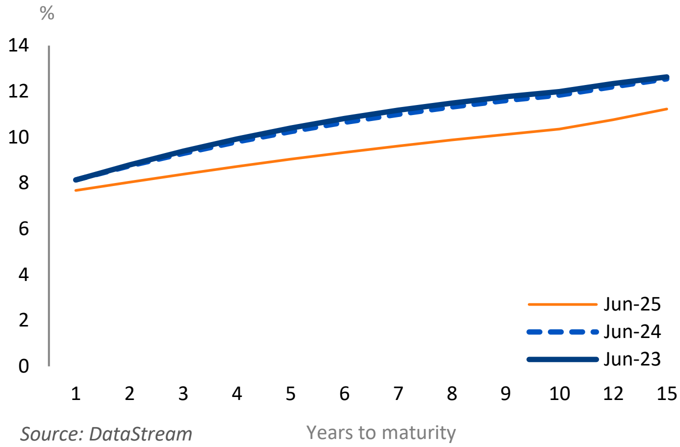
Financial markets

JSE all share index



Source: DataStream

Yield curve comparisons

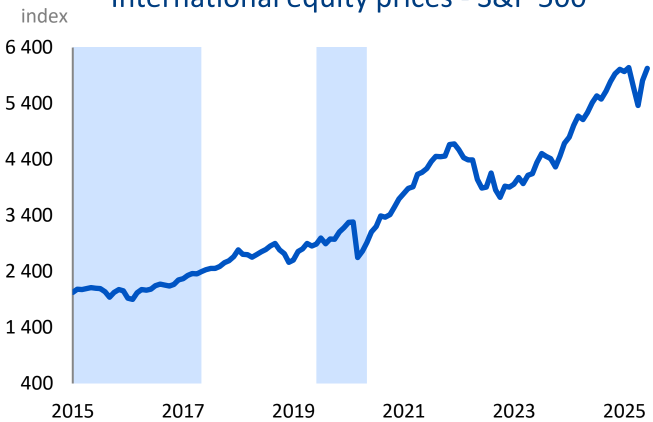


Source: DataStream

Economist all commodities index

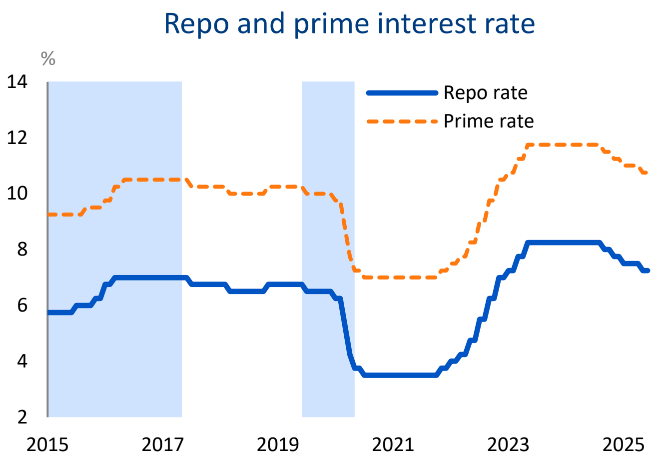
Source: Economist

International equity prices - S&P 500

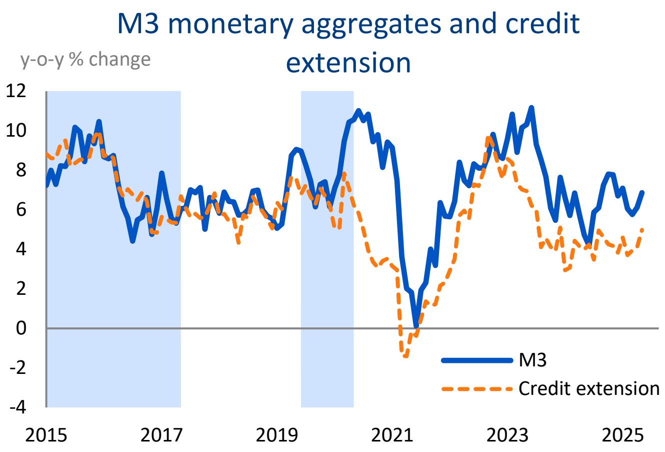


Source: DataStream

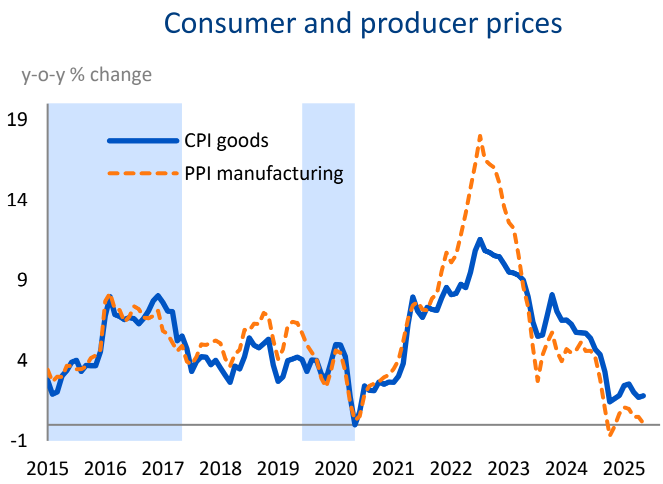
Money and prices



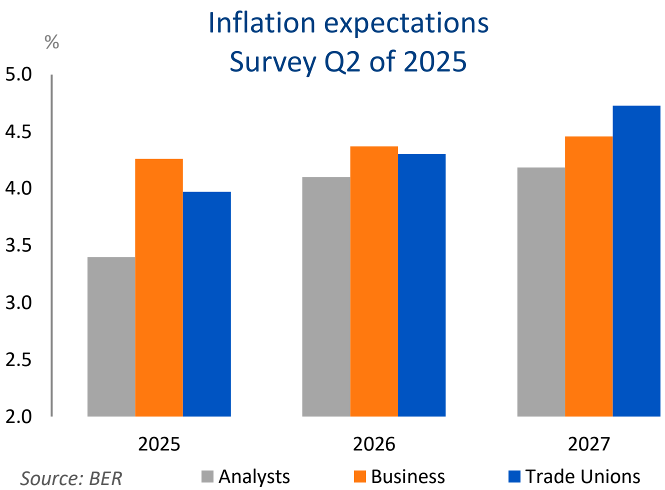
Source: SARB



Source: SARB



Source: Stats SA



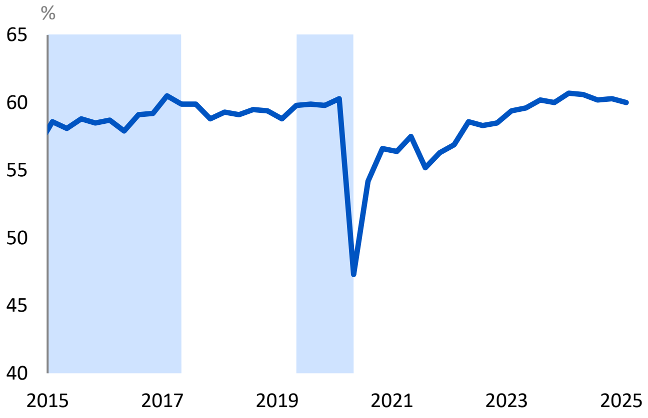
Source: BER

Please refer to the glossary on the BER's website for explanations of technical terms.
Click here for more information about the BER's services.

BUREAU for ECONOMIC RESEARCH

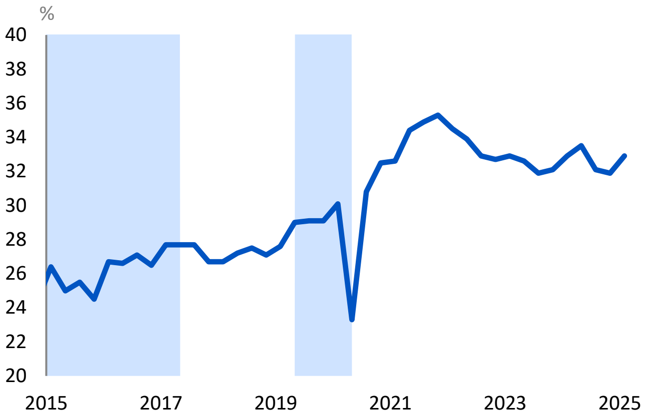
Labour

Labour force participation



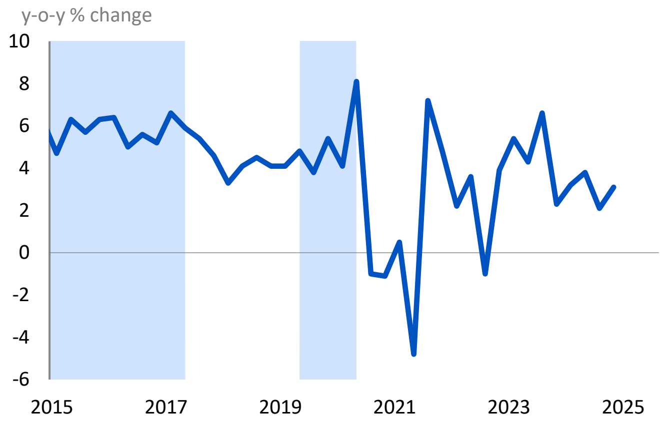
Source: Stats SA

Unemployment rate



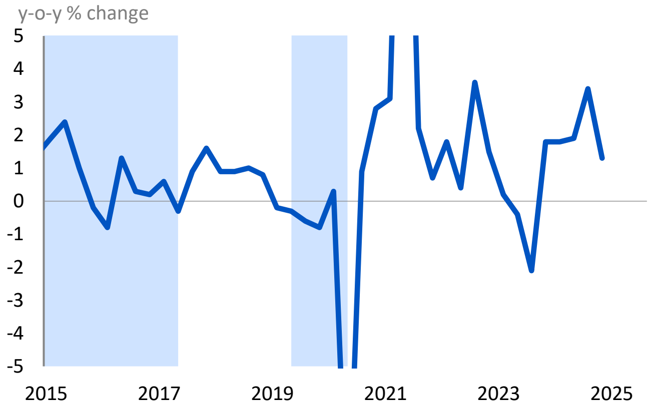
Source: Stats SA

Unit labour cost



Source: SARB

Labour productivity



Source: SARB

Please refer to the **glossary on the BER's website** for explanations of technical terms.
Click here for more information about the BER's services.

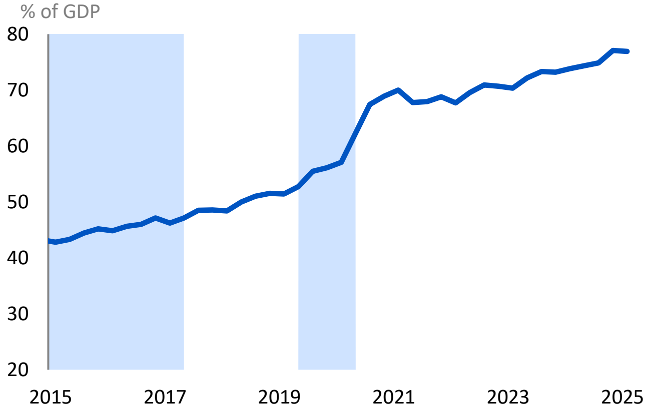
BUREAU *for* ECONOMIC RESEARCH

Government

Public sector borrowing requirement

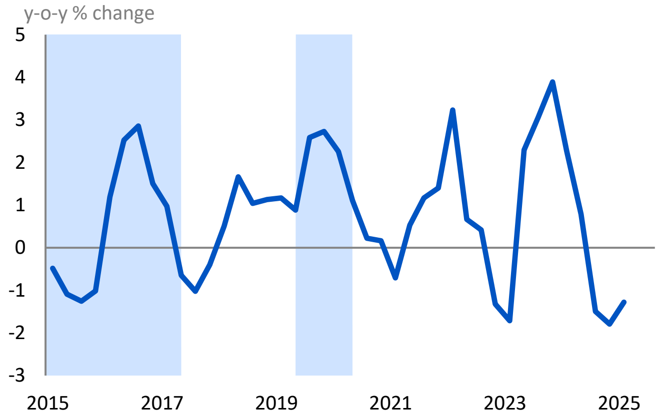
Source: SARB

Gross government debt



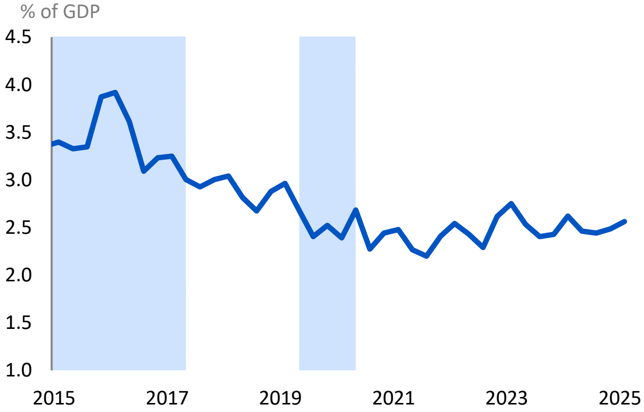
Source: SARB

Real government consumption



Source: SARB, Stats SA

Government fixed investment



Source: SARB, Stats SA

Please refer to the **glossary on the BER's website** for explanations of technical terms.
Click here for more information about the BER's services.

BER BUREAU *for* ECONOMIC RESEARCH

CONTACT US

Nicolaas vd Wath
Tel: +27 (21) 808 9779
Email: wnwath@sun.ac.za

Click **here** for previous editions of this publication.
Please refer to the glossary on the **BER website** for explanations of technical terms.

Stellenbosch UNIVERSITY IYUNIVESITHI UNIVERSITEIT

BER BUREAU *for* ECONOMIC RESEARCH