

Absa Purchasing Managers' Index

September 2026

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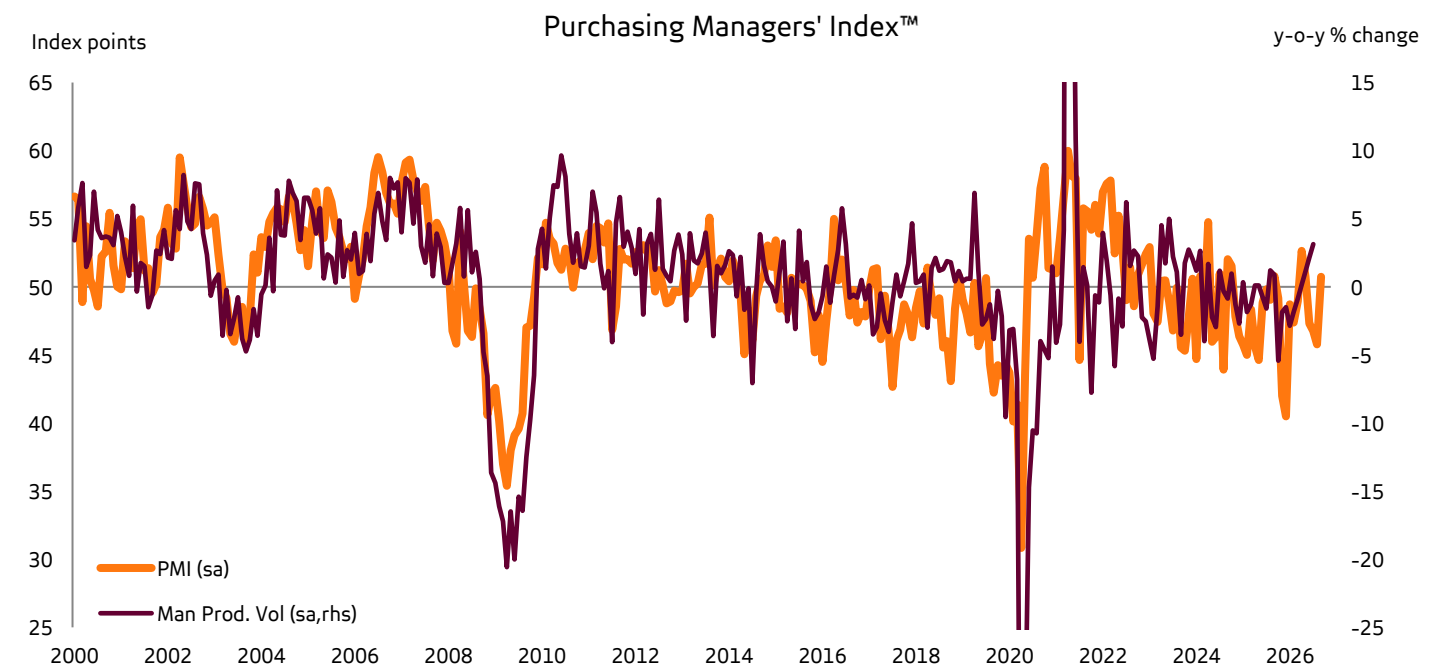
The seasonally adjusted **Absa Purchasing Managers' Index (PMI)** rose by 4.9 points to 50.7 index points in September 2026, returning above the neutral 50-point mark after three consecutive months in contractionary territory. Encouragingly, the **new sales orders index** rebounded sharply and moved back above the neutral mark, while **business activity** recovered most of August's steep decline.

There are, however, some important nuances to consider. Shipping delays at Durban harbour stand out as a significant bottleneck and likely kept the **supplier deliveries index** unusually elevated. In this instance, the high reading should not be interpreted as evidence that suppliers are struggling to keep pace with stronger demand, but rather as evidence of actual delivery delays. Respondents repeatedly flagged longer shipping times, delays in clearing containers and sharply higher freight costs.

Price pressures also reaccelerated in September. The **purchasing price index** reversed its recent downward trend, with respondents pointing to higher fuel, transport, logistics and other input costs. The sharp increase in domestic fuel prices at the start of September added to the pressure.

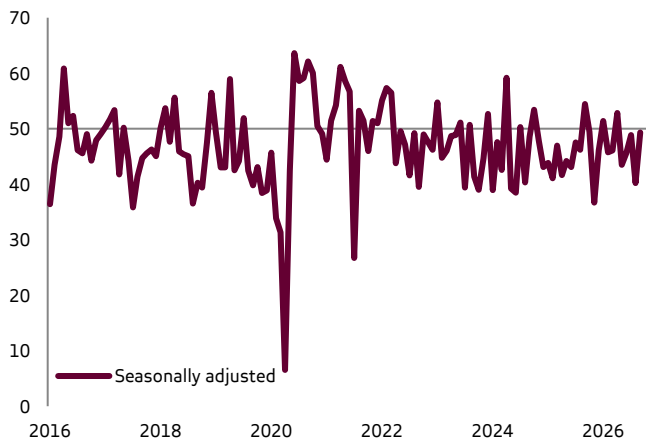
On a more positive note, the index tracking **expected business conditions in six months' time** edged up by 0.6 points to 55.3. While still below its long-term average, the reading suggests that purchasing managers remain cautiously positive about business conditions over the next six months.

Overall, the September PMI marks a welcome improvement after a weak winter period, particularly given the sharp rebound in new orders. However, the signal is not uniformly positive as actual business activity remained just below the neutral mark, employment weakened, and order backlogs stayed subdued. Moreover, logistics disruptions appear to have artificially boosted the supplier deliveries component of the headline PMI, while purchasing price pressure reaccelerated. A sustained move above 50 over the coming months would provide more convincing evidence that the manufacturing sector is entering a recovery.



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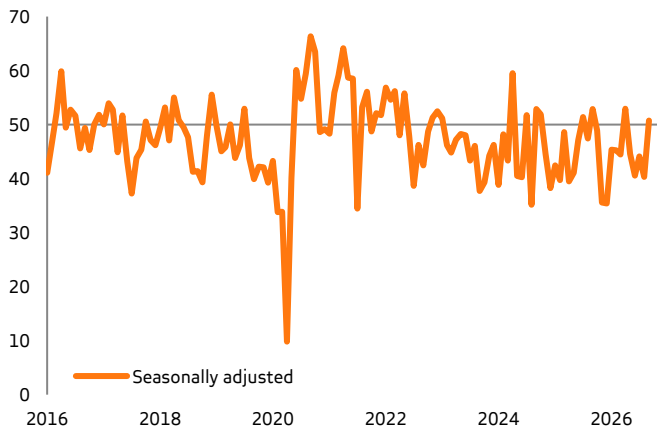
PMI: Business activity



The **business activity index** rebounded sharply from 40.2 to 49.3 in September, even moving slightly above its July level. While official August manufacturing production data is still outstanding, July was a relatively solid month for manufacturing output.

	Jul	Aug	Sep
Business activity	48.8	40.2	49.3

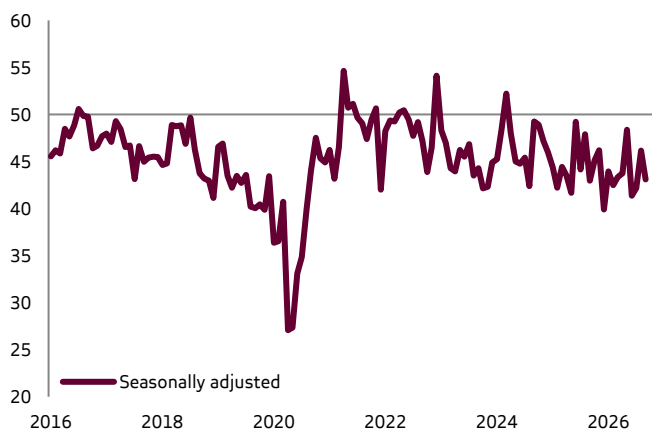
PMI: New sales orders



The bounce in the **new sales orders index** was notable. While export sales remained below the neutral 50-point mark, the export index rebounded to its best level since early 2025. This suggests that the improvement in new orders was not solely domestic. The broader demand picture nevertheless warrants some caution. Respondent comments also point to a mixed environment, with some firms preparing for stronger seasonal demand while others report weaker customer commitments and few major projects on the horizon. Margins also remain under pressure amid intense competition from imports and higher input costs.

	Jul	Aug	Sep
New sales orders	44.1	40.3	50.8

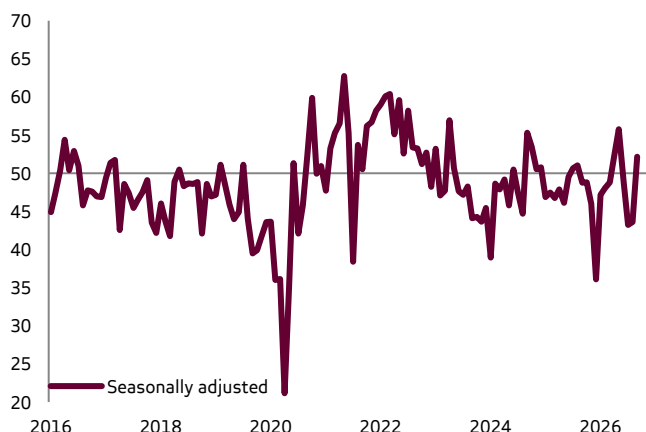
PMI: Employment



The **employment index** almost fully reversed August's improvement, declining from 46.2 to 43.1 index points in September. This suggests that the improvement in new orders and activity has not yet been strong or sustained enough to alter manufacturers' cautious approach to hiring.

	Jul	Aug	Sep
Employment	42.2	46.2	43.1

PMI: Inventories



The **inventories index** jumped from 43.6 to 52.2 in September, moving back above the neutral 50-point mark. Together with a rise in purchase commitments, this may suggest that some manufacturers are rebuilding stocks following weakness in recent months or preparing for stronger seasonal demand. However, with order backlogs still subdued, it is too early to interpret the inventory build as evidence of a broad demand upswing.

	Jul	Aug	Sep
Inventories	43.2	43.6	52.2

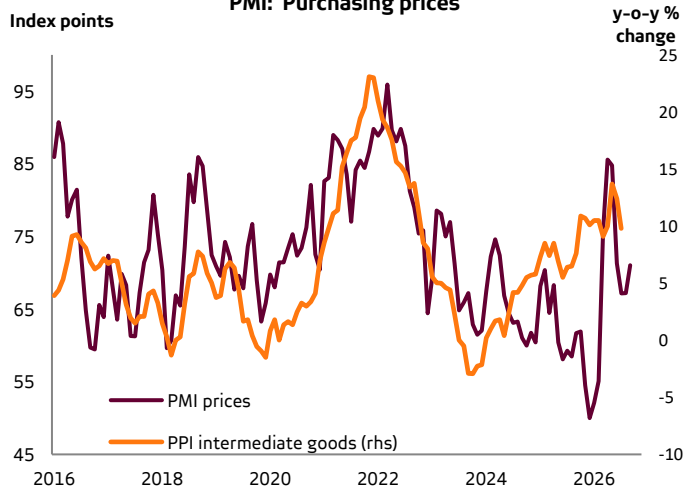
PMI: Supplier deliveries



The **supplier deliveries index** remained broadly unchanged at 58.4, after 58.6 in August. A reading above 50 indicates that supplier delivery times lengthened relative to the previous month. Normally, slower supplier deliveries can accompany strong demand as suppliers struggle to keep pace with orders. In September, however, respondent comments suggest that logistics disruptions were an important driver. Several respondents specifically highlighted delays at Durban harbour, longer shipping schedules and substantially higher freight and transport costs. The elevated supplier-deliveries index should therefore not be interpreted as an unambiguously positive demand signal.

	Jul	Aug	Sep
Supplier deliveries	55.5	58.6	58.4

PMI: Purchasing prices



The **purchasing price index** reversed its recent downward trend, rising by 3.9 points to 71.1 in September. This remains almost 15 points below the May peak but indicates a renewed acceleration in cost pressures relative to August. Respondent comments highlight transport, logistics and other input costs as important contributors. The sharp increase in domestic fuel prices at the start of September added directly to these pressures. Firms also mentioned higher supplier delivery charges, increases in paper prices, shortages of some plastic inputs and continued pressure on margins.

	Jul	Aug	Sep
Purchasing prices	67.2	67.2	71.1

The PMI is an economic activity index based on a survey conducted by the Bureau for Economic Research and sponsored by Absa. The monthly surveys are conducted under a representative group of purchasing managers in the South African manufacturing sector. These purchasing managers have to indicate each month whether a particular activity (e.g. new sales orders) for their company has increased, decreased or remained unchanged. Diffusion indices are then calculated by taking the percentage of respondents who reported an increase and adding it to one-half of the percentage who reported no change. This results in an index for which a value of 50 indicates no change in the activity, a value above 50 indicates increased activity and a value below 50 indicates decreased activity. The indices are then seasonally adjusted, but no further smoothing method is applied. The headline PMI is calculated as the weighted average of the following indices (weights in parentheses): Business Activity (0.20), New Orders (0.20), Employment (0.20), Supplier Deliveries (0.20) and Inventories (0.20). Note that the inverse of the Supplier Deliveries index is used in the PMI calculation. For more information on the South African manufacturing PMI, the historical data series, as well as a description of the questions in the PMI survey, please visit the BER's website (www.ber.ac.za).

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