

Absa Purchasing Managers' Index February 2026

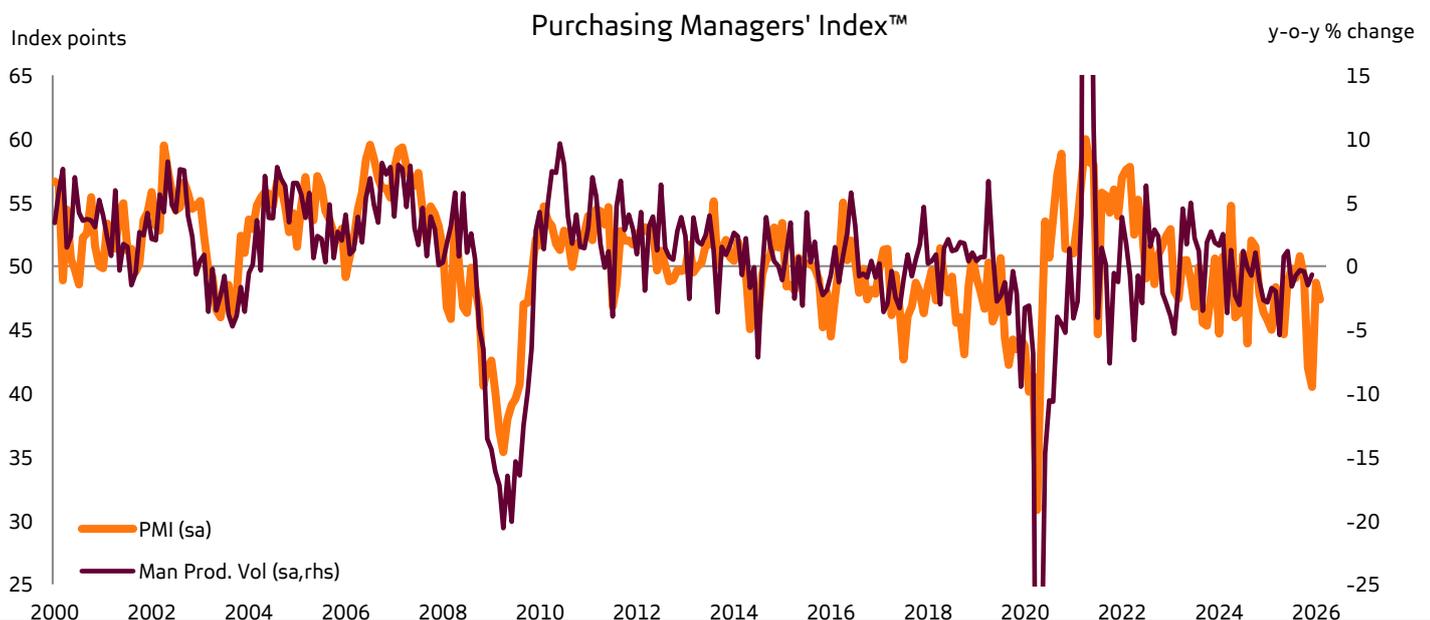
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The seasonally adjusted **Absa Purchasing Managers' Index (PMI)** lost ground in February, with the headline index declining from 48.7 to 47.4. Most of the PMI subcomponents remained broadly unchanged from January, but weaker business activity and a further decline in employment weighed on the headline index.

Following an encouraging improvement at the start of the year, the **business activity index** more than reversed January's gains and fell back below the neutral 50-point mark. This suggests that a possible rebound in production at the beginning of the year was not sustained. The stop-start nature of manufacturing output, also evident in official data, is not conducive to longer-term capacity expansion, investment growth or employment gains.

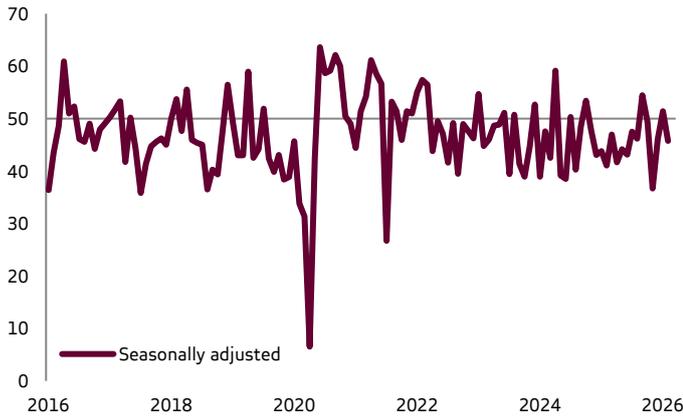
New sales orders were largely unchanged in February after January's solid rebound. While export sales improved somewhat relative to January, they remain firmly in contractionary territory. Although the stronger rand is beneficial from a cost perspective, it continues to weigh on international competitiveness.

The positive highlight of the February PMI results was the renewed uptick in the **expected business conditions index**. The index rose back to December's 68.8 points (from 66.4 in January). The commentary from respondents about conditions in February remained on balance negative, however, some expressly anticipate that the outlook will improve. Prevailing issues plaguing the sector include delays of shipments at South African ports, localised electricity disruptions and weak demand.



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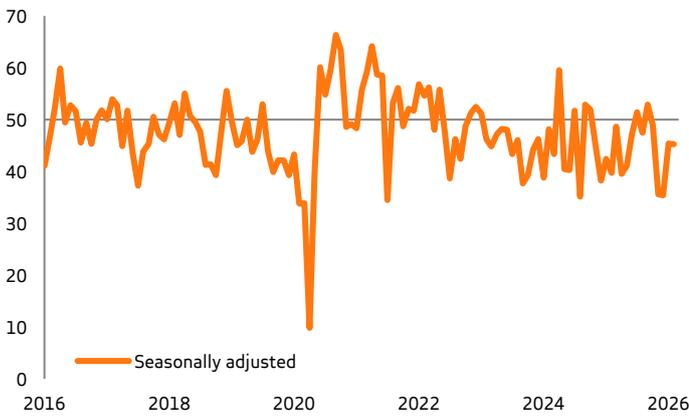
PMI: Business activity



Disappointingly, the **business activity index** more than reversed all of January’s gains and slipped back below the neutral 50-point mark. The stop-start nature of production is also reflected in official data and is not conducive to long-term capacity-building investment growth or employment expansion.

	Dec	Jan	Feb
Business activity	46.1	51.4	45.7

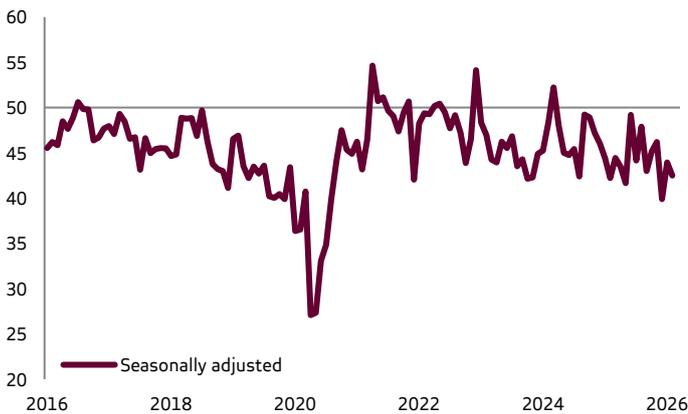
PMI: New sales orders



New sales orders moved sideways in February following a solid bump in January. Encouragingly, export sales looked better relative to January but remain deep into negative territory. While a boon from a cost perspective, the stronger rand exchange rate does hurt competitiveness in international markets.

	Dec	Jan	Feb
New sales orders	35.4	45.4	45.2

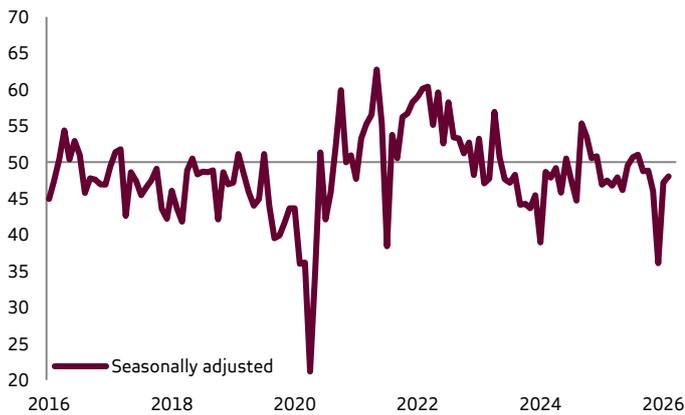
PMI: Employment



The **employment index** ticked down once more in February. The latest Quarterly Labour Force Survey (QLFS) results for 2025Q4 showed that the factory sector lost jobs on a quarterly basis. The PMI results do not point to a meaningful recovery in Q1.

	Dec	Jan	Feb
Employment	39.9	43.9	42.5

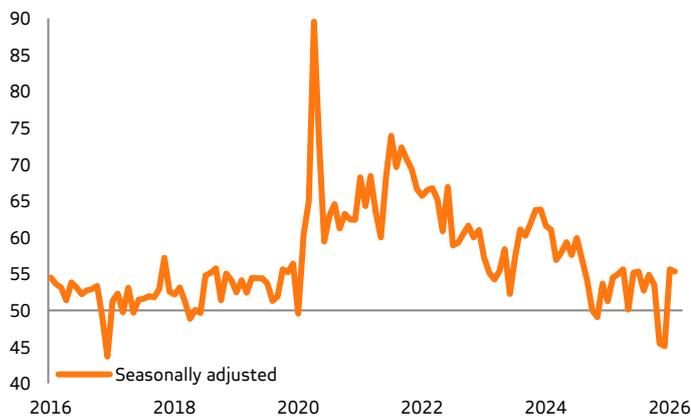
PMI: Inventories



The **inventories index** ticked up slightly in February. While below the neutral 50-point mark, the current level is largely in line with the series' average over the last two years.

	Dec	Jan	Feb
Inventories	36.1	47.2	48.1

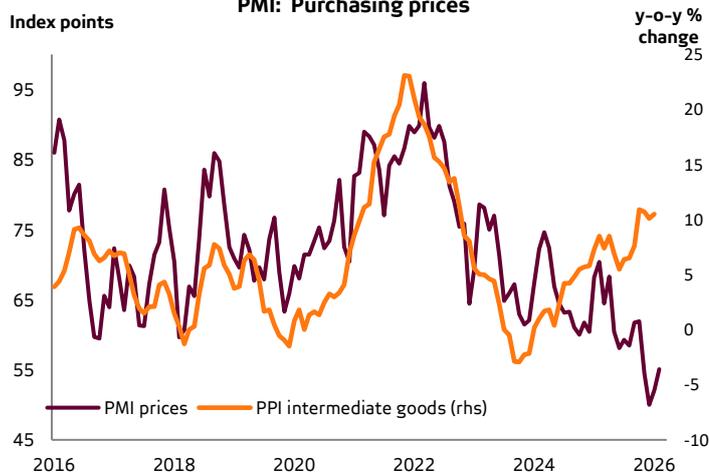
PMI: Supplier deliveries



The **supplier deliveries index** remained virtually unchanged after a surge in January. Some respondents made specific remarks about shipment delays at South African ports, which could explain slower deliveries. It is important to note that this index is inverted, with slower deliveries leading to an increase in the index because it is usually a sign of stronger demand for supplies, but the signal can be distorted due to dysfunctional supply chains. Given the subdued level of new orders, the elevated supplier deliveries index is unlikely to reflect strong demand and may instead point to ongoing logistical constraints

	Dec	Jan	Feb
Supplier deliveries	45.1	55.6	55.3

PMI: Purchasing prices



The **purchasing price index** increased for a second consecutive month after reaching the lowest level since 2009 in December 2025. Even after the increases, the index remains low by historical standards. The apparent disconnect between the official intermediate goods producer price index (PPI) and the PMI's equivalent measure stems from a surge in basic and fabricated metal prices. This accounts for the full PPI increase, as these metals make up half of the PPI basket, but are not as pronounced in our PMI sample.

	Dec	Jan	Feb
Purchasing prices	50.0	52.1	55.1

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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