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PRESS RELEASE | 22 SEPTEMBER 2026| FOR IMMEDIATE RELEASE

Other services survey results 2026Q3

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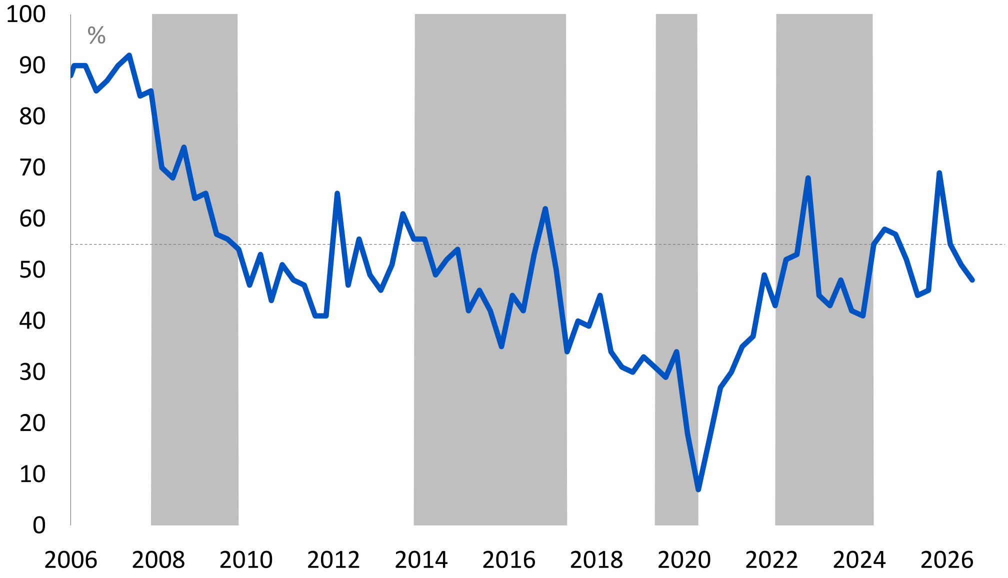
Other Services[1] confidence declined by 3 points to 48 in 2026Q3. From a historical perspective, this is not a significant decline, and the index is now just below its long-run average. However, despite the largely sideways move in confidence, business conditions and volumes declined well below their long-run averages.

Figure 1: Other Services confidence, 2026Q3

PERCENT



Source: BER and SARB. The shaded areas indicate cyclical downturns as demarcated by the SARB.

Weak business volumes in the Other Services sector can be explained by dampened economic demand, with insufficient demand increasing as a serious constraint for respondents relative to the second quarter. Employment also fell significantly, a concerning result given that the

[1]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.

services sector is a major employer in the South African economy. However, this result was not surprising, given the poor year-to-date labour data released by Stats SA. In addition, respondents reported low business volumes and heightened levels of insufficient demand, both of which discouraged employment growth.

The overall moderation in Other Services confidence was not uniform across the four underlying subsectors. Confidence improved in Transport and Business Services, remained more or less unchanged in Real Estate, and fell quite starkly in Hotels and Restaurants. Business volumes across the subsectors tell a similar, mixed story, with Business Services and Transport improving while Hospitality and Real Estate remained depressed. The main drag on the Other Services sector this quarter was weakness in Hotels and Restaurants, where most indicators were in the red.

Selling prices fell across services respondents. There has been a positive relationship between the Other Services selling prices and services inflation over the last few quarters, both being slightly elevated. Hence, the moderation in respondents' selling prices should bode well for services inflation for consumers.

The survey took place from 13 to 24 August 2026. Compared with the second quarter, some of the immediate pressures associated with the earlier oil and fuel price shock had begun to ease. Inflation also moderated during the survey period, while the South African Reserve Bank's (SARB's) Monetary Policy Committee (MPC) kept the policy rate unchanged in July, following the 25-basis-point increase in May. In contrast, this quarter's Other Services Survey discussion expanded to include familiar issues such as corruption, ongoing bureaucratic challenges, poor service delivery, weak demand, and fragile investment. In addition to these persistent problems, there was increased trade uncertainty as well as concern about the exodus of foreign workers and the upcoming elections, all contributing to domestic political uncertainty. Unfortunately, the economic backdrop has deteriorated since the survey was conducted, which does not bode well for business conditions over the rest of the year.

IN SUMMARY

Although much of the decline in Other Services confidence this quarter was concentrated in Hotels & Restaurants, the broader picture has also softened. This is worth watching, given that Other Services has historically been a relatively stable part of the economy and is an important source of employment. Weak demand and familiar domestic operating constraints remain evident, while renewed pressure from oil and fuel prices has made the external backdrop more difficult since the survey closed. This could place further pressure on firms' costs and household disposable income, while also complicating the interest-rate outlook. The improved forward-looking indicators in some subsectors are encouraging, but for now, the survey points to a sector that remains resilient in parts rather than one experiencing a broad-based recovery.