

Absa PMI rebounds in August after steep fall on July riots

By [Alexander Winning](#)

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South Africa's seasonally-adjusted Absa Purchasing Managers' Index (PMI) recovered in August, after a steep drop in July when arson and looting gripped parts of the country, a survey showed on Wednesday.



Source: Getty

The index, a gauge of manufacturing activity in Africa's most industrialised nation, rose to 57.9 points in August from 43.5 in July, moving back above the 50-point mark that separates expansion from contraction.

The July PMI reading was the lowest since April 2020, when the government's first coronavirus lockdown was in place.

"A normalisation of demand and output for businesses affected by July's looting ... meant that a recovery was always on the cards given that the survey tracks month-on-month movements in business conditions," Absa said in a statement.

"The extent of the rebound is nonetheless encouraging, especially on the orders and activity front," it added.

The July riots, which started as sporadic protests after former president Jacob Zuma was jailed but quickly escalated into acts of violence and destruction, dealt a major blow to the country's economic recovery from the Covid-19 pandemic, detracting from a strong first-quarter performance.

ABOUT THE AUTHOR

Reporting by Alexander Winning; editing by Ngobile Dlodla

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