

# SA factory activity shrinks in July during power crisis - Absa PMI

By [Alexander Winning](#)

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South African manufacturing activity contracted for the first time in a year in July, when the country experienced major power cuts that dented output, a survey showed on Monday, 1 August.



Source: Reuters/Siphiwe Sibeko

The seasonally-adjusted Absa Purchasing Managers' Index (PMI) fell to 47.6 points in July from 52.2 in June, falling below the 50-point mark that separates expansion from contraction for the first time since July 2021.

"Local purchasing managers turned decidedly more downbeat about business conditions going forward amid local electricity woes and concerns about global growth," Absa said in a statement.

In July the business activity and new sales orders indices fell deeper into contraction territory. The employment index shifted from expansion to contraction, while the purchasing price index signalled the slowest pace of cost increases since the start of the year.

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