

Factory activity contracts less in April - Absa PMI

South African manufacturing activity contracted again in April but less than in February and March, helped by companies building up inventories, a survey showed on Tuesday, 2 May.



Source: Reuters. People work at "The Factory", a fashion design and clothing manufacturing company in Johannesburg, South Africa.

The seasonally-adjusted Absa Purchasing Managers' Index (PMI) rose to 49.8 points in April from 48.1 in March, staying below the 50 point mark that separates expansion from contraction for the third consecutive month.

"The underlying survey results suggest that the sector experienced another tough month at the start of the second quarter," Absa said in a statement, adding that power cuts continued to hurt output and demand was still under pressure.

Struggling state utility, Eskom has implemented electricity cuts on almost every day this year, after a record number of days with outages last year.

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