

SACCI Press Release

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Tight but Steady Trade Conditions

The September 2016 SACCI trade survey points to steady but still tight trade conditions. The Trade Activity Index (TAI) improved further from the 49 in August 2016 to 51 in September 2016 while the seasonally adjusted TAI measured 52 – the same as in August 2016. The seasonally adjusted TAI was 5 points higher than in September 2015. Respondents raised less concerns than in August although delays and compliance costs of the regulatory environment, uneven application of regulations and some government inefficiencies are adding to trade challenges.

Less new orders, rising input costs and a decline of employment were of the main restraints to trade conditions in September 2016. The new orders sub-index declined by one point to 48; the input price sub-index notched up by three points to 64; while the employment sub-index declined by four index points to 50 in September 2016. All the other components improved on the August 2016 levels with notably sales volumes at 55 increasing from 50 in August 2016.

Trade expectations remained in positive area and steadied at the same level as in August 2016. Trade expectations were at a six month high and positive as both the seasonally adjusted and non-seasonally adjusted Trade Expectations Index (TEI) remained on 59 and 60, respectively. Sales and new orders were both at all-year highs in September 2016. There were only two components, namely, supplies and employment that declined between August and September with employment prospects falling into negative territory at 48. Inflationary expectations on inputs (index at 72) as well as sales (index at 64) have receded somewhat, but still remain high.

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For more information and infographic, see the SACCI website - www.sacci.org.za or contact:

Alan Mukoki
SACCI CEO

Cell: 082 551 1159

Richard Downing
Economist for SACCI

Cell: 082 822 5566