SOUTH AFRICAN CHAMBER OF COMMERCE AND INDUSTRY

Business Confidence Index

November 2025

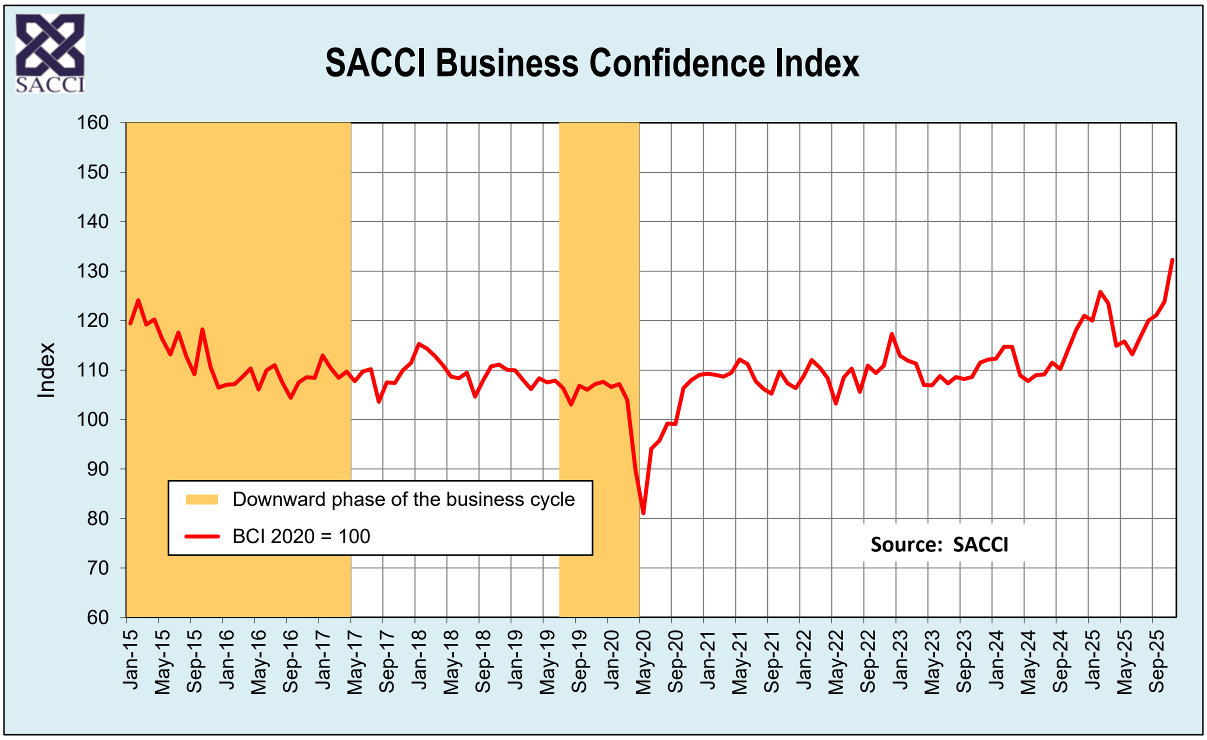
SACCI

Content:

Because of information lags and changes in expectations, the dynamics of the business mood, may, at times, be at variance with the economic environment. As a result, always read the BCI with other economic data and the accompanying economic commentary. For notes on the BCI, see the SACCI website at www.sacci.org.za.

The SACCI Business Confidence Index (BCI)
2020 = 100

Month	2018	2019	2020	2021	2022	2023	2024	2025
January	115.3	109.9	106.6	109.2	108.8	112.9	112.3	120.0
February	114.3	108.0	107.2	109.0	112.0	111.9	114.7	125.8
March	112.8	106.1	103.9	108.7	110.5	111.3	114.7	123.5
April	111.0	108.3	89.9	109.5	108.3	107.1	108.9	114.9
May	108.7	107.5	81.0	112.1	103.2	106.9	107.8	115.8
June	108.3	107.9	94.1	111.2	108.5	108.8	109.0	113.2
July	109.5	106.4	95.7	107.7	110.3	107.3	109.1	116.7
August	104.6	103.0	99.2	106.2	105.6	108.6	111.5	120.0
September	107.9	106.8	99.1	105.2	110.9	108.2	110.2	121.1
October	110.8	106.0	106.4	109.7	109.4	108.6	114.2	123.8
November	111.1	107.2	108.0	107.3	110.9	111.5	118.1	**132.3**
December	110.1	107.6	109.0	106.4	117.3	112.1	121.0	
Average	**110.4**	**107.1**	**100.0**	**108.5**	**109.6**	**109.6**	**112.6**	



This month's BCI results

SACCI's Business Confidence Index (BCI) increased significantly between September and November 2025 and improved from 121.1 to 132.3. The November 2025 BCI was 14.2 index points higher than in November 2024. The previous large y/y increase of 17.1 index points occured in June 2021 when Covid restrictions were lifted.

The BCI increased by 2.7 index points between September and October 2025 and further by 8.5 index points from October to November 2025 – an 11.2 index point surge over two months. This latest increase in the business confidence index does not represent a broad-based improvement in the business climate. Apart from a notable increase in overseas tourists, the increase can be ascribed to specific BCI sub-indices that were more affected by global economic and financial market assessments than local real economic activity.

The increase in the BCI to the high level of 125.8 in February 2025 was followed by a notable decline to 113.2 in June 2025. From July onward through August and September 2025 the BCI recovered some lost ground and then increased to the level of 132.3 in November 2025. For the year up to November 2025 the BCI averaged 120.6 compared to 111.9 for the first eleven months of 2024.

Between October and November 2025 **(month-on-month)** only one of the fourteen BCI sub-indices namely energy supply (electricity costs), negatively affected the business climate. Seven sub-indices were in support of a positive business climate and six sub-indices had a neutral effect. By far the most positive short-term impact on business sentiment in November came from the substantial increase of overseas tourists. Positive global merchandise trade and easier and stable financial developments also contributed to a steady business climate.

Year-on-year to November 2025 the **SACCI** BCI rose by a notable 14.2 index points. The decrease in merchandise export volumes and the lower energy supply sub-index due to increased electricity costs were the only two sub-indices that had a negative annual impact on the BCI. More tourists from overseas, higher prices of precious metals and new vehicle sales made noteworthy positive y/y impacts on the **SACCI** BCI in November 2025,

In the **short-term (month-on-month)** the broad <u>financial climate</u> was tilted positive while <u>real economic activity</u> was positive leaning with a single negative sub-index. Over the **medium term (year-on-year)** the sub-indices on the <u>financial environment</u> all pointed north while <u>real economic activity</u> was on balance more positive – see box on next page: Impact of BCI sub-indices.

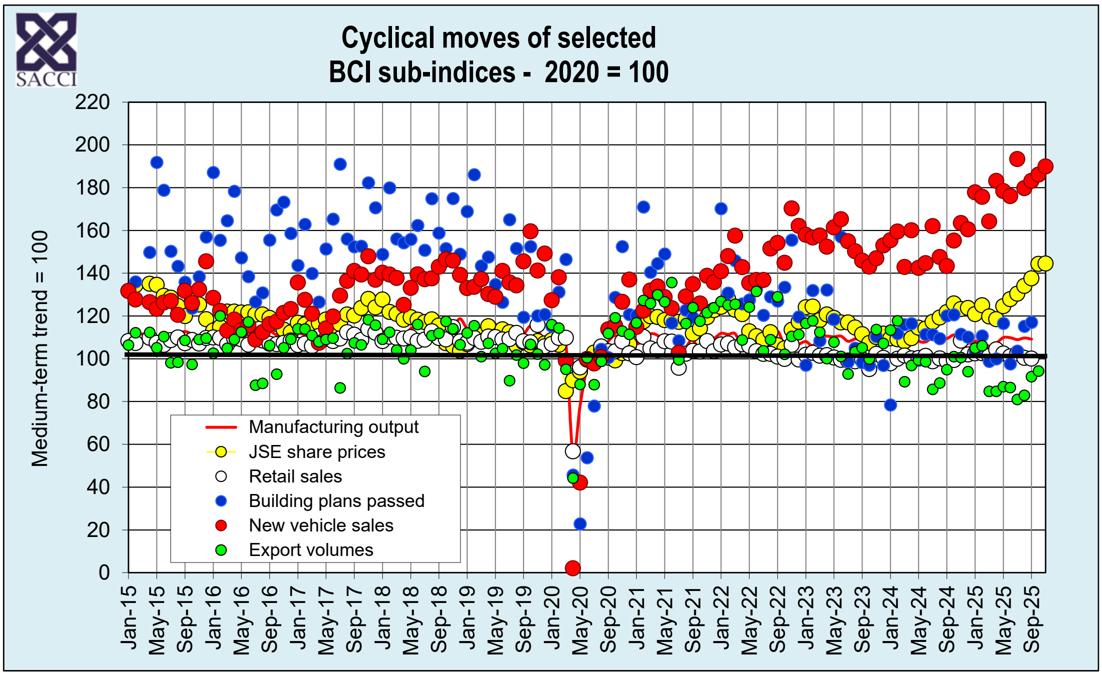
For a broader perspective on the business climate refer to the **Economic Commentary** on local and global economic developments on page 5.

Impact of BCI sub-indices

Business climate indicators *	m/m changes		y/y changes	
	This month	Previous month	This month	Previous month
Energy supply	-	+	-	-
Manufacturing	o	o	o	o
Exports	+	+	-	-
Tourism inward	+	-	+	+
Imports	+	o	+	-
Vehicle sales	+	+	+	+
Retail sales	o	-		o
Construction - buildings	o	o	o	-
Inflation[1]	o	-	+	+
Share prices	o	+	+	+
Real private sector borrowing	+	o	+	+
Real financing cost	+	o	+	o
Precious metal prices	o	+	+	+
Rand exchange rate	+	o	+	-

** See notes on BCI on www.sacci.org.za*

1. Excludes petrol, food and non-alcoholic beverages.



This month's economic review

Converting Sentiment to Real Economic Performance

A number of noteworthy occasions recently reflected on South Africa in the local and global economic landscape:

- The IMF World Economic Outlook
- Global Trade and The African Continental Free Trade Area (AfCFTA)
- The G20 Summit in South Africa
- The Medium Term Budget Policy Statement (MTBPS)

Economic performance

The global economic environment remains volatile as global growth forecasts by the IMF in its October 2025 World Economic Outlook (WEO) were revised. Global growth is projected to slow from 3.3 percent in 2024 to 3.2 percent in 2025 and 3.1 percent in 2026. Advanced economies are growing around 1.5 percent and emerging market and developing economies at just above 4 percent. Fiscal overhangs, financial market corrections, and ineffective institutions could however threaten stability. The need for credible, transparent, and sustainable policies remains in order to enhance business and investor confidence

Table 1

Economic Growth	2023 %	2024 %	2025f %	2026f %
World	**3.5**	**3.3**	**3.2**	**3.1**
United States	2.9	2.8	2.0	2.1
Euro Area	**0.4**	**0.9**	**1.2**	**1.1**
Germany	-0.3	-0.5	0.2	0.9
United Kingdom	0.4	1.1	1.3	1.3
The Netherlands	-0.6	1.1	1.4	1.2
Japan	1.2	0.1	1.1	0.6
Emerging & Developing Europe:	**3.6**	**3.5**	**1.8**	**2.2**
Emerging & Developing Asia:	**6.1**	**5.3**	**5.2**	**4.7**
China	5.4	5.0	4.6	4.2
India	9.2	6.5	6.6	6.2
Sub-Sahara Africa:	**3.7**	**4.1**	**4.1**	**4.4**
South Africa	**0.8**	**0.5**	**1.1**	**1.2**

Source: IMF, WEO October 2025. f = forecast.

The latest data release on South Africa's real GDP indicates that economic growth accelerated to 2.1% y/y in the 3rd quarter of 2025. This growth was mainly owing to real output of agriculture, forestry and fishing increasing by 49.9% y/y in the 3rd quarter of 2025. If agriculture, forestry and fishing output is excluded the real GDP recorded 0.7% y/y growth for the first nine months of 2025.

Output volumes in particularly important sectors declined in the first nine months of 2025 – construction (-4.1% y/y); electricity & water (-3.2% y/y); manufacturing (-1.5% y/y); and mining & quarrying (-1.2% y/y). The wholesale & retail trade and hotels & restaurants saw real output accelerating to 3.7% y/y in the 3rd quarter of 2025 from 1.2% y/y in the 1st quarter of 2025 which corresponds with the exceptional increase in overseas tourists in 2025.

Table 2

GDP GROWTH						
SECTOR	2023	2024	1Q 2025	2Q 2025	3Q 2025	¾2025
	Y-o-Y %Δ	Y-o-Y %Δ	Y-o-Y %Δ	Y-o-Y %Δ	Y-o-Y %Δ	Y-o-Y %Δ
Agriculture, forestry and fishing	-4.6%	-8.7%	19.9%	2.1%	49.9%	19.5%
Finance, real estate and business services	1.4%	3.2%	3.7%	2.7%	1.9%	2.8%
Wholesale and retail trade; hotels and restaurants	-1.6%	-1.2%	1.2%	2.6%	3.7%	2.5%
Transport and communication	4.2%	-1.2%	-2.2%	1.3%	2.2%	0.4%
Personal services	2.1%	1.2%	-0.2%	0.2%	0.1%	0.1%
General government services	0.7%	0.3%	-1.0%	-0.2%	0.7%	-0.1%
Mining and quarrying	-0.1%	0.4%	-4.7%	-1.0%	1.8%	-1.2%
Manufacturing	0.4%	-0.4%	-2.1%	-1.5%	-0.9%	-1.5%
Electricity and water	-4.2%	3.5%	-1.1%	-2.2%	-6.2%	-3.2%
Construction	-0.5%	-5.4%	-3.9%	-3.8%	-4.5%	-4.1%
GDP excluding general government	0.8%	0.5%	1.0%	1.0%	2.2%	1.4%
GDP excluding agriculture	0.9%	0.8%	0.3%	0.8%	1.0%	0.7%
GDP at market prices	0.8%	0.5%	0.8%	0.9%	2.1%	1.2%

Source: StatsSA. September 2025. Note: Y-o-Y %Δ = year-on-year % change

Global Trade Prospects

Although global trade was uneasy with the United States administration applying tariffs as a policy instrument to promote fair trade, it appears that one-on-one trade negotiations brought back some predictability. Trade diplomacy is becoming part of macro-economic policy and structural adjustments. Fiscal space needs to be re-established and sustained with Central Bank independence conserved for financial stability. According to the latest WEO of the IMF world trade remains stable with slowing activity in 2026. Trade by emerging and developing economies must prepare for less growth in exports by 2026 as import volumes by advanced economies slow to 1.1% growth in 2026.

Table 3

World Trade	2023	2024	2025f	2026f
Goods and Services Trade Volumes				
World - %Δ	**1.0**	**3.5**	**3.6**	**2.3**
Imports by advanced economies - %Δ	-0.7	2.1	1.3	1.1
Exports by advanced economies - %Δ	0.9	1.8	2.1	1.7
Imports by emerging & developing economies - %Δ	3.7	5.6	4.3	4.0
Exports by emerging & developing economies - %Δ	1.4	6.5	5.9	3.3
World Trade Prices in US$				
Average oil spot price per barrel in US$	80.6	79.2	68.9	65.8
Oil - %Δ	-16.4	-1.8	-12.9	-4.5
Non-fuel primary commodities -				
Food - %Δ	-6.5	-3.1	-4.4	2.3
Raw agricultural materials - %Δ	-15.6	4.3	-1.2	1.9
Metals - %Δ	-2.8	-1.9	0.3	3.0

Source: IMF, WEO Oct 2025. f = forecast. %Δ = percentage change.

Africa faces a specific challenge of low trade penetration in the global economy. Therefore The African Continental Free Trade Area (AfCFTA) places emphasis on balancing market integration, infrastructure development, and industrial development in order to boost intra-Africa trade and support continental development imperatives for sustainable economic growth. It could enhance the diversification of export markets through increased productive capacity.

The G20 Summit

The G20 Summit provided an opportunity and platform to inform a broad spectrum of nations about Africa's unique economic circumstances. On Saturday, 29 November 2025 more than 40 countries at the G20 Summit in a Joint Statement agreed to 122 principles. Main items of the declaration included affordable and available energy, exploration of critical minerals, attention to infrastructural projects and attending to Africa's exceptional public sector debt levels and debt servicing costs. Other matters that featured included energy transition, food security, trade and fixed investment, tax regimes and collection, and tourism a platform for development.

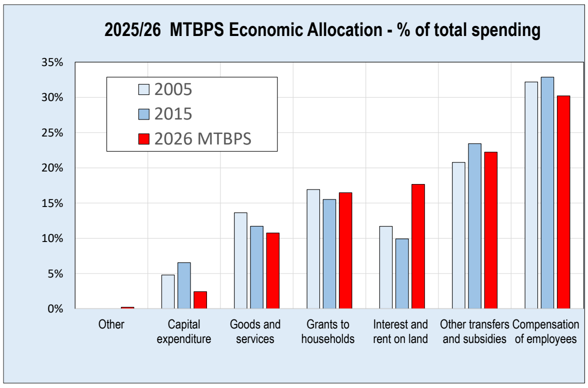
Steps toward achieving the objective of economic empowerment were also of critical importance. The failure to uplift the lives of the unemployed and impoverished majority remains a pivotal challenge for Africa. Despite various efforts, conditions have worsened for those in need of empowerment, participation and inclusion in economies.

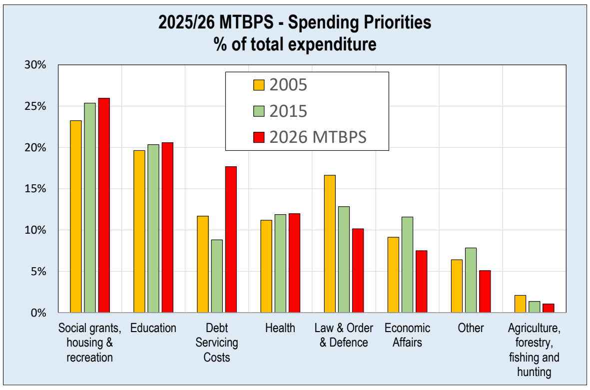
Preference should be given to clearly defined objectives such as job creation, poverty reduction, skills development, and sustainability. Therefore, a framework that uses information on economic exclusion as a composite indicator rather than crude and divisive measures should serve for appraisal of empowerment.

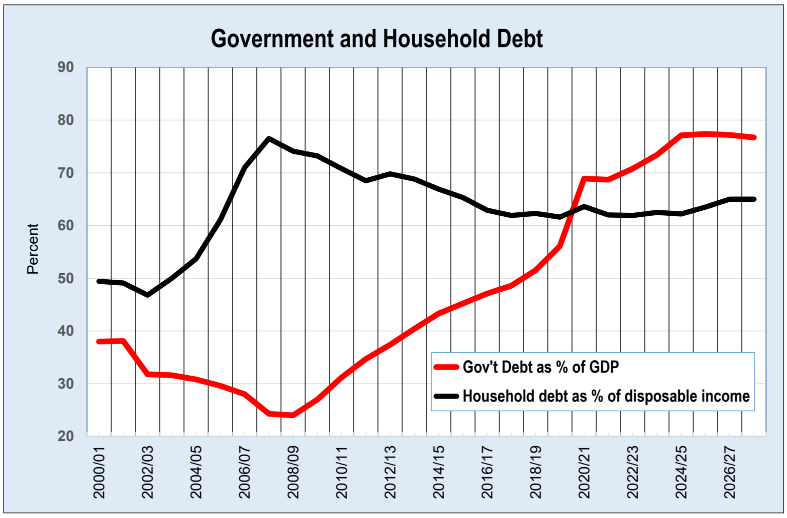
The Medium Term Budget Policy Statement (MTBPS)

The MTBPS gives an overview of revenue collected and the rearranging spending priorities of the consolidated national government, provincial governments and social security funds for two fiscal years ahead. The MTBPS does not include tax/revenue policy adjustments. A few aspects caught attention in this year's presentation:

- Low capital expenditure that causes dis-saving and rising debt servicing costs – borrowing to finance recurrent expenditure.
- Compensation of employees still receives the largest allocation – important element to keep within the inflation target of 3%.
- Social transfers
- Easing of debt situation prior to tax adjustments
- Awaiting tax adjustments in Main Budget in 2026

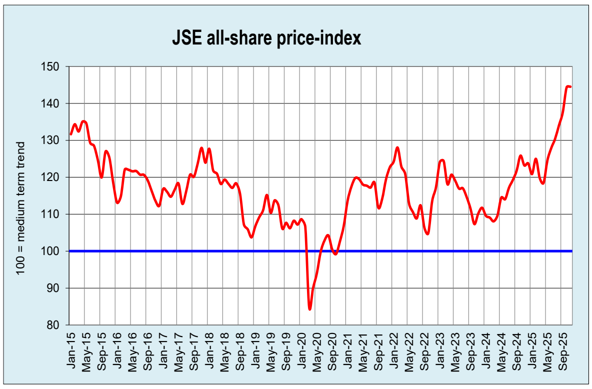


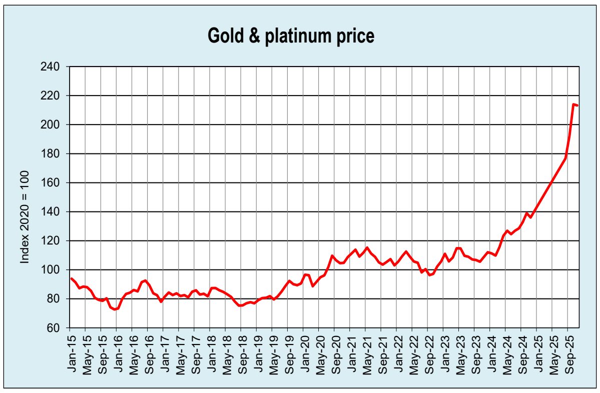




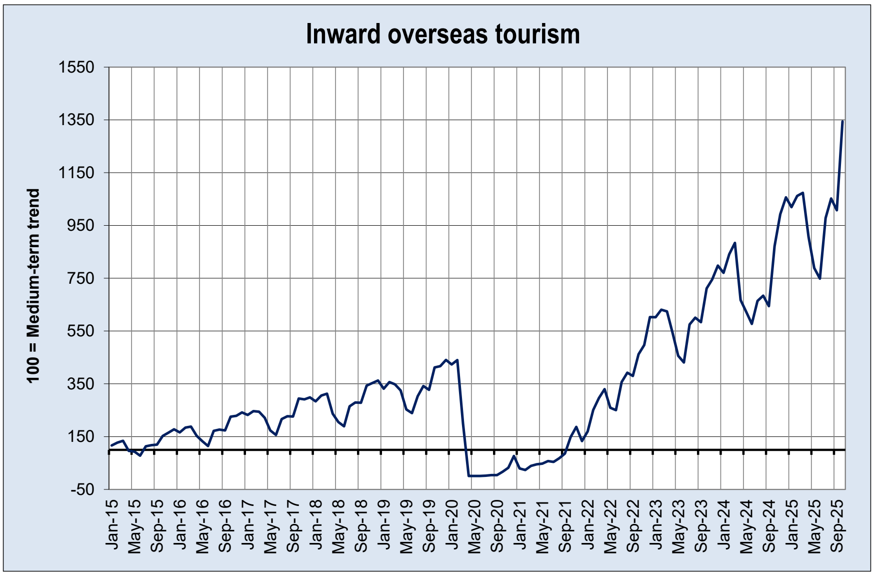
Skewed Business Sentiment

The **SACCI** Business Confidence Index (BCI) surged to a high level in November 2025 – a level last experienced in 2011. Apart from increased overseas tourists, the present business confidence index draws its main traction from non-real economic related sub-indices that reflect local or global uncertainty due to economic and geo-political divergences. Hedging against possible negative global and local developments is cited as a reason for the divergence between the real and nominal actions. It, however, remains essential that real economic activity matches up with financial expediency for business confidence to steady up and be sustainable.





The soaring business climate was to a large extent (60%) prompted by the increased overseas tourist numbers. As a holiday and tourist destination South Africa has attracted overseas tourists in larger numbers as is evident from the Chart below. Overseas tourists increased by 26% y/y in October 2025 with tourists from Europe increasing by 28% y/y. Some 80% of overseas tourists come from established European and North American tourist markets.



Conclusion

The exceptional increase of the **SACCI** BCI in November 2025 should be valued with circumspection. Apart from increased overseas tourism that made a special contribution to lift business sentiment, there are some important physical economic activities that are lagging behind and represent a slow growing economy in need of investor confidence and fixed investment. The current BCI level may, however, inspire structural economic policy adjustments that could attract local and foreign capital to support higher economic growth, employment and inclusion to share in value added and wealth creation.

Annexure 1

General Economic Indicators

Indicator	Latest Period	Latest Direction	Latest month	Previous month	2024	2019
Consumer inflation headline urban (%)	Oct-25	▲	3.6	3.4	4.4	4.1
Consumer inflation urban - excl. food, bev. & fuel (%)	Oct-25	▶	3.5	3.5	4.8	4.4
Money supply M3 eop (% Δ Y-o-Y)	Oct-25	▲	7.5	6.1	6.7	6.1
Private sector credit eop (% Δ Y-o-Y)	Oct-25	▲	7.2	6.0	3.8	6.1
Real prime overdraft rate eop (%)*	Oct-25	▼	6.4	6.9	6.9	5.7
Prime overdraft rate eop (%)	Nov-25	▼	10.25	10.50	11.25	10.00
Liquidations number sa	Oct-25	▼	122	138	1551	2042
Bond yield 5-10y govt eop (%)	Nov-25	▼	8.58	8.86	9.04	8.37
R / US$ average	Nov-25	▼	17.23	17.28	18.33	14.44
R / Euro average	Nov-25	▼	19.92	20.12	19.83	16.17

Indicator	Latest Period	Latest Direction	Latest quarter	Previous quarter	2024	2019
Income & wealth tax / GDP sa (%)	2q-25	▼	14.8	16.0	14.6	13.8
Total tax / GDP sa (%)	2q-25	▼	27.4	28.7	26.8	26.2
Public sector borrowing requirement / GDP (%)	2q-25	▼	1.9	2.0	3.3	4.7
Public sector expenditure / GDP (%)	2q-25	▼	22.1	24.0	23.3	24.0
Budget balance / GDP (%)	2q-25	▼	-1.4	-2.9	-4.4	-5.6
Imports / GDE (%)	2q-25	▼	29.8	30.3	30.5	26.8
Exports / GDP (%)	2q-25	▲	31.5	31.3	32.4	27.3
Net foreign financial flows excl. loans / GDP (%)	2q-25	▲	0.6	-3.5	0.7	2.7
Current account balance / GDP (%)	2q-25	▲	0.4	-2.7	-0.7	-2.6
Gross domestic saving / GDP sa (%)	2q-25	▶	13.5	13.5	13.4	13.2
Gross capital formation / GDP sa (%)	2q-25	▲	14.6	14.2	14.1	15.8
Net fixed capital formation / GDP (%)	2024	▼	-	-	0.7	2.6
GDP growth (% Δ Y-o-Y)	3q-25	▲	2.1	0.9	0.5	0.3

Δ=change; eop=end of period; Y-o-Y=year-on-year; q=quarter; sa = seasonally adjusted;
GDP=Gross Domestic Product; GDE=Gross Domestic Expenditure. *Deflated by inflation excl.food, bev. & fuel.