



## South African Reserve Bank

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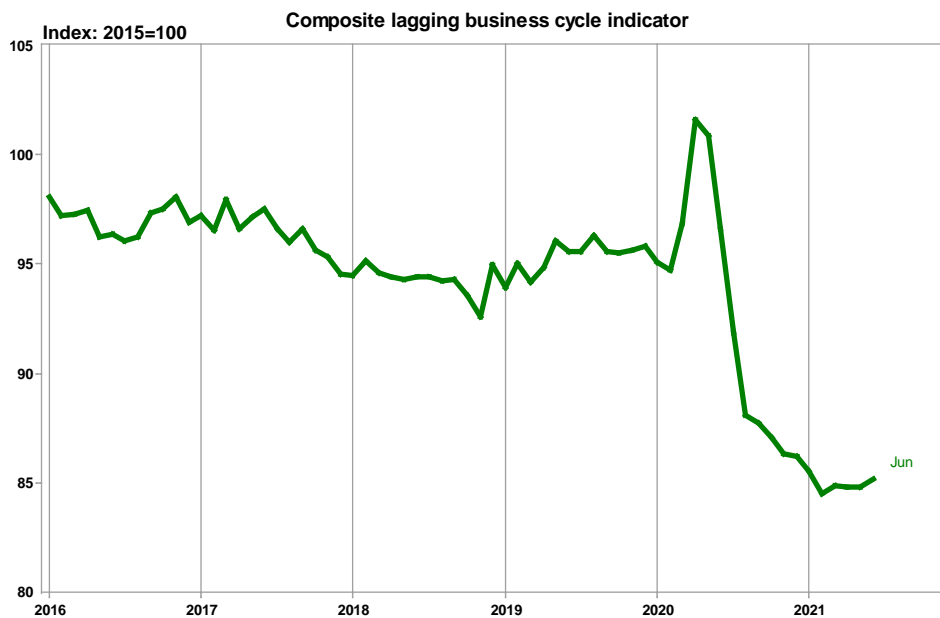
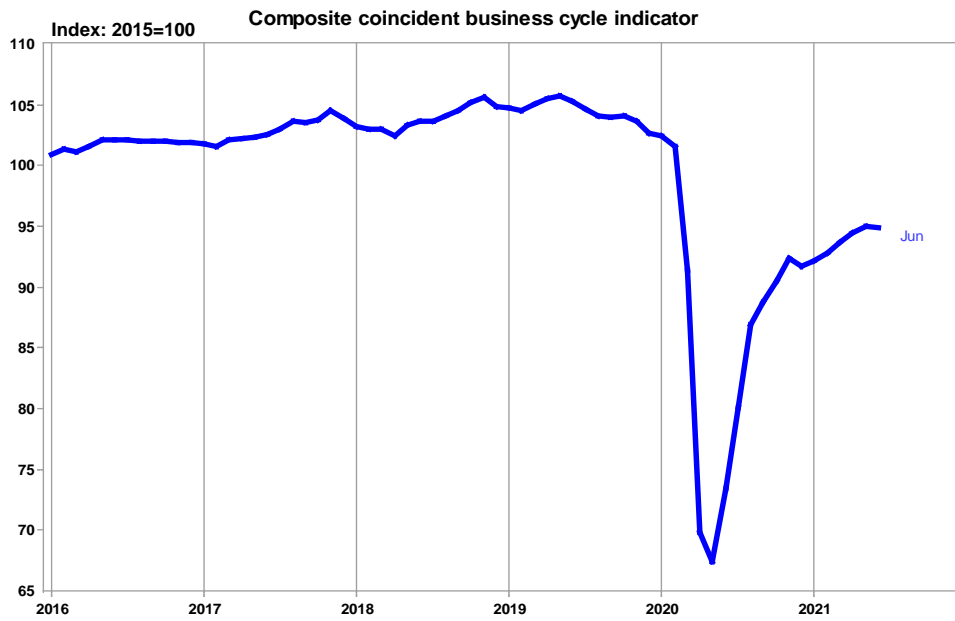
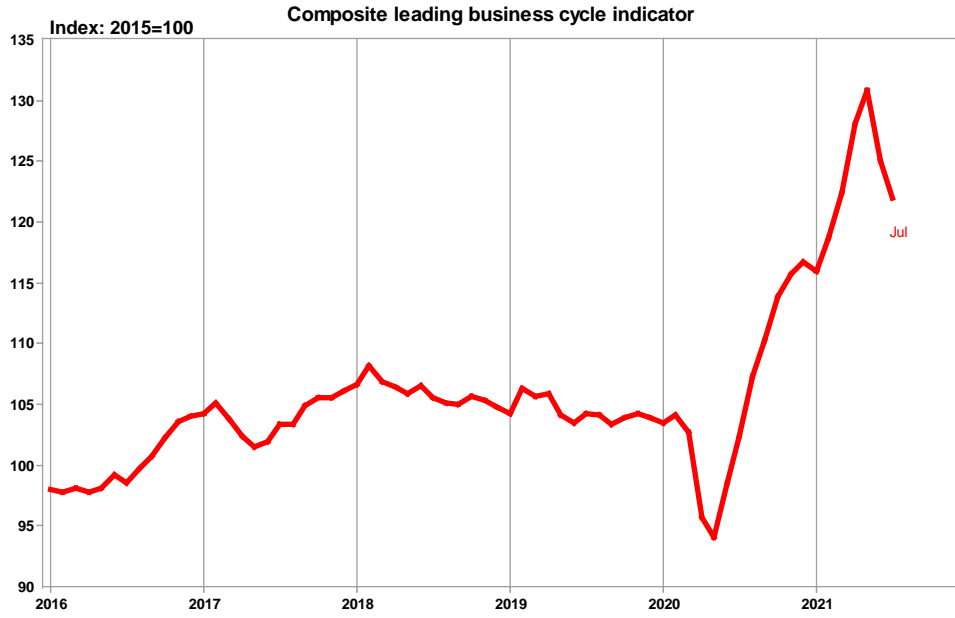
**FOR RELEASE: 09:00 A.M., Tuesday, 21 September 2021**

### **Composite business cycle indicators for South Africa**

NOTE: The recently revised and benchmarked national accounts statistics have resulted in revisions to selected component time series of the composite business cycle indicators. These revisions will be incorporated in the October 2021 release of the composite business cycle indicators.

- The composite **leading** business cycle indicator *decreased* by 4.4% and 2.5% in June and July 2021 respectively, after it reached a peak in May. Nine of the ten available component time series decreased in July, while one increased. The largest detractors were decelerations in the six-month smoothed growth rate of job advertisement space and in the number of new passenger vehicles sold. The positive contributor was the increase in the number of residential building plans approved.
- The composite **coincident** business cycle indicator *decreased* by 0.1% in June 2021 mainly due to a decrease in the industrial production index.
- The composite **lagging** business cycle indicator *increased* further by 0.4% in June 2021, following a steep decline in the indicator since the initial COVID-19-related lockdown in the second quarter of 2020.

**The next release is scheduled for 26 October 2021, at 09:00 A.M.**



**Table 1 Summary of the composite business cycle indicators\***

Indices: 2015 = 100	2020		2021						
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Leading indicator	115.7	116.7	116.0	118.7	122.4	128.1	130.9	125.1	122.0
12-month percentage change	11.0	12.4	12.1	14.0	19.2	33.8	39.2	26.9	19.1
Coincident indicator	92.4	91.7	92.2	92.8	93.7	94.4	95.0	94.9	-
12-month percentage change	-10.9	-10.6	-10.1	-8.6	2.5	35.3	40.8	29.3	-
Lagging indicator	86.3	86.2	85.6	84.5	84.9	84.8	84.8	85.3	-
12-month percentage change	-9.7	-10.0	-10.0	-10.7	-12.4	-16.5	-15.9	-11.8	-

\* The composite business cycle indicators are revised continuously following revisions to underlying component time series data.

**Table 2 Component time series of the composite leading business cycle indicator and their contribution to the July 2021 data point:**

<b>Negative contributors (ranked from largest to smallest)</b>
Job advertisements: The Sunday Times (six-month smoothed growth rate)
Number of new passenger vehicles sold (six-month smoothed growth rate)
BER*: Average hours worked per factory worker in manufacturing (half weight)
RMB/BER* Business Confidence Index
Commodity price index for South Africa's main export commodities (US dollar based)
BER*: Volume of orders in manufacturing (half weight)
Composite leading business cycle indicator for South Africa's major trading-partner countries (percentage change over 12 months)
Real M1 (six-month smoothed growth rate)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
<b>Positive contributors</b>
Number of building plans approved: Flats, townhouses & houses larger than 80m <sup>2</sup>
<b>Unavailable component series</b>
Gross operating surplus as a percentage of gross domestic product

\* Bureau for Economic Research, Stellenbosch University