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(Pty) Limited
G L O B A L F R E I G H T L O G I S T I C S
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NEWS

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Trade index signals some cause for optimism



South Africa's trade activity remained positive in March 2014 but was still curbed as the Trade Activity Index (TAI) measured 54 - the same as in February 2014. This is down from last year's recorded figure of 56. The seasonally adjusted TAI declined slightly by 1 index point to 50 in March 2014 and was down from 52 in March 2013.

Trade conditions were in positive territory despite tighter overall financial conditions and pressure constraints on the country's consumer. Loans and advances by money lending institutions to private businesses increased by 12.7% in February 2014.

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The sales volumes index increased from 55 in February 2014 to 59 in March 2014 while the new orders index remained at 57. Consistency of new orders confirms the relatively positive outlook for trade activity in the next few months. With the inventory index at 48 in March 2014, stock levels remained almost unchanged.

The sales and input price indices remained high in March 2014 at 67 and 80 respectively, suggesting continuing inflationary pressures in the trade environment. The rand exchange rate continued to improve in March 2014 after its battering in preceding months. This alleviated some immediate input cost constraints. With a weaker rand, higher costs will remain in the supply chain over the medium term, with price expectations indices at 73 and 81 in March 2014.

The seasonally adjusted trade expectations index (TEI) remained at 58 in March 2014 for the third consecutive month. Expectations for the components of trade activity were well into positive territory and did not alter the cautious but positive outlook.

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