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## SACCI Media Release January 2022 Trade Conditions Survey

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### ***Cautionary Note on Survey:***

*External adverse events had a damaging effect on certain businesses and a number of regular respondents went out of business. The results should therefore be interpreted with the necessary caution.*

### ***Trade conditions more positive***

Trade conditions continued to improve in January 2022 after an uncertain 2<sup>nd</sup> half of 2021 and when seasonal factors are considered, trade conditions are in an upward trend. The disruption and mayhem in July 2021 had a negative impact on trade, but it also accelerated the recovery and inspired resilience in communities and businesses. Since October 2021, when trade entered positive territory with an index greater than 50, trade conditions have improved, with the index closing January 2022 at 54. However, trade expectations already shifted to the positive side in September 2021 as the six-month expectations index has been hovering around 60 since then.

Since October 2021, all elements of trade conditions have become more stable and have remained close to positive territory, i.e., the 50-index mark. The seasonally adjusted Trade Activity Index (TAI) was 51 in December 2021 and 54 in January 2022. Expectations remained strongly positive, with 63 percent of respondents anticipating improved trade conditions in the next six months.

Sales volumes and new orders were at or above the 50-index mark, indicating greater certainty, while expectations for these elements were well above the 60 mark. With the index at 55, respondents were well-stocked and expected supplies were stable. Positive expectations for all other trade components remained well above the 50-index level. Inflationary pressures on the cost and demand sides have eased slightly, but respondents still see price pressure on the high side. Almost 80% of respondents anticipate rising sales and input costs. Higher interest rates may be required as a result of these inflationary pressures.

Load shedding, water supply disruptions caused by dysfunctional local governments, protests, logistical issues, and transport strikes were among the most pressing external factors impeding trade conditions. Since the July 2021 unrest and looting and with many clients from the informal market, consumer confidence levels have remained uncertain and depressed. Municipal infrastructure failure has put additional strain on business profit margins and viability. The general complaint continues to be a lack of law and order.

Jobs in the trade environment have remained tight and negative, despite the fact that more employment is expected in the next six months as economic and trade conditions normalize. The end of the State of Disaster will ensure even more favourable trade conditions.

Non-Profit Company (NPC): Reg No. 1945/20230/08 VAT No. 4840111670

**Directors:** M Xulu (President), N Malefane (Deputy President), N Pollock (Vice President), J Heshu (Vice President), S Conradie (Treasurer), M Motsumi (Chamber Forum Chair), M Pirikisi, M Bosch, L Blackbeard, H Ndlovu, M Jacobs, A Mahomed, A Mukoki (CEO), Z Ndlovu (Past President)

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For more information and infographic, see the SACCI website - [www.sacci.org.za](http://www.sacci.org.za) or contact:

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