



April 2022 BETI report to accompany press release  
Date: 12 May 2022

## **Faster, then slower – but growth it is!**

Economic activity has moderated somewhat in April 2022, but the South African economy is still growing. We have probably reached the peak of commodity price levels, but the prices will likely remain elevated for some time to come, which will continue to support the country's mining and related sectors.

The BankservAfrica Economic Transactions Index (BETI) increased by a steady 4.5% compared to a year ago, reaching the actual level of 136.1. While other nowcasting indices also eased, the BETI still shows growth on a yearly, quarterly, and monthly basis.

While the BETI suggests that the Q2 2022 is off to a steady start, there are several headwinds looming that could potentially derail the economic momentum in the next few months. Stringent economic lockdowns in China have placed global supply chains under renewed pressure, while fuel prices have rocketed worldwide, not only putting households' disposable income under pressure but also pushing both consumer and producer prices to sky-high levels. The March CPI (Consumer Price Index) in the United States rose to 8.5%, which is at the highest level in 40 years. Subsequent monetary policy tightening, which has now become a worldwide phenomenon, will play into softer economic growth rates globally.

Although the prices of our main export commodities remain elevated and should cushion the economy somewhat, South Africa is in the same boat, with rising inflation rates (SA's Producer Price Index reached 11.9% in March 2022), mounting interest rates and surging fuel prices. Furthermore, the economy was hit by major disruptions in April, most notably the devastating flooding in KwaZulu-Natal (KZN), but also several days of stage four load-shedding.

A significant negative impact on the local manufacturing sector is concerning. The Absa Purchasing Managers' Index (PMI) dropped to a barely positive 50.7 in April, down from 60.0 in March. This is the lowest PMI reading since July 2021, when production was affected by the looting and rioting in KZN and parts of Gauteng, as well as stricter lockdown regulations. A sharp decline in export sales was also reported in April 2022, most likely due to a combination of flood-induced logistical constraints, the temporary closure of the Durban harbour and the weaker external demand.

Another indicator, confirming the moderating trend in activity, is the non-seasonally adjusted domestic new vehicle sales that came in at 37 107 units in April, falling from 50 607 units sold in March. Sales were not only affected by the considerable number of public holidays during the month, but also by the supply chain constraints which were exacerbated by the floods. However, the automotive industry performed well relative to last year as total local sales increased by 4.3% year-on-year in April (like the BETI), while sales were up by 0.9% compared to April 2019 (pre-pandemic).

Against this background, the fact that the BETI held up so well in April symbolises the resilience of the South African consumers and businesses.

## Robust growth in the number of transactions

The standardised nominal value of transactions reached R1.147 trillion in April 2022. Meanwhile, the volume of transactions increased to 136 billion.

**Table 1: The BankservAfrica Economic Transaction Index**

	The BETI Index	The headline BETI % change	BETI quarterly % change	BETI monthly % change
01-Jan-20	124,7	3,6%	1,1%	0,6%
01-Feb-20	123,9	2,1%	1,8%	-0,6%
01-Mar-20	119,9	-0,3%	0,1%	-3,2%
01-Apr-20	103,0	-15,7%	-6,5%	-14,1%
01-May-20	99,8	-19,7%	-13,3%	-3,2%
01-Jun-20	103,9	-16,9%	-16,8%	4,1%
01-Jul-20	111,7	-11,2%	-9,1%	7,5%
01-Aug-20	117,9	-4,9%	3,3%	5,6%
01-Sep-20	121,7	0,0%	14,5%	3,2%
01-Oct-20	123,9	2,0%	15,3%	1,8%
01-Nov-20	123,8	1,0%	10,8%	-0,1%
01-Dec-20	126,0	1,7%	6,4%	1,8%
01-Jan-21	123,2	-1,2%	2,6%	-2,2%
01-Feb-21	125,9	1,6%	1,5%	2,2%
01-Mar-21	126,9	5,8%	0,6%	0,8%
01-Apr-21	130,2	26,4%	2,7%	2,6%
01-May-21	131,1	31,4%	3,5%	0,7%
01-Jun-21	130,9	26,0%	4,3%	-0,1%
01-Jul-21	128,5	15,1%	1,9%	-1,8%
01-Aug-21	133,8	13,5%	1,3%	4,1%
01-Sep-21	129,8	6,7%	0,0%	-3,0%
01-Oct-21	129,8	4,7%	0,7%	0,0%
01-Nov-21	131,5	6,2%	-0,6%	1,3%
01-Dec-21	131,3	4,2%	0,1%	-0,2%
01-Jan-22	131,4	6,7%	0,2%	0,1%
01-Feb-22	133,5	6,0%	1,3%	1,6%
01-Mar-22	135,2	6,5%	1,9%	1,2%
01-Apr-22	136,1	4,5%	2,7%	0,7%

Source: BankservAfrica and Economists.co.za

**Table 2: The volume and average value of transactions and the standardised BETI in nominal terms**

	Nominal standardised value of transactions	Number of transactions	Average transaction value	Change in transaction volume
01-Jan-20	827 069 468 236	98 568 174	8339	3,2%
01-Feb-20	921 749 299 725	101 662 462	8522	4,9%
01-Mar-20	891 197 747 730	103 280 758	8822	3,3%
01-Apr-20	679 399 945 727	90 027 122	6960	-12,9%
01-May-20	703 813 457 711	92 353 231	7348	-9,1%
01-Jun-20	795 028 150 576	99 747 038	7821	6,5%
01-Jul-20	842 860 988 641	107 166 184	8258	2,4%
01-Aug-20	894 409 284 562	103 606 195	8388	-0,7%
01-Sep-20	931 179 397 577	105 595 111	8653	5,9%
01-Oct-20	948 772 152 278	113 464 522	8549	11,7%
01-Nov-20	973 059 693 766	105 494 728	9051	0,7%
01-Dec-20	1 039 056 126 408	117 705 373	8773	13,0%
01-Jan-21	830 431 229 519	99 046 275	8084	0,5%
01-Feb-21	985 568 635 898	105 369 295	8671	3,6%
01-Mar-21	1 016 197 489 145	121 094 342	8603	17,2%
01-Apr-21	1 034 989 208 807	114 992 885	8301	27,7%
01-May-21	999 971 999 135	114 860 839	8652	24,4%
01-Jun-21	1 000 598 759 677	115 994 019	8464	16,3%
01-Jul-21	971 405 321 598	122 534 840	8083	14,3%
01-Aug-21	1 079 970 334 333	139 115 440	7738	34,3%
01-Sep-21	1 016 856 555 770	122 463 947	8379	16,0%
01-Oct-21	1 036 674 654 205	126 082 582	8171	11,1%
01-Nov-21	1 129 846 454 139	127 206 375	8715	20,6%
01-Dec-21	1 147 364 076 089	128 960 377	8842	9,6%
01-Jan-22	960 782 863 733	114 988 683	8304	16,1%
01-Feb-22	1 122 350 186 711	118 715 952	8765	12,7%
01-Mar-22	1 156 350 924 486	137 174 267	8619	13,3%
01-Apr-22	1 146 916 508 687	136 070 119	7597	18,3%

Source: BankservAfrica and Economists.co.za