



### iLembe District vs National

The combined hybrid iBCI for Q2 2015 was recorded at 49.5 index points; despite remaining in negative territory it is an improvement of 2.3 index points compared with the first quarter of 2015.

This quarterly improvement in the iBCI is in contrast with the national SACCI Business Confidence Index (BCI) which lost 3.3 index points in the second quarter of 2015 compared to the first quarter of 2015. National business confidence worsened notably in the first half of 2015 and was at its worst level in 16½ years.

### In Summary

The overall South African economic situation has tightened further in Q2 of 2015 and it is anticipated to soon not be supportive of the general business climate, a sentiment supported by business confidence worsening to its worst level in 16½ years.

In contrast the quarterly iBCI for 2015 Q2 improved by 2.3 index points to 49.5 index points. Despite this improvement, the overall iBCI remained in negative territory and was dominated by the devastating outlook for the agricultural and related sectors as a result of the drought and water crisis in the iLembe District.



### Business 6 month Outlook

- Sales Volumes**  
66.28%
- Order Book**  
50%
- Employment**  
88.37% foresee the same or increase



### Agriculture, Forestry & Hunting Sectors

The majority of respondents from the Agriculture, Forestry, Hunting and Agricultural Processing sectors expressed a deterioration in the trading environment compared with Q1 of 2015, as well as the outlook for the next 6 months of 2015.

These sectors reported job losses as a result of the worst drought in a century and the accompanying water crisis.

In some mill areas crop decrease is feared to be as high as 53% - likely to result in further job losses.

### Major Positives

The iBCI survey suggests a positive outlook on business conditions of 57.9 index points over the next 6 months. This positivity was especially supported by 66.28% of respondents indicating an increase in sales volumes and 50% of respondents indicating an increase in orders.