

Manufacturing Circle Investment Tracker

MCIT Q4



MCIT in context of the Manufacturing Circle objectives:

The Manufacturing Circle (MC), as the 'voice of South African manufacturing', attempts to broadly promote the expansion of the manufacturing sector by:

- Attaining a more competitive manufacturing environment
- Attaining a supportive international trade position

In doing so, The MC, engages with economic policy and relevant policy tools in a number ways.

One of the mechanisms to support these objectives, is to provide industry specific insights and facilitate dialogue between policy makers and business.

- The MC produces a quarterly survey using the MC members as the sample.

Manufacturing Circle Bulletin to MCIT

Previously, the MC ran the Manufacturing Circle Bulletin, which was a quarterly survey that aimed to capture current and future sentiments of SA manufacturers. It covered sentiments around labour conditions, operating conditions, profitability and performance.

Challenges:

- 1) low quality of information driven by methodological issues (and ultimately yielded to a low response rate)
- 2) Limited impact due to the broad range of aspects covered, lack of depth, therefore insights were not clear and could not be clearly communicated to specific target groups

MCIT: the rationale

- MCIT aims to improve the quality of the industry analysis and ultimately inform and improve the impact of industrial policy.
- MCIT is an index that tracks private sector investment
- MCIT feeds into the broad analysis of the relationship between private investment and growth
- MCIT is more focused and aims to unpack the drivers of private investment
- Although, it is in itself an index, the added value of MCIT is that it facilitates the collection of qualitative data e.g. focus groups

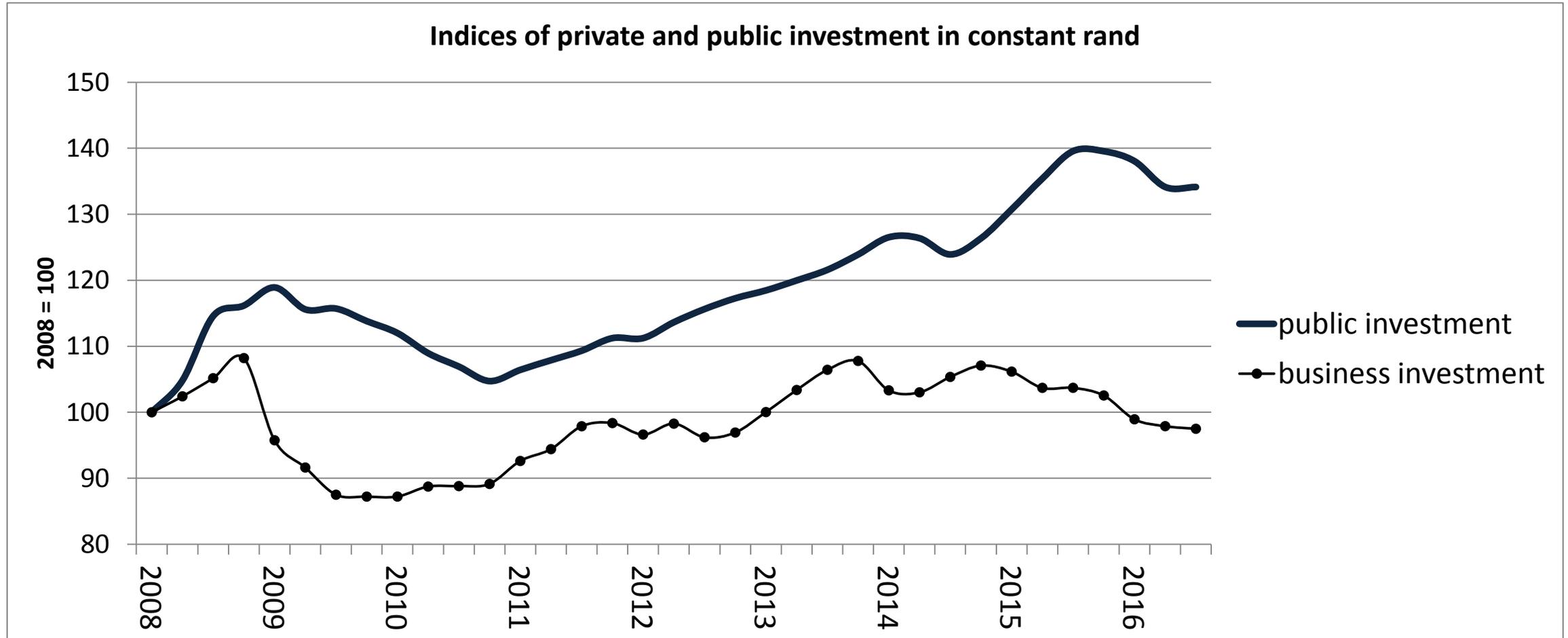
Essentially providing us with insights from firms which can reflect simple stories about the consequences of policies and operating in a complex environment.

*This work is still on going

* To be read in conjunction with other sources of data e.g. TIPS
Real Economy Bulletin (REB)

Investment trends

- Declining private and public investment:
 - Private investment falling from 2014
 - Public investment dropping investment from early 2016





TIPS