

# South Africa's Q1 consumer confidence plunges as power crisis weighs

By [Radhika Anilkumar](#)

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South Africa's consumer confidence plunged in the first quarter, according to a survey released on Thursday, 23 March as the country continued to be plagued by severe power shortages and a cost-of-living crisis.



Source: Reuters/Esa Alexander

The consumer confidence index, sponsored by the FNB and compiled by the Bureau for Economic Research, slumped to a reading of minus 23 points, from minus 8 points in the fourth quarter of 2022.

The first-quarter plunge is the lowest on record since 1994 and indicative of extreme concerns among consumers about South Africa's economic prospects and their household finances, according to the survey.

South Africa has been dealing with rotational load shedding up to 10 hours on a daily basis, hampering businesses and economic growth in Africa's most industrialised economy.

"The alarming increase in power outages since December and the concomitant deterioration in South Africa's economic prospects no doubt rocked consumer sentiment during the first quarter," said FNB chief economist Mamello Matikinca-Ngweny.



SA to call it a wrap on current hikes with last 25 bps on 30 March

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## Anticipating deteriorating economy

A vast majority of consumers believe it was inappropriate to buy durables like vehicles, furniture and household appliances in anticipation that South Africa's economic growth over the next 12 months will deteriorate, the survey showed.

Analysts say rolling power cuts nationwide may be fuelling price pressures.

Headline inflation rose slightly in February to 7% from 6.9% in the prior month, data showed on Wednesday, fuelling bets that the South African Reserve Bank would hike interest rates by 25 bps at its meeting next week.

## ABOUT THE AUTHOR

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