

South African consumer confidence flat in Q4, but Omicron worries loom

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South Africa's consumer confidence remained relatively flat in the fourth quarter from the third, a survey showed on Tuesday, while warning a fourth wave of Covid-19 infections due to the Omicron variant might dent confidence in the coming months.



Source: Reuters/Mike Hutchings

The consumer confidence index (CCI), sponsored by FNB and compiled by the Bureau for Economic Research (BER), inched higher to minus 9 from minus 10 in the third quarter. At that level, the consumer confidence index has clawed back most of the ground it had lost since the pandemic in the first quarter of 2020.

The Omicron coronavirus variant has prompted governments across continents to impose travel curbs and other measures to contain it.

"Low- and middle-income households will arguably suffer the most in terms of job creation and income prospects if the expected bumper tourist season does not materialise and lockdown restrictions once again hammer the hospitality sector during the holidays," FNB senior economist Siphamandla Mkhwanazi said.

President [Cyril Ramaphosa](#) tested positive for Covid-19 on Sunday and the country in the past few days has reported around 20,000 new infections a day. Less than 40% of the adult population is fully vaccinated, and studies have shown two doses may not be enough to induce antibody protection against the variant.



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Soaring [fuel prices](#), strikes, supply chain disruptions have hit the prospect of a stronger rebound in consumer sentiment, after an encouraging rise in consumer confidence in the first half of November, according to the survey.

Confidence levels of high-income households remained unchanged at minus 11 during the fourth quarter, but middle-and low-income confidence went up slightly, the survey of about 500 respondents showed.

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