

# SA's business confidence slips in Q1, survey shows

By [Prema Bedi](#)

7 Mar 2024

South Africa's business confidence slipped in the first quarter of 2024 amid ongoing load shedding, port congestion and inflation, a survey showed on Wednesday, 6 March 2024.



Source: Reuters

The business confidence index fell to 30 points in the first quarter from 31 points in the previous three months, according to a survey by the Rand Merchant Bank (RMB) and compiled by the Bureau for Economic Research.

"The same supply constraints, including load shedding, logistical challenges, and heightened global and domestic policy uncertainty, keep South African businesses in a stranglehold," said Isaah Mhlanga, chief economist and head of research at RMB.

Retail confidence fell by 13 points quarter-on-quarter to 34 points, weighed down by poor demand for consumer durable goods and an overall fall in retailers' profitability.

The country's manufacturing sector was dragged down by weaker domestic and export demand, according to the survey. Manufacturing confidence fell by five points to 21 points.

"Worryingly, respondents turned even more downbeat about investment and business conditions going forward," it said.

On the other hand, builders, wholesalers and car dealers remained upbeat as contractor activity improved and demand for consumer goods rose.

Meanwhile, South Africa's private sector activity expanded in February for the first time in six months as staffing and purchasing levels increased amid stronger confidence, an S&P Global South Africa Purchasing Managers' survey showed on Tuesday.

"Looking further ahead, the expectation of moderating inflation... and possibly lower borrowing costs due to an expected shallow cutting cycle of the policy interest rate may help with local consumer demand in the second-half of the year," RMB's Mhlanga said.

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