

CONSUMER CONFIDENCE

Alarm bells ring for South African consumers as festive season looms



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AS THE festive season approaches, South Africans are grappling with an ever-increasing strain on their finances, exacerbated by soaring living costs and high interest rates.

Neil Roets, CEO of Debt Rescue, expressed grave concern about the ongoing financial struggles faced by households across the nation.

"With inflation remaining stubbornly high, the economic outlook for South African consumers in the final quarter of this year is daunting," Roets said, pointing to looming economic challenges.

The Department of Petroleum and Mineral Resources recently announced an increase in petrol prices, adding to the sense of desperation among consumers.

While a decrease in diesel prices offers a sliver of hope, many South Africans were left disheartened by the petrol price hikes of 1 cent per litre for petrol 93 and 8 cents per litre for petrol 95.

Consumers in October, will see modest decreases for Diesel of 10 cents for 500ppm and eight cents for 50ppm, the department said.

Illuminated paraffin will see an 11 cent decrease.

Following the adjustments, the price of 95 Unleaded petrol will rise to R20.84 at the coast and R21.63 in Gauteng, with 93 Unleaded increasing to R21.48. The wholesale price of 50ppm diesel should fall to R18.63 at the coast and R19.39 inland.

While international fuel product prices edged upwards during the review period that determined October's fuel prices, a stronger rand has added around 14 cents of relief to the fuel price equation. The local currency appreciated from an average of R17.73 to the US dollar during the previous review period to R17.49 in October. Later in the month, it hit a one-year high of R17.30, following significant inflows into the local bond market.

UASA spokesperson Abigail Moyo said, "Consumers had hoped for a

decrease to provide some financial relief," anticipating that such adjustments are critical in allowing families to manage their budgets during this crucial period.

Economists have flagged a worrying trend in consumer confidence, with the Composite Consumer Confidence Index dropping to a concerning -13 in Q3, a reflection of deteriorating household finances. FNB Chief Economist Mamello Matikina-Ngwenya warned,

"This declining confidence is likely to result in slower household expenditure growth, a clear indication that many families are on unstable financial ground."

The employment statistics paint a bleak picture; with 80,000 jobs lost in a single quarter, South Africa's job crisis deepens as families continue to fall below the poverty line.

Moyo highlighted the dire repercussions of this job loss, stating, "Behind these statistics are breadwinners struggling to secure basic necessities for their families, facing an all-time high unem-

ployment rate."

Without urgent interventions and structural reforms, the ongoing job losses could lead to a spiralling crisis.

"People have come to the end of their rope and expecting them to deal with another 3 months of navigating weak job creation, rising inflation, escalating food and electricity prices and consistently high petrol prices is unrealistic to say the least. The plight of households across the country is critical and with millions in serious financial distress and household budgets leaving little leeway for any festive cheer and even less relief to take the edge off this tough year, they are fast losing hope," Roets said.

"The bells are tolling for South Africans from all walks of life, and the doomsday clock keeps ticking. While hope is still alive, we need to see some real change on the economic front, and most of all, people need to believe that their leaders have their best interests at heart. Another petrol price hike is the last thing that is needed," Roets further added.



AS SOUTH Africans brace for a challenging festive season ahead, it is clear that the need for economic relief and job creation has never been more pressing. Without tangible changes, many families risk falling further into financial despair. | Supplied

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