

News Release

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KASI CONSUMER CONFIDENCE INDEX

GHANA, CAMEROON, IVORY COAST, KENYA, TANZANIA, SOUTH AFRICA & NIGERIA

Ghana's cedi slump felt by consumers

KEY FINDINGS

KASI CCI drops by 6 points

Consumer confidence in current economic conditions 3 points lower than last month

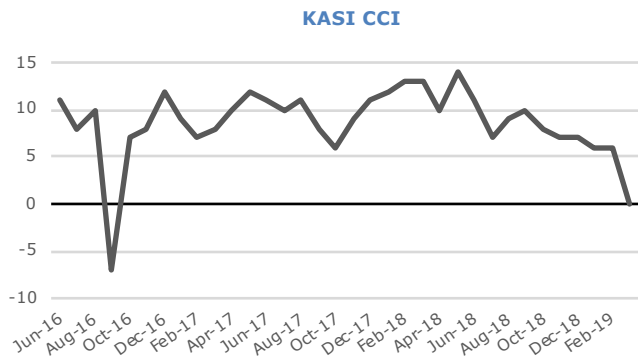
A dimmed outlook on the economy substantially lowers consumer confidence

Negative movements of individual index scores were recorded for six of seven countries (Ivory Coast being the exception) leading to a major 6 point drop in the global consumer confidence index metric. Ghana has by far recorded the largest decline in CCI with a drop of 16 points and has reached a historical low CCI of -22.

Consumer confidence in current economic conditions 3 points lower than last month

After remaining at -11 for the previous two months (January and February), consumer's confidence in current economic conditions lowered by three points in March, to -14. The job prospects sub-index fell by one point, which continued a downward trend that started January of this year. However, the lowered confidence in making large purchases, down 4 points, explains most of the decline in consumer's confidence in the current economy.

A dimmed outlook on the economy substantially lowers consumer confidence



Consumers' economic expectations fell 8 points, from +13 in February to +5 in March, despite a one point improvement between January and February. This decline followed from significant decreases, ranging from seven to ten points, in all sub-indexes pertaining to consumers' long-term outlook on the economy.

Ghana's cedi slump felt by consumers

Ghana's CCI reached a historical low in March largely due to the decline of over 20 points in three of seven sub-indexes; (1) income expectations, (2) change in ability to make large purchases, and most importantly, (3) future outlook on Ghana's economy. The sudden downturn in these sub-indexes are likely a consequence of the Ghana cedi dropping as much as 16 percent against the dollar from early February to mid-March. Ghana's central bank was unable to curb the slump in the cedi because it had to build reserves to meet requirements of its bailout program with the International Monetary Fund by March 15. KASI Insights continues to monitor Ghana's CCI closely as the country deals

with lasting effects from their banking crisis in 2015.

Buhari re-elected Nigeria's President

Muhammadu Buhari was re-elected Nigeria's president following February 23 election results. Proceeding the election, there was no major movement in Nigeria's CCI reflecting the status quo election results. Nigeria's CCI remains the highest among countries tracked at +21 despite falling two points between February and March. Likewise, Nigerian consumers maintained their outlook on their city and country's economy with the sub-indexes falling by only a point post-election.

IMF 2019 forecast put Ghana and Ivory Coast among the world's fastest growing economies

This month the International Monetary Fund had Ghana predicted to be the fastest growing

economy in the world in 2019. IMF has Ghana growing 8.8 percent this year compared to the 7.4 percent predicted by the World Bank Group in late March. Now that the end of the bailout program with IMF has come and Ghana's central bank is free to address exchange rate woes, KASI Insights expects some positivity in Ghana's CCI in the next few months. However, we wonder if IMF's projection is too optimistic considering the current position of the CCI in Ghana.

On the other hand, Ivory Coast looks well positioned to accomplish IMF's prediction of 7.5 percent economic growth in 2019. Ivory Coast's CCI remains the second highest at +17, growing by 2 points between February and March. Furthermore, there was no negative changes across all CCI sub-indexes for Ivory Coast, with most showing positive growth and the largest increase coming from the sub-index concerning the respondent's future economic outlook on their city (up 7 points). Continue to watch trends in Ivory Coast's CCI as the upcoming licensing of six oil blocks in Ivory Coast in June nears closer.

COMMENT

Kyel Governor, economist at KASI Insights, commented: "The map of election results in Nigeria reinforces the political and economic divide that exists between northerners and southerners in most sub-Saharan West African countries; three of them being tracked by KASI Insights: Nigeria, Ivory Coast, and Ghana. The oil rich southerners boast an economic and developmental advantage over the agriculturally rich north; however, the sharing of political power has been enough to appease both parties. The cost of political polarization is often electing a leader who does not make decisions towards bettering an economy. Although Nigeria's CCI indicate that Nigerians have a 'more of the same' attitude towards the economy post-election, we will see if President Buhari is able to raise the people's confidence in his economic plans in the coming months."

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Methodology

KASI Consumer Confidence Score (KASI CCI) is a composite index compiled from a seven-question survey that runs monthly via our consumer polls in the countries covered. The data output is based on a fresh, randomly selected representative sample of city dwellers aged 18-64.

Released the first week of every month, KASI CCI provides a focused view on consumer perceptions in seven African urban centers (Ghana, Nigeria, Kenya, South Africa, Cameroon, Ivory Coast, Tanzania) where most spending in the continent is concentrated.

For each question, the final metric will be a 'balance measure' of the percentage of positive responses minus the percentage of negative responses. The overall metric will be an average across all the questions.

March 2019 data were collected 03/18 to 04/06, 2019.

For further information on the KASI CCI survey methodology, please contact info@kasiinsight.com

About KASI Insight

KASI Insight is an award-winning consumer and market intelligence firm that provides reliable data and actionable insights on the largest economies in Africa to the global business community.

Turn the best of the African consumer into a competitive advantage. We engage, question, learn from consumers and market participants in over 10 markets in Africa to uncover what success means to them in order to help your company take a leadership position in these markets.

With our consumer indices, we provide greater visibilities into the economic realities of Africa.

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