

News Release

KASI CONSUMER CONFIDENCE INDEX

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

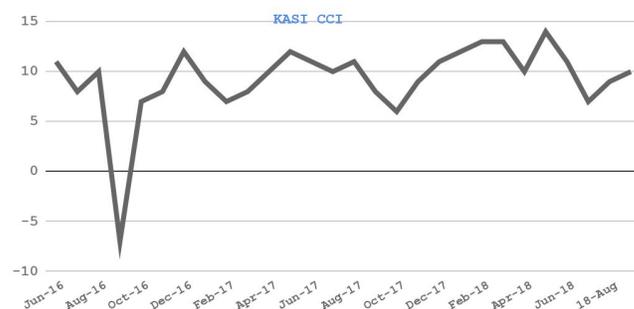
Slower Growth of Consumer Confidence in September

KEY FINDINGS

KASI CCI rose 1 percent in September

Job security continues to dampen short-term outlook

Elections in Cameroon and inflationary policies in Kenya drive down expectations



Across the 7 countries, a +1 point increase was recorded for the month of September, leading to a score of +10. Out of the 5 countries that experienced positive growth in consumer confidence, Tanzania had the most significant growth of +12 points to a new level of +10, closely followed by Nigeria with a +11 point increase to +28. On the other hand, Cameroon and Kenya experienced a fall in consumer confidence for the month of September. Cameroon recorded a 7-point fall from the August Score of +13, while the fall in consumer confidence in Kenya was large enough (9-point fall) to land Kenya in the negative region of the consumer confidence index i.e. at -3.

The fall of consumer confidence in Cameroon can be explained by the current political and social instability following the recently announced presidential election outcome which many deem highly dubious. New taxes introduced by the Treasury of Kenya have resulted in negative consumer sentiments as cost of living is about to go up as a result of the new taxes.

Job security continues to dampen short-term outlook

Consumers' evaluation of current economic conditions remain negative at -11 while expectations rose by 1 point to +19. As in the subsequent months, Ghana maintains the highest percentage of individuals with expectations of an improvement of the current economic disposition. In fact, the number of optimistic individuals increased from 75 percent to 81 percent in September, which may be suggesting recovery from unfavorable circumstances of increased crude oil prices accompanied by a weakening currency.

A 3 percent increase to 21 percent was recorded, of individuals intending to make large purchases such as furniture or electrical appliances for the month's survey. An evaluation of job prospects revealed a 1 percent increase to 38 percent, of individuals that claim greater difficulty of acquiring a job, while only 8 percent claimed that it will be easier to find a job. Survey responses for Cameroonians and Kenyans are coherent with prevailing economic hardships, as more

individuals anticipate greater difficulty in acquiring a job. For Tanzania, the positive sentiments induced by the recent cut in Tanzania's interest rates remain persistent however at a decreasing rate.

Personal finance improves slightly

Consumers' appraisal of household income improved in September. 37 percent of consumers expect an increase in their household income over the next 6 months. The 1 percent increase to 25 percent of individuals that anticipate their ability to meet their regular expenses indicates a slight improvement in consumers' appraisal of their personal finance.

Political instability and untrusted policies drive down expectations

The falling consumer confidence index in **Cameroon** is likely emanating from the political/civil unrest that looms over the country. As per our August prediction, the 5-point rise was short-lived and an anticipated drop happened in September ahead of the presidential election that happened on October 7th. The results which are likely to be contested, are scheduled for October 22th. The introduction of new taxes (as part of the Finance Act 2018 signed on September 21) which **Kenyan** citizens believe to be going into non-public but rather private individual's coffers has had the impact of dampening a positive outlook. The future will tell the credibility of these policy changes.

Table A: Country Summary Statistics

| Country | Sep 2018 | MoM (%) | YTD (%) | Trend |
|----------------|-----------|----------|-----------|----------|
| Cameroon | 6 | -7 | 1 | v |
| Ghana | 30 | 1 | 4 | ^ |
| Ivory Coast | 17 | 1 | -5 | ^ |
| Kenya | -3 | -9 | -11 | v |
| Nigeria | 28 | 11 | 3 | v |
| South Africa | 2 | 3 | 1 | v |
| Tanzania | 10 | 12 | 22 | ^ |
| Overall | 10 | 1 | -2 | ^ |

COMMENT

Esther Bosha, Junior Economist at KASI Insight, who compiles the KASI CCI survey, commented: *"As we've seen in Ghana (2016) and Kenya (2017), elections in Africa come with instability and uncertainty which tend to drive consumer confidence down. Cameroonians went to the poll on October 7th and the results are expected on October 22th."*

CONTACT

KASI Insight

| | |
|--|--|
| Esther Bosha | Arielle Nkongmeneck |
| Junior Economist | Corporate Communications |
| T: +27 73 564 06553 | T: +416 470 7027 |
| info@kasiinsight.com | hello@kasiinsight.com |

Methodology

KASI Consumer Confidence Score (KASI CCI) is a composite index compiled from a seven-questions survey that runs monthly via our consumer polls in the countries covered. The data output is based on 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.

September 2018 data were collected 09/26 to 10/06, 2018.

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 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 leadership position in these markets.

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

If you prefer not to receive news releases from KASI, please email hello@kasiinsight.com

To read our privacy policy, click [here](#).

Disclaimer

While KASI Insight Inc. ("KASI") believes that the information contained herein (the "Information") is accurate and complete, the Information is provided on an "as is" and "as available basis" without warranties, conditions or representations of any kind. KASI expressly disclaims, to the fullest extent permitted by applicable law, any warranty or condition, express or implied, statutory or otherwise, whether arising from trade or course of dealing, including, without limitation, any warranty that the Information (a) is accurate, reliable or complete, (b) is of merchantable quality, (c) is fit for a particular purpose, or (d) does not and shall not infringe any patent, trade-mark, trade-secret or other intellectual property or other proprietary right of any third party.

KASI explicitly states that it does not offer advice or recommendations concerning the Information. KASI shall not be liable or responsible for (a) any errors or omissions in the Information, (b) the results obtained from use of the Information, (c) for any decision made, action taken, or failure to act in reliance on, or other use of, the Information.

The Information is for general purposes only. For greater certainty, KASI is not an investment advisory service, is not an investment adviser, and does not provide personalized investment/financial advice or act as an investment/ financial advisor. KASI shall not be liable for investment decisions which may be based on the Information.