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Results of the BER Retail Survey for 2026Q2

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RETAIL CONFIDENCE DIPS AS FUEL COSTS BITE INTO DISCRETIONARY SPENDING

After dropping from 43% to 36% during the first quarter of 2026, business confidence among retailers continued to fade into the second quarter, falling by five percentage points (% pts) to 31%. Implying that only around a third of retailers surveyed were satisfied with prevailing business conditions in 2026Q2.

Against the backdrop of surging fuel costs and a subsequent resurgence of inflationary pressures in the broader economy and tighter monetary policy, the retreat in overall retailer confidence was expected. However, the details of the BER Retail Survey results paint a much grimmer picture of the sector, revealing a marked deterioration in underlying activity across retail subcategories, particularly in furniture and semi-durable goods, in stark contrast to their performance over the past year. This signals a drastic shift in consumers' spending priorities as transport and fuel costs take up a greater share of household disposable income. The speed of this adjustment underscores the vulnerability of discretionary spending to changes in fuel costs and inflation expectations.

After an eight-quarter outperformance streak, *durable goods* retailers' overall confidence fell back below the long-term average (down 17% pts to 28%). Almost all of the aggregate deterioration in durable goods retailers' indicators stemmed from furniture retailers becoming extremely pessimistic in the second quarter.

In step with furniture retailers, *semi-durable goods* retailers also registered the poorest sentiment since 2020. However, underlying activity and confidence among retailers of *non-durable goods* improved during the second quarter, albeit from a low level, providing further evidence of a prioritisation of spending on necessities given fuel cost pressures.

Consumer goods wholesalers primarily weighed on aggregate **wholesale** confidence and activity during the second quarter, mirroring the weaker demand observed in the retail survey. Meanwhile, confidence amongst *non-consumer goods* wholesalers ticked up by 1% pt to 46%, echoing movements in manufacturing sector confidence and activity.

Importantly, the **pricing dynamics**, as captured by the purchase price and selling price indices in the 2026Q2 trade survey results, revealed renewed price pressures at the retail and wholesale level. Amid surging domestic fuel prices, all price-tracking indicators rose

substantially above their long-term averages across the trade sector (excluding the motor trade, where average price increases are not surveyed).

After improving to the highest level in just over a decade, **new vehicle dealers'** confidence dropped from 67% to 49% in 2026Q2. The loss of optimism can, in part, be attributed to a change in the near-term interest rate outlook. To be sure, even with this decline, the sector remains the most optimistic among the sectors surveyed in the RMB/BER BCI during the second quarter.

KEY TAKEAWAYS

The second-quarter trade survey suggests that the consumer-facing sectors were among the hardest hit by the oil-price shock. The impact was most visible in discretionary retail categories, where confidence, sales volumes and profitability deteriorated sharply. The BER estimates that the increase in the fuel price in Q2 relative to Q1 costs the economy about R45 billion in additional spending. While the bulk of this was driven by higher diesel prices and so was borne by industry (there is always a risk of some pass-through onto consumers), the direct fuel hit to consumers was also significant.

Indeed, as 2026 began, the retail sector was entering a period of normalisation after a year of robust activity; however, the outbreak of the US-Iran conflict and the resulting shock to global energy markets brought to an abrupt halt what was set to be only a gradual decline in consumer spending and retail activity.

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