



BER BUREAU *for*
ECONOMIC
RESEARCH

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PRESS RELEASE

FNB/BER CONSUMER CONFIDENCE INDEX

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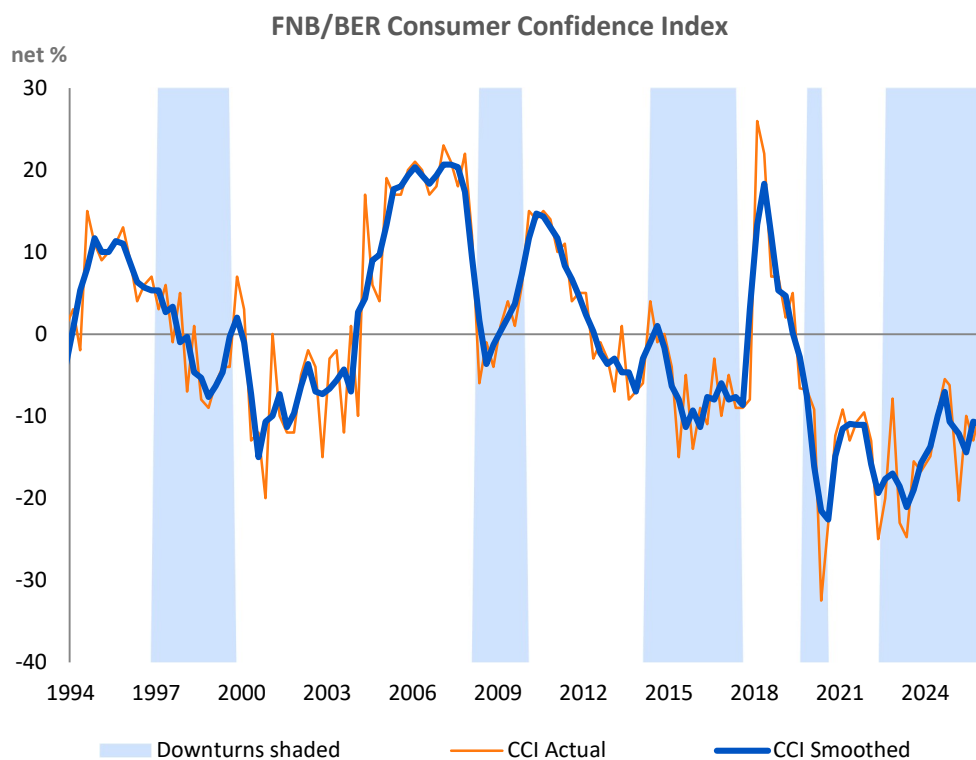
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Rise in consumer confidence suggests retail tills will jingle loudly this festive season

The FNB/BER Consumer Confidence Index (CCI) rebounded to -9 index points in the fourth quarter, after falling from -10 to -13 in the third quarter of 2025.¹

While the fourth-quarter CCI reading of -9 is slightly lower compared to the 2024 festive season reading of -6, and also still well below the long-run average of -1, it is the highest consumer confidence reading for 2025. The growth in retail sales volumes averaged an impressive 3.9% year-on-year (y-o-y) during the first three quarters of 2025, and the improvement in consumer sentiment suggests that consumers' appetite to spend extended into the holiday season. Indeed, the CCI sub-index that measures the suitability to buy durable goods rose to its best level in more than six years. Although the growth in retail sales is still expected to slow (in y-o-y % change terms) given the comparison with the very high 2024Q4 base (when two-pot retirement withdrawals kicked in), the uptick in the CCI, coupled with employment gains and a further interest rate cut, suggest that the growth moderation could be less than previously anticipated.



Source: BER, SARB

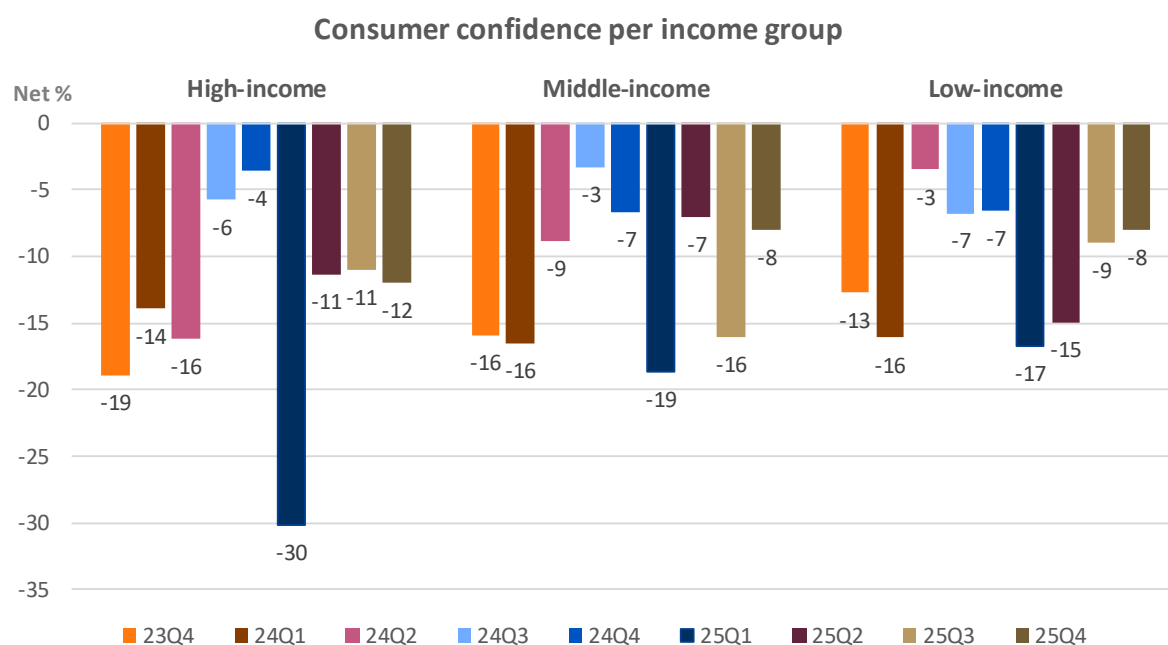
¹ The fourth quarter CCI survey was conducted by means of a telephone call survey between 10 to 21 November 2025.

Details

All three of the sub-indices of the CCI improved during 2025Q4. The sub-index measuring the appropriateness of the present time to buy durable goods (e.g., vehicles, furniture, household appliances and electronic goods) saw the largest jump, from -20 to -14 index points, reaching the highest level since 2019Q2. Lower interest rates and a stronger rand exchange rate (i.e., lower import prices) are supporting the affordability of durable goods in particular. Given that the SA Reserve Bank (SARB) announced its most recent 25 basis point interest rate cut on 20 November – towards the very end of the CCI survey period – there may well be scope for the time-to-buy-durables index to improve further. The economic outlook sub-index of the CCI, in turn, rebounded from -22 to -19 in 2025Q4, while the household finances sub-index increased from 3 to 5 index points.

	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4
Composite FNB/BER CCI	-16	-17	-15	-10	-5	-6	-20	-10	-13	-9
Economic outlook	-22	-28	-22	-9	-7	-9	-32	-18	-22	-19
Household financial outlook	-1	3	8	8	14	11	-1	9	3	5
Suitability of the present time to buy durable goods	-26	-25	-30	-28	-23	-21	-28	-21	-20	-14

Source: BER



Source: BER

A breakdown of the CCI per household income group shows diverging results. The confidence levels of middle-income households (earning between R5 000 and R20 000 per month) rebounded from -16 to -8 (following a

surprisingly large slump from -7 to -16 in the third quarter). The confidence levels of low-income households (earning less than R5 000 per month) edged up further, from -9 to -8 index points, but the confidence levels of high-income households (earning more than R20 000 per month) slipped from -11 to -12 index points during 2025Q4.

FNB Chief Economist Mamello Matikinca-Ngwenya said, “Apart from a further interest rate cut and an appreciation in the rand exchange rate, a number of other positive developments likely buoyed consumer sentiment towards the end of the year. These include a 47 cent per litre decline in the petrol price between August and November, food inflation easing from 5.5% in July to 3.9% by October and a 248 000 jump in employment during the third quarter of 2025. Additionally, South Africa received a sovereign credit rating upgrade by S&P for the first time in 20 years and was also removed from the Financial Action Task Force grey list, after addressing shortcomings related to the country’s anti-money laundering and counter-terrorism financing frameworks.”

Bottom line

The uptick in consumer sentiment shows a slight improvement in the willingness to spend, particularly among middle-income households, relative to the third quarter of 2025. Conversely, improved job creation and declining interest rates should bolster consumers’ *ability* to spend (i.e. real disposable income and access to credit). “These developments suggest that retail tills will jingle a merry tune during the 2025 festive season, with sales volumes projected to exceed the already jolly numbers recorded during the 2024 holiday period,” said Matikinca-Ngwenya.

Even so, the annual growth rate in real consumer spending is projected to slow relative to the robust growth recorded during the first three quarters of the year, as the y-o-y growth rate for 2025Q4 will be the first quarter that compares with a quarter in 2024 that already fully included two-pot pension fund withdrawal spending. Withdrawals from the two-pot retirement system likely boosted real consumer spending by at least one percentage point over the last year, but this should now be fully reflected in the base. Nevertheless, the results from the latest FNB/BER consumer confidence survey suggest that retailers may have more to cheer about during the Christmas shopping period than previously anticipated.

Background

Consumer confidence surveys provide regular assessments of consumer attitudes and expectations and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer expectations occur and how these changes influence consumer spending and saving decisions.

The FNB/BER CCI combines the results of three questions posed to adults in South Africa, namely the expected performance of the economy, the expected financial position of households and the rating of the appropriateness of the present time to buy durable goods, such as furniture, appliances and electronic equipment.

Until the second quarter of 2019, the FNB/BER CCI was based on face-to-face interviews of between 2 000 and 2 500 urban adults. The BER switched to telephone call surveys in the third quarter of 2019. The 500 respondents are representative of the racial and household income composition of the urban adult population of South Africa. Internationally, the majority of CCIs is based on telephone call surveys.

Consumer confidence is expressed as a net balance. The net balance is derived as the percentage of respondents expecting an improvement / good time to buy durable goods less the percentage expecting a deterioration / bad time to buy durable goods.

A low level of confidence indicates that consumers are concerned about the future. They may be worried about job security, pay raises and bonuses. With such a frame of mind, consumers tend to cut spending to basic necessities (e.g. food and services) to free up income for debt repayment. If confidence is high, consumers tend to incur debt (or reduce savings) and increase spending on discretionary items, such as furniture, household equipment, motor vehicles, clothing and footwear. Some of these items are often financed on credit. Spending on these items declines when confidence is low, as households can generally delay their purchase without experiencing an immediate deterioration in living conditions.

A rise in consumer confidence reflects an increased willingness of consumers to spend. However, this willingness only translates into actual sales if consumers' ability to spend improves. Their ability to spend depends on their inflation adjusted after-tax income and the availability of credit. A rise in consumer confidence could therefore result in an upturn in household consumption spending in general and retail and motor vehicle sales in particular. The opposite applies when the level of consumer confidence declines.