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### **SACCI PRESS RELEASE - BUSINESS CONFIDENCE INDEX (BCI) – March 2022**

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#### ***Hesitant but Improved Business Confidence***

SACCI's Business Confidence Index (BCI) continued on its recovery path after the unrests and disruptions in July 2021. The BCI improved by 2.8 index points between January and February 2022 before conceding 1.3 index points in March 2022 to reach 95.6. However, the general trend in business confidence during the first few months of 2022 remained positive.

The SACCI BCI fell to 92.0 in the third quarter of 2021 and remained hesitant before rising by 1.2 points to 93.2 in the fourth quarter. After indicating a faster recovery in January and February 2022 as the Covid-19 effect faded, the unexpected Russian military campaign in Ukraine added to global business uncertainty and caused the BCI to slow in March 2022. The SACCI BCI average in the first quarter of 2022 improved by 2.3 index points from the fourth quarter of 2021 to 95.5, which is 1.2 index points higher than the first quarter of 2021.

In the short term, a higher volume of merchandise imports, an increase in the real value of building plans approved, and more new vehicles sold all contribute to an improved business climate. The main sub-indices that weighed negatively on business confidence in the short term were lower merchandise export volumes, rising interest rates, and lower JSE share prices. The high cost of energy (fuel and electricity) and the inconsistency of energy supply (electricity) contributed to business uncertainty.

The SA lockdown during the Covid 19 global pandemic posed a threat to global interdependence, and the conflict between Russia and Ukraine has once again exposed the vulnerability of international trade and countries reflecting on the prospects of self-reliance where possible. This is putting international trade's comparative advantages under pressure.

The short-term global reaction has been to rapidly return economies to normality post the pandemic whilst countries like China enter their own latent lockdown phase. The latest geopolitical conflicts should be approached with caution, as the global economy remains vulnerable and susceptible to further disruptions.

Non-Profit Company (NPC): Reg No. 1945/20230/08 VAT No. 4840111670

**Directors:** M Xulu (President), N Malefane (Deputy President), N Pollock (Vice President), J Heshu (Vice President), S Conradie (Treasurer), M Motsumi (Chamber Forum Chair), M Pirikisi, M Bosch, L Blackbeard, H Ndlovu, M Jacobs, A Mahomed, A Mukoki (CEO), Z Ndlovu (Past President)

South Africa's business confidence may struggle to maintain its current higher levels. The promotion of investor confidence in South Africa among foreign and domestic investors, on the other hand, remains critical and should guide South Africa's approach to global issues.

For a full background to this month's SACCI BCI see the full BCI report on [www.sacci.org.za](http://www.sacci.org.za).

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