

SA confidence wanes and PPI rises

 By [Paddy Hartdegen](#)

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Producer price inflation (PPI) has reached double-digit growth for the first time since 2008 according to Statistics South Africa (StatsSA) which says the year-on-year (y/y) growth was 10,5% in September.

However, the month-on-month increase in PPI was -3,3%, due in part to the lower electricity tariffs charged by Eskom after the winter period. Commodity prices have remained volatile, falling in August and September in the wake of fears of a double-dip recession hitting foreign markets.

In a separate development, Ernst & Young's Financial Services Index shows that confidence levels increased from 63 points in the first quarter of this year to 71 points in the second quarter, the highest since 2008.

Retail and investment banking services showed the highest increase in confidence levels with investment managers feeling less confident and life insurers remaining ambivalent.

However, the Merchantec CEO Confidence Index slumped in the third quarter of the year, falling by 5,32 points to just 54,92 and at its lowest level since 2009 as renewed fears of double-dip recession in the local and global economies lifted.

According to this index, the largest drop in confidence was among chief executives of industrial companies, recording confidence levels of just 52.8 while the financial sector also showed a strong decline to 46,4 amid fears that the European economic mess would filter through to South Africa.

The index estimates that 75% of chief executives believe that South Africa may slip into a double-dip recession.

View [Statistics South Africa's PPI figures](#).

View the [Ernst & Young Financial Services Index](#).

View the [Merchantec CEO Confidence Index](#).

ABOUT PADDY HARTDEGEN

Paddy Hartdegen has been working as a journalist and writer for the past 40 years since his first article was published in the *Sunday Tribune* when he was just 16-years-old. He has written 13 books, edited a plethora of business-to-business publications and written for most of the major newspapers in South Africa.

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