

Nigeria, Kenya consumer confidence increases



By [lssa Sikiti da Silva](#)

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Consumer confidence in Nigeria and Kenya - two of Africa's leading economies - has significantly increased in the past six months, while Morocco experienced a slight decline and Egypt's index recorded a level below 50, a MasterCard Worldwide Index of Consumer Confidence released last week in Johannesburg has revealed.



MasterCard
Worldwide

The latest survey, which describes Nigeria and Kenya as the continent's shining stars, says the west African nation leads the African pack as the most optimistic market in the African region, with its score increasing from 83.2 six months ago to a current highly-optimistic score of 94.3.

Nigeria is currently Africa's second-biggest oil exporter behind Angola, as its oil production and exports continue to be seriously disrupted by armed conflict in the Niger Delta.

Kenya continues upward trend

The survey shows that Kenya continued its upward trend in consumer confidence, improving by 13.8 points on its previous score of 73.5 to an optimistic 87.3, with four of its five key indices showing marked improvement.

Kenya is the global leader of black tea exports. In 2010, the country produced 399 million kilograms (up by 27% from 2009) thanks to a good weather and a stable foreign exchange rate, Reuters quoted Tea Board of Kenya MD Sicily Kariuki as saying last week.

Earnings from that production increase totalled a record 97 billion Kenyan shillings (R84 billion), up by 40% from 2009.

The bi-annual index, which surveys prevailing expectations in the market for the next six months, is based on five economic indicators, namely economy, employment, stock market, regular income and quality of life.

The MasterCard Index says while Morocco remains in positive territory (above 50), its index has nevertheless fairly declined by 12.9 points, decreasing from 78.2 to 65.3.

Markets surveyed worldwide

The survey is done in the following 24 markets: Australia, China, Hong Kong, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand, Vietnam, Kuwait, Lebanon, Qatar, Saudi Arabia and United Arab Emirates.

In Africa, the survey only involves South Africa, Kenya, Morocco, Nigeria and Egypt.

Out of the 24 markets surveyed, 14 have experienced a decline in consumer confidence in the past six months, but Egypt and Japan are the only countries whose index seemed to have ventured into negative territory (below 50).

The good news is that African continent's consumer confidence has increased in the past year, climbing from 66.4 in the second half of 2009, to an average of 79.0, according to the MasterCard survey.

While some observers continue to have a pessimistic view of the continent as pockets of political instability, poverty, corruption, armed conflict, dictatorship and bad governance delay Africa's socio-economic take off, there are those who nevertheless remain optimistic.

Evolution of brand Africa

Jason Knight, strategic planning director at Brand Activation, said last week in Johannesburg: "The continent starts to evolve from one known for famine, war and wildlife to one known for innovation and solutions."

Knight added: "McKinsey forecasts a 35% rise in African consumer spending power through 2015...while marketers are targeting high-growth countries such as Nigeria, Angola, Kenya and Ghana.

"Coca-Cola plans to double its annual investment in Africa to US\$1 billion, Walmart has made its move and China and India are also making significant investments in the continent."

ABOUT ISSA SIKITI DA SILVA

Issa Sikiti da Silva is a winner of the 2010 SADC Media Awards (print category). He freelances for various media outlets, local and foreign, and has travelled extensively across Africa. His work has been published both in French and English. He used to contribute to Bizcommunity.com as a senior news writer.

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