

Cash withdrawals keep rising

The average value of cash withdrawals across more than 2,000 ATMs managed by Spark recorded a positive month-on-month growth of 0.78% last month, the ATM deployer said on Wednesday (5 December).

The Spark Cash Index (SCI), which measures the average value of cash withdrawals, fell 2.27% in October as the transport strike affected the delivery of cash to ATMs.

The average cash withdrawal from ATMs grew from R439.27 in October to R442.71 last month.

Spark ATM Systems managing director Marc Sternberg said the return to work of striking mineworkers following their salary increase and the need to stock up after several months without pay, appeared to have positively effected cash withdrawal activity throughout the country in November.

"This is highlighted by the rise in average cash withdrawal values at wholesale locations, which recorded a month-on-month growth of 1.36% and year-on-year growth of 16.96%," he said.

"Spaza shop owners stocking up ahead of the Festive season rush may also have boosted ATM withdrawal values at wholesale locations," Sternberg

However, the average cash withdrawal values are dampened by the strikes in the farming sector, according to IHS Global Insights principal economist Ronel Oberholzer.

"The SCI data noted a month-on-month drop of 2.7% at rural locations, which points to the negative impact that the strikes in the farming sector are starting to have on cash withdrawal activity," Oberholzer said

Spark said further evidence of the negative effect that the farm worker strikes were having could be seen in the fact that the Western Cape, which had been hardest hit by these strikes, recorded the lowest average cash withdrawal value (R391.48) of all nine provinces in SA.

"This indicates that the loss of income has already begun to affect buying power in this province," Sternberg said.

Sternberg said he expected cash withdrawal values to continue their upward trend in the final month of the year.

"Historically, December ATM cash withdrawal values reveal the highest month-on-month growth for the year due to increased spending over the festive season," he said.

"We expect 2012 to be no different. Workers usually get bonuses and people are typically more willing to spend more money while they are on holiday.

"In addition to this, many workers go home to visit family for the holidays and draw cash to take along," Sternberg added.

For the tenth month in a row, Mpumalanga recorded the highest provincial average cash withdrawal value (R475.75) last month, followed the Eastern Cape, (R465.11) and KwaZulu-Natal (R460.30) provinces.

Wholesale locations came out tops for the eighth consecutive month by posting the highest average cash withdrawal figure of R456.30, in addition to the largest month-on-month increase of 1.36% and year-on-year increase of 16.96%.

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