

## March hits six-year high on SCI

The average cash withdrawal values across South Africa for March 2012, was R417.92, a 3.54% year-on-year increase and the highest recorded average cash withdrawal amount for March in six years, as measured by the Spark Cash Index (SCI). The SCI also revealed a month-on-month increase of 1.46% in withdrawal activity.

According to Marc Sternberg, MD of Spark ATM Systems, the gradual increase in consumer spending is in line with recent economic data released by the Reserve Bank, which revealed economic growth of 3.20% in the fourth quarter of 2011, after expanding by 1.70% in the previous quarter.

"The data also revealed that household spending has grown to 4.60%, from 3.80% in the third quarter of 2011, and household disposable income has risen to 4.70% in the fourth quarter from 3.90% in the third. These are both positive signs for slow, but sustainable economic growth for the first quarter of 2012," says Sternberg.

### Easter splurge

Dawie Klopper, Investment Economist at PSG Konsult, says following the 2008 economic crisis, consumer sentiment was probably at its lowest levels. "This was evident from the SCI data, which showed a substantial decline in the year-on-year growth rate in the average cash withdrawal value from 2010 into 2011."

"However, from mid-2011 to present date, we have seen the growth rates in ATM withdrawal values stabilise. The 3.54% growth rate recorded in March, although still below the nominal growth in the economy, shows the growth rate picking up and could reflect a slight improvement in consumer confidence," says Klopper.

According to Sternberg, over the past three years, the month in which the Easter holiday period has occurred has recorded a spike in cash withdrawal activity. "On average, this major holiday period yields an increase of between 3 - 4% in average cash withdrawal activity and we foresee that this trend continues in April 2012."

### Provincial cash withdrawal trends

Mpumalanga reported the largest provincial average cash withdrawal of R448.03 for March, followed by Limpopo (R444.85) and the Eastern Cape (R429.40).

Among the country's nine provinces, the Northern Cape experienced the biggest month-on-month withdrawal growth of 6.36%. "The region also recorded the second highest year-on-year increase of 4.98%, indicating that the economy in this region is showing a growing demand for convenient cash access," says Sternberg.

### Site withdrawal trends

The March SCI revealed that wholesale locations recorded the highest average value of cash withdrawals the month at R430.78, as well as the largest year-on-year growth of 9.33%.

"Consumer cash withdrawal trends are fast changing as more on-site ATM options become available at

alternative locations such as wholesale outlets," says Sternberg.

Petrol stations recorded the second highest location withdrawal value of R424.58, as well as the second highest year-on-year growth of 5.84% and third highest month-on-month growth of 2.28%, driven by increasing fuel prices during March. Retail sites\* came in third highest with a value of R412.66 and a 3.64% year-on-year growth.

The SCI is a useful 'real-time' gauge of consumer spending, utilising the company's ATM systems' network of over 1400 ATMs located countrywide to reflect accurate, broad and timely cash demand and utilisation data. These ATMs are typically located in convenience stores, petroleum stations, specialist retail nodes and leisure & hospitality venues.

\*Retail sites include supermarkets, convenience stores, fast food outlets, pharmacies, hardware stores, liquor stores and butcheries.

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