

April benefits from holiday cash withdrawals on SCI

The average April 2012 cash withdrawal value across South Africa showed a month-to-month increase of 4.03% to R435.47 and a year-on-year increase of 3.02%, as measured by the Spa Cash Index (SCI).



Marc Sternberg, MD of Spark ATM Systems says this is the highest average cash withdrawal value in the history of the SCI for the month of April and was boosted by a host of public, school and religious holidays. "It is also the highest average withdrawal value in six years for any month, with the exclusion of the December months, which suggests that consumers increased their spending during their time off from work in April, particularly at wholesale locations, petrol stations and retailers.

"Wholesale locations recorded an increase in ATM cash withdrawals of 5.06% in April, the largest month-on-month growth of any site category. Petrol stations recorded the second highest month-on-month growth of any site category, with an increase of 3.73%, driven by increased travel by consumers between regions during the Easter holiday period. Retail sites recorded a 3.66% month-on-month growth."

He says that of the nine regions, Mpumalanga experienced the largest month-on-month withdrawal growth of 5.40% and the third highest year-on-year growth of 4.55%, which may be partly due to the increased tourist numbers the province experienced in April.

Dawie Klopper, investment economist at PSG Konsult, agrees that the month-on-month growth in cash withdrawals was significantly affected by the holiday month of April.

"As predicted, following the January and February 2012 withdrawal slump, consumer spending has again gathered momentum and returned to positive gains throughout March and April," adds Sternberg.

Provincial trends

Mpumalanga reported the largest provincial average cash withdrawal value of R473.60 for April 2012, followed closely by Limpopo (R469.54) and KwaZulu-Natal (R451.01). Mpumalanga is currently the cash king of the country boasting the highest average cash withdrawal values for every month to date in 2012.

"The Free State province recorded the biggest year-on-year increase of 6.34%, indicating that the demand for convenient access to cash in the more rural provinces is growing steadily," says Sternberg. The Western Cape reported the lowest average cash withdrawal values in the country of R389.36, having grown since March 2012.

"The high density of ATMs in the Western Cape, in contrast to the lower densities in the Free State and Mpumalanga, permits lower amounts of cash to be withdrawn as consumers recognise that they will always have convenient and secure access to cash wherever they are."

Stats SA's Retail Trade Sales (RTS) values follow the same pattern as South Africa cash withdrawal value. Released two months ahead of the RTS, the SCI figures therefore predict the pattern that RTS will follow.

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.

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