

# Don't get lured into Christmas overspend

Consider the price increases that might hit in the new year

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**I**T MIGHT not be the most festive choice, but spending wisely this holiday season could save you from falling into debt next year.

With Eskom awaiting approval for yet another tariff increase, this time one of 16 percent, high petrol prices and annual increases in municipal rates and school fees all coupled with inflation, South Africans might need to be careful when shopping this festive season.

Mike Schussler, the director of economists.co.za, said he expects retail sales to increase in December, after a "difficult" September and October because of strike action.

But Schussler said he still did not expect the retail sales in December to increase significantly.

A company that supplies debit and credit card machines agreed, based on its own statistics.

Retailers, with the exception of liquor outlets, have been hit hard by a lack of spending, including a drop in spending on beauty products, and at food and beverage outlets, butcheries and pet products, according to SureSwipe.

Sales at fashion outlets and hair salons have seen no improvement, while spending on jewellery has increased by 7 percent, although this is coming off a four-year low.

There has also been an increase in pending at liquor outlets and on health-care products compared with last year.



**CAUTIONING:** Shoppers at Carlton Centre in the CBD indulge in retail therapy before the crowds descend on the mall. Economists are warning South Africans to change their spending habits.

PICTURE: MUJAHID SAFODIEN

"Although some economists have suggested that the economy is on the mend, our figures show that consumers are hurting and if they hurt, retailers bleed," said Paul Kent, the managing director of SureSwipe.

Average ATM withdrawals across South Africa are up from the same period last year,

according to Spark ATM Systems.

It said it had found that people across its 2 000 ATMs in the country had increased their withdrawals from R434.22 between December 1 to 11 last year to R459.04 in the same period this year.

Schussler cautioned that South Africans should change

their spending habits.

"In South Africa we like to buy cars and televisions, but we don't like buying important stuff like stoves and school uniforms," said Schussler.

He also said the pay increases that employees were getting might not continue for much longer and they should already be planning ahead.

The National Credit Regulator (NCR) said a "festive hangover" could be avoided by simply planning ahead.

The regulator said there were 19.6 million active credit consumers in South Africa who owe R1.36 trillion in loans, including mortgages, vehicle finance, credit cards, store cards, personal loans, short-

term loans, pension and insurance-backed loans.

Only 53 percent of the active credit consumers are in good standing with their credit or service providers. The rest have impaired records.

The NCR urged consumers not to fall into the 47 percent because of overspending this December.