

## EXECUTIVE SUMMARY

Latest statistics released by the Spark Cash Index (SCI)\*, which measures the average value of cash withdrawals across more than 2 000 Spark ATMs throughout South Africa, suggest that the strike action in the country's mining and transport sectors is having a negative effect on consumer spending. The SCI recorded a month-on-month drop of 2.27% in average cash withdrawal figures for October 2012, to R439.27.

Marc Sternberg, MD of Spark ATM Systems, says that the latest SCI statistics very clearly show that the provinces experiencing labour turmoil in platinum and gold mining recorded a significant decline in average ATM cash withdrawal values during October. "The North West (platinum), Free State (gold), and to a lesser extent Limpopo and Mpumalanga regions, all recorded month-on-month drops in cash withdrawal values of between 2% and 5% during the October strike period.

"Limpopo and Mpumalanga also act as labour feeds for mineworkers to the platinum and gold sectors and, as many miners did not receive salaries, there was a subsequent decline in cash withdrawal values," says Sternberg.

He adds that the transport sector strike also impacted on cash withdrawal activity along the country's main transport routes, as truck drivers did not draw money and no payment for truckloads were completed.

## AVERAGE CASH WITHDRAWAL VALUE

**AVERAGE CASH WITHDRAWN**  
OCTOBER 2012

R439.27

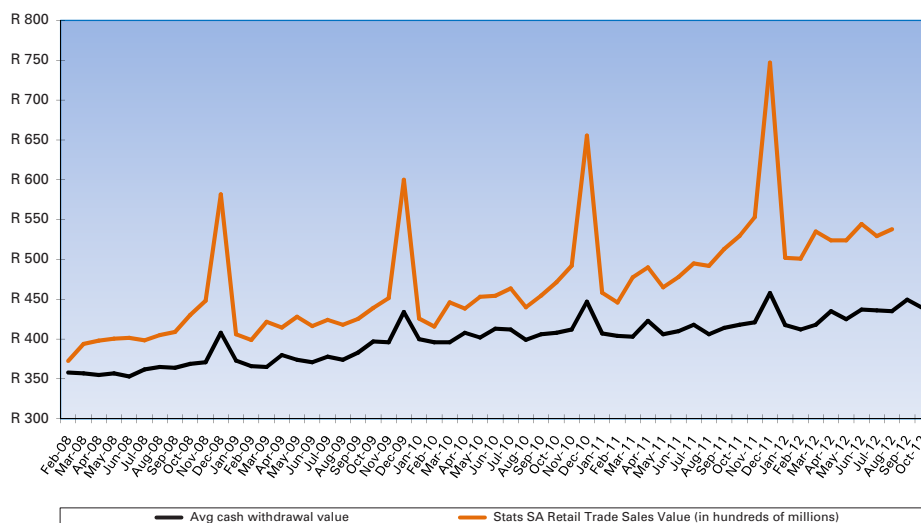
**MONTH-ON-MONTH CHANGE**  
SEP 2012 VS OCT 2012

↓ -2.27 %

**YEAR-ON-YEAR CHANGE**  
OCT 2011 VS OCT 2012

↑ 4.89 %

## AVERAGE CASH WITHDRAWAL VALUE VS STATS SA RETAIL TRADE SALES VALUE



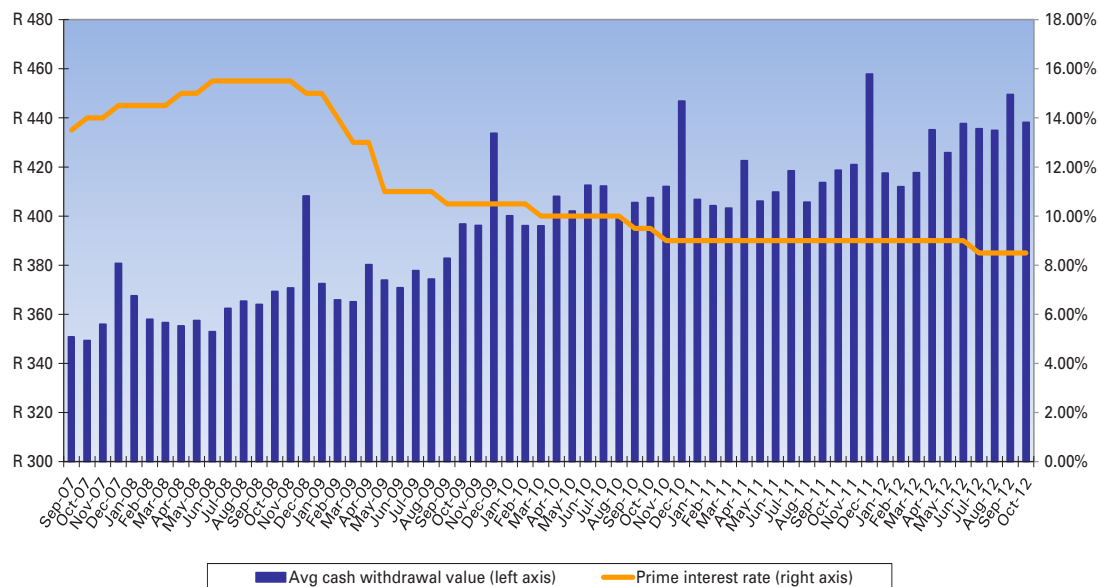
Sternberg, however, says the trend may be reversed in November and December. "With the majority of the strikes now over and many workers subsequently receiving higher salaries, we should see a spending 'catch up', resulting in increased cash withdrawal figures over the next two months."

Ronel Oberholzer, Principal Economist at IHS Global Insights, says other factors such as increased petrol and food prices could also start pushing up cash withdrawal values. "We saw a national 25c petrol price increase in October and expect to see some seasonal up trend in food prices as retailers start stocking up for Christmas. Food is always more expensive over the festive season, which should lead to an increase in cash withdrawals over the coming two months."

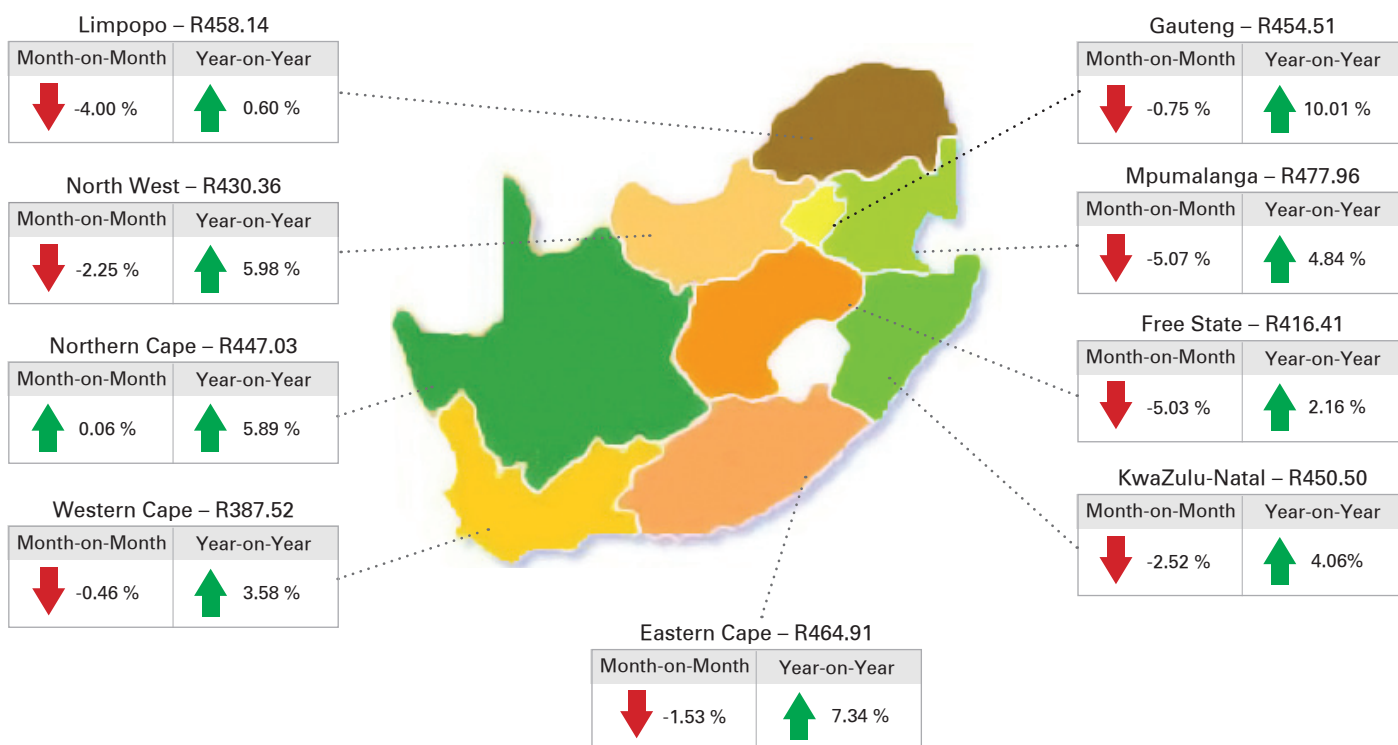
She adds that a further interest rate cut by the Monetary Policy Committee in November is unlikely and that consumers' finances will stay constrained going into 2013 due to increased inflation and services costs. "Looking forward, growth in the SCI should stay in the lower single digits for the rest of 2012, reflecting a slowdown in domestic demand.

"The banks and industry have also undertaken to be more careful in supplying unsecured credit, which will obviously limit the amount of cash available for withdrawal in future," says Oberholzer.

## AVERAGE CASH WITHDRAWAL VS PRIME INTEREST RATE



## AVERAGE CASH WITHDRAWAL BY REGION



\*Month-on-Month = September 2012 vs. October 2012. Year-on-Year = October 2011 vs. October 2012

For the 10th consecutive month, the Mpumalanga province recorded the highest provincial average cash withdrawal value of R477.96 for October 2012, followed by the Eastern Cape (R464.91) and Limpopo (R458.14).

"Mpumalanga experienced a month-on-month drop in cash withdrawals of 5.07%, the first since May 2012. This was due to the continued strike activity in the mining sector in October, as the province plays a significant role as a labour source for the platinum and gold sectors," says Sternberg.

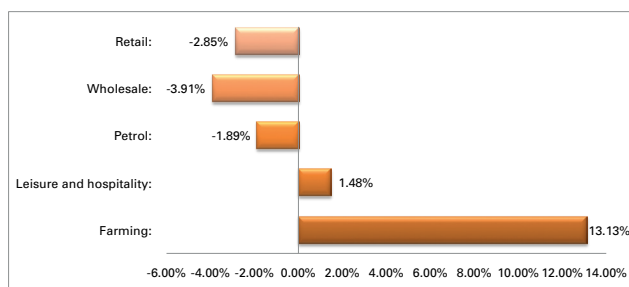
## REGIONAL AVERAGE CASH WITHDRAWAL DATA TABLE

Month	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	National
Oct-11	R 433.10	R 407.62	R 413.18	R 432.92	R 455.42	R 455.89	R 422.18	R 406.07	R 374.12	R 418.79
Nov-11	R 432.96	R 409.42	R 421.46	R 433.06	R 451.74	R 444.55	R 422.27	R 411.30	R 382.75	R 420.84
Dec-11	R 472.39	R 434.25	R 448.69	R 481.06	R 493.90	R 484.95	R 443.46	R 436.98	R 406.27	R 457.67
Jan-12	R 439.38	R 395.99	R 413.37	R 430.56	R 446.44	R 447.12	R 390.78	R 404.25	R 384.51	R 417.85
Feb-12	R 424.28	R 402.57	R 410.04	R 423.42	R 438.25	R 441.56	R 383.47	R 395.95	R 384.28	R 411.82
Mar-12	R 429.40	R 415.81	R 423.59	R 428.24	R 444.85	R 448.03	R 409.50	R 394.52	R 385.73	R 417.92
Apr-12	R 450.18	R 428.11	R 430.35	R 451.01	R 469.54	R 473.60	R 428.10	R 415.72	R 389.36	R 435.47
May-12	R 445.90	R 411.90	R 435.26	R 440.94	R 448.81	R 454.08	R 427.15	R 408.37	R 380.01	R 425.94
Jun-12	R 456.31	R 420.15	R 445.17	R 451.26	R 452.99	R 457.16	R 429.82	R 418.00	R 387.99	R 437.71
Jul-12	R 468.85	R 421.34	R 443.43	R 447.57	R 455.88	R 470.04	R 433.13	R 422.83	R 383.20	R 435.54
Aug-12	R 461.41	R 415.02	R 443.57	R 450.32	R 456.83	R 475.72	R 430.00	R 424.17	R 383.38	R 434.93
Sep-12	R 472.15	R 438.48	R 457.95	R 462.15	R 477.25	R 503.48	R 446.78	R 440.25	R 389.30	R 449.47
Oct-12	R 464.91	R 416.41	R 454.51	R 450.50	R 458.14	R 477.96	R 447.03	R 430.36	R 387.52	R 439.27

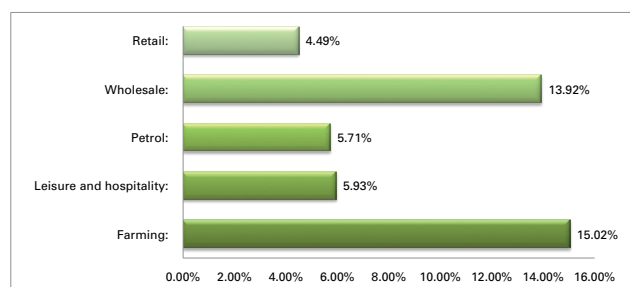
## AVERAGE CASH WITHDRAWAL BY SITE CATEGORY

Retail	Wholesale	Petrol	Leisure & hospitality	Farming
R 432.95	R 450.16	R 440.05	R 401.28	R 454.68

### MONTH-ON-MONTH CHANGE SEPTEMBER 2012 – OCTOBER 2012



### YEAR-ON-YEAR CHANGE OCTOBER 2011 – OCTOBER 2012



For the first time in seven months, wholesale locations were replaced as the largest cash withdrawal value site. Farming locations took the top spot with an average cash withdrawal value of R454.68, with wholesale slipping to second place (R450.16) and petrol placed third (R440.05).

“According to the SCI, farming recorded a 13.13% month-on-month growth in cash withdrawals, the highest of any site in October 2012 and also recorded 15.02% year-on-year growth.

“This is due to increased production activity in the SA agricultural sector following the grain shortage in the United States. It also indicates that more cash is being withdrawn by farmers to pay wages, as well as by the farm workers themselves,” says Sternberg.

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

## SITE CATEGORY AVERAGE CASH WITHDRAWAL DATA TABLE

Month	Retail	Wholesale	Petrol	Leisure & hospitality	Farming
Oct-11	R 414.36	R 395.14	R 416.27	R 378.81	R 395.29
Nov-11	R 415.59	R 390.13	R 412.88	R 388.48	R 400.00
Dec-11	R 456.58	R 430.19	R 453.98	R 387.03	R 395.40
Jan-12	R 409.19	R 417.64	R 425.28	R 382.54	R 331.36
Feb-12	R 405.84	R 397.32	R 414.89	R 380.21	R 287.88
Mar-12	R 412.66	R 430.78	R 424.58	R 384.34	R 327.15
Apr-12	R 428.33	R 453.76	R 441.03	R 390.45	R 334.61
May-12	R 419.45	R 439.65	R 434.65	R 386.55	R 355.93
Jun-12	R 428.95	R 446.41	R 442.79	R 391.91	R 396.81
Jul-12	R 426.95	R 451.66	R 439.81	R 393.77	R 401.95
Aug-12	R 430.82	R 449.47	R 435.25	R 393.52	R 343.61
Sep-12	R 445.66	R 468.46	R 448.54	R 395.41	R 401.90
Oct-12	R 432.95	R 450.16	R 440.05	R 401.28	R 454.68

## DATA TABLE

Below is the data table including all relevant statistics from October 2009 to October 2012. The table demonstrates the average cash withdrawal value across South Africa, the changes in withdrawal values from month-to-month and year-to-year as well as the Stats SA retail trade sales value.

Month	Average Cash Withdrawal	Month-on-Month Change	Year-on-Year Change	Stats SA retail TradeSales Value
Oct-09	R 396.57	3.6%	7.06%	R 439
Nov-09	R 396.28	-0.07%	7.19%	R 452
Dec-09	R 433.38	9.36%	6.22%	R 600
Jan-10	R 400.40	-7.61%	7.49%	R 426
Feb-10	R 396.06	-1.08%	8.26%	R 416
Mar-10	R 396.14	0.02%	8.45%	R 446
Apr-10	R 407.88	2.96%	7.32%	R 438
May-10	R 402.33	-1.36%	7.53%	R 453
Jun-10	R 411.04	2.16%	10.84%	R 454
Jul-10	R 411.92	0.21%	9.12%	R 464
Aug-10	R 401.46	-2.54%	7.2%	R 440
Sep-10	R 405.47	1.00%	5.93%	R 454
Oct-10	R 407.58	0.52%	2.78%	R 471
Nov-10	R 411.98	1.08%	3.96%	R 492
Dec-10	R 446.56	8.39%	3.04%	R 655
Jan-11	R 407.06	-8.85%	1.66%	R 458
Feb-11	R 404.28	-0.68%	2.08%	R 446
Mar-11	R 403.11	-0.29%	1.76%	R 478
Apr-11	R 422.30	4.76%	3.54%	R 490
May-11	R 406.41	-3.76%	1.01%	R 465
Jun-11	R 409.95	0.87%	-0.26%	R 478
Jul-11	R 418.40	2.06%	1.57%	R 495
Aug-11	R 405.69	-3.04%	1.05%	R 492
Sep-11	R 413.88	2.02%	2.07%	R 513
Oct-11	R 418.79	1.19%	2.75%	R 530
Nov-11	R 420.84	0.49%	2.15%	R 553
Dec-11	R 457.67	8.75%	2.49%	R 747
Jan-12	R 417.85	-8.70%	2.65%	R 502
Feb-12	R 411.82	-1.44%	1.87%	R 503
Mar-12	R 417.92	1.48%	3.67%	R 535
Apr-12	R 435.47	4.20%	3.12%	R 524
May-12	R 425.94	-2.19%	4.81%	R 524
Jun-12	R 437.71	2.76%	6.77%	R 544
Jul-12	R 435.54	-0.50%	4.10%	R 529
Aug-12	R 434.93	-0.14%	7.21%	R 538
Sep-12	R 449.47	3.34%	8.60%	Not yet released
Oct-12	R 439.27	-2.27%	4.89%	Not yet released

## ABOUT THE SPARK CASH INDEX (SCI)

The amount of cash withdrawn at ATMs is a real-time indicator of cash availability and consumer spending in the economy. From Spark ATM Systems' records the company has noticed that over time the average amount of cash withdrawn at its network of ATMs corresponds with general economic conditions in South Africa. The SCI also points to consumer trends such as the variations in cash withdrawn based on prevailing economic conditions, particularly variations in the prime interest rate and seasonal peaks and dips.

## EXPLANATORY NOTES

The value for the Spark Cash Index is obtained using the following formula: Cash dispensed for the month divided by the number of cash withdrawals for the month across a selection of our ATM network. The sample size is very large and spans urban and rural areas across all nine provinces of South Africa, therefore representing a very good cross section of South African consumers. The data presented is raw data and has not been adjusted for seasonality or for the effects of inflation.

## ABOUT SPARK ATM SYSTEMS

Spark ATM Systems is the premier independent ATM deployer in South Africa importing, installing and maintaining world-leading Automated Teller Machines (ATMs) for the South African convenience ATM market.

Convenience ATMs have taken the world and South Africa by storm and today are found in every conceivable type of retail, hospitality, leisure and convenience location for one simple reason - consumers expect them wherever they need cash and merchants recognise their many benefits.

Established in 2005, Spark ATM Systems has grown into a national organisation with sales and technical capabilities across South Africa. From our headquarters in Cape Town, our Head Office team coordinates the sales, installation, maintenance, processing, settlement, reconciliation, monitoring, reporting, customer relationship and contact centre requirements for our ever-growing national network of ATMs. We boast a national list of independent and corporate customers across all major retail, convenience, wholesale, leisure and hospitality operators. Visit [www.sparkatm.co.za](http://www.sparkatm.co.za) for more information.

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