



ATM cash withdrawals are increasing and that's music to the ears of shop owners!

By NJABULO NGCOBO

JUDGING by the way people are taking cash out of the ATMs, this is going to be a good Christmas.

Regardless of the financially challenging year, people look set to spend money during this festive season, giving the retail sector something to look forward to.

A study by South African's independent ATMs supplier, Spark ATM Systems, done by checking how many people withdraw money using ATMs inside retailers, showed an 11% increase of average cash withdrawals compared to the same time last year.

This increase, according to Spark ATMs' managing director Mark Sternberg, indicates a positive trading season for this December.

"This clearly shows that consumers are still going to the tills this year. After a very challenging 2009 this will be music to the ears of the retailers countrywide," said Sternberg.

Sternberg said their ATM withdrawal records showed that South Africans were responding to general economic conditions in the country such as changes in the prime interest rates.

"Over the course of 2009, as interest rates were reduced by five percentage points, we observed that people were increasing the value of withdrawals," said Sternberg.

Three out of the last five months showed strong month-to-month growth with September at 2,21 percent and October at 3,5.

"We can conclude from this that consumers may be resuming their higher spending habits and in that manner, leading the much needed consumer-driven move out of the recent recession."

Spark ATM Systems' managing director Marc Sternberg says more cash withdrawals means a positive Christmas for Mzansi consumers.

Photo by Jabu Kumalo

