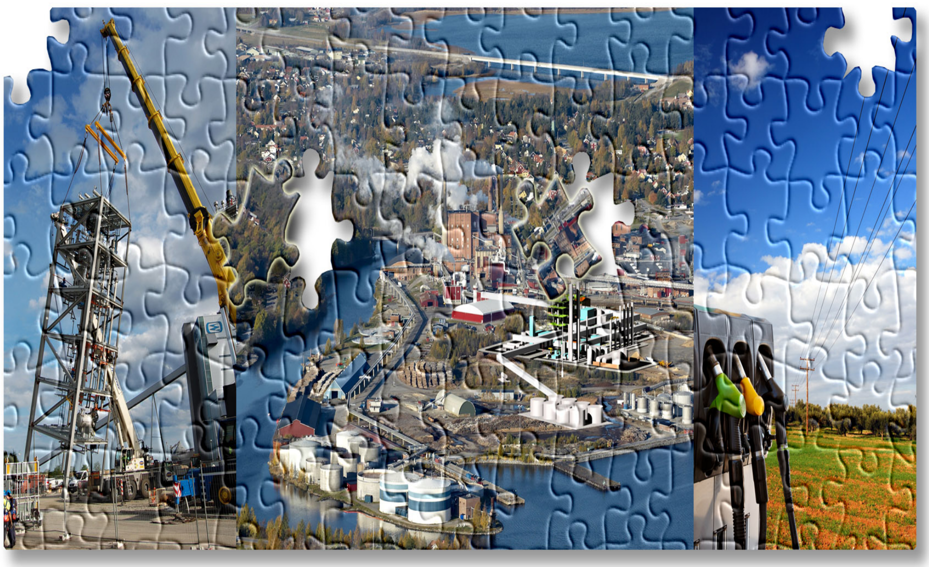

Tracking the impact of short-term credit extension on the South African economy

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Altron FinTech Short-term Credit Impact (AFSCI) Index

Q2 2022

Altron FinTech Short-term Credit Impact (AFSCI) Index
Q1 2022 (with Q2 2022 indicator)

Objective of the AFSCI Index

While short-term credit makes up a very small share of total consumer credit, it is an important market for a number of reasons. Short-term credit:

- is generally advanced outside of the formal banking system by individuals and institutions using their own capital – rather than the deposits of their clients;
- provides first-time access to credit to many people who have never had access before;
- provides lower-income households with a proportionately greater share of credit than is advanced to them by other forms of credit;
- is a source of funding to households with low incomes and limited wealth assets in the event of unforeseen developments and emergencies;
- provides finance to micro-business for working capital and stock and asset purchases; and
- is a barometer of the financial health of a vulnerable, and often neglected, portion of South Africa's population.

The Altron FinTech Short-term Credit Impact (AFSCI) Index seeks to deepen the understanding of this form of credit by analyzing the role that it plays in the economy through its support of sales, employment and tax collections. This understanding will be supported by additional data collection and research that analyses who access this form of credit and what it is used for. In this edition trends in the short-term credit extension supported by the Altron FinTech technology platform are used to provide an indicator of likely trends in the broader short-term credit market in the most recent quarter. Previously, Altron Fintech data indicated a 5.2 percent decrease in net credit extension between Q4 2021 and Q1 2022. National Credit Regulator (NCR) data indicates that the actual decline was slightly larger at 8.3 percent. **Altron Fintech data points to a further decline in net short-term credit extension of 7.8 percent in Q2 2022, when compared with the first quarter.**

Highlights

Q1 2022 compared with Q4 2021 actuals (NCR data) -8.3%

Q2 2022 compared with Q1 2022 indicator (Altron FinTech data) -7.8%

Q1 2022 compared with Q1 2021 actuals (NCR data) +1.0%

Estimated Impact of the Change in Short-term Credit Extension	Q4 2021 to Q1 2022	Q1 2021 to Q1 2022	Q2 2021 to Q2 2022
Economy-wide sales	-R536 million	+R58 million	-R461 million
Economy-wide employment	-919	+110	-1,931
Economy-wide tax collections	-R65 million	+R7 million	-R136 million

NOTE: The calculation of the economic impact in this edition were updated using the latest CPI weights for different expenditure deciles. As a result, the values may vary from those of previous editions.

What has been happening in the economy since the start of 2022?

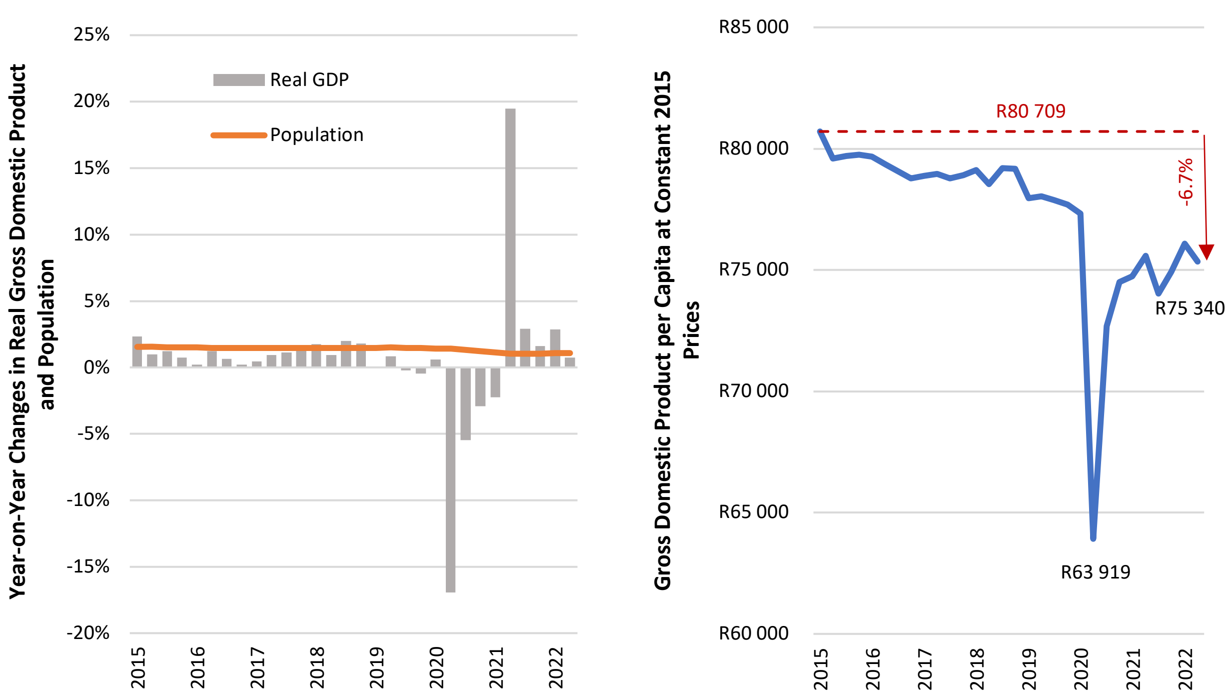
Consumer credit markets do not operate in isolation from the rest of the economy. Given the lag in the release of credit data by the National Credit Regulator it is worth remembering what was happening in the economy between January 2022 and June 2022 - the period that is the focus of the new credit data covered by this release.

After the surge in Omicron-related infections in late 2021 and early 2022, COVID-19 largely ceased to be of concern, allowing the South African government to lift the National State of Disaster on 4 April 2022. However, the South African economy continued to be battered by a number of developments that have prevented it from gaining growth momentum. These include:

- i) The Russian invasion of Ukraine on 24 February 2022 caused disruption to global energy and food supplies that resulted in a rapid increase in inflationary pressures around the world.
- ii) In response to these rising inflationary pressures, monetary authorities around the world have raised policy rates significantly. The South African Reserve Bank has followed these trends.
- iii) Maintenance and breakdowns of generation units resulted in Eskom implementing over 100 days of load shedding in South Africa in the year to September 2022.

As a result, while the country's GDP in Q2 2022 was marginally (0.8 percent) larger than a year earlier, the rate of growth was lower than the increase in the population over the same period (see Figure 1 left hand side). This led to a further decrease in real GDP per capita, which is now almost 7 percent lower than at the start of 2015 (see Figure 1 right hand side).

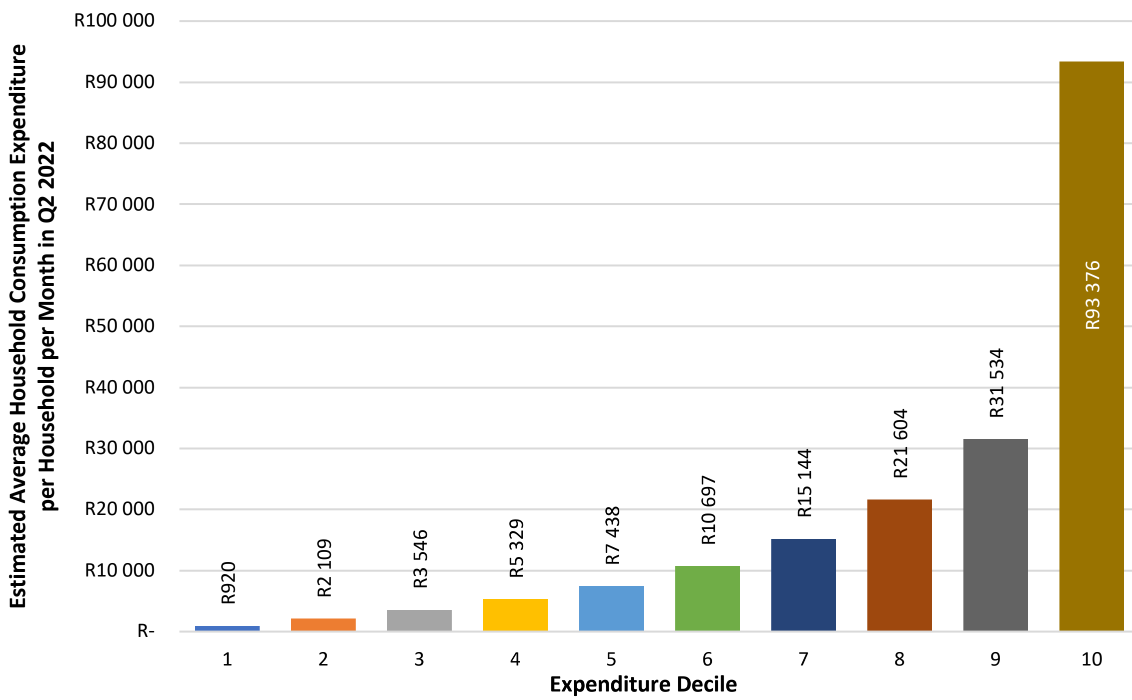
Figure 1: Year-on-year change in real gross domestic product and population (LHS) and trend in real gross domestic product per capita (RHS)



Source of data: Statistics South Africa, National Accounts data and Mid-year Population Estimates

South Africa's stagnating economy has served to further exacerbate poverty and inequality. Based on the shares of total expenditure calculated as part of the CPI weights, the poorest 10 percent of households were trying to survive on an average of R920 per month in Q2 2022, while the wealthiest 10 percent of households spent an average of over R93,000 per month (see Figure 2). These levels of expenditure should be assessed against the Food Poverty Line, which Statistics South Africa has calculated at R663 per person per month for 2022. That means that households in Expenditure Decile 1 that have more than one member will not have enough financial resources to purchase the necessary food to ensure adequate health. That is before anything is spent on other essentials such as shelter, energy and clothing. Households in Expenditure Decile 2 with more than three members will be in a similar position.

Figure 2: Estimate average household expenditure per month per expenditure decile in Q2 2022

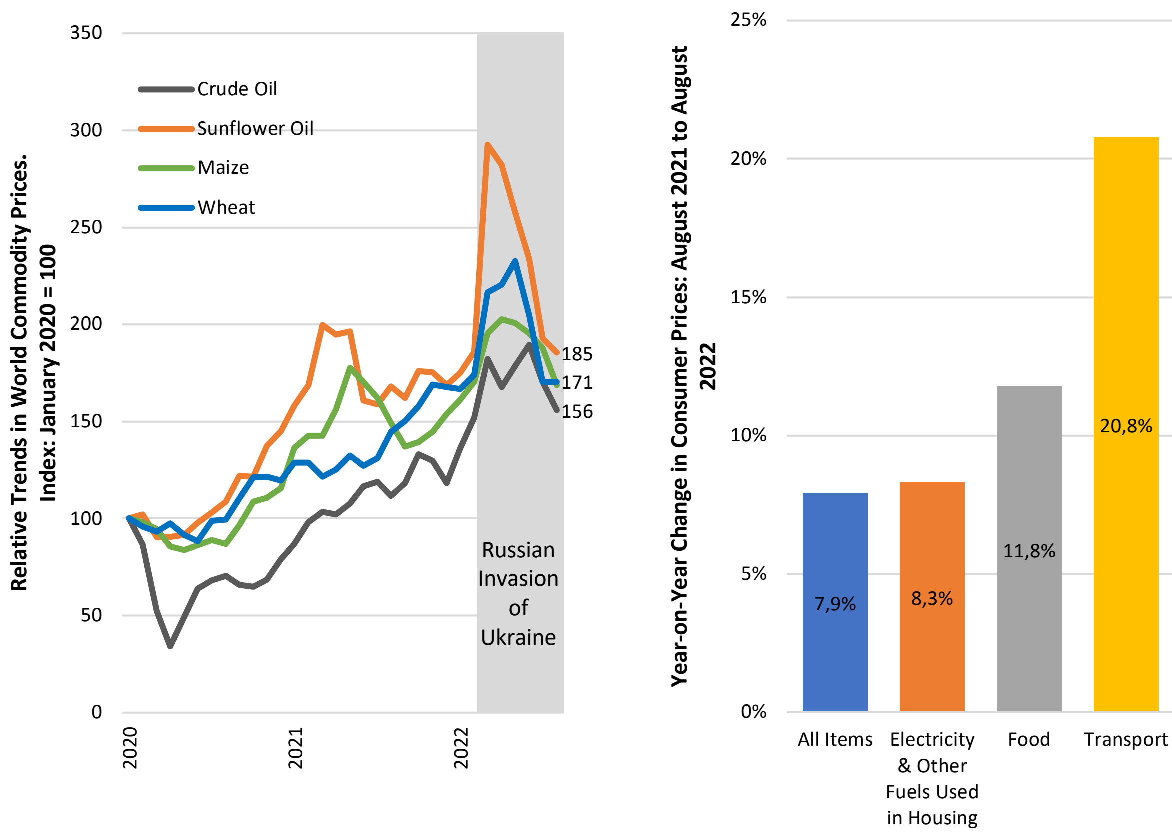


Source of data: Statistics South Africa, National Accounts data and Consumer Price Index Weights

It is worth noting that according to NCR data those households with income of R3,500 or less (effectively Expenditure Deciles 1, 2 and 3) were only able to access 1 percent of total consumer credit, while those earning more than R15,000 per month (essentially the top four expenditure deciles) accessed 88 percent of total consumer credit in Q1 2022.

As noted, the war in Ukraine resulted in a significant increase in the price of key food and energy commodities on global markets. While there has been some normalization of these price trends in recent months, key commodities such as crude oil (56 percent), sunflower oil (85 percent), maize (71 percent) and wheat (70 percent), they remain substantially higher than they were at the start of 2020 (see Figure 2 left hand side). This, together with ongoing disruptions to global supply chains, has resulted in a significant increase in inflation – both locally and internationally. In the year to August 2022, household transport costs increased by almost 21 percent, while food was close to 12 percent more expensive.

Figure 3: Trends in global food and energy commodity prices (LHS) and drivers of consumer price inflation in South Africa (RHS)

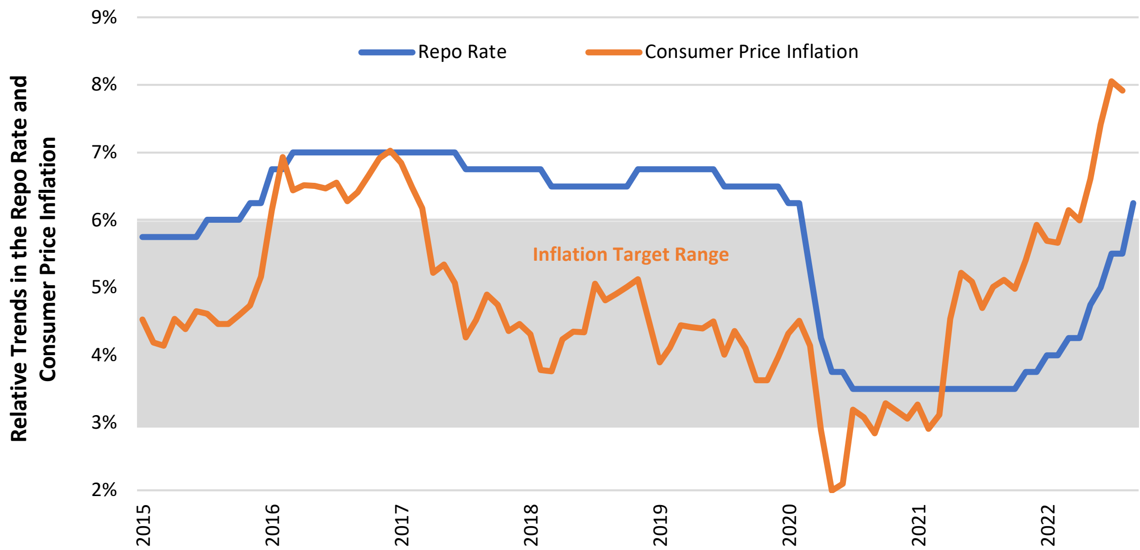


Source of data: World Bank CMO data, Statistics South Africa CPI data

In response to the increase in inflation, the Monetary Policy Committee (MPC) of the South African Reserve Bank has – like other monetary authorities around the world – increased their policy rate significantly. The Repo rate was raised to 6.25 percent in September 2022 – up from 3.50 percent at the height of the COVID pandemic in mid-2020. Despite these increases the Repo rate continues to be negative in real terms (i.e. after adjusting for inflation) – although the best rates available to consumers for unsecured loans are still slightly positive in real terms. In August 2022, the predominant prime overdraft rate of commercial banks was just over 108 basis points higher than the inflation rate – compared with a premium of 647 basis points in February 2018.

This suggests that real unsecured borrowing costs are still relatively cheap (around 1 percent) for those consumers that are able to secure loans at prime – despite the increases in the Repo rate.

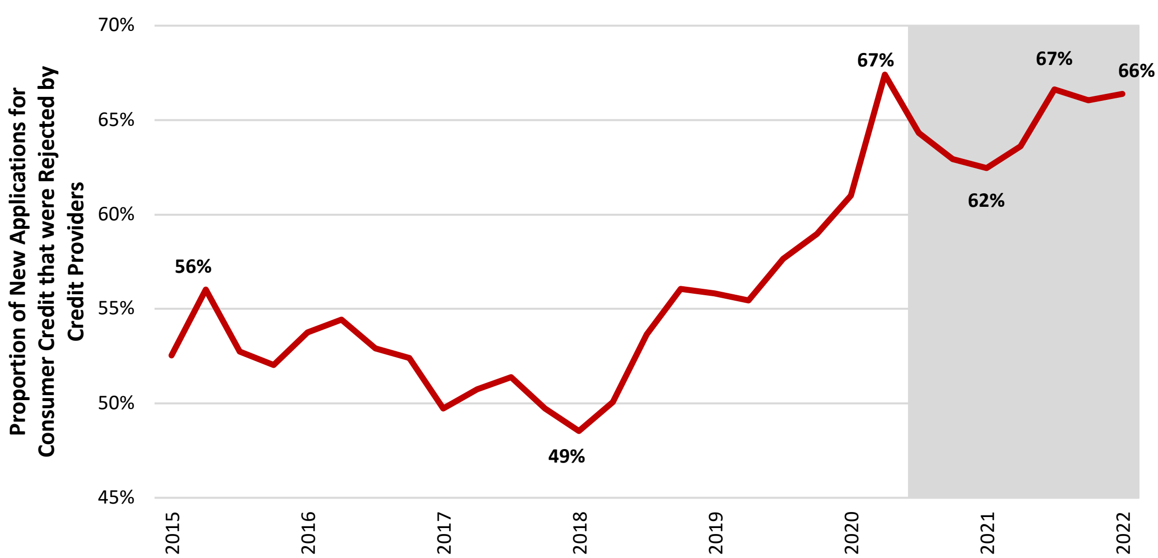
Figure 4: Relative trends in consumer price inflation and the South African Reserve Bank's Repo rate



Source of data: South African Reserve Bank, Statistics South Africa

The pressures on the financial position of most households continue to be reflected in the high rates of rejection of credit applications. In Q1 2022, almost two out of every three applications for credit were rejected, compared with less than one in two in early 2018. This points to low levels of credit worthiness amongst most credit applicants and is reflected in the relatively low rates of growth in consumer credit extension, and in the favouring of secured credit (mortgages and asset finance) over other forms of credit.

Figure 5: Share of consumer credit applications rejected

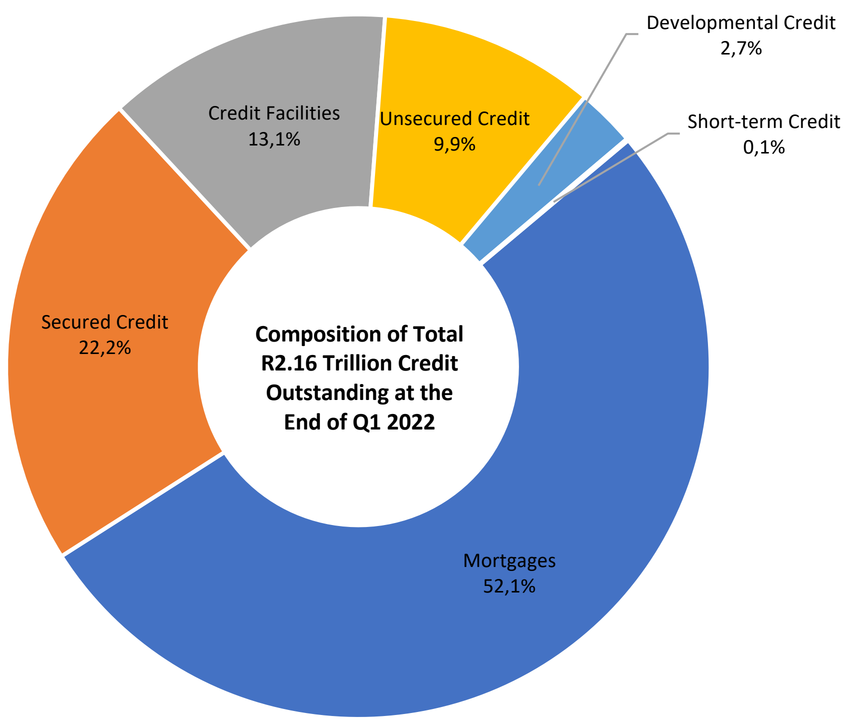


Source of data: National Credit Regulator

The types and scale of credit extension in South Africa

The National Credit Regulator recognizes and collects data on different types of credit. These are mortgages, secured credit, credit facilities, unsecured credit, short-term credit and developmental credit. As at the end of the first quarter of 2022, the value of credit still on the books of registered credit providers amounted to R2.16 trillion – up 6.2 percent on a year earlier and 2.3 percent (R49 billion) higher than the previous quarter. Over 52% of this consisted of mortgages, more than 22% was secured credit, almost 10 percent was unsecured credit and short-term credit only accounted for 0.1% of the total. The values outstanding on the gross debtors' book at the start of a particular period, plus any new credit advanced during the period, less the value of loans repaid and written-off gives rise to the values of the gross debtors' book at the end of the period.

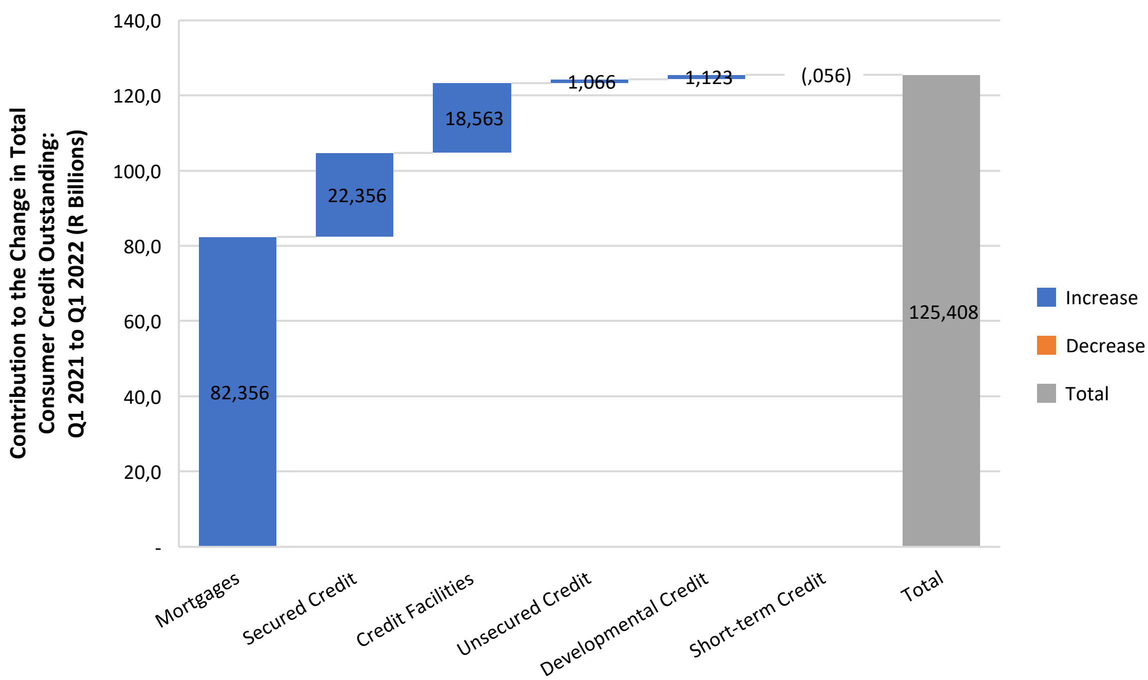
Figure 6: Composition of the gross debtors' book of registered credit providers as at the end of Q1 2022



Source of data: National Credit Regulator

In the year to Q1 2022, the total value on consumer credit on the books of credit providers increased by R125 billion – with positive contributions by all credit types except short-term credit. Two-thirds of this increase was due to an increase in mortgage advances, with a further 18 percent from secured credit and 15 percent from credit facilities. There were also small positive contributions (1 percent each) from increases in unsecured credit and developmental credit.

Figure 7: Contributions to the change in the gross debtors' book of consumer credit providers: Q1 2021 to Q1 2022



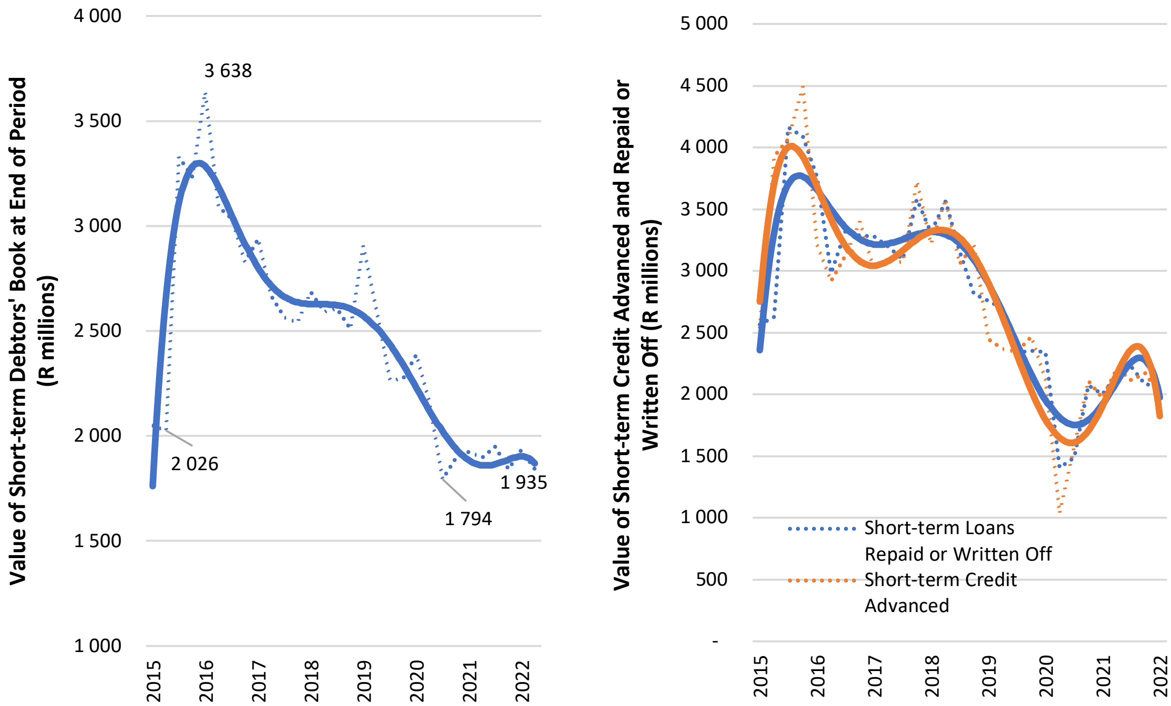
Source of data: National Credit Regulator

The dynamics of the short-term credit market

In the South African context, **short-term credit is defined as loans with values not exceeding R8,000 that are repayable within six months**.

Since the end of 2015, the value of short-term loans outstanding has trended lower – from a peak of R3.6 billion to less than R1.8 billion at the height of the COVID-19 Level 5 lockdown in the second quarter of 2020. **In the year to the end of Q1 2022, the value of the short-term debtors' book decreased by R56 million to R1.84 billion. Although the value of new short-term loans advanced increased by R20 million (1 percent) over this period, the value of loans repaid or written-off increased by 4.3 percent – thereby giving rise to the reduction in the debtors' book.**

Figure 8: Value of gross debtors' book (left-hand graph) and value of new advances, repayments and write-offs (right-hand graph) for short-term lending



Source of data: National Credit Regulator

In an attempt to compensate for the long lead times associated with official NCR data, we introduced a new feature in the previous edition. It leverages Altron FinTech's extensive involvement in the short-term credit market through its provision of technology platforms to short-term credit provider to include an indication of what the next quarter's short-term credit extension might be.

Based on the lending of Altron FinTech-supported credit providers, the NCR data for Q2 2022 is expected to show a decline of 7.8 percent relative to Q1 2022.

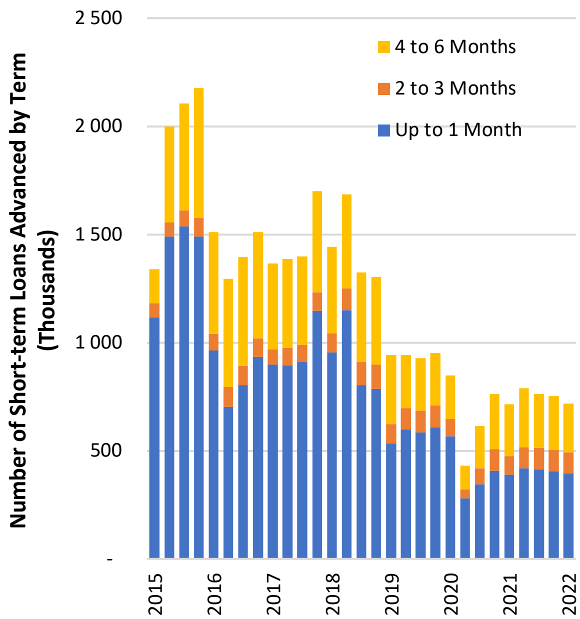
The potential implications of such a development on sales, employment and tax collections in the economy are explored in greater detail in subsequent sections of this report.

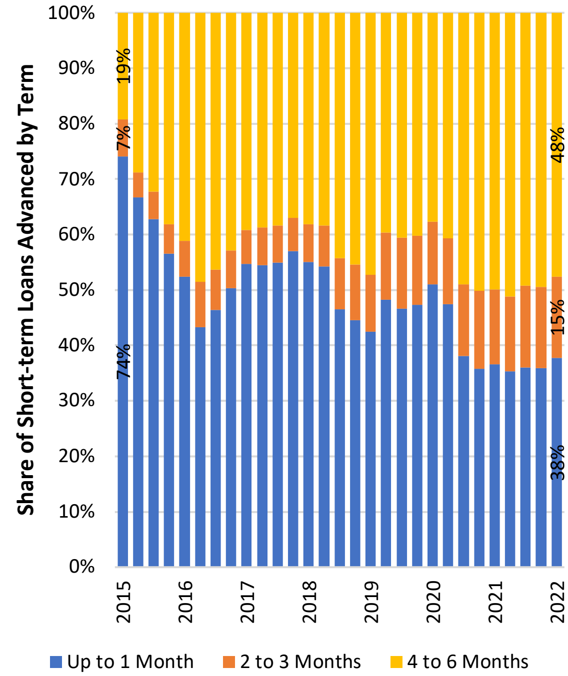
[1]

The decline in the value of new loans and advances between the end of 2015 and the second quarter of 2020 was accompanied by a similar reduction in the number of loans advanced – from almost 2.2 million to just 431,000. Between Q2 2020 and Q1 2022, there was a 67 percent increase in the number of new short-term loans advanced to 718,000. Forty-eight percent of these loans had a term of between 4 and 6 months, while 38 percent had a term of up to one month.

[1] The accuracy of this projection will depend on the extent to which Altron FinTech-supported short-term credit providers are representative of the broader industry. This will be tested in coming editions of this publication.

Figure 9: Number of short-term loans advanced by term and the term composition of new advances

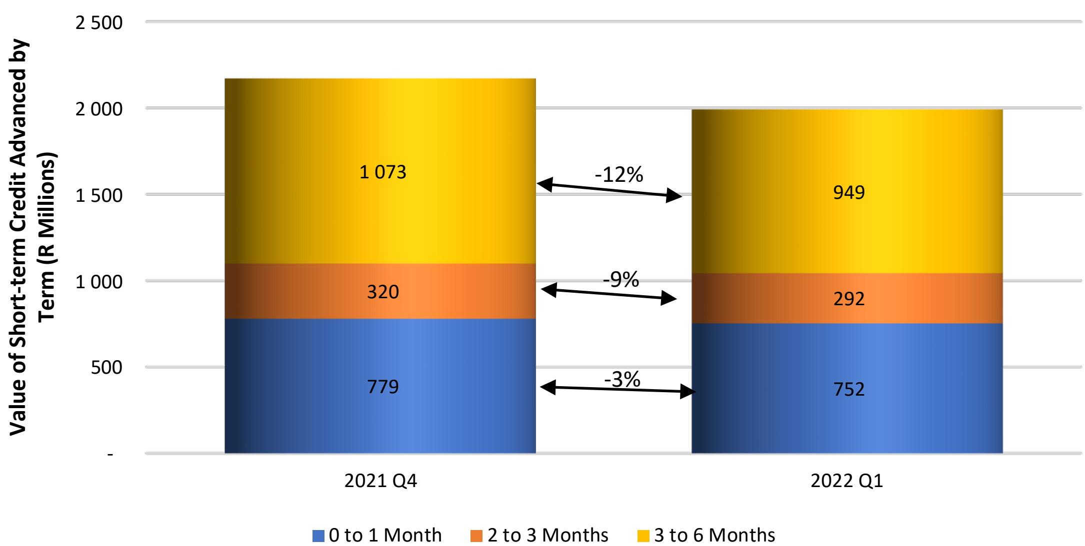




Source of data: National Credit Regulator

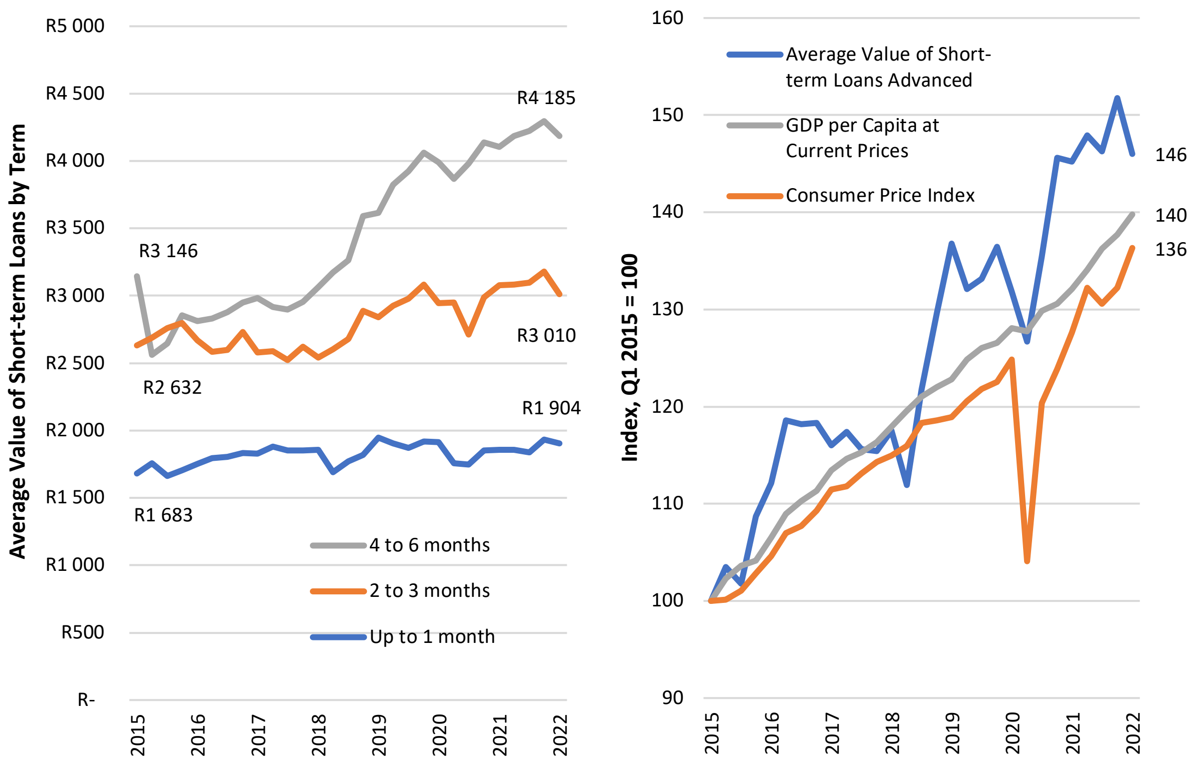
Figure 10 indicates that between Q4 2021 and Q1 2022, the aggregate value of loans with a term of up to 1 month decreased by 3 percent, while the value of loans with terms of 2 to 3 months and 4 to 6 months by declined by 9 percent and 12 percent, respectively.

Figure 10: Change in the value and term structure of short-term lending between Q4 2021and Q1 2022



Source of data: National Credit Regulator

Figure 11: Average value of short-term loans by term (LHS) and in comparison with the CPI and nominal GDP per capita (RHS)



Sources of data: National Credit Regulator, Statistics South Africa

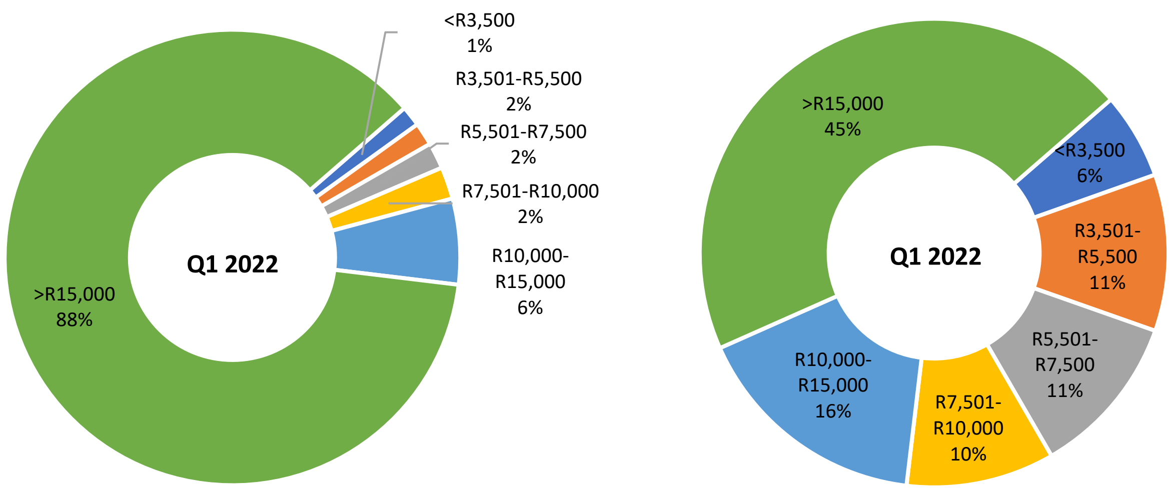
Figure 11 (lefthand side) indicates that in Q1 2022, the average value of a short-term loan with a term of up to 1 month was R1,904 – up R48 (2.6 percent) from a year earlier. The equivalent averages for loans with terms of 2 to 3 and 4 to 6 months were R3,010 and R4,185, respectively. **Between the start of 2015 and Q1 2022, the average value of all short-term loans increased by 46 percent, compared with increases in consumer prices of 36 percent and nominal/current priced GDP per capita of 40 percent over the same period.**

Short-term credit is relatively more accessible to lower income groups than other forms of credit. This is due in part to short-term lenders operating within local communities and being able to use their personal knowledge of applicants to assess the risk of default in ways that are different to the more rigid risk assessment criteria applied by commercial banks.

Whereas people with monthly incomes of R15,000 and above accessed 88 percent of the total consumer credit advanced in Q1 2022, those with monthly incomes of less than R10,000 only received 7 percent of the credit extended. By contrast, people earning more than R15,000 per month received 45 percent of the short-term credit advanced. Combined, those earning less than R10,000 per month accessed 38 percent and those with monthly incomes of R10,000 to R15,000 received the remaining 16 percent of short-term credit.

More specifically, people with monthly incomes of R5,501 to R7,500 accessed only 2 percent of total credit, but 12 percent of short-term credit and those with incomes R3,500 or less received 6 percent of short-term credit but only 1 percent of total credit.

Figure 12: A comparison of the share of total credit accessed by different income groups (left-hand graph) and the shares of short-term credit accessed by the same income groups (right hand graph)

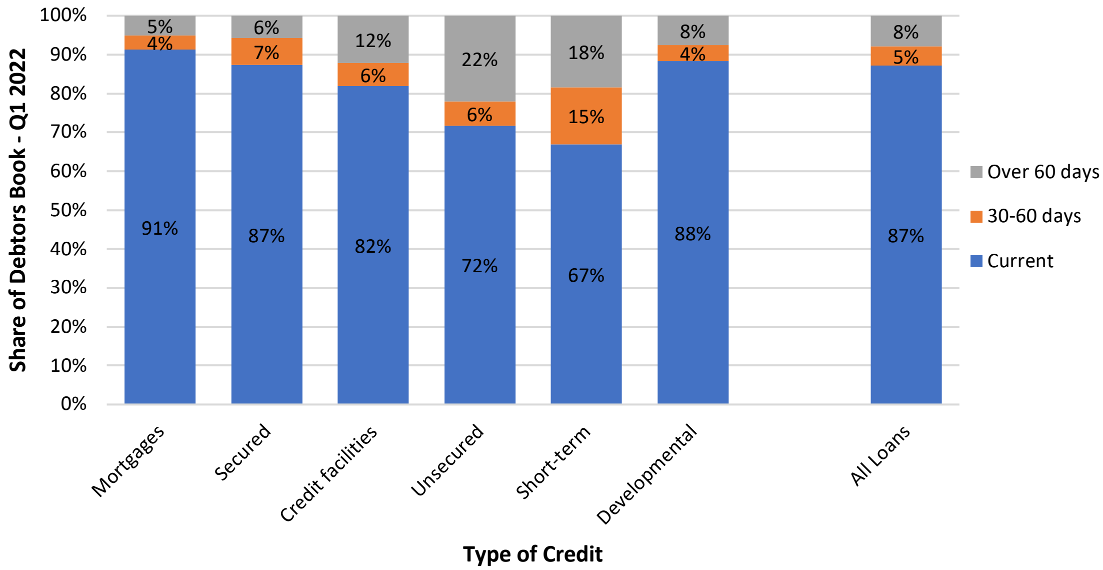


Source of data: National Credit Regulator

After deteriorating steadily between mid-2017 and Q2 2020 the age analysis of the consolidated debtors' book of short-term credit providers generally improved significantly in subsequent quarters. However, there was an increase in the proportion of debtors in arrears in recent quarters. **In the year to Q1 2022 the proportion of the debtor's book in arrears rose from 29 percent to 33 percent.**

By contrast 91 percent of mortgage loans and 87 percent of secured loans were current. **Across all types of consumer credit 87 percent by value were current, 5 percent were between 30 and 60 days in arrears and 8 percent were more than 60 days behind in their repayments.**

Figure 13: Trends in the share of the short-term debtors' book in arrears (LHS) and a comparison of arrears rates for different types of credit in Q1 2022 (RHS)

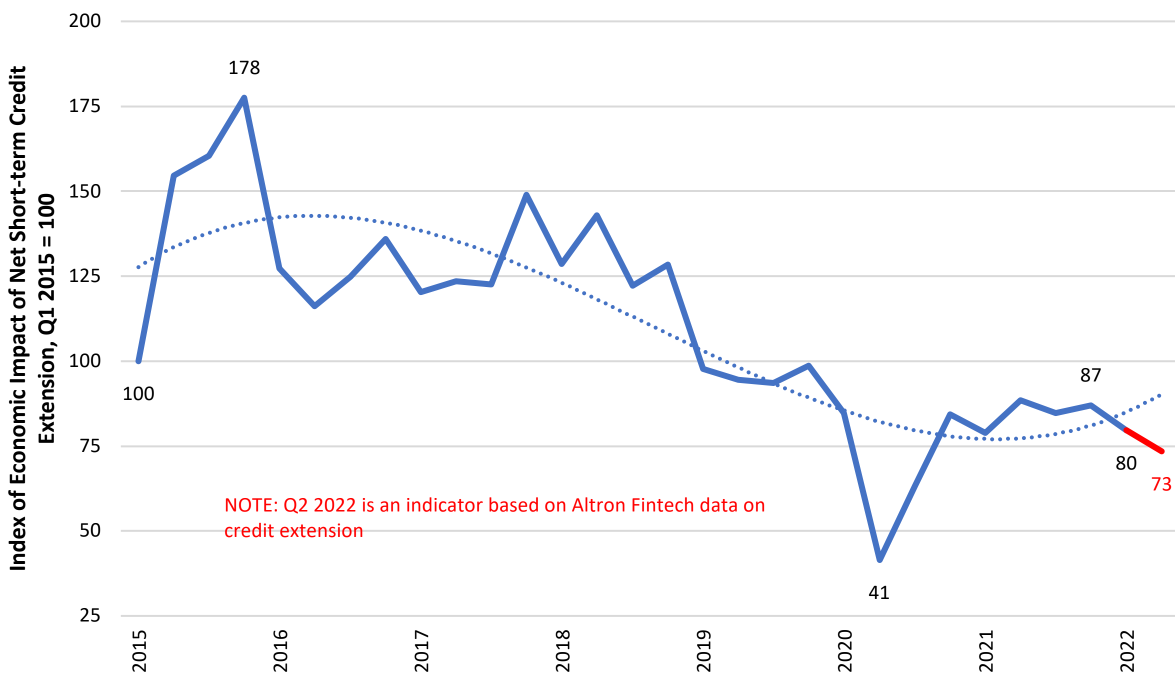


Source of data: National Credit Regulator

The Altron FinTech Short-term Credit Impact (AFSCI) Index

Since it is the sales that short-term credit extension facilitates that gives rise to its employment-supporting and tax generating impacts, the Altron FinTech Short-term Credit Impact (AFSCI) Index is derived from those sales values. The AFSCI Index is indexed to 100 in the first quarter of 2015. It reached a peak of 178 in the fourth quarter of 2015 but has since trended lower. At the height of the COVID-19 lockdown, it reached a low of 41, but recovered slightly in the quarters that followed. In Q1 2021 it decreased to 80 - from 87 the previous quarter. **This means that short-term credit extension was making 20 percent less of an impact on the economy in the Q1 2022 than it was at the start of 2015 but 92 percent more of an impact than at the height of the lockdown. Altron data suggests that the impact of this form of credit will decline further in Q2 2022.**

Figure 14: Altron FinTech Short-term Credit Impact (AFSCI) Index



Source of data: National Credit Regulator, Statistics South Africa, Quantec, Altron FinTech, own calculations

Table 1: Historical values of the Index of Economic Impact of Short-term Credit Extension

Year	Quarter	Index of Economic Impact	Year	Quarter	Index of Economic Impact
2015	1	100	2019	1	98
	2	155		2	95
	3	160		3	94
	4	178		4	99
2016	1	127	2020	1	85
	2	116		2	41
	3	125		3	63
	4	136		4	84
2017	1	120	2021	1	79
	2	124		2	89
	3	123		3	85
	4	149		4	87
2018	1	129	2022	1	80
	2	143		2	73
	3	122			
	4	128			

NOTE: Q1 2022 data is an indicator of expected impact based on the trends in short-term credit extension experienced by Altron FinTech-supported credit providers. There may be small changes in the historical index values when compared with prior editions as a consequence of the application of new weights to the calculations.

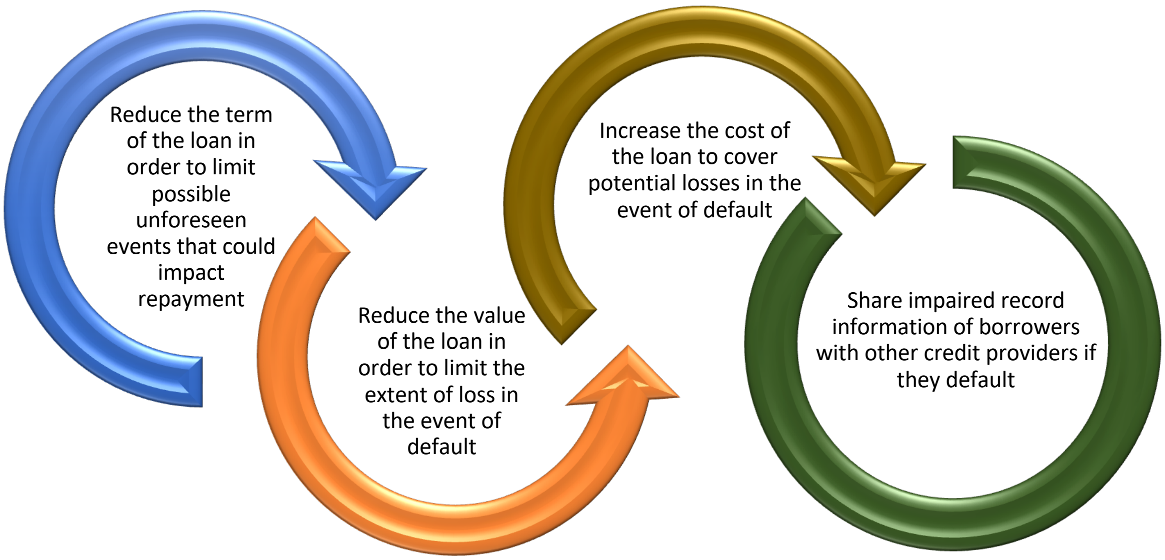
Annexure A: The role of credit

Credit allows those with access to it to bring forward purchases and to make investments in assets and income generating activities. **Net additions to the value of credit advanced therefore stimulate current levels of economic activity above what they otherwise would have been**. Of course, at the level of an indebted individual or firm, the servicing and repayment of debt reduces their future levels of discretionary income and spending but taken together the effects tend to be more redistributional than contractionary: the discretionary incomes of savers and lenders increase while those of borrowers decrease by a similar amount. **The stimulatory effects of credit extension therefore depend largely on what the loans advanced are used to purchase**. The economic impact of purchasing local-made goods and services will be different to that associated with the purchase of imported products. Similarly, the purchase of assets that generate future returns that exceed the costs of that credit is different to the purchase of consumption goods and services from which no enduring benefits or returns can be derived, or of assets that do not generate a net positive return. Credit can function as a shock absorber for the economy, smoothing out cyclical bumps by allowing future incomes to be discounted to the present. However, when credit is advanced without due regard for the capacity of borrowers to repay the debt, it can also be a significant source of economic instability – as evidenced by the global financial crisis in 2008.

The ability of individuals and firms to access credit is an important part of financial inclusion. In its 2014 Global Financial Development Report on Financial Inclusion the World Bank confirmed **that access to financial services plays "a critical role in reducing extreme poverty, boosting shared prosperity, and supporting inclusive and sustainable development"**. It also notes that there are qualitative differences in the socio-economic impact of greater access to different types of financial services. For example, a bank account that lies dormant provides little benefit to the holder, but an account that facilitates payments and secure savings activities is especially beneficial to poor households. Similarly, being able to insure against the risk of loss can be important in enabling individuals and firms to remain solvent and functional in the face of unexpected loss events – such as the Covid-19 pandemic and the recent rioting and looting in Kwazulu-Natal and Gauteng. Access to credit is especially important for small, young and growing firms, and to poorer households with limited financial and wealth assets to see them through disruptions to their incomes.

When credit providers extend credit to individuals or firms, they inevitably have to deal with information asymmetry, where borrowers fail, or are unable, to disclose all relevant information regarding their financial circumstances and their ability to repay the loan. As a result, credit providers may extend credit, or fail to adequately price loans, to those individuals and firms that have a relatively higher probability of default. This is known as adverse selection. **Credit providers have four ways of limiting the risk of default on credit that is extended**, as illustrated below. These actions are typically used in combination and may be eased as the borrower develops a credit history that helps to reduce the information asymmetry and enables the credit provider to more accurately assess the risk of default.

Figure 15: Ways that credit providers mitigate the risk of default



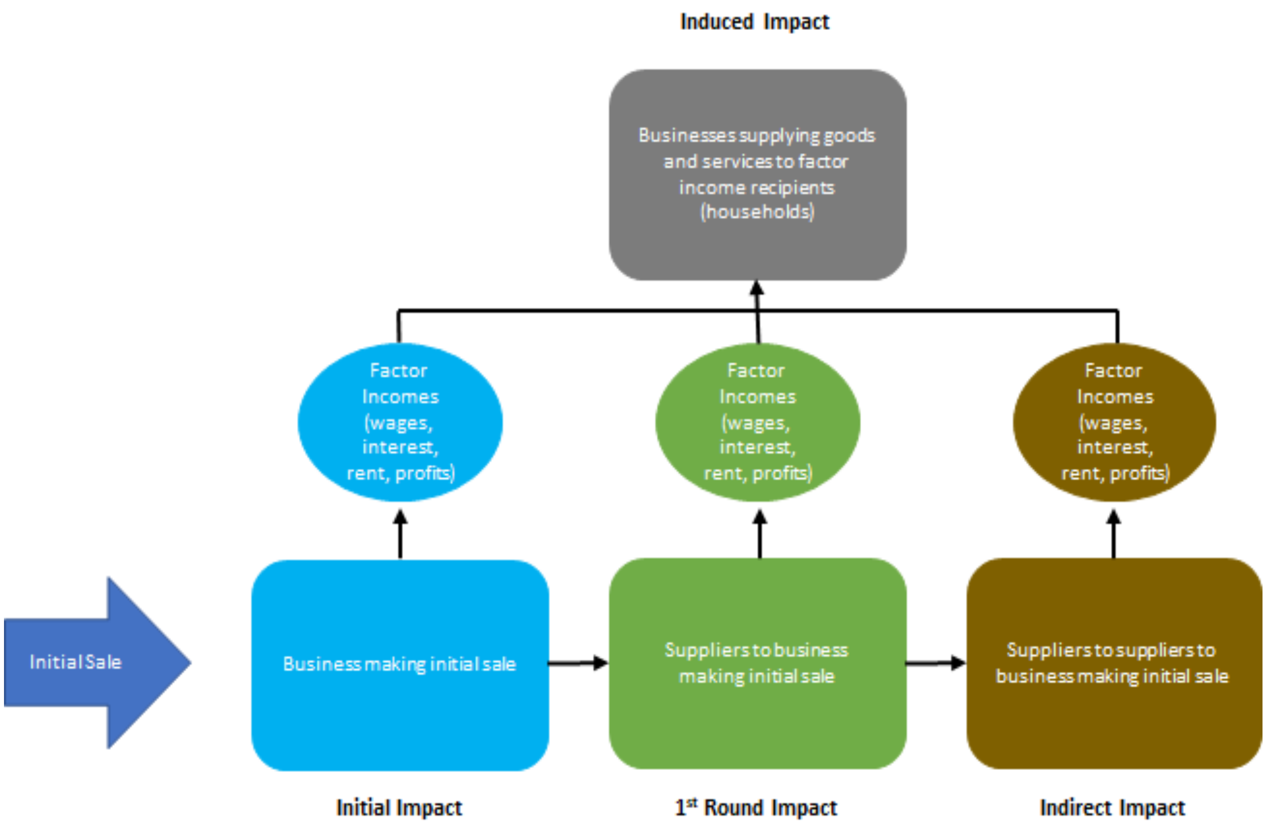
Annexure B: The multiplier effects associated with spending in an economy

Credit extension injects money that was previously out of circulation back into the economy. Purchases of consumable goods, intermediate inputs and assets generates a stream of economic activity and incomes that are not limited to the business from which the purchase is made. Four distinct impacts can be identified:

i) The **initial impact** on the business where the order is placed. In order to provide the good or service that business needs to employ factors of production (labour, capital, land and entrepreneurship) and to pay them an income.
ii) These factors of production generally cannot produce the good or service that is being purchased without procuring inputs from other businesses. This generates sales and factor incomes in those businesses. This is called the **first round impact**.
iii) Those businesses, in turn, need to purchase inputs from their suppliers, which generates sales and incomes in other sectors. This is called the **indirect impact**.
iv) Finally, when all the factor incomes generated through the initial, first round and indirect impacts are spent, this generates sales and incomes in other consumer goods and services sectors. This is called the **induced impact**.

The sum of these four impacts gives rise to the **economy-wide impact** of the initial sale, which is typically greater than (a multiple of) that sale. The mathematical estimation of these various impacts results in multipliers that can be used to quantify the likely impact of sales in different sectors of the economy on output, GDP, employment and tax collections amongst others. These multipliers will be impacted by the ratio of the intermediate inputs that need to be purchased in order to produce the good or service to the additional value that gets added by the business making the sale and the extent to which products and intermediate inputs used in the production of the good or service are imported.

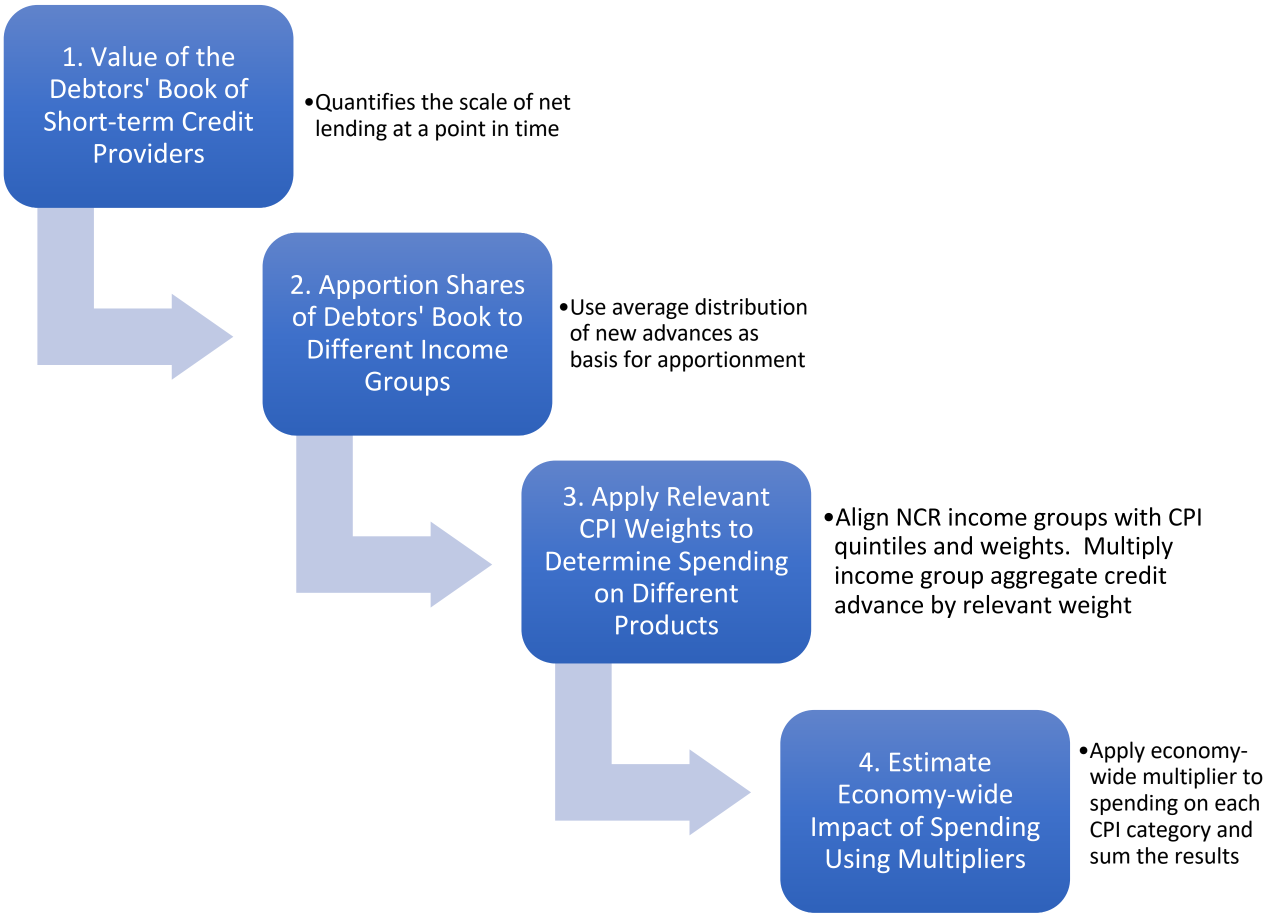
Figure 16: The different types of impacts that accompany a sales order



Using these multipliers it is possible to estimate the impact of short-term credit extension on the economy. A detailed explanation of the approach adopted, as well as relevant data is shown in Annexure C.

Annexure C: Explanation of the approach adopted in estimating the economic impact of short-term credit extension

Figure 17: Steps followed to estimate the impact of changes in net short-term credit extension on the economy



1. Value of the gross debtors' book of short-term credit providers

As has already been noted, the value of the gross debtors' book of short-term credit providers has declined steadily over a number of years. While short-term credit providers advanced close to a net R1.6 billion in additional credit in the year to end 2015, net credit extension contracted for four out of the five years since then. In the twelve months ending 31 March 2022, the gross debtors' book for short-term credit providers decreased by more than R56 million.

Year/Period	Year-on-Year Change in Gross Debtors' Book	Value of Gross Debtors' Book at Year/Period End
2015	1,587,861,761	3,637,649,438
2016	(699,868,774)	2,937,780,664
2017	(253,458,576)	2,684,322,088
2018	220,508,177	2,904,830,265
2019	(518,686,737)	2,386,143,528
2020	(461,443,803)	1,924,699,725
2021	9,826,570	1,934,526,295
Q1 2022	(56,222,059)	1,841,123,611

Source: National Credit Regulator

Just as net additions to credit extension can generate positive economy-wide economic impacts that are a multiple of the value of the credit extended, so does the contraction of net credit extension generate negative multiplier effects throughout the economy. Businesses that were receiving additional sales as a consequence of the credit made available to their customers will experience a decline in sales. They will then employ fewer factors of production and place order of less value with their suppliers. The process will continue with indirect and induced impacts serving to magnify the negative impacts.

2. Apportionment of net value of short-term credit advanced to different income groups

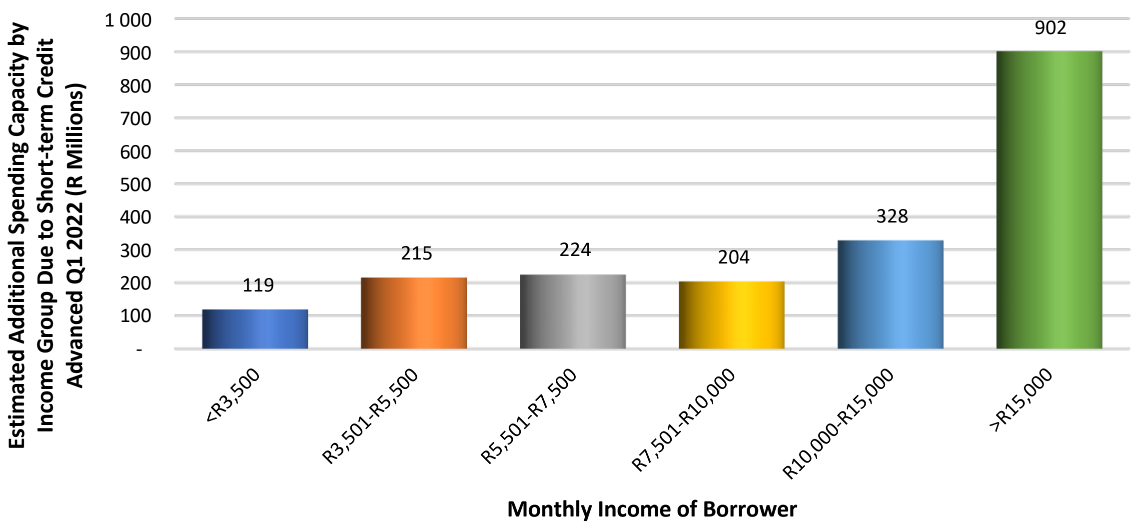
Based on the average distribution of new short-term credit to different income groups over the last three quarters for which data exists, the shares of the value of the gross debtors' book are assumed to be as follows:

Income Group of Borrower (Monthly Income)	Share of Credit Advanced: Q2 2021 to Q4 2021
<R3,500	6%
R3,501-R5,500	12%
R5,501-R7,500	12%
R7,501-R10,000	10%
R10,000-R15,000	16%
>R15,000	43%

Source of data: National Credit Regulator

Applying these shares to the value of the debtors' book at a point in time gives rise to the estimated additional spending capacity by each of the income groups that is supported by their access to short-term credit. Based on this people with monthly incomes of less than R3,500 were able to spend R119 million more on goods and services in the first quarter of 2022. Those in the R3,501 to R5,500 income category had R215 million more to spend and those in the R5,501 to R7,500 income bracket had R224 million more to spend. Individuals with monthly incomes of between R7,501 and R10,000 had R204 million more to spend, those with incomes of between R10,001 and R15,000 had R328 million more to spend and those with incomes above R15,000 per month had R902 million more to spend than they would have had in the absence of their access to short-term lending.

Figure 18: Estimated additional spending capacity of different income groups due to their access to short-term credit in Q1 2022



3. Application of CPI weights per quintile to the short-term credit-funded spending capacity of income groups

The latest CPI weights per expenditure quintile are shown below.

Product Group	Expenditure Quintile				
	One (Lowest)	Two	Three	Four	Five (Highest)
Food & non-alcoholic beverages	50.3	40.8	30.8	23.6	13.7
Alcoholic beverages & tobacco	3.7	5.0	5.7	6.9	6.7
Clothing & footwear	8.4	6.6	5.5	4.6	3.1
Housing & utilities	14.5	23.4	32.0	31.6	20.5
Household content, equipment & maintenance	3.5	3.3	3.0	2.9	4.8
Health	0.7	0.6	0.6	0.6	1.5
Transport	1.7	3.2	5.5	9.4	17.8
Communication	5.2	3.5	2.6	2.3	2.2
Recreation & culture	2.1	2.6	3.1	4.0	5.4
Education	0.4	0.5	0.9	1.6	3.1
Restaurants & hotels	4.5	5.0	4.1	3.2	3.1
Miscellaneous goods & services	5.0	5.6	6.3	9.2	18.1
Total	100.0	100.0	100.0	100.0	100.0

Source: Statistics South Africa

These weights were applied to the relevant shares of short-term credit-funded spending of corresponding income groups. The results were then aggregated.

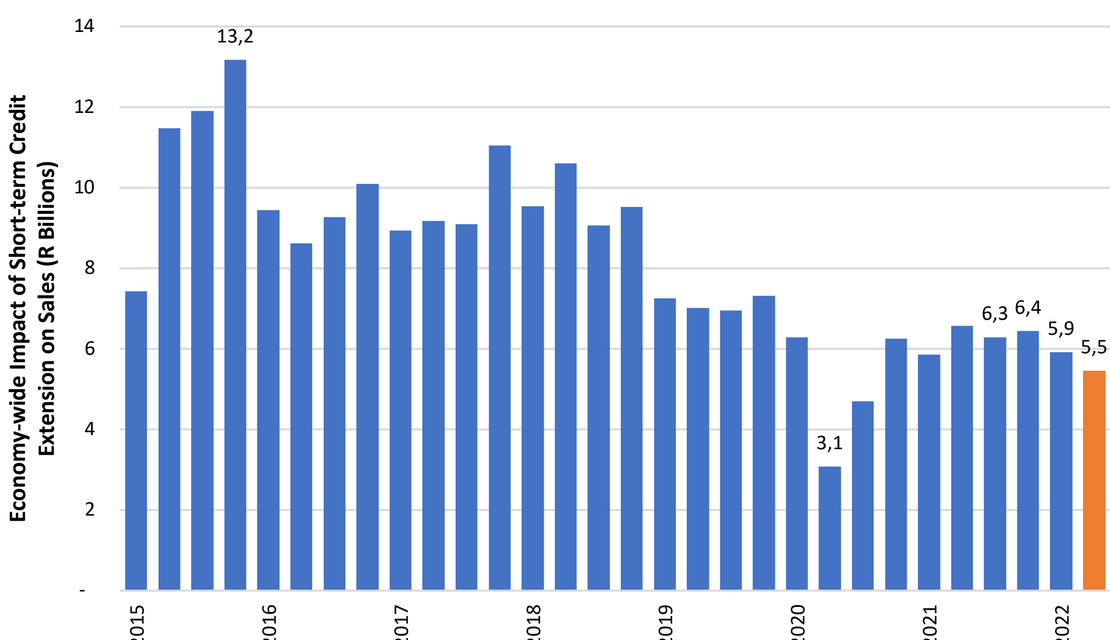
4. Estimation of economy-wide impacts of short-term credit-funded spending using relevant multipliers

Relevant economy-wide multipliers were than applied to the aggregate estimate of the short-term credit extension on spending on each product category. The resulting impacts on sales, employment and tax revenues are reflected in the graphs below. Whereas short-term credit extension was contributing R13.2 billion in sales in the fourth quarter of 2015, this steadily declined in the intervening years to reach R3.1 billion in Q2 2020. **It subsequently increased to R6.4 billion in Q4 2021 but declined to R5.9 billion in Q1 2022. Based on the credit extension of Altron FinTech-supported credit providers it is expected to have decreased to R5.5 billion in Q2 2022**.

At its peak, the sales generated as a consequence of short-term credit extension were supporting almost 23,000 employment opportunities throughout the economy. **By the first quarter of 2022 this had dropped to under 10,300**. **Based on the trends of Altron FinTech-supported credit providers, employment supported could have declined to under 9,500 in Q2 2022.**

The taxes generated as a result of short-term credit extension followed a similar pattern – dropping from over R1.6 billion in 2015 to around R724 million in Q1 2022. Based on the trends of Altron FinTech-supported credit providers, taxes generated could have declined to under R670 million in Q2 2022.

Figure 19: Estimated economy-wide impact on sales as a result of short-term credit extension



Source of data: National Credit Regulator, Statistics South Africa, Quantec, Altron FinTech, own calculations

Figure 20: Estimated economy-wide employment supported as a result of the net short-term credit extension

Source of data: National Credit Regulator, Statistics South Africa, Quantec, Altron FinTech, own calculations

Figure 21: Estimated economy-wide tax collections arising from net short-term credit extension

Source of data: National Credit Regulator, Statistics South Africa, Quantec, Altron FinTech, own calculations