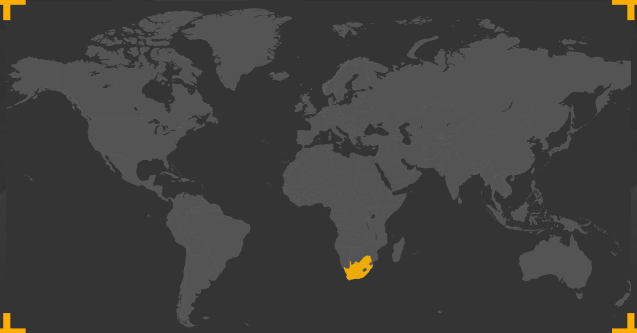




Global Insights

South Africa – Cash In Transit



This SPS Insights report aims to examine the growing risk of Cash in Transit robberies in South Africa, where the movement of cash has resulted in increasingly brazen violent threats. The report will analyse the location and trends in this criminal activity using official police data.

South Africa Cash In Transit

Introduction

South Africa has long been a hotbed of criminal activity, with high crime rates since the country's democratic transition. Nonetheless, the prevalence of violent crime is increasing today. Political unrest is rising, with a recent day of national shutdown reflecting widespread anger and frustration. A faltering economy, a government embroiled in corruption scandals, and the issue of load shedding are all increasing the nation's incentive to engage in criminal activity. The robbery of cash in transit is a notable violent crime that has received

widespread media attention. Over the last decade, the nation has struggled to combat this crime as criminals target armoured vehicles with cash depositories in increasingly brazen attacks, which now number in excess of 200 per year. Measures taken, such as increased detentions and arrests, have failed to address the steady rise in this crime over the last five years, posing significant financial costs to insurance companies, the government and wider businesses.

Data Visualisation

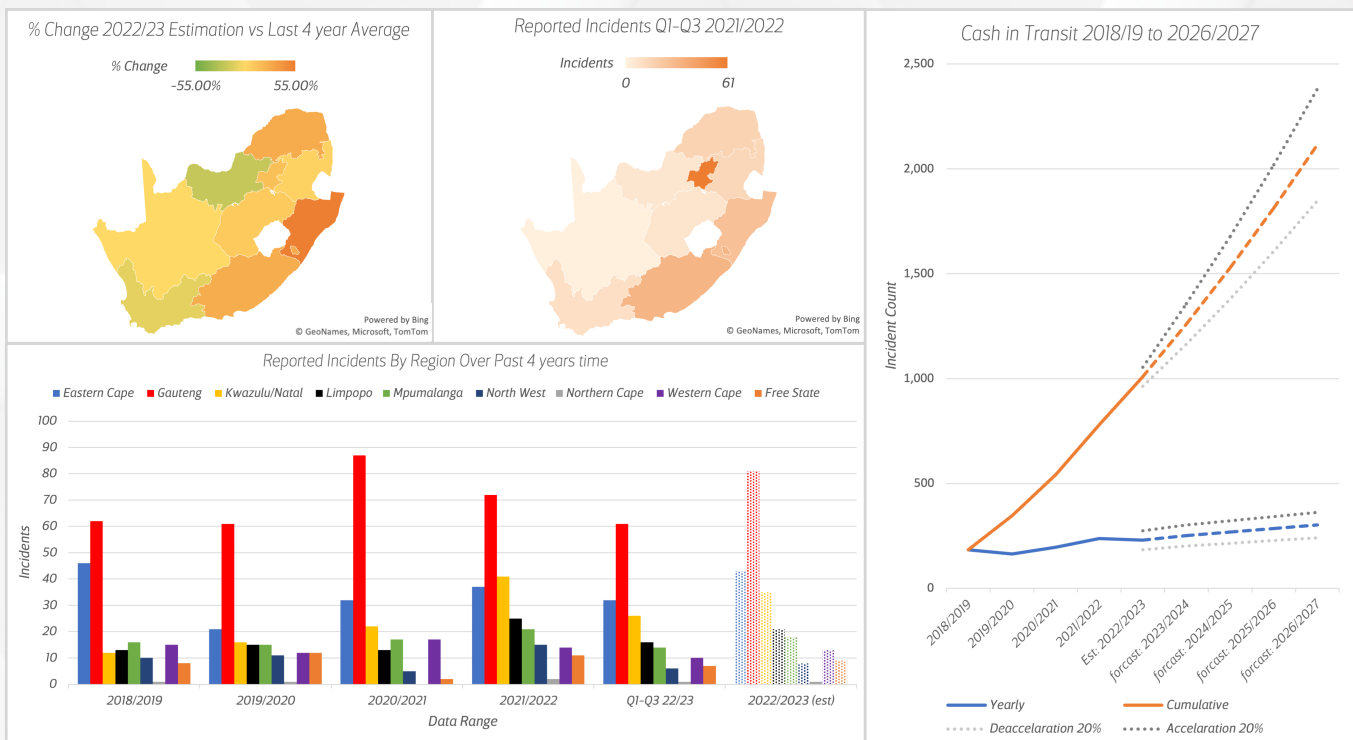


Figure 1: All data is sourced from the South African Police Service as of March 22, 2023. <https://www.saps.gov.za/services/crimestats.php>

Data Analysis

The Figure 1 visualisations were created using the South African Police Service's official crime data record, and they represent the most accurate picture of the cash in transit issue available. The data reveals several patterns. Firstly, the data in the visualisations clearly shows a steady increase in incidents over the last 5 years, with yearly figures rising from 183 in 2018/19 to 238 in 2021/22. Showing cash in transit robberies are a common and growing concern.

Estimated figures for 2022/23, based on an analysis of the published first three quarters and forecasting the final three months, show that this year will be above the four-year average in all but three locations (North West, Western Cape, and Northern Cape). The remaining six provinces will all experience above-average levels of incidents, with Kwazulu/Natal seeing a near 54% increase and Limpopo and the Eastern Cape seeing increases of more than 25%. The provinces of Kwazulu/Natal and Eastern Cape have not only witnessed the greatest increase in crime but also the second and third highest reported incidents, indicating a growing wider concentration of cash in transit crime within the south eastern regions.

Cash in transit incidents, like crime in general, are most prevalent in Gauteng, with Johannesburg and Pretoria serving as the epicentres of much of the country's crime. Although Gauteng covers less than 2% of South Africa's land area, it is home to more than a quarter of the country's population (26%), and it is the most urbanised province, leading to an increase in crime. The data also reveals a divide in the country, with eastern provinces experiencing higher and rising levels of crime while western regions experience a marginal decline.

The asymmetry of crime across the country does reflect population density, but not entirely, as the data shows that over half of incidents (52%) (between Q1-Q3 2022/23) occur in the two most high risk provinces (Gauteng and Eastern Cape), which have only 36% of the population. In contrast, only 24 incidents (14% of all incidents) occurred in the four western least affected provinces, which account for 26% of the population, reaffirming the risk asymmetry across the country. Whereby cash in transit incidents are of most concern in the east of the country.



Outlook/ Scenarios

The visualisation also shows forecasting based on past data trends, making predictions with five different scenarios:

- Steady Growth-Probable

We believe the most likely scenario is for a relatively unchanged rate of growth, where incidents will fall marginally this year, followed by a continued steady increase in cases up to 301 by 2026/27 as police and state forces fail to curb rising crime rates nationwide. Faced with economic uncertainty, the country's law enforcement will continue to be depleted, incentivising crime. Cash in transit will become a common feature of South African crime, providing a lucrative criminal operation.

- Acceleration - Realistic Possibility

A second realistically plausible scenario would be for the country to see an above expected increase in the number of incidents by 5-20%, with the upper end of this prediction reaching over 300 incidents as early as 2023/2024 (302). This scenario would occur if load shedding continued unabated, causing government finances to collapse. As citizens face poverty and a lack of electricity, civil unrest and crime rates rise. Law enforcement is increasingly understaffed as a result of mounting budgetary pressures, resulting in a larger than expected increase in criminal incidents.

- Deceleration-Realistic Possibility

A third possibility is that the rate of crime growth slows. The expected marginal fall this year is greater than predicted, resulting in a drop of between 5-20%, the largest of which could return cash in transit levels to 2018/19 levels (183). This could be due to the high media coverage of the incidents, which would necessitate an increased government and private sector response, resulting in greater mitigation measures and a slowing of the rate of growth, with rates of incidents being pushed back 5 years.

- Drastic Acceleration-Unlikely

A fourth, though unlikely, scenario is a drastic increase in criminal activity, Drastic meaning more than 20%. This scenario would result in an increase in cases and an overburdening of security services. This could be brought about by rising political unrest and corruption allegations causing the government's collapse. Law enforcement would be forced to deal with nationwide protests to the detriment of their response to cash in transit in the face of widespread political unrest and mismanagement of state services. Criminals would thrive as the country's disarray fuels an increase in crime.

- Drastic Deacceleration-Highly Unlikely

Our least likely scenario is a drastic deceleration of more than 20%. The government faces a nationwide boost in support and economic growth as a result of resolving load shedding. Crime incentives are dwindling as the country's poverty rate falls and opportunities improve. Crime falls year after year as favourable economic conditions allow for increased state service investment.

Summary

To conclude, Cash in Transit is a growing risk for insurance companies, government, and businesses across South Africa. The consequences of such incidents include not only significant financial losses, but also, in some cases, the injury or death of citizens as a result of the crime's violent nature. This crime has been shown to be concentrated in the country's eastern half, but it is a concern for all South African operations, with incidents occurring in all provinces. Increasing social and political unrest may lead to an increase in crime over the next five years, as it appears to remain a highly impactful and prevalent issue across the country, posing a significant risk to business operations.

Raw Data

	2018/2019	2019/2020	2020/2021	2021/2022	Est: 2022/2023	forcast: 2023/2024	forcast: 2024/2025	forcast: 2025/2026	forcast: 2026/2027
Yearly	183	164	195	238	229	252	268	285	301
Cumulative	183	347	542	780	1,009	1,261	1,529	1,814	2,115
Deacceleration Cumulative 20%					963	1,164	1,379	1,607	1,848
Acceleration Cumulative 20%					1,055	1,357	1,679	2,020	2,382
Deacceleration Yearly 20%					183	201	215	228	241
Acceleration Yearly 20%					275	302	322	342	362

	2018/2019	2019/2020	2020/2021	2021/2022	Q1-Q3 22/23	2022/2023 (est)	% change 21/22-22/23 est	% Change 22/23 est vs last 4 years	4 year avg 18-22
Eastern Cape	46	21	32	37	32	43	16.22%	26.47%	34
Free State	8	12	2	11	7	9	-18.18%	9.09%	8
Gauteng	62	61	87	72	61	81	12.50%	14.89%	71
Kwazulu/Natal	12	16	22	41	26	35	-14.63%	53.85%	23
Limpopo	13	15	13	25	16	21	-16.00%	27.27%	17
Mpumalanga	16	15	17	21	14	18	-14.29%	4.35%	17
North West	10	11	5	15	6	8	-46.67%	-21.95%	10
Northern Cape	1	1	0	2	1	1	-50.00%	0.00%	1
Western Cape	15	12	17	14	10	13	-7.14%	-10.34%	15

Figure 2: Cash in transit crime incident data: <https://www.saps.gov.za/services/crimestats.php> (Accessed: March 22, 2023)



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