# NEWS FROM THE CONSUMER GOODS INDUSTRY - FRESH EVERY WEEK

25 March 2015

(cough) Tap, tap. Is this thing on? Thanks, buddy. Right, before we get started, a little bit of housekeeping: folks, would you mind confirming your details with us by hitting the **Update Details** banner directly below? Just so we make sure you keep getting your Tatler, fresh and crispy every Wednesday. And we won't be sharing those details with anyone, scout's honour. Thanks very much, and enjoy the read.

# **RETAILERS AND WHOLESALERS**

## **Woolworths**

## A river runs through it

Woolworths is one of those rare businesses that seems to prefer reality to its more candy-coated alternatives, and this explains why it is South Africa's leading retailer – and one of our leading businesses – in the area of sustainability. For this reason, it engaged experts to measure how much water it used in its African operations, and has subsequently changed the way it approaches real estate across the continent, looking at the design of each property to ensure that it uses water efficiently. Its stores now include features such as water-saving air-conditioning, kitchens and rest-room facilities. Some properties collect rainwater, others recycle it, while Head Office, no less, has discovered its own underground river and has severed its ties with the municipal mains down in CT. Other measures include checking for leaks to bring the bills down – which in one instance resulted in a saving of 2.5million litres a month.

Comment: Commendable stuff. The saving of water that is. And, obviously, the water itself.

Tatler Reporter 18/03/15

## Choppies

## Let's go Chopping

Heck of a guy, Phelekezela Mphoko. Heck of a guy. Current Vice-President of Zimbabwe (although that's a purely ceremonial title as we understand it). Ex-ambassador to South Africa. Owner of a chain of Choppies Downtown stores. And a denier that Robert G. Mugabe had anything to do with the Gukurahundi genocide in which 20,000 Matebele people lost their lives in the early 80s, as a result of National Party disinformation and Bob's own murderous insecurity. These last two achievements are not unrelated: A Bulawayo-based pressure group, Ibetshu LikaZulu, has demanded an apology of Mphoko for this ludicrous denialism, or he'll face a boycott of his stores. In other Choppies-related news, the Feisty One is taking strain in South Africa's own Northwest, where last year's platinum strikes hit their platinum-mining customer base really hard. Most of Choppies' 31 SA stores are in that region. They're still thinking of listing on the JSE though.

**Comment:** Africa is not for cis....oh, shut up. New Zimbabwe 16/03/15, Business Day 20/03/15

### **FreshStop**

## **Brits and pieces**

Slow news week, so let's take some time out to think about the little guys for a sec, in this instance FreshStop, which has just opened its 185th store in a Caltex forecourt, and its first in the Northwest, in the scenic farming town of Brits. All the mod cons and no mistake: fresh fruit and vegetables, a range of groceries, and a variety of Grab n Go snacks and refreshments, as well as freshly baked goods and fast food. All this, plus a Lavazza bar with attendant Barista (no word as yet on tattoos, piercing and facial hair, but we'll keep you posted) and a roomy second-storey hang pad, with free Wi-Fi and newspapers, and charging ports for the kids' iPads. FreshStop, as you know, is a JV between Caltex itself, and the Fruit & Veg City group, and has been running since 2009.

Comment: We're going to Brits just to have a look.

Tatler Reporter 18/03/15

## **MANUFACTURERS AND SERVICE PROVIDERS**

# **Tongaat Hulett**

#### The Wild Geese

In further madness from Zimbabwe, whose succession plan now appears to consist of handing everything over to a 24-year old, which always goes well, is that the top management of otherwise staid sugar giant Tongaat Hulett have been summoned to appear before parliament to account for their role in a plot to topple Robert G Mugabe, in cahoots with

ousted vice president Joice Mujuru. In grown-up news from Zimbabwe, Tongaat Hulett have argued that their spending on communities there should count as the local equity they need under Zim's indigenisation policy. This spending is not lip-service stuff: they have trained farmers, bought them farming inputs and paid for roads, schools and hospitals in the areas in which they operate.

**Comment:** There's a weird disconnect about doing business in Zim – eating with the grown-ups while playing Alice at the Mad Hatters' tea party.

News Day 18/03/15, Reuters 19/03/15

#### Coca-Cola

#### Glass act

As you recall, SABMiller announced last year that it would be merging its African soft drinks division with the second-biggest Coke bottler in SA and with Coke's South African operations to form Coca-Cola Beverages Africa, which will be what we in the industry call a behemoth. Said behemoth will be producing 80% of Coke's volumes in SA, and 40% of volumes for the continent. In such a massive rejigging, there are bound to be some casualties – which SABMiller are estimating at 387 jobs in the executive, managerial, administrative and technical echelons at head office, but none at lower levels, thankfully. The combined businesses will continue to provide a much needed 7,500 jobs.

**Comment:** Hell of an undertaking, this integration business. Hopefully, the upside will be the creation of further jobs as these giants grow together.

Business Day 20/03/15

#### TRADE ENVIRONMENT

## **Property**

## The malls have fears

Interesting words from Buti Manamela deputy minister in the presidency of planning, monitoring and evaluation. We say interesting, perhaps we should say "provocative". Manamela is of the view, you see, that malls in townships are not all that for the residents, creating casual employment and bringing goods of reasonable price to the consumer but driving small local enterprises out of business. And more importantly, says Manamela, the money in townships – earned in low-paying jobs or paid out in the form of social grants – is being expatriated to places like Sandton and Hillcrest, where the rich live. Although the Deputy Minister tells it in slightly more racial terms.

**Comment:** We suppose it is ever thus, everywhere: money flowing uphill. A very real issue, highlighted here in the measured tones of one opening a critical debate responsibly.

The Rand Daily Mail 18/03/15

## **IN BRIEF**

## **Retail Trade Sales**

#### The winds of January

Retail trade sales grew by just 1.7% year-on-year for the month of January, confounding those scallywags, fogle-hunters, flimpers, rampers, sneaksmen, cadgers, shawnsmen and economists\*, who had pinned it at closer to 2.7%. Perhaps the punters knew that it was all too good to last, and kept their purses in their pockets.

\*those are all real jobs, by the way. Except for economist, which is a made up job.

Business Day 18/03/15

## Pick n Pay

## #QuantitySurveyorsOfStupidity

"Boycotts won't change my observation that Africa never did&still (sic) doesn't inspire integration #ArchitectsOfApartheid". This according to Father of the Nation™ Steve Hofmeyr on the news that Pick n Pay and Jaguar Land Rover South Africa will be officially withdrawing their sponsorship of the execrably-named Afrikaans is Groot festival, after the Hof made comments to the effect that apartheid was all the fault of black folk.

The Mail and Guardian 17/03/15

## THE WEEKLY GURU

"Weakness is what brings ignorance, cheapness, racism, homophobia, desperation, cruelty, brutality, all these things that will keep a society chained to the ground, one foot nailed to the floor."

Henry Rollins

For further information: <a href="www.tradeintelligence.co.za">www.tradeintelligence.co.za</a> <a href="mailto:info@tradeintelligence.co.za">info@tradeintelligence.co.za</a>

Editorial: Nick Paul: <a href="mailto:nick@tradeintelligence.co.za">nick@tradeintelligence.co.za</a>
Advertising Sales: Erin Monks: <a href="mailto:erin@tradeintelligence.co.za">erin@tradeintelligence.co.za</a>