



12 July 2019

From where we're currently seated, we could probably hit three Tescos of various formats, an Aldi and a Lidl, two Marks and Sparkses and a Sainsbury's. We are, you see, in the pulsating heart of that nation of shopkeepers, the English. But given Sainsbury's' current travails (see below) we shall probably refrain from hoisting that stone. Enjoy the read.

RETAILERS AND WHOLESALERS

Choppies

For the chop?

Choppies, the Botswanan retailer to whom the epithet "embattled" must regrettably now be appended on a semi-permanent basis, or at least until they release their financials, seems to be in the middle of a spate of store closures in Kenya. It has recently shuttered its Kiambu and Bungoma outlets, and its stores at Kisumu, Nanyuki and Embakasi and Mombasa Road are reportedly almost out of stock. In addition, their Kenyan workforce has not been paid in full of late, and suppliers not at all, which would explain the out of stocks. Kenya is a major market for Choppies, which has six branches in Kisumu city and eight others across major towns including Nakuru, Kisii and Kericho. Wary Kenyans point to similar woes faced by home-grown retailers Nakumatt and Uchumi, and we all know how that went.

Comment: If we were a South African retailer with a robust franchise model, we might be eyeing Choppies locations in South Africa right about now.

[Business Daily Africa 07/07/19](#)

International Retailers

Bread and circuses

In news of the slightly posh and commendably parsimonious, Tesco will forthwith be using unsold baguettes for the manufacture of crostini and bread pudding. Surplus bread, according to the British government's food waste advisor, Wrap, is one of the biggest waste challenges for retailers, at over 67,000 tons a year, around a third of the UK's total retail food waste. In more worrying news, a recent survey found that Asda, Sainsbury's and Tesco are all charging punters up to 44% more on unpackaged fruit and veg than those wrapped in acres of wasteful packaging. Tesco in the meantime is looking with trepidation towards an October Brexit, at which time its facilities will be too full of Christmas stock to be able to stockpile against whatever the rupture will bring. Sainsbury's have reported a third straight decline in quarterly earnings, in a competitive market and amid consumer uncertainty, with clothing and GM being the worst hit. Aldi is expanding its 'Local' format in the UK after trialling London, where rival Lidl is looking at another 40 locations, so they're OK.

Comment: And that is a wrap, but not in the packaging sense.

[Tatler Reporter 09/07/19](#)

#DoingGoodIsGoodBusiness

Upstanding

SPAR are partnering with FutureMe, a social enterprise that connects enthusiastic young people with progressive businesses to their mutual benefit. About 400 Grade 11 and 12s will spend a day connecting with employees from SPAR stores across the company, then 70 of them will be selected to attend the one-day boot camp. 30 to 40 of these will be selected to undertake the learning journeys into the SPAR world, and those that show real interest and aptitude for a career in SPAR will be further immersed in work experience opportunities. Pick n Pay, meanwhile, have launched their third annual Mandela Day Food Drive with the goal of collecting 500 tons of food or enough to produce two million meals. To reach this ambitious goal, the drive will run over a three-week period compared to one weekend previously. The food collected supports the 530 beneficiary organisations in FoodForward SA's national distribution network, helping to meet immediate needs and also to help in stocking FoodForward SA's warehouses with staple food reserves for months when supply is low. And in news of the not-so-nice, Woolies are being accused by a business that rejoices in the name of Sexy Socks, for bringing to market a set of socks with pictures of bicycles on them, something Sexy Socks had already apparently done, some years ago, because putting bicycles on socks requires a leap of genius that doesn't come round more than once in the life of the average sock manufacturing business.

Comment: Nice work from two great nation builders. And open season once more on Woolies, discovering once again that truly there is nothing new under the sun, not even socks with bicycles on them.

[Tatler Reporter 09/07/19](#)

Coca-Cola

Alien vs Predator

Coca-Cola specialises in taking water and turning it into money, or at least into a sweet, brown oddly satisfying liquid and then into money. Only fitting, then, that on the water front it has started to give back, investing in five water projects throughout Southern Africa through its Replenish Africa Initiative (RAIN). Specifically, these projects are aimed at the removal of invasive alien plant species in five key water catchments. These species typically soak up millions of litres of water that could otherwise go into quenching the thirst of communities or irrigating the farms that feed us. Coke will be working closely with the Ministry of Environment, Forestry and Fisheries, who themselves have a five-year plan to improve stream and river-related ecological infrastructure and to restore, rehabilitate, and maintain natural vegetation buffers along streams and rivers.

Comment: This is not exactly the stuff of hard commerce. But the emergence of the private sector as a stakeholder in environmental and social issues is one of the most exciting developments of the last ten years.

[Tatler Reporter 07/07/19](#)

Fishing

Plenty more fishing companies in the sea

Big shakeups underway in the fishing industry, which is uniquely bound by a quota system that is also tied inextricably to BEE requirements. Quotas are currently under consideration in the fishing rights allocation programme, or FRAP 2020; this means that there will be winners and losers, in the various sectors of this complex industry. Currently, according to pundits, Premier Fishing and Brands has the best chance under FRAP 2020, of gaining quota in valuable species such as hake, pilchards, anchovy and horse mackerel. AVI's I&J division has lagged in transformative initiatives since the last allocation, and is thus not notably well-placed to pick up further quotas, and would probably do well to hang onto its lead in the hake industry. Sea Harvest, by contrast, ticks many of FRAP 2020's boxes, but may face competitive scrutiny because of the minority shareholding of Brimstone, which also has a stake in Oceana Group, SA's biggest player in the vis-vang game.

Comment: Complex and competitive. What's not to love?

[Business Day 02/07/19](#)

TRADE ENVIRONMENT

The Economy

Death and taxes

According to the hoary sages over at StatsSA, and as if you didn't know this already, we South Africans pay too much tax, with the Beloved Country among the ten countries globally with the highest tax-to-GDP ratio, rubbing shoulders with such economies as Sweden and New Zealand, with which we conspicuously have little else in common. Our own ratio is 25.9%, and has been increasing despite weak economic growth. Last year, personal income tax contributed 38% of the R1.22 trillion in taxes collected last year, ahead of VAT at 24%, and company income tax at 20%. In other economic news, the SA Chamber of Commerce and Industry reports that the Business Confidence Index inched up for the month of June, but remains lower than it was a year ago. The nice thing about the index is that it has a fairly direct correlation with actual activity and economic growth rather than mere sentiment. SA's embattled consumers are also coming to the party: Consumer confidence ticked up 2 points to 90 for the first quarter, regaining the level it held in quarters 2 and 3 last year. This despite, or perhaps because of, the fact that 75% of households report having tightened their belts in the face of a grim economy.

Comment: And this is why we love the South African consumer.

[Tatler Reporter 09/07/19](#)

THE WEEKLY GURU

"I used to think that diamonds were a girl's best friend, but now I realize it's carbohydrates. Seriously, I have a French baguette at home sporting a matching friendship bracelet."

[Lauren Conrad](#)

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