



11 November 2021

As the historic two weeks of COP26 draws to a close, we are left counting the money that has been committed for our transition to a green economy, and hoping that not a cent of it will be wasted or misappropriated. We are, in many respects, South Africa's leading industry – the interface between the economy and the people. It's on us to demonstrate our commitment to other industries, and to share our expertise and capacity for innovation where we can. Enjoy the read.

RETAILERS AND WHOLESALERS

Boxer Superstores

Boxing clever

Boxer Superstores has long been a jewel in the Pick n Pay crown, growing footprint, bringing the convenience, value, and dignity of modern retail to under-served South Africans, and shooting the lights out (albeit to the tune of unspecified numbers) quarter after quarter. Now Boxer has found a new role, as a template for the repositioning of its Pick n Pay Value supermarkets as an aspirational but affordable store for middle and lower-income customers. According to CEO Pieter Boone, Boxer is a highly effective discount format, offering value to shoppers through lean and efficient store and supply chain operations. In line with the Boxer model, says Boone, the Group is streamlining the operating model of its Pick n Pay Value stores, and reducing the size of the range by up to 40%. Back to Boxer – the business will break ground in its new Gauteng DC at the end of the year. Once opened in 2023, it will serve over 100 stores and underpin Boxer's accelerated growth strategy.

Comment: Globally, the no-frills discounter model has been a howling success. Locally, this approach will enable Pick n Pay to compete more effectively with Shoprite's Usave brand.

[IOL 21/10/21](#)

Massmart

Winds of confidence

A trading update from Massmart, in which the Men in Black report that total sales for the 39 weeks through September were regrettably flat, growing just +0.2% to R60.6bn, with like-store sales up +2.9% over the same period. Sales here in the Beloved Country showed more promise, with a +1.2% increase to R55.4bn, with like-store sales up +4.4%. This after the civil unrest of July, and 110 days of liquor sales lost to COVID. The business remains sanguine, however: its omni-channel strategy is building steam nicely with the launch of the Builder and Makro mini-apps and the acquisitions of WumDrop and OneCart. In addition, Black Friday looms, and implementation of Massmart's turnaround plan continues. "Management is confident that despite the recent headwinds, the strategic growth initiatives announced are bearing fruit, and we fully expect this to gain momentum and continue in the medium to long term," their words.

Comment: Massmart could use some better news round about now. As, no doubt, could their shareholders.

[Businessstech 03/11/21](#)

In Brief

Help wanted

In anticipation of the holiday rush, and given the current squeeze on the global supply chain, Shoprite and Checkers have stocked up on toys, securing 45% more stock than they did last year (a year which, you may recall, was affected by similar supply chain challenges impacting the timely arrival of toys in stores), and promising to beat competitor prices by 10% if challenged. Next up, Protea Capital Analyst Management analyst Mr Richard Cheeseman believes that while Black November might bring forward the spending usually associated with the happier period which follows, there should still be plenty to go around. "My observations are that the consumer is more back to normal than one might have thought, so we might have a pleasant surprise with retail spend over the festive period," he insists. Finally, leaving the malls for a bit, to take a gander at South Africa's vibrant and ever-growing informal trade, the South African Informal Traders Alliance (SAITA), which represents over 2 million informal traders, is looking for a marketing agency to help drive Project204, which is aimed at creating over 1 million jobs and transitioning informal traders across to the formal economy. The successful agency will help them develop and implement a marketing strategy, provide design expertise, create digital and traditional advertising content, and see to their media buying.

Comment: A plum job for the right agency.

[Tatler Reporter 09/11/21](#)

International Retailers

Good morning, Dave

The UK is to become the first country in the Group of 20 major economies (G20) to require major companies to report their climate-related risks and opportunities. This means you, Tesco, Sainsbury's, M&S, Aldi, Lidl, Ocado and the rest. About time too. Here's one that's not strictly retail, and not strictly international: Amazon Web Services has installed its first functioning solar plant here in South Africa, in the Northern Cape, a 10 megawatt (MW) solar generator supplying renewable energy to AWS data centres, at the saving of 25,000 tons of carbon emissions annually. Over in the USA, in its relentless drive for automation, Walmart is trialling driverless delivery, and has acquired some of the assets of a

business aptly – magnificently – named Botmock, which is a robocall tech provider that will enable Walmart to offer shopping by voice and text. And back to the UK, where Asda has partnered with a business called RangeMe, which helps retail buyers scale their product sourcing through streamlined submissions, easy to use discovery tools, and an industry-standard pitch process. This will enable Asda to reach and buy from the emerging suppliers it is increasingly seeking to make its range more innovative and relevant.

Comment: A product that enables multiple smaller suppliers to service larger retailers at scale might be just the ticket for our own great sector.

Tatler Reporter 10/11/21

MANUFACTURERS AND SERVICE PROVIDERS

Awards

The Bread Carpet

Bases, a NielsenIQ business, has announced the South Africa winners of the 'Bases Top Breakthrough Innovations' 2021 awards for South Africa. The awards highlight some of the most successful and well-received consumer product innovations in South Africa. Here are some of the winners of 2021, a year marked not only by a pandemic and civil unrest, but also by the rise of online shopping and healthy lifestyles, and a shift to no-and low-alcohol alternatives in the world of beverages:

Castle Free (AB InBev): Same tasty ingredients, no booze. Thanks technology!

Tastic (Tiger Brands): Same classic grain, new flavour explosions!

Blue Ribbon Squares (Premier FMCG): Does a sandwich just have to be a sarmie? They think not!

Simple Truth (Checkers): Private label? More like private chef!

Bobtail 2-in-1 Dry Dog Food (RCL FOODS): Woof, you say? Our pleasure!

Comment: If there's one thing which distinguishes this great industry we call home, it's innovation, despite the challenges of the South African market – and frequently because of them.

Tatler Reporter 09/11/21

In Brief

Fishy dealings

According to the hardworking writers over at SENS, logistics outfit IMPERIAL, through its wholly owned subsidiary, Imperial Capital Limited, has entered into an agreement to acquire 100% of the issued share capital of Deep Catch Namibia Holdings (Proprietary) Limited from its shareholders. We're uncertain how this one-time fish exporter fits into the overall IMPERIAL strategy, although it does seem to have some significant cold chain and freight assets. We'll keep you posted. AVI has provided a trading update for the first quarter through September, with Group revenue down -1.6% as sales volumes normalise after the COVID spike in sales volumes at Entyce and Snackworks, although operating profit was up +2.1% because of tighter cost control. And over in the US, Procter & Gamble is facing a potential lawsuit in Florida where it's alleged that the company failed to disclose that Old Spice and Secret aerosol antiperspirants could contain benzene.

Comment: With the heat that J&J is getting in the press about the asbestos content of its baby powder in earlier decades, we may be entering a new era of transparency and accountability in our sector.

Tatler Reporter 09/11/21

TRADE ENVIRONMENT

Environment

Good COP

Last week our President announced that he had secured financing to the tune of R131bn to hasten the country's low-carbon future over the next three to five years, through a range of financial instruments including grants and concessional finance, courtesy of the US, UK, France, Germany and the EU. These instruments generally offer lower interest and more favourable terms than regular loans. What will we do with those \$\$\$? Oh nothing much. Just phase out coal, curtail deforestation, accelerate the switch to electric vehicles and encourage investments in renewable energy. All with the goal of achieving 'net zero' emissions by 2050. "To maintain credibility and trust, and to ensure that this is only the beginning of just-transition investment and financing, the money must be spent transparently, and with a focus on social and environmental justice for the most vulnerable," cautions Tracey Davies, executive director at climate activist group Just Share. "It must not be used to subsidise business as usual for big polluters, enrich politicians or corporate elites, or for investment in gas."

Comment: Indeed. One can imagine, though, that the vultures are circling, and not the endangered ones, either.

Moneyweb 03/11/21

THE WEEKLY GURU

"Our migration to a decarbonised economy is dependent on crafting a just transition that will not only meet our social obligations to our people but also enable our economy to move forward on a much higher trajectory."

President Cyril Ramaphosa

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