

Supermarket giants focus on burgeoning Africa

By [Colleen Goko](#)

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The top 100 grocery retail companies in the world chose to focus their expansion efforts on Africa and the Middle East in 2015, even as countries in this region struggled with adverse economic conditions.



Pick n Pay CEO Richard Brasher is optimistic, despite most African economies going through a rough patch.

Picture: [Supplied](#)

In 2010, Africa and the Middle East accounted for 12% of the top 100 markets.

That figure grew to 15% in 2013, and to 16.2% in 2015.

"This focus perhaps comes as no surprise, given the fact that the region's population is not just very young, but is also the fastest growing worldwide," said Planet Retail analysts.

"Combined with the relatively underdeveloped and fragmented nature of the retail sector, (this growth) is proving a strong magnet to leading grocery retailers across a range of channels," the analysts said.

Speaking at the Consumer Goods Forum in Cape Town last week, Pick n Pay CEO Richard Brasher said even though most African economies were going through a rough patch, there was no better time to invest.

"By any metric, this is the best time to be in Africa. You can't hope to control Africa or anything that happens in it, but what you can do is learn to adapt."

Brasher said it was important not to adopt a one-size-fits-all attitude, as consumers in the different countries had differing

needs. Pick n Pay operates in SA, Namibia, Botswana, Zambia, Mozambique, Mauritius, Swaziland, and Lesotho. Additionally, the grocer owns a 49% stake in Zimbabwean business TM Supermarkets.

Later in 2016, Pick n Pay will enter the Nigerian market through a joint venture with Lagos-based AG Leventis.

It intends rolling out a combination of large and smaller formats to meet consumer needs in Nigeria, offering ranges tailored to local communities.

"Africa is not just the statistics and spreadsheets; it's about the people. You have to be on the ground to do business here. We have ambitious plans for this continent, and we believe there's a bright future," he said.

One of the most active retailers in the Africa and Middle East region in 2015 was Spar International, which entered Cameroon, Lebanon, and Oman, adding to its existing presence in Angola, Botswana, Lesotho, Mozambique, Namibia, SA and Swaziland.

Walmart CEO Doug McMillon said there were regional opportunities in Africa. Parent Walmart has a controlling interest in JSE-listed Massmart.

"It's not only SA. The whole region has something to offer. We have aspirations for the sub-Saharan African region."

The population in sub-Saharan Africa is expected to double to 2-billion by 2050. This growth adds to continued urbanisation and broad economic development, which is raising living standards and incomes across the region.

Source: Business Day

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