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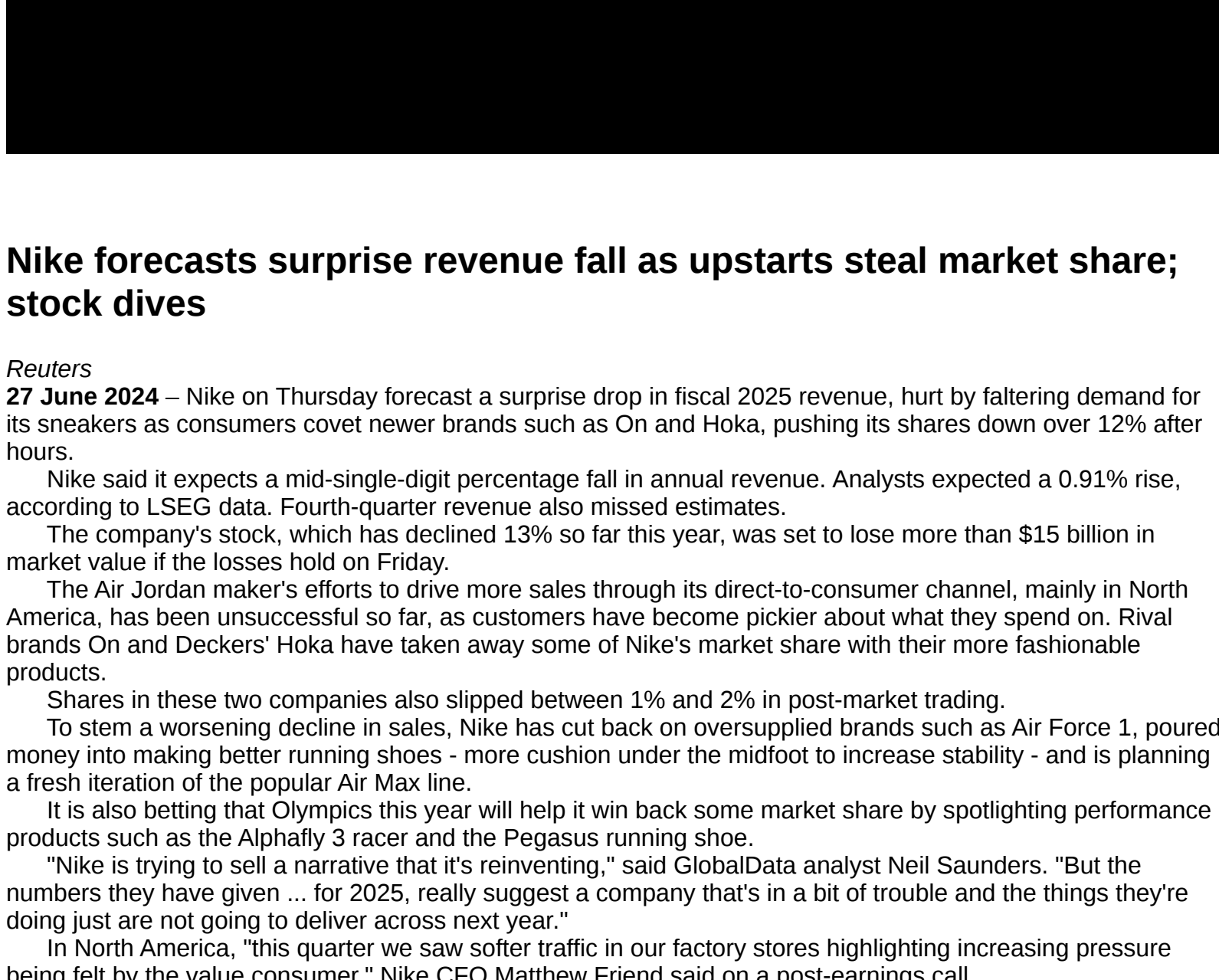
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Advertisement for Polo Modern Classics featuring a leather strap and Equator logo.

Footwear, tanning settle wages

Ishaam Ryneveld, general secretary, National Bargaining Council of the Leather Industry of SA Durban, KZN, SA - Regarding the Footwear Sector, we can confirm that an increase of 6.5% was agreed upon...

The Tanning Sector also concluded a 2-year agreement, with an increase of 6.5% effective from 01/07/2024 till 30/06/2025 and 6.5% effective from 01/07/2025 till 30/06/2026.



Nike forecasts surprise revenue fall as upstarts steal market share; stock dives

Reuters 27 June 2024 - Nike on Thursday forecast a surprise drop in fiscal 2025 revenue, hurt by faltering demand for its sneakers as consumers covet newer brands such as On and Hoka...

Nike said it expects a mid-single-digit percentage fall in annual revenue. Analysts expected a 0.91% rise, according to LSEG data. Fourth-quarter revenue also missed estimates.

The company's stock, which has declined 13% so far this year, was set to lose more than \$15 billion in market value if the losses hold on Friday.

The Air Jordan maker's efforts to drive more sales through its direct-to-consumer channel, mainly in North America, has been unsuccessful so far, as customers have become pickier about what they spend on.

Shares in these two companies also slipped between 1% and 2% in post-market trading.

To stem a worsening decline in sales, Nike has cut back on oversupplied brands such as Air Force 1, poured money into making better running shoes - more cushion under the midfoot to increase stability - and is planning a fresh iteration of the popular Air Max line.

It is also betting that Olympics this year will help it win back some market share by spotlighting performance products such as the Alphafly 3 racer and the Pegasus running shoe.

"Nike is trying to sell a narrative that it's reinventing," said GlobalData analyst Neil Saunders. "But the numbers they have given ... for 2025, really suggest a company that's in a bit of trouble and the things they're doing just are not going to deliver across next year."

In North America, "this quarter we saw softer traffic in our factory stores highlighting increasing pressure being felt by the value consumer," Nike CFO Matthew Friend said on a post-earnings call.

To woo price-conscious customers, Nike said it will offer a refreshed lineup of footwear below \$100.

Nike's US market share in the sports footwear category in 2023 fell to 34.97% in 2023 from 35.37% in 2022, and 35.40% in 2021, according to GlobalData.

Weak demand in Nike's international markets, including China, is also hurting sales, Friend said. Brick-and-mortar traffic in China during the March-May quarter fell in the double digits.

Greater China accounted for 14.7% of Nike's 2024 revenue; North America made up 42%.

In the run up to Olympics, Nike is touting its roots in pure sport. It said earlier it was spending more on this Olympics than any previous Games.

"The Paris Olympics offers us a pinnacle moment to communicate our vision of sport to the world. This is led by breakthrough innovation and announced by a brand campaign that you won't be able to miss," CEO John Donahoe said on the call.

He said Nike was putting "sport back at the centre of everything we do, serving the athlete."

Among bright spots in its earnings report card for the fourth quarter, revenue in Nike's wholesale business rose 5%. But growth in its direct-to-consumer business fell 8%.

Fourth-quarter net revenue slipped 1.7% to \$12.61 billion falling short of estimates of \$12.84 billion.

Nike's \$2 billion cost savings plan including layoffs, also helped the company's adjusted earnings of \$1.01 top estimates of 83 cents.

For the first quarter, Nike forecast a roughly 10% fall in revenue, compared with expectations of a 3.16% fall.

Advertisement for Kaliber Footwear featuring safety boots and icons for toe cap, shock absorbent, oil resistant, and anti-slip.

They Said It

"Hey Tony - it's been a while my good man. Trusting you are well. There is nothing for now." - Chimwenwe Mwanza, senior corporate writer, Corporate Affairs, Industrial Development Corporation, Johannesburg, Gauteng, SA.

Got anything you'd like to share?

Do you have any suggestions, comments or experiences about the industry that you'd like to share with the industry? - tony@svmag.co.za

New subscribers last week

- Cherie Adendorff, Sales Executive, Messe Frankfurt SA, Cape Town, Western Cape, South Africa
Rocco Kruger, Entrepreneur, Koffiefontein, South Africa
Brian Da Costa, Freelance Sales Representative, Port Elizabeth, South Africa
Stacey, Head of Department, John Craig, Johannesburg, South Africa
Sonja Turner, Sales and Marketing Manager, Badger Shoes, Port Elizabeth, South Africa
Nigel Sale, Director, Smerilli Design Manufacturing, Gauteng, South Africa

Birthdays this week

- 01/07/1953: Bobby Janky, retired, formerly Michelle Footwear, Durban, KZN, SA.
01/07/1963: Tommy Sharma, Bata SA, Pinetown, KZN, SA.
02/07/1949: Maria Augusta Craveiro, Goosie's, Ladybrand, Free State, SA.
02/07/1959: Leo Greef, formerly Southern Hemisphere Trading Trust, Uitenhage, E. Cape, SA.
02/07/1967: Yusuf Vadi, The Cross Trainer, Johannesburg, Gauteng, SA.
02/07/1971: Rajeev Matai, Equator Belt, Pinetown, KZN, SA.
02/07/1971: Suritha Naicker, Ethekwini Leather, Durban, KZN, SA.
03/07/1971: Steven Coetzee, Safety Smart, Pinetown, KZN, SA.
03/07/1949: Pieter Coetzee, Assegaay Bosch Ranch, Van Wyksdorp, W. Cape, SA.
03/07/1975: Michelle van Emmenes, Paris Belts, Johannesburg, Gauteng, SA.
04/07/1952: Eddie Lahee, formerly Shoeparma [closed], Durban, KZN, SA.
04/07/1965: Warren Wareing, Island Style, Durban, KZN, SA.
04/07/1967: Martin MacGregor, Bay Solutions, Port Elizabeth, E. Cape, SA.
05/07/1977: Clare Jones, Zip-Code, Umlhanga, KZN, SA.
05/07/1941: Judy Powell, formerly Footwork, Johannesburg, Gauteng, SA, retired to Uvongo, KZN, SA.
06/07/1974: Gary Gilder, formerly Bolton Footwear, Cape Town, W. Cape, SA.
07/07/1953: Khalit Ghoor, Hagels, Brits, N.W. Province, SA.
07/07/1955: John Kotze, Designer Marketing Int. Johannesburg, Gauteng, SA.
07/07/1965: Lenette van Vuuren, Incredible Shoes, Ladysmith, KZN, SA.
07/07/1965: Anil Rupnarain, Michelle Footwear, Durban, KZN, SA.
07/07/1966: Sakkie Kriel, Vellie Boutique, Boksburg, Gauteng, SA.

In memoriam this week

- 01/07/2016: Matthew Barnard (b. 07/05/1936), Stanhope Boot & Shoe, Pinetown, KZN, SA.
02/07/1997: Clemente Villani, Villani Shoes, Johannesburg, Gauteng, SA.
02/07/2010: Justin McCarthy (b. 29/01/1958), Groundcover, Curry's Post, KZN, SA.
02/07/2019: Cecil Hansen (b. 08/01/1936), C.L. Hansen Agencies, Durban, KZN, SA.
03/07/2021: Debbie Ditchfield (b. 15/10/1975), machinery agent, Hillcrest, KZN, SA.
04/07/2010: Kasieprasad Pattundeen (b. 29/12/1924), Palm Footwear, Durban, KZN, SA.
06/07/1999: Norman Berrill, Jack & Jill [closed], Port Elizabeth, E. Cape, freelance designer, Durban, KZN, SA.
06/07/1965: Eric Waterworth, King Tanning Company [closed], Pietermaritzburg, KZN, SA.
06/07/2020: Malcolm Novos (b. 28/04/1949), Economic Shoe Store, Paarl, W Cape, SA.
07/07/1993: Rob Scallan, Tufex, Port Elizabeth, E. Cape, SA.

Have you let us know about your birthday, or the birthdays of your colleagues? Our readers love this section, so please become part of it. This also applies to the In Memoriam section. Help us remember former colleagues.

Advertisement for 'The Monthly At a Glance' featuring Trade Fairs, Seminars, Conferences, and Range Launches.

Calendar for JUL 2024 showing days of the week and dates from 1 to 31.

Advertisement for 'The Online Directory' presented by S&V, featuring an abridged open-to-view online directory.

Exchange rates

Note: For previous rates, see HERE

1. SA Rand (ZAR)/Lesotho Loti (LSL)/Namibian Dollar (NAD)/Swazi Lilangeni (SZL)

Source: http://www.x-rates.com/calculator/

Table showing exchange rates for SA Rand (ZAR) against Euro, GBP, US\$, and CNY.

2. Botswana Pula

Source: https://www.xe.com/currencyconverter/

Table showing exchange rates for Botswana Pula against Euro, GBP, US\$, and CNY.

3. Malawian Kwacha (MWK) (buying)

Source: https://www.rbm.mw/

Table showing exchange rates for Malawian Kwacha against Euro, GBP, US\$, and ZAR.

4. Zambian Kwacha (ZMW) (buying)

Source: https://www.boz.zm/

Table showing exchange rates for Zambian Kwacha against Euro, GBP, US\$, and ZAR.

5. Zimbabwe Dollar (ZWL\$) (average) / Zimbabwe Gold (ZIG)

Source: Source: https://www.rbz.co.zw/

Table showing exchange rates for Zimbabwe Dollar against Euro, GBP, US\$, and ZAR.

Note: For previous rates, see HERE

ABSA Agri Trends: Hides & skins prices

Johannesburg, Gauteng, SA (27 June 2024) - The average hide price decreased by 0.41% to 3.214/kg from R3.2/kg a week ago. The current price is 0.09% higher than the average price a month ago and 4.9% lower than the average price a year ago.

Note: For previous prices, see HERE

Have a look at these links

We invite businesses to send us links to websites, Facebook pages and the like which they feel would be of interest to others. The links below are from our database:

- Swanks, Mbabane, eSwatini. Women's clothing.
Swanky Modes, Durban, KZN, SA. Women's boutique.

THIS WEEK LAST YEAR!

Eddels GM Steven Jacobs provided an update after 3 months under new ownership.
Ian Carroll had recently joined clothing business FS Trading to set up a footwear range.
Former Eddels GM Craig Bowes was "doing some work for Celrose at the moment".

THIS WEEK FIVE YEARS AGO!!

Retailers feedback for the previous week was not great with a slight tinge of optimism.
Llewellyn Whitfield refuted rumours that Corbeau cc was closing.
Jody Henry had left Bolton Footwear to join The Basic Group.
Hayley Roberts had joined Labora Shoes as a designer for its women's fashion brands Flourish and ICHUME.
Jirka Vymetal announced that the SAFLIA AGM was to remain in KZN.

READ IT HERE - S&V WEEKLY NEWSLETTER VOL 9 NO 27, JULY 03 2023

NEWSLETTER ARCHIVE

All the past S&V Weekly Newsletters from January 2016 onwards are available in the newsletter archive. VIEW THE ARCHIVE - CLICK HERE

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Contact us

News & Classifieds: Tony Dickson, +27 (0)31 209 7505, tony@svmag.co.za

Next newsletter: July 8, 2024. Ad and editorial deadline Friday 5 July.

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