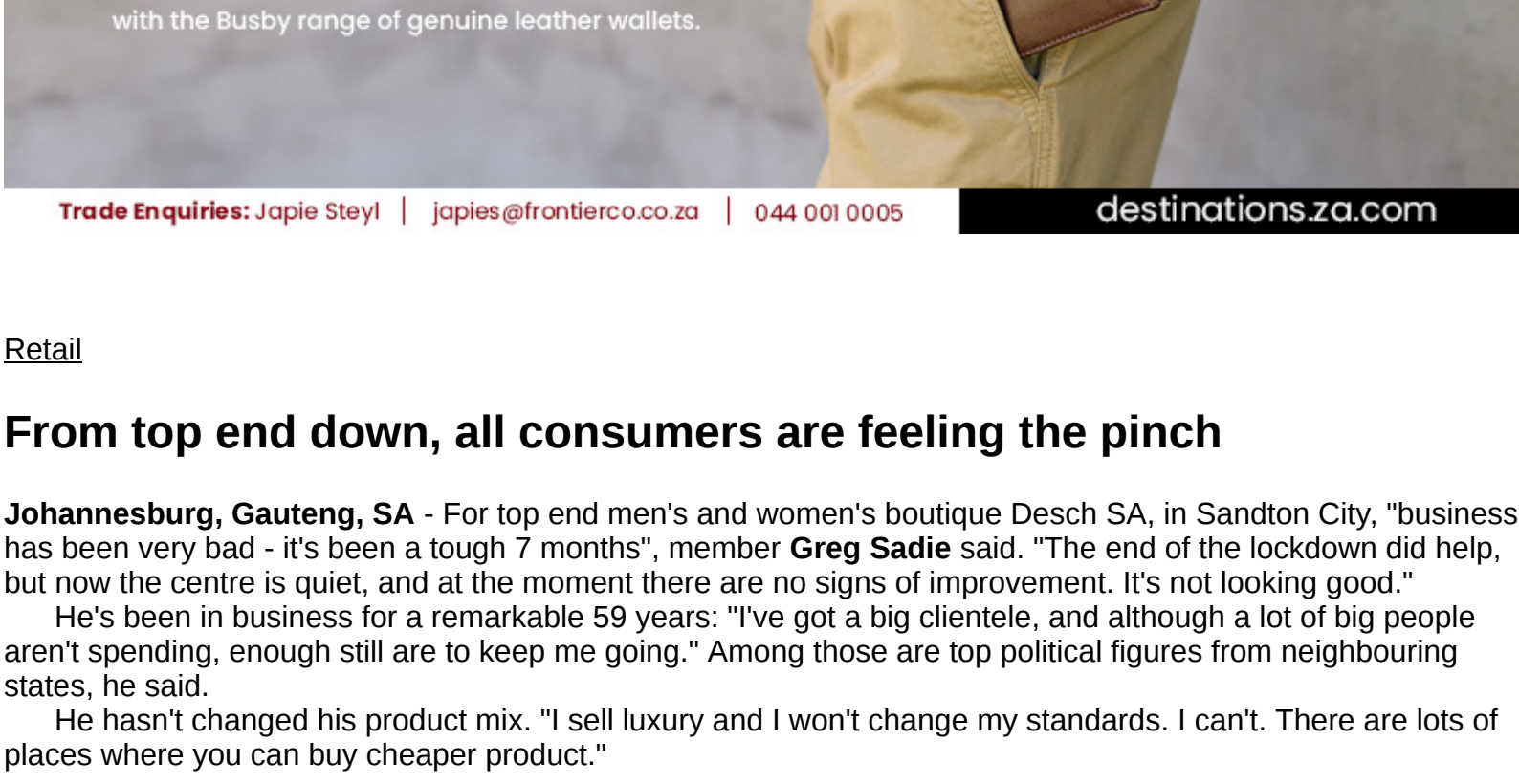


**S&V Weekly Newsletter Vol.8 No.31, August 1 2022**

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**Retail**  
**From top end down, all consumers are feeling the pinch**  
**Johannesburg, Gauteng, SA** - For top end men's and women's boutique Desch SA, in Sandton City, "business has been very bad - it's been a tough 7 months", member **Greg Sadie** said. "The end of the lockdown did help, but now the centre is quiet, and at the moment there are no signs of improvement. It's not looking good."  
"He's been in business for a remarkable 59 years: "I've got a big clientele, and although a lot of big people aren't spending, enough still are to keep me going." Among those are top political figures from neighbouring states, he said.  
He hasn't changed his product mix. "I sell luxury and I won't change my standards. I can't. There are lots of places where you can buy cheaper product."

**Pretoria, Gauteng, SA** - Pretoria's CBD is experiencing an ongoing drop in the number of potential shoppers, leading retailers facing difficult decisions, according to **Dhirendra Bhoola**, a partner in the men's outfitting group trading as Danny's Outfitters, Modern Tailors & Outfitters, Hardy's Outfitters, Benares Tailors, and Modern4U.  
"More and more government departments are moving out of the centre of town," he said. "I've also noticed that the private colleges are moving, too." Government workers and students are prime shoppers for Danny's.  
"There are more and more quiet days," he said. "The surge in shopping around pay day is getting shorter and shorter. It's now easy to get street parking, which was unheard of before."  
The item of lay-by cancellations had increased. "Unemployment is really hitting us now," he said. "Mostly we're waiving the 10% cancellation fee on lay-bys. They need that money."  
Rising transport costs meant a taxi trip from Atteridgeville township to the CBD cost R25, and a round trip from Hammanskraal cost R100.  
The environment had worsened. "Where there used to be 1 lane of hawkers on the pavement outside our shops, there are now 3, and the filth and stench are terrible."  
An obvious solution is to move, "but I don't think our core customer base, older men shopping for formal wear, will move with us to shopping centres. I don't know if we could survive in a mall."  
He said January and February had been on a par with last year, March and April had been 5% up in revenue but down on units, May and June had been "very tough", and down by 4% and 10% in terms of revenue and units.  
He said the stores opened at 8 on Saturdays, but that "sometimes the first customer will only come in after 11". As a result, the closing hours have been extended to 3 pm.  
Danny's has reduced mark-ups on some items from 50 and 55% to 40 and 45%, and it has reduced its buy to around 30% of normal at this time of year.  
For all that, he does see a future for the CBD. "At the moment, they're hanging in there. This is what I know, and what I've been doing for 49 years. And there is investment in the area. A landlord has just spent R60 million on an upgrade for Shoprite, which must have signed a long lease."

**Johannesburg, Gauteng, SA** - "It's very erratic," said **M.H. Abdulla** of men's outfitter Casual Affair in the Oriental Plaza, Forstburg. "Sometimes week days are busier than weekends, and sometimes it's the other way around. You can't predict what it will be like, but overall, it's fair."

**Stock Exchange News Service (SENS)**  
**Mr Price trading update**

**Q1 up 7%**  
**Cape Town, W. Cape, SA** - During the first quarter from 03 April 2022 to 02 July 2022 of the financial year ending 01 April 2023, the group recorded growth in retail sales and other income of 7.0% to R6.6bn. Total retail sales of R6.6bn grew 6.4% and other income increased 25.5% to R270m. "The group is comforted by the increasing momentum in the second half of the first quarter and believes that it is well positioned to capitalise on opportunities during the rest of FY23. Sales growth for the first three weeks of July 2022 was 18.4%, which effectively takes sales growth for 3 April to 23 July to 8.2%."

**Pepkor - voluntary trading update**  
**Patchy recovery**  
**Cape Town, W. Cape, SA (Thu 28 Jul 2022, 15:06)** - Pepkor continued to achieve satisfactory trading performance for the 3 months ended 30 June 2022 in context of the comparable quarter last year (3 months ended 30 June 2021). Group revenue for the 9 months ended 30 June 2022 increased by 3.9% to R62.5 billion. Overall, trading during the third quarter was volatile and included very strong trading in April 2022, a soft May 2022 followed by a decent recovery in trading during the second half of June 2022. This recovery strengthened further into July 2022.

**TFG - Q1 FY23 trading update & acquisition update**  
**'Strong start to year'**  
**Cape Town, W. Cape, SA (Thu 28 Jul 2022, 15:06)** - The Group had a strong start to the 2023 financial year, despite facing several headwinds. In South Africa there were increased levels of load shedding leading to lost trading hours, and trading was also impacted by the non-payment of the COVID-19 social relief of distress grant. The weakening exchange rate and increased inflationary pressure put further pressure on consumer spending.  
Shareholders of TFG are referred to the announcement released by the Company on the JSE Stock Exchange News Service on 7 March 2022 advising that the Company had entered into a sale and purchase agreement to acquire the entire issued share capital of Tapestry Home Brands (Pty) Ltd. for a purchase consideration, subject to certain adjustments, of R2.35 billion.  
Shareholders are hereby notified that all conditions precedent to the Transaction have either been fulfilled or waived as set out in the SPA, it being noted that the approval from the relevant competition authorities was obtained. Accordingly, the Transaction is now unconditional in accordance with the terms of the SPA and is envisaged to be implemented with an effective date of 1 August 2022.

**Outlook** The Group continued to invest in its key strategic initiatives to further strengthen its differentiated business model. It has made progress on its key strategic objectives, especially that of growing the value segment contribution further and its speciality brand business portfolio which remains very well positioned for further organic and inorganic growth, supported by a strong Group balance sheet.  
In light of the current macroeconomic conditions, the ongoing rise in input costs, rising interest rates and a weaker exchange rate, we expect the consumer to remain under pressure. There will be a continued focus on further improving gross profit margins during the second half, expense control, working capital management and disciplined capital allocation whilst continuing to invest in growth (growth mindset).  
Trade since the end of the quarter has been encouraging across all trading territories. For the first three weeks of the July 2022 trading month TFG Africa had retail turnover growth of 27.3%, TFG London had growth of 5.3% (GBP) and TFG Australia had growth of 72.8% (AUD).

**AVI - trading statement**  
**Footwear revenue up, despite lower volumes**  
**Johannesburg, Gauteng, SA (Wed 27 Jul 2022, 10:39)** - A tough macro environment for our consumers, the July riots, substantial challenges in supply chains globally and domestically, the operational disruptions caused by load-shedding, and material input cost inflation in the second semester underscored a difficult financial year for the Group. Group revenue increased by 4.3% and was supported by a combination of improved sales volumes in key categories and price increases to ameliorate significant cost pressures.  
Apart from I&J, revenue growth was achieved in all categories with demand in Snackworks and Entyce generally resilient despite the price increases needed to protect gross margins. Personal care revenue was 17.7% higher in the second semester versus the prior year, supported by easing lockdown restrictions, albeit still well below pre-COVID levels. Second Semester revenue in the footwear and apparel brands grew 14.0% with an improved sales mix, despite lower volumes and supply chain constraints, and the benefit of the ongoing improvement in like for like sales in the Green Cross brand. I&J's revenue for the year declined, with lower fish volumes, and the impact of a stronger Rand on export revenues, partially offset by a sustained post COVID recovery in the abalone category, with improved pricing and demand in key Asian markets.  
Gross profit margins for the year were largely protected by hedging disciplines and price increases. Input cost pressures were acute in both the Entyce and Snackworks businesses and selling price increases were managed effectively but did not fully recover the impact of higher input costs, lowering gross margins marginally for the full year. Selling and administration costs for the year increased by 1.5% with the insurance proceeds recognised in the first semester supported by tight cost management across the group.  
It is expected that AVI will release its full year results for the year ended 30 June 2022 on or about 5 September 2022.

**Vans, Dickies slump, The North Face shines in VF Corp. first quarter**  
**Denver, USA (28 July 2022)** - VF Corporation revenue rose 3% according to financial results for its first quarter (Q1 FY23) ended 02 July 2022. Its biggest brand, Vans, was down 7%, and its 4th biggest brand, workwear brand Dickies, was down 15%. Its 2nd and 3rd biggest brands, The North Face and Timberland, were up 31% and 8% respectively.  
In an interview published on Friday, Footwear News said: "To reignite the heat at Vans, VF Corp. recently tapped a familiar face to lead the brand: **Kevin Bailey**, who was president of Vans from 2009 to 2016 and most recently served as EVP of VF's Asia-Pacific business."

(Dollars in millions)	2022	2021	% change	% change constant currency
Vans	946.8	1019.9	(7)%	(4)%
The North Face	481.1	366.2	31%	37%
Timberland	269.5	249.4	8%	14%
Dickies	170.4	199.3	(15)%	(13)%
Other brands	393.9	359.8	9%	16%
<b>VF Revenue</b>	<b>2261.6</b>	<b>2194.6</b>	<b>3%</b>	<b>7%</b>

**Competition Tribunal**  
**TFG, Tapestry deal gets go-ahead**  
**Pretoria, Gauteng, SA** - The Competition Tribunal has conditionally approved the large merger whereby The Foschini Group Limited intends to acquire Tapestry Home Brands (Pty) Ltd. Upon the implementation of the proposed transaction, TFG will exercise sole control over Tapestry. The TFG Group is an independent chain-store group with a diverse portfolio of fashion retail businesses offering clothing, jewellery, cell phones, accessories, cosmetics, luggage, sporting apparel and equipment, homeware and furniture. The Tapestry Group is a manufacturer and retailer of household textiles, furniture and bed sets and mattresses. The Tapestry Group also offers a portfolio of popular home furnishing consumer brands.

**Fairs & Events**  
**APLF to hold fairs in Bangkok in October**  
**Hong Kong** - APLF last week announced it would hold "special editions" of APLF-Leather, Exhibitors+ and Fashion Access in Bangkok, Thailand, from 19-21 October this year. "Throughout the 3 days, materials will be invited to join different business matching sessions, with each different themes, to meet buyers," it said in a release. As examples of themes, it mentioned footwear materials and metal-free leather.  
It said there would be "onsite education programme and workshops, which are part of APLF's Next Leather Goods Designer Programme for fashion buyers, designers and professionals. Sign up for Leather Fundamental Course and Material Trend Course to obtain certificates."  
"Experience the possibility of our beloved material. See how they are produced, touch and feel the trend, and appreciate that creativity of local designers."  
"An intensive 3 days covering the whole leather and fashion goods supply chain, during which transactions and networking happen at the new venue."

**They Said It**  
**"I'm not like you. I've got to put food on the table the hard way."** -National Clothing Retail Federation of SA (NCRF) executive director **Michael Lawrence**, in Cape Town, W. Cape, SA, about to join another Teams meeting at 17.30 on a Thursday.

**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](mailto:tony@svmag.co.za)

01/08/1935: **Bvan Jack**, retired, formerly Beta Zimbabwe and LAIFEZ, Harare, Zimbabwe.  
02/08/1954: **Ben Haaburger**, MD, Paris Belts, Johannesburg, Gauteng, SA.  
02/08/1946: **Burt Coburn**, ?, Cape Town, W. Cape, SA.  
02/08/1971: **JJ du Plessis**, Strassbergers, Clanwilliam, W. Cape, SA.  
02/08/1991: **Samantha du Plessis**, retired, Chillisource, Durban, KZN, SA.  
03/08/1941: **Rolf Haesloop**, retired, formerly Haesloop Agencies, Pinetown, KZN, SA.  
03/08/1927: **Fazel Allie**, Arma Trading, Botswana.  
03/08/1928: **Gerry Elder**, retired, Cape Town, W. Cape, SA.  
05/08/1933: **Roberto Marchesi**, designer, Cape Town, W. Cape, SA.  
05/08/1992: **Barry Selby**, The Athlete's Foot, Cape Town, W. Cape, SA.  
05/08/1953: **Iqbal Moosa**, Jumbo Footwear, Pietermaritzburg, KZN, SA.  
05/08/1964: **Christo Nel**, Conlco Joinery, Welkom, Free State, SA.  
05/08/1979: **Deepesh Ghela**, National Adhesive Manufacturers, Pietermaritzburg, KZN, SA.  
06/08/1953: **Naren Pattundeen**, Palm group, Durban, KZN, SA.  
06/08/1951: **Marius Ferreira**, retired, formerly Bolton Footwear, Great Brak River, W. Cape, SA.  
06/08/1942: **Mohamed Farouk Moosa**, Seedat, Prince International, Durban, KZN, SA.  
06/08/1959: **Mano Chetty**, Borage Trading, Pinetown, KZN, SA.

03/08/1999: **Otto Guldimmann** (b. 2/10/1922), Cellini [closed], Cape Town, W. Cape, SA.  
03/08/1992: **Malcolm Kueghn**, Hi-Tec Sports, Johannesburg, Gauteng, SA.  
03/08/2007: **Noel Amery** (b. 05/09/1944), Western Tanning and Michelle Footwear, Durban, Clarens Leather [closed], Clarens, Free State, SA.  
04/08/2006: **Peter Gibbings** (b. 31/01/1922), Apeco, Port Elizabeth, E. Cape, SA.  
05/08/2002: **Darryl Austin** (b. 21/02/1947), Austin Shoes, Karmino Shoes [both closed], Pietermaritzburg, KZN, SA.  
06/08/2012: **Bob Johnson** (b. ?), Picannini Shoes [closed], footwear designer, Durban, KZN, SA.  
06/08/2021: **Ben Peters** (b. 30/09/1934), Tufftex, 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.

AUG 2022						
SUN	MON	TUE	WED	THU	FRI	SAT
	1 FFANY T...	2 FFANY T...	3 FFANY T...	4 FFANY T...	5 FFANY T...	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31 ACLE 20...			

**Directory entries updated last week**  
Buy-Rite, Alberton, Gauteng, SA.  
Danny's Outfitters, Pretoria, Gauteng, SA.  
Desch SA, Johannesburg, Gauteng, SA.  
Groundcover Leather Co., Curry's Post, KZN, SA.  
Island Style, Durban, KZN, SA.  
Jordi & Elli (Pty) Ltd, Cape Town, W. Cape, SA.  
JTC Enterprises, Strand, W. Cape, SA.  
K.G. Chapaner & Co. (Pvt) Ltd, Gweru, Zimbabwe.  
Max-Cowell (Pty) Ltd, Port Elizabeth, E. Cape, SA.  
Praxmy, Pretoria, Gauteng, SA.  
RNT Footwear Manufacturing (Pty) Ltd, New Germany, KZN, SA.  
Shadows Group, Durban, KZN, SA.

**New subscribers last week**  
**Kay Yang**, Fino, Johannesburg, Gauteng, SA.  
**Mandi Visser**, Frangipani Leathers, Mtwalume, KZN, SA.  
**Yasmin**, Who Owns Whom, Cape Town, W. Cape, SA.  
**Gert Muller**, Sonop, Bethlehem, Free State, SA.  
**Jannie**, Iron Bridge Agencies, Johannesburg, Gauteng, SA.  
**Lucky Yasna Maturure**, agent, Pretoria, Gauteng, SA.  
**Pransy Nagar**, AmaCerts Nelspruit, Mpumalanga, SA.  
**Chris de Bruyn**, Excelstor Leather, Potchefstroom, N.W. Province, SA.  
**Tasneem Alexander**, Adri du Plessis, Liliane Fourie, Marlon Gertse, Carin Grobbelaar, Ermense van Rensburg, Stema Hickman, Desmond le Fleur, Ameer Khan, Julia Paulse and Timothy Vermeulen, Bolton Footwear, Cape Town and Great Brak River, W. Cape, SA. All of these folk, and others, were previously on an internal mailing list compiled by Gerda Rappard, former secretary to retired Bolton Footwear MD Alan Fleetwood. I had no idea.

**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/>  
Euro € GBP £ US \$ CNY ¥  
30/07/22 R16.94 R20.18 R16.57 R2.45

2. Botswana Pula (BWP)  
Source: <https://www.xe.com/currencyconverter/>  
Euro € GBP £ US \$ CNY ¥  
30/07/2022 12.91 15.38 12.63 1.87

3. Malawian Kwacha (MWK)  
Source: <https://www.xe.com/currencyconverter/>  
Euro € GBP £ US \$ CNY ¥  
30/07/2022 1042.55 1241.74 1019.55 151.17

4. Zambian Kwacha (ZMW)  
Source: <https://www.xe.com/currencyconverter/>  
Euro € GBP £ US \$ CNY ¥  
30/07/2022 16.84 20.06 16.47 2.44

5. Zimbabwian Dollar (ZWL\$)  
Source: <https://www.xe.com/currencyconverter/>  
Euro € GBP £ US \$ CNY ¥ Official US\$  
30/07/2022 370.06 440.76 53.66 443.88

Note: For previous rates, see [HERE](#)

**ABSA Agri Trends: Hides & skins prices**  
**Johannesburg, Gauteng, SA (28 July 2022)** - The current average hide price increased slightly by 0.2% to R4.12/kg from R4.11/kg a week ago. The current price is 0.2% higher than the average price a month ago and is 49.7% lower than the average price a year ago. The range of prices reported was as follows: Minimum price: R4.00 Maximum price: R5.00. Please note: Our methodology weighs the prices we collect according to the number of hides they sell in a month. This is done to make it more representative of the prevailing market price. NB\* Hide prices are determined by the average of the RMAA (Red Meat Abattoir Association) and independent companies. - **Marlene Louw**, senior agricultural economist, and **Nkhensani Mashimbyi**, agricultural economist, Absa group.  
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:  
[Hartenbos Sport](#), Hengel & Buitelewe, Hartenbos, W. Cape, SA. Sport & outdoor goods retailer.  
[Hashtagleather](#), Durbanville, W. Cape, SA. Leather goods manufacturer.

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