

S&V Weekly Newsletter Vol.8 No.41, October 10 2022

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Zimbabwe: Too soon to talk about green shoots, but 'some signs of improvement'

Harare, Zimbabwe - There haven't been many positive signs from Zimbabwe for a long time, but parts of the leather value chain are showing incremental improvements, according to **Michelle Wilson** of Prime Sole.

For one thing, the number of soles being manufactured annually is definitely on the rise, and the skill set in shoe making has risen over the past decade.

For another, some of the dozens of informal footwear manufacturers have grown to the extent that they should now be viewed as formal.

"There are some very talented shoemakers out there," she said, singling out footwear manufacturers Millenium Footwear and Shoe Pack in Bulawayo.

And school shoes - with safety footwear and 'Christmas shoes', 1 of the 3 pillars of the Zimbabwean footwear industry - are doing well, she said. "We have 4 different school shoe moulds, and we're working on another. Despite everything, the industry is growing."

She said the country's informal sector was very big. "Official unemployment here is around 90%, so the informal sector has become immeasurable."

Other signs of improvement include "quite a lot" of repairs to major roads - which has been matched by the informal sector: in some suburbs, residents pay people to repair their roads.

A Zimbabwean Government initiative has been to mint and sell 9 500 gold coins, raising around Z\$7 billion, she said. The government had hoped to sell them for US dollars, but buyers preferred to use local currency. "It pulled back the rate between US and Zim dollars. We were heading for hyper inflation again, but the rate has been stable for 5 or 6 weeks. It's brought about a slight upturn and a corresponding decrease in inflation."

AVI results for the year ended 30 June 2022

Pairs down, profit up

For the full report, go [Here](#)

Revenue in the Footwear & Apparel businesses grew 3.1% despite lower volumes, the impact of the unrest in July and supply chain constraints, benefitting from higher selling prices, an improved sales mix and the ongoing improvement in like-for-like sales in the Green Cross retail stores.

	Segmental revenue			Segmental operating profit		
	2022	2021	%	2022	2021	%
	Rm	Rm	Change	Rm	Rm	Change
Fashion brands	2 687,5	2 618,9	2,6	495,9	400,8	23,7
Personal care	1 176,5	1 152,9	2,0	193,4	170,4	13,5
Footwear & Apparel	1 511,0	1 466,0	3,1	302,5	230,4	31,3

Footwear & Apparel (including Spitz, Green Cross and Gant)

Revenue increased by 3.1% to R1.51 billion mainly due to higher selling prices and an improved sales mix, partially offset by lower sales volumes. Operating profit improved from R230,4 million to R302,5 million, with the operating profit margin increasing from 15,7% to 20,0%.

Footwear sales volumes declined 8,7% with the trading performance negatively impacted by the July unrest, stock availability challenges through the first semester and unplanned power outages that affected some trading. Demand in the second semester was buoyed by the easing of lockdown restrictions, improved stock availability and well-received summer and winter ranges. The ongoing review of the Green Cross retail footprint led to the closure of several under-performing Green Cross stores and impacted total revenue for the period. Like-for-like sales in Green Cross improved by 28,9%, supported by growth of 14,6% in footwear volumes and higher selling prices.

Gross profit margins improved despite stock write-offs of R19,5 million in the first semester due to the July unrest. Selling and administrative costs were 5,1% lower than last year, reflecting the recognition of insurance proceeds and the benefit of ongoing restructuring initiatives.

They Said It

"I have decided to close down my business at the end of the year and enjoy the time allocated for retirement. I had an amazing career but it is very depressing to hear how the local footwear industry is currently doing and reading this newsletter every week adds to the depression. So to all the friends and enemies I made over the past 50 years, the memories will always be better than the present. To those stuck in the industry I wish you well." - Brian Zyster, Tanielz Leather Products, Cape Town, W. Cape, 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

- 10/10/1943: **Jamloot Bhagwandeem**, retired, formerly Dick Whittington Shoes, Pietermaritzburg, KZN, SA.
- 10/10/1950: **Allen Beckley**, Naked Feet, Durban, KZN, SA.
- 10/10/1951: **Paul Muir**, Pasacojo Marketing, Cape Town, W. Cape, SA.
- 10/10/1968: **Luke Barrett-Smith**, Puma SA, Cape Town, W. Cape, SA.
- 10/10/1968: **Nicole Benders**, Prime Leathers, Pinetown, KZN, SA.
- 11/10/1956: **Anita van Wyk**, Shoe 4 U, Hartswater, N. Cape, SA.
- 11/10/1965: **Delene Kapperer**, Sisterhood, Pretoria, Gauteng, SA.
- 11/10/1965: **Naresh Dewchan**, Austin Footwear.
- 12/10/1946: **Siva Pillay**, Verora Paints, Chatsworth, Durban, KZN, SA.
- 12/10/1962: **Ronell Fromke**, Super Shoes, Windhoek, Namibia.
- 12/10/1966: **AM 'Buddy' Seedat**, Jino's Clothing, Johannesburg, Gauteng, SA.
- 12/10/1972: **Nagesh Pillai**, formerly Gray Road (closed), Chatsworth, Durban, SA.
- 13/10/1958: **Ahmed Shaikh**, Young Ideas, Greytown, KZN, SA.
- 14/10/1947: **Rodney Bryant**, A Greenaways, Cape Town, W. Cape, SA.
- 14/10/1963: **Siraj Ahmed Hassim**, Classic Hawkers Centre, Laudium, Gauteng, SA.
- 14/10/1964: **Marienne Joubert**, formerly Edcon (closed), Durban, KZN, SA.
- 15/10/1949: **Shirleen McCulloch**, retired, formerly Bolton Footwear, Oudtshoorn plant, W. Cape, SA.
- 15/10/1956: **Joseph Chiang**, Sogo Trading, Cape Town, W. Cape, SA.
- 15/10/1967: **Mohammed Reyaz Moosa**, Selrite Fashions, Kempton Park, Gauteng, SA.
- 15/10/1992: **Umesan Gopal**, Shoelissource, Durban, KZN, SA.
- 15/10/19???: **Corrie Jurkewitz**, Sholes & More, Gansbaai, W. Cape, SA.
- 16/10/1946: **Hannes Harding**, FC&T Supplies, Pretoria, Gauteng, SA.

- 11/10/1994: **Eric Ahlfeldt**, Pelco, Port Elizabeth, E. Cape, SA.
- 12/10/2012: **John Austin Rice** (b. 17/06/1938), Courteney Boot, Bulawayo, Zimbabwe.
- 12/10/2001: **Flaviano 'Fluffy' Bernardis** (b. 11/12/1944), Andreoli Shoes, Pinetown, KZN, SA.
- 13/10/2014: **Kaps Singh** (b. 08/04/1957), Famous Shoes, Pietermaritzburg, KZN, SA.
- 13/10/2020: **Peter John Berry** (b. 18/12/1935), retired, formerly Woolworths, Cape Town, W. Cape, SA.
- 15/10/19???: **Walter William 'Wally' Ballard** (b. 28/11/1948), Reptile Trading Co, Cape Town, W. Cape, SA.
- 15/10/2016: **Des de Wet** (b. 03/12/1940), agent, Amanzimtoti, KZN, 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.

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

New subscribers last week

- Shamima Khan**, Bloemfontein, Free State, SA.
- Grant McEvoy**, agent, Cape Town, W. Cape, SA.
- Emmeline Love**, Ladysmith, KZN, SA.
- Saul**, leather technology lecturer, Kyambogo University, Kampala, Uganda.

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 ¥
08/10/22	R17.63	R20.08	R18.10	R2.54

2. Botswana Pula (BWP)

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

	Euro €	GBP £	US \$	CNY ¥
08/10/2022	12.93	14.72	13.27	1.86

3. Malawian Kwacha (MWK)

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

	Euro €	GBP £	US \$	CNY ¥
08/01/2022	992.01	1129.81	1018.41	143.16

4. Zambian Kwacha (ZMW)

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

	Euro €	GBP £	US \$	CNY ¥
08/10/2022	15.49	17.65	15.91	2.23

5. Zimbabwean Dollar (ZWL\$)

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

	Euro €	GBP £	CNY ¥	Official US\$
08/10/2022	352.51	401.48	50.87	626.97

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

ABSA Agri Trends: Hides & skins prices

Johannesburg, Gauteng, SA (06 October 2022) - The current average hide price remained unchanged at R4.64/kg from a week ago. This (current price) is the same as the average price a month ago and 26.0% 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 weights 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:
[Hockeyshop.co.za](#), Cape Town, W. Cape, SA. Online retailer specialising in hockey gear.
[Holiday Harbour Bay](#), Plettenberg Bay, W. Cape, SA. Women's boutique.

Classified Adverts

Sewing Machine Mechanic/Technician seeks position

PREMCHAND HARIPERSAD. I have 34 years combined experience as a machinist/mechanic. Currently a qualified sewing machine mechanic. My qualification was obtained at 'London City of Guilds Institute'.

During my tenure in the industry I have serviced and fixed high quality machinery that production depended on. Passion and skill for the industry assisted me in obtaining world class experience which I thoroughly enjoy not just as a job but more as my hobby. This allows me to exceed expectations of technical demands and standards ensuring maximum production at all times. Based in Durban CV available +27 78 151 7752 +27 67 047 3952 haripersadpremchand@gmail.com

Contact us

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Next newsletter: October 17, 2022.

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