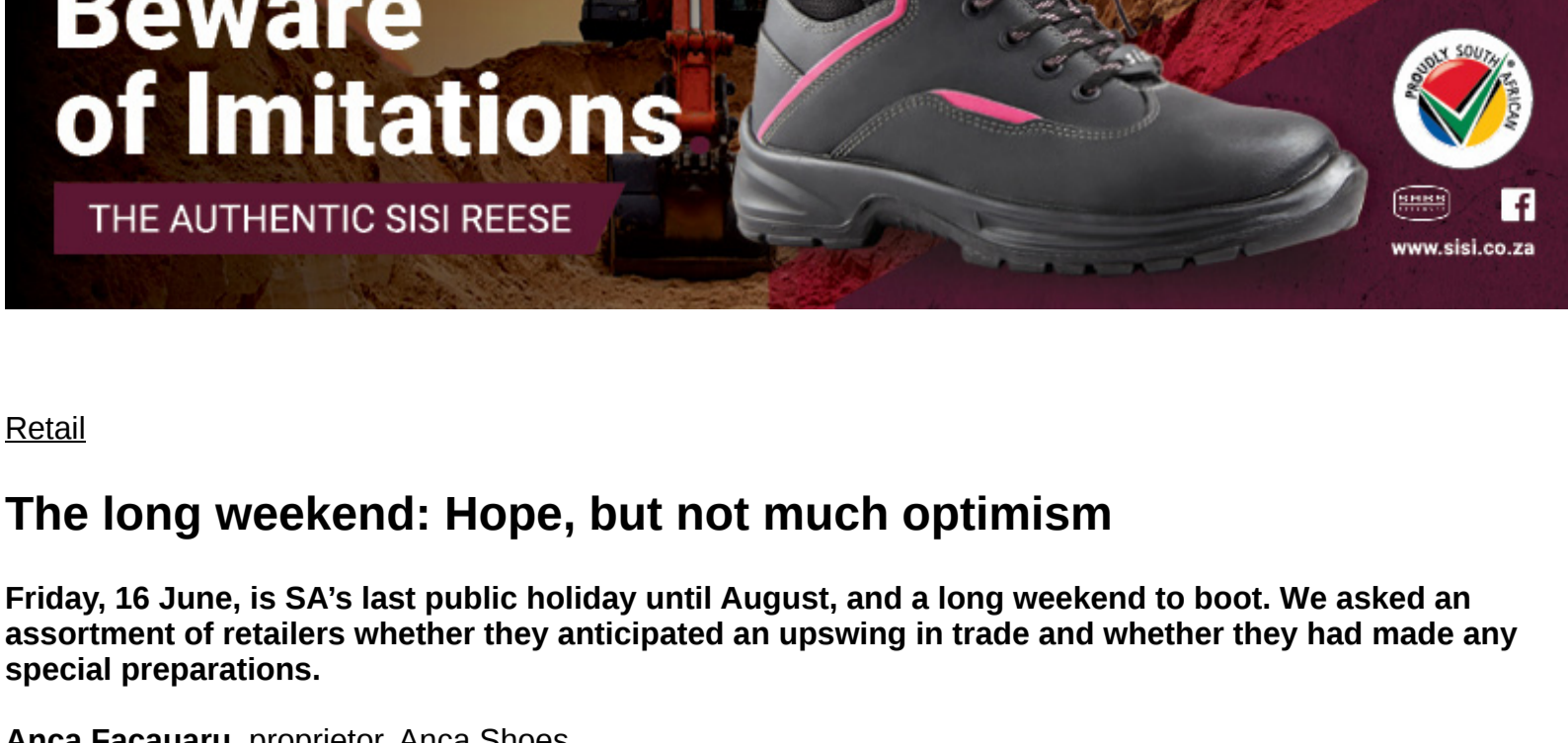


S&V Weekly Newsletter Vol.9 No.24, June 12 2023

THIS NEWSLETTER IS SPONSORED BY SAFLIA
 We help keep local footwear manufacturing alive - Click to find out how.

Please note: Click on any ad to go to the advertiser's website



Retail

The long weekend: Hope, but not much optimism

Friday, 16 June, is SA's last public holiday until August, and a long weekend to boot. We asked an assortment of retailers whether they anticipated an upswing in trade and whether they had made any special preparations.

Anca Facaru, proprietor, Anca Shoes
Kempton Park, Gauteng, SA - Things are very quiet, with people not having money to spend (shoes are a luxury today). The load shedding, price increases because of the Rand depreciation against the Dollar, high unemployment, all make it very hard to operate, but I'm trying to do the best I can to keep the shop open.

Kelli Kupritz, Marketing Director, Dodo Shoes
Johannesburg, Gauteng, SA - June has started off well for both Dodos and Franco stores. We don't foresee any uptick in trade over the long weekend, in fact quite the opposite; these long weeks in our experience are not good for retail as our customers use their money to travel instead of buying shoes. Load shedding continues to affect our business daily, with certain stores without electricity for hours on end. But saying all of this we remain positive and focused on the things we can control and not those we can't.

Sunil Bhagwandas, member, Gingers International [Ginger Bhagwandas cc]
Durban, KZN, SA - We are hoping for an uptake in trade over the long weekend, and we are opening all 4 stores on 16 June. Winter trade has been challenging and unpredictable. The negative macroeconomic factors in SA are impacting on the mood of consumers. Competing with aggressive chain stores, factory shops, foreign stores and price cutting independent retailers makes it hard, to say the least.

We're an independent retailer and must persevere to do our best for our customers.
 I hope the second half is more positive.

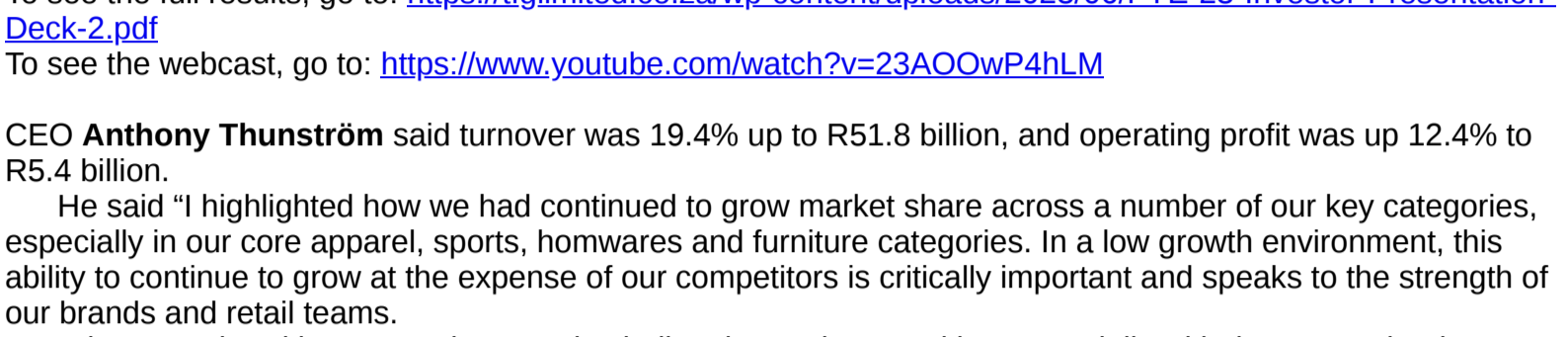
Ralph Pereira, partner, Limited Edition
Cape Town, W. Cape, SA - We keep chugging along. Our consumers are mid-market, and they're cash-strapped, so we might not get much response in the middle of the month. We prepare for month-end, and the reps we speak to say other retailers are finding the same. Shoppers are being very conservative, and our strategy is to be consistent.

Cheryl Kretschmer, Group Buyer, Spargs Group
East London, E. Cape, SA - The situation in the Eastern Cape is one of customers buying their needs rather than wants. This can be seen in the steady sales of items such as school shoes, workwear boots and gumboots. Men's shoe sales continue to exceed ladies' sales. We received late deliveries last year from some of our major brands and carried this stock over for winter. We certainly did not buy in much additional stock for men this winter. Ladies' remains a price competitive market.

Although winter is normally a quiet season, this March and April were particularly quiet. Customers seem to have purchased their winter merchandise later than normal.

There has been a slight upswing in sales for May. June so far looks promising.

We remain optimistic for summer even with the combined challenges of the rand exchange rate and the delay in deliveries of product from suppliers due to loadshedding. Let's hope the ports don't have a glitch in October/November.



www.saddlerbelts.co.za / info@saddlerbelts.co.za +27 (0)31 569 3951

TFG results: The strong get stronger

Cape Town, W. Cape, SA - On Friday, TFG streamed its year-end results to investors, media and employees.

To see the full results, go to: <https://tfglimited.co.za/wp-content/uploads/2023/06/FYE-23-Investor-Presentation-Deck-2.pdf>

To see the webcast, go to: <https://www.youtube.com/watch?v=23AQOwP4hLM>

CEO **Anthony Thunström** said turnover was 19.4% up to R51.8 billion, and operating profit was up 12.4% to R5.4 billion.

He said "I highlighted how we had continued to grow market share across a number of our key categories, especially in our core apparel, sports, homewares and furniture categories. In a low growth environment, this ability to continue to grow at the expense of our competitors is critically important and speaks to the strength of our brands and retail teams."

"The year ahead is expected to remain challenging and competitive, especially with the current load shedding crisis and global economic uncertainties. Therefore, we are treating this year as one of consolidation and focusing on driving efficiencies and improving our profitability, while still delivering on our identified strategic growth initiatives."

"We all need to redouble our efforts to support turnover, contain expenses, and deliver a superior experience to every one of our customers."

In the Q&A session, he said that:

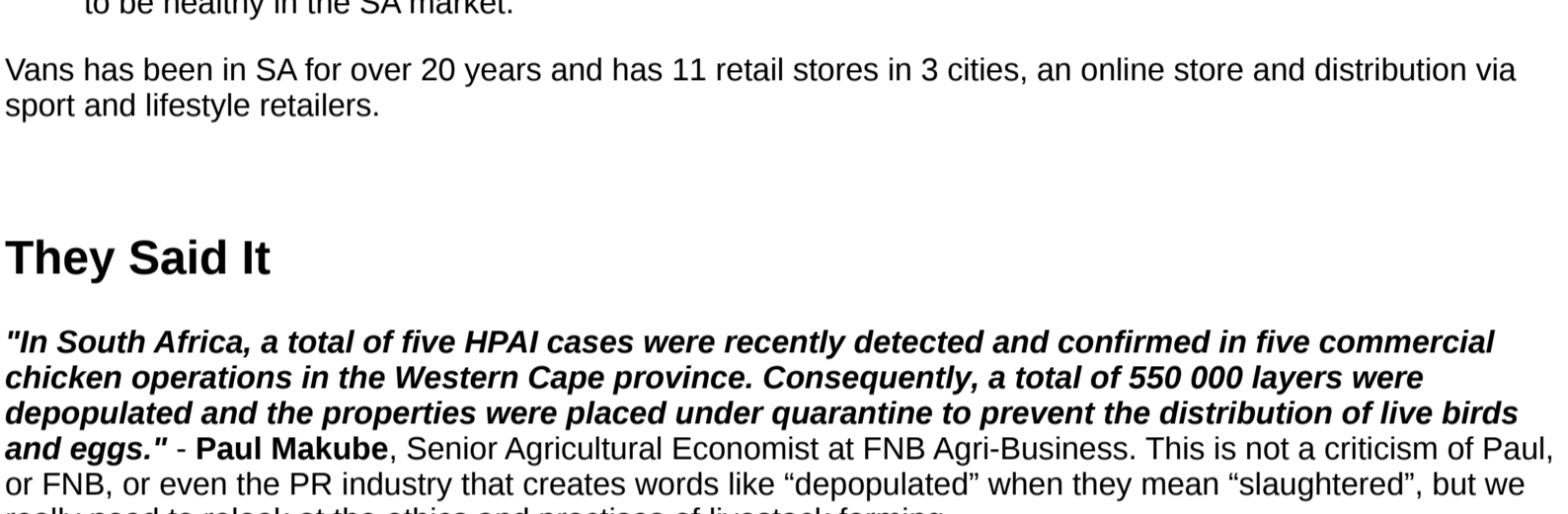
TFG has become the biggest clothing manufacturer in SA. He said outsourcing "doesn't work", and that TFG had "paid big school fees" to learn that.

TFG intends to reduce the number of distribution centres by about half to 7.

In apparel, TFG had passed on about 9% of the 14% of inflationary increases.

Load shedding had had "devastating" results. "We were trading at record levels for 9 months to the beginning of December", but that after load shedding increased in the second week, "consumers stayed away and went into negative mode", a situation which lasted until the end of March. He said TFG "conservatively" estimated a R1.5 billion loss in turnover and an R800 million profit loss for those months. TFG also spent around R200 million on generators.

In SA, around 30 million people – about half the total population – are on a TFG rewards basis.



www.jktrading.co.za admin@jktrading.co.za 031 305 9999

Distribution

VF makes it official - Ares takes over Vans from Bounty

Cape Town, W. Cape, SA – On Friday, Ares Holdings SA was formally announced as the Vans distributor from 01 January, taking over from Bounty Brands.

Ares also distributes 2XU, Birkenstock, Crocs and Under Armour.

A spokesperson for Ares responded to S&V's questions:

- *Vans originally said it would open a subsidiary in South Africa. Why has it decided to continue with a distributor?* You would need to chat to VF Corporation.
- *Why has it changed distributors?* Bounty Brands contract is expiring at the end of this year. We submitted a proposal, were invited to meet with them and were lucky enough to be awarded the contract as of Jan 2024

- *Will Ares take over the former Bounty Brands Vans agents and/or any other staff?* We are not taking over the existing business. The distribution rights will sit in a new entity which is wholly owned by Ares. Naturally we will need to build a team to take the brand forward in the SA market. Our org structures are being finalised as we speak. All the roles will be publicly advertised and some of the existing team currently working on Vans will be welcome to apply for open roles. It makes sense to leverage some of the experience that exists where relevant however we would need to ensure that not only are they a cultural fit for our organization but they have the skill-sets specific to our business model and way of working.

- *What changes will there be to Vans distribution in SA?* We are currently reviewing the existing distribution and building our "Go To Market" Plans for SS24.
- *Have Vans sales in SA declined in recent years and can you quantify that?* The brand demand continues to be healthy in the SA market.

Vans has been in SA for over 20 years and has 11 retail stores in 3 cities, an online store and distribution via sport and lifestyle retailers.

They Said It

"In South Africa, a total of five HPAI cases were recently detected and confirmed in five commercial chicken operations in the Western Cape province. Consequently, a total of 550 000 layers were depopulated and the properties were placed under quarantine to prevent the distribution of live birds and eggs." - **Paul Makube**, Senior Agricultural Economist at FNB Agri-Business. This is not a criticism of Paul, or FNB, or even the PR industry that creates words like "depopulated" when they mean "slaughtered", but we really need to relook at the ethics and practises of livestock farming.

"You've got to embrace technology." - **Daniel Kerdachi** of Flamingo Sales & Export Co., Durban, KZN, SA, who is now running a second business based in Australia. He commutes between the two, but much of his communication is perforce electronic. He didn't say how he manages the time difference.

New subscribers last week

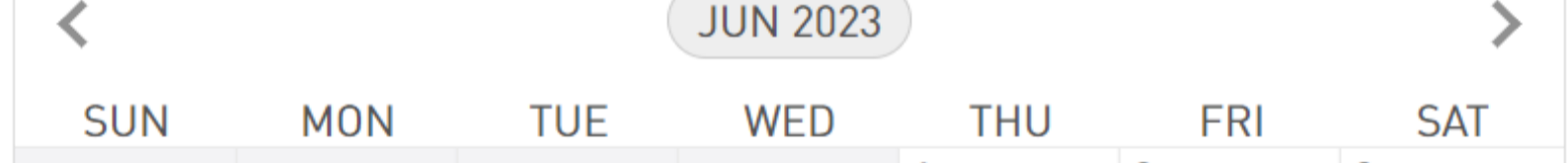
- Bronwyn**, Saddlers, Howick, KZN, South Africa
- Amit**, Retailer, KZN, South Africa
- Ashley Naidoo**, GM, Berzacks Coats, South Africa
- Robert Ritson**, MD, Berzacks, South Africa
- Brian**, PR Consultant, Evolution PR, Johannesburg, South Africa
- Keith Maclachlan**, Branch manager, Berzacks, Durban, South Africa

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

Birthdays this week

- 12/06/1954: **Frieda Baisey**, emigrated, formerly Brondean Agencies, Port Elizabeth, E. Cape, SA.
- 13/06/1943: **Peter Mokse**, retired, formerly Woodheads, Cape Town, W. Cape, SA.
- 13/06/1950: **Maria Caldeira**, Solemates, East Rand, Gauteng, SA.
- 13/06/1966: **Benedict Pajitjes**, Leather from Hart, Pietermaritzburg, KZN, SA.
- 14/06/1974: **Stuart Worrall**, Elan-Polo, Cape Town, W. Cape, SA.
- 14/06/1952: **Terry Holton**, ACA Threads, Gauteng, SA.
- 14/06/1963: **Niekie Vermaak**, KKI Leather Marketing, Oudtshoorn, W. Cape, SA.
- 14/06/1965: **Beverley Riley**, Brits Leather Products, Brits, NW Province, SA.
- 14/06/1965: **Allan Kisten**, Spunlok, Pinetown, KZN, SA.
- 14/06/1969: **Alison Piccione**, KMP Footwear, Pinetown, KZN, SA.
- 14/06/1983: **Lebogang Mokwelo**, QS Safety, Kempton Park, Gauteng, SA.
- 15/06/1945: **James Cragg**, agent, East London, E. Cape, SA.
- 15/06/1947: **Stuart Cox**, agent, Bloemfontein, Free State, SA.
- 16/06/1945: **Yusuf Kadwa**, retired, formerly May's Shoes, Durban, KZN, SA.
- 16/06/1963: **Deepak Dayal**, Deluxe Footwear, Durban, KZN, SA.
- 16/06/1965: **Tersia Wessels**, retired, formerly Crocs SA, Somerset West, W. Cape, SA.
- 16/06/1973: **Sue Mettelar**, formerly Saddler Saddle Belt and Mantella Q Leather, Durban, KZN, SA.
- 16/06/1985: **Chris Stothelaar**, Leather Systems, Port Elizabeth, E. Cape, SA.
- 16/06/1960: **Jaywanto Irkhede**, the DTIC, Pretoria, Gauteng, SA.
- 17/06/1973: **Alfredo de Oliveira**, Fashion Fever, Welkom, Free State, SA.
- 18/06/1933: **Erich Debus**, retired, formerly Richeigh Shoes [closed], Pietermaritzburg, KZN, SA.



In memoriam this week

12/06/2004: **Neville Williams** (b. 04/1945), Cameo Components/Central Components [closed], Pinetown, KZN, SA.

17/06/1994: **Roy Inggs** (b. 18/06/1932), Inggs Shoe Stores [closed], Roodepoort/Florida, Gauteng, SA.

17/06/2021: **Cornelius 'Con' Barnard** (b. 01/02/1934), Stanhope Boot & Shoe, Pinetown, KZN, SA.

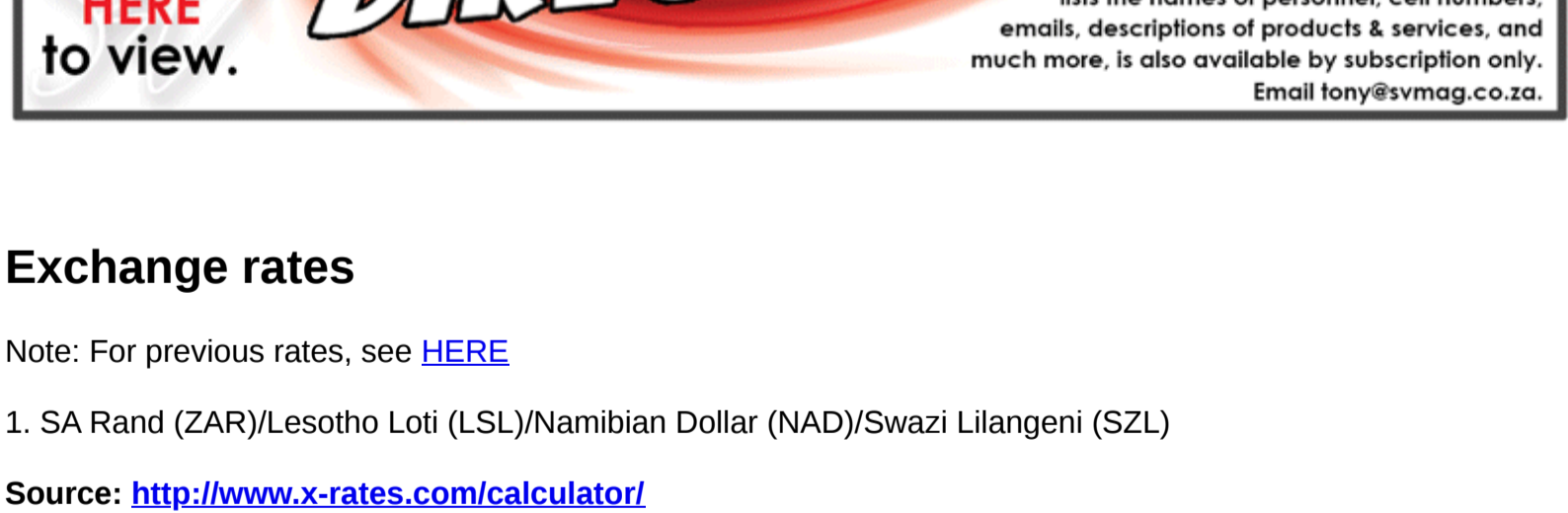
Have you let us know about your birthday, or the birthdays of your colleagues? Our readers love this section, so please become part of it. This also applies to the In Memoriam section. Help us remember former colleagues.

Directory entries updated last week

- Conlao Joinery (Pty) Ltd, Welkom, Free State, SA.
- Dodo's/Franco Ceccato/Madison/Shoebbox [Dodo's Shoes (Pty) Ltd], Johannesburg, Gauteng, SA.
- Freestyle Genuine Handcrafted Leather [Grant's True Leather cc], Cape Town, W. Cape, SA.
- Gingers International [Ginger Bhagwandas cc], Durban, KZN, SA.
- Sparg's Wholesale Supermarket [RNE Holdings (Pty) Ltd], East London, E. Cape, SA.
- TST Agencies cc, Cape Town, W. Cape, SA.



JUN 2023						
SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
	FFANY M...	A-OSH 2...	A-OSH 2...	A-OSH 2...	FFANY M...	
		Securex ...	Securex ...	Securex ...		
		Firefox 2...	Firefox 2...	Firefox 2...		
		Facilities...	Facilities...	Facilities...		
		FFANY M...	FFANY M...	FFANY M...		
11	12	13	14	15	16	17
						Expo Riv...
18	19	20	21	22	23	24
Expo Riv...	Expo Riv...	Expo Riv...				
25	26	27	28	29	30	



Over 4500 entries, divided into:
 • Leather • Components & Services
 • Footwear & Leather Goods
 • Commission Agents, • Retailers
 • Associations & Support Organisations
 • and much, much more

The abridged Directory lists business names and their principal phone numbers.

The comprehensive Directory, which lists the names of personnel, cell numbers, emails, descriptions of products & services, and much more, is also available by subscription only.
 Email tony@svmag.co.za.

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 ¥
20/05/2023	R21.00	R24.17	R19.42	R2.76
27/05/2023	R21.08	R24.27	R19.65	R2.78
03/06/2023	R20.89	R24.27	R19.49	R2.75
10/06/2023	R20.14	R23.53	R18.71	R2.62

2. Botswana Pula (BWP)

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

	Euro €	GBP £	US \$	CNY ¥
20/05/2023	14.67	16.89	13.57	1.93
27/05/2023	14.74	16.96	13.73	1.94
03/06/2023	14.64	17.00	13.66	1.92
10/06/2023	14.58	17.04	13.55	1.90

3. Malawian Kwacha (MKW)

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

	Euro €	GBP £	US \$	CNY ¥
20/05/2023	1104.57	1271.16	1021.29	145.63
27/05/2023	1098.06	1263.82	1023.51	144.90
03/06/2023	1094.62	1271.60	1021.25	144.14
10/06/2023	1094.60	1279.18	1017.29	142.78

4. Zambian Kwacha (ZMW)

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

	Euro €	GBP £	US \$	CNY ¥
20/05/2023	20.38	23.45	18.84	2.68
27/05/2023	20.75	23.88	19.34	2.73
03/06/2023	21.19	24.62	19.77	2.79
10/06/2023	21.89	25.59	20.34	2.85

5. Zimbabwian Dollar (ZWL\$)

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

	Euro €	GBP £	CNY ¥	Official US\$
20/05/2023	391.41	450.44	51.60	
27/05/2023	388.26	446.86	51.21	1931.70
03/06/2023	387.90	450.61	51.08	2670.02
10/06/2023	389.30	455.11	50.79	5086.33

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

ABSA Agri Trends: Hides & skins prices

Johannesburg, Gauteng, SA (08 June 2023) - The current average hide price decreased by 5.6% to R32.42/kg from R3.62/kg a week ago. The current price is 9.1% lower than the average price a month ago and 17.4% lower than the average price a year ago. The range of prices reported was as follows: Minimum price: R3.25 Maximum price: R4.50. 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, and **Zama Sangweni**, 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:

- [Juniper Zips](#), Cape Town, W. Cape, SA. Zip manufacturer.
- [Juniper & Jasmine](#), Pretoria, Gauteng, SA. Footwear and clothing retailer.

Contact us

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

Next newsletter: **June 19, 2023.**

SAFLIA enquiries: Tel 0800SAFLIA * Email info@safliia.co.za * Website <http://www.safliia.co.za>

Our website www.svmag.co.za