

Zambia hosts Pick n Pay's 95th foreign store

As part of its expansion into Africa, Pick n Pay yesterday, 21 March 2013, said it had opened a store in Luanshya, Zambia. This is the group's sixth Zambian store and takes the total of outlets outside of SA to 95 across eight countries.

Retailers are increasingly expanding their operations in African countries in the hopes of tapping into an emerging middle class whose disposable income and demand for modern goods is growing. Underdeveloped retail markets and regulation and bureaucracy hurdles have not deterred SA's retailers, who have been among the quickest to snap up northern opportunities.

At 1,250m² in size, the Luanshya store is the first small neighbourhood Pick n Pay in Zambia. "The range of products have been chosen to satisfy the needs of the local Luanshya market and will carry 4,500 lines," Pick n Pay head of group enterprises for Africa Dallas Langman said.

Luanshya is located in the country's Copperbelt Province.

Asset-management firm Imara expects the Zambian economy to grow 7% this year.

Pick n Pay's first Zambian store was opened in 2010, which signalled the grocer's plan to expand its business in the Southern African Development Community region.

Shoprite is also forging ahead with its African expansion. The retailer will open 13 new stores before June, and a further 24 more are confirmed for the following 12 months, as it eyes fast-growing, oil-rich markets such as Nigeria and Angola.

Woolworths, which is present in 12 African countries, including SA, said its African expansion plan was on track to reach 100 stores by next year.

In terms of the product mix in Woolworths' African stores, about 90% is clothing and the rest food.

Local fashion retailers such as Mr Price, Truworths and The Foschini Group are also pushing into Africa.

Source: *Business Day*