

TFG takes over 382 Jet stores in SA - saving 4,800 jobs

Edcon announced on Friday that the [sale of parts of Jet](#) to The Foschini Group (TFG) has been concluded. The transaction includes the transfer of 382 South African Jet stores and approximately 4,800 employees.



Credit: Blue Route Mall

TFG is home to a comprehensive portfolio of 29 retail brands – including Foschini, Sportscene, @Home and Totalsports – that trade in clothing, footwear, jewellery, sportswear, homeware, cellphones and technology products from value to upper market segments in more than 4,085 outlets across 32 countries.

"All essential requirements are fulfilled, and conditions met with the deal taking effect on 25 September 2020. The transaction confirms a significant achievement towards delivering the Edcon business rescue plan, with the saving of approximately 4,800 jobs and the transfer of about 382 stores in South Africa," Edcon's business rescue practitioners said.



TFG agrees to buy selected Jet stores and related assets for R480m

13 Jul 2020



The practitioners added that, "Jet's vast footprint and brand recognition within the South African market will enable it to be part of a strategic asset to the TFG group thereby creating a robust platform for retail innovation and growth. Bringing together these two iconic brands will result in long-term value creation potential while preserving the heritage of the Jet brand as a leading value retailer."

"It is pleasing that together with the management team and in close collaboration with TFG, we could conclude the transaction within two months of the announcement of the sale. Our determined efforts were directed to managing the interests of all stakeholders, including landlords and suppliers who will continue to have a measure of stability through this deal."

The parties will now focus on the finalisation of agreements for the rest of Africa. TFG hopes to acquire a total of 425 Jet stores across Southern Africa.

Employment and local procurement conditions

The Competition Commission recommended to the Competition Tribunal that the merger be approved with conditions relating to employment and local procurement. The Tribunal conducted virtual proceedings and heard submissions from the Commission, the merger parties as well as the South African Commercial Catering and Allied Workers Union (SACCAWU) on Wednesday, 23 September.

According to the Tribunal, the conditions to the merger included TFG not retrenching any employees for two years and Edcon employees given preference should vacancies arise in the Jet business for three years from the merger implementation date.

Jet stores should also maintain almost the same ratio of procurement of products from South African manufacturers and suppliers as they did at the end of its preceding financial year. Also, they should endeavour to increase local products and suppliers.



5,200 jobs saved as Edcon concludes sale of parts of Edgars

17 Sep 2020



Earlier this month, Edcon also [announced the finalisation of the sale](#) of parts of the Edgars business in South Africa to Legit owner Retailability Ltd.

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