PARKER REVIEW

A weekly news summary for SA business professionals: 21 June 2024

Retail & Business

Retail & Business

- BusinessTech's grocery basket comparison for June: Makro remains most affordable grocery retailer in SA. (16 June; businesstech.co.za)
- AutoTrader: New passenger car sales fell by -11.7% y/y while used car sales fell by -10.5% y/y. (17 June; timeslive.co.za; autotrader.co.za)
- Telkom results for year to end March: Revenue up 1.6% to R43.2 billion. Has topped 20 million mobile subscribers. (18 June; techcentral.co.za; timeslive.co.za; Telkom)
- Sanlam to acquire 60% of MultiChoice's insurance business for R1.2 billion. (18 June; Sanlam)
- Stor-Age REIT results for year ended March: Increase in rental income and net property operating income of 14.8% and 14.4%, respectively. (18 June; propertywheel.co.za; Stor-Age)
- Africa Data Centres positioning for growth with R2 billion funding arranged by RMB. (18 June; iol.co.za; africadatacentres.com)
- Seeff celebrating 60 years. (18 June; bizcommunity.com; seeff.com)
- Eastgate Shopping Centre claims SA's largest registered rooftop solar installation. (18 June; propertywheel.co.za; liberty2degrees.co.za)
- V&A has signed deal to raise green-electricity contribution to 70% by 2026. (18 June; engineeringnews.co.za; waterfront.co.za)
- Life Healthcare planning big expansion despite NHI. (18 June; dailyinvestor.com; moneyweb.co.za; lifehealthcare.co.za)
- Acer has commenced local production of monitors in SA. (18 June; businesstech.co.za; acer.com)

- Vodacom has fired 631 staff over fraud and irregularities. (18 June; fin24.com; vodacom.co.za)

- Competition Commission Fresh Produce Market inquiry has uncovered barriers to entry, distorted competition and price markups in fresh produce market. Wants supermarkets to start displaying the per kg or gram prices of all fresh fruit and vegetables in stores (in addition to per unit prices). (18 June; businesslive.co.za; timeslive.co.za; iol.co.za; Competition Commission)

- PIC has increased its holding in Gold Fields to just over 20%. (18 June; businesslive.co.za; Gold Fields)

- Sun City has entered phase three of its solar plant installation. (19 June; propertywheel.co.za; suninternational.com)

- Libstar's year-to-date revenue up 4.6%. (19 June; Libstar Holdings)

- Dis-Chem planning to increase store footprint by 45% over next three years. (19 June; moneyweb.co.za; dischem.co.za)

- Exemplar REITail annual report: 'Amenable' to Pick n Pay converting certain stores in its portfolio to Boxer stores. (19 June; businesslive.co.za; Exemplar)

- Rakesh Rajbally appointed MD at Coca-Cola Beverages SA. (19 June; bizcommunity.com; ccbsaco.com)

- Stadio Holdings has increased student numbers by 8%. (19 June; Stadio)

- Shein and Temu under siege in SA. Related: Petition started against SARS closing tax loophole on Temu and Shein. (19 June; dailyinvestor.com; ewn.co.za)

- Stats SA: Retail trade sales increased by 0.6% y/y in April 2024. (19 June; businesstech.co.za; Stats SA)

- Stats SA: Instant coffee prices rose by annual 18% in May, from 14% a month earlier. (19 June; moneyweb.co.za; Stats SA)

- Pick n Pay, MultiChoice and Cell C technically insolvent. (20 June; dailyinvestor.com)

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- BER's Retail Survey for Q2 2024 increased by five percentage points to 39%. Overall business confidence in Other Services sector rose to 55 in Q2 2024. (20 June; businesstech.co.za; businesstech.co.za; BER; BER)

- Nampak expecting to report HEPS from continuing operations of between R47 and R55 for six months to end March (compared to headline loss of R55 for six-month period to end March 2023). (20 June; engineeringnews.co.za; Nampak)

- Pick n Pay's Zimbabwean partner – Meikles Limited – to focus on new development projects for its supermarkets division. (20 June; iol.co.za; meiklesltd.com)

- Clur Shopping Centre Index: National dip in trading density levels, but Western Cape shopping centres perform best. (20 June; retailbriefafrica.co.za; clurinternational.com)

- Fortress Real Estate Investments' operational update for period from January 1 to end of May: SA retail portfolio achieved like-for-like tenant turnover growth of 7.1% and maintained low vacancy rate, by rental, of 1.3%. (20 June; engineeringnews.co.za; Fortress)

- Online retailer Zando celebrating its 12 year anniversary this year. (20 June; bizcommunity.com; zando.co.za)

- Media24 likely to close five newspapers, 400 jobs in jeopardy. Related: Caxton to opposed Media24's sale of its distribution business to Novus. (21 June; timeslive.co.za; moneyweb.co.za; media24.com)

- SA is world's third-largest market for premium cognac maker Hennessy. (21 June; businesslive.co.za; hennessy.com)

- Bob Group: 2024 could be massive year for online Black Friday sales in SA due to entry of several new major online stores, more developed e-commerce logistics, and enhanced delivery options. (21 June; myboadband.co.za; bob.co.za)

- Seeff: Joburg is most affordable metro in SA whether you want to buy or rent property. (15 June; businesstech.co.za; seeff.com)

- Investec: Release of retirement savings under two-pot retirement reform could add +- R40 billion to consumer income (if fully utilized and taxed similarly). (16 June; dailyinvestor.com; investec.com)

- Business community has expressed hope that formation of GNU will bring stability to volatile financial market and incentivize SARB to cut interest rates. Related: Ninety One CEO: Uprooting corruption and growing the economy should be top priority of new administration. (18 June; iol.co.za; businesslive.co.za; ninetyone.com)

- Payfast by Network partnering with JP Morgan Payments in SA. (18 June; retailbriefafrica.co.za; payfast.io)

- S&P does not foresee any significant policy shift under GNU. (18 June; engineeringnews.co.za; spglobal.com)

- Henley & Partners and NWW's Wealth Migration Report 2024: SA remains one of major millionaire outflow countries, with estimated 600 HWNIs expected to leave SA in 2024. (18 June; businesstech.co.za; Henley)

- Cesa's Bi-Annual Economic and Capacity Survey findings: 22% decline from July to December 2023 to 32. Downturn persisted into early 2024, dropping further to 30. (18 June; engineeringnews.co.za; cesa.co.za)

- SARB to increase amount of excess cash commercial lenders can hold with it and earn interest. (18 June; dailyinvestor.com; SARB)

- 2024 International Construction Market Survey: Cape Town is SA's most expensive city to develop in. (19 June; propertywheel.co.za; ICMS)

- TPN's latest Vacancy Survey Report (Q1 2024): Residential rental vacancies at their lowest level since 2016 as demand for rental property outstrips supply. (19 June; propertywheel.co.za; mrisoftware.tpn.co.za)

- Headline consumer inflation at 5.2% y/y in May (same as in April). (19 June; engineeringnews.co.za; SARB)

- **Western Cape accounted for 29% of ooba Home Loan semigration applications during Q1 2024 (up from 14% at start of 2020). (19 June; propertywheel.co.za; ooba.co.za)**

- **TIPS: Investment in SA declined by 1.8% in Q1 2024, with the sharpest fall occurring in private investment. (19 June; businesstech.co.za; tips.org.za)**

- **Lightstone Property: Number of negative sales – where houses are sold for less than they were bought for – is on the rise in SA. Also: Young South Africans buying fewer houses. (20 June; everythingproperty.co.za; businesstech.co.za; lightstoneproperty.co.za)**

- **Standard Bank: For the five months to end May, the group's headline earnings grew by low-to-mid single digits from 5M23. (20 June; businesstech.co.za; Standard Bank)**

- **Auditor-General report: in last financial year, between July 2022 and June 2023, City of Joburg lost R4.2 billion of electricity and further R2.4 billion of water. (20 June; moneyweb.co.za; joburg.org.za)**

- **Godongwana not sure he will remain Finance Minister. (20 June; ewn.co.za)**

- **PwC: SA's 'Big Four' banks (Absa, FirstRand, Nedbank and Standard Bank) made over R1 billion in revenue a day in the past financial year. (20 June; dailyinvestor.com; PwC)**

- **Transnet news: (18 – 20 June)**
  - **Transnet to procure renewable energy and desalination plants at ports. (businesslive.co.za; transnet.net)**
  - **Transnet has picked Grindrod as preferred bidder for Richards Bay container terminal. (moneyweb.co.za; transnet.net)**
  - **Lekau Letsoalo has been appointed group COO. (fin24.com; transnet.net)**
  - **High Court has ordered Transnet to pay Sasol over R6 billion in damages. Transnet to fight cost award. (moneyweb.co.za; iol.co.za; transnet.net)**

Financial & Other Financial & Other

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- Eskom / energy-related news: (15 – 21 June)
  - CEO: Eskom to ramp up transmission development. Also: Eskom making big strides, but load shedding remains a risk. (techcentral.co.za; moneyweb.co.za; techcentral.co.za; eskom.co.za)
  - Eskom's municipal debt at R74bn. (mybroadband.co.za; eskom.co.za)
  - Potentially massive cost increases for City Power users from 1st of July. Related: City Power load reductions could prove costly for businesses. (it-online.co.za; dailyinvestor.com; citypower.co.za)
  - Eskom's Generation Adequacy Report for week 24 of 2024: Eskom's outlook for the next year has improved further in recent weeks. (mybroadband.co.za; Eskom)
  - SARB Financial Stability Review: SA households and businesses continuing to reduce their reliance on Eskom for electricity. (dailyinvestor.com; SARB)
  - Eskom wins SA appeal to keep five polluting power plants open. (engineeringnews.co.za; eskom.co.za)
  - Joburg High Court has ordered City of Joburg and City Power to pay R1.073 billion on unpaid electricity account with Eskom. City Power to appeal. (mybroadband.co.za; timeslive.co.za; eskom.co.za)
  - Eskom wants increase in electricity tariffs of up to 44% next year. (dailymaverick.co.za; eskom.co.za)

- *Articles of the Week:*
  - *The man who built Africa's biggest retailer. (16 June; dailyinvestor.com)*
  - *Billions flooding out of SA. (17 June; dailyinvestor.com)*
  - *SA companies making their global mark. (18 June; dailyinvestor.com)*
  - *Alarm bells for two of SA's biggest employers. (18 June; businesstech.co.za)*
  - *Addressing operational efficiency, port congestion in SA ports: a factual analysis of the World Bank's CPPI report. (18 June; iol.co.za)*
  - *Five things Temu can teach e-commerce businesses. (19 June; retailbriefafrica.co.za)*
  - *Dawie Roodt's three things SA's new government must address. (20 June; dailyinvestor.com)*
  - *Despite declining fuel sales, forecourt retail sector shows growth. (20 June; bizcommunity.com)*
  - *Growing e-commerce market: Good for consumers, but will proudly SA brands rise? (20 June; retailbriefafrica.co.za)*

Contact Details

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Douglas Parker Associates

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