

SA retailers feel pain from virus pandemic

JOHANNESBURG - South Africa's retail industry is feeling the pain from the coronavirus pandemic on two fronts - store closures during lockdown and the sharply reduced purchasing power of households.

South Africa, the continent's most industrialised economy, went into strict lockdown at the end of March, with people only allowed to shop for essential items such as food, medicine and winter clothing.

It is also the African country that has been hardest hit by Covid-19, with more than 600 000 cases and at least 2 500 deaths.

Restrictions have been gradually rolled back since June. Alcohol and tobacco sales were allowed to resume this week and, generally, business is now almost back to normal.

Nevertheless, retailers are reeling from the economic effects of months of suffocating restrictions.

South Africa's Massmart - majority-owned by US giant Walmart - said on Thursday that it expected half-year losses to widen by as much as 42% as a result of the nationwide lockdown.

Massmart was already in dire straits before the pandemic and closed a 23-store electronic retail chain and 11 wholesale outlets shortly before the lockdown came into effect.

"Retailers that were already taking the strain" in an economy that was



Soldiering on... A customer buys alcohol at a liquor shop in Melville, Johannesburg. Photo: Nampa/AFP

contracting even before the outbreak have found themselves vulnerable to the virus fallout, said Casperus Treurnicht, portfolio manager at Gryphon Asset Management.

South African shoppers have had to get used to wearing a mask, having their temperature taken at the door and using hand sanitisers.

And even as the economy reopens, shops will continue to enforce such measures in order to protect both staff and customers.

Investment analyst Lulama Qongqo suggested that customers

were likely to favour stores with visible hygiene measures.

"Retailers who cannot signal that it's safe to shop in their locations are probably going to lose, and perhaps those are the ones more likely to be plagued by the question: 'Can we survive?'" Qongqo told AFP.

But the measures come at a cost.

Since the start of lockdown, South Africa's second-largest supermarket chain Pick n Pay has had to budget for protective equipment, a voluntary severance programme taken by 1 400 of its 9 000 employees and bonuses

for front-line workers.

The company, which has a market capitalisation of over US\$1.2 billion, warned that its profits in the first half could be halved as a result of the fallout from coronavirus.

Faced with rising unemployment and uncertainty about the future, South African households are tightening their purse strings. And that, in turn, makes it difficult for retailers to draw in customers.

The central bank has slashed lending rates by 300 basis points since January to boost spending, but

economists fear it will not be enough.

"The consumer will be trading down and the operator with the best price and ease of buying will come out on top," said Treurnicht of Gryphon Asset Management.

On the other hand, digital services and e-commerce are booming.

South Africa's largest online shopping platform Takealot, which had estimated sales of around one billion rand (US\$57.9 million) per month between January and March, recently reported a surge in demand.

"South Africans have embraced online shopping in a more natural fashion and this trend is looking likely to continue," said Matthew Leighton, spokesman for OneDayOnly, another digital sales platform.

Traditional brick-and-mortar retailers are also developing their omni-channel trade.

Durban-based apparel and homeware giant, Mr Price Group, saw online sales grow by 75% during the pandemic. Africa's largest retail group Shoprite extended its online grocery delivery service.

However, analyst Qongqo said retailers should not lose sight of their target income group to avoid "throwing away money" on digital.

Owing to limited internet access and high data prices, online sales still only account for a fraction of South African spending. -Nampa/AFP



REPUBLIC OF NAMIBIA

KUNENE REGIONAL COUNCIL

Invitation for Bid

REFERENCE NO.	DESCRIPTION	Levy
W/ONB/KRC-02/2020	Procurement of Works under Phase 2: The Construction of a 160 mm diameter uPVC Class 12 Pipeline from Chainage 4.5 to 6.5 km between Ohamaremba and Okanguati in the Kunene Region, Namibia.	N\$ 300.00

Bidding documents are to be purchased at the Kunene Regional Council Head Office in Opuwo, Mbumbijazo Muharukua Street from 08H00 to 13H00

Clarification closing date: **10 September 2020**

Submission due date will be **23 September 2020 @ 11H00**.

Enquiries: S. Nakale (Head of Procurement Management Unit),
Tel: 065 - 273950,
email address: pmu.kunenerc@gmail.com

All enquiries must be done in writing, faxed to 065 - 273077 or email to: pmu.kunenerc@gmail.com before 10 September 2020.

Submission of bid document: Interested bidders should submit their bids in sealed envelopes clearly marked with the bid reference number and descriptions of the bid. Bids must be deposited in the correct bid box at Kunene Regional Council reception, Mbumbijazo Muharukua Street, opuwo.

Opening of the bid documents: **23 September 2020 @ 11H30**, Kunene Regional Council Boardroom, Opuwo



Rio Tinto CEO forfeits millions ... destruction of Aboriginal site haunts mining giant

SYDNEY - Mining giant Rio Tinto stripped its CEO of US\$3.5 million yesterday after the company destroyed a 46 000-year-old Aboriginal heritage site to expand an iron ore mine in Australia.

The Anglo-Australian firm blasted rock shelters in the Juukan Gorge in Western Australia's remote Pilbara region on May 24, destroying one of the earliest known sites occupied by Australia's indigenous people.

Rio Tinto chief executive Jean-Sebastien Jacques will forfeit 2.7 million pounds (US\$3.5 million) in performance bonuses as a result of the incident, the company announced yesterday following a high-level review.

Head of the iron ore division Chris Salisbury and corporate relations head Simone Niven will also lose US\$792 000 and US\$687 000 respectively.

The board-led review found Rio Tinto had obtained legal authority to blast the sites but doing so "fell short of the standards and internal guidance that Rio Tinto sets for itself".

It found "no single root cause or error" directly led to the destruction, rather it was "the result of a series of decisions, actions and omissions over an extended period of time".

Rio Tinto chairman Simon Thompson said there had been "numerous missed opportunities over almost a decade" and the company had failed to respect local communities and their heritage.

"While the review provides a clear framework for change, it is important to emphasise that this is the start of a process, not the end," he said.

"We will implement important new measures and governance to ensure we do not repeat what happened at Juukan Gorge."

Thompson said the company would work to



Missed opportunity... Rio Tinto CEO Jean-Sebastien Jacques. Photo: File

rebuild trust with the Pinikura and Puutu Kuntj Kurrama Aboriginal (PKKP) communities, who are the traditional owners of the region.

Rio Tinto initially defended its blasting in the Juukan Gorge as authorised under a 2013 agreement with the state government.

But emotional protests by Aboriginal leaders, who said they had not been informed of the planned blasting until it was too late to prevent it, led the company to issue an apology.

The cultural importance of Juukan Gorge was confirmed by an archaeological dig carried out at one of the rock shelters a year after Rio Tinto obtained approval to blast in the area.

The dig uncovered the oldest known example of bone tools in Australia - a sharpened kangaroo bone dating back 28 000 years - and a plaited-hair belt that DNA testing linked to indigenous people still living in the area.

Western Australia's state government is currently reviewing the laws governing mining operations near indigenous heritage sites. -Nampa/AFP