

Good Day

Ms. Louise Du Plessis, Technical Team Head Market Inquiry Into The Grocery Retail Sector.

Kindly Hereby Find My Submission Of The Above Mentioned Subject.

This Is A Good Manner That The Competition Commission Has Decided Probing SA's Grocery Retail Sector And Its Current State Of Competition In The Grocery Retail Sector Which May Affects Small And Independent Retailers In The Townships, Peri-Urban Areas, Rural Areas And The Informal Economy.

The Manner in Which Large Formal Grocery Retail Sector Has Been Structured And Formalised In South Africa It Has Impacted Our Economy In A Very Positive Lucrative Way And In A Very Negative Way Towards The Townships, Peri-Urban Areas, Rural Areas And The Informal Economy.

> FIRST LET'S LOOK AT POSITIVE LUCRATIVE WAY BY GROCERY RETAIL STORES:

1. Township Economic Development And Growth - Investment, Revenue, Rates And Taxes
2. Through Job Creation - Large Retail Stores Can Employ More Than 150 To 300 Permanent And Nonpermanent Staff And Personnel At A Go.
3. Bulk Purchase/Buying :- Large Retail Stores Manage To Buy Grocery In Bulk And Sell It Cheap, Though Sometimes It Is Not The Case, One Might Find Prices In The Retail More Expensive Than In The Small Spaza / Tiki Shops.
4. Franchising Advantage:- Large Retail Stores Have An Advantage Of Multiple Franchising Opportunities And To Spread Their Trademark Across The Country Than Small Corner Store.
5. Customers:- Customers Can Get Everything In One Store Than In Small Corner Stores.
6. Pricing- Customers Are Being Afforded Lower Prices In Most Cases Than At The Corner Stores.

> NEGATIVE ECONOMIC DEVELOPMENTS EXPERIENCED BY SMALL AND INDEPENDENT RETAILERS In The Townships, Peri-Urban Areas, Rural Areas And The Informal Economy:

1. Small Business Losses Clients:- It Might Be True That Small Businesses Losses Clients Due Large Retail Stores.
2. Competition:- It Is Very Difficult To Small Spaza Stores To Compete With Large Retail Stores Due To High Volume Of Bulk Buying And Lower Prices.
3. Job Creation:- Most Of Our Corner Stores Can Create Minimal Jobs, But Since Our Township Stores Are Overtaken By Foreigners It Is Difficult To See Black People Working In Their Stores.
4. Bulk Buying:- The Foreign Own Township Stores Are Run In A Manner That These Foreigners Are Partnering Amongst Themselves And Buy In Bulk To Empower Themselves.
5. Pricing:- Prices Are Not Decreasing In Most Cases And Either Increasing Time And Again. Very Expensive.
6. Customers: Customers Always Struggle To Get Everything At One Time And Mainly Buy Small Products.

> CONCLUSION

So There Will Always Be Disparities Between Large Grocery Retail Sector And The Small And Independent Retailers In The Townships, Peri-Urban Areas, Rural Areas And The Informal Economy, Due To A Fact That Most Of These Grocery Retail Sector Doesn't Sell Share Ownership Towards The Small And Independent Retailers, Or Utilise Their Services For Delivery Transportation.

Large Grocery Retail Sector Has Large Budget To Spend Annually In Marketing, Promotions, Competitions, Lowering Prices, Paying Salaries And Hiring Boards Of Directors Whilst Small And Independent Retailers Works On Revenue Received Daily.

Since The Dawn Of Democratic Government Black Small Spaza, Corner Storeman And Independent Retailers Were Never Brought To Work Together As Partners And Joint Ventures, Hence We See Most Of Our Store Are Foreign Owned, We Therefore Can Not Easily Say Our Black Masses Are Empowered And Or Are Disempowered Or Less Empowered Grocery Retail Sector.

Most Of Our Black Township Small And Independent Retailers Have Failed And Or Were Destroyed By The Past Apartheid Government And When A Black Majority Government Tookover We Never Had A Time To Invest In The Black Small Grocery Stores And This Has Heralded To Date.

Most Stores Are Rented To Foreigners Through Verbal Lease Agreement In Most Cases For Such A Fact That Our ANC Led Government Didn't Take A Risk And A Time To Invest Money In Empowering Our People Through Training, Skills And Development, Hence We Have Foreign Owners Managing And Controlling Our Township Economy.

Another Point Is That There Must Be Share Ownership And Control By Black Small And Independent Retailers Including Communities Residing In That Particular Area.

Thank You

Your Quick Response Will Be Highly Appreciated

[REDACTED]

[REDACTED]