

# TM Supermarkets comes close to losing top spot

By [Dumisani Ndlela](#)

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TM Supermarkets came within a whisker of losing its top spot as the biggest supermarket chain by outlets to rival OK Zimbabwe after closing three branches during the half-year period to June 2010.

The closure of the outlets was "a bid to reposition the brand," said Farai Rwodzi, chairman of Meikles, the major shareholder in the supermarket chain.

The loss had brought TM Supermarket outlets across Zimbabwe down to 49, the same number as OK Zimbabwe, which has announced its ambition to become "the dominant retailer in Zimbabwe".

However, TM Supermarkets had added one more in the resort town of Victoria Falls to stay ahead of its oldest rival with 50 outlets.

"Other sites are being explored to expand the branch network," said Rwodzi.

## TM Spuermarkets hangs on

This indicates that TM Supermarkets, which posted a loss before tax of US\$841,000 during the half year to 30 June 2010, up from a loss of US\$86,000 during the comparable period the previous year, will not easily let go of its dominant place in the market.

South Africa's Pick n Pay holds a 25% stake in TM Supermarkets and has expressed interest in shoring up its shareholding in the Zimbabwean grocery giant.

Rwodzi said discussions for the recapitalisation of the supermarkets were "still in progress and the board expects these to be concluded by the end of the third quarter of this year".

## Stuck to its brand

The advantage with TM Supermarkets is that it has stuck to its brand even during the crisis period, whereas OK Zimbabwe had designed other less appealing brand names for the lower end of the market: OK Express Stores and Pax Cash & Carry.

Of the 49 outlets under its portfolio, OK has 35 OK stores, five Bon Marche stores, three OK Express stores and six Pax

Cash & Carry stores.

OK Zimbabwe is already scouring the market for additional outlets after a US\$20 million equity loans and rights issue that brought in South Africa-based Investec Africa Frontier Private Equity Fund as a new shareholder.

## ABOUT DUMISANI NDLELA

Dumisani Ndlela is a Zimbabwean journalist specialising in business and financial reporting, with experience reporting on commodities, stock and financial markets, advertising, marketing and the media. He has previously reported from a number of regional countries as well as from the UK and Germany on commodities and regional integration. He can be contacted on [dndlela@yahoo.co.uk](mailto:dndlela@yahoo.co.uk).

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