

Pick n Pay opens store in Maputo

CAPE TOWN: Pick n Pay announced on Thursday, 23 June 2011, the opening of its first Mozambican store in Maputo which will extend its African footprint. The company plans to open a further two stores later this year and is seeking more opportunities across the country.



According to Pick n Pay's head of group enterprises, Dallas Langman, the Maputo store is approximately 3,500m² in size and would include a clothing and liquor offering.

"Based on our comprehensive research and assessment, the Mozambique market offers good opportunities to present a high quality offering from Pick n Pay. Our stores will present an appealing array of products to Maputo residents which they may not have encountered before, offering substantial competition to other retailers in the Mozambican market," Langman said.

Franchise territorial agreement with Retail Masters

Pick n Pay had previously signed a franchise territorial agreement with retail franchising group Retail Masters in Mozambique.

"This Master Franchise Agreement with Retail Masters will provide us with the essential benefit of expert insights into the local market," Langman said.

"Naturally one of the main benefits to the local economy will be employment and we are fortunate in our partners to have local ownership which means we will be able to leverage highly experienced local market knowledge and expertise."

With the opening of first Mozambican store, Pick n Pay has already employed 250 Mozambican citizens. The employment figure number is set to grow as the company grows its store numbers in Mozambique," Langman said. He added that the group aimed to support local suppliers as much as possible: "We have already engaged on an agriculture project in Mozambique with the potential of not only supplying product to the local market, but also to South Africa."

Strategy into Africa

Pick n Pay's strategy into Africa has mainly been through partnering with locals and the franchise route, where local experts own the franchise in their own communities. However, there are instances such as with its stores in Zambia, where the company will develop corporate-owned stores.

Said Langman: "It is our intention to ensure that local farmers and suppliers are supported to stimulate economic growth in Mozambique. Logistically, we're using experts who deal with transportation and supply issues into Africa and currently supply for us into Zambia."

Pick n Pay's expansion into Mozambique follows its second store opening in Zambia in March. The company envisaged opening five more stores in Zambia over the next four years. Last year, Pick n Pay also announced the purchase of a further 24% of Zimbabwean operation TM Supermarkets, increasing its shareholding to 49%.

The company also conducts retail operations in Namibia, Botswana and Lesotho. "We plan to open stores in Mauritius, Malawi and Angola in the future. We are set to continue along this expansion path in a planned and deliberate way," Langman added.

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