

Massmart seeks to acquire large retailers

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Massmart, SA's largest wholesaler, said last week it would spend a fraction of its R380m capital expenditure to acquire large independent retailers next year.



Massmart, which owns Game, Makro and Dion Wired, intends to build its presence in the retail business through its Masscash division, whose purpose is to acquire a chain of independent wholesale businesses.

"We are typically acquiring large independent retailers which service the lower-income groups in food retail," said CEO Grant Pattison.

"They are all over the country and they are typically located around commuter nodes."

Pattison said one of the reasons for bringing in the retail link within Masscash was to form a defence as the formal retailers were starting to expand into the independent trade market.

Pattison said the group's aim was to formalise the independent retailers and protect the market.

Masscash has acquired five food retail cash and carry businesses, a total of at least 20 stores, which have contributed about R2bn to the group's turnover.

These include Finro, Cambridge (51%), Sunshine (50%) and Savemor Bloem (100%).

On creating competition for formal retailers, Pattison said: "We will inevitably in the future compete with the likes of Shoprite and Pick n Pay. But for now we are far too small."

He said between 30 and 40 independent retailers would be acquired in the next three years.

Source: Business Day

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