

Zimbabwe: Retail business now a pain for operators

Alex Peterson has been in the retail business all his life. His family has run a fleet of businesses, which include supermarkets, beer outlets and butcheries, for over 45 years.

By [Dumisani Ndlela](#) 14 Oct 2008

"Retail has always been what I enjoy," says Peterson, puffing out smoke from a cigarette. "But this..." he says, pointing out at empty supermarket shelves in his shop in Harare's western suburbs, "...this is the last straw and I'm quitting," he says, referring to a price cut directed by the National Incomes and Pricing Commission (NIPC) recently.

One of three beer outlets in Harare's CBD was closed last week, and the two supermarkets around the capital could close shop or be sold out "to get rid of this headache", he says.

And it's a headache that is certainly nagging the country's retail sector as government resorts to price controls once again to reign-in rampant inflation, which rocketed to a record 231 150 889,4% for July, gaining 219 882 130,5% points on the July 2008 rate of 11 268 758,9%.

The NIPC has ordered private sector firms to slash prices to levels that prevailed on September 26 before the introduction of high-value notes by the Central Bank.

Innskor Africa, one of the biggest retail conglomerates operating brands like Nandos and Chicken Inn, has reacted by closing down its entire fast foods outlet.

The head of the fast foods division said they would only open the outlets once the NIPC has come up with profitable prices for its products.

OK Zimbabwe, which is listed on the Zimbabwe Stock Exchange (ZSE), is keeping its empty supermarkets open for fear of political victimisation, a source in the industry said, while conglomerate, Kingdom Meikles Africa Limited has closed down some of its TM Supermarket outlets "for refurbishments" during the crisis period.

Most major supermarket outlets said they had stopped restocking.

A few retailers with licenses to trade in foreign currency had reasonable stock on their shelves, but one retailer said they had received notice to reduce the prices by the NIPC boss Goodwills Masimirembwa who alleged they were profiteering.

"We're buying these goods from outside the country, transport them at huge costs and pay 30% of our earnings from sale to the Central Bank. All this is factored into our cost build up and we may stop stocking even the goods sold in foreign currency if he nabs us," said a retailer who declined to be named.

Masimirembwa has said he is unfazed by complaints that the price blitz is worsening shortages, insisting he is ready to have business executives arrested if they hike prices without his blessings.

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.

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