

Partnership empowers informal retail traders across Eastern and Southern Africa

Informal retail micro, small and medium-sized enterprises (MSMEs) across the Eastern and Southern Africa Region (ESAR) are set to receive a technological and operational boost for their businesses, thanks to Nestlé, Nomanini and Standard Bank.



Image by [Gunnar Mallon](#) from [Pixabay](#)

Announcing the project, Bruno Olierhoek, chairman and managing director of Nestlé ESAR, emphasised that the region's economic growth is interdependent on strong partnerships amongst various stakeholders, including the informal retail sector.

“As one of the fastest-growing consumer retail markets in the world, Africa is full of economic potential. This potential lies firmly within the informal retail sector, which constitutes the vast majority of the retail market in Africa. To give impetus to this positive outlook, we have leveraged Nomanini's technology to unlock business opportunities, drive economic growth, create jobs and improve ways of doing business.”

Disrupted supply chains, inter-trade, as well as reduced consumer sales

The vast majority of retail transactions in Sub-Saharan Africa are cash-based and occur in informal channels, according to IFC research. Many retail MSMEs are therefore unable to create the digital footprint necessary to access the credit they need to keep their shelves stocked with high-quality essential items. Additionally, many MSMEs across Africa have been negatively affected by disrupted supply chains, inter-trade, as well as reduced consumer sales, which have resulted from coronavirus lockdown regulations.

“Being able to support the creation of wealthier and healthier communities by providing working capital to retail MSMEs is a real win for all,” said Adrian Vermooten, chief innovation officer at Standard Bank Group.

“With Nestlé as one of our newest clients, we are able to address these and other key business challenges and transform the informal retail ecosystem through an innovative solution. Through our platform, Nestlé is able to provide much-needed access to sufficient working capital so that retailers can stock a wide range of high-quality products. This capital is offered in the form of physical stock rather than cash,” shared Vahid Monadjem, CEO and founder of Nomanini.

He added, “Our solutions are designed with MSME retailers at the core so that we can support, rather than disrupt their businesses. We know that while many of these MSMEs are un- or under-banked, they would qualify for credit if they were. By using our technology and data, our partners can help MSMEs access credit responsibly.”

Nomanini’s platform analyses the sales history of an MSME to create a credit score. If approved, the retailer is offered an uncollateralised loan in the form of stock from Nestlé. MSMEs are given access to the working capital they need to grow their businesses without having to open a bank account or visit a bank branch. When it is time to repay the loan, they do not need to go to the bank or even have a bank account to make an electronic transfer.

Following the successful implementation of the trial of concept in Zambia, Nestlé is set to expand the solution into other countries, benefitting thousands of MSMEs across the region.

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