

The Lion Match Company commissions new pantyliner line

Issued by [Symbiotic Communications](#)

12 Oct 2018

Unsgaard, [The Lion Match Company](#)'s manufacturer of a wide range of personal care products under the Comfitex, Cherubs, Lion-Duel and Loving Touch brands, has just commissioned a multimillion-rand pantyliner production plant in Cape Town.



Chief executive of The Lion Match Company, Basie van Wyk (left) with Jessica Rycroft (National Marketing Manager on Personal Care, Unsgaard (middle) and George Lemon, General Works Manager for Unsgaard (right). In the background is the newly commissioned pantyliner equipment which is located at Unsgaard in Cape Town.

This will more than double local manufacturing capacity and cement its position as market leader in a R400-million market category that is growing by more than 10% in volume.

This forms part of a broader R100-million investment programme that began with the installation of a new line to manufacture wet wipes in 2016. The newly commissioned pantyliner equipment will be followed by further investments to significantly boost local production of sanitary pads and other related products.

According to chief executive Basie van Wyk, a large portion of feminine personal care products sold by South African retailers are imported. Less than half of all product is manufactured locally for what is still a largely undeveloped market.

"Through this investment, we are growing local manufacturing capability in this category. We have also invested in future capacity to grow the market," he said.

Prior to this investment, Unsgaard also imported the shortfall in local manufacturing quantities.

The new equipment arrived in South Africa from Italy at the end of last year.

A lack of operator skills for such sophisticated and highly automated equipment initially led to delays in commissioning. A rigorous training programme supported by the Italian manufacturer and the adoption of a multi-skilled manufacturing approach ultimately uplifted the skills set of almost all operators in the factory.

Since commissioning, the output of the new equipment improved exponentially. It is currently running at 90% of its design capacity.

Van Wyk noted that the rationale behind the investment was the creation of local job opportunities, better management of working capital, improved quality control and reduction in foreign currency risks.

Although it is still early days, this investment has increased the company's local manufacturing volumes by more than 50 percent, making this a 100 percent locally made product.

He said that, prior to investing, Comfitex was number one in volume but not in value. Now, according to the latest Nielsen survey, it is the national market leader in both.

"This is a very competitive market. As a relatively small business compared to the large multinationals in this category, we are boxing with some of the top brands. But we are winning against them – that's the important thing."

Van Wyk believes that the brand is perfectly positioned to attract cash strapped consumers. "In a struggling economy, it is important to have the right balance between the product intrinsic and the value it offers the consumer."

He pointed out that this also marked a broader commitment to both local manufacturing and skills development which were sorely needed in the local economy.

The Lion Match Company, which is 100-percent black-owned and one of the earliest broad-based black economic empowerment success stories in the fast-moving consumer goods (FMCG) space, has leveraged the iconic Lion Safety Matches brand to expand its footprint into personal care and other categories.

He noted that investing in a tough economy was a carefully calculated risk on the part of The Lion Match Company. "It can be the best time to invest and build," he said, adding that it was possible to benefit from changes in consumer behaviour, gaining new customers who are looking at value-for-money offerings, and then keeping them when the tides turned.

"It's also about the efficiencies and product consistency you can achieve. We would always prefer local manufacture compared to imported products," he said. Wastage has already dropped by between three and four percent.

Van Wyk said that the company would now shift its focus to the feminine pad category which is worth around R1.3 billion and growing at 4% in volume. Here, Unsgaard (and hence The Lion Match Company) is still a relatively small player.

"We are now looking at our feminine pad product offerings so that we can utilise the success on the pantyliner side and duplicate this on the feminine pad side. Here, we are still a fairly small player with a single-digit market share, so there are big opportunities to grow. For us, the personal care space is our growth area, and we are looking at alternatives within that space to invest and grow further. That's where we'll start adding meat and becoming a big personal care player," he concluded.