

Mr Price takes aim at Nigerian market

By [Michael Bleby](#)

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Retailer Mr Price is eying Nigeria, a market it says could host up to 100 stores, if it could only end its ban on the import of clothing.



The Durban-based retailer, which already owns 42 stores outside SA and has franchise agreements with another 24, is most likely to expand the operations it has in Kenya, Ghana, Zambia and Tanzania, but Nigeria remains the prize, chairman Alistair McArthur said on Thursday.

"The big one we need to open up is Nigeria," McArthur said after a results presentation in Johannesburg. "They could support 50 to 100 stores with that population."

The opportunity Africa offers is sometimes matched only by the difficulty of doing business in the continent.

By 2020 Lagos will be Africa's fourth-largest city by spending power, almost on par with Cape Town, and the country's second city, Kano, will be on par with Nairobi, according to a forecast by consultancy McKinsey.

Nigeria, Africa's most populous country, is already drawing South African retailers.

Testing new markets

Supermarket Shoprite opened its first store there in 2005 and its second in June. It plans to open two more next year. Massmart has a Game store there.

Mr Price, which this week reported a 50% increase in pretax profit to R562 million, said six months ago it was testing new markets.

On Thursday it said it was starting research in various countries about how to manage the logistics and property concerns it would need to resolve to set up the stores it wants to build in new markets.

While not much of the R195m the company has earmarked for capital expenditure in the current year will be spent on African expansion, more is likely next year, McArthur said.

"I would expect capex to come through in the next financial year, about R200 million to R300 million," he said.

The company intends to grow using corporate stores.

Source: *Business Day*

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