



Pick'n Pay Expects 2009 Sales Growth of as Much as 6 Percent

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By Holger Elfes

June 19 (Bloomberg) -- Pick'n Pay Stores Ltd., South Africa's second-largest food retailer by market value, said it expects full-year revenue growth higher than the country's inflation rate this year.

"We expect sales will rise about 5 percent to 6 percent in 2009," **Gareth Ackerman**, chairman of majority owner Pick'n Pay Holdings Ltd., said June 17 in an interview at the CIES World Food Business Summit in New York. The Cape Town-based retailer has said it is "optimistic for the year ahead."

Consumer prices rose an annual 8.4 percent in April, compared with 8.5 percent the previous month, exceeding the inflation target of 3 percent to 6 percent. Declining growth in Africa's biggest economy has prompted the South African Reserve Bank to cut its key interest rate by 4.5 percentage points since December to boost spending.

Retail sales fell for a third month in April, dropping 6.7 percent from a revised 4.9 percent in March as consumers cut spending and South Africa slipped into its first recession in 17 years.

"The top end of our business is more affected by the economic crisis than the medium and lower end," Ackerman said. Government grant programs for people in need as well as lower interest rates are spurring consumer spending, he added.

The number of South Africans benefiting from government help rose to more than 13.5 million currently from 3 million in 1994, according to Ackerman.

The retailer reiterated plans to open 58 new own and franchise stores this year and spend 1.4 billion rand (\$173.9 million) on refurbishing existing outlets.

The company, which also has stores in Australia, Zimbabwe, Swaziland, Namibia and Botswana, continues to invest as it sees business opportunities arising after the end of the current crisis, Ackerman said.

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