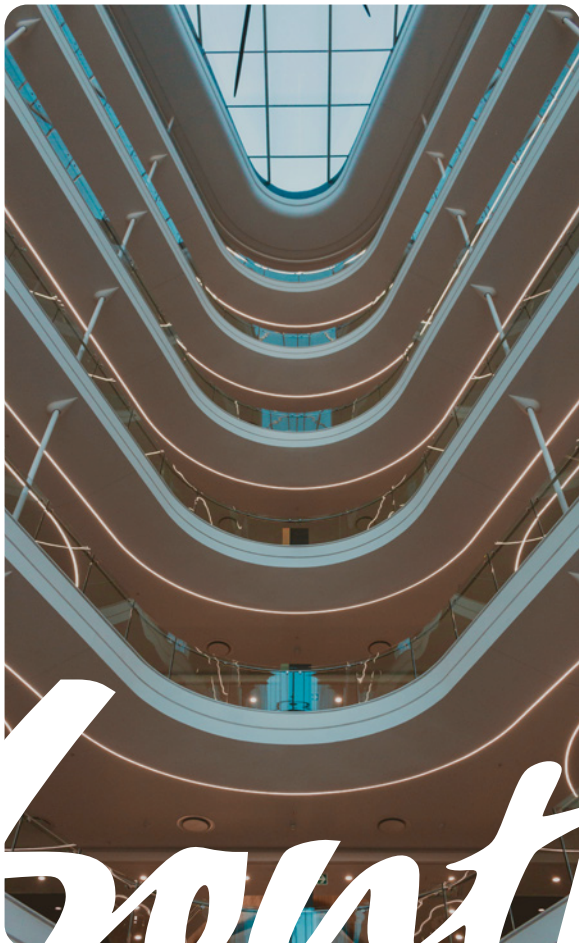
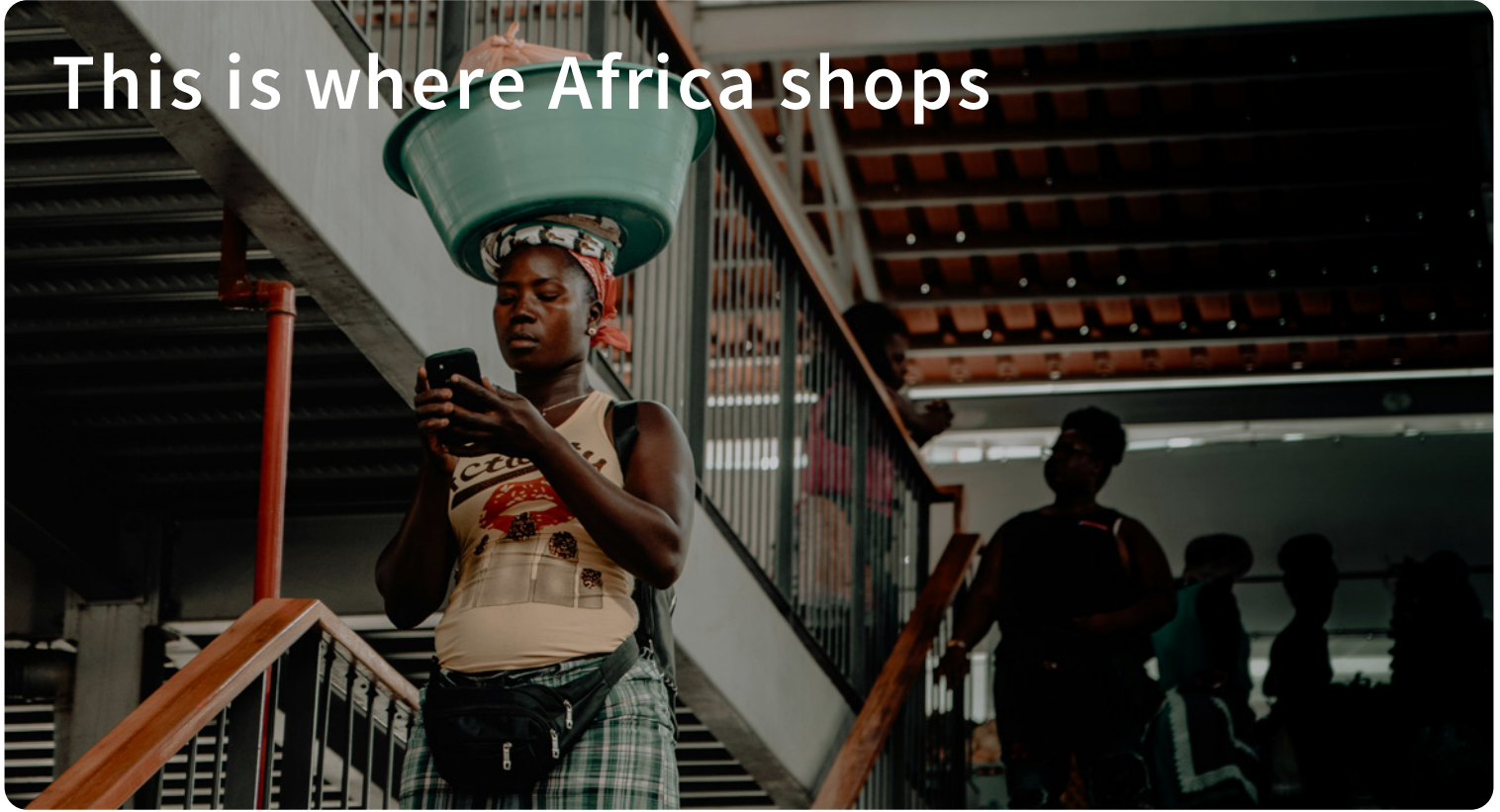




Retail & Consumer Goods Sector Report

This is where Africa shops



South Africa



EXECUTIVE SUMMARY

Africa's Consumer Powerhouse

SOUTH AFRICA'S RETAIL AND CONSUMER GOODS SECTOR is the continent's largest non-financial industry, contributing ~14% of GDP (~R1.2 trillion in sales, 2025) and employing ~1.15 million people. Urbanization reached ~68%, a 62 million-strong consumer base, and Africa's largest retail infrastructure (2,000+ shopping centers) anchor the market.

RETAIL SALES reached ~R1.2 trillion in 2025, up from R1.16 trillion in 2024 (+3%). Regional champions like Shoprite operate 3,519 stores across 10 countries, with ~22% of sales from outside South Africa, serving 24 million weekly customers. Woolworths and major retailers integrate 80% local sourcing. FMCG majors like Tiger Brands, Heineken, and SAB/AB InBev export ~R70 billion in goods annually to 30+ markets—an 18% increase under AfCFTA integration.

E-COMMERCE has grown to 10% of retail share, expanding at ~38% in 2025. Amazon SA's 2024 launch, alongside Takealot (R14 billion valuation) and Checkers Sixty60, accelerates digital penetration. PayShap instant payments adoption rose 30% in 2025, while Buy-Now-Pay-Later platforms like PayJustNow support youth-driven consumption.

FOOD AND GROCERY LEADERS—Shoprite, Pick n Pay, Woolworths Food—source 80% locally, ensuring resilience and affordability. Fashion and apparel players—Mr Price, TFG, Truworths—scale across SADC and East Africa, with e-commerce contributing 10% of sales growth. Massmart/Walmart drives affordability through Game and Builders. Sandton City and V&A Waterfront anchor Africa's luxury landscape, hosting LVMH and Richemont brands.

AF CFTA protocols expand regional export opportunities, while Operation Vulindlela reforms logistics bottlenecks. GNU stability (2024) reassures investors. ESG momentum drives solar-powered stores, green packaging, and retail circularity models.

WITH 5-7% PROJECTED ANNUAL GROWTH, the sector offers investors a resilient, diversified ecosystem spanning FMCG, fashion, luxury, general retail, and e-commerce.



EXECUTIVE SUMMARY

Sector Highlights

R1.2 T

GDP CONTRIBUTION
(14%)

1.15 M

SECTOR RELATED JOBS
(Q2 2025)

68%

URBANISATION

3519

SHOPRITE: 3,519 STORES,
22% SALES OUTSIDE SA

\$70B

FMCG EXPORTS
(+18% VIA AFCFTA)

10%

10% E-COMMERCE SHARE
(~38% GROWTH IN 2025)

2000+

SHOPPING CENTERS

10m

PROJECTED INTERNATIONAL
ARRIVALS 2026

14%

GROWTH IN INTERNATIONAL
ARRIVALS IN 2025



FULL SECTOR BRIEF

The Big Picture

South Africa's retail and consumer goods sector contributes approximately 14% to GDP, with retail sales reaching ~R1.2 trillion in 2025, up from R1.16 trillion in 2024 (+3%). The sector employs ~1.15 million people as of Q2 2025, with significant multipliers across supply chains, logistics, and manufacturing. Urbanization reached ~68% in 2025, driving demand for modern retail formats, convenience shopping, and e-commerce.

FMCG exports climbed to ~R70 billion in 2025, an 18% increase driven by AfCFTA trade protocols. E-commerce accounts for 10% of retail sales, growing at ~38% in 2025, accelerated by Amazon SA's 2024 launch, Takealot's R14 billion valuation, and Checkers Sixty60's rapid delivery model. PayShap instant payments adoption rose 30% in 2025, while Buy-Now-Pay-Later (BNPL) platforms like PayJustNow expand credit access for younger consumers.

South Africa operates over 2,000 shopping centers—Africa's largest mall network—supported by advanced supply chains and cold-chain infrastructure. Localization policies ensure ~80% local sourcing across major retailers, strengthening domestic manufacturing and food security. Regional champions like Shoprite (3,519 stores across 10 countries, ~22% sales from outside SA) and Woolworths integrate continental expansion with local production.



14%

SECTOR CONTRIBUTION
TO GDP

38%

E-COMMERCE MARKET
SHARE GROWTH IN 2025

30%

PAYSHAP INSTANT PAYMENTS
ADOPTION INCREASE IN 2025



FULL SECTOR BRIEF

Food & Grocery: Local and Regional Leaders

Shoprite operates 3,519 stores across 10 countries, serving 24 million weekly customers. The retailer generates ~22% of sales from outside South Africa, anchoring FMCG distribution across SADC and East Africa. Pick n Pay and Woolworths Food complement market coverage, with both retailers sourcing ~80% locally—ensuring affordability, resilience, and support for South African agriculture and manufacturing.

Local sourcing reduces currency exposure, shortens supply chains, and aligns with consumer demand for fresh, accessible products. Grocery retail remains resilient during inflationary periods (CPI 5-6% in 2025) through private-label expansion, promotional strategies, and loyalty programs.

INVESTMENT OPPORTUNITY

Automation and fintech adoption. Efficiency gains, 30% PayShap growth (2025). Back logistics tech and digital payments startups. PayShap scaled to millions of users by 2025.





FULL SECTOR BRIEF

Fashion & Apparel: Omni-Channel Growth

Mr Price, The Foschini Group (TFG), and Truworths scale across SADC and East Africa, combining physical stores with digital platforms. E-commerce contributes 10% of sales growth, supported by click-and-collect models and mobile apps. BNPL platforms like PayJustNow expand credit access without traditional banking requirements, capturing youth-driven fashion consumption.

South African fashion brands export design expertise and supply chain management across Africa, leveraging regional manufacturing hubs in Lesotho, eSwatini, and Mauritius for textile production.

INVESTMENT OPPORTUNITY

Continental retail growth. Shoprite: ~22% sales from outside SA. JVs with TFG, Mr Price, Shoprite. AfCFTA: 18% export growth (2025).





FULL SECTOR BRIEF

General Merchandise: Value & Access

Massmart (Walmart's South African subsidiary) operates Game and Builders, targeting cost-conscious households with value-oriented general merchandise.

The retailer expands into township markets and smaller format stores, increasing accessibility while maintaining affordability. Regional expansion targets Botswana, Namibia, and Zambia.

INVESTMENT OPPORTUNITY

Township malls and logistics hubs. Urbanization (68%) drives access demand. Partner with SACSC developers. Township malls: 12% YoY growth (2025).





FULL SECTOR BRIEF

Luxury & Lifestyle: Premium Demand

Sandton City and V&A Waterfront anchor Africa's luxury retail landscape, hosting LVMH (Louis Vuitton, Dior) and Richemont (Cartier, Montblanc) brands. International tourism flows—24 million annual visitors to V&A Waterfront—support luxury retail resilience.

High-net-worth South African consumers and African diaspora buyers drive demand for premium fashion, jewelry, and lifestyle products.

INVESTMENT OPPORTUNITY

Solar installations, green packaging, circularity. Regulatory push, cost savings. Fund solar PPAs and sustainable supply chains. Major retailers commit to carbon neutrality by 2030.





FULL SECTOR BRIEF

E-Commerce & Omni-Channel: Digital Surge

E-commerce reached 10% of retail sales in 2025, growing at ~38% in 2025. Takealot (R14 billion valuation) dominates online retail, while Amazon SA's 2024 launch intensifies competition. Checkers Sixty60 delivers groceries within 60 minutes, capturing convenience-driven urban consumers. PayShap instant payments adoption rose 30% in 2025, reducing friction in digital transactions.

E-commerce expansion drives warehouse construction, last-mile logistics networks, and fulfillment center investments near Johannesburg, Cape Town, and Durban.

INVESTMENT OPPORTUNITY

E-commerce and fintech. ~38% growth in 2025, 10% retail share. Equity in Takealot or partnerships with Amazon SA. Amazon SA 2024 launch disrupted online competition.





FULL SECTOR BRIEF

FMCG & Beverages: Export Powerhouse

FMCG leaders like SAB/AB InBev, Heineken (including Distell, R15 billion merger in 2023), and Tiger Brands export ~R70 billion annually. Rooibos tea, South African wines, beer brands, processed foods, and household goods reach 30+ markets. AfCFTA protocols boosted exports by 18% in 2025, reducing tariffs and harmonizing customs procedures.

South African FMCG brands leverage quality reputations, competitive production costs, and proximity to African markets. Exports target SADC, East Africa, West Africa, and increasingly Europe and Asia.

INVESTMENT OPPORTUNITY

Processing capacity expansion. ~R70B exports (2025). Co-invest with Tiger Brands or SAB. Heineken's R15B Distell merger (2023) expanded beverage capacity.





ON THE GROUND

Infrastructure & Policy Framework

South Africa operates over 2,000 shopping centers, supported by cold-chain logistics, advanced supply chains, and embedded solar installations reducing energy costs. Localization policies mandate ~80% local sourcing across major retailers, supporting domestic agriculture and manufacturing.

AfCFTA protocols (2023) expand regional export opportunities, while Operation Vulindlela reforms address port and rail bottlenecks affecting FMCG logistics. GNU stability (2024) reassures investors. ESG momentum drives solar-powered stores, green packaging, and retail circularity models (recycling, waste reduction, sustainable sourcing).



LOOKING AHEAD

Investment Opportunities

- 1 RETAIL REAL ESTATE**

Township malls and logistics hubs. Urbanization (68%) drives access demand.
Partner with SACSC developers.
Township malls: 12% YoY growth (2025).
- 2 DIGITAL RETAIL PLATFORMS**

E-commerce and fintech. ~38% growth in 2025, 10% retail share.
Equity in Takealot or partnerships with Amazon SA.
Amazon SA 2024 launch disrupted online competition.
- 3 REGIONAL EXPANSION**

Continental retail growth. Shoprite: ~22% sales from outside SA.
JVs with TFG, Mr Price, Shoprite.
AfCFTA: 18% export growth (2025).
- 4 FMCG PRODUCTION & EXPORTS**

Processing capacity expansion. ~R70B exports (2025).
Co-invest with Tiger Brands or SAB.
Heineken's R15B Distell merger (2023) expanded beverage capacity.
- 5 SUPPLY CHAIN TECH & PAYMENTS**

Automation and fintech adoption. Efficiency gains, 30% PayShap growth (2025).
Back logistics tech and digital payments startups.
PayShap scaled to millions of users by 2025.
- 6 ESG RETAIL INFRASTRUCTURE**

Solar installations, green packaging, circularity. Regulatory push, cost savings.
Fund solar PPAs and sustainable supply chains.
Major retailers commit to carbon neutrality by 2030.



LOOKING AHEAD

Challenges & Fixes

- ✓ **INFLATION** (CPI 5-6% in 2025) pressures margins—retailers mitigate through localization, hedging, promotions.
- ✓ **INFORMAL RETAIL** captures 40%+ market share—integration via township malls and digital SME platforms scales inclusivity.
- ✓ **LOAD-SHEDDING** raises costs—mitigated by solar installations and cold-chain investments.
- ✓ **CONSUMER VULNERABILITY** (unemployment) constrains spend—addressed via BNPL and microcredit expansion.
- ✓ **PORT DELAYS** affect FMCG exports—mitigated by Operation Vulindlela reforms and private concessions.



IN SUMMARY

The Bottom Line

South Africa combines scale (~R1.2T sales, ~14% GDP, 1.15M jobs), urbanization momentum (68%, 62M consumers), infrastructure depth (2,000+ malls, advanced supply chains), regional leadership (Shoprite 3,519 stores, ~22% sales outside SA), export strength (~R70B FMCG, +18% AfCFTA growth), and digital acceleration (10% e-commerce, ~38% growth in 2025, Amazon SA entry).

For investors, it's Africa's only consumer market offering institutional retail depth, continental expansion platforms, FMCG export scale, and proven omni-channel innovation

GET IN TOUCH WITH BRAND SOUTH AFRICA

CONTACT DETAILS

+27 011 483-0122
+27 011 483-0124
info@brandsouthafrica.com

PHYSICAL ADDRESS

Brand South Africa
103 Central Street
Houghton, Johannesburg

POSTAL ADDRESS

PO Box 87168
Houghton 2041
Gauteng, South Africa

