

With 136 stores hit, scale of destruction "heartbreaking" - Pick n Pay CEO

The civil unrest in South Africa last week had a significant impact on the Pick n Pay group's operations in the affected areas - particularly in KwaZulu-Natal - as a result of physical damage to property, looting of stock and an interruption to trade, Pick n Pay said in a shareholder update on Tuesday.



Source: Pick n Pay

The group said 136 stores were looted and/or damaged by fire: 68 Pick n Pay stores and 68 Boxer stores. Out of this total, 28 were Pick n Pay company-owned supermarkets, 15 were Pick n Pay franchise stores and 64 were Boxer supermarkets. The remaining 29 stores comprised Pick n Pay Clothing stores (2), Express Convenience stores (14), independent Market stores (9), and Boxer Build stores (4).

In addition, 76 liquor stores across Pick n Pay and Boxer were looted and/or burned, but were not trading due to the government's Covid-19 restrictions. Two Pick n Pay distribution centres in Pinetown, KZN were also looted and severely damaged.

At the peak of the unrest, a significant number of Pick n Pay and Boxer stores in the affected areas were closed as a precaution. "As a result of this swift action, casualties were kept to a minimum, and the small number of colleagues who were injured are now thankfully well on the road to recovery," Pick n Pay said.

Progress encouraging

The group said it moved rapidly to implement its formal disaster recovery plans to restore affected operations in KZN and Gauteng, and to replenish stock levels in the affected regions. In a media statement shared on Thursday, Pick n Pay group CEO Pieter Boone expressed sadness at the level of destruction but said progress on cleanups and store re-openings was encouraging.

"We updated stakeholders earlier this week on damage to Pick n Pay and Boxer stores and infrastructure as a result of last week's social unrest and looting. In total, 136 of our food, grocery, clothing and building stores were looted and/or burned, along with 76 liquor stores, across KwaZulu-Natal and Gauteng. Two Pick n Pay distribution centres in KZN were also severely damaged.

"Following up on my visit last week, I have spent yesterday and today on the ground in Gauteng and KZN, visiting our damaged stores, and meeting affected staff members, franchise partners and other stakeholders. The scale and the nature of the destruction is heartbreaking. But I have been inspired by the progress made by our Pick n Pay and Boxer teams in the noble task of cleaning up, rebuilding, and restocking our stores – getting them ready to welcome customers again," Boone said.

"The progress since I was here last week is massive. Every day, our teams are accelerating their progress and shortening their timescales. I said only two days ago that we would reopen 32 of our 136 looted or damaged stores by the end of this week. I am very pleased to be able to say that, by the end of next week, the total number of reopened stores will rise to 58 across Pick n Pay and Boxer," he added.



Hundreds of Shoprite Group stores damaged during riots

21 Jul 2021



Restoring supply chain network

He said that progress made in repairing and restocking the two damaged and looted Pick n Pay distribution centres in Pinetown is "remarkable", and that the retailer's supply chain network will soon be fully restored.

Until these centres can recommence operations, Pick n Pay and Boxer stores in KZN are being serviced from the group's Boxer distribution centre in Lynnfield, KZN – "an example of exceptional teamwork between our Boxer and Pick n Pay teams," said Boone.

"I am seeing amazing progress in such a short time. My thanks go to my colleagues across Pick n Pay and Boxer, our franchise partners, and our vendors, equipment and other suppliers," he added.

Boone [added his voice](#) to the call for an end to the alcohol sales ban. "We are working very hard in anticipation of this step. By the end of next week, we will have repaired and be ready to reopen 28 of our 76 severely damaged liquor stores in KZN and Gauteng."

The group is using its Feed the Nation programme to provide emergency relief to communities in the affected areas who are suffering from the damage to essential infrastructure, and are finding it difficult to obtain essential food and groceries.

"Last week I said that South Africa was bloodied but unbowed. This week, everywhere I have been, I have seen the strength and determination of people to rise from the crisis and build a better tomorrow," Boone said.



South Africa is bloodied, not bowed - Pick n Pay CEO

16 Jul 2021



Insurance protection

The group said it has managed its cash resources and liquidity carefully over the course of the Covid-19 crisis, and is therefore "in a strong position" to direct capital to where it is needed most in rebuilding its Pick n Pay and Boxer operations in KZN and Gauteng as quickly and effectively as possible.

It added that it's not yet possible to give a full assessment of the financial cost of the damage and disruption, but it has South African Special Risk Insurance Association (Sasria) cover in place in respect of both material damage and loss of profits (business interruption) associated with such events.

Pick n Pay said it expects that its insurance will cover a substantial majority of its losses, subject to deductibles, delays and any unforeseen impacts arising from the number and extent of claims submitted by impacted businesses.

For more, visit: <https://www.bizcommunity.com>