

Engen plans to grow its convenience offerings

Engen, the African energy group and subsidiary of Malaysian national oil and gas company PETRONAS, expects to see strong growth in its convenience offerings in 2013.

The group, which is also boosting its African service station networks, has reported sustained growth over the past two years for its retail operations in sub-Saharan African (s-SA) and the Indian Ocean Islands.

It is similarly bullish on its outlook for the year ahead.

In 2011 Engen grew its s-SA retail portfolio by 7% to 440, said Frederick Kotze, GM of Engen's international business division (IBD).

In that year it built seven new service stations from the ground up - three each in Botswana and Mauritius, and one in Namibia. In addition, it knocked down and rebuilt six more - in Burundi, Namibia, Reunion, Mauritius, Malawi and Gabon.

Over the last year, the company expected to stream 14 new-to-industry sites, a growth of 3%. Six of these have thus far come on stream - in Botswana, Burundi, Reunion, Malawi and Mauritius. Of the nine currently under construction and six for which board approval has been received, six are expected to be completed in the coming months - one in Botswana, one in Namibia, one in Gabon, one in the DRC, one in Mauritius and one in Zambia.

The remaining three are expected to come on stream in the first quarter of this year.

In addition to pure fuel and lubricants sales, Engen also derives a sizeable portion of its income from convenience, termed "alternate profit opportunities".

In emulation of its SA business, where it has Engen Quick Shops, the company is pursuing branded convenience partnerships with Corner Bakery and Famous Brands - which has in its stable Wimpy, Steers and Debonairs.

As at November 2012, there are currently 502 retail sites in the IBD network.

"Tremendous growth is being planned on the convenience side for this year. Quick Shops are expected to increase by 15 (12% growth), Corner Bakeries by 22 (92% growth) and Wimpy's by one (100% growth) and one Woolworths Food Zone as a pilot in Mozambique," Engen said.

"This year we've streamed eight bakeries so far," said Kotze.

"In Zambia we have two of our top-performing bakeries, one of them second only behind a Wimpy in Botswana, and the first to have a sit-down format. Wimpy reopened under a remodelled format in Mariental, Namibia, and is doing a roaring trade."

Engen also introduced ATMs in Botswana, and opened its first Quick Shop-Corner Bakery in Mauritius. Reunion will stream its first five Quick Shops and three Corner Bakeries by the beginning of this year.

Kotze said the group is pleased with continuing good prospects on the continent, with selected markets showing world-beating economic growth.

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