

# Spur Corporation ventures out of South Africa

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Spur Corporation, whose brands include, Panarottis, John Dory's and Captain DoRegos will open new outlets in Swaziland, Nigeria, Tanzania, Namibia and the Seychelles next year.



In its annual report, released on Monday, 14 October 2013, the restaurant franchise group said its strategy was to grow in existing territories to allow for the development of improved logistics, pricing and raw material efficiencies.

"Countries in the rest of Africa offer a good opportunity to enter higher growth markets although each market brings its own particular challenges," chief executive Pierre van Tonder said.

There are 25 restaurants in the group's African division, outside SA. The company has nine outlets in Mauritius.

"We have added resources to our African management team. The two new Captain DoRegos (Mauritius and Namibia) have been received well and we believe that there is a large market for this brand in Africa.

## Traditional models

"We continue to review our traditional models to adapt these to the higher set up, occupancy costs and other challenges we encounter in certain countries in Africa," Van Tonder said.

Africa's fast-growing prospects have caught the eye of other local companies such as Famous Brands and Taste Holdings, as well as global chains.

Domino's Pizza, which is the largest pizza chain worldwide, opened two restaurants in Nigeria last year, and is exploring expansion opportunities in Kenya and SA.

Another international food company establishing a platform in Africa is YUM Restaurants International, which intends to grow KFC "exponentially" in the future.

Famous Brands (Fbr), the owner of Wimpy and Mugg & Bean, last month acquired a 49% stake in Nigerian fast food business Mr Bigg's, that it will use to entrench its position in Africa's most populous country.

Famous Brands' network in the rest of Africa totals 172 restaurants in 15 countries and makes up about 8% of total sales - a figure the company wants to push to 15% over the next three years.

While rich pickings are clearly available in the rest of Africa, this must be tempered with knowledge of the trading risks such as the lack of formalised retail infrastructure, power shortages and poor logistics.

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