

New Horizons: The changing retail space for the hygiene sector in key African markets

3 September 2019

EDANA's Jacques Prigneaux and OUTLOOK speaker Raymond Chimhandamba assess the development of the AHP sector. The rapidly changing retail sector in key African markets is catching the attention of many in the AHP industry. EDANA's Market Analysis and Economic Affairs Director, Jacques Prigneaux, caught up with OUTLOOK™ speaker Raymond Chimhandamba to assess this evolution and the opportunities it brings.

At OUTLOOK™ you will provide insight on the changing market space for the hygiene sector in African economies. How have you witnessed this evolution recently?

The changes in the African hygiene space have 3 main themes: the changing retail space, new regional players (and the end of P&G and KC domination in key markets) and opportunities in new product categories.

In retail we have seen increased interest in Africa by big European players like Carrefour moving very aggressively into French West Africa, Kenya and now indications are they already have a licence for South Africa. Before that we saw Walmart take a stake in Massmart in South Africa, as a way to have a foothold in the bigger regional retail opportunity. South Africa's major retailers (Shoprite, Pick n Pay, Spar and Massmart) have all been establishing themselves in new markets north of the South African border. Choppies, a Botswana-based retailer, has been the fastest growing retailer in Africa, growing to above 250 stores spread across Southern, Central and East Africa in the space of a decade. Jumia has disrupted Africa's e-commerce space, although it is still in its infancy.

Coming to the hygiene players and brands, the past decade has seen new brands becoming leaders in key markets, where Pampers and Huggies have always been the top two. In Nigeria we have seen Molix become the market leader. Molix is also a leading brand in Cameroon and has recently launched in Kenya. In Ethiopia we have seen Canbebe take over. New regional brands are emerging. Local manufacturing is also gaining momentum in key markets of Nigeria, Kenya and Ethiopia. There are also new leaders in other hygiene spaces and categories; Chandaria Industries is the biggest player in tissue in Kenya, with a growing appetite in feminine hygiene, while Wemy Industries is now the market leader in wet wipes in Nigeria. All these developments create new opportunities for equipment manufacturers, raw material suppliers and private label manufacturers.

And what are the specifics that are not comparable to other regions?

