



# SAPRA Survey Results

SAPRA Members' Meeting  
18 November 2020

## FORMED

March 2020  
2 days before  
lockdown

## FOUNDERS

IQbusiness  
Schindler's Attorneys  
Engaged Business  
Turnaround

## WHY

safeguard livelihoods  
support business  
sustain the economy

70

partner  
organisations

1m

social media  
impressions

20k

knowledge hub  
users

250

companies have  
received direct  
assistance from  
COBRA and  
its partners

[www.cobra.org.za](http://www.cobra.org.za)

# COBRA | COBRA, RMI & SAPRA Engagement

Gain a deeper understanding of the unique challenges experienced by the Automotive industry



Engagement with SAPRA team



SAPRA members invited to partake in a survey to gain insight



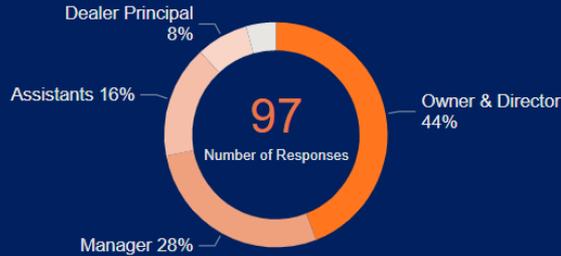
Survey was open for three weeks during which time we received 97 responses



# Thank you



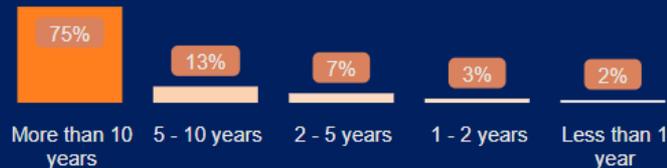
# COBRA | General Respondent Demographics



We had received a total of 97 survey responses by Friday 6 November. We hope to see a surge after this session.

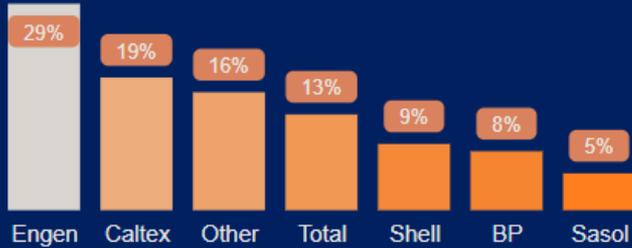


We collected data from each of the nine provinces in South Africa with the most populous provinces unsurprisingly showing the highest response rates.

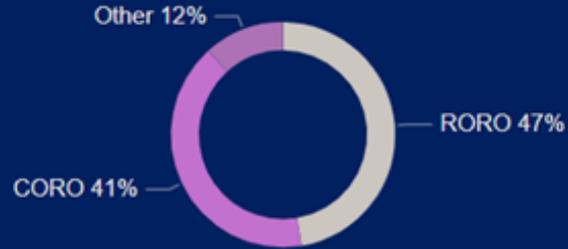


Three quarters of the respondents are from businesses that have been operating for over a decade, indicating a relatively mature sector.

# COBRA | Industry Specific Demographics



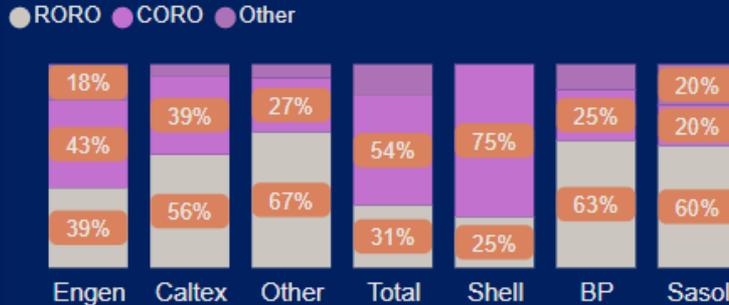
We received responses from all of the fuel majors. Engen retailers as well as Caltex/ Astron and Caltex Branded Marketers made up the majority of the respondents.



There was a fairly even split between CORO and RORO sites.

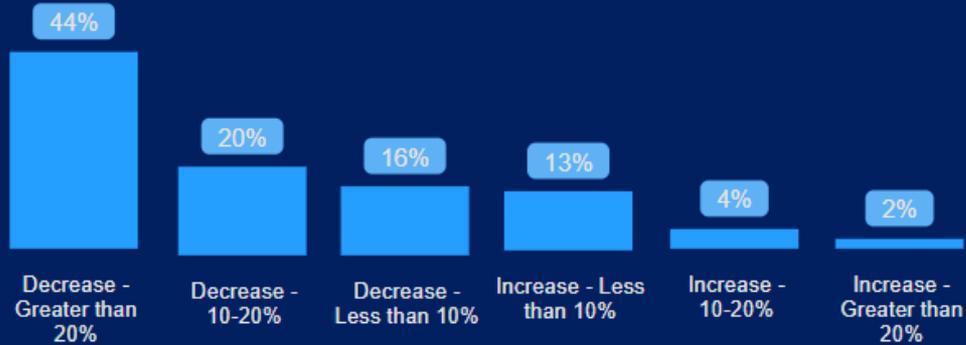


Almost 80% of respondents had a Convenience Store in addition to their forecourt.



Although the split between CORO and RORO differed quite substantially between the oil companies.

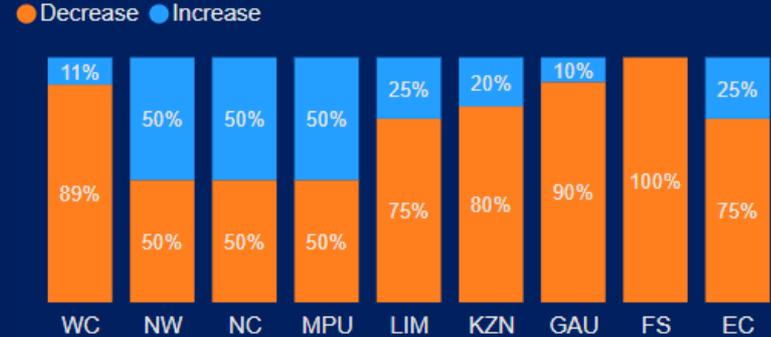
# COBRA | March 2019 vs March 2020 Revenues



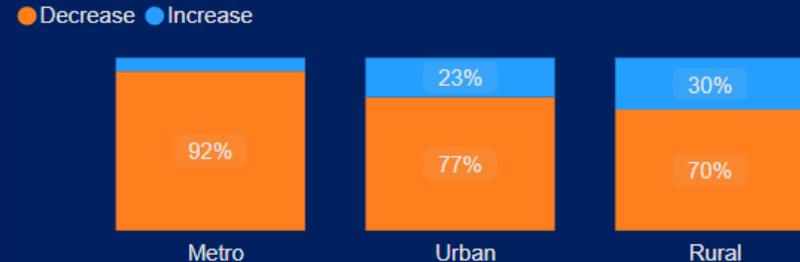
The impact of the Covid-19 lockdown is evident from the responses to the survey. 80% of fuel retailers saw a decrease in pump revenue in March 2020 as compared to revenues from March 2019. More than half of those who experienced a decrease encountered decreases in excess of 20%.

Interestingly there does not seem to have been a proportional impact across the provinces, or between rural and urban/ metro retailers. Further data and research is required in order to understand whether this is an accurate representation of reality or whether it is a sample anomaly.

## March Turnover-Fuel Pumps (Province)



## March Turnover-Fuel Pumps



# COBRA | Impact on Employees

## Staff situation before COVID-19

2883

Permanent Staff Before COVID-19

319

Temporary Staff Before COVID-19

39

Consultant Staff Before COVID-19

## Staff retrenchments during COVID-19

38

Permanent Staff Retrenchments

34

Temporary Staff Retrenchments

9

Consultant Staff Retrenchments

## Staff hours reduced during COVID-19

1476

Permanent Staff Hours Reduced

79

Temporary Staff Hours Reduced

22

Consultant Staff Hours Reduced

## Staff placed on leave during COVID-19

576

Permanent Staff put on Leave

105

Temporary Staff put on Leave

0

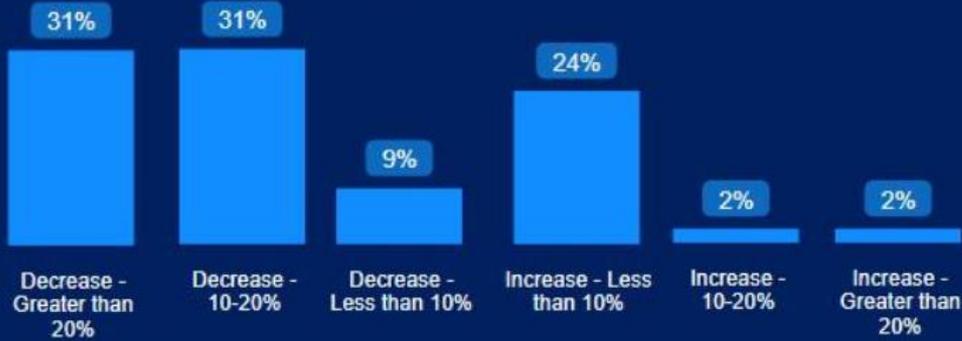
Consultant Staff put on Leave

The lockdown period and associated decrease in traffic volumes at fuel retail sites had a distinct impact on employees.

The data we collected shows that around 50% of permanently employed staff members were asked to work reduced hours while nearly 20% were requested to take annual leave during the lockdown.

Retrenchments did not appear to affect permanently employed staff, but more than 10% of temporary staff were retrenched due to the COVID-19 related pandemic. We suspect that the low number of retrenchments amongst permanent staff may be due to affordability issues as retrenching staff can be an expensive process. It will be interesting to see what the trend into 2021 looks like.

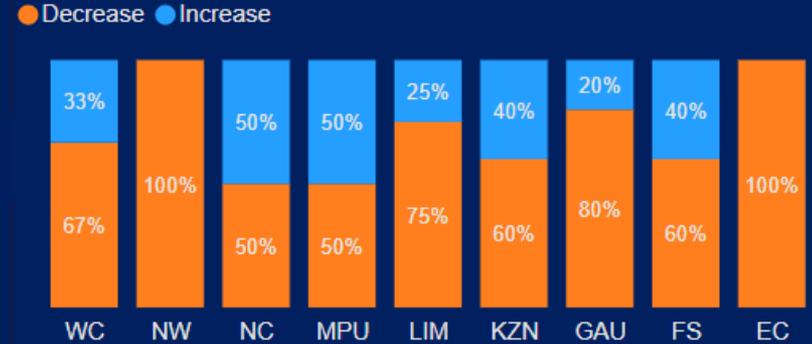
# COBRA | September 2019 vs September 2020 Revenues



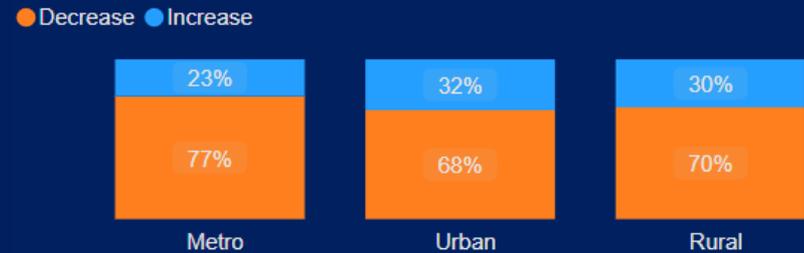
The pump revenue picture for September 2020 when compared to September 2019 shows that in spite of the easing of the lockdown measures, fuel retailers continue to suffer from decreased sales with 70% of respondents indicating that year-on-year revenues had declined.

Retailers based in metropolitan and urban areas showed a bigger improvement in revenue than retailers in rural areas, however the impacts of remote working are likely to continue to be felt across the industry for an extended period, if in fact they ever return to "normal".

## September Turnover-Fuel Pumps (Province)

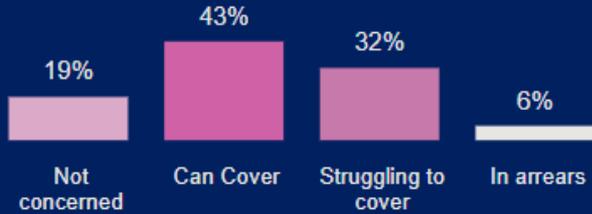


## September Turnover-Fuel Pumps



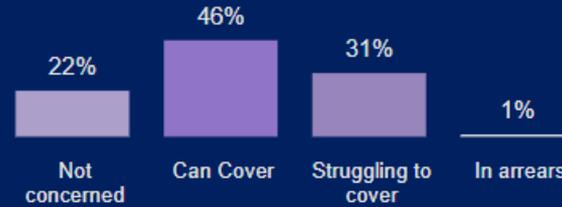
# COBRA | Current Financial Situation

## Are you able to cover your overheads?



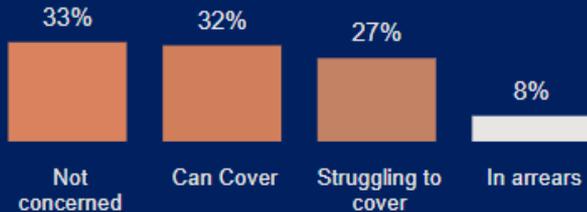
38% of respondents indicated that they are currently struggling to pay overheads, with 8% of respondents already in arrears.

## Are you able to cover salaries?



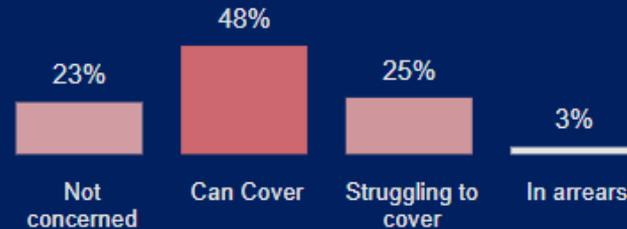
Very few respondents were in arrears in terms of paying salaries, possibly due to receiving the TERS benefit, but 31% are struggling to pay salaries.

## Are you able to pay rent?



Rent constitutes the area in which respondents indicated they were struggling the most, with 35% having difficulty in this area.

## Are you able to pay creditors?



Creditors payments were the area that showed the lowest rate of concern with 28% of respondents either struggling or in arrears.

# COBRA | Industry Challenges

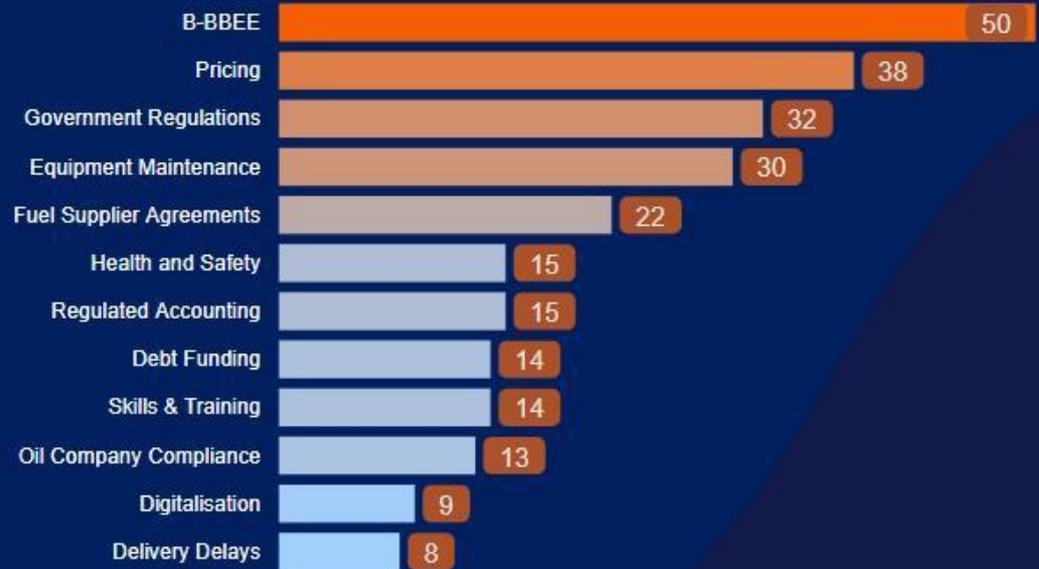
When asked about the key industry challenges they were experiencing, over 50% of respondents indicated that B-BBEE is a concern for them. This concern clearly warrants further exploration to gain a deeper understanding of the nature of the challenges faced by fuel retailers and to look at ways to mitigate the perceived negative impact of B-BBEE.

Pricing was the second most prevalent challenge (39%), followed by government regulations (33%). There is likely a substantial overlap in the impact that these two items have on the industry.

Equipment maintenance is a source of concern for 31% of respondents and will certainly be exacerbated by the current economic climate and the struggle to cover overheads.

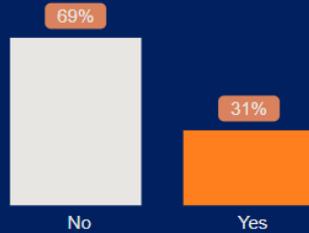
Fuel Supplier agreements are the fifth most challenging item affecting 23% of respondents.

## Key industry challenges



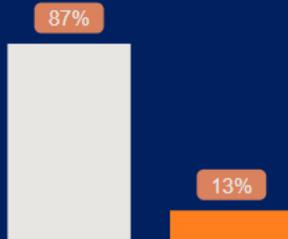
# COBRA | Supply Chain Insights

**Did you have fuel supply challenges during COVID-19?**



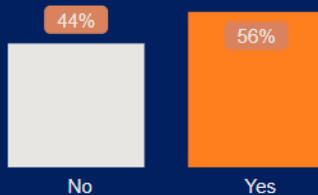
31% of respondents indicated that they experienced fuel supply challenges during the COVID-19 lockdown, some with as many as 30 occurrences. Mostly 95 and diesel.

**Do you have a general fuel supply challenge?**



Only 13% of respondents experience challenges relating to the supply of fuel.

**Were your other services negatively impacted by supply chain challenges as a result of Covid-19?**

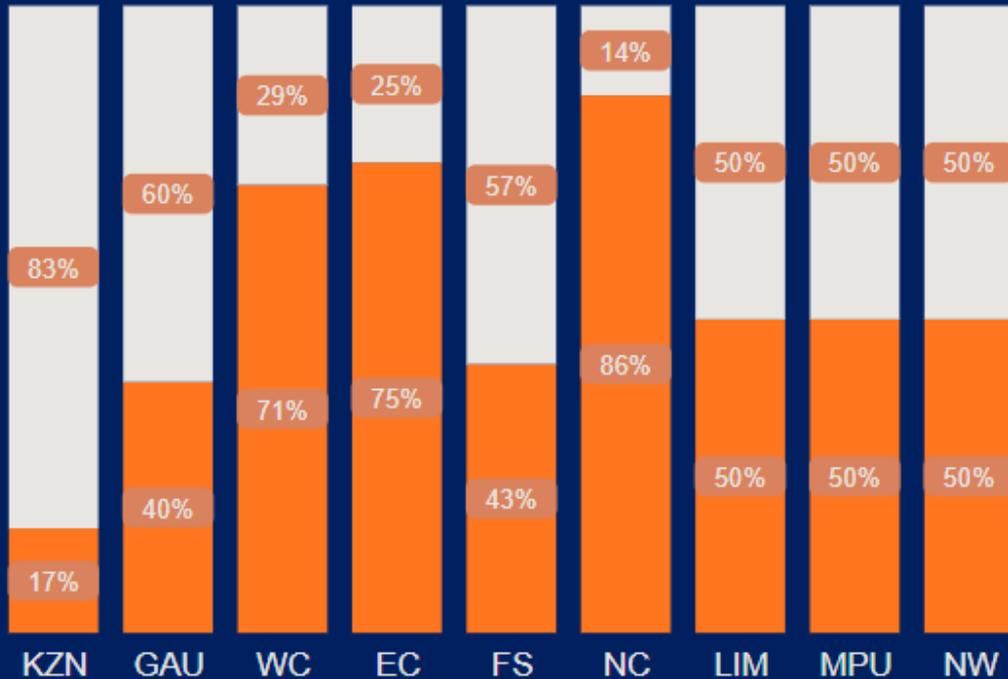


56% of respondents indicated that their services outside of fuel retail were impacted by supply chain challenges during the lockdown which exacerbated the impact on revenues

# COBRA | Impact of Illegal Fuel Retailing

## Illegal retail impact by province

● No ● Yes



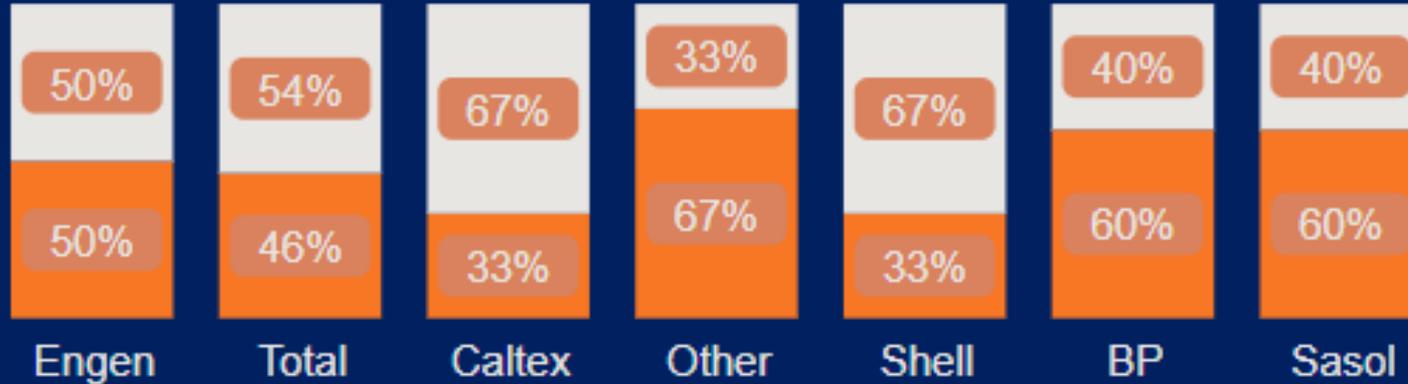
Just over 50% of the respondents indicated that the illegal retailing of fuel is negatively impacting their businesses.

The impact in KZN is significantly larger than in other provinces, with 83% of respondents from that province indicating that illegal retailing is a problem.

# COBRA | Impact of Illegal Fuel Retailing

## Illegal retail impact by fuel brand

● No ● Yes



Caltex and Shell retailers indicated that they were more impacted by illegal fuel retail than retailers for the other oil companies.

# COBRA | Requests for Assistance from COBRA

## Types of assistance the fuel retailers are requiring



One third of the survey respondents indicated that they would be open to engaging with COBRA to explore opportunities for assistance.

The overwhelming majority of those who would like assistance from COBRA indicated that Funding is the area where they need the most help. COBRA has more than fifteen funding partners who would gladly see what they can do to assist in this regard.

We have seen a similar trend playing out throughout the lockdown period with our engagements in other sectors. We are actively working to improve access to funding and to reduce the high costs associated with debt funding, which often just perpetuate the challenges faced by the distressed business.

# COBRA | Next Steps

- 1 Please complete the survey, more data = better insights = better assistance
- 2 COBRA will prepare a sector report for SAPRA detailing our findings
- 3 We will reach out via SAPRA to the members who have requested assistance from COBRA
- 4 Further engagements with individual retailers, oil companies, SAPRA, and RMI to look at both short-term survival, but also long-term flourishing.

**THANK YOU**

