

## Business unusual in turbulent times

**AS WITH BUSINESS** and industry throughout South Africa – and even more so worldwide – KwaZulu-Natal-based companies have been battered by the credit crisis gale that blew up in the United States and howled around the world. But in general KZN companies have weathered the storm quite well, with some forging ahead and producing credible and even sparkling growth.

When it comes to commerce and industry Durban is generally regarded as the third city in the country. A surprising number of national companies – many with extensive operations offshore – are headquartered in KZN. Many of those are also listed on the JSE.

Heading the pack is probably shipping and logistics group Grindrod (see separate report). However, there are some major manufacturers in the region, stretching from the large Toyota manufacturing plant south of the city to the yellow handling vehicles made by Bell Equipment up the north coast and hugely expanded aluminium rolled products producer Hulamin in Maritzburg.

Expansion never seems to stop at Hulamin. CEO Alan Fourie, one of the most affable businessmen in town, has successfully steered the group increasingly up the higher margin curve of the products it makes – at low cost. Hulamin is asking shareholders for R750m through a rights issue to retire some debt, secure additional funding and no doubt get even further up the margin curve.

Vehicle retailers are well represented through McCarthy, part of the Bidvest Group, and Combined Motor Holdings. After the past few years of depressed vehicle sales McCarthy CE Brand Pretorius reports an upswing in sales as car rental companies stock up fleets ahead of expected increased demand at the Soccer World Cup.

Durban is also home to the giant Unilever, where its head office serves as the international group's gateway to Africa. Probably more than half the products found in the average home's kitchen, pantry and bathroom is produced by Unilever.

Then there's Rainbow Chicken, making sure every South African has a chicken in the pot (or on the braai or as the Sunday lunch roast) by belting millions of chicken out of plants as fast as pellets feed the hapless birds.

Retailers with head offices in the region are led by Mr Price and Spar, the latter has successfully positioned itself below the more expensive Woolworths food stores but above the larger Shoprite and Pick n Pay.

The backbone of the regional economy – and a major employer – remain sugar groups Illovo Sugar, Tongaat Hulett and Crookes Brothers.

Though independent asset manager Marriott is now part of Old Mutual Investment Group SA, Durban is also its home.

Durban even has its own bank – Grindrod Bank, a speciality operation catering for high net worth clients and managing two unique and successful unit trust funds. ■