

**BUSINESSMEN** in Durban's central business district — the Grey Street complex — are fighting for survival as South Africa experiences one of its worst economic slumps in history.

Burdened by the drastic fall in the rand-dollar exchange rate, increased shop rents, the recent increases in the price of goods from suppliers and the hike in the general sales tax to 10 percent, more and more city traders are becoming convinced that the days of the small businessmen are numbered.

And a financial expert warned this week that many small businessmen would be squeezed out existence if the economic slide continued it's downward path.

He pointed out that the small businessmen, like those who operate in the Grey Street complex, would be the first to be hurt because of their limited capital and credit resources.

## Battle

For many of the 600 traders in Grey Street the battle to attract enough customers to remain in business is a daily reality.

Many businessmen's sons, who used to work with their fathers in their shops, have quit to take on other jobs to bolster family incomes.

Mr. K T Manjee, the Durban Central Ratepayers' Association secretary said this week that the next 12 months were crucial for the small businessmen.

"I don't want to sound like a prophet of doom, but there is no doubt that the situation is serious."

Over the years, he said, suburban supermarkets had made matters worse by taking away a considerable share of Grey Street's business.

Mr Manjee said the only way people could overcome the crisis was by making "adjustments" in the administration of their businesses.

He said they would have to be hawk-eyed about their costing of goods and spending and they must keep their stocks to a minimum.

There was no point, he said, in having money tied

# Where have all the customers gone?

EMPTY STREETS: Many believe that small businessmen would be squeezed out of existence.

## GREY STREET BUSINESSMEN FIGHT FOR SURVIVAL AS SLUMP BITES DEEP

up in vast amounts of goods on shelves.

Mr Manjee believes that the problems facing the small businessman could be lessened if they were allowed to trade on Saturday afternoons.

He said that in terms of the by-law, the authorities would allow a cafe/restaurant owners and others extended trading hours to sell food, only if they locked up non-food items.

## Imported

Mr Manjee said supermarket owners had no problems dividing their stores into sections because the size of their premises.

## Call for extended shopping hours

"In the Grey Street area the situation is totally different. Most of the stores are small and there is no way that traders will be able to divide their stores into sections for food and other items.

"If anybody needs to be allowed extended trading hours, it is the small businessman."

Mr Manjee said staff could be compensated for the time they work on Saturday afternoons by being given Wednesday afternoons off.

Sari shop owner Mr Jugdish Naran this week told of how the slump in the dollar-rand exchange rate would affect his business.

"Ninety percent of the goods in my store are im-

ported from India and Japan. In future saris from these countries will cost at least 20 percent more in terms of the current dollar-rand exchange rate.

"The increased cost of the saris is bound to keep customers away from my store."

He explained that to compound the problem the sari trade had declined in recent years because fewer and fewer Indian women were wearing saris.

Mr Naran said that a sharp drop in the number of Indian visitors from the Transvaal to Durban for the July vacation had also adversely affected his business.

"Previously July was one of my best months for business. A significant percentage of this business came from the Transvaal women."

Mr R Kara, a Victoria Street trader, said he had a rush of business last month.

"Of course, I, like many others, realise now that people spent more freely in June only because they wanted to beat the three percent GST hike which became effective from the beginning of this month."

Mr Kara said it had now become clear that people hit by the economic recession were buying only essential items such as food.

"Many people today are beginning to regard even clothing as a luxury. The way things are now, I can't see the economy picking up."

## Trend

Mr Kara was of the view that the Grey Street area was over-traded.

"Maybe the time has come for businessmen like myself, who stock a variety of merchandise, to turn our shops into specialised stores."

Mr Kara, who joined his father in the family busi-

ness, said he would not want his children to join him in the the business.

"I want them to take up a career, with a salary assured every month," he said.

Another Victoria Street trader, who deals mainly with African hawkers and wholesalers, said many of his customers expected him to bear GST costs.

The trader, who asked not to be named, said in the past people from Swaziland and Lesotho were exempted from paying GST as long they produced a valid passport.

"This exemption was dropped on July 1 this year. Only licensed hawkers from these countries are now exempted from paying GST.

"The way things are now, I think the days of the small businessman are numbered," he said.

Mr J Jeewa, a Grey Street

shoe shop owner, said bargaining over the non-payment of GST had become a new trend with shoppers.

He said the increase in the price of leather earlier this year had pushed up the price of shoes, which caused sales to drop.

## Discounts

The check by the Sunday Times this week showed that the businessmen who owned three or more stores were fairly better off.

Mr Farouk Jadwat, whose family owns a chain of stores, said business was better this year than last year.

"We are able to buy goods in bulk for our many stores and in the process negotiate special discounts from manufacturers. This enables us to pass a significant percentage of these discounts to customers.

"But I am aware that many small businessmen are going through a very difficult time," Mr Jadwat said.

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