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SOMALI BUSINESS ENGAGEMENT IN KHAYELITSHA

Client

University of Stellenbosch Business School

Objective

To ascertain whether the notion that Somalis are the largest/most significant entrepreneurs in Khayelitsha is true and to also assess how they do business.

Tactics Employed

- Desktop research was conducted to establish the influence of Somalis in Khayelitsha
- Observations were made and noted at different business sites in Khayelitsha

Outcome

- It was found that the notion was not necessarily true. Somalis are dominating in the spaza business sector, where most locals find it difficult to compete with them. Other foreign nationals are into other types of businesses that Somalis do not focus on including electronic device repairs, furniture making and selling cell-phones.
- Some people in Khayelitsha feel the Somalis are successful because they seem to better understand critical business principles, e.g. pool resources together, to buy in bulk and cooperate in tackling business challenges.
- Somali entrepreneurs adapt to changing trends within their business sector, while local entrepreneurs often feel compelled to close due to their inability to compete with big retailers.