



# Press Release

1<sup>st</sup> October 2004

## Internationalisation of Food Retailing 2004

Paris, France, 1<sup>st</sup> October 2004

CIES – The Food Business Forum, the Paris-based independent global food business network released the 2004 edition of the *Internationalisation of Food Retailing*. This annual survey offers an essential guide to international expansion in food retailing. This year's edition, produced in partnership with M+M Planet Retail ([www.planetretail.net](http://www.planetretail.net)), covers 90 retailers operating in a total of 106 countries. The survey includes:

- a complete A-Z listing of international food retailers from Aeon to Yimpas, with full details of store operations per country and key sales data;
- an **executive summary** highlighting major trends;
- a **country overview** showing at a glance which retailers are where.

“In terms of **major trends**, the executive summary underlines the realism of international retailers”, explains Gustavo Trompiz, Editor at CIES. “Leading operators have been pursuing more targeted growth during 2003/04. This has meant pulling out of some markets, reorganising in others and increasing investment in more promising ones. In addition to Ahold's ongoing divestments, we have seen Delhaize Group scale down its Asian presence and Carrefour put a question mark over some of its foreign operations by announcing a sale of non-core assets.”

At the same time, leading retailers are accelerating investment in selected regions in order to exploit huge growth opportunities. **Key developments** from this year include:

- **China**: retail investment in China has accelerated again, encouraged by the government's decision to remove ownership restrictions at the end of the year. Tesco has joined a long list of foreign retailers by taking a 50% stake in hypermarket chain Hymall.
- **Metro and Schwarz Group**: the German retailers have been active in the emerging markets of Central and Eastern Europe. Metro is continuing to use its cash & carry format to enter new countries: after Ukraine last year it is preparing to open first stores in Moldova, Serbia and Montenegro. Schwarz, meanwhile, has invested in a series of countries across the continent using hard discount chain Lidl and hypermarket banner Kaufland.
- **Wal-Mart**: there have been regular rumours about the US group expanding further in Europe. However, it has this year concentrated on existing foreign markets. The retail giant faces a tough test in Japan, where it is trying to turn around Seiyu in a sluggish retail environment, and in Germany, where its hypermarkets are still to reach a profit. At the same time, it is now better placed in Brazil, where the acquisition of Bompreco from Ahold has made it the country's number three retailer.

Overall, CIES forecasts that international retailers will invest more in foreign countries and get increasing returns over time as they master operational, financial, cultural and political issues. However, the past year has confirmed the facts that the learning curve for retailers is gradual and the risks – such as economic recession or problems in the home market – are constant.

**CIES - The Food Business Forum** is the only independent global food business network. It serves the CEOs and senior management of 175 retailer and 175 supplier member companies, and their subsidiaries, in over 150 countries by:

- Providing a **neutral platform for knowledge-exchange, thought-leadership and networking**. CIES services are channelled through international conferences, benchmarking studies, publications and tailor-made member services. Current activities include the Global CEO Forum, the World Food Business Summit, the Future Leaders Programme and the functional areas of Marketing, Information Technology and Supply Chain Management.

- **Orchestrating positions and developing tools on key strategic and practical issues affecting the food business**. These top-of-mind issues are identified by our ten retailer-led committees and taskforces. Priority projects include the Global Food Safety Initiative and the Food Business */in/* Society Initiative.

CIES - The Food Business Forum has been growing with the food business for over 50 years. Its strength lies in the active commitment of its member companies and its privileged access to key industry players.

CIES retailer members alone generate over \$2,000 billion, employ 4.5 million people and operate close to 600,000 stores representing a total sales area of 160 million square metres.

**M+M Planet Retail** is dedicated to providing news and analysis on retailers and retail markets worldwide on a day-to-day basis. Our online services include a comprehensive database of leading grocery retailers which can be compared and analysed on an ad-hoc basis; news and analysis on global retail trends and events; an interactive macroeconomic collation of economic, retail, grocery retail, foodservice and total food spending data covering more than 85 countries and including forecasts over five years; a photo gallery of stores and promotions around the world; as well as market reports on key markets, slides and presentations.

M+M Planet Retail has offices in London, Frankfurt and Tokyo.