



## PRESS RELEASE

### INTERNATIONAL RETAILERS PRIORITISE MARKETS BUT CONTINUE EXPANSION, CIES STUDY REVEALS

Paris, France, 29<sup>th</sup> September 2006

Please find the link to the executive summary of the 2006 edition of the [\*Internationalisation of Food Retailing\*](#). This survey is brought to you by CIES – The Food Business Forum, the Paris-based independent global food business network, in partnership with Planet Retail ([www.planetretail.net](http://www.planetretail.net)). This annual survey offers an essential guide to international expansion in food retailing.

3 key findings:

- **Wal-Mart's** decision to sell its German and South Korean businesses this year confirms the current orthodoxy in international expansion that **leading positions** are more important than geographical spread. Following in the footsteps of Tesco, this approach has been adopted by Carrefour and Ahold, which have as stated goals to be in the top three and top two respectively in each of their markets. Wal-Mart has now also moved towards this view, cutting its losses in Germany and Korea in favour of its more promising markets like Latin America and China.
- In **China** the retail boom continues and the country remains **the most popular destination** in our survey (with 20 foreign retailers last year, or 16 excluding Hong Kong/Taiwan chains). However, the **focus** is increasingly **on profitability**, and the year ahead could see the start of a shake-out as has happened in other emerging markets.
- Overall, **international expansion continues to progress** in food retailing, although often in an uneven way. After recent portfolio changes, top retailers appear to be getting good growth: according to our survey, the top five international players raised the share of foreign sales in their turnover from 45% to 47% on average last year, although operating in fewer countries (20 on average versus 21 in 2004).

“After the various portfolio adjustments by the top players in recent years, the progress of Tesco – which is about to enter the US and has its eyes set on India – will offer an important guide as to whether food retailers are able to manage further global expansion,” explains **Gustavo Trompiz, Editor at CIES**.

Please let us know if you would like to receive further details on the report or additional analysis from our Editor.

**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.

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.

**Planet Retail** is dedicated to providing news and analysis on retailers and retail markets worldwide on a day-to-day basis. Its 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.

Planet Retail has offices in London, Frankfurt and Tokyo.

## CIES FORTHCOMING EVENTS

CIES IT & Supply Chain Conference <b>Creating Value Together – Delivering Business Growth through IT &amp; Supply Chain Excellence</b>	12 <sup>th</sup> – 13 <sup>th</sup> October 2006, Geneva
CIES Future Leaders Congress <b>Beyond Price – Driving Growth in your Business</b>	22 <sup>nd</sup> – 24 <sup>th</sup> October 2006, Amsterdam
The CIES Marketing Forum	16 <sup>th</sup> – 17 <sup>th</sup> November 2006, Madrid
The CIES International Food Safety Conference <b>Building Confidence in Food Safety</b>	31 <sup>st</sup> January – 2 <sup>nd</sup> February 2007, Munich
The CIES IT Conference	15 <sup>th</sup> – 16 <sup>th</sup> March 2007, Monaco
The CIES World Food Business Summit <b>The Global Event of Modern Retail</b>	20 <sup>th</sup> – 22 <sup>nd</sup> June 2007, Shanghai

With best regards,

Anne Malbrancq  
Communication Coordinator  
CIES – The Food Business Forum  
Tel: +33 144 69 99 20  
Fax: +33 1 44 69 99 39  
[a.malbrancq@ciesnet.com](mailto:a.malbrancq@ciesnet.com)