

## LAYOFF RUMORS SURROUND THE CARREFOUR GROUP



The Carrefour group is not a name that you may have heard in the recent past, or at all. For those of you who are not at all familiar with the company here is a look at how they have chosen to [describe themselves](#), “Over the past 40 years, the Carrefour group has grown to become one of the world’s leading distribution groups. The world’s second-largest retailer and the largest in Europe, the group currently operates four main grocery store formats: hypermarkets, supermarkets, cash&carry and convenience stores. The Carrefour group currently has over 9,500 stores, either company-operated or franchises.... A pioneering entrant in countries such as Brazil (1975) and China (1995), the group currently operates in three major markets: Europe, Latin America and Asia. With a presence in **32 countries**, over 57% of group turnover derives from outside France. The group sees strong potential for further international growth in the future, particularly in such large national markets as China, Brazil, Indonesia, Poland and Turkey.” Educated rumors are swirling around the company about its fiscal issues and the state of its workers. The company is getting ready to, according to the information that is going around, get rid of between 500 and 600 workers in order to make ends meet. The company’s fiscal situation seems to be a bit precarious, and as you can see from [the current numbers](#) the fiscals are varying quite wildly depending on the location, “**France:** Sales down 2.1%, supported by improving food sales but impacted by a fall in non-food sales, notably for seasonal goods. Sales trends at hypermarkets and supermarkets are in line with the expected effects of the action plan. Significant improvement of sales in convenience. Acceleration of Drive roll-out with 125 outlets at end-June. **Europe (ex. France):** Sales down 3.5% (-2.4% at constant exchange rates), impacted by a depressed consumption environment in Southern Europe. Growth in sales in Belgium. **Latin America:** Sales up 2.7% (+7.4% at constant exchange rates). In Brazil, Atacadao continued its growth. **Asia:** Sales up 14% (+1.8% at constant exchange rates), an improvement over the previous quarter. Sales growth in China, driven by expansion.” While this data has lead to a lot of speculation about where the layoffs will come from there is nothing solid at this time. Interestingly enough the company is getting ready to reduce its prices. Well, it may be enough to draw in some new customers for the time being the lower prices are unlikely to be able to save the jobs of the workers, should the layoffs [go through](#), “To help boost the purchasing power of families with children, from 12 July all 220 Carrefour hypermarkets in France will be offering a “Lowest price” guarantee on 300 top-brand school products (Stylo Bic, Stabilo Boss, Oxford notebooks, UHU glue, etc.). This new commitment applies to 300 of the most popular back-to-school products bought by families before the start of the new school term, including notebooks, diaries, biros, felt pens, erasers and light equipment, such as calculators, dictionaries, etc.”