

Carrefour quitting Malaysia, says Mukhriz
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French retail giant Carrefour plans to sell its business in Malaysia, a minister said, amid speculation the firm will also offload its Singapore and Thai stores and exit Southeast Asia altogether.

NONE "We heard that Carrefour is considering divesting. It is for the purpose of rationalisation of their overseas business," deputy trade minister Mukhriz Mahathir (right) told AFP late Monday.

"They want to sell their business (in Malaysia)," he said, adding that "other hypermarkets are keen to take over" Carrefour's 23 stores in the country.

"There are many suitors," he said.

Low Ngai Yuen, Carrefour's marketing and communications director, declined to respond to the comments.

Yeah Kim Leng, group chief economist with financial research firm RAM Holdings, said Carrefour's impending departure from Southeast Asia had been well flagged.

NONE "The news has been around for some time. It is an open secret that Carrefour wants to pull out from Malaysia, Thailand and Singapore. They have put feelers out to the industry on their plan," he said.

Yeah said Carrefour wanted to consolidate its business and move its resources to the booming Indian market.

"It is not surprising for them to move to India. The middle class segment is a large expanding group," he said.

The New Straits Times newspaper last month reported that Carrefour had put a tag of 1.0 billion dollars collectively on its business in Malaysia, Singapore and Thailand.

Yeah said the growth of the hypermarket industry in Malaysia was not spectacular compared to the opportunities presented by the fast-growing Indian market but that it remained profitable.

"The hypermarket industry in Malaysia is dynamic and very competitive," he said.

"Given the growth potential in the region, we will likely see other players buying Carrefour. Players that exit will be able to find suitors."

Other players in the Malaysian market who are possible buyers of the Carrefour outlets include Britain's Tesco, Japan's Jusco, and Giant, which is owned by the Dairy Farm group.

- AFP

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