

Brazilian Supermarkets Ready to Invest 4% More than Last Year

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Supermarkets in Brazil are planning to invest 3.877 billion reais (US\$ 1.775 billion) this year. The figure is part of a survey by the Brazilian Supermarket Association (Abras) and represents growth of 4.4% over last year. In 2008, the bulk of investment went to new stores and renewal of existing ones.

Supermarket industry revenues totaled to 158.5 billion reais (US\$ 72.5 billion) last year, also according to the research. There was real growth of 10.5% and nominal growth of 16.3% as against the previous year.

The industry's average net profit was equivalent to 2.12% of revenues in 2008, the study indicated. It was the highest expansion since the research started being made, in 1999. Last year, there were 75,725 supermarket units in Brazil, a volume 1.5% higher than in 2007.

The three largest chains in the country were responsible for 38% of sector revenues. Market concentration saw a reduction of only 1% over 2007. The five largest companies retained a market share of 41%.

Cards continue to increase their share as a form of payment, and already account for 52.8% of revenues. Cash, however, still answers to 32.6% of payments.

According to Abras, the 10 largest Brazilian supermarkets are Carrefour (São Paulo), Pão de Açúcar (São Paulo), Wal-Mart Brasil (São Paulo), GBarbosa (Sergipe), Bretas (Minas Gerais), Zaffari e Bourbon (Rio Grande do Sul), Prezunic (Rio de Janeiro), Epa / Mart Plus / Viabrasil (Minas Gerais), Super Muffato (Paraná), Angeloni (Santa Catarina).

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