

## Wal-Mart to Open More Stores in Africa

Local Arm Massmart Aims for 90 New Outlets Across Continent

By **DEVON MAYLIE**, *The Wall Street Journal*

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JOHANNESBURG— [Wal-Mart Stores](#) Inc.'s South African arm plans to open 90 new stores across sub-Saharan Africa over the next three years as it targets growth markets such as Nigeria and Angola.

[Massmart Holdings](#) Ltd. said it will open a trial stand-alone food store in West Africa by the end of the year, in hopes of expanding to East Africa. It said it is also adding more brands from Wal-Mart stores in other parts of the world to its Africa operations, including a clothing line from the U.K. in November.

Wal-Mart last year closed a deal valued at roughly \$2.4 billion to buy 51% of the South African retailer, a move many industry watchers viewed as a springboard for Wal-Mart to grow across the continent.

Over the coming three to five years, Massmart will open more stores in the rest of Africa, Grant Pattison, its chief executive, said Thursday.

Wal-Mart and Massmart aren't the only companies setting their sights on Africa. Companies from the U.S., China and India have poured billions of dollars into the continent, investing both in its emerging consumers market and in infrastructure deals, amid forecasts for strong growth in the region.

By 2018, five of the world's fastest-growing economies will be in sub-Saharan Africa, according to the International Monetary Fund.

Last month, General Electric Co. signed an agreement to build a 400-megawatt gas-fired power plant in Tanzania. [Ford Motor](#) Co. said it is looking to target consumers in the rest of the continent with tailor-made products. This week, Kenya said it had signed agreements valued at \$5 billion with China for projects including railway and energy development.

Still, since the Wal-Mart deal last year, Massmart's expansion has been slow, partly because of debt-laden consumers in South Africa, its biggest African market. Acquiring property rights for new stores in other countries has also been hard, Mr. Pattison said.

He warned that consumers in South Africa will remain under pressure, but stressed that in the long term the company will become a bigger player in the continent.