

Gome Out of Hong Kong Retail

Written by Marco Attard
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Chinese CE retailer Gome exits Hong Kong retail-- it will close 6 HK stores on February 1 and its flagship Causeway Bay store on March 16, the South China Morning Post reports.



The closures affect around 100 employees.

Following the breaking of the news, the retailer insists the Hong Kong Gome stores "do not form part of the [Gome] Group" and the move does not impact Chinese group operations.

A Gome statement to the South China Morning Post simply describes the move as "a change of direction of business, from retailing to wholesaling or bulk trade. We hope to take advantage of Hong Kong's edge in geographical location and commerce and trade to develop our international procurement business."

In other words it appears that, much like in Europe, the Asian retail business is also going through hard times-- Gome losses during the Q1-Q3 2012 period total \$110 million, even if the retailer plans to rebound through a 3-year turnaround strategy.

Established in Beijing in 1987, the Gome Group has around 1070 stores in the Chinese mainland and at its peak had over 10 branches in Hong Kong.

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