

Media Markt Pulls Out of China

Written by Marco Attard
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Metro confirms earlier reports of its giving up on the Chinese dream-- Media Markt China will close all 7 stores on March 11 2013 before operations shut down entirely on 30 April 2013.



The reason the retailer gives for leaving China is the "highly competitive market environment," the same reason cited by Best Buy after quitting the Chinese market in 2011.

Founded by Metro in 2010 in joint venture with Foxconn, Media Markt China was meant to open up to 100 stores by the middle of the decade following a 2-year test phase. However the current European economic situation, paired with flagging sales in the biggest Asian economy, meant the Group could no longer invest in the Chinese operation.

Metro owns 75% of Media Markt China, and Foxconn owns the rest.

"It was doomed to fail from the start," Shaun Rein from China Market Research tells The Financial Times. "They built too large a flagship store on one of the most expensive retail streets in China, a location that is not feasible when selling cheap products. And it seems they never thought about whether they should be in China in the first place."

In the meantime Metro will continue running its 50 cash-and-carry stores in China.

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