

## WAL-MART ★

Wal-Mart is the LARGEST CORPORATION in the world, in 2005 surpassing oil-giant Exxon Mobile, and 14 times the size of Coca-Cola Corporation. If Wal-Mart were a nation it would rank as the **10** largest economy in the world and China's 5<sup>th</sup> largest trading partner. Wal-Mart is three times the size of its closest competitor, TESCO (UK) **and is larger than the entire Indian retail market.**

## WAL-MART'S Plan For India

Since before 2004, Wal-Mart has set its sights on entering the Indian market. Top Wal-Mart representative met with Prime Minister Manmohan Singh and said "India represents a \$250 billion retail market, growing at 7.2 per cent a year, but modern retailing is just emerging. This shows us that India is a huge organic growth opportunity for Wal-Mart."

**As the largest corporation in the world Wal-Mart is setting the world-wide standard in the way corporations do business. Their business model drives out competition and drives down wages and labor standards.**

**As the largest corporation in the world, Wal-Mart has 5,311 stores worldwide. In 2006 their sales are \$ 315 billion or Rs.1,450,000 Crores, and profits of US \$ 11.2 billion, or 49,500 Crores.**

Wal-Mart was reported to be talking with Reliance Retail and DLF for a partnership to enter the Indian Market. Reliance Retail has announced their support for Wal-Mart and other MNC's entry into India.-NAMNews, October 9, 2006



## Devastating Impact For India

Because Wal-Mart has tremendous market power they will have devastating impacts on the agricultural and retail sectors, India's two largest employment sectors. They Will:

- Displace lacks of small and medium businesses and farmers, hawkers, vendors and consumer cooperative stores.
- Use tremendous clout of monopoly buying and anti-union policies to squeeze suppliers and drive down wages in factories and the retail industry as a whole.
- Open a giant pipeline of cheaply sourced goods from China, Thailand, ASEAN, etc., leading to manufacturing job losses on a massive scale.

## Experience Around The World



Wal-Mart operates stores in 14 different countries; Argentina, Brazil, Canada, China, Costa Rica, El Salvador, Guatemala, Honduras, Japan Mexico, Nicaragua, Purto Rico, UK, and US.

Wal-Mart sources from 60 different countries including; China, India, Bangladesh, Pakistan, Indonesia, Sri Lanka, Philippines and Thailand.

## Bangladesh

In Wal-Mart's supply factories in Bangladesh , workers typically work about 70 hours a week in extremely hazardous conditions.

## China

Wal-Mart has set up major sourcing operations in Special Economic Zones in China and is responsible for bringing wages down from 31 cents an hour to 13 cents an hour. Thousands of workers have gone on strike at Wal-Mart factories. Wal-Mart was recently forced to let workers unionize in their stores.

## Mexico

In less than 10 years of entering Mexico, Wal-Mart has gained control of over 50 percent of the market. The government is now evaluating laws to protect domestic businesses.

## Nicaragua

In Nicaragua, workers at one Wal-Mart supply factory work up to 69 hours per week for as little as 29 cents an hour.

## Puerto Rico

Wal-Mart entered Puerto Rico in 1993 and soon became the largest retailer. Over the course of several years approximately 130 smalls businesses went bankrupt. A study showed that for every \$15.8 million of sales Wal-Mart generated it caused one small business to go bankrupt.

## United States

Thousands of small and medium businesses have closed down because of Wal-Mart. Wal-Mart has locked immigrant workers into stores over night and is facing multiple child labor and workers' rights violations. Many workers are forced to work off the clock without getting paid, which is why workers in over 30 states across the US sued Wal-Mart and won! They face the largest class-action lawsuit against women's discrimination in history.

Studies have shown that in the US, Wal-Mart drives down wages in local communities where they operate and on average two small stores are closed down for every one Wal-Mart store built. For this reason Wal-Mart has been barred from entering several major US cities.

## Restrictions And Victories!

### **China**

Just recently Wal-Mart was forced to bow under union pressure and allow store workers to unionize! Wal-Mart still faces restrictions on the number of stores they are allowed to build and are only allowed to build in specified locations.

### **Germany & South Korea**

Wal-Mart was ordered to allow unions and had to recently pull out of Germany and South Korea because they could not keep up with fair labor standards and wages.

### **Latin America**

Eight countries-Mexico, Puerto Rico, Costa Rica, Argentina, Dominican Republic, Brazil, Uruguay and Chile-joined together to condemn "predatory practices" and wrote national laws to prevent Wal-Mart from having a high concentration of stores in their countries.

### **Philippines**

Has imposed "sourcing" and reciprocity requirements on foreign retailers.

### **Puerto Rico**

Six business groups in joined together to form a coalition to stop Wal-Mart from expanding on the Island, they were joined by labor unions and other civil society groups to successfully block Wal-Mart's expansion.

### **United States**

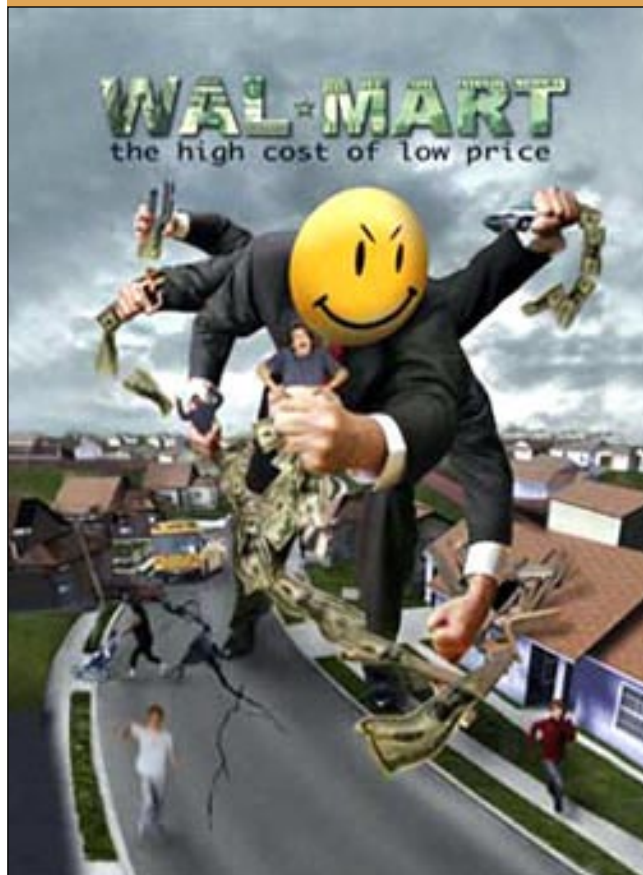
More than 300 local communities have blocked the entry of Wal-Mart in their neighborhoods. Small businesses, labor unions and community groups have been successful in keeping Wal-mart out of major US cities like New York and Los Angeles. In Chicago, Wal-Mart was only allowed after they were ordered to pay a living wage to their workers.

## The WAL-MART Way:

It is not for nothing that the world's largest company; \$345 billion Wal-Mart is feared and admired in equal measure. It got international PR agency Burson-Masteller to acquire Prema Sagar (Genesis Public Relation). After two weeks of intense negotiations, BM acquired complete control of Genesis PR by paying a huge price. In the process, Wal-Mart has killed two birds with one stone. It has not only got an international PR consultant but also the expertise of Genesis to lobby at the Centre for foreign direct investment into retail chains in India. *The Times of India*, Delhi, Jan 30, 2006

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## Keep India Independent!

*"A retail supermarket encompasses the entire chain and shrinks the intermediaries – lowering costs and removing jobs. In a country with no social security net – the replacement of thousands of retailers and farmers by a single large intermediary will shrink jobs by the millions. What option will these millions have then except to take to the streets?"*

-Eminent Indian Parliamentarian-

