

Global Value Chains: Governance and Enablers

Global Retailing

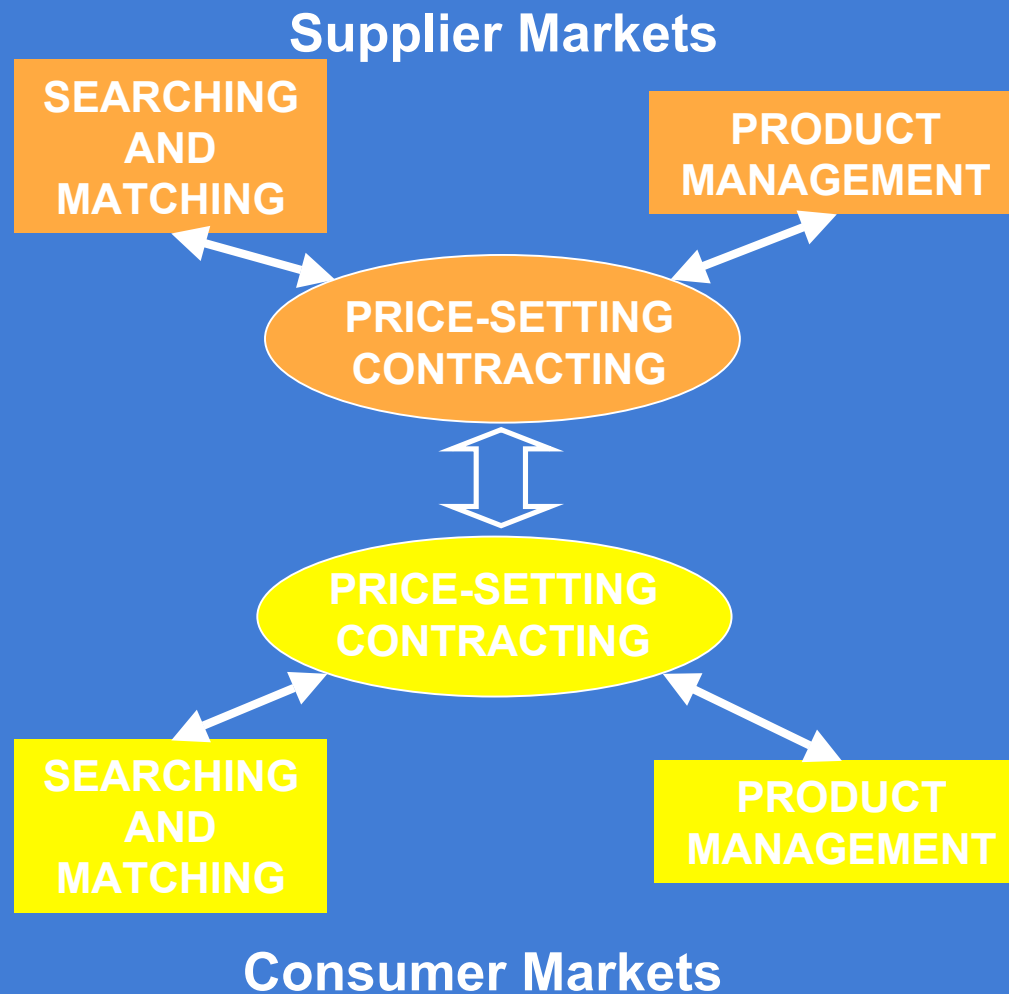
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Rapid Worldwide Retail Consolidation

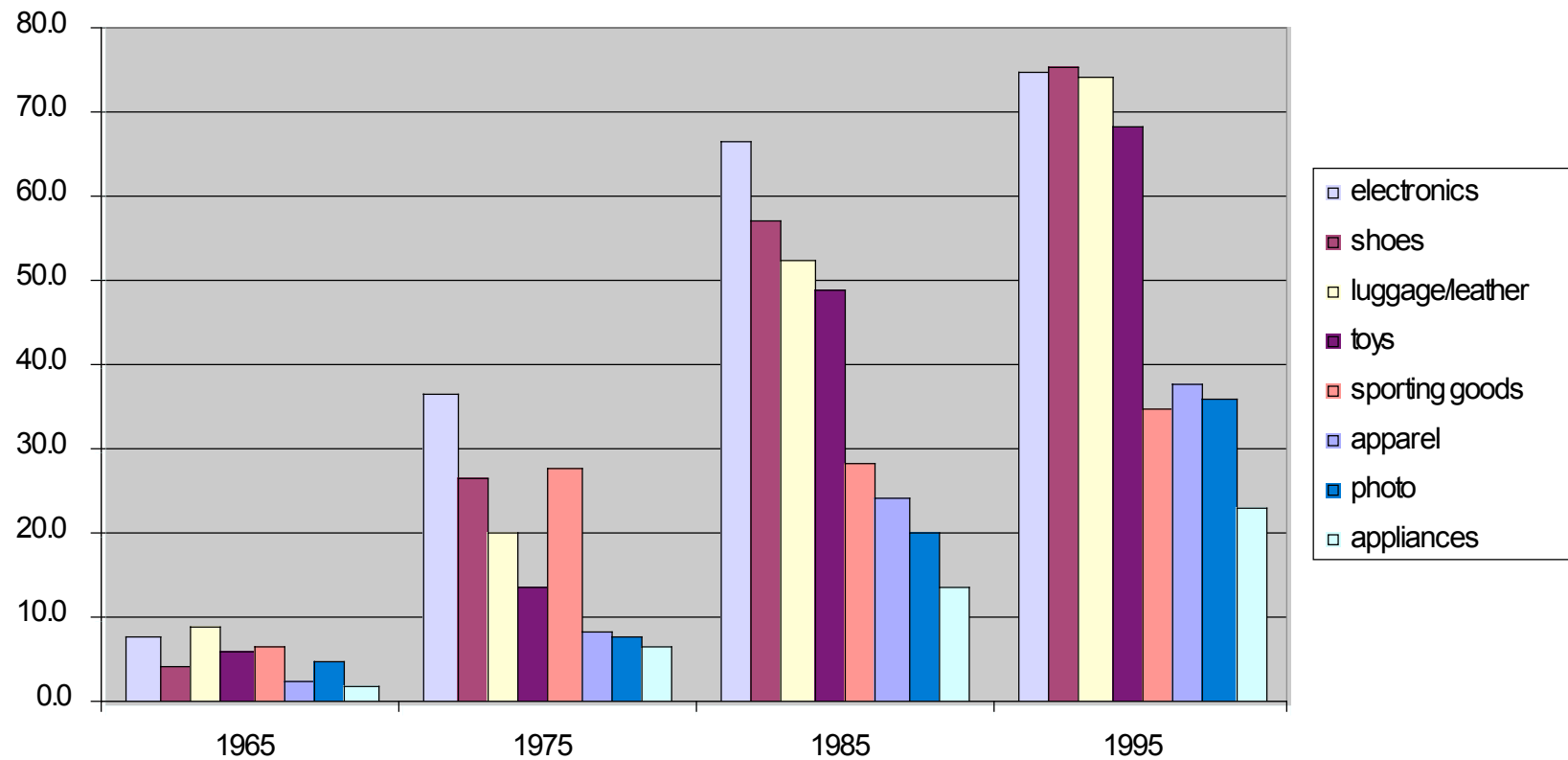
- 1963—All retail chain stores combined accounted for only 30% of all U.S. retail sales.
- 2005—20 of the world's largest retail firms account for 15% of the world's retail sales (\$1.2 trillion/8 trillion) (Deloitte 2005)
- 1953—500 shopping centers in the U.S.
- 2002—50,000 shopping centers in the U.S.

GLOBAL RETAILERS ARE MARKET MAKERS



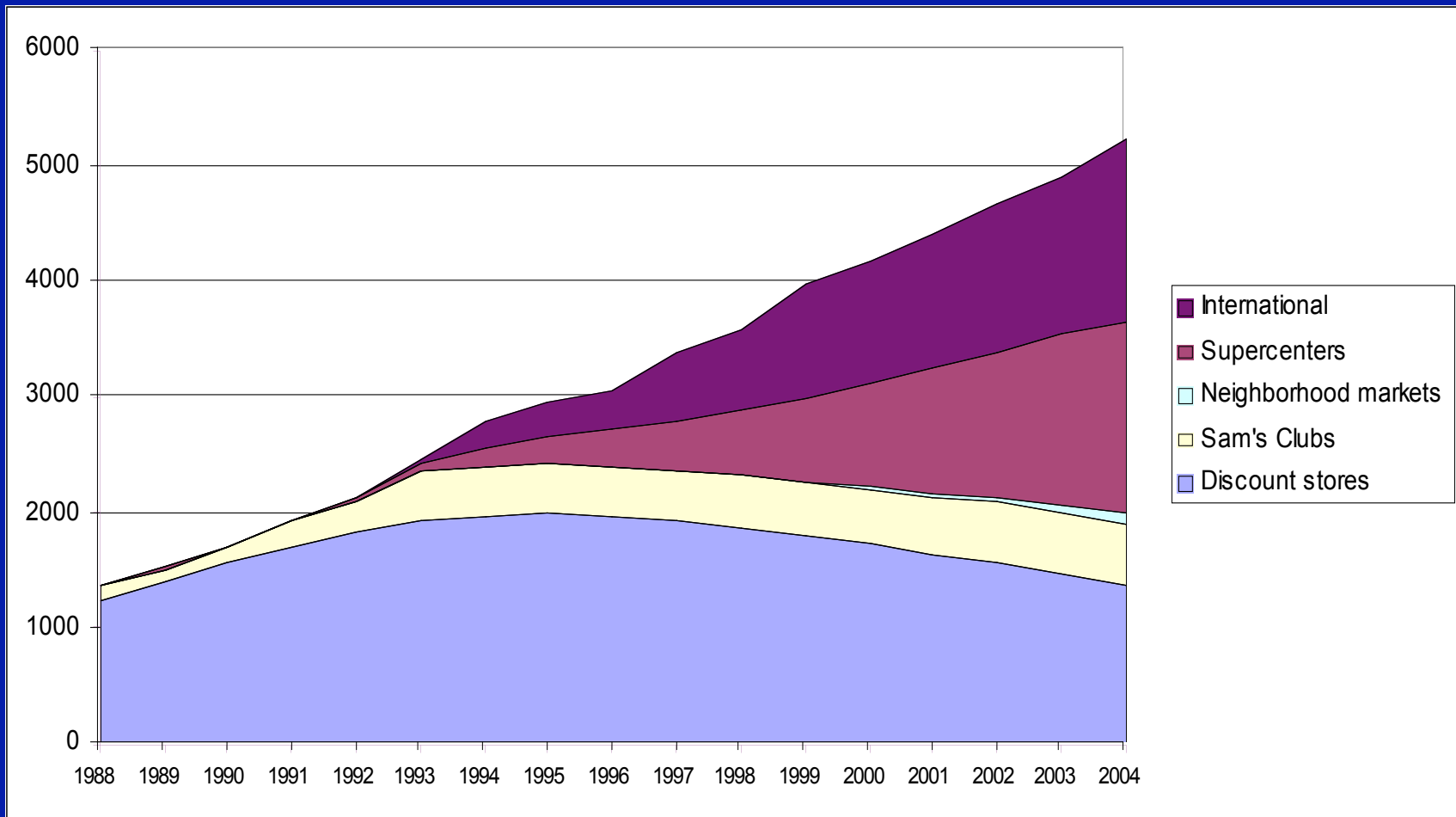
- Global Retailers make both supplier markets and consumer markets

IMPORT PENETRATION IN GENERAL MERCHANDISE



The share of imports in apparent consumption

The Growth of Wal-Mart Stores, 1988-2004



Global Consolidation in Retailing

- Drives the global reorganization of manufacturing worldwide, and specifically the consolidation of manufacturing in East Asia.
- Drives the consolidation of branding and merchandising in “brand name holding companies.
- Drives significant changes in logistics and telecommunications