



## Loblaw Looks to Expand Internationally

### Description

Recently **Loblaw** ([TSX:L](#)) announced that it had entered into three separate partnership agreements that would take its Joe Fresh apparel and cosmetics outside of North America for the first time.

This expansion will see Joe Fresh products reach the Middle East, North Africa, Europe and South Korea in the next five years.

Riyad-based Fawaz A. Alhokair & Co will open a minimum of 96 stores in 17 countries, including Jordan, Spain and Kazakhstan. Saudi Arabia will be the first of these countries to have Joe Fresh available, with the first of 40 stores expected to open this summer.

Retail Arabia International has agreed to open a minimum of 15 stores in United Arab Emirates, Kuwait, Qatar, Bahrain, and Oman. The UAE will see the first of nine stores opened later this year.

Finally Origin & Co., Ltd will open a minimum of 30 stores in South Korea starting in the last half of 2014.

This is an aggressive push by Loblaw into the international retail clothing market, and partnerships like this should help it develop in a smoother fashion in these new markets. It was only in 2011 that Joe Fresh first made its way into the U.S. market, and now its products are available at six standalone stores and in 650 J.C. Penny locations.

These are ambitious plans for a brand that Loblaw initially launched in 2006 as a way to keep up with its competitors' in-house clothing lines. Today Joe Fresh is available in Canada at 340 grocery store locations and 16 standalone stores.

Galen Weston executive chairman of Loblaw, recently told analysts that the expansion is "Representative of what has been a long-standing belief on our part that there is an international level of opportunity for the Joe Fresh brand."

### Foolish bottom line

Partnerships such as this could be an important step for Loblaw, as it faces growing competition to its

traditional big box retail model from U.S. competitors. Companies such as **Wal-Mart** ([NYSE:WMT](#)) and **Target** ([NYSE:TGT](#)) have been able to have an edge financially with money flowing north to support expansions and lower prices. While launching Joe Fresh internationally could be seen as a small step for Loblaw, any new money is good money.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:L (Loblaw Companies Limited)

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