

1-26-1994

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Recommended Citation

LADB Staff. "U.S. Restaurants, Retailers Announce Investment Plans in Mexico." (1994). <https://digitalrepository.unm.edu/sourcemex/3092>

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U.S. Restaurants, Retailers Announce Investment Plans in Mexico

by LADB Staff

Category/Department: Mexico

Published: 1994-01-26

During January, several US companies two fast food chains, a major retailer and an agricultural products corporation announced plans to expand their operations in the Mexican market by opening new outlets or entering into new agreements with Mexican partners.

The two fast food chains McDonalds and Pizza Hut both announced large-scale expansion plans for the next several years. On Jan. 11, Donald Russell, director of McDonalds- Mexico told reporters the hamburger restaurant plans to more than triple the number of outlets operating in Mexico to 300 by the year 2000. McDonalds currently operates 81 outlets in Mexico, employing 15,000 workers. According to Russell, the expansion is expected to create an additional 85,000 jobs.

Separately, Pizza Hut de Mexico, announced on Jan. 10 that the restaurant chain will double the number of outlets operating in Mexico to 72 by 1996. The company, which is 51% owned by PepsiCo, currently operates 36 outlets in various Mexican cities.

Also in January, US-based retailer Wal-Mart signed a new contract with Mexican retail giant Grupo Cifra allowing the two partners to expand their joint venture. The new contract eliminates a clause in a previous agreement that would have allowed either party to terminate the partnership after three years. Until now, the partnership between Wal-Mart and Cifra included joint operation of the Club Aurrera, Bodega, and Superama stores. Under the new contract, Wal-Mart also gains partial ownership of such Cifra properties as Vips and El Porton restaurants and Suburbia retail stores. Wal-Mart has also recently opened retail outlets in Monterrey and Mexico City under its own name ([SourceMex, Dec. 8, 1993](#)).

Also during January, ConAgra Inc. formalized an agreement with Grupo Desc to acquire a 20% share of the Mexican company's Univasa pork and poultry processing subsidiary. The agreement gives ConAgra the option of acquiring another 29.9% share in Univasa through 1998. Desc is a diversified holding company, with interests in agribusiness, automobile parts, financial services, consumer products, and real estate.

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