

Wal-Mart to close 269 stores worldwide

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On Friday, retail giant Wal-Mart announced that it was preparing to close up to 269 outlets globally, including 154 stores in the United States. The decision to close several hundred stores would affect nearly 16,000 employees. The big box retailer cited the costs of competing with online retailers as well as the impact of marginal wage increases given to its workforce as the cause for the closures.

The announcement comes amid a string of shutdowns and layoffs that have highlighted increasing levels of economic uncertainty facing businesses worldwide. In addition to the US outlets, Wal-Mart also stated that it would seek to close 115 stores abroad, with a majority of the closures being “money-losing” stores in Brazil.

The company has seen its stock prices decline by nearly 30 percent over the past year. “Closing stores is never an easy decision, but it is necessary to keep the company strong and positioned for the future,” said Wal-Mart president and CEO Doug McMillon in a press release. The Wal-Mart head sought to reassure company stockholders that the planned layoffs amounted to less than 1 percent of the retailer’s total workforce and that the company was aiming to open 300 new stores in the coming year.

The company also announced plans to close all of its smaller-scale “express” stores, stating it would seek to refocus its efforts toward building its presence in online shopping, “supercenters” and neighborhood grocery outlets.

Wal-Mart Stores, Inc. is the world’s largest company based upon revenue. In addition, the firm operates over 11,600 outlets across the globe and employs an estimated 2.2 million people, making it the world’s largest private employer.

In addition to Wal-Mart’s closures, clothing retailer Macy’s announced last week that it would close 36 stores, for a loss of over 4,800 positions. At least a dozen of those stores would be located inside of

shopping malls that would also be forced to close with the loss of the department store giant. “How difficult is it to replace Macy’s? It’s almost impossible,” said Howard Davidowitz of retail consulting and investment firm Davidowitz & Associates in an interview with CNN.

Similarly, retail operator Kmart announced last week that it would close more than two dozen stores. J.C. Penney said on Wednesday that it would close seven locations, trying to play up the fact that the shuttering of seven stores was significantly smaller than its closure of 41 stores in 2015.

The closures of hundreds of retail outlets throughout the globe come amid mounting losses in the energy sector. The mining sector alone has lost nearly 130,000 jobs in the past year.

In contrast to the job losses in the retail sectors, the profits of Wall Street financial institutions have soared. On Thursday, JPMorgan Chase reported fourth quarter earnings of \$5.4 billion for last year, bringing its total profit for the year to \$24.4 billion. According to the *New York Times*, this “relatively sluggish” quarter for the banking industry has “been driven mostly by cost cuts rather than business growth,” i.e., layoffs, closures and other means of minimizing expenses.



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