Retail CITIES

European Retail This Week

Each week I look at one change in retail that matters to FMCG commercial leaders.

WEEK 45

4 NOVEMBER 2026



FOOD INFLATION ACROSS SIX MARKETS

Annual food CPI inflation (%) 2020–2025

Country	2020	2021	2022	2023	2024	2025
Turkey	13.9%	24.3%	85.6%	65.8%	56.9%	33.1%
Egypt	-0.2%	4.6%	23.6%	63.8%	32.9%	5.5%
Bosnia & Herzegovina	1.0%	3.5%	21.5%	10.6%	2.1%	8.1%
North Macedonia	2.4%	3.1%	20.9%	11.7%	2.9%	5.1%
Morocco	0.9%	0.6%	11.3%	12.9%	0.6%	0.8%
Germany	2.1%	3.1%	12.6%	12.2%	2.0%	2.6%

Retail Cities European Retail This Week Week 45 2026 Higher rate = deeper red

Data: ERTW food inflation workbook, 4 November 2026.

DOES HIGH GROCERY INFLATION HOLD BACK MODERN TRADE?

This week: Does grocery inflation accelerate or impede the development of modern grocery channels?

A longstanding debate among retail analysts centers on market evolution: do modern grocery formats — hypermarkets, supermarkets, proximity stores and discounters — need stable food inflation to take root and flourish?

One argument goes further: hard discount, built around private label, cannot flourish where grocery inflation is unstable.

Then how do you explain BİM?

Turkey's largest retailer by annual retail sales has built a successful private-label-led business across Turkey, Egypt and Morocco. Its success challenges the idea that stable grocery prices are a prerequisite for modern trade.

What BİM in Turkey, Egypt and Morocco Tells Us

Many retailers in emerging markets follow an "if you build it, they will come" philosophy. BİM takes the opposite approach: go where consumers already live.

Its understated stores sit at ground or lower-ground level in residential buildings. Inside, a tightly chosen assortment meets every day needs, including heavy items that shoppers may struggle to carry home from a more distant market.

Need bottled water, another bottle of milk or some last-minute sugar? BİM becomes an essential stop.

For these shopping missions, brand preference often takes a back seat to two practical questions: How far must I carry it? How much will it cost?

BİM sells much more than water, milk and sugar. It also sells branded products. But its foundation remains a private-label-led modern grocery format operating in markets with high or unpredictable food inflation, especially Turkey and Egypt.

BİM shows that unstable food inflation does not prevent private-label-led modern trade from developing.

Why This Matters for European Commercial Leaders Planning for 2027

Ambitious European discounters are extending their global reach.

Lidl is pushing further into the Balkans, with Bosnia & Herzegovina and North Macedonia next. Aldi has signed a loose agreement to assist Dali, a 1,000-store chain in the Philippines whose name is an anagram of Aldi. Action is breaking ground on stores in the Carolinas in the USA.

For Europe's discount commercial leaders, this creates two challenges.

Challenge one: How do you prepare colleagues in expansion markets for the ripple, then wave, then tidal wave of change heading their way?

Challenge two: What do you do when your boss says your discount remit is now "Europe Plus"?

At Retail Cities, we think the first step is to study the exceptions to conventional market evolution — including BİM in Turkey, Egypt and Morocco. The exceptions can reveal what the rules miss.

We will explore these questions in our 2027 workshops. For those ready to start now, we are running a one-day session on 12 November 2026 at the Radisson Blu Istanbul Asia.

Buy tickets: **Turkish Discount Classroom, 12 November 2026**

Thought for this week: From Atacadão in Brazil and X5 in Russia to Alibaba in China and BİM in Türkiye, retailers have advanced modern trade by changing the playbook. Which retailers are changing it in the markets that matter most to you?

About European Retail This Week

European Retail This Week shares research that I, Ray Gaul, lead or contribute to. Each story draws on real conversations with Europe's commercial leaders and the questions they are asking.

Find our latest research free at RetailCities.com. For older materials, slides and rankings, speak to a Retail Cities consultant about membership.

Recent ERTW Editions

Retailer Taxes - Week 44, 2026: What belongs in your 2027 negotiation?

Proxenience - Week 43, 2026: How proximity and convenience strategies are converging.

The Chicken or Egg Dilemma - Week 42, 2026: Do winning retailers follow consumer habits or change them?

All-Star Archive - Start Here

Hungary and the Future of Retail in Europe - August 2026: Localization, retailer economics and supplier strategy.

European Customer Consolidation in 2015: Understanding how retailer consolidation develops.

Footfall and Retailer Economics in 2017: Linking footfall, basket behavior and FMCG brand value.

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