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Mexico industry: Tiendas Coppel applies for banking licence

COUNTRY BRIEFING

FROM THE ECONOMIST INTELLIGENCE UNIT

The Mexican retailer Tiendas Coppel has applied for a banking licence. By also operating a bank Coppel, which caters to Mexico's low-income consumers, can finance its accounts receivables as well as offer banking services for its clients in addition to extending store credit to many who fall within Mexico's vast "**unbanked**" populace.

With its national network of 254 stores-and plans to open an additional 55 in 2005-Coppel registered sales of Ps15.6m in 2004, for a 24% increase over 2003. In 2004, Coppel customer credits amounted to nearly Ps8.1bn. By opening its own bank Coppel will compete more directly with its rival Elektra and its sister company Banco Azteca in tapping pent-up demand among Mexico's poor for banking services.