

McDonald's and Starbucks lose money, blame boycott campaign amid genocidal Israeli war of aggression against Gaza

Image not found or type unknown

New York, February 8 (RHC)-- The U.S. giant food chain McDonald's and coffee chain Starbucks both blamed pro-Palestine boycott campaigns for weaker than expected same-store sales after protests over their pro-Israeli stance in the Gaza war escalated.

McDonald's has reported its first quarterly sales miss in nearly four years on weak sales growth at its international business division sending the company's shares down about 4%. It said sales growth for the period in its division including West Asia, China, and India was 0.7% - far below market expectations of 5.5%, according to London Stock Exchange Group data.

The company also saw an impact on business in countries such as Malaysia and Indonesia, as well as in France, CEO Chris Kempczinski said on a post-earnings call on Monday.

It comes after McDonald's Israel announced in October that it had donated thousands of free meals to Israeli soldiers.

The announcement sparked an immediate backlash, particularly in Muslim countries sympathetic to the Palestinian cause, and also prompted calls for a consumer boycott against the apartheid entity.

Kempczinski said that he is not expecting any rise in his sales as long as the Israeli aggression is going on in Gaza.

"So long as this conflict, this war, is going on ... we're not expecting to see any significant improvement in this," Kempczinski told analysts on the company's conference call. Kempczinski first revealed last month that the company had suffered a "meaningful business impact" because of the war.

"Several markets in the Middle East and some outside the region are experiencing a meaningful business impact due to the war," the burger chain stated on LinkedIn.

Starbucks, the American multinational chain of coffeehouses and roasteries headquartered in Seattle, has also seen billions of dollars worth of losses due to global Palestine solidarity boycotts.

This came after the company in October sued the Workers United union, which represents thousands of baristas at about 360 US stores after the union posted a pro-Palestinian message on social media, what the protesters saw as pro-Israel.

Starbucks CEO Laxman Narasimhan said Tuesday that the company's sales in the Middle East struggled, but boycotts also hurt its U.S. cafes. Last week, Starbucks also cut its annual sales forecast, partly due to fewer customers visiting stores in the Middle East.

In December 2023, the losses of Starbucks stood at \$12 billion in value during the last quarter, due to Palestinian solidarity boycotts and employee strikes. Other American companies including Burger King, KFC, Pizza Hut, and Papa John's as well as brands such as Coca-Cola, Pepsi, Wix, Puma, and Zara that have pro-Israeli stances or have financial ties with Israel and investments there also came under fire and faced boycott calls.

Similar sales patterns are also expected to be seen in other American multinational companies, especially the ones operating in West Asia.

<https://www.radiohc.cu/index.php/en/noticias/internacionales/346590-mcdonalds-and-starbucks-lose-money-blame-boycott-campaign-amid-genocidal-israeli-war-of-aggression-against-gaza>



Radio Habana Cuba