

Asia (ex-China) Retail

BI WEEKLY UPDATES

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Asia at a Glance

Statistics: Developing economies of East Asia remain robust in 2015

Economic growth of the developing countries in East Asia and Pacific will ease slightly in 2015. According to the World Bank, the developing economies of East Asia will grow by 6.7% in 2015 and 2016, down from 6.9% in 2014. China's growth is projected to moderate to around 7% over the next two years compared with 7.4% in 2014. Growth in the rest of developing East Asia is estimated to increase by 5.1% in 2015, mainly driven by domestic demand on upbeat consumer sentiment and falling oil prices.

👉 World Bank, 13 April, 2015

👉 <http://www.worldbank.org/en/news/press-release/2015/04/13/developing-east-asia-pacific-growth-remains-robust-in-2015>

Japan

Statistics: Consumer confidence hits 15-month high in March 2015

Japan's consumer confidence index added 0.8 points to 41.7 in March 2015, a 15-month high since December 2013. The growth was attributable to improved job conditions and consumers' spending on durable goods.

👉 Economic and Social Research Institute, Cabinet Office, Government of Japan, 17 April, 2015

👉 <http://www.esri.cao.go.jp/en/stat/shouhi/shouhi-e.html#cci>

👉 Focus Economics, 17 April, 2015

👉 <http://www.focus-economics.com/news/japan/consumer-confidence/consumer-confidence-jumps-over-one-year-high-march>

Statistics: Retail sales hit record low in March 2015

Japan's retail sales tumbled 9.7% yoy in March 2015, the lowest level since 1998. The sales dropped significantly against a year earlier as many Japanese went shopping before the introduction of consumption tax hike in April 2014.

👉 Ministry of Economy, Trade and Industry, 28 April, 2015

👉 <http://www.meti.go.jp/english/statistics/tyo/syoudou/index.html>

👉 Bloomberg, 28 April, 2015

👉 <http://www.bloomberg.com/news/articles/2015-04-28/japan-retail-sales-slump-flashes-warning-signal-for-boj-s-kuroda>

Shopping malls: Aeon plans expansion in Malaysia

Aeon, Japan's leading shopping mall developer, plans to spend around US\$121 million to add two more new malls in Malaysia in 2015. Both malls will be located in Kuala Lumpur. The Japanese retailer currently operates 23 malls, 29 Aeon hypermarkets and four smaller stores branded MaxValu in Malaysia.

👉 Inside Retail Asia, 21 April, 2015

👉 <http://insideretail.asia/2015/04/21/aeon-malaysia-plans-two-new-malls/>

Convenience stores: Seven & i to launch omni-channel strategies in October 2015

Seven & i, the parent's company of Japan's largest convenience store chain 7-Eleven and superstore chain Ito-Yokado, will kick off its omni-channel strategies in October 2015. These mainly include distributing tablet devices for handling customer requirements at 3,600 stores, setting up a common group e-commerce website and smartphone apps, integrating online shopping memberships within the group, and introducing priority pick up service for online purchases at 7,000 stores in the Kanto region.

☞Credit Suisse, 28 April, 2015

Convenience stores: Lawson converts Tokyo Metro stores to Lawson outlets

Lawson, Japan's second largest convenience store chain, said in April 2015 that it will sign a franchising contract with a subsidiary of Tokyo Metro Co. to transform Metro's stores at subway stations to Lawson stores beginning this fall. The Tokyo Metro subsidiary now operates 140 Metro's stores, of which 50 will be converted to Lawson stores over the coming two to three years.

☞The Japan Times, 27 April, 2015

☞<http://www.japantimes.co.jp/news/2015/04/27/business/corporate-business/tokyo-metro-station-stores-made-lawson-outlets/#.VUBBrNyUf9I>

E-commerce: Rakuten launches free online magazine

Rakuten and Japanese publisher Gentosha have jointly launched a free online fashion magazine Ginger Mirror for women engaged in e-commerce. The first edition of the online magazine introduces about 400 hot fashion items and accessories, which are reasonably priced and available on Rakuten's online shopping mall Rakuten Ichiba.

☞Retail in Asia, 24 April, 2015

☞<http://www.retailinasia.com/article/tech/online-retailing/2015/04/rakuten-gentosha-launch-online-magazine-linked-e-commerce>

Apparel: Fast Retailing ponders delivery tie-up with Lawson

Fast Retailing, the parent company of Uniqlo, said in April that it is in talks with Lawson, Japan's second largest convenience store chain, for a tie-up in delivery service, aiming to enlarge its sales network. The new service will allow customers to pick up Uniqlo products at Lawson stores after placing an order online. The apparel giant is also mulling selling underwear and other items at Lawson.

☞The Japan Times, 24 April, 2015

☞<http://www.japantimes.co.jp/news/2015/04/24/business/corporate-business/fast-retailing-mulling-delivery-tie-lawson/#.VUGEhpCji0G>

Apparel: Uniqlo sets sight on Australian market

Uniqlo, the world's leading fast fashion brand, plans to inject new capital into Uniqlo Australia to fund the next phase of growth in new states and suburban markets. Following the rollout of its Australian debut store in 2014, the fast

fashion leader has since opened another three stores in the country. Two more new stores will be opened in May 2015. The company aims to become the local market leader in casual wear by 2020.

☞The Sydney Morning Herald, 21 April, 2015

☞<http://www.smh.com.au/business/retail/uniqlo-to-expand-interstate-in-pursuit-of-growth-20150421-1mousg.html>

Apparel: Uniqlo starts selling shoes in several markets

Uniqlo started selling shoes in Japan in April 2015, looking to attract more customers. The fashion giant has offered the shoe lineup at all of its Japanese stores, which includes slip-on and lace-up sneakers. It has also begun shoes sales in China, South Korea and the U.S. It will start shoes sales in France from June 2015.

☞Reuters, 22 April, 2015

☞<http://www.reuters.com/article/2015/04/22/fast-retailing-shoes-idUSL4N0XJ2BA20150422>

South Korea

Supermarkets: Lotte Super to introduce drive-through pick up service

Lotte Super, South Korea's leading supermarket chain, will launch South Korea's first drive-through grocery pick up service at its Garak branch. Lotte Super's drive-through service is connected with the company's online shopping site. After placing an order online, customers can pick up their goods at the drive-through. The retailer plans to introduce the drive-through service at five or six branches in 2015.

☞Inside Retail Asia, 29 April, 2015

☞<http://insideretail.asia/2015/04/29/lotte-super-launches-drive-through/>

Taiwan

Statistics: Retail sales increase 1.3% yoy in March 2015

Taiwan's retail sales grew by 1.3% yoy in March 2015, mainly driven by stronger motor sales and the growth of online retailing.

☞Department of Statistics, Ministry of Economic Affairs, 23 April, 2015

☞https://www.moea.gov.tw/MNS/dos/bulletin/Bulletin.aspx?kind=8&html=1&menu_id=6727&bulletin_id=1160

E-commerce: Executive Yuan approves electronic stored value cards to sideline third party payment

Taiwan's Executive Yuan has given green light on electronic stored value cards, such as Easycard and iCash, to sideline third party payment, following the amendment to the Act Governing Issuance of Electronic Stored Valued Cards. Once approved by Legislative Yuan, the amendment will help collaborate third party payment virtual financial accounts with the physical value deposit in electronic

stored value cards, which means that money can be transferred from third party payment virtual accounts to electronic stored value cards or vice versa. Currently, there are 57 million electronic stored value cards circulated in Taiwan.

☞Deutsche Bank, 27 April, 2015

Thailand

Supermarkets: Tesco adheres to Thai expansion

Tesco, U.K.'s leading supermarket operator, has affirmed that it will continue to invest and expand its retail and online channels in Thailand. The retailer will open five large stores and 50 express stores in Thailand over the coming year. It also plans to invest more in programs that help lower the prices of fresh food, groceries and household products.

☞Bangkok Post, 24 April, 2015

☞<http://www.bangkokpost.com/business/news/539511/tesco-affirms-commitment-to-expansion-in-thailand>

Apparel: Wood Wood opens first Asian store in Thailand

Wood Wood, a Danish streetwear fashion brand, has opened its first Asian store in Bangkok, Thailand. Thailand is the brand's third overseas market, following Berlin and Moscow.

☞Inside Retail Asia, 20 April, 2015

☞<http://insideretail.asia/2015/04/20/denmarks-wood-wood-arrives-in-bangkok/>

Malaysia

Statistics: CPI adds 0.9% yoy in March 2015

Malaysia's consumer price index grew by 0.9% yoy to 110.9 in March 2015, due mainly to the increased costs of alcoholic beverage and tobacco, health care, dining out, accommodations and food items.

☞Department of Statistics Malaysia, 23 April, 2015

☞http://www.statistics.gov.my/index.php?r=column/cthemByCat&cat=106&bul_id=OVIENENwcXFoTEh1N1Q3VFdLYmFFZz09&menu_id=bThzTHQxN1ZqMVF6a2I4RkZoNDFkOT09

E-commerce: 11street taps Malaysia market

11 street, South Korea's largest online marketplace, has recently launched its online shopping website www.11street.my targeting the Malaysian market. The online player will invest over US\$10 million to drive the participation of different brands and is scheduled to have 11,000 brands on board by the end of April. It aims to become Malaysia's largest online marketplace.

☞Inside Retail Asia, 27 April, 2015

☞<http://insideretail.asia/2015/04/27/koreas-11street-malaysia-launches/>

Home products: Royal Selangor makes debut in the U.K.

Royal Selangor, Malaysia's homeware brand, is set to open its first store in the U.K. The 1,317 sq ft debut store, located at the upmarket London suburb of Chelsea, is scheduled to open as early as June 2015. It will stock customised and designer homewares, as well as ornaments and personalised gifts, all made from pewter. The brand now has established its presence in over 20 countries.

➤ Inside Retail Asia, 24 April, 2015

➤ <http://insideretail.asia/2015/04/24/royal-selangor-to-open-in-chelsea-london/>

Singapore

Shopping malls: VivoCity enters Vietnam

VivoCity, Singapore's largest shopping mall operated by Mapletree Investments, a property development arm of Temasek, opened its first mall in Vietnam in April 2015. The mall, covering 41,000 sqm in Ho Chi Minh City, is a joint venture between Mapletree and Vietnam's supermarket operator Saigon Co-op.

➤ Inside Retail Asia, 20 April, 2015

➤ <http://insideretail.asia/2015/04/20/vivocity-saigon-opens-doors/>

Supermarkets: Sheng Siong Group plans store expansion

Sheng Siong Group, Singapore's leading supermarket operator, has planned five new stores since December 2014. Two has opened in December 2014 and January 2015, respectively. The remaining three stores are slated to open by June 2015, lifting its total retail space by 6.4%.

➤ CIMB Research, 24 April, 2015

Fung Business Intelligence Centre

The Fung Group is a privately held multinational group of companies headquartered in Hong Kong whose core businesses are trading, logistics, distribution and retailing. The Fung Group employs over 45,000 people across 40 economies worldwide, generating total revenue of more than US\$22.6 billion in 2013. Fung Holdings (1937) Limited, a privately held business entity headquartered in Hong Kong, is the major shareholder of the Fung group of companies.

The Fung Business Intelligence Centre collects and analyses market data on sourcing, supply chains, distribution and retail. It also provides thought leadership on technology and other key issues shaping their future.

Headquartered in Hong Kong, FBIC leverages unique relationships and information networks to track and report on trends and developments in China and other Asian countries. In addition, its New York-based Global Retail & Technology research team follows broader retail and technology trends, specialising in how they intersect and building collaborative knowledge communities around the revolution occurring worldwide at the retail interface.

Since its establishment in 2000, the FBIC (formerly known as the Li & Fung Research Centre) has served as the knowledge bank and think tank for the Fung Group. Through regular research reports and other publications, it makes its market data, impartial analysis and expertise available to businesses, scholars and governments around the world. It also provides advice and consultancy services to colleagues and business partners of the Fung Group on issues related to doing business in China, ranging from market entry and company structure, to tax, licensing and other regulatory matters.

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