

Asia (ex-China) Retail

BIWEEKLY UPDATES

1 December 2015 – 15 December 2015

the latest in asia

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Asia at a Glance

Home products: Ikea sets sights on Southeast Asian market

Swedish furniture retailer Ikea plans to ramp up its retail footprints in the Southeast Asian region. Following the opening of its first Asian pick-up and ordering point (PUP) in Phuket, Thailand, the retailer plans to open three large-format stores in Bangkok and five to six PUPs across Thailand within five years. Ikea also eyes on the Philippines and Vietnam markets and looks to set up mega stores covering 40,000 sqm in the two countries.

☞ Inside Retail Asia, 2 December, 2015

☞ <https://insideretail.asia/2015/12/02/ikea-to-ramp-up-sea-expansion/>

☞ Intellasia.net, 30 November, 2015

☞ <http://www.intellasia.net/ikea-has-expansion-plans-in-thailand-vietnam-philippines-483661>

Home products: Miniso makes debut in Singapore

Japan's fast fashion brand Miniso has recently opened three new stores in Singapore, as part of its Asian expansion plan. It also plans to increase its store number to 100 in the city. Targeting the mass market, the company sells various products ranging from home necessities, accessories and cosmetics to electric products, food & beverages and fabric products. Miniso currently operated over 1,200 stores across worldwide, including Japan, China, Thailand, the U.S., Italy and the United Arab Emirates.

☞ Ebrun, 15 December, 2015

☞ <http://www.ebrun.com/20151215/159058.shtml> (in Chinese only)

Japan

Statistics: Consumer confidence index up 1.1 points to 42.6 in November 2015

Japan's consumer confidence index rose 1.1 points mom to 42.6 in November 2015, due mainly to the growth of confidence in all the four sub-indices, including overall livelihood (up 1.3 points mom), willingness to buy durable goods (up 1.3 points mom), income growth (up 1.1 points mom) and employment (up 0.8 point mom).

☞ Economic and Social Research Institute, Cabinet Office, Government of Japan, 4 December, 2015

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

Shopping malls: Aeon opens its largest Chinese mall in Wuhan city of Hubei Province

Japan's largest shopping mall operator Aeon has recently opened its largest Chinese shopping mall in Wuhan, the capital city of Hubei Province, China. The company invested about 3 billion yuan for the project. The shopping mall, with a floor area of 275,000 sqm, houses almost 300 stores of apparel, home products and food & beverage brands, coupled with a general merchandise store, cinema and children amusement zone. Aeon also plans to open 10-15 general merchandise

stores in Wuhan over the next six years, with the first store expected to open in 2017.

↻Linkshop.com, 8 December, 2015

↻<http://www.linkshop.com.cn/web/archives/2015/339376.shtml> (in Chinese only)

Shopping malls: Tokyu Land to open shopping mall with largest duty-free space in Tokyo

Tokyu Land Corp., Japan's property developer, will open a shopping mall in the upmarket Ginza district in Tokyo. The mall, named Tokyu Plaza Ginza, will have the biggest duty-free floor space in the city. The project will have a total sales floor area of 22,000 sqm which comprises 11 stories above ground and two below. The duty free shops, located on the eighth and ninth floors of the mall, will be operated by South Korea's trading conglomerate Lotte Group. According to the company, tourists are expected to contribute some 10% of the total sales of Tokyu Plaza Ginza.

↻The Japan Times, 11 December, 2015

↻<http://www.japantimes.co.jp/news/2015/12/11/business/tokyu-land-plans-ginza-mall-duty-free-floor-space/#.Vm4ktHYrKUu>

Convenience stores: Japan's convenience store chains boost e-money payment services

Major convenience store operators in Japan are increasing the types of e-money payment services accepted at their outlets in order to attract more customers and boost sales. After adding e-money functions to its loyalty card Ponta card in November 2015, Lawson will start accepting the most widely used e-money Waon by retail titan Aeon from December 2015. Its rival Family Mart has also started accepting e-money in the form of T-money from June 2015 and began introducing self-checkout machines that accept e-money at branches inside Keisei Electric Railway Co. Stations in November 2015. Seven-Eleven also plans to further promote its e-money card nanaco within its parent company Seven & I Holdings' vast retail network ranging from supermarkets to restaurants.

↻The Japan Times, 9 December, 2015

↻<http://www.japantimes.co.jp/news/2015/12/09/business/tech/convenience-store-chains-jump-e-money-bandwagon/#.Vmje5WehfVi>

Apparel: Canadian apparel firm Kit and Ace starts global expansion in Japan

Kit and Ace, a Canadian apparel company, has recently opened a pop-up shop in Tokyo's Nakameguro district as part of its global expansion plans. The shop, which will be open through 6 March, 2016, features men's and women's apparel. Kit and Ace also plans to open several more stores in Japan in 2016 and target to have over 30 stores in Japan, Melbourne, Sydney and London by the end of 2015.

↻Fashionmag.com, 2 December, 2015

↻http://kr.fashionmag.com/news/Kit-and-Ace-open-pop-up-shop-in-japan.602501.html#utm_source=newsletter&utm_medium=email

Apparel: Uniqlo has more overseas stores than in Japan

Fast Retailing, the parent company of Japan's largest fast fashion brand Uniqlo, said it had 864 clothing outlets abroad versus 844 in Japan as of the end of November 2015, the first time that foreign stores outnumbered domestic stores. The company plans to accelerate its store expansion overseas, mainly in China, projecting overseas sales to top domestic sales soon. Since its first overseas debut in London in 2001, Fast Retailing has so far opened about 410 stores in China, 250 stores in South Korea and Southeast Asia and about 90 in Taiwan and Hong Kong. The store number of the company is expected to hit 958 overseas and 846 in Japan by the end of August 2016.

☞The Japan Times, 3 December, 2015

☞<http://www.japantimes.co.jp/news/2015/12/03/business/corporate-business/uniqlo-stores-abroad-japan/#.VmeZN2ehfVi>

Apparel: Shibuya 109 to open first overseas store in Hong Kong

Shibuya 109, a multi-label fashion company owned by Japan's shopping mall operator Tokyu Malls Development Corporation, is set to open its first foreign store in Harbour City in Tsim Sha Tsui, Hong Kong. Targeting female customers, the store will house 13 popular women's fashion brands from Japan, including Ank Rouge, Duras, Esperanza, Ki, Lara Girl, Liz Lisa, Mlr, Rady, Redyazel, Regalect, Samantha Vega, Secret Honey, Sly and Wegotokyo.

☞Fashionmag.com, 9 December, 2015

☞http://tw.fashionmag.com/news/shibuya-109-jiang-zai-xiang-gang-kai-mu-shou-jia.605346.html#utm_source=newsletter&utm_medium=email (in Chinese only)

☞Bloomberg.com, accessed on 10 December, 2015

☞<http://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=23247906>

Apparel: Japanese fashion brand Tomorrowland opens first overseas store in New York

Tomorrowland, a Tokyo-based fashion company, has opened its first overseas retail store on Broome Street, New York. The new store, with a floor area of 300 sqm, houses the brand's women's and men's clothing collections, jewellery and accessories line as well as other fashion labels, including Blue Work for denim, Hyke for outerwear and Jean Paul Knott for sportswear. The company currently owns various fashion brands, including Ballsey, Macphee, Des Prés, Knott, Bacca, Tomorrowland Boys & Girls, Caban Tomorrowland and Maison & Voyage Tomorrowland. It also distributes several foreign fashion labels, such as Acne Studios, James Perse, Dries Van Noten and Isabel Marant, in Japan.

☞Fashionmag.com, 11 December, 2015

☞http://kr.fashionmag.com/news/japanese-brand-Tomorrowland-confirms-expansion-abroad.606510.html#utm_source=newsletter&utm_medium=email

☞Tomorrowland, accessed on 14 December, 2015

☞<http://www.tomorrowland.co.jp.e.mf.hp.transer.com/corporate/enkaku.html>

Apparel: Asics launches Asics Tiger in China

Japan's sneaker retailer Asics officially introduced its sports footwear sub-brand Asics Tiger in China on 11 December, 2015. It is Asics' third brand to enter China following the launch of Asics and Onitsuka Tiger in early 2015. Featuring classics and stylish athletic shoes, Asics Tiger mainly target men's footwear market.

↻Fashionmag.com, 14 December, 2015

↻http://tw.fashionmag.com/news/chao-xie-asics-tiger-xuan-bu-jin-jun-zhong.607194.html#utm_source=newsletter&utm_medium=email(in Chinese only)

Luxury: Saint Laurent opens its largest global store in Japan

Parisian fashion brand Saint Laurent has recently opened its first standalone store in Tokyo's Shibuya-Ku district. The standalone store, with a floor area of 705 sqm, is also the brand's largest store worldwide. The store will house the brand's full range of men's and women's apparel and accessories collections. Prior to the setup of the standalone store, Saint Laurent used to distribute its products in the Japanese market only via multi-brand stores.

↻Fashionmag.com, 3 December, 2015

↻http://kr.fashionmag.com/news/Saint-Laurent-opens-in-Tokyo-its-largest-store-worldwide.602783.html#utm_source=newsletter&utm_medium=email

Home products: Muji opens its largest Chinese store in Shanghai

Muji, Japan's home product retailer, opened its largest Chinese flagship store in Shanghai on 12 December 2015, following the launch of its first Muji Café & Meal restaurant in the country the same time last year. The new store, with a floor space of 3,438 sqm, will feature the full range products and services of the brand. Apart from offering the entire collections of home furnishing, apparel and stationary items, the store will also house Muji Books, Café & Meal Muji, Aroma Labo for customized perfume services, Muji Yourself for product design services and Open Muji for lifestyle workshops.

↻Fashionmag.com, 9 December, 2015

↻http://cn.fashionmag.com/news/jin-nian---shuang-12-muji-yao-kai-wei-di-zui-da.605317.html#utm_source=newsletter&utm_medium=email (in Chinese only)

↻Linkshop.cn, 10 December, 2015

↻<http://www.linkshop.cn/web/archives/2015/339526.shtml> (in Chinese only)

Beauty and personal care: Shiseido to start storefront makeover from 2016; aiming net sales over 1 trillion yen by 2020

Japan's cosmetic giant Shiseido will start rejuvenating all of its 16,000 sales counters worldwide from January 2016. The new storefronts, with more open space, will have interactive display screens installed to enrich consumer shopping experience. By implementing a series of marketing reforms, the company targets net sales of over 1 trillion yen and operating income of over 100 billion yen by 2020, with 200 billion yen of sales contributed by the Chinese market.

↻Fashionmag.com, 9 December, 2015

↻http://cn.fashionmag.com/news/zi-sheng-tang---na-ge-yong-yi-zhong-chan-pin-dai-dong-zheng-ge-gong-si-ye-ji-de.604756.html#utm_source=newsletter&utm_medium=email (in Chinese only)

↻Shiseido Group.com, accessed on 10 December, 2015

↻<https://www.shiseidogroup.com/ir/library/annual/pdf/2015/anu00001.pdf>

South Korea

Statistics: Consumer price index add 1% yoy to 109.92 in November 2015

South Korea's consumer price index grew 1% yoy to 109.92 in November 2015. By category, prices of alcoholic beverages & tobacco posted the largest growth (up 50% yoy), followed by miscellaneous goods & services (up 3% yoy), furnishings, household equipment & routine maintenance (up 2.6% yoy), restaurants & hotels (up 2.5% yoy), education (up 1.8% yoy), healthcare (up 1.4 yoy), food & non-alcoholic beverages (up 1.1% yoy), clothing & footwear (up 0.9% yoy) and recreation & culture (up 0.6% yoy). By contrast, prices of transport fell 6.1% yoy, followed by housing, water, electricity, gas & other fuels (down 0.2% yoy) and communication (down 0.2% yoy).

↻Statistics Korea, 1 December, 2015

↻<http://kostat.go.kr/portal/english/news/1/18/2/index.board>

Apparel: E-land disposes Kim's Club Mart to focus on fashion business

E-land Group, South Korea's fashion giant, has recently announced that it will sell its chain supermarket unit Kim's Club Mart through an open bidding in order to better focus on its core businesses – fashion and global retail businesses. Facing cut-throat competition in the hypermarket sector, Kim's Club Mart lags behind the three key players in the market, namely E-Mart, Lotte Mart and Homeplus. Kim's Club Mart currently operates 37 branches inside E-land's retail network in South Korea.

↻Korea Joongang Daily, 1 December, 2015

↻<http://koreajoongangdaily.joins.com/news/article/Article.aspx?aid=3012209>

↻The Korea Times, 30 November, 2015

↻http://www.koreatimes.co.kr/www/news/biz/2015/11/123_192072.html

Convenience stores: South Korea's convenience store sector booms

South Korea's convenience store sector has boomed over recent years, underpinned by the growing interest for ready-made meals and other necessities from an increasing number of single-adult households. In 2015, 7-Eleven, BGF Retail and GS Retail, the three largest convenience store operators in the country, opened a total of 2,000 new stores, raising the number convenience stores in the country to almost 26,000. In terms of sales, GS Retail, which operates under GS 25 brand, registered the largest increase with US\$3.11 billion in sales from January to September 2015, up 36% yoy. Meanwhile, BGF Retail posted a 28.8% yoy growth in sales, while 7-Eleven increased its sales by 26.4% yoy.

↻Retail News Asia, 1 December, 2015

↻<http://www.retailnews.asia/south-korean-convenience-stores-thrive/>

Taiwan

Statistics: CPI up 0.53% yoy to 104.47 in November 2015

Taiwan's consumer price index added 0.53% yoy to 104.47 in November 2015. By category, prices of food items delivered the largest growth (up 5.23% yoy), followed by miscellaneous (up 0.68% yoy), healthcare (up 0.44% yoy) and education & entertainment (up 0.39% yoy). By contrast, prices of transportation & communication, housing and clothing fell 4.85% yoy, 1.09% yoy and 0.67% yoy in November 2015.

➤ National Statistics, Republic of China (Taiwan), 8 December, 2015

➤ <http://eng.stat.gov.tw/ct.asp?xItem=38856&ctNode=2410&mp=5>

Convenience stores: FamilyMart Taiwan sees increasing bitcoin users

FamilyMart Taiwan, Taiwan's major convenience store operator, said an increasing number of customers are paying with bitcoin since it started accepting the digital currency at its 3,000 stores across Taiwan from 24 October 2015. Most customers are using bitcoin to purchase coupons for utility bills, cinema tickets, parking fines, or train tickets. The retailer has so far recorded over 500 transactions settled with bitcoins. BitoEX, the local bitcoin provider, claims to have over 40,000 digital wallet users, with a customer base up by 30% per year.

➤ Retail News Asia, 11 December, 2015

➤ <http://www.retailnews.asia/familymart-taiwan-accepts-bitcoins/>

E-commerce: Alibaba launches Alipay in Taiwan

China's e-commerce giant Alibaba Group has currently rolled out its online payment service Alipay Wallet in Taiwan. Mainland China tourists can now settle their purchases from thousands of retailers via mobile app Alipay Wallet in Taiwan. Currently, over 3,500 retailers provide Alipay service in Taiwan, including Hankyu Department Store, SOGO Department Store, Ningxia Night Market, Liuhe Night Market, FamilyMart and Hi-Life convenience stores.

➤ The China Post, 10 December, 2015

➤ http://www.chinapost.com.tw/taiwan-business/2015/12/10/453107/Alipay-Wallet.htm?utm_source=jing+Daily+List&utm_campaign=23eba6c801-jing_Daily_s_China_Brief_August_18_2015&utm_medium=email&utm_term=0_8dec01cd8d-23eba6c801-407941601&goal=0_8dec01cd8d-23eba6c801-407941601

Thailand

Statistics: CPI down 1% yoy to 106.15 in November 2015

Thailand's consumer price index slid 1% yoy to 106.15 in November 2015. By category, prices of transportation and communication dropped 6.1% yoy, followed by raw food & energy (down 5.8% yoy) and non-food & beverages (down 2% yoy). By contrast, prices of tobacco & alcoholic beverages grew 1.8% yoy, followed by recreation & education (up 1.3% yoy), food & non-alcoholic beverages (up 0.9% yoy), medical & personal care (up 0.9% yoy), apparel & footwear (up 0.5% yoy) and housing & furnishing (up 0.1% yoy) in November 2015.

☞Ministry of Commerce Thailand, December 2015

☞http://www.indexpr.moc.go.th/price_present/cpi/data/index_47_e.asp?list_month=11&list_year=2558&list_region=country

Malaysia

Statistics: Malaysia retailers expect retail sales to rise 4-5% yoy in 2015

Malaysia's retail sales are expected to see a 4% - 5% yoy growth as a whole in 2015. According to Malaysia Retail Association (MRA)'s deputy president James Loke, retail sales growth is underpinned by the boom of foreign tourists from neighbouring countries such as Singapore and the Middle East amid the weaker ringgit. However, Loke also noted that retail sales in Malaysia have been impacted by the 6% goods and service tax (GST) implemented in the country since 1 April, 2015.

☞Retail in Asia, 1 December, 2015

☞Ministry of Finance Malaysia, accessed on 11 December, 2015

☞http://www.treasury.gov.my/index.php?option=com_content&view=category&id=506&Itemid=2493&lang=en

Convenience stores: Malaysian retailer Bison Consolidated plans 150 new stores

Malaysian convenience store operator Bison Consolidated plans to use the proceeds from an upcoming IPO to fund 150 new store openings by 2017. The retailer operates 237 newsstands and convenience stores under several brands, including myNews, Newsplus, MagBit and The Front Page, as well as WHSmith outlets in partnership with U.K. retailer WH Smith Plc. Bison Consolidated currently takes up 8.6% share of the convenience store market by store numbers and 8.3% by revenue.

☞Inside Retail Asia, 15 December, 2015

☞<https://insideretail.asia/2015/12/15/mynews-parent-plans-150-new-stores/>

Singapore

Statistics: Retail sales grow 2.7% yoy in October 2015

Singapore's retail sales rose 2.7% yoy in October 2015. By category, retail sales of motor vehicles surged 61.8% yoy, followed by medical goods & toiletries (up 11.3% yoy), supermarkets (up 1.1% yoy) and department stores (up 0.6% yoy). By contrast, retail sales of telecommunications apparatus & computers dropped 19.4% yoy, followed by petrol services stations (down 16.7% yoy), recreational goods (down 12.4% yoy), food & beverages (down 11.7% yoy), optical goods & books (down 11.6% yoy), watches & jewellery (down 9.7% yoy), furniture & household equipment (down 5.8% yoy), mini-marts & convenience stores (down 4.1% yoy) and wearing apparel & footwear (down 1.5% yoy) in October 2015.

☞Department of Statistics Singapore, 15 December, 2015

☞http://www.singstat.gov.sg/docs/default-source/default-document-library/publications/publications_and_papers/services/mrsoct15.pdf

Shopping malls: Sim Lian acquires two Australian shopping centres for AU\$70 million

Singapore-listed property developer Sim Lian Group will acquire two adjoining shopping centres in Queensland, Australia for AU\$70 million in total. The two retail sites – Woolworths Shopping Centre and the Masters Home Improvement Store – are located on South Pine Road and Stafford Road respectively. The acquisition will be financed with a mix of internal funds and bank borrowings.

↻Singapore Business Review, 14 December, 2015

↻<http://sbr.com.sg/commercial-property/more-news/sim-lian-snaps-two-australian-retail-centres-aud70m>

Home products: Courts Singapore, ACE Hardware open Singapore's largest home improvement store

Courts Singapore, a major homeware retailer in Singapore, has formed a partnership with U.S. household hardware retailer ACE Hardware to expand its hardware offering. Under the tie-up, the two companies jointly opened Ace Home Improvement Solutions store in Tampines, Singapore on 5 December, 2015. The new store, dubbed as the largest home improvement store in the city, covers a floor area of 8,000 sqft and offers 15,000 foreign brand products, ranging from common maintenance items to larger-scale Do-It-Yourself projects, covering 14 product categories. The two companies also plan to open five more stores in Singapore over the next four years.

↻Singapore Business Review, 11 December, 2015

↻<http://sbr.com.sg/retail/exclusive/courts-singapore-ace-launch-singapore%E2%80%99s-largest-home-improvement-store>

↻Ace Hardware, accessed 14 December, 2015

↻<http://www.acehardware.com/home/index.jsp>

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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