

Asia (ex-China) Retail

BI WEEKLY UPDATES

1 January 2016 – 15 January 2016

the latest in asia

Asia at a glance p2

- Retail in general: Chinese tourists spend more in Taiwan than Japanese tourists
- Shopping malls: Aeon Thailand plans mega mall in Bangkok
- Duty-free shops: Lotte Duty Free to open Japan largest duty free store in Ginza
- E-commerce: Samsung Pay to reach Singapore
- Apparel: Victoria's Secret to open first South-east Asia flagship in Singapore in 4Q16
- Luxury: Indian jeweller Senco Gold & Diamonds plans new stores in Malaysia, Singapore
- Accessories: Decathlon opens first Singapore store in January 2016

Japan p3

- Retail in general: METI plans to develop payment app for foreign visitors
- Retail in general: Japan to see 23.5 million foreign visitors in 2016
- Luxury: Tumi buys out its Japanese joint venture company

South Korea p4

- Statistics: CPI up 1.3% yoy to 110.21 in December 2015
- Department stores: Lotte Department Store launches monthly cosmetics subscription service
- Hypermarkets: E-mart makes debut in Vietnam

Taiwan p5

- Statistics: CPI up 0.14% yoy in December 2015

Thailand p6

- Statistics: CPI down 0.9% yoy to 105.74 in December 2015
- Retail in general: Thai Retailer Association proposes measures to boost local consumption
- Luxury: Thailand to cut import tariff on luxury items

Malaysia p7

- Shopping malls: BlackRock disposes Kuala Lumpur luxury mall for 160 million ringgit
- Hypermarket: Giant to add six new stores, revamp 28 current stores in Malaysia

Singapore p7

- Statistics: GDP grows 2% yoy in 4Q15
- Statistics: Retail sales rise 4.7% yoy in November 2015
- Retail in general: Singapore Tourism Board ties up with Alitrip to woo Chinese visitors
- E-commerce: Singapore online sales to top US\$1.4 billion in 2016
- Luxury: Valentino opens largest Singapore outlet at Marina Bay Sands



Asia at a Glance

Retail in general: Chinese tourists spend more in Taiwan than Japanese tourists

Chinese tourists spent an average of US\$232.15 per day in Taiwan in 1-3Q15, overtaking spending by Japanese tourists (US\$221.45 per day) for the first time, according to Taiwan's Tourism Bureau. The decrease in spending by Japanese visitors is attributable mainly to the weak Japanese yen and the extra burden of a new consumption tax imposed in Japan since April 2014.

👉The China Post, 4 January, 2016

👉<http://www.chinapost.com.tw/business/asia-taiwan/2016/01/04/455197/Chinese-spend.htm>

Shopping malls: Aeon Thailand plans mega mall in Bangkok

Aeon Thailand, the Thai shopping mall affiliate of Japan's retail giant Aeon, plans to set up its first mega shopping mall in Bangkok. The mega mall will have a retail space between 200,000 and 300,000 sqm and is scheduled to be opened in 2018. Aeon Thailand will earmark a total of 10 billion baht (US\$280 million) to develop retail projects in Thailand over the next five years, with 6 billion baht (US\$170 million) planned for the mega mall and the remaining for the development of various specialty stores and 10 new MaxValu supermarkets in the country.

👉Bangkok Post, 5 January, 2016

👉<http://www.bangkokpost.com/business/news/815856/aeon-plans-b6bn-bangkok-complex>

Duty-free shops: Lotte Duty Free to open Japan largest duty free store in Ginza

South Korea's major duty free retailer Lotte Duty Free announced that Japan Customs has given green light on its application for operating a duty free store in Ginza, Tokyo. The new duty free store, which will comprise two stories with a total area of 4,396 sqm, is scheduled to be opened in March 2016. It will be the largest duty free store in Japan and the first duty free store in the downtown area of Tokyo. Targeting Japan and other Southeast Asian markets including Thailand and Indonesia, Lotte Duty Free will also open a new duty free store in Bangkok in 1H16.

👉Fashionmag.com, 14 January, 2016

👉http://tw.fashionmag.com/news/han-guo-le-tian-mian-shui-dian-luo-hu-dong-jing-yin-zuo---cheng-dong-jing-di-yi,616166.html#utm_source=newsletter&utm_medium=email (in Chinese only)

E-commerce: Samsung Pay to reach Singapore

Samsung Electronics, South Korea's largest electronics company, has recently announced the expansion of its mobile payment service Samsung Pay to three more countries – Singapore, Australia and Brazil. The new service will allow consumers to pay at retail stores using their smart devices. No official data have been announced for the three rollouts. Samsung Electronics first introduced Samsung Pay in South Korea and the U.S. in 2015, with further plans to tap other markets including China, Spain and Britain.

👉Retail News Asia, 10 January, 2016

👉<http://www.retailnews.asia/samsung-pay-coming-singapore/>

Apparel: Victoria's Secret to open first Southeast Asia flagship in Singapore in 4Q16

Victoria's Secret, the largest women's lingerie retailer in the U.S., will open its first Southeast Asia flagship store in Singapore in 4Q16. The new store, comprising two stories with a total area of 12,000 sqft, will be located at Mandarin Gallery in Orchard Road. It will house the full assortment of merchandise ranges as Victoria's Secret stores in the U.S. Victoria's Secret currently operates nine outlets in Singapore selling only accessories, fragrances and a limited collection of women's underwear.

↻The Straits Times, 7 January, 2016

↻<http://www.straitstimes.com/singapore/victorias-secret-to-open-first-south-east-asia-flagship-store-in-orchard-road>

Luxury: Indian jeweller Senco Gold & Diamonds plans new stores in Malaysia, Singapore

Senco Gold & Diamonds, a leading jewellery retailer in India, plans to ramp up its retail footprint in the Southeast Asian region over the next two years. The jeweller will add 30 new retail stores in India, Malaysia and Singapore by the end of fiscal 2017-18. The vast expansion will be partly funded by an IPO in India planned for fiscal 2017-18. Senco Gold & Diamonds currently operates 70 stores across India and exports products to the U.S., U.K., Singapore and Middle East for sale by other retailers.

↻Inside Retail Asia, 4 January, 2016

↻<https://insideretail.asia/2016/01/04/indias-senco-gold-and-diamonds-to-enter-singapore/>

Accessories: Decathlon opens first Singapore store in January 2016

Europe's leading sporting goods retailer Decathlon opened its first Singapore store on 16 January 2016. The new store opening follows the unveiling of five Decathlon's stores in Thailand during 4Q15, as part of the retailer's efforts to expand its Asian footprint. Decathlon expects the debut store will be Singapore's first sporting goods megastore showcasing equipment and accessories of 50 sports including football, water sports, trekking, running, road biking and golf. The new store, located at 750A Chai Chee Road in Singapore, is expected to have a floor area of 1,700 sqm to 2,700 sqm the same as Decathlon Thailand outlets.

↻Inside Retail Asia, 8 January, 2016

↻<https://insideretail.asia/2016/01/08/europes-decathlon-sets-opening-date/>

Japan

Retail in general: METI plans to develop payment app for foreign visitors

Japan's Ministry of Economy, Trade and Industry (METI) is designing a payment app to encourage foreign tourists to spend more during their visits in Japan. The METI will launch the trial of the app in April 2016 the earliest, aiming to lead an official rollout by 2020, when the Tokyo Olympics kick off. Users will be required

to register in advance by specifying nationality and gender, and by providing credit card and passport information to activate the app. Apart from payment services, the app will also offer other services, such as product delivery to hotel rooms and data on restaurant to meet cultural and religious needs.

☞The Japan Times, 3 January 2016

☞<http://www.japantimes.co.jp/news/2016/01/03/business/medi-plans-design-payment-app-tourists/#.VonXsWehfVg>

Retail in general: Japan to see 23.5 million foreign visitors in 2016

The number of foreign visitors going to Japan will soar 19% yoy to hit a record high of 23.5 million in 2016, surpassing the government's target of 20 million, according to a recent estimate by Japan's largest travel agency JTB Corporation. The promising outlook is partly due to an increasing number of foreign tourists visiting a variety of tourist destinations in Japan, not just the so-called Golden Route covering the major cities of Tokyo, Kyoto and Osaka. JTB's estimate also noted that the number of domestic tourists will increase by 0.7% to 293.6 million in 2016 as Japanese people are also visiting local sightseeing spots that appeal to foreign visitors.

☞The Japan Times, 9 January, 2016

☞http://www.japantimes.co.jp/news/2016/01/09/national/japan-to-see-23-5-million-visitors-from-abroad-in-2016-jtb-travel-agency/?utm_source=Daily+News+Updates&utm_campaign=385349b0d4-Sunday_email_updates10_01_2016&utm_medium=email&utm_term=0_c5a6080d40-385349b0d4-332827361#.VpMIYmdummR

Luxury: Tumi buys out its Japanese joint venture company

American luxury travel bag retailer Tumi has completed the acquisition of the remaining 50% stake in its Japanese joint venture company Tumi Japan. The buyout enables Tumi to obtain full control of its retail and wholesale operations in Japan and further consolidate its position in Japan and the Asia Pacific region. Tumi Japan currently operates 13 outlets and an online store in Japan. It also distributes Tumi products across the country.

☞Reuters, 6 January, 2016

☞<http://uk.reuters.com/article/nj-tumi-holdings-idUKnBw065472a+100+BSW20160106>

South Korea

Statistics: CPI up 1.3% yoy to 110.21 in December 2015

South Korea's consumer price index added 1.3% yoy to 110.21 in December 2015. By category, prices of alcoholic beverages & tobacco surged 50.3% yoy, followed by furnishing, household equipment & routine maintenance (up 2.8% yoy), restaurants & hotels (up 2.8% yoy), miscellaneous goods & services (up 2.4% yoy), food & non-alcoholic beverages (up 1.9% yoy), education (up 1.8% yoy), clothing & footwear (up 1.3% yoy) and health (up 1.3% yoy). By contrast, prices of transport dropped 5.1% yoy in December 2015.

☞Statistics Korea, 31 December, 2015

☞<http://kostat.go.kr/portal/eng/pressReleases/9/1/index.board>

Department stores: Lotte Department Store launches monthly cosmetics subscription service

Lotte Department Store, the largest department store operator in South Korea, has launched a new cosmetics subscription service with which customers can have cosmetics products delivered to their home on a regular basis. Belief, a natural cosmetics brand from South Korea's LG Household & Health Care, has started offering cosmetics products through the new subscription service. Customers can sign up for the services at the main Lotte Department Store and the cost of a six-month subscription is 600,000 won (US\$500). Lotte also plans to increase the number of brands or items offered via the service after evaluating customer response to the subscription service provided by Belief.

☞The Korea Bizwire, 6 January, 2016

☞<http://koreabizwire.com/monthly-cosmetics-subscription-service-launched-at-lotte-department-store>

Hypermarkets: E-mart makes debut in Vietnam

E-mart, a hypermarket unit under South Korean retail titan Shinsegae, has recently opened its first Vietnam outlet in Go Vap District of Ho Chi Minh City. The new store opening aims to accelerate its expansion across the Southeast Asian region, such as Laos, Indonesia and Myanmar. The debut store, comprising two stories with total floor area of 30,000 sqm, is worth US\$60 million. The retailer also plans to open another hypermarket in Hanoi, Vietnam and expand its network to 52 stores across the country by 2020. E-mart currently operates 160 stores in South Korea, with global sales reaching US\$13.2 billion in 2014.

☞Inside Retail Asia, 4 January, 2016

☞<http://www.koreaherald.com/view.php?ud=20151228000965>

☞The Korea Herald, 28 December, 2015

☞<http://www.koreaherald.com/view.php?ud=20151228000965>

Taiwan

Statistics: CPI up 0.14% yoy in December 2015

Taiwan's consumer price index rose 0.14% yoy in December 2015. By category, prices of food grew 2.99% yoy, followed by miscellaneous (up 0.97% yoy), healthcare (up 0.71% yoy) and education & entertainment (0.18% yoy). By contrast, prices of transportation & communication, clothing and housing slipped 3.91% yoy, 0.96% yoy and 0.85% yoy respectively in December 2015. The annual CPI for Taiwan in 2015 fell 0.31% yoy, Prices of commodities slid 1.99% yoy, while prices of services added 0.96% yoy.

☞National Statistics, Republic of China (Taiwan), 6 January 2016

☞<http://eng.stat.gov.tw/ct.asp?xItem=39034&ctNode=2410&mp=5>

Thailand

Statistics: CPI down 0.9% yoy to 105.74 in December 2015

Thailand's consumer price index slid 0.9% yoy to 105.74 in December 2015. By category, prices of transportation & communication and raw food & energy dropped 5.2% yoy and 4.9% yoy respectively, followed by non-food & beverages (down 1.8% yoy) and housing & furnishing (down 0.3% yoy). By contrast, prices of tobacco & alcoholic beverages and recreation & education increased by 1.8% yoy and 1.1% yoy respectively, followed by food & non-alcoholic beverages (up 0.8% yoy), medical & personal care (up 0.8% yoy) and apparel & footwear (up 0.5% yoy) in December 2015.

☞ Ministry of Commerce Thailand, January 2016

☞ http://www.indexpr.moc.go.th/price_present/cpi/data/index_47_e.asp?list_month=12&list_year=2558&list_region=country

Retail in general: Thai Retailer Association proposes measures to boost local consumption

The Thai Retailers Association (TRA) has put forward a series of measures to stimulate local consumption, in particular among middle-and high-income consumers. One of the suggested measures is to allow taxpayers to file their tax returns twice a year instead of annually. The half-yearly personal income tax payment scheme will enable taxpayers to receive tax refund in August, encouraging them to shop with the refund during the low tourism season. The TRA also suggests the government to boost shopping sentiment by working closely with operators in the tourism, hotel and retail sectors to launch attractive promotions during the low season to spur spending from locals and tourists.

☞ Bangkok Post, 6 January, 2016

☞ <http://www.bangkokpost.com/business/news/817192/tra-hopes-for-refund-splurge>

Luxury: Thailand to cut import tariff on luxury items

Thailand's Customs Department is set to reduce the import duty on luxury items by 30% in a bid to boost tourists' consumption in the country. The move comes after frequent requests by the private sector to promote Thailand as a tourist shopping paradise and encourage Thai consumers to shop at home instead of abroad. The department will call a meeting with the private sector in January 2016 to settle the tariff cut before proposing it to permanent finance secretary for discussions.

☞ Bangkok Post, 6 January, 2016

☞ <http://www.bangkokpost.com/business/news/817192>

Malaysia

Shopping malls: BlackRock disposes Kuala Lumpur luxury mall for 160 million ringgit

BlackRock, the world's largest asset manager based in New York, announced on 30 December, 2015 that it has sold a luxury shopping mall – Intermark Mall in central Kuala Lumpur to Malaysia's Pavilion Real Estate Investment Trust for 160 million ringgit (US\$37.33 million). BlackRock took over Intermark Mall alongside two corporate office towers and a hotel for US\$600 million in 2007 and has revamped the complex on prime real estate in Kuala Lumpur.

↻ Fashionmag.com, 4 January, 2016

↻ http://kr.fashionmag.com/news/BlackRock-sells-Kuala-Lumpur-mall-to-Malaysia-s-Pavilion.611509.html#utm_source=newsletter&utm_medium=email

Hypermarket: Giant to add six new stores, revamp 28 current stores in Malaysia

Giant, a major hypermarket operator in Malaysia, plans to add six new stores and refurbish 28 current stores in Malaysia, aiming to provide a renewed shopping experience for customers. Among the six new stores, four will be opened in Setapak in Kuala Lumpur, ICangar in Kedah, Kota Baru in Kelantan and Jeneh, with the locations of the remaining two have yet to be revealed. Giant currently operates stores in Malaysia, Singapore and Brunei, serving over 23 million customers per week.

↻ Giant's official website, January 2016

↻ <http://www.giant.com.my/news/details.aspx?ID=143>

↻ Retail News Asia, 10 January, 2016

↻ <http://www.retailnews.asia/giant-to-open-six-new-stores-and-relaunch-28-existing-stores-nationwide/>

Singapore

Statistics: GDP grows 2% yoy in 4Q15

Singapore's GDP expanded by 2% yoy in 4Q15, slightly higher than the 1.8% yoy growth in 3Q15. By category, the construction sector grew 2.2% yoy, an increase from the 1.1% yoy growth in 3Q15, boosted by a pick-up in public sector construction activities. The services producing industries grew 3.2% yoy, underpinned by the wholesale & retail trade and finance & insurance sectors. By contrast, the manufacturing sector shrunk 6% yoy, extending the 5.9% yoy decline in 3Q15, due mainly to a drop in the output of the electronics, transport engineering and precision engineering clusters.

↻ Ministry of Trade and Industry Singapore, 4 January, 2016

↻ http://www.singstat.gov.sg/docs/default-source/default-document-library/news/press_releases/advgdp4q2015.pdf

Statistics: Retail sales rise 4.7% yoy in November 2015

Singapore's retail sales grew 4.7% yoy in November 2015, due mainly to a surge in retail sales of motor vehicles (up 59.7% yoy), followed by medical goods & toiletries (up 9.6% yoy) and department stores (up 1.3% yoy). By contrast, retail sales of petrol service stations plunged 15.8% yoy, followed by food & beverages (down 11.4% yoy), telecommunications apparatus & computers (down 8.2% yoy), recreational goods (down 6.9% yoy), optical goods & books (down 6.8% yoy), mini-marts & convenience stores (down 5.1% yoy), watches & jewellery (down 2.2% yoy) and supermarkets (down 1% yoy) in November 2015.

↻ Department of Statistics Singapore, January 2016

↻ http://www.singstat.gov.sg/docs/default-source/default-document-library/publications/publications_and_papers/services/mrsnov15.pdf

Retail in general: Singapore Tourism Board ties up with Alitrip to woo Chinese visitors

Singapore Tourism Board (STB) and the tourism sector have recently teamed up with Alitrip, the travel unit of Alibaba Group, to provide online travel services, aiming to attract more Chinese visitors to Singapore. The collaboration enables Singapore's airline, hotel and tourist business operators to set up online stores on Alitrip's travel service platform. Singapore's apartment operator Ascott, Resorts World Sentosa and Six Stars Tours and Services have already set up online stores on the platform, while Singapore Airlines and Tigerair are reportedly still in talks with Alitrip on the tie-up. Alitrip is also working with local malls and restaurants, as well as duty-free store DFS, to offer discounts and promotions. Apart from Alitrip, STB is also working with other Chinese partners, such as online travel service platform Tuniu, and online review website Dianping and Mafengwo.

↻ The Straits Times, 9 January, 2016

↻ http://www.straitstimes.com/singapore/stb-woos-travellers-from-china-via-alibaba-travel-arm?utm_source=Jing+Daily+List&utm_campaign=2dd02f9208-Jing_Daily_s_China_Brief_August_18_2015&utm_medium=email&utm_term=0_8dec01cd8d-2dd02f9208-407941601&goal=0_8dec01cd8d-2dd02f9208-407941601

E-commerce: Singapore online sales to top US\$1.4 billion in 2016

Singapore's e-commerce sector will continue to grow apace in 2016, with sales expected to top US\$1.4 billion, according to a report by CBRE. Online sales in Singapore have expanded at a record rate over the past five years, increasing from just US\$800 million in 2012 to more than US\$1.34 billion in 2015. In 2014, online sales surged 12.5% yoy to US\$1.08 billion, while mobile online sales jumped 53.9% to US\$280.9 million. CBRE believes the robust growth in online retailing is expected to fuel demand for industrial space in Singapore.

↻ Retail News Asia, 11 January, 2016

↻ <http://www.retailnews.asia/theres-no-stopping-e-commerce-boom-singapore/>

Luxury: Valentino opens largest Singapore outlet at Marina Bay Sands

Italian luxury fashion brand Valentino has opened its largest Singapore store at the luxury shopping mall Marina Bay Sands. The new store, with a floor area of 314

sqm, houses the brand's women's ready-to-wear line, accessories and fragrances. It is the second Valentino store in Singapore, following the opening of the debut store at the Ion Orchard complex in the city.

☞ Inside Retail Asia, 7 January, 2016

☞ <https://insideretail.asia/2016/01/07/valentino-singapore-opens-marina-bay-sands-boutique/>

☞ The Straits Times, 7 January, 2016

☞ <http://www.straitstimes.com/lifestyle/fashion/style-news-13>

Fung Business Intelligence Centre

The Fung Business Intelligence Centre

The Fung Business Intelligence Centre (FBIC) 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.

Contact

Teresa Lam
Vice President
Asia Distribution and Retail

Fung Business Intelligence Centre
10/F LiFung Tower
888 Cheung Sha Wan Road
Kowloon, Hong Kong

T: (852) 2300 2466

F: (852) 2635 1598

E: TeresaLam@fung1937.com

W: www.fbicgroup.com



Find us
on WeChat

