

# Asia (ex-China) Retail

## BIWEEKLY UPDATES

16 January 2016 – 31 January 2016

### *the latest in asia*

#### **Asia at a glance p2**

- E-commerce: Asia Pacific consumers tend to shop online from larger global stores; Singapore takes the lead in cross-border purchases
- Home products: Index Living Mall eyes Asian expansion

#### **Japan p2**

- Statistics: Retail sales down 1.1% yoy in December 2015
- Statistics: CPI adds 0.2% yoy to 103.5 in December 2015
- Statistics: Sales of major convenience store chains up 0.9% yoy in 2015
- Retail in general: Visitors to Japan hit record 19.73 million; Chinese tourists spend most
- Shopping malls: Aeon plans to add 50 new shopping malls in China by 2016
- Department stores: Kintetsu Department Store to launch Alipay in February 2016
- Department stores: Isetan opens first beauty specialty store in Shanghai
- Convenience stores: Major convenience store players join hands with JETRO for overseas expansion under TPP
- Convenience stores: 7-Eleven, Lawson to launch Alipay
- Convenience stores: FamilyMart to offer currency exchange from February 2016
- Duty-free shops: Jalux opens first overseas stores in Hanoi
- Duty-free shops: Airport-style duty free shop Japan Duty Free makes debut in Ginza
- E-commerce: Yamato Transport to pair up with Line for new delivery service
- Apparel: Uniqlo plans further expansion into accessory sector
- Apparel: Wacoal to enter India's lingerie market

#### **South Korea p7**

- Statistics: GDP grows 3% yoy in 4Q15 and 2.6% yoy in 2015
- Statistics: Sales of department stores and discount stores drop in 2015
- Statistics: Consumer sentiment index down 2 points mom to 100 in January 2016
- Duty-free shops: Two South Korean airports set to open bids for duty-free shops

#### **Taiwan p8**

- Statistics: Retail sales down 0.2% yoy in December 2015

#### **Thailand p8**

- Hypermarkets: Casino Group to sell major stake in Big C Supercenter
- Duty-free shops: Thai duty-free operator King Power sets sights on Asian countries

#### **Malaysia p9**

- Statistics: CPI up 2.7% yoy to 114.8 in December 2015
- Statistics: Consumer sentiment index sinks to record low in 4Q15
- Shopping malls: Pavilion REIT to buy da:men mall for US\$111.6 million

#### **Singapore p9**

- Statistics: CPI down 0.6% yoy in December 2015 and 0.5% yoy in 2015
- Retail in general: Sales at Changi Airport hit new high of US\$2.2 billion in 2015
- E-commerce: SingPost merges e-commerce businesses to form new unit



---

## Asia at a Glance

### **E-commerce: Asia Pacific consumers tend to shop online from larger global sites; Singapore takes the lead in cross-border purchases**

According to the Cross-Border Research Report by U.S. online payment company PayPal, 68% of Asia Pacific consumers preferred large “global” stores such as Amazon when doing cross-border shopping. Amazon’s home country, the U.S., was the top online shopping destination for Asia Pacific shoppers, just ahead of China, the U.K. and Japan. In addition, Singaporeans show the strongest preference for cross-border shopping among consumers in the Asia-Pacific region, with some 69% of online purchases in the city were made abroad, followed by Australia (65%) and India (38%). For key purchasing considerations, 47% of interviewees in the region identify free shipping as an important incentive to making cross border purchases, followed by secure payment options (46%) and proof of authenticity (41%).

☞Warc.com, 19 January, 2016

☞[http://www.warc.com/LatestNews/News/EmailNews.news?ID=36057&Origin=WARCNewsEmail&CID=N36057&PUB=Warc News&utm\\_source=WarcNews&utm\\_medium=email&utm\\_campaign=WarcNews20160119](http://www.warc.com/LatestNews/News/EmailNews.news?ID=36057&Origin=WARCNewsEmail&CID=N36057&PUB=Warc News&utm_source=WarcNews&utm_medium=email&utm_campaign=WarcNews20160119)

### **Home products: Index Living Mall eyes Asian expansion**

Thailand’s Home furnishing retailer Index Living Mall has announced it will expand beyond Thailand into other ASEAN countries. Upon the opening of its debut store in Putrajaya, Malaysia in a joint venture with Japan’s retail giant Aeon in 2015, the company is set to add three new stores in the country by 4Q16. Apart from Malaysia, it also plans to open a new store in Manila in September 2016 in a joint venture with Philippine trading conglomerate SM Retail. Currently, Index Living Mall has six franchised stores in Malaysia, Russia, Maldives, Nepal and Vietnam and dealers in Laos and Myanmar. In Thailand, the company operates 25 stores in 17 provinces, of which nine are in Bangkok. It also plans to spend 470 million baht to open two stores in Nakhon Pathom and Chachoengsao in 2016.

☞Inside Retail Asia, 28 January, 2016

☞<https://insideretail.asia/2016/01/28/index-living-mall-plans-asean-expansion/>

---

## Japan

### **Statistics: Retail sales down 1.1% yoy in December 2015**

Japan’s retail sales fell 1.1% yoy in December 2015, due mainly to a drop in sales of fuel (down 14.4% yoy), general merchandise (down 1.7% yoy), fabrics apparel & accessories (down 1.1% yoy) and machinery & equipment (down 0.2% yoy). By contrast, sales of medicine & toiletry stores, food & beverage and motor vehicles rose 2.5% yoy, 1.6% yoy and 1.2% yoy respectively in December 2015.

☞Japan’s Ministry of Economy, Trade and Industry, 28 January, 2016

☞<http://www.meti.go.jp/english/statistics/index.html>

## **Statistics: CPI adds 0.2% yoy to 103.5 in December 2015**

Japan's consumer price index grew 0.2% yoy to 103.5 in December 2015. The growth was mainly led by a rise in prices of food (up 2.4% yoy), furniture & household utensils (up 2.3% yoy), culture & recreation (up 2.2% yoy), clothes & footwear (up 1.8 yoy), education (up 1.5% yoy), medical care (up 0.8% yoy) and miscellaneous items (up 0.7% yoy). By contrast, prices of fuel, light and water charges dropped 6.6% yoy, followed by transportation & communication (down 2.8% yoy) and housing (down 0.1% yoy).

↻Statistics Bureau of Japan, 29 January, 2016

↻<http://www.stat.go.jp/english/data/cpi/1581.htm>

## **Statistics: Sales of major convenience store chains up 0.9% yoy in 2015**

Sales of 10 major convenience store chains in Japan grew 0.9% yoy to around 9.3 trillion yen in 2015, according to the Japan Franchise Association. Including sales from new stores, sales of the 10 major convenience store chains rose 4.7% yoy to around 10.2 trillion yen. The growth reflects the robust sales of boxed meals and prepared foods led by an increasing number of single-person households and working women.]

↻The Japan Times, 21 January, 2016

↻<http://www.japantimes.co.jp/news/2016/01/21/business/convenience-store-sales-rise-0-9-spurred-coffee-bento-dishes/#.VqgpUmdumAh>

## **Retail in general: Visitors to Japan hit record 19.73 million; Chinese tourists spend most**

The number of foreign visitors received by Japan soared 47.3% yoy to 19.73 million in 2015, the first time in 45 years that the number of incoming visitors overtaking the outbound figure, according to Japan's Ministry of Land, Infrastructure, Transport and Tourism. Of the total number of foreign visitors, Chinese travelers topped the list with 4.99 million of visitors, more than twice the figure of 2014 and ahead of South Korea (4 million), Taiwan (3.67 million) and Hong Kong (1.52 million) Spending by foreign visitors also surged 71.5% yoy to a record 3.48 trillion yen. The Chinese were by far the largest spenders, taking up 40.8% of the total spending by foreign tourists, followed by 15% for Taiwanese, 8.7% for South Koreans and 7.6% for visitors from Hong Kong.

↻The Japan Times, 19 January, 2016

↻[http://www.japantimes.co.jp/news/2016/01/19/national/japan-sets-new-inbound-tourism-record-2015-comes-just-short-20-million-target/?utm\\_source=Daily+News+Updates&utm\\_campaign=8b698ee997-Tuesday\\_email\\_updates20\\_01\\_2016&utm\\_medium=email&utm\\_term=0\\_c5a6080d40-8b698ee997-332827361#.Vp7jovl96Um](http://www.japantimes.co.jp/news/2016/01/19/national/japan-sets-new-inbound-tourism-record-2015-comes-just-short-20-million-target/?utm_source=Daily+News+Updates&utm_campaign=8b698ee997-Tuesday_email_updates20_01_2016&utm_medium=email&utm_term=0_c5a6080d40-8b698ee997-332827361#.Vp7jovl96Um)

## **Shopping malls: Aeon plans to add 50 new shopping malls in China by 2016**

Japan's largest shopping mall developer Aeon plans to set up 15 new shopping malls in China by the end of 2016, as part of its efforts to attain its goal of having 50 outlets in China in 2020. The retailer is expected to invest over 100 billion yen in

China for the massive expansion, a 40% increase from 70 billion for 2011-2013. Apart from the shopping mall business, Aeon also operates general merchandise stores, supermarkets and convenience stores in China.

↻Chinasspp.com, 20 January, 2016

↻<http://www.chinasspp.com/News/Detail/2016-1-20/329848.htm> (in Chinese only)

## **Department stores: Kintetsu Department Store to launch Alipay in February 2016**

Osaka-based department store operator Kintetsu has recently announced that four of its 10 Kintetsu department stores will start to provide Alipay payment services from 1 February 2016. It is the first department store chain in Japan to introduce Alipay. The new payment service will first be rolled out in some cosmetics and women's footwear sales counters and then be expanded to more sales counters in the department stores. Kintetsu hopes that the launch of Alipay will make payments easier for Chinese tourists and thus increase their spending. Apart from Kintetsu, Japan's major supermarket chain Don Quijote and major home appliance retail chain Yamada Denki have also started accepting Alipay from December 2015.

↻Linkshop.com, 20 January, 2016

↻<http://www.linkshop.com.cn/web/archives/2016/342579.shtml> (in Chinese only)

## **Department stores: Isetan opens first beauty specialty store in Shanghai**

Japan's major department store operator Isetan has recently opened its debut beauty specialty store in China at Joy City, Shanghai. The new store showcases a great variety of beauty and lifestyle products from international and champion cosmetics brands. It also houses manicure and eyelash beauty salons as well as small restaurants featuring light and healthy food. If the Shanghai store proves a success, Isetan will consider opening more beauty specialty stores in lower-tier cities across China in 2H16.

↻Fashionmag.com, 19 January, 2016

↻[http://cn.fashionmag.com/news/yi-shi-dan-beauty-mei-zhuang-ji-he-dian-zai-shanghai.617707.html#utm\\_source=newsletter&utm\\_medium=email](http://cn.fashionmag.com/news/yi-shi-dan-beauty-mei-zhuang-ji-he-dian-zai-shanghai.617707.html#utm_source=newsletter&utm_medium=email) (in Chinese only)

## **Convenience stores: Major convenience store players join hands with JETRO for overseas expansion under TPP**

Four major Japanese convenience store operators - Seven Eleven Japan, Lawson, FamilyMart and Ministop have joined hands with the Japan External Trade Organization (JETRO) to form a council to expand their convenience store business abroad under the newly agreed Trans-Pacific Partnership (TPP). The TPP will lift restrictions on convenience store operators tapping into markets of allied countries such as Vietnam and Malaysia, allowing Japanese retailers to open more store and increase their investment abroad. Under the new trade pact, the four major players hope to create a new system that will enable them to sell processed food products and commodities made in Japan in overseas markets.

↻Japan Today, 20 January, 2016

↻<http://www.japantoday.com/category/business/view/4-major-convenience-stores-and-jetro-partner-up-for-overseas-expansion>

↻The Japan Times, 19 January, 2016

☞<http://www.japantimes.co.jp/news/2016/01/19/business/japan-promote-convenience-stores-abroad-tpp-deal/#.Vp4AzPn5jcs>

### **Convenience stores: 7-Eleven, Lawson to launch Alipay**

Japan's major convenience store operators 7-Eleven and Lawson are set to introduce Alipay to simplify payment process for Chinese visitors. 7-Eleven will first provide the new payment service in Tokyo starting mid-February 2016 and then gradually expand the service to its 18,000 branches nationwide. Its major rival Lawson has started accepting Alipay at Narita International Airport since 25 January 2016. The company will expand the payment service to nine more Lawson stores at other Japanese Airports including Haneda Airport and Kansai International Airport in early February 2016 and some 12,000 Lawson stores nationwide in summer 2016.

☞CCFA, 21 January, 2016

☞<http://www.cfa.org.cn/portal/cn/view.jsp?lt=3&id=423584> (in Chinese only)

### **Convenience stores: FamilyMart to offer currency exchange from February 2016**

Japan's major convenience store operator FamilyMart will start offering currency exchange service from 1 February 2016 in Japan to cater to foreign tourists. The retailer will first install automated currency exchange machines in four of its Tokyo branches and then expand the service to 1,000 stores nationwide by fiscal 2020. The stores installed with the machines will mainly be those frequently visited by foreign tourists. The machines, which operate 24 hours a day, enable foreign visitors to get yen from 13 different foreign currencies, including those of the U.S., the U.K., the E.U., Canada, Australia, China, South Korea, Hong Kong, Taiwan, Singapore, Malaysia, Thailand and the Philippines.

☞The Japan Times, 21 January, 2016

☞<http://www.japantimes.co.jp/news/2016/01/21/business/corporate-business/familymart-stores-offer-currency-exchange/#.Vqgo-GdumAi>

### **Duty-free shops: Jalux opens first overseas stores in Hanoi**

Japanese duty-free shop operator Jalux has opened three new airport outlets at Hanoi Noi Bai International Airport in Vietnam, marking its first overseas expansion outside of Japan. The three new stores, which trade as Jalux Duty Free Vietnam, are located in the terminal 2 building, with two in the departure area and one in arrival. Jalux Duty Free Vietnam is a joint venture between Jalux and Vietnamese travel service provider Thang Long Air Services (Taseco). Currently, Jalux operates airport stores across Japan, including JAL Duty Free and Blue Sky stores.

☞Retail News Asia, 25 January, 2016

### **Duty-free shops: Airport-style duty free shop Japan Duty Free makes debut in Ginza**

Japan Duty Free, Japan's first airport-style duty-free shop outside in a downtown area, made debut at the Ginza Mitsukoshi department store in Tokyo's Chuo Ward

on 27 January, 2016. The new duty free shop, jointly developed by the Japan Airport Terminal Co., Isetan Mitsukoshi Holdings Ltd. and NAA Retailing Corp., will offer imported luxury items including Tobacco and cigarettes, cosmetics, luxury brands and traditional crafts free of import tariffs. Foreign customers can buy the products in the stores and pick them up at pick-up counters beyond passport control at Narita and Haneda airports. Japanese customers are also eligible to shop in the store before a foreign trip.

☞The Japan Times, 26 January, 2016

☞<http://www.japantimes.co.jp/news/2016/01/26/business/airport-style-duty-free-shop-opens-tokyos-ginza/#.Vq7ElGdummROnline>: Jan 26, 2016

## **E-commerce: Yamato Transport to pair up with Line for new delivery service**

Yamato Transport, Japan's delivery service provider, plans to partner with mobile messaging app operator Line Corp to launch a new delivery service in 2016. Under the new service, senders do not have to know receivers' address. They can send parcels to receivers who have provided Yamato with their home address. Yamato will also strictly protect personal information by deleting address data after deliveries are completed.

☞The Japan Times, 25 January, 2016

☞<http://www.japantimes.co.jp/news/2016/01/25/business/corporate-business/yamato-to-team-with-line-corp-for-new-delivery-service/#.VqgpHmdumAh>

## **Apparel: Uniqlo plans further expansion into accessory sector**

Fast Retailing, the parent company of Japan's largest fast fashion brand Uniqlo, has recently announced its plans to diversify its merchandise range to include more accessory items such as handbags, footwear, hats, among others, as part of the company's goals to achieve 5 trillion yen sales over the next couple of years.

☞Fashionmag.com, 20 January, 2016

☞[http://cn.fashionmag.com/news/you-yi-ku-lao-ban-ji-hua-fa.618079.html#utm\\_source=newsletter&utm\\_medium=email](http://cn.fashionmag.com/news/you-yi-ku-lao-ban-ji-hua-fa.618079.html#utm_source=newsletter&utm_medium=email) (in Chinese only)

## **Apparel: Wacoal to enter India's lingerie market**

Japan's underwear manufacturer Wacoal is set to expand into India. The company will spend 200 million rupees (US\$2.9 million) to open 75 stores over the next five years in the country. Apart from the new store openings, Wacoal will also launch a localized e-commerce platform and sell through multi-brand outlets. Wacoal currently owns 56 subsidiaries and 10 affiliated companies worldwide, with main business laying on the manufacture, wholesale and retail sales of intimate apparel, outerwear, sportswear and other textile products.

☞Fashionmag.com, 22 January, 2016

☞[http://kr.fashionmag.com/news/japanese-lingerie-brand-Wacoal-to-expand-into-India.619459.html#utm\\_source=newsletter&utm\\_medium=email](http://kr.fashionmag.com/news/japanese-lingerie-brand-Wacoal-to-expand-into-India.619459.html#utm_source=newsletter&utm_medium=email)

---

## South Korea

### **Statistics: GDP grows 3% yoy in 4Q15 and 2.6% yoy in 2015**

South Korea's economy expanded by 3% yoy in 4Q15. On the expenditure side, facilities investment rose 5.2% yoy, followed by construction (up 4% yoy), government expenditure (up 3.3% yoy), imports (up 3% yoy) and private consumption (up 2.1% yoy), intellectual property products (up 1.4% yoy) and exports (up 0.4% yoy). On the production side, electricity, gas & water supply increased by 5.6%, followed by construction (up 3.2% yoy), services (up 2.8% yoy) and manufacturing (up 1.4% yoy), while agriculture, forestry & fishing fell 1.6% yoy in 4Q15. The overall GDP for 2015 as a whole expanded by 2.6% yoy.

↻The Bank of Korea, 26 January, 2016

↻<http://www.bok.or.kr/broadcast.action?menuNavild=1959>

### **Statistics: Sales of department stores and discount stores drop in 2015**

According to South Korea's Ministry of Trade, Industry and Energy, sales of the top three department stores, namely Hyundai Department Store, Lotte Shopping and Shinsegae dropped 5.7% yoy in December, attributable to declining sales of winter clothing due to warmer weather. For the entire year of 2015, the figure fell slightly 1.2% yoy. Sales at South Korea's key discount stores decreased by 5.1% yoy in December 2015 and 2.1% yoy for 2015 as a whole.

↻Inside Retail Asia, 27 January, 2016

↻<https://insideretail.asia/2016/01/27/korea-retail-sales-slide/>

### **Statistics: Consumer sentiment index down 2 points mom to 100 in January 2016**

South Korea's consumer sentiment index slid 2 points mom to 100 in January 2016, due mainly to a drop in five out of six major sub-indices, including current domestic economic conditions (down 7 points mom), prospective domestic economic conditions (down 6 points mom), prospective living standards (down 2 points mom), current living standards (down 1 point mom) and prospective household income (down 1 point mom), while prospective household spending stayed unchanged.

↻The Bank of Korea, 27 January, 2016

↻<http://www.bok.or.kr/broadcast.action?menuNavild=1959>

### **Duty-free shops: Two South Korean airports set to open bids for duty-free shops**

Two international airports in South Korea are going to review their operation licenses for duty-free shops. Gimpo International Airport in western Seoul is expected to open a bid for tax-free shops by the end of January 2016 as the current operating rights will expire in May 2016 after five years of operation. Gimhae International Airport, west of the southern port city of Busan, will also select a new operator as Shinsegae Co., a major retailer in South Korea, shuttered its duty-free store at the airport in December 2015 to concentrate on its city outlets. In 2015,

sales at the Gimpo and Gimhae outlets amounted to 140 billion won and 130 billion won respectively.

☞Yonhap News, 20 January, 2016

☞<http://english.yonhapnews.co.kr/news/2016/01/20/0200000000AEN20160120001200320.html>

---

## Taiwan

### Statistics: Retail sales down 0.2% yoy in December 2015

Taiwan's retail sales slid 0.2% yoy in December, due mainly to a plunge in retail sales of petrol services (down 19.4% yoy), followed by textile & apparel items (down 2.3 yoy) and department stores (down 1% yoy). By contrast, retail sales of supermarkets and non-store retailing gained 6.8% yoy and 5.9% yoy respectively, followed drug & cosmetics (up 4.9% yoy), convenience stores (up 3.3% yoy) and auto motors (up 2.3% yoy).

☞Department of Statistics, Ministry of Economic Affairs of Taiwan, 22 January, 2016

☞[https://www.moea.gov.tw/MNS/dos/bulletin/Bulletin.aspx?kind=8&html=1&menu\\_id=6727&bulletin\\_id=2317](https://www.moea.gov.tw/MNS/dos/bulletin/Bulletin.aspx?kind=8&html=1&menu_id=6727&bulletin_id=2317)

---

## Thailand

### Hypermarkets: Casino Group to sell major stake in Big C Supercenter

Casino Group, the French parent company of Thailand's second largest hypermarket chain Big C Supercenter, announced that it will sell its majority stake worth US\$2.6 billion in its Big C Supercenter. The French company, which holds 58.6% stake in Big C Supercenter, stated that potential buyers, including Thai trading conglomerates Central Group and TCC Holding Co., as well as Japan retail giant Aeon, have already expressed interest in its Thai hypermarket arm. Prior to the announcement of the disposal of Big C Supercenter, Casino also undertook the process of selling its 32 supermarkets and 10 convenience stores in Vietnam.

☞Retail in Asia, 18 January, 2016

☞Jakarta Globe, 15 January, 2016

☞<http://jakartaglobe.beritasatu.com/international/thai-big-c-shares-surge-parent-casino-says-sell-stake/>

☞Bangkok Post, 22 January, 2016

☞<http://www.bangkokpost.com/learning/work/835908/big-c-sale-central-tcc-japan-aeon-all-interested>

### Duty-free shops: Thai duty-free operator King Power sets sights on Asian countries

King Power Group, Thailand's sole duty-free operator, plans to allocate over 8 billion baht (US\$220.8 million) for its first overseas expansion. The company will first invest in two Asian countries – Japan, where most of the 8 billion baht will be used, and Myanmar, to which a 100 million baht budget will be assigned. The two international duty-free shops are set to open in 2017. Apart from Japan and Myanmar, King Power Group is also interested in tapping the growing tourism market of Vietnam.

⇒ Bangkok Post, 22 January, 2016

⇒ <http://www.bangkokpost.com/business/news/833744/king-power-keen-to-grow-within-asia>

---

## Malaysia

### Statistics: CPI up 2.7% yoy to 114.8 in December 2015

Malaysia's consumer price index added 2.7% yoy to 114.8 in December 2015. The growth was mainly led by increases in prices of beverage & tobacco (up 22.8% yoy), restaurant & hotels (up 4.7% yoy), food & non-alcoholic beverages (up 4.6% yoy), healthcare (up 4.6% yoy) and furnishing, housing equipment & routine household maintenance (up 4.2% yoy). The five categories made up 90.2% of the CPI growth in December 2015.

⇒ Department of Statistics Malaysia, 20 January, 2016

⇒ [https://www.statistics.gov.my/index.php?r=column/cthemByCat&cat=106&bul\\_id=aDFRWTLdEYXVDJkdHRib3ZRa0VNdz09&menu\\_id=bThzTHQxN1ZqMVf6a2I4RkZoNDFkQT09](https://www.statistics.gov.my/index.php?r=column/cthemByCat&cat=106&bul_id=aDFRWTLdEYXVDJkdHRib3ZRa0VNdz09&menu_id=bThzTHQxN1ZqMVf6a2I4RkZoNDFkQT09)

### Statistics: Consumer sentiment index sinks to record low in 4Q15

Malaysia's consumer sentiment index dipped to a record low of 63.8 in 4Q15, as a result of aggravated financial conditions, sluggish job market, waning income, mounting concerns over higher prices and pressure on consumer spending.

⇒ Malaysian Institute of Economic Research, 27 January, 2016

⇒ <https://www.mier.org.my/csi/>

### Shopping malls: Pavilion REIT to buy da:men mall for US\$111.6 million

Malaysia's property investment trust Pavilion REIT Management has agreed to buy the da:men USJ shopping mall for 488 million ringgit (US\$111.6 million) from Revenue Concept Sdn Bhd and Equine Park Country Resort Sdn Bhd. The acquisition, due to be completed by 1Q16, will be fully funded by debt. The five-storey da:mall, still under construction, is located in the northeast of Kuala Lumpur City Centre. The mall is scheduled to be opened in November 2016.

⇒ Retail News Asia, 25 January, 2016

---

## Singapore

### Statistics: CPI down 0.6% yoy in December 2015 and 0.5% yoy in 2015

Singapore's consumer price index decreased by 0.6% yoy in December 2015, due mainly to a fall in prices of housing and utility items (down 4.2% yoy), household durables & services (down 1.3% yoy), transport (down 0.9% yoy), healthcare (down 0.7% yoy) and communication (down 0.1% yoy). By contrast, prices of education increased by 3.7% yoy, followed by food (up 1.5% yoy), recreation & culture (up 1.4% yoy) and clothing & footwear (up 1.2% yoy) in December 2015. For the whole 2015, the index fell 0.5% yoy.

☞Singapore Department of Statistics, 25 January, 2016

☞[http://www.singstat.gov.sg/docs/default-source/default-document-library/news/press\\_releases/cpidec2015.pdf](http://www.singstat.gov.sg/docs/default-source/default-document-library/news/press_releases/cpidec2015.pdf)

## **Retail in general: Sales at Changi Airport hit new high of US\$2.2 billion in 2015**

Sales at Singapore's Changi Airport reached a record high of US\$2.2 billion in 2015, making it among the top three airports in the world in terms of retail business performance. Spending at the airport's retail and food stores increased by 8% yoy, underpinned by the growing number of passengers. Spending by Chinese visitors took up a third of the airport's retail sales, followed by Singaporeans, who accounted for a fifth. Visitors from Indonesia, India and Australia were also among the top spenders in the airport.

☞Retail News Asia, 24 January, 2016

## **E-commerce: SingPost merges e-commerce businesses to form new unit**

SingPost, Singapore's leading postal service provider, is merging its e-commerce division with two recently acquired companies to form a new business unit named SP Commerce. SP Commerce comprises U.S. e-commerce company TradeGlobal, which focuses on upscale clothing and beauty products, and U.S. e-commerce logistics firm Jagged Peak, which serves the fast-moving consumer goods sector. In 2015, SingPost took a 96.4% stake in TradeGlobal for US\$168.5 million and a 71.1% stake in Jagged Peak for US\$15.8 million. SP Commerce will offer services on web store development, operations, order picking and packaging, cross-border commerce, marketing and customer care.

☞The Business Times, 18 January, 2016

☞<http://www.businesstimes.com.sg/companies-markets/singpost-combines-e-commerce-businesses-to-form-new-unit>

---

## 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](mailto:TeresaLam@fung1937.com)

W: [www.fbicgroup.com](http://www.fbicgroup.com)



Find us  
on WeChat

