

Asia (ex-China) Retail

BI WEEKLY UPDATES

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the latest in asia

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Asia at a Glance

E-commerce: Alibaba to buy controlling stake in Lazada for US\$1 billion

China's e-commerce titan Alibaba has agreed to acquire a controlling stake in Singapore-based online retailer Lazada for about US\$1 billion, as a move to expand its e-commerce business into Southeast Asia. On the other hand, Alibaba will be able to provide strong infrastructure and logistics guidance to Lazada and help bring costs down and shorten delivery time. The acquisition is by far the largest overseas investment of Alibaba. Established in 2012, Lazada currently operates in Malaysia, Indonesia, the Philippines, Thailand and Vietnam.

↻Fashionmag.com, 12 April, 2016

↻http://kr.fashionmag.com/news/Alibaba-to-buy-control-of-Southeast-Asian-retailer-Lazada-for-1-billion.680428.html#utm_source=newsletter&utm_medium=email

↻Wall Street Journal, 13 April, 2016

↻<http://www.wsj.com/articles/alibaba-to-invest-1-billion-in-e-commerce-startup-lazada-1460445117>

E-commerce: Rakuten sells its entire stake in Thai's largest e-commerce company Tarad.com

Japan's e-commerce titan Rakuten has sold its entire 67% stake in Thailand's largest e-commerce company Tarad.com to Thai-based web host Porar Web Application for an unrevealed sum. The stake put up for sale was acquired by Rakuten for US\$3.35 million in 2009. The divestment is part of Rakuten's Southeast Asian strategic revamp to focus more on C2C and mobile commerce.

↻Bangkok Post, 5 April, 2016

↻<http://www.bangkokpost.com/business/news/921541/rakuten-logs-off-from-tarad-ownership>

Japan

Shopping malls: Bandai Namco brings virtual-reality experience to Tokyo Plaza

Japan's mobile and home video game publisher Bandai Namco will set up a virtual-reality (VR) experience centre named "VR Zone: Project I can" at Tokyo Plaza from 15 April 2016 to mid-October 2016. In the 5,870 sqft VR centre, customers can experience different VR games. The company will also use the VR centre as a VR research laboratory to collect feedback from users for further development in VR games. Bandai Namco currently operates businesses in 50 countries across Europe, the Middle East, Africa and Australasia.

↻Inside Retail Asia, 8 April, 2016

↻<https://insideretail.asia/2016/04/08/bandai-namco-brings-vr-into-a-tokyo-mall/>

↻International Business Times, 1 April, 2016

↻<http://www.ibtimes.co.uk/bandai-namcos-vr-zone-featuring-terrifying-experience-open-15-april-tokyo-1552585>

Department stores: Marui to launch Hakata Marui in Kitte Fukuoka

Marui Group, Japan's major department store operator known for its "OIOI" sign, will launch a new branch – Hakata Marui in the new Kitte shopping complex in Fukuoka in April 2016. With a floor size of about 15,000 sqm across seven floors, Hakata Marui will comprise over 130 tenants selling foods, general merchandise and fashion; the first six floors features a number of cafés. Besides Hakata Marui, the new Kitte shopping complex will also have an international clinic, rehabilitation centre, a wedding hall as well as 131 shops, with 30% of the shops selling clothing, such as Uniqlo, which will make up half of a floor.

☞ Inside Retail Asia, 1 April, 2016

☞ <https://insideretail.asia/2016/04/01/marui-takes-up-half-of-kitte-fukuoka/>

Convenience stores: Lawson opens flagship store in the Philippines; plans to add 50-100 stores in the country

Lawson, Japan's second largest convenience store operator, has opened a flagship store in the Philippines at 6789 Tower on Ayala Avenue, Makati, as a move to sharpen its competitive edge in the rapidly growing convenience store market in the country. Besides, the company also plans to add 50-100 new branches in the Philippines in 2016 in partnership with local supermarket retailer Puregold Price Club, which has set aside US\$9.7 million for Lawson's expansion in 2016.

☞ Nikkei Asian Review, 6 April, 2016

☞ <http://asia.nikkei.com/Business/Companies/Lawson-chases-retail-rivals-in-Philippines>

Convenience stores: FamilyMart plans international express service

Japan's third largest convenience store chain FamilyMart will team up with Japan Post Group to provide international store-to-store express service. Customers can send parcels at FamilyMart stores in Japan and receive them in overseas FamilyMart stores. FamilyMart plans to launch the service in Taiwan, which boasts around 3,000 FamilyMart stores, as early as 2016. The service will then be expanded to Thailand and Mainland China, both with 1,000-plus stores. FamilyMart believes that the service will help meet the demand of consumers of Taiwan and other countries and regions.

☞ Linkshop.com, 1 April 2016

☞ <http://www.linkshop.com.cn/web/archives/2016/346893.shtml> (in Chinese only)

E-commerce: Kao to land on JD Worldwide

Japan's major consumer products company Kao Group, has forged a strategic partnership with China's e-commerce giant JD.com to open a cross-border online flagship store on JD Worldwide in May 2016. The online store will house maternal and children's products, with more product line to be rolled out in the future. Founded more than 120 years ago, Kao Group has established operational bases in 33 countries across Asia and Europe.

☞ JD.com, 31 March, 2016

☞ <http://ir.jd.com/phoenix.zhtml?c=253315&p=irol-newsArticle&id=2151969>

☞ ChinaTechNews.com, 11 April, 2016

☞ <https://www.chinatechnews.com/2016/04/11/23363-japanese-cosmetics-gain-internet-boost-in-china-via-new-agreement>

E-commerce: Yamato pairs with JD.com for cross-border logistics

From May onwards, Japanese logistics company Yamato Holdings will partner with JD.com for logistics of cross-border e-commerce goods. This is the first tie-up between a major Chinese online retailer and a large Japanese logistics business. Yamato will handle the complex customs process and ferry cargo from Japan to China. China Post will handle local delivery in China. The partnership will let Chinese consumers receive Japanese products four days after they place an order on JD.com, compared with eight days currently required. Yamato is also considering to partner with other Chinese e-commerce enterprises.

☞Ebrun, 6 April 2016

☞<http://www.ebrun.com/20160406/171378.shtml> (in Chinese only)

E-commerce: Rakuten plans to open online marketplace in India

Japan's largest online retailer Rakuten has set up a business office in Bengaluru and plans to open an online marketplace in India, as part of its expansion strategies. The company is reportedly appointing midlevel managers from two major online retailers- Flipkart and Amazon for setting up an online retail platform in the country. Founded in 1997, Rakuten currently takes up more than a quarter of Japan's e-commerce business, generating sales of over US\$5 billion.

☞Fashionmag.com, 12 April, 2016

☞http://kr.fashionmag.com/news/japanese-e-commerce-major-rakuten-to-enter-india.680016.html#utm_source=newsletter&utm_medium=email

E-commerce: Japan to accept fingerprint payment from tourists

Japan is set to introduce a fingerprint payment system as a move to make shopping and hotel check-in more convenient for tourists. Tourists have to provide their personal data, credit-card information and fingerprints when registering for the new payment system at local airports and other verification locations. Once registered, they can pay at selected stores by just placing their finger on a reading device, with taxes being automatically deducted as well. At the initial stage, the project will involve 300 souvenir shops, restaurants, hotels and other establishments frequented by tourists in popular destinations. The government hopes to roll out the system throughout the country by 2020, when the annual tourist figures are expected to reach 40 million.}

☞Inside Retail Asia, 14 April, 2016

☞<https://insideretail.asia/2016/04/14/fingerprint-payments-soon-for-japan/>

E-commerce: Ymatou.com invests 1 billion yen to tap Japan market

China's cross-border e-commerce retailer Ymatou.com announced that it will invest 1 billion yen to greatly expand its presence in the Japan market. Ymatou.com said that it will improve its buyer system and expand its warehouse and logistics capacity in Japan. It plans to triple its warehouse capacity in Tokyo and build a new warehouse in Osaka, with the aim of satisfying the increasingly fragmented and

diversified orders. Meanwhile, Ymatou.com will work closely with local post offices to provide home pickup service.

👉 [Linkshop.com](#), 13 April 2016

👉 <http://www.linkshop.com.cn/web/archives/2016/347424.shtml> (in Chinese only)

Apparel: MSGM makes foray to Japan

Italian luxury fashion brand MSGM has opened its first store in Japan in Shibuya, Tokyo. The debut store, with a floor area of 2,152 sqft across two stories, offers men's, women's and accessories collections. MSGM currently operates five mono-brand shops in Milan, Dubai, Singapore, Hong Kong and Japan.

👉 [Wwd.com](#), 4 April, 2016

👉 <http://wwd.com/fashion-news/fashion-scoops/msgm-opens-first-japan-store-tokyo-10402840/>

Apparel: Hackett enters Japan

Hackett, a men's wear brand owned by Spanish-based apparel company Pepe Jeans Group, opened its first Japanese store in Ginza, Tokyo in March 2016. The new opening is part of the brand's strategy of expanding its store network in major cities worldwide. The debut store covers 330 sqm across two levels and houses the entire Hackett's collection from casual wear to formal clothes, including the brand's children's line and the Aston Martin Racing, Army Polo and London Rowing Club collections. Apart from operating retail stores in London, Lisbon, Amsterdam and Mexico, Hackett has also run franchised stores in India, China and South America.

👉 [Fashionmag.com](#), 5 April, 2016

👉 http://kr.fashionmag.com/news/Hackett-opens-a-store-in-Tokyo.677278.html#utm_source=newsletter&utm_medium=email

Apparel: Uniqlo to add 6 new stores in the Philippines by June 2016

Japan's largest fast fashion brand Uniqlo will open six new stores in the Philippines by the end of June 2016. The brand will add four new stores in Luzon by May 2016 and two new stores in the Visayas by June 2016. Apart from offering the full collection of everyday LifeWear essentials for men, women and children, the new stores will also house proprietary products, such as Airism, Heattech and Ultra-Light Down. Uniqlo currently has over 1,700 stores in 17 markets worldwide, including Japan, Australia, Belgium, China, France, Germany, Hong Kong, Indonesia, Malaysia, the Philippines, Russia, Singapore, South Korea, Taiwan, Thailand, the United Kingdom and the United States.

👉 [Businessmirror.com](#), 12 April, 2016

👉 <http://www.businessmirror.com.ph/uniqlo-to-open-6-new-stores-by-end-june/>

Japan's largest cosmeceuticals wholesaler Paltac pairs with Sinopharm to sell on Tmall Global

Japan's largest cosmetics and daily essentials wholesaler Paltac will partner with China's largest pharmaceutical distributor Sinopharm Group to sell Japanese daily essentials and health food on Tmall Global. Paltac will supply the products to

Sinopharm's flagship store on Tmall Global. About 60 items from 10 companies, including face lotion, shampoo and health food, will be made available in mid-April at the earliest. Paltac will also encourage its partnered enterprises to join the partnership to expand the product lineup on the Tmall platform.

👉Ebrun, 12 April 2016

👉<http://www.ebrun.com/20160412/172032.shtml> (in Chinese only)

Home products: Muji to tap Indian market

Japan's home product retailer Muji is set to make debut in India with the opening of two stores in Bangalore and Mumbai in 2016. The retailer has also formed a partnership with India's retail company Reliance Brands Limited for its Indian expansion plan. Upon the opening of the stores, Muji will become the first Japanese retailer to open stores in India.

👉Fashionmag.com, 13 April, 2016

👉http://kr.fashionmag.com/news/-Muji-to-enter-Indian-market-this-year.680748.html#utm_source=newsletter&utm_medium=email

South Korea

Statistics: Sales of department stores and discount stores rally in March 2016

Retail sales of major department stores and discount stores in South Korea showed notable signs of recovery in March 2016. 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 rose 4.8% yoy in March 2016, a rebound from a 1.9% yoy decline in February 2016. Sales at discount stores slipped 1.4% yoy in March 2016, improving from a 7% yoy drop in February 2016.

👉Reuters, 7 April, 2016

👉<http://www.reuters.com/article/southkorea-economy-retail-idUSL3N17A2EG>

Statistics: CPI up 1% yoy in March 2016

South Korea's consumer price index added 1% yoy in March 2016. By category, prices of food & non-alcoholic beverages, restaurant & hotels, clothing & footwear and education grew 3.1% yoy, 2.5% yoy, 1.8% yoy and 1.7% yoy respectively. By contrast, prices of both transport, housing, water, electricity, gas & other fuels and communication fell 3.3% yoy, 0.1% yoy and 0.1% yoy respectively in March 2016.]

👉Statistics Korea, 1 April, 2016

👉<http://kostat.go.kr/portal/eng/pressReleases/9/1/index.board?bmode=read&bSeq=&aSeq=352422&pageNo=1&rowNum=10&navCount=10&currPg=&sTarget=title&sTxt=>

Duty-free shops: Lotte Duty Free to woo Chinese tourists with more luxury brands

Lotte Duty Free, South Korea's largest duty-free shop operator, is reportedly drafting a shortlist of M&A targets to expand its luxury brand portfolio. The M&A plan aims to acquire more foreign luxury goods brands so as to attract more

Chinese customers and increase its sales revenue. Lotte Duty Free is currently the third-largest travel retailer in the world, just after Dufry of Switzerland and DFS Group under French luxury titan LVMH. Lotte Duty Free aims to become the world's largest duty-free retailer by 2020.

🕒 Inside Retail Asia, 8 April, 2016

🔗 <https://insideretail.asia/2016/04/08/lotte-duty-free-drawing-up-luxury-brand-shopping-list/>

E-commerce: South Korean bookstores join hands online to survive

A group of 76 small and medium-sized South Korean bookstores have teamed up to open an online portal to provide various information on books and local bookstores in a bid to survive from financial difficulties. The Korea Federation of Bookstore Association (KFBA) is currently trial-running the portal for the participating bookstores before its formal debut on 27 April, 2016. The online portal will provide various information on local bookstores and connect the point of sale systems (POS) for all the participating book stores, enabling customers to find nearby bookstores easily and the participating bookstores to confirm inventory and sales in real time. The number of bookstores wishing to join the online portal is expected to increase to 200 by the end of 2016.

🕒 Inside Retail Asia, 8 April 2016

🔗 <https://insideretail.asia/2016/04/08/korean-bookstores-unite-online-to-survive/>

Apparel: Youk Shim Won makes debut in Hong Kong

Youk Shim Won, a South Korean art and fashion brand, has opened its first Hong Kong store at Harbour City in Tsim Sha Tsui. The new store houses fashion items featuring the work of South Korean artist Youk Shim Won, including bags, wallets, clothing, shoes, cosmetics and other lifestyle items. Founded in 2005, Youk Shim Won has opened over 20 stores in South Korea and six stores in Shanghai, Tianjin, Chengdu, Qingdao and Changsha since its entry to China in 2015.

🕒 Inside Retail Asia, 7 April, 2016

🔗 <https://insideretail.asia/2016/04/07/youk-shim-won-opens-in-harbour-city/>

Taiwan

Statistics: CPI adds 2% yoy in March 2016

Taiwan's consumer price index rose 2% yoy in March 2016, attributable to the growth in price of food items (up 8.62% yoy), miscellaneous items (up 1.13% yoy), healthcare (up 0.66% yoy) and education & entertainment (up 0.13% yoy). However, price of transportation & communication and housing fell 2.59% yoy and 0.36% yoy respectively in March 2016.

🕒 National Statistics, Republic of China (Taiwan), 7 April, 2016

🔗 <http://eng.stat.gov.tw/lp.asp?ctNode=2410&CtUnit=1016&BaseDSD=7>

Thailand

Statistics: CPI down 0.5% yoy in March 2016

Thailand's consumer price index slid 0.5% yoy in March 2016, as a result of a drop in prices of transportation & communication (down 4.3% yoy), raw food & energy (down 3.7% yoy), non-food & beverages (down 1.2% yoy) and housing & furnishing (down 0.5% yoy). By contrast, prices of tobacco & alcoholic beverages, recreation & education and food & non-alcoholic beverages rose 14.4% yoy, 1.2% yoy and 1% yoy respectively in March 2016.

➤ Trade and Economic Indices Bureau, Ministry of Commerce Thailand, March 2016

➤ http://www.indexpr.moc.go.th/price_present/cpi/data/index_47_e.asp?list_month=03&list_year=2559&list_region=country

Malaysia

Convenience stores: QL Resources to launch FamilyMart Malaysia

QL Resources, Malaysia's major food product manufacturer and distributor, is set to step into the country's convenience store sector. QL Resources' wholly owned subsidiary Maxincome Resources has signed the area master franchise agreement for the development and running of FamilyMart convenience stores in Malaysia. The company plans to open 300 stores within five years, with the debut store ready to run by the end of 2016. The opening of FamilyMart Malaysia will provide QL Resources bigger growth opportunities in the consumer market and strengthen the integration of the company's value chain.

➤ Inside Retail Asia, 12 April, 2016

➤ <https://insideretail.asia/2016/04/12/familymart-malaysia-rollout-confirmed/>

Singapore

Retail in general: Lacoste, Dufry secure concessions in Changi Airport

French fashion house Lacoste and Swiss travel retailer Dufry have made a successful bid for concessions at Changi Airport in Singapore. Lacoste has secured a 78 sqm concession in the west departure/transit lounge on level two, while Dufry has been awarded two other concessions with one covering 70 sqm and another of 83 sqm for Kipling and Trunk & Co.

➤ Inside Retail Asia, 15 April, 2016

➤ <https://insideretail.asia/2016/04/15/lacoste-singapore-scores-airport-outlet/>

E-commerce: Singapore's Chope Group taps into Indonesian online booking service sector

Singapore's Chope Group, the largest online booking service provider in Asia, has acquired its Indonesian counterpart MakanLuar. The move enables Chope to add

Jakarta, Bali and Bandung to its online booking system. Prior to the acquisition, the company announced a capital boost of US\$8.15 million led by Singapore's NSI Ventures, the venture capital unit of Indonesian-focus private equity group Northstar. Since its debut in 2011, Chope has established its presence in eight cities including Singapore, Bangkok, Beijing, Hong Kong, Singapore and now Indonesia.

➤ Inside Retail Asia, 7 April, 2016

➤ <https://insideretail.asia/2016/04/07/chope-group-expands-into-indonesia/>

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.

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