



Asia (ex-China) Retail & E-commerce

Weekly Updates

20 February – 26 February 2020

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the latest in Asia

Japan

[Department stores: COVID-19 outbreak dents Japan department store sales in January](#)

Department store sales in Japan fell 3.1% yoy in January, contracting for the fourth month in a row; meanwhile, sharper declines in duty-free purchases are expected in the upcoming months as the COVID-19 outbreak has kept Chinese tourists at home

[Convenience stores: Lawson showcases experimental checkout-free store](#)

Lawson Japan has recently showcased an experimental checkout-free convenience store in Kawasaki, as part of the retailer's attempts to address local labor shortage issue; the retailer will assess operational issues, including logistics and sales fluctuations, at the store until the end of May 2020 before launching a similar store for the general public this summer

[Beauty and personal care: Shiseido reports negative growth amid COVID-19 outbreak](#)

Shiseido revealed that the company's sales in China plunged 55% yoy during 24-30 January in the wake of the COVID-19 outbreak, while in Japan, the company's biggest market, also posted a negative sales growth of 3%-16% yoy during the same period

South Korea

[Retail in general: South Korea to prepare extra budget to mitigate COVID-19 impact](#)

South Korea's Finance Ministry said on 25 February that the government is preparing an extra budget to cushion the economic impact of the COVID-19 outbreak and will announce a set of comprehensive measures this week to minimize the impact of the outbreak; the ministry did not give the size of the spending package, while local media reported that it would be around \$10 billion won (US\$8.27 billion)

[Retail in general: Rapid spread of COVID-19 takes toll on South Korea retail industry](#)

The rapid spread of COVID-19 disease in South Korea, with 833 confirmed case as of 24 February, comes as a heavy blow to local retail industry. Various leading retail chains are

expected to see profit slumps: annual operating profit of Lotte Shopping's department store and hypermarket operations in 2020 is expected to fall 7%-15% yoy; Shinsegae's department and duty-free operations are estimated to see 20%-31% yoy fall in profit; and supermarket chain Emart and duty-free giant Hotel Shilla may face operating profit slumps of 16%-32% and 33%-46% respectively, according to Hana Financial Investment

[Beauty and personal care: LG Household buys Physiogel](#)

LG Household & Health Care Ltd., has agreed to acquire skincare brand Physiogel business rights for the Asian and North American regions from U.K. pharmaceutical firm GSK, as part of LG Household's plans to strengthen its skin and personal care product portfolio; the deal, worth approximately US\$160 million, is expected to be closed by 1H20

Singapore

[Retail in general: Singapore allocates US\\$2.87b for COVID-19 hit sectors](#)

The Singapore government will set aside S\$4 billion (US\$2.87 billion) to help stabilize Singapore's economy and help local workers and businesses prevail over the doldrums led by the COVID-19 outbreak, the nation's Finance Minister Heng Swee Keat announced during his 2020 Budget speech

[Retail in general: CapitaLand boosts support for tenants amid COVID-19 outbreak](#)

Singapore's largest mall operator CapitaLand has introduced additional measures to support its mall tenants amid the ongoing COVID-19 outbreak; the company, which has been offering flexible rental payments and a one-time rebates to its mall tenants, will release a one-month security deposit for its tenants to offset rental payments for this March, with some 3,500 food service and retail tenants under CapitaLand in Singapore expected to benefit from the initiatives

[E-commerce: Singapore's Foodpanda launches express grocery-delivery services in Hong Kong](#)

Singapore food-delivery service provider Foodpanda has recently launched its express grocery delivery service Pandamart in Hong Kong; the company has paired up with 1,000 local retailers including convenience store chain Circle K, snack store Okashi Land, Heroes Beer and kitchenware store I Love Kitchen, offering over 14,000 items on its platform

Thailand

[Retail in general: Airports of Thailand announces relief package for COVID-19 hit operators](#)

Airports of Thailand has recently announced a range of rent relief measures for commercial operators affected by the COVID-19 outbreak and a slump in tourist arrivals to Thailand

[Discount stores: Don Don Donki Thailand to add 10 new stores in Thailand](#)

Don Don Donki Thailand plans to expand its retail network following the successful launch of its first local store in February 2019; the retailer aims to add 10 more stores across Thailand, with each store costing 500 million baht and covering 5,000-6,000 sqm

India

[E-commerce: Flipkart drives overseas e-commerce sales growth for Walmart](#)

Walmart has recently announced that e-commerce contributed 12% to its total international sales in the quarter ended 31 January 2020, led by its Indian e-commerce arm Flipkart and online grocery sales in several markets; the U.S. company also reported record sales at Flipkart's 'The Big Billion Days' sales event without disclosing specific numbers

[E-commerce: Flipkart reportedly to launch wholesale business next quarter](#)

Flipkart reportedly will launch its wholesale business in the upcoming quarter, aiming to take on Amazon's B2B division, Reliance's Market and Tencent-backed Udaan; to begin with, the new unit will focus on FMCG and fresh foods categories and over time, cover electronics and fashion categories

[Apparel and footwear: India's fashion house Aditya Birla plans 500 stores this year](#)

India's fashion house Aditya Birla Fashion and Retail will open 500-plus stores in India by the end of this year; the company, which owns local fast fashion brand Pantaloons, also plans to launch a new line of mass-market traditional ethnic wear, which represents an estimated 30% of the overall apparel market in India

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