

Asia (ex-China) Retail & E-commerce

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Asia Distribution & Retail

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Asia at a Glance



Japan



Statistics: Retail sales up 1.7% yoy in November 2016

Japan's retail sales rose 1.7% yoy in November 2016. By category, retail sales of motor vehicles and fabrics apparel & accessories grew 6.6% and 4.4% respectively in November 2016, followed by medicine & cosmetics items (up 2.8% yoy), food & beverages (up 1.8% yoy) and non-store retailers (up 1% yoy). However, retail sales of general merchandise, machinery & equipment and fuel products shrank 2.4% yoy, 0.9% yoy and 0.7% yoy respectively in November 2016¹.

Statistics: CPI up 0.5% yoy in November 2016

Japan's consumer price index moved up by 0.5% yoy in November 2016. By category, prices of food, education and clothes & footwear grew 3.6% yoy, 1.5% yoy and 1% yoy respectively in November 2016, followed by medical care (up 0.9% yoy), culture & recreation (up 0.8% yoy) and miscellaneous (up 0.4% yoy). By contrast, prices of fuel, light & water charges and transportation & communication fell 5.8% yoy and 1.5% yoy respectively in November 2016, followed by furniture & household utensils (down 0.7% yoy) and housing (down 0.2% yoy)².

Home products: Muji to open first global flagship store with hotel services in Shenzhen

Japan's home product retailer Muji will open its first global flagship store with hotel services in Shenzhen in 2H17³. Located in Shenzhen's Futian district, the flagship store will have six floors covering a total of 2,700 sqm. It will house a Muji retail store, a Muji Café and a Muji-themed hotel of 79 guest rooms. The hotel will be equipped with gymnasium facilities, conference rooms and a spacious public area "Open Muji" getting guests to mingle. In October 2016, Muji also teamed up with Japan's retail and hospitality group Odakyu Electric Railway to jointly develop a Muji-themed hotel in Beijing in 2017, marking the brand's first foray into the hotel industry⁴.

South Korea



Statistics: Consumer sentiment index down 1.6 points mom in December 2016

South Korea's consumer sentiment index slid 1.6 points mom to 94.2 in December 2016. By category, consumer sentiment related to current domestic economic conditions dropped 5 points mom in December 2016, followed by prospective household spending (down 3 points mom) and current living standards (down 1 point mom). However, consumer sentiment regarding prospective domestic economic conditions added 1 point mom in December 2016, while consumer sentiment concerning prospective living standards and prospective household income

remained unchanged⁵.

Duty-free shops: Lotte, Shinsegae and Hyundai win 10-year duty-free licenses in Seoul

South Korea's Customs Service awarded the three biggest remaining 10-year downtown duty free licenses in Seoul to Lotte Duty Free, Shinsegae DF and the Hyundai Department Store on 18 December 2016. These results come after the submission of business plans by all candidates from October 2015, including Lotte's pledge to invest 2.3 trillion won (US\$1.97 billion) on tourist-related investments in the upmarket Gangnam area of Seoul in 2017-2021⁶ and Shinsegae Duty Free's ambitious plan to invest 350 billion won (US\$295 million) over the next five years to improve and promote tourism and shopping infrastructure in the Seocho and Gangnam area surrounding Central City⁷.

Duty-free shops: Lotte Duty Free to seek M&A opportunities for further growth

Lotte Duty Free, South Korea's largest duty-free operator, aims to be the world's leading duty-free operator in terms of sales by 2020 through merging with foreign duty-free operators. Through consistent investment for the past 36 years, Lotte Duty Free is now the world's second to third-largest duty-free operator with accumulated experience and know-how. Apart from looking for merger and acquisition opportunities, Lotte Duty Free also plans to open more duty-free stores in Bangkok, Japan and other overseas cities from 2017⁸.

Beauty and personal care: Memebox raises US\$60 million in Series C extension funding round

South Korean cosmetics startup Memebox has procured US\$60 million in a Series C extension funding round led by existing and new investors, including Altos Ventures, Cota Capital, Cowboy Ventures, Formation Group, Funders Club, Goodwater Capital, Janet Gurwitch, Mousse Partners and Pear Ventures. The extra investment will enable Memebox to keep on optimizing its mobile shopping experience, develop a database of beauty ingredients and products, as well as establish its global presence⁹.



Statistics: Retail sales up 2.5% yoy in November 2016

Taiwan's retail sales rose 2.5% yoy in November 2016. By category, retail sales of auto motors, non-store retailers and medical goods & cosmetics advanced 16.2% yoy, 8.4% yoy and 5% yoy respectively in November 2016, followed by fuel products (up 3.9% yoy) and general merchandises (up 2% yoy). By contrast, retail sales of household supplies and food, beverages & tobacco products dropped 9.5% yoy and 1% yoy respectively in November 2016¹⁰.

Statistics: Consumer confidence index down 0.49 point mom in December 2016

Taiwan's consumer confidence index moved down by 0.49 point mom in December 2016. By category, consumer confidence in four out of six major sub-indices declined in December 2016, including domestic price level (down 2.75 points mom), job market (down 1.9 points mom), property investment (down 0.7 point mom) and household finance (down 0.25 point mom). Nevertheless, consumer confidence in stock investment and domestic economic outlook advanced 2.4 points mom and 0.25 point mom respectively in December 2016¹¹.

Thailand

Shopping malls: Siam Retail to add 10 new malls over next five years

Thailand's retail giant Siam Retail plans to invest 50 billion baht for 10 new shopping malls and mixed-used projects in Bangkok and upcountry over the next five years. Under its five-year investment plan, the group will open 10 new shopping malls in Khon Kaen, Udon Thani, Ubon Ratchathani, Phuket and Nakhon Si Thammarat and Bangkok, with each of the project estimated to cost around 5 billion baht¹².

E-commerce: South Korean e-tailer 11street launches online marketplace in Thailand

South Korea's major e-commerce company 11street has recently opened an online marketplace in Thailand, cashing in on the booming e-commerce market in the country. The new platform racked up more than 10

million baht in transactions on its soft opening day on 21 December, 2016. It has so far attracted more than 6,000 local retailers and served over 600,000 customers since its launch in December 2016. 11street aims have 20,000 local sellers by the end of 2017 and become Thailand's largest e-commerce player by 2020¹³.

Malaysia

Statistics: CPI up 1.8% yoy in November 2016

Malaysia's consumer price index rose 1.8% yoy in November 2016. By category, prices of food & non-alcoholic beverages, recreation services & culture, healthcare and housing, water, electricity, gas & other fuels advanced 3.8% yoy, 3.2% yoy, 2.5% yoy and 2.1% yoy respectively in November 2016, followed by alcoholic beverages & tobacco (up 1.9% yoy), restaurant & hotels (up 1.9% yoy), education (up 1.9% yoy), miscellaneous goods & services (up 1.8% yoy) and furnishings, household equipment & routine household maintenance (up 1.4% yoy). By contrast, prices of communication and clothing & footwear fell 2.7% yoy and 0.5% yoy respectively in November 2016¹⁴.

Apparel: H&M-owned Cos open first store in Malaysia

Cos, a clothing brand owned by Swedish fast fashion giant H&M, has opened its debut store at the new Pavilion Elite Mall in Kuala Lumpur, Malaysia. The new store houses menswear

and womenswear from its latest autumn/winter collection, featuring hybrid garments combining wardrobe classics with the eccentric and eclectic. The new opening in Malaysia marks the beginning of Cos's expansion in Asia¹⁵.

Singapore

Statistics: Retail sales up 2.2% yoy in October 2016

Singapore's retail sales rose 2.2% yoy in October 2016. By category, retail sales of motor vehicles, recreation goods and petrol service stations grew 14.5% yoy, 5.6% yoy and 3.4% yoy respectively in October 2016, followed by watches & jewellery (up 1.3% yoy), food & beverages (up 1% yoy), department store (up 0.8% yoy), supermarkets (up 0.4% yoy) and medical goods & toiletries (up 0.3% yoy). By contrast, retail sales of computer & telecommunications equipment, wearing apparel & footwear, furniture & household equipment and optical goods & books shrank 8.1% yoy, 3.5% yoy, 3.2% yoy and 1.8% yoy respectively in October 2016¹⁶.

Statistics: CPI stays flat in November 2016

Singapore's consumer price index in November 2016 stayed unchanged from the same period last year. By category, prices of education, household durables & services, healthcare and food increased by 3.2% yoy, 2.6% yoy, 2.4% yoy and 2% yoy respectively in November 2016, followed by recreation &

culture (up 0.8% yoy) and miscellaneous goods & services (up 0.8% yoy). By contrast, prices of housing & utilities, communication, transport and clothing & footwear decreased by 3.7% yoy, 0.6% yoy, 0.3% yoy and 0.2% yoy respectively in November 2016¹⁷.

E-commerce: Alibaba Group increases stake in SingPost

Alibaba Investment, a subsidiary of China's e-commerce giant Alibaba Group Holding, has been given the green light by Singapore Exchange (SGX) to go ahead with the listing and quotation of about 107.6 million new shares in SingPost. The deal is slated to be completed by the end of February 2016. As its second investment in SingPost, Alibaba will raise its stake in SingPost from 10.2% to 14.4%¹⁸.

E-commerce: iCommerce Asia raises US\$2 million in pre-Series A funding round

iCommerce Asia, a Singaporean e-commerce supply-chain management startup, has secured S\$2 million (US\$1.3 million) in a pre-Series A funding round. Latest investors of this funding round include Cooper Mcguire and Harry Markl, the former CFO and former Co-CEO respectively of Zalora Group, Carro.sg CEO Aaron Tan, former Salesforce regional VP Ismail Shariff and JYSK Group CEO Janifer Yeo-Tan. Eyeing huge opportunities in Indonesia, iCommerce Asia aims to aid Singapore SMEs entering the Indonesian market by connecting them to Indonesian major online marketplace Matahari Mall, with the help of the centralised fulfillment from its Singapore's distribution hub¹⁹.

E-commerce: Tencent opens Singapore office targeting overseas Chinese

Tencent, the parent company of China's largest social media platform WeChat, has opened a new office in Singapore, aiming to help Asian brands extending their reach to Chinese consumers. The company has established an international business group raising awareness of the business opportunities offered by WeChat, particularly targeting WeChat's users living outside China. The new Tencent Singapore team is convinced that there plentiful opportunities marketing to Chinese living or travelling overseas. WeChat currently has more than 800 million monthly active users²⁰.

Luxury: Alfred Dunhill opens first concept store in Singapore

British luxury menswear brand Alfred Dunhill has opened its first-ever concept store in Paragon Singapore. The new store, which is also the brand's fourth outlet in Singapore, features ready-to-wear, custom and bespoke menswear, leather goods and accessories. Founded by English tobacconist and inventor Alfred Dunhill in 1907, Alfred Dunhill is currently owned by Switzerland-based luxury titan Richemont²¹.

Endnotes

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