

Asia (ex-China) Retail

BIWEEKLY UPDATES

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the latest in asia

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Asia at a Glance

Department stores: Isetan to open remodelled concept store in Kuala Lumpur

Isetan, Japan's major department store operator, will open a specialty store named "Isetan the Japan Store Kuala Lumpur" in Malaysia in October 2016. The store will open as the revamped Isetan Kuala Lumpur department store located at Lot 10 Shopping Mall. Covering 11,000 sqm across six floors, the store features various popular Japanese brands, ranging from fashion houses Madstore Undercover, Y3, Porter, Onitsuka Tiger, Anrealage, Asobisystem, Strict-G, Kolor, Toga, N.HOOLYWOOD, Mame, Muveil, Taro Horiuchi, and John Lawrence Sullivan, and cosmetics brands - Shiseido, Cosme Decorte, Albion and SK-II for cosmetics to Air by Tokyo Nishikawa, Uchino, Maruni Wood Industry, Nuno, Mina Perhonen for everyday items. The store targets sales of 12 million ringgits for the first year, hoping to attract a total of 1.4 million customers.

👉Retail in Asia, 16 June, 2016

👉<http://www.retailinasia.com/in-markets/south-east-asia/malaysia/isetan-mitsukoshi-to-open-its-cool-japan-concept-store-in-kuala-lumpur-malaysia/>

E-commerce: Ensogo Asia ceases e-commerce operation in Southeast Asia

Ensogo, a Singaporean-based e-commerce company offering flash sales and cheap deals, has shut down its all e-commerce websites in Southeast Asia as its holding company Australian-listed Ensogo Australia has cut its financial support to its sales and marketplace business units in Indonesia, Thailand, Hong Kong and the Philippines. Ensogo, formally known as iBuy, operates e-commerce websites in Hong Kong, Singapore, Malaysia, the Philippines, Indonesia and Thailand. It earlier sets the goal of becoming a leading lifestyle shopping marketplace in Southeast Asia, with a combined 500 million potential users.

👉Bangkok Post, 21 June, 2016

👉<http://www.bangkokpost.com/news/general/1016137/ensogo-closes-e-commerce-operation-in-se-asia>

Japan

Statistics: Retail sales down 1.9% yoy in May 2016

Japan's retail sales declined 1.9% yoy in May 2016, due mainly to a drop in retail sales of fuel (down 12.8% yoy), general merchandise (down 4% yoy), machinery & equipment (down 2.7% yoy) and fabrics apparel & accessories (down 0.2% yoy). By contrast, retail sales of motor vehicles, food & beverage and medicine & toiletry stores grew 3.1% yoy, 0.6% yoy and 0.5% yoy respectively in May 2016.

👉Ministry of Economy, Trade and Industry, 29 June, 2016

👉<http://www.meti.go.jp/english/statistics/tyo/syoudou/index.html>

Shopping malls: Aeon targets 20 malls in Vietnam by 2020

Aeon, Japan's retail conglomerate, aims to have 20 malls across Vietnam by 2020. After opening its debut shopping centre in Vietnam in early 2014, the retailer will open its second mall in the country in July 2016. The new branch, estimated to cost over US\$120 million, covers 4.6 hectares across four floors and a basement at the Hi-Tech Healthcare Park of Hoa Lam Shangri-La. In Vietnam, Aeon operates local convenience chain stores Ministop and owns 49% of local major supermarket chain Citimart and 30% of another local supermarket chain Fivimart.

👉 Inside Retail Asia, 21 June, 2016

👉 <https://insideretail.asia/2016/06/21/aeon-vietnam-opening-second-hcmc-mall/>

Convenience stores: Aeon's Ministop breaks up with Indonesian partner

Ministop, Aeon's convenience store unit in Indonesia, has ended its partnership with Indonesia retail group Bahagia Niaga Lestari (BNL). The move will lead to Aeon exiting the market temporarily while it looks for a new business ally. In 2012, Aeon formed a joint venture company with BNL to operate convenience store business in Indonesia. The joint venture company has so far managed to open six convenience stores in the country. Despite its break-up with BNL, Aeon is committed to the Indonesia market and hopes to form new joint venture in the country.

👉 Retail in Asia, 25 June, 2016

👉 <http://www.retailnews.asia/aeon-indonesia-dumps-ministore-c-store-partner/>

Apparel: Uniqlo cuts U.S. store number

Uniqlo, Japan's largest fast fashion brand, has reduced its store number in the U.S. amid sales slowdown. The brand has closed five of its 43 U.S. outlets since January 2016, with all closures in suburban shopping malls. Uniqlo aims to concentrate its resources on large cities such as New York, San Francisco and Chicago where it can open more stores and strengthen its customer services. After adding three new stores in the U.S. in 2015, the brand will open three more new stores in the nation in 2016.

👉 New York Post, 20 June, 2016

👉 <http://nypost.com/2016/06/20/uniqlos-struggles-cause-fashion-chain-to-close-stores/>

Beauty and personal care: Kose's Sekkisei to tap US travel retail market via DFS Hawaii

Sekkisei, a skin care brand under Japan's cosmetics company Kose, will make its U.S. travel retail debut on 1 August at T Galleria operated by DFS, Hawaii. The roll-out is part of the strategic partnership with DFS to extend Sekkisei's reach throughout Asia Pacific. The sales concession will offer travelling consumers a choice of self-serve or personalised service, including the Sekkisei '5-Minute Brightening Facial' within a semi-private consultation area.

👉 The Moodie Davitt Report, 27 June, 2016

👉 <http://www.moodiedavittreport.com/dfs-group-to-launch-sekkisei-exclusively-in-us-travel-retail/>

Beauty and personal care: Japanese men's skincare brand UL·OS enters China market

UL·OS, a skincare brand for men developed by Japanese pharmaceutical company Tokyo Selection, entered China market in May 2016. The cosmeceutical brand targets mid-to low-end market, with product prices ranging between 100 and 200 yuan. Products offered by UL·OS in the China market include toner, moisturizer, body wash and face wash etc. Currently, UL·OS is available at JD.com, moximoxi.net, a website mainly selling Japanese products, and fengqu.com, a self-operated cross-border e-commerce platform under SF Express.

☞Ebrun, 29 June, 2016

☞<http://www.ebrun.com/20160629/181269.shtml> (in Chinese only)

Accessories: Paris Miki makes debut in the Philippines

Paris Miki, Japan's largest eyewear retailer, has entered the Philippines market by opening its debut store in Manila at the S Maison Mall. The new store features Japanese handcrafted eyewear by artisan makers and fashion eyewear products of international brands. Paris Miki currently operates 867 stores mainly in Asia, American and Australia.

☞Inside Retail Asia, 22 June, 2016

☞<https://insideretail.asia/2016/06/22/paris-miki-philippines-debuts/>

South Korea

Statistics: GDP up 2.8% yoy in 1Q16

South Korea's economy expanded by 2.8% yoy in 1Q16. On the production side, the construction, services and manufacturing sectors rose 11.1% yoy, 2.5% yoy and 1.9% yoy respectively in 1Q16. On expenditure side, construction investment and private consumption expanded 9.6% yoy and 2.2% yoy respectively, while facilities investment contracted by 4.5% yoy in 1Q16. Meanwhile, exports and imports of goods & services grew 0.7% yoy and 1.9% yoy respectively in 1Q16.

☞The Bank of Korea, 2 June, 2016

☞<http://www.bok.or.kr/broadcast.action?menuNavId=1959>

Statistics: Consumer sentiment index stays flat in June 2016

South Korea's consumer sentiment index stood at 99 in June 2016, unchanged from May 2016. By category, four out of the six major sub-indices stayed unchanged in June 2016, including current living standards, prospective living standards, prospective household income and prospective household spending. However, confidence in both current domestic economic conditions and prospective domestic economic conditions fell two points respectively in June 2016.

☞The Bank of Korea, 28 June, 2016

☞<http://www.bok.or.kr/broadcast.action?menuNavId=1959>

Retail in general: South Korea plans massive shopping campaign

South Korea's Ministry of Trade, Industry and Energy has paired up with the Ministry of Culture, Sports and Tourism to create a massive shopping campaign called "Korea Sales Festa" scheduled from 29 September 2016 to 31 October 2016, aiming to draw more tourists and bolstering lacklustre domestic consumption. The ministries said major manufacturers in consumer electronics, apparel, cosmetics and food industries are positive about offering shoppers discounts on various items and more retailers are expected to participate in the shopping festive this fall. In 2015, the two ministries also held a similar discount event to boost the national economy hard hit by the Middle East Respiratory Syndrome outbreak in May 2015.

☞Yonhap News Agency, 21 June, 2016

☞<http://english.yonhapnews.co.kr/business/2016/06/21/0501000000AEN20160621006200320.html>

Shopping malls: Shinsegae to open mega mall in Hanam

South Korea's retail conglomerate Shinsegae will build a new multiplex shopping mall in Hanam, Gyeonggi province in September 2016. The mall, which will comprise four stories above ground and another four underneath, will be the largest shopping multiplex in South Korea. It will feature various luxury brands and even motor showrooms including BMW, Hyundai and Harley Davidson. Moreover, a Shinsegae Department Store and Wholesale retailer E-mart Traders will also be included in the mall. To attract more families and let shoppers stay longer, an outdoor swimming pools and spas will be housed on the rooftop, with the fourth floor featuring sports area including badminton, basketball and tennis courts.

☞The Chosunilbo, 29 June, 2016

☞http://english.chosun.com/site/data/html_dir/2016/06/29/2016062901631.html

Apparel: Good People teams up with Handu Yishe to re-enter China market

South Korean lingerie brand Good People signed a strategic agreement with Chinese online fashion retailer Handu Yishe to jointly develop an entirely new online apparel brand. Good People believes this is a more appropriate timing to enter the China market compared to ten years ago, and therefore Good People decided to re-enter the market through e-commerce channel. It is reported that Good People tried to enter the China market with its lingerie brand YES' ten years ago.

☞Ebrun, 29 June, 2016

☞<http://www.ebrun.com/20160629/181317.shtml> (in Chinese only)

Taiwan

Statistics: Retail sales up 0.9% yoy in May 2016

Taiwan's retail sales grew 0.9% yoy in May 2016. By category, retail sales of non-store retailing, motor vehicles, supermarkets and convenience stores rose 9.7% yoy, 5.7% yoy, 5.7% yoy and 4.6% yoy respectively in May 2016. By contrast, retail

sales of petrol services and telecommunication & home appliances dropped 8.1% yoy and 4.4% yoy respectively in May 2016.

☞ Department of Statistics, Ministry of Economic Affairs, Taiwan, 23 June, 2016

☞ https://www.moea.gov.tw/MNS/dos/bulletin/Bulletin.aspx?kind=8&html=1&menu_id=6727&bulletin_id=2502

Statistics: Consumer confidence index down to 78.36 in June 2016

Taiwan's consumer confidence index slid 1.46 point mom to 78.36 in June 2016. The decline was due largely to a fall in sentiment on all the six sub-indices, including stock investment (down 6.5 points mom), domestic price level (down 0.8 point mom), property investment (down 0.55 point mom), job market (down 0.45 point mom), household finance (down 0.4 point mom) and domestic economic outlook (down 0.05 point mom) in June 2016.

☞ The Research Centre for Taiwan Economic Development, National Central University, 27 June, 2016

☞ <http://rcted.ncu.edu.tw/upload.phtml>

Retail in general: Eslite Spectrum to further expand in China

Eslite Spectrum, a Taiwan-based company operating bookstores, shopping malls and restaurants, plans to add more stores in China. After opening its first China outlet in Suzhou in November 2015, the company plans to set up its second outlet in Shanghai in 2016 and another store in Shenzhen in 2018. Currently, Eslite Spectrum owns 46 outlets in Taiwan, Hong Kong and China in partnership with various cultural creative brands.

☞ The China Post, 22 June, 2016

☞ <http://www.chinapost.com.tw/taiwan-business/2016/06/22/470019/Eslite-Spectrum.htm>

Thailand

Retail in general: Central Pattana plans residential projects near its malls

Central Pattana, Thailand's property and retail developer, plans to develop residential projects adjacent to its shopping malls throughout Thailand, targeting annual revenue growth of 15% from the housing business from 2018 onwards. The company will undertake four or five residential projects worth 3 billion baht (US\$85 million) over the next 18 months, with focus on five plots of land close to its malls in Bangkok. Revenue from the first three residential projects is expected to reach 2.35 billion baht for 2018.

☞ Inside Retail Asia, 22 June, 2016

☞ <https://insideretail.asia/2016/06/22/central-pattana-building-homes-near-its-malls/>

Supermarkets: Central Food Retail spends 6.5 billion baht to expand supermarket business

Central Food Retail, the parent company of Thai supermarket chain Tops Thailand, has allocated 6.5 billion baht (US\$183 million) to open new stores over the next

five years. The company plans to open about 70 new supermarket branches annually to reach 600 stores by the end of 2021, an increase from the current 205 stores. In 2016 alone, Central Food Retail plans to spend 200 million – 300 million baht on a system to support its supermarket business growth, 600 million baht for new store expansion as well as 400 million – 500 million baht for renovations of its current supermarket stores.

👉 Inside Retail Asia, 24 June, 2016

👉 <https://insideretail.asia/2016/06/24/tops-thailand-parent-plans-aggressive-expansion/>

E-commerce: Tesco Lotus to boost online sales with new services

Tesco Lotus, a major hypermarket chain in Thailand, is set to expand its online shopping business and double its internet sales in 2016. To proceed with its goals, the retailer will double its budget for digital marketing in 2016. It will also provide new shopping services, which include launching transactional mobile app, click-and-collect, smart-locker and motorbike home delivery services to engage online customers and to encourage customers who shop regularly at Tesco Lotus stores to also shop online.

👉 Bangkok Post, 28 June, 2016

👉 <http://www.bangkokpost.com/business/news/1021641/tesco-lotus-expands-online-with-new-services>

E-commerce: Zalora Thailand to tap omni-channel business

Zalora Thailand, an online fashion retailer recently acquired by Thailand's retail titan Central Group, is set to boost its omni-channel retail business with support from its new owner. It plans to become Thailand's largest fashion retailer after its merger with Central Group's e-commerce arm COL. By integrating its online expertise with Central's extensive physical store networks, Zalora expects to develop a fashion-focused online destination with an offline offer, engaging different types of shoppers. Currently, Central Group owns some 4,400 stores and malls offering wide ranges of product categories and the One Card loyalty program with over 10 million members.

👉 Retail New Asia, 28 June, 2016

👉 <http://www.retailnews.asia/omnichannel-model-zalora-thailand/>

Apparel: Pacifica Group to spend US\$11 million for store expansion

Pacifica Group, Thailand's apparel importer and distributor, has planned to increase the number of standalone shops for its fashion brands from the current 80 to 140 over the next three years. The store expansion is expected to cost about 400 billion baht (US\$11 million), of which 60% to 70% will be assigned to mass market fashion brands, with the rest for luxury products. The company currently distributes 14 fashion brands in Thailand, including American Eagle Outfitters, Camper, Coach, Keds and Max Mara.

👉 The Nation, 21 June, 2016

👉 <http://www.nationmultimedia.com/business/Pacifica-Group-to-increase-stores-from-80-to-140-o-30288674.html>

Home products: Habitat open first standalone flagship store in Thailand

Habitat, a British furnishing and homeware retailer, has recently opened a flagship store in Bangkok in partnership with local furniture retailer SB Furniture. The new store, with an area of 1,400 sqm, is located on the third floor of the renovated Siam Discovery shopping mall. Including the new flagship store, Habitat currently operates four stores in Bangkok and plans to open its fifth store outside Bangkok by the end of 2016.

👉Retail News Asia, 16 June, 2016

👉<http://www.retailnews.asia/habitat-thailand-thriving-return/>

Malaysia

Statistics: GDP grows 4.2% qoq in 1Q16

Malaysia's economy expanded 4.2% qoq in 1Q16. On the production side, most of the sectors registered positive growth, especially construction (up 7.9% qoq), services (up 5.1% qoq) and manufacturing (up 4.5% qoq) sectors in 1Q16. On the expenditure side, the growth was mainly driven by private final consumption expenditure (up 5.3% qoq) and government final consumption expenditure (up 3.8% qoq) in 1Q16.

👉Department of Statistics Malaysia, Official Portal, 13 May, 2016

👉https://www.statistics.gov.my/index.php?r=column/cthemByCat&cat=100&bul_id=MmFJTitpalZl_cFQ4ZzRhMWhYNTR0Zz09&menu_id=TE5CRUZCblh4ZTZMODZlbnk2aWRROQT09

Shopping malls: Parkson Retail eyes lower-tier cities in China

Parkson Retail Group, a Hong-Kong listed company owned by Malaysia's retail conglomerate Lion Group, plans to develop small-to medium-sized urban residential and commercial complexes in more third-and lower-tier Chinese cities. After shutting over 10 stores in major Chinese cities over the past five years, the retailer has set sights on lower-tier Chinese cities and transformed its department stores into shopping malls with retail, food and beverage, entertainment and boutique grocery stores so as to win over Chinese customers. Lion Group has so far set up five lifestyle shopping malls in Malaysia and eight in China and one in Vietnam.

👉Inside Retail Asia, 20 June, 2016

👉<https://insideretail.asia/2016/06/20/parkson-retail-maps-out-china-strategy/>

E-commerce: iPay88 teams up with Paypal to expand cross-border trade

iPay88, a Malaysian-based online payment service provider owned by Japan's IT company NTT Data Corporation, has forged a partnership with online payment service provider PayPal to boost cross-border trade for iPay88 merchants. The tie-up will enable iPay88 merchants to capitalize on PayPal's 184 million active accounts and presence in over 200 markets. iPay88 merchants can also enjoy both

online banking and credit-payment options supported by Paypal. Founded in Kuala Lumpur in 2006, iPay88 has established its presence in Indonesia, Singapore, Thailand, the Philippines and Vietnam.

☞The Star, 29 June, 2016

☞<http://www.thestar.com.my/tech/tech-news/2016/06/29/ipay88-collaborates-with-paypal/>

Singapore

Statistics: Retail sales up 3.8% yoy in April 2016

Singapore's retail sales rose 3.8% yoy in April 2016. By category, retail sales of optical goods & books, recreational goods and motor vehicles surged 9.6% yoy, 8% yoy and 5.2% yoy respectively in April 2016, followed by mini-marts & convenience stores (up 3% yoy), telecommunication apparatus & computers (up 2.8% yoy), wearing apparel & footwear (up 1.9% yoy), furniture & household equipment (up 1.1% yoy) and department stores (up 1% yoy). By contrast, retail sales of watches & jewellery, petrol service stations and supermarkets fell 5.7% yoy, 1.9% yoy and 1.8% yoy respectively in April 2016.

☞Department of Statistics Singapore, June 2016

☞http://www.singstat.gov.sg/docs/default-source/default-document-library/publications/publications_and_papers/services/mrsapr16.pdf

Statistics: Consumer price index down 1.6% yoy in May 2016

Singapore's consumer price index fell 1.6% yoy in May 2016, due mainly to a drop in prices of housing & utilities (down 6.4% yoy) and transport (down 5.7% yoy). Nevertheless, prices of household durables & services, education and food items increased by 3.3% yoy, 3.2% yoy and 2.2% yoy respectively in May 2016.

☞Department of Statistics Singapore, 23 June, 2016

☞<http://www.singstat.gov.sg/statistics/browse-by-theme/prices>

Retail in general: Singapore's Changi Airport Group looks for specialty retail partners

Changi Airport Group (CAG), Singapore's primary civilian airport operator, is looking for retail partners to operate specialty/brand concessions at Singapore Changi airport terminal three departure/ transit lounge north, in an effort to inject buzz and unique retail offerings at the airport. The terminal comprises Concession A which covers some 78 sqm and Concession B with 62 sqm. The tendency periods for both Concession A and B last three years, with the former starting in March 2017 and the later beginning May 2017. All product categories will be considered, except liquor, tobacco, perfumes and cosmetics.

☞Retail News Asia, 20 June, 2016

☞<http://www.retailnews.asia/changi-airport-seeks-t3-speciality-retail-partners/>

E-commerce: Gifts Less Ordinary makes foray into Japan

Gifts Less Ordinary, a Singapore-based online luxury marketplace, has recently expanded into Japan following its great success in Singapore and Hong Kong. Apart from offering unique and high quality gifts of luxury brands, the company also engages its customers with ultra-personalization services, ranging from picking the metals and gems of necklace to monogramming initial on a wine bottle topper.

🔗 PR Newswire, 28 June, 2016

🔗 <http://www.prnewswire.com/news-releases/gifts-fit-for-royalty---online-luxury-gift-marketplace-launches-in-the-us-300291142.html>

Fung Business Intelligence

Fung Business Intelligence collects, analyses and interprets market data on global sourcing, supply chains, distribution, retail and technology.

Headquartered in Hong Kong, it leverages unique relationships and information networks to track and report on these issues with a particular focus on business trends and developments in China and other Asian countries. Fung Business Intelligence makes its data, impartial analysis and specialist knowledge available to businesses, scholars and governments around the world through regular research reports and business publications.

As the knowledge bank and think tank for the Fung Group, a Hong Kong-based multinational corporation, Fung Business Intelligence also provides expertise, advice and consultancy services to the Group and its business partners on issues related to doing business in China, ranging from market entry and company structure, to tax, licensing and other regulatory matters.

Fung Business Intelligence was established in the year 2000.

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