

China Retail & E-commerce Weekly Update



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I. Sector Review

Internet & E-commerce

Xiaomi to feature 3000 'Xiaomi Home' stores on the Ele.me platform

Ele.me (饿了么) and Xiaomi (小米) announced recently a new partnership, as more than 3,000 'Xiaomi Home' stores across the country will be connected to the Ele.me platform. Through the Ele.me platform, consumers can purchase various Xiaomi electronics such as mobile phones, power banks, and rice cookers. The partnership covers more than 200 major cities across the country, including Beijing, Shanghai, Hangzhou, Guangzhou, Shenzhen, and Chengdu.¹

Convenience Stores

Lawson China enters the Guangzhou market and aims to open 1,500 stores in the Greater Bay Area

Lawson China recently opened its first store in Guangzhou, located in Sino-Singapore Guangzhou Knowledge City. This marks a further step forward for Lawson's Guangdong-Hong Kong-Macao Greater Bay Area headquarters project. Lawson China plans to open convenience stores in all 11 districts of Guangzhou, and the company expects 1,500 stores in the Guangdong-Hong Kong-Macao Greater Bay Area by 2028. Last year, Motonobu Miyake, CEO of Lawson China, stated that Lawson China will operate 10,000 stores by 2025.²

Apparel & Sports

Nike's revenue in Greater China drops by 16% yoy

In the three months ended 31 August, Nike's revenue increased by 4% yoy to US\$12.7 billion. Nike's revenue in the Greater China declined for the third straight quarter. Sales fell 16% yoy to US\$1.656 billion in the August quarter. The Greater China accounted for 13% of Nike's total sales in the August quarter, down from 16% in the same period last year.³

Food & Beverage

Tmall Supermarket furthers cooperation with Kweichow Moutai on consumer operations

Zhang Xu, Chairman of Kweichow Moutai Jiangxiangjiu Marketing Co. Ltd (贵州茅台酱香酒营销有限公司), recently visited Alibaba's (阿里巴巴) Xixi Park in Hangzhou. Zhang said that e-commerce platforms are developing rapidly, especially for reaching young consumers. He hopes to strengthen communication with Alibaba and jointly promote product development and digital marketing leveraging Alibaba's digital capabilities. On one hand, the promotion and marketing of Maotai Jiangxiangjiu products can be conducted on Alibaba's e-commerce platforms to meet consumer demand. On the other hand, the two parties will work on improving the consumer experience.⁴

II. Market Overview

Hainan's offshore duty-free shop sales exceed 630 million yuan in three days during National Day holiday

Hainan took various measures to encourage offshore duty-free consumption during the National Day holiday period, and its various duty-free shops welcomed many shopping tourists. Statistics from the Hainan Provincial Department of Commerce show that from 30 September to 2 October, the sales of 10 offshore duty-free shops in Hainan exceeded 630 million yuan, with nearly 150,000 people visiting the shops.⁵

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<https://36kr.com/newsflashes/1937445221239174>

² 《罗森首进广州，大湾区开店目标 1500 家》，2022 年 9 月 29 日，联商网

<http://www.linkshop.com/news/2022494137.shtml>

³ 《Nike 中国营收大跌 16% 连续第四个季度录得下滑》，2022 年 10 月 2 日，亿邦动力网

<https://www.ebrun.com/ebrungo/zb/500928.shtml?>

⁴ 《天猫超市将与茅台酱香酒公司围绕消费者运营深化协作》，2022 年 10 月 4 日，亿邦动力网

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⁵ 《海南离岛免税店三天销售额超 6.3 亿元》，2022 年 10 月 4 日，36 氪

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Fung Business Intelligence

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

Headquartered in Hong Kong, it leverages unique relationships and information networks to monitor, research and report on these global issues with a particular focus on business trends and developments in China. Fung Business Intelligence makes its data, impartial analysis and specialist knowledge available to businesses, scholars and governments 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 consulting 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.

Fung Group

Fung Holdings (1937) Limited, a privately-held business entity headquartered in Hong Kong, is the major shareholder of the Fung Group of companies, whose core businesses operate across the entire global supply chain for consumer goods including sourcing, logistics, distribution and retail. The Fung Group comprises over 26,000 people working in more than 40 economies worldwide. We have a rich history and heritage in export trading and global supply chain management that dates back to 1906 and traces the story of how Hong Kong and the Pearl River Delta emerged as one of the world's foremost manufacturing and trading regions. We are focused on both creating the Supply Chain of the Future to help brands and retailers navigate the digital economy as well as creating new opportunities, product categories and market expansion for brands on a global scale.

Listed entities of the Group include Global Brands Group Holding Limited (SEHK: 00787) and Convenience Retail Asia Limited (SEHK: 00831). Privately-held entities include Li & Fung Limited, LH Pegasus, Branded Lifestyle Holdings Limited, Fung Kids (Holdings) Limited, Toys "R" Us (Asia) and Suhyang Networks.

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