Asia-Pacific Consumer Discretionary 2026 Outlook


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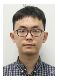
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1. 2026 Outlook: Asia-Pacific Consumer Discretionary

Contributing Analysts **Elaine Lai** (Consumer)

(Bloomberg Intelligence) -- THESIS: Consumer trends in 2026 will be shaped by geopolitics and selective spending in China, raising the bar for brands and retailers. Japanese local demand can support retail sales for LVMH, Fast Retailing and their peers as Chinese tourist spending fades due to China-Japan frictions. But some Japan-linked brands risk a sharper hit if tensions spur boycotts within China. Likely sub-4% retail-sales growth in 2025 and only minor policy support point to sluggish Chinese consumer spending in 2026, as shoppers stay biased toward value-preserving items such as gold jewelry and select premium niches in discretionary goods.

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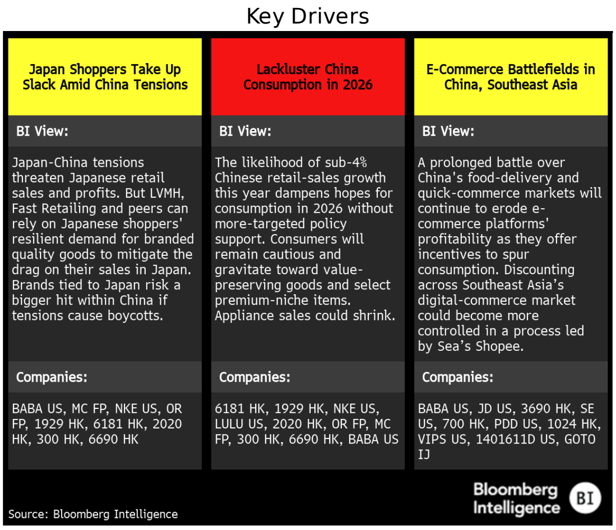
Alibaba's stronger cash generation and Tencent's WeChat e-commerce push will pressure Meituan and JD.com in China. Shopee might be more disciplined in discounting than TikTok Shop across Southeast Asia. (12/21/25)

Key Topics

What to Watch For

2. Three Keys for 2026: Asia-Pacific Consumer Discretionary

(12/21/25)



Offline Returns & Valuation

Upbeat Gold Aids China Jewelry; Cosmetics, Appliances at Risk

Contributing Analysts Elaine Lai (Consumer)

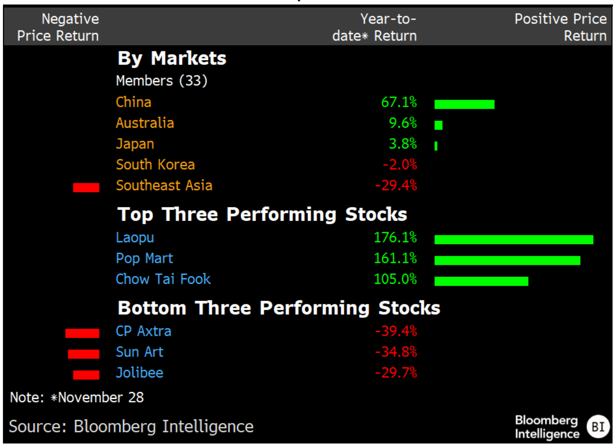
Sales at Chinese jewelers such as Laopu Gold and Chow Tai Fook are benefiting from rising demand for gold as a store of value, supported by upbeat expectations for bullion prices. Elevated tensions between China and Japan can hurt sales of Japanese beauty-product makers. Home-appliance sales in China will struggle to grow even if the government maintains subsidies for them next year. (12/21/25)

3. Resilient Gold-Jewelry Demand as Prices Rise

Chinese consumer companies' share prices have risen 67% year-to-date on average, topping APAC peers. Laopu Gold has led the rally with a 176% gain; its sales are projected to grow 210% in 2025 based on consensus, as trade tensions and uncertainty over China's economic outlook fuels safe-haven demand among Chinese shoppers for gold jewelry and bullion prices rise. Sun Art's 35% fall was a drag on the group's performance, with revenue dropping 12% in fiscal 1H ended September.

Shiseido’s shares fell more than 10% in the seven weeks ended Dec. 19 as China-Japan tensions heightened doubt over whether the company can meet its downgraded sales target. The diplomatic friction could reduce spending by Chinese shoppers in Japan on Shiseido products in 2026. (12/21/25)

Share-Price Performances of Consumer-Discretionary Companies



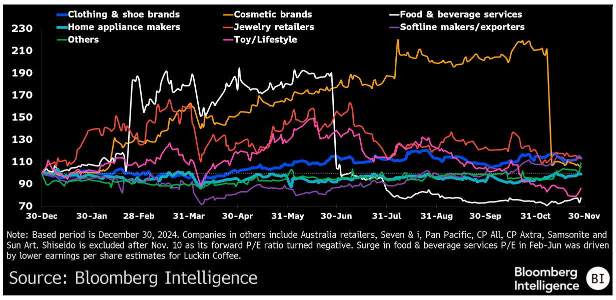
4. Home-Appliance Boost Loses Steam; 2026 Sports Events

Contributing Analysts Elaine Lai (Consumer)

Chinese home-appliance makers' average price-to-earnings ratio shrank 1% in the 12 months ended Dec. 19, led by declines in Gree and Haier's multiples. This was due to concern over the sustainability of subsidy-driven sales growth, although Beijing looks set to extend the subsidies in 2026. The sector's sales next year will face challenging comparisons.

A 41% gain in Li Ning's P/E ratio, which lifted Asia's clothing & shoe multiple, was led by a 27% cut in the company's profits. Sportswear firms like Nike, Adidas, Anta and Li Ning could launch themed products and spend more on marketing ahead of two major sports events in 2026, the Milano Cortina Olympic Winter Games and the FIFA World Cup. (12/21/25)

Price-to-Earnings Ratios (x) of APAC Consumer-Discretionary Stocks



Online Returns & Valuation

Alibaba Shares Lead Meituan, JD.com Amid Quick Commerce Weakness

Contributing Analysts **Nathan Naidu** (Technology)

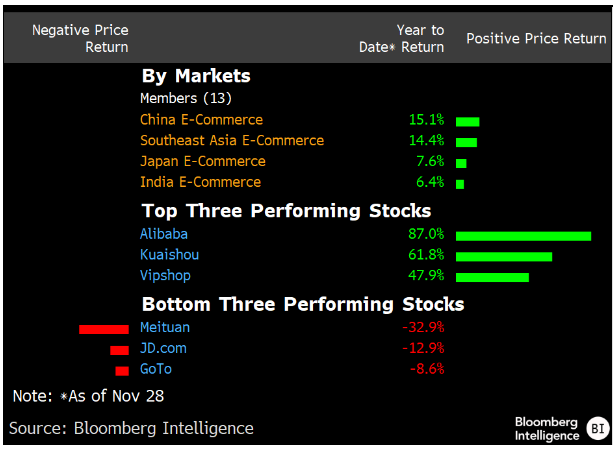
Alibaba's 87% share-price gain, driven by strong cloud growth, lifted the average performance of Chinese e-commerce firms this year, offsetting JD.com and Meituan's weakness as food and quick-commerce delivery rivalry hurt profitability. Grab and Sea's multiples expanded after earnings rose, though Eternal's narrowed after an adjusted Ebitda miss. (12/08/25)

5. AI Spurs Gains; Quick Commerce Under Profit Pressure

Chinese e-commerce companies' share prices gained 15% on average this year through Nov. 28, surpassing peers in Southeast Asia, Japan and India. Alibaba's 87% jump led as wider adoption of AI in China spurred cloud service demand, lifting both 3Q cloud sales and non-GAAP Ebita above consensus. Kuaishou's AI initiative supported online marketing service revenue to beat estimates, helping its shares climb nearly 62%.

Intense competition in China's on-demand and food delivery sector eroded online retailers' profitability -- which can persist in 2026 -- as they continue to heavily invest in user and merchant incentives to expand market share. Meituan and JD.com's shares were the worst performers this year. (12/08/25)

Share-Price Performance



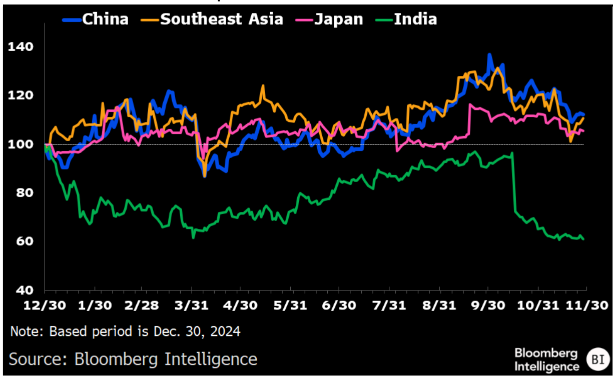
6. Grab Led Southeast Asia E-commerce Multiple Expansion

Contributing Analysts Nathan Naidu (Technology)

Enterprise value-to-sales ratios of the three major Southeast Asian e-commerce firms tracked by Bloomberg Intelligence expanded 11% from the end of 2024 to Nov. 28, lagging just those in China by about 2 percentage points. Grab's 24% multiple rise led, fueled by widening margins at its ride-hailing and food-delivery businesses, driven by wider adoption of premium-ride services and higher spending on Grab's advertising services by its food and grocery merchants. Sea was second as its non-GAAP Ebitda beat consensus for three consecutive quarters.

Eternal’s multiple dropped 39%. The owner of Zomato's rapidly growing quick-commerce unit drove its consensus-beating 52% revenue in fiscal 2Q, though it was overshadowed by an adjusted Ebitda miss. (12/08/25)

Enterprise Value to Sales (x)



China-Japan Fallout

China-Japan Political Rift Will Dampen Retailers' 2026 Hopes

Contributing Analysts Lea El-Hage (Asia Equities)

Prolonged tension between China and Japan will hurt sales and profit outlooks of select Japanese retailers in both locations. Beijing's travel warnings, alongside Chinese airlines' ticket refunds and flight cancellations, caused monthly growth in mainland arrivals to Japan to slow to 3%, the first single-digit gain in three years. The drag will be more significant if shoppers in China boycott Japanese goods. (12/21/25)

7. Japan Could Lose High-Spending Chinese Shoppers

The rise in Chinese travelers to Japan through 1Q is set to trail the 42% year-on-year growth recorded from January-September as tensions between the two nations persist into 2026. Following comments by Japan's Prime Minister Sanae Takaichi about Taiwan, Beijing repeated advisories from Nov. 14-16 urging citizens to avoid traveling to the country.

This directive saw subsequent support from China's airlines, which offered citizens refunds for tickets containing at least one unused segment for a flight involving Japan between Nov. 15 and March 28, 2026, or canceled some Japan-bound flights. This already slowed growth in the number of Chinese tourists visiting the nation in November, dropping to 3% from previous month's 23%. (12/21/25)

Dominance of Chinese Visitors in Japan

Name	4/2025	5/2025	6/2025	7/2025	8/2025	9/2025	10/2025	11/2025
▾ Japan Total Arrivals	28.5%	21.5%	7.6%	4.4%	16.9%	13.7%	17.6%	10.4%
▾ From China	43.4%	44.8%	19.9%	25.5%	36.6%	18.9%	22.8%	3.0%

Name	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3
▾ Japan Total Arrivals	7.692M	8.558M	9.224M	9.098M	9.989M	10.538M	10.981M	10.132M
▾ From China	827,188	1M	2M	2M	2M	2M	2M	3M
% of Total	10.8	15.5	18.9	23.9	17.4	22.4	21.4	27.3
▾ From Hong Kong	630,824	623,557	652,550	695,842	711,442	647,599	623,457	551,588
% of Total	8.2	7.3	7.1	7.6	7.1	6.1	5.7	5.4
▾ From Taiwan	1M	1M	2M	2M	1M	2M	2M	2M
% of Total	16.0	17.3	16.3	17.7	14.6	15.4	15.1	17.3
▾ Average Expenditure Per Shopper								
All	62,257	61,725	74,200	62,619	68,418	66,147	62,219	55,607
China	128,970	130,127	139,787	96,929	121,007	104,417	95,356	75,091
Taiwan	67,644	57,968	68,174	69,863	77,533	66,270	59,204	55,667
Hong Kong	77,865	89,172	115,427	75,135	76,784	77,806	65,754	63,760

35% above average visitor's shopping spend in Japan and at least 17% above greater China peers

Source: Japan Tourism Agency, Japan National Tourism Organization — Bloomberg Intelligence BI

8. Shiseido Tops China Tourist Exposure in Japan

Among Japanese retailers tracked by Bloomberg Intelligence, sales of Shiseido are most exposed to swings in Chinese visitor numbers in Japan due to the firm's market leadership in cosmetics, one of the most sought-after categories for traveling Chinese shoppers. Its broad brand portfolio and presence across department stores, drugstores and duty-free counters mean Chinese tourists account for an estimated one third of Shiseido's Japan sales. Uniqlo, Muji and Pan Pacific's Don Quijote also have sizable tax-free businesses, but weaker price and authenticity advantages in their apparel and general merchandise offerings lower Chinese tourists' purchasing propensity when compared with cosmetics.

Asics sees higher tourist exposure at Onitsuka Tiger, but relies on a more diversified domestic base for its eponymous sportswear label. (12/21/25)

Exposure of Japan's Retailers to Chinese Cluster

Company	Market Cap (US$ billion)	% Sales* from Japan	% Sales from Chinese tourists in Japan	+	% Sales*^ from China	=	% Sales from Chinese shoppers	Latest 9M Sales Growth % (Japan)	Latest 9M Sales Growth % (China)	Forward 1-year Sales Growth (Japan)	Forward 1-year Sales Growth (China)
Shiseido	6	32	10		35		45	-4	-8	3	2
Fast Retailing	110	30	8		19		27	10	18	4	1
Ryohin Keikaku	11	60	7		18		25	21	18	11	9
Asics	17	19	1		15		16	22	19	7	14
Pan Pacific	19	85	2		0		2	8	NA	4	NA
Seven & i	34	31	NA		NA		NA	NA	NA	NA	NA

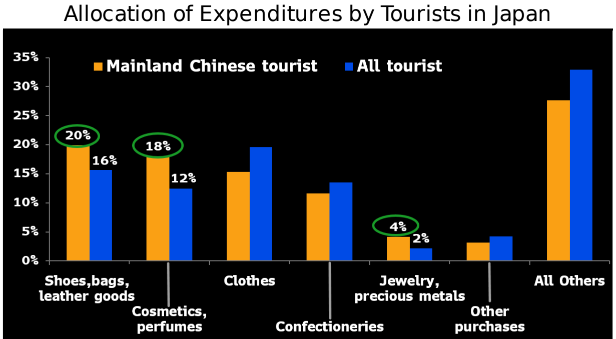
Note: *Nine months ended September with the exception of Fast Retailing, Ryohin Keikaku and Pan Pacific. Data for the latter two pertained to fiscal year ended Aug-25. ^Refers to greater China region for Fast Retailing.

Source: Company Filings. MODL <GO>, Bloomberg Intelligence — Bloomberg Intelligence BI

9. Chinese Tourists Buy More Cosmetics in Japan Than Other Visitors

(12/21/25)

Allocation of Expenditures by Tourists in Japan



Note: Figures are based on 3Q2025 results from the International Visitor Survey conducted by Japan Tourism Agency. Trends exhibited in surveys conducted in the first six months of 2025 were similar to that in 3Q.

Source: Japan Tourism Agency, Bloomberg Intelligence — Bloomberg Intelligence BI

10. China Boycott Will Slam Japan Retailers

A larger share of the six Japanese retailers' sales comes from their mainland operations vs. Chinese tourists' spending in Japan, so any boycott of Japanese goods in China will deliver a heavier blow. Shiseido looks most exposed particularly its reliance on stronger Chinese beauty demand and travel retail to revive sales gains in 2026. Ryohin Keikaku faces more risk than Fast Retailing, as China is a key sales and profit growth market for Muji while Uniqlo is geographically more diversified. Similar to Uniqlo, while Asics could feel some pressure in China, its global base offers more cushion.

Pan Pacific's Don Quijote and Seven & i are less dependent on China, but a prolonged fallout that hurts Japan's economy could dampen domestic consumer sentiment and weigh on both companies' growth trajectory in 2026. (12/21/25)

China Outlook:

- Asics' High-30% October Sales Gain, vs. a 20% Growth Rate in the First Nine Months of 2025, Likely Boosted its China Outlook Next Year (Nov.13)
- Shiseido Projects Solid Sales Growth of Namesake Items in 2026 After Taming Local Retail Sales Falls This Year (Nov.11)
- Ryohin Keikaku Aims to Lift Like-for-Like Muji Store Sales, Which Jumped 10% Last Year, by 4% in the 12 Months Ending August 2026 (Oct.10)
- Fast Retailing Expects Uniqlo Revenue and Profit, Which Fell 4% and Nearly 13% Respectively Last Year, to Rise in the 12 Months Ending August 2026 (Oct.9)

Japan's Tourism Boost Fades

Japan Can Lean on Local Shoppers to Mitigate China Tourism Miss

LVMH, Kering, Richemont and Prada can count on the resilience of luxury-goods demand among Japanese shoppers to lift their 2026 sales in Japan, even if fewer high-spending Chinese tourists buy at Japanese stores due to geopolitical tensions. Fast Retailing and Ryohin Keikaku also rely heavily on local shoppers in Japan and will benefit if cooler temperatures there extend through February. (12/02/25)

11. China-Japan Spat Fallout to Recast 2026 Risks: BI Webinar Replay

Contributing Analysts Taro Kimura (Economics)

The Bank of Japan is expected to lift rates at its Dec. 18-19 policy meeting, a move likely to keep inflationary pressures elevated and limit upticks in local consumer sentiment into 2026. Yet Beijing's advisories against travel to Japan as well as Chinese airlines' seat cuts of more than 15% are slowing inbound traffic from China. Together, these twin macro headwinds leave Osaka-focused firms more vulnerable than their Tokyo-centric counterparts to the dip in Chinese visitors, while cosmetics companies could face sharper sales shortfalls than luxury goods in Japan.

Watch the Bloomberg Intelligence and Bloomberg Economics teams unpack, with slides and charts, how escalating China–Japan tensions are reshaping tourism, airlines and retail in this replay of our Dec. 3 webinar. (12/08/25)

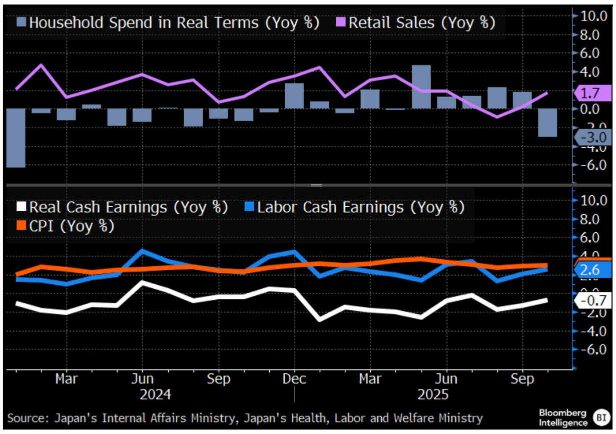
Click for the REPLAY

12. Inflation Could Limit Retail-Sales Lift

Japan's household spending rose for the fifth straight month in September, increasing 1.8% from a year earlier. This suggests consumers' sentiment and nominal wage growth are improving, lifting their propensity to spend. A rise in consumer confidence can support domestic consumption through 2026 even as higher US tariffs limit the economic boost from Japanese exports.

That said, escalating inflation in Japan could constrain the lift to retail sales from nominal wage hikes. Japan's core inflation rate climbed to 2.9% in September and 3% in October, remaining well above the Bank of Japan's target of 2%. High inflation led to a 1.3% drop in Japan's real wages in September even as nominal wages rose 2.1%. (12/02/25)

Japan's Retail Sales and Household Spending / Inflation and Earnings



13. Japanese Shoppers' Luxury Habit

Strong demand for branded bags and jewelry from local residents helped reduce the drag from reduced tourist spending on the Japanese sales of Richemont, Prada and Kering in 3Q vs. the prior quarter. It's possible that some Japanese consumers view these items as a store of value and potential source of appreciation, particularly as the yen weakens. Support from local shoppers probably underpins LVMH's hopes for stable sales in Japan, for example.

Looking ahead, we think arrivals by mainland Chinese tourists in Japan could drop more than 10% from a year earlier in the next four months, if the diplomatic dispute between the nations continues. This is based on the likely impact on group tours and independent travelers from announced cancellations of flights between the mainland and Japan. (12/02/25)

Indications from Major Luxury Goods Firms:

- Richemont's Japan Sales Rose 10% Year-on-Year in July-September vs. 15% Drop in Prior Quarter, as Uptick in Local Demand Accelerated (Nov. 14)
- Prada Narrowed Its Japan Sales Fall to 1% in 3Q vs. Decline of More Than 10% in Previous Quarter; It Cited Solid Local Demand (Oct. 23)
- Kering's Sales to Local Shoppers in Japan Improved Sequentially From Prior Quarter (Oct. 23)
- LVMH Projects Easier Sales Comparisons in Japan From 4Q Through 1H26 (Oct. 14)

14. Drop in China Tourist Numbers Not Decisive

Mainland Chinese tourists in Japan spent more on shoes, bags, leather goods and cosmetics than visitors from other places in the first nine months of 2025, based on quarterly surveys by the Japan Tourism Agency. Spending per Chinese visitor was 35% above the average for all overseas tourists in 3Q25, according to the latest survey.

A reduction in Chinese visitors will therefore have an impact on luxury sales. But we don't think it will be decisive. Mainland Chinese spenders have been contributing under 25% of total Japanese receipts in those goods. A back-of-the-envelope calculation shows a drop of say 15% in the number of Chinese visitors might cut overall receipts by over 3% -- significant, but not enough to collapse the market. Meanwhile, weakness of the yen might spur more spending by tourists of other nationalities. (12/02/25)

Change in Quarterly Japan Sales by Company (Year-on-Year)

Major Category Players	Japan to Global Sales#	2022 3Q	2022 4Q	2023 1Q	2023 2Q	2023 3Q	2023 4Q	2024 1Q	2024 2Q	2024 3Q	2024 4Q	2025 1Q	2025 2Q	2025 3Q
Cosmetics														
Kao (Cosmetics)	56%	3%	12%	-2%	7%	4%	-20%	5%	-2%	7%	23%	11%	3%	3%
Shiseido	29%	8%	-3%	8%	8%	6%	16%	23%	7%	5%	6%	-2%	1%	2%
Apparels														
Fast Retailing*	41%	1%	6%	18%	8%	7%	2%	-5%	10%	16%	9%	14%	10%	7%
Luxury Goods														
Prada@	14%	na	33%	na	49%	na	39%	na	55%	na	38%	18%	-10%	-1%
Richemont^	9%	64%	43%	36%	14%	12%	18%	41%	59%	25%	19%	22%	-15%	10%
Kering^^	7%	31%	14%	30%	26%	28%	13%	16%	27%	3%	-6%	-11%	-29%	-16%
LVMH^^^	7%	30%	29%	34%	29%	30%	20%	32%	57%	20%	8%	-1%	-28%	-13%

Note: *For Uniqlo only. Figures for 3Q refers to June-August quarter. ^Constant currency rates. Figures for 2Q refers to fiscal 1Q ended June. ^^Retail sales excluding wholesale and other revenue. ^^^Organic growth **Global Sales. @Figures prior to 1Q25 are for the six months ended June and December respectively. Include retail as well as wholesale. #Based on annual figures in 2024.

Source: Company Filings, Bloomberg Intelligence

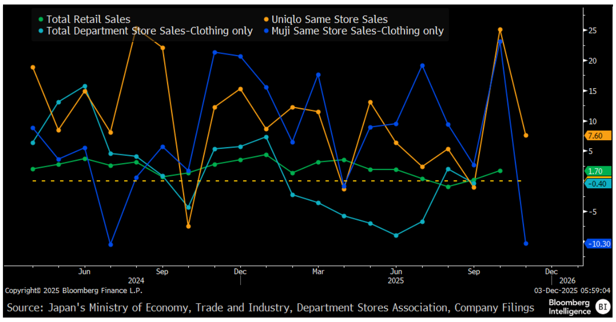
Bloomberg Intelligence BI

15. Cooler Temperatures Can Lift Sales of Winter Items

Japanese shoppers, who account for more than 85% of domestic retail sales in basic goods such as clothing, furniture and equipment, will become more selective in their purchases if inflation stays elevated. This will magnify the impact of other factors, particularly weather, on segments like apparel. A colder winter through February can stimulate clothing sales of Fast Retailing's Uniqlo and Ryohin Keikaku's Muji, even as households trim spending in other discretionary areas.

A cooler November in Japan have already translated into gains, with Uniqlo’s same-store sales, including online, rising 7.6% year-on-year. Excluding the drag from its suspended online store, Muji would have also gained more apparel sales in the month. Average temperatures in Japan were about 1 degree Celsius lower in November than a year earlier. (12/02/25)

Japan's Clothing Sales (% Change Year-on-Year)



China's Consumption Hurdles

China's Likely 2025 Retail Miss Sets Gold, Niches as 2026 Havens

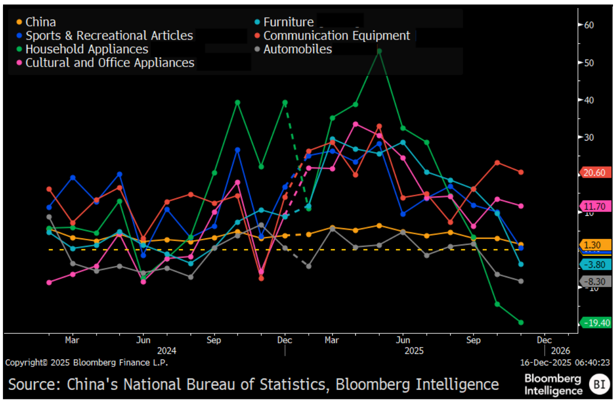
China's retail sales growth in 2025 is at risk of rising less than 4% year on year, missing consensus as well as our expectations for an increases of up to 4.5%. In the absence of more targeted policy support, Chinese consumers will likely remain discerning in their expenditures and gravitate toward value-preserving gold jewelry and select premium niche items in 2026, particularly into the Lunar New Year festive season. (12/17/25)

16. Consumption Softens as Subsidy Boost Fades

China's 2025 retail-sales growth risks slipping below 4% as the boost from subsidies for autos and home appliances fades through December. November's weak 1.9% gain -- driven by an 11% slump in autos and home-appliance sales -- means December growth will likely fall short of 3%. This puts both full-year consensus for 4.5% growth and our 4.1% forecast at risk. Consensus estimates for 2026 growth of 4.6% are unlikely to be revised upward.

Reaching 4.5% retail-sales growth in 2025 now requires a 9% year-on-year jump in December, or at least a 4% gain under our 4.1% forecast -- levels that hinge on continued strength in subsidized categories. Perks introduced in 2025 can buoy December sales in mobile phones, office goods and furniture, but without new incentives for autos and home appliances, these targets look lofty. (12/17/25)

China's Monthly Retail Sales Growth (YoY, %)



17. Risk of Sub-4% China Retail Sales Gain in 2025

China's retail sales growth could end 2025 at 3.9% based on BI's six-year compound annual growth-rate analysis (2019 base) of cumulative year-to-date retail sales. This multi-year lens smooths distortions from holidays and promotions, and suggests non-subsidized categories -- including jewelry, cosmetics, clothing and shoes -- edged back toward or above pre-Covid levels during the six-week Singles' Day shopping festival.

Still, even if December demand in these non-subsidized categories matches the combined pace of October and November, which is optimistic without Singles’ Day discounts, those gains won't be enough to offset the drag from a fading subsidy boost in home appliances and smartphone sales on overall retail sales growth in 2025. (12/17/25)

China Retail Sales Scenario Model

Click Excel button to launch full Interactive Model	2019 A	2022 A	2023 A	2024 A	2025 E	1H 2025 A	2H 2025 E	6-year CAGR Momentum Jan-Nov vs. Jan-Sept. on User Input	
SAMPLED RETAIL SALES (Cummulative Growth)					User Input				
Sports & Recreational Articles	8.0%	-1.2%	11.2%	11.1%	**15.3%**	22.2%	9.0%	1.5%	▲
Communications Equipment	8.5%	-3.4%	7.0%	9.9%	**20.9%**	24.1%	18.1%	2.3%	▲
Alcoholic Beverages & Tobacco	7.4%	2.3%	10.6%	5.7%	**3.0%**	5.5%	0.5%	1.6%	▲
Beverages	10.4%	5.3%	3.2%	2.1%	**1.3%**	-0.6%	3.2%	1.7%	▲
Grain, Oil & Food	10.2%	8.7%	5.2%	9.9%	**9.6%**	12.2%	7.2%	1.9%	▲
Cosmetics	12.6%	-4.5%	5.1%	-1.1%	**5.0%**	2.9%	7.2%	2.4%	▲
Daily-use Articles	13.9%	-0.7%	2.7%	3.0%	**6.2%**	7.3%	5.2%	1.6%	▲
Cultural & Office Appliances	3.3%	4.4%	-6.1%	-0.3%	**17.6%**	25.4%	11.8%	2.1%	▲
Gold, Silver & Jewelry	0.4%	-1.1%	13.3%	-3.1%	**14.4%**	11.3%	17.8%	2.1%	▲
Petroleum & Related Products	1.2%	9.7%	6.6%	0.3%	**-5.4%**	-3.4%	-7.4%	1.5%	▲
Traditional Chinese & Western Medicines	9.0%	12.4%	5.1%	3.1%	**2.1%**	1.4%	2.7%	1.9%	▲
Catering	9.4%	-6.3%	20.4%	5.3%	**3.4%**	4.3%	2.5%	2.0%	▲
Garments, Footwear, Hats & Knitwear	2.9%	-6.5%	12.9%	0.3%	**3.7%**	3.1%	4.2%	2.1%	▲
Household Appliances	5.6%	-3.9%	0.5%	12.3%	**10.5%**	30.7%	-5.5%	1.1%	▲
Furniture	5.1%	-7.5%	2.8%	3.6%	**15.3%**	22.9%	9.3%	1.8%	▲
Building & Related Decoration Materials	2.8%	-6.2%	-7.8%	-2.0%	**-2.7%**	2.6%	-7.4%	1.5%	▲
Consumer spending (ex-autos sample)	**5.4%**	**0.9%**	**7.3%**	**4.5%**	**5.0%**				
Automobiles	-0.8%	0.7%	5.9%	-0.5%	**-0.6%**	2.1%	-2.8%	1.9%	▲
TOTAL	**8.0%**	**-0.2%**	**7.2%**	**3.5%**	**3.9%**	**5.0%**	**2.9%**		

Source: Bloomberg Intelligence

18. Gold, Pricier Niche Goods Can Outperform in 2026

Jewelry -- especially gold -- should remain a relative winner among non-subsidized discretionary categories into early 2026, as consumers lean on gold's value-preserving appeal and Lunar New Year gifting. Assuming gold prices stay stable, demand for gold jewelry, which accounts for about half the category's sales, should stay firm through 1Q. The later Lunar New Year could extend the festive buying window by about 10 days.

Within garments, footwear and accessories and branded luxury could lead with up to a 6% rebound in 2026 after two years of contraction. Pricier sportswear labels such as Arc’teryx, Salomon and Lululemon can also benefit from rising demand for specialized athletic gear. Cosmetics brands, in contrast, will need sharper innovation and stronger online engagement to boost sales as China’s beauty market matures. (12/17/25)

China Retail Sales Scenario Model

Click Excel button to launch full Interactive Model	2019 A	2022 A	2023 A	2024 A	2025 E	1H 2025 A	2H 2025 E	6-year CAGR Momentum Jan-Nov vs. Jan-Sept. on User Input	
SAMPLED RETAIL SALES (Cummulative Growth)					User Input				
Sports & Recreational Articles	8.0%	-1.2%	11.2%	11.1%	**15.3%**	22.2%	9.0%	1.5%	▲
Communications Equipment	8.5%	-3.4%	7.0%	9.9%	**20.9%**	24.1%	18.1%	2.3%	▲
Alcoholic Beverages & Tobacco	7.4%	2.3%	10.6%	5.7%	**3.0%**	5.5%	0.5%	1.6%	▲
Beverages	10.4%	5.3%	3.2%	2.1%	**1.3%**	-0.6%	3.2%	1.7%	▲
Grain, Oil & Food	10.2%	8.7%	5.2%	9.9%	**9.6%**	12.2%	7.2%	1.9%	▲
Cosmetics	12.6%	-4.5%	5.1%	-1.1%	**5.0%**	2.9%	7.2%	2.4%	▲
Daily-use Articles	13.9%	-0.7%	2.7%	3.0%	**6.2%**	7.3%	5.2%	1.6%	▲
Cultural & Office Appliances	3.3%	4.4%	-6.1%	-0.3%	**17.6%**	25.4%	11.8%	2.1%	▲
Gold, Silver & Jewelry	0.4%	-1.1%	13.3%	-3.1%	**14.4%**	11.3%	17.8%	2.1%	▲
Petroleum & Related Products	1.2%	9.7%	6.6%	0.3%	**-5.4%**	-3.4%	-7.4%	1.5%	▲
Traditional Chinese & Western Medicines	9.0%	12.4%	5.1%	3.1%	**2.1%**	1.4%	2.7%	1.9%	▲
Catering	9.4%	-6.3%	20.4%	5.3%	**3.4%**	4.3%	2.5%	2.0%	▲
Garments, Footwear, Hats & Knitwear	2.9%	-6.5%	12.9%	0.3%	**3.7%**	3.1%	4.2%	2.1%	▲
Household Appliances	5.6%	-3.9%	0.5%	12.3%	**10.5%**	30.7%	-5.5%	1.1%	▲
Furniture	5.1%	-7.5%	2.8%	3.6%	**15.3%**	22.9%	9.3%	1.8%	▲
Building & Related Decoration Materials	2.8%	-6.2%	-7.8%	-2.0%	**-2.7%**	2.6%	-7.4%	1.5%	▲
Consumer spending (ex-autos sample)	**5.4%**	**0.9%**	**7.3%**	**4.5%**	**5.0%**				
Automobiles	-0.8%	0.7%	5.9%	-0.5%	**-0.6%**	2.1%	-2.8%	1.9%	▲
TOTAL	**8.0%**	**-0.2%**	**7.2%**	**3.5%**	**3.9%**	**5.0%**	**2.9%**		

Source: Bloomberg Intelligence

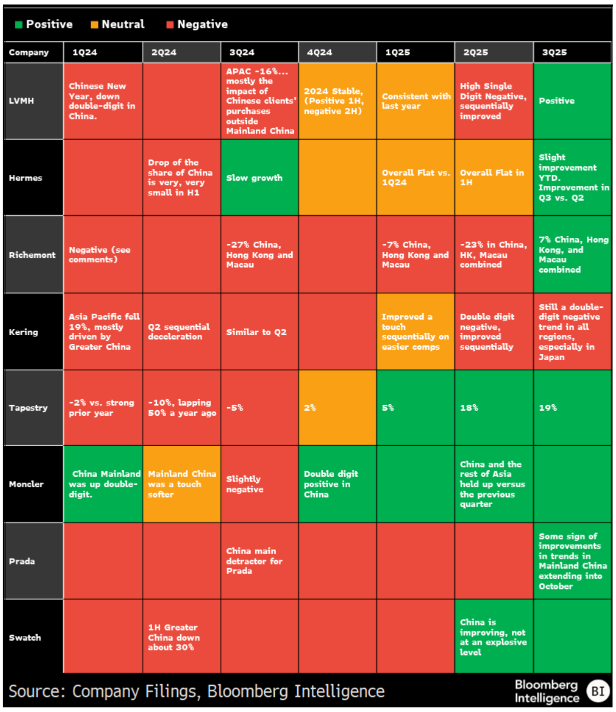
19. Luxury’s China Recovery Message Grows Louder

Contributing Analysts Deborah Aitken (Consumer Products) & Andrea Ferdinando Leggieri (Consumer Products)

LVMH, Richemont, Hermes and Prada are set to lead a 4-6% rebound in China's luxury-good revenue and profit in 2026, our analysis shows, as two years of contractions gives way to improving quarterly trends. Moncler and Tapestry look most resilient, signaling recovery drivers are broadening, and positioning the sector for firmer expansion next year. Swiss-watch exports to China rose 13% in October, extending signs of stabilization and potential growth in 2026, which aligns with broader signs of improvement across luxury peers. Normalized watch inventories are supporting positive sell-in volumes from manufacturers as high-end consumer demand begins to stabilize.

Seven of the biggest luxury companies posted revenue growth in China in the quarter to September, up from three in June. (12/17/25)

Luxury Companies Revenue Progress in China



Positive Neutral Negative

Company	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
LVMH	Chinese New Year, down double-digit in China.		APAC -16%... mostly the impact of Chinese clients' purchases outside Mainland China	2024 Stable, (Positive 1H, negative 2H)	Consistent with last year	High Single Digit Negative, sequentially improved	Positive
Hermes		Drop of the share of China is very, very small in H1	Slow growth		Overall Flat vs. 1Q24	Overall Flat in 1H	Slight improvement YTD. Improvement in Q3 vs. Q2
Richemont	Negative (see comments)		-27% China, Hong Kong and Macau		-7% China, Hong Kong and Macau	-23% in China, HK, Macau combined	7% China, Hong Kong, and Macau combined
Kering	Asia Pacific fell 19%, mostly driven by Greater China	Q2 sequential deceleration	Similar to Q2		Improved a touch sequentially on easier comps	Double digit negative, improved sequentially	Still a double-digit negative trend in all regions, especially in Japan
Tapestry	-2% vs. strong prior year	-10%, lapping 50% a year ago	-5%	2%	5%	18%	19%
Moncler	China Mainland was up double-digit.	Mainland China was a touch softer	Slightly negative	Double digit positive in China		China and the rest of Asia held up versus the previous quarter	
Prada			China main detractor for Prada				Some sign of improvements in trends in Mainland China extending into October
Swatch		1H Greater China down about 30%				China is improving, not at an explosive level	

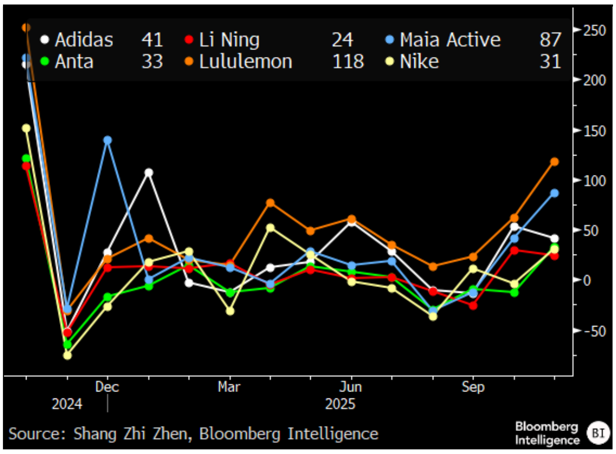
Source: Company Filings, Bloomberg Intelligence

20. Seizing More Specialized Sportswear Trends

China's 2026 retail sales growth for clothing, shoes and related products are likely to lag behind that of non-subsidized consumer goods as Chinese consumers become more selective in their discretionary spending. However, labels with a strong brand presence -- such as those under Nike, Adidas, Anta's Fila -- can boost their sales with differentiated product lines. To capture Chinese consumers' gravitation toward more-specialized athletic gear, Nike, Adidas, Anta and Li Ning might need to pivot to more sports-led innovation and performance franchises to defend local market shares against fast-growing labels such as Lululemon, Arc'teryx and Salomon under Amer Sports in China.

Lululemon and Anta's Maia Active are well-positioned to capture Chinese consumers' growing appetite for specialist yoga and training gear in 2026. (12/17/25)

Sales Growth by Brand (YoY%)

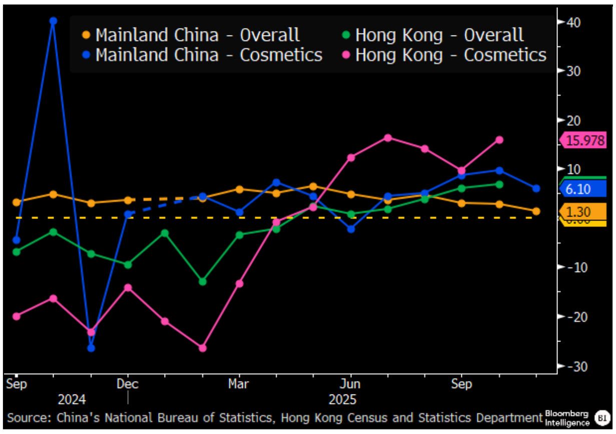


21. Cosmetics Demand Swings Signal Lingering Uncertainties

China's cosmetics retail sales growth slowed to 7.9% year on year in the two months ended November, from 8.6% in September, even with Singles' Day promotions. If incremental demand holds through December, China's cosmetics retail sales could rebound about 5% in 2025 after shrinking by more than 1% the previous year. Yet, part of this improvement likely reflects deeper online penetration by leading foreign brands such as L'Oréal, Estée Lauder and Shiseido rather than a broad-based recovery in discretionary demand.

As China's cosmetics market matures, brands will need sharper innovation and more effective engagement in the channels that matter most, especially online, to drive repeat purchases and defend market share. (12/17/25)

Greater China Retail Sales Growth (%)



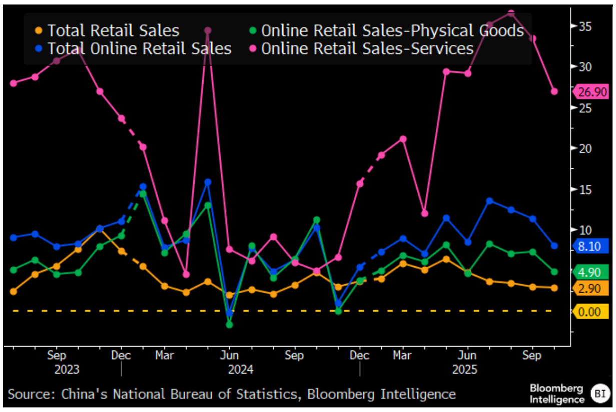
22. Sustaining Online Spending Will Remain Critical in 2026

China's digital commerce operators are unlikely to scale back incentives in 2026 if consumer sentiment stays lackluster. The structural push by major operators such as Alibaba, Meituan and JD.com to spur online consumption this year has led to more habitual usage through on-demand convenience and faster delivery. Still, more discounts will be needed to coax spending if the outlook for incomes and asset values remains uncertain.

China's online retail sales of physical goods rose 5.7% year on year from January through November vs. a 4% gain offline. The 27% surge in online services spending further highlights

Chinese consumers' shift toward convenience and experience-led consumption, underlining how critical this segment has become. (12/17/25)

China Online Retail-Sales Growth (%, Year-on-Year)



China Home-Appliance Weakness

Weak China Sales Spur Midea, Haier to Accelerate Overseas Push

Contributing Analysts Elaine Lai (Consumer)

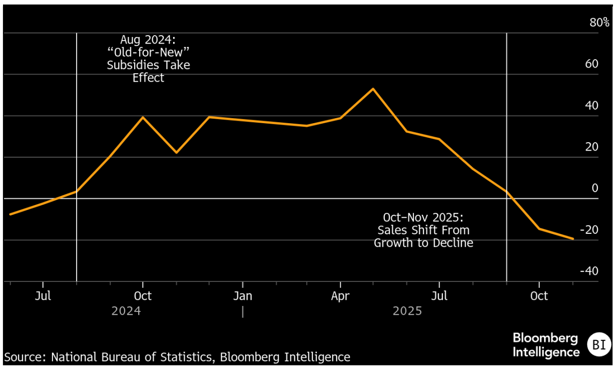
Midea and Haier are likely to accelerate overseas growth to compensate for weaker China sales. The plunge in the country's appliance sales in October and November reinforces our view that the sector's downturn could extend well into 2026. New stimulus is expected, but the impact is likely to be weaker than the measures expiring at the end of this year. (12/17/25)

23. Tough Comparisons Due to Subsidy-Fueled Growth

Contributing Analysts Elaine Lai (Consumer)

Retail sales of China's home appliances plummeted 19.4% year-on-year in November after retreating 14.6% in October. The decline likely reflects the impending end of government-funded consumer subsidies which started late 2024 and fueled 25.3% growth in the first nine months of this year -- and are set to expire at the end of this month. Although fresh consumption stimulus measures for home appliance products are expected in the coming months, the sector's sales next year will contend with challenging comparisons. (12/17/25)

China Home Appliance & AV Sales YoY Change



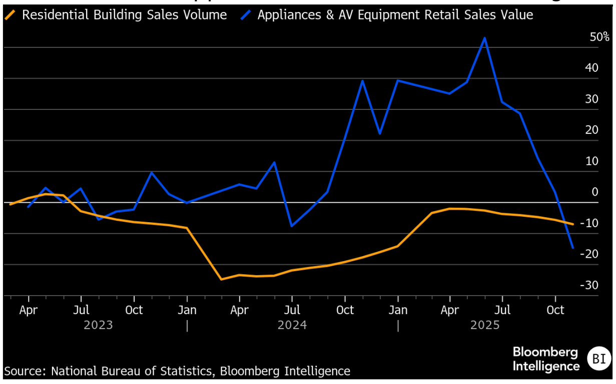
24. Subsidies Powered Appliance Sales During Property Slump

Contributing Analysts Elaine Lai (Consumer)

China's appliance sector grew faster than expected in the first nine months of 2025. The resilience in the face of prolonged weakness in new home sales that typically drive purchases was largely due to government-funded consumer subsidy programs.

Appliance demand generally falls into two categories: home-driven and replacement. Major appliances such as washing machines and refrigerators typically have a replacement cycle of 8-10 years. This makes product innovation and upgrades critical for appliance makers seeking to shorten the cycle by encouraging consumers to replace appliances before they fail. (12/17/25)

China Home, Appliance Sales: Year-on-Year Change



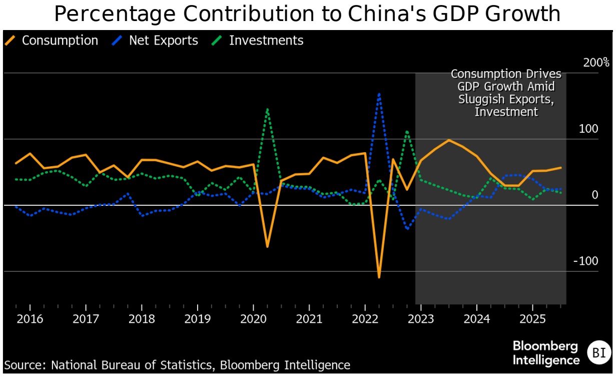
25. New Stimulus Likely to Have Weaker Impact

Contributing Analysts Elaine Lai (Consumer)

A new round of government-funded consumer subsidies for home appliances is likely in 2026, as boosting domestic consumption and increasing its share of GDP remains a priority. However, we believe subsidies will be smaller, and product coverage may change. Firms like Midea, Haier, Xiaomi, Ecovacs, and Roborock, which rode this year's subsidy-driven surge, may not have as much of a sales boost from the next wave of subsidies and will need to accelerate overseas expansion to offset domestic weakening.

China’s finance ministry plans to issue ultra-long-term special bonds next year, with some funds earmarked for large-scale equipment upgrades and trade-in programs, though it's still unclear how much funding would be allocated to subsidize home appliance purchases. (12/17/25)

Percentage Contribution to China's GDP Growth



26. Appliance Sector Among Top Recipients of Stimulus

Contributing Analysts Elaine Lai (Consumer)

China's home appliance sector has long benefited from government-funded consumer-subsidy programs, including the "Home Appliances to the Countryside" program in 2007-13, the 2009-11 "Old-for-New" initiative that allowed consumers to trade in old appliances or cars, and the most recent subsidy from late 2024 to the end of this year. These measures are typically deployed during periods of economic weakness to stimulate domestic consumption. (12/17/25)

Stimulus Programs Boosted Appliance Market

Source: Government Filings, Bloomberg Intelligence

Disrupted Sportswear Pricing

Nike's China Clearance Push Can Disrupt 2026 Sportswear Pricing

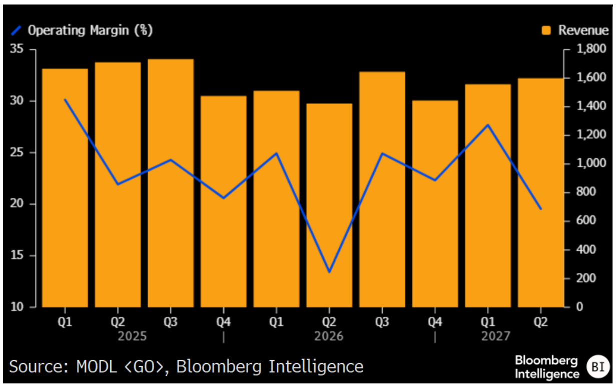
Nike's increased support for wholesale partners in the greater China region, alongside more aggressive steps to clear aged inventory, can drive the brand to escalate promotions through 1H26. This is likely to increase pricing pressure on rival sportswear firms such as Adidas, Anta, and Li Ning on the mainland. (12/18/25)

27. Nike to Limit 1H Product Launches in China

Nike's unexpected China inventory write-down in fiscal 2Q ended November indicates it has yet to regain traction with discerning shoppers who are gravitating to specialized athletic gear. The steeper wholesale-revenue decline of 15% in 2Q sequentially versus 9% in the prior quarter, alongside management's indication of higher subsidies for retail partners such as Topsports and Yue Yuen's Pou Sheng, suggests Nike will keep new product shipments tight into summer 2026 as it clears aged inventory.

Nike is likely to continue with promotions until mid-2026, which will pressure pricing on the mainland for rivals including Adidas, Anta and Li Ning. (12/18/25)

Nike's China Financials



Source: MODL <GO>, Bloomberg Intelligence

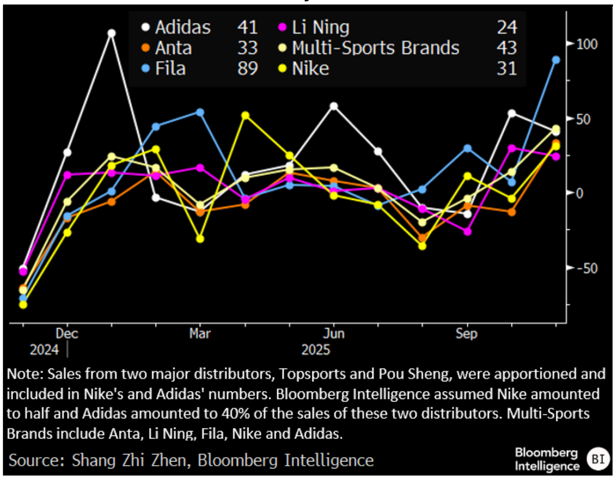
28. Trading Market Share for Stronger Pricing

Contributing Analysts **Poonam Goyal** (Retail)

Nike could cede online market share in China to maintain pricing discipline in 2026 by focusing on fewer discounts and rebuilding brand heat -- a popularity metric -- through product innovation and store upgrades. During the Singles' Day shopping festival in China, the label lost its title of best-selling sportswear brand to Fila and Chinese outdoor label Camel. Nike's October-November sales across the four online platforms we track rose just 10%, lagging Adidas' 44% and Fila's 31% increase, Shang Zhi Zhen data showed.

As more Chinese consumers spend on health, wellness and everyday athletic gear rather than aspirational fashion, multi-sports global brands like Nike and Adidas will need to sharpen their positioning to justify pricing. (12/18/25)

Sales Growth by Brand (%, YoY)

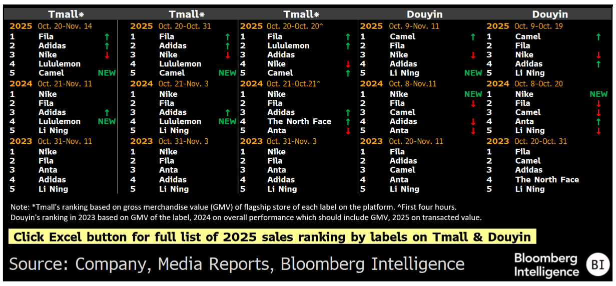


29. Nike's Singles' Day Sales Drops; Loses Top Spot

Contributing Analysts **Poonam Goyal** (Retail)

Nike was the third best-selling sportswear label on Alibaba's Tmall and Douyin during this year's Singles' Day shopping festival. It lost the top spot to Anta on Tmall and Camel on Douyin by the end of the festival campaign on Nov. 14 and Nov. 11. (12/18/25)

Sportswear Brands' Gross Merchandise Value Ranks



	Tmall*	Tmall*	Tmall*	Douyin	Douyin
2025	Oct. 20-Nov. 14	Oct. 20-Oct. 31	Oct. 20-Oct. 20^	Oct. 9-Nov. 11	Oct. 9-Oct. 19
1	Fila ↑	Fila ↑	Fila ↑	Camel ↑	Camel ↑
2	Adidas ↑	Adidas ↑	Lululemon ↑	Fila	Fila
3	Nike ↓	Nike ↓	Adidas	Nike ↓	Nike ↓
4	Lululemon	Lululemon	Nike ↓	Adidas	Adidas ↑
5	Camel NEW	Camel NEW	Camel ↑	Li Ning NEW	Li Ning
2024	Oct. 21-Nov. 11	Oct. 21-Nov. 3	Oct. 21-Oct.21^	Oct. 8-Nov.11	Oct. 8-Oct. 20
1	Nike	Nike	Nike	Nike NEW	Nike NEW
2	Fila	Fila	Fila	Fila ↓	Fila ↓
3	Adidas ↑	Adidas ↑	Adidas ↑	Camel	Camel ↓
4	Lululemon NEW	Lululemon NEW	The North Face ↑	Adidas ↓	Anta ↑
5	Li Ning	Li Ning	Anta ↓	Anta ↓	Li Ning ↓
2023	Oct. 31-Nov. 11	Oct. 31-Nov. 3	Oct. 31-Nov. 3	Oct. 20-Nov. 11	Oct. 20-Oct. 31
1	Nike	Nike	Nike	Fila	Fila
2	Fila	Fila	Fila	Adidas	Camel
3	Anta	Anta	Anta	Camel	Adidas
4	Adidas	Adidas	Adidas	Anta	The North Face
5	Li Ning	Li Ning	Li Ning	Li Ning	Li Ning

Note: *Tmall's ranking based on gross merchandise value (GMV) of flagship store of each label on the platform. ^First four hours.
Douyin's ranking in 2023 based on GMV of the label, 2024 on overall performance which should include GMV, 2025 on transacted value.

Click Excel button for full list of 2025 sales ranking by labels on Tmall & Douyin

Source: Company, Media Reports, Bloomberg Intelligence

Bloomberg Intelligence BI

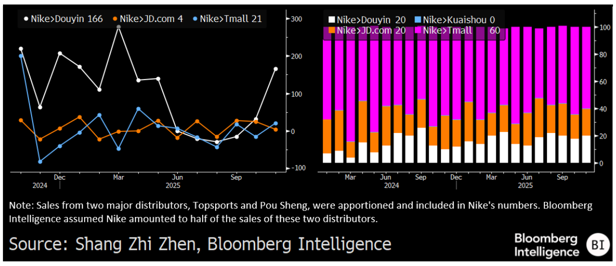
30. Douyin Boosts Nike's China Growth

Contributing Analysts **Poonam Goyal** (Retail)

Nike's e-commerce sales across the four online platforms were led by Douyin, the equivalent of TikTok in China, which contributed 19% compared with 12% a year ago. The brand's high growth on the platform -- a 78% surge compared with a 2% dip on Tmall -- through October and November accounted for 89% of Nike's growth on the four platforms, according to our channel checks and Shang Zhi Zhen data.

Nike will likely lean on Douyin to drive stronger consumer engagement and sales next year, riding on key sports events such as the NBA China Games and FIFA World Cup. Basketball and football are two of the five key sports categories Nike is focusing on to revitalize product development through innovation and technology. (12/18/25)

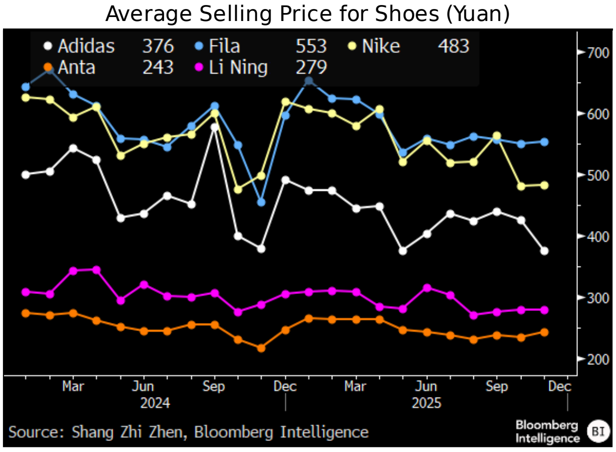
Nike Sales; Contribution by Platform (%)



31. Nike Shoes Are Pricier Than Adidas; Cheaper Than Fila

(12/18/25)

Average Selling Price for Shoes (Yuan)

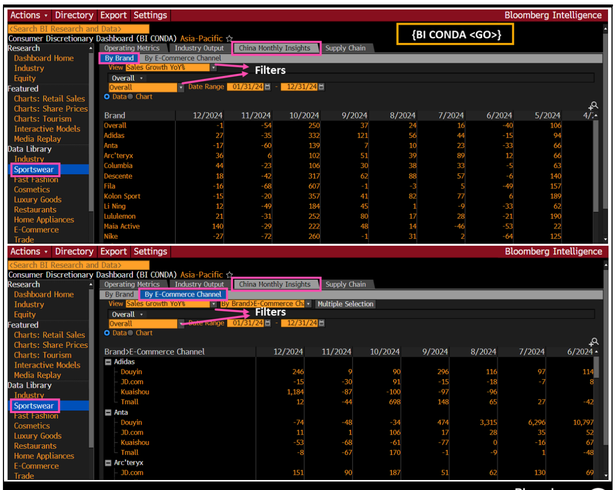


32. Data Methodology and Access

Bloomberg Intelligence's analysis is based on monthly online transactions in China, sourced from third-party provider Shang Zhi Zhen since 2023. These transactions took place at select virtual stores of 14 sportswear brands that are sold via four Chinese e-commerce platforms: Alibaba's Tmall, JD.com, Douyin and Kuaishou. The stores include flagship outlets operated by the labels as well as major industry distributors such as Topsports and Yue Yuen's Pou Sheng.

Bloomberg Intelligence provides data comparisons on each brand for the key product categories of footwear, apparel and others. (12/18/25)

BI CONDA SPORTCHINA <GO>



Source: Shang Zhi Zhen, Bloomberg Intelligence

China E-Commerce Battlefields

Alibaba, Tencent Have Edge in China's 2026 E-Commerce Battles

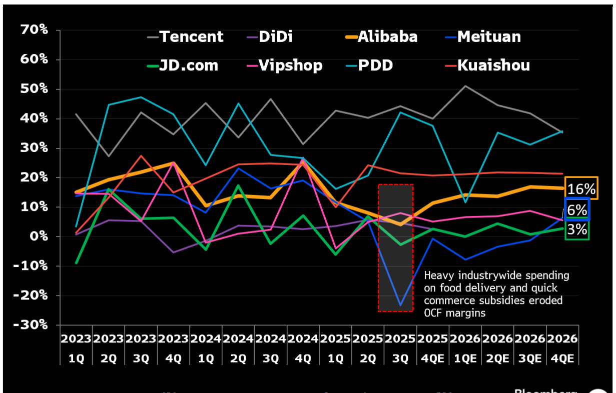
Alibaba's stronger operating-cash generation gives it more firepower than Meituan and JD.com in a prolonged battle over China's food delivery and quick-commerce markets. Meanwhile, traditional search-based e-commerce operations are threatened by Tencent's move to reshape online shopping within its WeChat ecosystem. (12/07/25)

33. Alibaba’s E-Commerce Cash Inflow Gives It Stamina

Alibaba's traditional Taobao-Tmall e-commerce business generates robust operating cash (OCF), giving it more financial firepower than Meituan and JD.com to sustain what now appears to be a prolonged food-delivery and quick-commerce battle that will last through 2026. Its asset-light marketplace model, where consumers typically pay cash upfront and merchants settle later, supports negative working capital and a structurally higher OCF margin than Meituan and JD.com. In 3Q, Alibaba's OCF margin stayed above its two rivals' despite heavy sector-wide spending on subsidies; Meituan's turned negative.

Among consumer-tech peers, stability in Tencent’s game-led ecosystem and Kuaishou’s live-streaming platform drive higher OCF margins, while PDD also stands out with an asset-light model and relatively modest logistics spending. (12/07/25)

China Consumer-Tech Operating Cash-Flow Margins



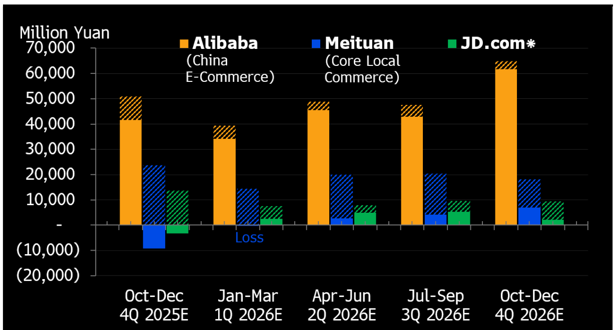
Source: Company Filings, MODL <GO>, Bloomberg Intelligence

34. Meituan's Recovery Might Be Further Delayed

It's uncertain if Meituan can meet a delayed profit-recovery timeline for its core local-commerce (CLC) unit; before its 3Q results on Nov. 28, consensus expected a turnaround in 1Q26, but it now anticipates that in 2Q26. Meituan's first-ever CLC revenue fall in 3Q signaled erosion of its food-delivery market share, implying it must invest more in 2026 to defend its lead against Alibaba, JD.com and newer entrants. After Meituan's 3Q results, consensus projects three straight quarters of CLC losses through 1Q and has cut forecasts for its profit by up to 38% for April-September vs. cuts of 6-29% for comparable units of Alibaba and JD.com.

With more platforms splitting user attention, high user-acquisition costs and the lack of a distinct AI edge will constrain Meituan’s ability to exceed a 7% adjusted Ebitda margin in 2026. (12/07/25)

Adjusted Operating Profits



Note: Shaded portions indicated cuts in consensus estimates via MODL <GO> from April till December 1; estimates for Alibaba's China E-Commerce Group only avaliable from July onwards. *Retail and new businesses

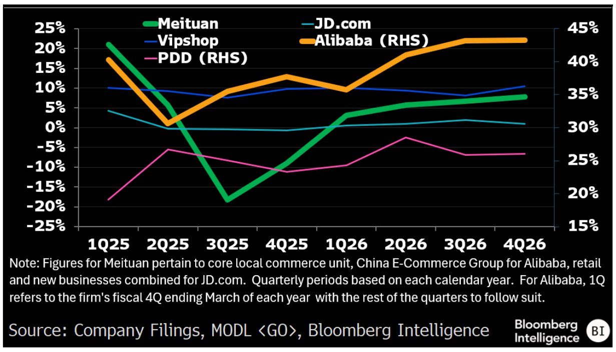
Source: MODL <GO>, Bloomberg Intelligence

35. JD Delivery Push Raises Pressure on Alibaba, Meituan

JD.com's Nov. 17 launch of a stand-alone food-delivery app and zero-fee, AI-driven "JD Dianping" review platform raises the stakes for Alibaba and Meituan in 2026. This push by JD.com underscores its determination to win market share as its food-delivery losses narrow sequentially. Alibaba and Meituan are now under pressure to demonstrate they can meet consensus projections for improving China commerce margins through 2026 as competition stays intense.

This makes it more important for Alibaba and Meituan to show in the next 12 months that they can reduce the intensity of subsidies for their e-commerce businesses without eroding market share. If this happens, they can restore market confidence in their ability to withstand the impact of competition on their profitability and sustain returns to shareholders. (12/07/25)

Adjusted Retail & Quick-Commerce Operating Margins

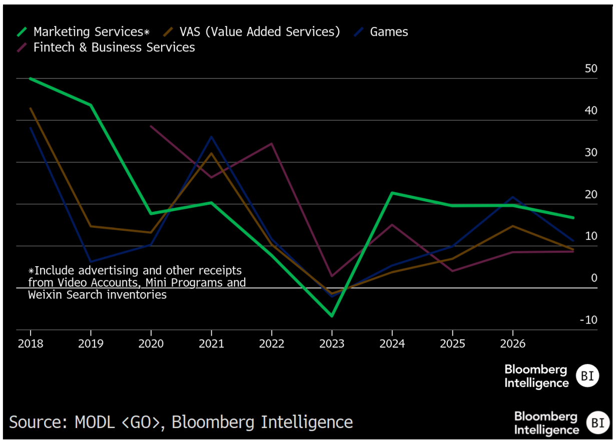


36. Tencent's WeChat Can Disrupt Search-Based Flows

The traditional search-based e-commerce businesses of Alibaba, JD.com, PDD and Vipshop could face new disruptions in 2026 from Tencent's evolving WeChat Promoter network. The network keeps e-commerce activities of its extensive user base within WeChat rather than sending users to third-party platforms. With Promoters, influencers share products, transactions are completed via WeChat Pay, and commissions stay within WeChat. This can cut traffic for traditional search-based platforms. Historically, Alibaba has had the weakest collaboration with Tencent vs. JD.com, PDD and Vipshop.

Tencent said on Nov. 14 that gross merchandise value at its Mini Shops is growing rapidly. Management highlighted expanding discovery tools across WeChat, signaling plans to strengthen internal traffic circulation and merchant monetization in 2026. (12/07/25)

Tencent's Revenue Growth (Percent, Year on Year)

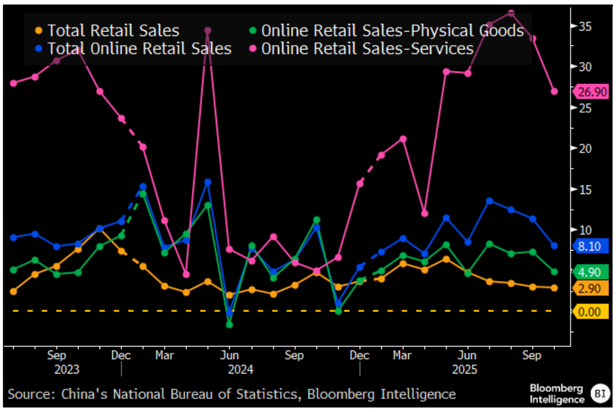


37. Sustaining Online Spending Will Remain Critical in 2026

The extent to which Chinese digital commerce operators will scale back incentives in 2026 will be limited if consumer sentiment stays lackluster. The structural push by major operators such as Alibaba, Meituan and JD.com to stimulate consumption online this year have led to more habitual usage through on-demand convenience and faster delivery. Yet, while the provision of more goods and services online can lift spending, more discounts will be needed to coax spending if the outlook on incomes and asset values remain uncertain.

China's online retail sales of physical goods rose 6.3% year-on-year from January to October vs. a 4% gain offline. The 27% surge in online services spending further highlights Chinese consumers' shift towards convenience and experience-led consumption, underlining how critical this segment has become. (11/24/25)

China Online Retail-Sales Growth (%, Year-on-Year)



Source: China's National Bureau of Statistics, Bloomberg Intelligence

Capping SEAsia Online Discount

Shopee Leads SE Asia's E-Commerce Shift to Disciplined Growth

Contributing Analysts Lea El-Hage (Asia Equities)

Southeast Asia's e-commerce race will shift to disciplined growth as Shopee, TikTok shop and rivals seek gross merchandise value gains with tighter control on discounts. Shopee will retain its lead as the top intent-driven marketplace compared with TikTok Shop's discovery-driven model. Temu's edge will be eroded by regulatory hurdles. (11/18/25)

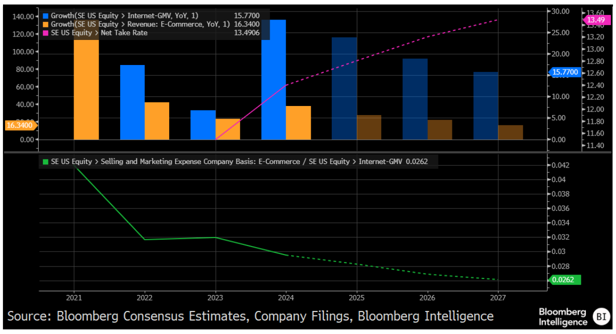
38. Platforms Balance Growth With Margin Focus

Contributing Analysts Lea El-Hage (Asia Equities)

Southeast Asia's e-commerce firms are poised to lift gross merchandise value in 2026 and sharpen their margin focus as the competitive dynamics between Shopee, TikTok Shop, Lazada, Temu and Taobao stabilize. Shopee is expanding by strengthening fulfillment capabilities and deepening rural-area penetration, which raise delivery costs and weigh on near-term gross margins, though they support more durable growth compared with just promotional spending. Shopee's selling and marketing costs to GMV fell to 2.7% in the first nine months from 2.9% a year earlier. Improving ad monetization, which will widen margins, should further offset cost pressures.

Lazada's target to reach $100 billion in GMV by 2030 with a luxury focus reflects its intent to boost growth from higher-margin segments. (11/18/25)

Shopee Revenue, GMV, Take Rate (%)



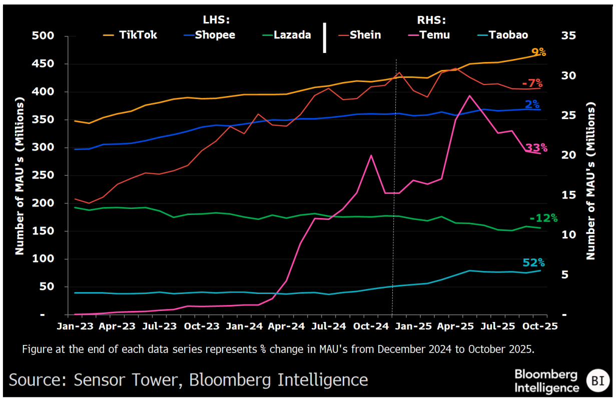
39. Shopee's Top Challenger Is TikTok Shop

Contributing Analysts Lea El-Hage (Asia Equities)

TikTok Shop will be Shopee's strongest rival in 2026 as it expands in Southeast Asia, though less aggressively. Its regional GMV was $19.2 billion in 1H, more than 3x the $5.8 billion in the US, based on Momentum Works data. Indonesia's GMV reached $6 billion, overtaking the US as the largest market. Temu, with a cross-border model, brings more price pressure, but compliance hurdles block its growth and it is expanding from a low base. Lazada is easing off aggressive share grabs. Shopee's edge is scale and in-house logistics, while TikTok Shop relies on third-party carriers. Shopee is the default intent-based marketplace versus TikTok's impulse-driven purchase model.

Average monthly downloads on TikTok Shop's Seller Center app fell 24% in the first nine months, implying fewer merchant incentives and a greater profit focus. (11/18/25)

Monthly Active Users by Platform

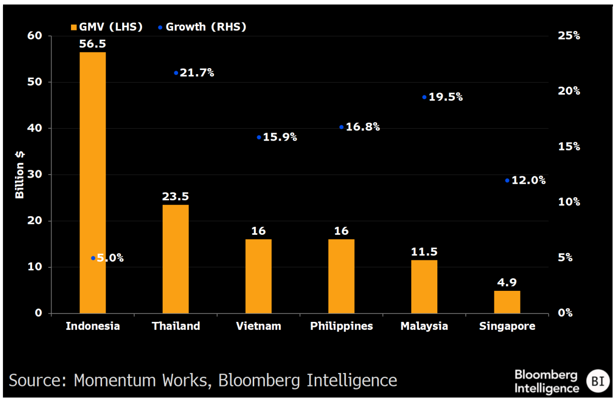


40. Temu Expansion Hurt by Regulatory Barriers

Contributing Analysts Lea El-Hage (Asia Equities)

Temu's Southeast Asia expansion is constrained by regulatory concerns in Vietnam and Indonesia, despite rapid growth in other global markets. In Indonesia, the region's largest market, the platform was banned after failing to register under local digital-platform laws. Authorities said its factory-to-consumer model violated trade rules requiring distribution through local intermediaries or authorized distributors. Temu entered Vietnam in 2024, though it was ordered to suspend operations in December after missing the registration deadline amid concerns over its deep discounts and counterfeit goods. The company is working with the authorities to obtain approval, though registration is pending with no clear timeline for resolution. (11/18/25)

Southeast Asia's GMV, Growth in 2024

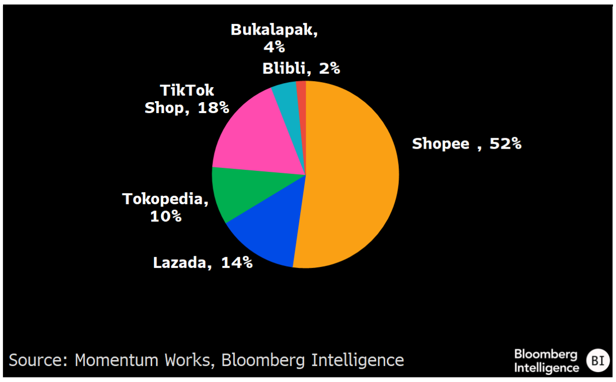


41. Shopee Leads Southeast Asia's Three-Way Race

Contributing Analysts Lea El-Hage (Asia Equities)

Shopee remains the leading platform in Southeast Asia's e-commerce market, with an estimated 52% share of regional platform GMV in 2024 from 48% in 2023 as it deepened monetization and enhanced its logistics edge, according to Momentum Works. Lazada's share slipped to about 14% from 16%, reflecting slower GMV growth as the company focuses on profitability and higher-margin categories. TikTok Shop and Tokopedia -- which integrated with TikTok Shop in Indonesia -- have a combined share of 28%, making it Shopee's biggest challenger in 2026. These platforms control nearly 94% of Southeast Asia's platform GMV, signaling a shift from a fragmented market phase to one where scale, efficiency and monetization will be key. (11/18/25)

SEAsia's E-Commerce Platform Market Share 2024



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