

RETAILING

Siam Future plans more Bangkok shopping centres

PITSINEE JITPLEECHEEP

Siam Future Development Plc (SF) has announced plans to double its domestic retail development business over the next five years.

Nopporn Witoonchart, chief executive of the community-mall developer, said the company will develop two or three new shopping complexes in each of these next five years.

Each project will cost 500 million to 1 billion baht, with most of them in Bangkok.

"Many people believe the community mall business in Bangkok is nearly oversupplied, but we still see room for new projects," said Mr Nopporn.

SF will start developing two or three complexes in the second half of this year, with openings due in next year's second half.

Each will have retail space of 10,000 to 20,000 square metres, similar to its Avenue project in the Ratchayothin area.

The malls will be a combination of neighbourhood store and lifestyle centre, focusing on community services and necessary products for the locations.

Mr Nopporn said SF's partnership with Sweden's Ikea to develop Megabangna has been very successful.

The company is seeking more partnerships with both local and international operators for joint development of pro-

jects in the near future.

Mr Nopporn said he is now in talks with a representative of Japan's Aeon Group about a long-term retail cooperation in Thailand.

"Aeon and SF have had a good relationship for a long time, as many Jusco general merchandise stores [now branded as MaxValue] were opened in our neighbourhood malls," he said.

Siam-Jusco Co Ltd, part of Aeon's business in Thailand, was set up here 28 years ago and operates 61 MaxValue stores.

"With our long experience in Thailand, we see market potential in the country, but it's very difficult for new players, because competition is very fierce. However, we may consider developing a new retail format in the future," said Takashi Takani, the general manager for Asean at Aeon Mall Co.

SF achieved 2.44 billion baht in sales last year, up by 56% from 2011.

Of this, 1.28 billion baht came from rental fees and services and the rest from other sources such as Megabangna.

The huge increase in sales was due to the company raising rents by 7.5% for some tenants. Its net profit rose by 97.6% to 1.4 billion baht.

Shares of SF closed Friday on the Stock Exchange of Thailand at 9.90 baht, down 20 satang, in trade worth 740 million baht.



Nopporn: Capital's not really saturated