

## Banana Republic debuts

Minor Corporation Plc, the fashion distribution arm of SET-listed food and hospitality company Minor International Plc (MINT), will accelerate its expansion this year in a bid to double annual sales to 5 billion baht in five years. After a five-year slowdown, the company recently added California-based Banana Republic to its portfolio to strengthen its leadership position, chief executive James Amatavivadhana said.

It holds the local distribution rights for Banana Republic for five years.

The first Banana Republic store opened recently in The EmQuartier shopping mall in Bangkok, costing 50 million baht and covering 450 square metres.

A total of three are planned by year-end, with 100 million baht in combined sales forecast in the first year of operation.

Up to 15 Banana Republic shops total are expected in five years for annual sales of 300 million baht.

Each shop is expected to break even in three years.



Minor Corporation chief executive James Amatavivadhana (right) and vice-president Chak Chalermchai in Thailand's first Banana Republic shop. The fashion distribution arm of Minor International holds the rights to the California-based

"Fashion products are in high demand in Thailand," vice-president Chak Chalermchai said. "There are many local and international fashion brands here, but only a few offer luxury business attire for men and women."

He said Banana Republic offered a wide range of fashions for urban men and women aged 25-45.

While Banana Republic prices in Thailand are 5% higher than in the US, they are still the lowest in Asean, Mr James said.

"We see a lot of potential in the Thai fashion industry even though consumers are spending their money more carefully in the present economic climate," he said.

Mr James said long-term growth potential was seen in the middle and high-end markets thanks to growing urbanisation and rising middle-class incomes nationwide.

Apart from Banana Republic, Minor Corporation is also negotiating with four other fashion brands about entering Thailand.

The company plans to open 30 fashion shops featuring all fashion and lifestyle product brands each year for the next five years. It has 300 fashion shops of all brands including Charles & Keith, Esprit, Bossini, Gap, Pedro, Tumi, Red Earth and Zwilling J.A. Henckels, although distribution of Red Earth may stop in the near future due to fierce competition.

The company expects sales growth of 8% to 2.7 billion baht this year from last year's 2.5 billion, which represented 6.25% of parent Minor International's sales.

MINT shares closed yesterday on the SET at 30.25 baht, unchanged, in trade worth 154 million baht.

