

APPAREL AND ACCESSORIES

Ferragamo buys remaining shares of Southeast Asian joint venture

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Ferragamo fall/winter 2016 ad campaign

By STAFF REPORTS

Italy's Salvatore Ferragamo S.p.A. is taking full control of its distribution in Southeast Asia.

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The parent company of Salvatore Ferragamo Group has acquired the remaining 20 percent of shares in its SEAK joint venture with Trinity Ltd.'s subsidiaries, giving it 100 percent of the capital from its distribution companies in the region. A number of brands have sought to own their operations in international markets, allowing them to have a stronger handle on their retail efforts.

Under brand ownership

Ferragamo, along with the Trinity Ltd.-owned Ferrinch and Trinity Luxury Brand Holdings Ltd., entered a joint venture in 2012 to distribute its merchandise in South Korea, Malaysia, Singapore, Indonesia and Thailand.

This created the jointly owned companies Ferragamo Korea, Ferragamo Malaysia, Ferragamo Singapore and Ferragamo Thailand. Today, Ferragamo has about 70 mono-brand stores in these countries.

In 2012, Ferragamo bought an additional 30 percent stake in the jv, raising its holdings in the company to 80 percent. Ferragamo's five-year contract for the jv included a put and call option, which gave it the ability to buy or sell the remaining 20 percent if certain conditions were present.



Ferragamo's fall/winter 2016 campaign

Ferragamo has decided to exercise this option, buying the shares for a price based on the net depreciated asset value of the four companies as of Dec. 31, 2016.

Having established a presence in Asian markets, a number of luxury brands are taking back control from their localized partners. Burberry is among the brands that have bought out their partnerships in China to have a firmer grip on their distribution, aiding both their positioning and their profitability.

For emerging markets, having a partner who knows the area can be a boon.

Online retail group Yoox Net-A-Porter is entering a joint venture that aims to become the leading luxury ecommerce player in the Middle East.

This joint venture, in partnership with Mohamed Alabbar's Symphony Investments, will manage all of YNAP's multi-brand activities in the region, as well as some of its monobrand ecommerce sites. The Middle East is a fast growing market for luxury, and Yoox Net-A-Porter seeks to benefit from the region's concentrated population of ultra-wealthy individuals and its digitally savvy residents ([see story](#)).