

By DAVID TAN

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**GEORGE TOWN:** While sales of consumer electronic products in the northern region are expected to drop by about 20% this year due to the recession, local consumer electronic companies are planning for expansion.

Consumers are still buying LCD and plasma televisions and other electronic and white goods, and for Star Electronics Sales & Services Sdn Bhd, the success of the new flat-panel TVs has been a big sales booster.

Last year, the market for electronic products was estimated at about RM50mil per month. LCD and plasma TVs generated about RM15mil in revenue while personal computers contributed RM12mil.

Star Electronics' market share is about RM6mil or 12% of the monthly consumer electronics products sales in the north.

Star Electronics managing director Joseph Hon told *StarBiz* that sales of LCD and plasma TVs would continue to grow this year due to the demand from the replacement market and new households.

"This year, market consumption is expected to shrink by about 20% due to the contraction in the economy. But our sales this year are expected to increase by 4% due to our new outlets, which will boost our market share," he said.

He said the group aimed to inject RM5mil to set up eight more stores in the northern region and Kuala Lumpur before the year-end.

"The new outlets would help us increase revenue to about RM90mil this year from about RM70mil last year," he said.

Hon said Star Electronics was planning to invest about RM10mil next year to build a 70,000-sq-ft warehouse next to its existing 50,000-sq-ft warehouse in Bayan Lepas to support the group's expansion.

"To stay competitive and penetrate new markets, we will also widen our product range to include new products such as GPS navigators and multi-PC systems, equipped with portable central processing units," he added.

# Consumer electronic stores expanding

## Replacement market and new households driving demand for flat-panel TVs and household appliances



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Ban Hin Bee, another leading consumer electronics products store in Penang, is also looking to expand this year despite a softening consumer market.

"We plan to establish more Ban Hin Bee stores on the island and mainland this year. Next year, we aim to set up outlets in other towns," Ban Hin Bee Sdn Bhd general manager Wilson Yeoh said, adding that there were seven Ban Hin Bee outlets in Penang.

He said people were still spending on con-

sumer electronics products, particularly LCD and plasma TVs.

"Some 100 different models of LCD and plasma TVs are sold by the company per month, making them Ban Hin Bee's best-selling item.

"What is affecting their spending is the dissemination of negative news on the economy," he said.

Yeoh said the company generally projected a tough period at the start of each year but often closed the period on a positive note with dou-



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ble-digit growth.

Meanwhile, Pensonic Holdings Bhd managing director Dixon Chew said although the group expected the market to further soften, it was confident of maintaining steady domestic market demand with a low single-digit growth for the first three months of 2009.

"We are picking up some of our competitors' market share. Thus, even though the overall market is down, we still have slight growth in the domestic segment," he said.