

Luxury Sector Continues Asian Boom

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Shoppers in Asia Pacific are cementing their position as the leading buyers of luxury goods around the world, according to Mintel.

The research firm reported that the market for high-end goods, excluding consumables and automobiles, rose by 14% in 2011, and fell just short of â–200bn at retail sales prices.

Asia Pacific accounted for 38% of all sector sales last year, an increase from 36% in 2010. Europe by contrast, witnessed a decline from 35% to 33% during the same period.

Elsewhere, the Americas also logged a contraction from 26% to 25% on this metric, while members of the "other" category â– including the Middle East, Africa and India â– enjoyed a lift from 3.8% to 4.4%.

All of these geographies saw double-digit gains in value terms, but Asia Pacific's improvement on this measure was the most substantial, and topped 20%.

"In Europe, much of the growth in luxury goods sales in 2011 can be attributed to tourist spend, particularly from Russia and Asia-Pacific, underlining that Chinese luxury-goods consumers encompass two markets: domestic and overseas," said Paul French, chief China market strategist at Mintel.

"Due to high taxes on luxury goods in China and greater global travel opportunities for Chinese citizens, those ... shoppers desiring luxury goods are increasingly purchasing abroad effectively 'arbitraging' their purchasing internationally.

Looking forward, Mintel predicted that the luxury segment should expand by 11% in 2012, a total set to reach 6% during each of the following two years.

Data sourced from Mintel; additional content by Warc staff

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