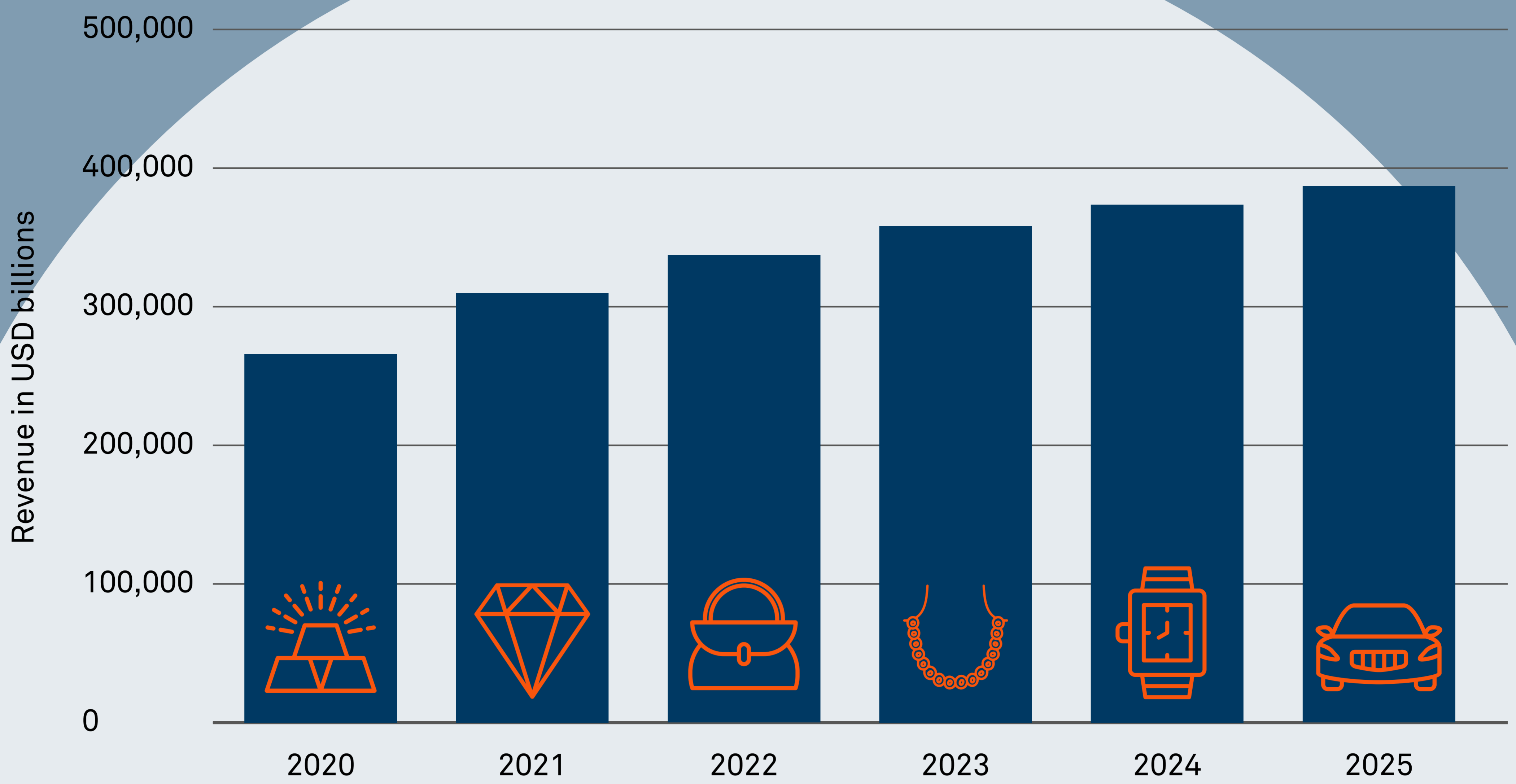


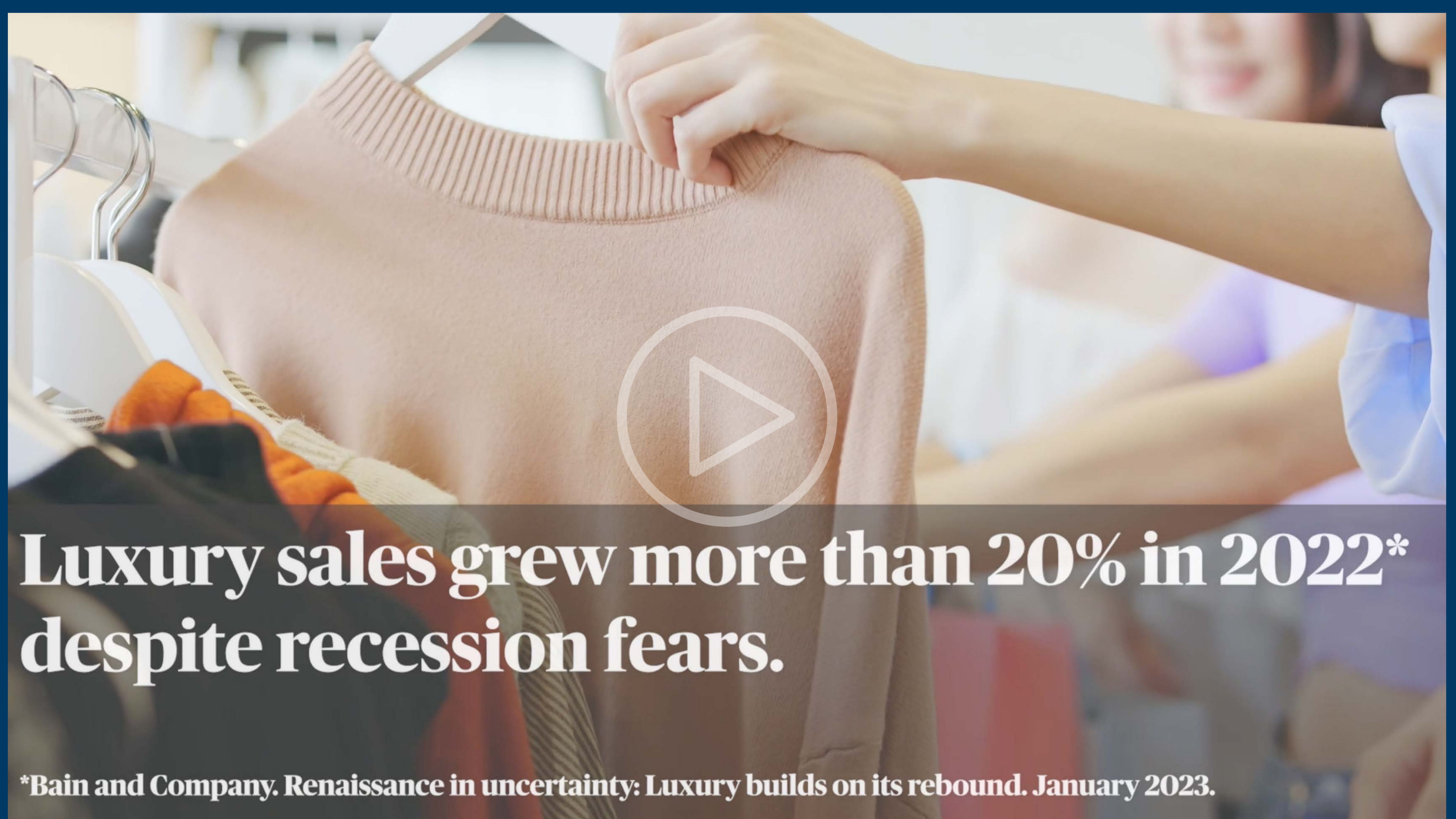
# Urge to splurge



## GLOBAL LUXURY GOODS MARKET REVENUE 2020-2025



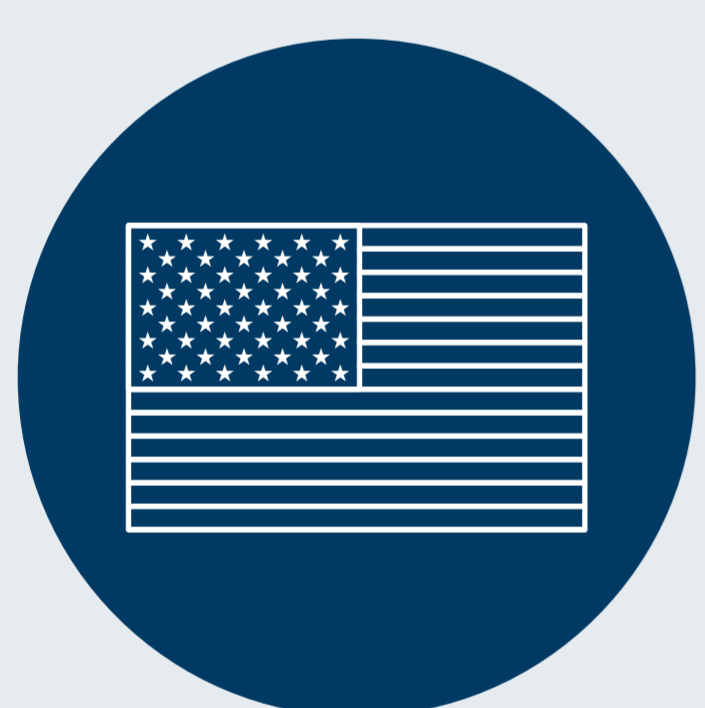
Source: Statista. Global luxury goods market revenue (2022-2025 are projected forecasts). March 2022. For illustrative purposes only.



**Luxury sales grew more than 20% in 2022\* despite recession fears.**

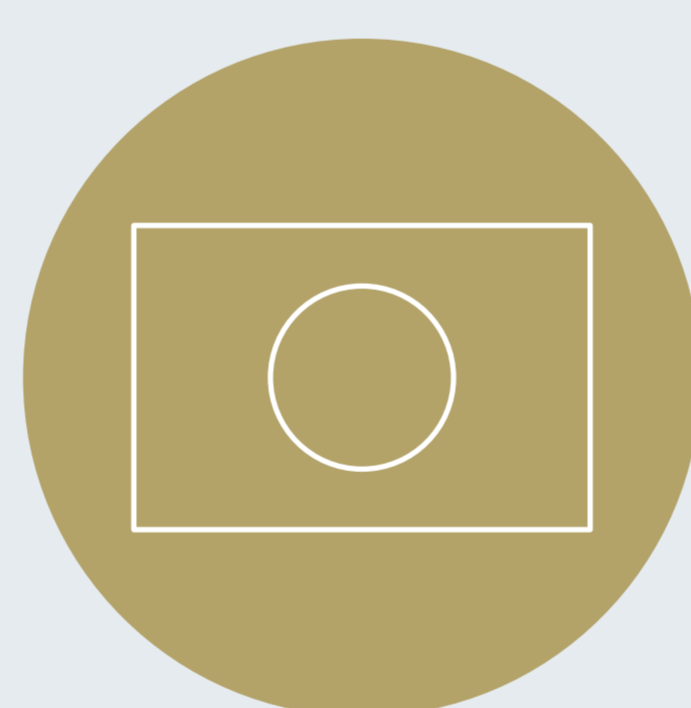
\*Bain and Company. Renaissance in uncertainty: Luxury builds on its rebound. January 2023.

## Biggest markets for luxury goods 2022.<sup>1</sup>



US

**US\$74.7bn**



Japan

**US\$29.9bn**



China

**US\$53.3bn**

**Luxury market consumer base is expected to reach 500 million people by 2030.<sup>2</sup>**



<sup>1</sup> Statista. Luxury goods – In-depth market insights & data analysis. Accessed February 2023.

<sup>2</sup> Bain and Company. Renaissance in uncertainty: Luxury builds on its rebound. January 2023.

# Young consumers go luxury

Ostentatious items are definitely popular. Hard goods luxury, such as watches, have done a good job of restricting supply and producing limited editions. In fact, the watch industry has become known as a good store of value. If you look at the prices in the secondary market for luxury watches, they have gone up. There are a few websites where you can sell high-end a watch second hand and it immediately appreciates in value because of the limited supply. The brands do it on purpose. You are luxury because you create demand that outstrips supply, and brands want to be perceived this way.

Entry-price luxury has become more widespread, too. Consumers buy an entry product and then ‘fall in love’ with the brand. As your income grows with age, you can get “premiumized.” First you buy the key chain, then the more expensive bracelet, then you go for the pricier scarf. Then in a few years you get the bag, which can cost hundreds or even thousands of dollars.

***Maria Toneva, deputy head of global equity research, Newton Investment Management***

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