

Hong Kong's luxury brands confronted by changing tastes

By Jennifer Hughes

Wander around Hong Kong's Harbour City on any given weekend, and among the crowds thronging the shopping mall, talk of a downturn might appear overdone. But it is quieter than in 2014, when queues of mainland Chinese formed just to get into luxury boutiques, driving sales that made the mall responsible for almost a tenth of the city's entire retail spend.

Recent retail news in Hong Kong has been disappointing. Year-on-year sales were down 21 per cent in February, according to government figures, as Chinese tourists sought new experiences in cities such as Seoul, Tokyo and Paris. After stripping out price changes, this was the biggest fall in Hong Kong retail sales since September 1998. Chow Tai Fook, the largest Chinese jewellery chain, said this month that it expects profits to be down 40-50 per cent on "weaker consumer sentiment in [the] Greater China region".

While Hong Kong's swift change of fortune - as recently as 2014 Harbour City boasted the world's highest sales per square foot - is unlikely to be exactly replicated elsewhere, it contains lessons for luxury watchers on how quickly China's appetite for upscale goods and experiences can shift.

Analysts attribute China's changing habits to several factors, including exchange rate moves, but more importantly to evolving habits and tastes.

"The luxury experience is not just about shopping. In Hong Kong, all the luxury brands are here and some of the fast fashion brands too - but there is not much diversity at mid-price points and there are a limited number of museums or cultural activities," says Aaron Fischer, head of consum-



Pedestrians walk past a Prada S.p.A. store in the Tsim Sha Tsui area of Hong Kong

“The first time I went to Paris I bought a Hugo Boss suit because I could and it was my first trip. Now I buy coffees, I don't buy more suits.”

SPENCER LEUNG
CONSUMER INDUSTRY SPECIALIST

er and gaming research at brokerage CLSA. "But go to Tokyo, Seoul, Paris or Milan and you have a much wider number of options."

Japan and South Korea have become particularly hot, helped by favourable exchange rates. According to CLSA's luxury price

checks, goods in Tokyo 12 months ago were about 20 per cent cheaper than in Hong Kong - far from their long-run average of being about 20 per cent more expensive. But more recently, the yen's rise against the US dollar - to which Hong Kong's dollar is pegged - means that

Japanese prices have again become more expensive, with a premium of roughly 10 per cent.

More important for the luxury sector is the fact that last year marked a sea-change in habits: for the first time since it began its research in 2013, FT Confidential Research found Chinese tourists spent more on accommodation, food and entertainment combined abroad than on shopping. Year on year, shopping fell on average 6.9 per cent, and 10 per cent among wealthier travellers.

Analysts put this down to well-travelled Chinese becoming more discerning. "The first time I went to Paris I bought a Hugo Boss suit because I could and it was my first trip. Now I buy coffees, I don't buy more suits," says Spen-

cer Leung, a consumer industry specialist at UBS.

Mr Leung attributes the impressive recent rise in overseas trips and the sales growth for favored brands to the pent-up demand within China where, for years, rising personal wealth was held back by travel restrictions.

"We haven't had this situation anywhere else - where so much demand was held back. For Chinese, the world opened up much more quickly only after 2012 when countries started fighting for the Chinese tourist dollar and eased visa restrictions," says Mr Leung.

Changing habits among western shoppers are repeated with their Chinese counterparts, particularly in fashion. Younger consumers are increasingly inter-

ested in niche brands they discover online - and which may not even need any physical presence such as a flagship store to drive sales.

Global luxury brands have had mixed fortunes among Chinese consumers in the past year. According to FT Confidential Research's Annual Chinese Outbound Tourism report, Chanel increased its popularity, with 26 per cent of respondents buying the brand, up from 20 per cent. Other winners include Coach, Hermès and Gucci, while Dior and Armani lost share.

For newer entrants, "to reach the level of brand awareness in China of a Chanel or a Louis Vuitton is going to take years," says Aude Bousser, founder of LBB Asia, a luxury brand consultancy.

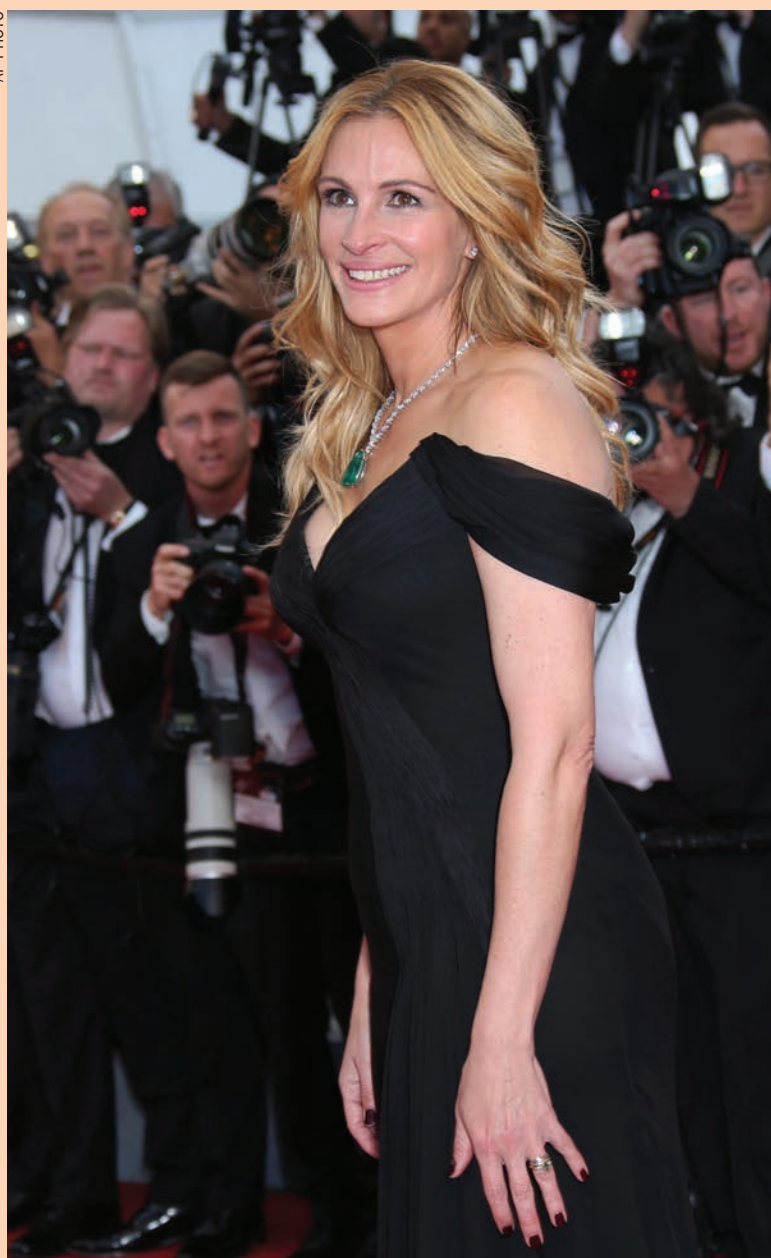
The survey puts much of Chanel's gains down to its bold strategy of cutting prices for some products by as much as 20 per cent in the mainland and in popular overseas destinations, including Hong Kong. This move is attributed in part to making up for the weakness of the euro against the renminbi and also to combating the grey market, where goods are sold through unauthorized retailers. Chanel increased prices in Europe at the same time so they would be "harmonized", the company said.

Among the challenges of working out prices and retaining Chinese shoppers, one of the most remarkable features is the unmatched pace of change.

Businesses catering to China's luxury appetite are catching on. Despite the lack of queuing these days in Hong Kong's Harbour City, last year the mall's shift in strategy towards focusing on the overall experience helped pull in higher gross revenues than in the boom years - and bigger profits, too.

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AP PHOTO



Julia Roberts poses for photographers upon arrival at the screening of the film, Money Monster



From left: Eva Longoria, Susan Sarandon and Naomi Watts pose for photographers upon arrival at the screening of Money Monster

STYLE | FASHION

Cannes: a triumph of style and substance

By Jo Ellison

In the Olympic Games of dress up, the Cannes Film Festival is an endurance event. Where the Academy Awards or Golden Globes offer only a snapshot of red-carpet style, a quick but glorious burst of exposure in the golden glow of celebrity, the Croisette requires real sartorial stamina - a 12-day marathon during which guests must attend daytime press calls, evening premieres, public speaking events and glittery charity fundraisers, and look good at each and every one.

With so many occasions and times of day to dress for, the week really sorts the wheat from the chaff when it comes to demonstrating genuine personal style. And while there are no shortage of brand-sponsored events and ambassadors on which houses can hang their collections and baubles (to wit: the film festival's official part-

ner is Kering, the luxury conglomerate that hosts a "Women in Motion" program supporting women in cinema), the stars that shine in the South of France are those who demonstrate a real authenticity in the way they dress, regardless of the labels they wear.

It's been especially gratifying this week to see actresses wearing clothes that actually suit them and express something of their personality instead of the homogenous fairy dolls that typically habituate the modern red carpet. Compare Cannes to the curious spectacle of the Met Ball, for example. At the fundraising gala masterminded by US Vogue editor Anna Wintour this month even the most idiosyncratic of talents were dressed in uniform representations of "fashion and technology" that looked mostly to be made out of tin foil. Personality was lost in a mess of peroxide and passionless fashionability.

By contrast, Cannes finds its stars in a more reflective and slowly revealing light. It's a place of discovery, where stars are born - Brigitte Bardot in 1953, Jane Birkin in 1968, Lea Seydoux in 2013 - and others are granted a second opportunity to shine, like Juliette Binoche in 2010.

Of course, many of them use stylists. Of course, many are sponsored by brands. But the real stars here never let the clothes overwhelm them.

See Julia Roberts for example (pictured, left). The 48-year-old actress is not overtly fashionable, but she consistently dresses in a way that is recognisably her. The pinstripe pantsuit by Givenchy she wore for the press call for "Money Monster," smartly recalled the grey, oversized Armani suit she wore to the Golden Globes in 1990 and drew on a look that has quietly become her signature. Later, on the red carpet, she wore Armani Privé.

The gown was perfectly appropriate, full, flattering and elegant. Roberts' killer fashion statement however was her bare feet, a tidy riposte to those gentleman still insisting that heels be worn by women on the Croisette. Style and substance on a red carpet? Only in Cannes.

Susan Sarandon (pictured, right) is another actress who has captured much of the media attention this week, and not just in admiration of her tremendous bosom. The 69-year-old actress was lamenting the lack of women-lead scripts. Now 25 years since the release of "Thelma & Louise," she suggested the 1991 road movie would most likely be done as "an animation" if it were made today. But Sarandon is no buttoned up political frau; her singularly hot-blooded feminist style in Cannes showcased tuxedos, quirky bright trainers and - ahem - her natural assets. (Sarandon, like Roberts, also has

a penchant for pinstriping, one of the season's significant trends.)

Not everyone at Cannes has been so bang on message, but most have been on brand. The Kering-owned Gucci has had an impressive showing, with everyone from Kirsten Dunst to Charlotte Casiraghi showing up in Alessandro Michele's diaphanous embroidered gowns. Respect also to Dior, who have been working with actress Marion Cotillard since 2008. The French actress attended the premier of "From the Land of the Moon" in a long gold metallic gown that combined classicism and cool. More importantly, it didn't upstage her glorious face or make her look like a pre-roasted fowl. (Both Dior and Gucci opened stores on the Croisette this week. Smart move.)

But the big winner here has been Chanel. In addition to boasting the long-standing brand ambassador, 1980s popette and

actress Vanessa Paradis as one of the festival jurors, the French house has been dressing the "Twilight" actress Kristen Stewart and Paradis's nymphette-like daughter Lily-Rose Depp to promote their respective films. The Paradis parade, mother and daughter, has been a thing of beauty, with each combining feathery black eveningwear, exquisite couture and simple print daywear to make chic look utterly effortless. Stewart meanwhile has embodied a similarly nonchalant style, albeit with a West Coast accent, by mixing her haute with sneakers and T-shirts. Stewart has a withering disdain for media scrutiny and a surly attitude to boot. Even in the frothiest of frocks, she owned her look. And she looked awesome. But we all know the secret of real style is having the personality to match.

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RODRIGO Duterte kept Filipinos guessing for months last year whether he would run for president. He repeatedly declared that he wouldn't, then cited different reasons when he finally did. On the campaign trail, he flipped and flopped on a number of key pronouncements. That has made it difficult to discern when the brash Duterte, who spikes his speeches with sarcasm and hyperbole for added punch, is serious or, in his own words, is "just taking you for a ride."

Some of the verbal U-turns made by the Philippines' likely next president:

RUNNING OR NOT?

Last year, Duterte kept the entire country and his rivals at a loss over whether he would run for president, declaring initially in a June 21 TV interview that he was not closing the door on the prospect. "I will leave it open for God to decide," he said. He turned around the next day, chiding reporters for not listening carefully and telling them what he actually said was that he was keeping his doorway open for women.

As an October deadline for signing up for the race approached, he rejected clamors for him to run by supporters, some of whom, including his daughter, shaved their heads to underscore their plea. Duterte said he didn't harbor the ambition to be president.

The following month, however, he switched places with a fellow party member who had registered for the race, saying he decided to run out of dismay over a decision to allow a rival candidate to run despite protests that she was not a natural-born Filipino as the constitution requires. He would later say he ran because his southern region has been neglected by past presidents.

ZERO CRIME

On the campaign trail, Duterte promised to end crime and corruption in three to six months, an impossible feat that nevertheless resonated with crime-weary Filipinos. "If I fail," he dared, "kill me."

Duterte eventually toned down the big promise, saying in a cam-

A look at verbal U-turns by Philippines' likely next leader



Duterte speaks during his final campaign rally in Manila

paign rally that "I cannot really stop as in stop [crime]. For as long as there is society, and there are men and women and children in society, there will always be crime."

"Ending" then gave way to "suppressing" crime.

POPE GO HOME

In November, Duterte cursed Pope Francis for causing a traffic jam during a Manila visit that trapped Duterte for five hours. He told a crowd, "I wanted to call and tell him, 'Pope, you son of a bitch, go home. Don't visit here anymore.'"

Amid ensuing criticism, he backtracked and explained that he

was cursing the mishandling of the traffic and not the pontiff. Still, he wrote a letter of apology to the Vatican.

After it became clear Duterte had won the presidency, his spokesman announced plans to visit the Vatican because "he really needs to explain to the pope and ask for forgiveness."

Three days later, Duterte shot down the idea, saying he had canceled the planned Vatican trip. Duterte said he had already sent a letter of apology to the leader of the Catholic world, adding, "That's enough."

CONFRONTING CHINA

Duterte and his camp have adopted a gamut of options in dealing with China over contested territories in the South China Sea. Under his presidency, he said the Philippines will prod China to abide by the upcoming decision of an arbitration court that's handling a Philippine lawsuit against Beijing. If China doesn't budge, he says he'll be open to one-on-one talks with Beijing. Another time, he said he leaned toward multilateral negotiations that would involve the United States and Japan and rival claimant governments to resolve the escalating conflicts.

But at a televised debate he revealed his most outlandish approach: He said he has thou-

ght about traveling to the disputed waters by Jet Ski and planting a Philippine flag on one of the new Chinese man-made islands, saying it's up to the Chinese to shoot him and turn him into a national hero.

BANK ACCOUNTS

When one of Duterte's harshest critics, Sen. Antonio Trillanes, alleged last month that Duterte had a secret bank account with his daughter with at least 211 million pesos (USD4.5 million) that he failed to declare in 2014 as required by law, Duterte's spokesman initially denied the account existed. Critics, however, proved it existed by depositing a token amount to get a receipt that showed the names of Duterte and his daughter, prompting Duterte to acknowledge he had the account.

He then suggested that the account had a smaller amount, but later backpedaled by saying at a news conference that he had "a little less than 211 million" pesos.

I am a man of many flaws and contradictions.

DUTERTE

Duterte said that amount wasn't declared because he had already spent it by the deadline that requires officials to make public only their existing assets.

Although he has not fully disclosed details of the account and where the money came from, Duterte swore he wasn't corrupt and cites the absence of any corruption case against him in his more than 22 years as mayor of the southern city of Davao.

RAPE JOKE

In his most infamous campaign joke, Duterte said he had wished to be the first in line to rape a beautiful Australian missionary who was sexually abused and killed by inmates during a 1989 Davao jail riot. He later struggled to ease the backlash by saying his remark was slang for expressing his disgust, and refused to apologize.

With criticism growing during the campaign homestretch, his spokesman and political party issued an apology on his behalf in which Duterte apologized to the Filipino people and said, "I am a man of many flaws and contradictions."

Duterte later disowned the apology and added that he never approved his own party's statement. Moments later, he grudgingly suggested that the statement of apology was fine. **AP**



A Duterte supporter listens during the final campaign rally

Volcano erupts in western Indonesia, killing 6 people

RESCUERS have found more bodies after a volcano erupted in western Indonesia, raising the death toll to six, an official said yesterday.

Mount Sinabung in North Sumatra province blasted volcanic ash as high as 3 kilometers into the sky on Saturday, said National Disaster Management Agency spokesman Sutopo Purwo Nugroho. He said ash tumbled down the slopes as far as 4.5 kilometers westward into a river.

All the victims of Saturday's eruption were working on their farms in the village of Gamber, about 4 kilometers away from the slope, or within the danger area.

Photos taken on yesterday showed evidence of pyroclastic flows, a fast-moving cloud of hot volcanic gases, rocks and ash, in the village. Dead and injured animals lie on the ground, around them scorched homes and



Villagers inspect the path of a pyroclastic flow from the eruption of Mount Sinabung in Gamber village, North Sumatra

smoky vegetation. Soldiers were setting up roadblocks and people were carrying their belongings and leading farm animals to safety.

Nugroho said soldiers, police, and rescuers from disaster combatting agencies, as well as volunteers and villagers, were searching for more possible victims.

The mountain had been

dormant for four centuries before reviving in 2010, killing two people. An eruption in 2014 killed 16 people.

Mount Sinabung is among more than 120 active volcanoes in Indonesia, which is prone to seismic upheaval due to its location on the Pacific "Ring of Fire," an arc of volcanoes and fault lines encircling the Pacific Basin. **AP**

Bison euthanized after tourists take it away from its herd

By Amy Beth Hanson

A bison calf that tourists loaded into their vehicle at Yellowstone National Park because they were concerned for its welfare could not be reunited with its herd and had to be euthanized, park officials said last week as they reasserted the importance of avoiding wildlife.

The incident last week and several other recent cases led to fresh warnings that park rules require visitors to stay at least 25 yards from all wildlife and 100 yards from bears and wolves.

Visitors brought the newborn calf to a park facility on May 9, which officials called a dangerous move because adult bison are protective and will attack to defend their young. Rangers took the animal back to where it was picked up, but they could not get it back with the herd after several tries.

"The bison calf was later euthanized because it was abandoned and causing a dangerous situation by continually approaching people and cars along the roadway," the park said in a statement.

The visitors were cited for touching park wildlife and fined USD110, Yellowstone spokeswoman Charissa Reid said. She declined to name the visitors or issue a copy of the citation amid the investigation.



A bison grazes in Yellowstone National Park

In another recent high-profile case, a woman was seen on video trying to pet an adult bison as it rested on the boardwalk around Old Faithful. In another, tourists posed for photos dangerously close to bison that had caused a traffic jam on a road.

Five visitors were seriously injured last year after getting too close to the massive animals.

Approaching wildlife also can affect their well-being and survival, possibly causing mothers to reject their offspring, park officials said.

Such reminders are included on Yellowstone's website, in information handed to visitors as they come in and on signs throughout the park, Reid said.

"This year we've added translations of the safety signage and provide park newspaper translations in a number of different languages," she said in a statement. **AP**

ASK THE VET

By Dr Ruan Du Toit Bester



MOST COMMON CAUSES OF FELINE OBESITY (FAT CATS)

OBESITY causes in felines may be various starting from genetics to lack of exercise and an inadequate diet. You must be aware of the possible causes and try to prevent obesity in your pet, as this is associated with many health problems.

GENETIC FACTORS

Just like in humans, certain cats are prone to being overweight. This is due to the genetic information inherited from the parents.

MEDICAL CONDITIONS

Certain medical conditions will cause obesity in your pet:

- Hormonal imbalance, which can affect the metabolism and may lead to weight gain
- A heart condition, which will not allow the pet to exercise and he can easily gain weight, due to inactivity
- Arthritis, which will also make certain movements painful and the cat will refrain from moving

Older pets may also be more prone to obesity, as the cat will be less active and will sleep more. If he eats the same food, he will most likely gain weight.

INADEQUATE DIET

An inadequate diet can lead to weight gain. The cat may eat more than he needs

and all the excess energy will turn into fat.

Many owners tend to over feed their cats. The cat should have a diet that is adjusted to his size, breed and age. You should work closely with your vet to find the amount of energy your pet needs for his daily activities and administer the exact same amount.

You should also make sure that the cat eats quality food that contains fewer fillers, which can contribute to obesity.

LACK OF EXERCISE

The lack of exercise can contribute to weight gain. A sedentary cat is very likely to become obese. This is due to the fact that he consumes more food than he needs and all the remaining energy will be deposited. A cat can easily become obese if he fails to exercise.

The amount of exercise required by a cat will depend on his breed and age, but he will need to play or consume his extra energy each day. On average, cats need around 15 to 30 minutes of exercise per day. Exercise may not be recommended if the pet has arthritis or a heart condition. In this case, the diet has to be adjusted so that the pet eats only as much as he needs.

DANGERS OF OBESITY

Obesity can present certain health dangers, so you need to prevent obesity in



your cat.

Obesity is linked to these health problems:

- Heart problems, as the heart has to work extra to pump blood to the fat tissues as well
 - Early onset of arthritis
 - Diabetes, which can occur if the cat can no longer assimilate the blood sugar properly
- Obese cats will also have a lower life expectancy.

Consult your vet if you suspect your pet may be overweight. The vet can establish if your cat has a normal weight and make

certain diet and exercise recommendations.

Hope this info helps
Till next week
Dr Ruan

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