

Hong Kong Rebound Boosts Luk Fook Revenue



Hong Kong-based jeweler Luk Fook saw sales rise in the second fiscal quarter as tourists returned to the municipality in search of luxury items.

Same-store sales — at self-operated shops open for at least a year — jumped 31% for the three months ending September 30 compared with the same period a year ago, the [company](#) reported Wednesday.

Hong Kong's border with the mainland reopened to tourists in January, while the territory's government removed local restrictions. The municipality derives much of its luxury revenue from visitors — primarily from China — who travel there to purchase goods.

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THE RETAILER ALSO ATTRIBUTED THE GROWTH TO STRONG SALES OVER THE NATIONAL DAY GOLDEN WEEK HOLIDAY AS WELL AS ITS DECISION TO CARRY A GREATER PROPORTION OF GOLD PRODUCTS, WHICH ARE MORE POPULAR THAN DIAMOND JEWELRY.

&LDQUO;GIVEN THE DECREASED DEMAND FOR DIAMOND PRODUCTS [ON THE] MAINLAND, THE GROUP WILL CONTINUE TO ACTIVELY PROMOTE NON-DIAMOND FIXED-PRICE JEWELRY PRODUCTS, ESPECIALLY FIXED-PRICE GOLD PRODUCTS, IN ORDER TO IMPROVE&HELLIP;PERFORMANCE,&RDQUO; IT SAID.

THE 41% INCREASE IN HONG KONG AND MACAU OUTWEIGHED AN 8% DIP ON THE MAINLAND RESULTING FROM A CHALLENGING ECONOMIC SITUATION AND SUBDUED CONSUMER SENTIMENT, THE COMPANY EXPLAINED.

LUK FOOK&RSQUO;S SAME-STORE SALES OF GOLD &MDASH; PRICED BY WEIGHT AT INTERNATIONAL MARKET RATES &MDASH; GREW 30% YEAR ON YEAR DURING THE QUARTER, WHILE &LDQUO;FIXED-PRICE JEWELRY,&RDQUO; WHICH REFERS TO PRODUCTS SOLD AT PRICES DETERMINED BY THE RETAILER, WAS UP 36%. OVERALL, SALES OF FIXED-PRICE GOLD PRODUCTS INCREASED 76%, WHILE FIXED-PRICE DIAMOND GOODS ROSE 19%.

&LDQUO;SINCE THE FULL REOPENING OF BORDERS AMONGST HONG KONG, MACAU AND MAINLAND&HELLIP;THE HONG KONG AND MACAU MARKET HAS SHOWN CONSISTENT IMPROVEMENT,&RDQUO; LUK FOOK NOTED. &LDQUO;THE MACROECONOMIC IN THE MAINLAND MARKET SHOWED NO SIGNS OF IMPROVEMENT AND ITS CONSUMPTION SENTIMENT EXHIBITED A SLOWER RECOVERY COMPARED TO THE HONG KONG AND MACAU MARKET&HELLIP;. THIS YEAR MARKED THE FIRST NATIONAL DAY GOLDEN WEEK AFTER THE RETURN TO NORMALCY FOLLOWING THE PANDEMIC. DURING THIS GOLDEN WEEK PERIOD&HELLIP;THE HONG KONG AND MACAU MARKET SUSTAINED GROWTH MOMENTUM.&RDQUO;

MAIN IMAGE: A LUK FOOK STORE IN HONG KONG. (SHUTTERSTOCK)