

Hong Kong Tourist Revival Supports Chow Tai Fook Sales



Retail sales at Hong-Kong based jeweler Chow Tai Fook rose 6% year on year in the second fiscal quarter as tourists flocked back to the municipality.

The increased business in Hong Kong drove growth during the three months that ended September 30, as did purchases of higher-value gold jewelry in the municipality, according to data the company released last week. However, in China, sales growth slowed against a strong base of comparison with the previous year, when tourists were blocked from entering Hong Kong and domestic spending on the mainland was high.

Retail sales in Hong Kong and all other non-Chinese markets, which together account for 14% of the company's total revenue, jumped 54%. In China — which covers the remaining 86% — they climbed only 0.6%.

Same-store sales on the mainland fell 13%, while Hong Kong and Macau witnessed 56% growth. In Hong Kong alone, same-store sales grew 43%. Macau's surged 117%, the company reported.

"During the second quarter, we observed a continued improvement in mobility and retail activity in mainland China and Hong Kong and Macau," the [retailer](#) said. "[Same-store] sales in the mainland nonetheless dropped...due to the high base of comparison. In Hong Kong and Macau, the progressive return of mainland tourists has been supportive to our business."

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MEANWHILE, SAME-STORE SALES OF GOLD PRODUCTS &Mdash; INCLUDING JEWELRY &Mdash; DROPPED 10% IN CHINA BUT ADVANCED 89% IN HONG KONG AS LUXURY-SEEKING TOURISTS SNAPPED UP THOSE ITEMS AT A MUCH HIGHER AVERAGE SELLING PRICE THAN THE PREVIOUS YEAR. THE AVERAGE INTERNATIONAL GOLD PRICE SURGED 12% FROM THE SAME PERIOD A YEAR AGO, CHOW TAI FOOK EXPLAINED. SAME-STORE SALES OF GEM-SET JEWELRY AND SIMILAR ITEMS DROPPED 28% ON THE MAINLAND AND SLIPPED 4% IN HONG KONG AND MACAU.

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