

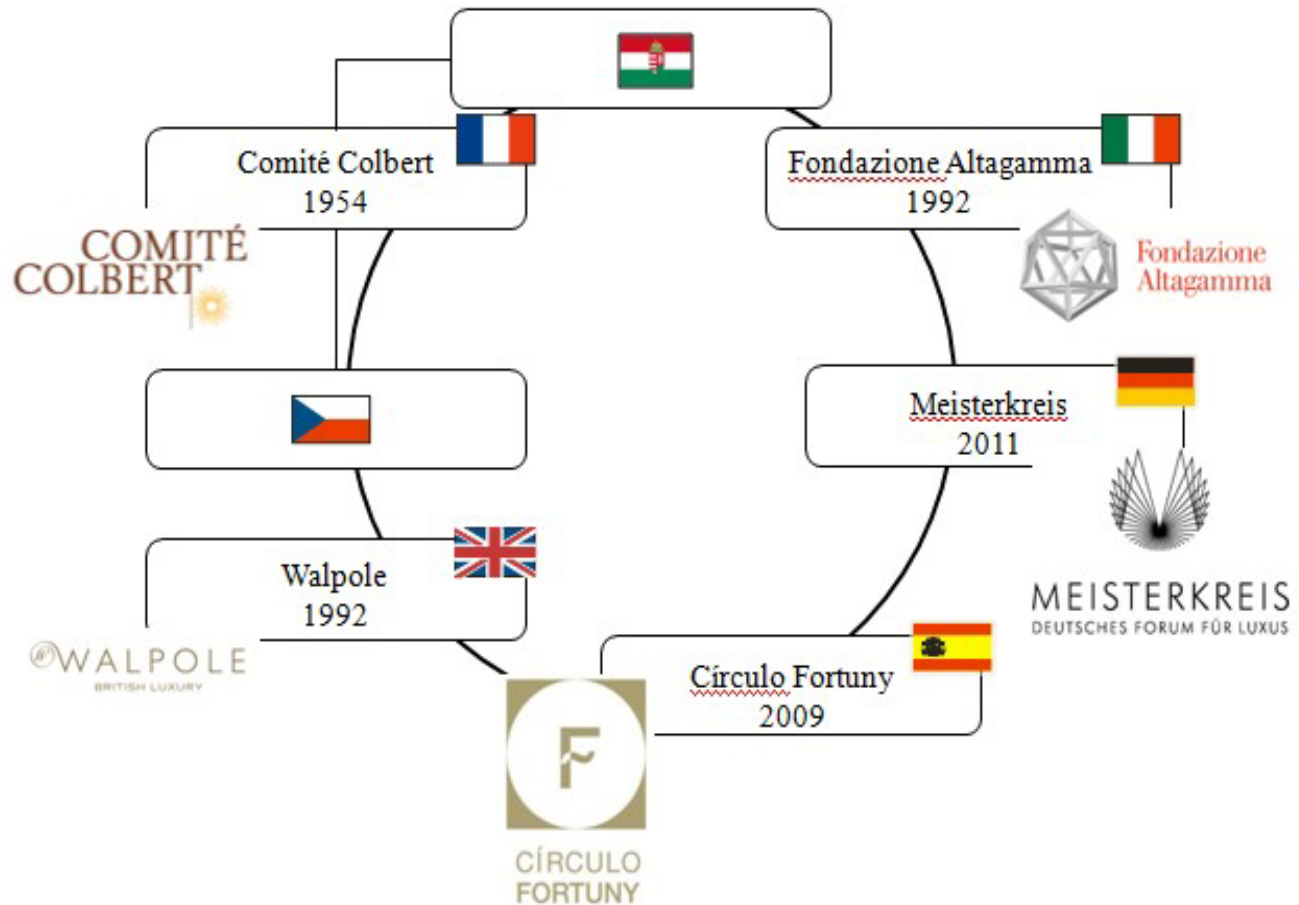
Luxury,
A Growth Driver for 21st-Century Europe

The European voice of luxury

Index

- The European voice of luxury

- A dynamic industry
- A European industry
 - A source of highly skilled and sustainable employment in Europe
- An Export Champion
 - A creative and innovative industry
- A competitive industry
- A driver of the regional economy and SMEs
- An economic impact on other industries / activities
- Luxury, the European soft power
- What Europeans think?
 - Major challenges



The European voice of luxury

Index

- The European voice of luxury

- A dynamic industry
- A European industry
 - A source of highly skilled and sustainable employment in Europe
- An Export Champion
 - A creative and innovative industry
- A competitive industry
- A driver of the regional economy and SMEs
- An economic impact on other industries / activities
- Luxury, the European soft power
- What Europeans think?
 - Major challenges

ECCIA's executive team

- **Almudena Arpon de Mendivil, *Círculo Fortuny***
- **Elisabeth Ponsolle des Portes, *Comité Colbert***
- **Armando Branchini, *Fondazione Altagamma* and president of**

ECCIA (2011-2012)

- **Clemens Pflanz, *Meisterkreis***
- **Julia Carrick, *Walpole British Luxury***
- **Paloma Castro Martinez, *LVMH***

A dynamic industry

Strong growth, resilient to crisis

Index

- The European voice of luxury

- **A dynamic industry**

- A European industry

- A source of highly skilled and sustainable employment in Europe

- An Export Champion

- A creative and innovative industry

- A competitive industry

- A driver of the regional economy and SMEs

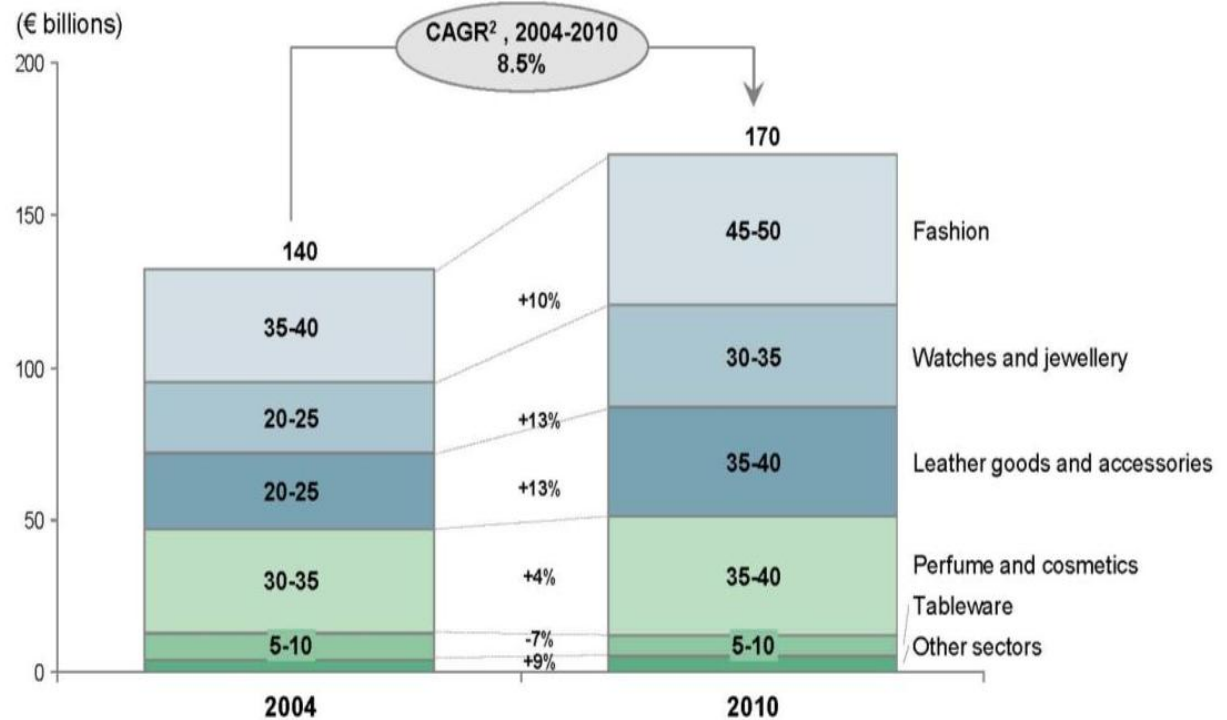
- An economic impact on other industries / activities

- Luxury, the European soft power

- What Europeans think?

- Major challenges

Global personal luxury goods market in retail value¹



1. The luxury goods market estimate includes fashion, watches and jewellery, leather goods and accessories, perfume and cosmetics, and tableware. It does not include the other luxury sectors, such as wines and spirits, hotels, automobiles, and yachts. 2. CAGR is an abbreviation for compound annual growth rate.
Source: Altagamma.

A European industry

Index

- The European voice of luxury
- A dynamic industry
- A European industry
 - A source of highly skilled and sustainable employment in Europe
- An Export Champion
 - A creative and innovative industry
- A competitive industry
- A driver of the regional economy and SMEs
- An economic impact on other industries / activities
- Luxury, the European soft power
- What Europeans think?
 - Major challenges

European players account for 75 % of this market

**Among the top 25 worldwide luxury brands,
18 are from the European Union**

Louis Vuitton
Chanel
Ralph Lauren
Cartier
Coach
Rolex
Tiffany&Co
Gucci
Christian Dior
Hugo Boss
Hermès
Giorgio Armani
Omega



Lancôme
Burberry
Clinique
Bulgari
Prada
Estée Lauder
Zegna
Guerlain
Dolce&Gabbana
Ferragamo
Clarins
YSL Beauté



A European industry

Index

- The European voice of luxury
 - A dynamic industry
- A European industry
 - A source of highly skilled and sustainable employment in Europe
 - An Export Champion
 - A creative and innovative industry
- A competitive industry
- A driver of the regional economy and SMEs
- An economic impact on other industries / activities
 - Luxury, the European soft power
- What Europeans think?
 - Major challenges

Conveying European social, economic and cultural values based on History and Heritage:

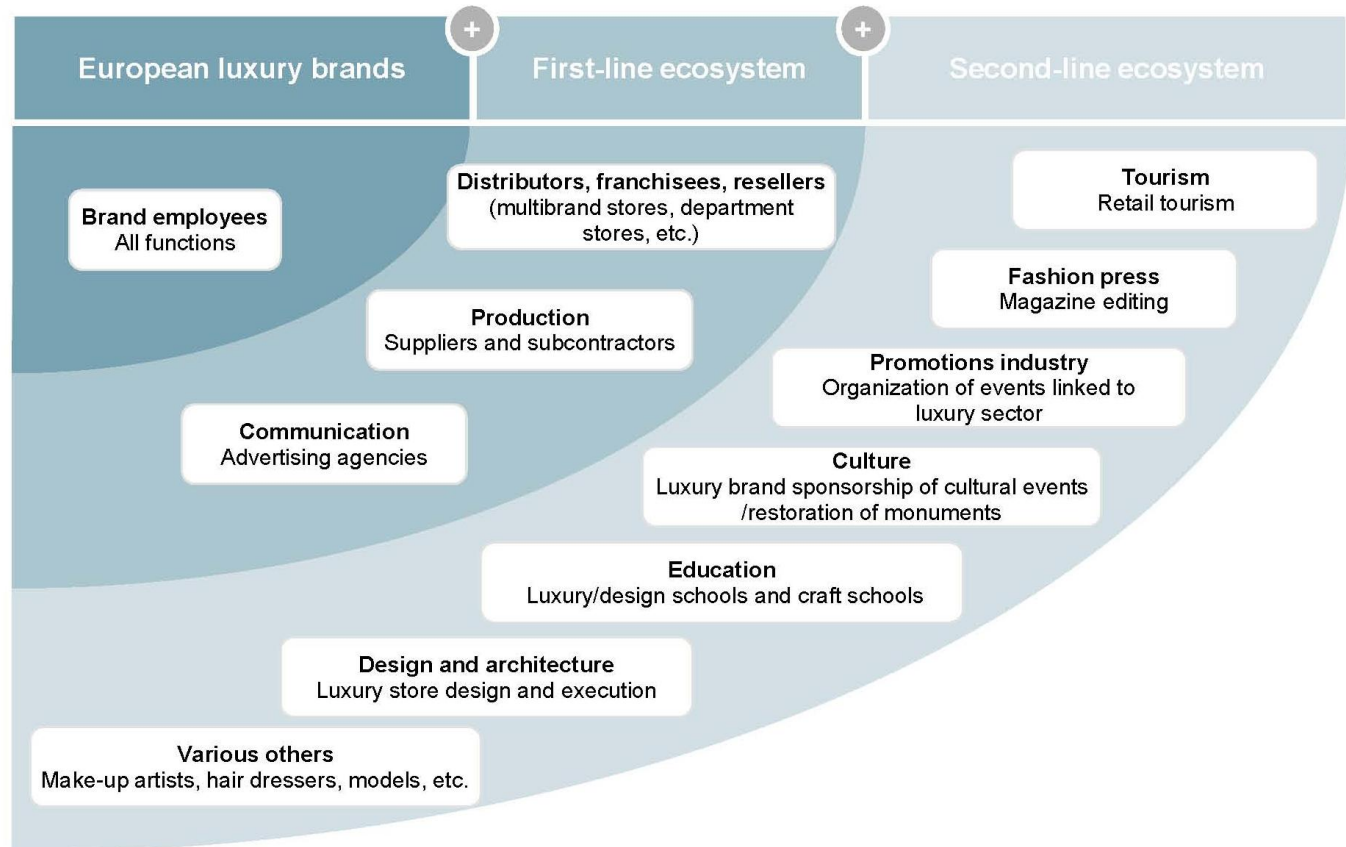
- **know-how / craftsmanship**
- **creation / innovation**
- **sustainable growth**

A source of highly skilled and sustainable employment in Europe

Globally, the luxury goods industry generates up to 1,000,000 jobs – directly and indirectly – in Europe

Index

- The European voice of luxury
- A dynamic industry
- A European industry
- **A source of highly skilled and sustainable employment in Europe**
- An Export Champion
- A creative and innovative industry
- A competitive industry
- A driver of the regional economy and SMEs
- An economic impact on other industries / activities
- Luxury, the European soft power
- What Europeans think?
- Major challenges



Sources: Press articles; company reports, analysis from the Comité Colbert.

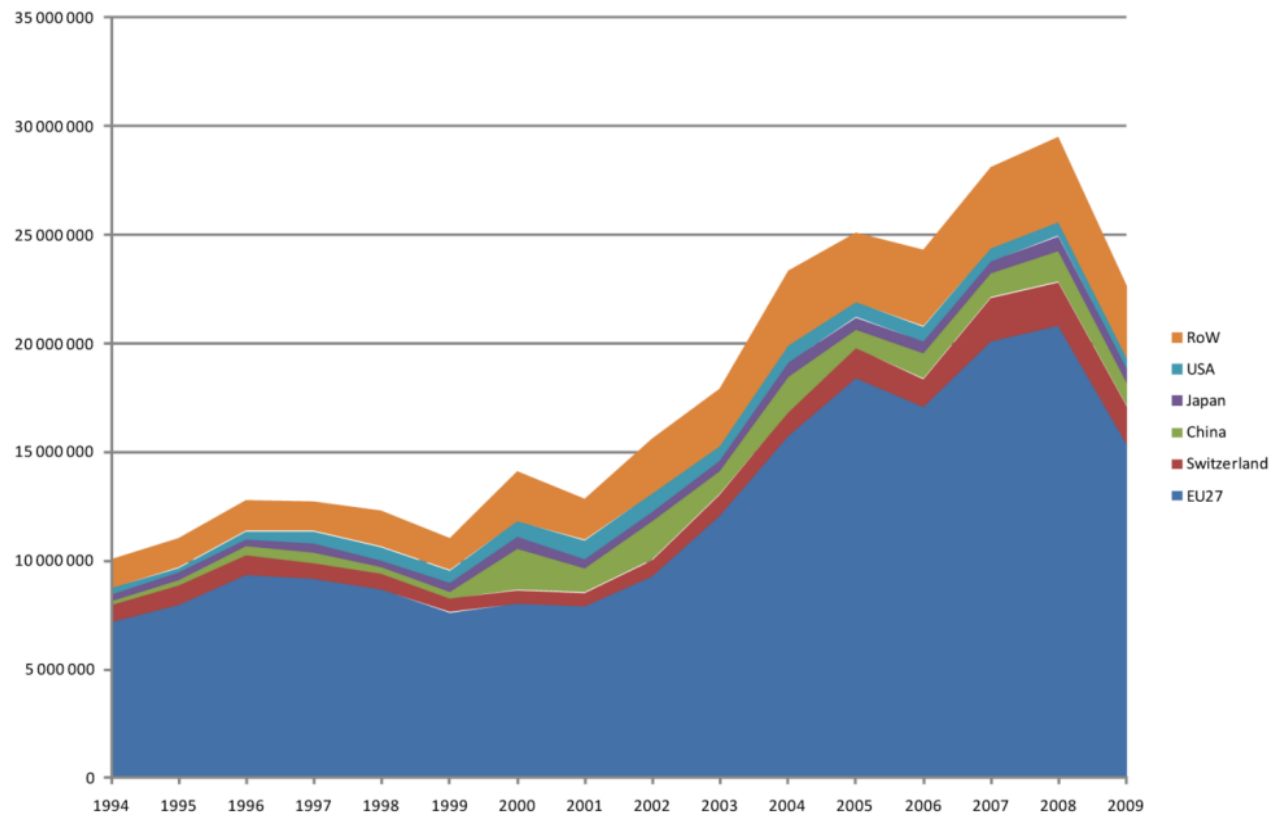
Source : BCG/Comité Colbert Study, 2008

An Export champion

Index

- The European voice of luxury
- A dynamic industry
- A European industry
 - A source of highly skilled and sustainable employment in Europe
- **An Export Champion**
 - A creative and innovative industry
- A competitive industry
- A driver of the regional economy and SMEs
- An economic impact on other industries / activities
- Luxury, the European soft power
- What Europeans think?
 - Major challenges

Europe is the world export leader of high quality products



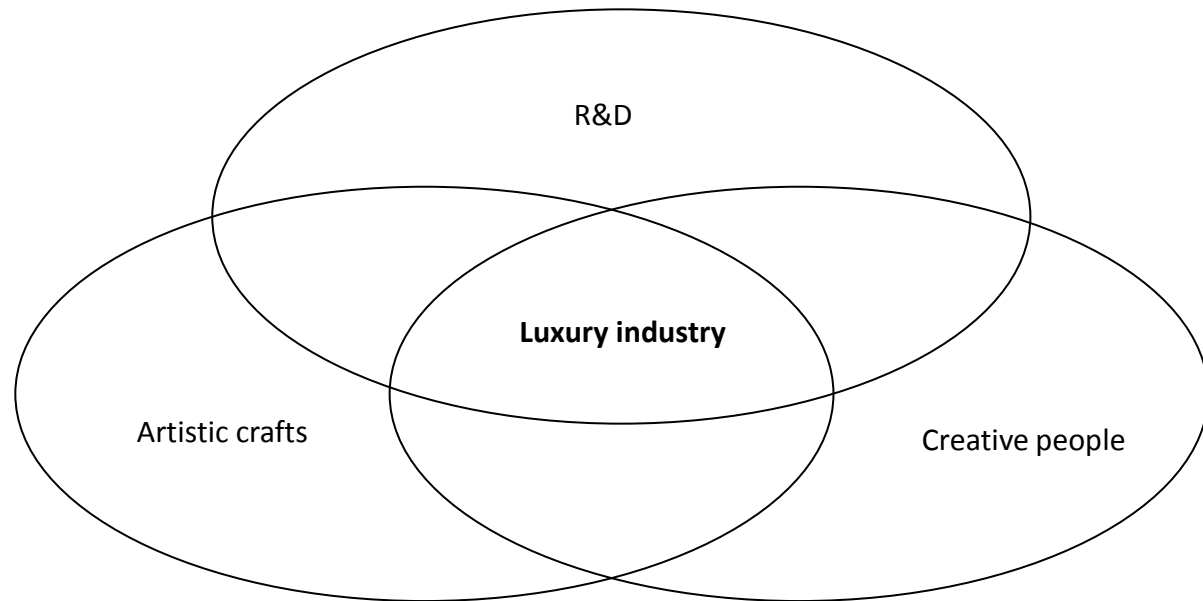
Source : L. Fontagné in Comité Colbert Annual Report, 2011

A creative and innovative industry

A specific knowledge ecology as a driver for innovation

The luxury industry is the only place in which different innovation logics converge:

- *science-driven innovation;*
- *innovation originating from purely artistic creativity;*
- *innovation originating from the development of traditional know-how.*



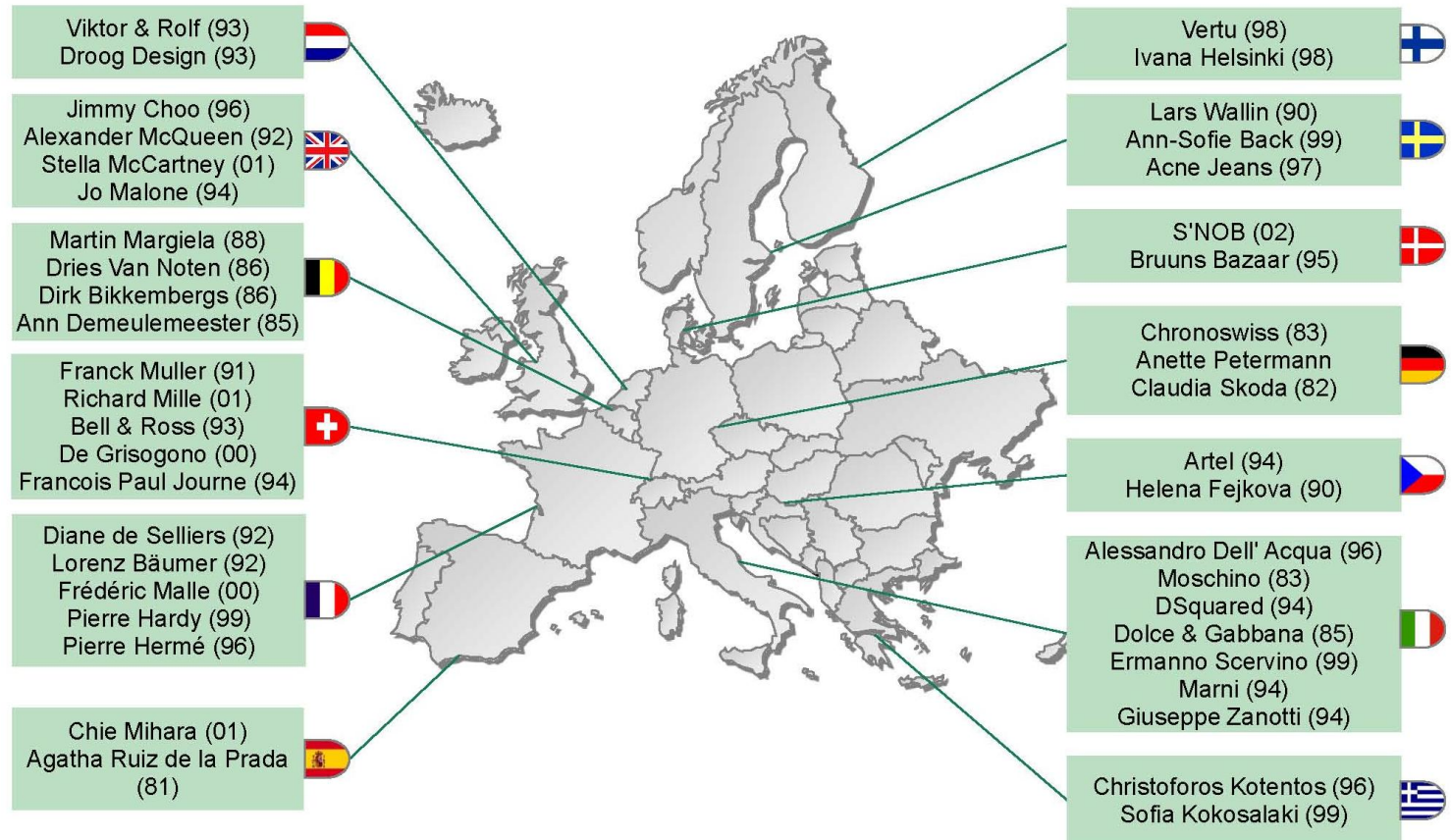
- Index**
- The European voice of luxury
 - A dynamic industry
 - A European industry
 - A source of highly skilled and sustainable employment in Europe
 - An Export Champion
 - **A creative and innovative industry**
 - A competitive industry
 - A driver of the regional economy and SMEs
 - An economic impact on other industries / activities
 - Luxury, the European soft power
 - What Europeans think?
 - Major challenges

A creative and innovative industry

Many new comers

Index

- The European voice of luxury
- A dynamic industry
- A European industry
 - A source of highly skilled and sustainable employment in Europe
- An Export Champion
 - **A creative and innovative industry**
- A competitive industry
- A driver of the regional economy and SMEs
- An economic impact on other industries / activities
- Luxury, the European soft power
- What Europeans think?
 - Major challenges



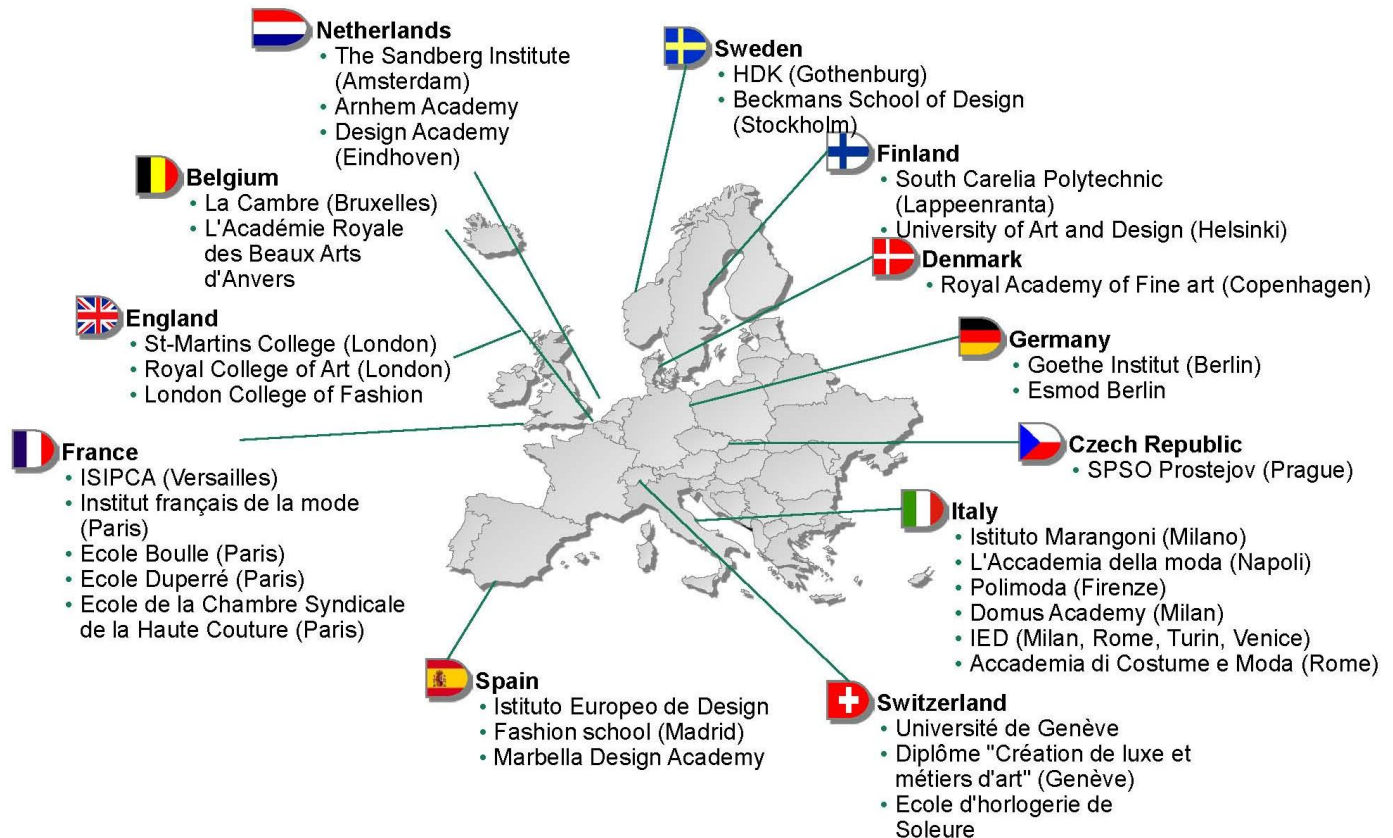
Source : BCG/Comité Colbert Study, 2008

A creative and innovative industry

Luxury industry is a driver for the education of creative people

Index

- The European voice of luxury
- A dynamic industry
- A European industry
 - A source of highly skilled and sustainable employment in Europe
- An Export Champion
 - **A creative and innovative industry**
- A competitive industry
- A driver of the regional economy and SMEs
- An economic impact on other industries / activities
- Luxury, the European soft power
- What Europeans think?
 - Major challenges



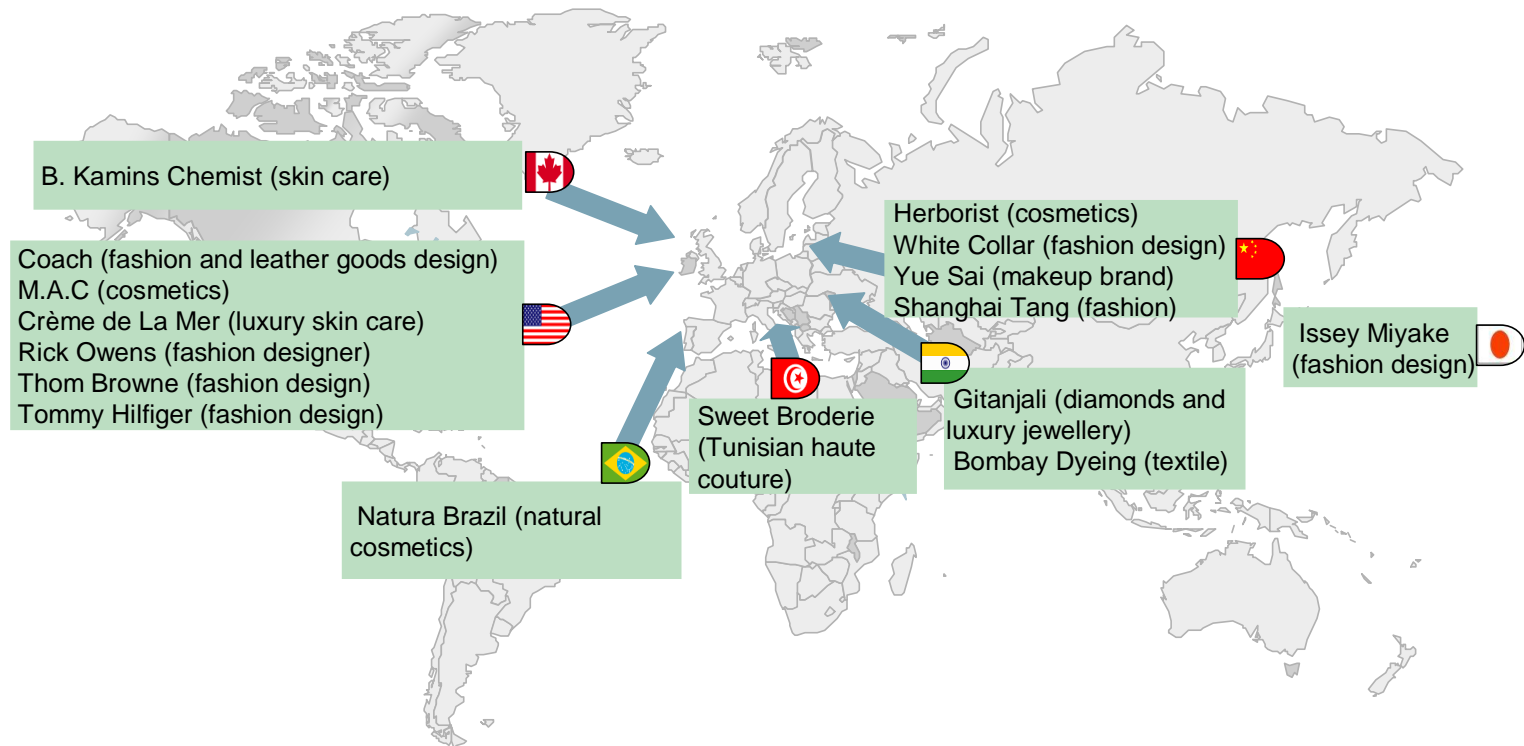
Source : BCG/Comité Colbert Study, 2008

A competitive industry

Index

Many international players have successfully entered the European market

- The European voice of luxury
- A dynamic industry
- A European industry
 - A source of highly skilled and sustainable employment in Europe
- An Export Champion
 - A creative and innovative industry
- **A competitive industry**
- A driver of the regional economy and SMEs
- An economic impact on other industries / activities
- Luxury, the European soft power
- What Europeans think?
 - Major challenges

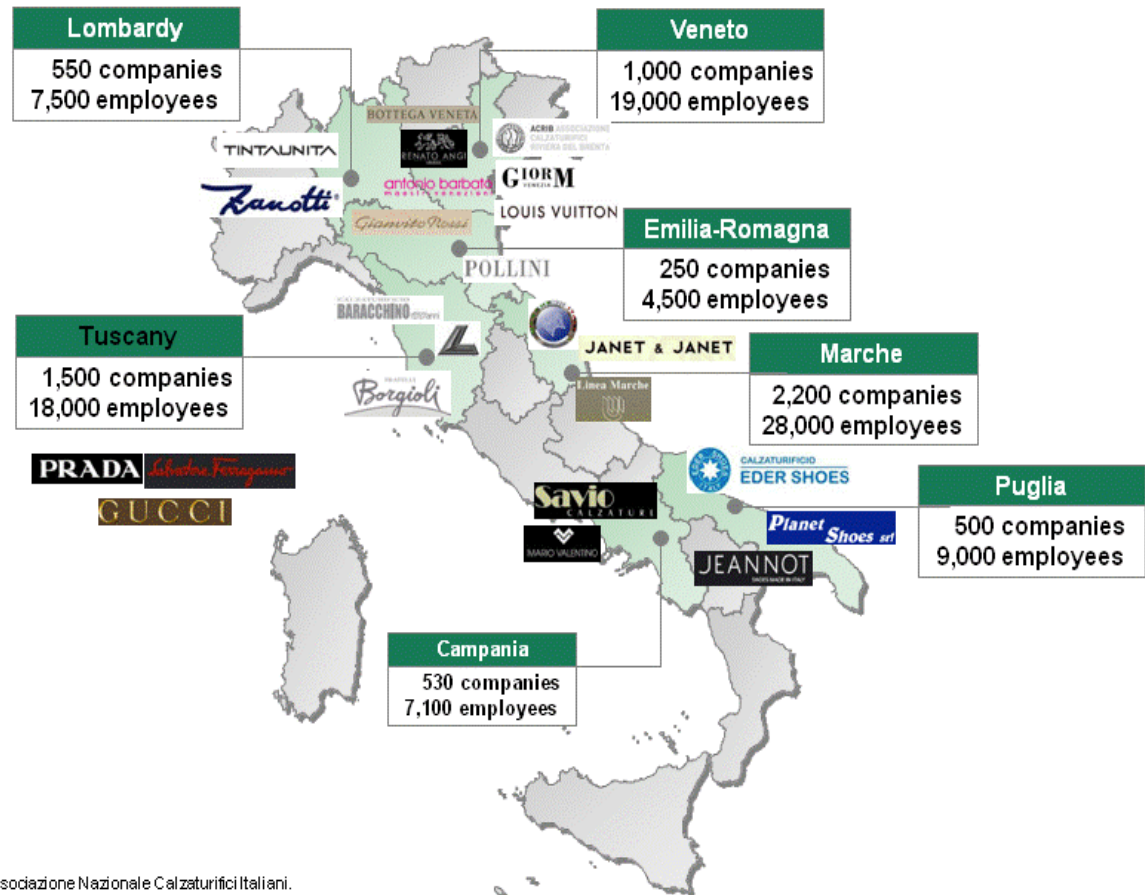


Source : BCG/Comité Colbert Study, 2008

A driver of the regional economy and SMEs

Index

- The European voice of luxury
- A dynamic industry
- A European industry
 - A source of highly skilled and sustainable employment in Europe
- An Export Champion
 - A creative and innovative industry
- A competitive industry
 - A driver of the regional economy and SMEs
- An economic impact on other industries / activities
- Luxury, the European soft power
- What Europeans think?
 - Major challenges



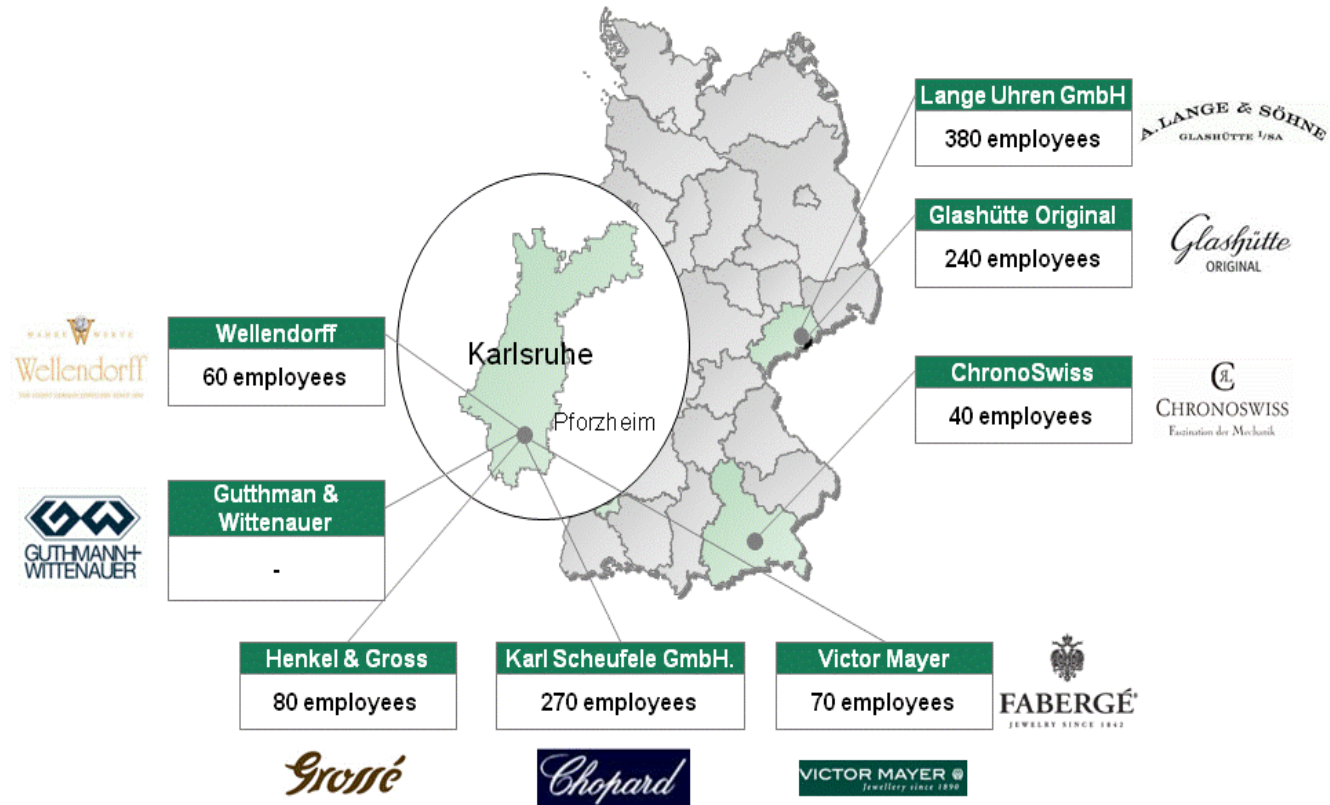
Sources: Press articles; Associazione Nazionale Calzaturifici Italiani.

Source : BCG/Comité Colbert Study, 2008

A driver of the regional economy and SMEs

Index

- The European voice of luxury
 - A dynamic industry
 - A European industry
 - A source of highly skilled and sustainable employment in Europe
 - An Export Champion
 - A creative and innovative industry
- A competitive industry
 - **A driver of the regional economy and SMEs**
- An economic impact on other industries / activities
- Luxury, the European soft power
- What Europeans think?
 - Major challenges



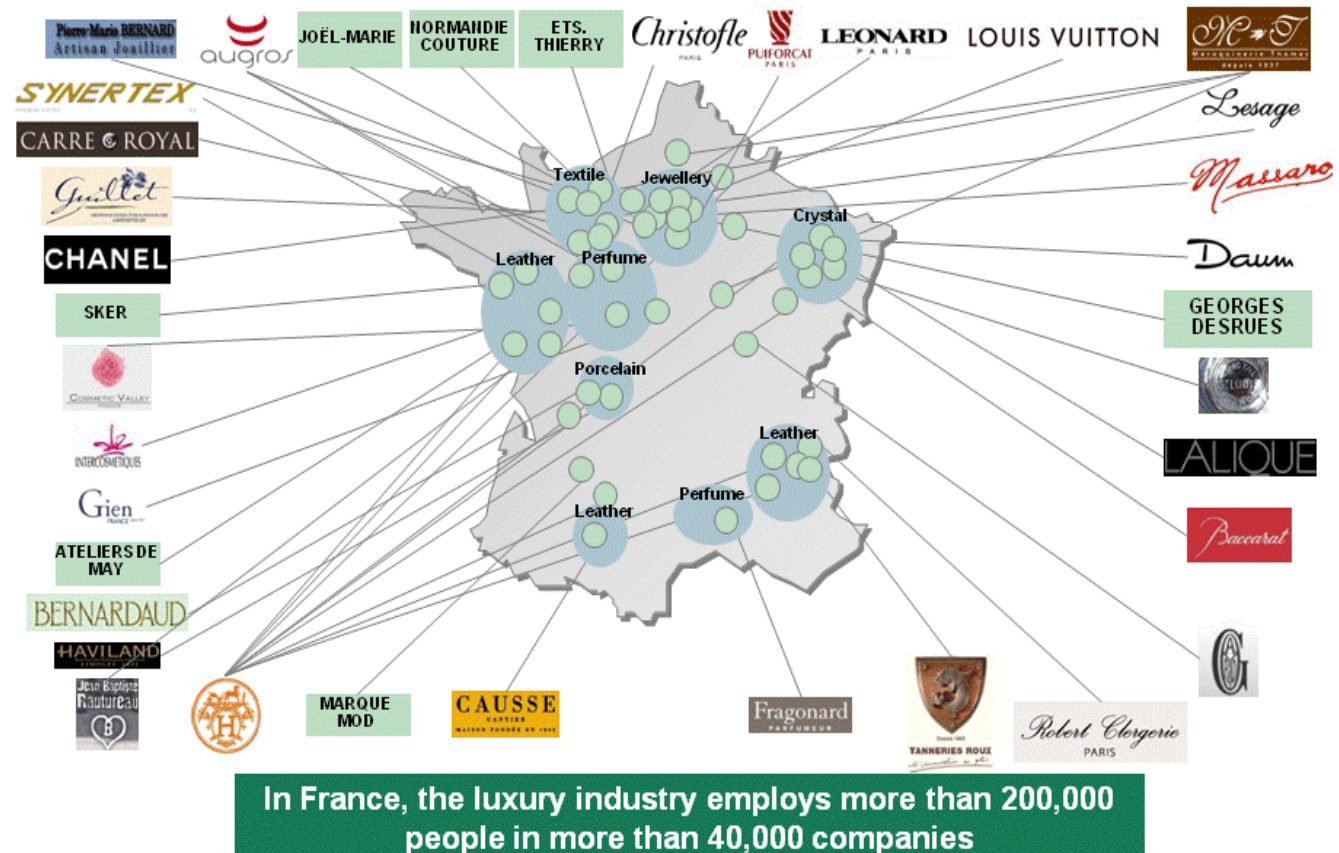
Source : BCG/Comité Colbert Study, 2008

A driver of the regional economy and SMEs

Index

- The European voice of luxury
- A dynamic industry
- A European industry
 - A source of highly skilled and sustainable employment in Europe
- An Export Champion
 - A creative and innovative industry
- A competitive industry
 - A driver of the regional economy and SMEs
- An economic impact on other industries / activities
- Luxury, the European soft power
- What Europeans think?
 - Major challenges

Key luxury manufacturers and subcontractors in France



An economic impact on other industries / activities

Positive spillover effects

Index

- The European voice of luxury
 - A dynamic industry
 - A European industry
 - A source of highly skilled and sustainable employment in Europe
 - An Export Champion
 - A creative and innovative industry
 - A competitive industry
 - A driver of the regional economy and SMEs
 - **An economic impact on other industries / activities**
 - Luxury, the European soft power
- What Europeans think?
 - Major challenges

“Beyond its direct contribution to employment and competitiveness in the regions and countries in which it develops, the luxury industry plays a pivotal role in the expansion of a knowledge-based economy thanks to the different types of “positive externalities” generated by its activity”

✓ **A capacity to trigger innovations (knowledge spillovers)**

“Numerous examples tend to show that a multitude of innovations whose origin is apparent in a particular component of the luxury industry are adapted, transposed and reused in other industries”

✓ **A capacity to generate quality effects for society as a whole (market spillovers)**

“These market spillovers are particularly due to the democratisation of quality: the luxury industry generates quality gains, which are then democratised thanks to mass consumption products, which incorporate these quality effects into their design”

✓ **On tourism**

According to a 2011 Global Blue Study, “over 100,000 passengers from China arrive in Europe each week. The top destinations in Europe for Chinese are France, Italy, Switzerland, Greece, the UK, Spain and Germany. Some groups travel solely to France and Italy for the purpose of shopping”

“Chinese tourists allot around 70 per cent of their travel expenditures to shopping”

Luxury, the European soft power

A showcase for Europe all over the world

Index

- The European voice of luxury
- A dynamic industry
- A European industry
 - A source of highly skilled and sustainable employment in Europe
- An Export Champion
 - A creative and innovative industry
- A competitive industry
- A driver of the regional economy and SMEs
- An economic impact on other industries / activities
- **Luxury, the European soft power**
- What Europeans think?
 - Major challenges



What Europeans think?

What is the contribution of the luxury industry to Europe?

Index

- The European voice of luxury

- A dynamic industry

- A European industry

- A source of highly skilled and sustainable employment in Europe

- An Export Champion

- A creative and innovative industry

- A competitive industry

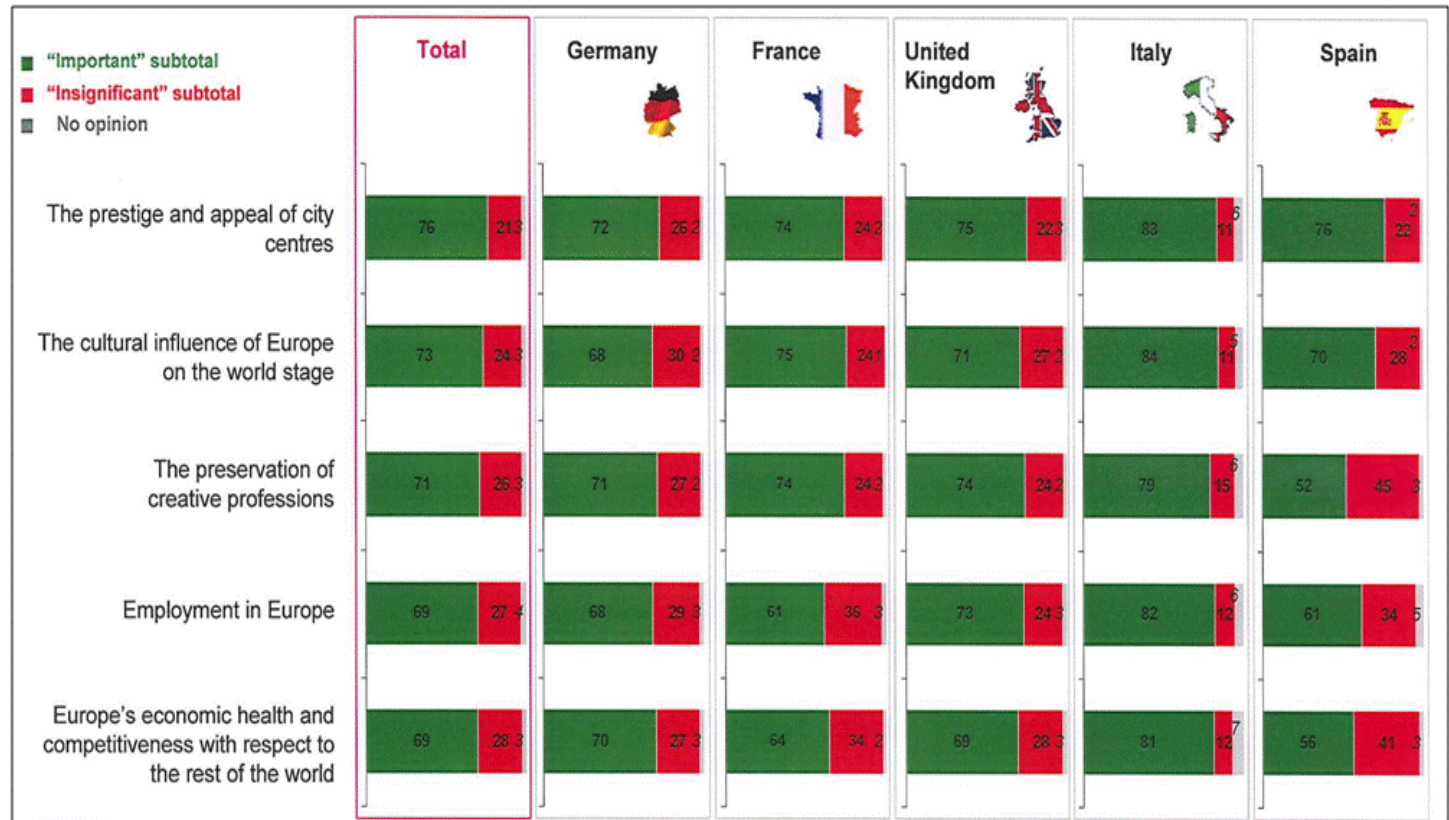
- A driver of the regional economy and SMEs

- An economic impact on other industries / activities

- Luxury, the European soft power

- What Europeans think?

- Major challenges



Source : TNS Sofres Survey, 2009

Major challenges

Index

- The European voice of luxury
 - A dynamic industry
 - A European industry
 - A source of highly skilled and sustainable employment in Europe
 - An Export Champion
 - A creative and innovative industry
 - A competitive industry
 - A driver of the regional economy and SMEs
 - An economic impact on other industries / activities
 - Luxury, the European soft power
- What Europeans think?
 - **Major challenges**

