

THE LUXURY BUSINESS GAZETTE

Monthly business news, analysis & views from the global luxury industry

The Global Luxury Brands' Exodus From Russia Continues

➤ It's the Luxury Brexodus - the global luxury brands' exodus from Russia. Yale Chief Executive Leadership Institute compiled a continuously updated list of all brands exiting. The list includes not only the luxury brands but also the large luxury conglomerates that own numerous luxury brands and so the number of individual luxury brands is actually much higher than it appears on the list.

Cargo Ship With a Large Amount of Luxury Cars Sank

➤ The cargo ship "Felicity Ace" was carrying \$401 million of vehicles when it sank. A large amount of those cars were made by luxury brands as Lamborghini, Bentley, Porsche and Audi. Lamborghini decided to restart production of the discontinued Aventador after 15 of them sank there. Lambo and Bentley lost 274 cars combined while Audi and Porsche lost nearly 3,000 cars combined. (RobbReport)



INDUSTRIAL ESPIONAGE

Cartier sued Tiffany & Co, accusing its luxury competitor of stealing trade secrets about its high-end jewelry collection from Megan Marino, a junior manager employee it hired away. As Reuters reports, Marino said Tiffany was "more interested in hiring me as a source of information than as a High Jewelry manager." In their arguments the attorneys of Tiffany & Co imply that Cartier is using the judicial institution as its instrument and that this whole lawsuit/court case is filed for publicity. The value of trade secrets, know-how, business or strategic intelligence and insider information are higher within the haute luxury industry than in most of the other industries. Therefore, industrial espionage remains a strong risk (or advantage for that matter) in the luxury sphere just as it is in such spheres as space, aviation, defense, advanced science etc.

2021 Was One of The Best Years Ever For Cigar Industry

➤ Last year, 456 million handmade cigars were shipped to the United States, according to the Cigar Association of America. Shipments were up by 25.3 percent over 2020. Cigars are selling in record numbers and 2021 was one of the best years in the history of the cigar industry.

Luxury Watches Outperformed All Collectibles at Auctions

➤ A study by Art Market Research shows auction prices for watches soared by 15.7% last year, beating art (+13.5%), handbags (+6.9%) and jewelry (+2.1%). Patek Philippe dominated the list of most expensive watches sold. As WatchPro reports, independent watchmakers performed well too, with F.P. Journe and Philippe Dufour in highest demand.

Vintage Collectible Cars Drifting on Ice in St. Moritz

➤ Part concours d'elegance, part frosty automotive party, The ICE St. Moritz lets vintage car owners drift their collectible classic cars on an ice track on a frozen lake. This gathering is held every year and it's now in its fourth year. This year, judges included former supermodel Yasmin Le Bon, Pagani owner Horacio Pagani, and Maserati chief designer Klaus Busse. (Equicapmag)

RUS. UHNWI EVADING SANCTIONS

Many experts point out that these sanctions are not hurting the lifestyles of Russian elites as people may think. Getting luxury goods and services is going to be harder, more costly and more time consuming but they will find alternative ways. As written in Forbes, "Putin might not be able to save them, but the lawyers,

accountants and sanctions havens are giving it a go."

The Russian UHNWI, as any other nation's UHNWI, have the top advisors from all areas (as finance, law, cyber, luxury services, security, market intelligence etc.) serving them. This means the Russian elites are going to get the best solutions, intelligence and advice on how to get around or evade these sanctions anyway. Their consiglieri will find new ways and alternative options for them.

DIAMOND INDUSTRY 2021-22

According to Bain&Co's latest Global Diamond Industry 2021-22 report, demand for diamonds was strong throughout 2021, especially in the second half of the year. Strong demand for diamond jewelry and depleted inventories led to price growth.

Demand for diamond jewelry and polished and rough diamonds is expected

to grow through the first half of 2022. The diamond jewelry industry is going into the year with diamond supply at historically low levels.

As Pamela Danziger wrote, the supply of rough diamonds may be cut by over 25% as Russian-owned Alosa, the world's largest diamond producer by volume, was placed on the sanction list. As a result, the prices for luxury diamond jewelry may continue to rise as the supply level will be even lower.

