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Luxury shoppers return as Shanghai ends citywide lockdown

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Shanghai is moving towards the end of a two-month lockdown, with businesses gradually reopening. But how soon will China's luxury consumption bounce back? Image credit: Shutterstock

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June 1 marked a big day for Shanghai residents.

After a **two-month COVID lockdown** that bottled up 25 million people, businesses in China's commercial hub finally resumed today, as local authorities promised on May 30.

According to an official statement, residents will be allowed to enter and leave apartment compounds "without any restrictions," except those living in areas categorized as medium or high risk.

As of publication, shopping malls in Beijing and Shanghai have gradually reopened as pandemic control measures lifted in both cities.

Among those are Beijing's SKP Mall and World Trade Center, as well as **Shanghai's Plaza 66** and Taikoo Li Qiantan. Luxury stores in these top shopping destinations, including Louis Vuitton, Herms and Chanel, have seen long queues outside.

In the digital arena, ecommerce has also been steadily recovering as logistics improve in Shanghai, where many luxury houses' warehouses are based.

Brands such as Prada, Bottega Veneta and Lanvin recorded positive sales performance May 31, when Tmall Luxury Pavillion kicked off its 618 shopping carnival.

The Jing Take: There have been debates on whether Chinese shoppers will continue to fuel the luxury market, after major cities including Shanghai and Beijing fell under lockdown.

According to the Future Consumer Index report published by global consulting firm Ernst & Young in April, approximately 60 percent of Chinese respondents believed their personal finances would improve in the coming year, higher than the global average of 48 percent.

Meanwhile, the general consumer sentiment has seen an uptick since Shanghai announced a lifting of restrictions.

On May 26, the first presale day of **618 Shopping Festival**, Chinese top livestream Li Jiaqi garnered over 100 million views, roughly four times higher than the average viewership one week ago.

Just as importantly, the financial outlook and consumer sentiment of high-net-worth individuals has barely dampened due to the lockdown.

As Xiaohongshu user @Mr.Shu shared on the platform, the line outside of Herms at Shanghai Plaza 66 was the longest one among other opened luxury boutiques May 31. As such, will a rebound of Chinese luxury consumption come sooner than expected?

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