

COMMERCE

Luxury stock prices spike as China lifts group tour bans

August 10, 2023



After three years of limits, the nation's shoppers can resume the guided tours in a total of 78 locations across the globe. Image credit: Shutterstock

By LUXURY DAILY NEWS SERVICE

European companies are experiencing boosts in value as pandemic-era travel restrictions enacted in one of luxury's most crucial markets ease.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

On Aug. 10, China's Ministry of Culture and Tourism announced a lift on group tour bans to key markets, meaning the nation's residents are now all clear to embark on the guided excursions. After three years of limits, shoppers from the mainland country can return to 78 locations across the globe, including the United States, South Korea, Germany, Australia, Japan and the United Kingdom - news of the shift has caused stocks from the likes of LVMH, Kering and Hermès to rise.

Lifted ban spikes stock

China barred group travel to international hotspots across Europe, North America, Africa and the Asia-Pacific region to slow the spread of the COVID-19 virus back in 2020.

Over the last 40 months, as communities and economies recover in its aftermath, China has slowly dropped restrictions.

In December 2022, Beijing ended its zero-COVID-19 policy, following up in January 2023 by allowing group tours to return to 20 nations in March 2023, Chinese travelers were given the green light on 40 more.

Now, those hailing from the country can visit 78 total nations, including many locales where the retail hubs of today's luxury giants are based.



LVMH's stock price shot up after the announcement. Image credit: LVMH

Following the announcement, the luxury sector's stock prices jumped, including that of French luxury conglomerate LVMH Mot Hennessy Louis Vuitton, which closed the day with a 3.4 percent increase to 834.70 euros, or \$917.41 at current exchange.

The price of French fashion and leather goods house Herms' shares also rose, up 3.2 percent by the end of the day to 1,960.20 euros, or \$2,154.35 at current exchange.

Swiss luxury conglomerate Kering shared in the good fortune, with stocks leaping 2.2 percent to 528.40 euros, or \$580.63 at current exchange. The group recently announced plans to acquire a stake in Italian fashion label Valentino ([see story](#)).

It remains to be seen just how much gravity China's decision holds for international sales but, as it stands, high-end brands are undoubtedly cheering.

© 2023 Reliance Relocation Services, Inc. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.