

Tuesday, November 20, 2012

IHT Luxury Conference 2012: A Few Random Thoughts & Impressions.



Most people who registered to attend the 2012 IHT Luxury Conference did so not quite knowing what to expect. Held in Rome, this year's conference focused on the promise of Africa, a continent more closely associated with famine, war and poverty than luxury. So why Africa? Why now?

The short answer is that unlike Europe which officially fell back into recession last week and the U.S. which continues to grapple with stubbornly high unemployment and a sluggish economy, a number of African countries are experiencing significant and sustained growth. An emerging middle class signals disposable income and a desire to enjoy the finer things in life. In other words, a significant and growing number of wealthy Africans are consuming a growing range of luxury products from fine spirits to fashion and accessories and Western brands have taken note.

Increased consumption doesn't tell the whole story however. In addition to the growing market for luxury goods, there is a rich tradition of art and craftsmanship native to the continent that is beginning to resonate with the luxury industry. You need only look at any number of designs from shoe-tsar Manolo Blahnik to understand that the affinities between European luxury brands and African culture and know-how are more than just theoretical. While Manolo Blahnik's shoes are produced in Italy, a great number of designs are clearly African in spirit. With the right support, there may very well be Africa's own Manolo Blahnik waiting to be discovered.

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I found the conference especially useful for dispelling some of the usual clichés and misinformation that even reasonably well informed Westerners seem to have regarding Africa. This was not a conference about bringing more aid to an impoverished continent. This was a conference about forging trade relations with able and willing partners, a point driven home eloquently by a number of presenters, a few of whom made a deep and lasting impression for the sheer force of their convictions:

Andrew Hunt, co-founder of [Aduna](#), an Africa-inspired health and beauty brand, comes to mind. Based in London and offering products derived from natural plants unique to Africa, Aduna's aim is to build the very first African premium brand by creating demand for under-utilised natural products with remarkable properties such as the antioxidant-rich Baobab tree. In addition to creating employment for small-scale producers in places like Senegal and Kenya, Aduna helps them navigate the regulatory hurdles that stand between them and the European market, astutely combining aid with trade.

Hanneli Rupert, the Cape Town entrepreneur behind [Merchants on Long](#), a sleek concept store that stocks the best of African design from throughout the continent including her own line of beautiful [handbags](#) made entirely in Africa with materials sourced in Africa.

Uché Okonkwo, founder of Paris-based luxury consultancy *Luxecorp* (pictured above), also gave a strong presentation addressing many of the misconceptions we in the West have long held regarding Africa as did Simone Cipriani, head of the *Ethical Fashion Initiative* of The International Trade Centre (ITC), a joint agency of the UN and the World Trade Organisation.

Overall, I found it a highly inspiring conference experience. Where it fell a bit short however was in failing to highlight enough the very real challenges of doing business in many African nations. While Ms. Rupert touched upon some of the challenges of sourcing materials, few speakers with the exception of *Pernod Ricard's* Alexandre Ricard actually broached the subject head on: infrastructure, regulatory hurdles and political instability are realities that need to be factored into any business plan. Africa does indeed need investment and business partners to move forward but those partners and investors need to be clear-eyed and prepared for the challenge.

Sincerely,

The Luxe Chronicles