

Luxury goods sales soar amid global economic slump

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The virtually unlimited flow of money from the United States Federal Reserve to the country's financial and corporate elite, rather than finding its way into productive investment, is being used, among other things, to finance obscenely extravagant expenditures on baubles for the super-rich.

Industry reports and news items reveal that despite the dismal economic conditions facing the majority of the population, sales of luxury items are doing remarkably well. Car brands such as Rolls-Royce (owned by BMW), luxury watches, and "superyachts" more than 24 meters long, all report solid sales.

For example, Horizon Yachts announced in June that four Horizon E88 motor yachts were sold in the American market, to be delivered over the course of the next year. Two will be delivered to Florida, a third to Seattle, while the fourth's destination was not identified.

These yachts are massive, with guest rooms, crew quarters, galleys, hot tubs, pools and bars. Prices for these new behemoths were not revealed. However, when purchased used they average approximately \$5-6 million apiece.

Superyachts.com reports Horizon Group CEO John Lu as saying, "In the past six months, we have seen high interest in our luxury yachts within the U.S. market, specifically for the E88 motoryacht."

Superyachts.com, according to its company profile, was established to provide "current and extensive information on the yachting industry and its accompanying lifestyle." It also strives to provide "engaging lifestyle content for the high-net-worth individual." Its reportage borders on self-parody.

Also making a splash in the exclusive world of superyachts is Azimut Yachts, an Italian company, which signed a dealership agreement with AINahla

Group. This agreement will allow AINahla, which is run by the wealthy Saudi Sharbatly family, to sell Azimut yachts in Saudi Arabia.

Saudi Arabia, a reactionary, theocratic monarchy, characterized by extreme economic and social inequality, is described as "an interesting market with good growth prospects" by Enrico Chiaussa, Azimut's Asia, Middle East & Africa sales manager.

Meanwhile, the World Watch Report boasts that global demand for luxury watches by brands such as Rolex, Omega, and Cartier increased by over 5 percent in fiscal 2013. This was driven by demand in the BRIC group of countries, excluding Brazil, where demand decreased by 2.9 percent. Russian demand increased by 20 percent, Indian demand increased by 12 percent and Chinese demand increased by an astounding 59 percent, indicative of the dramatic global rise in economic inequality.

Like luxury timepieces, luxury car sales are being driven upwards by an increasingly international elite buoyed by financial parasitism. A recent Associated Press feature on Rolls-Royce cars claimed that they "are more popular than ever before," with sales in the first half of 2014 showing a 33 percent increase over the same period a year ago.

As billions struggle with poverty, unemployment and hunger, newly-minted millionaires and billionaires are seeking expensive and customizable luxury items in order to stand out among their peers.

These are vehicles with prices starting in the hundreds of thousands of dollars, skyrocketing into the millions depending on additional options. One example: "A refrigerator inside the automobile can be custom built to accommodate the shape and size of the owner's favorite beverage – at a cost rivaling a year in a U.S. college."

These riches are being passed on to a new generation of the global financial aristocracy. Rolls-Royce cars are being bought by a younger and younger demographic, “with one Chinese man in his 20s recently ordering his *second* Rolls in an unusual all-white color scheme” [emphasis added].

Globally, the number of billionaires has risen to 1,645, an increase of 15 percent since last year. This has assured luxury car manufacturers that demand for their product will increase.

High-end cars and other luxury item sales are reflections of other undemocratic aspects of the world economy: austerity for workers, handouts for bankers and massive inequality. On the whole, it is the working class that is paying the price of the 2008 crash and subsequent “recovery,” while the bankers that caused the crisis live luxuriously.

According to Bain & Company, luxury goods sales will increase five to six percent annually through 2015—roughly 50 percent faster than global Gross Domestic Product. This orgy of conspicuous consumption unfolds under conditions in which the top 85 members of the ultra-rich have as much wealth as the poorest 3.5 billion people on the planet.

The grim reality of unprecedented social inequality on a global scale underscores the prescience of Marx’s words in *Capital*: “Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, agony of toil slavery, ignorance, brutality, mental degradation, at the opposite pole, i.e., on the side of the class that produces its own product in the form of capital.”



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