

APTRA & King Power's Sunil Tuli says Asia can look forward to a quick recovery

Earlier this month, we had the chance to catch up with Sunil Tuli, CEO of King Power Group Hong Kong (HK), and newly re-elected President of APTRA, and he was in a very positive frame of mind.

"China announced in January that its borders would reopen, and then traffic really began to pick up in March," he stated. "Everyone expected Asia to open before other parts of the world but with China and Hong Kong it ended up taking longer than the rest of the world."

Spend is higher

Tuli says Hong Kong is doing extremely well. "The Chinese have come back, buying luxury products like watches — that's our focus at the Hong Kong airport."

King Power HK operates in Hong Kong, Macau, Singapore and domestic China. He says in Macau PAX is back to about 50% of 2019 numbers, but Singapore is doing very well at about 80%.

However, even in Macau sales are good, some categories doing extremely well with sales higher than 2019's. "The Chinese have been sitting around for three years, and there is definitely pent-up demand," he says.

Does Tuli think sales will drop once the pent-up demand is satisfied and the extra money has run out?

"I don't think the money will run out," he says. "Economies are growing. China's growing. India is growing. Revenge spending — how long that will continue, no one knows. But demand will always be there. Money's not going to run out."

The ever-important Chinese shopper

As Tuli continues to reference the Chinese shopper, he feels the need to explain. "I keep saying Chinese because they're the biggest customer in the world and have been for many years. When a Chinese person comes and spends that kind of money you can't ignore it.

He adds that Asia will now recover much more quickly, due to this Chinese traveler. "When COVID happened, the Chinese were paying for it," says Tuli. "In many parts of the world, they did not feel welcome. They will come to Singapore, Hong Kong, Macau, Thailand, New Zealand because Chinese feel welcome in these places. Throughout the pandemic they had money and were not allowed to travel. Now they are allowed to travel, and this is where they will do it first."

Growth and expansion

And now that business is coming back, King Power is looking to grow. "Everyone's saying omnichannel and this and that and yes, online shopping has become more popular. But in our channel we are lucky. Online is small compared to actual face-to-face bricks and mortar. You can order a bottle of whisky online, but you're not going to buy a US\$20,000 handbag or watch online. We're heading in the right direction."

The company did manage some renovations during COVID, taking advantage of the downtime to improve its stores in Singapore and Macau. In Hong Kong, however, the store had only recently

opened when the world shut down.

“How was it? You have to survive,” he said. “We kept most of our staff. Some got seconded by the brands who helped with pop ups etc in the domestic markets.

And now, although staffing is an issue as it is around the world, the company is on the precipice of growth. “We are very happy with what we have, but we are now beginning to look at other opportunities,” says Tuli. “Six months ago I would have said differently, but now things are looking positive, so we are looking at expanding, collaborating with other people. We are in discussions with other operators on joint ventures, both in Asia and outside of Asia, he says. When prodded for more information he demurred, but stated that these ventures would be mostly in Asia, and that he would have news soon. “Maybe in a month or two,” he added.