

Julius Bär

MEDIA RELEASE

Bank Julius Baer & Co. Ltd.

Including special focus on ‘conscious consumption’
Julius Baer launches inaugural Global Wealth and Lifestyle Report 2020

Julius Baer has released its inaugural edition of the Global Wealth and Lifestyle Report 2020, which tracks the price trends of premium goods and services in the Julius Baer Lifestyle Index across 28 cities globally. The report also features a special focus on ‘conscious consumption’, highlighting how ethical choices about the environment and sustainability are causing a rethink in what it means to live well today.

Hong Kong/Zurich, 16 January 2020 – In this wide-ranging survey, Julius Baer examined prices and consumer behaviour around the world to better understand the world of luxury. The global Julius Baer Lifestyle Index shows that Asia is the most expensive region for high-end consumption, whereas Europe is the least expensive. The Americas lie between the two, although local price variations are considerable. Government policy, taxes, service charges, and local currency moves were the main contributing factors to regional and intercity price differentials. Overall, global luxury demand continues to grow steadily, as evidenced by the outperformance of listed high-end companies in the West against mainstream indices.

Rajesh Manwani, Head Markets and Wealth Management Solutions Asia Pacific of Bank Julius Baer, commented: “The inaugural edition of Julius Baer’s Global Wealth and Lifestyle Report showcases the trends in high-end consumption around the world, which are of relevance to our clients. The methodology was pioneered in Julius Baer’s Wealth Report Asia, which has been issued since 2011. For the first time it has now been expanded to include 28 cities globally. We hope these findings will shed insight on global lifestyle trends in 2020.”

This year, the report highlights the topic of conscious consumption – a shift to ‘less is more,’ favouring less waste and more experiences over ‘stuff’. With society pushing for a more sustainable future, sustainability has become a topic for governments, regulators, and central banks.

Key findings include:

- Europeans and North Americans are least likely to pay a premium for responsibly produced goods, because strict regulation already provides assurance on ‘ordinary’ goods.
- Consumers in Asia and Latin America are more inclined to choose a product on its sustainability credentials. This may be driven by their first-hand experience of the man-made negative effects of economic growth.

Nicolas de Skowronski, Head Wealth Management Solutions and Member of the Executive Board of Bank Julius Baer, said: “Our analysis reveals the growing desire among consumers to balance their buying decisions with their social, environmental and political convictions. This began with the millennials, but the baton has definitely been passed down the generations now. Even Generation Alpha is getting involved, as I know from personal experience. The conscious consumer is here to stay, and we see a fast evolution of existing offerings and major investments into innovations across industries as a response to this growing demand.”

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Key findings of the Julius Baer Lifestyle Index 2020

The prices of 20 premium goods and services were surveyed in 28 cities around the world: ten in Asia Pacific, 12 in Europe, Middle East and Africa (EMEA), and six in the Americas.

Asia is the most expensive region, particularly for residential property, and is home to five of the ten most expensive cities globally. Similarly, for luxury cars, eight of the ten most expensive cities in the index are found in Asia. However, for smaller items, Asia provides better value.

Asia is home to the world's most expensive city, Hong Kong, and the cheapest, Mumbai. Hong Kong ranks above the 90th percentile globally for property, beauty services, fine dining, business class flights, and lawyer fees. Shanghai is the runner-up in the region and globally. While cheaper than Hong Kong for property and hotels, it is an expensive destination for portable goods such as watches and ladies' handbags, as well as for services such as lawyers and personal training. Mumbai offers exceptional value across almost all items with several services priced at or close to the bottom quartile.

European cities offer the best value. The continent's best-valued cities for luxurious living are Barcelona and Frankfurt. Barcelona's prime property market remains relatively inexpensive compared to European peers, while Frankfurt is cost-effective particularly for portable high-end goods and hotel suites. On the other hand, London is the priciest city in the continent, while Zurich is a close second, driven by high service charges, as well as more costly hotels and dining.

The Americas rank second overall, led by New York, while Vancouver lays claim to the most affordable city within the region. North America is particularly costly for services due to high labour costs, while high tax rates elevate the price of premium items in Latin America. In South America, prime residential property is a bargain in Rio de Janeiro and Mexico City, but this is counterbalanced by higher-priced goods and services.

For a copy of the Julius Baer Global Wealth and Lifestyle Report 2020, please visit: www.juliusbaer.com/wealth-report

Notes to editors

2019 data for the Julius Baer Lifestyle Index were collected during the period June to September 2019.

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About Julius Baer

Julius Baer is the leading Swiss wealth management group and a premium brand in this global sector, with a focus on servicing and advising sophisticated private clients. At the end of October 2019, assets under management amounted to CHF 422 billion. Bank Julius Baer & Co. Ltd., the renowned Swiss private bank with origins dating back to 1890, is the principal operating company of Julius Baer Group Ltd., whose shares are listed on the SIX Swiss Exchange (ticker symbol: BAER) and are included in the Swiss Leader Index (SLI), comprising the 30 largest and most liquid Swiss stocks.

Julius Baer is present in over 25 countries and more than 60 locations. Headquartered in Zurich, we have offices in key locations including Dubai, Frankfurt, Geneva, Hong Kong, London, Luxembourg, Mexico City, Milan, Monaco, Montevideo, Moscow, Mumbai, São Paulo, Singapore and Tokyo. Our client-centric approach, our objective advice based on the Julius Baer open product platform, our solid financial base and our entrepreneurial management culture make us the international reference in wealth management.

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