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# Luxury Brands Under Pressure as Chinese Shoppers Limit Spending on LVMH

## Description

Luxury brands like LVMH are facing challenges in Asia, with sales dropping due to China's economic slowdown and stricter regulations on displaying wealth. LVMH reported a 14% decrease in sales in Asia, highlighting the impact of reduced spending on luxury goods. Other luxury brands, such as Swatch Group and Richemont, have also experienced declining sales in China. The trend extends to the fashion industry, with Hugo Boss revising its sales forecast for the year. The crackdown on flaunting luxury goods online by Chinese authorities further adds to the challenges faced by these brands. Despite the setbacks, LVMH's chairman remains cautiously optimistic about the company's resilience in uncertain economic conditions. This trend reflects a broader slowdown in luxury goods sales in China, affecting major players in the industry. Reports from other luxury brands like Hermes and Gucci-owner Kering are eagerly awaited this week.

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## Vocabulary List:

1. **Challenges** /'tʃæl.ɪn.dʒɪz/ (noun): Difficulties that require a solution or effort to overcome.
2. **Sales** /seɪlz/ (noun): The exchange of goods or services for money.
3. **Economic** /,i:kə'nɒm.ɪk/ (adjective): Relating to the economy or the production and consumption of goods and services.
4. **Regulations** /,rɛg.jʊ'leɪ.jənz/ (noun): Rules or directives made and maintained by an authority.
5. **Forecast** /'fɔː.kɑːst/ (noun): A prediction or estimation of a future event.
6. **Resilience** /rɪ'zɪl.jəns/ (noun): The capacity to recover quickly from difficulties; toughness.

## Comprehension Questions

### Multiple Choice

1. What is one of the reasons contributing to the sales drop of luxury brands in Asia?

Option: China's economic slowdown

Option: Shift in consumer preferences

Option: Increased competition from local brands



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Option: Rising production costs

2. Which luxury brand reported a 14% decrease in sales in Asia?

- Option: LVMH
- Option: Swatch Group
- Option: Richemont
- Option: Hugo Boss

3. Which luxury brand had to revise its sales forecast due to the challenges faced in China?

- Option: Rolex
- Option: Tiffany & Co.
- Option: Hugo Boss
- Option: Louis Vuitton

4. What additional challenge did Chinese authorities impose on luxury brands regarding displaying goods online?

- Option: Banning online sales
- Option: Enforcing strict quality control
- Option: Crackdown on flaunting luxury goods
- Option: Limiting international shipments

5. Who remains cautiously optimistic about LVMH's resilience in uncertain economic conditions?

- Option: CEO of Hugo Boss
- Option: Chairman of Richemont
- Option: Chairman of LVMH
- Option: CEO of Swatch Group

6. Which luxury brands' reports are eagerly anticipated this week?

- Option: Rolex and Tiffany & Co.
- Option: Hermes and Chanel
- Option: Swatch Group and Richemont
- Option: Hermes and Kering

## Answer

**Multiple Choice:** 1. China's economic slowdown 2. LVMH 3. Hugo Boss 4. Crackdown on flaunting luxury goods 5. Chairman of LVMH 6. Hermes and Kering

## Vocabulary quizzes



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**Multiple Choice ( Select the Correct answer for each question. )**

1. What economic term refers to the general increase in prices for goods and services?  
Option: Profits  
Option: Inflation  
Option: Recession  
Option: Market
2. What do investors expect to receive in return for investing in bonds or stocks?  
Option: Setbacks  
Option: Inflation  
Option: Yields  
Option: Sales
3. What is a digital or virtual form of currency that uses cryptography for security?  
Option: Cryptocurrency  
Option: Tokens  
Option: Recovering  
Option: Regulations
4. In which type of market are prices falling and investor sentiment is pessimistic?  
Option: Bear market  
Option: Futures  
Option: Correction  
Option: Outlook
5. Difficulties or obstacles to overcome are known as:  
Option: Traders  
Option: Challenges  
Option: Recommendation  
Option: Positive
6. Which term is used to describe the formal consent or agreement to a proposal or request?  
Option: Setbacks  
Option: Profit  
Option: Approval  
Option: Recession
7. The activities related to selling goods or services are referred to as:  
Option: Regulations  
Option: Economic  
Option: Sales



Option: Market

8. Individuals or entities who engage in the buying and selling of financial instruments are known as:

Option: Traders

Option: Profit

Option: Setbacks

Option: Futures

9. Contracts that obligate the buyer to purchase an asset or the seller to sell an asset at a predetermined future date and price are called:

Option: Corrections

Option: Futures

Option: Bear market

Option: Positive

10. The system by which goods and services are produced sold and bought in a country or region is known as:

Option: Futures

Option: Economic

Option: Approval

Option: Yields

**Gap-Fill ( Fill in the blanks with the correct word from the vocabulary list. )**

11. Consumer demand influences the \_\_\_\_\_ for goods and services.

12. Companies aim to generate \_\_\_\_\_ by selling products or services.

13. A period of economic decline typically characterized by a decrease in GDP is termed a(n)

\_\_\_\_\_.

14. Laws and rules that govern various aspects of business operations are referred to as

\_\_\_\_\_.

15. The projected performance or future prospects of a business or industry is its \_\_\_\_\_.

16. In the context of cryptocurrencies a digital \_\_\_\_\_ is used as a unit of value issued by a project.



17. Traders often \_\_\_\_\_ quickly to news and events that impact the financial markets.
18. The effectiveness of a marketing campaign can be measured by changes in \_\_\_\_\_.
19. A(n) \_\_\_\_\_ is a reverse movement in the price of a stock bond commodity or market index.
20. Investors seek a higher \_\_\_\_\_ to compensate for the risk associated with an investment.

**Matching Sentences ( Match each definition to the correct word from the vocabulary list. )**

21. Unforeseen obstacles and difficulties that hinder progress or success are referred to as .
22. An optimistic or favorable outlook on a situation or outcome is considered .
23. A suggestion or piece of advice provided to guide decisions or actions is known as a .
24. The ability to recover quickly from difficulties or setbacks is known as .
25. When decisions or behaviors are affected by external factors or individuals they are said to be .
26. The rivalry between businesses or individuals striving for the same goal or customers is termed .
27. An estimation or prediction of future events trends or outcomes is referred to as a .
28. Consistent or stable without major fluctuations is described as .
29. To respond or act in response to a stimulus such as news or market movements is to .
30. Relating to the economy or financial matters within a country or region is considered .

**Answer**

**Multiple Choice:** 1. Inflation 2. Yields 3. Cryptocurrency 4. Bear market 5. Challenges 6. Approval 7. Sales 8. Traders 9. Futures 10. Economic

**Gap-Fill:** 11. Market 12. Profit 13. Recession 14. Regulations 15. Outlook 16. Token 17. React 18. Sales 19. Correction 20. Yield

**Matching sentence:** 1. Setbacks 2. Positive 3. Recommendation 4. Resilience 5. Influenced 6. Competition 7. Forecast



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8. Steady 9. React 10. Economic

**CATEGORY**

1. Business - LEVEL1

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