



Chinese turn to luxury

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CHINA'S demand for WA's iron ore is being replaced by an appetite for our luxury products.

Iron ore prices fell to a fiveyear low of \$US84.30 a tonne this week – partly because of worries about China's property sector.

But Perth-based Atlas Pearls and Perfumes chief executive Steve Birkbeck said it wasn't all grim news coming out of the economic giant. He said China was now in a "consumer phase" that was a boon for luxury brands. The company's profit increased 292 per cent for the 2013-2014 financial year, with earnings before interest and tax hitting \$3.4 million.

"The iron ore magnates built shopping centres (in China), so steel was up as they were going through the construction phase," Mr Birkbeck said.

"Now you'll see the iron ore price is going down, the shopping centres are built and we are now in the consumer phase.

"From our point of view we are in a great position with this latest cycle, as Asia's now going into their consumerism."

Atlas Pearls operates South Sea pearl farms across Indonesia's archipelago, including Bali, Flores and West Papua. Mr Birkbeck has won a range of exporting awards and is highly experienced in the beauty and cosmetics industries after spending 30 years in France. He was the first Australian to export luxury perfumes to France and continues to use the same business strategy.

"People would often ask, 'How do you sell to the French? It's like selling ice to eskimos'," Mr Birkbeck said.

"It's really simple.

"If you try to compete under the same terms and conditions as L'Oreal you'll fail – they're too big.

"What we did was find little niche areas of uncontested space and then distribute and sell up where they weren't selling perfume."



Main chance: Steve Birbeck.