

End of tax-free shopping is hurting London, warns Mulberry boss

THE boss of [Mulberry](#) today called for the return of [tax-free shopping](#), saying its demise is hurting [London](#) and the wider retail sector.

Thierry Andretta, the CEO of the luxury brand, said stores in France and Italy are enjoying a comeback post Covid as [tourists](#) flock to spend money on high-end bags and clothes.

But his stores on Regent Street and Bond Street are doing less well than they would since the end of the VAT retail export scheme in January 2021 which means tourists can no longer reclaim tax.

“As an international City, London also has the highest business rates in the world,” he told the Standard.

In the year to April Mulberry saw sales up 32% to £152 million. Profits hit £21 million up from £4.6 million last time.

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Mulberry is positioning itself as the “responsible” lifestyle brand and a “pioneer in sustainability”. This is attracting a younger crowd to its goods, says Andretta.

It has opened five new stores in China and four in South Korea as it continues to grow in the Asia Pacific area.

The shares today rose 23p to 318p. They are down 70% in the last five years as the company faced various operational issues even before it ran into Covid lockdowns.

Mulberry’s market value is around £200 million. That compares to £6.7 billion for its bigger rival Burberry.

Walid Koudmani at financial brokerage XTB said the Mulberry results “provide some reassurance that despite the normalisation of consumer habits after the pandemic, the company remains well positioned to extend its positive performance”.

Andretta said: “Whilst the economic and geo-political outlook remains uncertain, we are an iconic international brand with a clear strategy for future profitable, cash-generative growth. We remain well placed to continue to deliver sustainable returns to the benefit of all our stakeholders.”

Mulberry is popular with celebrities such as Anna Friel and Kate Winslet, though some are paid to be seen using its goods.