

Brazil Luxury Goods - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

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Report description:

Brazil Luxury Goods Market Analysis

Brazilian luxury goods market size in 2026 is estimated at USD 21.19 billion, growing from 2025 value of USD 20.15 billion with 2031 projections showing USD 27.28 billion, growing at 5.18% CAGR over 2026-2031. Resilient domestic demand, concentrated wealth among 16 million affluent consumers, and rising disposable incomes in upper-middle-class households drive the expansion of this market size. While real GDP growth is set to moderate to 2.4% in 2025, gains in formal employment and wages bolster spending on premium products. This is occurring even as broader household budgets feel the pinch from 15% policy rates and inflation hovering between 5.2% and 5.7%. To navigate a duty regime that inflates watch prices by 56.14% and perfumes by as much as 78.99%, international brands are adopting experiential flagship stores and omnichannel strategies. These strategies include creating immersive in-store experiences, leveraging digital platforms for seamless shopping, and integrating personalized customer engagement to enhance brand loyalty. This approach inadvertently elevates imported items into the ultra-premium category, appealing to a niche but lucrative consumer segment. Concurrently, as millennials and Generation Z increasingly prioritize sustainability and social commerce, the Brazil luxury goods market finds its addressable base expanding. This reflects a shift in values and shopping behaviors, with younger consumers favoring brands that align with ethical practices, environmental consciousness, and innovative digital interactions.

Brazil Luxury Goods Market Trends and Insights

Brazil's Upper-Middle-Class Income Growth Drives Premium Consumption

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In 2024, bolstered by a surge in formal employment and consistent real wage growth over several months, Brazilian households have seen an increase in their spending power. Historically aspiring to luxury, these households are now finding it more attainable. While income levels have risen across the board, lower-income earners have seen relatively stronger growth, enabling greater access to entry-level premium goods without reducing the demand for high-end luxury items. Over the years, private-banking assets in Brazil's Center-West region have shown significant expansion, reflecting the growing affluence in the area. This growth transformed agribusiness profits into lavish expenditures, with high-end watches and jewelry becoming the favored purchases. Although a deceleration in GDP growth might cool this momentum, the ongoing structural wage increases suggest a brighter outlook for Brazil's luxury goods market, especially when compared to mid-priced discretionary categories.

International Brand Expansion Accelerates Despite Operational Challenges

Flagship launches in Cidade Jardim, Iguatemi, and JHSF's new luxury corridors underscore the Brazilian luxury goods market's significance to global maisons, despite navigating a maze of tariffs and bureaucracy. These launches highlight the continued confidence of luxury brands in Brazil's potential as a lucrative market. Large-format salons, complete with VIP lounges, craft immersive experiences that validate their premium prices, even as total import taxes soar beyond 50%. These spaces not only enhance customer engagement but also reinforce brand exclusivity and value. Diesel's mixed-use tower in Sao Paulo, alongside JHSF's hospitality ventures, signals a strategic shift towards lifestyle ecosystems, ensuring affluent clients engage across diverse revenue streams. This approach integrates retail, hospitality, and leisure, creating a seamless luxury experience for high-net-worth individuals. A surge in tourist arrivals of 4.4 million in the first four months of 2025, marking a 51% year-on-year increase, bolsters the case for maintaining a presence in these key cities. The growing influx of tourists further amplifies the demand for luxury goods and services, making Brazil an essential market for global luxury players.

High Import Taxation Creates Structural Pricing Disadvantages

Brazil's luxury goods market faces mounting challenges as tariffs of 56.14% on watches and 50.44% on jewelry, combined with an impending 28% IBS/CBS VAT, significantly inflate shelf prices. This price surge is prompting affluent Brazilians to increasingly turn to international shopping destinations for their luxury purchases. Furthermore, the elimination of a USD 50 duty exemption for e-commerce now subjects even certified platforms to a hefty 20% charge, further inflating online shopping baskets and discouraging domestic online purchases. Meanwhile, parallel-import channels in Miami and Lisbon are thriving, offering competitive pricing and diverting sales from Brazil's luxury market. While domestic players enjoy a relative cost advantage due to reduced reliance on imports, they still face a complex tax structure. This includes state ICMS and the AFRMM freight surcharge, which together can push effective tax rates to exceed 80%, creating additional financial strain on local businesses.

Other drivers and restraints analyzed in the detailed report include:

Millennial and Gen Z Preferences Reshape Luxury Consumption Patterns
Tourism Surge Amplifies Luxury Spending in Key Metropolitan Areas
Security Concerns Modify Consumer Behavior and Retail Operations

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

In 2025, Brazil's luxury goods market saw the Clothing and Apparel category take the lead, capturing 42.62% of total sales. This prominence underscores fashion's pivotal role in Brazil's consumer landscape, where both international brands and robust local labels find favor among the wealthy. With products released across multiple seasons, demand remains consistent year-round. Furthermore, installment payment options not only enhance accessibility but also promote frequent purchases. Local entities,

bolstered by consolidation efforts like the Arezzo-Soma merger, which boasted a revenue valuation of USD 2.2 billion, underscore the significance of scale and distribution in gaining a competitive edge. This merger also underscores a trend: luxury conglomerates are placing greater emphasis on operational efficiency and deeper market penetration across diverse categories. With Brazil's consumers being fashion-savvy and advantages like local production and flexible payment options, clothing and apparel firmly establish themselves as the cornerstone of the luxury market. The robustness of this segment further cements Brazil's stature in the global high-end fashion arena.

Leather Goods have emerged as the fastest-growing segment in Brazil's luxury landscape, boasting a robust CAGR of 6.92%. This surge is attributed to a heightened appreciation for artisanal quality, rooted in Brazil's rich legacy of leather craftsmanship. Urban millennials, especially, are captivated by the authenticity and heritage stories of these products, valuing both tradition and exclusivity. While global giants like Louis Vuitton maintain a stronghold, local ateliers, such as Carlos Falchi, are carving out a niche by emphasizing their handmade, story-centric offerings. Brazil's abundant high-quality raw materials further bolster its position as a premier hub for luxury leather goods. As the market evolves, these artisanal leather brands, with their unique positioning, command premium prices while enjoying robust consumer loyalty. This fusion of cultural legacy, aspirational consumers, and global resonance positions leather goods as pivotal to Brazil's luxury market growth.

The Brazil Luxury Goods Market Report is Segmented by Product Type (Clothing and Apparel, Footwear, Jewelry, Watches, Leather Goods, Other Product Types), End User (Male, Female), and Distribution Channel (Offline Retail Stores, Online Retail Stores). The Market Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

Prada Holding S.p.A. Hermes International S.A. Chanel Limited Kering Group PUIG LVMH Moet Hennessy Louis Vuitton PVH Corp Compagnie Financiera Richemont SA H.Stern Jewelry Nike Inc. Rolex SA Burberry Group plc Dolce & Gabbana S.r.l. Tiffany & Co. Michael Kors (Capri Holdings Ltd.) Arezzo & Co. Osklen (Grupo Alpargatas) Luxottica Group S.p.A. Swarovski AG Coach (Tapestry Inc.)

Additional Benefits:

 The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

1 INTRODUCTION

- 1.1 Study Assumptions and Market Definition**
- 1.2 Scope of the Study**

2 RESEARCH METHODOLOGY

3 EXECUTIVE SUMMARY

4 MARKET LANDSCAPE

- 4.1 Market Overview**
- 4.2 Market Drivers**
 - 4.2.1 Brazils upper-middle class sees rising disposable income**
 - 4.2.2 International luxury brands expand their retail footprint**
 - 4.2.3 Growing influence of "Millennials and Generation Z" who crave sustainable, digital, and trendy luxury goods**

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- 4.2.4 Sao Paulo and Rio de Janeiro witness increased tourism spending
- 4.2.5 Wealth hubs, driven by agribusiness, boost demand
- 4.2.6 Limited-edition hype fueled by digital-native influencers
- 4.3 Market Restraints
 - 4.3.1 Luxury goods face high import taxes and duties
 - 4.3.2 Security concerns around theft and urban violence deter both consumers and global brand
 - 4.3.3 Consumer confidence hit by macroeconomic slowdowns
 - 4.3.4 Counterfeiting crosses borders via the Paraguay corridor
- 4.4 Consumer Behaviour Analysis
- 4.5 Regulatory Landscape
- 4.6 Technological Outlook
- 4.7 Porter's Five Forces
 - 4.7.1 Bargaining Power of Suppliers
 - 4.7.2 Bargaining Power of Buyers
 - 4.7.3 Threat of New Entrants
 - 4.7.4 Threat of Substitutes
 - 4.7.5 Competitive Rivalry

5 MARKET SIZE AND GROWTH FORECASTS (VALUE)

- 5.1 Product Type
 - 5.1.1 Clothing and Apparel
 - 5.1.2 Footwear
 - 5.1.3 Jewelry
 - 5.1.4 Watches
 - 5.1.5 Leather Goods
 - 5.1.6 Other Product Types
- 5.2 By End User
 - 5.2.1 Male
 - 5.2.2 Female
- 5.3 By Distribution Channel
 - 5.3.1 Offline Retail Stores
 - 5.3.2 Online Retail Stores

6 COMPETITIVE LANDSCAPE

- 6.1 Market Concentration
- 6.2 Strategic Moves
- 6.3 Market Share Analysis
- 6.4 Company Profiles (includes Global level Overview, Market level overview, Core Segments, Financials as available, Strategic Information, Market Rank/Share for key companies, Products and Services, and Recent Developments)
 - 6.4.1 Prada Holding S.p.A.
 - 6.4.2 Hermes International S.A.
 - 6.4.3 Chanel Limited
 - 6.4.4 Kering Group
 - 6.4.5 PUIG
 - 6.4.6 LVMH Moet Hennessy Louis Vuitton
 - 6.4.7 PVH Corp
 - 6.4.8 Compagnie Financiera Richemont SA

- 6.4.9 H.Stern Jewelry
- 6.4.10 Nike Inc.
- 6.4.11 Rolex SA
- 6.4.12 Burberry Group plc
- 6.4.13 Dolce & Gabbana S.r.l.
- 6.4.14 Tiffany & Co.
- 6.4.15 Michael Kors (Capri Holdings Ltd.)
- 6.4.16 Arezzo & Co.
- 6.4.17 Osklen (Grupo Alpargatas)
- 6.4.18 Luxottica Group S.p.A.
- 6.4.19 Swarovski AG
- 6.4.20 Coach (Tapestry Inc.)

7 MARKET OPPORTUNITIES AND FUTURE OUTLOOK

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