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Horo-Logic

Ernest and I have been friends for over 25 years. I was the best man at his wedding and I am his baby daughter's godfather. An engineer by trade, Ernest designs websites for a living. While his freelance business can be choppy, he always manages to keep an even keel. He pays his mortgage, feeds his family and takes them on a vacation once a year.

I meet Ernest for drinks almost every month. We were at a bar on Wyndham Street last week when he said he wanted my opinion on something. It sounded serious – I thought his wife Rosalyn was pregnant again. A second child would put a strain on his finances.

“I am thinking of getting a watch,” Ernst announced.

The tone of his voice suggested that he didn't mean a Casio. "You mean... like a Rolex?" I ventured a guess. He nodded, ready to be judged.

Ernest is not into brands or flashy things. He scoffs at people who wear Gucci shoes and carry Louis Vuitton bags. Hong Kong is a materialistic place and he is one of the last low maintenance men standing. This is not a person to drop three months' income on a piece of man jewelry.

"Why all of a sudden?" I refrained from judgment.

"It's for my business. You know how it is."

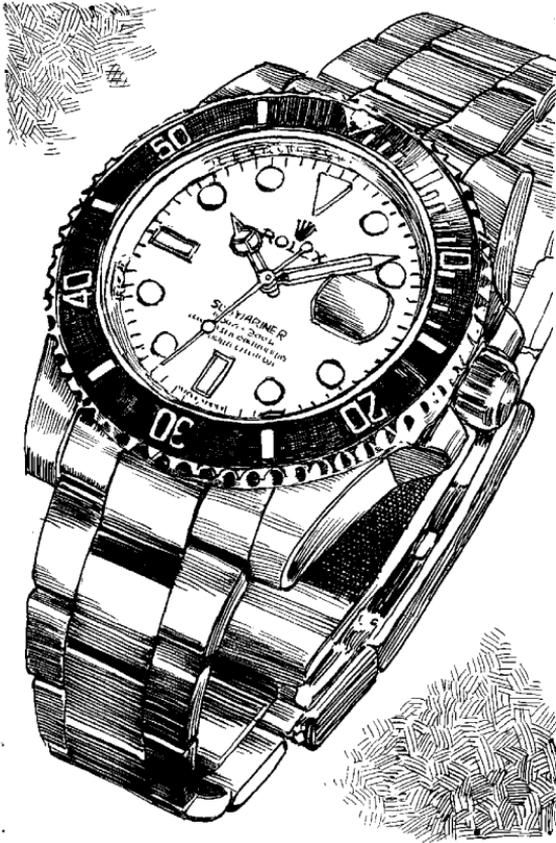
Of course I did. I also knew what button to press and I went for it. "What did Rosalyn say?"

"I haven't told her yet."

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Hong Kong boasts the world's highest per capita consumption of "extra old" cognac, better known as "X.O." Our thirst for expensive liquor is matched only by our appetite for high end watches. More Rolexes are sold on this speck of land than any country on the entire planet. The remarkable statistic is due in large part to the constant influx of well-heeled Mainland Chinese tourists in search of authentic, tax free luxury goods. Their retail blitzes have transformed popular shopping areas like Causeway Bay and Tsim Sha Tsui into the World Expo for horology. Russell Street, Hennessey Road and Canton Road are lined back-to-back with Cartier, Omega, Piaget and, of course, Rolex stores. The nearest restaurant is several blocks away or up an office building. Even clothing boutiques and shoe stores are being displaced to

make room for more bling. They say variety is the spice of life, but don't tell that to the landlords who can raise the rent several times by leasing only to the *Grande Maisons*. After all, how many thousand bowls of wonton soups does a noodle house have to sell to match the margin of an 18-carat rose gold Rolex Daytona?



Man's best friend

Hong Kong's longstanding love affair with watches predates the arrival of Mainland tourists. In my father's generation, owning

a *gum lo* (金勞; the Cantonese slang for a gold Rolex) was not only a status symbol; it was also a ready line of credit. Back then, a man would rush to the pawn shop at the first sign of financial trouble and turn in his timekeeper for cash. Once the crisis had subsided, he would redeem the collateral and click it back on his wrist. Order would be restored and both man and machine would be as good as new.

A generation later, the city is more affluent and pawn shops are all but extinct. Though time has changed, our devotion to Swiss movement hasn't. My expat friends are constantly amazed by the way men in Hong Kong spend more on watches than what folks back home do on sports cars. They are also befuddled by how commonplace these watches are. A managing director at an investment bank may make 30 times the salary of an entry level analyst, but the two men may easily be wearing the same HK\$80,000 timepiece. It is as indispensable to men as Coco Chanel's 2.55 handbag is to the battalion of "office ladies" in Central. It is a Hong Kong thing.

Whenever men need an excuse to buy an expensive watch, they will invariably invoke the "i" word: investment. It is the same argument men use to justify spending obscene amounts on artwork and vintage wines. They can call it what they may, but a purchase is only an investment if the owners are willing to part with it. People looking to drop serious cash on a piece of metal, as my friend Ernest did, aren't thinking of ever selling it. Even if they are, watches are not a particularly good investment. Contrary to popular belief, they almost never go up in value. A brand new timepiece depreciates by 20% the moment you take it out of the store. Whoever thinks he can buy a Rolex, wear it for a few years and sell it at a profit is fooling himself – and his wife.

Once the investment argument is debunked, men turn to the age old sales pitch uttered at used car dealerships and real estate offices across the city: buy now or risk paying more later. It operates on the assumption that every self-respecting man must own a luxury watch at some point in their lives. Since you are going to buy one sooner or later, says the snake oil salesman, why not lock in the price now and enjoy the awesomeness right away? The logic is not only infallible, it is also borne out by empirical evidence. In the past decade, the exponential growth in watch sales has allowed big brands to revise their price lists every few months. Earlier this year, my brother Kelvin was looking to buy a Cartier Ballon Bleu. During the six months he took to mull over the decision, the price went up by 15%. My brother's prudent deliberation turned out to be very imprudent.

If Kelvin's story is not enough to make you rush out to the Rolex store, then consider another rationale. To be taken seriously in Hong Kong, you need to not just look the part but be visibly successful. It is especially true in client-facing industries where prosperity is often one's only source of credibility. After all, no one wants to hire a financial planner who doesn't manage his own money well enough to afford nice things. Among all the things we can throw on our bodies to signal success, the watch is the most noticeable, durable and universally understood. It is wearable wealth in its purest form, cloaked under a thin veneer of utility: Swiss workmanship, 100-meter water resistance and accuracy to the hundredth of a second – as if we were all divers and nuclear physicists.

Owning an expensive watch is a lot like having a girlfriend – it is not a big deal to have one, but it is a big deal *not* to. In Hong Kong, you often catch the person talking to you sizing you up like a full body scanner at JFK Airport. His eyes will stay on your wrist just long enough for him to zero in on the brand and price

range. As a freelancer who needs to meet new clients on a regular basis, Ernest is constantly subject to the appraising eye of his prospective customers. A watch has become as much a part of his credentials as his CV and portfolio. That's what Ernest meant when he uttered those sobering words: *You know how it is.*

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Three weeks after our drinks on Wyndham Street, Ernest took the plunge. After invoking all the logic a man can summon to justify the purchase, he finally got Rosalyn's blessing. He contacted a friend of a friend who knew an assistant manager at King Fook, one of the largest watch retailers in the city, and got him to shave 8% off the ticket price. That's the way to do it, because here in Hong Kong, everyone knows someone in the watch business and no one ever pays the walk-in price. A Rolex GMT Submariner with a black ceramic bezel now adorns my friend's previously barren wrist. He is a happy man.

"Perhaps it's all in my head, but I sound more confident at meetings these days," Ernest said, quite aware of the irony of having become someone he used to poke fun at. My friend may have gained confidence and some new business, but he has lost something too – the moral authority to scoff at people who wear Gucci shoes and carry Louis Vuitton bags. Another low maintenance man bites the dust.