

Financial Analysis of China Duty-Free Group under the Framework of Harvard Analysis

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Abstract. Due to the COVID-19 in 2019-2022, global resident home quarantine, the economic downturn has led to lower household consumption levels than those before the epidemic, but with the economic and political policy and regulation and the availability of vaccines. Global COVID-19 is essentially over, at this time, the tourism retail industry is the main driver of economic recovery. In the tourism retail industry, China's duty-free industry is also a giant in the international retail industry. China Duty-Free Group has industry advantages, this article is based on the financial situation of China Duty-Free Group under the framework of Harvard analysis. Through the Oriental Fortune network, The National Bureau of Statistics of China, The China Immigration Bureau, statistic Data analysis on the China Duty-Free Group's environment and financial situation to analyze the development status and prospects of China Duty-Free Group, Conclusion for China Duty-Free Group after COVID-19 and acquisitions this year, the financial indicators in the capital increase have decreased. But this does not affect the dominant position of China Duty-Free Group in the future development, suggestions that China Duty-Free Group should hold the first position in China's duty-free industry in China's future development, from the Asian market to the international market in the global duty-free industry, make the full use of assets to expand their market share in the global tax-free industry.

Keywords: Financial analysis, China Duty-Free Group, the framework of Harvard Analysis.

1. Introduction

1.1. Research Background and Research Significance

Due to the outbreak of COVID-19 in 2019, the global economy experienced a three-year economic crisis. According to Generation Research data, the global tourism and retail industry (worldwide duty-free & travel retail sales) saw sales of 86billions USD in 2019, but due to the continued impact of the epidemic, the global sales in 2020 were 45billions USD, down 47.67% compared with 2020. Sales in 2021 for 56.5billions USD, compared to 2 rose 25.56% in 2020, because of the new vaccine research and development and vaccination of universality and countries for COVID-19 national macro-control policy, epidemic form improved, lead to the global economic recovery, people are not because COVID-19 and home isolation, people began to choose tourism entertainment activities, which has given rise to a series of the development of the tourism industry. Including the duty-free industries, according to the data available on the statistics website, in 2022, China's duty-free industry had sales of 7,357 million euros the global duty-free industry, first place in the world, but as the global outbreak ends, in an increasingly complex international situation, China Duty-Free Group faces challenges from Dufry Group and Lotte Duty-Free, competitors in the global duty-free industry. How to consolidate their position in the global tax-free industry giants through the international strategic layout, at the same time in its industry to improve the competitiveness. Here is a study of China Duty-Free Group, a global tax-free industry, based on the Harvard analytical framework.

1.2. Research Framework

This article is based on the analysis of China Duty-Free Group enterprises under the framework of Harvard analysis. The core framework is strategic analysis, accounting analysis, financial analysis, and prospect analysis. Among the four analytical frameworks, the strategic analysis includes the

macro environment analysis —— PEST model and the PEST model includes the political environment analysis, economic environment analysis, social environment analysis, and science and technology environment analysis. And strategic analysis also includes microenvironment analysis —— SWOT model, the SWOT model includes the China Duty-Free Group itself has advantages, disadvantages, opportunities, and will face the threat, the second constitute Harvard analysis framework is accounting analysis, including accounting analysis, main business revenue analysis, operating cost analysis, profit analysis. The data comes from the data on the China Duty-Free Group income statement of Oriental Fortune Online. The third analysis of the Harvard analysis framework is financial analysis, in which financial analysis includes main business revenue analysis, operating cost analysis, and profit analysis. In the three analysis frameworks of strategic analysis, accounting analysis, and financial analysis, the operation status of China Duty-Free Group is analyzed in combination with various business conditions and capital operation activities of China Duty-Free Group. Based on the above analysis, the development prospect of China Duty-Free Group is predicted.

2. Strategic analysis

2.1. Macro-Environment Analysis——PEST Model

2.1.1 The political environment analysis

In June 2020 the central committee of the CPC State Council issued the free trade port in Hainan construction plan, further relaxing offshore tourists' duty-free shopping policy, in addition to the duty-free shopping quota from the initial March 2011,5000 to 100000 yuan per person per year, the announcement also expanded the types of duty, from March 201538 varieties to 45 kinds of duty-free goods varieties, in addition, cancel the single goods 8000 yuan tax limit rules, give priority to with quota management, greatly reduce the single purchase quantity limit of goods type [1].

2.1.2 Economic environment analysis

The analysis of China's GDP data for the past eight years shows that China's GDP showed rapid growth in 2016-2019. Due to the influence of COVID-19 in 2019-2022, China's GDP showed steady growth. Under the national macroeconomic regulation, China's GDP increased by 13.4% in 2021 compared with 20-2020. In 2022-2023, China's GDP growth rate was 4.6%, showing a steady growth trend. It is expected that after the end of the epidemic in 2022, China's economy will have a new round of rapid economic development. At the same time, the growth of GDP shows that the economic level of Chinese people is improving year by year. The government has increased public services and infrastructure construction, thus improving the quality of life of Chinese residents in education, medical care, and transportation. besides, GDP is only one of the most important indicators of economic environment analysis, Statistics of the national macro economy and China's Gini coefficient. By analysing Figure 1, China's Gini coefficient remains between 0.46-0.47 all year round, When the Gini coefficient is greater than 0.4, suggesting the large gap between rich and poor in the country, this shows that there is still an unbalanced phenomenon of urban and rural regional development in China, but most of the China Duty Free Group are the consumption of urban residents, observe only the Engel coefficient of the urban residents, the Engel's coefficient of China's urban residents fluctuates slightly around 29%, and all were less than 30%, relevant studies show that, a country's Engel coefficient is 20% -30% rich, it shows that the economic level of urban residents in China is in a relatively high state, according to data from China's seventh national census, the population living in towns is 90,1991,162, accounting for 63.89% of the total national population, the population living in the countryside is 509787,562, accounting for 36.11% of the total national population, show that the urban residents have a relatively large proportion of the population, combining the Engel coefficient of the urban residents, urban residents to maintain a relatively affluent economic level. It shows that China's economy is in a stage of rapid development, the consumption level of the Chinese people is increasing year by year, so as to achieve the enterprise's

operating income and profit rise, then stimulate the whole Chinese consumption economic circle (see Figure 1).

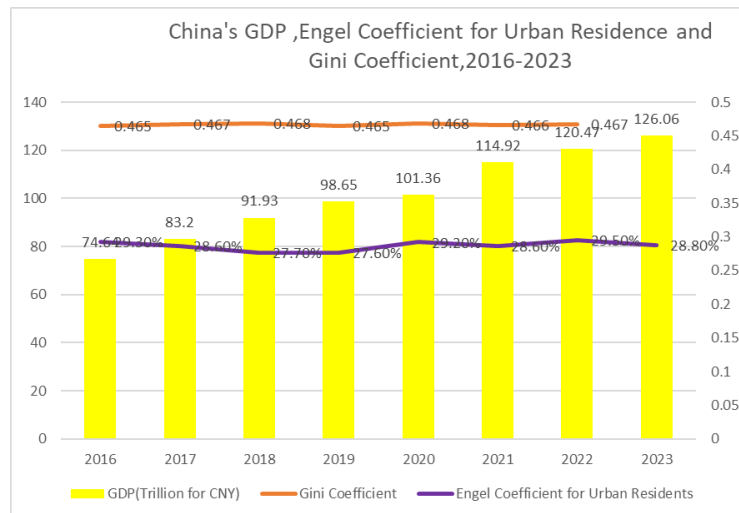


Figure 1. China's GDP, Engel Coefficient for Urban Residence and Gini Coefficient from 2016 to 2023

The CPI is used to reflect the changes in the price level of consumer goods and services generally purchased by households, available from Figure 2, China's CPI is on a downward trend in 2019-2021 and 2022-2023, an upward trend in 2018-2019 and 2021-2022, the CPI reflects the country's inflation rate to some extent, when the CPI rises, suggesting a rise in inflation rates in a country, consumers have less purchasing power, but modest gains can stimulate economic growth, represents deflation when the CPI drops, consumers have a relatively strong purchasing power, the analysis of China's CPI data from 2018 to 2023 shows that China's economic situation is stable, the CPI decreased from 102 to 100.2 in 2022-2023, it shows that the purchasing power of Chinese residents is increasing at this stage (see Figure 2).



Figure 2. China's CPI from 2018 to 2023

According to the United Nations World Tourism Organization, the number of different countries traveling data, in 2020 the global COVID-19, number of global tourists are negative trend, -in 2021 due to the countries during the outbreak of macro-control policies is different, cause each regional recovery speed is different, in figure 3 data, for example, the number of Asia and the Pacific passengers arrived in 2020 decreased by 58.4%, compared with the rest of the world, showing the trend of negative growth. The contribution of tourism to global GDP was 3.9% in 2019, compared with 1.8% to global GDP in 2020. Compared with 2019, international tourism export revenue decreased by 62% in 2020 and 59% in 2021, showing a rebound in 2022 compared with 2021, 34% lower than the pre-epidemic level. During the three years, the total loss of tourism export revenue reached \$2.6 trillion [2] (see Figure 3).

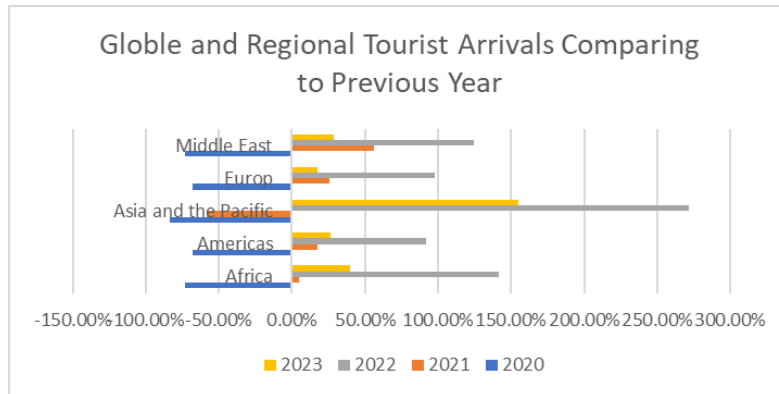


Figure 3. Globe and Regional Tourist Arrivals Comparing to Previous Year

2.1.3 Social environment analysis

As can be seen from the above data, in the third quarter of 2023 years ago residents' per capita consumption expenditure and the data, education, culture and entertainment accounted for 10.7%, the first is food and tobacco, which accounted for 23.10%, followed by transportation and communication, accounted for 13.3%, and the third is education culture and entertainment, from the data can see the Chinese residents very pay attention to the spiritual level of consumption, tourism gradually become the necessity of Chinese residents 'consumption, is an important part of stimulating China's social and economic development [3]. In addition, the global outbreak is also one of the important factors in the social environment analysis, in 2022 China's COVID-19 repeated uncertainty and the national outbreak of China Duty-Free Group logistics service interruption, due to home quarantine of main customers, main offline stores, but in 2022 Chinese New Year and Chinese tourists under the influence of outbound tourism business improved, but China Duty-Free Group need to continue [4] (see Figure 4).

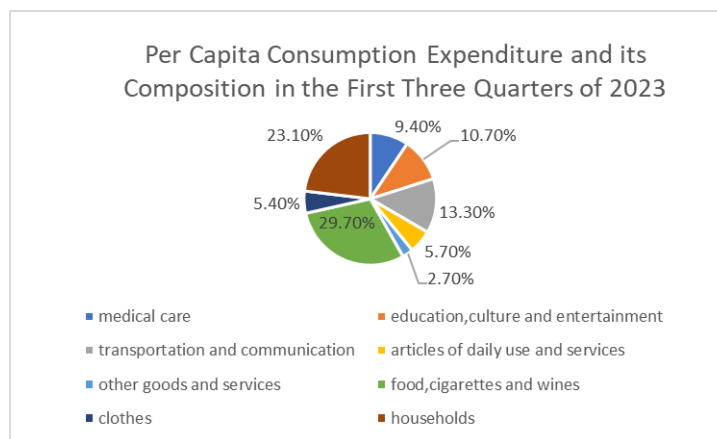


Figure 4. Per Capita Consumption Expenditure and its Composition in the First Three Quarters of 2023

2.1.4 Technical environment analysis

Before 2020, China Duty-Free Group Mainly implemented the offline entity duty-free shop operation form, due to the impact of COVID-19 in 2020, China Duty-Free Group Started to challenge the development strategy of the enterprise, from offline physical stores to an online business model by integrating and utilizing Internet resources, in February 2020, the company launched an online shopping platform to respond to the epidemic crisis, in July of the same year, it launched the CFD member shopping online shopping platform, and in China's major APP (Little Red Book, trill, Bilibili) and other short video platforms layout of a variety of live broadcast with goods publicity and marketing means, in 2021, China Duty Free Group established China Duty Free Group Sun Shang Technology Co., Ltd., and responsible for related businesses in Shanghai and Sanya, Hainan Province, China, the platform mainly offers online duty-free reservations, offline pickup. At the same time, it

includes online direct mail service. In February 2021, the company integrated CFD member purchases and launched several online platforms in Shanghai to complete the centralized deployment of the CMR system. The Online business enables China Duty-Free Group to transform the enterprise and also increase the profit indicators of the enterprise. [2] At the same time, with the support of China's Belt and Road policy and the thought of transportation power, the infrastructure construction of roads, railways, waterways, and aviation in China and abroad is in a period of rapid development, including the construction of china-Europe freight trains, international shipping, and international aviation. Including Belt and Road under the transportation personnel training fund plan, China's transportation construction group also continues to cultivate high-quality transportation talent team, in China's excellent transportation industry talent training and all kinds of innovation, China in the domestic and international transportation has great advantages, make China's logistics industry presents the trend of rapid development so that the tourism retail industry like China Duty-Free Group provides great technical support [5].

2.2. Microscopic Environment Analysis——SWOT Model

2.2.1 Strengths

In March 2011, Hainan offshore tax exemption policy, China Duty Free Group in Hainan layout Sanya duty-free shop, in March 2017, the company became a wholly owned subsidiary of China Duty Free Group company with Shanghai and on group jointly signed the on-duty line (China) co., LTD. An equity transfer agreement, China Duty-Free Group company with 38.82 million transferees on Shanghai, Japan group combined holds a 51% stake in China. CITS Co., LTD., is a wholly owned subsidiary of China duty-free (group) co., LTD. With 150523.51 million yuan for Base Rich Investments Limited and Shanghai language Zhai Book Co., LTD. Total hold duty-free line (Shanghai) co., LTD. 51% stake, won the capital airport international area, Shanghai Hongqiao International Airport, Shanghai Pudong International Airport tax-free. China Duty Free Group's domestic market share increased from 30% to 86% in 2021. Monopoly in the domestic market. [P] Data comes from the Shanghai Stock Exchange From the perspective of the global pattern, China Duty-Free Group ranks first in the global market share of duty-free operators with a market share of 24.6%, followed by Lotte and Shilla, while Dufry and DFS rank the fourth and fifth. (data source: statistics) It can be seen that China Duty-Free Group's monopoly position in China and the global market, shows China Duty-Free Group's bargaining power with upstream suppliers in the duty-free industry, excellent supply channels, and strong brand effect. This provides sufficient fund support for China Duty-Free Group to continuously expand its market share in the international market in the future.

2.2.2 Weakness

The operating costs are too high. China Duty Free Group has more than 240 stores in China, which need to pay high airport rental fees, administrative fees and employee compensation. Secondly, Hainan island tax exemption has formed a competition pattern of many enterprises. The policy end has opened up several Hainan island duty-free new homes, Hainan Development Holding Co., Ltd., Haikou Tourism Investment Holding Group Company, Wangfujing Group Co., Ltd. have successively carried out duty-free business in Hainan, Breaking China Duty Free Group's exclusive monopoly in Hainan islands [6], China Duty Free Group's e-commerce platform is not sound enough, China's e-commerce platforms like Taobao, east of Beijing, Online shopping platforms such as Tmall are highly highly developed, excluding the high purchase and lease costs of fixed assets offline, these Chinese e-commerce platforms also have a price advantage, and the marketing means compared with China Duty Free Group has diversified [7] (see Figure 5).

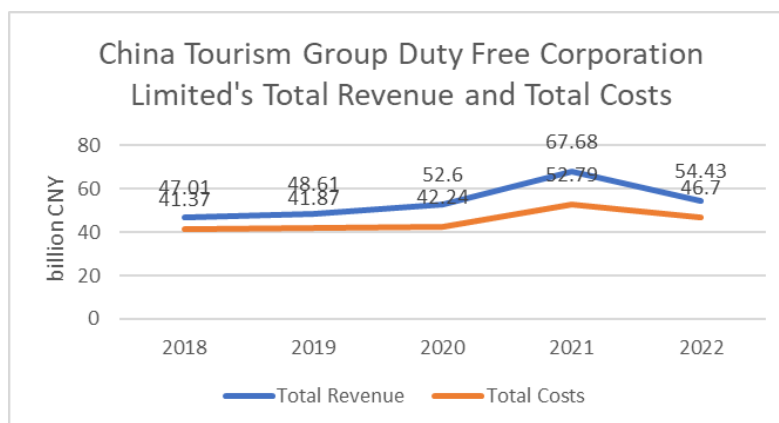


Figure 5. China Tourism Group Duty Free Corporation Limited's Total Revenue and Total Costs

2.2.3 Opportunity

China Duty-Free Group Has 86% of the domestic market share, China is basically in a monopoly position with a large market size, and abundant funds, China has enough financial support, and upstream suppliers of bargaining power to reduce operating costs, compared with the global variety of duty-free industry giant has a higher brand awareness, in addition, China Duty-Free Group in Beijing time on August 25, 2022, listed on the Hong Kong stock exchange. The advantages of China Duty-Free Group help China Duty-Free Group expand overseas markets. nay, in the post-epidemic era, for the rapid sake of China's economic recovery, a series of supportive policies for duty-free industries such as China Duty Free Group, preferential tax policy, financial support policies, various social security benefits, in addition to the above-mentioned development opportunities, at present, the world has entered a period of artificial intelligence and digital media, like the Chat GPT that Open AI launched can help China Duty Free Group save a lot of online labor costs in e-commerce, improve communication efficiency, simplify the company.

2.2.4 Threat

Coming into the day, with the end of COVID-19, the global economy began to recover, as a result, the consumption level of tourism has increased, it also includes the Chinese consumer market, which ranks second in global GDP, and more Chinese residents choose the tourism consumption mode of traveling abroad, close to China, South Korea has the largest source of duty-free customers in China, South Korea's Lotte duty-free group has become the main duty-free enterprise for Chinese residents, competitor in China's largest duty-free industry, in 2021, Korean duty-free sales 17.83trillion won, up 15% year on year. Among foreign tourists, the proportion of duty-free shops to sales increased from 83 percent in 2019 to 95.4 percent in 2021, while Chinese people accounted for the largest share of all foreign tourists. [8] In recent years, China Duty-Free Group has been acquiring various enterprises and increasing capital activities for various enterprises. The high airport rent and other operating costs are bound to bring huge financial expenses to China Duty-Free Group, resulting in a decrease in the total operating cost of China Duty-Free Group.

3. Accounting Analysis

3.1. Analysis of the Main Business Income

From Figure 6, China Duty-Free Group's main business revenue showed an upward trend in 2018-2021 and a downward trend in 2021-2022. Among them, in 2020, in 2021, the total revenue of China Duty Free Group increased by 28.67%. The China Duty-Free Group increase in 2018 was based on the largest increase in 2017 in the financial year 2018-2022, with an increase of 66.32%. In 2022, the annual growth rate was 19.58% compared to 2021 (see Figure 6).

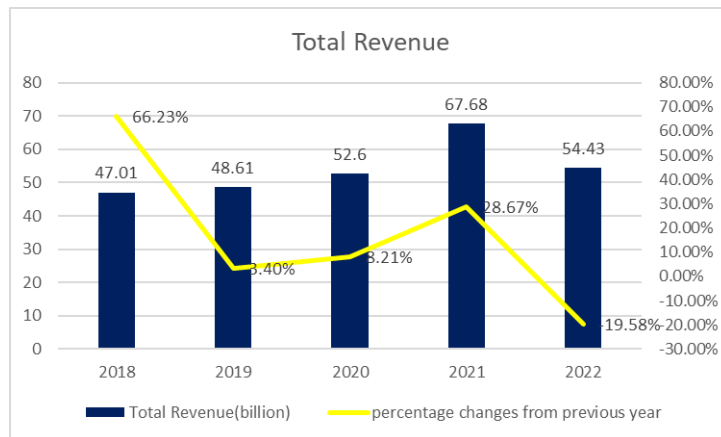


Figure 6. Total Revenue of China Tourism Group Duty Free Corporation Limited

3.2. Operating Cost Analysis

It can be concluded from the data of Figure 7 that the operating cost of China Duty-Free Group accounts for the largest proportion of the total operating cost, accounting for 83%. The second place is sales expenses, and the third place in the total operating cost proportion is administrative expenses, followed by taxes and additional charges. Excluding the operating costs, China Duty-Free Group's Sales expenses account for 8% of the total operating costs, and Administrative expenses account for 5%, in contrast, China Duty-Free Group's recent decline in gross profit, decline from 9.03 billion to 9.654billion in 2021, In 2021, China Duty-Free Group's rental fee in The Capital Airport is reduced, some of China Duty- Free Group's subsidiaries in Hainan enjoy various preferential tax policies of the enterprise, lead to its operating cost is reduced. [9] We analyze administrative expenses and sales expenses, by analyzing the data, by analyzing the China Duty-Free Group 2021 and 2022 income statements, China Duty-Free Group The financial expenses in 2021 are-42.52million, and Financial expenses for 2022 are 0.2203billion, in China Duty-Free Group 2021 with sales expenses of 3.861billion, sales expenses in 2022 were 4.032billion, the reason is that China Duty-Free Group actively participates in the China International Consumer Goods Expo, the China Brand Expo, TFWA Asia Pacific Duty-Free Fair, In further enhancing China Duty-Free Group's brand position advantage, it also increases sales expenses and administrative expenses. In terms of retail operation, we have established a customer-centered and market-oriented service concept, strengthened staff training, and continuously optimized the China Duty-Free Group membership system and the marketing model of online member purchases (see Figure 7).

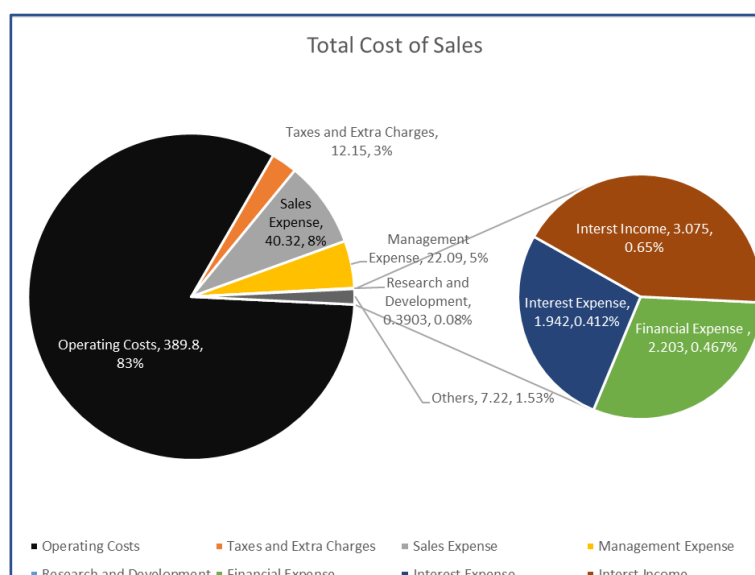


Figure 7. Total Cost of Sales of China Tourism Group Duty Free Corporation Limited in 2023

3.3. Analysis of profit

The attributable net profit of China Duty Free Group obtained from Figure 8 showed an upward trend in 2018-2021, the attributable net profit of the 2022 annual report was 5.03 billion yuan, down by 47.89%, this coincides with China Duty Free Group's capital increase in 2022 in China and other tax-free companies, and China Duty Free Group continues to expand its offline stores, for example, all international passenger flights operated at Chengdu Shuangliu Airport are transferred to Chengdu Tianfu International Airport and operate smoothly at this airport. China Duty-Free Group was not only on China's land but also formed a maritime duty-free market. Ida Cruises, a subsidiary of CSSC Carnival Co., Ltd., entrusted the management right of the first large domestic cruise ship to China Duty-Free Group Cruises, a subsidiary of China Duty-Free Group, for operation. Dufry, a Swiss duty-free retailer, reported sales of 2.21 billion in its third-quarter 2022 financial statements and expected sales to grow by 3.6-6.7 billion francs in 2022, according to the Global Times report. These data indicate increased China Duty Free Group competition in the international market, at the same time, a large outflow of Chinese tourists from China this year, according to the official website of the Chinese National Immigration Administration, in 2021, Chinese entry-exit personnel were 128millions, in 2022, 115.7millions, 424millions in 2023, Year-on-year increase of 266.5%, the figures suggest that China Duty Free Group is under financial pressure to lead to lower profits in 2022 [10] (see Figure 8).

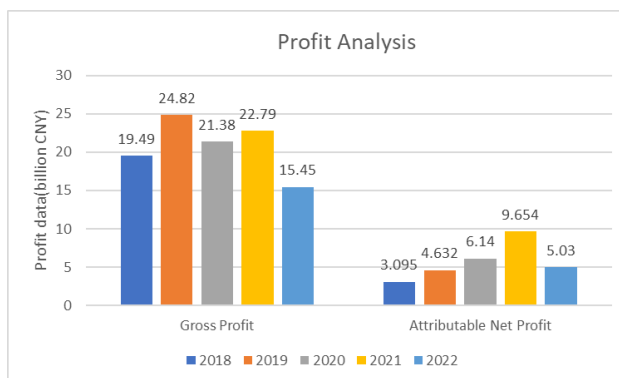


Figure 8. Profit Analysis for China Tourism Group Duty Free Corporation Limited

4. Financial analysis

4.1. Analysis of Solvency

The optimal value of the current ratio of general enterprises is 2:1, while the optimal value of the quick ratio of enterprises is 1:1. It can be seen from Table 2, the value of China Duty-Free Group in 2018-2019, 2021-2022 current ratio is above 2, but in 2020, the value of China Duty-Free Group current ratio is 1.978, the current assets are 30.98 billion RMB, and the current liabilities are 15.66 billion RMB. China Duty-Free Group the current ratio in 2019 was 2.751, current assets of 23.12 billion yuan, current liabilities of RMB 8.403 billion, current assets in 2020 compared to 2019, 20 current liabilities increased 86.36% in 2020 compared to 2019, it can be seen that the growth ratio of China Duty-Free Group is far greater than that of current liabilities, but the China Duty-Free Group flow ratio in 2019 was 1.978, by 2.2% from the optimal criterion for current liabilities, combining this with the social environment, in 2020, the high incidence period of COVID-19 in China, less household consumption in China, to maintain good solvency with excess inventory, it shows that the capital liquidity of enterprises is good, strong liquidity capacity, Short-term financial risk is low. Available from Figure 9, China Duty Free Group the cash flow ratio showed a steady upward trend from 2018 to 2021, but showed a downward trend in 2021-2022, Dec decreased from 0.486 to-0.195, we can conclude that the net cash flow generated by operating activities in 2022 is-1.935 billion yuan, In 2021, the net cash flow of the enterprise due to operating activities is RMB 1.062 billion, the cash

outflow value of enterprises in 2022 is greater than the cash inflow value of enterprises, the reason is that, China Duty Free Group Cash received from goods sales and labor services in 2022 and 2021 was RMB 10.03 billion and RMB 11.85 billion, respectively, the taxes paid were RMB 2.75 billion in 2022 and RMB 1.763 billion in 2021, respectively, the number of goods sold and services provided in 2022 decreased by 1.82 billion yuan compared with 2021, the taxes paid increased by 987 million yuan in 2022 compared with 2021, the asset-liability ratio showed a steady upward trend from 2018 to 2022, the normal asset-liability ratio is 40% -60%, higher than 30% indicates the high efficiency of enterprise capital utilization, China Duty Free Group The asset-liability ratio of the Group in 2018-2022 is basically stable at around 30%, it shows that the company is excellent in short-term solvency [11] (see Table 1 and Figure 9).

Table 1. Liquidity Analysis

Year	Current ratio	Quick ratio	Operating cash flow ratio	Asset-liability ratio
2018	2.521	1.756	0.351	0.308
2019	2.751	1.684	0.371	0.279
2020	1.978	1.037	0.524	0.376
2021	2.249	1.098	0.486	0.373
2022	3.273	1.675	-0.195	0.287

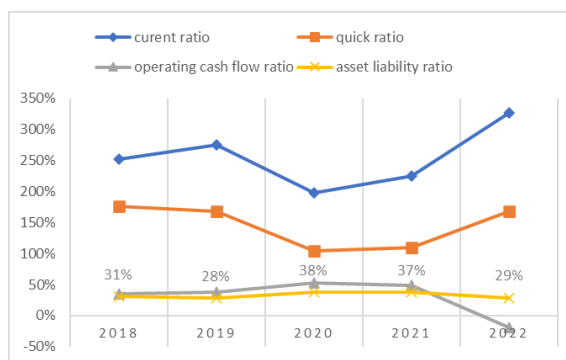


Figure 9. The Indicators to Analyse the Liquidity of China Tourism Group Duty Free Corporation Limited

4.2. Analysis of profitability

Net profit from sales, when compared with gross profit on sales, net profit from sales is operating income deducting all costs of sales, the results of other fees and taxes, gross profit from sales is only the value of operating income after deducting the cost of sales, compared with the sales net profit can better reflect the financial situation of the enterprise, Figure 10 shows that net profit in 2018-2021, and showed a downward trend in 2021-2022, decline from 18.27 in 2021 to 11.37 in 2022, return on equity showed an upward trend from 2018 to 2021, with a larger downward trend in 2021-2022, down from 37.33 in 2021 to 13.95 in 2022. From the above data, it shows that the profitability of the enterprise continuously improved from 2018 to 2021, while the return on equity of China Duty-Free Group decreased to 13.95 in 2022, indicating that the income obtained by shareholder investment in 2022 is at a low level, indicating that the company's management mode needs to be improved compared with previous years [7] (see Table 2 and Figure 10).

Table 2. Profitability Analysis

Year	Return on capital employed	Gross profit margin	Net profit margin on sales
2018	20.56	41.46	8.37
2019	25.38	51.07	11.53
2020	29.36	40.64	13.95
2021	37.33	33.68	18.27
2022	13.95	28.39	11.37

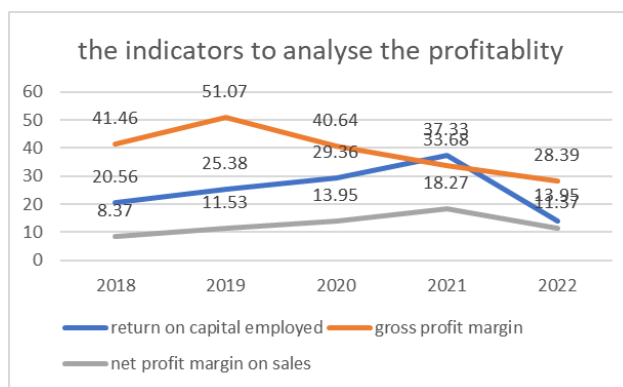


Figure 10. The Indicators to Analyse the Profitability

4.3. Operation capacity

As can be seen from Figure 11, China Duty Free Group Accounts receivable turnover rate, inventory turnover ratio, total asset turnover ratio all showed a downward trend in 2020, but 2020 was the worst year for COVID-19 in China, the flu is at this peak season, during this period, due to the influence of the external economic situation, leading to a temporary decline of overall operational capacity in China Duty Free Group, but, excluding the effect of COVID-19 on China Duty Free Group, China Duty Free Group Accounts receivable turnover rate, inventory turnover ratio, the total asset turnover rate in other financial years is in an increasing trend, in particular, China Duty Free Group receivables turnover increased from 38.17 to 51.54 in 2022, reflecting the huge capital inflow and recovery speed of China Duty Free Group in the post-epidemic era, China Duty Free Group The asset turnover rate is basically maintained between 0.1-0.2, it shows that the efficiency of capital use of enterprises presents a stable and good state, inventory turnover in 2020-2022, growth from 0.333 in 2020 to 0.403 in 2022, combined with the accounts receivable turnover rate, inventory turnover ratio, financial indicator data of the total asset turnover ratio, excluding the impact of the outbreak on China Duty Free Group's financial position, show that China Duty Free Group has a strong operating capacity, key success factors such as efficient use of funds and the support of national duty-free industry policies (see Table 3 and Figure 11).

Table 3. Capital Ability Analysis

a particular year	turnover of total capital	inventory turnover ratio	average accounts receivable turnover ratio
2018	0.135	0.341	27.77
2019	0.159	0.361	32.06
2020	0.143	0.333	28.89
2021	0.170	0.362	38.17
2022	0.188	0.403	51.54

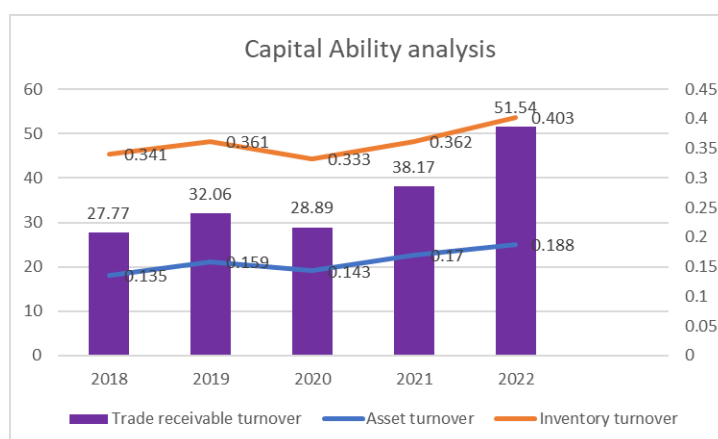


Figure 11. Capital Ability Analysis

5. Prospect analysis

On August 25, 2022, China Duty-Free Group listed on the Hong Kong stock exchange, the price of HK \$158 / share, under the condition that overallotment is not exercised, China Duty-Free Group in the global offering shares of the net profit of HK \$15.892 billion, under the support of Chinese national policies, China Duty-Free Group is expected to enter the international market, make full use of its abundant capital resources advantage to expand its market share in the international market [12]. Secondly, China Duty-Free Group has a strong influence and brand effect in China and occupies nearly 86% of the domestic market share. Compared with the bargaining power of suppliers, China Duty Free Group has an absolute say compared with any duty-free industry in China and has efficient logistics management. The above two advantages can give China Duty-Free Group an absolute advantage in cost control and commodity pricing. Finally, with the rapid development of China's Internet e-commerce platform, China Duty-Free Group is faced with a series of transformation problems. China Duty-Free Group can make use of its unique financial advantages and talent advantages to lay out the development of an Internet e-commerce platform and cooperate with some famous Internet companies in China, so as to continuously expand its business scope.

6. Conclusion

After the end of the global COVID-19, the global economy is facing a recovery stage, and the tourism retail industry plays a pivotal role in the global economic recovery. This paper through the harvard analysis framework model of China Duty Free Group in the domestic and global duty-free industry giant analysis, at the strategic level, the use of PEST and SWOT respectively the two models of China Duty Free Group macro and micro level analysis, and analyzes the China Duty Free Group is in the economic, political, social and technical macro environment and the advantages and disadvantages and the future development of threats and opportunities. At the accounting level, in China's Oriental Fortune network, an analysis of China Duty Free Group's income statement yields China Duty Free Group costs in nearly 2018-2022, income, the figures for figures, by analyzing the abnormal financial data combined with the events of China Duty Free Group in the year when the abnormal financial data occurs, it can be concluded that the cost of China Duty Free Group's airport leasing and the financial cost of acquiring other companies are higher at the financial level, operations of China Duty Free Group by analyzing the data on the financial statements, but the China Duty Free Group has a good short-term solvency, profitability still needs to improve in the future. In terms of prospects, China Duty-Free Group has strong funds and 86% of the domestic market share. However, China needs a careful strategic layout in the international market, expand its market share in the international market and actively cooperate with various international brands. In cooperation, it also needs to improve China's own domestic brands. The Asian market has gradually expanded into a global market.

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