



fashion
by CH Loh

THE 'BRA WARS' saga was certainly the single most titillating topic for the fashion and export industry in Asia, with far reaching implications on the landscape of the business in coming years. Roger Tredre, editor-in-chief of the London-based Worth Global Style Network (WGSN), a leading online research, trend analysis and news service for the fashion industry, was in Singapore to deliver a talk on the top global consumer and style industry trends. Stealing an afternoon of calm amidst the shopping madness of Orchard Road, Tredre shares his thoughts about the challenges that face the Asian fashion industry today. We get off the ground with the Bra Wars and how the Chinese Empire strikes back.

Let's start with the Bra Wars. We all know the outcome of that debacle but what do you think the implications and the long-term impact is? Certainly an amount of trust in the EU has gone out the window.

It was a disaster for the industry for the suppliers in Asia and for the retailers (in the West) because they did not know what the rules were. The rules were changing almost every month last year. January 2005 was supposed to be the end of the quota system, a new era, a new dawn. And look what happened after four months. It was completely unnecessary, if planning in advance had been better.

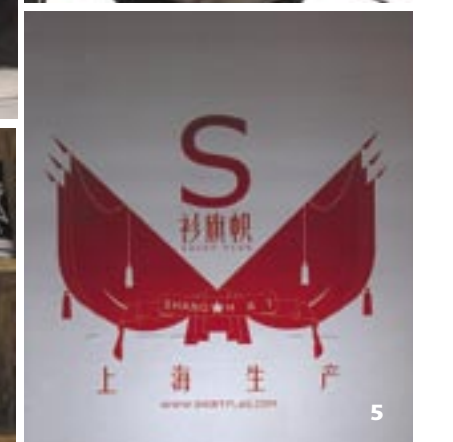
It led to a complete state of confusion, and for industry, whatever sector you are in, what you want is stability. You want to know where you are – even if the news is bad, at least you know where you stand.

Obviously for many Mainland Chinese manufacturers, it was a subject of great disappointment, that they are still restricted. But not in all categories... there are so many different categories in apparel and textiles, and some companies are completely unaffected by the quotas, and others having to re-think the categories they have to focus on to give themselves more opportunities.

And then of course Hong Kong has seen the opportunity, so manufacturing has suddenly revived there, because what is happening now is that garments are being part-made in China, brought into Hong Kong to be finished, and then through the agreements they are able to put a 'Made In Hong Kong' label on it and export it.

In terms of Southeast Asia as a bystander, how has the incident changed the way the industry operates?

There was a feeling at the beginning of 2005 that China will completely dominate the markets, and that hasn't happened, so that is good news for everybody else because there are more opportunities. I think in the long term China will dominate, but the period of time has now extended, to 2009 or maybe even



longer; therefore there is a real opportunity for those in Southeast Asia who still want to supply to the West to find their own special niche.

For example in Taiwan, where labour costs are extremely high, they have been focusing and specialising in functional textiles - with all sorts of added benefits, very technical textiles, some not really related to fashion but to protective clothing for hospitals, for example. Taiwan has made that its area of expertise.

And another thing, labour costs in China are not really that cheap any more. Southern China labour rates are going up very quickly in Guangzhou and Shenzhen. So there are going to be real opportunities for countries like Vietnam, Cambodia, Indonesia, Bangladesh and India to compete.

That seems to imply that the labour cost factor will not be an advantage for China in the future?

Well, the big issue is if labour costs go up in Southern China, will manufacturing be pushed further into the more underdeveloped Western and Central regions – and that is already happening to a certain extent.

But you know, a lot of people use China not just because of the cost anyway, because China has some amazing, very large factories that are very efficient and can handle

huge volume orders very effectively, and they are flexible factories.

We find that the Chinese are responding very quickly to the need to integrate an understanding of design within the production process, so the modern way of manufacturing is no longer, 'Here are the designs, please have them made and sent back to us.'

Now, factories in Asia are expected to have some understanding of design as well, and maybe work on the samples and be ready for the design requirements. So any country that is developing good design know-how within its manufacturing base will be well positioned, and that applies across Asia.

So knowledge will be perhaps THE critical success factor in manufacturing in the future?

Absolutely. That's why Singapore at the moment is promoting very strongly Singapore Fashion Week. And in KL, Fashion Week is also being promoted. To a certain extent they are really looking to raise the design image of their country. But also, the very serious point is to encourage the industry to develop greater design know-how and to take design more seriously, and realise that design is driving a lot of manufacturing these days. And of course, good understanding of design is where you get that ex-

Main picture Mao and the new Asian Consumers – not just a China phenomenon 1 to 5 Shanghai's urban landscape both draws from and fuels its fashion and pop culture

tra margin that turns businesses from just another manufacturer into one with a great deal of export potential.

With this in mind, what are the major weaknesses in our local fashion industry?

All across Southeast Asia, the cost of manufacturing is an issue, therefore they need to find a niche that they are particularly good at. I've mentioned the example of Taiwan. In Bangkok again they are hugely promoting their own Fashion Week. Every one of these cities – KL, Bangkok, Singapore, many others, [even internally amongst Chinese cities] – there is a big competition going on here to see which can emerge as a true regional centre of creativity.

The city that wins that battle is going to be very, very well positioned, and that will have a knock-on effect on the industry that surrounds it. It means you can come to that country to get design know-how, technical competence (requiring government investment obviously), and manufacturing prowess as well. And you create that sort of perfect alliance of skill sets that can drive forward the industry. Because the other op-

Bra wars: The Empire strikes back

WGSN'S ROGER TREDRE ON FASHION'S CHINA CRISIS AND THE CHANGING LANDSCAPE OF THE CLOTHING BUSINESS



The way they work is that they have a lot of very short lead time clothing produced very close to or within the season, which has to be manufactured geographically close to where the shops are to get it there quick. So a retailer in fast fashion in London ideally needs to get a certain amount of their manufacturing from close by, example from UK or Europe, and that's given an opportunity for small, very flexible manufacturing units to survive.

Are there any areas in China that our manufacturers can penetrate into? Surely as big as they are they can't do everything by themselves?

If you are working in a high-cost country, you clearly have to use developed sourcing opportunities in China. Manufacturers have to create that mix.

Even look at a big supply business like Li & Fung in Hong Kong - in the clothing side only about 30% of what they source is actually from Mainland China, which is quite small from a company like that. They've spread the risk much more broadly amongst a number of countries.

So rather than fighting the Dragon, we could be providing the resources and creating partnerships?

Absolutely. Partnerships are the way forward in the modern world. Of course finding the right partner ... if you are looking to develop as a retailer in China, it's essential to have the local expertise. Which is why companies like Li & Fung are doing so well, because the West needs their ground expertise. In a way Western companies are at a disadvantage.

Is that still true, with the West catching up in communications with China, gwailos learning Mandarin and all that? How long is our cultural advantage going to last?

I think its going to last quite a while. I think the West is actually pretty slow, and the ignorance of the West of China both as a market and as a country is remarkable. Particularly in America, where there is a certain level of Sinophobia as well, a fear of what China is doing to their manufacturing. The textile industry of North Carolina and other regions has been devastated by the Bra Wars. There are not many bras made in America these days - a sad truth! That's why it's often held as an example for the other categories: 'Look at bras, none of them made in America anymore, so it will be men's underwear next!'

What then is the new manufacturing landscape in our region in terms of the fashion industry?

It's evolving, and the challenge is to take advantage of these opportunities that are opening up. To be positive about this, the consumer right across Asia wherever you look is

phenomenally interested in fashion. I was really struck by the degree of interest in fashion shows in Beijing, for example, and how fascinated Chinese prime time television was by fashion. OK, partly because of the sexy pictures of women, but it is more than that! And the young, new generation emerging, whether in Mainland China or India in sophisticated cities like Bangalore, Delhi or Mumbai, the interest in fashion is phenomenal.

So therefore there is this new market. In China it's almost divided by age - everyone over 40 has no interest; under 40, it's incredible. There's a demand, a hunger, for fashion, and there are opportunities at retail level, not so much in developed markets like Hong Kong or Singapore perhaps but in all the new Asian cities, those who have not had a fashion reputation before.

Manufacturers and retailers in Asia should seize that opportunity because if they don't, then you'll be overrun by a wave of Western retailers coming in, the Zaras and Top Shops will come and take all the business.

Is China therefore the 'new Asian consumer' that you will be speaking about later today?

Not just China, it's a pan-Asian phenomenon: an increasingly sophisticated consumer of a younger age group who has more interest in fashion than ever before, with huge interest in trends, in the sense they want to change their looks more often than in the past. So it's no longer about the seasons (like Spring and Summer), it's about going into the store every month, or even every week, and buying something different. Clothing is cheaper than ever before, you can change your looks more frequently - you may not spend a lot, maybe just a bracelet or a new tie, but people are shopping more frequently.

The biggest problem for the fashion industry is the great competition for the consumer cake. A lot of that competition is coming from technology, from mobile phones and iPods, and from lifestyle. And clothing is actually taking an increasingly smaller part of the cake and has to fight harder now to keep people interested.

Which is why fast fashion, a quicker turnover of trends and ideas, creates the idea of a continual buzz and energy, and that's the way the fashion market can fight back - it has to be low-priced, fun, changing regularly, always exciting, always stimulating.

Because if you look at mobile phones, they are taking plenty of tricks out of the fashion books. Our WGSN subscribers include Nokia, and their designers are looking very closely at what we are predicting and putting it into their phones! And the fashion companies are fighting back, so every jacket now has to have a mobile phone pocket - technology meets fashion! ■



Above WGSN editor-in-chief, Roger Tredre
Top Tredre at a Comme des Garçons show

tion is ... well there is no other option!

How are the EU countries coping with China then?

It's a disaster - they are suffering. The way the Italian fashion industry has survived is by focusing on design and its excellence, and has gone for the top, top end. As for the UK, the way the industry is still surviving a bit is in the development of 'fast fashion', which means fashion produced in very short lead times. Fast fashion has seen the growth of companies such as Zara (Spain) or Top Shop (UK).



No themes, please

WE'RE HIP MALAYSIAN HOTELS

HOTELS ARE ONE of the growth areas in KL's development, and lifestyle is now their big selling point. The Four Seasons, Grand Hyatt, Traders and Novotel will soon tower alongside the newly opened 335-room Impiana KLCC Hotel and Spa. Traders will be the first to open later this year with 571 rooms, while the 286-room Novotel Hydro Majestic is scheduled for October 2006.

It takes a lot to stand out in such a crowd, and the strategy is not about a theme anymore. Sunway Lagoon and Resort with its de-

lux resort villas has even moved away from channelling the spirit of Las Vegas via Sun City (although the mammoth sphinx sculpture would still look out of place anywhere in the world). Unlike the previous generation of themed resorts that promised to transport you to a faraway time and place, these new properties fit in with a vision of KL as a modern and hip city. The non-theme in KL city's centre for now is sophistication in the higher four- and five-star end of the market, so long as visitors keep coming and it's business as usual.

Leading the wave of designer spaces is the Hotel Maya, which opened earlier this year. With an emphasis on contemporary style, the hotel has all the makings of a hip resort hotel. Crisp, 250 thread-count bed linen, an espresso machine, DVD player and sound system are all standard to most hotels now. But with a refined palette of natural mate-



View from Hotel Maya, Kuala Lumpur

rials such as timber flooring and bamboo, the property has been given a million dollar makeover by architect Sonny Chan. Ideally, the perfect hip hotel in KL also has a view - one with an icon. Guests can choose KL Tower or the Petronas Twin Towers for a view of one of KL's outsized landmarks, as 80% per cent of the rooms face either almost directly.

But one of the unique aspects of the contemporary urban hotel is its ability to stand out from the crowd without ever really fitting in. A hotel also has to be a destination, and in the Hotel Maya, it might as well be a beach resort as much as the model of chandeliers and grand palazzos favoured by other hotel groups in the city. As a compromise between the ubiquitous corridor layouts and a laidback fantasy lifestyle, the Maya is fulfilling KL's long suppressed hopes for a designer destination.

Of course, the cycle in designer hotels could be only just starting to peak. The Puerta America hotel in Madrid was developed using the principle that there is no such thing as too much design. Each floor was given over to 16 international designers, including Norman Foster, John Pawson, Marc Newson and Zaha Hadid in which to express themselves to design snobs. In Boston, however, a residential development that touted designer Philippe Starck as a marketing feature proved disappointing in sales. Starck is the designer who, together with hotelier Ian Shrager, started the design trend in cool hotels with the Metropolitan in London and the Hudson in New York. It seems to take more these days to get jaded travellers excited about hotel design, let alone bring home the jet-set life. ■

LH Ng has worked as an architect