

TEXTINATION NEWSLINE

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CHINESE FASHION DESIGNERS COMPETE WITH IMPORT CLOTHING

CHINESE FASHION COMPANIES ARE BECOMING MORE CREATIVE AND WORK ON THEIR BRANDING /
GERMAN FASHION HAS A HARD TIME WITH IT



Beijing (GTAI) Chinese fashion has the reputation for being less creative and of poor quality. Well established brands are rare. But this is now changing. More and more local designers succeed in making a name for themselves on a national and an international level. This is why it will be harder for imported clothing to establish itself on the Chinese market in the future. Chinese designers meet the local taste with a mixture of Western and Chinese elements.



When it came to buying clothes, Chinese customers had for several decades only two choices - either settle for cheap domestic bulk goods or spend a lot of money on an imported product. First came the luxurious brands, especially from Italy and France, which China's new millionaires adorned themselves with, then more and more shops opened, targeting the ongrowing middle class and in which also German business clothing sold well.

But the local competition does not sleep. The Chinese textile and clothing industry faces a massive financial pressure; therefore many companies have to take a decision; either they become better or they have to go. Anyone who remains has to change his production and his products in such a way that they can meet the more and more demanding customers, especially within the domestic market.

This includes the positioning of own brands. The Dongrong Group from Inner Mongolia is currently following this path. It has become well known for manufacturing cashmere products for famous British and Italian fashion labels, and now sells its own design under its own label ("Dongli") in its own shops.

Owning a store – or even better several stores - is the dream of most young Chinese fashion designers, who are increasingly making a name for themselves on the Chinese market. This is also due to the retail structure in the People's Republic of China, which is unusual for Germans. The typical German clothing retailers with several brands in the assortment do not exist. Instead, mono-brand stores dominate - either as single stores or in the large malls as sublet retail space.

Nevertheless, Chinese companies have a lot to catch up on branding and quality. Even the familiarity of important Chinese suppliers is usually limited to local buyers. For the majority of European customers, however, they are not even a concept. But according to industry insiders, this is also changing. The number of successful Chinese fashion designers and companies is growing even internationally.

Despite deficits in areas like creativity and branding, the scene is growing and finds an ongrowing customer base. Accordingly, things will become even more difficult for German fashion, which usually cannot compete with the glamour of the Italian or French competition. Although there are more Chinese people who are able to spend a lot for good fashion, but there is also a larger local offer, which is price oriented to foreign markets and meets the Chinese taste with a skillful mix of Western and Chinese traits.



Chinese Importes of Apparel*) (in Mio. US\$, change in comparison to the previous month in %)

	2014	2015	2016	1 st quarter 2017	Change
Clothing and accessories	5,626.1	6,018.0	5,947.5	1,490.8	8.6
.from Germany	5.8	6.7	6.2	1.2	-9.8

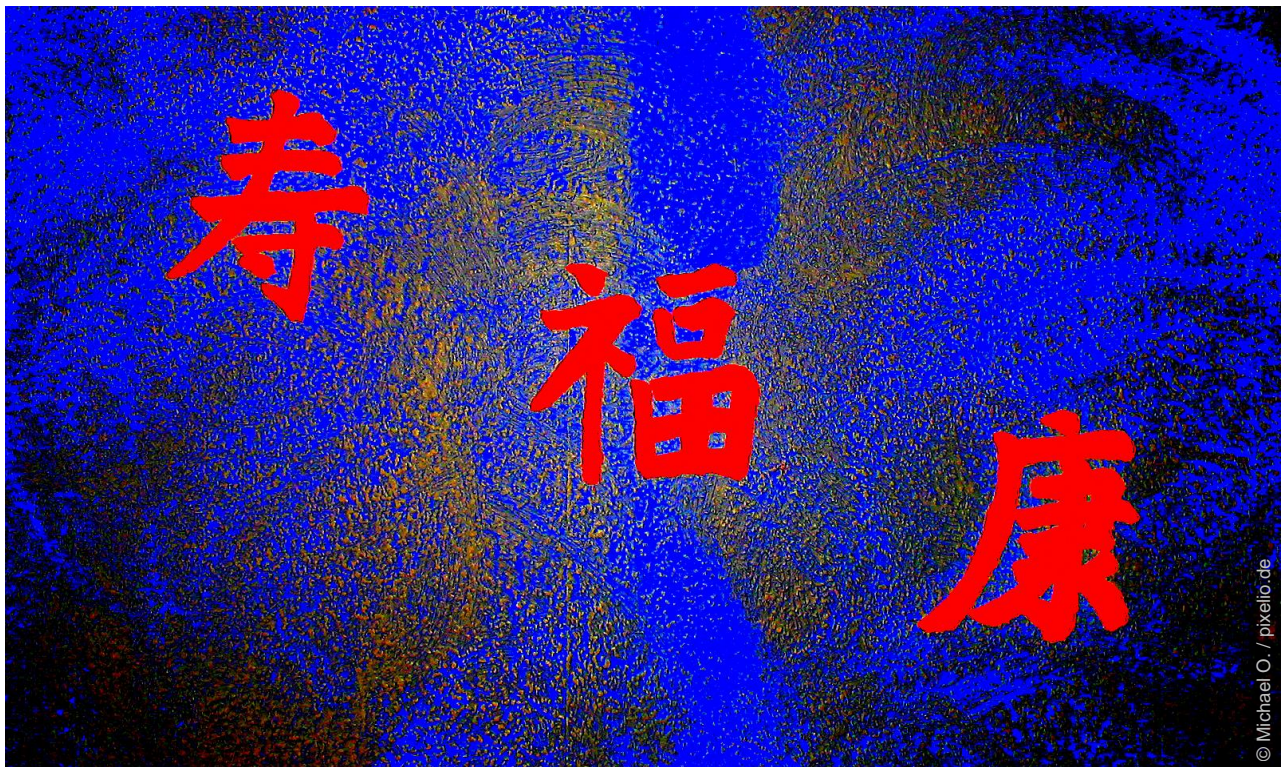
*) HSPos. 61+62

Source: China Customs; calculation by Germany Trade & Invest

China's fashion designers are becoming more successful internationally

Many of the new Chinese fashion designers have studied abroad, worked and / or cooperated with foreign designers, and now combine typical Chinese with modern Western clothing and cuts. With their designs, they do not only create interest in the relevant fashion weeks abroad, but are

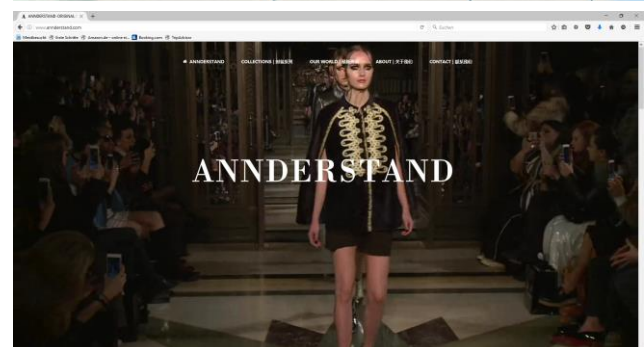
also increasingly bought in China.



Pioneers are fashion designers like Ma Ke ("Wuyong", "Mixmind"), who designed the clothes for China's elegant First Lady Peng Li-yun, or Paris-based Guo Pei, who was named by the Time Magazine 2016 as one of the 100 most influential people in the world. In the meantime, a large number of fashion designers and designers have made themselves a more or less well-known name.



Among the new labels are for example the Eve Group from Beijing or ANNDERSTAND (founded by Yu Ge, who gained experience already at Louis Vuitton and Gucci) from Shanghai. With tailor-made models from Yu Ge, the underwear brand AtoG Lingerie (founder: Zhou Yingying) even made it to the fashion weeks in London, New York, Milan and Paris.



They are particularly popular among the middle and upper classes. These population groups are often looking for a modern, national identity and would like to dress up individually and elegantly - apart from the unattainable big brands from France or Italy, which nevertheless are already in the Chinese metropolises almost "at every corner".

Return to old traditions

For example, exquisite new editions of Chinese sheath dresses (Qipao) are in demand - such as by HanartQipao from Shanghai. Founder Zhou Zhuguang is convinced: "Qipao is the future and perhaps also the beginning of a Chinese haute-couture." The costs of a Hanart dress range from 3,800 to 60,000 yuan (RMB, circa 570 to 9,030 US \$, 1 US \$ = circa 6,642 RMB, yearly average

2016). Buyers have often embraced a refined Chinese lifestyle - including tea drinking, reciting poems, and collecting Chinese antiques.

Recalling some decor patterns of national minorities, such as the elaborate embroidery art of the Dong or Miao nationality from southern China, is also popular. In particular, Vimemo (founded in 2009 by Yu Ying) from Guizhou has earned a reputation.

Vimemo employs about 3,000 female embroiderers and batik dyeing worker in homework and ensures that techniques, which only a few grandmothers are still proficient in, do not die out. In this sense, a research and development center with a school is to be built in 2017. The very high-priced pieces of silk or cotton are sold in own shops (at the Beijing International Airport, for example) or via the Internet.

The Chinese designer, Su Renli, uses the old techniques of handicrafts (for example, the dyeing of fabrics in yamswurze extract) combined with sustainably produced materials and modern cuts. Other promising brands with an individual style are, for example, Zuczug or Icecle

based in Shanghai, some of them partly coming into the market with serious eco-friendly products.



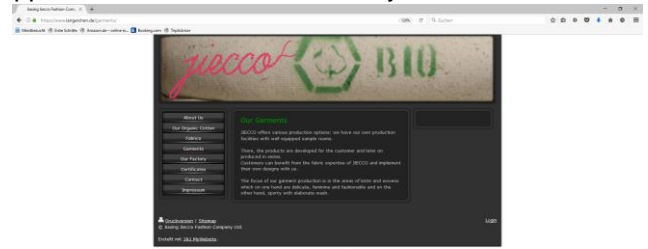
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Despite the growing health awareness and promising approaches - such as the recently founded "Uncover" project - sustainable fashion in China has so far only been a niche. Against this background, the company Jiaying Jiecco ("LangerChen") in Zhejiang, founded by Miranda Chen and Philipp Langer, is producing their fabrics that are mainly certified according to the strict Global Organic Textile Standard (GOTS) primarily for foreign customers. Genuine eco-fashion or fair produced clothing has so far been a concept for the fewest Chinese. "After discussing food safety, the discussion about healthy clothing will follow," Miranda Chen is convinced. But time has not yet come.



Source: Stefanie Schmitt, Germany Trade & Invest www.gtai.de
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