

Bra Matters

(From Feminism to Trade Wars)

By Luz T. Suplico

In an earlier era (before my time, in case you're wondering), women wore camisoles and corsets instead of bras. Women who wore modern contrivances such as bras were considered feminists. Then, the feminist movement took a new turn in the 1960s; the demonstrations against Miss America showed bra-burning feminists. In the 1970s, feminists who lobbied for the Equal Rights Amendment were described as "braless and brainless broads."

Today, instead of being a symbol for or against feminism, the bra has now become part of the trade war between US and China. The world's textile industry has been in turmoil this year since Chinese exports surged to the US and Europe after the lifting of the global import quota on January 1, 2005. After months of negotiation, China and the US agreed to limit to 10-17% the growth of a broad range of textiles, including bras, flooding the US market from 2005 to 2008. This accord follows a similar agreement with the European Union signed in June 2005. Critics consider these agreements illegal under WTO rules because they curb trade growth.

These trade agreements worry Chinese exporters who fear that they will be forced to undercut each other on prices. Many are moving away from being low-cost producers to making high-end products.

The Chinese bra exporters have long shifted to high-end products, even before the lifting of the import quota in January 2005. These exporters invested in bra research centers and bra towns, where most businesses are exclusively devoted to bra production. Wholesalers of hooks and eyes, which are components in bra production, have offices and factories in the bra towns. The creation of a degree course in bra studies started this year at Hong Kong's

Polytechnic University. Chinese exporters have also invested in high-tech equipments for bra production.

The efforts of Chinese bra exporters have resulted in their growing reputation as sophisticated bra producers even before the lifting of the quota this year. They have produced for well-known labels such as Victoria's Secret, Playtex, Maidenform, Calvin Klein and Debenhams. From simple cut and sew bras, bra production is now a process that can be likened to car assembly. The improved production processes have eliminated the need for hand-sewing or using high temperatures to mold sheets of synthetic fibers into wafer-thin shells. This has led to the production of seamless molded bras, which has helped bra makers increased their average price from USD2.99 in 2002 to about USD3.10 today. The seamless bras are popular because they provide a smooth profile when worn under knit shirts. Other product innovations led to bras that provide extra cleavage and bras with reversible and changeable cups.

The investments in research and innovation have helped Chinese bra exporters survive the trade restraints. Since 2002, US imports of Chinese bras have been slapped twice with safeguard quotas. In spite of these quotas, US imports of Chinese bras have doubled, especially as manufacturers took advantage of a window earlier in the year before the quotas were imposed. Despite trade woes, some Chinese exporters experienced growth in sales and profits. As one bra exporter said, "Times are hard but we can ride out this storm."

There are lessons to be learned from this experience. Exporters should stay ahead of competition by shifting to premium products if cost competitiveness has stopped being a viable option. Research and product innovation are crucial, and are key to surviving protectionism in the global marketplace. And from the marketers' viewpoint, lifting the body can be good for the soul.

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