

# WWD

Tuesday, January 4, 2011

Yearly Daily • \$3.00



## Deco Delight

Marc Jacobs took a retro romp through the Twenties and Thirties for pre-fall, loading his Louis Vuitton collection with sequins, fishnets and, of course, those luxe logo bags. For more, see page 6.

PHOTO BY DOMINIQUE MAITRE

## A Rare Interview Kawakubo Talks Fashion and Future

By Amanda Kaiser

**BEIJING** — Rei Kawakubo always aims to push the limits.

The mind behind Comme des Garçons and one of fashion's most influential and reclusive figures says that with each collection she is out to create something totally new — a goal that is becoming harder and harder the longer she is in fashion. And that is just one of the many provocative admissions Kawakubo made during a rare interview pegged to the opening of I.T Beijing Market, her new multibrand store in the Chinese capital.

The 68-year-old designer admits she is starting to ponder a succession strategy for her business and indicated that she doesn't oppose the idea of selling her company. Surprisingly, she said she doesn't think anyone would be interested in it. Her husband and the company's chief executive Adrian Joffe, on hand to translate the designer's words from Japanese to English, said half-jokingly: "We're waiting for an offer." 8

## TODAY

### Retail Stocks Climb/3

**Financial:** Retail shares had a strong 2010 and rode the stock market's overall buoyant mood Monday — but 2011 could see a tougher road.

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### Trade a Key Focus For Congress/10

**Textiles:** A divided Congress kicks off a new session this week, yet trade could be one of the few issues where common ground is found.

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**Eye:** Designers and celebrities got away to the sand and sun over the holidays — and there are pictures to prove it.



# Chaiken and Capone Returns

By Lisa Lockwood

CHAIKEN AND CAPONE, WHICH BUILT A following in the Nineties for great-fitting pants, will be reintroduced at retail this spring.

Julie Chaiken, the San Francisco-based designer, will relaunch Chaiken and Capone at stores such as Barneys Co-op on Madison Avenue in Manhattan and Cusp by Neiman Marcus, beginning next month.

Founded by Chaiken and Pamela Capone in 1994, Chaiken and Capone was the "go-to" resource for urban women seeking pants with flattering cuts. Capone left the business in 1998, and Chaiken bought out her share. She continued to run the business, renaming it Chaiken, and in 1998 hired as creative director Jeff Mahshie, who stayed 10 years. While the pants remained the brand's signature, the label expanded into a full collection of sportswear, outerwear, swimwear, maternity and eveningwear. Chaiken, which was shown on the New York runway, was sold in about 400 stores globally, including Saks Fifth Avenue, Macy's West, Bloomingdale's and Nordstrom. In July 2008, Chaiken closed her New York showroom at 580 Broadway and moved all her operations to San Francisco, where the firm and her family were based. The Chaiken business never officially closed, but in recent years focused only on special projects.

Reached in San Francisco, Chaiken told WWD that she became more active in the business in the early part of last year. She felt it was the right time to reintroduce the Chaiken and Capone label, which she owns. She showed the line, which she and her team designed, to several stores in September, which picked it up for spring. "We did a soft launch for spring and got the stores we wanted," said Chaiken, declining to give first-year projections.

Spring looks from Chaiken and Capone.

Chaiken said the spring grouping is more casual. For fall, she intends to add chunky knits, leathers and some "go-to-work" looks. She has no plans to have runway shows for the collection, which will be manufactured in South America and Asia. It will be repped in New England, Atlanta, Chicago and Dallas.

Chaiken and Capone will be less expensive than the Chaiken line was. "It has a little lower price point. Chaiken started to creep up toward designer. This has a more contemporary price point," said Chaiken. For spring, wholesale prices range from \$60 to \$64 for pima cotton tops; \$82 to \$90 for pants; \$73 to \$76 for Bermuda shorts and skirts; \$150 for blazers, and \$112 for dresses. The line is comprised of cottons, twills and Modals, in vivid colors as well as neutrals. Tops have feminine cuts such as cowl necks, one shoulders, off the shoulders and draping. Pant styles include the Rocker skinny pant, the Maggie boot cut and the 2001 Classic pant, in addition to new cuts. Rounding out the collection are day-to-night dresses, tanks, Bermuda shorts and pencil skirts.

"It's very classic and clean, while being fashion forward. That's what people have always come to me for," said Chaiken. The key demographic is the woman between 25 and 45, she said. "It's the woman who understands that you can wear clean lines while still being a little bit sexy."

## DAILY QUOTE

“I think...[young people] get satisfied too easily. They're not strict enough with themselves. They're too soft on themselves.”

— Rei Kawakubo on the younger generation. Page one.



Comme des Garçons fall 2000 show in Paris.

PHOTO BY GIOVANNI RUANONNI

# Symrise Opens Perfumery School in India

By Mayu Saini

CHENNAI, India — Fragrance and flavor maker Symrise opened its first perfumery school outside its headquarters in Holzminden, Germany, and its first in India.

"This is the first major initiative of the kind by a multinational in India," Achim Daub, global president of the scent & care division, told WWD. "Perfumers are the creative heart and soul of the scent and care division. Our focus is to build the great noses of tomorrow."

Emerging markets constitute an important part of the business for Symrise, accounting for 46 percent of the business in 2010, said Daub. India represents one of the fastest-growing markets for Symrise, which reported a nine-month turnover of \$1.6 billion in local currency.

Venkat Iyer, vice president of scent & care, said, "The next few decades belong to India." He continued, "A strong economy, favorable demographics and a growing middle class with increasing disposable incomes offer a company like Symrise strong opportunities for growth. We are among the fastest-growing countries in the Symrise family."

Iyer, a 10-year veteran of the company, oversees the business in India, Sri Lanka and Nepal. "The perfumery school will create a pool of talent for the Indian market but also for the global community as a whole," he added.

The Symrise fragrance business in India has been growing in the high double digits over the past few years. Symrise has an approximate 20 percent share of the organized Indian market, said Iyer, with a large part of business coming from home and personal care products.

"Personal care is a very important market — the deodorant market itself is growing at 40 percent, and more customers are getting into this category," said Daub. "India does not have a significant penetration of fine fragrances; however, in the years to come this will be an exciting category."

The perfumery school in India is part of the company's strategic growth plan. Béatrice Favre-Bulle, senior vice president of fragrance development, said, "If I look at the fragrance life cycle, it starts with ingredients and composition and ends with sales. As far as ingredients go, it is pretty obvious that India provides all these fantastic smells and represents an endless source of inspiration. Our key customers who are looking at new markets ask about India. We need creative perfumery talents and expertise here, in the country — we can't do it from the other side of the world."

The academy, which will offer a diploma at the end of a two-and-a-half-year period, began classes on Nov. 22 and is in the process of training new perfumers. "We have to adapt the school to the needs of the changing world," said Marc vom Ende, senior perfumer, Symrise, who will oversee the program both here and in Germany. "The course will cover the basics of olfaction — how the nose works, the sensory language, the language of perfumes — about raw materials and accords, about sales and much more," he added.

The academy, which includes a special area with more than 900 bottled compounds and a library, will house these "noses of the future" in Symrise's Chennai office, located on a 10-acre compound with landscaped gardens.

The academy will train evaluators in addition to perfumers. It will also add to the strong theme of research and development encouraged by the company. "We spend approximately 7 percent on

R&D," says Daub. "A lot of the basic research is done primarily at our headquarters in Germany. Development is creation work, which happens in each creative center of the world."

Meanwhile, candidates for the next session at the perfumery academy at Holzminden, Germany, are under selection to begin the program next summer.

## Shiseido in Tie-in With La Scala

MILAN — La Scala's performers are getting a fresh new look.

Japanese cosmetics giant Shiseido has inked a deal with the Italian opera house to be its lead partner for the next three years. Kicking off with the current season, the unusual partnership is the first time a cosmetics brand has been linked to the Milan-based theater.

La Scala's cast of artists, dancers, and actors are set to wear Shiseido's makeup line plus the famed venue will open-up its doors to the beauty brand. To introduce its forthcoming 2011 collection, Shiseido has installed a retrospective exhibition in the theater's lobby that showcases the brand's advertising campaigns from 1870 through today.

President of Shiseido Italy, Yoshinori Makino said, "The link with the La Scala theater, this prestigious venue with heritage, shares the same



A Shiseido ad featuring images from La Scala's archives.

## BEAUTY BEAT

values of our brand: A passion for arts, beauty and tradition that blends excellence and technology, values that have always characterized Shiseido."

To promote the partnership, Shiseido has realized an advertising campaign that features black-and-white images of opera divas Maria Callas and Shirley Verrett applying make-up, sourced from La Scala's archives.

The Shiseido Group-owned brand Carita is also set to contribute backstage, offering performers a selection of its skin care, body and hair products.

— Kerry Olsen

## TODAY ON WWD.COM

- **FASHION:** See more looks from Comme des Garçons over the years, as well as the latest pre-fall collections and accessories at [WWD.com/fashion-news](http://WWD.com/fashion-news).
- **RETAIL:** Extra images of the Chanel and Burberry stores in Brazil at [WWD.com/retail-news](http://WWD.com/retail-news).
- **BUSINESS:** More financial news and daily stock movements at [WWD.com/business-news](http://WWD.com/business-news).

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VOLUME 201, NO. 2, WWD (ISSN 0149-5380) is published daily (except Saturdays, Sundays and holidays, with one additional issue in January, May, June and December, two additional issues in March, April, August, September, October and November, and three additional issues in February) by Fairchild Fashion Group, which is a division of Advance Magazine Publishers Inc. PRINCIPAL OFFICE: 750 Third Avenue, New York, NY 10017. Shared Services provided by Condé Nast: S.J. Newhouse, Jr., Chairman; Charles H. Townsend, Chief Executive Officer; Robert A. Sauerberg Jr., President; John W. Bellando, Chief Operating Officer & Chief Financial Officer; Jill Bright, Chief Administrative Officer. Periodicals postage paid at New York, NY, and at additional mailing offices. Canada Post Publications Mail Agreement No. 40644503. Canadian Goods and Services Tax Registration No. 886549096-RT0001. Canada Post: return undeliverable Canadian addresses to P.O. Box 503, RPO West Beaver Cre, Rich-Hill, ON L4B 4R6. POSTMASTER: SEND ADDRESS CHANGES TO WOMEN'S WEAR DAILY, P.O. Box 15008, North Hollywood, CA 91615 5008. FOR SUBSCRIPTIONS, ADDRESS CHANGES, ADJUSTMENTS, OR BACK ISSUE INQUIRIES: Please write to WWD, P.O. Box 15008, North Hollywood, CA 91615-5008, call 800-289-0273, or visit [www.subnow.com/wd](http://www.subnow.com/wd). Please give both new and old addresses as printed on most recent label. Subscribers: If the Post Office alerts us that your magazine is undeliverable, we have no further obligation unless we receive a corrected address within one year. If during your subscription term or up to one year after the magazine becomes undeliverable, you are ever dissatisfied with your subscription, let us know. You will receive a full refund on all unmailed issues. First copy of new subscription will be mailed within four weeks after receipt of order. Address all editorial, business, and production correspondence to WOMEN'S WEAR DAILY, 750 Third Avenue, New York, NY 10017. For permission requests, please call 212-630-5656 or fax the request to 212-630-5883. For reprints of articles, please contact Scooper ReprintsSource at 800-767-3263 or via e-mail at [sales@coopreprints.com](mailto:sales@coopreprints.com). Visit us online at [www.wwd.com](http://www.wwd.com). To subscribe to other Fairchild Fashion Group magazines on the World Wide Web, visit [www.fairchildpub.com](http://www.fairchildpub.com). Occasionally, we make our subscriber list available to carefully screened companies that offer products and services that we believe would interest our readers. If you do not want to receive these offers and/or information, please advise us at P.O. Box 15008, North Hollywood, CA 91615-5008 or call 800-289-0273. WOMEN'S WEAR DAILY IS NOT RESPONSIBLE FOR THE RETURN OR LOSS OF, OR FOR DAMAGE OR ANY OTHER INJURY TO, UNSOLICITED MANUSCRIPTS, UNSOLICITED ART WORK (INCLUDING, BUT NOT LIMITED TO, DRAWINGS, PHOTOGRAPHS, AND TRANSPARENCIES), OR ANY OTHER UNSOLICITED MATERIALS. THOSE SUBMITTING MANUSCRIPTS, PHOTOGRAPHS, ART WORK, OR OTHER MATERIALS FOR CONSIDERATION SHOULD NOT SEND ORIGINALS, UNLESS SPECIFICALLY REQUESTED TO DO SO BY WOMEN'S WEAR DAILY IN WRITING. MANUSCRIPTS, PHOTOGRAPHS, AND OTHER MATERIALS SUBMITTED MUST BE ACCOMPANIED BY A SELF-ADDRESSED STAMPED ENVELOPE.

# Retail Shares Follow Solid 2010 With Fast Start

By Evan Clark and Arnold J. Karr

INVESTORS STARTED OFF 2011 THE WAY THEY ended 2010 — with a loud, joyful bang.

Retail stocks and the broader market were lifted to multiyear highs Monday, the first trading day of the new year, as a solid holiday selling season and a rebound in the manufacturing sector helped solidify the feeling the economy is on the upswing.

The S&P Retail Index rose as high as 516.57, a height not seen since July 2007, before settling some to 514.01, a 1.1 percent, or 5.63 point, increase for the day. The Dow Jones Industrial Average also hit a high not seen in better than two years and perked up 0.8 percent, or 93.24 points, to close at 11,670.75.

Supporting the good cheer Monday — and adding to the 23.5 percent increase registered by the S&P Retail Index in 2010 — was word from the Institute of Supply Management that the manufacturing sector expanded for the 17th straight month in December, while the Commerce Department reported a 0.4 percent increase in construction spending during November.

“There’s a lot of holiday cheer here,” said Andrew Fitzpatrick, director of investments at Hinsdale Associates. “It’s a carryover from the last few months where you had the tax cuts extended, you had a little bit more of a moderate tone from Washington, so you’ve got a little bit more certainty there.”

Still, the rally is telling only part of the recovery’s story. “The market’s discarded a lot of lingering issues that are still out there: housing, unemployment, the European debt levels, government debt levels here,” Fitzpatrick said.

Fears of a double-dip recession have receded in recent months and analysts are generally optimistic that 2011 will show continued improvement for retailers, but there are also concerns about cost pressures building in the supply chain and the consumer’s willingness to continue to spend.

Many retailers weigh in with December comparable-store sales results on Thursday.

“We had a Christmas, Santa came this year and so I think people are looking forward to monthly comps and the holiday sales updates that are coming,” said Erika Maschmeyer, analyst at Robert W. Baird & Co.

Still, she cautioned: “The consumer’s really bipolar. They come out when they have a reason to buy.”

Paul Lejuez, analyst at Nomura Securities, said the overall holiday sales gain would be strong enough to keep markets focused on retail for now.

“I don’t know if it’s going to blow away expectations, but I think it was good enough to keep people looking ahead and thinking things can get better,” Lejuez said.

But he said investors could be setting themselves up for a fall, particularly as companies try to figure out how to manage rising costs after years of deflation.

“There’s just a little too much complacency out there,” he said. “We’ve got our concerns about cost increases.”

And the first quarter could be a difficult one for retail stocks given tough comparisons with a year earlier, a late Easter and rising sourcing costs, said Amy Noblin, analyst at Weeden & Co. “We’ve got very tough numbers that we’re up against in February and March,” Noblin said. “The first quarter could be a little choppy.”

Among the retail stocks gaining ground Monday were Saks Inc., up 4.6 percent to \$11.19; Nordstrom Inc., 2.4 percent to \$43.39; The Men’s Wearhouse Inc., 1.7 percent to \$25.40, and Rue 21 Inc., 2.7 percent to \$30.10.

On the losing end was AnnTaylor Stores Corp., which saw its stock fall 5.2 percent to \$25.98 after Piper Jaffray analyst Neely Tamminga downgraded the stock to “neutral” from “overweight” on concerns that a recovery in the Loft division could be delayed.

However, AnnTaylor proved a standout — among the top stocks of the 171 tracked by WWD — in 2010, more than doubling in value to \$27.39. Other companies yielding strongly last year for their investors included department stores Dillard’s Inc. (up 105.6 percent), Saks (up 63.1 percent) and Macy’s Inc. (up 51 percent). Specialty retailers benefiting from improved sales results as well as a flurry of interest in mergers and acquisitions at the end of the year included not only AnnTaylor, but also the sizzling Zumiez Inc. (up 111.2 percent), Abercrombie & Fitch Co. (up 65.4 percent), Limited Brands Inc. (up 59.7 percent) and the recuperating jeweler Zale Corp. (up 56.6 percent).

Among those leading the recovery in the luxury sector in 2010 were Burberry Group plc (up 87.7 percent), the highly coveted Hermès International (up 68 percent), Compagnie Financière Richemont SA (up 58.4 percent), LVMH Moët Hennessy Louis Vuitton (up 57.1 percent), Tiffany & Co. (up 44.8 percent), PPR (up 41.3 percent) and Bulgari (up 40.5 percent).

Beauty companies also dotted the list of best performers last year, led by Sally Beauty Holdings Inc.’s 89.9 percent advance and The Estée Lauder Cos. Inc.’s



Shares of AnnTaylor Stores Corp. slid 5.2 percent Monday, but were up a robust 100.8 percent in 2010.

## GAINED GROUND IN 2010

COMPANY	CLOSING 2010 PRICE	% CHANGE
French Connection *	85.25	166.4
Quiksilver	\$5.07	151.0
Lululemon Athletica	\$68.42	127.3
Zumiez	\$26.87	111.2
Fossil	\$70.48	110.0
Dillard’s	\$37.94	105.6
Casual Male	\$4.74	103.4
Under Armour	\$54.84	101.1
AnnTaylor	\$27.39	100.8
Burberry *	1124.00	87.7

## LOST GROUND IN 2010

COMPANY	CLOSING 2010 PRICE	% CHANGE
American Apparel	\$1.66	-46.5
Charming Shoppes	\$3.55	-45.1
Frederick’s of Hollywood	\$0.90	-42.3
Revlon	\$9.84	-42.2
Coldwater Creek	\$3.17	-28.9
Benetton Group *	4.92	-21.1
Christopher & Banks	\$6.15	-19.3
Chico’s FAS	\$12.03	-14.4
American Eagle	\$14.63	-13.8
Sears	\$73.75	-11.6

\* FRENCH CONNECTION AND BURBERRY ARE TRADED ON THE LONDON STOCK EXCHANGE AND PRICES QUOTED IN PENCE. BENETTON IS TRADED ON THE MILAN STOCK EXCHANGE AND QUOTED IN EUROS. ALL OTHER AMOUNTS IN DOLLARS.

66.9 percent. Also sharing in the market’s positive take on fragrances and cosmetics were Elizabeth Arden Inc. (up 59.5 percent), Inter Parfums Inc. (up 54.9 percent) and Parlux Fragrances Inc. (up 38.7 percent). Revlon Inc. didn’t share in the bounty, sliding 42.2 percent during 2010.

While a general sense of improving sales bathed retail and fashion shares in a flattering light throughout the year, investors were particularly kind to the stocks of companies perceived as being on the road to recovery or expansion. Movado Group Inc. shares spiked strongly after signs its turnaround plans were succeeding emerged with its third-quarter results, helping boost the stock 66.1 percent for the year. G-III Apparel Group Ltd. shares were up 62.2 percent as it continued to outperform expectations and diversify its business beyond outerwear and further into retail. Phillips-Van Heusen Corp., with an eye on becoming the world’s largest apparel company, saw shares appreciate 54.9 percent during the year as it appeared to successfully integrate the Tommy Hilfger business into its fold. Coach Inc. shares rose 51.4 percent and Polo Ralph Lauren Corp. shares 37 percent over the course of the year, two of many issues to be rewarded for their adjustment to a more global marketplace and a more particular aspirational consumer, as well as strong operational fundamentals.

Dress Barn Inc. absorbed Tween Brands into its portfolio and its shares finished the year 14.4 percent ahead of their 2009 conclusion. On Monday, the company said it had completed its reorganization and would now be known as Ascena Retail Group Inc., trading over the counter under the ticker symbol “ASNA.”

Declines were relatively few among the stocks tracked by WWD. While 134 issues enjoyed increases, there were just 36 declines and one flat performance. Among those failing to post increases were American Apparel Inc., down 46.5 percent, as it continued to be dogged by issues ranging from the integrity of its accounting to the ability to meet financial covenants. Charming Shoppes Inc. shares were off 45.1 percent as the retailer conceded to losing customers as it clumsily attempted a turnaround.

Conspicuous for their concentration in losing territory last year were missy specialty retailers, which are struggling to achieve effective merchandising and marketing strategies. In addition to Charming, those losing ground last year included Coldwater Creek Inc. (down 28.9 percent), Christopher & Banks Corp. (down 19.3 percent), Chico’s FAS Inc. (down 14.4 percent) and The Talbots Inc. (down 4.4 percent). Teen retailers with falling stock prices last year included American Eagle Outfitters Inc., down 13.8 percent, and Hot Topic Inc., down 1 percent.

J. Crew Group Inc. saw shares fall 3.6 percent last year as disappointing results beginning with the third quarter held the stock down, despite its November agreement to be acquired by TPG and Leonard Green & Partners for \$43.50 a share.

# Brazil's Luxe Boom Gains Momentum

By Simone Esmanhotto

**SAO PAULO** — If overseas visitors with an appetite for luxury brands landed here for the first time, they'd now feel right at home in shopping areas such as the Jardins neighborhood and in the city's most sophisticated malls, Shopping Iguatemi and Shopping Cidade Jardim.

Strolling around the streets or malls, the visitors would see brands such as Chanel, Hermès, Emilio Pucci, Burberry, Christian Louboutin, Diane von Furstenberg, Jimmy Choo, Carolina Herrera, Marc Jacobs, Celine, Goyard, Alexander Wang and Isabel Marant. All of these companies have arrived in Brazil in the past two years, most by opening stand-alone stores that are either directly operated or run by local franchisees.

And the momentum is only expected to grow. Brazil currently accounts for just \$7.59 billion in luxury revenues, or about 1 percent of the total global market. But it is growing at 22 percent a year — far outpacing more established markets and even Brazil's general retail sales, which rose an estimated 11 percent in 2010. And the country's luxury sales are now almost twice as high as they were in 2006.

As a result of the economic stability brought on by eight years of President Luiz Inácio Lula da Silva's government — which is expected to continue under new President Dilma Rousseff, who took over on Saturday — there is a new and avid middle-class consumer. This "new bourgeoisie," according to "Europe: Branded Consumer Goods," a June report from Goldman Sachs, "can drive luxury goods sales in the next decade."

According to the report, luxury sales in Brazil could represent 6 percent of the global market by 2025, or \$63.5 billion.

"The Brazilian market is mature. This is now the time for us to consolidate our presence there, directly operating the boutique network as we do elsewhere," said Bruno Pavlovsky, president of Chanel's fashion division.

After more than a decade under the operation of Daslu, Brazil's leading luxury retailer for the past 50 years, Chanel earlier this year closed its franchised shop inside the four-story Daslu Villa here. Last July, it took over the management of its store in Shopping Cidade Jardim, where it stands on the same floor as Hermès' first unit in the country, a concession opened in September 2009, and near Louis Vuitton (which has been in Brazil since 1999), Tiffany & Co. (which arrived in 2001) and Ermenegildo Zegna (which has had a franchised store here since 2001).

The move had an immediate impact on Chanel's prices, since the luxury brand no longer had to pay a middleman. They fell by about 30 percent, with installment payments — dividing the total amount of a purchase into monthly payments is a Brazilian custom to which foreign brands yield — ranging from three to six months.

A second Chanel store in São Paulo opened last November. The 2,150-square-foot space in Shopping Iguatemi was designed by Peter Marino and is across from Gucci, which opened in November 2009. The second Chanel unit emphasizes accessories and classic bags because the company believes it will attract a greater number of customers, as Iguatemi is more centrally located than Shopping Cidade Jardim.

Far removed from the Oscar Freire and Haddock Lobo, the two main luxury streets in Jardins, Cidade Jardim isn't as easily accessible as Iguatemi, with poor public bus services and taxi rides that can cost as much as a meal in a trendy restaurant. Its location could be one reason Cidade Jardim attracts only about

15,000 customers a day, a third of the number who visit Iguatemi. Still, Cidade Jardim's consumers spend big, averaging about 2,800 reais, or about \$1,700, a visit, almost six times the Brazilian minimum wage. Given that high spending, the windows of the Chanel store in the mall focus on ready-to-wear.

"Iguatemi is the best location in the whole Latin American market. It is a strong and growing luxury fashion environment, with other luxury brands opening regularly. Cidade Jardim is a new ultraluxury shopping mall with a very strong potential expected for the end of 2011, when the project, which involves residential and office buildings and a new road to avoid traffic, will be completed," said Pavlovsky.

Although São Paulo represents 70 percent of Brazil's luxury market, Pavlovsky sees the country's capital, Brasília, and Rio de Janeiro "as very promising" for future Chanel stores, although nothing has been confirmed.

Iguatemi already has a mall in Brasília, where Burberry opened its first directly operated store last May. Analysts said the store was the most lucrative one in the mall in the first month of opening. Burberry subsequently opened a second store, in Iguatemi São Paulo, early last month.



A look at Chanel in São Paulo, Brazil.



Burberry has two directly owned stores in Brazil.

A site being eyed by luxury brands in Rio is the Village Mall, which is being planned in the city's Barra da Tijuca neighborhood. Nicole Kidman has been hired to promote the new address, which is expected to be inaugurated in 2012.

The two main malls going head-to-head for now, though, are Shopping Cidade Jardim and Shopping Iguatemi São Paulo. The Iguatemi mall was the first in Brazil when it opened in 1966 and has the highest rents per square foot in the country, according to Cushman & Wakefield. But Cidade Jardim, opened in May 2008 by JHSF, a company specializing in luxury retail estate, is quickly becoming a strong competitor and has plans to expand so it can attract more luxury labels.

Iguatemi Empresa de Shopping Centers S.A. also is expanding in São Paulo and will soon unveil a second address, Shopping JK Iguatemi, which insiders say is expected to see PPR's luxury brands opening their first directly operated stores in the country. However, on a recent visit to São Paulo, PPR chief executive François-Henri Pinault praised the architecture of Cidade

Jardim, a project that uses wood, trees and natural light from skylights to mimic street shopping. "Why are we not here?" he was overheard asking while walking by Giorgio Armani, Montblanc, Hermès and other stores.

As part of the plan to lure top international brands, JHSF made a concerted effort to attract Hermès. The French luxury house had been eager to enter the Brazilian market, even paying rent on a location at the corner of Oscar Freire and Haddock Lobo for five years, but it still couldn't open a unit. Finally, after three years of negotiation, JHSF became an Hermès concessionaire and opened in Cidade Jardim.

"There are waiting lines for the Constance bag, and we were all surprised that our porcelain and the ready-to-wear, which are products that aren't as well known as our silks, have had great results here," said Richard Barczinski, a former H.Stern executive who was recruited to become director of Hermès Brasil. The brand is already researching a second address in São Paulo — most likely in the Jardins neighborhood — and a site for its first store in Rio.

The successful tie-up between JHSF and Hermès attracted the attention of many international brands eager to move into Brazil but not willing to deal

with the country's bureaucracy, complicated legal structure and tax laws — all of which, according to PricewaterhouseCoopers, are impeding the growth of luxury in the country. JHSF decided to expand its business by opening up a retail division in July, which is overseen by Barczinski. The new division aims to replicate JHSF's experience with Hermès with other brands, opening stores not only in Cidade Jardim but in other locations, even in Iguatemi's malls.

The first two brands to close deals with JHSF's new retail division were Jimmy Choo and Emilio Pucci, both of which were sold formerly in Daslu. Pucci is still available at NK Store, the hip luxury spot for fashion-forward and low-profile-oriented consumers in São Paulo and in Rio, while Jimmy Choo opened an 860-square-foot store in Cidade Jardim in November.

"We did not consider operating directly in Brazil," said Jimmy Choo chief executive officer Joshua Schulman. "The right distribution model for us in the country is an agreement with a local partner who deeply understands the customer, the culture and the real state market."

## MEMO PAD

**NEW REGIMES AND NEW GOALS:** While former Hearst Magazines president and chairwoman **Cathie Black** was making her way around New York's five boroughs on Monday, on her first official day as schools chancellor, her successor as president, **David Carey**, began the new year with a cheery e-mail to Hearst colleagues, where he also confirmed the company has entered into a period of exclusive negotiations with Lagardère to acquire a majority of the French conglomerate's global magazine portfolio. "While I can't comment further at this time, this announcement speaks volumes about our belief in the magazine medium — in print today, plus its many other expressions tomorrow, and in the value of premium content throughout the world," Carey wrote. Hearst and Lagardère have until Jan. 30 to negotiate the sale in an all-cash transaction, Lagardère said. The news sent

Lagardère shares ahead 9.37 percent on the Paris stock exchange to close at 33.72 euros, or \$45.09 at current exchange. If the deal comes to fruition, Hearst will elbow out Condé Nast to become the second-largest magazine publisher behind Time Inc.

Germany's Bauer Publications and Meredith Corp. were also reportedly in the running with Hearst, though Lagardère officials declined to provide any additional comment on the sale.

Lagardère plans to hold on to its French division and is insisting it retain editorial control over foreign editions of Elle — sort of like getting rid of the bathwater but keeping the baby. That could be the Gordian knot in the deal, because how does a firm sell a company yet retain control? Who would **Robbie Myers**, editor in chief of Elle U.S., report to — Hearst or Lagardère? Not that Hearst isn't accustomed to such arrangements — its

deal to publish O, The Oprah Magazine leaves editorial control in the hands of **Oprah Winfrey**, Food Network is a 50-50 joint venture with the Scripps Networks and in the past it has had similar agreements in publishing Talk magazine and Smart Money.

Lagardère's overseas magazine business generated revenues of 700 to 800 million euros, or \$976 million to \$1.1 billion, in 2009 out of total revenues of 1.3 billion euros, or \$1.8 billion, for the periodicals division as a whole. — **Amy Wicks** and **Joelle Diderich**

**EXIT, LEFT:** In the latest shake-up at Time Inc., **Jack Griffin** is now shopping for a new public relations person. Time Inc. said Monday afternoon that its p.r. chief since 2004, **Dawn Bridges**, is leaving the company. And the press release revealing her departure was full of the sugar-sweet

euphemisms beloved of every p.r. person in the business. Griffin stated, "We will miss her and wish Dawn well as she moves into the next stage of her career." Bridges, after praising her colleagues, said, "I have decided that now is the right time for me to move on to new opportunities and challenges." She didn't say what.

Bridges' exit is just the latest in a string of changes Griffin has made since he came on board from Meredith Corp.: He hired the company's first-ever chief digital officer; he created the positions of chief revenue officer and chief marketing officer, and split the sports and news divisions apart, a move that his predecessor, **Ann Moore**, had put into place. The search for Bridges' replacement has begun.

Bridges came to Time Inc. in 2004 after working in communications at Warner Music Group and EMI. — **John Koblin**

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# Bright Young Things

Marc Jacobs looked to the retro glamour of the Art Deco period for his Louis Vuitton pre-fall collection. Using a rich mix of fabrics, he topped Fortuny pleats with sequins, placed panels of sheepskin on a tweedy coat and showed patches of silk on a shirtdress — all for a subtle artsy effect. The look was completed with piles of Lucite bracelets, fur headbands and feathered earrings.

# Deegie's Carma Gets New Look

By Rachel Brown

DEEGIE'S CARMA IS GETTING ITS groove back.

The retailer, owned by the New York retail management and investment firm Three Wildcats LLC, launched with much buzz in 2008 because of its concept of integrating a clothing store, salon and cafe, as well as its Gensler-designed curvilinear shoe fixture. But it then suffered setbacks. The Kansas City, Kan.-area shopping center it opened in turned out to be a bad fit; founding partner John Wilson — who cut his teeth at Vestimenta, Ferragamo and Nordstrom — exited and became the president and chief executive officer of Antichi Pellettieri Bags USA Inc., and its initial 18,000-square-foot footprint proved to be too expansive.

"We opened up in what we realized later was the middle of the worst recession of our lifetime. Combine that with the fact that it was a large store and the fact that it was an outdoor lifestyle center that was moving toward outlets," said David Hulshof, Three Wildcats' president and ceo, who leads Deegie's Carma with Carmela Spinelli, former associate chair of the fashion design

services and food in which customers — who average from about 18 to 30 years old and skew slightly older than Three Wildcats initially envisioned — linger.

"It is almost like what your grandmother or mother used to do when she shopped a department store. She'd go in, she'd have lunch in the tearoom, she'd have her hair done and it was an experience," said Michael Glimcher, chairman and ceo of shopping center real estate company Glimcher Realty Trust. "Deegie's is delivering that experience — but in a more modern and a more edited way."

Some 80 percent of the Deegie's Carma apparel assortment is less than \$100, and the average clothing ticket is estimated to be around \$170. Top brands include BCBGeneration, KensieGirl, Max and Cleo, Glam and Collective Concepts. Haircut and color services are mostly in the \$40-to-\$60 range, and the average salon ticket is roughly \$110.

Spinelli stressed the price points differentiate Deegie's Carma from high-end boutiques that offer clothing unattainable to many shoppers. "We were recessionistas before the recession because I don't believe there is any reason to go broke to



The new Deegie's Carma concept.

PHOTO BY GABRIEL COOK

department at Parsons The New School for Design. "Through the downturn, you make your mistakes, you learn from them and you adjust your model."

Deegie's Carma has returned with adjustments. The company relocated in November to the Glimcher-owned open-air urban lifestyle center Scottsdale Quarter in Scottsdale, Ariz., downsized its footprint to 5,000 square feet, with 3,000 square feet devoted to clothes, and eliminated men's wear from the assortment. But the retailer remains dedicated to its original premise of crossing retail categories to be a one-stop shop for affordable merchandise, ser-

look good," she said. Unlike merchandise at fast-fashion retailers, she added, however, "we are taking established brands so it is not disposable."

Hulshof anticipates that Deegie's Carma will generate \$400 to \$600 in annual sales per square foot. This year, he expects Deegie's Carma to add two more units, and another two are expected the year after. Hulshof is aiming at Las Vegas and Los Angeles, and at outdoor lifestyle centers and bustling street retail districts for new stores.

"We are really focused on the West Coast, and the entry point to the West Coast is the Scottsdale-Phoenix market," he said.

# J. McLaughlin's Flexible Format



J. McLaughlin in Westport has a barnlike exterior and a souklike interior.

By David Moin

J. MCLAUGHLIN HAS CREATED a flagship that does some justice to the term.

The specialty retailer is experimenting with a 5,500-square-foot format that is five times larger than the average J. McLaughlin unit and presents opportunities for testing new products and categories, and romancing all the merchandise with enhanced visual presentations.

The store, which opened late last year at 1026 Post Road East in Westport, Conn., draws inspiration from the former "street of shops" merchandising concept first seen on the first floor of Henri Bendel on 57th Street in Manhattan until the business relocated to Fifth Avenue. Like the old Bendel's, J. McLaughlin in Westport is divided into a souk-

like array of shops, each of which can easily be changed depending on the season, or whatever product the Brooklyn-based J. McLaughlin develops.

"We plan to do a lot of experimentation in Westport," said Steve Siegler, president and chief executive officer. "The whole spirit of the store is flexibility. You'll find something to wear to go to the beach, to go sailing, to play golf in, or just to stay home and entertain. We feel the customer is ready for a format where if they come visit consistently, they see something different all the time."

"When you have a venue like this, you can test new product. As a vertical retailer, we have the capability of trying things," added Jay McLaughlin, the chief merchandising officer and co-founder of the business with his brother Kevin, the chief creative officer.

While the J. McLaughlin look is synonymous with classic and traditional clothing and accessories, the Westport store is a progressive turn. It's conducive to lingering and socializing, more so than the older, compact shops. The site originally was a car wash that became a Hay Day gourmet food store, which closed. The exterior has the veneer of a barn and was repainted for a vintage, New England appeal. Inside, the ceilings are exposed and antique furnishings, such as butler trays and workbenches, are used to display the merchandise in unusual ways. However, the character is really defined by the eclectic series of shops that create a sense of discovery and draw shoppers through the space.

"Little things like accessories have their home here. They look more special," said Jay McLaughlin. "At other locations, chances are accessories are just hung on available space randomly."

"We treated the space like a gallery, with a little white space between each department, but throughout the interior we pull the eye in by using whimsical colors and displaying the product in a theatrical way with different themed vignettes for each department," said architect Doug Larson, who has designed many J. McLaughlin stores. For example, the signature Catalina Tee (inspired by silk scarves) is displayed in a shop with wallpaper recreating some of the same prints used for apparel. Paisleys, animal and Fabergé egg prints frame the wall and suggest how the design process begins.

Among the various shops, there's one for suburban sportswear which is currently transitioning from holiday to wear-now products; an urban area with a modern, clean, toned-down palette compared to the colorful, country club casual style the brand is known for; an equestrian shop with horse-pattern scarves, faux suede jodhpurs and sweater jackets that's shifting to a nautical shop with stripes, T-shirt dresses and poplins, and a "workshop" including heavier sweaters, corduroys and trapper hats that's transitioning to a surf shop adorned by old surfboards. There's also a year-round resort shop, a lounge area with sofas and a fireplace, and enough space for a cafe if the McLaughlins decide to open one.

"This is really a work in progress, but it's getting to the fine-tuning point pretty quick," Siegler said. "It will certainly be more productive" than other J. McLaughlin shops. "I can't speak to dollars per square foot at this time. A full year gives you the complete picture. However, we have a good feeling for it right now based on our initial expectations, which were aggressive."

Asked if it's the format for upcoming stores, Siegler replied: "The format changes in all of the stores depending on the space. Some concepts at Westport could be applied to future sites."

The McLaughlins' pumped-up store program has been raising speculation about selling the business or seeking outside investment to further the growth. "There's nothing to report at this time," said Siegler, who shares in the ownership of the business along with the McLaughlin brothers.

# Printemps to Expand in French Riviera

PARIS — Printemps will open its first store in more than three decades in a new shopping center on the French Riviera set to be completed in 2014.

The French department store chain and real estate developer Socri said the 97,000-square-foot unit, to be designed by Barcelona-based architect José Ignacio Galan, will anchor the luxury zone of the future Saint Jean de Cagnes shopping center, located in Cagnes-sur-Mer, between Nice and Cannes.

The 411,000-square-foot shopping center will seek to combine Mediterranean architectural features, such as squares and fountains, with leisure facilities similar to those found in California shopping malls. It will feature seven acres of streets, squares and green spaces, Socri said.

In addition to a luxury district of high-end brands, the center will house a contemporary-style lifestyle zone. Construction is to begin in late 2011 or early 2012.

— Joelle Diderich



A rendering of the future Printemps store in Cagnes-sur-Mer, France.



Rei Kawakubo at the new Beijing store.

# Catching Up With Kawakubo

*Continued from page one*

In another burst of humility — a rare commodity in the fashion world — Kawakubo concedes that even she has her creative limits.

“The motivation has always been to create something new, something that didn’t exist before,” said the diminutive, bob-haired designer, sitting in a chandelier-lit private room in the basement of The Opposite House, a Kengo Kuma-designed boutique hotel in the Sanlitun retail complex housing her new store. “The more experience I have and the more clothes I make, the more difficult it becomes to make something new. Once I’ve made something, I don’t want to do it again, so the breadth of possibility is becoming smaller.”

Such a statement immediately prompts the question of whether the iconic designer could ever think about ending her career: Kawakubo, clad in a black sweater bearing the phrase “My Energy Comes From Freedom” and a pair of her signature drop-crotch trousers, went completely and awkwardly silent when asked about the prospect of retirement.

In other revelations, Kawakubo, who has collaborated with companies as diverse as Louis Vuitton and H&M in recent years, isn’t exactly showering compliments on the rest of the fashion world. For one, she isn’t all that impressed with most of the new designers out there.

“They lack discipline....They’re not

strict enough with themselves,” she said.

Meanwhile, both Kawakubo and Joffe noted Comme des Garçons’ increasing popularity with Asian consumers and its continued momentum across international markets. Joffe said 2011 sales in Asia are expected to grow 45 percent while those in Europe and Japan are forecast to increase by 8 percent and those in the U.S. are seen gaining 10 percent.

**“Once I’ve made something, I don’t want to do it again, so the breadth of possibility is becoming smaller.”**

— Rei Kawakubo

Kawakubo said she feels vindicated by such growth.

“I never thought of limiting myself just to Japan. I had my eye on the entire world, and I think that was the right thing to do,” she reasoned. “My way of expressing things — not just through clothes but through direct mailings, shop design, Six magazine...I think that it’s all proved correct. For many years I wondered whether it was right or not but it seems to be that in recent years...it’s all been validated.”

True to her perfectionist self, Kawakubo was adjusting the aluminum

frame display cases in the Beijing store just hours before Comme des Garçons and its Hong Kong-based retail partner I.T Limited hosted last week’s opening bash. Doves of trendy Beijingers braved the arctic blasts of wind to watch a traditional lion dance performance on an outdoor stage. Inside, they wandered the 20,000-square-foot store and took in its spotted columns and whimsical artworks.

Two large sculptures figure prominently: a life-size black elephant by Stephanie Quayle and a white pelican with foldable paper wings by Michael Howells.

The store, reminiscent of the brand’s Dover Street Market complex in London, carries a range of apparel and accessories from various CdG lines, as well as merchandise from brands like Maison Martin Margiela, Rick Owens, Dior Homme, Ann Demeulemeester and Hussein Chalayan. The basement of the building houses a new boutique from A Bathing Ape, which connects to the I.T Beijing Market through a staircase.

Before the opening, the friendly yet serious Kawakubo — who was anxious to get back to work on her new store — sat down with WWD for a half-hour chat about fashion, China today and more.

**WWD:** How do you feel about the Beijing store?

**Rei Kawakubo:** Well, this isn’t about the store, but I first came to China 30, 40 years ago, and I’ve been here many times in the past 15 years and I have witnessed many changes. Now with fashion, at the very least you can find all the brands in Beijing and Shanghai. So I wanted to do something new...a new method or expression...with fashion and Comme des Garçons in a place that has everything. I’m very happy to have worked with I.T in order to realize that.

**WWD:** You mentioned that you’ve been coming here for 30 years. What kinds of changes have you witnessed in China and its consumers over that time period?

**R.K.:** First of all, the administration [of the country] is totally different. Now, it has become more free. I feel that people are much more free to make new things and create new business than was possible before...and there are more people who are interested in these changes and who are aspiring to participate in the changes, so from that point of view I think it has changed completely.

**WWD:** What do you think of the way people dress here and their style?

**R.K.:** When I came here 10 years ago there were no people who would wear Comme des Garçons. I was just in the towns and didn’t go to the places where





The outdoor stage at the opening event.



Views inside the store.

PHOTOS BY JONAH M. KESSEL

fashionable people gathered, but now it is much more casual. I used to enjoy seeing people wearing communist workers' clothes and I don't see that anymore.

**WWD:** How has the inspiration for your collections changed over the course of your career?

**R.K.:** Do you think it's changed? For me it hasn't changed at all. The way I approach each collection is exactly the same... the motivation has always been to create something new, something that didn't exist before. The more experience I have and the more clothes I make, the more difficult it becomes to make something new. Once I've made something, I don't want to do it again, so the breadth of possibility is becoming smaller.

**WWD:** Everyone is talking about how the Japanese market for retail and luxury goods is just terrible right now. Do you think that will change? Do you think there is a way to get consumers excited again?

**R.K.:** Now, with fast fashion, the value of creation is diminishing, and very expensive things are not interesting.

**WWD:** Is there any way out of that situation?

**R.K.:** I always think that I'd like to do something about the situation...it's a very profound motivation...but I don't think it's something that can really be changed. I'm not powerful enough. There's a closed-

**WWD:** Where do you like to shop?

**R.K.:** At airports, because I don't have time to shop. I buy my cosmetics at the airport and there's nothing else much I buy. I just don't have time.

**WWD:** Where do you want to see your company in five to 10 years' time? What kind of future do you see for it?

**R.K.:** I just have to do the best I can do for right now.

**WWD:** Do you think the time will come when you don't want to design anymore and you don't have any more ideas?

[No answer]

**WWD:** So, for right now you're just concentrating on your business? You're not thinking about a succession plan?

**R.K.:** Of course there are things to be thought about. There's nothing much I want to say now but probably the company will carry on with the staff that we have. The staff that I'm bringing up.

**WWD:** Would you consider selling it or listing it on the stock market?

**R.K.:** I don't think there's anyone who would want to buy it. I do everything on my own, so there are very few people who could do it. Do you think there's anyone who would buy it? [Joffe interjected half-jokingly with a laugh: "We're waiting for an offer."]



The exterior of I.T Beijing Market.

For more images, see [WWW.COM/fashion-news](http://WWW.COM/fashion-news).

mindfulness that prevents movement and change. I always think that I'd like to break that, and I've used it [this closed-mindedness] as a theme for collections, but I just can't seem to break it. I want to wake people up, but I don't think I succeed in doing this as much as I would like to.

**WWD:** Do you feel like other retailers and brands are missing a trick? Maybe things aren't interesting enough?

**R.K.:** Definitely. But I don't want to say, "Let's do it together," because everyone has to do their own thing. I'm not into creating movements.

**WWD:** You mentioned fast fashion. That's been a huge story and obviously you had your collaboration with H&M. Would you consider doing something like that again?

**R.K.:** That was a special case. They were making a new store in Japan, so it was just a short, two-week relationship. It wasn't a big thing, but I thought it was interesting because they asked me to do all the advertising and visuals as well. H&M has a very different way of thinking and a different business model, so it was interesting to see how much of a connection we could make. But in the end I realized that there wasn't very much in common, so I don't think I'll do it again.

**WWD:** What do you think of Jil Sander's work with Uniqlo?

**R.K.:** I don't really know much about it, but each person has their own way of thinking. I haven't seen it.

**WWD:** How do you come up with a retail concept? Where do you start?

**R.K.:** Firstly, I want to make a shop that's unlike any that already exists. And then, since it's a business, we have to be able to get back the initial investment, whether it's ours or whether it's the partner's, in as short a time as possible. So I don't like to use expensive materials. I take care to make costs reasonable. It's very similar to the way I make clothes. I give myself limits, not only financial limits but I also limit my method of expression, and from within those limits I try to come up with something new and interesting.

**WWD:** I remember reading in one of your previous interviews that you really don't like being lumped together into a group of Japanese designers, but I wanted to ask what you thought of Yohji Yamamoto falling into bankruptcy protection. Obviously you had such strong links with him.

**R.K.:** I can't really comment on that. His way of doing things is very different to my way of doing things.

**WWD:** Are there any young designers coming up through the ranks you're keeping your eye on?

**R.K.:** There are very few. There are few people who, like us, have the values and the way of thinking to really try hard. They lack discipline. And it's not just fashion, I think...[young people] get satisfied too easily. They're not strict enough with themselves. They're too soft on themselves.

## Textile &amp; Trade Report

## Congress Faces Range of Industry Issues

By Kristi Ellis

**WASHINGTON** — A divided Congress begins a new two-year session on Wednesday and will immediately face pressure to consider a long-term extension of trade-preference programs, while a trade deal with South Korea will also likely figure prominently in early action.

Given the new pro-trade, business-friendly Republican regime in control of the House and a weakened Democratic caucus controlling the Senate, the session could produce more gridlock than new policy. But international trade is one of the few areas where the two parties could find common ground.

There are several fashion-industry legislative initiatives hanging in the balance in the 112th Congress, ranging from pending trade pacts with South Korea, Panama and Colombia to a design copyright bill that would extend copyright protections to "unique and original" fashion designs for three years and a controversial bill targeting China's undervalued currency.

The first order of business could be to revisit the scaled-back trade bill that Congress passed in the final hours of the lame-duck session in December, which disappointed many in the business community. The Senate and House essentially approved a stopgap measure to extend for six weeks one of two expiring trade-preference programs for two Andean countries, Colombia and Ecuador,

as well as a trade-assistance program for workers laid off because of competition from imports. But lawmakers let expire the Generalized System of Preferences program that had allowed duty free benefits to 131 designated countries covering about 4,800 products.

"It's a mixed bag," Stephen Lamar, executive vice president at the American Apparel & Footwear Association, said of the last-minute Congressional action on trade. "There will be a noninterruption for Andean countries but a number of provisions didn't get included, and what we need is longer-term predictability. We're looking forward to Congress quickly taking up and passing a longer-term package when they come back."

The 11th-hour bill also fell short of including provisions to continue funding levels for wool fabric and

yarn spinners through the Wool Trust Fund, and did not renew the Cotton Trust Fund, which provides payments to U.S. shirtmakers and cotton fabric and yarn producers, and maintains a pima cotton promotion program.

Incoming House Ways & Means chairman Dave Camp will undoubtedly face pressure from industry groups to reconsider the programs and extend them for a longer period of time. Camp has also said he would like to ad-

activism on looking at what the big issues are in trade policy affecting the U.S. and new ideas on how to react to them. I expect the [new GOP House leadership] will have some of their own initiatives and will look at how to improve competitiveness, which means it will be a more active time for trade."

On the other hand, Thea Lee, deputy chief of staff for the AFL-CIO, said she has some reason to believe that Camp, who hails from Michigan, will "share some of the concerns as [his predecessor Rep. Sander Levin, a Democrat from Michigan] about the job impact of trade agreements.

"I would be surprised if there are a lot of new initiatives," said Lee. "People's plates are full, and trade is complicated and not the most popular of initiatives in general."

The fate of a bill targeting China's undervalued currency is uncertain. It failed to advance past the House last year but has bipartisan, although perhaps not majority, support in both houses of Congress.

"I think Republicans have signaled that they too want to see China adopt more market-oriented exchange rates, but they haven't necessarily agreed that legislation is the best way," said Stephanie Lester, vice president of international trade at the Retail Industry Leaders Association. "[Whether the legislation moves] in part depends on what China does to the value of its currency this year."

Cass Johnson, president of the National Council of Textile Organizations, which supports the legislation, said it will "go into hibernation this year.

"Camp has said he will not bring up the bill, and I think they want to concentrate on other things, unfortunately," Johnson said. "The burden will fall more heavily on the administration if Congress isn't going to act."

President Obama has followed the Bush administration policy of using diplomacy to pressure China into reforming monetary policy instead of declaring the country a currency manipulator, which could lead to sanctions against imports if it fails to devalue the yuan. Many feel China, a nonmarket economy that tightly controls its currency, has an unfair trade advantage over nations that have their currency's value determined on the open market.



Rep. Dave Camp (R., Mich.)

vance the trio of pending pacts, and some experts believe those bills, particularly for South Korea, will pass in Congress this year, after both governments ironed out meddling differences late in 2010.

"It looks like all three pending trade deals will go through, but after that it is hard to see what will go through in the next two years that will be positive in terms of trade," said Phillip Swagel, a visiting professor at the McDonough School of Business at Georgetown University. "The parties will start preparing for the presidential election in 2012, which means neither side will want to cede ground."

Julia Hughes, president of the U.S. Association of Importers of Textiles & Apparel, said, "We are expecting more hearings, more public outreach and more

## Trade Winds Could Be More Brisk in '11

By Liza Casabona

**WASHINGTON** — Simmering tensions between the U.S. and China and the Obama administration's ongoing negotiations on a new regional free trade agreement called the Trans-Pacific Partnership will continue to draw the attention of the trade community this year, industry experts said.

Sources said it also will watch for any activity in the stalled Doha Round negotiations aimed at reducing tariffs and other trade barriers among World Trade Organization nations.

Trade was perceived to have a low priority in the early days of the Obama administration as more pressing economic and foreign policy concerns took a front seat. But in recent months, President Obama has made some progress on trade, most significantly concluding negotiations on a free trade agreement with South Korea early last month. Obama's emphasis previously was mostly on export promotion and enforcement of existing trade laws.

China, the top apparel and textile supplier to the U.S., remains an ongoing quagmire for the administration. Mounting pressure over China's currency policies continued to escalate in recent months, with the U.S. pressing for China to allow the yuan to appreciate. Critics charge the yuan is undervalued by as much as 40 percent, which puts U.S.-manufactured goods at a disadvantage against cheaper Chinese imports.

Thus far, the Treasury Department has declined to label China a currency manipulator, but it delayed the release of its most recent currency report. China has said it will allow the yuan to gradually appreciate, but critics charge that the appreciation so far has been nominal.

The domestic textile industry cites China as a top priority in 2011, as it has been for many years.

"China remains at the very top of the list in terms of policy issues that need to be addressed and resolved," said Auggie Tantillo, executive director of the American Manufacturing Trade Action Coalition.

Concerns include currency manipulation, intellectual property rights and the country's "mercantilist" approach to trade, he said.

The U.S. relationship with China is complicated by pending disagreements at the WTO. Last month, the U.S. Trade Representative's office requested a dispute settlement panel over alleged subsidies China gave to its domestic wind-power manufacturing sector.

Trans-Pacific Partnership talks are likely to accelerate in 2011 as an informal deadline set by the Obama administration approaches toward the end of the year, said Stephen Lamar, executive vice president of the American Apparel & Footwear



The South Korean Free Trade Agreement could become a reality.

Association. Obama has indicated that he would like to have significant progress made on the negotiations prior to the 2011 meeting of the Asia-Pacific Economic Cooperation in Hawaii in November. USTR held the fourth round of talks on the nascent trade pact early last month in New Zealand.

Global trading relationships also will be impacted by the fate of the Doha negotiations. The talks have dragged on for years, but there are rumblings that a "do or die" moment could be looming.

"We continue to hear this is the year when Doha will be completed, but I don't know if there's enough momentum or consensus," Lamar said.

Multilateral rounds of negotiations have a habit of dying many times and being revived, he said, adding: "We're likely to see some activity, not necessarily movement."

Reaching an agreement on Doha would require the U.S. to give more than it has in the past on sticky issues such as agriculture, said Gary Hufbauer, senior fellow at the Peter G. Peterson Institute for International Economics. It is possible the U.S. could offer concessions in another area where tariffs are perceived to be high, such as apparel, to grease the skids, he said, but "all of it is tough going."

# FASHION SCOOPS

**HONORS GALORE:** Among France's New Year's honors list this year were two scions of French retail and luxury: **Philippe Houzé**, chairman of Galeries Lafayette, was made a commander of the National Order of the Legion of Honor. Meanwhile, **Pierre Godé**, vice chairman of luxury conglomerate LVMH Moët Hennessy Louis Vuitton, was made an officer of the same order. The Legion of Honor was originally established by Napoleon Bonaparte and is France's highest civilian distinction.



Rena Sindi and Dennis Basso

**ASPEN APRES-SKI:** Casa Tua's **Michele Grendene** wasn't the only one celebrating a new Aspen outpost over the holidays — **Dennis Basso** raised a Champagne flute or two for his newly expanded retail digs in the Little Nell Hotel. **Domenico De Sole**, **Rena Sindi** and **Jamie Tisch** were among the 500 well-wishers who joined the designer for a runway show and Champagne and caviar cocktail party at The St. Regis hotel. During the auction, art collector and philanthropist **John Phelan** dropped \$120,000 for a Russian sable coat for his wife **Amy**. The auction's \$350,000 tally contributed to the evening's \$600,000 grand total for the Aspen Art Museum. As New Year's neared, Basso helped keep the cash register ringing in his 2,000-square-foot boutique — triple the size of his previous one. Apparently, a few Aspenites warmed up from the slopes in his \$95,000 Russian sable vests with crocodile trim and \$200,000 sable coats.

**FOR THE KIDS:** Puma has teamed up with Italian fast-fashion retailer OVS Industry to create a line of apparel and footwear for children up to age 14, available exclusively in OVS stores. Various shoe models are already available at select sales points while the clothing collection is set to bow for spring.

# Tag Heuer Hits Boulevard Saint-Germain

By Joelle Diderich

**PARIS** — Tag Heuer is in a Left Bank state of mind. For its first French store, the Swiss watchmaker has joined the growing number of luxury brands on Boulevard Saint-Germain in Paris, where it has opened a bijou store near Ralph Lauren's flagship.

"It's kind of a surprising location: The Left Bank is not necessarily where most luxury brands start, but Tag Heuer is also a different brand," said chief executive officer Jean-Christophe Babin.

"It's really an up-and-coming district for luxury," he added. The area combines Tag Heuer's ideal customers — affluent professionals in their 30s — with tourists from the U.S., Japan and Brazil, countries where it has a strong market share, Babin noted.

In line with architect Eric Carlson's retail concept for the brand, the 300-square-foot unit at 167 Boulevard Saint-Germain features a clean, contemporary design that contrasts ceramic and wood with brushed steel and bronzed aluminum. A giant photo of Steve McQueen, the face of the iconic Monaco watch, dominates the back wall.

The store is one of 10 openings worldwide in December, bringing Tag Heuer's total number of stand-alone boutiques to around 100. The brand plans to continue opening 20 to 30 stores a year over the next few years, Babin said.

"Eventually in Paris, we could easily end up with two or three, and we're also shooting for a big shop-in-shop in Galeries Lafayette or in Printemps or both," he said, referring to two of the French capital's largest department stores.

Sales at Tag Heuer, which is owned by luxury conglomerate LVMH Moët Hennessy Louis Vuitton, have surpassed expectations this year, prompting chronic shortages on some of its top sellers, including the Carrera and the Ladies' Aquaracer, Babin said.

Though Asia remains the fastest-growing market for luxury watches, Europe has also contributed to the sales rise because of strong performances in France, the U.K. and Germany, Babin said.

"What we see this year is very strong double-digit growth for Tag Heuer...2010 will be our highest-ever year; one year after the worst [financial] crisis since the Second World War," he said.



The new Tag Heuer in Paris.



PHOTO BY DOMINIQUE NANTRE

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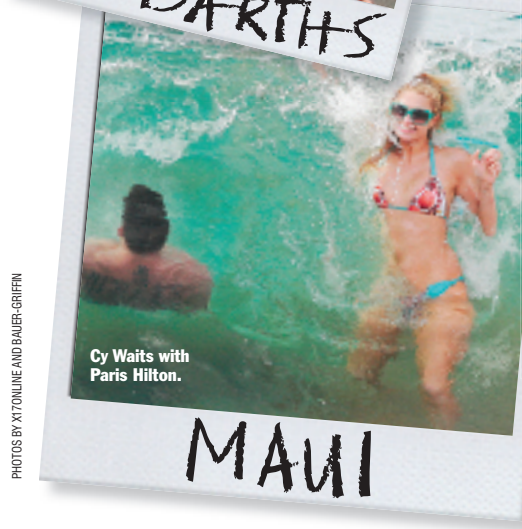
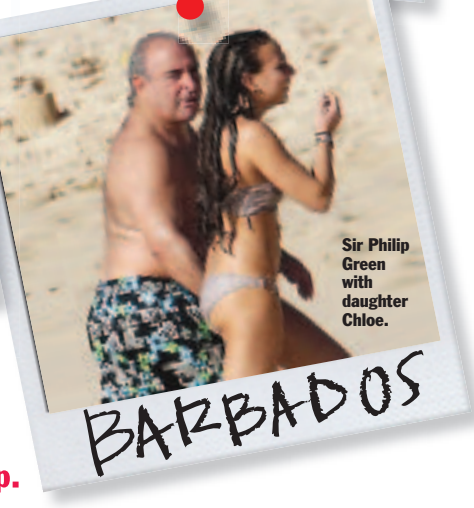
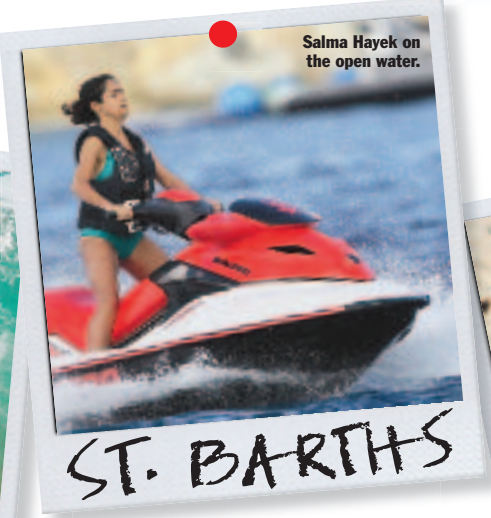
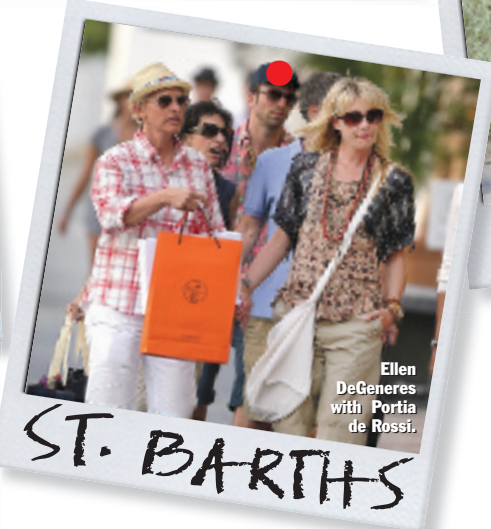
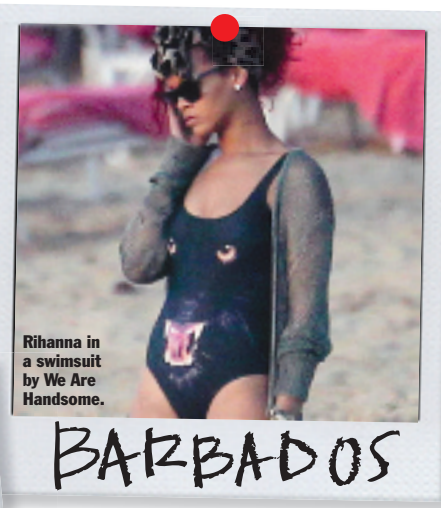
# GETAWAY DAYS

WHILE MAN-SIZE SNOWDRIFTS, DAYS-LONG FLIGHT DELAYS AND BONE-CHILLING temperatures threw the globe's northern metropolises into chaos over the holidays, the jet set took its yearly refuge in the tropics.

Rihanna took a break in her native Barbados sporting a savage one-piece by Australian swimwear makers We Are Handsome. Elsewhere on the island, Topshop impresario Sir Philip Green took a dip in the Atlantic with daughter Chloe. But the St. Barth's tourism board was the hands-down winner this winter, as the isle lured Portia de Rossi and Ellen DeGeneres (and, judging by the Hermès shopping bag, a few of their discretionary dollars); a jet ski-bound Salma Hayek; Russell Simmons on the massage table, and Rupert Murdoch, who, for a moment at least, looked a bit unsure of what to make of this whole "vacation" thing.

Back Stateside, Roberto Cavalli strolled the beaches in Miami in little more than spandex and sunglasses, and Chloë Sevigny took her lunch alfresco.

Of course, the Atlantic wasn't the only ocean to host the party this season. Paris Hilton jumped Pacific breakers in Maui while boyfriend Cy Waits took a path of lesser resistance, and Ashley Olsen struck a meditative pose on a beach in Thailand.



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