

# UKFT Paris Fashion Week Report

## October 2021

In October 2021, the main Paris Fashion Week catwalks and tradeshows took place in physical format for the second time since Covid-19.

Before the pandemic, UKFT's #britsinparis presence at the key shows and multibrand showrooms varied between 200 and 300 brands each season, although since the Brexit referendum in 2016 UK exhibitor numbers had fallen to closer to 200 each season in March and September.

The key tradeshows which took place in October 2021 were:

Première Classe Tuileries (in the Tuileries gardens, Métro: Concorde/Tuileries)

Tranoi (at the Palais de Tokyo, Métro: Iéna)

ManWoman (within Première Classe)

Splash!Paris had originally intended to show in Paris but decided to show in London at the end of September. Most of the temporary multi-brand showrooms decided not to invest in Paris this season but are thought to be considering showing in January and/or March 2022.

British exhibitor responses to Covid in 2021 have generally been very different from those we witnessed in the immediate aftermath of 9/11 in 2001. In 2001, faced with a reluctance on the part of the UK's closest competitors to travel once they were allowed, the British "Dunkirk spirit" had been very much in evidence with UK brands taking advantage of the opportunity to "get out there in front of buyers" at a critical time for business.

In 2021, UK companies have been slower to travel for business than their EU competitors who began business trips within the EU as early as June even though the UK has a higher Covid vaccination rate compared with the EU at that time. Complicated UK quarantine rules could account for part of this reluctance to travel but it is also the case that some UK companies have been reluctant to reinvest in wholesale routes to market. Indeed, UK brands have been, for the most part, more reluctant than other European brands to invest in digital routes to the wholesale market.

The lack of DIT funding for digital events earlier in the pandemic is partly responsible for this as there appears to be a direct correlation between countries which offered generous support to companies on digital platforms, including France, Italy and Spain, and those few, including the UK, which did not. Companies appear to have interpreted the lack of UK funding for digital events in 2020 as a sign that they were not worth investing in. On the question of digital sales platforms, the rest of the fashion and textile world appears to have come the full 360 degrees and now believes that digital platforms are not the answer – for the moment at least. However, on the issue of physical shows, there is a general perception that UK companies are out of step with some of their peers who are statistically more likely to get on a plane or a train to travel overseas for business. Expect to see a lot more of this in 2022!

### Brief History of Paris Fashion Week

UKFT (and its predecessor organisations) have been actively involved with Paris Fashion Week since its very inception, back in the early 1990s when two small and privately run trade shows, Paris sur Mode and Atmosphère, were set up to bring a wholesale sales dimension to sit alongside the main Paris Catwalk. In the more than 30 years which have followed, Paris Fashion Week (as it came to be known) has grown exponentially to become the key international selling city for designer and upscale and womenswear collections. The initial tradeshows have morphed and disappeared but others came to take their place. At its epicentre is Première Classe Tuileries, established in the mid 1990s and still to this day the largest and most influential international accessories showcase. Alongside it but at different locations are Tranoi, the official

tradeshow partner of the Chambre Syndicale who organise the Paris Catwalk shows and ManWomanParis with its unique heritage and contemporary collections. For the past two years they have been joined by UK tradeshow operator Splash!Paris, with a unique combination of beach and swim wear.

For the past 10 years, most of the exhibitor growth has been in the international showrooms and agencies which have made Paris their home at the same time as the tradeshow for their major international sales campaigns. UK hybrid sales and press agents and showrooms including Polly King & Co, Four Marketing, The Alphabet, Rainbowwave, Awaykin, AQ Market, Claret Showroom, Schröroom, TomorrowLtd and Tuileries Showroom as well as Italy's Riccardo Grassi, StudioZeta and Papermache Tiger from the US, to name but some, have taken to show menswear and pre-collections in January and July and mainline designer womenswear in March and October every year.

Over the past 30 years, UKFT has seen almost ever-increasing demand from UK #britsinparis brands looking to show at Paris Fashion week with over 300 British collections showing in 2014 supported by generous grants from the UK government. In March 2020, there were still approximately 200 UK brands showing in Paris making this the third largest national group after the French and the Italians.

## Effects of Covid-19

Even before the arrival of Covid-19, Paris Fashion Week scene was changing. There were generally fewer buyers as multi-brand stores and agents struggled to survive, especially in Europe and the US and those which did survive were working on increasingly tight budgets. In short, there were too many brands and not enough buyers with open to buy budgets.

UK brands understood very quickly that they would need to invest heavily in Business to Consumer trading (B2C). Most were already operating in this space because of the ever-diminishing number of retailers with budgets but Covid-19 was a major game-changer. Having done this successfully, for some it will be difficult to go back to the way things were done before. Some will have started selling to marketplaces which will compete with their wholesale model. Others have found that their wholesale customers have started dumping their products online, sometimes in strategically important markets like Japan. Many other businesses will find the costs of reinvesting in expensive tradeshow (especially as there are currently no grants available to UK companies) will be prohibitive.

The end of the tradeshow had been heralded for many years. The prediction was that business would all go online but it is clear from the past 18 months that buyers and sellers around the world want to meet in a physical environment so that they can discover new trends and ideas, touch and feel collections, find out what the competition is doing, find out what is selling etc. For everything else, there is Zoom! Throughout the pandemic, UKFT has kept in touch with a number of showrooms and agencies and, whilst they have been able to retain business online for existing accounts, most have struggled to generate new sales with new brands or products. The return to physical shows and showrooms has been, therefore, eagerly awaited.

As the UK emerges (hopefully) from Covid, the UK's SME businesses are very different from the way they were before. Some have closed down or changed their business model. Most are very cautious with their investments. Most are concerned about the challenges of Brexit and the damage it can do to their export business. Many will only consider returning to trade shows and showrooms if there is evidence that the major non-EU buyers from the US, Canada, Russia, Ukraine, Japan, Korea, China and the Middle East are travelling again. The lack of grants is an additional pressure here.

For all these reasons, Paris Fashion Week gives us some answers to what tradeshow and export wholesale are likely to look like next year.

## Key business trends in evidence at Paris Fashion Week

Whilst the October edition of Paris Fashion Week saw only a small handful of British designers, it was clear that there was a return to physical showing on a scale which had not been seen before. This trend seems to be occurring across the world with local events appealing especially to local buyers. Many expect this trend to continue into 2022 and beyond as not all buyers will be able to travel.

On this basis, UKFT had expected to see more UK positivity around the October edition of Paris Fashion Week in the anticipation that it would see EU buyers and Paris-based buying offices representing key overseas stores

from Japan, the US, the Middle East, Japan, Korea and China.

However, there are other trends in the market which are still very much in play and lead UK companies to question their wholesale investments:

- Covid-19 has left brands and retailers with huge amounts of stock and severely impacted budgets, some of which are attempting to dump stock online.
- Covid-19 has changed the way many retailers operate. Some may not have travel budgets, many may not be able to pay deposits. This will, in turn, impact UK budgets, cashflow and operating model.
- The Seasonality in the industry has been significantly disrupted.
- Some UK companies question whether they can ever return to wholesale export sales as their customers have been substantially weakened/changed their business model.
- Many UK companies have invested so much in B2C and do not see an important role for B2B for the immediate future.
- Ongoing concerns about changing health advice as we enter what looks set to be a challenging winter, especially in parts of central and northern England.

The city of Paris is keen to maintain its position as the international "Capitale de la Mode" for tradeshow and retail and with, this in mind, the city has gone out of its way to make itself into a Covid-safe environment. As a result, Paris feels safer than London, where mask wearing is sporadic. Masks are worn by almost everyone on the underground, there are no exemptions and the on the spot fine for not wearing a mask over mouth and nose is Eur 135. Paris's cafés and restaurants will; only allow entry to people with the correct proof of double vaccination or a "passe sanitaire". This extra vigilance seems to be paying off as tourists and business professionals all seem to feel very safe in Paris and feel comfortable attending events or shopping.

## The tradeshow

**Première Classe** took place in tents in the Tuileries gardens, alongside the Rue de Rivoli. The tents were built to the usual high standard as were the stand themselves. Overall, the show occupied roughly half the normal space compared with March 2020 edition, with a similar layout and feel to the show compared with previous editions with roughly half the normal of exhibitors.

As before Covid, most of the exhibitors were from the European Union with strong presences from France, Italy, Spain and Portugal. There were also some exhibitors from the US and Korea.

Traditionally, there would have been approximately 30 UK exhibitors at the show but this edition saw only three stands from the UK, all manned from their EU base: Not Just Pajama (who also dressed the show's welcome staff), Meher Kakalia and Joanne Guiraud London, winner of the festival d'Hyères prize for Jewellery. In addition, Jianhui London shared a stand with another brand. All four companies reported that they had met new buyers, primarily but not exclusively from the EU, and that they expected to secure sales as a result of the show. Paris-based buying houses representing long-haul markets were also very much in evidence. There were also buyers from the United States, Russia and Ukraine.

The show organisers had clearly resisted the temptation to lower the level of brands and delivered a high quality show. On some days, there was a real buzz at the show and it was especially obvious that accessories were outperforming ready-to-wear. This is a trend we have seen in times of crisis, where a consumer might accessorise to update their wardrobe rather than invest in more expensive ready-to-wear items. This trend would also sit well with the ongoing part-time return to the office as, even in the EU, most companies have not yet fully abandoned Working From Home.

The show was spotless and, as in all cafés and restaurants in Paris, visitors were required to show positive proof of double vaccination or a "Passe Sanitaire" before they were allowed entry. Whilst some of the exhibitors removed their face masks as the show went on, the buyers generally kept theirs on.

**ManWoman Paris** for the second time was a small but distinct section within **Première Classe**. The reason for this was that the show organiser remained committed to maintaining the same standard of collection as in previous years and the result was a smaller show. On this basis, the organiser decided to work with **Première Classe** especially as this left them free to concentrate on their own area without the need to organise a full Covid security area. There were no UK companies in the show.

**Tranoi** is now the official tradefair partner for the official Paris Fashion Week catwalk organisers, the Chambre Syndicale. The show has relocated to its new permanent home at the Palais de Tokyo art museum, close to Léna metro station and the Trocadéro overlooking the Eiffel Tower. Here again, the show organisers chose quality over quantity to create a smaller show of carefully selected European, Asian and US brands but the new location, effectively 3 metro stops from Place de la Concorde and the fact that the show was based primarily around more expensive ready-to-wear collections had the effect of making the show feel quieter at times. On the other hand, the organisers have invested in live streaming of the collections to their international audience, with virtual meet-the-buyer events to premium Asian and US buyers every morning and evening.

## Showrooms

The majority of the temporary multi-brand showrooms which usually fill Paris at this time of year, from the Marais in the East to the 1st arrondissement and the Rive Gauche were mostly not in town. UKFT spoke with most of the established showrooms from the UK who made their decision not to show based on their expectation that the US and Asian buyers would not be travelling this season. This left the Marais in particular feeling eerily quiet.

Most showrooms currently expect to show again next year but it remains to be seen whether they will commit to two separate "weeks" in January and March as they usually would or whether they might condense this into one week and, if so, which they might favour. An additional factor for UK showrooms and agencies to consider in 2022 will be whether they will be required to have work visas for their non-EU staff and whether they will be expected to comply with local laws and pay tax on revenues derived from operating commercial showrooms on EU soil. See UKFT's separate member briefing on Tradeshows in the EU for more information on what UK companies can and cannot do in the EU after Brexit and where EU taxes and VAT may be due. One or two Italian stalwarts were in town, especially Studio Zeta and Riccardo Grassi, both from Milan which had also reported a successful Fashion Week the week before at White Milano. It is worth mentioning that Milan remains Paris's main international rival but that Italian showrooms still traditionally travel to Paris to conclude their international sales each season.

There were also two standout examples of smaller British showrooms which had taken the brave decision to travel to Paris:

- AQ Market [www.aq-market.com](http://www.aq-market.com) (at 54 rue Charlot) featuring a number of smaller UK brands including Jianhui London, Helen Anthony, Moray Luke, Ivana Nohel. Out of Sync.
- Tuileries Showroom [www.tuileriesshowroom.com](http://www.tuileriesshowroom.com) (at 10 rue d'Alger) with 1 UK brand Aniic.

These showrooms had appointments with regular customers and were keen to be in Paris to get back into face to face meetings.

## Key questions

In advance of the visit, UKFT wanted to visit the shows first hand to get answers to the following questions:

### 1. Q: How have the main trade shows changed/survived in the aftermath of Covid?

A: The shows have become smaller (+/- 50%) but they have invested in remaining as true as possible to their original concepts. Buyers appear to like this as they are also keen to get back to face to face meetings and presentations where they can. The age of the tradefair is not over but it is likely that there will be more smaller and regional niche trade shows and events and that brands will have to travel more to see their customers in 2022 as not all of them will be able to travel. It is not clear when Chinese buyers will be allowed to visit the EU.

### 2. Q: Is there wholesale business to be done for UK brands at international trade shows?

A: So far it appears that there is but many stores have disappeared or are in difficulty, some have changed the way they work. Many are looking to different business models, including Sale or Return or not paying deposits. This will prove difficult for smaller brands which use the deposit to finance the costs of production. Alternative routes to finance this may be needed. Some longer-haul buyers are questioning whether they will travel to major international shows if they cannot justify the expense of international travel. Some are therefore looking at local or regional shows for 2022 which could mean

that brands will have to visit their customers in the US and Asia as they did after 9/11.

**3. Q: Which buyers/countries are travelling, where are they going and what can we infer from this for next year?**

A: The Europeans are back at work, most are in the office as their national support schemes require employers to get them back into the office and most of them are now travelling within the EU. Most EU countries are offering generous tradeshow grants to support their businesses. The US buyers are beginning to travel again internationally (as was seen at other shows including Pitti Uomo) although larger stores and corporates are cautious about sending staff abroad and smaller out-of-town stores which may have done better than the department stores are better placed to manage their own budgets locally. There is an expectation that, unless there are new vaccine-resistant variants, Korea and Japan may start to re-open to international travel before the end of 2021 but that China will take a lot longer to come back, partly as there is doubt about whether the EU and other countries will recognise Chinese vaccinations. Russian and Ukrainian buyers were very much in evidence. Some `Middle Eastern buyers are beginning to travel again.

**4. Q: Are UK exporters missing the opportunity to connect with international buyers and, if so, what are the reasons for this?**

A: UK companies are currently less likely to be travelling for business than their EU and US competitors even though they are usually double vaccinated. The furlough scheme certainly kept key UK wholesale staff out of their businesses for longer than was the case in the EU or the US. Brexit is also having a dampening effect on UK businesses' appetite to re-invest in wholesale visits and shows but some UK companies have been travelling and those which have generally been well received by buyers who are keen to re-engage.

NB: International buyers and show organisers are keeping a close eye on the rapidly rising rate of Covid infection in the UK and many have put any plans to visit the UK on hold.

**5. Q: What should UKFT be planning for 2022 and beyond?**

A: Whether the government decides to create a Tradeshow Access Programme to replace the programme cancelled during the pandemic or not, UKFT needs to be able to deliver groups at key events or alternatives as long as UK companies are allowed to travel to those markets. This is especially important if buyers are unable/reluctant to visit the UK for any reason. If government funding and support is available, UKFT will work with the government to get companies back to these events. If the support is not forthcoming or if there is not enough breadth to the new schemes, UKFT will look to run events without government support, looking to industry and private investment and using its contacts with industry to make this happen. In general terms, UKFT would expect to concentrate on key international markets or events, supported by trade missions or trunkshow visits to key regional markets, especially where the UK has a Trade agreement (EU, Japan, Korea etc) or proof of demand (US).

**Attitudes around Brexit**

In addition to the immediate and profound challenges of Covid-19, UK fashion and textile brands have had to deal with the longer-term but no less challenging issues around Brexit.

Well before Covid-19, UK brands were already reporting that EU buyers were reluctant to place business with UK companies until they knew what kind of deal the UK might get with its largest export market. Once the details of the deal were known, some EU retailers decided that the UK would be too challenging to deal with for the time being or changed the way they worked with UK suppliers to isolate themselves from the additional costs and customs procedures. As expected, Brexit has also impacted on trade with other markets which traditionally ship through the EU, particularly big-ticket markets like Russia and Ukraine.

The new hard border between the UK and the EU has shown itself to be a major problem for retailers, designers, manufacturers and brands in the fashion and textile industry. Whilst this is a two-way problem for UK and EU companies alike, the burden is far greater for UK exporters who source internationally both inside and outside Europe. Designer fashion businesses, in particular, continue to struggle to re-export goods they design and source from near-shore countries like Portugal on a B2B or B2C basis as on the return journey to the EU these goods will attract customs clearance, import VAT and potentially duty depending on the origin

of the goods which will make their goods less competitive than EU brands. Even UK manufactured goods are finding the costs of additional paperwork and customs clearance are having a profound difference in the EU, where consumers are used to landed prices inclusive of all duties, clearance and VAT. Consequently, many UK brands have switched off their B2C sales to the EU until they can find ways to deliver to the customer in a cost effective way. UK companies also have to navigate 27 different sets of rules, regulations, customs and VAT, not to mention different labelling rules for finished products in each EU country. For some, the additional costs and complications of B2C sales to the EU and high levels of returns are making B2B wholesale sales more attractive again.

There are logistical and supply chain solutions to many of the problems faced by business, available to members through UKFT and its partners but inevitably this is easier for larger brands with big budgets than it is for the smaller SMEs who traditionally sell at Paris Fashion Week. Members should email [paul.alger@ukft.org](mailto:paul.alger@ukft.org) for details.

But there are a number of areas where Brexit has also played an important role:

- EU buyers have changed the terms on which they will buy from the UK as a result of Brexit and many now expect DDP prices to include shipping, customs declarations, VAT.
- General perception (outside the UK) that the UK has become more difficult to work with and buy from has led some buyers to switch to UK brands which either have fully integrated EU logistics and supply or, failing this, to EU brands who are simpler to buy from. This view is especially prevalent with buyers from Spain, Italy and France but we are seeing some signs of this in most EU countries.

UK exhibitors will also need to consider whether they keep a set of customs cleared samples in the EU for EU tradeshows or whether they will carry/ship commercial samples between the UK and the EU on an ATA Carnet. This is the only way to move samples between the UK and the EU without without paying duty or VAT in either or both directions at the UK/EU border.

For the time being, the Eurostar terminals in London and Paris appear to be operating a light-touch customs presence between the UK and France. On arrival in France and the UK, customs officers were behind a set of tables by the main exit gate so that those people travelling to the EU with samples or goods to declare could declare them there. There are sometimes spot checks, especially for people with a lot of luggage. However, it is reasonable to expect that French customs will become more proactive in 2022 especially if the relationship between the UK and the EU continues to deteriorate and the new rules are already being applied far more vigilantly for air travellers and, in some cases, for those travelling by road. *See UKFT's separate member guide to using ATA Carnets and the member only discounts available from Birmingham Chamber.*

The increased costs and challenges of Brexit and the UK's future trading relationship with its largest market and closest supply chain are having a dampening effect on the UK's global business outlook at a critical time. Finding new export markets is critical but businesses in all sectors are calling for **calm pragmatism based on mutual respect and trust** to return to the UK's relationship with its largest trading partner.

## Closing observations/conclusions

- Business is beginning to return to key tradeshows in the EU.
- Paris remains an important fashion and textile city and is positioning itself as a Covid-safe city which international visitors will feel safe to visit but Milan is keen to reassert its influence. Many of the key buyers are no longer in Europe.
- UK companies need to get themselves in front of key buyers ahead of the competition – wherever they are buying, virtual tools like zoom help but buyers are keen to meet physically where they can.
- UK companies are struggling to deal with the additional costs and challenges of Brexit which, in most cases, do not adversely affect their EU competitors. This puts UK businesses at a relative disadvantage.
- International retailers are looking to buy wholesale but their business models may have changed and money is going to be very tight in 2022/3.
- UK companies will have to insulate themselves from falling sales with the EU by investing more in long-haul markets but this comes at a price.
- B2C is still eating into B2B and it is difficult to grow B2C without damaging B2B.

- Brands and designers are likely to have to travel to the buyer to be able to unlock their budgets, with or without government help or support which is not currently guaranteed for UK brands. Expect to see more travel to more destinations to meet the buyer – and/or continue to engage with them cheaply on Zoom.
- The UK government is not doing as much to support companies as those in most European countries. The cancellation of the Tradeshow Access Programme sent a very damaging message to industry about HMG's commitment to supporting its exporters. This needs to change quickly.
- Industry will have to do more to help companies to get in front of buyers but brands will have to support projects earlier for them to succeed.

**For further information, contact:**

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