

Reading **1** Complete the article below with the following sentences.

- a Luxury-goods groups reliant on glamorous names keep high fashion alive.
- b Some have merged or tried to cut costs by lowering the quality of their products.
- c Today only a handful can afford to carry on.
- d Further down the fashion chain things are equally dire.
- e Only Chanel is thought to make money.
- f The main cause of the mass market's troubles is competition from overseas.

The Economist

Business

Fashion brands today



The sorry state of Europe's rag trade

With a dwindling client base and copies rapidly available from clothes chains with quick production cycles, it has become almost impossible to make money out of exclusive custom-made garments.

The Givenchy and Yves Saint Laurent brands are all making losses, as are Versace and Valentino. ¹ e After failing to make a profit for years, Ungaro is on the market. On January 25th, Moët Hennessy Louis Vuitton (LVMH), a luxury-goods firm, sold Christian Lacroix, another loss-making brand, to American duty-free retailers for a

“symbolic” price. Prada has parted company with Helmut Lang after persistent losses. Ten years ago, more than 20 houses held Paris shows. ² _____

Europe's rag trade has been in trouble now for more than five years. ³ _____ Valentino, for example, is owned by Marzotto, Italy's biggest clothing and textile group; Yves Saint Laurent belongs to Pinault-Printemps-Redoute, a French rival to LVMH.

⁴ _____ Mass-market producers cannot afford sustained losses. Medium-sized and small companies in France, Italy and

Spain are cutting production or moving it abroad. ⁵ _____ Dozens have already gone under. Many more are streamlining operations and fighting for survival.

⁶ _____ Producers cannot match the low labour costs. The effect can be devastating, says Didier Grumbach at the Fédération Française de la Couture, France's main fashion association.

And it can only get worse.