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From 'Made in China' to 'Sold in China'

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Two years ago, I [wrote](#) about a special program called 'Made in China', produced by CNN in the wake of the tainted milk scandal. Last month, CNN started to air another ['Made in China' program](#). No it is not that the last program was so popular that they want to bring it back. Instead the new one is a thirty second commercial rumored to have been financed by China's Ministry of Commerce (who later denied this) in an effort to promote Chinese products.



The key message of the advertisement, according to the voiceover at the end, is that, 'When it says "Made in China", it really means "Made in China, made with the world".'

In my view, if China were really serious about taming the increasingly harsh wave of anti-China protectionism, it should have made a different advertisement, called 'Sold in China'. After all, the best way to win international popularity is by letting people know that they can make money from you, rather than the other way around.

Fortunately, China has firmly established its reputation as one of the best (read as 'most gullible') customers for expensive foreign goods. According to *People's Daily*, China overtook the United States to [become](#) the world's second largest luxury market in 2009.

As the article reveals, according to the World Luxury Association's figures, China's richest were responsible for quarter of all the world's luxury good sales in 2008, lavishing US\$8.6 billion on 'shiny and pretty things'. Moreover, if China's consumption of luxury goods continues at its current pace, it is projected to leap-frog Japan as

the world's largest luxury goods market within five years, upping its spending on luxury items to a staggering US\$14 billion every year. Indeed, as rest of the world's luxury markets slumped in the face of the financial crisis, China's luxury sales figures rose by 12 per cent.

In my opinion, China might have actually already become the largest luxury goods market, as the data probably does not capture the extent of the overseas spending on luxury items by jet-setting Chinese citizens across the world's fashion capitals. Flying to Paris and returning overnight just to purchase the latest Gucci accessories has become a popular sport amongst the China's *nouveaux riches*, due to the relatively high tariffs and taxes on luxury goods in the Middle Kingdom. Moreover, the data likely does not include the tariff and tax free Special Administrative Regions of Hong Kong and Macau, which are also driven primarily by mainland Chinese consumers.

In the spirit of this Chinese love affair with designer brands, here are some ideas for a sequel to that popular Hollywood movie:

1. The People Wear Prada
2. The Party Wears Prada
3. The Panda Wears Prada
4. The Prada Republic of China

This piece has also been published on the [WTO and China](#) blog.

Henry Gao is Associate Professor of Law, Singapore Management University, and previously worked in Geneva as the first Chinese lawyer at the WTO Secretariat.