### 21 July 2010

## Shirt City

Once a garment manufacturing centre, Hong Kong has long moved most of its production north into the Chinese mainland. The manufacturers, however, have largely maintained their headquarters in Hong Kong.

Recent high-level industry events show the city remains an important player in the global textile and clothing trade, and a growing hub for fashion and design. The HKTDC Hong Kong Fashion Week Spring/Summer 2010, which took place earlier this month, attracted 1,164 exhibitors from 24 countries and regions. The trade fair connected leading designers and suppliers from the Asia-Pacific region and beyond with influential trade buyers in the industry.

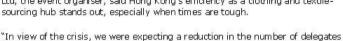
#### Cost-Effective Innovation



Industry leaders gather at the Prime Source Forum in March

In March, more than 400 senior executives. representing all sectors of the apparel industry supply chain, gathered in Hong Kong for the Prime Source Forum. They came from more than 20 countries to focus on crucial issues facing the global apparel industry.

countries and regions Michael Duck, Senior Vice President of UBM Asia Ltd, the event organiser, said Hong Kong's efficiency as a clothing and textile-



welcomed more registered delegates this year, demonstrating that the forum is clearly still seen as a must-attend event by industry leaders around the world."

from overseas, especially as most organisations are cutting back on corporate spending. However, we actually

Cost-effective innovation was on the minds of many forum delegates. Joachim Hensch of Hugo Boss suggested creating "hot spots" to inspire designer creativity. Echoing those sentiments was Roger Lee, Chief Operating Officer of TAL Group, who focused on ways to help staff learn new skills and develop creativity.

#### Hong Kong Success Story

TAL Group is a Hong Kong success story. The company founded its first spinning and weaving mill in 1947, when Hong Kong was riding on the coat-tails of an economic miracle that was the garment industry. Today, TAL is the second-largest shirt-maker in Hong Kong – and a major exporter. TAL produces one in every six dress shirts sold in the United States, while also making pants, suits and outerwear for brands such as Burberry, Hugo Boss and Brooks Brothers.



Roger Lee, Chief Operating Officer, TAL Group

While TAL has moved its manufacturing plants to the mainland and other countries in Southeast Asia, including Thailand, Malaysia, Indonesia and One of TAL's busy workshops Vietnam, Hong Kong remains its nerve centre.



The HKTDC Hona

Kong Fashion Week

Spring/Summer 2010, 5-8

July, attracted more than

1,000 exhibitors from 24

"Our customers still come to Hong Kong for all their sourcing," explained Mr Lee, "It's convenient; they can catch an easy flight from Europe or the United States and, within a week, see 20 different suppliers without leaving the city.

"All the manufacturers are here. Hong Kong still keeps these companies because it's where their customers come to do their sourcing,"

The professional talent available in Hong Kong ensures that it remains ahead of the mainland competition, Mr Lee said. "Hong Kong people have more international exposure; they understand the product and provide a high level of customer service."

TAL's strategy is simple, Mr Lee said. "Our R&D has to be the strongest, our supply chain the strongest, our product quality and customer service the strongest. Hong Kong allows this, with support from our factories."

#### Networking Advantages

Hong Kong is also helping to keep VF Corporation, the world's largest apparel company, ahead of the competition. Thomas Nelson, Managing Director, VF Asia, said efficient sourcing and supply chain management has become essential in the apparel industry.

"It is critical to understand the global sourcing arena," Mr Nelson said. "As wages and cotton prices increase, it is imperative to understand trade rules, country advantages and disadvantages and price structures, and have good vendor options in multiple regions.

"We must stay well-connected to vendors around the globe to understand what is going on in the market. It is important to have an understanding of the details going on in each market and to design a supply chain that is flexible enough to handle the constant changes in today's sourcing environment," he said.

In Hong Kong, VF Asia acts as a global sourcing point to determine where products

"Strategies, both short and long term, are established and followed up from our Hong



Director, VF Asia

Kong office. VF Asia is a place to gain insights on what is going on in the region. Hong Kong has a lot of networking opportunities, which helps to keep VF up to date on the latest trends in sourcing and what is going on in the countries we source from VF Asia is where most of our senior leadership is located, so price negotiation and the setting of standards are normally completed in our Hong Kong office."

## Talent Pool

should be placed. Mr Nelson said.

Mr Nelson summed up Hong Kong's advantages as "connectivity, location and employee efficiency."

Proximity to other brands, retailers and factories provides a great opportunity to stay closely connected to the market, share ideas and push common agendas, Mr Nelson said. "And Hong Kong is a great location for finding talent to manage the business."

# Related Links

Prime Source Forum TAL Group VF Asia