



ANALYSIS: Emerging exporters eye China market share

16 April 2010 | Source: Joe Ayling

The export markets of China, Vietnam, Bangladesh and Indonesia will be leading global apparel and textiles hot-spots for the next five years, according to sourcing experts in Asia.

Speaking about global sourcing strategies at Prime Source Forum this month, leading sourcing executives agreed that China would remain a dominant force in clothing and footwear production for years to come.

Meanwhile, emerging sourcing markets will continue to catch up as speed to market and infrastructure in these countries improves.

Marc Compagnon, executive director of Li & Fung, said only Bangladesh and Vietnam grew their exports last year.

He said: "In a nutshell, China and Bangladesh will continue to be the strongest."

Craig Dana, managing director of Ann Taylor Sourcing Far East, identified China, Indonesia and Vietnam as leaders, but added that the Philippines could be a wild card for export growth, depending on potential trade deals.

He said that while Bangladesh was showing promise, that Ann Taylor was "not quite ready to dip its toe in the water" there yet.

Andrew Lo, CEO of Crystal Group, said that while China will continue as the dominant producer for the next ten years, it will be looking over its shoulder at the likes of Vietnam, Indonesia and Bangladesh.

"The most favourable country at this point is definitely Bangladesh. It has greater leverage to the European market because of GSP and duty free," he said.

However, Lo also said that while starting up in China and Vietnam was relatively easy, Bangladesh is much harder.

"Bangladesh is definitely the hardest country to start off in," he said. "In China or Vietnam you can easily buy 100 acres for a factory tomorrow, but in Bangladesh it's just not available."

While emerging export markets are yet to catch up with China logistically, there are clear cost benefits to using its Asian neighbours.

Indeed, this week just-style reported nine Chinese firms looking to outsource their manufacturing to Indonesia - an increasing trend.

Overall competition in the continent is rife though, with Thailand, India, Sri Lanka and Pakistan also worthy of a mention.

Fashion brands and retailers would be wise to spread their bets when it comes to sourcing, as Lo concluded: "Don't put all your manufacturing in one country, but don't put it in 100 either."

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