

Global apparel industry tackles main concerns at Hong Kong forum

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A surge in costs of raw materials and labour, coupled with a decreasing garment workforce in China, has brought an end to more than 15 years of garment deflationary pricing and caused many challenges and opportunities for the global apparel industry.

It is at this critical juncture that the sixth Prime Source Forum (PSF) has brought together over 400 stakeholders, representing different segments in the supply chain and from 21 countries and regions, to address major issues and leverage one another's expertise in formulating strategies for long-term sustainable developments.

The organisers of the annual event held from 30 March to 1 April are APLF Ltd, the joint venture between UBM Asia Ltd and its French partner SIC Group. SWAROVSKI® ELEMENTS was the forum sponsor.

Michael Duck, director of APLF, highlighted in his welcoming address the new challenges, including the unstable political climate in the Middle East and North Africa and the aftermath of the earthquake and tsunami in Japan. "Risk assessment must be something that all of us need to think about. I would like to point out that this is your debating room. Everyone is expected



Italian fashion brand Charlottenborg featured FashionCHIC at the Prime Source Fashion Preview

to join in the discussions. [We welcome] questions, comments and disagreement with the views put forward by the panels – alternative viewpoint is what this forum is all about."

"PSF is a learning exercise for all delegates because they have the opportunity to network with their peers and competitors from around the world and exchange ideas on areas of mutual interest," Duck added.

Around 70 industry heavyweights and specialists in various areas joined the panels discussing pressing issues. A major focal point of the forum was the need to further enhance the efficiency of the supply chain worldwide to tackle the challenges and seize the opportunities over the next decade. More efforts in nurturing the skills and talent of people throughout the supply chain were proposed to help sustain the industry's long-term developments.

Many challenges were highlighted. In addition to rising labour and raw material costs, labour issues have caused concerns, in particular in China and India. China's changing role from that of a vendor and seller to a buyer and consumer was another main focus. Speakers asked if China would remain the main sourcing centre for apparel and footwear in the next 20 years and whether there would be other viable options. Meanwhile the delegates were challenged to contemplate the future of global apparel consumption. As developed economies have gone into austerity mode, emerging markets, such as China and India, have experienced boom in consumption which might pose challenge to the sustainability in worldwide consumption.

In view of the fast diminishing natural resources, several experts provided updates on the latest synthetic material innovations, the applications and ways to enhance efficiency in production and usage.

At the workshops one day before the forum, chairman of the Global Apparel, Footwear, and Textile Initiative (GAFTI)



Prime Source Forum 2011 attracted over 400 delegates from over 21 countries and regions

and managing director of VF Asia Ltd, Thomas Nelson, updated the delegates on the progress made in the international standardisation. Individual subgroup leaders also looked at the areas of product safety, compliance and sustainability. Meanwhile specialists took the delegates through various cutting-edge technological developments, including the Product Lifecycle Management and industry-focused cloud technology.

Karl Ting, general manager of information services at Crystal Group, appreciates the forum's unique characteristic of facilitating two-way idea exchanges. "Many specialists in different areas have tremendous interaction with fellow panelists and the audience in exchanging ideas and exploring issues." Crystal Group is a leading garment manufacturer in Hong Kong.

Representatives from major trade associations in the United States and Europe had a presence at the forum. It helped establish dialogues among companies throughout the supply chain. "All discussions have been conducted in a friendly atmosphere which is important," adds Ting.



Kevin Burke, together with other apparel industry leaders debated at the 2011 Forum.

Edward Gribbin, president of Alvanon Inc in New York, thinks the forum promoted great interaction between the speakers and the audience and it featured strong and diverse representation from all segments of the industry. "We are all here because we want to solve the problems in the industry, not just for today as it will be a bumpy road ahead," says Gribbin, who was one of the panelists. Alvanon provides fit solutions to the apparel sector.

Among all the sessions, Gribbin finds the discussion on rising costs and the potential

end of pricing deflation particularly inspiring. "The industry will become worried if apparel prices will increase and people will stop buying," Gribbin says. "There is inefficiency in the front end of the process, including buying and design development. We need to be more efficient at the front end so that sourcing will improve."

Underscoring its importance, PSF has continued to enjoy support from leading international corporations. The participating brands including: adidas; Ann Taylor; Charming Shoppes; The Children's Place;

Crystal Knitters; Dick's Sporting; Epic Group; HK Non-woven; HUGO BOSS; Jones Int'l; Kiabi; Kohl's; Levi's; Li & Fung; lululemon; Nike; Pacific Brands; Perry Ellis; Polo Ralph Lauren; Quiksilver; SWAROVSKI® ELEMENTS; TAL; Target; Triumph; VF and so on.

This year's PSF also offered a preview of Prime Source Fashion, which is designed as an exclusive meeting place for selected manufacturers and designers of premium quality garments and buyers of upscale products and designer labels. The full-scale Prime Source Fashion in 2012 will feature four themes: fashionCHIC focusing on speciality, unique design items; fashionFINE highlighting garments in luxurious natural materials; fashionPURE representing 'green' apparel; and fashionTECH featuring fashion in functional high-tech materials.

Charlottenborg is an Italian brand featured under fashionCHIC at the preview. The brand is represented in Asia by Yeh Shen Ltd. Managing director of the company, Martin Keil, says Yeh Shen took advantage of the Prime Source Fashion and met with several prestigious Hong Kong distributors. "Exhibiting at the event is part of our international marketing approach. We have had interesting discussions and exchanged information with a broad range of service providers. We have got a lot of useful information which will enable us to provide better advice to the fashion brands represented by us," Keil says. Yeh Shen introduces into Asia emerging European fashion designer brands whose products are of high quality and innovative designs.

Exhibiting under fashionPURE was Herati Cashmere Wool and Skin Processing Plant in Kabul, Afghanistan. President of the company, Abdul Basir Hotak, says: "We have been busy liaising with delegates at the forum and received many requests for samples and enquiries about quantities and prices. We have met with companies in South Korea, Italy and China. The forum, on the other hand, provides us with an opportunity to raise the global awareness of the materials produced in Afghanistan." Herati is supported by the Accelerating Sustainable Agriculture Program which is a USAID-funded project.

Prime Source Fashion will make its debut in 2012, in conjunction with the seventh PSF from 28 to 30 March, 2012, which will also cover issues confronting the footwear industry.