

# HEAD TO HEAD IN HONG KONG

Held in the last week of March, the 2nd edition of **Prime Source Forum**, organised by APLF-CMP Asia was an overwhelming success in providing a platform for the world textile apparel industry, not only to voice their issues, perspectives and frustrations but also to discuss solutions. *Vicky Sung* reports.

**Master of ceremonies**, Andrew Kahn, Chairman of Kahn Lucas Lancaster Inc, set the tone of the Prime Source Forum stating that change is needed, with consumers demanding more action now. Bob Zane, Chairman of the United States Association of Importers of Textiles and Apparel (USA-ITA), echoed this point, concluding that he had seen more changes in the past 18 months than in the past five years.

The keynote address by Paul Charron, Chairman Emeritus of Liz Claiborne, also emphasised that only with change can a company move ahead. "You must, however, have the best people or you cannot carry out the changes," he said. More severely, Peter Gabbe, Executive VP & COO of Carole Hochman Design Group, warned that those who resist changes will die. Kevin Burke, President and CEO of American Apparel & Footwear Association, in his "lessons learned" speech at the end of the forum concluded that the only constant in the industry is change.

The shelf life of a good item is only three weeks old; hence you constantly need new ideas, said Charron. Standing for everything in the age of specialization will lead to the risk of standing for nothing. In the US, there are too many stores chasing too few customers. Today, there is no retail or brand loyalty and the consumer is the ultimate leader.

In the sourcing environment session, Gary Ross, VP Corporate, compared the fashion apparel industry to the food industry. It needs to be fresh and it has a shelf life. He who delivers faster is the winner. Consolidation will take place on all fronts and level, may it be retail, wholesale, factories, vendors, countries, Thomas Glaser, President of the supply chain European/Asia VF International, pointed out. Partnership is the way forward.

In order to be better faster and cheaper, the only way is to keep it simple and do it right the first time, advised Kenneth Wang, Managing Director of Sterling Products.

In the Trade Matters session, Stuart Harbinson, special advisor of the WTO warned that there is no protection in protectionism. Protectionism only adds cost and reduces choices for the consumers, he said. Free trade is the key to the industry's future. Peter Gabbe in his Call to Arms speech noted that the post quota world is a world of uncertainty because governments impose protectionism quite suddenly.

Compliance sounds simple but not easy to execute, said Michael Flanagan, Publishing Director of Clothesource. Factories are suffering from audit fatigue and are going nowhere. There is a pressing need to create a meaningful audit code of conduct for all to follow to reduce auditing redundancy.

Consumers and brands should and are demanding green process of their suppliers, said Sean Cady of Levi Strauss & Co. Consumers. The green movement is here to stay; we must work together to reduce hazardous chemical waste.

Education needs to change with the times and offer programs of relevance. Training is about how, whilst education is about why; training is now and education is for the future, said Prof Philip Yeung, Executive Director of the HK-CITA. Angela Peers of Manchester Metropolitan University summed it up nicely; we need to use education and training to capture the knowledge in the industry today to share it with the leaders of tomorrow.

China was hardly able to clothe its people a quarter of a century ago, now she is clothing everyone in the world. In the future, China will be the biggest market in the world, said Shirley Chan, Managing Director of YGM Trading Ltd. China and India are not only workshops for the world but they are also the future market giants, said Devangshu Dutta, Chief Executive of Third Eyesight.

The two countries however are very different. Before investing in either country for manufacturing or retailing, it is advisable to understand the dynamics at work, the speakers from China and India advised. Vietnam has its own favourable conditions which has already attracted many Asian investors to build factories there.

Technology and logistics can also help the industry be better, faster and cheaper. The sharing of a common information plan would allow communication between buying offices, vendors, logistics and distribution centres to take place at anytime, anywhere and by any party. Other technologies such as RFID – radio frequency identification – and digital textile printing also contribute to speeding up the supply chain process.

In summation Bob Zane concluded, buyers like to buy faster, better, cheaper and are wanting more while sellers try to figure out how to provide all that without losing money plus more. ■

**The 3rd edition of Prime Source Forum will take place on April 1-2, 2008.**

## FASTFACTS

**Speakers:** 36 leaders of the textile and apparel industry from the EU, UK, US, China, India, Hong Kong, Korea and Vietnam

**Seven sessions:** The Sourcing Environment, Trade Matters, Compliance, Green Issues & Social Responsibility, Education and Training, The Changing Role of the Retailer, Technical Issues & Logistics and Market Issues.

**Delegates:** 300 delegates from 21 countries and regions (double the number from 2006) – Belgium, Brazil, Cambodia, Canada, China, France, Germany, Hong Kong, India, Indonesia, Japan, Korea, Singapore, Sri Lanka, Switzerland, Taiwan, the Netherlands, Turkey, UK, US and Vietnam