

At the nexus of new insight

The 8th edition of Prime Source Forum returned with a new format but better ideas!

By Gail Taylor

Allowing for a degree of self congratulation, the organisers, having vetted the attendees' feedback and in addition launched a series of related regional events, chose more of the same, arguably more depth, and a different venue for the 8th edition of the annual meeting of the global fashion industry. In place of the earlier 'workshops' on the subject, there was the sustainability event held the day before at the Clothing Industry Training Centre, Hong Kong. In case this half-day event did not do justice to important issues, representatives of the relevant think tanks and not-for-profit agencies participated in the 2-day forum, with of course the focus on latest technologies, logistics, and overall communications to give due recognition to the global supply chain and its reliance on production sites around the world to sustain the complex business network required, at the end of the day, to clothe all of us. As eloquently stated by Edwin Keh of the Hong Kong Research Institute of Textiles and Apparel:

"The pace of change in our global marketplace has accelerated in the last few years. In this turbulent environment, information, intelligence and innovation are critical success factors for all stakeholders. Prime Source Forum stands at the nexus of new insight, global trends, and critical thinking for the fashion industry."

Added long-term supporter Willy Lin, the chairman of Hong Kong's Textile Council: "Ever since its inception, Prime Source Forum has worked closely with the textile and garment industry, its open forum is recognised and attended by the world's leading apparel makers, retailers and authorities of the trade. PSF is one of the well-known common platforms in our evolving business environment; allowing a welcomed opportunity for trade professionals to exchange insights and build cooperative efforts to strengthen the textile and clothing trade."

Aside from the new venue, entailing a separation from the events at the Hong Kong Convention and Exhibition Centre during the same days but otherwise, availing those present of (equally) first class facilities and (also equally) impressive views of the Hong Kong harbour, PSF was able to commandeer a wide range of impressive speakers who did not, on this occasion, perform to the crowd. Neither, as it happened were they concerned with the unacceptable truth spurred by images of polar bears on shrinking ice caps, so this was the industry at its most pragmatic.

Speakers like Shirley Chan of Transaction Services Origination, who also heads the Hong Kong operations of the Royal Bank of Scotland, informed reassuringly of invoicing in the Chinese currency, the renminbi, and audience interaction was invoked (with the help of some technology) by Cecilia Tiblad Berntsson, the project manager of INFAC Global Partners. Robert McKee, Infor's fashion industry strategy director, did a fine job as emcee and brought the Forum to a close with his incisive summary. Forecasting of the supply chain model in the next decade was the task of veterans such as David Birnbaum (**Third Horizon**), Kenith Poon (**Johnson Controls**), Peter Shay (**Third Generation Capital**), and Peter J. Liddell (**KPMG Advisory**), who noted the shift of risk and power which had resulted in more front-end work in Asia. In effect, their panel showed how complex sourcing had become and, evidently, the shift

from a product to a service orientation was the biggest change. Ethics and its consequences was a matter for debate, for example, in view of the presence of 'some outlaws' it was necessary to extend much effort to procure in a cost-effective yet responsible way.

Last year, Myanmar was still off the radar of most sourcing enterprises but at the PSF this year, a keynote address was offered by Aung Win, the vice chairman of Myanmar Garment Manufacturers Association who is also the managing director of **Maple Trading Co.**, and Dennis Meseroll, the executive director of **Tractus Asia**. Growth in the area, for this industry, said Mr Meseroll, had been at a steady rate of about 5% in 5-6 years, but the gross national income and other measures indicated an interest for garment manufacturers, although the labour cost was higher than that of Bangladesh. The speakers indicated that reform was progressing rapidly and, despite sectarian strife and conflict in the military, there had been tangible reforms. New foreign investment levels were low, but there were different proposals to overcome local problems and investors could, understandably, enjoy first mover advantages if they established their enterprises early.

According to Mr Win, one of the restrictions affecting the industry was that of land allocation for factories and hence, in order, for example, to have 6,000 workers it was necessary to have 2-3 units under one company. As for sanctions, and the consequences for orders, to date it was usual to use cut-make-trim sub-contracting arrangement for duty free importation, and when foreign currency was used, it was necessary to have government banks' sanction since without this there could be no exports. Government restrictions had required manufacturers to set up offices in Singapore, Hong Kong and Thailand, buying the fabric outside and sending it to Myanmar, but the situation was improving. Noted the speaker, under the circumstances the manufacturers produced whatever they could, since they had no choice.

Another 'first' at this PSF was the session on the subject of the next generation taking family businesses forward. With panel chairman Peter Liu (managing director of **Asianet Intl. Executive Search** and also the chairman of the human capital committee of the American Chamber of Commerce in Hong Kong), four of the 'second or third generation' spoke on their experiences in taking on the reins, and generally pursuing the goals of the founding entrepreneurs. Amongst them, Anderson Lee (**Hong Kong Non-Woven Group**), Roger Lee (**TAL Group**) Marissa Maren (**Busana Apparel Group**) and Janice Wang (**Alvanon Inc.**, spun out from **Sterling Products**, a children's wear manufacturer).

Participants always have their favourites, and although a lot of 'quips' must be attributed to the various speakers in their solemn roles, my vote goes to Peter Lau of **Giordano Intl.** who, apparently speaking from the heart, professed all his theoretical modelling and associated plans had been thrown out over the years; this after advocating Accurate, Relevant and Timely information in keeping with the acronym ART.

PSF was organised by Asia Pacific Leather Fair (**APLF**), a joint venture between **UBM Asia** and the **SIC Group** of France. **APLF** also held the Fashion Access event in the Hong Kong Convention & Exhibition Centre at the same time as the PSF. ■