

## THE RAG TRADE

## A question of dynamics

By Marcelle Poirier

**T**HE Festival of Fashion, which celebrated the 10th anniversary of its founding this year, has become a Mecca for world's fashion buyers. Nearly 4,000 came from 40 countries to see Ready-to-Wear '77, making it the most important RTW event after the Paris *Prêt-à-Porter* and the *Igedo* Exhibition in Dusseldorf.

Over 200 manufacturers took part, creating still another record. Each operated out of individual display rooms on five floors of the Excelsior Hotel, their merchandise was highlighted in highly professional shows coordinated by Julius Schofield and many also had their own house shows — hard selling which always pays dividends. This year for the first time there was a special show for coordinates. For the first time there were special shows for coordinates, high fashion, luxury furs and high class leather goods. Buyers were also offered a wide range of rainwear, children's and men's clothing, sportswear, a superb collection of knits, and lavish evening clothes. Running concurrently in the Hilton Hotel was an exhibition of accessories organised by the Hongkong Exporters Association. For the first time they were given full exposure in their own right: a wide range of hats, wigs, sunglasses, real and costume jewellery, scarves, neckties, buttons, belts, gloves, socks, watches, umbrellas, shoes, luggage and handbags produced by 40 local firms.

Great interest was created by a Young Designers show newly created to encourage local talent, for which the Chinese Manufacturers Association had offered an award of HK\$10,000 (US\$2,150) and a trip to Paris. Among the judges were the *avant-garde* US designer Rudi Gernreich, Robert Midgely (chairman of Harrods), Charlotte Ford, Henry designer daughter who manufactures here, and Dale Kern of *Women's Wear Daily* — the rag trade's Bible.

Hongkong is now world's largest exporter of clothing, having out-paced Italy at the end of 1975 — a fashion centre noted for good workmanship, trendy styling, excellent value for money and reliability in delivery. The *Made in Hongkong* label is a guarantee of quality but Hongkong is not yet innovative — it

does not pretend to launch new fashions to sweep the world but interpretations of current fashion trends produced here are valid and individual. With encouragement now being given to young designers, Hongkong could become really creative.

Not all Hongkong's stylists are newcomers: American-born Marguerite Thursby, resident here, has a reputation which has grown with, and helped to enhance that of Hongkong. She started off with a boutique for local residents and, in 10 years, built up important international business with her label selling in the best department stores and quality boutiques in London, the US, Japan and Australia.

Paris designers Cardin, Balmain and Lanvin have made use of the exceptional manufacturing possibilities for their boutique and RTW ranges, Givenchy has started a joint venture this year while Ossie Clark and Christopher McDonnell of England, Garvin Klein and Cathy Hardwick of New York also have ties here. A San Francisco firm, Impulse Trading Ltd — *Esprit de Corps*, has recently brought over its whole multi-million US dollar production, keeping some 60 contractors busy all the year round. It was love at first sight for Susie and Dudley Tompkins, this young American couple who in eight years have built up a fabulous international business. They find Hongkong dynamic, a place where anything can be done and workmanship is first class.

Local firms have contributed strongly to Hongkong's new image: Bang Bang's Faded Glory jeans and imaginative promotion campaigns put them in the forefront of jeans manufacturers. Today they have added romantic styles for evening and excellent ethnic knits and weaves in big wide-sleeved styles. The fashion alliance between Birds Ltd and Michel of Hongkong should produce a big volume of export business. For their 1977-78 collection they have employed two young designers, Ann Stuart and local freelance designer Ragence Lam, who has been designing in Milan for Fiorucci.

Rene Ozorio, designer for Transfer-tex Far East Ltd, a Swiss heat transfer print firm, Wong Kit Kue, Lily King and Hannah To are also young designers



Thursby: Selling everywhere.

with a big potential for creative fashion.

Hongkong's rag trade has a rosy future but textiles are a political issue and it could become a victim of its own success. Bogey-man of dying textile industries elsewhere because of phenomenal growth even during recession, most Western governments are under heavy pressure to increase curbs on Hongkong clothing imports to protect employment. The reaction of threatened competitors is understandable: there was a rise of 45.5% in non-fur clothing exports to the US, Hongkong's most important market, 33% to West Germany and 29% to the EEC. The unilateral decision of the Canadians to clamp down on clothing imports must be viewed in the light of the astonishing fact that RTW exports to Canada increased by 86% last year when Hongkong's rag-trade earned US\$12,000 million and provided jobs for 250,000 (one in three) workers.

Hongkong has risen to the top neither by subsidy nor dumping but because of its dynamic people, liberal policy, free trading, good banking facilities and minimum official interference. Its rise as a clothing centre can be traced largely to promotional efforts by the Trade Development Council which, financed by a levy on manufacturers in proportion to their exports, coordinates their efforts, publicises products and battles for new markets to compensate for those restricted or saturated.

But there are disquieting signs for the future: there is uncertainty whether the GATT Multifibre Arrangement will be renewed in its present form when it expires on December 31 this year. Many EEC countries and Australia wish to renegotiate terms imposing further quantitative restrictions. Unless the agreement is extended in good time, all regulation of international textile trade will cease, leaving the way open for drastic individual protectionist measures. Concessions concerning textiles under the EEC's Generalised System of Preferences are slight and do little to eliminate discrimination: Hongkong textiles — mainly clothing considered "very sensitive" — have no duty-free entry like other countries in East Europe and Africa. The increasingly sophisticated clothing being produced in China could also prove to be a threat in the future.

Unbelievably, quota farmers are still with us in spite of a tightening-up last autumn by the Department of Commerce and Industry. Some of them no longer manufacture, have no premises but receive quotas on the basis of past performance and this year are offering quotas for knitwear, from HK\$60 to \$80. Buyers are naturally infuriated at this rip-off and threatening to place orders in Taiwan and South Korea. The industry must have this practice stopped at once.