

A rose by any other name

ONE of the most important contributions made by the TDC to Hongkong's economy is the encouragement, guidance and promotional assistance it provides local manufacturers who establish their own brand names.

The process whereby the territory shed its "shoddy goods" image and claimed its rightful place as one of the world's leading manufacturers of quality products was undoubtedly initiated by the manufacturers themselves.

However, the TDC was quick to recognise the need to provide them with support, particularly in marketing their products.

As a result, it developed a worldwide network of offices to proclaim the fact that the words "Made in Hongkong" now represents consistent high quality, good value for money and timely delivery.

This campaign, which has achieved considerable success, has given local manufacturers the opportunity to address new markets collectively and thereby make a much greater impact than they could on an individual basis.

The process by which Hongkong has acquired in-

ternational respect for the quality of its wares has not been automatic, however. It was born out of sheer necessity and at times involved local manufacturers in considerable risk.

It was precipitated mainly by socio-economic changes taking place in other Asian region countries.

During the 1950s and 1960s, Hongkong was in the fortunate position of being able to take advantage of its comparatively low wages to produce labour-intensive goods which required limited skill and simple technology.

Plastic flowers, thermos flasks, wigs, etc were the order of the day. Even manufacturers of garments or electronics limited their production to simple items at the lower end of the market, which they often supplied on a sub-contract basis for eventual sale overseas under foreign labels.

By the beginning of the 1970s a cloud of economic gloom began to shadow Hongkong's prosperity. Until then Singapore, Taiwan and Korea had been seen as the territory's major competitors.

Now the less-developed countries (LDCs) in the region, including Thailand,

Phillipines and Malaysia, began to emerge as manufacturers with large resources of cheap labour.

Faced with an eventual erosion of their business, local entrepreneurs began to shift up-market, introducing a greater degree of panache and sophistication into their processes and developing products which required more specialised knowledge and skills.

Unfortunately, in the initial stages of this process, they found that their new product lines were still unacceptable for sale overseas under a Hongkong label.

The territory's reputation for cheap, low quality goods was too firmly entrenched to be dispelled overnight. Also many local manufacturers found it difficult to immediately implement the quality controls necessary to compete on an equal footing with the products of more established industrialised nations.

Consequently, even though the quality and sophistication of Hongkong products improved continuously throughout the 1970s, their origin was invariably hidden under foreign brand labels by the time the goods reached the customer.

The early 1980s saw a

radical change develop in local marketing strategy. Many manufacturers were now convinced of their ability to produce goods of consistent quality which could compete openly on overseas markets.

They also realised that by doing so they could cut out the middle men and thereby benefit more directly from sales revenues. Indeed at that time some of their number had already blazed the trail and were experiencing a degree of success.

By the middle of the decade Hongkong's old philosophy of "make it cheap" was rapidly being replaced with the ideal of "make it good".

The TDC, ever conscious of the long-term economic benefits resulting from Hongkong establishing its own reputation, has acted in parallel with the manufacturers during each stage of the process.

It has provided an immense amount of practical support through promotions and exhibitions of Hongkong products both locally and overseas, and provided professional guidance to any manufacturer wishing to establish his own brand of goods.

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