



HONG KONG FASHION INDUSTRIES IN THE NEW ECONOMY

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ABSTRACT

In this paper, the sustainable competitiveness of the Hong Kong Fashion industry (textile and clothing industry) in the new economy is investigated through a comparison study and model simulation. We find that the competitiveness of Hong Kong will decrease without intensive investment to develop key knowledge-based core competencies in facing intensive competition from developing and developed countries and the threats of regional trade blocs and increased bargaining power of overseas buyers. To capture the business opportunities and develop sustainable competitiveness in the new economy, it is essential for the Hong Kong Textile and Clothing industry to invest and develop knowledge-based core competencies in the areas of product innovation, design and original brand marketing.

KEYWORDS: Hong Kong, textile and clothing industry, competitiveness, Hong Kong fashion industry

INTRODUCTION

In the last few decades, Hong Kong has played an important role in world textile and clothing trade. The total export value in world clothing trade was US\$180 billion in 1998, with 62.5% shared by the top ten exporting countries. China was the world leader, accounting for 16.7% of global export market share, followed by Hong Kong as the second leader with 12.3% market share, and further by Italy, US, Germany, Turkey, Mexico, France, UK and Korea. During that year, Hong Kong's domestic export and re-export amounted to US\$10 billion and US\$13 billion respectively. However, the growth of its total export was 2% between 1992 to 1998,

below the world's average of 5% [1]. In world textile trade, the total export value of textiles was US\$151 billion in 1998, with the top ten countries accounted for 69.3% of the global export market share. The leader was Germany, followed by Hong Kong, Italy, China, Korea, Taiwan, USA, France, Belgium-Luxembourg and Japan. On a compound basis, total textile and clothing exports from Hong Kong increased by 2.9% annually between 1992 to 1998, mainly attributed to the growth in re-exports from Mainland China. Exports to the USA enjoyed the highest compound growth rate, at 7.8% from 1992 to 1998, due to the establishment of the North American Free Trade Agreement [1, 2].