

Competitive Potential in Clothing Exports for Hong Kong and the Interior of China

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Hong Kong and the Interior of China are leading clothing exporters in the world. Together they accounted for nearly 29 percent of the global clothing exports in 1999. The paper is basically divided into two parts. Firstly, it discusses that high world market share is an indicator of competitiveness for the product. From United Nations statistics, it was identified that Hong Kong and the Interior of China were competitive in certain discrete clothing items and a trend was apparent in the production shift of labour intensive clothing items from Hong Kong to the Mainland as witnessed from 1987—1993. With the revised statistical classification system in clothing items released by United Nations, second part of the paper further investigates the broad clothing categories of knitted and woven garments from 1987—1998. It was discovered that Hong Kong was traditionally more competitive in knitted garments while the Interior of China possessed advantages in the manufacture of woven items. Taking the labour cost advantage of the Interior of China and the marketing strengths of Hong Kong, their co-operation for clothing production is considered complementary to each other and able to foster synergistic effects.

Keywords: *Competitiveness, world market share, knitted and woven garments, clothing exports.*

Introduction

The opening door policy of the Interior of China since 1979 has witnessed the tremendous growth in foreign direct investments and the subsequent process of industrial modernization and export market development by the country. The textile and clothing (T & C) industry has, amongst other manufacturing sectors, demonstrated impressive growth in production output and export performance. For the past 2 decades, the average annual growth rate of output for the textile industry was 13 percent. The apparel sector has even attained more rapid development. From 1978 to 1996, the overall industrial output had grown 11.8 times^[1]. Compared with other sectors and its textile counterpart in exporting to the world market, the performance of the clothing industry was even more encouraging. The exports from 1978 to 1996 recorded

an amazing increase of 34.3 times. The Interior of China only ranked 11th in the world's T & C exports in 1978 representing a mere 3 percent global share and valued at US \$ 2.83 bn. The position has advanced to number 1 since the early 1990s and in 1999, total T & C exports were valued at about US \$ 44 bn contributing to 13 percent of the global T & C trade and also constituted to 23 percent of the nation's total commodity exports^[2]. The Interior of China's outstanding clothing exports is represented by an 18 percent world share and was double the figure for textile exports to the world.

Boosted by incoming investments and internal industrial development, the Interior of China has emerged to become the largest producer inclusive of synthetic fibres, cotton thread, cotton fabrics, silk fabrics, wool fabrics and apparel. While at the economic era of the Ninth 5-year Plan of the nation's economy from 1995—2000, the country's T & C exports was targeted at an annual increase of 4.5 percent. The Tenth 5-year Plan from 2001—2005 coupled with the Interior of China's accession to the WTO, the T & C exports are expected to grow at an annual rate of 6.8 percent.

For Hong Kong, clothing exports outperformed the textile sector since the early 1960s. Enduring entrepreneurial efforts and industrial development had enabled the territory to assume the leading clothing supplier to the world in the 1980s. Coming into the 1990s, domestic clothing export values have stagnated but still responsible for about one third of the total domestic exports in the territory. Since 1992, re-exports of clothing, mainly of the Interior of China origin, have occupied an even higher value than the domestic exports.

The potential for Hong Kong and the Interior of China joining hands in the manufacture and exports of clothing has long been recognized^[3]. The illustration in Fig. 1 shows that the Interior of China and Hong Kong together, are responsible for about 29 percent of the global clothing exports in 1999.

In general, clothing products can be broadly classified into knitwear, woven garments and other categories which include leather and fur garments etc. While realizing the outstanding performance of clothing exports for the two partners, this paper intends to analyse and identify what types of garments, inclusive of both knits and wovens, that are more competitive in the world market in terms of world market share.

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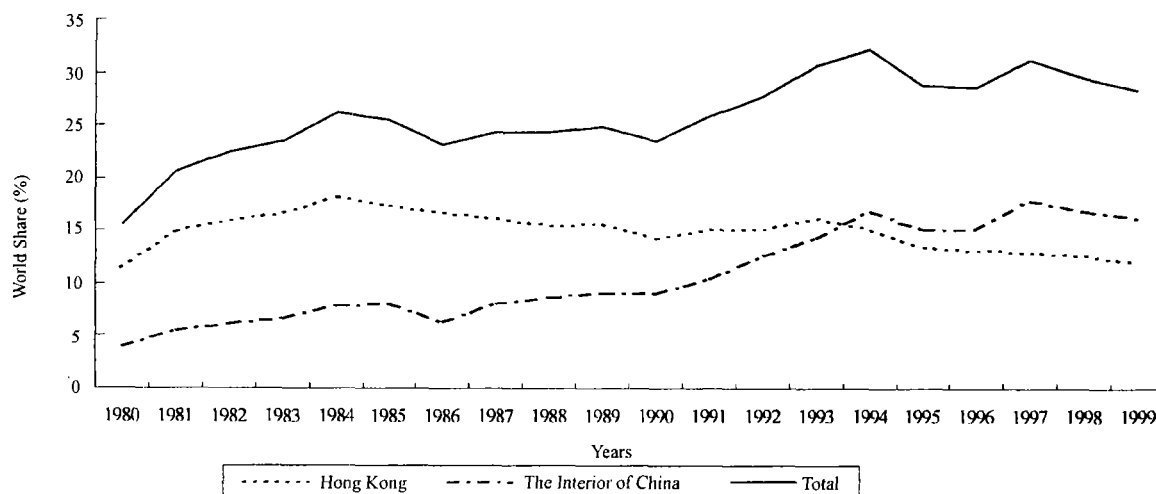


Fig. 1 World share of clothing exports for Hong Kong & the Interior of China (1980—1999)

Source: Compiled from *Hong Kong Trade Statistics*, Census & Statistics Department, Hong Kong and *China Statistical Yearbook*, Economic Information & Agency, Hong Kong, various issues.

Market Share for Global Competitiveness

Research studies have indicated that successful companies aimed at securing a high market share. Hedley^[4] investigated on industrial companies in U.K. with manufactured products in mechanical engineering, textiles and automotive components and identified that losers tended to measure success or failure by profits while winner looked at market share. For the losers, marketing was more likely and perceived as increasing sales and turnover. The winners had more focus on customers and operated with a prioritised list of their needs. These companies held the belief that if they set their marketing strategy in the right direction, good financial results will follow.

Consumers nowadays are becoming more demanding and sophisticated. The ultimate value they treat would be the product or service to provide them with added convenience, greater efficiency, high reliability and an improvement in the quality of living^[5]. The marketers should realize that customers all over the world share the same goals. The marketing theme today is tuned to customers and to care for their requirements and taste in order to maintain global competitiveness.

It is also widely recognized that market share also leads to business profitability. Companies that achieved a high share of the markets are generally more profitable than their smaller-share competitors. Very often, market share and return on investment are strongly related. The link with market share and profitability of the company can be explained by their operation under economics of scale, a greater marketing power and good quality of management^[6]. For businesses with a high market share, as the turnover on investment rises slightly, the profit margin on sales increases sharply. On the other hand, purchase to sales ratio is comparatively low for companies with a high share. Whilst marketing costs, as a percentage of sales is seen to decrease with

high market share, the market leaders can also devise unique marketing strategies and demand higher price for their good quality products. The market share philosophy is even more important to the business type when buyers are "fragmented"^[7]. In which case, bargaining power of buyers is reduced thus enabling higher price/profits advantage for the seller.

Cut-off Rate Concept

The cut-off rate identifies those industries by measuring and comparing their exports on a territory-wide basis (for example, total domestic exports to the total values of world trade). A particular industry is regarded as competitive if its export value makes up a larger proportion of the world exports than the cut-off rate. This is very much an inclusive measure taking all export commodities together. The concept can be taken for a more specific measure of individual export items by adopting the cut-off rate for comparing a particular commodity of the territory and the total world exports. The export item can be considered as competitive in the world market if its world share is higher than the cut-off rate. For the purpose of measuring and identifying the competitive clothing products of Hong Kong and the Interior of China for exporting to the world, the following 2 equations are useful for determining the cut-off rate and the export shares.

For clothing cut-off rates:

$$\frac{\text{Total clothing exports value of Hong Kong/The Interior of China for that year}}{\text{Total clothing exports value of the world for that year}} \times 100\% \dots\dots\dots (1)$$

For measuring the export share of a particular clothing item:

$$\frac{\text{The exports value of a particular clothing item for that year}}{\text{The world's exports value of the particular clothing item for that year}} \times 100\% \dots\dots\dots (2)$$

Hong Kong and the Interior of China Shares

With a modest growth in 1999, world clothing trading value reached a record of US \$ 186 bn and generally accounted for about 3—3.4 percent of the world merchandise trade. The cut off rate delineates that the securing of a high market share for a merchandise product can be regarded as securing competitiveness for that exporting commodity. In order to qualify as a global player, the achieving of a world share of 5 percent is deemed conditional for entering the competitive game^[8].

Since the early 1990s, Hong Kong domestic clothing exports to the world exhibited a declining trend. Despite gaining marginal growth in terms of export values, the world share reduced sharply from 11.5 percent in 1980 to 5.1 percent in 1999. The situation was less worsened when clothing re-exports were included as the total export package. Whilst conforming with the certificate of origin requirements, certain making up processings of garment production can still be arranged under the Outward Processing Arrangements (OPA) outside Hong Kong and the Interior of China is a favorite location due to proximity and low production inputs including raw materials and labour. The Pearl River Delta and the neighbouring locations within the Guangdong Province are normally regarded as suitable production sites. According to statistical estimates in 1998, over 88 percent of Hong Kong's overall commodity re-exports were of mainland Chinese origin. The portion of clothing under OPA for re-exports was only second to watches and clocks and occupied slightly over 75 percent of all clothing re-exports from Hong Kong. The share for domestic clothing exports was even higher, statistical figures revealed that about 95 percent of Hong Kong's domestic clothing exports were of OPA production. This indicates the significance, basically economical, of the OPA for Hong Kong clothing industry and the popularity of the mainland as an attractive host for Hong Kong clothing entrepreneurs to set up production subsidiaries there. According to estimates in 1992, clothing and textiles took up 10.4 and 8.4 percent respectively of Hong Kong's total investments in the manufacturing sectors in the Interior of China. In fact, Hong Kong is the biggest investor to the Interior of China since the open door policy and together with Macau, have consistently accounted for around 70 percent of the overseas investment received by the Interior of China^[9]. With an attractive investment environment and market potential, for 5 consecutive years since 1993, the Interior of China has been the second largest receipt of foreign direct investment in the world.

For the Interior of China, the exports of clothing was insignificant in 1963. By 1973, the status advanced to the 15th position with an export value of US \$ 0.2 bn. While starting with a modest global clothing share of 4 percent in 1980, the Interior of China has advanced to become the leading global player in clothing exports since the early 1990s. By 1994, the Interior of China was the largest clothing exporter in the world. Counting the re-export

value from Hong Kong, the Interior of China has become the "king" of clothing exporters^[10]. In 1999, the Interior of China assumed 16.2 percent of the world's clothing export trade. The combined export performance of the Interior of China and Hong Kong together accounted for about 29 percent of the world's clothing exports in 1999 (as illustrated). Such an outstanding performance would probably draw attention to quantitative export quota surveillance by the importing countries and challenges from other competitive clothing producers such as Thailand, Indonesia, India, Portugal, Turkey and Mexico.

Estimate also revealed that the Interior of China has about 22 000 large and medium size clothing manufacturers and more than 5 000 township and village enterprises. The majority of these clothing manufacturers are located in provinces of Guangdong, Zhejiang, Jiangsu and Fujian which accounted for about 65 percent of the nation's total clothing output in 1995. These coastal provinces are the popular investing places for Hong Kong entrepreneurs and coincided with an estimation that a similar percentage of the Interior of China's clothing exports are under the influence of the Hong Kong investors^[11].

Referring to Table 1, a total of 15 clothing items in accordance with the SITC 5-digit product classification are taken for comparison from 1987—1992 as the Interior of China has shown strong growth in clothing exports at the start of MFA IV. The products ranged from blouses, formal dress suits, trousers and sweaters to clothing accessories. It shows that Hong Kong clothing are still competitive in certain items in spite of the overall declining world share. These include blouses and knitted pullovers. Some clothing items such as coats, both woven and knitted womens dresses, skirts, mens woven shirt are becoming more competitive with the Interior of China's production. The items that Hong Kong have lost its competitiveness in local production are being taken up by the Interior of China. These include suit making, trousers and jackets. One obvious explanation for the shift is the stable styling of these types of garment and the easy access in the Interior of China for the raw materials concerned. Another category most suitable for production in the Interior of China is the labour intensive products that demand manual dexterity for the decorative features in styling. Clothing categories which previously relied on Hong Kong's relationship for exporting to overseas markets have also reverted back to the Interior of China where the supply of raw materials and animal skins are plentiful. These include leather garment, fur skin and products of fur clothing.

Table 2 indicates the combined share of the top 15 clothing export items for Hong Kong and the Interior of China in 1993 which is the latest year for United Nations export statistics released in SITC 5-digit detailed classifications. It highlights the major competitive clothing items for supplying the world market for the two places. Obviously, the Interior of China is privileged for the provision of speciality fabrics, such as fur and leather. Labour cost input is also of advantage. Hong Kong would rely on the access to market styling trend as reflected in the production of knitted pullovers and ladies' blouses. The better established relationship and close contact with overseas buyers together with excellent

infrastructural set up have made Hong Kong a sourcing centre for fashionable garments.

Table 1 World market shares of selected clothing export items for Hong Kong & the Interior of China, (1987—1992) (%)

Items	1987		1988		1989		1990		1991		1992	
	Hong Kong	The Interior of China	Hong Kong	The Interior of China	Hong Kong	The Interior of China	Hong Kong	The Interior of China	Hong Kong	The Interior of China	Hong Kong	The Interior of China
Jackets & Blazers	12.6	7.5	17.8	7.1	18.0	7.2	22.5	7.1	19.0	11.0	16.3	20.1
Fur Skin	21.8	5.2	18.1	6.7	16.9	8.5	18.1	13.2	19.6	15.9	17.6	17.2
Fur Clothing	21.4	5.1	17.7	6.6	16.7	8.5	17.7	13.0	19.0	15.7	17.1	16.8
Blouses	26.8	4.4	26.9	5.7	23.9	6.3	23.1	8.0	24.9	10.3	24.1	13.6
Coats	11.1	4.2	13.0	4.7	12.1	5.6	15.3	5.7	16.2	9.2	18.9	16.4
Jerseys & Pullovers	18.1	2.7	19.1	3.6	22.4	4.1	21.7	4.1	24.3	5.3	23.3	9.9
Mens Woven Shirts	17.5	5.2	17.2	4.8	15.9	4.9	18.2	6.6	20.0	8.3	18.0	14.4
Leather Clothing	6.5	4.4	8.5	4.9	9.6	5.9	9.5	6.6	10.9	8.1	10.7	15.7
Knitted Undergarments	15.9	7.6	16.0	9.4	15.5	8.7	15.0	8.9	17.2	9.3	13.2	18.7
Trousers	17.0	6.0	17.5	6.4	15.8	5.6	14.4	4.8	14.7	6.6	12.7	12.7
Woven Skirt	12.4	4.3	13.2	4.9	10.8	4.6	10.7	4.9	13.8	6.4	12.0	8.6
Womens Knit Dresses	10.1	1.8	13.5	3.2	12.5	3.0	12.0	3.0	16.1	4.8	14.2	9.3
Woven Dresses	12.9	3.0	12.4	3.8	12.5	4.1	12.5	3.9	13.7	4.2	13.4	9.0
Clothing Accessories	5.4	11.2	5.4	14.5	5.2	13.4	4.6	13.2	4.6	14.9	5.2	8.9
Suits	3.7	7.8	2.5	8.1	2.0	6.9	2.2	6.9	3.3	12.0	3.6	8.5

Source: Compiled from data of United Nations Statistics.

Table 2 Combined global market share for selective clothing export items of Hong Kong and The Interior of China, 1993

Clothing Categories	Hong Kong	The Interior of China	Total	Hong Kong/The Interior of China Advantage
Jackets & Blazers	18.8	27.4	46.2	The Interior of China has textile raw materials and low labour cost advantages.
Fur Skin	21.5	24.3	45.8	More and easy supplies of fur fleece from the Interior of China.
Fur Clothing	21.0	24.0	45.0	
Blouses	26.3	16.0	42.3	Hong Kong is more trendy in garment styling and familiar with fabric sources globally.
Coats	15.9	20.8	36.7	The Interior of China has appropriate raw material input and relatively low labour cost.
Jerseys & Pullovers	24.6	11.4	36.0	Hong Kong is outstanding in the manufacture of licensed knitted garments and better with knitting machine capability.
Mens Woven Shirts	17.6	16.6	34.2	Mass market products in which Hong Kong is famous for workmanship and quality. Hong Kong has export quota advantage for the item.
Leather Clothing	11.7	19.7	31.4	The Interior of China obviously has more supply in leather as garment material.
Knitted Undergarments	14.0	14.8	28.8	Keen competition from low cost producing countries. Hong Kong has quota and styling advantages whereas the Interior of China is cheaper in the labour intensive production.
Trousers	13.2	12.8	26.0	
Woven Skirts	15.0	11.0	26.0	Hong Kong can source from a wide sourcing scope for fabric type.
Womens Knit Dresses	12.5	13.3	25.8	Fabrics are normally produced locally and the Interior of China is cheaper in fabric production and making up in terms of manufacturing costs.
Woven Dresses	15.1	10.0	25.1	Fabric varieties sourced by Hong Kong firms consisted of a wider collection.
Clothing Accessories	6.2	9.8	16.0	More accessories manufacturers are located in the Interior of China.
Suits	4.2	10.2	14.4	Low labour cost in the Interior of China is advantageous with traditional and labour intensive making up procedure.

Source: Compiled from data of United Nations Statistics.

Gradual Shift of Clothing Production to the Mainland

On a broad product grouping by SITC 3-digit due to revision of the classification system of knitted and woven exported clothing items for Hong Kong and the Interior of China from 1987 and up to 1998 (Table 3), it shows that in 1994 Hong Kong knitwear exports peaked and took up about 32.9 percent of the global knitwear exports while the Interior of China assumed a share of 24.1 percent.

The cut-off points for Hong Kong domestic knitted clothing exports have consistently taken up a higher position than the woven counterparts in terms of world shares^[12]. Spanning from 1987 to 1990, Hong Kong's domestic knitted outerwear exports assumed the highest portion (20 percent) of the territory's clothing exports.

This reflects that, in general, Hong Kong's knitted clothing items is more competitive than the woven ones in the world market. On the other hand, the Interior of China occupied a higher cumulative share of woven clothing exports to the world compared with Hong Kong. When reckoned on the territorial performance for Hong Kong's case, albeit inferior to the wovens in terms of export values, the knitted proportion is outstanding as far as the general pattern for woven to knit garment adoption ratio is concerned. In the Interior of China, the exports of knitted garments were less than half of the wovens measured by value basis. As time moved to 1998, the export scenario was that Hong Kong declined in both the shares for knit and woven while it was witnessed that the Interior of China demonstrated significant improvement in the global knitted share; the performance with knitted underwear was most outstanding.

Table 3 Global share of knitted and woven clothing exports for Hong Kong & the Interior of China, (1987—1998) (%)

SITC Category	842 Mens Outerwear Not Knit(W)			843 Womens Outerwear Not-knit(W)			844 Under Garments Not Knit(W)			845 Outerwear Knit Non-elastic(K)			846 Under Garments Knitted(K)		
	Hong Kong	The Interior of China	Total	Hong Kong	The Interior of China	Total	Hong Kong	The Interior of China	Total	Hong Kong	The Interior of China	Total	Hong Kong	The Interior of China	Total
1987	11.6	5.8	17.4	15.2	4.9	20.1	17.6	8.0	25.6	15.0	9.3	24.3	12.7	5.3	18.0
1990	13.0	6.5	19.5	15.6	7.3	22.9	19.4	10.1	29.5	12.5	12.5	25.0	13.3	6.6	19.9
1991	13.8	8.1	21.9	15.8	9.1	24.9	20.2	11.7	31.9	16.3	13.5	29.8	14.2	6.8	21.0
1992	12.3	14.9	27.2	15.1	13.4	28.5	17.1	16.8	33.9	18.2	8.8	27.0	13.2	9.6	22.8
1993	12.6	15.8	28.4	17.1	15.2	32.3	16.8	17.8	34.6	19.2	10.2	29.4	13.2	9.8	23.0
1994	11.4	20.3	31.7	15.4	17.7	33.1	14.7	19.3	34.0	19.6	12.5	32.1	13.3	11.6	24.9
1995	10.5	18.0	28.5	14.0	15.6	29.6	12.7	16.0	28.7	17.5	11.7	29.2	12.3	12.0	24.3
1996	10.2	17.7	27.9	14.1	14.9	29.0	12.3	15.9	28.2	17.2	11.9	29.1	11.5	12.5	24.0
1997	9.9	19.0	28.9	13.7	15.7	29.4	11.5	17.1	28.6	16.0	14.7	30.7	10.3	17.2	27.5
1998	9.0	17.3	26.3	12.7	14.5	27.2	10.4	16.2	26.6	16.9	16.7	33.6	10.3	14.9	25.2

Note: K-Knit Garments; W-Woven Garments.

Source: Compiled from data of United Nations Statistics.

With the change from 6-digit to 5-digit for SITC product classification in Hong Kong since 1992, the analysis of the first 20 domestic clothing export items from 1992—1999 showed that there were more wovens than knits (Table 4). In fact, a ratio of 1.04:1 based on export values for wovens and knits was recorded in 1999^[13]. For example, in 1999, the top 20 categories of clothing

export items include 11 wovens and 9 knits. Detailed descriptions of the 20 clothing items are shown in the Appendix. However, the single knitted clothing category inclusive of jerseys, pullovers and cardigans has already taken up 21 percent of the domestic clothing export value.

Table 4 Position of the first 20 categories of Hong Kong domestic clothing exports, 1992—1999. (SITC-84 Division)

SITC code	Year							
	1992	1993	1994	1995	1996	1997	1998	1999
84530 (K)	1	1	1	1	1	1	1	1
84260 (W)	3	3	3	2	2	2	2	2
84470 (K)	6	6	6	6	6	4	3	3

(Table 4 Continued)

SITC code	Year							
	1992	1993	1994	1995	1996	1997	1998	1999
84140 (W)	4	4	4	4	3	3	4	4
84270 (W)	2	2	2	3	5	6	5	5
84151 (W)	5	5	5	5	4	5	6	6
84699 (K)	~	~	~	10	15	9	7	7
84540 (K)	9	9	9	9	7	10	10	8
84371 (K)	8	8	7	7	10	7	9	9
84159 (W)	12	15	14	15	18	19	13	10
84230 (W)	7	7	8	8	8	8	8	11
84240 (W)	16	17	16	11	11	13	12	12
84130 (W)	11	10	10	13	12	11	11	13
84589 (W)	20	16	12	10	9	12	15	14
84512 (K)	17	20	19	18	17	16	16	15
84250 (W)	13	12	17	12	13	17	14	16
84482 (K)	18	18	20	~	20	18	18	17
84119 (W)	19	19	15	14	14	15	17	18
84483 (K)	~	~	~	~	~	~	20	19
84424 (K)	~	~	~	~	~	~	~	20

Note: K: Knit Garments; W: Woven Garments; ~ : below 20th position.

Source: Compiled from data of Census & Statistics Department , Hong Kong.

For the clothing exports of the Interior of China, in 1993 the volume of Chinese woven garment exports expanded 16.7 percent to over 3 bn pieces, rising 9.3 percent in value to almost US \$ 11 bn. Meanwhile, the export volume of knitted garments rose 9.4 percent to almost 3.7 bn pieces, increasing by 9.1 percent in value to over US \$ 4.7 bn. Although the export volume of knitted goods is greater than that of woven garments, their export value is considerably lower as knitted clothing includes a number of low priced items such as T-shirts^[14].

The recent clothing exports of the Interior of China in the year 1999 further affirmed the fact that of the 3.2 bn pieces of woven garment exported at a total value of US \$ 12.3 bn. Whereas the knitwear sector exported 5.2 bn pieces and attained a value of US \$ 8.6 bn. In simple aggregate terms, the unit export price of woven garment is 2.3 times that of the knitted counterpart. Compared with Hong Kong's domestic clothing exports in 1999, the average export price per garment was US \$ 7.1 and US \$ 4.8 for woven and knitted garments respectively.

The Interior of China's exports of clothing are rising steadily. The country's abundant labour force, low wage costs and an acceptable level of garment processing technology have made the Interior of China the world's leading clothing exporter.

Further Discussions

The emphasis on the importance of technology in determining world market share of national industries was much stressed by developed countries. For example, Scott & Lodge^[15] asserted the losing competitiveness of the U.S. industries to Japan and the Newly Industrializing Countries was partly due to the lacking of an industrial policy for technological advancement. Rugman^[16] argued that such industrial strategies are normally embedded with protectionist sentiments which stand against market forces, the benefits of comparative advantage and the natural environment of global competition.

Simply to concentrate in technology development is no longer the sure way to achieve international competitiveness in this age of information revolution whereby quick response and customer orientation is becoming increasingly important. The reliance on comparative advantage can be a more realistic way to succeed. In many cases, countries, especially the less developed, should build upon their country-specific advantages. A typical example is the production and export of clothing in the Interior of China and Hong Kong. The outstanding performance is a combination of comparative advantage (labour cost and raw material input), trade policy (export quota system) and investment by Hong Kong clothing firms in the Interior of China. Amid the speculative

echoes of economists and traders that the Interior of China should devalue the Renminbi in order to sustain competitiveness in the prevailing Asian currency and economic crisis, one should not overlook the averse impact of import inflation that may lead to the deterioration of living standards for the people. In particular is the expected increase in unemployment rate in the Interior of China with the structural change of state-owned enterprises.

Lacking the leverage of a relative low currency, competition has to count on marketing strategy. It is mandatory for the marketer to realize the impact of marketing on sustaining competitiveness. In a simple sense, marketing is different from selling and the producer (exporter) should set the goal for marketing as to own the market and not just to sell the product^[17, 18]. Low cost products such as staple clothing normally competes on market share and in order to achieve a satisfactory level, marketing effort is important.

Conclusion

Hong Kong and the Interior of China together has taken up about 29 percent of the global clothing exports, but showing signs of decline facing keen competition mainly from Mexico to US and Turkey to the EU market. An interesting question is whether the two places can sustain their leading position in the rag trade. Knitted clothing, generally regarded as undergarment uses in the 1950s, have evolved to become fashionable products nowadays and penetrated into the fashion market. Hong Kong, as an international city, is widely exposed to the global consumer market and fully aware of the fashion trends and customer taste. Vested with such privilege, it helps to explain why Hong Kong fares better in the knitted outerwear market. The Interior of China, on the other hand, is equipped with the economic advantages of labour cost and materials input. The two places can collaborate to exploit the benefits for further enhancement of clothing exports. The market share for the measurement of competitiveness suffers from the deficiency that the simplistic representation is one dimensional and may disguise information underlying productivity and the structure of the industry. Nevertheless, it should be realized that the share is basically built up from low cost products, fierce competition from other global players will lead to the research in productivity, product quality and development, technology improvement and the most important aspect is the adoption and practice of branding market strategies in order to sustain the market share.

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Appendix

- 84119(W) Men's or Boys' Anoraks, Ski-jackets, Wind-cheaters, & the like, not knitted or crocheted
- 84130(W) Men's or Boys' Jackets & Blazers, not knitted or crocheted
- 84140(W) Men's or Boys' Trousers, Bib & Brace overalls & shorts, not knitted or crocheted
- 84151(W) Men's or Boys' Shirts, of cotton, not knitted or crocheted
- 84159(W) Men's or Boys' Shirts of textile material other than cotton, not knitted or crocheted
- 84230(W) Women's or Girls' Jackets & Blazers, not knitted or crocheted
- 84240(W) Women's or Girls' Dresses, not knitted or crocheted
- 84250(W) Women's & Girls' Skirts & Divided Skirts, not knitted or crocheted
- 84260(W) Women's or Girls' Trousers, Shorts, Breeches & Bib & Brace Overalls, not knitted or crocheted
- 84270(W) Women's or Girl's Blouses, Shirts & Shirt-blouses, not knitted or crocheted
- 84371(K) Men's or Boys' Shirts, of cotton, knitted or crocheted
- 84424(K) Women's or Girls' Dresses, knitted or crocheted
- 84470(K) Women's or Girls' Blouses, Shirts & Shirt-blouses, knitted or crocheted
- 84482(K) Women's or Girls' Briefs & Panties, knitted or crocheted
- 84483(K) Women's or Girls' Nightdresses & pyjamas, knitted or crocheted
- 84512(K) Babies' Garments & Clothing Accessories, knitted or crocheted
- 84530(K) Jersey, Pullovers, Cardigans, Waistcoats & Similar Articles, knitted or crocheted
- 84540(K) T-shirt, Singlets & other Vests, knitted or crocheted
- 84589(W) Women's or Girls' Articles of Apparel, not knitted or crocheted, NES (Not Else Specified)
- 84699(K) Clothing Accessories and Parts, knitted or crocheted, not for Babies, NES