



# Manpower Update Report

## Fashion and Textile Industry

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# 2019

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Fashion and Textile Industry

# ACKNOWLEDGEMENT

The Fashion and Textile Training Board would like to express gratitude to industry experts who participated in focus group as members. They have graciously contributed their precious time and offered valuable insights on the manpower situation and various manpower issues of the fashion and textile industry. Their opinions have formed an integral part of this update report.

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# Introduction

## Background

The Fashion and Textile Training Board (FTTB) of the Vocational Training Council (VTC) is appointed by the Government of Hong Kong Special Administrative Region to be responsible for, among other duties, determining the manpower situation and training needs of the industry. One full manpower survey plus two manpower updates through focus group and desk research would be conducted on a 4-year cycle basis by the FTTB.

The FTTB will conduct a full manpower survey in 2019. Two focus group meetings were held on 28 November 2017 and 26 November 2018 respectively. The first manpower update report was released on the website of the FTTB in May 2018. For the latest manpower update, desk research had also been done to capture recruitment information of the industry for the period from the 3<sup>rd</sup> quarter of 2017 to the 2<sup>nd</sup> quarter of 2018.

This is the second manpower update report of the fashion and textile industry

which mainly covers the findings obtained from the focus group meeting, supplemented by the information acquired from the desk research for reference purpose.

## Objectives

The objectives of the manpower update are to:

- (i) examine the latest trends and development of the industry;
- (ii) explore the job market and training needs;
- (iii) recognise the recruitment difficulties; and
- (iv) propose the measures to meet the training needs and ease the problem of manpower shortage.

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# Methodology

## Overview

With reference to the previous full manpower survey and manpower update, this update report further constructs the qualitative descriptions of the recent developments of the industry through focus group with a quantitative supplement by desk research.

The focus group was intended to collect experts' views on the manpower market in the fashion and textile industry with a view to reflect the latest trend of the industry's manpower and training needs. To achieve efficiency in collecting views, the size of the focus group was limited to eight persons.

The information of desk research, consisting of numbers of recruitments, monthly salary offered by employers, and major skills / competencies required, was obtained from major recruitment channels commonly used by the general public on a quarterly basis. The information collected was consolidated annually.

## Selection of Focus Group Participants

The target participants of the focus group represented the following sectors of the fashion and textile industry:

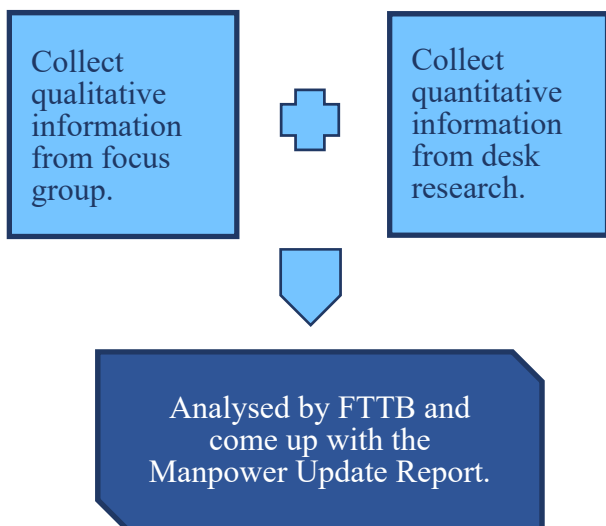
- (i) Manufacturing sector
  - (a) spinning
  - (b) weaving
  - (c) knitting
  - (d) finishing
  - (e) garment
  - (f) knitwear
- (ii) Trading and servicing sector
  - (a) import/export of fabrics
  - (b) import/export of wearing apparel
  - (c) import/export of cotton, textile fibre and yarn

## Data Analysis

The focus group meeting was designed to cover a range of issues such as the latest manpower situation and training needs of principal jobs in the industry, and recruitment difficulties encountered. The meeting was recorded and transcribed to facilitate for analysis.

For desk research, recruitment records were collected and mapped with the list of related companies under the Hong Kong Standard Industrial Classification for removal of any duplicated records. An overview of manpower demand, general and vocational job requirements, and monthly salary offered could therefore be acquired. The information collected was used for a relevant comparison with those of previous manpower survey and manpower update.

After the above qualitative and quantitative analysis, the findings and recommendations were discussed and endorsed by the FTTB.



manpower development of the industry. The employment trends and behavior; recruitment difficulties; insights and observations from the stakeholders' experience were captured through the focus group and desk research. While the update report has adopted the qualitative approach of focus group discussion which covered a limited selection of stakeholders, it could not be generalised to a larger population. Desk research, on the other hand, gathered information of job vacancies from advertising in major recruitment websites and the Labour Department, might not be exhaustive for a complete quantitative analysis. The data collected were also snapshots of particular point in time during the report period. They were only used as reference supplementary to the observations of the focus group.

## Limitations

Unlike the extensive quantitative manpower survey, the update report aims to discover the emerging themes in the

# Key Findings

## Factors Affecting the Development of the Industry

### Global Market

#### Emerging of Sino-US trade turbulence

Fashion and textile industry is expected to encounter adverse circumstances in the days to come in light of the emerging protectionism and localism in the globe. As trade disputes between China and the United States are not likely to be resolved within a short period of time, the fashion

and textile industry would be facing this gloomy atmosphere since it has already been a global industry nowadays. From sourcing, production, import and export to retailing, all areas will be affected because of wakening of consumer confidence. This economic uncertainty would lead to a conservative business approach and postpone further investments in business upgrade by enterprises of Hong Kong. As a way out, more well-established Hong Kong companies are keener on relocation

of manufacturing plants or part of their production functions to countries in Southeast Asia and even Africa, such as Bangladesh, Cambodia and Ethiopia.

### Riding on sales-driven manufacturing model

The trend of sales-driven production model and delayed ordering are going to be more common in this industry. Both Hong Kong manufacturers and overseas buyers found it very hard to keep up with the rapid pace of the latest market changes to adjust their business operations. Although Hong Kong businessmen are standing out of their strengths in areas of trade flexibility and smart running, a number of negative factors consisting of short production lead time, smaller quantity in the first order together with various fashion styles per order, and frequent re-ordering have put a great pressure to them. This tendency was also mentioned in the 2018 Update Report in which implies that trade people are required to have more holistic solution on materials sourcing, supply chain management and international marketing.

### Growth of online sales

The growth of e-tailing is on the fast track in the fashion and textile industry. Companies are more willing to invest in development of online sales platform. This trend of selling goods on the internet was mentioned in the previous manpower survey report and supported by the desk research that more job vacancy advertisements of marketing and sales officers are demanding the applicants with online marketing and e-tailing knowledge

and skills. To cater for the growth of electronic retailing, manpower equipped with webpage design skills including interactive and simulation features are in increasing demand.

### Sustainable fashions as foci

In another side of fast fashion, simple design and sustainable fashion are still popular in mature markets such as in America and European countries. Influenced by less spending on non-essential garments, casual wears which can carry in all seasons remain the best-selling item. This characteristic had been growing up since the last few years and it will continue to be the foci of fashion designers in the industry.

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## Mainland Market

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### Geographical diversity of Mainland fashion markets

The Mainland China is a giant market of fashion and textile industry. To be more specific, her sub-markets are also big enough if Hong Kong enterprises can ride on the economic growth of particular provinces / regions. Guangdong Province is one of the main sub-markets in manufacturing and consumption of garments. As a regional hub for international business, Hong Kong manufacturers should consider developing their Origin Design Manufacture (ODM) and Origin Brand Manufacture (OBM) business in winning the highly competitive fashion market. With closer collaboration in Greater Bay Areas, Hong Kong people can also work and learn the domestic fashion market from successful

Mainland enterprises. This phenomenon is also reflected by the desk research that about 20% of merchandising job vacancy advertisements are asking the applicants to work in Mainland China when needed and have the ability to communicate well in Putonghua.

### Fierce competition of domestic sales

In view of expansion of middle class in Mainland, the Hong Kong companies should be aware of establishing a strategic positioning in this market. With reference to certain business cases, some enterprises are too aggressive to target at the high-end fashion and in the first-line Mainland cities with unclear positioning and inadequate sales channels. The Hong Kong companies are proposed having the vision to develop their own Hong Kong brands with a high-quality image. Trade people are required to prepare themselves with high value-added skillsets such as quality sense and creativity.

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## Public Policy

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### Separate customs territory of Hong Kong

Hong Kong is a separate customs territory and is using the name of "Hong Kong, China" to participate in international trade organisations and sign relevant trade agreements. These preferential trade arrangements of export quotas and tariff preferences are obtained and enjoyed exclusively by the Hong Kong Special Administrative Region. Awakening by the Sino-US trade turbulence, Hong Kong

manufacturers and enterprises are more eager to review and apply relevant licenses such as Outward Processing Arrangement and Textiles Trader Registration.

### Reindustrialisation in Hong Kong

To develop high value-added and less land-intensive manufacturing industries, Hong Kong companies are encouraged to invest in upgrading the production lines and process with the concept of "Industry 4.0". By gaining real-time data from the machinery and processes, and making them usable in production and quality management, the overall productivity would be enhanced. As supported by the desk research, more job vacancies of technologist/ managerial and technician/ supervisory levels in product design and development as well as innovation and technology areas were identified. In August 2018, the Innovation and Technology Commission launched the Technology Talent Scheme to nurture more technology talent for various industries. As one of the initiatives, the Reindustrialisation and Technology Training Programme was operated under the Scheme. Local companies can be funded in training their staff in advanced technologies.

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## Technology

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### Virtual sampling



Although most practitioners of fashion and textile industry prefer the touching and feeling of garments, both the manufacturers and buyers have the intention to save the product development cost by developing virtual sampling. Aimed at shortening production lead time, manufacturers are more willing to explore and develop virtual sampling in replace of prevailing sample making of garments. This means that staff of fashion design and product development are required to have better knowledge of using design programmes and upgrade their computing software application skills to cater for this change.

### 3D scanning and printing

Everyone looks for the best fitted and tailored fashion to make himself / herself different from others. With advancement of technology, 3D scanning and printing machines have been used in the fashion market. Such technologies bring fashion goes for personalisation. It would further facilitate the textile and garment sample making when the technology becomes more mature. It is appeared at the desk research that more fashion design and merchandising job vacancies required applicants with knowledge and skills in 3D fashion design software (CLO3D/ Rhino), and fabric and functional materials.

### Wearable technology

The fashion and textile industry embraces the trend of big data and smart living, more resources are allocated to study and develop the wearable technology garments. Ease of maintenance and management of smart clothes with integrated electronics are essential to their commercial feasibility and user acceptability. These observations echo the views of 2015 manpower survey that Hong Kong should focus on higher value-added items and orders.

## Future Manpower Demand

Members of the focus group anticipated that there would be a stable manpower demand in 2019. The vacancies related to fashion design and product development, and merchandising and sales positions in Hong Kong are constantly needed by the market. Other experts in industrial engineering and information technology, designers with innovating and creative spirit, and all-rounded management professionals will be the hottest groups on recruitment advertisements. The desk research shows that more than 50% of the job vacancy advertisements include the keywords such as creative design, innovation, 3D and automation.

Similar to those mentioned in the 2018 Update Report, the demand for manufacturing and back-up staff are expected to decrease in view of automation in production process and ease of communication with the technological advancement.

## Recruitment Difficulties

Focus group members opined that they had been facing with the following problems in the recruitment process:

- (i) most school leavers may not have the interest in joining this trade due to its image of a sun setting industry;
- (ii) scarce supply of sales and marketing manpower equipped with fashion and textile technical background; and
- (iii) limited applications and low retention rate in junior merchandising posts in

view of heavy work pressure and long working hours.

On the other hand, the desk research shows some 2,500 vacancy advertisements of the fashion and textiles industry placed during the period from the 3<sup>rd</sup> quarter of 2017 to the 2<sup>nd</sup> quarter of 2018. With reference to the finding of the 2015 manpower survey of the industry, the number of vacancy advertisements indicates a turnover rate of about 4% which generally reflected the actual situation of the industry. Details of the number of vacancy advertisements of popular recruitment media by job levels, branches, qualification requirements, and monthly salary ranges are at Appendices (a), (b), (c), and (d).

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# RECOMMENDATIONS

## Training Needs

It is considered crucial for the manpower to possess the following knowledge and skills to meet the future development of the industry by the employers:

- (i) better knowledge of the culture and markets including customers behavior, fashion trend and brand

segmentation of Mainland China for domestic sales as the future development of the industry would be over there;

- (ii) data crawling and analysis skills of big data of fashion and textile manufacturing and markets to improve the production efficiency and effectiveness as well as new product developments; and
- (iii) cross-disciplinary of fashion, finance and information technology such as fashion designers with costing concept; talents for design software in the area of programme development for sample making and automated garment production planning; and sales and marketing officers in online business such as developing stimulation features and 3D scanning functions.

Manpower training at higher levels particularly in fashion design, product development, branding and buying with solid materials and technical knowledge is regarded value-added to Hong Kong staff from the perspective of training providers. The training in understanding of Mainland China especially Greater Bay Area should be another focus for equipping Hong Kong people to have further career progression in the near future. It is also found from the desk research that soft skills including proficiency in English and Putonghua, communication skill and team work are essential requisites at workplace.

## Measures to Ease the Problem of Manpower Shortage

The following suggestions were made to ease the problem:

- (i) to improve a favourable image of the fashion and textile industry which is recognised as one of major sourcing hubs in the region;
- (ii) to promote work-ready in Greater Bay Area by inviting successful Hong Kong establishments in the Area to have recruitment talks and giving out incentive to trainees for industry attachment in Mainland;
- (iii) to facilitate closer collaboration between industry practitioners and teaching staff by:
  - (a) offering training in specific topics to teachers and students by industry experts to update them the state-of-the-art industry knowledge;
  - (b) setting up an archive of fashion and textile industry for knowledge and skills succession; and
  - (c) providing cross-disciplinary programmes such as combining curriculum of fashion design and information technology to nurture talents needed by the industry.

**Number of Vacancy Advertisements of Popular Recruitment Media (3<sup>rd</sup> quarter 2017 to 2<sup>nd</sup> quarter 2018) by Job Levels**

Sector	Industry	Branch	Technologist/ Managerial	Technician/ Supervisory	Craftsman	Operative	Unskilled	Total
Manufacturing	Textile	Spinning	-	-	-	-	-	-
		Weaving	2	15	-	9	8	34
		Knitting	-	-	-	-	-	-
		Finishing	-	1	-	-	-	1
		Non-woven	-	-	-	-	-	-
	Clothing	Garment	6	11	-	4	2	23
		Knitwear	3	3	-	2	2	10
	Fur, Footwear and Handbag	Fur, Footwear and Handbag	33	26	-	-	-	59
	Trading and Servicing	I/E of Footwear		23	64	-	16	4
I/E of Fabrics		35	119	-	15	2	171	
I/E of Wearing Apparel		434	1,202	12	121	15	1,784	
I/E of Cotton, Textile Fibre and Yarn		4	24	-	4	-	32	
I/E of Luggage Cases, Handbags and Similar Articles of Leather or Leather Substitutes		66	150	1	8	-	225	
Testing Services and Laboratories		26	41	23	-	-	90	
Total			632	1,656	36	179	33	2,536

**Number of Vacancy Advertisements of Popular Recruitment Media (3<sup>rd</sup> quarter 2017 to 2<sup>nd</sup> quarter 2018) by Branches**

Job Level	Principal Job	Branch														Total
		Spinning	Weaving	Knitting	Finishing	Non-woven	Garment	Knitwear	Fur, Footwear and Handbag	I/E of Footwear	I/E of Fabrics	I/E of Wearing Apparel	I/E of Cotton, Fibre and Yarn	I/E of Leather Goods	Testing Services	
Technologist	Mill Manager											1				1
	Production Manager/Production Engineer						1					31		1		33
	Maintenance Manager/Maintenance Engineer										1					1
	Technical Manager/Quality Control Engineer						2	2			5	8		5		22
	Merchandising Manager						1		14	5	7	99		26		152
	Marketing/Sales Manager									1	4	4	43	1	8	61
	Product Development Manager		1							12	8	9	55	1	10	96
	Compliance Manager		1									1	12			14
	Quality Assurance Manager									2		1	13			16
	Production Manager												2			2
	Quality Manager												1		1	2
	Fashion Designer							2	1	3		6	143	2	7	164
	Shoe Designer											5	5			10
	Handbag Designer										1	1			8	16
	Quality Manager/Technical Manager												1			1
	Laboratory Director/Assistant General Manager													3		3
Textile Manager/Laboratory Manager														26	26	
Mill Manager/Production Manager											2	7			9	
Technician	Production Supervisor		3				1				1	2			7	
	Quality Control Supervisor/Laboratory Supervisor											3			3	
	Merchandiser		3		1		9	3	21	46	60	931	4	97	1,175	
	Compliance Supervisor										1	7		1	9	
	Marketing/Sales Officer		3								12	49	134	19	39	256
	Quality Assurance Supervisor										1		18			19
	Production Co-ordinator/Production Planner		4										4	1		9
	Pattern Maker						1						13			14
	Pattern Grading/Marker Making Supervisor												1			1
	Quality Control Technician		1										6		6	13
	Fashion/Sample Co-ordinator									5	4	8	27		1	45
	Knitting Technician												1			1
	CAD Technician												10		2	12
Cost Estimator												2		3	5	

**Number of Vacancy Advertisements of Popular Recruitment Media (3<sup>rd</sup> quarter 2017 to 2<sup>nd</sup> quarter 2018) by Branches**

Job Level	Principal Job	Branch														Total
		Spinning	Weaving	Knitting	Finishing	Non-woven	Garment	Knitwear	Fur, Footwear and Handbag	I/E of Footwear	I/E of Fabrics	I/E of Wearing Apparel	I/E of Cotton, Fibre and Yarn	I/E of Leather Goods	Testing Services	
Technician	Supervisor/Assistant Supervisor														1	1
	Senior Engineer/Senior Textile Engineer														2	2
	Engineer/Assistant Engineer/Textile Engineer/Assistant Textile Engineer											1			5	6
	Senior Technician/Laboratory Technician											33			26	59
	Technician/Junior Laboratory Technician											5			7	12
	Service Maintenance Technician		1													1
	Quality Technician/Technical Technician											5				5
	Quality Inspector										1					1
Craftsman	Colour Matcher											6		1		7
	Pattern Grader/Marker Maker											2				2
	Computer Pattern Grader/Marker Maker											4				4
	Sample Maker											2				2
	Quality Control Inspector											2				2
	Fur Tailor/Finisher											3				3
	Laboratory Assistant														23	23
Operative	Weaver		1													1
	Other Operative		3							1		1		1		6
	Cutter/Cutting Room Operative		2									1				3
	Sewing Machine Operator						2	1		1		12				16
	Knitting Machine Operator		1					1								2
	Skiving/Folding Worker		2													2
	Sales Assistant						2			14	15	102	4	8		145
Unskilled	General Worker		8				2	2		4	2	15				33
	<b>Total</b>	-	34	-	1	-	23	10	59	107	171	1,784	32	225	90	2,536

**Number of Vacancy Advertisements of Popular Recruitment Media (3<sup>rd</sup> quarter 2017 to 2<sup>nd</sup> quarter 2018) by Qualification Requirements**

Sector	Industry	Job Level	Post Graduate	University Degree	Sub-Degree / Higher Diploma	Diploma / Certificate	Upper Secondary (F.4 or above)	Lower Secondary (F.1 to F.3)	Primary	Unspecified	Total	
Manufacturing	Textile	Technologist	-	-	-	-	-	-	-	2	2	
		Technician	-	1	-	-	11	2	3	6	23	
		Craftsman	-	-	-	-	-	-	-	-	-	
		Operative	-	-	-	-	-	4	3	3	10	
		Unskilled	-	-	-	-	-	-	-	-	-	
	Clothing	Technologist	-	2	3	-	-	-	1	-	4	10
		Technician	-	-	2	1	7	-	1	4	15	
		Craftsman	-	-	-	-	-	-	-	-	-	
		Operative	-	-	-	-	2	1	-	5	8	
		Unskilled	-	-	-	-	-	-	-	-	-	
	Fur, Footwear and Handbag	Technologist	1	17	1	-	-	-	-	-	14	33
		Technician	-	2	8	-	1	-	-	-	15	26
		Craftsman	-	-	-	-	-	-	-	-	-	
		Operative	-	-	-	-	-	-	-	-	-	
		Unskilled	-	-	-	-	-	-	-	-	-	
Trading and Servicing	Technologist	7	239	160	20	38	3	1	121	589		
	Technician	14	378	310	53	533	7	5	318	1,618		
	Craftsman	-	2	6	1	14	9	3	1	36		
	Operative	-	11	13	4	88	6	5	39	166		
	Unskilled	-	-	-	-	-	-	-	-	-		
Total			22	652	503	79	694	33	21	532	2,536	

**Number of Vacancy Advertisements of Popular Recruitment Media (3<sup>rd</sup> quarter 2017 to 2<sup>nd</sup> quarter 2018) by Monthly Salary Ranges**

Sector	Industry	Job Level	\$10000 or less	\$10001 - \$15000	\$15001 - \$20000	\$20001 - \$30000	\$30001 - \$40000	\$40001 - \$60000	\$60001 or above	Unspecified	Total	
Manufacturing	Textile	Technologist	-	-	-	1	-	1	-	-	2	
		Technician	3	10	5	1	1	-	-	3	23	
		Craftsman	-	-	-	-	-	-	-	-	-	
		Operative	4	1	2	-	-	-	-	3	10	
		Unskilled	-	-	-	-	-	-	-	-	-	
	Clothing	Technologist	-	-	1	3	2	2	-	-	2	10
		Technician	1	5	3	4	1	-	-	-	1	15
		Craftsman	-	-	-	-	-	-	-	-	-	-
		Operative	-	3	1	-	-	-	-	-	4	8
		Unskilled	-	-	-	-	-	-	-	-	-	-
	Fur, Footwear and Handbag	Technologist	-	1	2	12	12	6	-	-	-	33
		Technician	-	6	7	8	5	-	-	-	-	26
		Craftsman	-	-	-	-	-	-	-	-	-	-
		Operative	-	-	-	-	-	-	-	-	-	-
		Unskilled	-	-	-	-	-	-	-	-	-	-
Trading and Servicing	Technologist	2	65	82	111	85	83	31	130	589		
	Technician	26	427	357	290	186	36	8	288	1,618		
	Craftsman	7	9	5	4	2	-	-	9	36		
	Operative	8	76	27	17	8	2	-	28	166		
	Unskilled	-	-	-	-	-	-	-	-	-	-	
Total			51	603	492	451	302	130	39	468	2,536	