



Manpower Update Report

Fashion and Textile Industry

2018

Fashion and Textile Industry

ACKNOWLEDGEMENT

Special tribute is given to industry experts as members of the focus group of the Fashion and Textile Industry. They have graciously contributed their time and offered valuable views on the manpower situation in the discussion meeting of the focus group, the opinions of which 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. Following a rationalisation exercise in 2017, a new approach for conducting manpower survey is adopted to enhance the effectiveness and better reflect the dynamics of the manpower situation. The new approach is to conduct full manpower survey for each industry once every four years,

supplemented by periodic information updates through focus group and desk research.

The FTTB completed a full manpower survey in 2015. Two manpower update reports will be prepared during the period between 2017 and 2018. The FTTB conducted a focus group of the fashion and textile industry on 28 November 2017 to collect views about the latest manpower situation and training needs from industry practitioners. Desk research had also been done to capture recruitment

information including job vacancies of principal jobs, qualification requirements and salary offered in the industry for the period from the 4th quarter of 2016 to the 3rd quarter of 2017.

This is the first 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 FTTB is required by its terms of reference to determine the manpower demand of the industry, including the collection and analysis of relevant manpower statistics and information on socio-economic, technological and labour market developments, as well as to assess and review whether the manpower supply for the industry matches with the manpower demand. This report presents the findings and analysis on the latest trend of manpower of the industry collected by the focus group and desk research.

Methodology

Overview

With reference to the full manpower survey in 2015, 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, i.e. vacancy advertisements collected between 4th quarter of 2016 and 3rd quarter of 2017.

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. Focus group members were selected from different sectors of the industry who should be familiar with the manpower situation of their respective sectors and have a good knowledge of the industry. To achieve efficiency in collecting views, the size of the focus group was limited to six 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, as well as sources from specific industries as far as possible. An integrated database was developed from various sources of data, such as the Hong Kong Government, professional bodies, and large and popular advertising agencies. 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, over 3,000 recruitment records were collected during the research period. Mapping was made 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 that of manpower survey in 2015.

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

Limitations

Different from the extensive quantitative manpower survey done in 2015, the update report aims to discover the emerging themes in the 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.

Key Findings

Factors Affecting the Development of the Industry

Global Market

Adoption of sales-driven production mode

In light of the globalisation of markets, there are increasing trend of ordering smaller quantity per order and a more frequent re-ordering in case of shortage of supply. This tendency brings great pressure to the production period of the manufacturing plants. These characteristics, as already observed in the 2015 full manpower survey, could imply that the staff of manufacturing and trading

sectors should be well equipped with necessary materials sourcing, orders management and information technology skills to cater for this trend.

Spending on clothing reprioritised

The trend of avoiding non-essential spending in mature markets still stands. Garments with basic design remain the best-selling items with steady sales in all seasons. In contrast, selling of fancy high end garments proved to be challenging. Rental of extravagant garments for

special occasions is gaining popularity. This observation could mean that the mass production of garments with exquisite designs has been declining which may cause the decreasing need of fashion designers in the industry.

Closer collaborations between designers and manufacturers

More collaboration between foreign designers and Hong Kong manufacturers are noticed. Designers are used to decide all the design details and materials before communicating with other parties. Nowadays, designers of American and European companies tend to seek opinions from Hong Kong staff of trading units or factories concerning their designs and the choice of materials. This phenomenon is also reflected by the desk research that most merchandising job vacancy advertisements are requesting the applicants with textile know-how including material and technical knowledge.

Relocation of factories to Southeast Asia

Under the influence of globalisation, companies consider relocating factories to Southeast Asia, like Bangladesh and Cambodia, although the lead time is further shortened due to the longer shipping time and less regular shipping schedule. This trend of relocating production of lower-end and mass products to these countries was mentioned in the manpower survey report in 2015 as well. Therefore, the industry personnel should be willing to travel outside Hong Kong and have higher level of proficiency in English.

Mainland Market

Increased revenue from Mainland market

With the rapid expansion of Mainland market, factories have received more orders from Mainland fashion brands and the revenue obtained from Mainland market gradually surpass that from the market of Europe and the United States. Specifically, it is expected that sales of kids fashion in Mainland will increase continuously due to its high consumption power and huge population. It is also shown at the desk research that more and more job vacancy advertisements are with the language requirement of Putonghua.

Difficulties of domestic sales

Nevertheless, the difficulties in predicting quantity of sales and grasping the right timing to enter the Mainland market would be the major setbacks for manufacturing for domestic market. In recent years, some Hong Kong knitted garment factories are acting as middleman to facilitate European brands to open up Mainland market.

Public Policy

Re-industrialisation in Hong Kong

In view of the promotion of “Industry 4.0” by the HKSAR Government, the fashion and textile industry will embrace the transformation by focusing on the application of technology, such as

industrial engineering and information technologies to upgrade the production process. This will mean gaining real-time data from the machinery, processes and services, and make them usable for monitoring and quality management. More resources will also be invested in product and design development. As indicated in the desk research, 90% of the jobs were looking for personnel at technologist / managerial and technician / supervisory levels specialising in product design and development, sales and marketing, and textile engineering areas. It may reflect that Hong Kong, being a super-sourcing hub under the “Industry 4.0,” is going towards integrating manufacturing and services in the customer-driven supply chain.

Stricter environmental protection policies in Mainland

The Mainland Government announced the “Action Plan for Preventing and Treatment of Water Pollution” in 2015 to improve the water quality. Small-scale industrial corporations that emitted heavy water pollution, but equipped with inferior wastewater discharge facilities, are forced to shut down. Therefore, dyeing factories that observed the environmental protection regulations may be benefit from the closing down of their competitors located in the Pearl River Delta. This was reported in the last manpower survey that Hong Kong companies were keen to keep themselves posted of the latest regulatory changes and comply with the new

requirements. The desk research has also indicated the emerging vacancy advertisements in the posts of Compliance Manager and Supervisor.

Technology

Increased usage of big data and automation

Through analysing previous sales trend, big data enables shops to project future demands with higher precision. Companies re-order more products from factories if the sales are promising and over-projection can be avoided. Utilising industrial engineering knowledge in the production process helps streamline the manufacturing procedure with more automation. It is expected that reducing involvement of labour will lower both the labour and operation cost which will in turn generate extra profit. This is supported by the desk research that there are only few vacancy advertisements in Production Engineer and Industrial Engineer posts. It is believed that most of these jobs have been gradually taken up by Mainland staff.

Change of mode of communication with existing and potential clients

The advent of internet simplified preliminary work for approaching clients. With the prevalence of mobile devices and social media, staff from factories increasingly communicate with clients

regarding the delivery process by texting or sending pictures via social media, such as WhatsApp and WeChat.

Faster and larger information flow in production process

The rapid advancement of information technology enables faster and larger information flow in production process. For instance, real-time production data and information not only allows staff to monitor the production process in Hong Kong, clients can also be updated with the latest production status through an online system. This imposes increasing demand of IT support but declining need of labour for executing routine data entry and customer service.

Promoting usage of new materials, digital printing, cold dyeing technique

Corresponding to the “Re-industrialisation” scheme, manufacturers develop new functional clothing. This has created openings for innovative talents specialised in material development. In addition, digital printing that enables customised design will be a new direction for development in the near future. On the other hand, dyeing factories adopting cold dyeing technique can lower water pollution as well as energy consumption. The new technique will facilitate factories located in Mainland to comply with the stringent environmental protection regulations. These observations reinforce the views of

previous manpower surveys that Hong Kong establishments should focus on more sophisticated and higher value-added items and orders.

Future Manpower Demand

It is anticipated that there will be an increase in manpower demand under the trading and servicing sector of the fashion and textile industry by the focus group. The desk research further supports this prospect by the fact that 96% of the vacancy advertisements came from the trading and servicing sector of the industry. The manpower in fashion design and product development, merchandising and sales positions in Hong Kong will remain stable. Industrial engineering and information technology professionals, designers with innovating and creative spirit, and all-rounded management professionals will be needed.

On the other hand, the demand for production, back-off support and customer service are expected to decrease due to the ease of communication with the technological advancement, and automation in production process with the proficient know-how in industrial engineering as indicated by the focus group. The desk research also shows that only 4% of the vacancy advertisements were from the manufacturing sector.

Recruitment Difficulties

Focus group members were of the view that the manpower supply was limited as they had been facing with the following problems in the hiring process:

- (i) most school leavers may not possess the abilities and personal qualities for working in the factory environment;
- (ii) scarce supply of industrial engineering professionals equipped with relevant product knowledge for automation in production process; and
- (iii) overall drop in the young population would aggravate the problem of shortage of manpower supply in the industry.

On the other hand, the desk research shows some 2,700 vacancy advertisements of the fashion and textiles industry placed during the period from the 4th quarter of 2016 to the 3rd quarter of 2017. With reference to the finding of 2015 manpower survey of the industry (i.e. total number of employees: 63, 349), the number of vacancy advertisements indicates a turnover rate of about 4.3% which generally reflected the actual situation of the industry as agreed by the FTTB. Details of the number of vacancy advertisements of popular recruitment media by job levels, branches, qualification requirements, and monthly salary are at Appendices (a), (b), (c), and (d).

RECOMMENDATIONS

Training Needs

To meet the future development of the industry, it is considered essential for the manpower to possess the following skills and knowledge by the employers:

- (i) more real-life exposure and practical experience in factory settings for both fashion designers and product development practitioners are needed so as to equip them with the understanding of how their skills and knowledge learnt could be applied to the job; and

- (ii) industrial engineering techniques coupled with relevant product knowledge and automated production process to enhance the efficiency in the work processes.

From the perspective of training providers, manpower training at higher levels particularly in fashion design, product development, and merchandising with concrete materials and technical knowledge will enhance the value and competitive advantage of Hong Kong staff. It is also found from the desk research that soft skills including personal management, communication skill and team work are important requisites at workplace.

Measures to Ease the Problem of Manpower Shortage

The following suggestions were made to ease the problem:

- (i) to increase provision of practical exposure through industry placement and internship programmes offered by employers for students, such as making industry attachment a mandatory requirement for graduation so as to portray a realistic picture of work life in the factory environment;
- (ii) to facilitate closer collaboration between industry practitioners and teaching staff by:
 - (a) inviting industry practitioners to teach and share their real-life experience with teachers and students at the education institutes to bestow them with up-to-date practical industry knowledge; and
 - (b) devising cross-disciplinary curriculums, e.g. industrial engineering, fashion design and technology to nurture all-rounded talents that meet the needs of the industry.

Number of Vacancy Advertisements of Popular Recruitment Media (4th quarter 2016 to 3rd quarter 2017) by Job Levels

Sector	Industry	Branch	Technologist / Managerial	Technician / Supervisory	Craftsman	Operative	Unskilled	Total
Manufacturing	Textile	Spinning	-	-	-	-	-	-
		Weaving	-	4	-	15	5	24
		Knitting	-	-	-	-	-	-
		Finishing	-	6	-	-	-	6
		Non-woven	-	-	-	-	-	-
	Clothing	Garment	4	41	-	14	4	63
		Knitwear	1	6	-	5	6	18
Trading and Servicing	I/E of Footwear		17	106	-	4	7	134
	I/E of Fabrics		22	165	-	2	7	196
	I/E of Wearing Apparel		313	1,471	1	118	46	1,949
	I/E of Cotton, Textile Fibre and Yarn		1	14	3	-	2	20
	I/E of Luggage Cases, Handbags and Similar Articles of Leather or Leather Substitutes		57	132	-	5	6	200
	Testing Services and Laboratories		25	41	14	9	3	92
Total			440	1,986	18	172	86	2,702

Number of Vacancy Advertisements of Popular Recruitment Media (4th quarter 2016 to 3rd quarter 2017) by Branches

Job Level	Principal Jobs	Branch														Total
		Spinning	Weaving	Knitting	Finishing	Non-woven	Garment	Knitwear	Under-wear	I/E - Footwear	I/E - Fabric	I/E - Wearing Apparel	I/E - Cotton, Fabric & Yarn	I/E - Leader Goods	Testing Services	
Technologist	Mill Manager						1					8				9
	Department Engineer									1	1	7		1	3	13
	Production Manager/Production Engineer											11		1		12
	Merchandising Manager									5		62		15		82
	Marketing/Sales Manager									7	9	89	1	13	1	120
	Product Development Manager										4	40		3	2	49
	Compliance Manager										2	9			1	12
	Fashion Designer						1	1				66		4		72
	Industrial Engineer											2		1		3
	Handbag Designer													9		9
	Quality Manager/Technical Manager						2			4	6	18		10	11	51
	Laboratory Director/Assistant General Manager														2	2
	Textile Manager/Laboratory Manager											1			5	6
Technician	Production Supervisor										2				2	
	Quality Control Supervisor/Laboratory Supervisor									5	4			1	10	
	Maintenance Supervisor										1		1		2	
	Pattern Design Supervisor		1								3				4	
	Merchandiser				5		30	6		55	85	786	11	63	1,041	
	Compliance Supervisor										1	3		1	5	
	Marketing/Sales Officer						3			47	67	559	3	59	749	
	Production Co-ordinator/Production Planner											1			1	
	Pattern Maker						7					9				16
	Fashion/Sample Co-ordinator									1	4	8				13
	Knitting Technician											9				9
	Industrial Engineering Technician											3				3
	Garment Washing Technician											26				26
	Supervisor/Assistant Supervisor				1					2	1	31		6	5	46
	Senior Engineer/Senior Textile Engineer										2	23		2	15	42
	Technician/Junior Laboratory Technician						1								9	10
	Service Maintenance Technician		3													3
Quality Inspector									1		2				3	
Fashion/Sample Co-ordinator											1				1	
Craftsman	Air-conditioning Mechanic												3		3	
	Pre-shrinking Machine Leader										1				1	
	Laboratory Assistant													14	14	
Operative	Drawing/Combing Machine Tender										4				4	
	Tester/Investigator/Statistical Assistant										1			7	8	
	Weaver		2												2	
	Cloth Folding Machine Tender		4												4	
	Printing Machine Tender		6									4			10	
	Cutter/Cutting Room Operative						1					6			7	
	Sewing Machine Operator						10	3				17			30	
	Knitting Machine Operator											3			3	
	Garment Washing Operative											1			1	
	Presser						1								1	
	Other Operative (Footwear)											1			1	
	Sales Assistant		3				2	2		4	2	81		5	2	101
	Unskilled	General Worker		5				4	6		7	7	46	2	6	3
Total		0	24	0	6	0	63	18	0	134	196	1,949	20	200	92	2,702

Number of Vacancy Advertisements of Popular Recruitment Media (4th quarter 2016 to 3rd quarter 2017) by Qualification Requirements

Sector	Industry	Job Level	Post Graduate	University Degree	Sub-Degree	Diploma or Certificate	Upper Secondary	Lower Secondary	Primary	Unspecified	Total
Manufacturing	Textile	Technologist / Managerial	-	-	-	-	-	-	-	-	-
		Technician / Supervisory	-	-	-	-	8	-	-	2	10
		Craftsman	-	-	-	-	-	-	-	-	-
		Operative	-	-	-	-	9	2	4	-	15
		Unskilled	-	-	-	-	5	-	-	-	5
	Clothing	Technologist / Managerial	-	2	-	1	-	1	-	1	5
		Technician / Supervisory	1	4	5	-	24	1	-	12	47
		Craftsman	-	-	-	-	-	-	-	-	-
		Operative	-	-	-	-	4	-	2	13	19
		Unskilled	-	-	-	-	-	-	2	8	10
Trading and Servicing	Technologist / Managerial	6	162	66	20	66	10	-	105	435	
	Technician / Supervisory	13	173	281	57	874	150	14	367	1,929	
	Craftsman	-	-	-	-	4	6	4	4	18	
	Operative	-	7	7	5	50	43	6	20	138	
	Unskilled	-	-	-	-	13	11	7	40	71	
Total			20	348	359	83	1,057	224	39	572	2,702

Number of Vacancy Advertisements of Popular Recruitment Media (4th quarter 2016 to 3rd quarter 2017) by Monthly Salary Range

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 / Managerial	-	-	-	-	-	-	-	-	-	
		Technician / Supervisory	2	3	3	1	1	-	-	-	10	
		Craftsman	-	-	-	-	-	-	-	-	-	
		Operative	4	4	1	-	-	-	-	6	15	
		Unskilled	5	-	-	-	-	-	-	-	5	
	Clothing	Technologist / Managerial	-	-	2	2	-	-	-	-	1	5
		Technician / Supervisory	8	26	11	2	-	-	-	-	-	47
		Craftsman	-	-	-	-	-	-	-	-	-	-
		Operative	6	5	2	-	-	-	-	-	6	19
		Unskilled	2	-	1	-	-	-	-	-	7	10
Trading and Servicing	Technologist / Managerial	3	93	102	112	67	50	8	-	-	435	
	Technician / Supervisory	213	1,004	382	232	30	5	1	-	62	1,929	
	Craftsman	12	2	1	-	-	-	-	-	3	18	
	Operative	22	70	10	5	-	1	-	-	30	138	
	Unskilled	18	33	3	1	-	-	-	-	16	71	
Total			295	1,240	518	355	98	56	9	131	2,702	