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For immediate release

**Prime Source Forum: Gauging global business dynamics in the wake of TPP, Brexit**

[Prime Source Forum](#), Hong Kong to be held on March 13-14, 2017 at Hotel, The Langham Hong Kong, will address some of the most pertinent and relevant contemporary concerns of apparel and fashion industry and its supply chain facing uncertainties of TPP, changes on anvil in view of Trump's protective stance and Brexit impact.

Indeed, with a global supply chain, international talent pool, dependence on new wealth creation, upward socio-economic mobility et al, fashion has benefited greatly from globalisation. But with a new political order it stands to face with new curbs on free movement of people, products.

**TPP: Fashion industry Trumpified**

With Donald Trump becoming the President of the US a sense of uncertainty has gained ground. One of his first moves was to pull out of Trans-Pacific Partnership, a 12-nation agreement, designed to encourage trade between a block of countries by reducing import-export duties. He also warned about punitive tariffs or the 'Border Adjusted Tax' and quotas to restrict import of goods from countries like Mexico and China.

'Focusing on 'Made in America', Trump believes reshoring production would enhance competitiveness. But the West — after losing ground to Asia for decades — currently lacks the skilled labour pool and modern equipment necessary for mass garment manufacturing. What's more, the high cost of labour in the US and Europe would also eliminate profit margins and make it impossible for companies to maintain prices,' commented Sanjay Chawla, Publisher of [fashionatingworld.com](#)

For fashion, the most drastic consequence of the political shift in the US is the resurgence of protectionist trade policies. Many businesses have spent years building global supply chains and outsourcing their production to China, Vietnam, Bangladesh and the like. According to American Apparel and Footwear Association (AAFA), nearly 97 per cent of clothing and 98 per cent shoes sold in the US are imported from overseas.

### **Brexit impact on business**

On the other side of the Ocean, with the Britons voting to withdraw from the European Union the value of the pound tumbled. With uncertainties prevailing around Brexit, Britain's imports of garments were affected. Bangladesh's garment shipments to the UK, its third largest export destination, declined 5.19 percent in the first half of 2016-17 in what can be termed as a harbinger of the Brexit fallout, and are expected to take effect in 2019. Between July and December last year, Bangladesh's garment exports to the UK stood at \$1.53 billion, according to data from the Export Promotion Bureau. And experts believe garment exports to the UK will face further challenges in the near future as British consumers are facing rising inflation and weakness of the pound.

In fact, global suppliers are full of trepidation, fearing exports could face hurdles in the US, UK and European markets, some of the biggest importers. For Vietnam, the US is one of the largest export market with 50 per cent of its total textile and garment exports going to the US. From January to November 2016, Vietnam's textile and garment shipments to the US edged up 4.7 per cent from the previous year. The TPP would have eliminated 17 per cent tariff on imports of garments from Vietnam. However, even in the absence of TPP, Vietnam's economy is well positioned to continue growing, with various other trade deals giving it good access to international markets, including the recently negotiated EU free trade deal and other agreements, according to Fashionating World.

China is of course the world's largest textile and apparel supplier. But the country is facing issues with rising costs making it lose ground globally. And with President Trump at the helm China is also evaluating its effects on its textile and apparel exports. China has, in any case, been shifting its production to other low-cost countries, such as Vietnam, Laos, Bangladesh and even Africa, including Ethiopia and Kenya. Near 37.4 percent of total Chinese textile and apparel exports were destined for the US in fiscal year 2014-15. However, a further decline is expected this year.

Africa is the other upcoming sourcing destination. Fashion goods from Africa benefit from tariff free access to the UK market as a part of the EU trade policy, which makes them significantly cheaper than products imported from Asia. African goods have a 12 per cent advantage over Chinese items. However, the zero tariffs and zero quotas regimes are now at risk with Brexit.

The Turkish economy is heavily dependent on fashion industry. Even though Turkey has faced political upheaval and terrorist activities, its focus on supplying fashion to Britain and further afield shows no sign of abating. Although more expensive than their counterparts in Asia, Turkish manufacturers can offer faster delivery times and the flexibility to repeat in season.

Myanmar has emerged as an up-and-coming force in the Southeast Asian textile sourcing market space. It is catching the attention of investors around the globe. A number of large foreign corporations are interested in manufacturing in Myanmar. As a most favoured nation WTO member, Myanmar boasts low tariff rates for exporting countries that are also WTO members. These changes have been associated with a rise in foreign direct investments. More will be unveiled at the approaching Prime Source Forum 2017.

### **Snapshots of key topics to be discussed in Prime Source Forum**

PSF is full of insightful discussions this year, debates and presentation, along with CEO Dialogues and interactive sessions: -

- The World in 2017-this is shaping up to be a pivotal year for the fashion industry.
- Global Trade - what is the regulatory landscape going to look like
- Survival under global political frictions and economic uncertainty
- Sourcing 2020, what does the future fashion sourcing landscape hold?
- Challenges and opportunities of developing the fashion supply chain in Africa
- Changes on fashion supply chain management in prevalence of e-tailing
- Business advancement is key to survive in the disruptive era
- SAC's vision 2020 on transparency

### **2017 Highlight**

- Dr. Arkebe Oqubay and Mr. Phan Chi Doug from Ethiopia and Vietnam attending
- Colin Browne, President, Global Sourcing, Under Armour as keynote speaker
- TPP and Vietnam and China in focus
- Concurrent event [World Fashion Design Award](#) (WFDA)
- SAC and SFBC alliance

### **About Prime Source Forum (PSF)**

Held annually in Hong Kong, PSF brings together around 400 senior executives from more than 20 countries to discuss the challenges and opportunities that manufacturers, suppliers and retailers are facing in the apparel supply chain. Perhaps, this is why it is called a forum and not a conference as delegates' involvement is an important element of its success. Prime Source



PRIME SOURCE  
FORUM  
HONG KONG

Forum is not limited to sourcing and supply chain alone it also is a valuable source of information for the fashion industry.

Prime Source Forum (PSF) was initiated by APLF in 2006 to address the issue of quota elimination in the apparel industry. After its staging in the industry for eight years, starting from October 2013, PSF is now organised by YEH SHEN under license of APLF. APLF is a joint-venture between UBM Asia and the SIC Group of France. For over two decades, Hong Kong-based APLF has been providing the global leather and fashion industries with its most important meeting and trading places. Josephine Ching, the person in charge of PSF under the organisation of UBM Asia from 2007-13, is now the Event Director of YEH SHEN which has been incorporated in Hong Kong since 2006.

PSF 2016 video: click [here](#)

PSF 2015 video: click [here](#)

### **Media contact**

Josephine Ching | Event Director | YEH SHEN Ltd.

T: +852 3478 3767 | E: [josephine@yehshen.com](mailto:josephine@yehshen.com) | W: [primesourceforum.com](http://primesourceforum.com)

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### **Snapshots of PSF - The signature event of the Global Fashion Industry**

- Initiated in 2006, located in Hong Kong, one of the most essential global fashion sourcing hubs
- Attended by decision makers from 1,000+ organisations over the past 12 years
- Catering to senior executives of the entire range of stakeholders along the fashion supply chain
- Attracting some 350 senior executives from 20+ countries to attend annually