



Rijksdienst voor Ondernemend
Nederland

The Fashion Industry in Wuhan and Central China
NBSO Wuhan

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Colofon

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1. Introduction



Fashion and the apparel industry are traditional industries in Wuhan.

Wuhan houses the largest garment production and distribution centers in Central China, owing to its well-established garment sales network and unique geographical location.

Wuhan is home to 14 universities and colleges offering fashion specialties. Among them are the Wuhan Textile University (<http://www.wtu.edu.cn/en/>,

one of the top 10 fashion design universities in China) and the Hubei Academy of Fine Arts (<http://www.hifa.edu.cn/>). Every year, around 8.000 fashion college students graduate from a university in Wuhan.

Wuhan is home to a number of large textile enterprises. The upstream industrial chain guarantees the quality and sufficient raw material supply for garment production in Wuhan.

2. Market size

There are 1.600 fashion and apparel enterprises in Wuhan, with a total industrial output of over ¥ 20 billion in 2013. According to an ambitious government plan, this figure is going to reach ¥ 60 billion by 2016, and ¥ 100 billion by 2019.

Due to strong consumption demand, Wuhan is the top retail market in Central China. Recently local and international retailers, including Wuhan Plaza, Zhongbai, Capitaland and Wanda, are expanding their presence by opening more department stores and shopping malls. The rising purchasing power and a shift to more western-style consumer behaviors, provides ample opportunities to 'fast fashion' (such as H&M, Zara, Uniqlo) and luxury fashion (such as Burberry, Gucci, Louis Vuitton). C&A will soon open its flagship store in the top central shopping area on Jiangnan Road.

For more information about the retail sector in Wuhan, please see the report published on this sector by the NBSO Wuhan in May 2015 here: <http://www.rvo.nl/actueel/nieuws/kansen-detailhandel-wuhan-china> (report available in Dutch).

3. Recent developments

Historically, lady fashion produced in Wuhan enjoyed a high reputation in China, especially in the early 1990's. At that time, local fashion companies were the main players in the market. They copied the latest fashion trend in the coastal area (including Shanghai), and sold their products at affordable prices. However, due to the lack of original design and strong branding support, these advantages faded away after a booming period of several years.

Now the local government has plans to revitalize Wuhan as a fashion city in China. Special funding is dedicated for fashion brand awareness development, covering a period from 2014 to 2016. The focus will be on lady's fashion and high-end knitwear textile products.

Since 2012, Wuhan International Fashion Week is an annual event held in autumn. This event aims to integrate fashion, art, photography, jewelry and other fashion

elements and also includes participants from Hong Kong, France, Italy and Germany.

E-commerce or online sales are still in an early stage in Wuhan. Many local fashion companies have already established a proven sales network, and they have so far been reluctant to open online stores, afraid that it will affect the profit margin/sales prices in their existing physical shops. As a result, the total turnover of online sales in Wuhan is much lower than the sales in physical stores.

4. Trends and Opportunities



Graduation project at the College of Apparel Engineering at the Wuhan Textile University

Wuhan's booming retail market provides business opportunities for Dutch fashion companies looking to enter into the local market. European fashion brands are becoming a popular choice among affluent customers.

More fashion garment companies are transferring their production bases to inland Hubei province, due to inexpensive land and labor costs, as well as closer access to 2nd and 3rd tier markets. As a

result, Wuhan's well-established garment production chain is in good shape, from design, material supply and production to sales.

Another opportunity is co-design by local and European designers. This is a way to satisfy the upmarket demand. There are already a number of successful examples of cooperation with French and Italian designers among local fashion enterprises. With the rise of Dutch design and fashion in China, this provides opportunities for Dutch designers in Central China.

Protection of Intellectual Property Rights (IPR) including trade mark and design needs to be taken into account when starting this kind of cooperation. For more information on this topic, we refer to a specific guide on 'IPR protection in China for the fashion and design industry', written by the China IPR SME Helpdesk: http://www.china-iprhelpdesk.eu/sites/all/docs/publications/EN_Fashion_online.pdf

5. More information

Dutch companies make a large part of their earnings overseas. The Dutch Ministry of Foreign Affairs therefore actively promotes the interests of Dutch businesses abroad. This is done through an extensive network of embassies, consulates and Netherlands Business Support Offices (NBSOs).

In Hubei, The Netherlands is represented by a Netherlands Business Support Office. If you would like to be introduced to important retail chain stores, local wholesalers or other partners in the fashion industry, please contact the NBSO directly:

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