

Insight Into a Changing Tianjin

BUSINESS MAGAZINE TIANJIN



津衛商務



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Tianjin-based paints specialist PPG

is capitalizing on China's demand for new housing, cars, bikes and kitchen appliances, which all need colouring. [See P26](#)



Trends and challenges of today's recruitment

"Cost-cutting" and "lean management" have been ringing in HR's ears since the recession hit the world economies. [See P42](#)



Special report on 2010 Shanghai Expo

featuring 189 countries and over 100 international companies and organizations, all presenting their core interests and primary visions. [See P14](#)



On Misunderstandings and Miscommunication

The trouble with language and cultural barriers is that misunderstandings and miscomprehension lead to suspicion and anger. [See P77](#)

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COMPETITION AMONG TEXTILES

Salim Ismail, Chairman and CEO
Groupe Socota



We are operating in Madagascar a vertically integrated set up including a garment manufacturing plant and a dedicated fabric mill. Both are driven by a design studio and a marketing office located in Paris at the heart of our markets.

Specialist of casual wear, we target fashion market segments with a differentiation strategy based on three key drivers:

- *An innovative design of garment styles and fabric patterns with a continuous product development carried out through an ongoing dialogue with our customers;*
- *A consistency of the quality of our products, short lead times and reliability of our delivery dates;*
- *A fast response and flexibility to market changes and to fashion trends.*

As a member of the Global Growth Companies (GGC), my company is committed to contribute in its humble sphere of influence to improve the state of the world and to adhere to the spirit of Davos and its ethical values.

How do you maintain and improve your market position?

Our market position relies primarily on our creativity and competitiveness, the mindset and behaviours of our people being key in this process. Our challenge is to spread and keep alive a corporate culture oriented towards customer satisfaction, performance and ongoing progress. This is actually one of the top priorities of our management team.

But market position is also a matter of image. At a time when there is a growing societal expectation that corporations should take action to protect their natural environment, improve their business ethics and contribute actively to the broader public good, we have devoted significant resources to various sustainable development projects. These projects include employees' appropriate working conditions and health care for themselves and their families, systematic utilisation of raw materials and production processes with low carbon footprints, used water treatment and recycling, biomass-fired boilers and waste recovery systems.

We are trying to do well by doing good.

How has a customer-oriented policy helped your organization to achieve growth?

The textile and apparel market is worldwide under the pressure of severe competition and as a result buyers are spoilt for choice. The good old days when customers were coming to us have gone. Today, we must look for them worldwide, understand their requirements and deliver not only a good product but the service they need as well.

We have highly motivated people who care for their customers. This has been certainly the main driver of our growth over the years, a

growth fuelled by word of mouth advertising and customer loyalty.

Is China's textile market attractive to Groupe Socota?

China has already become the second-largest economy in the world. Its rising textile consumption is one of the key growth drivers for most of the big retail brands we are serving out of Madagascar.

We have, for example, started to ship some of our goods directly to China for one of them. So indeed China's market is attractive and important to us.

What challenges face China's textile industry?

Textiles are a commodity product for which price competitiveness is an essential parameter. China's economy is developing very fast and as a result the Chinese people have increasing expectations in terms of wages, better working conditions, higher education and health care, etc. In this context, the garment industry will struggle to maintain its competitiveness. The first signs are already visible in South China.

I would expect that the leading Chinese textile companies will in the near future look for opportunities of relocation in lower-cost areas. I believe that Madagascar is one of them.

What do you foresee for the future of the textile industry?

If we look at the history of the past 50 years, the textile and apparel industry has moved to regions of the world having at the same time a local source of raw material and a reservoir of abundant and competitive manpower.

Africa meets these requirements especially regarding the cotton industry. After a long period of recurrent political and social crisis, there are today positive signs coming from some countries of East and Austral Africa.

This process together with the improvement of the business environment could create in the midterm future the right conditions for a sustainable textile industry. The continent has everything to achieve such a development. This is why we are there. 

