



Hong Kong Optical Fair

The high quality of Chinese manufacture was something exhibitors at the recent Hong Kong Optical Fair were keen to impress upon visitors from Europe. **Alex Thomas** reports

As the third largest exporter of spectacles and frames in the world, after Italy and the Chinese mainland, Hong Kong is of huge importance to the global optical market and its annual optical exhibition provides significant insight into forthcoming developments in markets such as the UK.

The Hong Kong Optical Fair,



Oriental alliances

annually attracts in excess of 10,000 buyers (although attendance figures for the 2009 event were not available at the time of going to press), two thirds of whom are from outside the region. Apart from the accompanying optometric conference, the fair is principally a platform for trade, although in recent years the event's organisers have also made significant efforts to enhance its reputation as a showcase for design. To this effect the Visionaries of Style area and brand name gallery areas, new for 2009, were created to allow international brands to display their product collections together and to enable visitors to see the latest design trends in premium eyewear. Several fashion shows were held in the brand name gallery where the creations of each of its exhibitors were paraded by models in front of the audience. Elsewhere, presentations on product design trends by speakers from manufacturers Frost and Nico Design furnished attendees with advice on the latest fashions.

Running at the optical fair for the past 11 years, the Hong Kong Design Competition highlights the talent

of the region's frame designers. This year's competition, themed Myth of the Orient, attracted a variety of oriental-styled entries in the student, corporate and open categories. The runner-up in the open group, Samurai from Cheng Wing Cheong is a full-rimmed square fronted frame whose temples resemble Samurai swords (pictured above). Other entries, with names such as The Monkey King, Jade and The Great Wall, featured typically Eastern styling, gold colouring and use of filigree.

Yet with much of the product displayed on exhibitors' stands looking as though it could easily be seen on a British high street and with manufacturers bearing Western sounding names such as Emsley or Tony Optical, trade with the West is obviously a principal aim of many exhibitors.

Age of Elegance

Promoting its house brand sunglasses and optical collections on its show stand, Elegance's products are clearly tailored towards Western markets with brand names such as Sandwalk and People+People. However, according to

a spokesperson, only a small percentage of its customers had come to see its collections, as more than 95 per cent of its business comes from manufacturing. In addition to making products to specification for other companies or creating product from a concept, the spokesperson said that Elegance was seeking to expand its distribution and brand name business.

The company was typical of many of the exhibitors at the fair in that its principal business is manufacturing and that was first and foremost what it was there to promote. Listed on the Hong-Kong stock exchange, Elegance designs its frames in Hong Kong and manufactures them in China. While it employs a total of 4,500 workers in four factories in the nearby Chinese cities of Schenzhen and Dongguan, the spokesperson said this was tiny in comparison to nearby shoe factories which could employ up to 100,000 people.

The Hong Kong Trade and Development Council (HKTDC) cite Elegance as an example of growing alliances made between Hong Kong based manufacturers and international



labels, revealing that Safilo holds shares in the company.

Production of the house brands for large Western manufacturers as well as of product for famous international designer labels has been a way in which Hong Kong-based optical companies have been able to distinguish themselves from mass-market manufacturers on the Chinese mainland.

While many retailers and buyers do deal directly with Chinese manufacturers, like those filling the mainland China exhibitors' hall at the fair, the Elegance spokesperson said those that preferred to do so wanted product at the lower end of the quality spectrum. 'Without wishing to sound arrogant, Hong Kong-owned manufacturers concentrate more on the medium to high-end, whereas the mainland Chinese manufacturers put their focus on the lower end or mid to lower end products; they are different market segments,' he said.

This view was supported by Raymond Leung, general manager of Mech-Tronic, a Hong Kong company whose core business is the production of beta titanium frames. Leung explained that his company generally avoided using materials such as stainless steel because there was too much competition on price from other Chinese mainland manufacturers. He said that in order to distinguish its products, Mech-Tronic only made high value frames.

With no house brands of its own, Leung said Mech-Tronic helped other companies to build their brands instead. But with fierce competition from the Chinese mainland manufacturers to offer similar services,

Leung said Hong Kong manufacturers have had to differentiate their offering through innovation. Two such examples from Mech-Tronic are a disc-shaped hinge joining the frame's front to its temples and Leung's patented one-hole system for rimless frames. Using one hole in each lens, Leung's system enables rimless frames to avoid using unsightly double screws without experiencing problems such as the lenses turning.

The average price for one of Mech-Tronic's titanium frames is €13, while each order must be for a minimum of 300 pieces. Other manufacturers had different minimum order volumes, with Elegance's minimum order of 1,000 pieces proving too big for a group of enterprising German practitioners wishing to source frames directly. Other producers had minimum orders of as low as 100 and offered to make frames from a design, a concept or even a sample.

The high quality of Chinese manufacture was something which all the exhibitors seemed keen to impress upon visitors. Elegance's spokesperson claimed that Chinese optical product quality was currently 'comparable or surpassing the European standard already'.

Revealing that Hong Kong and China wished to emulate their East Asian neighbours in being recognised as producers of premium products he said: 'Consumer psychology takes time to evolve. Many years ago Japanese products were considered inferior in comparison to German or American products, while now they're considered the top end. It is the same in our area with optical products, it takes time.

Organisers have made significant efforts to enhance the fair's reputation as a showcase for design

A talented, highly educated, English speaking workforce and a business-oriented Western outlook has made Hong Kong a gateway for Western companies to gain access to the production facilities of China. Eyewear manufacturer Mondottica, which has design and marketing teams working from its headquarters in Hong Kong and another marketing team working from its London office, is one such company.

'The process of getting the technical drawings approved by the licensor, getting the drawings into the factories, the samples made to spec, bringing it back to the licensor for approval and taking it back to the factory to make amendments requires really good communication. That's what the Hong Kong office helps to facilitate,' explains marketing director Hardeep Grewal.

'We have to be mindful of transient China, things are changing, labour is becoming more expensive and the factories are moving from being labour intensive to automated. They're looking at new materials and technologies and we have to be aware of those trends. Having a HK office is very useful because our product people and our design people can understand those changes and work with them,' he says.

A Hong Kong base also gives the company more of a global perspective. Grewal says this allows Mondottica to be mindful of the needs of the European market and those of America and Asia at the same time. Any concerns about the quality of Chinese manufacture have long disappeared according to Grewal. 'I believe they now are as good if not better than any other optical or frame supplier in the world.' He says Chinese manufacturers have built up the expertise and the skills to be quality suppliers and ethical standards on labour conditions have to be met in order to win contracts.

Another concern among Western companies is the issue of copying, but Grewal says this is not an issue for Mondottica. 'One of the criteria of working with us - and it's probably the same for all the major optical companies - is that they are not allowed to copy parts of the frame and they're not allowed to make the parts available to any other company.

'The value proposition is not to take our products and rip us off by selling copies to the Chinese market for a low price, there's no growth in it for them. They can't invest in technology and grow their business if they do that.'





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People know a lot of these products come from China, but the buyer still has the preference that they're made in Italy, Germany or France. People do not associate Made in China with the luxury Italian or French brand names, yet.' He added that he was confident the reputation and acceptance of Chinese product would become even stronger among consumers. 'We hope through the production of quality products this image will gradually be realised,' he said.

Hong Kong and Chinese manufacturers are making ground in turning the Made in China label from something once contentiously seen by some as symbolising a loss of manufacturing control in their countries to a mark of quality. However, a stigma that remains associated with Chinese manufacture is the issue of copying. Lawrence Yipp of the HKTDC assured that the council had 'on-the-spot procedures at our trade fairs for handling any complaint that a product on display infringes someone else's intellectual property rights. It is one of the rules stated in the exhibitors' manual. We also have a legal adviser stationed at the fair management office to give professional advice.'

He added that the council was committed to fostering original design and safeguarding intellectual property rights.

Export demand

According to HKTDC statistics, the UK is Hong Kong's sixth most important export market for spectacles, lenses and frames, after the US, Italy, China, France and Germany. Many frames sold on British high streets will have been designed in Hong Kong, produced in China and then exported from Hong Kong to Britain. Between January and September 2009, exports of spectacles,



New for 2009 was the brand name gallery parade

frames and lenses to the UK were valued at \$68m in US currency, while in both 2008 and 2007, its UK exports for the year were worth \$93m.

Providing optical products to so many countries, Hong Kong's optical companies are well placed to observe market trends in optics. Effects of the financial crisis were felt early by Hong Kong manufacturers, with growth of European exports slowing to 0.2 per cent in 2008. During the first seven months of 2009, exports to Hong Kong's two principal markets, the UK and the US, fell by 17 per cent and 19 per cent respectively. However, a spokesperson for Wing Fung Optical, a large Hong Kong-based manufacturer whose main markets are in Europe and the US, said business had picked up considerably since August. He revealed that Wing Fung Optical had experienced a 60 per cent rise in orders at the show compared to 2008 and added that its European orders were 'really picking up'. Although he said

product demand had not returned to pre-crisis levels, the company was confident that market conditions for its European customers were improving.

In a presentation on the market outlook and optic trends given by research company GfK, delegates were advised to be aware of emerging trends that could be used to expand their business such as 3D glasses. Stanley Kee, GfK Asia regional commercial director, also revealed that aviator and vintage sunglass styles were continuing to be 'very well accepted globally', while European consumers generally still wanted 'simple, sober and square' designs. He divulged that the rest of the world tended to follow this European trend.

Of the 535 exhibitors at the show, a large portion were Hong Kong-based companies or manufacturers from the Chinese mainland. However, a rising number of international manufacturers choose to participate in the event to gain access to the Asian market, network and share information with representatives of 23 different countries exhibiting at the 2009 exhibition. British interest in Hong Kong's optical industry was underlined at the 2009 Hong Kong Optical Fair not only by the presence of buyers from major British optical chains, but also by British companies showcasing their products.

Jason Kirk of Kirk Originals was one of the exhibitors in the Visionaries of Style area along with other familiar European eyewear brands such as JF Rey and Alain Mikli. Using the show to access the Asian market, Kirk explained how his company had developed a small, loyal client base in Hong Kong, Singapore and Japan.

Face à Face has visited Hong Kong for the past 14 years according to founder Nadine Roth. Although not always exhibiting at the optical fair, Roth said Face à Face chose to take a stand at the 2009 event in the Visionaries of Style area. She explained that this gave the company the opportunity to meet new customers rather than just meeting with its regular 50-60 clients in Hong Kong. With another 50 customers in China, Roth said Face à Face was filling a growing need for Western brands and Western style in the Asian market.

This is a view shared by Minima, which rated Hong Kong as its next most important show after Silmo and Mido, claiming that initially exhibiting at the Hong Kong Optical Fair was simply a trial, but now it is a necessity. ●

Inspets is another company which takes advantage of Hong Kong's talented labour pool. According to brand manager Sam Craig, Inspets liaises with its customers from its UK offices before briefing its Hong Kong-based designers who carry out the product development, sending their designs back to the UK for a decision as to what will be produced as samples.

Craig says that Inspets' designers in Hong Kong are 'so important because of their experience in the optical business and the sheer volume of frames, brands, designs and techniques they've been exposed to from when they've been working at companies like Arts Optical [another major Hong Kong manufac-

turer] and Elegance'. He thinks that it would be almost impossible to find similarly qualified staff in the UK, while pointing out the obvious advantages of having a design team who are situated so close to the factories and speak the same language as the factory workers.

While not exhibiting at the Hong Kong Optical Fair, Inspets meets a number of its customers during the event. The company's chief executive officer Robin Totterman says that while the main relevance of the show is for wholesalers, licence holders and brands as well as large-scale buyers such as chains and buying groups, it is also attended by independent opticians 'hoping to stay ahead of the game' by gaining insight into new products, brands and techniques.