

The District of Keqiao: Textile and Production Industry of China
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Abstract

Textile production and manufacturing has drastically changed since its fruition in the mid-1900s. From the myriad of textile production in the North East of the USA to the outsource of factories due to the competitive cost and low wages. Modern-day textile production is being mass produced in nations such as Bangladesh, Vietnam and most importantly China. China is the largest textile manufacturer in the world, beating out other nations in price and now quality. This essay will analyze the fruition of manufacturing in the district of Keqiao and its modern-day production.

Keywords; China, Keqiao, Manufacturing

Introduction

The region of Keqiao District is located in the country of the People's Republic of China. This district is special and unique in its placement and selection of produced offerings, as Keqiao is one of the most vibrant, bustling textile manufacturing, trading and distribution hubs in the world. The Keqiao District of Shaoxing City, which is the home to China Textile City, is located in the province of Zhejiang. This essay will analyze the fruition of Keqiao textile manufacturing process by looking into its history, its modern issues, and the economy circulating around its textile production.

Keqiao District's Size and Population

Keqiao District was founded in the 1980s, and currently has conflicting land mass reporting's as in some reports state "With an area of 1,080 square kilometers, the entire district consists of 12 towns and 4 residential districts with a population of 649,800 registered permanent residents and a 625,000-strong migrant population." (Wholesale Market, 2017). According to the Wholesale Market report, the district is bustling with over 1.2 million people. While there are other conflicting reports saying that the size is much larger within a two year span, "With 778,000m² total areas and 3.26 million square meters total building area, China Textile City has more than 16,000 trading companies, 19,000 business occupancies, and more than 50 thousand business person selling over 30 thousand kinds of fabric." (HKTDC.com, 2019). There is no doubt that this district is huge, and has lots of manpower to assist it to thrive every day with production.

Composition of The Keqiao District Location

The area is a mix of urban and rural as there is a bustling community. Being a major hub for the country's textile production it is very modern as shown in Figure 1, but there is still a rural community present as areas surrounding the city have built up family homes, and also use

some of the land to grow vegetation for the community. The district being founded in the 1980s is directly related to China's open policy of the 1980s when President Nixon opened the doors to trading with the People's Republic of China. This motivated both local and migrant households to engage in new business opportunities in Keqiao creating wholesale, textile, and dyeing factories. For a better idea of



Figure 1. The China Textile Center, HKTDC (2019)

The district's surroundings, Keqiao is,

“...located to the south of the Yangtze River Delta, the Keqiao District of Shaoxing City from Zhejiang province is approximately 25 kilometers from Hangzhou Xiaoshan International Airport to the west, 120 kilometers from the Ningbo Beilun Port to the east and 220 kilometers from Shanghai to the north.” (HKTDC.com, 2019)

All of which are support systems to the viability of the area as there is a much-needed water resource when dealing in textile production, as well as access to major transportation systems of these products being by air and sea, and last but not least access to the thriving city of Shanghai.

The Markets of The District of Keqiao

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It can be overwhelming to walk into the largest textile hub of China either as a foreigner or a local as, “According to its management, CTC trades tens of thousands of fabrics, and more than 100,000 customers pass through daily.” (Thomasson, 2010). So in order to clarify what is sold where, the district is broken down into the following eleven markets in order to properly identify what is sold in them: “The North market, The North market zone six area, Tian Hui market, Beilian curtain fabric market, Eastern Market, Union market, Old Market Dongsheng Road market(knitted fabric market), Xi Shi chang Market, Grey fabric market, and Yuezhou gong mao market.” (HuaYeah Fabrics, 2016)

Manufacturing and Production in The District of Keqiao

The Keqiao District of Shaoxing city is based on a wholesale market. It is the Textile Index of China that comprehensively reflects the development of this industry that consists of textiles price index, boom index, and foreign trade index (Keqiao, 2019). Keqiao is a well-known area for fabric sourcing for both domestic and international consumers. The textile production is immense with about 10,000 companies producing all different kinds of products, 16.5 billion meters of dyed and printed fabrics and more than 200 million garment items also being produced in China’s Textile City (Keqiao, 2019). With about 11 different markets in the district of Keqiao, each market sells different kinds of fabrics and has different levels of categories of distinct textiles being sold and then have subcategories of specifics.

In the North Market for example on the first floor in “section 1”, they sell cotton fabric, canvas fabric, denim fabric, and pocket lining fabric (HuaYeah Fabrics, 2018). In “section 2”

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they mostly sell mesh, lace, knitted and some chiffon fabrics, also selling rayon cotton, poplin, embroidery, and knitted jacquard, satin, chiffon and fur fabrics (HuaYeah Fabrics, 2018). In another section, they sell mostly curtain accessories and sofa fabrics and in another are fabrics that are meant for hotels like curtain fabrics (HuaYeah Fabrics, 2018). There is a way to navigate through these sections as a business looking for a manufacturer or a supplier. For foreigners, it can become difficult however there are guides to direct one to a specific category in fabrics. The Union Market is best for customers sourcing suiting fabrics and if one is searching for bed cover fabrics the Old Market is the right area to look at.

Also known as China's Light Textile Industry- Keqiao has distributors coming from more than 20 countries in which wholesale the fabrics too (Chavin, 2018). They have been expanding their business by exhibiting their textiles and involving clothing creativity in their markets and textile apparel (Chavin, 2018). The suppliers in the Keqiao district consist of manufacturers specializing in specific garment making. *Shaoxing Ladies Textile & Garment Company Limited* is a garment factory specializing in women's fashion such as blouses, tops, skirts, coats, and pants (HKTDC Sourcing, 2019). *Zhejiang Rainbow Village Printing & Dyeing Co Ltd* has production lines in Keqiao that are in knitting, printing, dyeing and garment making of fabric made from cotton, spandex, viscose, nylon, and bamboo fiber (HKTDC Sourcing, 2019). They sell most of their export products mainly to Europe and America. Another manufacturing company *Tangshun Clothing Co., Ltd.* is a researcher, developer, and producer of high-grade knitting woven textiles and garments (Manufacturers-Suppliers, 2019). This company is known

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to produce for well-known brands such as *LPP*, *Maurices*, *Mogan* and *Forever 21*(Manufacturers-Suppliers, 2019).

There are more than 1,200 permanent overseas representatives and nearly 6,000 overseas permanent purchasers creating an exceedingly large turnover of about \$18.53 billion (Keqiao, 2019). In 2011, Zhou Rusheng head of the administration committee of CTC (China Textile City) spoke on expanding business ventures in CTC explaining “We are in a process of evolving from ‘sold from Keqiao’ to ‘made in Keqiao’ and eventually to ‘created in Keqiao’” (Bian, 2011). Since then the China Textile City has expanded, with many financial institutions in the area signing a credit deal worth about 22 billion U.S. dollars with local textile manufacturers in 2019 (Xinhua, 2019). They have also provided growth in design companies, wherein 2018 they held a press conference in Milan to “establish direct ties with Italian clothing brands” (Xinhua, 2019). They have grown in business relationships of suppliers and manufacturers in Canada, the Americas, Europe, and Africa.

The online China Textile base is an online platform set to promote growth for the specific Keqiao industry however Alibaba has been doing that for all of China. *Alibaba* Chinese E-Commerce marketplace that essentially helps businesses grow and build relationships between companies and production has showcased various manufacturers from the Keqiao textile district (Lajoie & Shearman, 2019). *Brain Home Textiles* is a supplier in Keqiao who produce curtain and upholstery fabrics and communicate through *Alibaba*. Their products include that of sofa cover fabrics, curtain fabrics that are made of Chenille with a jacquard style and are used for

sectional sofas, beddings, cushions, etc. (Brain Home Textile, 2019). Their main markets are located in the U.S. and Europe, co-branding with well-known brands like JCPenney, Sears, Target, Kmart, and Edgars (Brain Home Textile, 2019).

History in the Textile Industry of China

China is considered to be the world's largest producer of textiles and related products. Its participation in the World Trade Organization towards the end of 2001 boosted its endeavors in the textile industry, benefiting business people and entities that had invested in this economic realm. Through the years, the Chinese government has offered its support for the sake of promoting the country's economic status. A careful analysis of this norm revealed that China largely depends on the particular province of Shaoxing to propagate the textile industry (Shouyu and Wencong, 2009). The location has a rich history when it comes to inspiring innovation in business and manufacturing, this has laid a platform for the textile venture for many decades.

The textile industry in the county of Shaoxing became prominent in the 1970s after several economic reforms were implemented by the government (Lu, 2015). It was also a period that introduced the associated towns to industrialization, where many textiles entities were formed to be part of the global trend that was defining the business dimension. The textile industry relied on thousands of salespeople to avail the manufactured products in defined market fronts. Shaoxing county has a benefit unlike other provinces in the country because the area is surrounded by bodies of water which makes transportation easier. The pioneer textile industries relied on this means of transport to ferry the goods to other locations. Textile firms in the city of Keqiao largely depended on rivers to foster easier purchase of items from the factories (Lu,

2015). Suppliers would then move the products to predetermined market places which were connected by the rivers.

The Growth in the Textile Industry

In 1985, the Chinese government forecasted the growth of this industry and opted to offer its support to textile factories located in Keqiao District. The textile market was inherently focused on an area size of 3500m² which included 89 sales booths and 77 sales departments (Huayeah Fabric, 2017). After the government directed its investment into the region, the textile market increased, and this led to a surge in the number of enterprises involved in the business. By 1992, the trading market in this region increased to 33,500m² with more than 1,000 salesrooms availing the related products (Huayeah Fabric, 2017).

Innovations were also responsible for the development of the textile industry in Shaoxing, specifically in Keqiao city. Stakeholders in the province promoted the renewal of production equipment, which was later supplemented by the financial investment from the government to assist factories in purchasing shuttleless weaving looms (Lu, 2015). It is a technological advantage which increased the efficiency of the workers who were manufacturing the textiles. The innovation further increased the production limits and performance of respective entities in the business. Through the years, the same organizations have embraced modern technologies such as computerized weaving machines which foster manufacturing endeavors (Lu, 2015).

The textile industry in Keqiao and the entire Shaoxing province is expanding to other regions. It is an observation that can be attributed to the commendable platform that stakeholders and investors have laid through the years. Workers now in this realm are getting better wages

compared to agricultural laborers (Gardetti, 2019). Ideally, the agricultural sector was once booming in this locality but the development of textile factories has altered this norm. Citizens are gradually noticing this trend and accepting the changing dynamics thus fostering widespread acceptance of the business in other regions. The social lives of current workers in the industry are improving, and this inspires more involvement from other individuals; confirming the expansion status of the textile industry in China.

The establishment of free trade zones around China is an element that is boosting the expansion of the textile industry in China (Irun, 2017). Typically, the country is known to have a political economy meaning foreign business entities venturing into China are aware of the regulatory priorities that the government reiterates. With idealization of these mandates, the organizations usually experience faster market penetration or establishment in respective industries. The free trade zones are operated under strict rules which can easily be sustained by any company planning to invest in the textile business in China (Irun, 2017). Seemingly, the advantages of being in these zones are compelling and reputable enough to ensure the permanent presence of foreign companies in the Chinese market. With increased investment and competition, the industry is expected to grow beyond the idealized expectations.

By 2013, China was declared to be the world's largest E-commerce market based on how people have adopted related tenets to foster business endeavors. The country's textile industry has taken advantage of this development with traders selling their items on respective platforms. Essentially, the potential of maximum reach to customers is better compared to traditional marketing strategies (Irun, 2017). E-commerce has inspired the expansion of this industry due to the optimized sales opportunities that respective organizations are experiencing.

The textile industry in Keqiao city and Shaoxing province at large is gradually expanding. Business people in this realm have through the years laid a good foundation for industry and market development. More traders need to venture into the textile manufacture endeavor for the sake of boosting their financial status and economic performance of the country.

Textile and Apparel Production

Keqiao is also known as “ Oriental Venice” holds the title as the biggest textile collecting and distributing center in Asia (Yeah, 2017). The spark of the textile and apparel production in Keqiao began in the mid-10th century when Chinese ceramics replaced silk and became the nation’s biggest export (Jia, 2019). Keqiao was still at the time known as Shaoxing and the highest class of ceramics were produced during the Song dynasty. It created a market for other countries in search of ceramics. Throughout the years the district revolutionized its exports and advanced in the textile industry. In the 1980s the textile market was extremely small and over the years it has developed into a luxury city. (Bian, 2011). It has grown at a rapid rate attracting many economists. In November 2005, the government of Keqiao held a meeting which officially made Keqiao an International Textile Manufacture and Trading Center. This was an important factor for the district making it official for manufacturers and suppliers.

Although Keqiao has become a very successful city, it has gone through numerous tragedies as a city. Majority of their bridges since the 1950s have demolished and were converted into roads for resources and traveling (Jia, 2019). The neighborhood was once a major station for incoming cargo from multiple different locations around China. This would facilitate transportation to and from these different regions in China. Another historical effect was the Grand Canal being on the list of a historical site and protected under national level in 1988 (Jia,

2019). The Grand Canal was known as the highway where everyone transported, making it a connection to China and other countries.

A recurrent problem in the district is the pollution from cloth dyeing. The water system is extremely polluted to the point, where residents have made slogans such as *“If you want to know what color is fashionable this season, just look at this river”* (Casey&Loudon, 2011). Director Li of Greenpeace Pollution Prevention did a test on the water and it reported to contain numerous life affecting chemicals that could cause cancer and toxins such as benzoyl nitrate, ammonia, and chlorobenzene (Casey&Loudon,2011).

China’s Labor Force

“Let’s not fixate on what we produce, but how we produce it” (The China National Textile Apparel Council, 2013)

The above quote was taken from a 2008 annual social responsibility report from the CNTAC. This elaborates on the stress of working conditions, especially at a time where more European countries were passing laws that ask for more transparency. In April of 2013 in Dhaka, Bangladesh, the deadliest incident within garment factories would take place- at least 1,134 other workers in the building died, and more than 2,000 were injured due to unsafe working conditions. This led to a campaign for transparency from brands about their factories (Minney, 2017). The public began to have a growing sensitivity for the working conditions in manufacturing countries such as Bangladesh, China, and Vietnam. Not to say that factories have since then improved their working conditions, it is to say that they have become more discreet.

The

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CNTAC report of 2008, displayed a strong stance on avoiding harassment, child labor, compulsory labor and discrimination (Pham, 2008). The report identifies issues such as being overworked with 22% of Chinese employees working 66-80 hours of overtime a month. It even identifies the future decrease in corporate social responsibility as competition for price rises. When looking for a 2019 social responsibility report or even 2016, one is unable to do so. Has the overall social responsibility gone down, or have working conditions flourished allowing reports such as the CNTAC social responsibility report to become insignificant?

The Modern Slavery Act

The UK Modern Slavery Act came into fruition in October 2015. It was designed to highlight issues overseas by holding forcing retailers to become more transparent. This act is implemented by requiring companies with global profits of 36 million Euros or more that trade within the UK produces annual slavery and human trafficking statement (Minney, 2017).



Figure 2- Anti Slavery Rally (“Our Work in the UK”, n.d)

The issues that lie within this law is that they are not required to obey any laws that require them to act in moral. This has led to the Ethical Trade Initiative, *an alliance of companies, trade*

unions and NGO's that work together to promote workers rights around the globe(2017). These companies include retailers such as ASOS, Burberry, GAP, and Whistles (ETI, n.d).

Workers Rights in China

Although China is the world's largest producer of clothing, there is little to no transparency. When workers try to unionize they are routinely picked up and arrested (Minney, 2017). The only place in China where one can find a workers union of some sorts is in Hong Kong. Due to the economic and political structure of the city, they are able to form the Hong Kong Confederation of Trade Unions. Although the HKCTA is available to a few hundred thousands of members, there a limitation. Due to government collusion, the HKCTA are run by unelected leaders, which make passing legislation difficult(2017).

In the past two years activism in Hong Kong has increased. Worker protest and student organizations have begun to receive a large amount of media attention. Although this seems like a win, authorities have brutally suppressed organizational efforts(Chen, 2018). Due to authority pushback, tensions have grown larger with the public. Arrests have increased and allegation of the kidnaping of organization leaders have arisen (2018). Unfortunately, the array of arrest and protest have not to lead to any legislation change and factory workers remain under the same brutal work conditions.

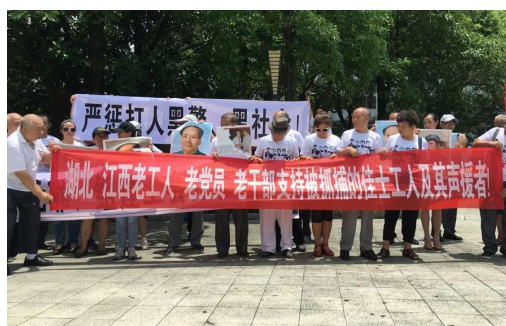


Figure 3- Protestors in Pingshan district, Guangdong, China, August 6 2018

Conclusion

The Keqiao district is abundant in manufacturers and suppliers in which source textiles and apparel within the district to trade and distribute them to foreign countries and continue to expand their locations. The textile industry in Keqiao is currently and rapidly expanding. Throughout the decades, businesses have used their resources and their technological advances to become prosperous. Although they have reached a point of success in the industry, water pollution has caused distress among the locals. Locals are still suffering from poor working laws and pushback for authorities. China may be leading in production, however, the people of the Chinese republic are suffering, whether it be the workers or the residence surrounded by pollution.

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