

# CRAFTCIL

Monthly in-house journal of the Export Promotion Council for Handicrafts



European Union

growing market for

Fashion Jewellery

WRAP & SEDEX Compliances

An Insight

Trends in Contemporary Home Style

Elements of Inspiration

EPCH to set up

International Lace Center at Narsapur

Seminar on

Export Marketing & Design Development



# 23rd AGM conducted ||

## || 6 members elected for COA

The 23rd Annual General Meeting (adjourned) of the Council was concluded on 28th June, 2010 for constituting the Committee as per available vacancies, i.e 1/3rd (6) of the members of the Committee of Administration, being main agenda points of the meeting. The elections were held for three vacancies for Northern Region, one each for North West, Southern and North East Region. The members elected from the Northern Region include Mr. Arshad Hussain Mir of M/s Mir Handicrafts, New Delhi; Mr. Prince Malik of M/s Osyrus Overseas, New Delhi and Mr. Ravinder Kumar Passi of M/s R.K. Arts, New Delhi. The members elected from North West Region, Southern Region and North Eastern Region include Mr. Dileep Baid of M/s Dileep Trading Corporation, Jaipur; Mr. K L Ramesh of M/s Sri Vijayalakshmi Agarbatti Works, Bangalore (elected - unanimously) and Ms. Jesmina Zeliang of M/s Cane Concept, Dimapur (elected - unanimously) respectively.



Mr. Raj Kumar Malhotra, Chairman-EPCH congratulates all elected members and wishes a very fruitful & productive tenure for all of them. He desires that all members of COA shall work together for the progress of the trade.

### Newly Elected Members of COA



**Mr. Arshad Hussain Mir**  
M/s Mir Handicrafts, New Delhi  
*Northern Region*



**Mr. Prince Malik**  
M/s Osyrus Overseas, New Delhi  
*Northern Region*



**Mr. Ravinder Kumar Passi**  
M/s R. K. Arts, New Delhi  
*Northern Region*



**Mr. Dileep Baid**  
M/s Dileep Trading Corporation, Jaipur  
*North West Region*



**Mr. K L Ramesh**  
M/s Sri Vijayalakshmi Agarbatti Works, Bangalore  
*Southern Region*



**Ms. Jesmina Zeliang**  
M/s Cane Concept, Dimapur  
*North Eastern Region*

**Editor**

**Rakesh Kumar**

Executive Director, EPCH

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Tel: 26135256; Fax: 26135518/19

E-mail: [epch@vsnl.com](mailto:epch@vsnl.com); URL: [www.epch.com](http://www.epch.com)

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**Establishments Promotion Bureau**

B-14, Aditi Apts., 16A, IP Extn., Delhi-92

Tel: 22246094, 64631211

Email: [mail@epbureau.com](mailto:mail@epbureau.com)

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Cover pic source: La Redoute, France



## Chairman's Message

Dear Fellow Exporters,

I am hopeful that this edition of Craftcil will bring with it respite from the prevailing summer heat wave. The change in weather should also bring joy to the handicraft exporters with more export order bookings in the days ahead.

In the recent past, the handicrafts sector has been plagued with compounding problems starting with the global economic slowdown; labour issues; Rupee appreciation vis-à-vis Euro; and most recently, the financial crises in Greece.

I would suggest that in wake of the current crises in Greece, exporters must try and hedge against the resulting currency fluctuation. Exporters may also try and book orders in currencies other than the Euro. The possibility of exploring new markets, apart from the traditional markets of European Union and USA, is always open to exporters and must be tapped to rationalise their risk and widen the ambit of their business.

The Council recently organized a Seminar on "Export Marketing and Design Development" with special focus on furnishings & floor coverings in Sitapur, U.P., giving an opportunity to exporters from the city to interact with senior government officials, trade experts and designers during the program.

In a recently held meeting for Review of Duty Drawback Rates the Council requested for higher Drawback rates for the handicrafts sector, providing due justification to the Committee.

As you may be aware, the Council is organizing the 2nd Indian Fashion Jewellery & Accessories Show from 9-11 July 2010. I wish all participants very good business during the show.

I am hopeful, we will be blessed with rains and cooler weather by the time the next edition of Craftcil reaches you. In the meantime, feel free to write in to me at [chairman@epch.com](mailto:chairman@epch.com)

(Raj Kumar Malhotra)

Chairman, EPCH

European Union | growing market for

# Fashion Jewellery

This market is becoming more & more fragmentary with fashion & value priced jewellery gaining a never before momentum



*The world fashion jewellery market is expected to grow beyond 2010, especially in the Eastern EU countries with their rising number of working women. Creativity, colours, craftsmanship and ethical issues will be important reasons in jewellery pieces for longer use. Whether it is to satisfy products required for new jewellery collections, or to update existing collections, retailers and wholesalers are seeking new ideas. So, developing countries can offer interesting merchandise that has a link to their own culture.*

*The volume of jewellery imported into Europe from developing countries rose by 20%. India, China and Thailand are by far the largest suppliers among developing countries, but considering the scope of the sector, some smaller players are increasing their exports, too. The jewellery market is becoming more and more fragmentary with fashion and value priced jewellery gaining a never before momentum.*

## EU Market Outlook

Consumers in most EU countries are expected to continue to cut down expenditure on precious jewellery, but explore options in fashion jewellery & accessories. Since jewellery is an essential part of an outfit in most EU countries, increases are expected for accessible silver and costume jewellery but much will also depend on the price developments. Fashion conscious consumers have now moved to designer jewellery and pay more attention to price than on the material content. In this respect, costume or silver jewellery offer good alternatives to precious jewellery.

There is now more design in jewellery pieces, including body jewellery. Coloured pieces with (semi-) precious stones, beads or charms are expected to go well with the colours in seasonal fashion. Wearing jewellery is not only linked to special occasions anymore. Young people, (pre-) teens have brought forward new tastes and styles, and men are increasingly attracted to wearing jewellery. In addition, jewellery has become a popular gift item, which was stimulated by retailers' promotion during Christmas, Valentine's Day, Mother's Day, Father's Day, etc.

Costume jewellery is strongly influenced by seasonal fashion and short term crazes. It has become a common impulse item when buying clothing or when doing the weekly shopping.

The growth of costume jewellery in the past few years has resulted in an oversupply of low-priced



There is a growing fatigue towards 'fast fashion' and consumers have turned away from the idea of 'what to wear'. Instead, they regard 'what you do' or 'who you are' more important.

costume jewellery together with intense price competition. Nowadays, women are looking for higher quality pieces. Costume jewellery is also moving upmarket as there will be more demand for costume jewellery with fusions of precious metal combined with gemstones in different shapes or colours. Here, the overall look is more important than the material. Also, costume jewellery will also be more personalised and used longer unlike to the mass produced 'throw away' pieces from Asia. For example, a neck chain can be personalised by using 'Trollbeads' that can be removed and replaced by its wearer so that she can experiment with different bead combinations.

**As with all jewellery, hair accessories have become more diverse which has stimulated the EU hair accessory market.** Hair accessory designs range from simple to more decorated patterns. For example, hairclips are decorated with flowers, butterflies, animals or with glittering rhinestones or crystals ('bling clips'). There are also hair accessories for different occasions such as glamorous barrettes with gems, hairgrips with pearls or disco hair grips. Hairgrips in particular are more diverse, with items such as sparkle cluster grips and dragonfly grips, and all sorts of Alice (hair) bands.

Teens are important segments and increasingly pre-teens and children, buying hair accessories at a younger age. A wider range of hairstyles has become more acceptable at work as well as socially. A recent trend is wearing 'girly flowers in hair'. Flower patterns are big & bold and are worn across the forehead or on the top of women's hair.



*Pendant – big shells with big wooden beads*



*Long necklaces - matching with dress*



## Opportunities in EU

Even if the EU market will continue to see after-effects of the economic recession, future opportunities exist in the following categories:

**Accessible jewellery** with an interesting design (ethnic, symbolic) that can be used over a longer period. Costume jewellery, silver jewellery or precious jewellery made of lighter metals and that are dressed up by coloured stones.

**Statement jewellery** expressing the wearer's personality. Examples are huge (cocktail) rings with an eye-catching stone, large teardrop earrings, multi-linked neck chains, shield-like pendants, large or layered bangles, big brooches or piercings.

**Ethical jewellery**, particularly costume jewellery. It is important to stress the ecofriendliness and sustainability of jewellery collection.

**Eco-fashion** has become a segment in its own right within the fashion industry. This trend is increasingly significant in many markets and it is easily available to consumers.

Opportunities also exist in precious stone jewellery, as long as you can give the buyer some evidence to trace down the precious metal or stone to the mine/origin. There are opportunities for silver and costume jewellery with colourful stones especially in eastern EU countries, as the middle class is growing there.

## Market Drivers

### Different styles for different consumers

There is a great diversity in designs for women of different ages, teens and men. Because of this diversity, its accessible price and low cost imports, costume jewellery volume sales have grown in the past five years. The life cycle of collections have been shorter, following the seasonal trends in clothing.



### More variety in material

The latest costume jewellery designs use different materials such as stainless steel (200, 300, 400 and 500 series), titanium, copper, leather, rubber, silicone, plexi and plastic in different thicknesses, from ultra fine to chunky.

### More decorations

Costume jewellery pieces are decorated with crystals, glass, beads, rhinestones, (semi)-precious stones, shells, wood, bangles, charms or any other material.



### Great variety in design

The most common shapes include animals, insects, butterflies, stars, flowers, hearts, crosses, piece sign (50 years!), zodiac signs, skull, football, globe, car, robot, rocket or any personal forms related to particular events or individuals.

### More personalised

Charms and pendants reflect the personality of their wearers. They can be shaped like shoes, bags, instruments and other everyday objects and attached to a chain of stainless steel, or to a leather string or to a cord/wire of any other material.



## Distribution Patterns

Changing patterns in distribution have helped the market grow more in volume than in value. People are more exposed to jewellery by an increasing number of accessory retailers, clothing retailers, variety stores, gift shops, hypermarkets and perfumeries. Therefore, people tend to buy jewellery more impulsively than before. There is a growing fatigue towards 'fast fashion' and consumers have turned away from the idea of 'what to wear'. Instead, they regard 'what you do' or 'who you are' more important.

**A grading up to a higher quality of accessible jewellery is expected, which will be in terms of:**

**Design**, focusing the style, originality and personality of the wearer. Opposite to the short jewellery life cycles, people now look for statement jewellery that they can use longer. This shift is most apparent in the large EU and Scandinavian markets.

**Added value**, consumers specially in the medium and high-end segments have been more socially and environmentally responsible. Therefore, they uphold craftsmanship and ethical issues increasingly important. This means that importers/wholesalers will have to improve their jewellery sourcing and supply chains.

**Technology and combinations**, where designers increasingly use less expensive-lightweight, hollow or woven - precious metals combined with coloured stones. Computer aided design (CAD) will continue to generate demand for new combinations of precious with costume jewellery.



## Market Segmentation

### Working women - most important segment

As a result, of more foreign investments in Eastern EU states, the number of working women has grown steadily there. Increases are observed in all EU countries, particularly in Bulgaria, Germany, Spain, the Netherlands, Austria, Poland and the Baltic States.

The Scandinavian countries and the Netherlands have high ratios of working (part time) women, while Malta, Italy and Greece had the lowest ratios. Women aged between 25 and 54 years were strongly represented, but the biggest growth was observed in the older age group (55 – 64 years), particularly in Austria, Germany, Slovakia, Finland, Spain, Italy and Ireland.

More working women means higher levels of disposable income and the growing importance of women's appearance at work and in their social life. There is a clear trend in most countries among younger working women to reward themselves for working hard. They buy something extra, that can be a well-designed jewellery piece adding an extra touch of elegance and personality to their outfit. The more classic icons of femininity (flowers, butterflies, charms, high heels, romantic inspiration) are played by women of all ages. Especially in the UK, France and southern EU countries, women now tend to express their 'girl power' more than before, but without losing touch with the soft and sensual.

*Big Bangles –  
Colourful/Pop-art statement*



### Housewives/mothers - varied choices

They buy a wide range of jewellery, from cheap to expensive costume or precious jewellery.

**Younger housewives tend to follow trends and prefer to buy their own jewellery.** They do not object to buying replica of designer jewellery. Earrings, bracelets and neckwear remain most popular which can be in any style. Until recently, Mothers Day Birthstone necklaces have been popular. This personalised necklace has her child's name inscribed in a charm together with a gemstone of the month. The mother can add more charms or birth month stones or baby feet of her other children as she likes over the years.

### Teens and pre-teens - attracted by adult jewellery

Teens, aged between 13 and 19 years, definitely want to be up with the latest fashions and regularly visit the accessory chains in shopping centres. **They are an important group for silver, costume jewellery and hair accessories.** Referring to the EU country, teens have quite a lot of money to spend, as pocket money is high. Alternatively, teens earn their own money by part-time jobs after school hours, and in some jobs their outfit is important. Teens are attracted by adult accessories, including jewellery. They are influenced by the media, especially 'soaps', MTV and celebrities.

**Girls are fashion-conscious and are influenced by media, video games and their friends (blogs).** For both teens and pre-teens, there are different kinds of jewellery, which can be categorised into styles (R&B or Gothic jewellery), moods/events (party/club jewellery), work (glamorous jewellery), cultures (ethnic or tribal jewellery) or countries (Italian, French, American etc.). For teens and younger women, piercings remain popular. Also, DIY jewellery has gained popularity.



### Children - increased spending power



Children nowadays have more spending power as families are smaller. Girls now wear more fashionable jewellery at a younger age unlike before. This is recognised by the accessory chains (*Claire's, Accessorize, Bijoux Brigitte*) as the 'kids getting older younger' (KGOY)

trend. **Glitter and bright colours are dominant themes for children's jewellery.** Special jewellery collections for children are increasingly displayed by retailers which relate to films (Disney or Muppet characters) or video games heroes. Some clothing brands come with special collections for children. **This sector is increasingly targeted as it shapes future jewellery purchasing.**

### Men - Urban chic style jewellery

Men's jewellery is becoming more common, especially among younger men in Spain, Italy, France, UK, Greece, Germany, the Netherlands, Belgium, Scandinavian countries and in some Eastern EU markets. The modern man wants to create his own look, just as women have done for ages.

Young men are influenced by the popular surfing, beach and urban fashion trends or by celebrities such as Robbie Williams, Ian Thorpe or many 'rappers'. Popular items are silver, gold or beaded neck chains, pendants, bracelets, rings, earrings and belt buckles.

**Alongside stainless steel, silver is the material preferred by men.** The shapes are usually clear and silver is often contrasted with black or with red gold. Functional elements give 'purpose' or convey personality, for example, jewellery pieces



*Men's bracelet – of hemp and woven leather*

that can be used to measure angles, or rings with a spirit-level function or charm pendants in the shape of a sundial.

Black is the colour preferred in men's jewellery. Collections being apparent in jewellery pieces with black enamel, leather, carbon fibre and black diamonds. Other hot

items were tag pendants, rubber bracelets, chunky crosses and bold rectangular link chains of stainless steel or silver. Urban chic style jewellery featured neckwear and wrist wear with beads, diamonds and black and white enamel.

Older men either favour younger men's jewellery or choose traditional style jewellery such as tie clips, cuff links, belt buckles, bracelets, rings and chains made of silver or gold. **This segment is much more evident in southern Europe.**

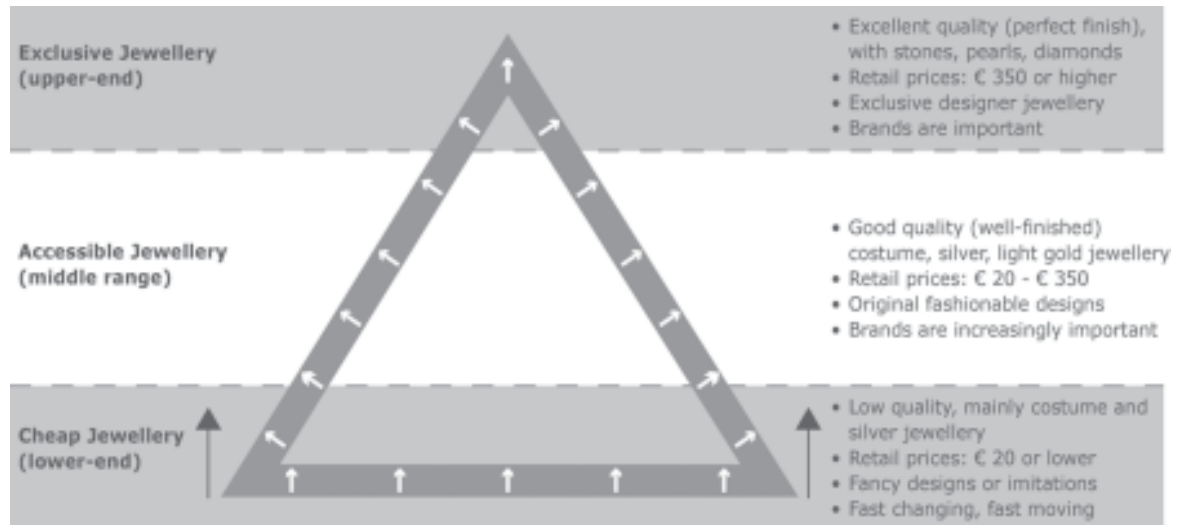
### Older people - inclined towards thoughtful buys

People of 60 years and older, sometimes referred to as 'empty nesters', are an important growing segment for precious jewellery. **Older people are active and with the wish to enjoy life, tend to spend more than young people do.** Retailers are promoting jewellery as a gift for special occasions such as special birthdays and Christmas, or as a treat. Gold, silver, (semi-) precious stones, diamonds, pearls or natural materials (wood, shells, horn, bone or terracotta) are preferred in jewellery items. Designs can vary from classical to fashionable.

### Ethnic groups - interesting target

This group includes many different nationalities with distinctive styles and tastes. They form an interesting target group for exporters. According to a survey by HBD, foreign residents in the Netherlands usually buy at least 40% more jewellery than the native Dutch. In

## Segmentation of EU jewellery market by quality and price



addition, foreign residents buy more jewellery pieces at once and spend more money on jewellery items.

The Netherlands houses people mainly from Surinam, Indonesia, Turkey and Morocco. The UK is also home to people from the Indian sub-continent, parts of Africa and Hong Kong Chinese; France houses nationals from Central and West African countries; Germany has large minorities from Turkey and Morocco. In the coming years, this segment is expected to become more important in the jewellery market, as the number of (affluent) foreign residents continues to grow in the EU.

### Production Trends

The EU now accounts for around one quarter of global jewellery production. However, that figure is forecast to fall due to the economic recession. In addition, companies in China, India, Thailand and Turkey are expanding rapidly and are gradually producing jewellery of a higher quality. As jewellery from China is much standardised and EU consumers want more choice, the recent buzzwords in EU production are: innovation and added value. In order to retain an important position in the EU market, manufacturers need to:

**Innovate** more by using precious metals efficiently and make clever combinations less expensive material/metals and stones, crystals or beads.

**Specialise further** by concentrating more on creating specific designs.

## ■ feature

**Offer added value** by knowledge, fast lead times and good after-sales service.

### **Design and quality versus profitability**

EU consumers now look for designer jewellery of a good quality and well-finished, but at an affordable price. Manufacturers try to develop this jewellery, but need to stay in control over their costs so that they still can generate a profit. However, margins of EU manufacturers have been under more pressure, since the competition from low cost producing countries has intensified and the EU jewellery market growth has slowed.

### **Outsourcing to nearby countries**

Outsourcing has increasingly started moving to nearby countries. Therefore, EU manufacturers are able to supply smaller quantities faster, reducing the risk of unsold stock, especially since the prices of precious metals are high. Italy, Germany and Turkey have relocated some of their production of precious jewellery to Bulgaria or Romania. For the Romanian and Bulgarian jewellery industries this is a good opportunity to grade up and to stay competitive, as foreign partners provide the know-how to make designer jewellery.

The main EU players and modern jewellery makers also have parts of jewellery pieces made at low cost in Turkey and North African countries (Morocco, Tunisia and Egypt). They are concentrating on the assembly or finishing of the jewellery pieces.

### **Outsourcing in neighbouring countries**

In order to compete with cheap jewellery imports from Asia, some Eastern EU manufacturers, for instance in the Czech Republic, on a large scale transfer production to neighbouring countries. As the cost of living in e.g. Slovakia, Hungary or the Baltic States are lower, cost savings on jewellery production can be made.

### **Joint promotions and exports to emerging markets**

In order to compete on a global level and share some of their costs, smaller manufacturers are joining with colleagues, designers and trade associations. This has proved to be much more powerful than working as individuals. A well thought-over promotion of jewellery collections can open up new (overseas) markets such as China, Brazil, Middle East and India.



For example, the “Made in Italy” concept, set up by the Italian jewellery industry to promote itself at trade fairs, provides a chance for smaller manufacturers to reach new markets. There is a similar ‘Made in Germany’ or ‘made in France’ concept.

### **Improving technological skills**

Greater emphasis on training, technological development and scientific research throughout the remaining major EU industries, is also seen as an important way to maintain an element of comparative advantage. All the leading jewellery manufacturers, as well as the trade associations invest heavily in this area.

### **Improving marketing skills**

Marketing has become more crucial for smaller manufacturers and workshops. They either have to choose to remain artisans and specialise further, or to enlarge their business. If they choose to enlarge their business, the EU market for precious jewellery is unlikely to grow as much as the international markets in areas such as Asia.

There are big opportunities for EU manufacturers overseas, but retailers in these markets want large

suppliers and brand names. When going on the international market, EU manufacturers will need to clearly target particular consumer groups in terms of taste, occasion, mood or price and develop a jewellery collection accordingly.

### More integration in the value chain

As a reaction to the high fragmented jewellery industry, there is more vertical integration taking place, as the jewellery industry develops on a global level. In addition to the low labour costs in China, India and Thailand, these locations provide a foothold in potentially large new markets. Since prices of precious metal have increased and consumers have been more demanding, mining companies, jewellery manufacturers and jewellery retailers want more control in the global jewellery value chain and look for integration.

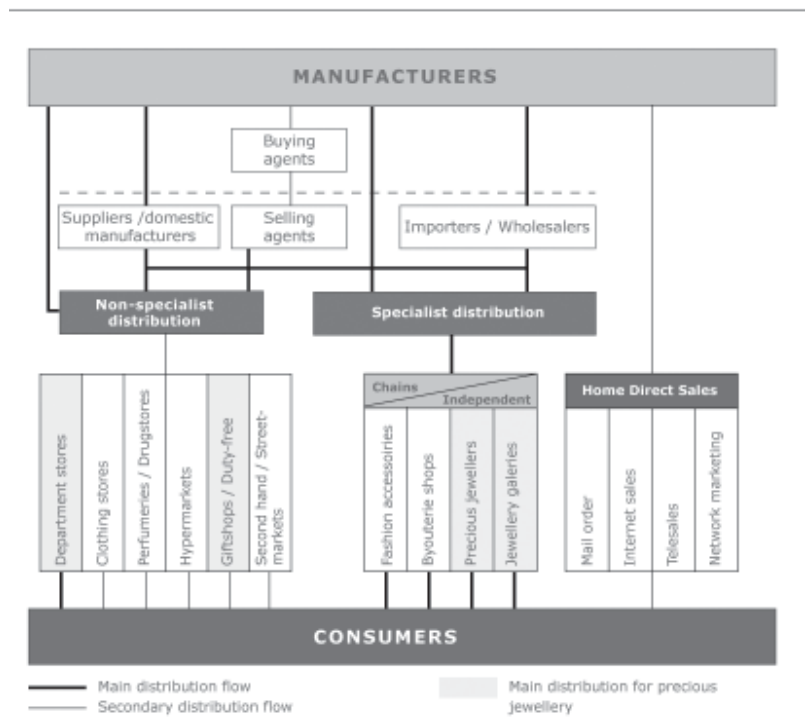
### Wider sales network

Modern jewellery and design makers aim to produce and distribute through a wider sales network such as hypermarkets and fashion retailers in their own country or in other EU countries. Compared to Asian suppliers, they have a competitive advantage by being closer to their clients, by being more responsive to fashion changes, and by being able to deliver fast.

### Trade Channels

The distribution of jewellery in the EU is mainly carried out by specialised (retail) traders. For costume jewellery, there is a much wider distribution network. This varies from bijouterie shops, accessory chain stores and online jewellery sellers to a wide range of non-specialists such as department stores, clothing stores, gift shops, hypermarkets, perfumeries, market stalls, mail order or telesales companies. There is more competition from online sellers, department stores, accessory chain stores, clothing stores and hypermarkets that are all expanding rapidly, especially in the new Member States. They offer accessible costume and silver jewellery and change their collections at least two times per year along with the seasonal fashion trends.

Typical distribution structure for jewellery in EU markets



In all EU countries, jewellers have to cope with the recession, tough regulations in distribution, theft, higher costs, ethical issues and demanding consumers. In order to differentiate, they focus on quality or on specific target groups such as older people. In this respect, jewellers may welcome new ideas from suppliers and designers to develop their own unique collections.

In practice, the options for exporters of jewellery from the developing world are somewhat restricted, and depend on the supplier's resources and scale of operation. Many larger jewellery buyers have either set up manufacturing facilities of their own in parts of the developing world, or have some form of exclusive relationship with certain suppliers for expensive (branded) jewellery collections. As a developing country exporter, you may find the middle and lower segments of the market more fruitful. You should try to contact first an importer who will be able to advice on different market conditions and requirements. When starting to deal importers, they usually do not immediately require large quantities sand when the working relationship is successful, more business will follow.

## Price Structure

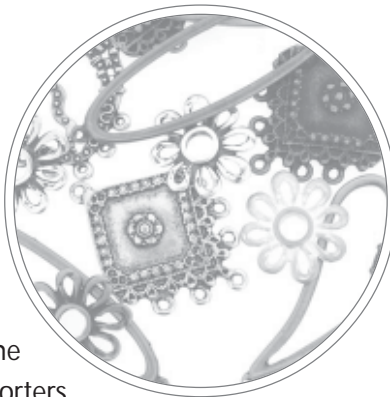
When entering the target markets, successful pricing is a key topic in the market entry strategy. **In fact, pricing is the only area of the strategy that generates revenues for exporters. All other activities are costs.** Price is the first point of comparison in evaluating your product against the competition. An exporter from a developing country would be better off by concentrating on the exclusiveness of his product, e.g. by introducing original styles of necklaces or bracelets that meet the design, size and comfort needs of a specific target group. In this case, price is less important than the appeal of the product and its perceived value.

**Try to avoid being regarded as another cheap supplier from a developing country. Although price is important, you should attach great importance to quality and service.**

### Key issues on price structure

When setting your price, consider the following issues that influence its level:

- The trade channels with typical mark-ups of each channel and retail category.
- Retail prices of competitors' products in your target markets.
- Discount structure and credit terms offered by local competitors.
- The production costs, incoterms, import duties, VAT level and other costs. Import duty for precious jewellery is 2.5% and for costume jewellery 4%.
- Listing fees that can be up to Euro 35,000 per year in department stores.
- Additional costs for product adaptation, packaging, marketing and promotion, etc.
- The most 'reasonable' or 'tactical' price level according to some of your local contacts in the field (agents, other exporters from your country, store managers).



In the case of trial orders, which are delivered for the first time, sometimes a discount is given to buyers and freight is prepaid. Now as there is greater transparency of prices between countries, as many of them use the same currency, it is important to avoid large differences between prices in each target market, so be careful when you negotiate and agree prices in the first place. You will not easily be able to change/increase them in future.

### Useful Sources

There are a number of ways to find out about EU prices for jewellery depending on whether you want to find out about wholesale or retail prices:

- You can find out about wholesale prices at one of the major trade fairs, at a permanent fair or, alternatively, by contacting a jewellery wholesaler at a cash and carry trade centre. They may not always be prepared to discuss prices openly, but looking at both sets of prices will also give you an idea of margins. However, you should always ensure that you are comparing the same thing. Some products may appear to be similar but there may well be very sound reasons for differences in price.
- A good link to wholesalers and wholesale prices in Italy are the directories : [www.italianmoda.com](http://www.italianmoda.com) and [www.forzieri.com](http://www.forzieri.com)
- You can find prices in mail order catalogues, but the main source now is the internet. There are also internet websites of hypermarkets or large department stores, for example [www.elcorteingles.es](http://www.elcorteingles.es) providing retail prices for costume jewellery in Spain or [www.karstadt.de](http://www.karstadt.de). The sites of the following mail order companies offer good references: [www.otto.de](http://www.otto.de), [www.wehkamp.nl](http://www.wehkamp.nl), [www.laredoute.fr](http://www.laredoute.fr), [www.argos.co.uk](http://www.argos.co.uk), [www.quelle.es](http://www.quelle.es), [www.postalmarket.it](http://www.postalmarket.it).
- To see how the same product compares across different EU countries, you may be best looking at websites of retailers (who are sometimes also manufacturers) that have a presence in a number of EU countries, and visiting the individual country sites.



- Window-shopping in any EU country is another good way of getting information about prices. At the same time, you can get an idea about fashion, colours, qualities and (in-store) promotion.
- Most prices you find are retail or consumer prices. In order to have an idea of the FOB price, you can divide the retail price by 3 or by 5, depending on the exclusivity of the retail outlet. For mail order houses, this factor is closer to 3 or lower, as they sell large quantities.

## Market Opportunities

### Spiritual, unusual and personal jewellery

The trends towards spiritual, unusual and personal jewellery offer good opportunities for jewellery with charms and symbols. Particularly pendants with charms, neck or wrist wear, bangles, earrings or piercings with an ethnic design will be popular. Note that it is important to give a good explanation of the symbolic value of charms. Also, try to give buyer a trace of the (precious) jewellery piece down to the mine/origin.

### Party jewellery

This is an interesting niche for exporters, with a great variety of jewellery for teens and young women. This includes cocktail rings, piercings, hand jewellery, and belly chains influenced by designs from India (Bollywood) and other developing countries.

### Accessible jewellery

As the middle class is growing in all countries, especially the Eastern EU countries, demand for luxury goods, including accessible jewellery is set to grow. There are opportunities for silver and costume jewellery with colourful stones. Please note the differences between these countries. In the newest Member States such as Romania and Bulgaria, many luxury goods consumers are brand focussed, while in other Eastern EU markets quality/price ratio is of greater importance.

### International niche

Niches, such as men, pre-teens, children and 'empty nesters' provide opportunities. Another interesting target group are the rising numbers of Russian and Chinese tourists, expatriates and ethnic groups. They all will bring more international tastes to the marketplace.

### Jewellery accessories

Along with growing costume and silver jewellery market, there are opportunities for 'fashion jewellery accessories' such as jewellery boxes, ring holders (to keep them safe and dust free). These accessories could be of wood, porcelain, celluloid, crystal, silver plastic or other metals. In Italy, France, UK and Spain fashion accessories are sold, while in most other EU countries sales is still very small. This offers opportunities for exporters from developing countries.

### DIY jewellery

The trend of DIY jewellery may be a threat for exporters from developing countries. On the other hand, this trend creates more interest in jewellery and there might be a future demand for jewellery parts from developing countries. You could offer beads in all different varieties, forms and colours, bead tools, bead accessories, laces for pendants and original connectors.

### Outsourced production

An answer to branded jewellery for exporters from developing countries is to work together with designers and develop their own brand identity and invest in marketing.

## Market Threats

### Dangers of over-trading

There is a danger in becoming too reliant on a particular segment of the market. If you are not able to supply quickly and change production at the short-term whim of the fashion market, you could find yourself exposed to the dangers of over-trading.

### Colour matching

Please note the importance of the exact colour (also in beads). Fashion colours generally change twice a year, following the colours of the clothing and footwear. Try to prevent discrepancies in desired colours. By using the pantone colour identification system, you can be sure about the right colour. This is also very important when sending production samples to buyers. ■

*Information derived from  
a Survey Report by CBI, Netherlands*

*This column is compiled by Consultant [EXIM Policy] of EPCH. It contains recent Public Notices, Notifications and Circulars of DGFT, CBEC and Department of Revenue. If a handicraft exporter has question[s] to ask on Foreign Trade Policy, he/she may please write / e-mail to EPCH at [policy@epch.com](mailto:policy@epch.com)*

**Impex # 1**
**Status Holders Incentive Scrip in FTP**
**DGFT**
**Time for Status Holders of handicrafts to claim their 'Status Holders Incentive Scrip' on exports of 2009-10**

The downturn in Indian exports started in mid-2008 when retail orders from EU and USA reduced a lot due to most crushing economic meltdown worldwide causing widespread unemployment and changing consumer-spending behaviours. Handicraft exports (among others) from India suffered very badly and were reduced to about 50% in 2008-09 of what it was in 2007-08.

In order to arrest the declining trends of Indian exports, the Govt. of Indian announced a number of measures/sops from time to time. They were also announced in the Union Budget - 2010 on 26.02.2010 and Foreign Trade Policy 2009-14 announced on 27.08.2009.

Status Holders of Foreign Trade Policy play a very major role in exports. In order to incentivize them also, the FTP 2009-14 contained a sop according to which Status Holders shall be entitled to

incentive scrip at the rate of 1% of FOB value of exports made during 2009-10 and 2010-11 of specified sectors, in the form of duty credit. This incentive is over and above any duty credit entitlement under chapter-3 of FTP. Handicraft sector is one of the specified sectors. This entitlement is given in detail in para 3.16 of the FTP for 2009-14.

Since the year 2009-10 is over on 31.03.2010, the Status Holder of handicraft sector may prepare their application for the 'Status Holder Incentive Scrip' and submit them in their licensing offices.

The above scrip shall be issued with actual user condition and shall be valid for import of capital goods (as defined in the Foreign Trade Policy).

The application for duty credit scrip is to be made in application form ANF3E as notified by DGFT in his Public Notice No. 54 dt. 08.04.2010.

DGFT has also issued a Policy Circular No. 30/2009-14 dt 12.04.2010 on the subject of Listing of Supporting Manufacturer in the SHIS Scrip (para 3.10.4 of H.B. of Procedure - Vol. 1) and other details/instructions regarding SHIS. The same may be studied and followed so that the holder of the scrip may not have to approach the licencing office again for amendment/endorsement in the scrip.

**Impex # 2**
**Classification of Handicraft Goods in Drawback Schedule**
**Customs**
**Commissioner of Customs (Import), J.N. Custom House, Mumbai, issues a Public Notice on the subject of 'Classification of Artware Handicraft items and composite goods in the Drawback Schedule'**

Classification is a very important issue in the export of handicraft. An item may or may not be a handicraft item depending upon conformation to a number of characteristics. But a big problem is that these characteristics are determined in a subjective manner and there is no mathematical calculation in it. It is a matter of one's perception. And when individual human assessment is involved opinions are bound to differ in many cases. Since the tendency on the part of the custom is to err on the side of safety, the exporters suffer a lot.

Nevertheless, there is no dearth of efforts on the part of policy makers in customs to ensure that no hassels are faced in the classification of genuine export products of handicrafts.

The Commissioner of Customs (Imports), Jawaharlal Nehru Custom House has issued a Public Notice No. 48 dt. 12.04.2010 on the subject of classification of Artware/ handicraft items and composite goods in the Drawback Schedule.

Exporters may study the above Public Notice and get the same enforced in case their goods are not being cleared as handicrafts on one pretext or another. In such cases, they should also approach higher officers in the Custom house to secure justice for them.

The Custom Public Notice No. 48 dt. 12.04.2010 refer to above is reproduced alongside.

**(Extracts)****Classification of Artware / Handicraft items and composite goods in the Drawback schedule**

1. It is for the information of all Exporters, Custom House Agents & the Trade that it was brought to the notice of the Board that difficulties were being faced by exporters in classification of articles declared as handicraft/artware items. It was also brought to the notice that divergent practices were being followed in classifying the goods made of different constituent materials in the Drawback Schedule and applying Note 14 of the Drawback Schedule Notification No.103/2008-Cus (N.T) dated 29.08.2008 in this regard.

2. It may recalled that the Board vide Circular No.128/39/95-CX dated 25.05.1995 had clarified that since the office of Development Commissioner (Handicraft) has treated imitation or real zari as handicraft the same may be treated as handicrafts by the Customs and Central Excise authorities. However, the Board vide circular no.280/114/96-CX dated 19.12.1996 modified this guideline by stating that the following criteria laid down by the Supreme Court in the case of Louis Shoppe [1996(10) CXL (SC) CE-277=(1996)(13) RLT 507 (SC)] for treating any goods as handicrafts may also be followed :-

(i) It must be predominantly made by hand; it does not matter if some machinery is also used in the process.

(ii) It must be graced with visual appeal in the nature of ornamentation or in-lay work or some similar work lending it an element of artistic improvement. Such ornamentation must be of substantial nature and not a mere pretence.

3. The Board reiterated these guidelines vide circular No.32/99-Cus dated 04.06.99. The Board vide subsequent circular No.56/99-Cus dated 26.08.99 advised the field formations that they can accept the certificates issued by either the Development Commissioner (Handicrafts) or by the Export Promotion Council for Handicrafts (EPCH).

4. It is hereby clarified that the assessing authorities should normally accept the certificates issued by the Development Commissioner (Handicrafts)/EPCH. A decision to reject the certificate issued by the Development Commissioner (Handicrafts)/EPCH certifying the goods as artware/handicraft should be taken only with the approval of the Commissioner of Customs / Central Excise and after discussions with the certificate issuing authority. The exports should not, in the mean time, be held up.

5. Doubts have also been expressed relating to interpretation of note and condition (3) of the Drawback Schedule Notification No.103/2008-Cus (N.T) dated 29.08.2008. The note and condition provides as follows :-

"Notwithstanding anything contained in the said Schedule, all artware or handicraft items shall be classified under the heading of artware or handicraft (of constituent material ) as mentioned in the relevant Chapters."

The essence of this condition is that while the Drawback Schedule is aligned with the Customs Tariff at the 4 digit level, this alignment is not applicable to Artware/Handicraft items. Artware/handicraft item made of a particular constituent material has to be classified under the heading of Artware/Handicraft (of that constituent material) as mentioned in the Chapter relevant to that constituent material. It may be noted that according to this note, the artware/handicraft items may fall in a heading/sub-heading in a chapter other than the chapter in which they fall according to Harmonized System of classification. To illustrate, a handicraft table made of stainless steel would fall under CTH 9403 as per HSN. It would, however, fall under Drawback Schedule heading 732606 (Handicraft/Artware of Stainless Steel) as per the above note. It may also be noted that if the artware or handicraft item is made of more than one constituent material, it should be classified as if it is made of that constituent material which predominates in it by weight. For example, an artware/handicraft item made of brass, iron and wood, consisting, say, 40% by weight of brass, 35% by weight of iron and 25% by weight of wood, should be classified as artware/handicraft or brass under Drawback Schedule heading 741903 and granted drawback at the rate and cap prescribed there under.

6. Further, it is also clarified that the relevant headings/sub-headings in the Drawback Schedule for handicraft/artware items include handicraft /artware items with coating / plating unless specifically provided otherwise.

7. Problems have also been reported in classification of composite articles. Note and condition No.14 of the Drawback Schedule Notification *ibid*, provides that whenever a composite article is exported for which any specific rate has not been provided in the said Schedule, the rates of drawback applicable to various constituent materials can be extended to the composite article according to net content of such materials. It maybe noted that this Note is applicable only to composite articles for which no specific rate has been provided in the Drawback Schedule and not to articles which fall in one or the other headings/ sub-headings of the Drawback Schedule (which could be a residuary heading 'others') and have a drawback rate. Therefore, it is clarified that articles made of more than one constituent material should be classified under a heading/sub-heading of the

Drawback Schedule in accordance with conditions (1) and (2) of the Drawback Schedule or if the goods are artware or handicraft items in accordance with condition (3) of the Drawback Schedule as discussed in Para 5 above. Once, classification of an article (whether artware/handicraft or other) in a heading/sub-heading of the drawback schedule has been determined, then the drawback rate and cap prescribed against that heading/sub-heading should be applied to the whole article irrespective of the value or weight of different constituents.

8. Note and condition 14 of the Drawback Schedule notification *ibid* should be invoked only if it is found that an article cannot be classified in any of the headings/sub-headings of the Drawback Schedule (not even in residuary heading/sub-heading "others"), in accordance with the above principles. However, such cases may be immediately brought to notice of the Board so that suitable headings/sub-headings may be created in the Drawback Schedule for future.

9. Any difficulty faced in implementing this Public Notice may be brought to the notice of Addl./ Asstt. Commissioner of Drawback Section, JNCH or the undersigned, if not resolved.

*F.No.: S/12-Gen-87/09 DBK JNCH*

<b>Impex # 3</b>	<b>Validity of Duty Credit Scrips</b>	<b>DGFT</b>
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**Validity of 'Valid as on 26.05.2010' duty credit scrips of 'Target Plus Schemes' of earlier FTPs extended by one year without the necessity of endorsement thereon**

The Foreign Trade Policy of 2004-2009 (of earlier period also) contained a promotional scheme known as 'Target Plus Scheme'. The objective of the scheme was to accelerate growth in exports by rewarding Star Export Houses who achieved a quantum growth in exports. The entitlement (duty credit scrip) under this measure was contingent on the percentage incremental growth in FOB value of exports in the current licensing year over the previous licensing year as detailed in the scheme.

As per para 3.2.5. VII of the Hand Book of Procedures (Vol.-I) of RE-2004 and RE-2005, the validity of the duty credit scrip was 24 months.

Now DGFT has issued a Public Notice No. 68/2009-14 dt. 26.05.2010 according to which the certificate / scrips issued under the Target Plus Scheme which are valid on the date of issue of the above Public Notice shall be automatically valid for a further period of 12 months.

Extracts from DGFT Public Notice dt. 26.05.2010 referred to above are reproduced below:

"in the Para 326A (VI) of Handbook of Procedures (Vol. I) (RE2003) and Para 3.2. 5- VII of Handbooks of Procedures (Vol. I) (RE2004 & RE2005), the following is added at the end.

"The Certificates / Scrips, which are valid as on the date of issue of this Public Notice, shall have an extended validity for a further period of 12 months from the date of issue of this Public Notice, and there shall be no requirement of endorsement of this extended validity on the Certificate/Scrip from the concerned regional authority."

<b>Impex # 4</b>	<b>Import of Fuel under Advance Authorisation</b>	<b>DGFT</b>
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**DGFT issues Public Notice replacing the last para of 'General Note for Fuel' in Handbook of Procedure (Vol.2) of 2009-14**

The Handbook of Procedure (Vol.2) of 2009-14 of DGFT contains the Standard Input-Output Norms (SIONs) of Duty Exemption Schemes. Fuel is treated one of the inputs. Fuel is an important input in the manufacture of handicrafts made from metal scrap, etc.

In the Vol. 2 referred to above, there is a 'General Note for Fuel'. DGFT has issued a Public Notice No. 66/2009-14 dt. 19.05.2010 replacing the last paragraph of the above 'General Note for Fuel'. The new paragraph is given below:

**(Extracts)**

The Last Paragraph to "General Note for Fuel" in HBP, Vol. 2 stands replaced by the following clause:

For the purpose of import of fuel under Advance Authorisation, the applicant shall indicate the name of the specific fuel sought for import in their application. Import of fuel shall also be permitted under Paragraph 4.7 of Handbook of Procedures, v1, related to Adhoc Norms, as per the entitlement under "General Note for Fuel". In case of DFIA, import entitlement for fuel as per SION, may be transferred only to companies, which have been granted licences to market fuel by the Ministry of Petroleum and Natural Gas.

## EPCH strives for Enhancement in Duty Drawback Rates

With Europe accounting for nearly a quarter of merchandise shipments from India, the debt crisis in some of its economies is threatening to end the good times for exporters who are seeing a drastic drop in earnings due to decline in the value of the euro and the Greenback.

While the dollar has declined by about 12% in the last one year, euro has depreciated by about 18% since December 2009 due to the lingering doubts over the capacity of Greece, Spain, Portugal and Italy to pay their debt. Depreciation in the exchange rate has made European goods more competitive and Indian goods more expensive. This is forcing many buyers to cancel orders or ask Indian suppliers to defer shipments. With input costs rising, exporters want the government to increase the rate of sops such as the duty drawback scheme.

EPCH has been fiercely following up the Drawback issue with the concerned govt. departments with supportive industry/export data. Based on the data gathered and discussions held with exporters in EPCH, products that have been identified with proper justification for the revision of Drawback rates by the Drawback Committee, have been proposed.

Handicrafts, being a labor intensive sector is concentrated in rural areas with little or no facilities/ incentives for the skilled artisans. But at the same time, these skills add value to Indian exports and draw valuable foreign exchange.

Extracts from a recent article captioned, "India and Europe's tribulations", written by eminent economist, member of the Prime Minister's Advisory Council and also member-Planning Commission, Govt. of India, Dr. Saumitra Chaudhuri, reads:

"The past month has been euro-centric, and it continues to be so. It is an unfortunate case of delayed effect. After all, the Greece fiscal imbroglio was uncovered by the newly elected government shortly after it came into power in October 2009. That is by the standards of the day a long time ago. So, why is it causing tremors now ?

**For India, the European mess is not good news. The EU may enter into recession-like conditions and our exports to that region will suffer.**

The cost of credit is likely to rise for everyone and portfolio investors may become cautious, factors that can make the cost of financing new fixed assets in India higher than it may have been otherwise. On the positive side, the experience of recovery in Asia will sooner than later, generate a kind of discrimination in favour of this region that will be advantageous to us.

In India, the government has to shape domestic business confidence so that it can offset the adverse fallout of the troubles in Europe and that it can do by moving boldly on infrastructure and other developmental fronts. If the crises in Europe persists, commodity prices will ease, which will also be silver lining for us."

EPCH has highlighted these points, further backed by relevant data, compiled into a memorandum, that has been handed over to the Drawback Committee. ■

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## RBI introduces Base Rate System for Interest Rates on Rupee Export Credit

Banks shall switch over to a "base rate" system of loan pricing w.e.f. July 1, 2010, the Reserve Bank of India has announced. The RBI has pointed out that this is an extremely significant development in the Indian financial system as it brings to fruition the process of complete deregulation of bank lending rates. A copy of the circular appears below:

**Copy of DBOD.Dir.(Exp).BC.No. 114/04.02.001/2009-10, dated: June 29, 2010**

In exercise of the powers conferred by Sections 21 and 35 A of the Banking Regulation Act, 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that, with effect from July 1, 2010 to March 31, 2011 the interest rates on pre and post shipment credit to the specified export sectors as indicated below:

With the change over to the Base Rate System, the interest rate applicable to all tenors of rupee export credit advances with effect from July 1, 2010 will be at or above Base Rate in respect of all fresh/renewed advances. Accordingly, banks may reduce the interest rate chargeable to the exporters as per Base Rate system in the following sectors eligible for export credit subvention by the amount of subvention available under the scheme subject to a floor rate of 7%:

- Handicrafts
- Carpets
- Handlooms
- Small & Medium Enterprises (SME)

In respect of other categories of exporters, the provisions of the circular DBOD.Dir.(Exp).BC.No.102 /04.02.001/2009-10 dated May 6, 2010 would continue to apply.

Anand Sinha, Executive Director

# EPCH's Participation in International Fairs & Exhibitions 2010

## JULY 2010

**5-8 July, 2010**

Summer Sourcing Show, Hong Kong

Contact Person : Mr. Kushal Talwar

Tel : 91-11-26135256 Extn.: 123

Fax : 91-11-26135519

Email : hotels@epch.com

**5-8 July, 2010**

Hong Kong Fashion Week,  
Hong Kong

Contact Person : Mr. Naveen Gaur

Tel : 91-11-26135256 Extn.: 117

Fax : 91-11-26135519

Email : fairs@epch.com

**16-19 July, 2010**

California Gifts Show,  
Atlanta, USA

Contact Person : Mrs. Mani Gupta

Tel : 91-11-26135256 Extn.: 117

Fax : 91-11-26135519

Email : intlfair@epch.com

## AUGUST 2010

**14-17 August, 2010**

House & Gifts

(FOCUS - LAC), Sao Paulo, Brazil

Contact Person : Mr. Siddhartha Tyagi

Tel : 91-11-26135256 Extn.: 127

Fax : 91-11-26135519

Email : projects@epch.com

**14-19 August, 2010**

New York Gifts Show, New York, USA

Contact Person : Mr. Vinod Negi

Tel : 91-11-26135256 Extn.: 136

Fax : 91-11-26135519

Email : sl@epch.com

**27-31 August, 2010**

Tendence, Frankfurt, Germany

Contact Person : Mr. Naveen Gaur

Tel : 91-11-26135256 Extn.: 117

Fax : 91-11-26135519

Email : fairs@epch.com

## SEPTEMBER 2010

**5-8 September, 2010**

Budapest International Trade Fairs,  
(Under ITPO), Budapest, Hungary

Contact Person : Mrs. Renu Gupta

Tel : 91-11-26135256 Extn.: 106

Fax : 91-11-26135519

Email : adaccounts@epch.com

**5-8 September, 2010**

International Autumn Fair,  
Birmingham, UK

Contact Person : Mr. Sushil Agrawal

Tel : 91-11-26135256 Extn.: 110

Fax : 91-11-26135519

Email : ihgf@epch.com

**8-12 September, 2010**

Intergift, Madrid, Spain

Contact Person : Mr. Rajesh Singh

Tel : 91-11-26135256 Extn.: 118

Fax : 91-11-26135519

Email : ihgf.epch@epch.com

**8-12 September, 2010**

Bisutex, Madrid, Spain

Contact Person : Mr. Naveen Gaur

Tel : 91-11-26135256 Extn.: 117

Fax : 91-11-26135519

Email : fairs@epch.com

**9-11 September, 2010**

Asian Living Showcase, (FOCUS -  
ASEAN+2), Bangkok, Thailand

Contact Person : Mr. Naveen Gaur

Tel : 91-11-26135256 Extn.: 117

Fax : 91-11-26135519

Email : fairs@epch.com

**11-19 September, 2010**

Thessoliniki Internatioanl Fair,  
(Under ITPO), Thessoliniki, Greece

Contact Person : Mr. Siddhartha Tyagi

Tel : 91-11-26135256 Extn.: 127

Fax : 91-11-26135519

Email : projects@epch.com

## OCTOBER 2010

**20-23 October, 2010**

Asian Gifts Premium & Household  
Products Show, Hong Kong

Contact Person : Mr. Siddhartha Tyagi

Tel : 91-11-26135256 Extn.: 127

## NOVEMBER 2010

**5-15 November, 2010**

Fira Commerciale De Casablanca,  
Casablanca, Morroco (FOCUS - AFRICA)

Contact Person : Mrs. Lata Kannoja

Tel : 91-11-26135256 Extn.: 112

Fax : 91-11-26135519

Email : maiprojects@epch.com

**10-14 November, 2010**

Import Shop Berlin, Berlin, Germany

Contact Person : Mrs. Sudarshan Dutt

Tel : 91-11-26135256 Extn.: 118

Fax : 91-11-26135519

Email : epchpolicy@epch.com

**24-18 November, 2010**

Heim + Handwerk, Munich, Germany

Contact Person : Mrs. Mani Gupta

Tel : 91-11-26135256 Extn.: 117

Fax : 91-11-26135519

Email : intlfair@epch.com

## DECEMBER 2010

**4-12 December, 2010**

AFL Artigiano un Fiera, (Under ITPO)  
Milan, Italy

Contact Person : Mrs. Lata Kannoja

Tel : 91-11-26135256 Extn.: 112

Fax : 91-11-26135519

Email : maiprojects@epch.com

**7-20 December, 2010**

International Handicrafts Fair-  
EXPOARTESANIA, Bogota, Colombia  
(FOCUS - LAC)

Contact Person : Mr. Sushil Agrawal

Tel : 91-11-26135256 Extn.: 110

Fax : 91-11-26135519

Email : ihgf@epch.com

# WRAP & SEDEX Compliances

## Worldwide Responsible Accredited Production Supplier Ethical Data Exchange

### An Insight



*WRAP - The Worldwide Responsible Accredited Production (WRAP) program is the world's largest facility certification program mainly focused on the apparel, footwear and sewn products sectors. Facilities receive a certification based on compliance with 12 Principles.*

*Sedex - the Supplier Ethical Data Exchange, is a membership organisation for businesses committed to continuous improvement of the ethical performance of their supply chains.*



### About WRAP Certification

The WRAP Principles are based on generally accepted international workplace standards, local laws and workplace regulations which encompass:

- Human Resources Management
- Health and Safety
- Environmental Practices and
- Legal Compliance including import/export, customs compliance and security standards.

### The WRAP System

WRAP has adopted a management systems approach towards compliance which requires the senior management to adopt the WRAP principles in writing, assign the necessary staff to ensure the required practices are implemented throughout the facility, and that an internal audit system is in place to ensure continuous compliance. Facilities must undergo a rigorous self-assessment and then audited by an independent third-party monitoring company. WRAP is a non-profit, non-governmental organisation and has a Board of Directors that is independent of any industry group.



It is not a membership organisation. Over the years, WRAP's

comprehensive factory-based model helped it grow as the world's largest certification program for the apparel industry and beyond. Today, WRAP's facility certification includes all labor-intensive sectors, such as embroidery, jewellery, furniture, home furnishing, cutlery, glassware, carpet / rugs, lamps and more.



## The 12 WRAP Principles

### **Compliance with Laws and Workplace**

Facilities will comply with laws and regulations in all their locations.

### **Prohibition of Forced Labor**

Facilities will not use involuntary or forced labor.

### **Prohibition of Child Labor**

Facilities will not hire any employee under the age of 14 or under the minimum age established by law for employment, whichever is greater, or any employee whose employment would interfere with compulsory schooling.

### **Prohibition of Harassment or Abuse**

Facilities will provide a work environment free of supervisory or co-worker harassment or abuse, and free of corporal punishment in any form.

### **Compensation and Benefits**

Facilities will pay at least the minimum total compensation required by local law, including all mandated wages, allowances & benefits.

### **Hours of Work**

Hours worked each day, and days worked each week, shall not exceed the limitations of the country's law. Facilities will provide at least one day off in every seven-day period, except as required to meet urgent business needs.

### **Prohibition of Discrimination**

Facilities will employ, pay, promote, and terminate workers on the basis of their ability to do the job, rather than on the basis of personal characteristics.

### **Health and Safety**

Facilities will provide a safe and healthy work environment. At residential housing provided for workers, facilities will provide safe & healthy housing.

### **Freedom of Association and Collective Bargaining**

Facilities will recognize and respect the right of employees to exercise their lawful rights of free association and collective bargaining.

### **Environment**

Facilities will comply with environmental rules, regulations and standards applicable to their operations,

and will observe environmentally conscious practices in all locations where they operate or conduct business.

### **Customs Compliance**

Facilities will comply with applicable customs laws, and in particular, will establish and maintain programs to comply with customs laws regarding illegal transshipment of finished products.

### **Security**

Facilities will maintain facility security procedures to guard against the introduction of non-manifested cargo into outbound shipments (i.e. drugs, explosives biohazards and /or other contraband).

## The Certification Process

### **Step 1 - Application**

The facility sends a completed application form and fee (US\$1195) to WRAP. To apply, simply visit the website : [www.wrapcompliance.org](http://www.wrapcompliance.org)

### **Step 2 - Self-Assessment**

The Self-Assessment Handbook can be found on the WRAP website under 'Handbooks'. The handbooks explain WRAP's principles and procedures. Facility management must adopt all the principles and prepare documentation indicating that it is implementing certain procedures. When satisfied that it has complied with the



requirements in the Handbook for a minimum of 90 days, the facility notifies WRAP that it is ready for monitoring.

### Step 3 - Monitoring

WRAP authorizes facility management to hire an independent monitor from a list of monitoring companies and civil society organizations that regularly perform audits for compliance with policies and procedures required by third parties—in this case, WRAP. WRAP has accredited them to monitor facilities in one or more specified countries for compliance with WRAP's detailed policies and procedures.

The facility negotiates a fee and schedules the audit with the monitoring firm. A facility has six months from the date of registration payment to WRAP to have the monitor submit its report and recommendation to factory management and WRAP with a favourable recommendation.

### Step 4 - Evaluation

The WRAP staff takes one of the two actions:

1. May notify the facility that it needs to correct certain procedures and have the monitor make an additional inspection and report. After the factory makes the corrections, it must implement them for at least 90 days before the monitoring firm conducts its follow-up inspection. If the factory does not satisfactorily implement corrective actions within the original six-month grace period (see above), it must renew its application and repay the registration fee in order to be considered for certification.
2. It may recommend to the Certification Board that the factory be certified.

### Step 5 - Certification

The Certification Board (currently the Board of Directors of WRAP) studies the recommendation of the staff, including the monitor's report, and votes to award or withhold certification. During the one-year certification period, all facilities, especially those that needed a second audit, are subject to unannounced inspections. The facility bears all the costs associated with certification.

Note that the only fee paid to WRAP is the registration fee. The only other cost to the factory is the fee that it freely negotiates with an accredited monitor of its choice.



### Levels of Certification

In October 2006, WRAP announced the introduction of a new, three-level facility certification program. The purpose of this is to award participating facilities with the appropriate level of recognition for their progress in achieving full compliance with the WRAP Production Principles over a period of time.

**"A" Level Certificate** awarded for full compliance with all WRAP principles for three consecutive years, and has successfully "passed" each audit with no corrective actions. Facilities that meet these criteria will be issued a two-year certificate. The facility will be subject to an unannounced audit during its two-year certification. Facilities must maintain continuous certification to qualify for the "A" level certificate.

**"B" Level Certificate** awarded for one year to a facility that has demonstrated full compliance with all WRAP principles during the first audit, or in subsequent audits. The one year certification begins from the date of issue of the certificate, not from the date of the audit. (The "B" level certification is equal to WRAP's current compliance certificate.)

**"C" Level Certificate** awarded for a period of six-month for demonstrating substantial compliance with WRAP principles, but have minor non-compliances in policies, procedures or training that need to be addressed. Facilities may not have any "red flag" noncompliances such as child labor, egregious health & safety or environmental issues, prison labor, forced labor or involuntary labor, or harassment or abuse of employees. Facilities must demonstrate that employees are paid the legal minimum wage and any required overtime compensation.

### About SEDEX

Sedex, the Supplier Ethical Data Exchange, is a membership organisation for businesses committed to continuous improvement of the ethical performance of their supply chains. Sedex continues to grow, adding new member companies from around the world, and improving the system and services.

Companies join Sedex in order to :

- Use the Sedex web-based system
- Participate in Sedex governance
- Participate in working groups
- Network and engage with other Sedex members, and
- Utilise Sedex value-added services.

### The SEDEX System

Sedex is a not-for-profit organisation based in London, UK, open for membership to any company anywhere in the world. Sedex focuses on four pillars:

- Labor Standards
- Health & Safety
- Environment and Business Integrity

It offers 3 types of membership options to its members.

### Membership Rules

- All members committed to the vision of the SEDEX system.
- All members may use functions of the system according to their membership type.
- Members commit to providing data onto the system in good faith and update it on a regular basis.
- Members will be able to use and analyse this data for the sole purpose of assessing compliance with their labour and other ethical standards.
- Members must treat information from the site as confidential.
- Companies may only enter data for sites of employment that they own.
- All members may put themselves forward to stand for the Board of Directors or participate in working groups.

### Audits and Compliance for Members

1. Self assessments of compliance with labour and other standards in order to create the Data for Web Sites. **Member Suppliers must use Data Capture Forms to deposit their Data.** Within 3 months of being appointed as a Member, the Member will have completed Data Capture Forms for relevant Production Site(s) and posted it/them on the relevant Web Site.
2. Ensure that any **self assessment is carried out diligently** and is substantially accurate. Not to complete any self assessments for Production Sites that they either do not own or control.
3. Post relevant updates and audits on own Web Sites. Relevant audits will normally be the 3 most recent audits. Members **undertake not to remove any audits from their Web Sites** unless they post a notice on the Web Site stating that an audit has been removed and where a copy of such audit can be obtained or reviewed.
4. Audits to be conducted by independent third parties or other parties (such as employees) appointed by Member Supplier. Undertake to cooperate fully with third party auditors and provide the auditors with access and assistance that they reasonably require. Member Suppliers will use reasonable **endeavours to ensure that any information provided to auditors is substantially accurate and up-to-date.**
5. Authorise third party auditors to enter Data on their Web Sites but remain **responsible to ensure that the Data has been properly uploaded** to the Web Site.
6. Undertake to **address any non-compliance identified by self assessment**, auditors or A and AB Members within a reasonable time frame.
7. A and AB Members **endeavour to review Data on the Web Sites of their Member Suppliers regularly** to identify any non-compliances, liaise with their Member Suppliers and agree with them such action as appropriate to the seriousness of the non-compliance identified with a view to furthering the Objects.

8. A and AB Members may specify to a Member **Supplier a third party or a list of third parties to carry out an audit** of labour and other practices at the Member Suppliers' Production Site. If a Member Supplier believes that a third party auditor or another credible route for verifying data has been unreasonably rejected by the A or (as the case may be) AB Member, the Member Supplier may appeal against this. Appeals will be heard by the Advisory Board who will recommend such action as it considers appropriate.
9. A and AB Members must take **appropriate action in response to serious abuses** in the Production Sites of Member Suppliers inconsistent with the Objects and are brought to the attention of SEDEX.

To carry out the above auditing and compliance obligations, the Sedex members have an option of going in for the SMETA, i.e. Sedex Members Ethical Trade Audit. It incorporates 3 elements:

- A common best practice guidance on conducting ethical trade audits
- A common audit report format
- A common corrective action plan format

SMETA guidance and report formats were developed by the Sedex Associate Auditor Group in response to the challenge from Sedex members to provide a report format for ethical trade audits that could more easily be shared and to give greater transparency into the auditor qualifications and practices that underpin reports.

SMETA is designed to benefit retailers and consumer brands and their suppliers, reducing duplication of effort in ethical trade auditing. Companies who are not members of Sedex are able and encouraged to use SMETA as well.

SMETA is not a new code of conduct or standard to which audits should be conducted.

It is rather a compilation of best practice in ethical trade audit technique, intended for experienced auditors to help them to conduct high quality audits that will be accepted by multiple retailers and brands. ■



## Phasing-out Non Tariff Barriers

# EPCH fights India's inclusion on US Lists

EPCH has been working with the US Department of Labor for the past 6-8 months to remove the inclusion of embroidered textiles (*Zari*) products from the list of products that have been identified by the US govt. as a product using child/forced labor.

In 2005, US had enacted the Trafficking Victims Protection Reauthorization Act, directing the Secretary of Labor and the Dept. of Labor's Bureau of International Labor Affairs (ILAB) to compile "a list of goods that ILAB has reason to believe were produced using forced labor or child labor".

There is in force in the US, the Executive Order 13126 on the "Prohibition of Acquisition of Products Produced by Forced or Indentured Child Labor," which was signed on June 12, 1999. The EO is intended to ensure that federal agencies enforce laws relating to forced or indentured child labor in the procurement process.

EPCH has been pointing out to the US Dept. of Labor that its members do not use such labor in the manufacturing process as Indian laws forbid the use of child labor.

**WRAP & SEDEX:** EPCH in its comments to the US DoL has been trying to bring legitimacy to the claim that the Indian products included in the above lists have not been produced using child labour and forced labour. EPCH has found that the practice of getting the production sites/facilities certified by certain agencies such as WRAP and SEDEX would lend credibility to its claims. This will help facilitate the removal of products from the above lists.



# Understanding the Green Dot

The Green Dot is the license symbol of a European network of industry-funded systems for recycling the packaging materials of consumer goods. Although it is no legal EU requirement, many products marketed in the EU present the symbol in their packaging. In Germany the symbol was obligatory until 1 January 2009. However, the symbol is required in packaging and packaged products marketed on the French, Spanish, Bulgaria and Portuguese market. As a result, packaging to be marketed in several Member States usually bears the Green Dot symbol.

The Green Dot scheme is covered under the European "Packaging and Packaging Waste Directive - 94/62/EC", which is binding on all companies if their products use packaging and requires manufacturers to recover their own packaging.

According to the directive, if a company does not join the Green Dot scheme, they must collect recyclable packaging themselves, although this is almost always impossible for mass products and only viable for low-volume producers.

Regulatory authorities in individual countries are empowered to fine companies for non-compliance, although enforcement varies by country. Environmentalists claim that some countries deliberately turn a blind eye to the European directive.

Since its European introduction, the scheme has been rolled out to 23 European countries. In some namely France, Turkey, Spain, Portugal and Bulgaria companies joining the Green Dot scheme must use the logo. The Green Dot is used by more than 130,000 companies, encompassing 460 billion packages.

## What does Green Dot mean?

It signifies the supplier of packaging marked with the Green Dot has financially contributed to the cost of recovery and recycling.

## What does it not mean?

It does not mean that packaging with a Green Dot is recyclable, will be recycled, or has been recycled. For instance, a glass bottle, with or without a Green Dot, can be recycled, but only if YOU bring it to a bottle bank.

## What if it doesn't have a Green Dot?

1. This could be packaging with a long-shelf life or packaging in-stock that the supplier must use up before new packaging with the Green Dot can appear. 2. The supplier could be self-complying with the legislation, meaning he won't be licensed by Repak to supply or display packaging marked with the Green Dot.

## Is it unfair that only Repak Members have the Dot?

No. Non-members are entitled to have their own logo and to promote awareness of their own activities regarding recovery and recycling of packaging waste. On behalf of its Members, Repak have sweated blood and tears to promote its activities, and through the Green Dot, make people aware of this. It is hardly fair that suppliers, who haven't financially contributed to the cost of recovery and recycling through Repak, can use the Green Dot, and 'free-load' on the hard work and hard won achievements of Repak and its Members.

## And if they are using the Green Dot and not in Repak?

They will be prosecuted to up-hold the reputation of Repak, Members, and the Green Dot.

## It's called the Green Dot but its not always Green?

It started life as green. However, when packaging is printed or produced, it may not have any green pigment on it. To introduce a new colour would be expensive and not very environmentally friendly. Therefore, it can be any two colours, or even one colour on a contrasting background. It still means the same.

## Which other countries use the Green Dot?

Austria, Belgium, France, Germany, Luxembourg, Portugal, Spain, Norway and soon to be Sweden, and Latvia. ■

# Business Opportunities

**MOLCA B.V.** - Postbus 3, NL-4870 AA Etten-Leur, **NETHERLANDS**

Tel : (31) 76-502 09 57; Telefax : (31) 76-501 25 00; Contact : P Klijs & S Verheugd; Email : sales@molca.com  
Website: www.molca.com; Items of Interest : **HOUSEHOLD DECORATIVE ACCESSORIES**

**DICKSON'S ARCHITECTURAL SALVG.** - J1A, Southburns, Chester Le St. County Durham DH3 3EZ, **ENGLAND**

Tel : (44) 191-387 5272; Contact : Steven Dickson; Email : darcsal@aol.com; Website : www.architectural-salvage.co.uk  
Items of Interest : **ANTIQUES & ANTIQUE REPRODUCTIONS**

**IRISH ART GROUP** - 49, The Promenade, Portstewart BT 55 7AE, **NORTHERN IRELAND**

Tel : (44) 28-7083 4600 ; Telefax : (44) 28-7083 4600; Contact : Michael Huges; Email : info@irishartgroup.com  
Website : www.irishart.demonweb.co.uk; Items of Interest : **ANTIQUES & HANDICRAFTS**

**J. & M. MURPHY LTD.** - 3514 Joseph Howe Drive, Halifax, NS B3L 4H7, **CANADA**

Tel : (1) 902-443-8641; Telefax : (1) 902-443-9020; Website : www.murphygear.com  
Items of Interest : **LINENS, BEDSPREADS, TOWELS & BLANKETS**

**ABRA IMPORTACIONES S.L.** - Edif. Inbisa, C/AMAIA, 2-2A3, E-48940 Leioa (Vizcaya), **SPAIN**

Tel : (34) 944-805 667 ; Telefax : (34) 944-805 668 ; Contact: Maria Barrenechea; Email : info@abraimpo.com  
Website : www.abraimpo.com; Items of Interest : **PROMOTIONAL GIFTWARE & NOVELTIES**

**WOTTOLINE PROMOTIONS** - C/ Puerto De Santa Maria, 42-44, E-28043 Madrid, **SPAIN**

Tel : (34) 917-216 170 ; Telefax : (34) 913-005 367 ; Contact: Maria Amoya; Email : comercial@wottoline.com  
Website : www.wottoline.com; Items of Interest : **HOLIDAY DECORATIONS**

**LA NUEVA PARISIEN** - Claudio Coello, 23, Madrid, **SPAIN**

Tel : (34) 914-353 442 ; Contact: Rafael Garcia Alvarez; Email : nuevaparisien@gmail.com  
Website : www.nuevaparisien.com; Items of Interest : **ARTIFICIAL FLOWERS**

**GREEN MOUNT GMBH** (specializing in buying Art of Gifts & Pleasures)

Frau Johanna Czekanska, Dorotheenstr.166, 53119 Bonn, **GERMANY**  
Contact: Frau Johanna Czekanska; Email : greenmountgifts@gmail.com  
Items of Interest : **CHRISTMAS 2010 CATALOGUE**

*The above information is given for the reference of trade members. EPCH does not necessarily stand guarantee for the creditworthiness or financial standing of any of the firms mentioned.*

## Brazilian Govt. to create Exim Bank boost export incentives

Brazil's government has announced the creation of a national export-import bank and unveiled a long-awaited list of incentives aimed at boosting the country's exports. This Export-Import bank, or Exim Bank, would be created on the foundation of the Finame industrial financing agency at the country's BNDES National Development Bank. The new institution would offer longer-term financing for local export industries that is not easily available elsewhere in the market.

The National Development Bank (BNDES) will create a subsidiary to finance trade exclusively, called EXIM Brasil.

**The new bank will begin operations in August 2010** and will concentrate all of BNDES' existing trade financing operations. The bank will begin with US\$13 billion in outstanding loans and another S\$20 billion in projects under analysis. Other measures announced include the following:

- The government will also create a new company called the Brazilian Insurance Company which will have R\$17 billion (US\$9.5 billion) in existing government guarantee funds for exports and infrastructure.
- A new drawback program will be created under which exporters can use exports from the last year to receive tax exemptions on national inputs purchased during the current year.
- The government will create a R\$7 billion (US\$3.9 billion) credit line to finance exports of durable consumer goods.

During the recent BRIC Summit held in Brazil in April 2010, Export-Import Bank of India, National Development Bank (BNDES), China Development Bank Corporation and State Corporation Bank for Development and Foreign Economic Affairs of Russia signed an MOU for cooperation inter-alia for facilitating and supporting cross-borders transactions and projects of common interest; to enhance trade and economic relations and to set up a scheme for providing financing and banking services for investment projects that could be beneficial for the Parties as well as fostering the economic development of the BRIC countries. ■

## Flatweaves & Floorings

consumers like looks and price points

While most of the American rug market has traditionally been product with a pile, the flatweave category has proven a steady or even growing area for the industry.

Most US consumers used to associate a rug with thick pile as having more value but now they are starting to recognize the advantages flatweaves have as well.

Soumaks are super popular in Europe, where they are used in such rooms such as the dining room, and this

concept is increasing in the US market. Unlike Americans, Europeans are resistant to have a pile rug in the dining room, but the U.S. market is changing.

Flatweave customers run the gamut. Many are younger customers who don't want the commitment of heavier rugs, and soumaks are ideal if the consumer is looking for a floor cloth appearance. ■

Source: HFN



## US Retailer Container Traffic

forecast to rise 15%

Import cargo volume at the US's major retail container ports will increase by 15 percent this June over June 2009, according to a projection by the National Retail Federation and consulting firm Hackett Associates.

The monthly Global Port Tracker report said container traffic this month should total 1.16 million 20-foot equivalent units (TEU). The TEU total for the first half of 2010 is expected to reach 6.6 million, which would be 12 percent higher than in the first half of last year, the report added. It also projected an 11 percent gain in TEU for July, a 10 percent pickup for August, a 15 percent rise for September and a 12 percent increase for October.

"Cargo import numbers are up, but retailers are looking closely at other economic indicators to make sure they are sourcing the appropriate amount of merchandise based on consumer demand," said Jonathan Gold, NRF's vice president of supply chain and customs policy. "Job creation remains a key factor that's going to affect consumer spending and retail sales." ■



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## Casual Tabletop strengthens core this season

Buoyed by a strong start to the year and a perceived improvement in consumer mood, tabletop vendors remain focused on offering value as well as design-oriented, fashionable items.

Retail experts say that while last year was quiet, this year is poised to bring interest in new ideas and products to drive business and opportunities.

**The market is ready for companies to reinvest in new assortments and collections and bring new products to market.**

Important niches of business continue to include pieces geared toward entertaining, such as casual stemware and serveware; pickup gift items like mugs and dessert sets; and core basics, which includes innovative approaches to whiteware as well as solid colours and reactive glazes which are still essential to the fashion home.

**One of the key fashion themes is colour –brights on one end of the spectrum to serene neutrals on the other.**

Colour and texture continue to be increasingly important in housewares and consumers are integrating multiple colour stories into their homes. This has manufacturing moving in many different directions, which gives consumers the kind of colour choices they are demanding.

The need for sharp price points has dominated most business discussions over the past year, and manufacturers have adapted accordingly with a variety of approaches.

Manufacturers are also examining their production processes for potential cost savings. **They are looking at new ways to pack more efficiently, remove and**

**reduce raw materials, and streamline the supply chain.**

This sustainable approach to the business has enabled one to combat cost increases and pricing pressures without removing pieces [from sets] and reconfiguring sets. ■

Source: HFN



## Textures and Emotions define furniture trends

Going by the trends showcased at Frankfurt's Ambiente, natural and handcrafted furniture & accent pieces are big this season, and so are sophisticated and pricey leather and suede pieces.

Distressed and crinkled technical textiles are also a perfect foil to shimmering, crystalline and ultra-light pieces made of chromium, silver and aluminum. And for the ultimate in kitsch appeal, there are accent pieces encrusted with semiprecious stones.

Furniture and interior designers at the recent Ambiente Trend Forum, part of an annual home fair in Frankfurt, Germany, grouped trends into four categories: progressive and sensitive; genuine and sincere; present and everlasting; and crafted and original.

Lightness, creativity and emotionality, are shaping styles in all areas—from the more classical look to the experimentally avant-garde. Genuine and sincere category, for instance, encourages the use of natural materials. It even goes as far as advocating the “used” look in the form of light-colored and disposable wood with coarse and chip effects.

Apart from bamboo, other preferred materials are wool, felt, cotton and linen with a grainy feel. It's all about textures—not bold colours—in the form of ceramics and porcelain with fine glazes and matte surfaces, lead crystal engravings, crochet work, embroidery and hand-knitted items.

Washed-out looks, bright wood nuances and dark graphite and “calcareous” white are preferred hues. Stylized meadow flowers, grasses, tweed effects and jacquards also rule.

“Present and everlasting” provide an interesting counterpoint to the previous trend's low-key simplicity. It's all about “sophistication fashioned from high-quality materials.”

Thus, precious and semiprecious stones, agate and marble effects and lustrous surfaces of lavishly woven, upholstered and embossed leather and suede are key materials for this look. Gold, bronze, crystal and Murano glass make for an elegant contrast next to ebony-coloured items.

As for colours, there are “warm, energy-charged” hues such as dark brown, camel, saffron, red and, yes, white. Marbling, veined patterns and historical and classical design motifs are also integral inspirations.

There is a subtle sense of aesthetic, but with a difference. This time, it's all about shimmer, lightness and near-transparency in the form of shiny metal and frosted & transparent glass. Definitely the most modern trend on the list, the “iridescent” colour spectrum includes such shades as gray, black, white, salmon and chrome. Despite its futuristic thrust, the trend isn't devoid of textures. ■

[www.craftclustersofindia.in](http://www.craftclustersofindia.in)    [www.themecrafts.in](http://www.themecrafts.in)

## Elaborately documented craft websites launched; 'Handmade in India' e-version made available in 11 regional languages

Hon'ble Minister of Textiles, Thiru Dayanidhi Maran, has launched two informative craft websites - [www.craftclustersofindia.in](http://www.craftclustersofindia.in) and [www.themecrafts.in](http://www.themecrafts.in), during a ceremony held in New Delhi on June 9, 2010. He also officially announced the online availability of "Handmade in India" - a compendium of Indian crafts, in 11 regional languages.



These have been developed under the guidance of the Office of the Development Commissioner (Handicrafts) with an objective to strengthen the roots as well as knowledge base of artisans, crafts persons and all those who form a part of the entire handicrafts manufacturing/exporting/retailing value chain.

### [www.craftclustersofindia.in](http://www.craftclustersofindia.in)

Part of the cluster development initiative of DC(Handicrafts), this website showcases products from 550 clusters made by cluster artisans across the country. The artisans are provided with technical and marketing know-how for making these products by implementing agencies which are partnered by DC(Handicrafts) for the upliftment of these artisans. It also depicts 25,000 products developed in crafts clusters assisted by the Ministry of Textiles through its flagship scheme, Baba Saheb Ambedkar Hastshilp Vikas Yojana.



The buyer can see the product through craft/sub-craft, product/sub-product and region on the website. Once the buyer reaches a product, he can easily view the details of the product as well as the cluster where the particular product was actually made. This entire exercise is an effort of the DC's office to provide a market linkage to the artisans/clusters so that buyers/exporters can get in touch with them directly, for sending enquiries related to their products.

### [www.themecrafts.in](http://www.themecrafts.in)

This website represents over 21,000 products and is part of the theme based cluster development programme of the O/o DC (Handicrafts), aimed at development and promotion of these craft in such a manner that it meets the need of both domestic and international markets. Presently, this covers five themes : Needle Craft, Natural Fiber Craft, Tribal Craft, Festive Decoration and Fashion Accessories. At present this website has details of over 4300 business entities available in 7 international languages, other than English and Hindi.



The website targets to cover 45,000 products and 9000 photographs of entities (entrepreneur's, national awardees, State Awardees, self help groups, etc.) and 18 tourist places, viz. Agra, Ahmadabad, Bhubaneswar, Chennai, Darjeeling, Dehradun, Delhi, Goa, Guwahati, Indore, Jaipur, Kochi, Mysore, Patna, Pondicherry, Srinagar, Udaipur and Varanasi. For the time being, the website has 20,000 plus product photographs of around 4600 entities. A buyer can select/click the required product and based on the theme, place orders directly with the producers/retailers.



### e-version of Handmade of India

The Textile Minister also launched the electronic version of "Handmade in India" which is a lucid compilation of different craft styles captured from various locations of the country, in an impressive and imaginative manner, enabling visitors visiting the site, a first hand feel of the craft. This compilation is present in 11 regional languages apart from English, through the website [www.handicrafts.nic.in](http://www.handicrafts.nic.in). A source book of handicrafts, "Handmade in India" is based on extensive field work and research, and maps out the regional craft clusters identified across the country on the basis of prevailing craft-work patterns. ■

*Seminar on*

# Export Marketing and Design Development

Sitapur, Uttar Pradesh

on Furnishings & Floor Coverings

13th June, 2010



*Mr. Sanjay Kumar, DM, Sitapur speaks to the audience. Seen on his left is Mr. Prabhat Kumar, Jt. Export Commissioner, UP EPB and seen on his right are Mr. Rakesh Kumar, ED, EPCH and Mr. R K Srivastav, ED, NCDPD*



*Mr. Rakesh Kumar, Executive Director, EPCH making the keynote address*



*Glimpses of the exporters present at the Seminar*

EPCH conducted a seminar on Export Marketing and Design Development with special focus on Furnishings & Floor Coverings, at Sitapur on 13th June, 2010. Mr. Pawan Agarwal, GM, DIC, Sitapur initiated this session with a welcome address. The Seminar was chaired by the District Magistrate of Sitapur, Mr. Sanjay Kumar. Senior officials from the State Government and Mr. Prabhat Kumar, Joint Export Commissioner, UP Export Promotion Bureau were present on the occasion alongwith Mr. Rakesh Kumar, ED, EPCH and Mr. R K Srivastav, ED, NCDPD.

Mr. Sanjay Kumar, DM Sitapur, called upon the stakeholders to come forward to prepare a strategy for the socio-economic improvement of Sitapur Craft Cluster. Mr. Prabhat Kumar spoke about his organization's schemes.

Mr. Rakesh Kumar delivered the keynote address and shared the objective of the first seminar of its kind at Sitapur. He identified the need to adopt hand holding measures. The measures include three pronged approach of Infrastructure Development at local level, International Export Marketing and Technical Upgradation including design development strategy.

Mr. R K Srivastav, ED, NCDPD, discussed the cohesive role of EPCH & NCDPD which will be instrumental in holistic development of Sitapur crafts in future.

The seminar was conducted in three sessions and the Expert Faculty shared vital tips with the entrepreneurs, manufacturers, NGOs and SHGs present. The panel of dignitaries replied to the queries of the participants and made recommendations for a road map of the Sitapur Craft Development project. ■

## EPCH to set up International Lace Center at Narsapur

The government of India has selected EPCH to set-up an International Lace Centre at Narsapur (Andhra Pradesh) a name synonymous with hand-made lace. Mr. Rakesh Kumar, Executive Director, EPCH visited Narsapur on 8th of May, 2010 to discuss the project with local authorities as well as exporters/associations. They welcomed Mr. Rakesh Kumar and discussed the setting up of the International Lace Centre at Narsapur.

Narsapur in Andhra Pradesh is a traditionally famous town for crochet lace products. The cluster has around 50 exporters who export to major world markets in USA, Europe and Japan. There are around 2 lakh women artisans involved in lace work. The cluster is located in and around Narsapur, Andhra Pradesh, India, in various villages like Sitarampuram, Palakol, Venkatrayapalem, Antarvedi, Royapet, Mogaltur, etc. The origin goes back to 1844, when a Scottish lady - Ms. Macrea went there on missionaries of Charity and taught this art to house wives. This art of lace work by needles, spread in the district and women took up the activity as a source of income. What started as a random craft with a mere dozen designs is now a globally-known industry, thanks to the local skills & the higher-level artistic sense of the artisans, which has evolved as many as 300 designs over the years.

The cluster is specialized in doing lace works like dollies, furnishings, garments, tablemats, etc. The craft is being carried on by thousands of women over generations, most of them knitting in their respective houses along with family members. In some villages, women gather at a common place and knit together. Articles produced include wholly lace, as well as those in which lace work is used as



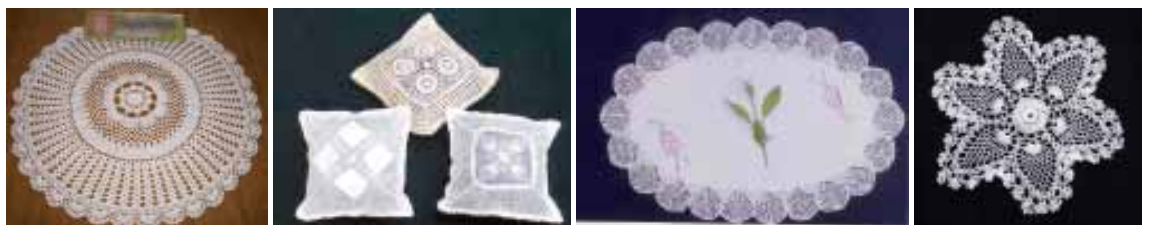
*Artisans cluster at Narsapur*

decorative insertions in cloth. Out of total production 80% of production value is being exported. There is good potential in this art form and holds the ability to expand its market both overseas and in domestic markets.

Narsapur is well-connected by road and rail to Rajamundry, Vijayawada and Hyderabad.

Owing to its experience in setting up such infrastructure, EPCH has been commissioned to implement the project of setting up the International Lace Trade Centre at Narsapur.

The Council, through its network is expected to channelise the end-users to avail the facilities at the Center and also build international market linkages to foster the growth of the cluster. ■



# Trend Formation : Key Influencing Factors

## Steps for staying ahead in business



### Facts at a Glance

- Customers are more aware and sensible. This paradigm shift calls for new products to be sold differently. Customers are more ethical and **socially charged** belonging to global culture.
- The focus needs to be on what to make for this new audience and then deciding how to sell. Western markets are **discouraging eastern made supplies** by introducing things like 'miles tag'.
- IPR is another important paramount factor; we need to be aware of its **implications**.
- The answer to these issues can be delivered through Design only. **Design team formations** should be based on Victor Papanek's model.
- Instituting award and **creating awareness** should be another important facet.
- **Lead times** are now in days as against months and seasons. This trend shows customers insatiable appetite and constant need for change.
- There need for **provocation** and call for a huge preparation and complete change in how we operate and look at things.
- What are lateral and **creative ways** of doing things?
- Another important need is to have design archives or resource center for industry. This needs to be **regularly updated** and often ahead of current trends
- Ebay and e-commerce have **changed the way we look** at trends. If ten years back a broken laser pointer was the first recorded commercial transaction /sale on ebay then we can understand how much dynamically this segment and customers appetite would have changed.
- Quest & search of meaning **behind every purchase**. There should be reason, story or justification.
- Customers don't want products only but an **experience**. Products are narratives & has strong potential, we must have reason and **philosophy driven product** innovation process.
- Times Square as experience zone in an important challenge to the experience designers, they **constantly explore** what new can be offered.
- Itne paise mein thoda **jyada milega** toh achaca hai.
- How does it **make people connect**? Products as connectors to life and relations and experiences and dreams and passions.
- How can we give **beyond their imagination** or at least challenge their thoughts.
- Everybody **loves surprises**, so our products should be surprise experiences yet coordinated to their environment.
- iphone is a **phenomenal** example.
- Another important example is www where control is in the hand of user, so **customizability to individual** level can be an additional possibility in our products.
- Can our product **be so thoughtful**, if yes then how.
- Design **intervention** is the only key. Let's try to understand what design is and what it can offer. How businesses can leverage from it.
- Terrorism, economic collapse, Natural Calamity are few issues which businesses needs **to anticipate and equip** themselves to be able to deal more appropriately.
- Do we really want innovation and design to remain in the hands of west or we want to **develop this competency** such that we are acknowledged for our creative acumen.

Dhiraj Kumar (Associate Professor)  
Pearl Academy of Fashion, Jaipur

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# Trends in Contemporary Home Style Elements of Inspiration

By Ener Baloloy, Design Consultant, NCDPD



A Trend is like a Recipe  
It includes Elements of  
Inspiration  
to refresh you....  
...“what is good for you”  
“why”“when”

Casual is the Word...



...the other is Exuberance



Soft Colours & Beach House Whites



Clean, modern pieces that live  
simple, look relaxed, and  
sophisticated all in the same beat.



On the natural front: seagrass, rattan, driftwood



and bamboo seek shelter in sofas,  
chairs, rugs, armoires and decorative  
accessories.

# Top Ten Colours of the past season that will continue to rule

<p><b>10</b>  <b>GRAPEMIST</b> PANTONE 16-3929</p> 	<p><b>9</b>  <b>HOLLYHOCK</b> PANTONE 19-2924</p> 	<p><b>8</b>  <b>GREEN SHEEN</b> PANTONE 13-0648</p> 
<p><b>7</b>  <b>TARRAGON</b> PANTONE 15-0326</p> 	<p><b>6</b>  <b>SILVER PEONY</b> PANTONE 12-1206</p> 	<p><b>5</b>  <b>CAFE CREME</b> PANTONE 16-1220</p> 
<p><b>4</b>  <b>GOLDEN APRICOT</b> PANTONE 14-1041</p> 	<p><b>3</b>  <b>SKY BLUE</b> PANTONE 14-4318</p> 	<p><b>2</b>  <b>STRAWBERRY ICE</b> PANTONE 16-1720</p> 

**The return of grey.** Grey unifies the range of both pastel and bright colors for the forthcoming season. Grey has reappeared as a **seductive colour** that transcends into lifestyle products for home specially in the living room and the bedroom. Matte and soft grey dominates with a **intense mettalic grey** as accent as if like a sunlight shimmering in puffs of grey clouds.

Many abodes are embracing **grey as the new white**. From grey pickled wood finish to organic cotton in the palest of greys or in hu sub-dued with grey, the color can be **magical and mysterious** like shadows.

**1**  **OPAL GRAY**  
PANTONE 16-3801





# IHGF'10

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