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# CRAFTCIL

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



## Table & Kitchenware

Orientation Programme for Participation in Trade Events

Sustainable Packaging set to grow with New Initiatives

EPCH takes contingent to international trade shows at Kazakhstan, Germany, UK, Spain, Hungary, Greece & Hong Kong

# EPCH's 24th Annual General Meeting

6 members elected for COA



EPCH's 24th AGM in progress

## Elected Members of COA



**Mr. Raj Kumar Malhotra**  
M/s Asian Handicrafts Pvt. Ltd.  
*Northern Region*



**Mr. Rajesh Kumar Jain**  
M/s Exmart International Pvt. Ltd.  
*Northern Region*



**Mr. Arvind Vadhera**  
M/s Lee-Za International  
*Central Region*



**Mr. K L Katyal**  
M/s KLK International  
*Central Region*



**Mr. Nirmal Bhandari**  
M/s Bhandari Exports  
*North West Region*



**Mr. L R Maheshwari**  
M/s Rajasthan Handlooms  
& Handicrafts Industries,  
*North West Region*

The 24th Annual General Meeting of the Council was held on 20th September, 2010. As per one of the agenda items, the elections were held as per available vacancies, i.e 1/3rd (6) of the members of the Committee of Administration i.e. two vacancies for Northern Region, two vacancies for the North West Region and two for the Central Region. The members re-elected from the Northern Region include Mr. Raj Kumar Malhotra and Mr. Rajesh Kumar Jain; members elected from the North West Region include Mr. Lekh Raj Maheshwari and Mr. Nirmal Bhandari; and members elected from the Central Region include Mr. Arvind Vadhera and Mr. K L Katyal.



Counting of Votes

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## Chairman's Message

Dear Fellow Exporters,

It is heartening that India did well at the Commonwealth Games. I hope that our international guests for the Games enjoyed their sports as well as stay in India. I further hope that they carried back with them fond memories and a bit of our art & culture in the form of our handicrafts.

As you must be aware, the new Duty Drawback Rates announced recently, have been lowered across all handicraft product categories except 'Agarbathi'. A specific entry has also been created for wooden handicrafts and artware, under the residuary head 4421 with drawback rate of 2.5%. This coincided with the unfortunate event of flooding in one of the most important handicrafts clusters i.e. Moradabad. It is pertinent that necessary measures are taken to provide relief to those affected and also ensure that the growth which the sector has seen during the last financial year is maintained and the target set for the year 2010-11 is achieved.

I am pleased to share that your Council continued its foray into the global market by participating in international trade shows at Almaty, Frankfurt, Birmingham, Madrid, Budapest, Greece and Hong Kong. Many member exporters and artisans have gained exposure and benefited from these.

EPCH has also conducted an Orientation Programme with industry experts, to guide members towards effective participation & display at international fairs & exhibitions. I urge you all to use such programmes and benefit from the same.

In the meantime, feel free to write in to me at [chairman@epch.com](mailto:chairman@epch.com)

**(Raj Kumar Malhotra)**

Chairman, EPCH

# Orientation Programme for Participation in Trade Events

6 October, 2010-New Delhi



*A view of the speakers on the dias at the Programme*



*Mr. Raj K Malhotra, Chairman, EPCH initiates the Orientation Programme*



*A view of the participants at the programme*

With an objective to guide its member exporters towards optimum use of international trade platforms like fairs & exhibitions, EPCH organised an orientation programme on 6th October, 2010, in New Delhi's PHD Chamber of Commerce & Industry. Mr. Raj K Malhotra, Chairman, EPCH initiated the event and urged the member exporters present, to work with a well-planned approach towards trade fair/exhibition participation & preparation, as it is an integral marketing tool. He showed his concern that despite being competitive in price, quality and exclusivity, Indian handicraft products haven't yet made a significant place in world. Mr. Malhotra informed that eminent, experienced and knowledgeable persons have been requested to share their thoughts & guidelines with the participants and that EPCH is confident that this will go a long way in creating awareness among its member exporters towards effective presence at international trade fairs.

Experts from various fields made valuable presentations, with each session concluding with questions & answers between the audience and the presenters.

Mr. Prem Behl, MD-Exhibitions India Group elaborated on "How to use fairs as an effective marketing medium" with

pointers like, selection of market, product, trade fair; booking of space & location; arranging logistics like stands, shipment, local support, etc.; and ancillary preparations. Mr. Mohd. Eqbal Perwaiz, Head of Marketing, Dr. Laundry, further added on this and elaborated on the importance of product innovation. He said, in a constantly changing scenario of consumer tastes & preferences, its critical to keep offering something new. A whole lot can be done with an existing product line, its presentation and even topical inspirations that can impact consumer buying decisions. Manufacturers should keep their market study constant so that they develop futuristic designs with a fresh perspective.

Mr. Ener Baloloy, international lifestyle designer, spoke on "How to select exhibits and display". Focussing on

visual merchandising, he guided the audience on using colours and lighting as effective mediums of communication at trade events. He also spoke on the importance of intelligently choosing a specific group of products for exhibiting and carrying visuals of the rest in a catalogue.

Mr. N K Sehgal, Ex-General Manager, ITPO shared valuable tips on "How to organise visit of business visitors & buyers to the stand" by detailing on aspects like creation of database, direct mailers, advertisements in catalogue/trade fair site; stand staff etiquettes; business card folder; etc. This was followed by another important part of the process- "How to pack, ship and clear exhibits".

Mr. Ravinder Sethi, MD, Rogers Worldwide made a presentation on customs procedures; documentation; role of cargo agent; and importance of packing, labelling & consignee. With interesting examples and experiences he explained the various stages of a consignment from its starting point to the exhibition area in another country. ■

## Seminar on Challenges & Opportunities in the Handicrafts Sector

7 October, 2010-Kolkata

EPCH conducted a Seminar on challenges & opportunities in the handicrafts sector, in Kolkata on 7th October, 2010. This was an interactive platform for exporters of this region to address issues concerning the trade and put forth suggestions for enhancing growth in the sector.



*Mr. Raj K Malhotra, Chairman, EPCH addressing the gathering at the Kolkata seminar*

The Seminar was graced by Mr. R K Malhotra, Chairman, EPCH, Mr. Anil Kothari, Convener, Eastern Region-EPCH, prominent exporter from Kolkata - Mr. O P Prahladka and distinguished speakers-Mr. Akhilesh Pandey, Jt. Commissioner of Customs, Mr. S R Banerjee, Manager, ECGC, Mr. A K Hota, Handicrafts Promotion Officer, O/o DC (H), Mr. Deepak Khedkar, Jt. Director, Indian Institute of Packaging and Mr. Chirapriya, Designer, NCDPD.

Mr. Anil Kothari initiated the seminar and welcomed the participants. Mr. R K Malhotra addressed the gathering and informed them about the present scenario in handicrafts exports as well as the target which the Council hopes to achieve in the near future. He also drew attention to the constant representation EPCH has made at various levels and policy incentives it has been able to draw from the Government.

Mr. Akhilesh Pandey, Jt. Commissioner - Customs detailed on the various activities of the Customs like the new electronic EDI System, round the clock service, upgradation in their software and their overall role as a service provider to the sector. Mr. S R Banerjee, Manager, ECGC informed about their various risk coverage schemes to the trade.

Mr. A K Hota, Handicrafts Promotion Officer, O/o DC(H) informed about the various schemes for new entrepreneurs/exporters and added that they are welcome to approach his office for more information on the same.

Mr. Deepak Khedkar, Jt. Director, Indian Institute of Packaging spoke on the importance of packaging and how one can use packaging as a tool for product visibility & branding. Mr. Chirapriya, a designer from NCDPD made a presentation on trends & for the season ahead.

Many member exporters from the Kolkata region attended and benefited from this Seminar. ■

European Union

growing market for

# Table & Kitchenware

The largest markets are Italy, Germany, the UK, France and Spain, although these markets are rather mature. Growth markets can be found in Eastern Europe.

*The EU tableware, kitchenware and other household articles market is characterised by a shift in consumer preferences towards more informal tableware, kitchenware and other household articles. This is one of the reasons why the plasticware market is the largest market for tableware, kitchenware and other household articles in the EU. Besides, many EU consumers want to distinguish themselves, so products need to be unique and innovative, and according to the latest fashion trends. Furthermore, the health trend is leading to consumers increasingly buying products made of natural materials such as bamboo and wood. However, woodware is still by far the smallest product group consumed (and imported) by the EU.*



## EU Market Outlook

The EU is a large market for table and kitchenware. Italy, Germany, the UK and France are the leading markets and therefore provide opportunities for developing country suppliers. However, the East-European countries, although still small, are the growth markets in the EU. Because of those countries, the EU market for table & kitchenware is growing, even though the largest markets seem to be mature.



In the short term, the economic crisis forms a threat to the European market. Consumers are cutting back on expenses and buying only essentials.

Furthermore consumption by the largest EU markets (especially Germany and the UK) decreased significantly. Consumer preferences are changing towards more informal tableware, kitchenware and other household articles. This trend is most noticeable in countries which still have more formal eating and cooking traditions, like France, Italy and Spain. This offers many opportunities for Indian exporters who aim to enter the middle and lower-end of the market and offer new products which tap into the trends presented. Because of the trend towards smaller households, an opportunity for Indian exporters would be to offer smaller pack sizes and

**Functionality, design and costs are the most important purchase criteria for table and kitchenware. There is an increasing trend towards woodware and Asian influences.**

more individual items. However, the ageing population, the smaller households and the declining number of marriages, could lead to lower consumption in the future.

Consumers are increasingly interested in woodware products, which follows from the health trend. This is an opportunity for developing country producers, as woodware is an important product group for them.

India can take advantage of the trend towards Asian style table & kitchenware, by producing products which reflect influences from its own culture. Also, there is an increased demand for easy-to-handle utility products which are microwave and dishwasher proof.

The Fair-Trade market segment could provide opportunities for developing country suppliers. The EU is an important market for Fair-Trade products, although limited to West-European countries. The best opportunity would be to sell Fair-Trade table and kitchenware in Christmas presents/packages.

However, the market specifically for Fair-Trade handicrafts is increasing only slightly. Due to the economic crisis, retailers in particular face difficulties in selling their Fair-Trade table and kitchenware. In general, the UK is by far the leading market for Fair-Trade products in the EU. The British Fair-Trade market is now larger than that of the USA, and is therewith the largest market in the world. France and Germany are the second and third largest markets for Fair-Trade products in the EU. Sweden is the fastest growing Fair-Trade market in the world at the moment. But in East-European countries, there is no Fair-Trade market yet.

In order to be competitive on the European market, Indian exporters should be able to regularly offer unique and new designs by paying attention to ongoing trends in the market.



## Opportunities & Threats

The current economic crisis forms a threat to the EU market for table & kitchenware, and therefore also to exporters who aim to supply this market. Reduced consumer confidence and rise in unemployment are, among others, the main factors leading to a decrease or at least a lower growth in consumer spending. Furthermore, the strong competition in the table & kitchenware market forms a threat. China, as the main supplier, forms a threat to other developing country suppliers aiming to export to the EU, especially in the low-end market segment. On the other hand, EU companies have positioned themselves in the high end of the market, offering branded products.

Most opportunities for developing country suppliers, therefore, can be found in the middle-high market segment, where competition from branded products and Chinese companies can be avoided. Moreover, consumer preferences changed towards more casual products, but with a unique design, i.e. the middle-high market segment. Furthermore, the trend towards the use of natural materials provides opportunities for developing country suppliers, because they are the main suppliers of woodware to the EU. Products made of bamboo, for example, would also provide opportunities.

## Market Segmentation

### Business segment

In general, we can make a distinction between the professional (business) users and the private (consumer) users. Products need to be durable, heat-resistant, chip-resistant, microwave and dishwasher proof and have high hygiene standards. The more traditional table & kitchenware is generally plain, durable and reasonably priced. This segment is sensitive to changes in fashion.

### Consumer segment

Changes in lifestyle and trends have been occurring faster, making consumer behaviour more unpredictable, especially in north-western EU countries. Manufacturers nowadays offer a wide range of different styles, targeted at different market segments.

#### The traditionalist

Table & kitchenware articles purchased by traditionalists are generally bought to last a number of years or even decades, and are not replaced as long as the products serve their purpose.

#### The conservative well-educated

The conservative well-educated segment mainly consists of couples with a higher level of education, who had professional careers, and are now enjoying their retirement. They generally live in two-person households (empty nesters) and tend to have an average-to-very high disposable income. They have a liking for unity in design and high-quality workmanship.



**The modern ambitious**

This segment is generally engaged in middle and higher category occupations, with a high(er) disposable income. The regular kitchen and dinner table is convenience oriented. On special occasions, there's refined cooking & a creative & exclusive table culture. The modern ambitious generally wants to be up-to date and strives for luxurious table & kitchenware.

**The conventional modernist**

The conventional modernists include both women and men, the majority aged between thirty and fifty years; occupies a middle position in business life and has an average disposable income. He can be regarded as a "mainstream" consumer group. Regarding table & kitchenware, the conventional modernist is sensitive to quality, attractive designs and accurate pricing.

**The authentic**

This segment includes young and average-aged men and women; they have generally attended a higher form of education, and tend to have an average-to-high disposable income. They reject trend products which have low life spans, extravagant prestigious brands, and superficial luxury.

**The experimentalist**

The experimentalists are just starting their professional career; therefore their disposable income is low to average. They have a preference for trendy brands; however, they are sensitive to blatant plagiarism. The consumer style is impulsive and price-conscious.

**The hyper**

This segment includes more men than women. The age centre point lies between twenty and forty years old. The hyper generally lives in a single or two-person household and tends to have an average to higher disposable income. In day-to-day life, hypers can be regarded as trendsetters, since they generally have an extrovert lifestyle and tend to be very outdoor oriented. The consumer preferences of the hyper are subject to rapid changes. They have a preference for individual products with classical designs. Their style can be described as retro and eclectic. Hypers generally have a

low interest in prestige brands. The style, material and design are of far greater importance.

**Fair-Trade segment**

The Fair-Trade segment includes consumers/businesses willing to pay a higher price for a product when it is produced in an ethical and fair way. Fair-Trade products are estimated to account for less than 2% of the tabletop market. Tableware products, in contrast to most food products, do not carry a Fair-Trade logo. Producing organisations are usually certified (by, for example, the World Fair Trade Organisation), or are evaluated through the importer. Due to the economic crisis, sales of Fair-Trade tableware are not increasing, especially not at the retailers. The best opportunity would be to sell Fair-Trade table & kitchenware in Christmas presents/packages.

**According to the World Fair Trade Organisation (WFTO), somewhat less than 10% of the total Fair-Trade sales in Europe is accounted for by handicrafts.** Note that these total Fair-Trade sales also include non-certified products produced according to Fair-Trade principles. Most handicrafts are sold in the Fair Trade shops (around 3,000) in Europe. The Fair-Trade handicraft sales are growing but rather slowly.

The best way to sell Fair-Trade table & kitchenware in the EU is through an importer in the country of destination. This importer is then evaluated by a Fair-Trade organisation in the country of destination, and takes care of selling the products. Often, these importers also send a designer to visit the producer, in order to develop products which are suitable to sell in the EU market.

**Consumption Trends**

**The retired generation (65+)** will increase significantly in the near future, as the post-war baby-boom generation ages. By 2030 nearly 25% of the people within the EU will be above the age of 65. On the one hand, it will have a positive effect on sales of some products, like those with ergonomic designs, for example, easy-grip handles. On the downside, the generally thrifty elderly will have a preference for timeless, classical designs.



**New household formation**, which is an important engine for growth is not expected to rise substantially in the near future. While the absolute number of households has increased, the average household size is decreasing, as people are having fewer children, divorce rates are growing, and marriage rates are dropping.

**Growing number of smaller households** will impact sales, with both a negative and a positive effect. On the negative side, the smaller households generally do not have the need for large sets of table & kitchenware. The demand for formal tableware is also forecasted to decline, as small households generally rely on convenience.

On the other hand, the sales of products which are not influenced by the number of members within the household will increase, as the total number of households will increase. Examples of such products are kitchen knife sets, bins, buckets and kitchen utensils, carving knives, salt and pepper shakers and so on.

**Consumers are becoming more diverse.** Firstly, ageing and increasing life spans lead to a greater diversity of ages. Secondly, growing immigration, combined with growing tourism and the easier availability of foreign spices and herbs, generate a greater variety in cooking and eating habits. The popularity of ethnic dishes has led to increased demand for utensils, like *karahis* & woks.

**Finally, the growing social diversity** is also triggered by the increasing individualisation that translates into an increased demand for unique and innovative products.

## Fashion Trends

One of the most noticeable trends in the tableware market is the move away from formal to casual dining. Consumers are increasingly abandoning the traditional matching sets in favour of fashion-led pieces. Manufacturers follow this trend by encouraging consumers to make frequent replacement purchases. According to sources at the Birmingham Autumn Fair, trends in the tableware, kitchenware and other household articles market are likely to change significantly every twelve to eighteen months. In general, this sector is a trend-sensitive, meaning that manufacturers should change their product collection quite often. In general, producers should refresh their product collection twice a

year, while in very trend-sensitive markets, a collection should be changed along with the four seasons. This is higher in high-end market segments, whereas in lower segments price is important.

## Importance of design

According to Euromonitor, the increasing importance of design has been stimulated by the growing popularity of DIY (Do It Yourself) and home makeover programmes. In terms of colour, trends generally begin in women's fashion and extend themselves via men's fashion into home textiles, and into DIY products. The influence impacts table & kitchenware. Shape is influenced by architecture, especially at the premium-end of the market.

## Asian influences

Due to globalisation, the interest in other cultures has increased, but at the same time also regional cultural identities become more important. India is playing a strong role at the moment in the tableware market and products are designed to reflect traditional Indian and other Asian crafts. Furthermore, also influenced by Asian designs, rectangular and square porcelain plates and bowls are a strong trend, in combination with soft colours like celadon green and mustard.

## Natural materials & colours

Wood and bamboo products are popular at the moment, so are products reflecting natural colours such as white sand and stone. Colour is an important aspect of table & kitchenware; preferences often change along with the four seasons. Use of bold colours is also in, including green, pink, lilac and products with neon shades & metallic surfaces. Furthermore, the trend of Asian-style products is also reflected in colours drawn from this culture. Likewise, the trend of using natural materials also leads to natural colours being in fashion.



### Mix & match

Consumers increasingly want to create an individual style, leading to companies offering different product lines, so that consumers can combine the products in their own way. This is also reflected in the trend of combining different types of products, also referred to as 'mix and match'. An example of this is to use conventional white plates with, on top, something more unusual, in terms of colour or material.

### Technical Trends

The busy lifestyles and the trend away from family meals, together with the increasing popularity of microwaves and dishwashers, have triggered demand for easy-to-use products adapted for use in these appliances. Because the table & kitchenware market is very mature and stable, replacement spending is one of the key triggers in the market. Manufacturers therefore try to innovate their products with new features and designs, in order to motivate consumers to buy.

### Production Trends

The lion's share of total EU production is manufactured in the original EU-15. However, production in Western Europe is decreasing steadily, while in East-European countries, manufacturing is increasing. Over the last few decades, the tableware, kitchenware and other household articles industry has become increasingly competitive, mainly due to the pressure of low-priced imports coming from Asia and Eastern Europe. Moreover, the perception of the products changed because of retailers, like *Ikea*, positioning table & kitchenware as fashionable accessories sold at competitive prices. Grocery multiples are also continuing

to tap into the market. It is expected that total EU production of tableware, kitchenware and other household articles will continue to decline, because many manufacturers will be forced out of the market, due to increasing imports from low-cost countries.



This is especially true for manufacturers operating in the medium and low-end market. The EU also has many manufacturers producing for the high-end market, which are world famous for their quality and design and will not easily be competed out of the market. However, to reduce costs they move production to low-cost countries. **The expected increase in production in East-European countries will not be large enough to offset the transferring of production to low-cost countries.**

These have led to a pressure on prices, making it increasingly difficult for EU manufacturers to compete in the market, and has triggered them to take action.

### Outsourcing

To cope with increasing competition, several EU manufacturers outsourced their production to Asia, especially to India, China, Taiwan and Thailand. There they could combine their state-of-the-art technology with a low cost-base. In this way, they could maintain an efficient, high-quality production system, but at a low cost. Outsourcing a part of their production to cheap(er) contract manufacturers, offers the EU manufacturers, a chance to focus their attention on marketing their products. This relocating of production resulted in considerable declines in total UK table & kitchenware production. **However, a recent switch has caused outsourcing to be partly reversed.** The latest trend in production is that the production of technically more complicated products is moved back to Europe again, to countries like Hungary, Romania and Turkey. In these countries, wages are still relatively low compared to West-European countries, while the quality is generally higher than in developing countries. Moreover, in terms of delivery, East-European countries are seen as more reliable than developing countries, and transportation time is shorter and therefore faster and cheaper. However, manufacture of products for the low-end market is still being outsourced.

### Target premium-end market (quality)

Some EU companies have started to withdraw production from low-cost countries, as the latter cannot deliver the high quality needed to compete at the premium-end of the market. Many EU manufacturers

## ■ feature

tried to position themselves at the premium-end of the market, where the margins are higher, especially since competition increased in the low-end segment. However, because of this development, the high-end segment became crowded, again leading to more competition.

### **Mergers and acquisitions**

Achieving “economies of scale” has been another answer to the increasing competitiveness. Mergers and acquisitions are a popular means to acquire the scale necessary to survive in the globalising world. Small companies with insufficient production were taken over. This provided an ideal way for the bigger companies to increase their market share in the mature EU table & kitchenware market. Another notable development is brand extension. Because of the increasing competition, manufacturers are searching for ways to differentiate their products from competitors.

### **Trade Channels**

Tableware, kitchenware and other household articles are distributed through many different channels, partly because they come in many different price ranges and functional varieties. As the market is becoming increasingly competitive, many retailers try to lower their costs and business risks by minimising inventory and shortening order lead-time, or shortening the chain through direct sourcing from the manufacturer. The shortening of the distribution chain, combined with the increasing popularity of buying groups for the better organised retailers, implies that an increasing share tends to go directly from the manufacturer to the retailer, and then to consumers. In the business-to-business markets, the route is somewhat different. The catering industry (i.e. restaurants and hotels) generally purchases its table & kitchenware at specialist wholesalers, which give a high level of service and low prices, in return for a large volume of business. Many have their own sales offices in their main sales markets.

### **Intermediaries**

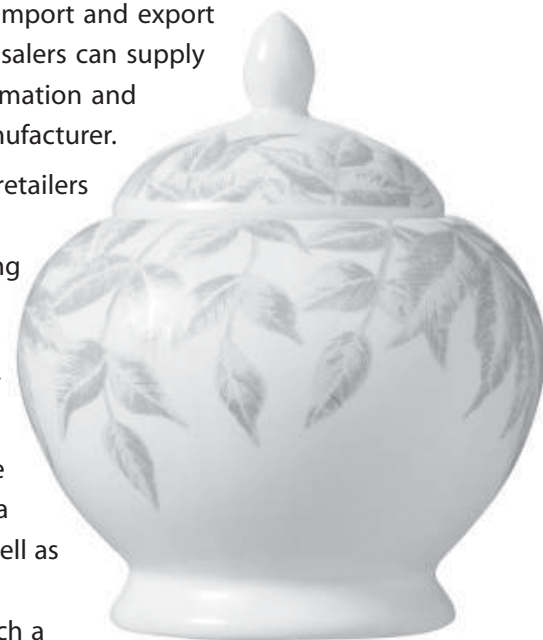
Smaller manufacturers, which do not have the financial means to maintain sales offices in many different countries, often have agents, who have the legal

authority to act on behalf of the manufacturer. The agent receives a commission from the manufacturer. The level of commission depends on a number of factors, including the turnover rate of the product concerned and commitments undertaken (e.g. participation in local trade shows, advertising and promotional activities). Roughly speaking, an agent’s commission generally ranges between 3% and 15% of turnover. Most agents represent more than one manufacturer, although competition is normally avoided.

### **Wholesalers**

Most importers/wholesalers offer extensive product ranges of different brands, which can range from 15 thousand to 20 thousand articles. The wholesaler purchases from the manufacturers. The wholesaler takes legal title to the products, as well as physical possession of them and stocks at his own risk. The mark-up of the wholesaler is approximately 20%. The main benefit of a wholesaler is that the retailer can buy different products of different brands in much lower quantities. The wholesaler therefore serves as a focal point for manufacturers as well as retailers, by buying the production in bulk then splitting it into manageable proportions. Many table & kitchenware manufacturers also import and sell table & kitchenware to complement their product range. Because of their function of buying and selling table & kitchenware, as well as handling the administration of import and export procedures, wholesalers can supply considerable information and guidance to a manufacturer.

The independent retailers are sometimes organised in buying groups. Buying groups are individual dealers/wholesalers/retailers who unite and cooperate as a single buying as well as marketing force. Membership of such a



group by an individual company offers the opportunity to source around 50% to 90% of its requirements at a considerable discount. By becoming a member of such an organisation, the individual retailer aims to reduce his costs. The original function of the buying groups is therefore to reduce costs by centralising buying and logistics.

Participating in a buying group can, however, involve a restriction of choice if the group aims at maximising the volume of the order which is placed with the manufacturers. In addition, the role of buying groups in the form of independent retailers is under pressure. Companies can also sell directly to end-consumers. Furthermore, e-commerce offers a direct link between a manufacturer and the consumer.

### Retailers

In the last few decades, the European tableware, kitchenware and other household articles retail market has undergone many changes, as an increasing share of products is sold through branch-foreigners (foreign shops with a number of branches located in the EU countries). In addition, the traditional retail formats are under pressure from new formats. Grocery multiples, like super- and hypermarkets and new retail formats, like *IKEA*, made their way into the table & kitchenware market. So, here is increasing competition.

### Houseware specialists

This category contains a great variety of retail formats, including independent specialists, interior design specialists, DIY (Do-It-Yourself) specialists and furniture specialists. With the exception of the independent specialists, houseware specialists are becoming increasingly important for the dynamics of the market. This is largely due to the trend towards lifestyle solutions, where consumers are presented with a package of products, rather than isolated product categories. This trend is normally conducted and stimulated by interior design specialists and its development has led to the creation of different market niches, each aiming at a specific consumer group. Interior design specialists have become all-round retailers, not only selling furniture, but also the matching

accessories including table & kitchenware, especially ceramicware, china & porcelain and glassware. According to Euromonitor, these products help to enhance the main product portfolio. Furthermore, these products increase in-store traffic, encourage consumers to stay longer in the outlets and thereby boost sales. Due to their low-unit costs, these products are cheaper to stock and easy to dispose off through special offers. Formats such as *IKEA*, *Habitat* and *Interio*, show that market success is increasingly dependent on creating a particular lifestyle image. It will be increasingly difficult for the independent specialists to survive in this increasingly competitive environment. They are, however, still of significant importance, especially in countries with a less developed retail structure, like for example East-European countries.

### Department stores & variety stores

Traditionally, department stores were one of the few retailers located in city centres which used to offer a wide range of table & kitchenware. The growth of new formats put increased pressure on their market position. As a result, the department stores tried to reinvent themselves and came up with new concepts, like the store-in-store concept, whereby the shops offer space to various designers.

Despite the struggle to create a new identity, department stores still account for a substantial share of table & kitchenware sales. Most department stores offer a wide range of both major brands and private labels. They are generally situated in the mid- and high-priced segment of the market. Leading department stores in Europe are *Karstadt/Quelle* and *Galeria Kaufhof* in Germany, *John Lewis* and *Allders* in the UK, *El Corte Inglés* in Spain, *Le Printemps* in France and *Bijenkorf* and *Vroom & Dreesman* in The Netherlands. Most of these stores are restricted mainly to their country of origin.

Variety stores are one of the most important formats for the sales of table & kitchenware. Traditionally, the variety stores offer a wide range of cheap products at inner-city locations. However, due to fierce competition from supermarkets/hypermarkets and discount stores, it is no longer viable to concentrate solely on cheap

products. Consequently, variety stores also need to redefine themselves. Leading variety stores in Europe include *Woolworth GmbH & Co.* and *Strauss Innovation* in Germany, *Marks & Spencer* in the United Kingdom, *Monoprix/Prisunic* and *Tati* in France, *Upim* and *La Standa* in Italy and *Blokker, Marskramer, Novy, Xenos* and *Hoyng* in The Netherlands.

### Grocery multiples

Hyper and supermarkets are increasingly tapping into the table & kitchenware market. They generally tend to stock low-priced basic products. There is, however, a difference between hyper- and supermarkets.

Hypermarkets sell a more comprehensive range of table & kitchenware, whereas supermarkets mostly offer a limited range, such as mugs and other small household products, which are mostly private-labelled. Both formats cater to an increasing share of shelf space for non-food articles like compact discs, table linen, napkins, candles, pots and pans, cutlery and other kitchen utensils. According to an article in TDC Trade, this is mainly because non-food products offer better margins than the standard grocery lines. Furthermore, supermarkets and hypermarkets mostly position table & kitchenware as impulse purchases through cross-merchandising with core grocery items.



### Discounters

Discounters are another important format for retailing table & kitchenware. These retailers often operate from low-rent locations. Low-price with no-frills is the most important driver in this concept. Discounters are playing an increasingly important role. The economic downturn in the first half of this decennium has been a significant trigger for the success of this type of format. Discounters are very popular in Germany, where Aldi and Lidl take a significant share of the retail market. According to Euromonitor, these discounters carry a

limited total of 600 to 1,200 products, whereas in a hypermarket the product range can reach 30,000 products. The discounters generally have special weekly offers regarding non-food items like table & kitchenware, sold at extremely competitive prices.

### Others

Next to the above-mentioned formats, there is a variety of other formats selling table & kitchenware, such as mail order, Internet sales, door-to-door selling, party plans and company-owned outlets. The market share of these formats, however, tends to be limited.

Several manufacturers like *Richard Ginori* and *Waterford-Wedgwood* are selling their products directly through the Internet. Also, licensed third-parties selling through the Internet is becoming common practice. However, companies like *Tupperware* still sell mainly through door-to-door selling and party plans. The company became known world-wide with the so called *Tupperware parties*, through which the products were sold extensively.

### Distribution channels in DCs

Traditionally, exports originating in developing countries transit through a set of intermediaries like agents and importers and, in some cases, stock-keeping wholesalers, who in turn market the exported products to wholesalers or retailers. These long distribution lines are mostly caused by the distance between the exporter and his export market and, in most cases, the relatively small size of the production in developing countries. Furthermore, a lack of information concerning the export market makes exporting a hazardous venture. The disadvantages of working through a large number of intermediaries include poor knowledge of market trends, inability to gain competitive advantage by adapting the product to specific customer needs and, of course, the margin lost at each stage of the distribution chain. ■ *Information derived from a Survey Report by CBI, Netherlands*

# EPCH's Forthcoming Participation in International Fairs & Exhibitions during 2010-11

## NOVEMBER 2010

### 10-14 November, 2010

**Import Shop Berlin**, Berlin, Germany

Contact Person: Mrs. Sri Devi

Tel: 91-11-26135256 Extn: 109

Fax: 91-11-26135519

Email: fairintl@epch.com

### 24-28 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 (Under ITPO)

**AF L Artigiano un Fiera**, Milan, Italy

Contact Person : Mrs. Lata Kannoja

Tel : 91-11-26135256 Extn.: 112

Fax : 91-11-26135519

Email : maiprojects@epch.com

## JANUARY 2011

### 17-20 January, 2011

**Consumexpo Spring 2011**,

Moscow, Russia

Contact Person: Mrs. Lata Kannoja

Tel: 91-11-26135256 Extn: 112

Fax: 91-11-26135519

Email : maiprojects@epch.com

## BUYER SELLER MEETS

(Focus-LAC)

8-9, November, 2010

**Santiago, Chile**

Contact Person : Mr. Sushil Agrawal

Tel: 91-11-26135256 Extn: 110

Fax: 91-11-26135519

Email : ihgf@epch.com

4-14 November, 2010

**Buenos Aires, Argentina**

Contact Person : Mr. Naveen Gaur

Tel: 91-11-26135256 Extn: 117

Fax: 91-11-26135519

Email : fairs@epch.com

## Impex

*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

## New All Industry Rates of Duty Drawback Announced

### The Department of Revenue issues Custom Notification containing reduced rates of Duty Drawback (All Industry including handicrafts) for 2010-11.

The new All Industry Rates of Duty Drawback for 2010-11 for various export product groups including handicrafts have been announced by the Department of Revenue vide its Customs Notification No. 84/2010-Customs (N.T.) dated 19.09.2010. These have been announced after a period of about two years (last time they were announced on 29.08.2008) though some amendments were made vide Customs Notification No. 175/2009-Customs (N.T.) dt. 27.11.2009.

Since the custom duty etc. at present are lower than what they were in 2008, the rates announced now are lower (mostly) due to the reduction in duties.

Since the handicrafts exports for the last two years have seen downward trends on account of financial & economic recession in USA & Europe, the exporters have been demanding that the new rates to be announced should be higher as an incentive to the exporters. This has, however, not happened. **The highlights of the new drawback rates with reference to handicrafts :**

1. The drawback rate for handicrafts and other items of brass has been decreased from 15% to 11%. The caps have also been revised downwards.
2. In order to resolve the dispute whether the description handicrafts /artware of galvanized iron with brass includes products which are coated/plated, the entry '732603' has been amended to read as "Handicrafts/Artware of Iron with or without plating/coating, galvanized or otherwise, with brass".
3. In the earlier schedule, wooden artware and handicrafts were covered under the heading 4420. On representations from the exporters that a number of wooden handicrafts items are not covered under the said heading, it has been decided to have a uniform rate of 2.5% for wooden items of headings 4414, 4419 and 4420. A specific entry has also been created for wooden handicrafts and artware under the residuary head 4421 with drawback rate of 2.5%.
4. 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. (See subsequent pages for details)

## New Drawback Rates 2010-11

Extracts of New Drawback Rates taken from CBEC website [www.cbec.gov.in](http://www.cbec.gov.in) notified by  
Department of Revenue, Ministry of Finance, Govt. of India vide Notification No. 84/2010-Customs (N.T.)  
and Circular No. 35/2010-Customs, dated 17.09.2010 as amended

Item Code	Item Description	Units	A Drawback when Cenvat facility has not been availed		B Drawback when Cenvat facility has been availed	
			Drawback Rate	Drawback cap per unit in Rs.	Drawback Rate	Drawback cap per unit in Rs.
1	2	3	4	5	6	7
<b>3307</b>	<b>Pre-shave, shaving or after shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included, prepared room deodorizers, whether or not perfumed or having disinfectant properties</b>					
33074100	Perfumed Agarbatti / Incense Sticks / Dhoop / Loban	Kg.	11%	35	1%	
3307000099	Others		1%		1%	
4414	Wooden frames for paintings, photographs, mirrors or similar objects		2.5%		2.5%	
4419	Tableware and kitchenware, of wood		2.5%		2.5%	
4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in chapter 94		2.5%		2.5%	
4421	Other articles of wood					
442101	Handicrafts / Artware of wood		2.5%		2.5%	
442199	Others		1%		1%	
4823901806	Decorative handicraft articles made of papier mache		4.3%		1%	
4823000099	Others		1%		1%	
<b>5605</b>	<b>Metallised yarn, whether or not gimped, being textile yarn, or strip or the like of heading 5404 or 5405, combined with metal in the form of thread, strip or powder or covered with metal</b>					
560501	Immitation Zari	Kg.	2.7%	13.6	2.7%	13.6
560502	Others	Kg.	1%		1%	
<b>5804</b>	<b>Tulles and other net fabrics, not including woven, knitted or crocheted fabrics; lace in the piece, in strips or in motifs, other than fabrics of heading 6002 to 6006</b>					
		Kg.	4.8%	11.4	1%	
<b>5808</b>	<b>Braids in the piece; ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles</b>					
		Kg.	4.8%	11.4	1%	

<b>5809</b>	<b>Woven fabrics of metal thread and woven fabrics of metallized yarn of heading 56 05, of a kind used in apparel, as furnishing fabrics or for similar purposes, not elsewhere specified or included</b>					
580901	Imitation Zari	Kg.	2.7%	13.6	2.7%	13.6
580902	Others	Kg.	1%		1%	
<b>5810</b>	<b>Embroidery in the piece, in strips or in motifs</b>	Kg.				
581001	Of Silk	Per Kg. of Silk Content	11%	330	5.9%	177
581099	Others	Kg.	4.8%	25.2	1%	
<b>5811</b>	<b>Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise, other than embroidery of heading 5810</b>	Kg.	4.8%	11.4	1%	
<b>7013</b>	<b>Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading 7010 or 7018)</b>					
70133100	Hand cut lead crystal Glass ware	Kg.	5%	14	1%	
70139991	Jars, Perfume Bottles, Candles Plate/ Coasters, Votive, Lotion Bottle/Soap Dish, Ornamental Spheres/Stars/Bells	Kg.	6.6%	30.2	Nil	
<b>7020</b>	<b>Others articles of Glass</b>					
70200090	Glass Artware / Handicrafts	Kg.	6.6%	30.2	NIL	
70200091	Glass Refills Silver Coated for Vacuum Flasks	Kg.	7.2%	6.2	1%	
702000099	Others		1%		1%	
<b>7117</b>	<b>Imitation Jewellery</b>					
7117909001	Brass Jewellery	Kg.	Rs. 49.5		Rs. 18	
7117909002	Aluminium Jewellery	Kg.	Rs. 30.4		Nil	
7117909003	Plastic Imitation Jewellery with or without embellishments	Kg.	Rs. 3.0		Rs. 0.5	
7117909004	Plastic Bangles with or without embellishments	Kg.	Rs. 3.0		Rs. 0.5	
7117909005	Stainless Steel Jewellery	Kg.	Rs. 21.1		Rs. 1.5	
<b>7326</b>	<b>Other articles of Iron and Steel</b>					
732601	Handicrafts/ Artware of Cast Iron	Kg.	8.8%	14	1%	
732602	Other Handicrafts / Artware of Iron & Steel	Kg.	8.8%	14	1%	
732603	Handicrafts/ Artware of Iron with or without plating / coating, galvanized or otherwise, with Brass	Kg.	9.1%	14	1%	
732606	Handicraft/Artware of stainless steel	Kg.	8.8%	30	1%	
7326009	Other articles	Kg.	5.9%	6.7	1%	
<b>7419</b>	<b>Other articles of copper</b>					
741901	Other articles of Copper	Kg	11%	100	1%	
741902	Other articles of Brass	Kg.	11%	83	1%	
741903	Artware / Handicrafts of Brass	Kg.	11%	83	1%	
741904	Artware / Handicraft of Copper	Kg	11%	100	1%	
<b>7616</b>	<b>Other articles of Aluminium</b>					
761601	Aluminium Artware / Handicrafts	Kg.	6.4%	26	1%	
761602	Others	Kg.	5.7%	15.5	1%	

<b>8306</b>	<b>Bells, Gongs and the like, non-electric, of base metal; statuettes and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal</b>					
830601	Of brass and other copper alloys	Kg	11%	83	1%	
830602	Of Copper	Kg	11%	100	1%	
830603	Of iron and steel	Kg.	8.8%	14	1%	
830604	Of aluminium	Kg.	6.4%	26	1%	
830699	Others	Kg.	6.2%	6.7	1%	
<b>92</b>	<b>Musical Instruments; parts and accessories of such articles</b>					
9201	Pianos, including automatic pianos; harpsichords and other keyboard stringed instruments		3.8%		1%	
9202	Other string musical instruments (for example guitars, violins, harps)		3.8%		1%	
9205	Other wind musical instruments (for example clarinets, trumpets, bagpipes)		3.8%		1%	
9206	Percussion musical instruments (for example, drums, xylophones, cymbols, castanets, maracas)		3.8%		1%	
9207	Musical instruments, the sound of which is produced, or must be amplified, electrically (for example, organs, guitars, accordions)		3.8%		1%	
<b>9403</b>	<b>Other furniture and parts thereof</b>					
940303	Other furniture articles made out of other materials including wood, bamboo or cane		3.8%		1%	
<b>9405</b>	<b>Lamps and Lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs , illuminated name-plates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included</b>					
940501	Hurricane Lantern made of Tin Plate	Kg.	7.6%	6.7	1%	
940502	Lamps made of Brass	Kg	11%	83	1%	
940503	Lamps made of Copper	Kg.	11%	100	1%	
940504	Lamps made of Iron	Kg.	8.8%	14	1%	
940505	Lamps made of Aluminum	Kg.	6.4%	26	1%	
940506	Lanterns/Lamps predominantly of glass	Kg.	6.6%	30.2	NIL	
940599	Others		3.9%		1%	
<b>9504</b>	<b>Articles for Funfair, Table or parlour games, including pintable, billiards, special tables for casino games and automatic bowling alley equipment</b>					
950401	Carom Board, with or without coins and strikers	Piece	7.2%	80	7.2%	80
<b>9505</b>	<b>Festive, Carnival or other entertainment articles, including conjuring tricks and novelty, jokes</b>		2.3%		1%	

### Copy of CBEC Circular No. 35/2010-Cus., New Delhi dated: 17.09.2010

The Ministry has announced the revised All Industry Rates (AIR) of Duty Drawback vide Notification No. 84/2010-Cus. (N.T.), dated 17/09/2010. The rates of drawback have been made effective from 20.9.2010. The Notification may please be downloaded from CBEC website [www.cbec.gov.in](http://www.cbec.gov.in) and perused for details.

2. Like in previous years, the drawback rates have been determined on the basis of certain broad parameters including, inter alia, the prevailing prices of inputs, Standard Input Output Norms (SION), share of imports in the total consumption of inputs and the applied rates of duty. The incidence of duty on HSD/Furnace Oil has been factored in the drawback calculations. The incidence of service tax paid on taxable services which are used as input services in the manufacturing or processing of export goods has also been factored. The Commissioners may ensure that the exporters do not avail of the refund of this tax through any other mechanism while claiming the All Industry Rates of duty drawback.
3. The Drawback Schedule includes some new entries such as Denim Fabric and cotton garments containing 1% or more by weight of Spandex / Lycra / Elastane, garments of blend containing wool & Man Made Fibre(MMF), woven carpets and floor coverings of jute, knotted carpets and floor coverings of MMF, brass parts of ball or roller bearings and silk embroidery. The Schedule may please be perused for details.
4. The drawback rates have undergone changes in line with the changes in the prices of inputs, duties etc. Thus the drawback rates have been changed in most cases. The more important changes are discussed below:-

(i) **Leather and Leather Articles (Chapters 41, 42 & 64)**

The Drawback rates for all the goods falling in the Chapters 41, 42 and 64 have been decreased by 5% - 15% approximately. The caps have also been revised downwards. It may be noted that value cap for headings 420501 and 420502 has been changed from Rs. 585 per piece to Rs. 15 per sq. ft. This change was necessitated because of representations received from the field formations and the trade in respect of Leather Sofa cover being exported in SKD/CKD condition which was being denied drawback rate as 'per piece'.

(ii) **Textiles and Textile Articles (Chapters 50-63)**

- (a) **Silk:** The drawback rate for silk fabric has been increased from 9.8% with a drawback cap of Rs. 295 to 11% with a drawback cap of Rs. 330/kg. The rate for fabric of noil silk has also been revised upwards.
- (b) **Wool:** In the case of wool tops, woollen yarn and fabrics the drawback rates have been decreased by 5% - 20% approximately. The caps have also been revised downwards.
- (c) **Cotton Yarn and Fabrics:** The drawback rates for grey cotton yarn and dyed cotton yarn continue to be Nil for the present. As for cotton fabrics, the new rate is 3.7% (grey)/4.2% (dyed) with a drawback cap of Rs. 12 per kg (grey)/Rs. 14 per kg (dyed). In case of denim fabrics the new rate is 4.3% with a cap of Rs. 16.2/kg. The new entry for Denim Fabric with 1% or more by weight of Spandex / Lycra / Elastane has been created with a drawback rate of 4.6% and value cap of Rs. 17.4 per Kg.
- (d) **Man-made Filaments and Man-made Staple Fibres:** The Drawback rates for most of the goods falling in the Chapters 54 and 55 have been marginally reduced.
- (e) **Carpets and Floor Coverings:** The Drawback rates for most of the goods except for silk carpets, falling in the Chapter 57 have been decreased by 10% approximately. For silk carpets, there is no change. New entries have been created for carpets and floor coverings of Jute and Coir under heading 5702 with drawback rates of 3.5%.

A new entry for carpets and floor coverings of cotton has been created under heading 5702 to cover cotton woven durries/rugs etc. Earlier these goods were being classified under the heading 570501. Representations were received that these goods were correctly classifiable under the heading 5702. Accordingly, the change has been made in this Drawback Schedule. As regards the past consignments, no demands may be raised as the intention was always to allow these goods the rate specified under heading 570501.

There has been a dispute about the heading 570301 as to whether the existing description "hand tufted carpets" covers hand-held gun tufted carpets or not. In order to resolve this dispute, the word "hand" has been deleted from this heading and the description now reads only "tufted woollen floor coverings, all sorts".

(f) **Ready Made Garments & Made Ups:** In the readymade garment sector, except for silk garments, drawback rates have been decreased by 10% - 15% approximately. The caps have also been revised downwards. The new drawback rate for cotton garment is 7.5% as against the earlier rate of 8.8%. For garments of blend containing cotton and (MMF), the new drawback rate is 8.6% as against the earlier rate of 9.8%; for garments of MMF the new drawback rate is 9.5% as against the earlier rate of 10.5%; for readymade garments made of silk and of wool, the rates are 10% and 7.5% respectively. The new entries for garments of blend containing wool and MMF and for those made of cotton with 1% or more by weight of Spandex/Lycra/Elastane have been created with drawback rates of 8.6% and 8% respectively.

In the made up category, the revised drawback rate for cotton made-ups is 7.1% with a cap of Rs. 60 per kg. The drawback rates and caps for made-ups of MMF and of blend containing cotton and MMF have also been reduced.

### (iii) Base Metals and Articles of Base Metals (Chapters 72-83)

The duty drawback rate for stainless steel utensils falling under Chapter 73 and stainless steel cutlery falling under Chapter 82 has been reduced from 12.5% to 8.8%. For other articles of iron and steel where there is a composite rate, the same has been reduced by 25% to 30%. The drawback rate for handicrafts, hardware and other items of brass has been decreased from 15% to 11%. The drawback rates for hand tools have been decreased by 30% approximately. The caps have also been revised downwards.

In order to resolve the dispute whether the description handicrafts/art ware of galvanized iron with brass includes products which are coated/plated, the entry '732603' has been amended to read as "Handicrafts/ Art ware of Iron with or without plating / coating, galvanized or otherwise, with Brass".

### (iv) Machinery and Equipment (Chapters 84 and 85)

The new entry for brass parts of Ball or roller bearing has been created with a drawback rate of 3% under heading 848202.

### (v) Bicycle & Bicycle Parts (Chapter 87), Sports Goods (Chapter 95) and Writing Instruments (Chapter 96)

The drawback rates for bicycles and bicycle parts have been revised downwards. The new rate for complete bicycle is 9%. Further, a value cap of Rs. 10/- per Kg. has been introduced for the residuary entry 'Others' (871423). The drawback rates for Sports Goods and Writing Instruments have also been revised downwards by about 10% and 20% respectively.

### (vi) Miscellaneous

- (a) In the earlier schedule, wooden artware and handicrafts were covered under the heading 4420. On representations from the exporters that a number of wooden handicraft items are not covered under the said heading, it has been decided to have a uniform rate of 2.5% for wooden items of headings 4414, 4419 and 4420. A specific entry has also been created for wooden handicraft and artware under the residuary head 4421 with a drawback rate of 2.5%.
- (b) The description under heading 22071090 has been changed to read as "Ethanol or Ethyl Alcohol, Rectified Spirit/ ENA or otherwise containing more than 94.5% Ethyl Alcohol".
- (c) References have been received seeking clarifications as to what should be the minimum percentage of MMF in a garment or made-up for it to be considered as a blended garment /made-up. The issue has been examined and the term 'blend' has been explained in the Notification. It may be noted that the term 'blend' in chapters

61, 62 & 63 refers to only two types of blends i.e. cotton & MMF and wool & MMF. It shall mean that MMF shall be more than 15% but less than 85% by weight in such garment or made-up. Further, the garment or made-up shall be classified as of cotton or wool or MMF or silk or noil silk if the percentage of the concerned fibre is 85% or more by weight in such garment or made-up.

- (d) The earlier notification (No. 103/2008 Cus. (N.T.) dated 29.08.08 as amended) provided that the rates of drawback in the Drawback Schedule would not be applicable to products manufactured or exported by availing the rebate of Central Excise duty paid on materials used in the manufacture of export goods in terms of Rule 18 of the Central Excise Rules, 2002, or if such raw materials were procured without payment of Central Excise duty under Rule 19 (2) of the Central Excise Rules, 2002. References have been received that exporters are being denied 1% of drawback, which is the customs component of the AIR drawback, on the basis of the above condition although the manufacturers had taken only the rebate of Central Excise duties in respect of their inputs / procured the inputs without payment of central excise duties; and the Customs duties which remained unrebated should be provided through the AIR drawback route.

The issue has been examined. The present notification No. 84/2010-Cus. (N.T.) dated 17.09.2010 provides that customs component of AIR drawback shall be available even if the rebate of Central Excise duty paid on raw material used in the manufacture of export goods has been taken in terms of Rule 18 of the Central Excise Rules, 2002, or if such raw materials were procured without payment of Central Excise duty under Rule 19 (2) of the Central Excise Rules, 2002.

- (e) The earlier notification provided that the gold and silver jewellery exports under the Drawback scheme would be examined by the Customs Appraiser/ Superintendent (Jewellery Expert). Problems have been reported since the jewellery experts are not available at all ports. Accordingly, the notification has been modified. Now such exports may also be examined by other Appraisers/Superintendents who have not been recruited as jewellery experts. It is however advised that officers may be posted to these positions after adequate training. Efforts should also be made to provide electronic Carat Meters to them.
- (f) The earlier notification provided that the rates of drawback in the Drawback Schedule shall not be applicable to products manufactured or exported by availing the facility under the DEPB (Duty Exemption Pass Book) scheme. References were received seeking clarification whether an exporter who manufactured the export goods with raw material imported against DEPB scrips, shall be eligible for drawback on such exports even if DEPB benefits is not claimed. The doubt appeared to have arisen because the above mentioned notification debarred benefit of AIR drawback if the export goods had been 'manufactured' availing the benefit of the DEPB scheme.

In order to resolve the matter, the word 'manufactured' has been deleted in the present notification and the condition has been modified to read that the drawback will not be available if the goods are 'exported' availing the benefits of the DEPB scheme.

6. The Notification and the new Drawback Schedule may be perused carefully to note the changes made therein. Though all care has been taken, the possibility of inadvertent errors/omissions cannot be ruled out. It is requested that any error/omission noticed during the implementation of the rates be brought to the notice of the Board immediately for suitable corrective action. ?
7. The Public Notice and Standing Order for guidance of the trade and staff may be issued. Difficulties faced, if any in implementation of the changes may be brought to the notice of the Board at once.

Kindly acknowledge receipt of this Circular.

**(Najib Shah)**

Joint Secretary to the Government of India

## Copy of CBEC Notification No. 84/2010-Customs (N.T.), New Delhi dated: 17.09.2010

**G.S.R. (E).** In exercise of the powers conferred by sub-section (2) of section 75 of the Customs Act, 1962 (52 of 1962), sub-section (2) of section 37 of the Central Excise Act, 1944 (1 of 1944), and section 93A and sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994) read with rules 3 and 4 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (hereinafter referred to as the said rules) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.103/2008-Customs (N.T.), dated the 29th August, 2008 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number GSR 627(E), dated the 29th August, 2008 except as respects things done or omitted to be done before such supersession, the Central Government hereby determines the rates of drawback as specified in the Schedule annexed hereto (hereinafter referred to as the said Schedule) subject to the following notes and conditions, namely:-

Notes and conditions:

- (1) The tariff items and descriptions of goods in the said Schedule are aligned with the tariff items and descriptions of goods in the First Schedule to the Customs Tariff Act, 1975(51 of 1975) at the four-digit level only. The descriptions of goods given at the six digit or eight digit or modified six or eight or ten digits are in several cases not aligned with the descriptions of goods given in the said First Schedule to the Customs Tariff Act, 1975.
- (2) The General Rules for the Interpretation of the First Schedule to the said Customs Tariff Act, 1975 shall mutatis mutandis apply for classifying the export goods listed in the said Schedule.
- (3) 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.
- (4) The figures shown in columns (4) and (6) in the Schedule refer to the rate of drawback expressed as a percentage of the free on board ( f.o.b.) value or the rate per unit quantity of the export goods, as the case may be.
- (5) The figures shown in columns (5) and (7) in the said Schedule refer to the maximum amount of drawback that can be availed of per unit specified in column (3).
- (6) The figures shown under the drawback rate and drawback cap appearing below the column "Drawback when Cenvat facility has not been availed" refer to the total drawback (customs, central excise and service tax component put together) allowable and those appearing under the column "Drawback when Cenvat facility has been availed" refer to the drawback allowable under the customs component. The difference between the two columns refers to the central excise and service tax component of drawback. If the rate indicated is the same in both the columns, it shall mean that the same pertains to only customs component and is available irrespective of whether the exporter has availed of Cenvat or not.
- (7) Drawback at the rates specified in the said Schedule shall be applicable only if the procedural requirements for claiming drawback as specified in rules 11, 12 and 13 of the said rules, unless otherwise relaxed by the competent authority, are satisfied.
- (8) The rates of drawback specified in the said Schedule shall not be applicable to export of a commodity or product if such commodity or product is-
  - (a) manufactured partly or wholly in a warehouse under section 65 of the Customs Act, 1962 (52 of 1962);
  - (b) manufactured or exported in discharge of export obligation against an Advance Licence or Advance Authorisation or Duty Free Import Authorisation issued under the Duty Exemption Scheme of the relevant Export and Import Policy or the Foreign Trade Policy:

Provided that where exports are made against Advance Licences issued on or after the 1st April, 1997, in discharge of export obligations in terms of notification No. 31/97 - Customs, dated the 1st April, 1997, or against Duty Free Replenishment Certificate Licence issued in terms of notification No. 48/2000-Customs, dated the 25th

April, 2000, or against Duty Free Replenishment Certificate Licence issued in terms of notification No. 46/2002-Customs, dated the 22nd April, 2002, or against Duty Free Replenishment Certificate Licence issued in terms of notification No. 90/2004-Customs, dated the 10th September, 2004, drawback at the rate equivalent to Central Excise allocation of rate of drawback specified in the said Schedule shall be admissible subject to the conditions specified therein;

- (c) manufactured or exported by a unit licensed as hundred percent Export Oriented Unit in terms of the provisions of the relevant Export and Import Policy and the Foreign Trade Policy;
- (d) manufactured or exported by any of the units situated in free trade zones or export processing zones or special economic zones;
- (e) manufactured or exported availing the benefit of the notification No. 32/1997-Customs, dated 01st April, 1997;
- (f) exported under the Duty Entitlement Pass Book Scheme as contained in the Foreign Trade Policy, read with the Hand Book of Procedures issued in pursuance of the provisions of the said policy.
- (9) The rates and caps of drawback specified in columns (4) and (5) of the said schedule shall not be applicable to export of a commodity or product if such commodity or product is-
  - (a) manufactured or exported by availing the rebate of duty paid on materials used in the manufacture or processing of such commodity or product in terms of rule 18 of the Central Excise Rules, 2002;
  - (b) manufactured or exported in terms of sub-rule (2) of rule 19 of the Central Excise Rules, 2002.
- (10) Where the export product is not specifically covered by the description of goods in the said Schedule, the rate of drawback may be fixed, on an application by an individual manufacturer or exporter in accordance with the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995.
- (11) The rates of drawback specified against the various tariff items in the said Schedule in specific terms or on ad valorem basis, unless otherwise specifically provided, are inclusive of drawback for packing materials used, if any.
- (12) The term "dyed", wherever used in the said Schedule in relation to textile materials, shall include yarn or piece dyed or predominantly printed or coloured in the body.
- (13) In respect of the tariff items in Chapters 61, 62 and 63 of the said Schedule, the blend containing cotton and man made fibre shall mean that content of man made fibre in it shall be more than 15% but less than 85% by weight and the blend containing wool and man made fibre shall mean that content of man made fibre in it shall be more than 15% but less than 85% by weight. The garment or made-up of cotton or wool or man made fibre or silk or noil silk shall mean that the content in it of the respective fibre is 85% or more by weight.
- (14) Wherever specific rates have been provided against tariff item in the Schedule, the drawback shall be payable only if the amount is one per cent or more of free on board value, except where the amount of drawback per shipment exceeds five hundred rupees.
- (15) The expressions "when Cenvat facility has not been availed", used in the said Schedule, shall mean that the exporter shall satisfy the following conditions, namely:-
  - (i) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Assistant Commissioner of Central Excise or Deputy Commissioner of Customs or Deputy Commissioner of Central Excise, as the case may be, that no Cenvat facility has been availed for any of the inputs or input services used in the manufacture of the export product;
  - (ii) if the goods are exported under bond or claim for rebate of duty of central excise, a certificate from the Superintendent of Customs or Superintendent of Central Excise in-charge of the factory of production, to the effect that no Cenvat facility has been availed for the goods under export, is produced:

Provided that the certificate regarding non-availment of Cenvat facility shall not be required in the case of exports of handloom products or handicrafts (including handicrafts of brass artware) or finished leather and other export products which are unconditionally exempt from the duty of central excise.

- (16) 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 on the basis of a self-declaration to be furnished by the exporter to this effect and in cases of doubt or where there is any information contrary to the declarations, the proper officer of customs shall cause a verification of such declarations.
- (17) The term 'article of leather' in Chapter 42 of the said Schedule shall mean any article wherein 60% or more of the outer visible surface area (excluding shoulder straps or handles or fur skin trimming, if any) is of leather notwithstanding that such article is made of leather and any other material.
- (18) The term "dyed" in relation to fabrics and yarn of cotton, shall include "bleached or mercerized or printed or mélange."
- (19) The term "dyed" in relation to textile materials in Chapters 54 and 55 shall include "printed or bleached".
- (20) In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for adult shall comprise the following sizes, namely: -
- (a) French point or Paris point or Continental Size above 33;
  - (b) English or UK adult size 1 and above;
  - (c) American or USA adult size 1 and above.
- (21) In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for children shall comprise the following sizes, namely: -
- (a) French point or Paris point or Continental Size upto 33;
  - (b) English or UK children size upto 13;
  - (c) American or USA children size upto 13.
- (22) The drawback rates prescribed in the said Schedule against tariff items 711301 and 711302 shall apply only to goods exported by airfreight, post parcel or authorised courier through the Custom Houses as specified in para 4A.12 of the Hand Book of Procedures (Vol. I), 2009-14 published vide Public Notice No.1/2009-14 dated 27th August, 2009 of the Government of India in the Ministry of Commerce and Industry, after examination by the Customs Appraiser or Superintendent to ascertain the quality of gold or silver and the quantity of net content of gold or silver in the gold or silver jewellery. The Free on Board (FOB) value of any consignment through authorised courier shall not exceed rupees twenty lakhs.
- (23) The drawback rates specified in the said Schedule against tariff items 711301 and 711302 shall not be applicable to goods manufactured or exported in discharge of export obligation against any scheme of the relevant Export and Import Policy or the Foreign Trade Policy of the Government of India which provides for duty free import/replenishment/procurement from local sources of gold or silver.
2. All claims for duty drawback shall be filed with reference to the tariff items and descriptions of goods shown in columns 1 and 2 of the said Schedule respectively.
  3. This notification shall come into force on the 20th day of September, 2010.

**(Najib Shah)**

Joint Secretary to the Government of India

## Sustainable Packaging set to grow with new initiatives

A US firm is using mushrooms to produce a protective packaging material that it says uses less carbon dioxide than traditional plastic foam. It is made from composite of mushroom roots and agricultural waste that can be used as compost after the products are shipped.

The material also benefits on an economic level as it is not prone to price fluctuations. All raw materials are inherently renewable.

**The global market for sustainable packaging is projected to reach \$142.42 billion by 2015**, according to a report from Global Industry Analysts (GIA). Growth drivers include increased awareness about environmental hazards related to disposal and recycling of packaging wastes, government initiatives to minimize greenhouse gas (GHG) emissions, and stringent regulations.

Unlike other segments of the packaging industry, sustainable packaging showed impressive growth from 2008 to 2009, and has been immune to the economic downturn, according to the report. GIA says sustainability has helped companies cut costs and reduce packaging waste by using recycled and reusable materials.

Similarly, a recent report from Pike Research indicates that the sustainable packaging market is growing much faster than the overall packaging industry, and is expected to double in size from \$88 million in 2009 to \$170 billion in 2014.

The GIA report, "Sustainable (Green) Packaging: A Global Strategic Business Report," finds that Europe

and the US represent the largest regions for sustainable packaging, together accounting for

more than 70 percent of the global market.

**However, Asia-Pacific is poised to grow the fastest in terms of green**

**packaging**, increasing at an annual compound annual growth rate (CAGR) of more than 10 percent from 2007 to 2015. Market growth drivers for the region include increased awareness about environmental concerns, government initiatives, growing economies and huge population.

Another key finding shows that as sustainable packaging becomes a mainstream global trend, several companies are adopting green packaging as a marketing tool. Manufacturers also are under pressure to use environment-friendly materials, and adopt methods that require low-energy consumption and reduce adverse environmental impact of packaging, says GIA.

In terms of market segmentation, the recycled material accounts for the largest packaging category, contributing nearly 90 percent to the total demand in the United States.

However, biodegradables represent the fastest growing segment in the packaging industry, according to the report. Biodegradable materials are easily decomposed by micro-organisms, and reduce packaging waste, while the materials preserve food products and sustain freshness, says GIA.

**Among biodegradables, bioplastics are garnering increased demand in the green packaging market.**

According to insights, 27 percent of products at major US retailers are estimated to have sustainable packaging in 2010, and by 2015, this figure is projected to reach 37 percent.



## product update

Innovia Films, MeadWestvaco, NatureWorks, Owens-Illinois, Pactiv, Plantic Technologies, Plastipak Packaging, Printpack, Rexam, Saint-Gobain, Sealed Air, Silgan Holdings are some of the leading names in this industry.

Five sustainable packaging distributors have launched a green packaging supplier directory for the B2B market. The directory, available at the newly launched Green Packaging Group Website, features a detailed product guide, green packaging blog and in-depth analysis on packaging products and applications.



The online directory was developed by Salazar Packaging, along with Distant Village Packaging, Nashville Wraps, Eco-Bag Products and Globe Guard Products. Salazar says through these five packaging companies buyers can find packaging products that are fully vetted and authentically sustainable. Packaging categories include bags, baskets & containers, boxes, filler & cushioning, films & wraps, stationery, mailers and envelopes. ■

## Business Opportunities

### **CO. VAN DER HORST B.V.**, Binderu 2, NL-1185, Zjamstelveen , **NETHERLANDS**

Tel: (31) 20-641 25 05; Fax: (31) 20-647 01 73; Email: info@vanderhorst.nl; Website: www.vanderhorst.nl

Items of Interest : **Giftware and Home Accessories**

### **JESSOM FOOD EQUIPMENT, INC.**, 8 Ralston Avenue, Dartmouth, NS B3B 1H7, **CANADA**

Tel: (1) 902-468-8778; Fax: (1) 902-468-4597; Contact Person: Don Jessom; Email: info@jessomfood.com

Website: www.jessomfood.com; Items of Interest : **Giftware and Home Accessories**

### **LES PROMOTIONS ATLANTIQUES, INC.**, 770 Boulevard Guimond, Longueuil, QC J4G 1V6, , **CANADA**

Tel: (1) 514-871-1095; Fax: (1) 450-651-2344; Contact Person: Jacques Mercier; Email: information@starfrit.com

website: www.starfrit.com Items of Interest : **Kitchenware, Cutlery & Tableware**

### **BIORDI ART IMPORTS CO.**, 412 Columbus Avenue, San Francisco, CA 94133, **USA**

Tel.: (1) 415-392-8096; Fax: (1) 415-392-2608; Contact Person: Giovannif. Savio; Email: info@biordi.com

Website: www.biordi.com; Items of Interest : **Antiques, Collections and Art**

### **CORYL ETS. L. LAMBERT S.A.**, 8-10 AV. De L'Océanie, F-91948 Courtaboeuf Cedex, **FRANCE**

Tel: (33) 169 29 84 20; Fax: (33) 169 28 41 67; Contact Person: Jean Pierre Lambert; Email: info@coryl-lambert.fr

Website: www.coryl-lambert.fr; Items of Interest : **Floor Coverings, Carpets and Rugs**

### **TEPPICH-WITZSCHEL GMBH**, Al Tenhainer Str. 50, D-09669 Frankenberg, **GERMANY**

Tel: (49) 37206-27 74; Fax: (49) 37206-707 65; Contact Person: Magret Witzschel; Email: teppich-witzschel@t-online.de

Website: www.teppichmanufaktur.de; Items of Interest : **Floor Coverings, Carpets and Rugs**

### **DURUSEL CARPETS**, Bah. Mah. Tufan Cd. Ergenekon, Cengelkoy, Istanbul, **TURKEY**

Tel: (90) 216-462 13 46; Fax: (90) 216-462 13 47; Contact Person: Muhu Toparlan; Email: contact@halifuari.com

Website: www.halifuari.com Items of Interest : **Floor Coverings, Carpets and Rugs**

*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.*

**Retro aspects  
among home & gift trends  
for autumn/winter**

The coming season is set to introduce colourful retro aspects into the living room, if one goes by the recently held trade fairs for home fashion. Knitted fabrics are more in demand than ever before. Trendy knitted products are not only popular for home textiles, they are even used for flower vases or teapots. A casual, used-look underscores the lively character of furniture and complies with the consumer desire for authenticity. When it comes to colours, the spectrum is dominated by natural shades. The top candidate for the trend colour of the season is dark green. However, this Christmas will be colourful: Father Christmases will do their rounds in lilac and pink while Christmas baubles are no less bold in orange, turquoise, pink and yellow.

Natural materials and colours are also highly rated for gift ideas and there are trendy cases made of felt and leather for the complete range of mobile-communication devices. Amusing printed mottos ensure a humorous note. Savings boxes are enjoying a revival and products for personal well-being are right at the top of people's lists for Father Christmas. Also popular in the cold season are heating pads shaped like animals, comfort cushions for the little ones, foot warmers and candles. Anyone planning to give jewellery should opt for a versatile piece. Through clever eyelets and fastening systems, necklaces can be worn either short or long. ■

**Top 10 home decor trends  
spell return to Vintage decor**

What's old is new again. French-burlap is no longer just for sack-racing. This **Earth-friendly fiber** is being utilised for chic pillows imprinted with a vintage stamped design or even a family initial. Vintage couture lamps (and their replicas) are utter perfection, especially those with milk glass and natural material bases, drum shades and antique brass finials. Aged, colour-washed wood accessories such as candlesticks, urns and bowls are popular as oversized accessories to accent and update a **time-worn look**.



**Wallpaper** is making a comeback in a big and decidedly fashionable way. From bright and bold to subdued and elegant, today's wallpapers are easy to apply and even easier to remove, making updating and improving the look of a room easier than ever before. There are a seemingly endless number of choices from solids to patters, and everything in between.

While neutrals have made a strong showing in home staging design this year for primary design elements like walls and baseline furnishings, **boldly coloured** accent pieces give a space visual interest and appeal. Brightly coloured and/or patterned pillows, rugs and other accessories bring an otherwise bland space to life.

With a strong desire to ease and reprioritise homes and lifestyles, **editing down furnishings and accessories** is the best way exemplify a sense of control over one's surroundings. It is very important to streamline not only the lines of staged furniture, but the bulkiness as well.

There has never been a more exciting time than now in the area rug industry. Even if a space has wall-to-wall carpeting, an area rug adds depth and personality.

Bedding has also changed this year. Exquisite, neutral coloured linens are in, especially when paired with a luxurious top blanket and a clean lined duvet. Pillow designs offer an array of textures, colours, shapes, sizes and accents and can completely transform a room's aesthetics.

**Yes, brass is back but a bit older and wiser.** Antiqued brass and even antiqued gold have both made a large comeback on everything from drapery rods, to cocktail tables, to door and cabinet knobs to décor figurines. The light reflecting surface of brass adds warmth, glow and movement to a space and, thus, is perfect in a room where candles or a fireplace will be lit. ■



## Blue on blue for 2011 makes inroads into home decor

All shades of blue are riding the colour wave -- from turquoise, indigo and cobalt to the deepest navy. Expect to see more clean lines and simplicity as architectural style also takes its place as one of the new decorating looks of the new year. It's a design must for any home, according to designers, whether it is incorporated through furniture pieces or accessories. Also likely to be popular is industrial styling. Otherwise known as utility chic, think exposed parts, open lofts with ductwork or vintage signs, with furniture made from wood or steel predominant.

Embroidery and handsewn details with birds, flowers or fruit could rule decorating radar systems. This exuberant embellishment is the new haute folk style, called Folkloric. It's all about interpreting ethnic and global influences, and bringing them into immediate surroundings. ■

## India-a retail powerhouse luxury to be keystone

India was ranked third in A.T.Kearney's ninth annual Global Retail Development Index of markets with the greatest potential for retail development. Management consulting firm McKinsey & Company recently reported India apparel sales could reach \$25 billion this year and \$55 billion by 2015. Indians spend the most on buying clothes & accessories after food, with apparel accounting for about 10% of total retail sales in India, McKinsey says.

McKinsey reports the Indian middle class -- households with annual income ranging from USD \$4,200 to USD \$21,000 -- of 50 million people is expected to swell to 580 million people by 2025. ■

## Personality & Functionality among trends at Tendance 2010

"Products with personality," "Functional at second glance" and enhanced comfort were some of the main themes at Tendance 2010 Home Furnishings and Décor Trade Show, held at Frankfurt, Germany. The time of "clean chic" has passed: consumers now no longer want white, sharp, edgy products that appear to sanitize their homes. Rather, the demand is for authenticity and highly individualistic styles. Chairs, sofas and other home furnishings which exhibit signs of wear, or "products with personality" are set to be the next big thing.

The idea of "functional at second glance" is a developing trend. The idea behind these household objects is to take objects which are functional in one context, then transfer them to another, where, "out of place," their function is transformed. Examples are chair socks which provide protection for delicate floors and can be chosen in a colour and style which reflect the homeowner's personality.



Materials traditionally used in winter sweaters and coats such as wool and felt are being applied to carpets and home textiles, and even accessory objects like flower vases. **Useful accessories in fresh designs** are also on trend: original mobile and i-phone covers made of felt and featuring amusing sayings draw attention to these mobile

companions. Lively prints turn keyrings, bookmarks and notebooks into functional companions, which are always good for a smile. Women no longer have to put their bag on the floor in bars and restaurants thanks to a bracelet which doubles as a bag holder when required.

The living craze rolls on, strengthening its grip on the garden in spring with decorating accessories also seeing the light of day, optimally complementing outdoor furniture. From china, vases, pots, lamps to home textiles and birdhouses, manufacturers are expanding their weatherproof ranges and celebrating outdoor life. Wellness is another theme that can be exemplified by feet warmers, heated neck cushions shaped like giraffes, dogs & cats, etc.

**A natural, authentic look is hip for the little ones** as well. Animal design cushions, pencil cases, gym bags, school cones and stuffed toys, classic Vichy checks, striped and floral patterns are on show everywhere. Children's products also combine the whimsical with the practical.

Jewellery designs for autumn/winter 2011 would be versatile and flexible. Special clasps transform collars into quick-change artists. They can be worn long or short and are combinable. **Extra long necklaces are gradually disappearing** from the picture. Flexibility is also a theme when it comes to pendants and earrings. Jewellery is rich in contrast, taking its cue from the fashions of the moment. Strong colours like fiery red and opulent gold are juxtaposed with nude tones and light brown. Contrasts are reflected in the surface design too, which can be smooth, sparkly, soft or luxurious as well as rough and pithy, brushed or scratched. ■

## EPCH makes a mark at Kazakhstan

The Great Indian Bazaar; 14 - 22 August, 2010; Almaty, Kazakhstan

EPCH participated in the Great India Bazaar, a multi product exhibition, organised for the first time at Almaty, Kazakhstan. The exhibition was organised by Spacesence with support from the Embassy of India at Kazakhstan and Federation of Indian Export Organisation.

Mr. Saidumanov Serik Turarovich, Hon'ble Deputy Governor of Almaty, Ms. Tatyana V Zhdanova, Acting President of the Chamber of Commerce and Industry, Republic of Kazakhstan and Mr. Ram Singh, Second Secretary (Commercial) Indian Embassy in Kazakhstan inaugurated this gala event.

Mr. Turarovich was of the view that such exhibitions would increase bilateral trade relations and cultural relation between India and Kazakhstan. He added that people of Almaty have always liked Indian goods and also invited Indian companies to showcase their products at the Winter Olympics to be held in the later end of the year in Almaty. The dignitaries visited the show and had one-on-one interactions with the Council's participants. They appreciated the collections and Indian craftsmanship.

EPCH's team comprised of 8 member exporters and the products comprised a wide range in handicrafts, readymade garments, fashion jewellery & accessories, home furnishings, etc. **Exhibitors participating under the banner of the Council were of the opinion that EPCH has made a good move by participating in this event.** The Council had also taken up a promotional booth to disseminate information on its trade events and activities.

An Indian cultural programme was also organised by the Kazakhstani dance group on the inaugural day to show India's rich cultural heritage. The Bazaar drew over 2 lakh businessmen, entrepreneurs and buyers.

In total, more than 60 Indian companies exhibited their products. The other participating organisations from India were Tea Board, FIEO and PDEXCIL. ■



*The show was inaugurated by Mr. Saidumanov Serik Turarovich, Hon'ble Deputy Governor of Almaty, Ms. Tatyana V Zhdanova, Acting President of the Chamber of Commerce and Industry, Republic of Kazakhstan and Mr. Ram Singh, Second Secretary (Commercial) Indian Embassy in Kazakhstan*



*Mr. Ram Singh  
Second Secretary  
(Commercial),  
Embassy of India  
at Kazakhstan  
speaks to the  
audience at the  
inauguration*



*Buyers at the Indian  
Stands*



## German connoisseurs get a taste of Indian craft skills

Tendence; 27 - 31 August, 2010; Frankfurt, Germany



Above : Mr. Ajit Kumar, Consul, CGI, Germany seen with (L-R) Mr. KS Yadav, an eminent exporter, COA members, EPCH- Mr. Arvind Vadhera and Mr. Rajesh K Jain, master crafts persons and Mr. SP Agarwal, President, Delhi Exporters Association.  
Below : Mr. Ajit Kumar at the EPCH stands



Glimpses of the India Pavilion



The 2010 edition of the Frankfurt Autumn Fair-Tendence reported more visitors than last year. On over 71,000 sq. mtr. of exhibition space (net) in ten halls, 2,130 exhibitors from 57 countries presented the latest products for the home, furnishing and giving in the coming autumn, winter and, in particular, busy Christmas season to an audience of 57,000 visitors from 90 countries. The top 5 nations were Switzerland, Italy, The Netherlands, Austria and France. Moreover, the number of visitors from the USA doubled and, altogether, a quarter of all visitors came from outside Germany.

**In the EPCH maiden participation, the team had 13 member exporters and 7 National Award winning crafts persons**, deputed by the O/o DC (Handicrafts), for live craft making demonstrations.

Mr. Ajit Kumar, Consul, CGI, Germany inaugurated the India Pavilion. He welcomed the Indian participants and offered full help to boost India's exports to Germany. He visited all the exhibitors stands in the India Pavilion and had one-on-one interactions with them.

The display at the Indian stands comprised silk scarves, shawls, printed & embroidered bed spreads & cushion covers, wooden products, home décor, giftware, handcrafted & hand block printed items, paper mache, needlework materials, manual embroidery products, fashion jewellery, antique jewellery, amber jewellery, silver jewellery, etc. The Council took this opportunity to promote its forthcoming trade events. Promotional materials were distributed and also kept at the

information booths at the fair venue. The fair ended on a positive note with good business generated. The organisers, Messe Frankfurt visited the EPCH stands and appreciated the Council's initiative of bringing in live demonstration of crafts and adding glory to their show. ■

## Vibrant India Pavilion at Autumn Fair

International Autumn Fair; 5 - 8 September, 2010; Birmingham, UK

EPCH participated at the Autumn Fair International, Birmingham, UK held at the city's National Exhibition Centre, from 5th-8th September, 2010. **EPCH led a participation of 6 master crafts persons and 7 exhibitors.** There was a display by the Handicrafts & Handloom Export Corp. of India Ltd.

Autumn Fair International, perfectly timed for festive buying and spring reviews, is one of the largest known fairs of UK and is a significant platform for volume buyers, retailers and exhibitors from across the world. On an average 1,500 exhibitors were part of the fair (25% more than in 2009) with 900 exhibitors showcasing exclusively at the Autumn Fair. The fair had 150 international suppliers from 31 countries and 400 exhibitors making their debut. It also attracted a large contingent of international buyers from 76 countries. 6.5% more visitors from overseas attended the show compared with last year.

EPCH set up the Indian Pavilion that came up vibrantly with a variety of crafts. On display were fashion jewellery, beads, Christmas decoration, jute bags & handicrafts, handmade paper & products, bags, packaging, eco-friendly boxes, printed ribbons, fabric bags, shopping bags, textile based handicrafts, furnishings, cushions & accessories, handicrafts & textile crafts, potpourri arrangements, etc. The master crafts persons showcased skills in stone dust printing/paintings, hand block printing, miniature & semi-precious gems stone paintings and traditional printing, vegetable hand block printing, wood carving and artistic weaving.

EPCH also set up a promotional booth to disseminate information on its trade shows and activities. Exclusively brought out product specific catalogues on Home Textiles, Home Décor, Home Kitchen, Home Bath, Home Furniture and Home Living were distributed to discerning buyers.

H E Mr. C Gururaj Rao, CGI, Birmingham and Mr. Kartar Singh, Consul (Commercial & HOC), O/o Consulate General of India, Birmingham, visited the Indian Pavilion and interacted with the participants. ■



*H E Mr. C Gururaj Rao, Consul General of India, Birmingham and Mr. Kartar Singh, Consul (Commercial & HOC), O/o Consul General of India, Birmingham, UK and master crafts persons at the fair*



*Buyers at the Indian stands*

## Council's participants display festive lines

Intergift; 8 - 12 September, 2010; Madrid, Spain



*Hon'ble Ambassador of India to Spain, Ms. Sujata Mehta at the India Pavilion*



*Stands of some of the Council's participants*



EPCH set up the India Pavilion in an area of 216 sq. mt. at the 59th edition of Intergift, Madrid, Spain held from 8th-12th September, 2010 at Info Feria de Madrid, Spain. **The Council's team included 14 member exporters as well as 4 National Award winning master crafts persons** deputed by the O/o DC (Handicrafts).

While the participating member exporters displayed a vibrant collection in photo frames, gifts, cushion covers, curtains, bags, shawls & scarves, gift handicrafts, rugs & carpets, fashion jewellery, silver jewellery, etc., the master crafts persons gave a live demonstration of their skills in terracotta, pottery craft, phad painting from Rajasthan and dhokra casting. These were well received and immensely appreciated by visitors.

The fair spread over an area of 81,600 sq. mtr. with a total of 1,618 exhibitors, out of which 1,307 were Spanish and 311 were from 28 different countries.

The Hon'ble Ambassador of India to Spain, Ms. Sujata Mehta visited the India Pavilion and interacted with the participants and crafts persons. She was also apprised of the visa problem faced by Indian participants, due to which some were unable to participate. Ms. Mehta offered to look into this matter for future participations.

EPCH had also set up a publicity booth to promote its forthcoming shows -Indian Handicrafts & Gifts Fair, Autumn, 2010, Indian Furniture & Accessories Show, 2011 and Indian Fashion Jewellery & Accessories Show, 2011. The business generated during the fair was approx. US\$ 1.90 lakh and expected business was about US\$ 9.00 lakh. The exporters got good leads for future business.

Intergift is organised under Giftrends Madrid - September, 2010, which provides the framework for simultaneous staging of three fairs: Intergift- the international gift fair, held twice a year; Bisutex - the fashion jewellery & accessories trade fair; and Iberjoya - the international jewellery, silverware, watch and related industries show. Intergift's visitor profile includes buyers, marketers, designers, manufacturers, distributors, retailers, trading companies, importers and agents. ■

## EPCH takes team to European 'Home Making' fair

Budapest International Fair; 8 - 12 September, 2010; Budapest, Hungary

Hungary's Hungexpo organised the 114th Budapest International Fair from 8th-12th September, 2010 at the Budapest Fair Centre, Hungary with 420 exhibitors from 13 countries on 17,000 sq. mtr. of exhibition area.

EPCH participated with 11 member exporters including some master crafts persons. Together they occupied an area of 114 sq. mtr. in the India Pavilion, set up by EPCH. It is reported that business generated by the exhibitors here was to the tune of Euro 45,000.

**Overall the fair was good and the Council's participants were satisfied with the response.**

Mr. Gauri Shankar Gupta, Ambassador, Embassy of India, Hungary and Mr. Manoj Kumar Mohapatra, First Secretary, visited the India Pavilion and interacted with the master crafts persons and exhibitors. They appreciated the products on display and wished the participants all success. The Ambassador appreciated the Council's participation in the Fair.

This Budapest International Fair brought a number of different interrelated exhibitors under one roof in what is known as the 'Home-Making Fair'. This is the biggest consumer fair in Central Eastern Europe. Exhibitors cover every conceivable angle of home ownership and renovation including furniture, home textiles, domestic lighting, interior design and the latest gadgets and gizmos in the world of household appliances. Manufacturers, Importers & Exporters of Fashion Accessories, Art & Craft, Furnishings, Construction Materials & other related professionals & General Public are the target visitors here.

The product range at the fair comprises segments like house and garden; wellness, fitness, health; do-it-yourself, leisure; books, arts, culture; gastronomy, food, drinks; fashion & style and children's world. ■



*Mr. Gauri Shankar Gupta, Ambassador, Embassy of India, Hungary, at the India Pavilion*



*Buyers in the India Pavilion*



*An exhibitor's stand at the India Pavilion*

## EPCH takes team of 36 to major Greek trade event

Thessaloniki International Fair; 11 - 19 September, 2010; Thessaloniki, Greece

The Council participated in the 75th Thessaloniki International Fair, Greece, held in Thessaloniki from 11th to 19th September, 2010. The EPCH contingent included 36 member exporters who showcased a wide variety in textiles, silk scarves & stoles, apparel, silver jewellery and other traditional Indian handicrafts.



*His Excellency, Mr. Tsewang Topden, the Indian Ambassador to Greece, seen at an exhibitor's stall*

His Excellency, Mr. Tsewang Topden, the Indian Ambassador to Greece, visited the fair and spent considerable time with the exporters, admiring their products on display. The fair witnessed a large number of visitors who were intrigued by the Indian team's display.

**Mr. R K Malhotra, Chairman, EPCH, also visited the Thessaloniki fair to encourage the Council's members towards their international marketing activities.** It is reported that good business was generated and buyer response was very positive.

The Thessaloniki International Trade Fair is an annual commercial exhibition event of much importance in Greece and Southeastern Europe taking place in Thessaloniki, Greece and is organised by HELEXPO. Due to its commercial nature, it attracts 2,50,000 visitors.



*Mr. R K Malhotra, Chairman, EPCH, seen with member exhibitors at the Greek fair*



With a rich past and the glam of the old era, Thessaloniki International Fair organises many cultural and entertainment events, that transform the fair into the city's biggest celebration. The fair's new multi-purpose structure and thematic sections strengthen trade, entrepreneurship and contribute significantly to the development of the Greek economy. ■

## Team India reaches out to the world

Asia's Fashion Jewellery & Accessories Show; 14 - 17 September, 2010; Hong Kong

Asia's Fashion Jewellery & Accessories Show (AFJAS) was held at Asia World Expo, Hong Kong from 14th-17th September, 2010. The fair is recognised as the leading event in the fashion jewellery & accessories industry and an ideal platform for volume business to be done in preparation for the seasons ahead. It brought together 350 exhibitors and over 5000 buyers from 90 countries & regions. Excluding Hong Kong and China, the top 10 visiting countries and regions were United States, India, Japan, Taiwan, the UK, Australia, Italy, Spain, Germany and France.

Being held concurrently with the Hong Kong Jewellery & Gem Fair (Asia's largest fine jewellery fair and one of the top three jewellery trade events in the world), AFJAS enabled its participants to source products and keep abreast of the latest trends within these two complementary industries.

**49 member exporters from EPCH participated and displayed an extensive gamut of products at an exclusively set up India Pavilion.**

These participants have reported an encouraging response and order bookings, besides a good number of queries. Export orders of over Rs. 3 crores were booked and enquiries for business worth over Rs. 7.50 crores are in process.

Located at the heart of the fastest-growing markets in Asia Pacific, Hong Kong, the host city for AFJAS, is a free port with an extremely business-friendly environment that does not impose any import or export duties or taxes on products. This makes it an ideal place for traders, manufacturers, wholesalers and retailers from around the world to source a wide array of products at competitive prices without the hassle of restrictions and duties. ■



*Buyers at the India Pavilion*



*A glimpse of the India Pavilion*



*The Council's booth*

# Presenting The **Mega show** of **Furniture** and **Home Decor Accessories**



6 - 8 March, 2011, Jodhpur, Rajasthan, India



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