

**REPORT ON PARTICIPATION IN 116th CHINA IMPORT &
EXPORT FAIR (CANTON FAIR – PHASE 3)
31 OCTOBER-4 NOVEMBER, 2014, GUANGZHOU (CHINA)**

1. BACKGROUND :

China is now a net importer of jute and jute products as against its earlier status of a major player in the world market as a producer and exporter of jute and jute goods. In world production of jute, kenaf and allied fibres, while share of China in 2001-02 was 4.3%(1,36,000 M. Tons), in 2006-07, its share declined to 2.7% (83,000 M.Tons) and in 2012-13 it further declined to 2.4% (78,000 M. Ton). While in 2001, China imported 7,200 M. Tons of raw jute, kenaf and allied fibres, in 2006 it increased to 88,600 M. Tons and in 2012 to 1,00,600 M. Tons. Further, in world imports of products of jute, kenaf and allied fibres, China's import recorded an increasing trend (4,700 M. Tons in 2007 to 66,300 M. Tons in 2012). China uses imported raw jute in its indigenous jute industry and imported jute goods are apparently to supplement its growing domestic requirements

2. OBJECTIVE :

China and India are the two upcoming countries in the world. In each passing year, the India and China bilateral trade is crossing new heights. However, the matter of concern that India experienced

sustained trade deficit which recorded at US\$ 8,320 million in January, 2015. In view of this fact, India needs to diversify its export basket to China and vigorously pursue opportunities for expanding non-traditional items of export and accelerating exports of value added traditional products.

National Jute Board (NJB) and Jute Products Development & Export Promotion Council(JPDEPC) decided to organize participation of Indian jute sector in 116th Session of China Import and Export Fair (CANTON) for export promotion of jute goods in general and lifestyle products in particular. The participating jute exporters get an opportunity to renew their old contact and establish new trade channels by exploring new markets for jute goods.

3. PREPARATORY ACTIVITIES :

- (i) In accordance with Annual Action Plan of NJB for 2014-15, JPDEPC submitted its proposal for organization of participation of registered jute exporters, which was approved by NJB.
- (ii) JPDEPC mobilized participation of 8 regd. jute exporters with participation fee and requested NJB to pay 50% of the cost of 8 participants' booth and 100% of generic promotion booth for NJB/JPDEPC.

- (iii) NJB released Rs.16.00 lakh to JPDEPC on account of 50% of participants' booth cost and 100% on account of generic promotion booth as per approved operational guidelines.
- (iv) To meet the cost of display materials for generic promotion, NJB accorded its approval to JPDEPC for necessary preparation and the cost which would be reimbursed subsequently.

4. DURING THE EVENT:

- (i) Following participants were considered for participation in 116th Session of China Import & Export Fair (CANTON) under NJB/JPDEPC banner:

Sl. No.	Participating Co.	Represented	Booth No./Size
1.	Gloster Ltd., Kolkata	Mill Sector	18 sq.mtr. L42& L43
2.	KTC Exports Pvt. Ltd.,Kolkata	Informal Sector	9 sq.mtr. LO1
3.	Kusum Exports Pvt. Ltd.,Kolkata	Informal Sector	9 sq.mtr. LO2
4.	Camila International, Kolkata	Informal Sector	9 sq.mtr. M01
5.	Earth Bags Exports Pvt. Ltd.,Kolkata	Informal Sector	9 sq.mtr. M02
6.	OSB Overseas Pvt. Ltd.,Kolkata	Informal Sector	9 sq.mtr. M05
7.	Green Earth International, Kolkata.	Informal Sector	9 sq.mtr. M09
8.	Sunil Enterprises, Kolkata	Informal Sector	9 sq.mtr. L40

(ii) Advertisement & Publicity :

- Names/Logos of NJB/JPDEPC were in the Fascia of each Booth.
- Participants' profiles & giveaway jute bags were available for free distribution.
- Specific promotional brochures prepared by NJB for distribution.

5. ABOUT CANTON FAIR :

The Chinese Export Commodities Fair, commonly known as CANTON FAIR is held twice a year in April (Spring) and October (Autumn) and was inaugurated in the Spring of 1957. It is China's largest trade fair with the most complete varieties of goods with the largest attendance and business turnover. The fair is organized by China Foreign Trade Centre and now being considered as a comprehensive multi-functional event of international importance.

Trade delegations comprising thousands of China's best foreign trade corporations with credibility and sound financial capabilities take part in the CANTON Fair. These include foreign trade companies, factories, scientific research institutions, foreign joint venture enterprises, foreign owned enterprises.

The fair's main emphasis leans towards export trade, although some import business is also done here. Business people from all

over world gather in **Guangzhou** to exchange business information, develop business relationship and friendship. In the early days, over 80% of China's foreign trade deals were done with socialist countries led by the Soviet Union. But in 1950s, Guangzhou was already the venue for entrepreneurs from Hong Kong, Macao and South-East Asian countries looking to do business with the Main land. Guangzhou is well positioned for local exporters wanting to trade with the outside world, as it neighbours Hong Kong, from where goods can be transported to other parts of the world.

CANTON fair is number one fair of China and world's second largest fair. It was originally a bi-annual fair known as Chinese Export Commodities Fair until the 100th Session when it was renamed as China Import and Export Fair.

The fair has seen massive change over the past five decades reflecting China's emergence from a peripheral player in global trade to one of the largest exporters. More buyers from the US and Europe began attending the fair in the late 1970s and 1980s at the beginning of economic reform. In recent years, a more diversified export market has brought traders from Africa, India and the Middle East. The fair has also mirrored a significant change in nation's trade environment,

when it set up import booths for the first time at the 100th Session in 2006.

The each session of Canton Fair has been organized in 3 phases. The 1st phase of the Fair involves machinery, construction materials, chemical products, vehicles and electronics. The 2nd phase of the Fair involves furniture and furnishings, Home decoration Toys and Cosmetics and the 3rd phase involves textiles, carpets & Tapestries, Clothing accessories, medicines, recreational goods, foods and traditional products.

In the 1st phase of the 104th Session of China Import and Export Fair 2008 held during 15-19 October, 2008 international companies were allowed to exhibit their products.

In the 1st phase of 104th Session of CANTON, there were 53,000 booths which was 10,000 more than the previous fair. Total exhibition space utilized was 5,55,000 sq. mtrs. The main objective and thrust of the Canton Fair is to create opportunity of trade promotion and help enterprises to expand market.

6. JUTE PAVILION IN 116th EDITION OF CANTON :

NJB/JPDEPC organized participation of following 8 jute exporters in the International Pavilion housed in Hall No.10.2.They reported at the

venue and arranged display of jute exhibit materials in their respective stalls.

	Participating Co.	Represented by	Products displayed for promotion
1.	Gloster Ltd., Kolkata	(i) Manidipa Guha (ii) Ayon Sarkar	<ul style="list-style-type: none"> • Jute fabrics • Jute assorted bags
2.	KTC Exports Pvt. Ltd., Kolkata	Vivek Agrawal	<ul style="list-style-type: none"> • Jute Shopping bags • Jute Wine bags
3.	Kusum Exports Pvt.Ltd., Kolkata	Anup Agrawal	<ul style="list-style-type: none"> • Jute Assorted Bags
4.	Camila International, Kolkata	Anurag Himansingka	<ul style="list-style-type: none"> • Jute Shopping bags
5.	Earth Bags Exports Pvt. Ltd.,Kolkata	Abhishek Shah	<ul style="list-style-type: none"> • Jute Shopping bags
6.	OSB Overseas Pvt. Ltd., Kolkata	Sandip Bhojgarhia Abhishek Sharma	<ul style="list-style-type: none"> • Jute Fabrics/Ribbon • Jute Shopping bags • Wine bottle carriers • Gift Bags
7.	Green Earth International Ltd., Kolkata.	Manish Kajaria Rashmi Kajaria	<ul style="list-style-type: none"> • Jute/Cotton bags
8.	Sunil Enterprises, Kolkata	Sanjoy Goel	<ul style="list-style-type: none"> • Jute Shopping bags.

7. DETAILS OF PARTICIPATION :

- **Immediate / Preliminary :**

Following participation, 8 jute exporters reported to have booked business worth US\$73,000 on the spot and negotiated business worth US\$2,43,000. This has been compiled from the participants' report submitted by them to JPDEPC. Following table will give a

glimpse of visitors' turn out and volume of business booked by the respective participants:

Sl. No.	Participants	Business finalized on the spot (US \$)	Business under negotiation (US \$)	Visitors from countries
1.	Gloster Ltd., Kolkata	--	40,000	Australia, China, France, Italy, USA.
2.	KTC Exports Pvt. Ltd., Kolkata	50,000	10,000	Belgium, China, France, Hong Kong, Italy, Holand, Kuwait, Spain, Thailand, U.K., USA
3.	Kusum Exports Pvt.Ltd., Kolkata	5,000	10,000	France, Italy, Norway, Poland, U.K., USA
4.	Camila International, Kolkata		18,000	China,France, Germany, Italy,Iran, Korea, Kuwait, Mexico, Portugal, Spain Turkey, USA.
5.	Earth Bags Exports Pvt. Ltd.,Kolkata	20,000	30,000	France,Spain, U.K., USA.
6.	OSB Overseas Pvt. Ltd., Kolkata	15,000	75,000	China, France, Germany, U.K., USA
7.	Green Earth International Ltd., Kolkata.	28,000	60,000	Austria, China, Cyprus, Denmark,Columbia, Germany, Hungary, Israel, Japan, Kuwait, Portugal, Romani, Turkey, U. K., UAE, USA.
8.	Sunil Enterprises, Kolkata	-	40,000	Austria, China, Cyprus, Germany, Japan, Turkey, USA, UAE.
	Total :	US\$73,000	US\$2,43,000	

Enquiries received at the generic promotion/information booth of NJB/JPDEPC (Booth No.M07) were circulated among the industry-members by JPDEPC.

- **Visitors to the Jute Pavilion:**

The business visitors were mainly from Australia, Austria, China, Columbia, Cyprus, Denmark, France, Germany, Hong Kong, Holland, Hungary, Italy, Iran, Israel, Japan, Kuwait, Korea, Mexico, Portugal, Romania, Spain, Thailand, Turkey, U. K., UAE, USA. All visitors were well attended by the participants and the NJB/JPDEPC officials deputed to the fair.

8. OBSERVATION :

Ministry of Commerce of the People's Republic of China & People's Govt. of Guangdong province host the Canton Fair. The organizer - China Foreign Trade Centre emphasised on new energy resources and small processing Machinery & Agricultural Machinery with special thrust on Textiles & Garments.

The 116th session of China Import and Export Fair was concluded with the remark of the Vice-Chairman & Director General of China Foreign Trade Centre that everything of which indicates a bright future, has grabbed the opportunity of China's reform of economic system and foreign trade system, at a time when China foreign trade still faces a complicated situation.

On the other hand, the Canton Fair authority has been successful in splitting the fair into 3 phases. It helped to achieve positive results of

promoting balanced development of import & export through transformation of development mode of foreign trade and optimizing the structure for export goods. It offered unique opportunity to more enterprises to participate in the fair in the midst of environment of shrinking global demand and difficult export situation, enabling them to gain more chances to stabilize business sources and explore new markets. Further, optimization of exhibit categories and exhibition sections follow the trend of international exhibition industry. On the basis of maintaining the feature of a comprehensive exhibition, the Canton Fair has further improved its degree of specialization which makes buyers' sourcing more convenient. The full operation of the complex provides exhibitors and buyers a brand new negotiation environment.

Considerable increase of brand stands in the 116th session of Canton Fair played an important role in fully demonstrating the image of products and facilitating negotiation and transaction of environment friendly products, enjoyed great popularity and products with independent brand, design, patent and innovation had prominent advantages.

The session of Canton fair attached great importance in upgrading the quality of exhibits. In this connection, the Ministry of Commerce of P.R China issued a series of documents to examine strictly the qualification of exhibitors. Those exhibitors found breaking the

regulations of the fair and those resource-consuming products with high pollution and high cost are blacklisted by the quality inspection department or the environment protection. Trade delegations comprising various departments of the Canton Fair strictly inspect to deter products of inferior quality. The Ministry of Commerce of P. R China held a news briefing on quality of products in the whole commercial system of China during the fair time to have a sense of **“every issue concerning product quality is serious”, so upgrade the product quality.**

The opening of international pavilion has the objective of Chinese government in promoting trade balance. In this connection, the fair authority had stricter entry standards and verification systems for exhibitors of international pavilion to ensure that all the exhibiting enterprises and exhibits are overseas with improved quality. Exhibitors from Turkey, Hong Kong and India had organized relatively large delegations to participate. India is one of the biggest origins of exhibitors and overseas buyers to Canton Fair. The overseas exhibitors expressed that under the current volatile international economic situation, they are even more optimistic about the Chinese market and are having full confidence in exploring the Chinese market. It was reported that the fair authority organized about 8000 domestic professional buyers and adopted a door to door purchasing model for the first time and achieved good

results targeting at overseas advanced technology, advanced equipment, key parts and components and scarce products in Chinese market.

The Canton Fair has received an initial success in the reform of three phases in one session, which is an important measure carried out by the Ministry of Commerce of P.R China. The fair played an important role in stabilizing China's exports and accelerating the transfer of the growth mode of Chinese foreign trade. However, influenced by the slowdown of the global economy, deals on exports decreased. The reasons mainly attributable to professional buyers from Europe and America have cut their sourcing activities and the growing uncertainties in economic development.

9. SUGGESTION:

Canton Fair is a number one fair of China and World's second largest fair. The International Pavilion provided opportunity to the International exhibitors to showcase their products.

All the jute participants had reservation on the location of India pavilion however, were satisfied with the support service of NJB/JPDEPC. Encouraged by the business response, the participating units expressed their willingness to join 117th session of China Import & Export Fair for promotion of their respective product group.

Viewed in the above context, a few suggestions are proposed to improve quality participation.

- China has been considered as one of the potential market for jute goods. Increasing cost of existing wage structure in China and constant appreciation of Chinese currency (Yuan) is offering ideal condition for Indian companies to become more competitive and aggressively market their traditional and non-traditional products in China. Therefore, repeat participation in 117th Session of Canton Fair is recommended.
- As mentioned, each session of Canton Fair has been organized in 3 phases. The 2nd phase of the fair which has product thrust of consumer goods, gift products and home decoration, is found to be appropriate for participants for promotion of jute products. Therefore, participation in 2nd phase of Canton Fair is recommended.
- Each session of Canton Fair sees a considerable increase of brand stands.
- The demonstration effect of brand has been improved. Therefore, participation in Canton Fair with an objective of brand promotion may be considered. As has been seen, independent brand, design, patent and innovation have prominent advantages.

- In Canton Fair, Environmental-friendly products enjoy great popularity. Promotion of jute in the form of lifestyle jute products may be showcased appropriately in appropriate section of Canton Fair.
- Canton Fair attaches great importance to upgrade quality exhibits. Therefore, the fair authority examines strictly the qualification of exhibitors and exhibits are overseas with improved quality. Therefore, quality jute products should only be displayed for promotion in the NJB international pavilion of Canton Fair.

10. CONCLUSION :

The China Import and Export Fair (Canton), has been held every Spring and Autumn since 1957 in the Southern City of Guangzhou, China. The bi-annual Canton Fair as it's known, has long established reputation that no trader can afford to ignore. It is recognized as the barometer of Chinese foreign trade with the most complete varieties of goods with the largest attendance and business turnover.

The 116th session of Canton Fair felt the pinch of global crises which lowered the expectations of the exhibitors. Thus, the short-term impact of the crisis has become obvious. Against the background of gloomy external economic situation, the exhibitors should make endeavor to increase turnover, while improving their competitiveness and capability to withstand risks by adjusting their export strategies, tapping emerging markets, transforming the enterprises and making innovations. Further, cultivating brands and developing novel products while avoiding competition of same quality on same price is a very effective way to tackle the demand slowdown of overseas market.

With growing concern for environment and ecology, the global trend of opting for natural products in various sectors holds out bright prospect for the jute industry. In Canton Fair, environmental friendly, innovative and uniquely designed products enjoy great popularity. NJB may take advantage of the option and facilitate participation of regd. exporters of quality jute products in Canton Fair in bigger scale. Efforts may also be made for splendid display of environment friendly jute products in the well decorated Indian jute pavilion highlighting ***“Positive attributes of jute”*** to attract international buyers.











