

PARTICIPATION OF KYRGYZ AND TAJIK COMPANIES AT TEXTILLEGPROM, MOSCOW, SEPTEMBER 27-30 2011 - REPORT



31ST OCTOBER 2011

BACKGROUND

17 garment producers from Tajikistan (7) and Kyrgyzstan (10) took part in Textillegprom in Moscow from September 27 to 30. The delegation was composed of 23 people from Kyrgyzstan and 9 people from Tajikistan including also the Head of Ministry of Energy and Light Industry of Tajikistan. The list of participants is enclosed ([annex 1](#)).

The participants were part of ITC project in Central Asia. They were given assistance in product development and marketing. The inputs provided had the double objective of preparing the companies for this important promotional event and, more in general, improving their commercial performances on the Russian market by proposing products the market wants.

Textillegprom, organised by the company Textile Expo JSC, is the most important bi-annual event (it takes place every February and September) for the textile and fashion industry in Russia attracting exhibitors and visitors from any Russian regions and former URRS countries. The trade fair is divided into smaller events showcasing companies representing product categories across the entire textile and garment supply-chain: from fibres, yarns, fabrics and textile/garment machinery to finished products (including all product categories: children, ladies and menswear, lingerie, fur and leather products, fashion accessories). Events that are part of Textillegprom include Salon of Garment, Headwear and Accessories, Salon of Lingerie, Children's Salon, Salon of Knitwear (hall 75), Technical Textile and Raw Material Salon, Apparel Textile Salon, Home Textile Salon (hall 57) and Textillegmash (hall 55).

Textillegprom takes place in a historical venue, All-Russian Exhibition Centre, formed of different buildings once hosting the representative offices of URSS countries (see venue map below).



Some key statistics on exhibitors and visitors are below (data refer to 37th edition of Textillegprom – September 2011):

Total number of exhibitors: 2,216 (80% of exhibitors are Russian).

Exhibitor's categories: 54% manufacturers, 42% wholesalers, 3% services and 1% other companies.

Number of total visitors: 34,400 (specialised trade buyers are 84%, the rest are final consumers)

Visitor's categories: 61% wholesalers, 26,5% manufacturers, 10,5% technology developers, services.

Purpose of the visitor's attendance: finding new suppliers (71%), marketing and market research (62%), strengthening business relations (49%), participate in business events programme (28%).

Present countries besides Russia: Austria, Belarus, Bulgaria, Great Britain, Hungary, Greece, Germany, India, Italy, China, Kyrgyzstan, Latvia, Lithuania, Moldova, Pakistan, Poland, Portugal, Turkey, Turkmenistan, UEA, Uzbekistan, Ukraine, France, Switzerland, South Korea.

Textillegprom was chosen as the event for the companies part of ITC project because it represents the most important event in textiles and fashion in the Russian Federation and it is very relevant to the market these companies address to. In fact, Textillegprom is the main trade fair for mass market in Russia, gives both sales and sourcing opportunities and, at the same time and, finally, provides important learning occasions as the whole Russian textile and garment supply-chain is present there in the same place at the same time.

All participating companies were briefed about Textillegprom during the in-companies' visits last July and the workshops held in Dushanbe and Bishkek. During the workshops, the companies were also delivered a detailed report about the fair and practical suggestions their participation (fair info-pack).

MISSION TO MOSCOW

BEFORE THE FAIR

Before the fair, an agenda of activities was prepared and sent to field offices. The agenda included details of activities for each day of the fair as well as information on meeting points and time to set up and dismantle stands and other useful information. A study visit tour was included in the agenda and planned for the day after the fair's closing (Saturday, October 1). A fashion retail specialist in Moscow was recruited to lead the study visit tour that had the objective of giving companies a better understanding of the Russian fashion retail system. The agenda of the mission is enclosed to this report ([annex 2](#)).

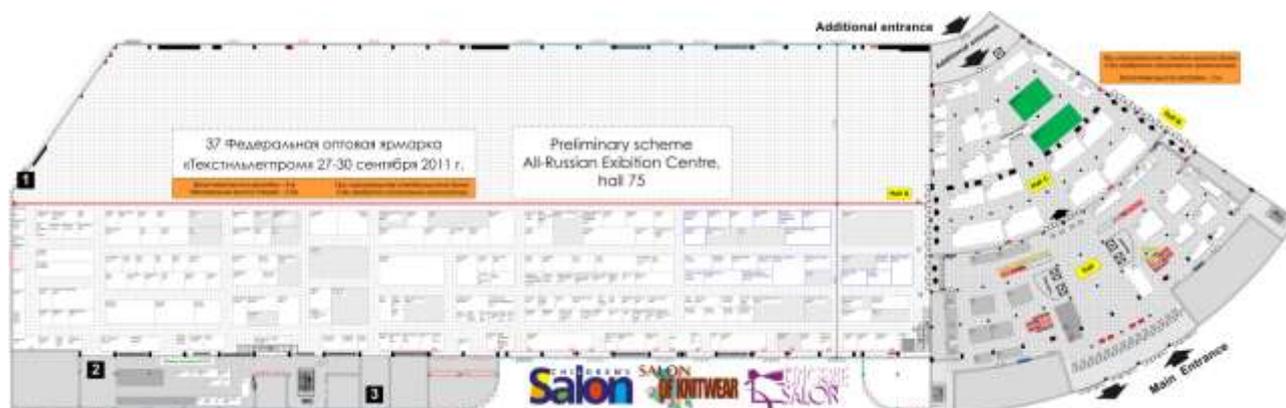
Furthermore, key buyers were invited personally before the fair to let them know about the presence of the central Asian delegation. An electronic invite was created and sent to a database of nearly 60 Russian fashion buyers. Each buyer was contacted by phone by a Russian-speaking person to introduce the companies part of the delegation and, then, the invites were sent by email after each conversation. This targeted promotion was very useful to create awareness on the participation of the delegation as Textillegprom is a huge trade fair and it's not always easy to be visible, especially if you are a first-time exhibitor. The invite is enclosed to this report ([annex 3](#)).

The press release prepared by ITC in Russian was also forwarded to relevant press such as Fashion United Portal, Profashion Magazine, Moscow Katalogue, Lingerie and Tights magazine etc..

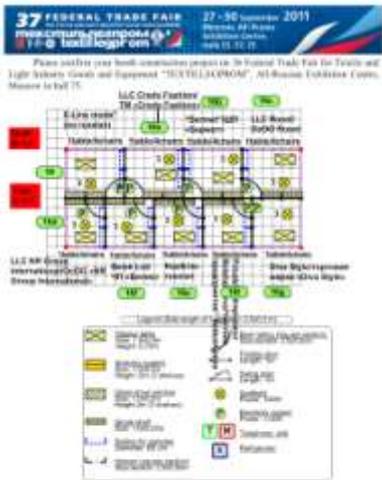
DURING THE FAIR

Companies and national project managers/national consultants arrived in Moscow between 25th and 26th September and the meeting with all participants took place the day before the fair's opening in hall 75C where most of the companies' stands were located. In fact, 9 Kyrgyz companies and 7 Tajik companies were in hall 75C where central Asia collective stands were created. One Kyrgyz company, Lyla Style, was located in hall 75A, in Childrenswear Salon. Please, see below for the general and detailed stands' map.

General stands' map:



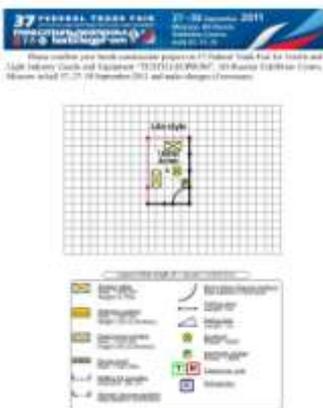
Detailed stands' map – Kyrgyzstan:



Detailed stands' map – Tajikistan:



Detailed stand's map – Kyrgyz company Lyla Style:



The stands were decorated with posters and postcards created for the fair and presented a consistent image.



OUTCOME

The participation in Textilegrom was extremely successful and beneficial to all companies. All the companies made commercial contacts and some actual business contracts.

Buyers were mainly represented by wholesalers, retailers and traders from all regions of Russian Federation with a predominance of Moscow-based buyers (this is also due to the fact that many companies have representative office in Moscow).

Textilegrom created also important sourcing opportunities as the companies had the chance to visit other halls and establish direct contacts with fabric, yarns and trimmings' suppliers from all over the world.

Here below the detailed commercial outcome for Tajik and Kyrgyz companies.

Tajik companies had a total number of more than 85 visits over 4 days. Companies Guliston, Textile City and Nafisa made preliminary contracts for a total value of nearly USD 1 million. In particular:

>Guliston made an agreement worth USD 770,000 with a Moscow-based wholesaler, ShveyPromService, for a supply of jeans.

>Textile City made an agreement worth USD 100,000 with Expose, a Moscow-based wholesaler for a supply of jeans and cotton garments.

>Nafisa reached an agreement worth USD 42,000 with company Cacharel for the supply of 140,000 pairs of socks (20ft container).

In terms of contacts, here below the details for each participant:

-Dilorom made contacts with 14 companies, mainly wholesalers and brands based in Moscow and St Petersburg.

-Guliston had 13 contacts with Moscow-based wholesalers and retailers and one Turkish buyer. As anticipated, the supplier made a contract with one company.

-Yokut 2000 met with 16 companies, both buyers and suppliers.

-Nafisa had meetings with 10 companies that are mainly traders and wholesalers from Moscow and other cities like Astrakhan and Chelyabinsk city.

-Textile City met with 11 companies mostly retailers and wholesaler from Moscow and Tver region and made a contract with one.

-Leader made 21 contacts with buyers specialised in sportswear and medical/uniform clothing, based in Moscow and other Russian regions like Samara.

The file including the database of contacts made by Tajik companies is enclosed to this report ([annex 4](#))

Kyrgyz companies had a total number of 127 contacts over 4 days of Textillegprom, in particular:

-Eline made 44 commercial contacts with mainly retailers and shops in various regions of Russian Federation.

-NR Group met with 10 specialised retailers from Moscow, Siberia and other Russian regions.

-Credo Fashion made 21 commercial contacts from various regions, besides Moscow such as Kovrov, Ryazan, Surgut, Semikarakorsk, Tumen, Kazan etc..

-Nazik had 10 meetings with retailers from various regions.

-Beishebaeva had 3 contacts in Moscow and 1 with the Turkish representative office of a leader trimming supplier.

-Belek made 5 contacts with retailers from Moscow, Ekaterinburg, Orenburg and Balashiha.

-Diva Style had 6 meetings with specialised retailers.

-Rusol had 8 meetings with retailers.

-Bermet met with mostly retailers and some wholesalers.

-Lyla Style met with 12 retailers.

The file including the database of contacts made by Kyrgyz companies is enclosed to this report ([annex 5](#)).

The delegation had a total number of 212 commercial contacts over 4 days and they resulted to be all very relevant for the participants. Some participants were more successful than others and the most successful resulted to be those:

- ✓With a bigger export experience to the Russian market.
- ✓That exhibited already at Textillegprom and, therefore, were already known by the trade fair's audience.
- ✓That had invested more in product development and brought more samples.

Being successful in a trade show is determined by a mix of factors and, certainly, one of them is taking part in the same event more than once or, better, regularly. Companies like E-line Moda, Textile City, Lyla Style, Nafisa and Leader had either exhibited at Textillegprom before and/or had exported directly to Russia for some years.

It's proven by many cases in the industry that it's necessary to take part in the same event for at least three times before being known and generate business. This is because buyers need to ensure a supplier is established and is ready to invest in the market before making any business with them. Also, it takes time before contacts made as a first-time exhibitor turn into leads and the amount of time strongly depends on the efficiency of the supplier during the follow-up period.

During the fair, some media representatives visited the delegation's stands and interviewed both companies' representatives and consultants. As an example, Aida Kasymalieva from Radio Liberty and the Kyrgyz bureau in Moscow and a Kyrgyz TV visited the delegation.



STUDY VISIT TOUR

The study visit tour took place on Saturday October 1st with project team leader, Rupa Ganguli and fashion retail expert, Ms Tatyana Folomkina. The tour included two main visits to two key shopping centres in Moscow, one to Univermagmoskovsky (<http://www.univermagmoskovskiy.ru/>) and the other to Metropolis (<http://www.metropolis-center.ru/>).

The first shopping centre was a smaller format of a shopping mall. The old Moscow retail area was closed and the visit continued to Metropolis, a very good example of the modern fashion retail system. Participants could see the recent evolution of the retail system and could get a better understanding of which direction the market is heading to. Metropolis clearly showed that Russian fashion retailers are increasingly adopting western retail models and methods.

All participants were given a brief information file explaining on how the Russian fashion market is evolving, which also included profiles of Russian brands, and retailers that are considered key players in the mass market. The same brands and retailers have a presence at Metropolis mall and participants could analyse their strategy directly by visiting their stores. The delegation was provided specific explanations about the market and the shopping centre while they were visiting. Participants were able to ask several questions throughout the study visit. A copy of the information file provided to participants in Russian is enclosed to this report. This report will be delivered soon separately.



PARTICIPANT'S FEED-BACKS

An evaluation form was prepared before the fair and submitted to participants on the last day. A copy of the evaluation form is enclosed to this report ([annex 6](#)).

The overall feed-back (f) from the companies was very positive. Please, see below the detail of their feed-backs to the survey.

Q 1: Do you have a better understanding of the Russian market?

F: 100% of participants found they have a better understanding of the market after the fair.

Q 2: Did you make any contacts/contracts with any particular buyers (please list the name of companies, country, subject of contract)?

F. 100% of participants made contacts during the fair, please, see details on the number and type of contacts above in the "outcome" paragraph.

What companies say:

"We got in contact with a Russian boutique own from Moscow city, and had talks on shipment of 100 units of bed collection from our company per month."

Mr Shovali Davlatov, General Director, Dilorom – Tajikistan

"During the fair, I have talked with more than 25 companies and wholesalers from different Russian cities, like Krasnodar, Moscow, Novosibirsk and Nijniy Novgorod for supplying of our company products. Preliminary agreements were made with a wholesaler company from Moscow-"Shveipromservis" for procurement of 120.000-140.000 units of garments in the amount of 770.000 USD during 6 months and with fabrics and trimmings suppliers for our factory".

Mr Aslam Nuriddinov, Marketing Manager, Guliston – Tajikistan

"I made contacts with many companies and have agreed to co-operate with them in the future. I do understand that my level of knowledge is so low but I am sure it'll be sufficient for the next edition".

Ms Babaeva, General Director, Belek – Kyrgyzstan.

"During the fair, I met with representatives of more than 50 companies from Moscow and other regions of Russian Federation, like Chita, Krasnodar and Astrakhan. Russian buyers expressed high interest in our products, particularly shirts and denim products for children, teenagers and men. Provisional agreement was reached with Mr Alexander Ekzaryan, Director of a wholesale company "EXPOSE", Moscow for the supply of men and children's jeans and shirts worth USD 100,000."

Mr Nasim Karimov, General Director, Textile City – Tajikistan.

"During the fair, I conducted negotiations with about 80 company managers, specialists, wholesalers from Moscow city, Astrakhan, Chelyabinsk, Novosibirsk for possible wholesale of our products in Moscow and other Russian regions...preliminary agreement was reached with Mr. Shubin Alexandr from "Chacharel" of Moscow for the supply of 140,000 pairs of men's socks (20 tons container) worth USD 42, 000 by the end of the year".

"Mr Abdullo Muhammadiev, Director, Nafisa-Tajikistan.

"We learned how to display and participate in such fairs. ITC assisted to me to make my 1st step into the Russian market. This is our first experience in such fairs in Russia ..I made contacts with small retailers".

Ms Nazira Beishebaeva, General Director, Beishebaeva – Kyrgyzstan.

"During the fair, I have received several offers for cooperation from Russian leading companies and wholesalers, like "ATEMI", "Rey-sport", etc. We will maintain close contact with all these companies and try to establish cooperation in the future". Mr. Saidamon Isomaddinov, General Director, Leader – Tajikistan

"We learned a lot about the Russian clothing market and how to participate, how to present our products and design our booth. We have also understood that we can sell our products at higher prices if we sell directly to our clients... I could pay better salary for my sewing operators, give them and their families a better income an reduce the high turnover of workers our industry is now facing in Kyrgyzstan".

Ms Zamira Myrzakanova, General Director, Nazik – Kyrgyzstan.

Statement A: My expectations from the trip were met

(F): fully agree 14/17 and agree 3/17

Statement B: The fair visit will be useful in my business

(F): fully agree 11/17 and agree 6/17

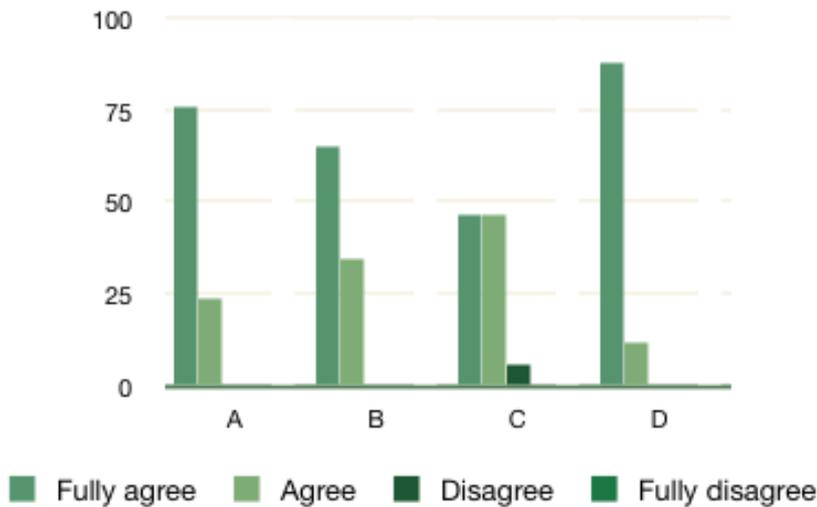
Statement C: Preparation and organization of the study tour were organized well

(F): fully agree 8/17, agree 8/17 and disagree 1/17

Statement D: I will gladly take part in similar activities in the future

(F): fully agree 15/17 and agree 2/17

Here below a chart showing the feed-backs (in %) of participants to the four statements:



Q 3: What are the three most important things you learnt during the promotional mission to Moscow?

Learnings vary according to each participant and here are the most common and/or meaningful:

- "How to make business with trade buyers"
- "How to prepare for a professional event"
- "Increase my product and size range"
- "Improve the quality of my products and the materials we source"
- "I understood that we'll need a representative office in Moscow in the near future"
- "I learnt that trade fairs can be an important moment to do research and assess what competitors are doing".

Q 4: How do you intend to use this in your business?

What participants learnt during Textillegprom will lead to changes and new investments in their businesses. Participants said that they will:

- Focus on expanding the market and increase sales
- Improve the overall quality of garments and materials sourced
- Create new designs and models
- Expand their supplier' base sourcing from new suppliers and countries
- Establish their own brand rather than working for others'
- Start co-operation with Tajik companies supplying fabrics
- Use a new method of garment's construction as learnt during a seminar held during the fair
- Train our staff and transfer them all the information we collected to create new products

CONCLUSIONS

Participation in Textillegrom was very successful for all the companies as all of them made commercial contacts and got some important learnings for their future activities in Russia.

Most of these companies, in fact, before the fair, had a low understanding of the Russian market because they used to mostly exporting through intermediaries/traders in their own country. These intermediaries have no interests in releasing information about their clients and how market functions. All participants clearly understood that dealing directly with Russian wholesalers and retailers is different, certainly more complex but with a greater potential as this can bring more benefits to their businesses in the long run. Direct exports, in fact, makes them more aware of the market's dynamics, characteristics and this helps them develop products that the market wants. Dealing directly with buyers, then, allows them to diversify their commercial risk and have higher margins that contribute to make their companies more sustainable.

The companies all agree that taking part in Textillegprom was a great learning experience and what findings will be very useful to define their market strategy and plan activities in the near future. The study visit represented an additional and valuable tool to gain specific understanding of how the Russian fashion retail system works. This knowledge will surely help the companies when dealing with wholesalers and retailers as they now have a clearer idea of market's structure and segments, relative price points, retail environment, the role of different players, how they work and their expectations.

The participants got an insight on how to prepare for a professional trade fair, and used appropriately all the tools they were given, such as the logbook and the promotional material (postcards/posters). In particular, they found the postcard idea so interesting that they created additional postcards using the same format but with their own photos. This can be considered a great achievement because the companies clearly adopted the promotional idea and reproduced it independently.

This participation also provided a good opportunity to research new materials such as yarns, fabrics and trimmings meeting with Asian and European suppliers. The contacts established will certainly contribute to increasing the quality of the central Asian's suppliers' garments. These new contacts will also help them to expand and diversify their collections and, as a consequence, raise their companies' profiles.

From a commercial perspective, it is apparent that all participants made very good contacts with potential leads. As mentioned in this report, some companies from Tajikistan signed preliminary agreements worth a total of USD 1 million of goods, in particular, jeans, cotton garments and socks.

Given this extremely good experience, all companies expressed a strong interest in participating in Textillegprom regularly in order to strengthen their position in the Russian market.