

## REPORT ON THE TRADE FAIR PARTICIPATION IN AMBIENTE 2016, FRANKFURT, GERMANY

12-16 FEBRUARY 2016

TAJIKISTAN: STRENGTHENING EXPORT COMPETITIVENESS  
OF SMES IN THE TEXTILE AND CLOTHING SECTOR AND  
ENHANCING TRADE SUPPORT INSTITUTIONAL CAPACITY



## BACKGROUND & RATIONALE

The participation of four Tajik companies in the international trade fair AMBIENTE in Frankfurt, Germany, was organized within the framework of the project "Strengthening export competitiveness of SMEs in the textile and clothing sector and enhancing trade support institutional capacities in Tajikistan"; a project implemented by the International Trade Centre (ITC). The aim of the project is to contribute to enhanced export competitiveness and export market diversification by providing sector specific support to SMEs and relevant trade support institutions in the textile & clothing and related handicraft sectors.

The trade fair AMBIENTE in Frankfurt, which took place February 12-16, is the worldwide leading trade fair for home accessories and gift items. The fair is the main showcase of the international consumer goods industry and sets the trends over the coming year. AMBIENTE 2016 counted 4,387 exhibitors from 96 countries in 27 halls at the Frankfurt Fair and Exhibition Centre. Besides European exhibitors, particularly large groups of Asian exporters exhibited. The ITC booth with the four Tajik exhibitors was the only participation of Tajik companies in this fair. Switzerland Global Enterprise (SIPPO), the Dutch Import Promotion Office (CBI) and the German Development Cooperation (GIZ) supported other participations of companies from developing countries.

AMBIENTE is exclusively targeting business visitors both wholesalers buying in bulk from exporters and retailers ordering small quantities from importers and European manufacturers. It is a unique platform with high standard for establishing business contacts with traders from all over the world. The fair provides a very professional framework as direct sales and final consumers are not allowed. This year, AMBIENTE attracted 137,000 business visitors, which is slightly more than last year. Particularly the number of international visitors from America and Asia increased. 55% of the business visitors came from abroad (from 143 countries). In general, the fair was well attended by buyers and the overall feedback of exhibitors with regard to order volumes and the general business climate was positive.

## OBJECTIVES

The objectives of the AMBIENTE participation of the four Tajik exhibitors Union of Craftsmen of Tajikistan (UCT), Rukhom, Jahonnek, and ZTDA/Armughon were:

1. To promote Tajik crafts through diverse high value products (jewellery made from semi-precious stones, leather bags, Suzani embroidery, wooden accessories);
2. To familiarize the participating Tajik exporters with international market requirements including product quality, delivery conditions, export pricing and different market needs;
3. To assist the Tajik exporters in developing new buyer contacts and sales channels;
4. To support the Tajik exporters to learn about market trends, innovations and new products in order to find new ideas and inspiration.

The trade fair participation was organised on a cost-share basis. ITC rented a small booth of 16 sqm for the four organisations, equivalent to just 4 sqm per company. The cost-efficient participation allowed a professional presentation of the companies' product portfolio nevertheless. ITC ensured booth construction and hotel accommodation of the exhibitors in Frankfurt as well. The Tajik companies contributed significant own funds. They produced samples and promotion material, and covered their flight tickets to Germany, food, and other daily expenses.

Technical support to the companies was provided by two ITC consultants (Mrs. Gabriela Byrde on product development and Mr. Alfons Eiligmann on marketing) who took care of two ITC booths (Kyrgyzstan and Tajikistan).

## ACTIVITIES PRIOR TO THE FAIR

In 2015, product design and marketing advice short-term missions of the two ITC consultants took place in Tajikistan to inform the companies about the AMBIENTE trade fair and to develop market-oriented product collections as well as price lists and other promotion material.

In January 2016, the ITC consultants prepared a trade fair invitation brochure including individual descriptions of the companies and photos of the most eye-catching products. The brochure was printed by ITC and distributed by the marketing consultant to 200 potential buyers in Germany and neighbouring countries. The brochure was particularly sent to fair trade wholesalers, importers, retailers and other companies working with ethnic crafts and similar products. Some of the potential buyers were provided with a voucher for a free trade fair ticket.

In addition, the consultants were in regular contact with the Tajik companies and the trade fair organiser to coordinate all trade fair preparation activities such as travel logistics and booth construction. Draft price lists were reviewed and customer contact sheets and report forms were printed. The consultants assisted the companies to register for a particular guide informing about ethical suppliers applying fair trade criteria and environmentally-friendly production methods. Two of the four Tajik exhibitors were selected by Frankfurt Trade Fair for this Ethical Style Guide. This meant that the Tajikistan booth was highlighted with a particular symbol and was featured in a particular publication informing fair trade oriented visitors.

Two days before the fair, the Tajik group of exhibitors was met upon arrival at the airport in Frankfurt by both consultants in order to avoid potential customs declaration difficulties for the trade fair samples. On the way to the trade fair, the consultants bought additional stand furniture at an IKEA store close to Frankfurt, as this was more cost-efficient than renting additional booth furniture from the trade fair company.

The day before the fair was dedicated to booth set-up and decoration. The ITC consultants provided advisory support to the companies to improve their product display and manage their communication with buyers during the fair.

## THE TRADE FAIR

The four Tajik companies presented the following products:

- ZTDA/Armughon: Home textiles with “Suzani embroideries”, as well as few purses and table wear;
- Union of Craftsmen of Tajikistan: Wooden crafted accessories, mohair wool slippers and scarves, bags made of woven carpets and embroidered shopping bags;
- Rukhom: Jewellery made from semi-precious stones and few bowls and table wear;
- Jahonnek: Leather and Ikat bags.

Though the space per company was very limited, it was sufficient and allowed for a suitable presentation of the individual collections. Basically, each exhibitor got one corner of the booth and the four exhibitors shared two meeting tables. Throughout the fair, there was a very good team atmosphere in the Tajik booth.

Most Tajik participants had quite good English skills. Participants with less English skills were supported by Mr. Rustam Shadibekov from ITC in Dushanbe which was very helpful.

The ITC consultants assisted the companies in approaching trade fair visitors and participated in sales discussions. Where useful, they provided references for the companies and advised on suitable payment and delivery terms.



## RESULTS

- The Tajik products proved to be much more attractive and competitive than last year. Accessories made from semi-precious stones and bags made of leather and cotton were products that attracted buyers' attention the most, followed by wooden combs. In terms of embroideries, impressions were more mixed; either people loved it or found it too similar to ethnic embroidery from other countries. The mohair wool products did not meet buyer expectations in terms of product quality;
- The Tajik companies counted a total number of 120 business contacts established during the fair. Each individual company reported 12-65 serious business contacts of some importance. The highest number of business contacts was reported by Rukhom for products made from semi-precious stones;
- The exhibitors indicated to expect a total number of 12 orders with a value of \$ 128,000 after the fair. However, it is questionable whether this amount will be realized as there were no confirmed orders during the fair and as some expectations may be too optimistic. There were a number of buyers who showed concrete interest in some products and some orders look likely, but it still has to be followed up to what extent these orders will materialize. In particular, there were a number of good last day contacts for Yak leather and wooden combs where the follow up still has to show whether orders can be realized;
- The predominant impression at the Tajik booth was that product designs, prices and company background were meeting with buyer requirements and that buyers liked the products, but one way or the other were not convinced enough to place orders at the fair;
- The trade fair promotion activities were successful, as a number of major fair trade related wholesalers and retailers visited the booth and were part of the group of more promising business contacts;
- All four Tajik companies, who mostly exhibited at AMBIENTE for the first time, expressed their satisfaction at the end of the fair and rated the trade fair participation either good or very good;
- In addition to the concluded business, the trade fair participation was a great learning experience. The exhibitors assessed market requirements as well as products and prices of other exhibitors. The feedback from buyers and the overall trade fair impressions were well observed and the companies started thinking about how to improve their competitiveness;
- The Ambassador of the Republic of Tajikistan in Germany visited the booth for half a day and informed himself about the exhibitors and the business prospects. He obviously appreciated the booth and the project efforts to contribute to promote Tajikistan's international reputation and economic development.



## FOLLOW UP

- The companies started to follow-up on the contacts established during the fair. It is recommended that the ITC project team in Dushanbe helps further following-up with buyer contacts in addition to the marketing consultant and continues its coaching support in the communication with buyers;
- The Tajik companies should ensure a sound communication with buyers by e-mail and should have a medium-term perspective to carefully develop partnerships with some buyers.

## LESSONS LEARNED AND RECOMMENDATIONS

- A lot of positive development was obvious compared to the year before. The group of the four exhibitors has solid development potential both in terms of product and human capital. All four exhibitors presented attractive product collections with reasonable prices. The price level was brought down to about 50% of last year's price level and was mostly appreciated by booth visitors. The companies were well prepared and had developed product designs and price lists according to the consultants' recommendations. Language and communication skills were excellent;
- The capacity building, training and coaching support provided by ITC prior to the fair was successful. The product design, marketing advice, and promotion activities undertaken by the two ITC consultants were instrumental for the success of Tajik companies' participation at AMBIENTE 2016;
- The booth location and size provided a good platform for doing business at AMBIENTE. Stand location and team atmosphere were much appreciated by the exhibitors and trade fair visitors;
- The selected product groups were suitable. The diversity of product groups from semi-precious stones to leather bags, Suzani embroidery and wooden combs was an important asset and should be maintained in future as it covered very different target groups and product interest;
- It is recommended to continue promoting the Tajik exhibitors in 2017 at a slightly larger scale. For 2017, it is suggested to ask for a stand size of 20 sqm and to increase the number of exhibitors to six companies (similar to the Kyrgyzstan booth). The four exhibitors of 2016 can form a core group. However, it would be good if 2-3 other companies can benefit too;
- Except one company, it was a first time learning experience for the Tajik exhibitors. The trade fair participation should be regarded as a good starting point, but it will take more time to develop business contacts in order to establish Tajik craft manufacturers sustainably on the international market.

## ANNEX

Annex 1: List of the Tajik delegation

Annex 2: Summarized feedback from the Tajik delegation

Annex 3: Media coverage report

Under separate cover: Exhibitor feedback forms, Mailing list.

# ANNEX 1 – LIST OF THE TAJIK DELEGATION

AMBIENTE, 12-16.02.2016  
FRANKFURT AM MAIN, GERMANY

No.	Name and position	Position	Company/ institution name	Contact Address	Product to present
1	Mr.Mufarrah Muhabbatov	Director	Rukhom LLC	Sharq str.2, Dushanbe, Tajikistan Tel: +992 37 2270179, Mob: +992 93 578 00 68 <a href="mailto:rukhom@tajnet.tj">rukhom@tajnet.tj</a> <a href="http://www.rukhom-tajnet.tj">www.rukhom-tajnet.tj</a>	Souvenir items from stone and semi- precious stone (lapis, onyx, rock crystal, serpentine, etc.): women sets of jewels, bath collection
2	Ms.Koshona Muhabbatova	Assistant			
2	Johan Janse Van Rensburg	Director	Jahonnek LLC	7, Govorov str., Dushanbe, Tajikistan Mob: (+992) 918 49 90 80 <a href="mailto:johan@yakpost.net">johan@yakpost.net</a> <a href="http://www.tajiktrading.com">www.tajiktrading.com</a>	Handbags, purses, backpacks, slippers- from yak and Hissar goat leather/and suzani
3	Ms. Munira Akilova	Director	Armughon, ZTDA (Zarafshan Valley Tourist Development Association)	Rabot village, jamoat Anzob, Ayni district, Sogd region Mob: +992 927703995 +992 92 7746202 <a href="mailto:ztda_zarafshon@yahoo.com">ztda_zarafshon@yaho o.com</a> <a href="http://www.ztda-tourism.tj">www.ztda-tourism.tj</a>	Artisan items in category Home& Décor: pillows, cushions, blanket, bed collection
4	Ms.Nigina Ikromova	Executive Director	Union of Craftsmen (UCT)	377 Takhmos str., Dushanbe, Tajikistan Tel: +992 (44) 6206137 Mob: +992 93 884 84 88 <a href="mailto:tajikhandicrafts@gmail.com">tajikhandicrafts@gmail .com</a> <a href="mailto:director.uct@gmail.com">director.uct@gmail.co m</a>	Pillowcases with embroidery, napkins, small size suzani items, wooden brushes
5	Mr.Rustam Shodibekov	National Consultant	International Trade Center in Tajikistan	32 Rudaky street, 33, Dushanbe, Tajikistan Tel: +992372232057 Mob: +992935045650 <a href="mailto:hamfikr@gmail.com">hamfikr@gmail.com</a>	Head of delegation

# ANNEX 2 – SUMMARIZED FEEDBACK FROM THE TAJIK DELEGATION

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AMBIENTE, 12-16.02.2016  
FRANKFURT AM MAIN, GERMANY

## What are the three most important things you learnt during participation at Ambiente Fair?

### **Rukhom LLC:**

- We learnt about the demand of the raw semiprecious stones in different regions of the world
- We learnt new designs which we can apply in our production by using our raw materials (for example necklace)
- We learnt that we can participate in such global events such as Ambiente fair

### **Union of Craftsmen of Tajikistan:**

- We need to participate in such international events more frequently in order to learn about trends and get ideas for development and promotion of Tajik crafts products
- We got new contacts for future cooperation
- We got new ideas for improving the quality of craft products and diversify the crafts products

### **Jahonnek:**

- Our design is good, our workmanship is acceptable and our prices are becoming competitive
- Yet entering to market is very difficult as we have no record, very few importers who actually working with such countries as Tajikistan
- However, we learnt that there is potential for develop new designs and products

### **ZTDA/Armughon:**

- Demand and the requirements of the market;
- We have to improve the design of our production
- We have to improve marketing activities
- We obtained a lot of information on development of yarn production;
- During the fair we got information about modern equipments and machinery and also lab equipments used in the textile industry
- I learnt that our yarn is high quality and it has big demand in the international market
- I learnt that many visitors and exhibiting companies know us as a producers of the high quality yarn
- I learnt that we can compete with yarn producers from Uzbekistan, Turkmenistan, India, Turkey and other countries;
- Scales of the international fair “Istanbul Yarn Fair 2012”
- Organization of the international fair “Istanbul Yarn Fair 2012”
- I found alternative suppliers of accessories with low prices for yarn production from Chinese exhibitors.

## How do you intend to use this in your business?

### **Rukhom LLC:**

- We will develop new designs
- We will use more effectively our promotional and marketing instruments such as website and communication tools for promoting our products,

### **Union of Craftsmen of Tajikistan:**

- We will keep in touch with our new contacts
- We will enhance our activities to improve the quality by conducting trainings and work on design of the craft products
- We will apply learnt knowledge and experience in organization of local fairs, thus increasing the incomes of our members

### **Jahonnek:**

- We are going to find one regular importer for our products

**ZTDA/Armughon:**

- We will apply acquired experience, improve our marketing activities and we create new collection

**Does the quality of your product meet the requirements of customers?**

- Yes 2  
 Some products 2  
 No

(If “No” or “Some products” why?)

**UCT:**

- Because Indian products (textile products) are more competitive (price)

**Jahonnek:**

- Buyers had generally favorable comments provided we adapt their suggestions

**ZTDA/Armughon:**

- According to color the requirements are quite different

**Can you provide the minimum volume of product as per customers' orders?**

- Yes 4  
 No

**Do you feel you have a better understanding of the market?**

- Yes 4  
 No

**Please assess the following statements below:**

	1 (Fully disagree)	2 (Disagree)	3 (Agree)	4 (Fully agree)
My expectations from the trip were met	<input type="checkbox"/>	<input checked="" type="checkbox"/> 1	<input checked="" type="checkbox"/> 2	<input checked="" type="checkbox"/> 1
The fair visit will be useful in my business	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> 3	<input checked="" type="checkbox"/> 1
Preparation and organization of the study tour were organized well	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> 1	<input checked="" type="checkbox"/> 3
I will gladly take part in similar activities in the future	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> 1	<input checked="" type="checkbox"/> 3

**Contribution by your company during the the fair:**

#	Expenses	Total in EURO or <u>USD</u>
1	Airfare (Dushanbe/Khujand-Frankfurt am Main-Dushanbe/Khujand)	700+700+840+650
2	Expenses in Frankfurt (food, other expenses)	110+150+140+160
3	Promotional materials (business cards, booklets, brochures, etc.)	100+90+30+110
<b>Total:</b>		<b>910+940+1020+920=3790</b>

**Total number of interested visitors:**

- Rukhom: 65
- UCT: 46
- Jahonnek: 21
- ZTDA/Armughon: 25

**Total number of new business contacts: (12 expected)**

- Rukhom: 24 (5 expected)
- UCT: 18 (3 expected)
- Jahonnek: 11 (2 expected)
- ZTDA/Armughon: 6 (2 expected)

**Total number of preliminary contracts and total amount (USD):**

- Rukhom: 5 initial talks (Russia, Germany, China, Kyrgyzstan), 118 000 USD
- UCT: 3 initial talks for 3500 euro (Germany, Greece, South America)
- Jahonnek: 2 talks for 6000 euro (Germany, Australia, Latvia, Italy)
- ZTDA/Armughon: 2 talks (Israel, Turkey)

## ANNEX 3 – MEDIA COVERAGE REPORT

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AMBIENTE, 12-16.02.2016  
FRANKFURT AM MAIN, GERMANY

### “Tajikistan artisans in Frankfurt Ambiente Fair-2016”

Tajik handicrafts were exhibited on the leading international trade fair for consumer goods – Ambiente, held in Frankfurt, Germany from 12 February to 16 February, 2016.

The Tajikistan Union of Crafts, the handicraft arm of Zarafshan Valley Tourist Association “Armughon”, as well as “Rukhom” and “Jahonnek” companies represented Tajikistan in this globally popular consumer goods trade fair. This participation was made possible by the ITC project funded by the Government of Switzerland within its Trade Cooperation Program (TCP) in Tajikistan.



With over 4,700 exhibitors from about 90 countries, Ambiente is considered as a meeting place for about 145,000 trade visitors from 160 countries annually.

The participation of the Tajik companies in this fair was widely covered by the Tajik media and in social media, reaching out to thousands readers through media and hundreds through social media.

**ITC Tajikistan web-site:** The media release in three languages was posted on the front page of ITC Tajikistan web-site, and on media releases page. Two photo-galleries and three videos, as well as profiles of all four participating sides from Tajikistan were prepared and posted on the web-site.

**Press release:** The media release was prepared in three languages and disseminated among media representatives through e-mail, posted on ITC Tajikistan Facebook and web-home, and is available on [www.itctj.org](http://www.itctj.org).

**Information Agencies:** The news was covered by most of the local news agencies, including the state information agency “Khovar” in five languages (English, Tajik, Russian, Arabic, Persian), which newscast is widely re-published by the governmental print media, and the top Tajikistan news agency – “Asia Plus”, which covered the news in Tajik, Russian, and English.

**Radios:** The news went on some local independent radios of Tajikistan - “Vatan”, “Khovar”, “Sadoi Dushanbe”, “Tojikiston”, “Asia Plus”, “Ovozi Tojik”, and etc.

**Online:** Here is the list of the web-sites covered the event.

tctj.org – Tajik, English Russian

Avesta.tj – Russian

Tajikta.tj – Russian

Khovar.tj – Tajik, English, Russian, Arabic, Persian

News.tj – Tajik, Russian, English

Tajikembassy.at – English

Navid.tj – Tajik

1tv.tj – Tajik

Uaport.net – Russian

City24.tj – Russian

Nm.tj – Russian

Toptj.com – Russian

Lenta.smitj.ru – Russian

Tjknews.ru – Russian

Vof.kg – Russian

Katalog.tj – Russian

Nashtajikistan.ru – Russian

1national.ru – Russian

News.tajweek.tj – Russian

Javonon.tj – Tajik

Ozodi.org - Tajik

**Social Media:** The news was also circulated via the official Facebook page of ITC Tajikistan. ITC Tajikistan Facebook page kept its followers updated on the news on daily basis. ITC Tajikistan Facebook page also posted the profiles of all four companies participating in the fair; interviews with representatives of three companies, two ITC consultants, and the Tajik Ambassador to Germany; separate photo-galleries from each day of the fair; and news posted on information web-sites.

In total, all materials related to Ambiente fair posted on ITC Facebook page reached out 3,769 people (number by February 19). In addition, tens of facebook posts, especially multimedia posts were shared by Ministry of Foreign Affairs of Tajikistan, the Union of Craftsmen of Tajikistan, Tourism Development Centre, Zerafshan Tourism Development Association, HoonArts, Armugon Handicraft Shop, Modniy Magazin, Rakesh Bheda Consulting, and about 20 ordinary Tajik Facebook users, where each post gained additional likes and reached hundreds more Facebook users.

Four videos interviewing Tajikistan delegation, the Tajik Ambassador to Germany, and ITC consultants also were posted on ITC Tajikistan YouTube channel.

**Multimedia:** Two photo-galleries and three videos were prepared and posted on ITC Tajikistan web-home, Facebook page, and YouTube channel (videos).

Special thanks go to Rustam Shadibekov, ITC National Consultant, who accompanied the delegation in the fair, for taking pictures and filming the videos and sending them to me for editing and use for media purposes.

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