

Trade Promotion Programme in the Kyrgyz Republic

Information Bulletin



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1. Presentation of the results of ITC Russian Clothing Market Study to the sector stakeholders and training on “How to prepare for the fair”



On 22 July 2010, at Urmat Ordo hotel, ITC conducted presentation on results of recent Russian clothing market study conducted for the Kyrgyz clothing sector stakeholders. Among other things, the study also emphasized on the related Russian import statistics useful for producers and exporters from Kyrgyzstan.

Here some interesting findings from the study:

- The textile and apparel market in Russia has a value of approximately \$37 to \$40 billion USD, with about \$25 billion in apparel alone. During the last few years the annual growth rate of the apparel market has reached up to 20%.
- Kyrgyzstan is the SECOND largest exporter to Russia (after China) of particular apparel item – “women’s blouses & shirts” (HS-code 6206), with significant growth of exports from Kyrgyzstan recorded in the last few years
- There is a significant opportunity for producers of high quality goods from Central Asia to enter the growing modern format market, especially given recent customs tariff changes for non-CIS countries (recent increases of tariffs for imports of textile and clothing products from such countries as China and India)

In addition, the participants of the event also had a chance to get acquainted with the Kyrgyz clothing sector profile developed by Programme consultant, which covered key sector players, dynamics, economic model, sector problems and recommendations.

Since some of the beneficiary companies had started their preparation for a trade fair in Moscow in September (the participation was supported by GTZ), the practical advices on “How to prepare for a fair” provided during the ITC training, was very helpful and well received by the participants.

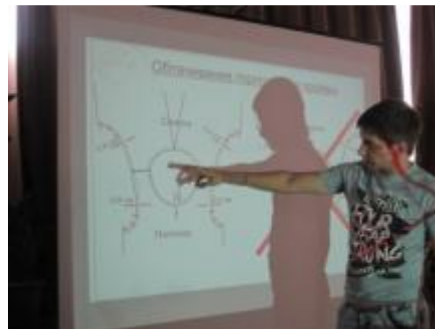


2. Final mission of ITC international consultant on productivity improvement



assistance.

The open seminar was conducted at Urmat Ordo Hotel on August 30, 2010. The goal of the seminar was to share the progress made by ITC direct beneficiary enterprises on the productivity improvement. Each company made a small presentation on the work accomplished, showing which recommendations of international consultant were implemented. Companies illustrated all materials (videos, photos, worksheets, schemas and etc.) used by them during their work. During the seminar the participants actively asked questions and took notes of interesting and useful advice and suggestions from each other.



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In the conclusion of the seminar Dr. Rajesh Bheda inspected in detail the sample garments brought by companies for the seminar. Altogether they evaluated the quality of each company's garments and pointed on the defects and mistakes.



Participants took photos of defects of all garments to illustrate them to their workers at the enterprise.

During the last day of Dr. Bheda's mission, companies gathered again in the ITC office to clarify remaining

issues and also thanked him for his great work. The work of the international consultant will be followed up by the ITC national consultants.

3. Mission of ITC International consultant on sourcing

The ITC international consultant on Sourcing – Ms. Doreen Tan conducted a mission from 6 September to 14 September 2010 to train Kyrgyz clothing companies on sourcing skills.

The mission started with a two day seminar training, which covered the following subjects: 1) skills on materials sourcing, 2) testing and control of the fabric, 3) basic textiles, 4) pre-trip sourcing self-evaluation and 5) preparation for Shanghai fair and Keqiao china textile city visit. During first day of the seminar the participants were introduced to the top ten textile exporting countries, and common terms and requirements of foreign trade contract. The local companies were provided with information on the basics of sourcing and supply chains.

On the second day of the training, the participants were involved in a practical exercise, which allowed them to identify the fiber type, content and property through burning tests. In addition, all participants learnt about fabric crocking, color fastness and other detailed information about different types of fabrics. Given skills will help the local clothing enterprises to do more efficient sourcing in international market and find new international suppliers.

One of the important purposes of Ms. Tan's visit was the preparation of the representatives of the local textile and clothing enterprises for a participation at the international sourcing fair in Shanghai in October of this year, where companies will have an opportunity to



personally meet with suppliers, discuss possibilities of cooperation and conclude purchasing contracts.

During her mission in Kyrgyzstan, Ms. Tan and ITC national consultant on sourcing Baktybek Tulparov also paid individual visits to enterprises. During these visits they evaluated the contents and quality of the fabrics used, which helped our local enterprises to better understand the characteristics of the fabric they are working with.

On 13 September, training on costing was also organized at the ITC office, during the local entrepreneurs got additional knowledge on production prime cost to make correct calculation of their own expenses and profit. A second important aspect of this meeting was a discussion on preparation to Market exposure and Sourcing visit to Hangzhou and Shanghai.



4. Preparation for the sourcing mission to China

As a continuation of the ITC international consultant's mission on studying the sourcing requirement of the beneficiary companies, the Programme has started preparation works for a sourcing tour to China. The activity is led by the international consultant who is arranging meeting with the Administration of the China Textile City and individual manufacturers, as well as organizing visits to wholesale textile factories and markets. Kyrgyz enterprises and other clothing sector stakeholder will also visit the Intertextile International fair in Shanghai. At the local level, the ITC consultant on sourcing provides assistance in preparation works for the sourcing mission. The dates for the study tour are Oct 17 – 23.

During the tour, the Kyrgyz enterprises will have an opportunity to establish direct contacts and conclude agreements with the textile factories, as well as learn about the latest international trends in sourcing.

Before the tour, the ITC field office will conduct briefing sessions for the tour participants.

5. Updates on the work with Kyrgyz Accreditation Center and in the Sanitary & Phytosanitary (SPS) area

The Kyrgyz Accreditation Center is in the preparation process for a pre-peer evaluation by the International Laboratories Accreditation Community. Within the scope of the preparation works for evaluation, ITC had a follow up meeting with the deputy Minister of Economic Regulations of Kyrgyz Republic to discuss the level of readiness of the accreditation center for the upcoming evaluation.

Since September, the Programme has hired a National Consultant on SPS issues, to support the work of the ITC international consultants for establishing a functioning national SPS Notification Authority and Enquiry Points.

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