

1.0 Market scenario

Japan's trade is now experiencing the 'Indian boom'. Rapid trade expansion is occurring between the two countries, which is likely to fuel the growth of Indian textile exports to Japan.

Japan is the third biggest textiles importer in the world. On an average, the country imports apparels worth of USD 24 billion. China is the leading supplier of textiles accounting for a 78.95% share followed by Italy, Vietnam, South Korea, and US. These 5 countries accounts for 88.76% of total apparel imports of Japan. India's contribution among apparel exporting countries to Japan was meagre with a 1.01% share. Earlier, business transactions between the two countries were very small. Currently, trade activities between the two countries are experiencing positive trend

1.1 Trade relations between India and Japan:

India and Japan share an excellent trade relation. India is one of the three countries with whom Japan has security pact, the other two being US, and Australia. Trade relations between the two countries flourished due to the establishment of diplomatic ties after the II World War. The current robust growth of Indian economy has attracted Japan's attention.

Major textile and apparel makers of India are exploring prospects for enhancing bilateral trade between the two countries. Indian firms are also focusing in developing partnership with Japanese firms to gain access into their fabric, and apparel market. There is a profitable market for cotton apparels in Japan. India is a good manufacturing base for cotton, and cotton based knitwear, and has good chances for market penetration.

China's share in the Japanese garment import is 90% while India's share is a measly 1%! This information came more as a shock than a surprise to many since it came from none other than Mr Yoshiaki Kamiyama, senior researcher of the Japan Textiles Importers Association, who was a part of a Japanese buyer team who visited the India Tokyo trend fair 2018.

Out of India's total textile and apparel export of nearly US \$ 40 billion, only US \$ 0.5 billion (or less) goes to Japan, which imports nearly US \$ 35 billion worth textile apparel annually.

Textiles Committee under MoT is geared up to enhance export to Japan and is working for the same with the help of experts from Japan Textile Products Quality and Technology Centre (QTEC).Of the total apparel imports by Japan, only 1.2 per cent is from India. We should increase it and it should be at least 5 per cent in next three years. Our quality is not poor and even technically we are superior to countries like

Bangladesh and Vietnam, yet our export is less. Issues lie elsewhere, we need to go deeper for its solution.”

Japan's Import of Textile and Apparel from World and India, US\$ Mn.				
Country	Items	2010	2011	2012
World	Textile	32790.1	40938.4	41540
	Apparel	25262.2	31110.9	32073
India	Textile	356.9	504.5	485
	Apparel	204.6	271.3	293
India's Share in %	Textile	1.1	1.2	1.23
	Apparel	0.8	0.9	0.91

Data source: AEPC/Reg/F&E/814

India has signed a Comprehensive Economic Partnership Agreement (CEPA) with Japan on Feb 2011 facilitating Japan to import garments from India at zero duty. Earlier import duty for apparels from India to Japan was 11%. Share of India in Japan's clothing import was just 1%. The CEPA agreement is positively expected to increase Indian apparel exports to Japan by 50%.

Retailers are approaching Japanese manufacturers to sell their merchandise in Japan, and also in bringing brands from Japan into India. China is confronting with some difficulties in its low-cost apparel manufacturing sector. Textile companies of Japan are also shifting their focus from China due to the disruption of relations resulting from political and economic reasons. India has the potential to handle the entire textile value chain in a much better way than its counterparts.

2.0 India Trend Fair

India Trend Fair is an exclusive Business Matching Event for Indian exporters, which gives an opportunity to exporters to showcase their products, and supply capabilities of value added products with special emphasis on the products designed to suit Japanese fashion trends and requirements. The fair promises to be different from other regular trade fairs in Japan aiming at delivering an assurance of success for its participants.

The event is organised by Japan- India Industry Promotion Association (JIIPA) a Japanese non-profit making company dedicated to increase India business to Japan

3.0 4th edition of India Trend Fair

The 4th edition of India Trend fair was organised during 19-21 September, 2018 at Belle Salle Shibuya First, Shibuya, and Tokyo.

With the support & blessings of Indian Ambassador to Japan H.E. Mr.Sujan.R.chinoy , Mr. Raj Kumar Srivastava, Deputy Chief of Mission, Embassy of India and

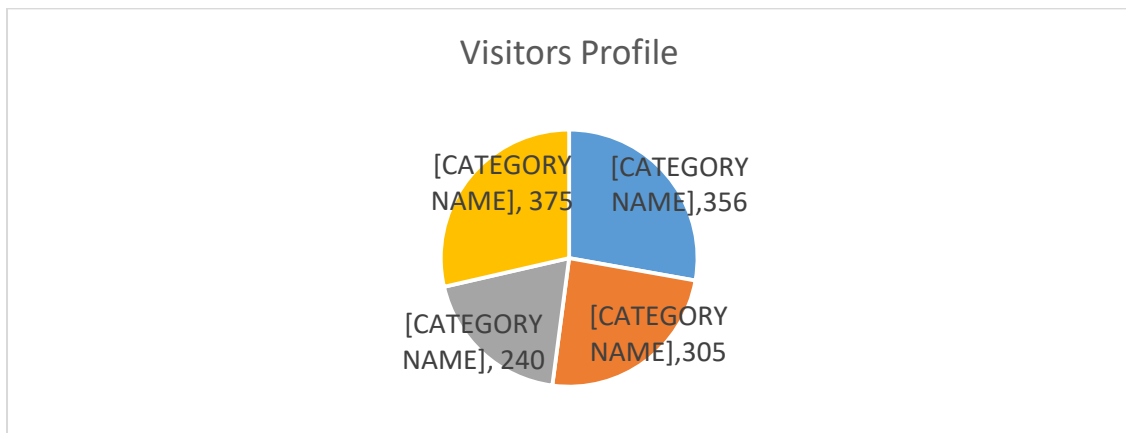
Ms.Hiromi Sugiura, Director for Information Affairs and Technology, Ministry of Economy, Trade and Industry (METI), Japan, Mr.Masami Iijima Chairman- JIBCC, Development commissioner – Handicrafts Mr.Shantamanu IAS , Chairman AEPC , Joint Director - HEPC inaugurated 4th India Trend Fair-Tokyo 2018.

During the inaugural speech Mr. Raj Kumar Srivastava conveyed that in the last few years there has been an exponential increase in our political, trade, academic and cultural interaction. Our bilateral economic interaction is set to grow following the signing of a Comprehensive Economic Partnership Agreement that came into effect from August 1, 2011 which gave Indian textiles zero import duty to Japan.

With a number of Japanese settlements increasing in India & vice versa, we can be optimistic about a redefined interest in Indian garments in Japan.

3.1 Buyers Profile:

The event attracted a total number of 1276 business visitors. The visitors were from a cross-section of companies, including leading Departmental Stores, Chain Stores, Retailers, Wholesalers, Trading Companies, Fashion Designers and Home Centres. The segment wise break-up of the visitors is given below:



The majority of the visitors were buyers from retail segment & next majority from traders and importers who supplies to major Japanese stores. The visitors were from a cross-section of companies, including a few leading ones in Japan.

Most of the major store groups sent representatives but there were also smaller independent stores and agents e.g. Tokyo Kankan, Sumitex, Titicaca, Cross plus, Itochu, Bussan, Blooming, Pent, Rose bud and Ron Herman, Onward, Crayon, Sanyo Shokai, Adventure, Teijin, Yagi, Nisshimbo, Can, YKK, Titikaka, MK Fashion, Toyoshima, Bigi, Mitsukoshi-Isetan, Isetan, Tokyu-hands, Actus, Ryohin Keikaku (Muji), Takashimaya, Marubeni, Passport, AIC, KIYOHARA & CO., LTD., Koizumi Apparel Co., Ltd., Senshukai Co., Ltd., Toyota Tsusho Corporation, TOYOTSU TEXTILE CORPORATION ,Daimaru, Aeon, Sanyo, Seibu, Tobu, Keio, Sogo, 7-Eleven, 7 & I Holding, , Sogo & Seibu, Kokubu, Nisshinbo, Nishikawa, IRIS, Yamamotosada, Gunze, Converse, Yuzawaya, Yushima, Yagi, Accent, Yamato, Lanhua, Bandai, Nishikawa Living, Melrose, Sazabi, Accent, Dinos Cecile, Home

Center Valor, Sumikin, Fashion.Net, Misses Tushin, Takihyo, Moririn, Eddie Bauer, Bigi, Fukusuke, Toyo, Renown, Kawashima Selkon Textiles Co., Ltd., Lixil, Daiwabo, Takisada, R, Boycrews, Luxa, Tomen, Dinos etc.,

3.2 India handicrafts branding:

Development Commissioner Handicrafts attended the fair and sponsored three member artisans who were displaying their skills with live demo of wood carving, painting, carving on metals etc which many Japanese buyers appreciated the live demo of Indian artisans.

3.3 Overall feed back

The first day was unusually with less number of visitors may be due to heavy rain & typhoon in near-by areas, slowly buyer footfalls increased especially during afternoon session. The second day was noticeably quieter but many of the exhibitors in the garments segment conveyed that the quality of the contacts they made on the second day had been better than the first. The third day was very busy for all the exporters as the interested buyers turned out again to whom they met on 1st and 2nd day for collecting samples & discuss further. New buyers also turned on the final 3rd day of the exhibition.

Most of the companies reported that they had met new buyers, that there had been substantive conversations about potential new business and some even made sales at the showcase although, being out of the season since many buyers placed their order during July at Osaka fair organised by ITPO

Most of the participants have expressed their deep satisfaction and gratitude for the opportunity to take part in the event and commented on the professional support extended by HEPC team.

4.1 HEPC Participation:

The India Trend Fair is the only one exclusive business matchmaking event for Indian apparel, accessories and home fashion trade show held annually during September buying season.

This year, the event elicited participation of about 77 leading India companies. Of which and 20 exporters of Handloom Export Promotion Council showcased range of home furnishing and clothing accessories products in the event. The event also had the participation of 41 exporters of AEPC who displayed high Fashion garments and remaining exhibitors around 10 from EPCH & around 6 direct participation by JIIPA

The participants under HEPC were from all important export centres such as Kaur, Panipat, Jaipur, Kannur, New Delhi, Varanasi & Kolkata and offered diverse range of products from handloom industry.

Out of 20 HEPC participants under the Council, one participant KANSWA Textiles no personal representation was there in their stall & only their Terry samples were

displayed. 6 of them offered made-up items, 1 with terry towels segment, 5 participants exhibited garments and remaining 8 clothing accessories.

As per the feedback received from HEPC participants, a total of **367 visitors** visited their booths. Spot order worth **Rs.3.94 crore** and business enquiries worth **Rs.6.74 crore** were generated. Out of 20 participants, 15 of them had expressed their interest to participate in the event through Council during 2019 but fair dates to be changed to July first or second week.

Council had put up a central promotion stall wherein AV film on India Handloom brand (IHB) was screened and publicity brochures including IHB were distributed to the visitors. Participants' catalogue (ENGLISH) brought out by the Council for this event was also circulated among trade visitors availing the services of hostess. The central promotion stall of the Council had 45 visitors of various stake holders of the industry in Japan.

4.2. Market Observations during the fair:

As per the interaction the official had with the exhibitors and visitors the following are some of noteworthy observations which are shared for information of the trade.

- ✚ As all the exhibitors conveyed that September timing is not good for order placement since Japanese buyer working with India always place order during July months and luckily ITPO fair at Osaka seems to be ideal & they make use of it. Hence exhibitors at Tokyo fair wish that Tokyo trend fair to be preponed before ITPO fair preferably by first week of July every year is ideal timing.
- ✚ Japanese buyers expects special innovative textile materials made with natural dyed and organic textile products like embedded /coated medicated textiles.
- ✚ It is essential to avoid European colored products which some exhibitors were displaying & buyers comments that they are less in demand in JAPAN since the color preference is to be same colours liked by Japanese

5.1 Conclusion:

Indian Textiles exports are on the path of recovery to Japan market, and are gearing up to grow further. If issues such as less productivity, and soaring cotton and yarn prices, excessive tax burden on export textiles are taken care off, India has the potential to rise higher in the global textile arena esp. higher market share in Japanese markets by competing with other Asian countries like Bangladesh, Vietnam, china etc

Among made-up items cushion covers, bed sheets and bed covers are the predominant items being exported to Japan. Mats and mattings including bath mats takes the major share in the export basket of floor covering items to Japan Existing market environment and CEPA agreement between India & Japan offer zero import duty and so scope for Indian textile industry to enhance its market share in Japan's textile market wide open. It is feasible through a continuous market exploration by availing

every single opportunity to establish market linkage between Indian textiles exporters with Japanese buyers.

Japan is a sophisticated market, leaning towards small-lot & short cycle delivery of supply which Indian suppliers are good at doing small size supply lots. Consumption is diversified and quality expectations are very high. Speciality retailers and private labels are the in-thing and the market is open, transparent and competitive & If Indian suppliers understand above requirements then they will be definitely successful in Japan market & Indian textiles market share will grow from current 1.5% to at least 3% doubling the exports from India to Japan

The Council was represented by Shri.SUNDAR Murugesan, Joint Director

Event Inauguration





Participants stalls & photos



Mr. Raj Kumar Srivastava, Deputy Chief of Mission, Embassy of India

Development Commissioner Handicrafts visited our exhibitor stalls







HEPC Central Promotion Stall



