

Report on HEPC Participation in
Intertextile Shanghai Hometextiles- Autumn edition
Shanghai, 27-30, August 2018

1.0 Status of India / China textiles market scenario within Global textiles segment :

In 2015, the export value of textiles was USD 11.53 billion in China, with a decline of 2.3% YOY which was mainly caused by increasing costs. In recent years, the growing costs of land, energy and labour dramatically increased the comprehensive costs of textile enterprises in China, which placed them in an inferior position in international competition. For example, the land cost of Chinese companies is 5-10 times as high as that of foreign competitors.

In China, six sub-industries of the textile industry include cotton, chemical fiber textile and printing & dyeing finishing industry, wool textile and dyeing finishing industry, linen textile, silk textile and finishing industry, finished textile product manufacturing as well as knitted and woven product industry. As a traditional advantage industry, textile industry plays an important role in national economy. China is the world's largest textile producer and exporter. The output volume of China textile industry accounts for more than half of the global one. The processing capacity and export value of textile fiber account for a higher proportion in the world. The market international share exceeds one third of the world.

- ✚ In 2017, the production value of textile industry accounted for around 7% of China's GDP whereas the **Indian Textile Industry** contributes approximately 2 per cent to **India's Gross Domestic Product (GDP)**, 10 per cent of **manufacturing production** and 14 per cent to overall **Index of Industrial Production (IIP)**. The Government of **India** targets **textile and garment sector** exports at US\$ 45 billion for 2017-18.
- ✚ Textile industries are playing a major role in the Indian & Chinese Economy
 - (i) It contributes 14 per cent to industrial production and 4 per cent to GDP
 - (ii) With over 45 million people, the industry is one of the largest source of employment generation in the country
- ✚ The size of India's textile market as of July 2017 was around US\$ 150 billion, which is expected to touch US\$ 250 billion market by 2019, growing at a CAGR of 13.58 per cent between 2009-2019.
- ✚ The central government is planning to finalise and launch the new textile policy in the next couple of months. The policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.

It is predicted that in the next 3-5 years, China textile industry in possess of perfect industry chain and large domestic market will continue to maintain a certain advantage in the world. However, in the longer run, the costs of China textile industry rise so fast that the production capacity of the textile industry will continue to transfer overseas, which will undermine the overall advantages of China textile industry chain. In addition, the position of China's textile industry in the world will face more challenges.

India's hope that it will benefit from China's shift away from low-end, labour-intensive manufacturing, is unlikely to be fulfilled with rivals like Bangladesh, Vietnam, Cambodia, Mexico and Poland giving it tough competition.

China currently dominates the global market of textiles and apparel, footwear and furniture. But with rising wages threatening to erode its global competitiveness in labour-intensive sectors, China is moving up the value chain of manufacturing, vacating space for other low-cost producers in the developing world. For instance, in 2010, low-value apparel and home textiles accounted for 51% and 29% of China's textile industry respectively. But in 2017, their shares came down to 36.8% and 22.6%, with the share of value-added industrial textiles rising from 20% to 38%.

Shares of apparel and home textiles in China's basket of textile products are projected to further decline by 2025, creating a \$50 billion opportunity for other low-cost producers in apparel market alone, according to FASH455 a global apparel and textile trade and sourcing agency and so INDIAN exporters stands better chance to garner more business from global markets. According to recently released data by Chinese Customs, India-China trade in 2016 decreased by 0.67% year-on-year to US\$ 71.18 billion. India's exports to China decreased by 12.29% year-on-year to US\$ 11.748 billion while India's imports from China saw a year-on-year growth of 2.01% to US\$ 59.428 billion. The Indian trade deficit with China further increased by 6.28% year-on-year to US\$ 47.68 billion. In 2016, India was the 7th largest export destination for Chinese products, and the 27th largest exporter to China.

India-China trade in the first four months of 2017 increased by 19.92% year-on-year to US\$ 26.02 billion. India's exports to China increased by 45.29% year-on-year to US\$ 5.57 billion while India's imports from China saw a year-on-year growth of 14.48 % to US\$ 20.45 billion. The Indian trade deficit with China further increased by 6.07% year-on-year to US\$ 14.883 billion.

In 2017, India's top exports to China included diamonds, cotton yarn, iron ore, copper and organic chemicals. Indian exports of diamonds grew 29.48% and amounted to US\$ 2.67 billion. India was the second largest exporter of diamonds (worked/not worked) to China (with a share of 31.81%). India's cotton (including yarn and woven fabric) exports to China showed a decline of 44.1%

to reach US\$ 1.27 billion, although India was the second largest exporter of cotton to China with 16.43% market share.

The total export of handloom products to china has come down to Rs.4.61 Cr (0.69 USD million) during 2016-17 from Rs.6.99 Cr. (1.08 USD Million) during 2015-16 registering a negative trend by 34.04% in rupee term 36.11% in dollar term. Among various handloom products in the export basket, export of floor coverings to China has shown an increase of 23.7% in 2016-17 as compared to previous year and clothing accessories has also shown a positive trend witnessing a growth of 26.3% during 2016-17 over 2015-16. However, fabrics and made ups witnessed a declining trend of 5.1% and 69.35% respectively during 2016-17 as compared with 2015-16. Fabrics contributes almost 44.37% of total exports of handloom products from India to China. (*Data Courtesy: DGCI&S data*)

2.0 Intertextile Shanghai home textiles

Intertextile Shanghai Home Textiles is Asia's leading home textile event which is held every year for the last 14 years at the *National Exhibition and Convention Center –NECC, Shanghai, China*. The event is held twice in a year catering to spring and autumn season separately. It is a dynamic platform for industry professionals to source and to gain design inspirations through the conveniently structured product displays and the fringe programme.

The event is hosted by China Hometextile Association, The sub Council of textile industry CCPIT and Messe Frankfurt (Hk) Ltd. The event is jointly organised by Messe Frankfurt (Hk) Ltd & Beijing Hometex Expo co ltd

2.1 14th edition of Intertextile Shanghai home textiles- autumn 2018

Autumn -2018 Edition of Intertextile Shanghai Home Textiles opened its doors from 27th to 30th August, filling seven halls at the National Exhibition and Convention Center in Shanghai with quality products and proactive industry conversations. The halls welcomed around 41,000 visitors from around 100 countries and regions (2017: 38,964), creating a unique platform for 1,040 suppliers from 26 countries and regions (2017: 1,096) to meet their business targets. Many exhibitors provided good feedback, noting multitudes of new contacts, meetings with current clients and onsite orders.

A common topic of conversation during the fair was the demand for home textiles in the China market, and increasingly, the demand in the contract business sector. “The contract business market has proved to be a firm point of interest for many home textile suppliers, and our new feature, Contract Business 360°, was introduced to help buyers find suitable exhibitors. It’s a burgeoning market, particularly in China, that is brimming with potential as the country’s commercial construction, hospitality and tourism sectors continue to expand,”

said Ms Wendy Wen, Senior General Manager of Messe Frankfurt (HK) Ltd. “Over the fair period, we saw suppliers meeting countless potential partners and even receiving onsite orders. Intertextile Shanghai Home Textiles is a prime location for suppliers looking to promote their brand awareness and ultimately expand their business.”

The event had a total of around 1040 exhibitors which included around 820 domestic exhibitors and around 220 overseas exhibitors from 26 countries using the exhibition space of more than 170,000 sq mtr. Mainly Overseas exhibitors were from Afghanistan, Australia, Austria, Belgium, China, Denmark, France, Germany, Hong Kong, Hungary, Iceland, India, Indonesia, Israel, Italy, Japan, Korea, Morocco, New Zealand, Pakistan, Portugal, Spain, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom, USA and Vietnam.

In 2017, 1,096 exhibitors from 30 countries and regions, 38,964 visitors from 99 countries and regions joined the event

Given the strengthening market conditions in China the fair maintained its popularity, with the number of trade buyers increasing than last year.

2.2 International exhibitors:

All the exhibitors both local Chinese exhibitors and overseas exhibitors were presented in Halls 1H, 2H,NH, 3H,4.1H,5.1H,6.1H There were 7 overseas country pavilion and 4 Chinese Regional Pavilions located in all the above seven halls. India pavilion had 10 exhibitors under Handloom Export Promotion Council. Apart from India pavilion, there were international exhibitors from below countries:

- ✚ Belgium Pavilion had 6 exhibitors organised by Fedustria vzw
- ✚ Korea Pavilion had 8 exhibitors organised by Korea Fashion Textile Association (KFTA);
- ✚ Morocco Pavilion had 5 exhibitors organised by Marocexport (CMPE);
- ✚ Pakistan Pavilion had 9 exhibitors organised by Trade Development Authority of Pakistan (TDAP);
- ✚ Taiwan Pavilion had 15 exhibitors organised by Taiwan Textile Federation (TTF) & Taiwan Weaving Industry Association (TWIA);
- ✚ Turkey Pavilion had 16 exhibitors organised by Uludag Textile Exporters' Association (UTIB).
- ✚ Many Exhibitors from Japan & Australia participated in scattered manner & not just in single location as country pavilion

2.3 Product Profile

Indian exhibitors had specialists in rugs, bath mats, throws, shawls, handloom carpet and handmade rugs predominantly made out of 100% cotton and also blended fibres. Two companies from Karur area participated & displayed products like made ups, cushion covers, table cloth etc.

Japanese companies were mainly presented Bedding fabrics & fine fabrics collections and Australia exhibitors

displayed mainly woollen items

Korean companies at the fair specialised in fashionable micro-fibre fabrics, polyester blankets and curtain fabrics, and had also demonstrated a full range of machine-made natural dyed sewing products.

Exhibitors in the Pakistan Pavilion specialised at bedding products, featuring bed sheets produced with 100% combed and carded cotton or bamboo cotton. Pakistani companies had also showcased a reversible stitching technique for bed sheet sets that helps save water and electricity.

The Taiwan Pavilion showcased eco-friendly fabrics and yarn with features including anti-odour, anti-ultraviolet, black-out, fire-retardant and fireproof, mosquito repellent, water repellent and more

The Belgian group displayed upgraded fabrics with backing, laminations and fire retardant properties. Pavilion members also presented quality fabrics which are widely applied on decorative pillows, lampshades and other hospitality upholstery.

The Morocco Pavilion displayed their uniquely designed fabrics with embroidery, geometric shapes and ornamentation. And the Turkey Pavilion displayed quality products including towels, bed sheets, curtain fabrics, bathrobes, furnishing articles, curtains, interior blinds, bed valances and upholstery fabrics.

2.4. Digital Printing - a focus in Hall 4.1

Indian & Chinese textile industry is one of the largest printing markets in the world, yet the majority of printing is still done in the traditional method. Given the advantages of digital printing including higher colour definition, shorter design time and lower production cost, the industry is paying much more attention to this new technology in recent years, including in China.

Intertextile Shanghai Home Textiles featured more exhibitors in HALL 4.1 with digital printing, a series of seminars to reflect this growing interest in the industry.

2.5 Concurrent events

Apart from facilitating business between exhibitors and visitors, the fair also incorporated various design elements via a series of concurrent events. These included display area like Trend Area, International Fiber Art Exhibition and Home Furnishing Crossover Exhibition where participants could find innovative designs and ideas. The fair's VIP buyer programme also assisted buyers in meeting worldwide exhibitors at ease with a prefixed meeting through buyer matching process.

3.0 Trends for 2019-FUTURE

Intertextile Shanghai Home Textiles is regarded as an indicator of home textiles trends in China, not just for the latest styles to be found in exhibitors' booths but also the trend forecast that is released every year. New colour trends via FUTURE -2019 published by the fair authority for the benefits of exhibitors. This year, China Home Textile Association, The Department of Home Textile Trend Research and Promotion worked jointly with Trend setter designer NELLY RODI from Paris to analyse the global and domestic market together with consumer behaviour. 2019 lifestyle themes mainly on below three concepts

1. CARING- Nature/Recycle/sharing/responsibility
2. CRAZY-Freedom/Art/curation/Hero/Paradox/repetition
3. EMO- Humanism, universe/spirituality/existence/transcend

4.0 HEPC's Participation in Intertextile Shanghai Home Textiles

Handloom Export Promotion Council organised participation in this event for the fourth consecutive year with 10 members. The event participation was organised under National Handloom Development Programme (NHDP) scheme of O/o The Development Commissioner (Handlooms), Ministry of Textiles, Govt. of India. Total area of **108 m²** (including central promotion stall) was hired and following member exhibitors were provided with built-in space for exhibition of their products.

Dr.J.Aravind, Consul -commercial in Shanghai visited Indian pavilion. The Consul also interacted with all Indian exhibitors and assured any necessary assistance if needed by exporters including buyers credential verification & future buyer-seller meet etc. Total INR **2.28 cr spot orders** and around **9.17 Cr enquires** were obtained by members participated thru HEPC

The participants' product included Handloom Durries, Handmade rugs, carpets, bathmats, tufted bathmats, throws, cushions, table cloths, table mats, napkins,

kitchen linen, embroidered handloom products, Bed cover, shawls, scarves and accessories. Council had also put up a central promotion stall of 9 sq mtr.

Name of the Firm & Place	Stall Space	Stall No.	Buyers Visited
Unity Exports, Karur	12C	4.1A22	25
Vinayak Exports, Agra	12C	4.1A21	20
Goyal Rugs, Agra	12	4.1A23	10
Vansh Creation, Panipat	9	4.1A26	25
Salman Factory, Moradabad	9	4.1A28	49
Luxury Home Furnishings, Panipat	9	4.1B23	35
Mayank Home Furnishings, Panipat	9	4.1B25	40
A2Home, Panipat	9	4.1A25	57
Aauraa Home Fashion Pvt Ltd., Karur	9	4.1A24	nil
Coco Fibre Tex, Allepey	9	4.1B21	13
Total Visitors			274

Publicity activities such as screening of AV film on India Handloom Brand, display of India Handloom brand (IHB) registered products, distribution of pamphlets on IHB and participants catalogue were undertaken at the Central promotional stall of the Council. Interpreter services was also offered to member participants during the event. Apart from the participants under the aegis of HEPC, there were nearly 15 Indian exhibitors participated in the event with a direct participation.

4.1 Participants' feedback

As per the feedback from our participants, a total of 274 buyers visited their booths. Main feedback was that due to free entry, individuals Chinese home makers visited fair & enquired about 1 pc / 2 pc purchase which was strongly

objected by members. Members asked us to convey to fair authority to impose entry fee so that only serious buyers will attend the fair. During council official meeting with fair authority, this point was strongly emphasised & conveyed to them for taking further action. Participants also reported that apart from China, they also had visitors from countries such as South Korea, USA, Japan, Romania, Jordan, South Africa, UAE, Algeria, Russia and Lebanon. One of the exhibitors also informed that the purchasing power of Chinese customers is much better in relative terms than the developed markets. Except members from Karur region, other exhibitors expressed their interest to participate in this event again through Council for the next year

4.2. Observation during the event

There was a good demand for products like floor coverings, carpets, decorative cushion, handmade cotton rugs and fabrics for upholstery items, Chair pad, throws, bed linen, towels, cotton / woollen stoles (especially Pashmina) and scarves. However market trend for other major product categories such as table linen, kitchen linen was negative since no serious buyers in the group represented these product items visited our two members from karur who had stalls displaying these kind of items. Central promotion stall of the Council had about 57 visitors and some of them had shown interest on IHB products displayed in the stall. Council's official had a meeting with fair authority and discussed on the following issues.

- ✚ allocation of stalls in relevant finished products segment for the next edition 2019
- ✚ Imposing entry fee to buyers & visitors so that only serious buyers will visit for next edition
- ✚ Splitting the participants into two groups viz floor covering segment and other made ups segment and allocate space accordingly in appropriate hall
- ✚ Better improved display of Fascia branding similar to china exhibitors in terms of appeal & look
- ✚ Possibility of arranging one to one meeting with buyers who visit the exhibitions thru fair authority for HEPC members

The Council was represented by Shri.SUNDAR MURUGESAN, JOINT Director of HEPC



Council Official meeting with fair authority



Participants stalls







Central Promotion Stall - HEPC



Member Exporters booths







