

## Export Market Promotion Scheme

### Introduction

India is the largest producer and exporter of coir (yarn, coir pith, coir mats, matting, carpets and rugs) in the world with a share of 70% of coir yarn and 75% of finished coir products in the global trade. However, with the advent of liberalization, coir faces stiff competition from the substitutes like Jute, sisal, abaca, cotton, wool, etc. During the year, 2006-07 coir and coir products worth Rs.605.17 crores were exported from India. Coir products were exported to 97 countries during 2006-07. The main destinations were USA, UK, Germany, Netherlands, Italy, Spain, France etc. There is considerable scope for furthering the exports through product diversification and exploration of new markets. Creation of additional employment opportunities to the rural poor through promotion of exports and consequent increased utilization of existing raw material potential also calls for continued governmental support for this sector.

Export of coir and coir products during the last 5 years is as follows:

Year	Qty. (in tones)	Qty-% of increase	Value (in Rs. Crore)	Value-% of increase
2002-03	84183	18.01	352.71	10.02
2003-04	102253	21.47	407.50	15.53
2004-05	122926	20.22	473.40	16.17
2005-06	136026	10.66	508.48	7.41
2006-07	168755	24.06	605.17	19.02

Adoption of strategic and aggressive product specific and market specific promotional programmes for popularizing coir and coir products in markets abroad, supporting the export oriented industry on modernization programme and to attain overall and sustainable development of Indian Coir Industry are the broad objectives of this Scheme. Following are some of the constraints of the industry:

- Inability of exporters for undertaking promotional efforts such as direct publicity, brand promotion, efforts to enter new markets etc. due to the poor and unorganized nature of the industry.
- Traditional and age old method of production.
- Low level of product development and product diversification.
- Inadequate efforts to improve production techniques to offset price competition.
- Quality deterioration as an aftermath of competition.
- The sensitive nature of the industry restricting large scale modernization.
- Stiff competition in markets abroad from synthetic and other natural substitutes
- Voluminous nature of the product and consequent high freight rate.

The problems will be addressed with the proposed programmes. An ambitious export of the order of Rs.1500 Crore coir and coir products is targeted by the terminal year of 11th Five Year Plan through implementation of the scheme of Export Market Promotion in letter and spirit.

The Plan programmes under the Export Market Promotion Scheme are proposed to be implemented under the following sub-heads:

- Market study/survey, delegation, Consultancy & Data Sourcing
- Participation in International seminars and conferences
- Participation in international fairs / product promotion programmes, catalogue shows and organizing exclusive international fairs and buyer-seller meets for coir
- Publicity abroad
- External market development assistance scheme
- Coir industry awards

### (1) MARKET STUDY /SURVEY/DELEGATION.

#### Objectives of the Sub-Scheme

To assess:

- The market size, characteristics, trends, development and changes
- Main competitors, product range, price, general setting and promotional strategies.
- General description of distribution channels.
- Tariff/non tariff barriers on coir vis-a-vis competing products.

## Review

- Board has not conducted any formal market study during X Plan period.
- Market situations and trends are assessed while participating in fairs and sponsoring delegations through interaction with market players.
- Owing to the declining trend in the traditional items like mattings, carpets and rugs, there is a felt need to organize product/country specific market studies.

## Proposals for XI Five Year Plan

- Conduct market study / survey to analyze the market trends and preferences
- Sponsor delegations and market missions to assess the market realities and to firm up the pace of development.
- Organize road shows and other publicity programmes for propagating the message of coir.
- Analyze market specific and product specific problems for corrective measures.
- Interact with policy makers and decision makers and convince them the advantages of coir products over substitutes.
- Organize reverse delegations.
- Engage consultancy services for chalking out export promotion strategies
- Source out market information from international marketing consultancy services
- Modulate export promotion measures in accordance with the market information
- Formulate product specific and market specific promotional programmes
- Disseminate the market information to the trade and advise them for better market penetration

## Proposal for effective implementation of the scheme

- Invite active cooperation and guidance from Indian missions.
- Engage agencies with proven track record.
- Link the findings of the market study to the promotional strategy.

## Justification for continuation

- The Board proposes to continue this programme as it will enable the industry to assess the market requirements, trends, market potential, competition faced from substitutes and also to find out the ways and means for achieving better market penetration.
- The means for sustenance in the export field is to go with the changing consumer preferences and market trends and to reorient the production base to suite the market requirement.
- Fluctuation on the export of various coir products have to be monitored closely for necessary corrective measures.
- Awareness of the real market situation will help to modulate and implement the apt promotional strategy for a given market
- Guidance of marketing consultants will help to direct the promotional efforts in the right direction and yield better results.

## (2) PARTICIPATION IN THE INTERNATIONAL SEMINARS AND CONFERENCES

### Objectives of the Sub-Scheme

- To have up-to-date information on developments in soil and water management, technologies developed and accepted for erosion control and bio-engineering applications.
- To enhance the market acceptability of coir geotextiles and to promote the use of the item in the fields of erosion control, soil stabilization and other bio-engineering applications in the export markets.
- To review the situation of coir in comparison to other hard fibres all over the world and to formulate future development strategy.
- To present the case of Indian coir and mobilize funding support from International agencies like CFC, IGG, UNDP for research and modernization.

## Review

The Board has been participating in the Annual Conference of IECA and various Intersessional Meetings of IGG of FAO regularly. The Board has also been organizing workshops and seminars of international nature for the benefit of the industry

### Proposals for XI th Five Year Plan

- Participation in the annual conference of IECA
- Participation in the intersessional meetings of Inter Governmental Group Hard Fibres of FAO.
- Participation in the global conferences of other international agencies
- Organize and host international seminars for promoting exports

### Proposal for effective implementation of the scheme

- Increase the visibility among the market players
- Hold meetings with decision makers and stakeholders
- Undertake pilot projects abroad
- Derive funds from international agencies

### Need for continuance:

- The IECA is the world renowned agency working for environmental protection in the global scenario.
- It's Annual Conference and Expo is the apt platform to project and convince the environmentalists, bio engineers etc. on the suitability of coir goetextiles in bio-engineering applications.
- For deriving benefits from the various projects being implemented by IGG on hard fibres, it is necessary to associate with them through their intersessional meetings.

## (3) PARTICIPATION IN FAIRS/PRODUCT PROMOTION PROGRAMMES & CATALOGUE SHOWS

### Objectives of the Sub-Scheme

- To organize participation of Indian coir sector
- To introduce coir and coir products in new markets abroad
- To boost up export of coir and coir products in the existing markets

### Review

- Organized participation of Indian coir sector in the following events:

Year	Exhibitions Abroad	International Exhibitions in India	Product Promotion Programmes	Catalogue Shows
2002-03	2	1	--	7
2003-04	6	1	3	11
2004-05	4	4	1	6
2005-06	11	5	1	9
2006-07	7	2	4	10

### Proposals for XI Five Year Plan

- Organize national participation of coir sector in fairs abroad, international fairs in India, catalogue shows abroad and product promotion programmes abroad.
- Organize reverse buyer seller meets in India.
- Organize exclusive international fairs in India and
- Undertake publicity programmes for the above

### Proposal for effective implementation of the scheme

- Undertake wide publicity coinciding with participation
- Organize Buyers' meet wherever possible
- Seek the guidance and cooperation of Indian Missions
- Obtain approval well in advance
- Hire the space in a suitable locations to attract buyers in large numbers

**Need for continuance:**

- Participation in International exhibitions/Catalogues Shows/ Product Promotion Programmes is an effective tool for expanding the export market for coir.
- Governmental support is necessary for the small scale exporters in coir sector as they have little exposure to international markets.
- Due to financial constraints, the coir exporters are not willing to explore the possibilities of nascent markets.
- Board proposes to organize participation in international fairs on a focus-country, focus-product approach in the following five categories:
  - Doormats & Floor coverings
  - Coir pith products and garden articles
  - Coir Geotextiles
  - Coir Ply Boards
  - Technology fairs

**(4) PUBLICITY ABROAD****Objectives of the Sub-Scheme**

- Communication of product message and to increase the consumer acceptability.
- To position the coir products as 'home décor products' replacing the existing image of floor covering products giving emphasis for USP – natural, eco-friendly and hygienic.

**Review:**

- The Board released generic ads in 47 trade magazines and specialized publications during the X Plan period, in order to convey the product message and to increase the consumer acceptability. Fund constraints however, necessitated advertisements in print media alone on a selective basis on account of high cost of advertisements in electronics media.

**Proposals for XI Five Year Plan**

- Production of publicity blitz projecting the environment friendly aspects of coir
- Release of generic advertisements in trade magazines/specialized journals/TV media
- Production of publicity brochures, blow ups/posters/catalogue.
- Bringing up updated directory of exporters.
- Undertaking publicity efforts through Embassies and media

**Proposal for effective implementation of the scheme**

- Bring out ads on product specific/country specific basis.
- Ensure release of visuals highlighting functional aspects.
- Seek the guidance of Indian Missions in planning ad. Campaign and selecting media.
- Produce posters, blow ups, publications

**Justification for continuation:**

- There is a growing affinity towards environment friendly goods and services world over especially in EU countries and USA. As of now, coir products are considered as floor décor products, particularly, for decoration of doorsteps. Coir industry produces varied ranges of products with multitude of end-use applications touching every facets of human life. There is an urgent need to position coir products as home decor products. This would be possible only through strategic publicity propaganda. Therefore, the Board proposes to continue this programme to position coir products as "environment friendly home decor products".

**(5) EXTERNAL MARKET DEVELOPMENT ASSISTANCE (EMDA)****Objectives of the Sub-Scheme**

- To encourage the small scale exporters to enter into international market and to expand the export of Indian coir products.

## Review

- The scheme has been implemented from the year 2001-02. During X Plan, an amount of Rs.72.58 lakh has been disbursed to 108 exporters as external market development assistance for undertaking various export promotion activities.
- The Centre for Management Development, Thiruvananthapuram has conducted the evaluation study on the implementation of the scheme of EMDA.
- The study revealed that the scheme was well received and accepted by the target group and no complaints have been raised by any of the beneficiaries on the delivery mechanism. Rather the respondents well appreciated the delivery mechanism and the services of the Board in equipping the exporters to undertake the export promotion activities with the motto of expanding the export of coir products.
- The study also revealed that the scheme has played its pivotal role in increasing the export both in quantity and value, new product development and changed directions of trade.
- As this assistance is extended for undertaking export promotional activities in the modes of 50% of space rent and 90% of airfare, the suggestion to change the mode of assistance as advance payment is not workable as otherwise it may lead to misappropriation of the scheme.
- The Study recommended continuance of the scheme with increased quantum of assistance and delegation of powers to Regional offices.

## Proposals for XI Five Year Plan

Export marketing assistance for :

- participation in international fairs abroad
- one-to-one meeting with buyers
- participation in trade delegations
- participation in buyer seller meets
- production of catalogues for use abroad

## Proposal for effective implementation of the scheme

- Publicize the scheme among the exporters
- Regular internal auditing/evaluation of the implementation of the scheme
- Increase the maximum eligibility criteria to Rs. 15 Crore from the existing Rs. 2 Crore
- Increase the quantum of assistance as given below.

### Quantum of Assistance recommended.

Sl. No.	Category	Event	Existing level of assistance (Rs. in lakh)	Upper ceiling of quantum of assistance recommended (Rs. in lakh)
1	General Category	Business tour/ Trade Delegation/ Buyer Seller Meet	0.75	1.00
		Participation in Fair	1.25	1.50
2	SC/ST / Women/ Entrepreneurs from NE region	Business tour Trade Delegation / Buyer Seller Meet	0.75	1.25
		Participation in Fair	1.25	2.00

## Justification for continuation

- Under the present scheme only coir exporters with an FOB turnover of Rs. 2 crore or below are eligible for assistance under the scheme that are really incapable of undertaking the challenge of exploring new markets.
- The exporters who can park funds for market exploration are outside the purview of the scheme.
- There is no provision to help the new exporters who are venturing in to this sector and also the manufacturers who are in the field for several years to canvass export business.
- The scheme has to be redrafted to address the above shortfalls.
- 91% of the coir exporters are doing business below Rs.5 crore on an annual basis.

- These exporters will not be able to find their own resources for undertaking promotional activities.
- Therefore, it is necessary to continue this scheme in the larger interest of this industry in a modified form to accommodate the claims of exporters whose export turn over is upto Rs. 15 crore in the preceding year and giving provision to extend one time assistance for the new exporters as well as the manufacturers who are in the field at least for three years. The quantum of assistance has to be suitably increased to cop up with the escalation in the cost of participation.

## (6) COIR INDUSTRY AWARD

### Objectives of the Sub-Scheme

Recognizing the outstanding performance in various fields connected with coir industry and to inspire the entrepreneurs to put in more efforts for the development of the trade and industry.

### Review

This is an annual event for recognizing the outstanding performance in various fields related to coir industry. Awards are declared and presented on an annual basis.

### Proposals for XI Five Year Plan

- Present awards for excellent performance in export.
- Present awards for excellent performance in domestic trade.
- Present awards in the field of R & D, investment,eco-friendly production technology etc.
- Recognize the best efforts of Co-operatives, small scale units, Apex Coir Federations etc.
- Recognize the best efforts of workmen.

### Proposal for effective implementation of the scheme

- Publicize the scheme widely among the industrialists in all States.

### Justification for continuation

Implementation of this programme is essential to motivate the exporters, manufacturers, scientists, technocrats, co-operatives, machinery manufacturers, workers etc. to manifest better performance and take the coir industry to new heights.

### Expenditure during X Plan

The expenditure incurred during the X Plan period for undertaking various programmes under the Scheme "Export Market Promotion" totaled to Rs. 5.96 Crores. The year-wise break up is indicated below:

Year	Expenditure in Crore
2002-03	0.42
2003-04	0.77
2004-05	0.83
2005-06	1.97
2006-07	1.97
<b>Total</b>	<b>5.96</b>

### Financial Outlay (Rs. crores)

Sl. No.	Schemes	2007-08	2008-09	2009-10	2010-11	2011-12	Total
1	Market study/survey, delegation, Consultancy & Data Sourcing	0.70	0.80	0.90	1.00	1.10	4.50
2	Participation in International seminars and conferences	0.12	0.14	0.16	0.18	0.20	0.80
3	Participation in international fairs/ product promotion programmes, catalogue shows and organizing exclusive international fairs and buyer-seller meets for coir	1.00	1.10	1.20	1.30	1.40	6.00
4	Publicity abroad	0.30	0.35	0.40	0.45	0.50	2.00
5	External market development assistance scheme	0.30	0.35	0.40	0.45	0.50	2.00
6	Coir industry awards	0.10	0.12	0.14	0.16	0.18	0.70
<b>Year-wise total</b>		<b>2.52</b>	<b>2.86</b>	<b>3.20</b>	<b>3.54</b>	<b>3.88</b>	<b>16.00</b>

### Physical Target

Sl. No	Schemes	2007-08	2008-09	2009-10	2010-11	2011-12	Total for XI Plan
1	Market study/survey, delegation, Consultancy & Data Sourcing	2	2	2	2	2	10
2	Participation in International seminars and conferences	3	3	3	3	3	15
3	Participation in international fairs / product promotion programmes, catalogue shows and organizing exclusive international fairs and buyer-seller meets for coir	17	19	20	22	23	101
4	Publicity abroad	22	22	24	24	26	118
5	External market development assistance scheme	40	42	44	46	48	220
6	Coir industry awards	1	1	1	1	1	5
<b>Year-wise total</b>		<b>85</b>	<b>89</b>	<b>94</b>	<b>98</b>	<b>103</b>	<b>469</b>

### Approval Required

Approval of SFC/EFC is solicited for continuation of the Scheme "Export Market Promotion" with all the Sub-schemes I – VI enlisted herein during the XI Plan period at a total outlay at Rs.16.00 crores as detailed above.