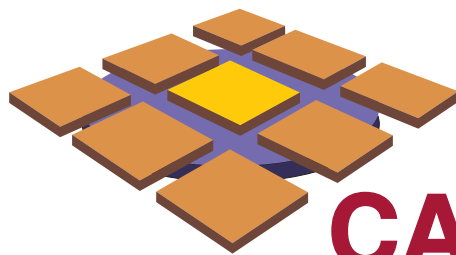


**REPORT
ON THE PARTICIPATION OF
COIR BOARD
IN**

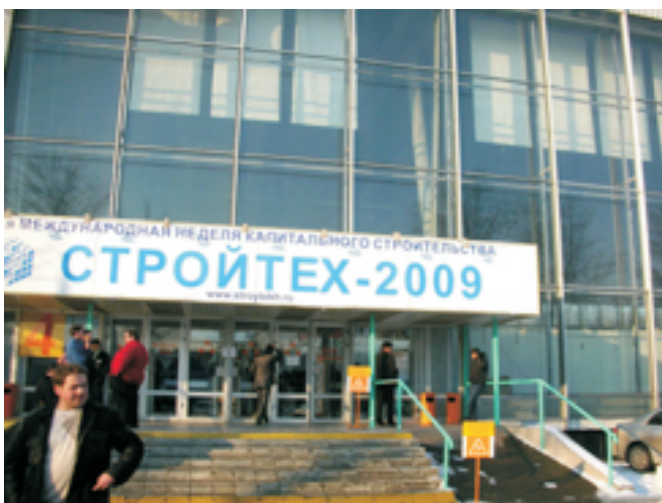


CAFLEX
The flooring world

17 - 20 February 2009
Sokolniki Exhibition Centre
Moscow, Russia

Report on the participation of
Coir Board
in
CAFLEX
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CAFLEX 2009 was held from 17th to 20th February 2009 at Sokolniki Culture & Exhibition Centre, Moscow, Russia. The exhibition was organized by the Department for Construction, Housing and Public Utility of the Ministry of Regional Development of the Russian Federation & M/s. MVK International Exhibition Co, Sokolniki.



As per the approval given by the Ministry of M.S.M.E, Govt. of India, vide letter No.4(b)/2009-Coir/27 dated 14.2.2002, the Coir Board was represented by Shri.V.S.Vijayaraghavan, Chairman and Shri P.R.Ajithkumar, Senior Accounts Officer. The Board had taken possession of 24 sq. m. space in Booth No.4009, Hall No.4. The following exporters participated in this Exhibition co-jointly with Coir Board:

1. M/s. Madappatt Exports, Kottayam.
2. M/s. Techno Exports, Cochin.
3. M/s. Fibre Family, Cherthala.

Russia – some facts

Russia is one of the countries having good foreign exchange reserves. It has a population of 142.50 million with GDP of US\$ 1289582 million. The economy posted an annual growth of 30.93% and per capita income stands at US\$ 9050 (Source

– *Economic Data 2007 of the U.N. Statistics Division*).

There are innumerable tariff and non tariff barriers which the exporters has to surmount for trade with Russia. There is also license regime in addition to production of certificates and other barriers which make the trade with Russia extremely difficult. Russia, which is yet to accede to the WTO, may have to modify, eliminate a number of present trade practices of today, consistent with WTO regulations and International Trade Protocols before gaining entry into WTO.

**Indian Coir Exports to Russia –
a kaleidoscopic view**

The erstwhile U.S.S.R was a paramount market in the East Europe for coir products from India. The USSR used to import mainly coir matting and coir rugs from India. Coir Board participated in an exhibition in the then USSR as long back as 1984 - 'Indian exhibition' (15th August to 14th September). The bilateral trade with the erstwhile USSR was under the R.P.A. Regime



The trend of export to the various countries in the erstwhile USSR during the Xth Five Year Plan was as follows:-

Country	2003-2004		2004-2005		2005-2006		2006-2007		2007-2008	
	Q	V	Q	V	Q	V	Q	V	Q	V
Estonia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90	0.43
Lithuania	0.00	0.00	19.95	10.61	40.28	19.70	20.99	11.28	37.48	13.67
Latvia	39.99	22.34	101.94	59.18	107.48	67.37	336.61	127.90	360.87	117.75
Ukraine	3.97	1.78	25.01	10.74	77.61	37.36	149.38	45.81	284.68	74.54
Uzbekistan	0.00	0.00	0.00	0.00	100.00	5.78	0.00	0.00	0.00	0.00
Russia	163.09	65.36	209.80	89.93	204.32	90.05	439.42	148.53	292.91	125.01
Georgia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.52	34.63
	207.05	89.48	356.70	170.46	529.69	220.26	946.40	333.52	1037.36	366.03

It can be seen from the above that there is a steady increase in the combined export of coir products to these countries.

About the Fair

There was a number of trade visitors who envisaged interest in various stalls put up as exhibits. The general public's participation was lackadaisical. A total number of 35 business personages had active interaction with us about the products and their uses. There was a long gap of over 24 years since Coir Board



participated in a Trade Fair in Russia. During the imperium, there was immense shift in the profile of Coir products which were manufactured and exported. New generation articles like coir garden articles, coir composites, which were exhibited at the stall

drew wonder from the visitors. Coir pith was another item which had a lot of curious demand. Coir handicrafts and ornaments attracted keen and enthusiastic interest. Exporters in tandem with Coir Board need to



continuously pamper the Russian market to derive impressive result in the short to the long run by strategizing.

Meetings with Chambers of Commerce

The Chairman, Coir Board held meetings with officials of Moscow Chamber of Commerce on 18.2.2009 at their office. The Moscow Chamber of Commerce was represented by Mr.Sergey A Kuzmin, Director and Mrs. Oksana B Begomalova Deputy Director General, Moscow Investment and Export Promotion Agency, Mr. Deb Jyotipal, First Secretary (E&C), Indian Embassy in Moscow was also present during the



deliberations. The Moscow Chamber of Commerce officials evinced keen interest in the coir products available from India and they agreed to extend all possible support and help from their side for augmenting the coir exports to Russia.

On 20.2.2009, the Chairman, Coir Board had another meeting with the Russian Chamber of Commerce. Mr.Sergey A Vasiliev, Director, International Co-operative Department and Mr. Roslu Alexander was present in the meeting on behalf of the Russian Chamber of Commerce. The First Secretary in the Indian Embassy at Moscow Mr.Deb Jyotipal also joined the meeting. The Russian Chamber of Commerce representatives informed Coir Board that Russia is in the process of taking increased efforts to increase the agricultural

the Ministry of Agriculture, Russia to achieve optimum coir imports.

There has been considerable support and logistic support from the Indian Embassy at Moscow which made out discussions fruitful.



Meeting with H.E the Indian Ambassador, Moscow.

H.E the Indian Ambassador to Russia in Moscow Shri P.P.Shukla, IFS was kind enough to give an opportunity to have discussions by the Chairman, Coir Board for promotion of coir products in Russia. The Ambassador offered all possible support at his level for the promotion



productivity. The products which are having agri-horti applications have tremendous scope in the country. He suggested an interface with



of coir products into Russia. The Ambassador urged the need to give more reports and results proving the successful applications of coir

products for agri-horti applications, soil conservations, etc. The Chairman, Coir Board agreed to give all the relevant information connected with the R&D aspects on coir. The meeting was attended to by Shri. Satbir Singh, Deputy Chief of Mission and Shri. Munu Mahawar, Counsellor (Economic and Commercial).

Trade Enquiries

The feedback received from the exporters who have participated in the exhibition along with Coir Board, is very much encouraged. The details of enquiries generated during the fair are as follows:

1. M/s. Madappatt Exports, Kottayam
5 containers of coir pith
(terms under negotiation)
2. M/s. Techno Exports, Cochin.
6 enquiries received
worth about US\$ 75000
3. M/s. Fibre Family, Cherthala.
4 enquiries received
worth about US\$ 125000

Aggressive publicity and propaganda on the diversified uses and advantages of coir products have to be undertaken to tap the potential market. The applications of coir products have to be projected through various media so as to regain the old glory of Indian coir products exports to Russia. It was understood



during the discussions that for agri-horti applications, peat moss is also being used widely in Russia. We have to highlight the importance of coir pith as an excellent substitute to peat moss and the advantages which it can contribute in the ecological system of that country.

Interactions with the representatives of Indian Coir Export Community in Russia

A Buyer-Seller Meet was tried with the active involvement of the Embassy and arrangements were also made by them in this regard. This meet was called off on the advise of the Indian Embassy that there was in lukewarm response from the invitees.



The representatives of Indian coir exporters in Russia extended their valuable support and help for the smooth conduct of the exhibition. Chairman had discussions with them so as to ascertain their prospects and problems in the field of coir export. They were of the view that the following measures if taken up on a priority basis can be beneficial:

1. To give a permanent storage facility for coir products in Russia - The

exporters may be given a subsidized sub-letting facility.

2. Aggressive publicity in consultation with the Commerce section of Indian Embassy - As per the orders of Agricultural Ministry of Russian Federation, some items like natural fibres are controlled for import to Russia. Urgent intervention through the Indian Embassy at the Russian Government level can solve this issue. The Russian Banking system is that for opening L.C, they have to keep 100% margin with the Bank. For promotion of business in Russia, non- L.C based

business are to be financed by the Indian banks. Urgent intervention in this regard from the Indian side and the Indian Embassy is required.

Suggestion

1. For participation in fairs in Russia, there is a felt need for seeking greater involvement of the Indian Embassy and the exporters to Russia. The timing of the fairs, the theme of exhibition etc should be selected in consultation with the Indian Embassy and the exporters.
2. Publicity materials in Russian Languages is of vital importance. The Russians tend to prefer their language to English.

P.R.Ajithkumar
Senior Accounts Officer
Coir Board, Cochin

V.S.Vijayaraghavan
Chairman
Coir Board, Cochin

