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The Perception of European operators toward Thai natural and organic silk fabric and final products

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Self Control and third party ceRtIfication; knowledge and application of the key procedure to implement voluntary and regulated requirements of the EU single market and building trust on Thai ProducTs and services with cultural Identity

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The Perception of European operators toward Thai natural and organic silk fabric and final products

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Foreword

In 2010 the Thai-Italian Chamber of Commerce (TICC), in cooperation with Bioagricoop, successfully concluded a two years project, the “Pro-GIs” - Intellectual Property Right Extension & Geographical Indications Protection for the Benefit of EU-Thailand Trade. The “Pro-GIs” project’s goal was to strengthen Geographical Indication products’ trade between the EU and Thailand and to improve the protection and value (through the use of EU logos) of Thai GI products.

In 2011, a new project called SCRIPT has been dedicated to Thai organic silk. SCRIPT means: Self control and third party certification; knowledge and application of the key procedure to implement voluntary and regulated requirements of the EU single market and building trust on Thai Products and services with cultural Identity. The project aims, from one side, to help producers in gaining familiarity in the field of self control practices as a first step to certification and registration of their products; on the other side, the EU logo will guarantee European consumers about the origin and quality of this unique product.

One of the crafts that can well express Thai national culture and creativeness is textiles, especially the Thai silk, as these have for quite a long time been indispensable. In Thailand, fabric weaving has been practiced since prehistoric times and rural society has regarded it as a women's duty during spare time after work in the fields; clothing represented not only a protection from climate but was also an indication of society and economical status.

When the Thai moved southward into their present homeland, they brought their clothing and textile culture with them. These traditions have been kept alive right up to the present time in Northern Thailand and specifically the Chiang Mai region. One only has to observe the uniqueness of the costumes of the various hill tribes seen wandering around the city to appreciate how deeply these traditions are embedded.

Quality is a constant challenge for Thai SME’s. Third party product certification is an extremely important tool that guarantees protection, credibility and quality in an increasing number of sectors of economy. When we talk about Geographical Indication (GI), we are referring to a system able to protect and convey messages on products attributes which are absolutely linked to a-well-identified-origin, culture, territory, and savoir-faire.

The idea of protecting the Thai silk as a geographical indication is put forward; this will certainly enhance the competitiveness of Thai silk in the global market. Geographical indication not only will add value to silk products from Thailand and make the products more attractive in the market, but will also prevent others from selling their products as Thai silk.

In this regard, thanks to SCRIPT project, Thailand has the potential to expand one of its best national products, the Thai silk, and be inimitably qualified for GI protection, with higher standards to meet market demand, good visibility and higher reward in the European market trough the EU registration and quality logo.

On behalf of the TICC Board of Directors, I would like to thank the EU delegation in Thailand, Bioagricoop, and the colleagues from the Franco-Thai Chamber of Commerce for their continued support and I wish them every success in the future.

Lino Geretto

President of the Thai – Italian Chamber of Commerce

Executive summary

Europe plays an important role as silk converters and consumers in the global market. France, Germany, Italy, Switzerland and the United Kingdom are consumers and also leading converters of silk. They have dominated the fashion fabric and garment scene because they have excellent silk processing expertise and their silk products designed by top designers are all high-value. Recently, silk processing is rapidly shifting to silk producing countries in Asia and top fashion designers are also putting up their designing to Asia as well, hence, it provides a great opportunity for silk producing countries to enter to the EU market (Datta and Nanavaty, 2005).

The dominant suppliers of imported silk in Europe are China and India, followed by emerging countries such as Vietnam and Brazil in the last few years. Statistical data from Eurostat shows that import value of silk fabric into EU from 2001-2010 is steady from approximately 191 million euro in 2001 to 214 million euro in 2010. Import value of final products of silk into EU from 2001-2010 are quite steady from approximately 249 million euro in 2001 to 285 million euro in 2010. Italy is the largest importer of silk fabric following by the UK and France. In 2010 Italy imported silk fabric valued 117.4 million euro while the UK and France imported silk fabric valued 30 million euro and 19.4 million euro respectively.

'**Quality**', '**quality-price-ratio**', '**volume**', and '**consistency of supply of standard quality products**' are the main factors the importers and distributors use to select silk suppliers. 'Quality' of silk depends on the utility of materials to make final products. '**Business relations**' and '**communication**' are clearly relevant to their decision as well. The importers, distributors and processors prefer **standard/uniform products in term of quality, colors, consistency, delivery time**, etc. for modern weaving factories. In general European industrial weaving requires **silk fabric with 130-140 cm width**.

Thai silk plays a marginal role in the EU market. Thai silk fabric is more promising than final products because it has its own weaving characteristics and can be identified amongst other sources (however, it has a small share, only 2% of the EU total imports of fabric in 2009). Therefore, it can be mainly used for dresses, accessories (scarves, foulards, etc.) and bridal dress or for home decorations such as curtains, pillow and table covers. Nonetheless Thai silk has to face strong competition among European silk producers and Indian and Chinese imports.

The UK is the main destination of Thai silk fabric because it is the more open market for foreign products, however, Thai silk still hold small share in the UK market (4% of total imports fabric in 2009). Italy and France have imported very few Thai silk fabric and final products. They claimed that this is mainly because **Thai silk is very expensive compared with the others** (this is also true in the UK), **and Thai silk characteristics are not compatible to industrial processing in Europe** (raw Thai silk is golden or yellowish and the fibre is shorter than the one usually used in European industry). There are also other reasons such as **poor business relationships with the EU operators, low level of communications and marketing, poor packaging**, etc. which are important for exports as well. Furthermore, France and Italy are the main silk processors of Europe and have very high competitiveness inside their market already.

Thai silk is perceived as a different and high quality product. European operators and consumers think that it has its own characteristics and can be easily differentiated from ones from other origins. However, **Thai silk is very expensive in comparison to other competitors**, thus, Thai silk products are not price competitiveness in the commodity market since this market is quite price sensitive in a harsh economic situation. Consequently, **Thai silk is not available much in the EU market** and there is **low awareness and knowledge of Thai silk by both European operators and consumers**. Currently there is no chance for mass or mainstream products since China, India, Vietnam and Brazil are in better position for (lower) price, supply availability and business networks.

Therefore, Thailand has two main alternatives to enhance competitiveness in the market:

- **To reduce the cost, then price to compete in the commodity market –** it should be noted that silk production is labour intensive and the labour cost of Thailand is much higher than in China, India or Vietnam, therefore, it is difficult to reduce the cost. Considering technological development, it will take time and high investment to develop technology to produce a high volume of raw silk according to European industry requirements. In addition, this may result in disappearance of Thai traditional silk and the consequent loss of national culture and the opportunity to differentiate Thai silk from others.

- **To provide value added to Thai traditional silk products in order to get into the lucrative niche market –** because Thai silk is perceived as different, unique, and higher quality, this could be a valid alternative for some specific uses. **To offer Thai silk to the lucrative niche market with specific features, for instance 'Thai origin brand', or 'Fair Trade', or 'Organic silk' may enhance the value of Thai silk**; hence, increase the quality-price ratio. These products should come witha story or information to explain why it is different and better than others (why do customers' need to pay more for this product? For instance, Thai origin brand – because it has long tradition for specific occasions, or Fair Trade - because it is made by people in rural area of Thailand and it is important for the household economic in that area, or Organic silk – because the dye colour is natural so it is environmentally friendly and there is no chemical residue left in the textile, etc.). In addition, it should be noted that the lucrative niche market is a small market, so there are no mass volume products but quality products with premium price.

In both cases, the requirement of European operators for imported silk fabric and final products mentioned above should be fulfilled as well.

With regard to organic textile certification, some of respondents do know GOTS certification for organic textile while some have never heard about it or any other natural/organic textile certification before. Nevertheless**, all of them do not think that this certification is relevant to the silk business at the moment** and they pay more attention to price and quality of products. Besides, silk itself is already perceived as natural fibre compared to other synthetic fibres, therefore, **the benefit to be organic is not well understood among stakeholders and end consumers**. As a result, the operators think that consumers' may not have willingness to pay more for it, so, they tend not to be interested in organic silk at the moment. However, **the opportunity for organic silk may exist in the fashion sector,** since fashion creators are always looking for novelties and new trend.

In order to introduce and promote Thai natural silk in Europe there are many aspects to be considered. It should be noted that the suggestions under this topic are solely our ideas and opinions, therefore, they are not necessarily to be the same as the interviewees'.

- To increase the commercial network with European importers and wholesalers because they have the power to select and distribute products in the EU market. For instance, improving relationship with importers by visiting to EU or organising European customers' (importers and distributors) visit to Thailand.

- To contact EU partners who may be able to enhance value of Thai silk such as the fashion sector (ethnic fashion, designers, etc.)
- Currently there is no chance for mass or mainstream products since China, India, Vietnam and Brazil are in a better position for (lower) price, supply availability and business networks. Therefore, it could be better to offer special types of silk that clearly differentiates by characteristics and definitions.
  - This product has to be different (e.g. Thai traditional artisan products) from general silk products in the EU market in order to differentiate Thai silk from competitors and to get into lucrative niche market to compensate the higher price of products.
  - Fair Trade may be a useful element to add value to Thai silk since silk is a typical product produced in a traditional way in a rural area of Thailand, and the Fair Trade brand is familiar to both consumers and operators. However, this element was never mentioned by the operators we interviewed.
  - Although still unknown on the market, 'Peacock' brand may be a way to communicate with customers and to provide a link between product and country of origin. However, investment, promotion and proper marketing strategy are strongly required to build any brand. In addition, the opportunity to convert this "brand" into an officially recognized GI could be considered. GIs in general are definitely more familiar to many consumers, although for a specific GI (e.g., "Kalasin silk") huge investments would be necessary to make the European consumer/operator familiar with this GI label.
  - There may be a chance to use country of origin, since Thailand has a positive image as a country, to promote Thai silk fabric in Europe in special sectors, e.g., for the bridal dress sector.
  - There may be a chance to use 'organic certification' to value enhancing of natural color yarn to be woven and printed in Europe. Organic silk is presumably a very small niche market for consumers who want to have special life-style. Therefore, there is probably no room for organic silk in the mainstream business at the moment. However, since this is a clear trend in other industries, it is worth to note that on this matter operator's opinion may be conservative and a consumers' attitudes survey may provide better understanding.

In conclusion, Thai exporters have to design a global and comprehensive strategy before deciding to enter the EU market. Once a dcision is made whether to focus on specific attributes such as Country of Origin or Brand (Peacock brand) or Fair Trade or Organic, then, appropriate marketing actions should be planned to introduce and promote this product in the market. The marketing actions focused on the well-known 4P elements (product, price, place, promotion) should be consistent with the penetration strategy adopted.

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1. Introduction

Traditionally, silk has been used by Thais for a variety of culture-related purposes and it has become a part of the region's cultural heritage. Traditional Thai silk is hand woven; as a result, each silk fabric is unique and cannot be duplicated through commercial means. The Thai silk industry is distinct in Southeast Asia for its predominant use of handlooms (Rani, 1998; Graham, 2011). Thai silk is mainly produced by rural women and elderly household members and it has provided economic support to thousands of household in the northeast of Thailand for centuries. However, due to labour-intensive production and the uncompetitive features of the silk being produced, the Thai silk industry is shrinking rapidly. This happens partially because native and hybrid varieties of Thai yarn cannot be machine reeled, but the persistence of hand-loomed silk can also be attributed to the commercial viability of traditional fabrics which are not mass produced as well (United Nations, 1994; Graham, 2011).

In 2009, 783.69 million baht or 16.75 million euro worth of silk was exported from Thailand. The predominant markets are the United States, and the United Kingdom (The Queen Sirikit Department of Sericulture, 2011). Silk fabric accounts for about half of the silk exported from Thailand, the rest being raw silk, yarn, cocoons, and silk waste. However, Thai producers remain only a small contributor to the silk global trade (Graham, 2011).

Thailand's National Economic and Social Development Board and The World Bank (2005) warned that Thai silk is highly uncompetitive in comparison to Chinese and other imported fabrics (Graham, 2011). This is apparent in the decreasing of export value from 1,217.04 million baht (26.19 million euro) in 2000 to 783.69 million baht (16.75 million euro) in 2009. They also suggested that large reductions in labor costs or increases in productivity are needed; however, both these remedies are hard to achieve. Lower labor costs are clearly impossible and increases in productivity means Thai silks producers may have to adopt hybrid or foreign higher-yield silk (Graham, 2011). The adoption of innovative technologies in sericulture may be helpful; however, the domestic varieties that are the basis for traditional hand-woven Thai silk products should be preserved as well.

In response to these dilemmas, the Royal Thai government under the mission of the Queen Sirikit Department of Sericulture set up a 'Peacock' emblem ("ตรานกยูงพระราชทาน" in Thai) to authenticate Thai silk and protect it from imitations. The peacock emblem is used as a guarantee of quality and it comes in four different colors (Royal Thai Silk "นกยูงสีทอง", Classic Thai Silk "นกยูงสีเงิน", Thai Silk "นกยูงสีน้ำเงิน", and Thai Silk Blend "นกยูงสีเขียว") based on specific silk types and production processes. Furthermore, there is an attempt to encourage Thai silk manufacturers to produce in traditional ways, without using chemical products and by adopting eco-friendly voluntary standards. They expected that this may be a good strategy to penetrate the global silk market especially in Italy, France, and the UK, which are the dominant European players in the silk industry.

However, lack of knowledge in both the supplier and consumer side is still the main problem in assessing the potential of Thai natural and organic silk fabric (and its final products) in Europe. Therefore, this study is the first step to explore the potential and barriers these products may have in Italy, France and the UK which are the main silk players of the EU market.

This study aims (1) to obtain indications about the interest of target groups to import and distribute Thai natural/organic silk fabric and final products in Italy, France and the United Kingdom, (2) to explore the potential and barriers of natural/organic silk fabric and final products from Thailand in Italy, France and United Kingdom (3) to explore the possibility to use natural and organic textile standards (i.e., the Global Organic Textile Standard - GOTS) to foster the competitiveness of Thai natural and organic silks in the European market.

The study takes the form of exploratory research in order to define and gain insight in the interest of European operators toward Thai natural/organic silk fabric and final products. A qualitative approach is selected to study this particular topic in depth since we are in the initial stage to introduce these products to the market (Myers, 2009). The personal in-depth interviews with European importers and distributors of natural/organic silk fabric and final products are structured as conversation-like dialogues according to a semi-structured interview outline via telephone (or face-to-face if possible). Questions are open-ended to enable the respondents to raise topics or issues which were most salient to them. The information collected from the interviews was processed using a content analysis approach. Conclusions are drawn from the different points of view of therespondents in an attempt to assess the potential of and barriers to Thai natural/organic silk fabric and final products; and to enable development of appropriate managerial marketing strategies to introduce these products in the EU market.

The remainder of the report is organized as follows. In Chapter 2, the research methodology is described. In Chapter 3, an outline of the background and a short discussion of the most relevant literature are provided. Chapter 4 offers results of the analysis. The final chapter presents conclusions of the study.

2. Methodology and data

The main purpose of this study is to explore the potential and barriers of the Thai natural/organic silk fabric and final products in the EU market (Italy, France and the United Kingdom) for further development of the market for Thai natural/organic silk in Europe. The target groups are importers and distributors of silk fabric and final products. Given the type of target group and information to be obtained, an exploratory research approach is adopted in order to define and clarify problems, gather explanations, and gain insight into topics of interest (Hair et al., 2003). The research methodology applied is qualitative to deal with complexity and the rich diversity of operators perceptions (Myers, 2009).

The research procedure is composed of four main parts: (1) secondary data collection, (2) survey design, (3) interview procedure, and (4) data analysis and extrapolation.

2.1 Secondary data collection

The secondary data was collected through three different sources: (1) scientific literatures (e.g. Scopus, Ingenta connect, Science direct, Springer Link, AgEcon Search, Emerald Insight, Wiley Interscience, SAGE Journals Online, etc.), (2) Eurostat database and (3) others (e.g. business reports and internet) in order to gain background information of this topic and possible contacts in the business. Statistical data was collected primarily on the basis of the Eurostat database and business reports.

2.2 Design of the qualitative study

The study is designed to gain information from EU practitioners regarding Thai natural/organic silk fabric and final products. Since exploratory research studies do not try to collect all representative samples but rather to retrieve information from persons who have knowledge and might be able to highlight the relevant problems or issues on a specific topic; hence, purposive non stochastic sampling was applied to recruit participants in this study (Trochim, 2006). In addition, snowball sampling procedure was also applied when an interviewee recommended other persons who might potentially be interviewed. The interview guideline for semi-structured interview was also designed in this way.

2.2.1 Recruitment of interviewees

A possible list of European operators was created using a convenience sampling method on the basis that those listed are expert and professional practitioners in silk fabric and final products. Sources of the list were personal contacts via the Thai-Italian Chamber of Commerce, Thai Trade Office (Milan), University of Bologna, Biaogricoop, The Silk Association of Great Britain/ UK Fashion and Textile Association, and the internet. The list included persons who interviewees recommended that might be consulted.

The criteria for selection of interviewees was: silk fabric and final products importers and distributors who might be interested in Thai natural/organic silk fabric and final products.

The complete list of selected potential key informants comprised 31 contacts in Italy, 22 contacts in France, and 10 in United Kingdom. The potential informants were contacted by personal connections via email and telephone. The researcher explained the background of the research, aims, addressed terms of confidentiality, and asked for cooperation. After the enterprise agreed to give information, appointments were set up and interviewees were asked for permission to record the conversation. In the end, seven participants who agreed to contribute to this research were from Italy (two persons), France (two persons), and the United Kingdom (three persons). The details of sectors and activities of the interviewees are shown in Table 1. The researchers had also contacted Alkena GmbH (Switzerland), which at the best of our knowledge is the only company certified for organic textiles (http://www.global-standard.org/public-database/search-details.html?_id=15084) that operates in the (Chinese) silk industry, but unfortunately they were unable to respond in the timescale of this study.

2.2.2 Interview guideline design

A semi-structured interview guideline was designed to provide the researcher with pre-formulated questions about the important issues that are expected to be discussed during the interview. The core information would be collected through a series of open-ended questions introducing wide topics and inducing the informant to raise salient issues which he or she thinks are important and relevant to the topic of interest during the conversation (Myers, 2009). The interview guideline was designed to support the interviewer to ensure that the conversation covered all objectives of the research. It was not necessary to direct the conversation sequentially according to the interview guideline but rather to continue it fluently and flexibly according to the response of the informants.

The key points have been defined as follows: characteristics of Interviewee's business; degree of involvement and familiarity with Thai silk fabric and products; expectation and requirement for silk fabric and products; attitude toward silk fabric and products with organic or natural textile certification (e.g. Global Organic Textile Standard, GOTS); and attitude toward Thai silk fabric and products with natural/organic textile certification and Potential products. The interview guideline is shown in Appendix I.

Table 1. Profile of key informants and companies

ID	Company	Interviewee	Sector	Location	Activity
1	Serica Trudel S.p.A.	Giorgio Viganò (CEO)	Importer /distributor	Italy	a major player in silk yarn & fabric importing in Italy
2	ITA-SILK-02	Guido Tettamanti Manager	Institution	Italy	Entrepreneurs association
3	Morel-Journel S.A.	Morel Journel (CEO)	Importer /distributor	France	a major player in raw silk yarn & fabric importing in France
4	FRA-SILK-02	CEO	Importer /distributor	France	Importer / distributor of silk fabric for garments production
5	Bennett Silks Ltd.	Mr.Chris Bennett (CEO)	Importer /distributor/ re-exporter	United Kingdom	a major player in silk importing in UK
6	Sethi Silks Ltd.	Mr.Ramesh Kumar Sethi (CEO)	Importer /distributor	United Kingdom	Silk distributor
7	James Hare Ltd.	Mr. Tim Hare (CEO)	Importer/ distributor/re-exporter	United Kingdom	a major player in silk importing in UK

Source: interviews with operators.

Note: In a qualitative research usually the number of interviews is not designed to achieve representativeness, but to ensure a diversity of opinions from persons who have knowledge and might be able to highlight the relevant problems or issues on a specific topic (Trochim, 2006). The researchers ensured the inclusion of different types of operators including: silk importers and distributors and silk association.

2.3 Interview procedure

The personal interviews were administered during the period of March-April 2011 and took the form of semi-structured interviews. The interview guideline (Appendix I) was sent to participants in advance. The interview aimed to build a "conversation-like dialogue rather than asking questions that impose categorical frameworks on informants' understanding and experiences" (Arnould and Wallendorf, 1994; Knight et al., 2007).

Interviews ranged 30-60 minutes and in most cases were conducted in native languages of those countries (Italian, French and English). During the conversation the interviews were recorded (if this was permitted) and the interviewer took note of important information and observations.

2.4 Data Analysis and extrapolation

Interview transcription and minutes so as to identify important themes and pattern. Analysis was carried out in 4 steps:

1) Summary Report: Summary reports of each interview were written in English immediately after conversations. These reports comprised the characteristics of informants' businesses and the most relevant perceptions and ideas that emerged during conversation, together with specific comments.

2) Validation of summary reports: A preliminary version of summary reports was submitted to the interviewees for "checking how accurately participants' realities have been represented in the final account" (Cresswell and Miller, 2000, Knight et al., 2007) in order to establish credibility of the results (Lincoln and Guba, 1985; Knight et al., 2007). Their comments and additional information were included into the complete version of interview summaries.

3) Transcription: Tape-recorded interviews were transcribed and eventually translated into English. Non-verbal communication was not considered in this step. Comments were coded on the transcripts using different text colors and marginal keywords in order to identify important themes and patterns (Coffey and Atkinson, 1996; Knight et al., 2007). Additional information, participants' quotes and comments from transcripts were used to perform a content analysis in the following step.

4) Content analysis: The information from the summary reports together with transcription were analyzed through content analysis. The essential objective of a content analysis is to describe the phenomenon and present the most interesting elements arising from each interview in order to gain an extensive overview of informants' attitudes toward the topic. The researcher emphasized important elements by highlighting the direct quotes from participants. All key aspects and issues raised by key informants were highlighted in this analysis regardless of the number of informants with similar ideas.

3. Background

3.1 Global silk industry

Silk fabric was first developed in ancient China and later spread around the world via the 'Silk Road' and became popular among super-rich or high society. Nowadays silk is an affordable luxury for the middle class in Europe and the USA, and continues to hold its own in Asia as traditional ceremonial wear (Datta and Nanavaty, 2005).

Even though silk has a small percentage of the global textile market - less than 0.2% (the precise global value is difficult to assess, since reliable data on finished silk products is lacking in most importing countries) - its production base is spread over 60 countries in the world (Datta and Nanavaty, 2005). While the major producers are in Asia (90% of mulberry production and almost 100% of non-mulberry silk), sericulture industries have been lately established in Brazil, Bulgaria, Egypt and Madagascar as well.

Sericulture is labour-intensive. About 1 million workers are employed in the silk sector in China. Sericulture provides income for 700,000 households in India, and 20,000 weaving families in Thailand (FAO, 2009). China is the world's single biggest producer and chief supplier of silk to the world markets. India is the world's second largest producer. Ten per cent of world silk is produced altogether by Brazil, North Korea, Thailand, Uzbekistan and Vietnam (Datta and Nanavaty, 2005). Sericulture can help keeping the rural population employed and to prevent migration to big cities and securing remunerative employment; it requires small investments while providing raw material for textile industries.

3.1.1 Supply and demand of raw silk

The five largest fresh cocoon producing countries are (in brackets average production of last 4 years in tonnes of per year is reported): China (500,000), India (126,000), Uzbekistan (20,200), Brazil (14,000) and Vietnam (13,000). Countries with more than 300 tonnes of fresh cocoons per year are: Thailand, North and South Korea, Japan, Iran, Tajikistan, Pakistan and Indonesia. Altogether approximately 35 to 40 counties are involved in sericulture. World production of raw silk is an average of 80,000 tonnes per year, about 70% of which is produced in China (Grekov et al. 2005).

Table 2. Raw Silk production (tonnes)

Country	2001	2002	2003	2004	2005	2006	2007	2008	2009
China	58,600	64,000	84,600	85,000	87,800	-**	-**	98,620	84,000
India	15,857	17,351	16,369	14,620	15,445	16,525	18,320*	18,370*	19,600*
Brazil	1,484	1,607	1,563	1,512	1,285	1,387	1,220	1,177	811
Thailand	1,500	1,500	1,500	1,420	-	1,080	760	1,100	665
Vietnam	2,000	2,250	-	-	-	-	-	-	-
Others	1,333	1,145	824	272	589	160	473	300	2,944
Totals	**80,774**	**87,853**	**104,856**	**102,824**	**105,119**	**19,152**	**20,773**	**119,567**	**108,020**

Source: International Sericultural Commission (2010),
* Source : Indian Silk - May 2010 (including wild silk)
** Missing information of China production in year 2006-2007

Italy is the world's largest importer of waste silk which is spun into yarn for the production of knitwear. Japan is the country with the highest consumption of silk per capita. China exports the largest quantities of silk. USA imports the largest quantities of silk textile and clothes (Somayaji, 1995).

Traditionally Asia was producing large quantities of silk and Europe was second. In recent years, a great effort was made by FAO to develop Sericulture in Africa and Latin America. This was very successful especially in Brazil and Columbia (Kawakami, 1992). Today the production of raw silk in the European Union is very low, while the demand is very high; therefore, the European market requires imported raw materials from outside Europe.

China is the export world leader of textile products. European and American suppliers have to face the challenge of competing against low-prices and large supplies representing a real challenge to their domestic industries. The textile industry is subject to the strongest constraints because it must meet retailing requirements and end consumers' multiple aspirations.

The price of silk in global trade is increasing dramatically and in Italy converters are shifting to synthetic silk-similar products. A similar story can be found in the UK, following dramatic increases in the price of silk.

3.2 Silk industry in Europe

The European Union (EU) and the United States are the biggest consumers of silk outside silk-producing countries of Asia. Europe plays an important role as silk converters and consumers. France, Germany, Italy, Switzerland and the United Kingdom are consumers and also leading converters of silk. This is because they have excellent silk processing expertise and their silk products, scarves, ties, blouses, skirts, shirts and women's dresses are all high-priced *haute-couture* exclusive pieces designed by top designers. European countries continue to dominate the fashion fabric and garment scene. Silk processing is rapidly shifting to silk producing countries in Asia and top fashion designers are also putting up their designing centres in Asia (Datta and Nanavaty, 2005).

The major production area in France is the Lyon region whereas in Italy it is Como province. The UK production is traditionally in the North-west region of England, although there is very little weaving and value-adding takes the form of dying, finishing and printing. There is also a value-adding industry associated with Asian communities in major UK cities (primarily again in the North West) and London.

3.2.1 Imports of silk into EU

Statistical data from Eurostat shows that import value of silk fabric into EU from 2001-2010 is steady from approximately 191 million euro in 2001 to 214 million euro in 2010 (Table 3). The main suppliers outside Europe are China, India and Thailand (Figure 1). China remains the dominant supplier and the trend is to increase as its share of 62% of total silk fabric in Europe in 2009 (Figure 2) grew to 68% in 2010 (Figure 3).

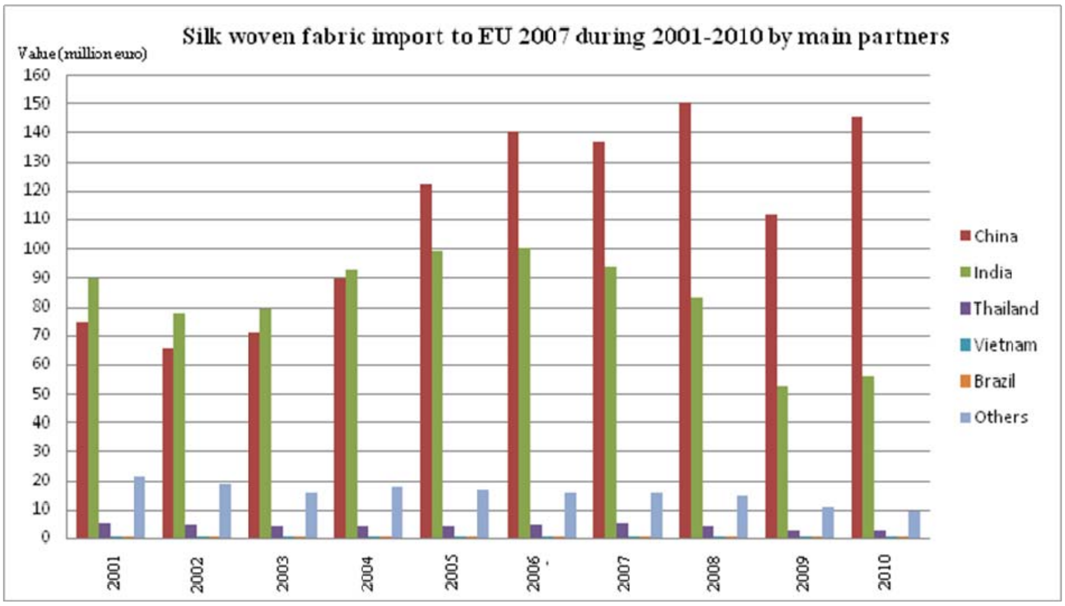
Table 3. European (EU 27) silk woven fabric import value by main partners during 2001-2010

Period	Import Value (million euro)						
	China	India	Thailand	Vietnam	Brazil	Others	Total
2001	74.74	89.86	5.34	0.01	0.10	21.64	191.70
2002	66.09	77.92	5.02	0.03	0.03	18.92	168.00
2003	71.03	79.48	4.49	0.03	0.06	15.86	170.94
2004	89.87	92.88	4.18	0.01	0.00	17.95	204.90
2005	122.21	99.09	4.46	0.02	0.02	16.96	242.76
2006	140.39	100.46	4.74	0.06	0.01	16.12	261.79
2007	136.88	93.92	5.37	0.01	0.00	15.84	252.02
2008	150.38	83.07	4.34	0.02	0.01	14.99	252.82
2009	111.68	53.11	3.06	0.02	0.00	10.93	178.80
2010	145.64	55.91	2.70	0.03	0.01	9.83	214.13

Source: Elaboration based on Eurostat database, 2011

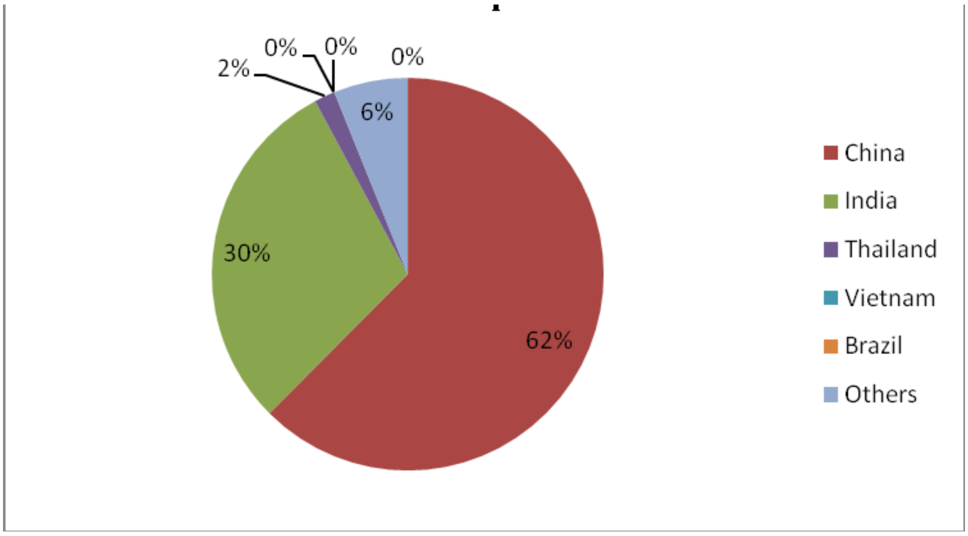
Products comprised: woven fabrics of noil silk, woven fabrics containing ≥ 85% or schappe by weight and woven containing predominantly, but < 85% silk or silk waste by weight

Figure 1. Import value of silk woven fabric to EU 27 during 2001-2010 by main partners



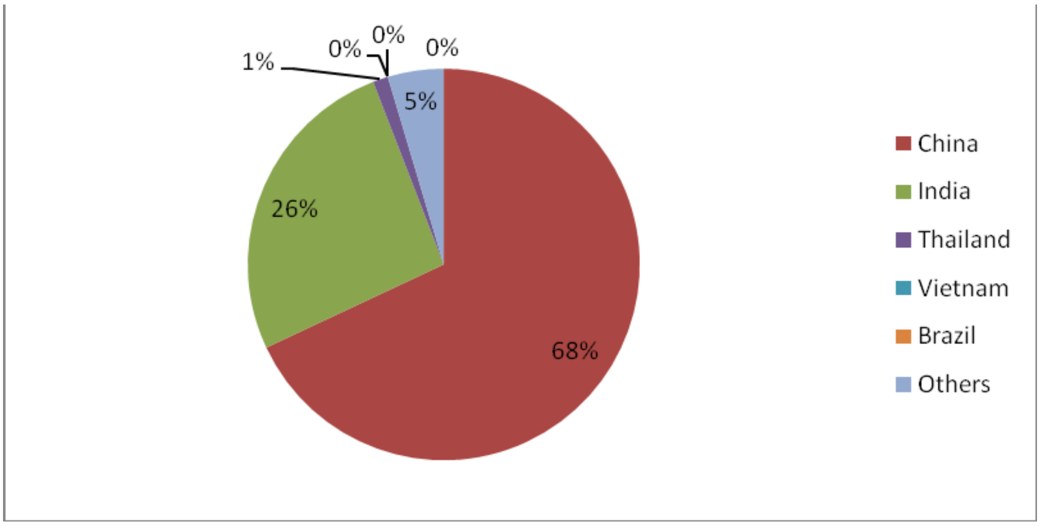
Source: Elaboration based on Eurostat database, 2011

Figure 2. Main exporters of silk woven fabric to EU27 in 2009



Source: Elaboration based on Eurostat database, 2011

Figure 3. Main exporters of silk woven fabric to EU27 in 2010



Source: Elaboration based on Eurostat database, 2011

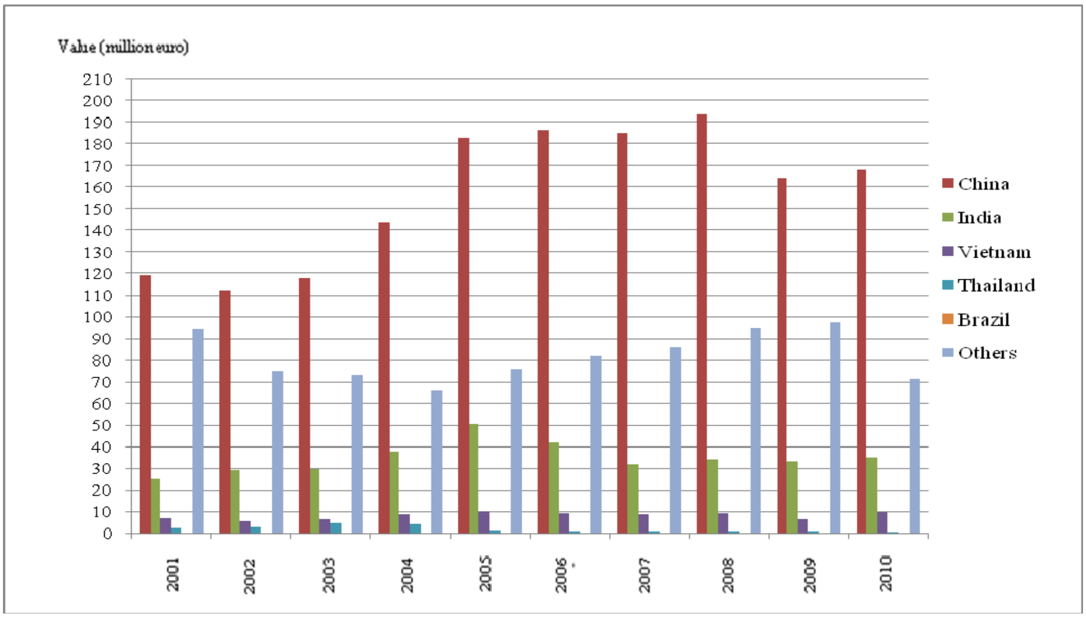
Main final products of silk imported to Europe are women's or girls' blouses, shirts and shirt-blouses of silk or silk waste; handkerchiefs of silk or silk waste of which no side exceeds 60 cm; ties, bow ties and cravats of silk or silk waste; and shawls, scarves, mufflers, mantillas, veils and similar articles of silk or silk waste. Import value of final products of silk into EU from 2001-2010 are quite steady from approximately 249 million euro in 2001 to 285 million euro in 2010 (Table 4). The main suppliers outside Europe are China, India and Vietnam (Figure 4). China remains the dominant supplier and tends to consolidate its dominant position as its share grew from 54% of total silk final products in Europe in 2009 (Figure 5) to 59% in 2010 (Figure 6).

Table 4. European (EU 27) import value of final product of silk by main partners during 2001-2010

Period	Import Value (million euro)						
	China	India	Thailand	Vietnam	Brazil	Others	Total
2001	119	25	7	2.41	0.10	95	249
2002	112	29	6	3.07	0.02	75	225
2003	118	30	7	4.80	0.05	73	232
2004	143	38	9	4.11	0.13	66	260
2005	183	50	10	1.78	0.24	76	321
2006	186	42	9	1.18	0.12	82	321
2007	185	32	9	0.97	0.16	86	313
2008	194	34	9	1.19	0.15	95	334
2009	164	33	6	1.05	0.03	97	303
2010	168	35	10	0.81	0.03	71	285

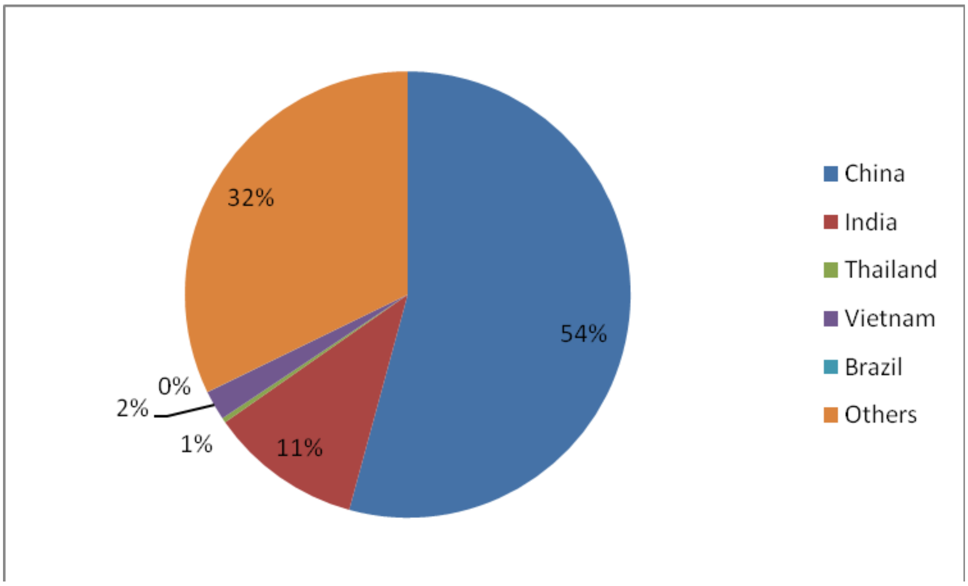
Source: Elaboration based on Eurostat database, 2011

Figure 4. Import value of final products of silk to EU 27 during 2001-2010 by main partners



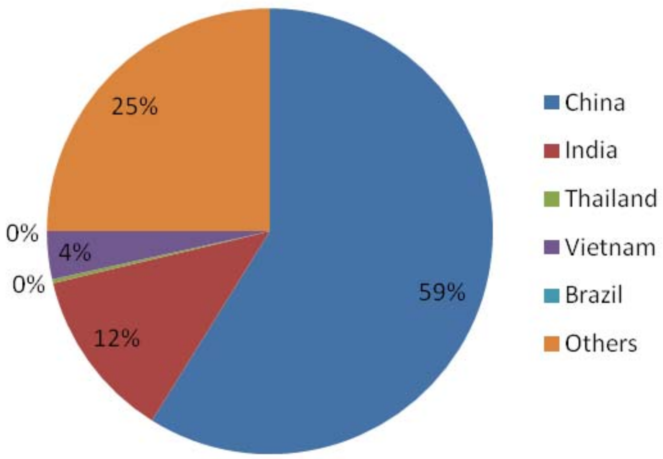
Source: Elaboration based on Eurostat database, 2011

Figure 5 Main exporters of final products of silk to EU27 in 2009



Source: Elaboration based on Eurostat database, 2011

Figure 6. Main exporters of final products of silk to EU27 in 2010



Source: Elaboration based on Eurostat database, 2011

3.2.2 Main silk players in Europe

Italy is the largest importer of silk fabric, followed by the UK and France. In 2010 Italy imported silk fabric valued 117.4 million euro while the UK and France imported silk fabric valued 30 million euro and 19.4 million euro respectively (Table 3, 4, 5).

a. Italy

a.1 Market size

Italy has been traditionally the largest importer, processor and exporter of silk products in Europe. In 1997, Italy imported some 3,200 tonnes of raw silk and over 700 tonnes of silk yarn, primarily from China. Italy also imported about 300 tonnes of ladies' blouses, of which over 80% came from China. Silk garment imports, however, have drastically gone down over the last five years. (In 1992, the country imported more than 700 tonnes of ladies' blouses.) (International Trade Centre, 1999a)

In Italy imports of silk fabric has increased in value from 71.6 million euro in 2001 to 117.4 million euro in 2010, however, the values have fluctuated, depending on the year (Table 5). China is the biggest supplier (93% of total imported value) followed by India (5%) (Figure 7).

a.2 Products

Italy is well-known for highly developed skills in silk processing (finishing, dyeing and printing silk fabrics). Exports of silk scarves rose by about 15% between from 1996 to 1997, to 586 tonnes. Exports of silk neckties reached 1,230 tonnes in the same year. (International Trade Centre, 1999a).

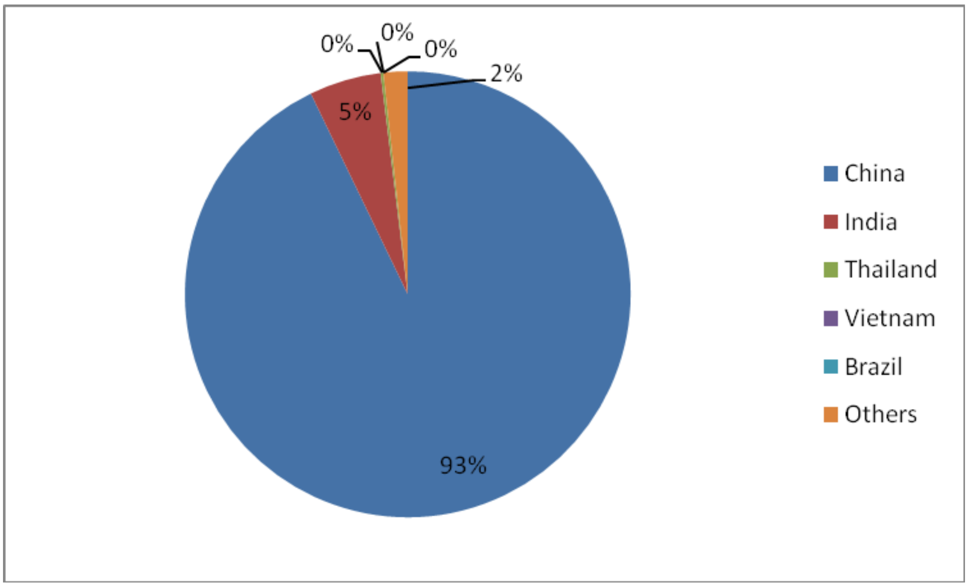
Table 5. Silk woven fabric import value in Italy by main partners during 2001-2010

Period	Import Value (1,000 euro)						
	China	India	Thailand	Vietnam	Brazil	Others	Total
2001	52,674	13,491	341	0	0	5,172	71,678
2002	46,380	11,799	496	0.63	0	4,358	63,033
2003	49,008	12,784	374	1.31	6.59	3,117	65,290
2004	62,106	15,498	452	5.23	0	2,981	81,042
2005	81,376	18,348	403	4.16	0	2,526	102,657
2006	96,682	17,678	391	0	0	2,767	117,518
2007	97,311	12,911	416	0	0	3,483	114,121
2008	106,849	10,926	352	0	0	2,842	120,969
2009	78,758	6,824	230	0	0	2,103	87,915
2010	109,014	6,121	236	4.92	0	2,053	117,429

Source: Elaboration based on Eurostat database, 2011

Products comprised: woven fabrics of noil silk, woven fabrics containing ≥ 85% or schappe by weight and woven containing predominantly, but < 85% silk or silk waste by weight

Figure 7. Main exporters of silk woven fabric to Italy in 2010



Source: Elaboration based on Eurostat database, 2011

b. United Kingdom

b.1 Market size

In the UK, the silk industry is an important part of the apparel and textile trade in the supply of raw and unfinished materials, fabrics and garments. The throwing, preparation and weaving of silk alone employs some 4,000 people and produces over £170 million worth of goods each year. The UK exports around £60 million worth of raw materials, yarns, fabrics, garments and accessories every year.

In the UK imports silk fabric in value are steady from 33.3 million euro in 2001 to 30.4 million euro in 2010, however, the values were fluctuating depending on the year (Table 6). India is the main source of silk, followed by China and then to a lesser extent Thailand and some minor trade with Indonesia, Korea, France, and Italy. Raw silk from China is also often then exported to other eastern countries (India, Thailand) to weave into yarn that comes in to the UK.

b.2 Products

A wide range of yarn is principally used to supply the dressmaking, bridal wear, specialist clothing and interior design markets. However, the UK silk industry is very varied and as well as producing the normal range of silk yarns, fabrics and garments other products include the manufacture of silk sutures for the medical profession, the knitting of silk gloves, which are used by jet fighter pilots in the Royal Air Force, and the hand weaving of silk fabrics.

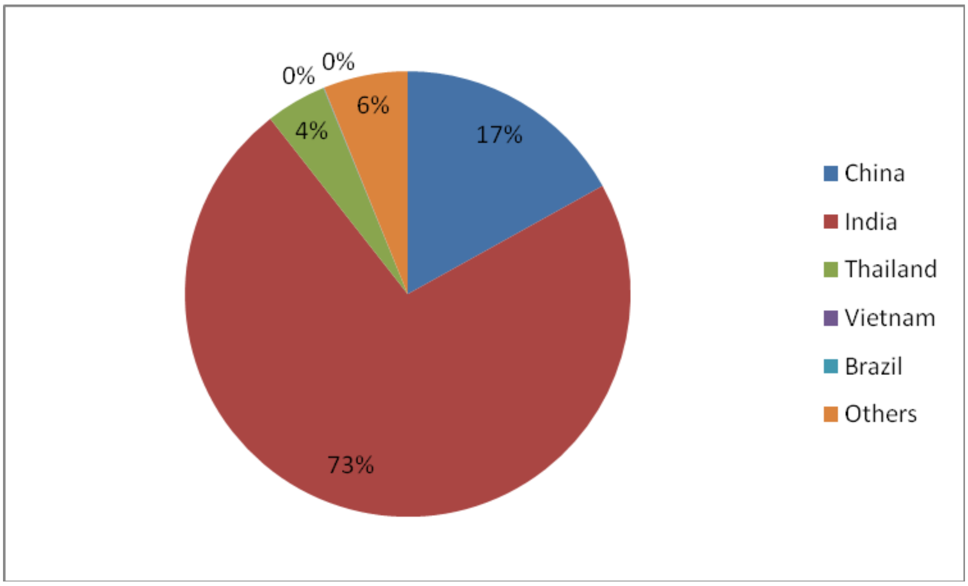
Table 6. Silk woven fabric import value in United Kingdom by main partners during 2001-2010

Period	Import Value (1,000 euro)						
	China	India	Thailand	Vietnam	Brazil	Others	Total
2001	3,138	23,344	2,458	3	0	4,326	33,268
2002	3,030	21,958	2,619	4	0	3,072	30,683
2003	3,133	19,411	1,919	2	47	3,287	27,798
2004	4,494	22,488	1,774	1	2	4,080	32,839
2005	6,029	22,570	2,220	2	17	3,508	34,347
2006	6,279	27,759	2,319	8	3	3,664	40,032
2007	5,729	30,607	2,814	11	0	2,929	42,090
2008	5,027	27,037	2,031	10	2	2,922	37,030
2009	4,514	18,546	1,442	2	0	1,723	26,226
2010	5,144	22,023	1,339	5	11	1,862	30,384

Source: Elaboration based on Eurostat database, 2011

Products comprised: woven fabrics of noil silk, woven fabrics containing ≥ 85% or schappe by weight and woven containing predominantly, but < 85% silk or silk waste by weight

Figure 8. Main exporters of silk woven fabric to United Kingdom in 2010



Source: Elaboration based on Eurostat database, 2011

b.3 Distribution Channel

Yarns are directly imported into the UK by organizations who re-sell (usually with little further processing or value-adding) to two distinct market channels. Firstly, to small-scale specialty retailers (bridal wear, clothing, interior designers and decorators) and secondly to large flagship department store and chain-store retailers who specialize in clothing and fabrics for interior design.

Some of the large chains import some silk fabric directly; however, a handful of large importers (notably James Hare and Bennetts in the North of England and Pongees and Henry Bertrand in London) supply their needs. Some of these have a long-standing traditional family business interest. The 'big four' named above have a network of agents throughout the UK and a presence in European and increasingly global re-export markets for silk.

Economic recession in the UK may have slowed down the silk market a little; however, there is an element of the luxury and specialist nature of the product (for example, in bridal wear) that makes silk relatively resistant to more difficult economic times and new markets are opening up in growth economies outside of Europe.

The small-scale business customers are in fact still highly significant to all of the UK importers, rather than the large chain stores. In fact the UK importers prefer the business spread that dealing with small customers' offers and this trade is not subject to the leverage of large retail buying chains.

Asian traders (for example, Indian migrants who settled in the UK) also import and supply often to the specific needs of the Asian community, and are based in London and other principal cities where there are significant Asian populations (the North-West and Midlands). The trade in UK specifically relating to Thai silk is relatively small and limited, with the most significant player who specializes in Thai Silk being Jim Thompson, who has a presence in London in conjunction with Fox-Linton Ltd.

c. France

c.1 Market size

France is another country with a considerable silk processing industry. For centuries, Lyon has produced silk fabrics of the highest quality for domestic consumption and for export. France exports top quality silk fabrics to the US market, with unit prices reaching US$ 30 per m^2 (International Trade Centre, 1999a).

In 2008, the French textile industry (including clothes) had about 804 companies (with at least 20 persons) employing 82,160 people. French companies have suffered along with the rest of the industry from the general economic slowdown as evidenced by the 3.3 percent decrease in jobs offered by these companies from 2007 to 2008. Production has decreased by about 20 percent and total sales revenues as well as the rate of exportations have declined by 15 percent. According to market analysts, the textile industry will have to face again with the consequences of the economic recession for a few years (U.S. Commercial service, 2010).

In France, major textile suppliers are China (19%), Italy (13%), and Germany (7%), followed by Turkey (6%), Belgium (5%), Bangladesh, India (4%), Tunisia, Portugal, and Spain (3%) in 2007 (U.S. Commercial service, 2010).

In France imports silk fabric in value are steady from 20.8 million euro in 2001 to 19.4 million euro in 2010, however, the values were fluctuating depending on the year (Table 7). China is the main source of silk, followed by India and Thailand (Figure 9).

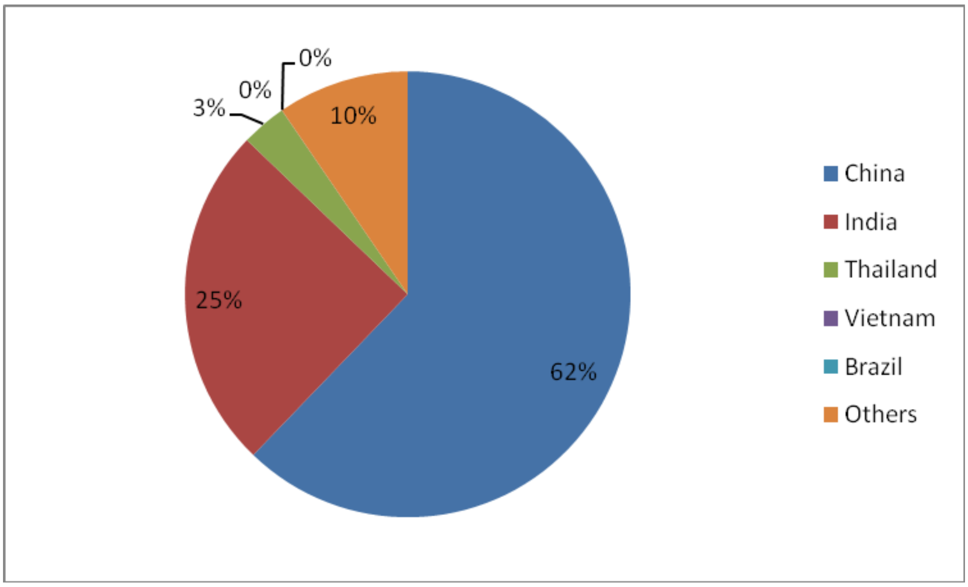
Table 7. Silk woven fabric import value in France by main partners during 2001-2010

Period	Import Value (1,000 euro)						
	China	India	Thailand	Vietnam	Brazil	Others	Total
2001	5,093	10,615	1,068	7	1	4,057	20,841
2002	4,563	9,476	588	14	2	3,328	17,971
2003	7,396	7,440	416	7	1	3,429	18,689
2004	10,678	7,830	447	0	0	2,826	21,781
2005	13,165	7,117	485	4	1	3,197	23,970
2006	15,910	7,803	539	0	0	2,915	27,167
2007	13,461	7,916	616	0	0	2,621	24,615
2008	15,215	6,822	511	0	5	2,339	24,891
2009	10,937	4,535	546	0	0	1,902	17,920
2010	12,057	4,838	637	0.39	0	1,852	19,385

Source: Elaboration based on Eurostat database, 2011

Products comprised: woven fabrics of noil silk, woven fabrics containing ≥ 85% or schappe by weight and woven containing predominantly, but < 85% silk or silk waste by weight

Figure 9. Main exporters of silk woven fabric to France in 2010



Source: Elaboration based on Eurostat database, 2011

c.2 Products

More than 70% of silk fabrics in the French market have been traditionally used for clothing. There are signs that silk may have a growing market also for interior decoration use as curtains, wall covers, bed spreads and upholstery (U.S. Commercial service, 2010).

In France in 2008, the consumption of textile and apparel has declined as follows (U.S. Commercial service, 2010):

- Women's wear: minus 3.8 percent
- Household textiles: minus 2.7 percent
- Men's wear: minus 2.1 percent
- Children's wear: minus 1.7 percent
- Baby's wear: minus 0.2 percent

3.3 Global silk trend

International Trade Centre or ITC (1999b) raised challenges for silk industry as follow:

- New competition- new synthetic fibers are ever-more sophisticated. They look and feel like silk, but are easier to care for. Viscose and polyester have taken some of silk's market share.

- Changing image - while the boom for sandwashed silk is past, its introduction damaged silk’s luxury image. No international promotion campaigns are addressing this issue, reflecting the lack of cohesiveness among suppliers, traders and buyers in the industry.
- Regional slowdown - the fast-developing economies in Asia had been showing an increasing interest in silk products, as the standard of living rose steadily. Recent economic turmoil in Southeast Asia, however, has been reflected in a decline in sales.
- Dismantling production centres - silk production centres are closing. This trend is well underway in Japan and the Republic of Korea, due to the industrialization of the two countries. Millions of families in rural areas in China, Thailand, Brazil and other countries may now face the socioeconomic choice of whether or not to continue producing silk. If farmers turn from this activity for a more lucrative type of farming, the industry cannot easily recover. Working with silkworms requires strict discipline, learned by tradition through generations.

Furthermore, the increasing of raw silk price especially in China will have great impact on prices of fabric, processed and final silk products. Thus, this may result in switching demand from silk to other substitute textiles.
ITC also suggested that generic silk promotion campaigns should contain the following elements.

- <u>The image of silk</u>: Silk should be marketed as an environmentally friendly, luxury product.
- <u>New product categories:</u> For instance, there is scope to expand the role of silk fabrics for interior decoration.
- <u>The role of Asia:</u> In the medium term, the role of the Asian markets will be vital. Asians will continue to be consumers, and it is likely that growth will resume in this area. It is important to safeguard their role as producers in light of the challenges facing them today.

3.4 Natural/organic textile standard: GOTS Standard and ThaiPeacock standard

Consumers who adopt a “green” lifestyle and therefore prefer environmentally friendly products have boosted the market of organic food, but recently also organic textiles (such as organic cotton) have been demanded by these consumers and a niche market has developed. However, despite organic standards and regulation have flourished in the food industry, most of the regulatory frameworks did not foresee an “organic” recognition to textiles. Therefore, some producers and /or certification bodies have elaborated voluntary standards (e.g. GOTS standard) with the aim to provide a guarantee the consumers that a product has been organically produced in accordance with specific protocols and documented procedures. These opportunity attracted several producers and processors of cotton and wool that become fashion products in EU countries in recent years.

Basically silk is widely considered as a natural textile, since it is usually produced using few chemical fertilizers and practically no insecticides (International Trade Centre, 1999b). The main issue that may cause concern in the environmental friendliness of silk is the dyeing processes. The use of natural environmentally friendly dyes (e.g., made from tree bark, vegetables and flowers) is the key point that allow the fabric to be considered organic. In addition, with organic silk, the mulberry trees they feed on are grown organically, without pesticides or fertilizers. There are very few, if any, governmental bodies that regulate the labelling of silk as "certified organic", since most of the organic labelling regulations are focused on food products. Also, although many companies trading in organic cotton (and other natural fibers) exist, almost no companies, do trade organic silk. We actually found only one company that commercialize organic silk in Switzerland (Alkena GmbH: http://www.alkena.ch/).

In this study, we considered two standards that could be interesting to evaluate perception by EU stakeholders in the frame of future quality development of silk from Thailand: the Global Organic Textile Standard (GOTS) and the Thai Peacock Standard.

3.4.1 GOTS standard

The Global Organic Textile Standard (GOTS, http://www.global-standard.org) is a voluntary standard which was developed by four Associations, namely: International Association Natural Textile Industry (IVN), Germany; Soil Association (SA), England; Organic Trade Association (OTA), USA; Japan Organic Cotton Association (JOCA), Japan. GOTS was introduced in 2006 and it is recognized as the leading processing standard for textiles made from organic fibers worldwide. It defines high level environmental criteria along the entire supply chain of organic textiles and requires compliance with social criteria as well. The aim of this standard is to define requirements to ensure organic status of textiles, including silk from harvesting of the raw materials, through environmentally and socially responsible manufacturing up to labelling in order to provide a credible assurance to the end consumer (as established in the EEC-Regulation 2092/91 on “Organic production of agricultural products and indications referring to agricultural products and foodstuffs”).

Only textile products that contain a minimum of 70% organic fibers can become certified according to GOTS. The standard covers the processing, manufacturing, packaging, labelling, trading and distribution of all textiles. The aim of the standard is to define world-wide recognized requirements that ensure organic status of textiles, from harvesting of the raw materials, through environmentally and socially responsible manufacturing up to labelling in order to provide a credible assurance to the end consumer. The final products may include, but are not limited to fibre products, yarns, fabrics, clothes and home textiles. Textile processors and manufacturers are enabled to export their organic fabrics and garments with one certification accepted in all major markets.

The certification process includes all the production value chain steps from fiber producers/farmers up to operators from post-harvest handling up to garment making and traders that must be certified according to a recognized international or national organic farming standard that is accepted in the country where the final product will be sold.

Currently, at the best of our knowledge there is apparently no evidence of a relevant demand for organic silk. We are aware that there may be a few niche markets, mainly referred to alternative retail and specialized ethnic shops. However, despite the “Green silk” concept is rather new to sericulture, according to Jones (2009) silk is well placed to acquire green credentials since it is a traditional and basically low impact industry. This may be an advantage on the point of view of implementation of a green marketing strategy but, on the other side, the benefit perceived by consumers may be limited. In addition, consumers of silk garments in the developed world may not overlap with the segment of “green consumers”.

3.4.2 Thai Peacock Standard

Thai Peacock standard was established in 2004 by the Thailand's Agriculture Ministry in order to identify genuine domestic silk production (standard details at: http://www.qthaisilk.com/). Since traditional Thai silk is hand woven, each silk fabric is unique in the sense that it can’t be replicated exactly as the previous or the following ones. Yet, it has a unique luster, with a sheen that has two unique blends: one color for the warp and another for the weft. Color changes as you hold the Thai silk fabric at varying angles against light. The Ministry uses a peacock emblem to authenticate Thai silk and protect it from imitations. The peacock emblem serves as a guarantee of quality and it comes in four different colours based on specific silk types and production process (Gold, Silver, Blue and Green).

- **Gold peacock**. Indicates the premium Royal Thai Silk, a product of native Thai silkworm breeds and traditional hand-made production.
- **Silver peacock.** Indicates Classic Thai Silk, developed from specific silkworm breeds and hand-made production.
- **Blue peacock**. Indicates Thai Silk, a product of pure silk threads and with no specific production method (allows chemical dyes which is environmental friendly).
- **Green peacock**. Indicates Thai Silk Blend, a product of silk blended with other fabrics and with no specific production method.

The search of references in the literature has not given evidence of awareness of this standard and the related logo among either consumers or silk industry operators. Some exceptions have been found in web pages reporting about winners of the international Peacock Standard Thai Silk Design Competition. The competition was co-sponsored by Thailand's Queen Sirikit Institute of Sericulture and the International Textile and Apparel Association.

Since this standard is designed to identify the Thai silk production, it should serve as a quasi-brand that helps the consumer to identify, recognize, and possibly buy Thai silk products. It worth noting that this quasi-brand actually partially overlaps with labels indicating the country of origin of the product, which however is not subjected to any particular quality standard and quality control system. In this case, the value is built on a country’s supposed reputation. It is well know from the literature that Country of origin may be considered as a sort of a guarantee for the quality of the product.

Another relevant overlapping of this standard is represented by the potential use of a Geographical Indication (GI) as a marketing development tool, focused on the possibility to attach some value to the product because of its peculiar characteristics that are linked to the traditional know-how widespread in that area, to the knowledge deriving from a well-defined culture, as well as to a well-designed total quality management approach and the possibility to achieve a legal recognition in Europe.

4. Results of the qualitative study

The following sections describe the results of the content analysis of interview transcripts and summary reports, presented in form of semantic category and organized corresponding to the structure of interview guideline. Significant and relevant topics were highlighted through informants' verbatim quotes.

It is important to note that we provide here a perspective on Thai silk in the European market (focused on Italy, France and the United Kingdom) that reflects the information about experiences, perceptions and opinions we obtained from the interviewees. Given the qualitative nature of the study and the sample size, these opinions cannot be considered as generally valid and statistically representative of a population of silk business operators. We do not report frequencies, since an exploratory qualitative study does not aim at measuring a phenomenon using descriptive parameters but at exploring diversity. (Jansen, 2010)

The discussion is organized into 6 sections: (1) Situation of Thai silk in the European market, (2) Perception toward Thai silk fabric and final products, (3) Expectation and requirement for silk fabric and final products, (4) Attitude toward silk fabric and final products with organic or natural textile certification, (5) Attitude toward Thai silk fabric and final products with natural/organic textile certification, and (6) Suggested marketing strategies for Thai silk fabric and final products with organic or natural textile certification.

4.1 Situation of Thai silk in the European market

Main suppliers of silk in Europe are from China and India whilst Brazil and Vietnam have been mentioned as new alternatives for Italy and France (Hermes) manufacturers. Thai silk is not well known in European market; hence, the import of silk from Thailand is very limited and concentrated in UK as concerns traditional Thai end products as fabric and garments. Some respondents mentioned that limited exports are also due to the fact that Thai suppliers have never presented themselves in trade fairs nor sent product samples to the importers.

> *"They have never been to see us, never sent us any samples, or anything. We have never seen them at any trade shows."(Bennett Silk, UK)*

Chinese silk has been dominated global market as the biggest producer of raw silk and final products with long traditional history. Furthermore, they are well-known in Europe long time ago and they are able to produce mass products at competitive price. Whereas Thailand produces silk in small scale and seems to target more to tourists in Thailand.

> *"Thai silk is produced in limited quantities and is sold to tourists (fabric and garments). Often raw material (fabric) is purchased by Thai processors in China or in India." (Serica, Italy)*

Italy is one of the main silk processors in Europe, hence, they typically import raw silk and silk yarn to dye, print and process for variety of silk-end products. Italy has a wide silk production-chain with several firms mostly located in Como province. In Italy, statistics show that there are few raw yarns and fabric imported from Thailand. The bulk of imports of raw silk products are from China. India despite its large production doesn't export a lot of products. Brazil amount to 3% of total imports.

> *"Italy and Como in particular produce all range of possible silk end products (garments, products for interior design, industrial applications" (ITA-SILK-02, Italy)*

France is another country with a considerable silk processing industry. French respondents are organized with just three major importers of Chinese silk fabric that supply a well organized downstream processing and trade chain. The imports of Thai silk are very few. The processing is highly specialized but limited for investments in new technologies and the number of processors is very limited. Some processing operations are outsourced to Italy.

Main silk products in UK are raw and unfinished materials, fabrics and garment. In UK, there are four major importers of silk (James Hare in Leeds, Henry Bertrand in London, Pongees in London and Bennett Silks in Manchester). The main suppliers are from India and China respectively. The volumes imported from Thailand are minimal. In general UK players import silk and re-export all over the world through a network of agents. The processing operations in UK are minimal

as raw silk printing or drying. Main buyers are small bridal shops, lingerie producers and interior designers.
Silk products (fabric and home decorations) are distributed though several trading channel; importers-wholesalers-shops (retail shop, large retail, ethnic sales points). Fabric is sold through selection from sample catalogues and delivery in few days. These sales points are able to propose a range of products of different origins most suitable for the final usage by the customer.

4.2 Perception toward Thai silk fabric and final products

Thai silk is perceived as a good quality product but expensive in comparison with competitors like Indian or Chinese silk. Therefore, Thai silk is mainly used for dress wear but not for interior design (which is a growing segment in the market at the moment). This higher price comparing to competitors (for commodity products) is big drawback of Thai silks besides the lack of knowledge of products in the market.

> *"It [Thai silk] is good quality, but pretty expensive." (Bennett Silk, UK)*

> *"We only buy Thai silk suitable for dress wear. We don't buy any silk from Thailand to go in any of our interior collections. The reason for that is, it is very expensive in comparison with Indian silk…. which is possibly not as good. It is expensive... It is not [just] perceived to be, it is [expensive]."(James Hare, UK)*

4.2.1 Strengths of Thai silk

Thai silk fabric is perceived as a high quality product with its own weaving characteristics which can be easily identified from other origins. The style and design of fabric of Thai garments are well differentiated by other Asian producing countries and are appreciated by customers.

> *"Thai silk has its own characteristics… You can't just replicate Thai silk. I think the Thais spin their yarn...and somehow or other they [the Thais] produce [silk of] their own characteristics." (James Hare, UK)*

> *"I do think they [consumers] perceive Thai silk as being a little bit different, a little bit special, possibly worth a bit more".(James Hare, UK)*

4.2.2 Weaknesses of Thai silk

There are several weaknesses that require improvement not only the products' characteristics itself but also price, availability of products, packaging, suppliers and business relations as well. A short overview of them is presented below.

- **Thai silk yarn is not suitable for European industrial weaving** because they required silk fabric with 130-140 cm width. Silk fabric made for the Japanese market (112 - 114 cm width) is not suitable to the EU markets. Therefore, Thai silk is mainly used for scarf or dresses, not in processing.

"Minimum fabric width for interior decoration (e.g. curtains, furniture covers) is 130 cm and for garments is 140 cm to be traded in EU markets" (Morel-Journel, France).

In addition, European market has already got used to the Chinese standard for raw silk and cocoons which are whiter and bigger than the Thai's. However, we consider that these characteristics may be useful to differentiate Thai silk from commodity products but proper information provision and marketing strategy are strongly required.

"Thai cocoons are more yellow and smaller that the Chinese ones and so yarn is shorter (also less regular) than the Chinese one resulting to not be in demand by modern industrial weaving of Lyon or Como". (Morel-Journel, France)

- **Thai silk is more expensive in comparison to competitors.** All respondents expressed that Thai silks do have high quality but they are too expensive. Therefore, actions should be undertaken in order to try to employ quality- price-ratio.

"I think they have the capacity, I have seen some beautiful cloths produced by our guy [Thai manufacturer], but they are terribly expensive." (James Hare, UK)

- **Thai suppliers do not have enough business networks with European importers and distributors** which is an important reason why European operators decided to import silk products from other countries besides the reason above. In addition, the product is unknown and Thai exporters do not promote the Thai quality and origin enough.

“We don’t do a lot of business with Thailand really. We have one product from Thailand that we call ‘Thai Silk’” (Bennetts Silk, UK))

“We have never really had contact with Thailand. They have never been to see us, never sent us any samples, or anything. We have never seen them at any trade shows. It is one factory that we use for one product, for one customer” (Bennetts Silk, UK)

- Some respondents showed their worry about **the availability and consistent supply from Thai suppliers**. The importers and distributors want to make sure that the suppliers are able to provide products for them in volume at the right time. They thought that Thai suppliers may have problem in this regard because of domestic consumption and most of Thai silk goes to the tourist market in Thailand.

“*Sales to Tourists are an opportunity but also a weakness because Thai exporters may divert from their export obligation to the satisfaction of tourists demand affecting long term opportunities with importers.”(Serica, Italy)*

- A UK trader was impressed by **the speed and shortness of order cycle** and speed of delivery of Chinese suppliers in comparison with Thailand, which was seen to be slower.

“One thing I can say [with regard] to Thai silk is that it takes them quite a long time to produce the goods. Compared with the Chinese... I try to have one shipment a month [from a supplier]. So production is about four weeks lead time [in China]. In Thailand it is about eight [weeks]. This can make a difference.” (Bennetts Silk, UK)

- **The packaging of Thai silk is not good enough** and should be improved since European consumers also pay attention in packaging design. Thus, some competitors with lower quality but good packaging and good presentation could get more attention from customers.

“The packing [of Thai silk] is awful. The company that we dealt with, the way they packed goods was not high quality. It should be done [packed] in proper cartons.” (Sethi Silk, UK)

In conclusion, silk from Thailand is perceived as quality product however it has lower competitiveness in comparison to the ones from China, India and other emerging countries such as Brazil and Vietnam because of high price and the characteristic of Thai silk itself, which is not suitable for European industrial production. This indicates that Thai silk currently does not have a good opportunity in the commodity market.

However, a chance may exist in the niche market for differentiated Thai traditional products since the respondents highlighted that the style and design of Thai silk fabric is well differentiated from other Asian producing countries and are appreciated by customers. The high level of communication and proper marketing strategies are crucial and other aspects the respondents mentioned such as business relationships, consistent of supply, packaging should be improved as well.

4.3 Expectation and requirement for silk fabric and final products

Silk industry requires '**quality**', '**volumes**' and '**consistency of supply of standard quality products**'. These requirements (that are basic requirements for all industrial and trade sectors) are not granted by Thai silk producers and should be considered as pre-condition before planning export activities or supplies, to avoid creating a general mistrust of importers across the whole Thai silk sector. Thai silk industry is more similar to handicraft than to industry.

Customers in general are not interested about the origin of silk. Since there is awide range of silk final products (e.g. bridal dress, lingerie, bags, shoes, curtains, home decorations, etc.), importers and operators will select silk fabric which is fit to produce particular types of products.

> *"No, the origin does not make any difference at all, only that the fabric produced in whatever country is suitable for the trade we are aiming for." (James Hare, UK)*

> *"[Thai] silk producers propose only few models and designs of Thai tradition products to the global market while the market is always looking for novelties and innovations." (FRA-SILK-02, France)*

There are no particular issues raised by interviewees concerning trade and duty matters for silk and the product is seen as regular and straightforward to deal with by importers.

> *"If it is hand woven, there is a quota and it comes in duty free. If it is not hand woven there is a duty of 6.9%." (James Hare, UK)*

However, one interviewee in the UK was very concerned about what they considered to be illegal and unethical practices by Chinese traders operating in Europe which contributed to the loss of valuable re-export market to mainland Europe from the UK.

4.4 Attitude toward silk fabric and final products with organic or natural textile certification

The knowledge of natural/ organic textile certification is highly variable among silk stakeholders. Some have knowledge about this certification [e.g. GOTS] whilst many people have not known it before. In general GOTS is not so relevant to daily business and it is perceived more as a marketing tool than a real requirement, or trend.

> *"It [organic standard] may have a 'foot in the door' marketing-wise, but don't think at the moment it is relevant to be perfectly honest." (James Hare, UK)*

> *"I have never heard of GOTS in 20 years of buying the silk. If it were relevant I should have heard of it." (Bennetts Silk, UK)*

Similarly, nobody knows or considers relevant Peacock silk from Thailand. Peacock standard is not known by consumers and by the majority of operators of silk sector and is not clearly associated to Thailand. A strong communication strategy has to be planned to reach results in EU in term of increased knowledge and demand by consumers. However costs benefits ratio has to be carefully considered, especially in consideration of potential volumes that Thailand is exporting and it would be willing to export to EU and the position of competitors (e.g. China, India, and Vietnam).

All respondents agreed that this standard has no impact on the silk business at all due to the economic recession situation. Today, the price of silk is dramatically increasing and the trend is to increase more; thus, the organic standard, which would amount to increased silk cost would not be of interest at the moment, although it could be an investment for the future.

> *"It [organic standard] has had no impact whatsoever. You could say that we have up to 10000 customers. But it is not something that anyone is asking... I think at the moment [during harsh economic times] that would be completely out of the question." (James Hare, UK)*

> *"Importers and distributors are scared to buy natural / organic products because are not sure to sell it; especially fabric for furniture. Consumers' have a positive attitude toward organic garments and trust the certification by international certification bodies."(Morel Journel, France)*

4.5 Attitude toward Thai silk fabric and final products with natural/organic textile certification

There are no products available in the market, so they have no comments on this topic. In addition, the majority of respondents are not interested in the organic textile standard so they do not express any idea about it. We may say that there is no much chance for Thai silk fabric and final products with natural/organic textile certification because there is no developed market for this type of products yet. However there is an opportunity that has to be explored because fashion creators are always looking for novelties.

> *"Opportunities exist at level of fashion designers always looking for novelties and innovation either at materials or style level. (Morel-Journel, France).*

4.6 Suggested marketing strategies for Thai silk fabric and final products

Under this topic, the respondents gave some suggestions for Thai silk fabric and final products.

> *"Opportunities exist for well identified and characterized / recognizable products of Thai style such as colors or original / typical Thai weaving to produce fabric (not classic weaving e.g. crepe de chine, tulle, mousseline):*
>
> *a) Colored yarn for furniture fabric for interior decoration because the imperfections of Thai yarn could be acceptable while the processors of*

yarn to produce fabric for garments are used with synthetic yarn that are always more regular than all natural fibers.

b) Original Thai fabric for interior decoration (e.g. curtains, furniture covers). Minimum 130 cm wide.

c) Typical / traditional Thai-style garments to be made in Thailand for EU markets. The look should be Thai and not "Asiatic" as China for Asiatic type garments is cheap.

d) Typical / traditional Thai-style fabric (wide more 140 cm, traditional colors, traditional style) for garments to be made in PAM EUROMED area for EU markets. In those countries there are no specific taxes and can be traded in Europe as Made in Europe."

(Marcel Journel, France)

- Information, public relations and communications are crucial
- Promoting products by participating Trade Fair events are urgently needed

"I think firstly to try and market themselves better. I have never personally seen a Thai silk manufacturer here in the UK for so many years."(James Hare, UK)

- Creating a good reputation of Thai silk to stay in high-end market. However, quality-price ratio is very important, high quality with reasonable price is probably the dominant expectation for Thai silk

"You can build on a good reputation and Thai silk has a good reputation. People are prepared to pay more for it, but perhaps not too much more. If you have a good name on top of that, like Jim Thompson [Thai silk company in Thailand, UK and global] [it may be an advantage]. They [Jim Thompson] are the quality, up market face of Thai silks throughout the world and certainly their Thai silks are not cheap at all. They can get the price [command a price premium for their products], so maybe other people could." (James Hare, UK)

Future marketing strategies for Thai silk would have to begin with providing business customers with a sound reason to switch business partners. Despite high prices of silk, the UK importers, for example, were not sufficiently motivated to actively search to switch suppliers and were generally happy with the people they dealt with (for example, in China and India). Thai silk was considered good quality, but perhaps not sufficiently better to warrant a change in suppliers and other issues would have to be taken into consideration such as delivery and packaging issues, service levels and industry marketing presence.

5. Conclusions and Recommendations

This chapter is divided into two sections: in the first section we summarize the main results from the survey and literature review and in the second section the researchers provide recommendations for Thai silk operators in order to enhance the competitiveness of Thai silk products in the European market. However, it should be noted that conclusive recommendations cannot usually derived by qualitative research approach.

5.1 Summary of the main results

China plays the key role in European silk industry, following by India and emerging countries such as Brazil and Vietnam in the last few years. Thailand plays a marginal role in the EU market. Competition among suppliers is high and particularly affects the following aspects: price, supply availability, fashion trends, selling system (based on fabric catalogues managed by importers/wholesalers), and technical characteristics (width of fabric, etc).

In a generalized economic recession situation the importers, distributors, processors and consumers are more price sensitive, therefore, price competitiveness is very important for commodity silk products. Nevertheless, there is also a differentiated niche market for novel products either in terms of fabric or final garments especially in ethnical fashion design and home decoration which is a small segment but it could make up for the size by premium price. Thai suppliers should pay close attention to this market since Thai silk could not compete by price through commodity products.

The most relevant points elicited from the interviews are listed as follows:

- **Thai silk is perceived as a high quality product** with its own characteristic which is different and can be distinguished from others easily. In this regard, '**Thai traditional silk**' have positive characteristics such as different, unique, and higher quality, which may give value added to the products.
- **Thai silk is very expensive** in comparison to other competitors which makes Thai silk less competitive in the commodity market.

- **Lack of knowledge and low availability of Thai silk in the EU market**, thus, Thai silk is less known among importers, distributors and consumers than Chinese or Indian ones.
- **Thai silk characteristics is not compatible to European weaving industry** - the fiber usually used in the EU industry is long fiber, white colour and silk fabric with 130-140 cm width. It should be noted that different characteristics of Thai silk from others could be **drawback for industrial input and commodity products** ***but*** it could be also **benefit if it is presented as traditional or in the form of innovative products**.
- '**Quality**', '**quality-price-ratio**', '**volume**', and '**consistency of supply of standard quality products**' are the main elements the importers and distributors employ to select silk suppliers. 'Quality' of silk depends on the utility of materials (to make final products).
- '**Business relations**' and '**communication**' are clearly relevant to importer's decision about suppliers.
- **Building of business networking with European operators and attending international fair trades** are urgently required for Thai exporters.
- **Investing in promotion of the Thai silk is crucial.** Information provision and high level of communication are necessary to promote the products and create consumer awareness.
- **Natural or organic certification such as GOTS** appear not to be a key element for silk business at the moment, perhaps because silk is already perceived as a natural product. However, there may be an opportunity for this product in fashion segment because fashion creators are always looking for novelties and new trends.
- '**Peacock seal**' is basically unknown even among the professionals (importers, shop keepers) in the sector.

5.2 Recommendations

In order to introduce and promote Thai natural silk in Europe there are many aspects to be considered. It should be noted that the suggestions under this topic are solely our ideas and opinions; therefore, they are not necessarily to be the same as the interviewees'.

- To increase the commercial network with European importers and wholesalers because they have the power to select and distribute products in the EU market. For instance, improving relationship with importers by visiting to EU or organising European customers' (importers and distributors) visit to Thailand.

- To contact EU partners who may be able to enhance value of Thai silk such as the fashion sector (ethnic fashion, designers, etc.)
- Currently there is no chance for mass or mainstream products since China, India, Vietnam and Brazil are in a better position for (lower) price, supply availability and business networks. Therefore, it could be better to offer special types of silk that clearly differentiates by characteristics and definitions.
    - This product has to be different (e.g. Thai traditional artisan products) from general silk products in the EU market in order to differentiate Thai silk from competitors and to get into lucrative niche market to compensate the higher price of products.
    - Fair Trade may be a useful element to add value to Thai silk since silk is a typical product produced in a traditional way in a rural area of Thailand, and the Fair Trade brand is familiar to both consumers and operators. However, this element was never mentioned by the operators we interviewed.
    - Although still unknown on the market, 'Peacock' brand may be a way to communicate with customers and to provide a link between product and country of origin. However, investment, promotion and proper marketing strategy are strongly required to build any brand. In addition, the opportunity to convert this "brand" into an officially recognized GI could be considered. GIs in general are definitely more familiar to many consumers, although for a specific GI (e.g., "Kalasin silk") huge investments would be necessary to make the European consumer/operator familiar with this GI label.
    - There may be a chance to use country of origin, since Thailand has a positive image as a country, to promote Thai silk fabric in Europe in special sectors, e.g., for the bridal dress sector.
    - There may be a chance to use 'organic certification' to value enhancing of natural color yarn to be woven and printed in Europe. Organic silk is presumably a very small niche market for consumers who want to have special life-style. Therefore, there is probably no room for organic silk in the mainstream business at the moment. However, since this is a clear trend in other industries, it is worth to note that on this matter operator's opinion may be conservative and a consumers' attitudes survey may provide better understanding.

In conclusion, Thai exporters have to design a global and comprehensive strategy before deciding to enter the EU market. Once a dcision is made whether to focus on specific attributes such as Country of Origin or Brand (Peacock brand) or Fair Trade or Organic, then, appropriate marketing actions should be planned to introduce and promote this product in the market. The marketing actions focused on the well-known 4P elements (product, price, place, promotion) should be consistent with the penetration strategy adopted.

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6.2 Online publications and materials

http://ageconsearch.umn.edu – Research in Agricultural & Applied Economics.

http://www.emeraldinsight.com/ - Emerald Insight

http://www.ingentaconnect.com/ - Ingenta connect

http://onlinelibrary.wiley.com/ - Wiley Interscience

http://online.sagepub.com/ - SAGE Journals Online

http://www.sciencedirect.com/ - Science direct

http://www.scopus.com/home.url - Scopus

http://springerlink.metapress.com/ - Springer Link

http://www.buyusa.gov/france/en/202.html - Buy USA, American site on Textiles - Best Prospect 2010

http://ec.europa.eu/enterprise/sectors/textiles/documents/index_en.htm - European Commission, Enterprise and Industry Textile , directive and market

http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home - Eurostat database

http://www.euratex.org/ - The European Apparel and Textile Confederation

http://www.global-standard.org/ - GOTS Global Organic Textile Standards

http://www.inserco.org/uk/Stats2.UKImportExport.From2000to2005.php?rub=2 - International Sericultural Commission

http://www.reportlinker.com - Report Linker, English site, Reportlinker finds all industry reports, company profiles and market statistics published by Public Organizations (Embassies, Governments, Trade unions)

http://www.silk.org.uk/- Silk Association of Great Britain. The UK Silk Industry

http://www.textile.eu/ - Union des Industries Textiles, France site on textile market

http://www.thaisilkevent.com - Thai silk: Cultural Heritage, Thai Silk Fabric Certification Mark : The Royal Peacock

6.3 Major trade shows

- **Premiere Vision-France** (Twice a year)
  Date: 20-SEP-11 to 22-SEP-11
  Website: http://www.premierevision.fr
  Premiere Vision is regarded as one of the world's largest Textile and fabric shows. The show is an awaited event of the Apparel and fashion industry. The event will showcase around 700 weavers from 28 countries across the world. The show is held twice a year and showcases the most creative fashion designs from across the world. The event will also have inspirational films, audio-visual presentations and fashion seminars to assist the professionals.
  Venue: Paris Nord Villepinte, Paris, Ile-De-France, France
  Exhibitors: 736+
  Visitors: 50,000
  Organizer: Premiere Vision
  20, Boulevard Eugene Deruelle, 69432 Lyon, Cedex 3, France
  Tel:+(33)-(4)-72606500
  Fax:+(33)-(4)-72606509

- **TEXWORLD** (Annual)
  Date: 19-SEP-11 to 22-SEP-11
  Website: http://texworld.messefrankfurt.com/paris/en/visitors/welcome.html
  The **TEXWORLD** event is the synonym of traditional yet fashionable clothing and being organized by Messe Frankfurt GmbH France. It is one of the highly eminent events for the garment sector.
  For the 4 day session, **TEXWORLD** is going to be known as a highly professionalized platform for attracting numerous manufacturers, retailers, and wholesalers from across the globe.
  Venue: Parc des Expositions Paris Le Bourget, Le Bourget, Seine-Saint-Deni, France
  Exhibitors: 880+
  Visitors: 14764+
  Organizer: Messe Frankfurt France S.A.S.
  1, Avenue De Flandre, Paris, France
  Tel:+(33)-(155)-268989
  Fax:+(33)-(140)-350900

- **Techtextil Frankfurt** (Biannual)
  Date: 24-MAY-11 to 26-MAY-11

Website: www.techtextil.messefrankfurt.com/frankfurt/en/aussteller/willkommen/erleben.html
Organized by Messe Frankfurt GmbH at Exhibition Centre Frankfurt, Ludwig-Erhard -Anlage 1, Frankfurt/Main, Hessen, Germany. The Techtextil Frankfurt is acknowledged as one of the pivotal fair for showcasing technical textiles and non-wovens. The show is aimed towards exploring new materials and concepts related to technical textile industry.
Venue: Messe Frankfurt, Frankfurt, Hessen, Germany
Exhibitor: 1,195
Visitors: 23902+
Coverage Area: 55,000 Square Meter
Organizer: Messe Frankfurt Exhibition GmbHContact
Ludwig-Erhard-Anlage, 1, Frankfurt, Germany
Tel:+(49)-(69)-7575000
Fax:+(49)-(69)-7575643

- **Tissu Premier** (Twice a year)
  Date: 05-JUN-11 to 16-JUN-11
  Website: http://www.tissu-premier.com
  Tissu Premier is an excellent venue to hold business meetings with domestic and foreign traders, to strengthen the company's position on the market and to present collections.
  Venue: Lille Grand Palais, Lille, Nord-Pas-De-Calais, France
  3,900 European visitors (decision-makers, buyers and stylists)
  120 international exhibitors (woven and knit specialists, printers, fabric designers and accessories suppliers/ Specializing in fabrics and accessories for Ladies' ready-to-wear / Menswear/ Childrenswear / Casualwear, targeting the requirements of multiple retailers.)
  21 countries (84% Europe, 14% Mediterranean, 2% Asia-Indian Ocean)
  Organizer: Eurovet
  37/39, Rue De Neuilly, BP 121, Clichy Cedex, France
  Tel:+(33)-(1)-47563232
  Fax:+(33)-(1)-47563299

- **Milano Unica** (Annual)
  Date: 13-SEP-11 to 15-SEP-11
  Website: http://www.milanounica.it/
  Milano Unica is one of the top events which will cater to the European fabrics and accessories. This event will feature with women and men's wear production collection as well. It will be its 13th edition. The show will showcase complete range of products and services.
  Milano Unica is a biggest event which deals with the finest quality products from Italy and Europe. In the show, world acclaimed manufacturers and companies of Italy and Europe will demonstrate their latest and innovative

product line in the show. This expo will be a great networking place for the new companies to establish themselves on international level.
Exhibitors: 400+
Venue: Fiera Milano, Milan, Lombardia, Italy
Organizer: Ascontex Promozioni Srl
Viale Sarca, 223 -, Milano, Italy
Tel:+(39)-(2)-66103838
Fax:+(39)-(2)-66103863

- **Touch Moda In** (Annual)
  Date: 13-SEP-11 to 15-SEP-11
  Moda In was founded in 1984 by the Italian Textile Association and the Italian Federation of Various Textile Industries and Hats. The next edition of the trade fair will be held in September. The trade fair is subdivided into 4 specific departments: Leisure, fabrics for sports and casual wear; Fancy, fabrics for women's apparel, knit fabrics and elasticized fabrics; Accessories, fashion complements; Infostile, press office and related services.
  Venue: Fiera Milano, Milan, Lombardia, Italy
  Organizer: Ascontex Promozioni Srl
  Viale Sarca, 223 -, Milano, Italy
  Tel:+(39)-(2)-66103838
  Fax:+(39)-(2)-66103863

- **Expofil** (Annual)
  Date: 20-SEP-11 to 22-SEP-11
  Website: http://www.expofil.com/index_en.html
  The exhibition helps to define yarn collections by supplying details of trends to exhibitors at the start of each season. It plays an active part in disseminating new products, new ideas and technologies by showcasing developments in textiles and finished products brought about in partnership with fashion creators and representatives from across the industry.
  Venue: Paris Nord Villepinte, Paris, Ile-De-France, France
  Exhibitors : 40
  Organizer: Expofil
  37/39, rue de Neuilly, B.P., Clichy Cedex, France
  Tel:+(33)-(1)-47563163
  Fax:+(33)-(1)-40871622

- **INDEX-Worlds Leading Nonwovens Exhibition** (Triennial)
  Website: http://www.index11.org/en/
  Date: 12-APR-11 to 15-APR-11
  INDEX-Worlds Leading Nonwovens Exhibition is the world's leading nonwovens exhibition. Bringing together key players from every dimension of the innovative world of nonwovens - it unites leaders in all spheres of

manufacturing, machinery, and raw materials supply with leading industry decision-makers, top purchasing and sales professionals and key marketers.
Venue: GENEVA PALEXPO, Geneva, Switzerland
Exhibition area: over 50,000 square metres
Organizer: EDANA
Avenue Eugene Plasky, 157, Brussels, Belgium
Tel:+(32)-(2)-7349310
Fax:+(32)-(2)-7333518

- **TEX-STYLE**
  Date: 01-MAY-11 to 03-MAY-11
  TEX-STYLE event is a well known event in the fashion industry. It will be one of the dazzling events and will showcase trendy range of clothes, lingerie, clothing accessories, footwear, leather and textiles on a single stage. Lingerie, swimwear and related fabrics and accessories are the major brands which will be showcased at the event. Small and new companies will get a perfect occasion to showcase their innovative collection at the international level and establish them at global scale.
  Get to know about the latest market trends and innovative brands are the foremost objectives of the show. Eminent and world famous brands will demonstrate their brands at the TEX-STYLE expo.
  Venue: Poznan International Fair Grounds, Poznan, Poland
  Organizer: Poznan International Fair Limited
  Glogowska Street 14, Poznan, Poland
  Tel:+(48)-(61)-8692000
  Fax:+(48)-(61)-8665827

- **Fespa Fabric** (Annual)
  Date: 24-MAY-11 to 26-MAY-11
  Website: www.fespa.com/fabric/
  Fespa Fabric is the International Textiles, Yarn, Fabrics & Allied Industries Exhibition. Being organized by FESPA, the event will be held in Hamburg, Germany and will showcase Decorative Accessories, Fabric, Floral, Furniture, Garden District, Gifts, Gourmet, Home Textiles.
  Venue: Hamburg Messe und Congress, Hamburg, Germany
  Exhibitors: 380
  Visitors: 12,500+
  Organizer: FESPA
  7a West Street,, Surrey, United Kingdom
  Tel:+(44)-(1737)-240788
  Fax:+(44)-(1737)-240770

- **Texprocess**
  Date: 24-MAY-11 to 27-MAY-11

Website: http://texprocess.messefrankfurt.com/frankfurt/en/aussteller/messeprofil.html
Texprocess is 4 days show for Processing Textile and Flexible Materials. Being hosted by Messe Frankfurt Exhibition GmbH at Frankfurt Exhibition Grounds, Germany, the show is directed towards providing a single most platform for showcasing Automation technology for the garment and textile processing industries, CAD/CAM, information technology, Cutting, Design and product development, Distribution logistics and many more.
Venue: Frankfurt Exhibition Grounds, Frankfurt, Hessen, Germany
Organizer: Messe Frankfurt Exhibition GmbH
Ludwig-Erhard-Anlage, 1, Frankfurt, Germany
Tel:+(49)-(69)-7575000
Fax:+(49)-(69)-7575643

- **Texpo Eurasia**
  Date: 28-MAY-11 to 31-MAY-11
  Texpo Eurasia 2011 is the 28th edition of the Turkish fair dedicated to the Fabrics & Textiles. The fair encompasses areas like Woven, Yarn, Finishing, Knitting, Embroidery, Hosiery Machines, Side Industries and Chemicals. Texpo Eurasia has been organized by Tuyap Fairs and Exhibitions Organization Inc. over duration of 4 days. The tremendous success of last year's event which saw the participation of over 394 exhibitors from 25 countries and over 23 thousand visitors from 41 countries makes it highly anticipated within the trading circles. The event is of great importance for those who are looking for an international platform to launch their new products. Texpo Eurasia will not only serve as a business platform but it will also act as the forum for discussions for the entire industry.
  Venue: Tuyap Fair Convention & Congress Center, Istanbul, Turkey
  Organizer: Tuyap Fairs and Exhibitions Organization Inc.
  Tuyap Fuar Ve Kongre Merkezi, E-5 Karayolu, Gurpynar Kavpaoy , Beylikduzu,
  Istanbul - 34522., Turkey.
  Tel: +(90)-(212)-8866843
  Fax: +(90)-(212)-8866243

- **THEKEY.TO** (Annual)
  Date: 07-JUL-11 to 09-JUL-11
  Website: http://thekey.to/
  THEKEY.TO is an International event for ***green fashion sustainable lifestyle and culture in Germany***. The trade show exhibiting the most innovative and sophisticated environmentally and socially conscious brands during Berlin Fashion Week. Moreover it provides a platform for the exchange of information, professional networking among international experts, green visionaries and fashionistas.

Industry: Apparel & Clothing
Venue: Columbia Halle, Berlin, Germany
Organizer: Green Affairs
Ganghoferstrasse 2, Berlin, Germany
Tel:+(49)-(30)-68409754

- **The Brandery Trade show** (Annual)
  Date: 13-JUL-11 to 15-JUL-11
  Website: http://www.thebrandery.com/
  The Brandery Trade show is a reputed event, leading show of contemporary fashion, Fabrics & Textiles. Being convoked at Merchandise Mart, it is one of the most awaited show which will offer enormous opportunities for Garments & Textiles, Fashion Accessories industry. For 3 days, it will be organized by Fira De Barcelona and will offer viable platform for showcasing Casual Wear, Evening Wear, Wedding Gown & Accessories, Batik, Silk, Knitting textiles and varied other items.
  Venue: Fira De Barcelona Montjuic, Barcelona, Spain
  Exhibitor: 147 companies
  Visitors: 16,500+
  Organizer: Fira De Barcelona
  Av. Reina M., Barcelona, Spain
  Tel:+(34)-(3)-2332200
  Fax:+(34)-(3)-2332001

- **Direction by Indigo Paris** (Twice a year)
  Date: 20-SEP-11 to 22-SEP-11
  Website: http://www.indigo-salon.com/ipa/index.php?page=02&lang=en
  Direction by Indigo Paris is a leading international exhibition specialized in textile design and creation. With three editions per year, two for the fashion market and one for the furnishing one, Indigo offers to its exhibitors and visitors events to be inspired and prepare collections, get information on trends, and carry business between professionals.
  Venue: Paris Nord Villepinte, Paris, Ile-De-France, France
  Organizer: Premiere Vision
  20, Boulevard Eugene Deruelle, 69432 Lyon, Cedex 3, France
  Tel:+(33)-(4)-72606500
  Fax:+(33)-(4)-72606509

- **MARCHE DU TISSU** (Annual)
  Date : 2011, 13rd april
  Namur, Belgium
  Website : www.stoffenspektakel.nl/home
  Exhibitors: 33
  Visitors : 55792

Nous sommes une organisation que les tissus - Evénements et organisation des marchés. Avec plus de 50 participants - les marchands, chacun avec leur propre style dans les tissus. Quelque chose comme un salon mondial des tissus, mais pour les consommateurs.

- Lingerie trade show –http:// www.lingerie-paris.com

- Paris Mode City (lingerie, swimwear and fabrics) - http:// www.mode-city.com

- Inters Selection trade show (International fashion exhibition for multiple retailers) - http:www.interselection.net

- Women's wear trade show – http://www.pretaporter.fr

- Who's Next trade show (International Fashion Show) – http://www.whosnext.com

6.4 Key public and private sector players

France

- France Union des Industries Textiles – U.I.T. (Textile Trade Association) http://www.textile.fr1

- Union Française des Industries de l'Habillement – U F I H (French Trade Association for apparel industries) http://www.ufih.fr

- Centre de Renseignements Statistiques des Douanes (French Customs Authorities – Statistical Data) http://www.douane.gouv.fr

- Union des Industries Textiles, France site on textile market -http://www.textile.eu/

- **DEVEAUX SA**
  La Pont de la Cote – 69240 Saint Vincent de Reins, France
  (+33) 0474 896968
  www.deveaux.com com@deveaux.com
  Deveaux S.A. is Europe's number three leading manufacturer of textiles. The company manufactures nearly all of the major categories of textiles, from its core dyed-weaving fabrics to printed and plain fabrics, knitwear, toweling fabrics, and woven fabrics.

Italy

- Sistema Moda Italia – Federazione Tesstile e Moda - http://www.sistemamodaitalia.com

- Camera nazionale della moda italiana (Italian Fashion Chamber) - http://www.cameramoda.it

- CENTRO TESSILE SERICO
  Via Castelnuovo, 3 – 22100 Como, Italy
  (+39) 031 3212102
  www.textilecomo.com
  mailbox@textilecomo.com
  Centro Tessile Serico is a nonprofit, public-private joint venture company offering support services for diffusion and development of production activities in the textile-clothing system.
  Since 1983 It has operated as a qualified instrument for growth in textile culture and for safeguarding the industrial, crafts, commercial and professional heritage of this geographical area, providing targeted services in line with the changes and needs of the market.

- SERI.CO S.p.A.
  22100 Como, Italy
  www.seri.co.it
  consulenza@textilecomo.com
  Since 1983 Centro Tessile Serico, owner and manager of Seri.co trademark, is a non-profit, public-private joint venture company offering support services for diffusion and development of production activities in the textile-clothing system.

- SERICA TRUDEL S.p.A.
  Via Attilio Lenticchia, 25 – 22100 Como, Italy
  Mr. Giorgio Viganò
  (+39) 031593504
  www.trudelseta.it
  Silk production and trade, Swiss importer Company

- ONGETTA S.r.l.
  Via A. Dalla Torre, 5 – 31047 Ponte di Piave TV Italy
  (+39) 0422 852178
  www.ongetta.it ongetta.yarns@ongetta.it sales@ongetta.it
  The company is specialized in silk thread twisting, of which has been a family tradition since the beginning of the 1900’s. Currently, the company is placed in the upper ranks at the national level.

- AUTIERO MARIA – MERCERIE
  Via G. Bruno, 165 – 80122 Napoli Italy

(+39) 081 8272064
Silk trade, importing

- SAKKIS ITALIA S.r.l.
  via Bernardino Zenale, 13 – 20123 Milano, Italy
  (+39) 02 48016682
  Import export textile agent

- CDM S.a.s.
  Via Petrarca, 18 – 22100 Como, Italy
  Mr. Sergio del Signore
  (+39) 031 309571
  sergio.delsignore@cdm-tex.it
  Textile Agency

- MY WAY S.p.A.
  Via Piemonte, 2 – 59100 Prato, Italy
  (+39) 0574 552811
  Import textile agent

- CAFISSI S.p.A.
  Via della Fattoria, 4 – 59100 Prato, Italy
  (+39) 0574 66591
  http://www.cafissi.it/gruppo.htm info@cafissi.it
  Wholesale trada textiles

- CATTANEO GIUSEPPE SUCCESSORI S.p.A.
  Via Galilei, 13 – 22032 Albese con Cassano CO, Italy
  (+39) 031 426046
  Textile and silk for clothing

- WALTER MIELI S.p.A.
  Via Fatebenefratelli, 3 – 20121 Milano, Italy
  (+39) 02 781831
  http://www.seri.co.it/en/directory/walter-mieli-spa
  filati@waltermieli.com
  Seri.co is a warranty trademark that guarantees the quality and the adherence to health and safety parameters of a fabric and its production system.

- SERICA DELLA MARCA S.r.l.
  Via Pedeguarda, 18 – 31051 Follina TV, Italy
  (+39) 0438 842401
  www.sericadellamarca.com
  baldazzi@sericadellamarca.com
  Serica della Marca making good use of it's centenary experience in the silk world

through it's own silk factory Tessitura Serica Trevigiana, produces silk and mixed materials of high quality and has the capability of accomplishing the entire productive process which transforms the thread into noble material.

- MANTERO SETA S.p.a.
  Via Volta, 74 – 22100 Como, Italy
  (+39) 031 3211
  www.mantero.com
  info@mantero.com
  Mantero is a leading company in creation, production and distribution of fabrics and accessories. The company boats an international clientele portfolio, from the world of luxury to fast fashion

- RATTI S.p.A.
  Via Madonna, 30 – 22070 Guanzate CO – Italy
  (+39) 031 35351
  www.ratti.it
  board@ratti.it
  Ratti Group is one of the leading companies in the international luxury textiles industry manufacturing fabrics and accessories for women, men and home furnishing.

- CANEPA S.p.A.
  Via Trinità, 1 – 22020 San Fermo della Battaglia CO, Italy
  (+39) 031 219111
  www.canepa.it
  info@canepa.it
  Canepa company in recent years has distinguished itself in the silk field, managing to consolidate its commercial contacts all over the world.

- GUARISCO INDUSTRIA TESSILE S.p.A.
  Via Statale dei Giovi, 66 – 22070 Grandate CO, Italy
  (+39) 031 399111
  www.guarisco.it
  Guarisco is now leader in distribution and production of scarves, fabric for ladies wear, and neckties. Guarisco is born as a textile's distributor and over time also acquired production expertise.

- MIROGLIO TEXTILE
  Strada Tagliata, 18 – 12051 Alba CN, Italy
  (+39) 0173 298111
  www.mirogliotextile.com
  textile@miroglio.com
  An international flagship shining throughout the textile sector since more than 60 years, with a multi-pronged offering that spans from yarns and plain or patterned printed fabrics to transfer paper.

- LISA CORTI HOME TEXTILE EMPORIUM
  Via Lecco, 2 – 20100 Milano, Italy
  (+39) 02 20241483
  www.lisacorti.com
  lisacorti@tiscali.com
  Home textile emporium also in Firenze, Roma, Madrid.

- SET, SOCIETA' EUROPA TESSILE S.p.A.
  Via dell'Agricoltura, 18 – Loc. Prato della Corte, 00065 Fiano Romano Roma
  (+39) 0765 4081
  www.set-spa.it
  set.spa@set.spa.it
  The company offer print items and plains to mix and match, living support and advice to our customers to create their collections.

- GALLUS S.p.A.
  Via Marescalchi Ferdinando, 11 – 20133 Milano
  (+39) 02 7381167
  commerciale@gallus.it
  Wholesale trade textiles.

- Certified products Companies, list:
  http://www.seri.co.it/sites/serico/files/download/127/ImpreseProdottiCertificati%2014.05.10.pdf

- Qualified Companies, list:
  http://www.seri.co.it/sites/serico/files/download/127/ImpreseQualificateSeri.co%2009.07.10.pdf

United Kingdom

- Silk Association of Great Britain
  http://www.silk.org.uk/
  3 Queen Square, Bloomsbury, London WC1N 3AR
  Tel: +44 (0) 20 7843 9460 Fax: +44 (0) 20 7843 9478
  E-mail: sagb@dial.pipex.com
  The Silk Association of Great Britain exists both to further the aims of the UK silk industry and more widely to promote silk in general. Membership of the association is open to all those involved in the UK silk industry. Membership currently includes raw material merchants, throwsters, dyers, weavers, printers, knitters, finishers, converters, garment manufacturers and retailers.

- James Hare
  http://www.james-hare.com/
  PO Box 72, Monarch House, 7 Queen Street, Leeds LS1 1LX UK
  Telephone: +44 (0)113 2431 204
  Fax: +44 (0)113 2347 648
  Email: sales@james-hare.com

- Henry Bertrand
  http://www.henrybertrand.co.uk/

- Pongees
  http://www.pongees.co.uk/

- Bennett Silks
  http://www.bennett-silks.co.uk/

Others

- International Sericultural Commission - http://www.inserco.org/

- The European Apparel and Textile Confederation - http://www.euratex.org/

- The organic silk company in Switzerland
  Alkena GmbH - http://www.alkena.ch/ALKENA_/alkena_.html
  Gempenstrasse 42a CH-4143 Dornach Schweiz
  Tel. +41 (0)61 706 90 90
  Fax +41 (0)61 706 90 98
  E-Mail info@alkena.com

- The organic silk company in Germany
  Christoph Fritzsch GmbH
  http://homepage.fritzsch.net/Ueber_uns/yOekologie?lang=en&kunde=blank

- KBC MANUFACTORY KOECHLIN
  Clara-Immerwahr Str. 3, D-79540 Lorrach, Germany
  (+49) 7621 413303
  www.kbc.de info@kbc.de
  The Manufactory Koechlin, Baumgartner & Cie. abbreviated KBC, is a German textile company situated in the tri-border area near the border of Switzerland, 10 minutes away from Basel and 1 hour from Zurich. KBC is Europe's most historically rich and important textile printing company.

6.5 Contact list

Sansio textile import&export Inc
Country: ***Italy***
Address: Via Del Pavione 10, Paderno 25050 Brescia
Web site: -
E-mail: -
Tel.: +39-030-6857300
Fax: +39-030-6577210

MA.AL.Bi. Srl
Country: ***Italy***
Address: Via Papa Giovanni XXIII 8/A, Cerrione - Fraz. Vergnasco 13882 Biella
Web site: www.maalbi.com
E-mail: maalbi@maalbi.com
Tel.: + 39 (0) 15 258 30 67
Fax: + 39 (0) 15 671825

Gimstock srl
Country: ***Italy***
Address: via A.Einstein 10/12, San Giovanni in Persiceto 40017 Bologna
Web site: http://gimstock.en.gongchang.com/
E-mail: info@gimstock.it
Tel.: +39 051 6810 183
Fax: +39 051 6810 183

Textile Business Group Imp-Exp
Country: ***Italy***
Address: Via Papa Giovanni 12, Sandigliano 13876 Biella
Web site: -
E-mail: -
Tel.: +39-328-9777-598
Fax: -

Silk Harbour
Country: ***Italy***
Address: C. So Mazzini 78, 48018 Faenza

Web site: www.manufacturer.com/company/i6138680-Silk+Harbour.html
E-mail: -
Tel.: +39-338-2270727
Fax: +39-0544-586507

Rola, Ind
Country: ***Italy***
Address: Via dei Serpenti 117, 00184 Roma
Web site: -
E-mail: -
Tel.: + 39-06-4819956
Fax: +39-06-97258007

Piero Tavecchia
Country: ***Italy***
Address: Via Soresina 12, 20144 Milano
Web site: -
E-mail: pierluigi.tavecchia@tin.it
Tel.: +39 0248 193 833
Fax: +39 0248 193 833

Centro Tessile Serico S.p.A. Cons.
Country: ***Italy***
Address: via Castelnuovo 3 , 22100 Como
Web site: www. Textilecomo.com
E-mail: gbaglio@textilecomo.com
Tel.: +39 031 3312120
Fax: -

Harem Srl
Country: ***Italy***
Address: Scafati
Web site: www.haremsrl.it/
E-mail: info@haremsrl.it
Tel.: +39 081 8567212
Fax: +39 081 8639358

SilkColour srl
Country: ***Italy***
Address: v. Clerici 5, Bulgarograsso 22070 Como
Web site: www.paginegialle.it/silkcolour
E-mail: g.giavini@silkcolour.com
Tel.: +39 031 9720601
Fax: +39 031 9720655

Silkin S.r.l.
Country: ***Italy***
Address: V. Nino Bixio 42, 20129 Milano
Web site: -
E-mail: -
Tel.: +39 022774101
Fax: +39 02 29409986

Silkomo S.r.l
Country: ***Italy***
Address: Strada Statale Briantea 10, Tavernerio 22038 Como
Web site: www.silkomo.it/
E-mail: -
Tel.: +39 031426996
Fax: +39 031360066

Silk Pro srl
Country: ***Italy***
Address: Via Leonardo da Vinci 12, Gironico Como 22020
Web site: -
E-mail: -
Tel.: +39 031552122
Fax: +39 031552067

Gruppo Importatori Tessili S.p.A.
Country: ***Italy***
Address: Centro Commerciale “IL GIRASOLE” , Unità di vendita n° 13, Lacchiarella 20084 Milano
Web site: -
E-mail: info@gitspa.com

Tel.: +39 02 90091509
Fax: +39 02 90091529

Oronotte
Country: ***Italy***
Address: via Belfiore 31/d - 23900 Lecco (LC)
Web site: www.oronotte.it
E-mail: contact@oronotte.it
Tel.: +39 0341 580951
Fax: +39 0341 1841372

Guarisco Tessile S.p.A.
Country: ***Italy***
Address: Strada Statale Dei Giovi, 66 - 22070 GRANDATE (CO)
Web site: www.gurisco.it
E-mail: marina.class@guarisco.it
Tel.: +39 031399111
Fax: -

LISA s.p.a.
Country: ***Italy***
Address: via per Fenegrò 26 Veniano (Co) 22070
Web site: www.lisaspa.it
E-mail: info@lisaspa.it
Tel.: +39 031 930730
Fax: +39 031 972740

SET Società Europa Tessile S.p.A.
Country: ***Italy***
Address: Via dell' Agricoltura, 18 - 00065 Fiano Romano (Roma)
Web site: www.set-spa.it
E-mail: set.spa@set-spa.it
Tel.: +39 0765 4081
Fax: +39 0765 408200

Gallus s.p.a.
Country: ***Italy***
Address: Via Isonzo, 36 - 21057 Olgiate Olona (Varese)

Web site: -
E-mail: commerciale@gallus.it
Tel.: +39 0331-376086
Fax: -

Miroglio Textile
Country: ***Italy***
Address: Strada Tagliata, 18 - 12051 Alba (CN)
Web site: www.mirogliotextile.com/
E-mail: textile@miroglio.com
Tel.: +39 0173 298111
Fax: +39 0173 363152

Sergio del Signore
Country: ***Italy***
Address: -
Web site: -
E-mail: sergio.delsignore@cdm-tex.it
Tel.: +39 0397 44091
Fax: -

Serica Trudel S.p.a.
Country: ***Italy***
Address: 25, Via Lenticchia Attilio 22100 Como (CO)
Web site: www.trudelseta.it/
E-mail: info@trudelseta.it
Tel.: +39 031-59 35 04
Fax: -

Ongetta s.r.l.
Country: ***Italy***
Address: Via A.Dalla Torre, 5 - Levada - 31047 Ponte di Piave (TV)
Web site: www.ongetta.it
E-mail: ongetta.yarns@ongetta.it
Tel.: +39 0422 852178
Fax: +39 0422 852031

Sakkis Italia
Country: ***Italy***
Address: Via Bernardino Zenale 13 - 20123 Milano (MI)
Web site: -
E-mail: -
Tel.: +39 0248012009
Fax: -

My way International S.p.A.
Country: ***Italy***
Address: Via Piemonte 2 Prato 59014
Web site: -
E-mail: -
Tel.: +39 0574 5521
Fax: -

Cafissi S.p.A.
Country: ***Italy***
Address: Via della Fattoria, 4 casella postale 69 - 59014 Tavola - Prato
Web site: www.cafissi.it
E-mail: info@cafissi.it
Tel.: +39 0574- 66591
Fax: + 39 0574 624 120

Successori Giuseppe Cattaneo S.p.A.
Country: ***Italy***
Address: Via Galileo Galilei 13 - 22032 Albese con Cassano (CO)
Web site: www.successori.it/
E-mail: clienti@successori.it
Tel.: +39 031 426046
Fax: +39 031 427307

Walter Mieli
Country: ***Italy***
Address: 38, Via Manzoni Alessandro 20121 Milan
Web site: -
E-mail: filati@waltermieli.com
Tel.: +39 02 781831

Fax: +39 0276006395

Serica della Marca
Country: ***Italy***
Address: Via Pedeguarda, 18 - 31051 Follina - (Tv)
Web site: www.sericadellamarca.com
E-mail: baldazzi@sericadellamarca.com
Tel.: +39 0438 842401
Fax: +39 0438 842402

Associazione Aziende Leader
Country: ***Italy***
Address: -
Web site: www.seri.co.it/
E-mail: consulenza@textilecomo.com
Tel.: -
Fax: -

Confindustria Como - Uff. seta
Country: ***Italy***
Address: Via Raimondi 1 22100 Como
Web site: www.confindustriacomo.it/
E-mail: g.tettamanti@confindustria.it
Tel.: +39 031 234280
Fax: +39 031234250

Jean Pierre Portier
Country: ***France***
Address: Rue Jeanne D'arc 14, 92310 Sevres
Web site: -
E-mail: jpaportier@wanadoo.fr
Tel.: +33 6186 22680
Fax: +33 1462 38155

Deveaux S.A.
Country: ***France***
Address: Le Pont De La Cote Saint Vincent-De-Reins 69240

Web site: www.fundinguniverse.com/company-histories/Deveaux-SA-Company-History.html
E-mail: -
Tel.: +33 4 7489 6968
Fax: +33-474-896 970

Coponat S.a.s.
Country: ***France***
Address: 68 RUE PT E HERRIOTBP 2564,FRANCE
Web site: -
E-mail: mr.honegger@coponat.com
Tel.: +33 0472777840
Fax: +33 472777848

La Soie Neyme S.A.S
Country: ***France***
Address: 135, rue de Billancourt - 92 514 Boulogne Billancourt cedex (France)
Web site: www.lasoie.com/
E-mail: commercial-france@lasoie.fr
Tel.: +33 01-41-10-43-60
Fax: +33 01 41 10 00 72

Bucol S.A.S.
Country: ***France***
Address: 4-6 rue Marius Chardon F- 69310 PIERRE BENITE
Web site: www.bucol.com/
E-mail: commercial@bucol.com
Tel.: +33 0472 821 939
Fax: +33 0472 821 930

Dutel S.A.S.
Country: ***France***
Address: 409, Rue des Mercières 69140 RILLIEUX-la-PAPE
Web site: www.dutelsa.com/index_dutelsa.html
E-mail: contact@dutelsa.com
Tel.: +33 472 01 47 47
Fax: +33 478 88 14 32

Manufacture Prelle
Country: ***France***
Address: 7 rue Barodet – 69004 Lyon
Web site: www.prelle.fr/
E-mail: info@prelle.com
Tel.: +33 472 10 11 40
Fax: +33 472 10 11 41

STMI S.A.R.L.
Country: ***France***
Address: 156, Chemin du Violet, Z.I. des Barillettes 73230 SAINT ALBAN LEYSSE
Web site: www.stmi-silk.com/
E-mail: info@stmi-silk.com
Tel.: +33 0 4 79 33 22 42
Fax: +33 04 79 33 21 92

ATELIERS A.S. S.A.
Country: ***France***
Address: 16, CHEMIN DES MURIERS 69310 PIERRE BÉNITE
Web site: -
E-mail: -
Tel.: +33 04 72 39 50 00
Fax: +33 04 72 39 50 21

Soieries Chambutaires
Country: ***France***
Address: 21, rue Lamartine 42140 CHAZELLES SUR LYON
Web site: -
E-mail: chambutair@aol.com
Tel.: +33 477 543 495
Fax: +33 477 942 539

G. Pétillault S.A.
Country: ***France***
Address: 2, Rue de la Paix 75002 Paris
Web site: -
E-mail: -
Tel.: +3301 42 61 58 45

Fax: +33 01 49 27 95 35

Tissages Chataignier S.A.S.
Country: ***France***
Address: 6, Boulevard du 11 Novembre 42380 Saint Bonnet le Château
Web site: -
E-mail: -
Tel.: +33 04 77 50 05 78
Fax: +33 04 77 50 04 43

Coponat S.A.
Country: ***France***
Address: 68 R DU PDT EDOUARD HERRIOT 69002 Lyon
Web site: -
E-mail: -
Tel.: +33 04 72 77 78 40
Fax: -

Préparation Textile Jean Monet S.A.
Country: ***France***
Address: PLACE DU CHAMP DE MARS 38110 DOLOMIEU
Web site: -
E-mail: -
Tel.: +33 04 74 88 09 22
Fax: +33 04 74 83 90 26

Morel Journel et Compagnie S.A.
Country: ***France***
Address: 20, RUE JOSEPH SERLIN 69001 LYON
Web site: -
E-mail: moreljournel@aol.com
Tel.: +33 04 78 28 41 99
Fax: +33 04 78 29 91 25

Les Tissages Perrin S.A.S.
Country: ***France***
Address: ZA Les Chaumes BP 26, 38690 Le Grand-Lemps
Web site: www.tissages-perrin.com/

E-mail: commercial@tissages-perrin.com
Tel.: +33 04 76 55 59 00
Fax: +33 04 76 55 52 03

Quenin S.A.S
Country: ***France***
Address: LELIEVRE Showroom and Headquarters 13 Rue du Mail, 75002 Paris
Web site: www.lelievre.eu
E-mail: contact@lelievre.eu
Tel.: +33 01 43 16 88 00
Fax: +33 01 40 20 08 08

Saris S.A.S.
Country: ***France***
Address: 74, BOULEVARD GARIBALDI 75015 PARIS
Web site: -
E-mail: -
Tel.: +33 01 42 61 18 35
Fax: +33 01 49 27 97 64

Sfate et Combier S.A.
Country: ***France***
Address: 153, RUE DES ECOLES 42540 SAINT JUST LA PENDUE , LOIRE
Web site: -
E-mail: -
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Empee Silk Fabrics Ltd
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WM H BENNETT & SONS LTD
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7. Annexes

7.1 Appendix I Semi-structured interview outline
7.2 Appendix II Interview Summary reports

7.1 Appendix I Semi-structured interview outline

Topics of interest	Questions
1. Characteristics of Interviewee's business - Business type, size (geographical coverage) and network - Business environment Customers and supply chain - Characteristics of the company's distributive network	Could you please explain something about your business and network? How long have you been in this business? What is your import channel / chain? How can you distribute products? (Distribution channel / chain)
2. Degree of involvement and familiarity with Thai silk fabric and products	What do you think about Thai silk fabric and products (quality, price, dealer, and other issues…)? Have you ever imported or purchased Thai silk products? or Do you know companies importing Thai silk products?
	If so, ✓ Which are the main buyers ✓ What is the main product? ✓ What are the strengths/weaknesses of Thai silk products in comparison with the others? ✓ What is the response of customers to Thai products? ✓ What do they think about Thai products? ✓ What kind of image do Thai products have? ✓ What are important purchase factors for the customers considering silk fabric and products from Thailand?
	If not, ✓ Which are the main countries you imported these products from? ✓ What is the reason why you chose these products from other countries than Thailand?
3. Expectation and requirement for silk fabric and products	What is your procurement strategy? What are the main regulations and control of import products? What are the important purchasing factors for you concerning silk fabric and products from the point of view of the importer and distributors? What are your expectations on quality parameters and requirements for these products (e.g. style, trend, certifications, natural or organic textile, etc.)?

Topics of interest	Questions
4. Attitude toward silk fabric and products with organic or natural textile certification (e.g. Global Organic Textile Standard, GOTS)	Do you know any natural/organic textile certification? Which one do you know? What do you think about silk fabric and products with natural/organic textile certification? Do you think natural/organic textile certification add value to the product? Is natural/organic textile certification an advantage for silk fabric and products, to get listed from EU importers and distributors? How do European customers perceive natural/organic textile certification? Do they recognize the natural/organic textile label? Do they understand the natural/organic textile label? Do you think that natural/organic textile certification may be an important attribute which customers take into consideration when purchasing silk fabric and products? If yes, why? / If no, why?
5. Attitude toward Thai silk fabric and products with natural/organic textile certification and Potential products	What do you think about the demand trend / evolution of Thai silk fabric and products with natural/organic textile certification? Do you think that Thai silk fabric and products with natural/organic textile certification may have an opportunity in the market? If yes, why? / If no, why? What is the potential Thai silk products with natural/organic textile certification in your opinion? Which marketing strategies/measures would you suggest to increase the sales of Thai silk fabric and products with natural/organic textile certification?

7.2 *Appendix II Interview Summary Reports*

7.2.1 France

a.1

Company: MOREL-JOURNEL SA.
Address: 20 Rue Joseph Serlin, 69001 Lyons (Lyon), France
Date and time: 30 March 2011
Contact person: Mr Morel Journel - CEO

Characteristics of Interviewee's business
MOREL-JOURNEL SA is a French leading company of raw silk sector. The company, founded in 1811 started to buy Asian Silk fabrics in 1955. It is located in Lyon. The turnover is some Euro 2 million and the personnel amounts to 10 persons. Main activity is the import of raw silk yarn and fabric from China to be marketed to French and Italian processors.

Degree of involvement and familiarity with Thai silk fabric and final products
Thai raw silk yarn and fabric are not exported because those are the raw materials for local processing industries to increase the value added of local silk. Raw yarn and fabric are used to produce colored yarn and printed fabric or to manufacture garments to be sold to tourists or to be exported.

Expectation and requirement for silk fabric and products
In general Thai cocoon are yellow and small and so yarn is shorter (also less regular) than the Chinese one resulting unsuitable for modern industrial weaving as in Lyon or Como. The price is not competitive compare to Chinese prices but competitive against Indian productions. Export opportunities are expected to be very limited.

Attitude toward silk fabric and products with organic or natural textile certification (e.g. Global Organic Textile Standard, GOTS)
Natural / Organic products are known however are not seen as a strong marketing cunning to increase the value added of products. Importers and distributors are scare to buy natural / organic products because are not sure to sell; especially fabric for furniture. Consumer have positive attitude toward organic garments (not for industrial use: furniture covers, curtains, etc.) and have a good trust about

certification by international certification bodies. However purchasing attitude is unpredictable.

Attitude toward Thai silk fabric and products with natural/organic textile certification and Potential products

There are export opportunities for conventional and organic silk fabrics and garments to Europe. In general organic could increase the appeal to buy of some consumers but it doesn't look as a ploy of marketing. Yet, opportunities exist at level of fashion designers always looking for novelties and innovation either at materials or style level.

Opportunities exist for well identified and characterized / recognizable products of Thai style such as colors or original / typical Thai weaving to produce fabric (not classic weaving e.g. crepe de chine, tulle, mousseline).

a) Colored yarn for furniture fabric for interior decoration because the imperfections of Thai yarn could be acceptable while the processors of yarn to produce fabric for garments are used with synthetic yarn that are always more regular than all natural fibers.

b) Original Thai fabric for interior decoration (e.g. curtains, furniture covers). Minimum wide 130 cm.

c) Typical / traditional Thai-style garments to be made in Thailand for EU markets. The look should be Thai and not "Asiatic" as China for Asiatic type garments is cheap.

d) Typical / traditional Thai-style fabric (wide more 140 cm, traditional colors, traditional style) for garments to be made in Thailand or in PAN-EUROMED area for EU markets. In those countries there are no specific taxes and can be traded in Europe as Made in Europe *a.2*

Company: FRA-SILK-02
Date and time: 22 March 2011
Contact Person: CEO

Characteristics of Interviewee’s business

FRA-SILK-02 is a traditional silk and natural fabric wholesaling company located in Lyon the major French area of silk sector. Main imported products are raw fabric to be printed in French or Italy. Our customers are wholesalers of printed silk fabric that deal with end customers as GDM or fashion producers for garments or home furniture.

Degree of involvement and familiarity with Thai silk fabric and final products

FRA-SILK-02 doesn’t import Thai silk because there is no industrial production in Thailand that could be exported to Europe. Thailand production is more similar to handicraft and tailored to touristic target.

Competitors of Thai silk

We import mainly from China and to a lesser extent from India.

Expectation and requirement for silk fabric and products

French industrial importers are not interested to diversify from Chinese exporters however Thailand is not ready to supply export market with products in demand. The price of Thai silk is acceptable but silk producers propose few models and designs of Thai tradition to global markets that are always looking for novelties and innovations.

Attitude toward silk fabric and products with organic or natural textile certification (e.g. Global Organic Textile Standard, GOTS)

We heard about this Standard but we are not involved directly. We just follow the market and we import what is in demand.

Attitude toward Thai silk fabric and products with natural/organic textile certification and Potential products

The demand of organic silk is poor and at present there is no availability of Thai silk for European market.

7.2.2 Italy

b.1

Company:	SERICA TRUDEL SPA
Address:	Via Attilio Lenticchia, 25 – 22100, Como Italy
Date and Time:	22 March 2011
Contact Person:	Mr Giorgio Viganò, CEO
Web:	www.trudelseta.it

Characteristics of Interviewee's business
TRUDEL is an Italian leader of silk sector located in Como province, the historical hart of silk production and processing in Italy. The company trades silk fabric to Italy and Europe, Major supplier is China.

Degree of involvement and familiarity with Thai silk fabric and final products
Trudel imported Thai shappe silk for 20 years from SHINANO KENSHI a Japanese high –tech Spun Silk Yarn factory established in Thailand since late '80.

The Japanese company was closed two years ago. Since then Trudel stopped any import from Thailand as the other local producers are unable to produce suitable products.

Thai silk is produced in limited quantities and is sold to tourists. Often raw material (fabric) is purchased by Thai processors in China or in India.

Competitors of Thai silk
China is major producer and exporter of silk. Actually Trudel is buying from China. International prices are increasing but products and all processors and transformers are facing difficulties to access to products with a good ratio price/quality. However there are few alternatives to China.

India is the second large producer but the consistency of supply is a major weakness that prevent importers from a mid terms business planning. Cyclically Indian producers are able to create fashion demand with good seasonal export that fast drops.

Brazil is the emerging silk top quality producer able to sell to top manufacturers to Japan or Hermes-France. The latest being the only possible buyers able to absorb any price increasing of raw material thanks to the high price of its end products.

France is organised with just three importers of Chinese silk fabric that supply a well organised downstream processing and trade chain. The processing is highly specialised but limited for investments in new technologies and the number of processors is very limited.

Expectation and requirement for silk fabric and products

Thai silk has no appeal for Italian industrial importers because in general the quality of industrial silk is poor and not suitable for European markets. Therefore there is no Thai silk in the Italian market. Silk industry requires quality, volumes and consistency of supply of standard quality products. These requirements (that are basic requirements for all industrial and trade sectors) are not granted by Thai silk producers and should be considered as pre-condition before to plan export activities. We received few weeks ago some samples from Thailand but the quality was poor handicraft.

Attitude toward silk fabric and products with organic or natural textile certification (e.g. Global Organic Textile Standard, GOTS)

Niche markets (as organic and/or organic certified products) are more and more interconnected and limited. Certifications and organic products do not represent a real improvement of quality or of sales.

Attitude toward Thai silk fabric and products with natural/organic textile certification and Potential products

Actually there is no availability of organic Thai silk at least in the Italian market.
It seems unlike that Thai silk sector could be competitive in raw fabric production that requires traditional and massive production of yarn. Opportunities are related to the production of value added products as final products (e.g. fashion accessories, dresses, shirts). However China and Vietnam are able to consistently producing and exporting. This is major challenge of Thailand that shift its export obligation to satisfy its tourist demand.

b.2

Company: ITA-SILK-02
Date and time: 22 March 2011
Contact Person: Segretario

Characteristics of Interviewee's business

Como province hosts all players of silk production chain from yarn weaving up to fabric manufacturing and to all range of possible end products (garments, products for interior design, industrial applications). ITA-SILK-02 is the institution that groups and represents the entrepreneurs of silk sector.

Degree of involvement and familiarity with Thai silk fabric and final products

In Italy statistics show that the imports from Thailand are very few. The bulk of imports are from China. India despite its large production doesn't export many products. Brazil is a growing player of the silk sector and its export to Italy amount to 3% of total imports.

No imports of raw yarns from Thailand have been recorded in 2009 and 2010 (EUR 638,000 in 2008). Imports of schappe silk from Thailand was over two years ago. Yarn is used by local industry and not exported. In general Thailand produces raw fabric for the local printing units and garments manufacturing industry. Fabric and garments are the traditional products of Italy and France.

Expectation and requirement for silk fabric and products

A general decreasing of imports of all Thai silk products have been recorded in Italy in latest three years (fashion accessories from EUR 400 000 in 2008 to EUR 150 000 in 2010; fabric from EUR 351 000 in 2008 to 231 000 in 2010; yarn from EUR 638 000 in 2008 to no imports in 2010).

France looks to be similar to Italy in terms of imports (no import of yarn or raw fabric and limited imports of fabric and garments). UK looks to be more open to import of Asian-style garments and fabrics and volumes should be higher than in Italy.

Attitude toward silk fabric and products with organic or natural textile certification (e.g. Global Organic Textile Standard, GOTS)

GOTS is not very well known at institutional level.

Attitude toward Thai silk fabric and products with natural/organic textile certification and Potential products

It is difficult to say if there will be opportunities to develop the import of Thai silk products certificated organic. The import in Italy is decreasing and new producers with lower prices are increasing the volumes of silk products.

7.2.3 United Kingdom

c.1

Company: Bennett Silks Ltd.
Date and time: 15 March 2011 at 2.30 pm
Contact Person: Mr. Chris Bennett - CEO
Web: http://www.bennett-silks.co.uk/

Company description
Business characteristic
Bennett Silks is a silk company. Our business is all silk. It is all imported. Normally I would tell people it is from two countries: China and India. There is a minimal amount that comes from Thailand. We import in bulk. We have an office and a warehouse here in Stockport. We then break this down. We receive orders for smaller amounts of the fabric that we are holding. It comes in two-three hundred meters per color/per item. Someone [a customer] may order ten meters of a color. We then cut, pack and send this out.

In the UK there are four of us: James Hare in Leeds, Henry Bertrand in London and Pongees in London also. We are the four main players in the UK.

The business has been established since 1904. We have been doing silk for the last 30 years. Before that we dealt with all kinds of fabric on an agency basis, were we took a commission on what we sold. So we never used to hold any stock. Now we import it and distribute it.

The import channel / distribution channel / chain
We have agents in the UK, we have agents all over the world [that they distribute to]. We re-export.
The product is manufactured in country of origin… China and India. The only UK work we do on it [the imported fabric] is maybe printing. Or dying it sometimes.

Main customers
Small Bridal shops. Lingerie is quite big. We do a reasonable amount for interior designers. We do have some big customers, but mainly it is for small businesses. But there are quite a lot of them, so it is ‘safety in numbers’ really. The big retailers, go direct now. They cut us out.

Degree of involvement and familiarity with Thai silk fabric and final products

We don’t do a lot [of business with Thailand] really. We have one product from Thailand, that we call ‘Thai Silk’ . It is a plain fabric and we, basically, have one customer who buys it. We have never really had contact with Thailand. They have never been to see us, never sent us any samples, or anything. We have never seen them at any trade shows. It is one factory [supplier from Thailand] that we use for one product, for one customer.

Perception toward Thai silk

For what it is, it is quite high price. It is good quality, but pretty expensive. The quality of Thai silk is high, but so is the price.

One thing I can say [with regard] to Thai silk is that it takes them quite a long time to produce the goods. Compared with the Chinese.

Normally Thai takes four to five weeks. It takes about four weeks to produce it. I try to have one shipment a month [from a supplier]. So production is about four weeks lead time [in China]. In Thailand it is about eight [weeks]. This can make a difference.

The world’s silk comes from China. So they [the Chinese] have a global control of the market. Like everything else, I think! The reasons why do China dominate silk production is because they produce the best quality. I don’t know if it is the [production conditions] but they have done it for centuries. The conditions are right for the silk worms to work their magic!

Competitor of Thai silk

Most of the silk comes from China. So we deal will about five or six mills in China. Each one [mill/factory] has their speciality. So you would try out two or three and find out the one that is the best. Then you stick with that one. The Indians buy their silk from the Chinese. China is the main source for silk. The silk as we know it. But I don’t really know much about Thai silk. I assume Thai silk is produced in Thailand, which must give it its own characteristic.

Expectation and requirement for silk fabric and products

The important factors are the quality and the price. And delivery. The delivery has to be on time and when they say it will be [delivered].

Because it is a natural fiber. You can get all kinds of ‘pulls’. If they [suppliers’] use bad yarn… which they sometimes try to get away with, you get all sorts of weaving defects. Once it has come into the UK, it is quite hard to turn it around and send it back [and this case] they will offer discount, or this or that.

The basis for purchase of silk

We buy by quality. Let us say we have twenty different qualities [types of fabric quality by thickness/finish etc] and then some of these may be have a hundred different colors within each quality type. So, we pick the quality we like, for example, a 'habotai' silk and then there will be a range of sixty different colors that we would pick ourselves and we would put an order in and they [suppliers] would dye. We would then hold a range and as each color was running out we would, say, order 200 metres per color. Black and white are always guaranteed [to sell].

Our main people [China suppliers'] tend to come to see us. They bring new samples etc. If you start business with a new factory, you always start up with a few small orders and check the quality and see how things progress.

Price of Silk

It varies a lot. Fluctuates. This is because of silk being a natural product. The price is as high as it has been in about 50 years. The excuses are…. A very poor harvest. They call it a 'harvest', which happens two or three times a year. If there are bad rains it can affect it terribly. The last three harvests have been affected. It is a case of supply and demand and there is a shortage of raw silk. What happens then is that they [the suppliers in China] are able to name their own price. So it can go up every week, literally for three months. It is actually now double [in price] what it was a year ago. Because the Indians buy from the Chinese, their prices go up at a similar rate.

We withstand it as long as we can. When you have a warehouse full of the stuff, you can survive six months and hold stock at the cheaper price, before you have to do an increase [in price for customers].

The stock is the most important part of the business. We try to keep it as low as possible, but at any one time there is a fair amount in there. At the old price this is not so bad, but as soon as that supply is exhausted… we have to put the prices up.

The development of silk market in the future

At the moment it is ok. Personally for our business, we are trying to expand more on the export side. To try and create a larger customer base. We are trying to get into different countries. We have set up an agency in Japan, one in US and in

Brazil… Morocco, Italy… and all this has happened in the last four to eighteen months. These are growing.

Final Products of silk

It is difficult to say, once we have sold our fabric on a role, we have no idea what the end product is going to be. It is pretty obvious with bridal fabrics that it will end up as wedding dresses. But it could be turned into anything.

However, I am happy with the fabric that we get. I have got enough. I don't need any more. You can use my name [for the research study] but I don't want to be contacted with sales calls.

Attitude toward silk fabric and products with organic or natural textile certification (e.g. Global Organic Textile Standard, GOTS)

I have never heard of it [GOTS]. It is not a standard that I have ever heard of. I have never even heard the phrase before. Is it new? It is something I have never come across in 20 years of buying the stuff [silk]. If it were relevant I should have [heard of it].

We get standards about dyes and so forth and everyone meets those standards. It is the same as everything else really. Every different silk has its own commodity code. It goes through customs like anything else and you pay your duty at the end of each month. There is nothing really that would make it [silk] stand out from anything else.

Attitude toward Thai silk fabric and products with natural/organic textile certification and Potential products

No further comments to add regarding this topic.

c.2

Company: Sethi Silks Ltd.
Date and time: 15 March 2011 at 10.30 am
Contact Person: Mr. Ramesh Kumar Sethi - CEO
Web: http://sethisilks.com/

Characteristics of the company

We started business in Kenya in the 1940's. Started by my father, who moved to UK in 1974. Incorporated 1986. Still going reasonably strong!

They sell fabric mostly for garments and sell the material as it is. We used to silk for curtains, but there is no demand at the moment.

Main customers

Shopkeepers- small retailers.

The import channel / distribution channel / chain

We get our stock from all over. The far east. India, Thailand, Korea, Indonesia, China… everywhere.

Business has reduced considerably over the last three, four and five years, simply because we have lost all of our exports to France. This used to be our biggest market. Because it looks like a lot of the Chinese companies have set up in Italy. From what I have been told is that there has been document fraud where [some people] get export incentives from China. Goods are coming into Italy and on to Paris, where the big market [for silk] is. So, they [Chinese importers in Italy] are getting it [silk] so cheap.

If they were undercutting on price normally [through regular competitive behavior] we would be able to compete [but illegal practices concerning import duties makes competition impossible]. So, they can sell it at whatever price they want to. This is what we have been told. All our customers, that we used to have in France say that [because of this] it is so cheap there they no longer need to buy from England. This has been happening for four years now. About fifty percent of our business, or more was with France.

Situation of silk market

The last eighteen months has been very poor for selling silk. Because the prices have gone up sixty-eighty per cent. I have no idea why but perhaps because it is a natural fabric [therefore it is subject to changeable pricing]. China controls everything. The best Indian silk comes from Chinese silk worms. There is not a problems with importing silk, but just at the moment silk is not selling well because it is a slow moving item because of the [high] price and it is very difficult [to sell because of this].

So our alternative to selling silk is selling polyesters now. The majority of our sales, ninety-five per cent are in polyesters. You can pick up polyester at a fraction of the price. There are so many synthetic alternatives and they are easier to look after.

For weddings… Indians used to use silk… from India. But they don't now, because with the synthetic stuff, when they embroider on it, it is so much easier to handle.

Degree of involvement and familiarity with Thai silk fabric and final products

We have imported Thai silk. But not a lot, because it is expensive. Indian silk sells far more in this country. The reason is probably because Thai silk looks a bit like polyester, because it looks so good! [perfect in appearance]. It is like the Chinese silk as well, that is why they don't sell, because they don't look like silk. Indian silk has get flaws, but they are built–in flaws [natural flaws] and [because of that] they sell.

We import lace material from Thailand. But we have not imported much silk from Thailand for the last three or four years now, because of the loss of the [sales] market in France.

Perception toward Thai silk

The packing [of Thai silk] is awful. The company that we dealt with, the way they packed goods was not high quality. It should be done [packed] in proper cartons. We had two or three companies that we imported from and the packing wasn't very good.

It [Thai silk] is good quality but more expensive than Indian silk. So for last four or five years we have not imported any Thai silk. Anyway silk is not being sold very well, because it is too expensive at the moment.

Expectation and requirement for silk fabric and products

As I was saying, we are just not importing much silk at the moment, unless we have specific orders, we don't import it. Money is scarce in the country at the moment, so we are not importing the silk.

Attitude toward silk fabric and products with organic or natural textile certification (e.g. Global Organic Textile Standard, GOTS)

Concerning demand, from our customers there is basically no demand at all.

The price may change it. But the price is not likely to go down is it? The recession is eating into everything really. There is no purchasing power anymore.

Attitude toward Thai silk fabric and products with natural/organic textile certification and Potential products

No further comments to add regarding this topic.

c.3

Company:	James Hare Ltd.
Date and time:	22 March 2011 at 2.00 pm
Contact Person:	Mr. Tim Hare **-** CEO
Web:	http://www.james-hare.com/

Characteristics of the company

Business characteristic

We started life as manufacturers of woollens and worsteds. But more recently we changed to exclusively silk. Since the early 1980s we have been exclusively supplying silk. Silk fabrics and silk mixture fabrics. In the first instance to the dress trade. By the end of the 1990s we started supplying as well to the interior trade. At the same time we launched ourselves more seriously onto the export market. During all that time we have been buying silk from various counties. China obviously, India, Thailand and a little from France and Italy and a long time ago a very small amount from the UK.

The import channel / distribution channel / chain

China, India, Thailand principally. We import the fabric in bulk, stock it here in Leeds and distribute it in smaller pieces.

I would say India is the biggest and China the next... only because of the types of silk that they produce and Thailand is a different item altogether.

Export trade activities

We export all over the world, including to China funnily enough!

China...and Russia are our fastest growing markets. That is the way it is. 'New money' if you like, searching for 'old [long established] suppliers' I guess.

It is exactly the same kind of product [as in EC but] for another country.

Main customers

Our customer profile as far as dress fabric trade is concerned is dress makers, principally. We do deal with some manufacturers, but they are a small part of the whole [business]. We tend to deal with a lot of small dressmakers. As far as the interiors business is concerned, there is an element of high street [city centre] retailer chains involved that carry our ranges, but a lot of our clients are working from home as interior decorators.

Degree of involvement and familiarity with Thai silk fabric and final products

We only buy Thai silk suitable for dress wear. We don't buy any silk from Thailand to go in any of our interior collections. The reason for that is, it is very expensive in comparison with Indian silk…. which is possibly not as good. It is expensive. Over the last 20 years we have only bought from one particular supplier in Thailand. A company called Thong Seng, who is a well known supplier.

Perception toward Thai silk

Thai silk is not [just] perceived to be expensive, it is [expensive].

Thai silk has its own characteristics… that is all I can say. It is difficult to say whether it is better or not, that is purely one's personal perception. I am always asked; 'who produces the best silk?' It is an impossible question to answer. The Indians' produce some fantastic silk… but then so do the Chinese and so indeed do the Thais.…

So, it [quality perception] depends on the kind of thing that you use it [silk] for. But we are importers and distributors and we have to make a 'buck' [profit margin] in the middle, so we are quite careful of the price we pay for anything on the basis of what [value] we can obtain from the market place. This is not something that has happened recently, Thai silk for a long time has been a much more expensive product than the Chinese or Indian silks.

You can't say that they [silks from India/China] are equivalent. You can't just replicate Thai silk. I think the Thais spin their yarn; which comes from China incidentally- as all silk comes from China as far as I am aware and somehow or other they [the Thais] produce [silk of] their own characteristics.

Well… Thai silk is a smooth silk… but then again I have seen silks woven in Thailand that is a completely different thing that most people think of as Thai silk.

Actually our customers do not know the difference between silks from different countries, they do not care where it came from, not really to be honest. I don't think it matters [to them]. I do think they perceive Thai silk as being a little bit different, a little bit special, possibly worth a bit more.

Expectation and requirement for silk fabric and products

The origin does not make any difference at all, only that the fabric produced in whatever country is suitable for the trade we are aiming for.

The import controls for silk into the EC -If it is hand woven, there is a quota and it comes in duty free. If it is not hand woven there is a duty of 6.9%.

Price of Silk

The price of silk has risen dramatically. I can tell you that eighteen months ago that Chinese filament yarn was $23 a kilo, now today it is $56. It has gone up just short of 150% in eighteen months. Of course this has had a huge impact on prices throughout the world.

I have just come back from India, visiting ten of the mills we use out there. One in particular, is the biggest importer of Chinese yarn. I thought that he would have the story [reason why the price has gone up], but nobody knows.

Well, …. I could mention about ten different reasons that I have been given,… including the one [reason] that no one really mentions and that is whether there is a cartel being formed to increase the base level [of price] for Chinese silk yarn.

The effect of economic recession to silk market

Well, it hasn't really had an effect on our business and I think that is fairly indicative of a number of our competitors and peers in Europe and in the UK. But we [UK silk companies] do have a worldwide reputation and sales are keeping up well. Our own sales are certainly up.

Situation of silk market

The interiors side of our business is the growth areas. The dress side is going to languish a bit. We are involved in 50 or 60 countries and not all will be feeling the effects of recession.

Final Products of silk

Bridal wear, lingerie. Silk fabrics have a huge usage and another thing Thai silks could be used for are lampshades. There are an extraordinary amount of things that silk can be used for: shoes… ballet shoes, wedding shoes….

Attitude toward silk fabric and products with organic or natural textile certification (e.g. Global Organic Textile Standard, GOTS)

Well I know exactly what it [GOTS] means….But it has had no impact on my business whatsoever.

Is it possible [to develop an organic market]? Well, yes I guess it is…. You would keep the silk worm alive once it has formed its cocoon. You wouldn't put it into boiling hot water, which is what they do to 'de-gum' it…. So it would be keeping the silkworm alive rather than killing it and looking at the chemicals that are used in the onward process. Is anybody worried or interested about it [organic standards]? We have over 6000 customer on our books, probably worldwide a few more actually because we have distributors who in turn supply any number of customers… You could say that we have up to 10000 customers. I think the last time anyone mentioned to me anything about organic was a lady at an exhibition in London about five years ago…. But it is not something that anyone is asking about to be honest.

I think it would amount to increased cost and I think at the moment [during harsh economic times] that would be completely out of the question. It may have been of interest a few years ago when the silk yarn market was very stable, but now it is completely unstable and people are battling with that cost increase and I don't think that anybody would be very interested in listening to an organic story.

Attitude toward Thai silk fabric and products with natural/organic textile certification and Potential products

It [organic standards] is a good marketing ploy, sure. It may have a 'foot in the door' marketing-wise, but don't think at the moment it is relevant to be perfectly honest. We do regular business with Next [the UK clothing retailing chain] and I have regular meetings with their buyers and I think someone might have mentioned it [organic certification] somewhere along the line [if it had been relevant to the market]. But they haven’t.

Suggested marketing strategies for Thai silk

I think firstly to try and market themselves better. I have never personally seen a Thai silk manufacturer here in the UK for so many years, I can’t remember [the last time]. Ok, we have only really dealt with one [manufacturer] for about 20 years, but there are other people in Thailand who manufacture silk. So I think their marketing is not very good at all.

I think they have the capacity, I have seen some beautiful cloths produced by our guy [Thai manufacturer], but they are terribly expensive. But you can build on a good reputation and Thai silk has a good reputation. People are prepared to pay more for it, but perhaps not too much more.

If you have a good name on top of that, like Jim Thompson [Thai silk company in Thailand, UK and global] [it may be an advantage]. They [Jim Thompson] are the quality, up market face of Thai silks throughout the world and certainly their Thai silks are not cheap at all. They can get the price [command a price premium for their products], so maybe other people could.