Obvious advantages to working closely with RUGMARK Germany include the opportunity to learn from the experience of others, to share data and research and costs; and to strengthen the voice of support for the RUGMARK initiative and for the elimination of child labour.

RUGMARK is dependent upon a system of networks, and at the same time one of its strengths is its ability to create networks - it would serve little purpose to create a separate mechanism for RUGMARK in Canada. There would be simply too much to gain from membership in a network.

3.7 What is the Canadian market for hand-knotted carpets and how is it served?

There are five large importers of hand-knotted carpets in Canada and between 50 and 100 smaller businesses who function at different levels in the market. Among the smaller businesses there exists the wholesaler who also retails, and the retailer who imports small quantities for retail purposes only. Some importers claim that there are other more casual means of carpets entering Canada which they believe disrupts the "real" market by under-cutting prices being asked by bona-fide importers. These are carpets which usually enter through family connections.

Upon consulting the Statistics Canada, country of origin statistics for hand-knotted carpets (see 3.11), one is given the distinct impression that Canadians buy the more expensive Iranian carpets. Importers and retailers alike did not support this finding suggesting that Canada is a trans-shipment point for Iranian carpets to the United States in the absence of a trade agreement between the governments of the U.S. and Iran.

Carpet importers and retailers believe that the Canadian consumer, unlike the European consumer, is influenced more by price than by quality. While the appreciation for quality exists, the decision to buy is influenced more by price.

Importers and retailers interviewed agree that the carpet industry has been in a slump for the past eight years or so, adding that this is a reflection of a global decline in the home furnishings market and is directly attributed to the recession. They did not attribute declining sales to consumer awareness of the problem of child labour in the manufacture of hand-knotted carpets.

In a discussion of carpet sales trends, the coarse-textured Indian carpets enjoyed a peak period of sales eight to ten years ago. This period of popularity was replaced by the finer finished carpets from China five years ago. Today, the demand for carpets from India and China is about equal. The perception of retailers is that few consumers are aware of the child labour problem in the manufacture of hand-knotted carpets, citing a figure of one in twenty consumers asking about the child labour factor. Those who do ask do not seem to be pre-occupied with the presence of a label indicating the carpet is child labour-free.

Canadian consumers do not own lots of hand-knotted carpets, choosing to buy one carpet in a lifetime or to buy one every decade or so. Many Canadians do not own a hand-knotted carpet. No-one in the industry could identify what percentage of Canadian consumers buy hand-knotted