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Global Market Opportunities Report

TOWELS



Department of Foreign Affairs and International Trade
Sectoral Liaison Secretariat (TOS)
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Min. des Affaires étrangères

MAY 13 2003

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SECTORAL LIAISON SECRETARIAT (TOS)

Mission Statement

**PROVIDE EFFECTIVE MARKET INTELLIGENCE TO LEAD
TO SOUND EXPORT SOURCING OPPORTUNITIES, WHICH
RESULTS IN CANADIAN BUSINESS SUCCESS**

Disclaimer: Information contained in this report has been gathered from a wide variety of sources. The Department of Foreign Affairs and International Trade (DFAIT) has taken great care in presenting the information but does not guarantee the accuracy of the information nor the absence of errors and omissions. DFAIT accepts no responsibility for interpretation by companies of the information contained in this document or for reliance by companies upon such information or opinions.

March 1994

43-268-499

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Global Trade Secretariat (GTS)
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SECTORAL ELABORATION SECRETARIAT (SES)

Market Information

PROVIDE EFFECTIVE MARKET INTELLIGENCE TO LEAD
TO SOUND EXPORT SOURCING OPPORTUNITIES, WHICH
RESULT IN CANADIAN BUSINESS SUCCESS

11/1/04

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March 2004

ARGENTINA

A. THE MARKET

ALPHABETICAL LISTING OF COUNTRIES

Commercial sales of foreign goods in Argentina are concentrated in the retail industry. A significant though not overwhelming sector. Large chain stores utilizing country-wide networks move products to different selling points. Department stores are disappearing and being replaced by shopping centres.

The most important competitors in the retail sector are Brazil, which offers very good prices at middle and low end of the market, followed by France and the U.S. It is common practice among retailers to lower prices on one product and raise profit on others.

There are no import quotas, but there are restrictions on the benefits of 25 per cent customs duty, 10 per cent surcharge and 5 per cent for minor duties, plus a value added tax of 15 per cent.

The language for promotion of products must be Spanish, but many companies and agencies can correspond in English.

B. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

Local makers in Argentina include:

1. **Bernández Y Cia. SRL**
Salle 273, (1074) Buenos Aires, Argentina
Tel: (54-1) 361-2415 Fax: (54-1) 361-3274
Contact: Mr. Javier Bernádez, president

2. **Aval Y Asociados S.A.**
Tucumán 2166, (1070) Buenos Aires, Argentina
Tel: (54-1) 951-7000 Fax: (54-1) 951-7000
Contact: Mr. Victor Calamita, president

3. **Eva Szabovitch**
Salsomani Ortiz 287, (1416) Buenos Aires, Argentina
Tel: (54-1) 834-8725, 834-1476, 834-1477
Fax: (54-1) 836-1834
Contact: Mr. Hugo Szabovitch, president

4. **Julio Giambrini Y Cia. S.A.**
Pavón 267, (1028) Buenos Aires, Argentina
Tel: (54-1) 952-2334, 951-0744
Fax: (54-1) 953-2307

Argentina

Australia

France

Hong Kong

Ireland

Korea

New Zealand

Russia

Ukraine

United Kingdom

United States

Venezuela

ARGENTINA

A. THE MARKET

Commercial staff with the Canadian Embassy in Buenos Aires report the local towel industry is significant, though not technologically advanced. Large distributors utilizing country-wide networks move product to different selling points. Department stores are disappearing, and being replaced by shopping centres.

The most important competitor in the Argentine towel market is Brazil, which offers very good prices at middle and low end of the market, followed by Korea and the U.S.A. It is common practise among retailers and manufacturers to lower prices on one product and recover profit on others.

There are no import quotas, but there are three duties payable at the border: a 20 per cent customs duty, 10 per cent statistics tax, 3 per cent for minor duties, plus a value added tax of 18 per cent.

The language for promotion of products must be Spanish, but many companies and agents can correspond in English.

B. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

Towel makers in Argentina include the following:

1. Bermudez Y Cia SRL

Salta 273, (1074) Buenos Aires, Argentina
Tel: (54-1) 383-5818 Fax: (54-1) 381-5690
Contact: Mr. Javier Bermudez, president.

2. April Y Asociados S.A.

Tucuman 2166, (1050) Buenos Aires, Argentina
Tel: (54-1) 951-7649 Fax: (54-1) 949-0126
Contact: Mr. Victor Cohnsalah, president.

3. Casa Jacobovich

Scalabrini Ortiz 282, (1416) Buenos Aires, Argentina
Tel: (54-1) 854-8325, 854-1401, 855-2974
Fax: (54-1) 856-5806
Contact: Mr. Hugo Jacobovich, president.

4. Julio Gitelman Y Cia S.A.

Pasteur 367, (1028) Buenos Aires, Argentina
Tel: (54-1) 952-5337, 951-2744
Fax: (54-1) 953-2867

Contact: Mrs. Dora Gitelman, president.

5. Magna S.A.

Elpidio Gonzalez 3568, (1407) Buenos Aires, Argentina

Tel: (54-1) 567-4225, 566-6807

Fax: (54-1) 568-1454

Contact: Mr. Miguel Bulanski.

6. Milto Sacyf

Viamonte 2360, (1056) Buenos Aires, Argentina

Tel: (54-1) 952-9342, 951-6989

Fax: (54-1) 951-9970

Contact: Mr. Benjamin Barmaimon, president.

The following are well known Argentine trading companies.

1. Anseada Abuin SRL

Murguiondo 4086, (1439) Buenos Aires

Tel: (54-1) 601-2875, 602-9521

Fax: (54-1) 601-2875

Contact: Mr. Hector Anseade

2. Argentina Trading Masacisaci

Av. Directorio 3715, (1407) Buenos Aires

Tel: (54-1) 69-5060, 69-5069, 69-6384

Telex: 17883 EXPOR AR, 25171 MASAC AR

Contact: Ruben Fernandez Murga, Gerente Comercio Internacional.

3. Artrade S.A.

25 de Mayo 758 - Piso 9, Buenos Aires

Tel: (54-1) 311-8719, 313-4851, 313-7058

Fax: (54-1) 313-7058

Telex: 22158 Artrade

Contact: Mr. Manuel Gomez, general manager.

4. Bibex SA Cia. Com. Int.

Lavalle 1537 - Piso 8 "H," (1048) Buenos Aires

Tel: (54-1) 40-4503, 40-9218

Fax: (54-1) 856-2441

Contact: Mr. Carlos Bichutte, owner.

5. Caramillo S.A.

Av Corrientes 1386 - Piso 3 - Of. 319,

(1043) Buenos Aires

Tel. (54-1) 45-5681, 40-9046, 45-5681, 46-3954

Fax: (54-1) 11-1663

Telex: 17404 EXIMP AR
Contact: Mr. Hector Salaverria, manager.

6. Carfaso S.A. Argentina
Av. Santa Fe 873 - Piso 4, (1059) Buenos Aires
Tel: (54-1) 312-0289, 321-8005
Fax: (54-1) 312-0289

7. Compania Argentina De Comercializacion Internacional Tradar S.A.
Jean Jaures 216 - 1 Piso, (1215) Buenos Aires
Tel: (54-1) 865-6310, 865-6313, 865-9857, 863-9865
Fax: (54-1) 865-6314
Contact: Mr. Jose Garcia Menendez.

8. Desex SRL
San Martin 683 - Piso 2 Of. 21,
(1004) Buenos Aires
Tel: (54-1) 311-1816, 311-4594
Fax: (54-1) 313-7736
Contact: Mr. Francisco Loizzo, manager.

9. Encendedores Saciiyf
J.E. Uriburu 488 (1027) Buenos Aires
Tel: (54-1) 311-1816, 311-4594
Fax: (54-1) 313-7736
Contact: Mrs. Alicia de Amaro, manager.

10. Eximpa SRL
Lavalle 1527 - Piso 2 Of. 9,
(1048) Buenos Aires
Tel: (54-1) 46-5390, 46-2952, 46-2971
Fax: (54-1) 476-3321
Telex: 17303
Contact: Mr. Alfonzo Arzola, international trade.

11. Guesex S.A.
Bolivar 332 - Piso 3, (1066) Buenos Aires
Tel: (54-1) 342-4379
Fax: (54-1) 334-0424
Contact: Mr. Jorge Piltz, international trade.

12. Keytrade International Trading
La Pampa 2895 PB "B" (1428) Buenos Aires
Tel: (54-1) 783-9219, 785-6568
Fax: (54-1) 783-3637
Telex: 23747 LEOPOL AR

Contact: Lic. Roberto Popper, manager.

13. Northur Travel Service Galluny S.A.
Cerrito 228 - 1 Piso "D," (1010) Buenos Aires
Tel: (54-1) 35-8522, 35-2622
Fax: (54-1) 35-0346
Telex: NORTUR AR
Contact: Mr. Jose De Luca, manager.

14. Ricardo Dario Bugarin
Uruguay 485 - Piso 10, (1015) Buenos Aires
Tel: (54-1) 40-3727, 40-7513, 45-9681
Fax: (54-1) 49-3135
Contact: Mr. Ricardo Bugarin, owner.

15. Trafagar S.A.
Maipu 378 - Piso 5, (1006) Buenos Aires
Tel: (54-1) 393-8659, 393-8572
Fax: (54-1) 393-8572, 325-3379
Contact: Mr. Daniel Bertolina.

AUSTRALIA

A. THE MARKET

There are three or four domestic brands of towels manufactured by Australian companies that have considerable market share. There are also a few imported lines, ranging from high quality U.S. product to lower quality merchandise from China.

Australian customs advises verbally that towels from Canada would be subject to 47 per cent duty.

B. PROMOTIONAL ACTIVITIES

A trade exhibition is scheduled for April, 1994.

1. Interior Designex '94
April 15-18, 1994
Royal Exhibition Buildings,
Melbourne, Victoria.

Organized by Australian Trade Exhibitions Pty Ltd.
PO Box 192, Camberwell, VIC 3124.
Tel: 61 3 819-0211
Fax: 61 3 818-8553

C. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

The following are two major, quality department stores in Australia:

1. Myer Stores Ltd.
246 Bourke Street
Melbourne, VIC 3000.
Tel: 61 3 661-1110
Fax: 61 3 661-4014
Contact: Mr. David Crowley, senior buyer, towels.

2. David Jones (Australia) Pty Ltd.
Elizabeth Street, Sydney, NSW 2000.
Tel: 61 2 266-5544
Fax: 61 2 267-3895
Contact: Ms Jane Blanchard, buyer.

FRANCE

A. THE MARKET

Turnover in the towels and towel products market peaked at FFr1.9 billion at the end of 1991, of which nearly 38 per cent were sold in hypermarkets. Another 20 per cent were sold from mail order catalogues.

The two most well-known French towel manufacturers are Jalla and Descamps. Jalla sales were Fr382 million in 1991. Jalla forms part of the Zucchi-Bassetti group (Italy), and sells 20 per cent of its output to hypermarkets.

Descamps, part of DMC group, turned over FFr550 million, and sells only and towels. Santens is a lesser-known brand which generates FFr160 million per year in France.

Face towels are unknown in France. French people instead use "toilet gloves," (gants de toilette). The average retail price for mid-market towels are: toilet gloves 10cm by 20cm - FFr10 (\$2.29CDN); hand towels 40cm by 60cm - FFr30 to 60 - (\$6.90 to \$13.75CDN); bath towels 50cm by 100cm - FFr50 to 80 - (\$11.45 to \$18.32CDN); bath towels 80cm by 120cm - FFr80 to 120 - (\$18.32 to \$27.50CDN); beach towels 100cm by 160cm - FFr110 to 180 - (\$25.20 to \$41.22CDN).

Canada presently exports no towel products to France, according to French trade statistics, which also advise Canada imported French towels worth in the order of \$445,000CDN during 1992.

B. BUSINESS ENVIRONMENT

Little information was available regarding the business environment for towels in France. French customs reports that towel imports from Canada will be subject to a 13 per cent customs duty, and to a value added tax of 18.6 per cent, which also applicable on locally made products.

C. PROMOTIONAL ACTIVITIES

Major trade shows include:

1. TEX'STYLES

PADCO Blenheim, 22/24 rue du Presient Wilson, 92531 Levallois
Perret Cedex, Paris, France.

Tel: (1) 47.56.50.00

Fax: (1) 47.56.92.92

This show is held annually at Paris-Nord Villepointe in January.

2. QUOJEM

International Trade Exhibitions in France
2300 Clarendon Blvd., Ste 310,
Arlington, VA 22201-3367
Tel: (703) 351-5670
Fax: (703) 351-5671

This show is held each September in Paris. Last time, 26,800 trade professionals attended.

D. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

Major French towel makers:

1. Ets Delorme & Fils

42 rue Jean Jacques Rousseau
B.P. 115, 42308 Roanne Cedex
Tel: 77.71.43.69 Fax: 77.72.82.50
PDG: Dominique Fremaux

2. Descamps S.A.

1 rue de Londres
59120 LOOS
Tel: 20.10.67.00 Fax: 20.10.67.99
Dir.Adm.Fin: Andre Lannoyd

3. Jalla S.A.

131 rue du Bac
75007 PARIS.
Tel: (1) 44.39.38.00 Fax: (1) 42.84.11.19
PDG: Manglio Zucchi

4. Duquennoy & Lepers

68 rue Arthur Bearez B.P.5
59152 CHERENG
Tel: 20.41.34.02 Fax: 20.79.08.83
Gerant: Romain Lepers

5. Societe Livosges

6 Place des Deportes B.P.09
88401 GERARDMER CEDEX
Tel: 29.60.11.00 Fax: 29.63.45.95
PDG: Francois Mulliez

6. Tissages Fremaux et Cie

105-107 avenue de la Republique
59110 LA MADELAINE

Tel: 20.51.94.50 Fax: 20.06.28.25

Importers and distributors of towels and toilet gloves:

1. La Beauvaisienne Negoce S.A.
13 rue du Calvaire B.P.812 Tille
60008 BEAUVAIS CEDEX
Tel: 44.48.09.96 Fax: 44.48.54.44
Contact: Laure Bula, sales director.

2. Becquet S.A.
Z.I. de la Chapelle d'Armentieres S.P.109
59425 ARMENTIERES CEDEX
Tel: 20.10.53.80 Fax: 20.35.91.20
Contact: Joelle Sadones, sales director.

3. Eskenazi Freres
88 rue du Molinel B.P.1057
59011 LILLE CEDEX
Tel: 20.54.62.06 Fax: 20.57.52.21
Contact: David Eskenazi, managing director.

4. Inodis
82 rue de Paris B.P.10
95350 ST BRICE SOUS FORET
Tel: (1) 34.19.46.00 Fax: (1) 34.19.23.49
Contact: Ingrid Gueguen, manager.

5. Junil Sicoc "Le Thaies"
Rue du Gabian, Fontvielle B.P.647
98013 MONACO CEDEX
Tel: 93.30.24.37 Fax: 93.25.28.45
Contact: Jean-Louis Peyret, sales director.

6. S.A.R.I. Societe de Representations Internationales
38 rue des Apennins
75017 PARIS
Tel: (1) 42.29.41.81 Fax: (1) 46.27.02.16
Contact: Jean Gouyon, managing director.

Major department stores and chain stores:

1. Le Printemps
64 Bd Haussmann 75009 PARIS
Buying Office: Sapac-Printemps
102 rue de Provence 75451 PARIS CEDEX 09

Tel: (1) 42.82..50.00 Fax: (1) 42.82.41.88
Contact: M. Choulet, buyer.

2. Galeries Lafayette
40 Bd Haussmann 75009 PARIS
Buying Office: S.P.A.M.
25 rue de la Chaussee d'Antin 75009 PARIS
Tel: (1) 42.82.34.56 Fax: (1) 48.78.25.19
Contact: Mme Plasterie, buyer.

3. La Samaritaine
19 rue de la Monnaie 75001 PARIS
Tel: (1) 40.41.20.20 Fax: (1) 40.41.28.28
Contact: M. Baglin, buyer.

4. Bazar de L'Hotel de Ville
55 rue de la Verrerie 75004 PARIS
Tel: (1) 42.74.90.00 Fax: (1) 42.74.96.79
Contact: Mme Lefevre, buyer.

5. Au Bon Marche S.G.A.B.M.
28 rue de Sevres 75007 PARIS
Tel: (1) 44.39.80.00 Fax: (1) 44.39.80.50
Contact: Mme Mounier, buyer.

6. Ste. Fse Des Nouvelles Galeries Sonac
66 rue des Archives 75150 PARIS CEDEX 03
Tel: (1) 42.74.82.12 Fax: (1) 42.74.88.07
Contact: Mme Plasterie, buyer (see Galeries Lafayette).

Chain stores:

7. Magasins Prisunic: Sapac-Prisunic
102 rue de Provence 75009 PARIS
Tel: (1) 42.82.53.48 Fax: (1) 42.82.50.39
Contact: Mme Parodi, buyer, (Tel: (1) 41.27.88.46)

8. Magasins Monoprix S.C.A. Monoprix
1 rue Paul Cezanne 75008 PARIS
Tel: (1) 40.75.15.15 Fax: (1) 40.75.11.16
Contact: M. Heinrich

9. Magasins Uniprix
66 rue des Archives 75003 PARIS
Buying office: S.C.A. Monoprix

Hypermarkets:

1. Auchan - Centrale d'Achats
200 rue de la Recherche 59650 VILLENEUVE D'ASQ
Tel: 20.43.12.12 Fax: 20.43.64.00

2. Carrefour France
Z.A.C. St Guenault B.P.75
91002 EVRY CEDEX
Tel: (1) 60.91.37.37 Fax: (1) 60.79.44.98

3. Casino
24 rue de la Montat B.P.306
42008 ST ETIENNE CEDEX 2
Tel: 77.38.31.31 Fax: 77.21.85.15

4. Continent - Centrale d'Achats
CIM 9 rue Clos Famille B.P.19
78240 CHAMBOURCY
Tel: (1) 39.79.85.00 Fax: (1) 39.79.39.44

5. Cora
Domaine de Beaubourg
Beaubourg
77423 MARNE LA VALLEE
Tel: (1) 60.05.91.31 Fax: (1) 64.80.40.51

6. Darty
11 Bd Pershing
75017 PARIS
Tel: (1) 40.68.00.20 Fax: (1) 40.68.05.16

7. Euromarche - Centrale d'Achats
1 rue des Transports
94561 RUNGIS
Tel: (1) 49.26.15.15 Fax: (1) 42.96.21.98

8. Leclerc - Centrale d'Achats GALEC
149 rue St Honore
75001 PARIS
Tel: (1)49.26.15.15 Fax: (1) 42.96.21.98

9. Mammouth - Centrale d'Achats PARIDOC
258 av Napoleon Bonaparte B.P.315
92506 RUEIL MALMAISON
Tel: (1) 47.32.57.32 Fax: (1) 47.49.77.76

10. Rallye
60 av Baron Lacrosse B.P.97, Z.A. Kergaradec
29850 GOUESNOU
Tel: 98.00.49.00 Fax: 98.1.73.63

Major mail order companies:

1. Les Trois Suisses S.A.
12 rue de la Centenaire
59170 CROIX
Tel: 20.72.59.60 Fax: 20.98.27.73

2. La Redoute S.A.
57 rue Blanche Maille
59081 ROUBAIX CEDEX 2
Tel: 20.69.60.00 Fax: 20.24.03.37

3. Quelle S.A.
445 Bd Gambetta
59200 TOURCOING
Tel: 20.11.48.00 Fax: 20.11.48.10

4. Becquet
Zone Industrielle B.P. 109
59930 LA CHAPELLE D'ARMENTIERES
Tel: 20.77.78.77, 20.35.33.74 Fax: 20.35.91.20

HONG KONG

A. THE MARKET

With a population of nearly six million, the demand for towels is large.

Interestingly, Hong Kong manufacturers no longer make towels for the local market. Domestic towel manufacturers are instead aiming at export markets in North America and Europe.

Consequently, most of the towels in Hong Kong are imported, and the competition is intense. The towel market is divided into low, middle and high end sub-markets.

The low end products are mainly from China, Taiwan and Thailand. They are usually sold at Chinese emporium shops, supermarkets, small retail shops, and by hawkers in the street.

Retail prices at the low end range from HK\$9 to HK\$20 for face and hand towels. For bath towels, retail prices range from HK\$15 to HK\$50.

Middle and high end products are usually sold in drug stores (Watson's and Mannings) and large department stores. Middle end towels come mainly from Japan, whereas high end towels are imported from Europe, the USA, Brazil and Australia.

Retail prices for middle end towels range from HK\$25 to HK\$50 (face and hand towels). Retail prices for bath towels range from HK\$30 to HK\$90.

At the high end of the market, face and hand towels cost from HK\$50 to HK\$100. For bath towels in this range, prices are from HK\$120 to HK\$300.

Department stores, supermarkets and drug stores can import directly and place the products in their outlets. Department stores like Lane Crawford and Seibu tend to sell more high end towels.

Japanese department stores such as Sogo, Isetan, Mitsukoshi tend to sell more Japanese towels. Hong Kong department stores such as Sincere, Shui Hing and Wing On sell a combination of middle to high end towels.

Towel imports are not subject to any tariff or quota. To portray a high end image, English and French may appear on the package and label. (Chinese translation is unnecessary.)

B. BUSINESS ENVIRONMENT

The market for towels in Hong Kong is large, but many customers are reluctant to spend money on high quality towels. Relatively speaking, Hong Kong customers are not very brand or quality conscious when it comes to towels.

The two most important factors affecting purchase decisions are customer needs and price. According to a sampling of customers and towel retailers, Hong Kong customers seem to prefer Japanese towels, which are of good quality and not too expensive.

C. PROMOTIONAL ACTIVITIES

There is no appropriate trade fair or exhibition in Hong Kong for towels. The usual way to promote products such as towels in the colony is to furnish samples and introduction letters to importers and distributors in advance, with follow-up trips to consolidate or conclude deals.

D. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

Department Stores (Domestic and foreign-owned):

1. Lane Crawford Ltd. (Hong Kong)

8/F Summerset House, 28 Tong Chong St.,

Quarry Bay, Hong Kong.

Tel: 880-4488

Fax: 868-4492

Contact: Mr. Geoff Styche, chief buyer; Mr. Fred Doe, president.

2. Hong Kong Seibu Enterprise Co. Ltd. (Japan)

Room 1901, Two Pacific Place, 88 Queensway,

Hong Kong.

Tel: 877-3628

Fax: 877-0857

Contact: Mr. Ishigami, senior vice-president.

3. The Shui Hing Co., Ltd. (Hong Kong)

23-25 Nathan Road, Tsimshatsui, Kowloon.

Tel: 368-9181

Fax: 721-5210

Contact: Mr. Daniel Koo, chairman; Ms Peggy Wong, buyer.

4. The Dragon Seed Co. Ltd. (Hong Kong)

10/F, 39 Queen's Road C, Central,

Hong Kong.

Tel: 524-2016

Fax: 810-4971

Contact: Ms Irene Yeung, buyer. Mr. Jiro Imamura, managing director.

5. Hang Lung Matsuzakaya Co. Ltd. (Japan)

8/F Hang Leung Centre, Patterson Street,

Causeway Bay, Hong Kong.

Tel: 895-4753/890-6622

Fax: 577-5913

Contact: Mr. T. Kameda, director.

6. Hong Kong Daimaru Department Store Co. Ltd. (Japan)

Patterson Street, Causeway Bay, Hong Kong.

Tel: 576-7321

Fax: 577-2684

Contact: Mr. Kubo, managing director.

7. Yaohan Department Store (HK) Ltd. (Japan)

8/F Evergain Building, 21-23 Yuen Shum Circuit,

Shatin, NT, Hong Kong.

Tel: 636-5338

Fax: 636-5770/636-5766

Contact: Mr. Kazuo Wada (Tel: 824-5300/Fax: 824-2192)

8. Jusco Stores HK Co Ltd. (Japan)

Kornhill Plaza South, 2 Kornhill Road,

Quarry Bay, Hong Kong

Tel: 885-5991

Fax: 885-1522

Contact: Mr. T. Yamaguchi, managing director.

9. Metropole Int'l Dept Stores Ltd. (Hong Kong)

Whole Building, Metropole Building, 416-438 King's Road,

North Point, Hong Kong.

Tel: 562-8111

Fax: 565-9163

Contact: Mr. Y.H. Wong/ Mr. Thomson Cheng, manager.

10. The Wing On Co. Ltd. (Hong Kong)

7/F Wing On Centre, 111 Connaught Road C

Central, Hong Kong.

Tel: 852-1888

Fax: 854-3170

Contact: Mr. K.K. Liang/ Dr. Russel Kwok, general manager.

11. Hong Kong Tokyu Department Store Co. Ltd. (Japan)

1/F New World Centre, East Wing, 24 Salisbury Road,

TST, Kowloon, Hong Kong.

Tel: 722-0102

Fax: 721-4334

Contact: Mr. Matsumoto, president.

12. Mitsukoshi Enterprises Co. Ltd. (Japan)
G/F, Hennessy Centre, 500 Hennessy Road,
Causeway Bay, Hong Kong.
Tel: 576-5222
Fax: 890-8972
Contact: Mr. Y.Saito, managing director.

13. Isetan of Japan Ltd. (Japan)
20 Nathan Road, Tsimshatsui, Kowloon.
Tel: 369-0111
Fax: 721-9460
Contact: Mr. T. Nakayama, managing director.

14. Sogo Hong Kong Co. Ltd. (Japan)
9/F 55 Hennessy Road, Causeway Bay, Hong Kong.
Tel: 833-8388
Fax: 838-2030
Contact: Mr. T. Kawauchi, managing director.

15. The Sincere Co. Ltd. (Hong Kong)
4/F Sincere Building, 173 Des Voeux Road C,
Hong Kong.
Tel: 544-2688
Fax: 541-7977
Contact: Mr. Edmond W.H. Ma, vice-president.

16. UNY (HK) Co. Ltd.
Citiplaza 2, 18 Taikoo Shing Road,
Quarry Bay, Hong Kong.
Tel: 885-0331
Fax: 885-8081
Contact: Mr. H. Toyoda, director.

There are numerous supermarket outlets in Hong Kong where towels are sold. The largest supermarkets are Wellcome and Park'N'Shop, with 180 and 160 stores respectively. There are about 100 local markets, and 150 family run stores.

7-Eleven and Circle K convenience stores offer 283 and 57 outlets respectively. Other outlets include Dah Chong Hong (DCH) Food Mart - 50 stores; China Resources Company (CRC) - 34 stores; KK - 19 stores; Wai Fai - 3 stores; Hyco - one store; Yaumatei - 11 stores; and Asia Supermarkets - 5 stores.

There are also 12 supermarkets within big department stores like Yaohan, Seibu, UNY.

1. Park'N'Shop Limited
1-5 Wo Liu Hang Road, Fotan, Shatin,

New Territories, Hong Kong.

Tel: 606-8833

Fax: 695-3664

Contact: Mr. Peter Dove, merchandising director.

2. Wellcome Co. Ltd.

7016-7025 East, Roof Floor, ATL Centre, Berth 3, Container Terminal, Kwai Chung, New Territories,

Hong Kong.

Tel: 489-5888

Fax: 489-9627

Contact: Mr. Andrew Vagg, merchandising director.

3. China Resources Purchasing Co. Ltd.

32/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

> Tel: 827-8333

Fax: 827-9975

4. Oliver's

33/F Windsor House, 311 Gloucester Road, Causeway bay, Hong Kong.

Tel: 576-8077

Fax: 577-0420

Contact: Mr. Alexis Gavrilloff, general manager.

5. 7-Eleven (Hong Kong Convenience Stores Ltd.)

Room 401, Block A, Seaview Estate, 2-8 Watson Road, North Point, Hong Kong.

Tel: 802-6868

Fax: 806-2731

IRELAND

A. THE MARKET

With a population of only 3.5 million, Ireland offers a modest market for towels by international or even EEC standards. Statistics show 37 per cent of the Irish population are under 20 years of age. There are 1.04 million households, with an average of 3.3 persons per household.

Basic production or market statistics are lacking, as are pointers relating to market segments, but it is estimated that domestic producers hold between 30 and 40 per cent of the home market. The mid to upper level of the Irish towel market is covered by British manufacturers, such as Courtaulds, Chortex, Chiltern and Country Image.

Portugal is now perceived as being capable of supplying a quality product: Kingsley, Sheridan and PiuBelle. Despite modest totals, Jalla, Yves St. Laurent of France and Vossen of Germany also supply the "top rung."

Fieldcrest of the US, with Irish investors, built a large towel plant in Ireland during the late 70's to service other EEC markets. At one point, it employed 750, but lost considerable money trying to channel production into new markets. Production ceased in the early mid-80's.

Fieldcrest still sells in Ireland as a result of their previous presence, but their presence is lower down the market.

In May, 1993, it was announced that one of Ireland's two towel manufacturers would cease production. Robert Usher & Co. Ltd. employed about 190, and was a subsidiary of Courtaulds UK.

Ushers exported substantial quantities to the U.K., but they do continue to operate a large Terry Division Britain which will take up any slack in both markets. The second manufacturer is Lissadell Towels which employs 150 with annual sales of about \$13 million. Their major product is 100 per cent cotton jacquard towels, with major exports to the Britain.

B. BUSINESS ENVIRONMENT

Recent written reports (1992) are not optimistic, but there is some confidence flat consumer spending will begin to rebound.

"When interest rates jumped by three per cent last October, the retail equivalent of a nuclear bomb went off in this country."

"According to veteran traders, the result was a dramatic and unprecedented loss in consumer

confidence which not only obliterated the impulse shopper, but shattered long established shopping patterns.”

Christmas trade “came to a standstill,” and “For the nation’s shopkeepers, 1992 will be remembered as the worst year in the history of Irish retail trade since the 1920s.”

Analysts report consumer spending and confidence has suffered during the 90’s, the direct result of rising unemployment, punitive levels of income and value-added tax, and fluctuating interest rates.

Dunnes Stores, a major retail discount chain, is known for slashing prices and subsisting on low margins, a practise which has seriously hurt other stores, forcing them to cut margins regardless of their market position.

Brown Thomas (owned by the Weston family) is the most upmarket store in Ireland, followed by Switzers (also Weston owned) and Arnotts.

Channels of distribution vary in that companies may act as either agents or distributors. In light of the cut price policies of Dunnes, the trade is less structured, with pressure on margins. Currently “sales” have lasted up to two months in certain outlets.

The Common External Tariff of the EEC applies, and under code 6302 60 000, duty of 13 per cent would apply to towels manufactured outside of the EEC. This obviously distorts competition to some degree.

In 1992, the following were top importers of toilet linen and kitchen linen made of terry towelling or similar terry fabrics of cotton into Ireland: Great Britain - 294 tonnes; Portugal - 231 tonnes; India - 211 tonnes; Colombia - 109 tonnes; Thailand - 89 tonnes; Brazil - 76 tonnes; USA - 56 tonnes; Northern Ireland - 38 tonnes; Israel - 23 tonnes; Pakistan - 18 tonnes; China - 16 tonnes; France - 11 tonnes; Netherlands - 10 tonnes; Czechoslovakia - 10 tonnes; (Others - 22 tonnes, approx.)

During the same time period, Ireland exported 1,781 tonnes of towels, of which 1,412 tonnes went to Great Britain and Northern Ireland.

C. PROMOTIONAL ACTIVITIES

1. Irish Autumn Fair - Hardware, Housewares & Gifts
3 Woodbine Pk., Stillorgan Rd., Blackrock, Dublin, Ireland
Tel: 1 2694022
Fax: 1 2692295

Alternates between housewares and hardware to gifts and fancy food each year. Last year (1993), 3,500 retail store buyers, wholesale distributors and product agents attended last year.

D. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

Agents and Distributors:

1. O'Keefe McCarthy O'Donovan
Doughcloyne Ind. Estate, Wilton, Cork.
Tel: 21-542180
Fax: 21-542193

2. Premier Int. Trading House Ltd. (includes hotel supplies)
11 Richview Office Park, Clonskeagh, Dublin 14.
Tel: 1-283 7860
Fax: 1-283 7861

3. Henry Dale Ltd.
Unit 38, Western Parkway Centre,
Ballymount Road, Dublin 12.
Tel: 1-502060
Fax: 1-502099

4. Glenmore Linens (includes hotel supplies)
Ballybofey, Co. Donegal.
Tel: 74-31731
Fax: 74-32496

5. Universal Textiles Ltd.
2 Coolmine Ind. Estate, Dublin 15.
Tel & Fax: 1-8215322

6. Glynn Distributing Co. Ltd.
227 Richmond Road, Fairview, Dublin 3.
Tel: 1-374441

Department stores:

1. Switzer & Co. Ltd.
92 Grafton Street, Dublin 2.
Tel: 1-677-6821
Fax: 1-677-6474

2. Brown Thomas Group & Co. Ltd.
15 Grafton St., Dublin 2.
Tel: 1-679-5666
Fax: 1-679-5260

3. Clery & Co. (1941) Ltd.
O'Connell Street, Dublin 1.
Tel: 1-878-6000
Fax: 1-874-0644

4. Arnott PLC.
12 Henry St., Dublin 1.
Tel: 1-872-1111
Fax: 1-872-1403

5. Roches Stores Ltd.
54 Henry St., Dublin 1.
Tel: 1-873-0044
Fax: 1-873-0791

6. Nicholls Ltd.,
51 Thomas St., Dublin 2.
Tel: 1-541766
Fax: 1-540506

Budget and discount stores include Dunnes Stores, Shaw's and Guineys. They buy only at the lower end of the market.

KOREA

A. THE MARKET

The most recent data available is from 1990, when the industry co-operative compiled information for Korea Textile Year Book 1991, which is published bi-annually by the Korea Federation of Textile Industries.

Import tariff on towels is 9 per cent on CIF price, which will be reduced to 8 per cent in 1994. There are no non-tariff barriers and quotas on this product in Korea.

The English language is well-integrated into international business circles here, and English-language promotional material is acceptable to potential importers.

Pricing should be discussed with a distributor in Korea, since they of course understand the intricacies of current market trends better than anyone.

Depending on the distribution channel, the retail price of goods imported into Korea is generally 2 to 4 times higher than the import price.

B. BUSINESS ENVIRONMENT

According to the Korean Towel Industry Cooperative, the domestic towel industry has been in a slump since 1988, the result of losing price competitiveness and a resulting surge of towel imports (mostly wash towels) from third world countries.

China, Pakistan and Vietnam were major suppliers in 1992.

As a result, the Korean towel industry has moved to claim the mid to high end market (mostly face and bath towels).

Production in 1989 was just over 9,000 tonnes, worth US\$53.4 million. Towel exports that year were worth US\$1.6 million; imports US\$3 million.

Compare those figures to 1990, when production dropped to 7,732 tonnes, but production value rose to US\$61.5 million. In the same year, exports collapsed to US\$530,000, while imports surged ahead to US\$10 million.

Imports continued to gain ground, rising to US\$7.7 million in just the first six months of 1991.

C. PROMOTIONAL ACTIVITIES

There does not appear to be any kind of trade show in Korea appropriate for participation by towel manufacturers. Direct contact with major department stores to test their interest in importing product is advised.

D. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

Major Korean Department Stores:

1. Shinsegae Department Store Co. Ltd.
25-5 1-ka, Chungmoo-ro, Chung-ku,
Seoul, Korea.
Tel: (02) 727-1001
Fax: (02) 727-1190
Contact: Mr. Han-Sup Ryu, president.

2. Galleria Department Store
40, Jamsil 3-dong, Songpa-ku,
Seoul, Korea.
Tel: (02) 410-7114
Fax: (02) 414-5424
Contact: Mr. Kab-Son Ka, president.

3. Keumang Development Industrial Co. Ltd. (Hyundai Department Store)
456 Apkujong0dong, Kangnam-ku,
Seoul, Korea.
Tel: (02) 544-9131/5
Fax: (02) 752-6471
Contact: Mr. So-Seung Ahn, president.

4. Lotte Shopping Co. Ltd.
1 Sokong-dong, Chung-ku,
Seoul, Korea.
Tel: (02) 752-2500
Fax: (02) 752-6471
Contact: Mr. Jin-Woo Kang, president.

5. Midopa Co. Ltd.
713 Sangkye 2-dong, Nowon-ku,
Seoul, Korea.
Tel: (02) 939-2222
Fax: (02) 938-4454
Contact: Mr. Chin-Ouk Kim, president.

6. Youngdong Department Store Co. Ltd.
119 Nonhyun-dong, Kangnam-ku,
Seoul, Korea.
Tel: (02) 544-5844
Fax: (02) 548-9692
Contact: Mr. Byung-Jik Ahn, president.

Major Korean towel manufacturers:

1. Song-Wol Towel Co. Ltd.
3-1 Sajik-dong, Tongnae-gu,
Pusan, Korea.
Tel: (051) 503-5001/4
Fax: (051) 505-1130
Contact: Mr. Dong-Soo park, president.
Employees: 620. Established: 1949.
Paid in Capital: Won 700 million (C\$1 = Won 625)
Product: hand owel, kitchen towel, bath towel, beach towel, face towel, towelling sheet.

2. Prince Towel Co. Ltd.
211-2 Songjeong-dong, Cheongju-shi,
Chungbuk, Korea.
Tel: (0431) 62-4455
Fax: (0431) 62-4457
Contact: Mr. Hyo-Joong Park
Product: hand towel, bath towel, beach towel, face towel.

3. Hanmi Towel Co. Ltd.
450-2 Eupnae-dong, Dacduk-gu,
Taejson, Korea.
Tel: (042) 625-4141/6
Fax: 625-4147
Contact: Mr. Kwang-Chun Paek
Product: Hand towel, bath towel, beach towel, face towel.

Industry Association:

Korea Towel Industry Cooperative
20-20 Chungmuro 5-ga, Chung-gu,
Seoul, Korea.
Tel: (02) 275-7288/9
Fax: (02) 277-0896
Contact: Mr. Soon-Suk Chung.
Established: 1965. Member companies: 63.

NEW ZEALAND

A. THE MARKET

Little information was available on the size or disposition of the market for Canadian towels in New Zealand.

A senior commercial officer with the New Zealand customs department advised the country has "a relatively small population of 3.5 million (that) has proved to be a market highly receptive to many Canadian products."

A freight forwarding company mentioned in his dispatch can give details on freight forwarding between Canada and New Zealand.

Beacon International Dispatch Ltd.
444 Elgin Street, Brantford, Ontario,
Canada N3T 5R7
Tel: 519-756-6463
Fax: 519-756-6800

B. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

Potential New Zealand towel importers include:

1. DEKA New Zealand Limited
Wellesley Street, PO Box 6043,
Auckland, New Zealand.
Tel: (09) 778-8000
Fax: (09) 372-1700
Contact: Mr. Dave Mellsop, buyer.
2. Levene & Company Ltd.
68 Harris Road, PO Box 51-372, Pakuranga,
Auckland, New Zealand.
Tel: (09) 274-4147
Fax: (09) 274-9699
Tlx: NZ 2528
Contact: Mr. Richard Powell, general manager.
3. Ramsay McDonald (New Zealand) Limited
27 Birmingham Road, PO Box 2200, East Tamaki,
Auckland 1015, New Zealand.
Tel: (09) 274-0926
Fax: (09) 274-8058
Tlx: NZ 2831

Contact: Mr. R. Faber, chief executive officer.

4. The Warehouse Limited
81 Ellice Street, PO Box 33-470 (Takapuna), Glenfield,
Auckland, New Zealand.

Tel: (09) 443-2631

Fax: (09) 443-2648

Contact: Mr. Stephen Tindall, managing director.

5. K Mart NZ
17 Mayo Road, PO Box 76121, Wiri,
Auckland, New Zealand.

Tel: (09) 279-4409

Fax: (09) 279-3833

Contact: Mr. Peter Reddy, product group manager.

6. Linen's and More Ltd.
29 Maritime Terrace, PO Box 36-390, Birkenhead,
Auckland, New Zealand.

Tel: (09) 480-0055

Contact: Ms Heather Cummins, owner.

7. Smith & Caughey Ltd.
Private Bag,
Auckland, New Zealand.

Tel: (09) 774-7700

Fax: (09) 370-2511

Contact: Mr. D.S. Caughey, managing director.

8. William McDonald (Agencies) Ltd.
2 Sheehand Street, Ponsonby, PO Box 6677,
Auckland, New Zealand.

Tel: (09) 376-2877

Fax: (09) 376-2379

Contact: Mr. Lester Murrell, managing director

RUSSIA

A. THE MARKET

There are 30 million families in Russia, averaging three persons per family. Commercial officers at the Canadian Embassy in Moscow suggest roughly six million families can afford high end towels, that each family member uses a minimum of six towels, and that these towels are replaced every three to five years.

Local towel production has always been insufficient, and a permanent shortage of towels of all types is prevailing feature of the Russian retail market.

Russian manufacturers face an inadequate supply of cotton from Commonwealth of Independent States countries, which prefer exporting the commodity for hard currency elsewhere. Consequently, Russian towel production continues to decline as lack of hard currency further restricts alternative supplies of raw material from overseas.

While Russian manufacturers are having difficulty meeting demand for towels in Russia, others have stepped into the breach. Asian manufacturers, from China, Korea and Taiwan, for example, have begun introducing low end towels into Russian Pacific markets, in addition to supplying those markets with inexpensive everyday clothing.

Towels imported into Russia are in good demand from a variety of buyers, including the army, navy, railways, maritime and river transport and lower income groups in the general population.

B. BUSINESS ENVIRONMENT

Embassy commercial staff advise that hotels in Moscow and other Russian cities could become regular clients of foreign towel makers. There are now (Dec 1993) over 80 hotels in Moscow, and more are being built in what is becoming a major new industry.

There are in addition several major department stores in every large Russian city which may be interested in supplies of foreign-made towels as well. In Moscow alone, there is GUM, TSUM, Moskovsky, Moskva, Detsky Mir, Petrovsky Passage, and others.

In addition, there are many lower calibre stores, plus many recently privatized retailers. These businesses either arrange the import of merchandise on their own, or obtain their supplies from local wholesalers, foreign companies or their agents.

Imported towels are subject to 15 per cent import tax, and a 20 per cent value added tax. No other barriers or quotas are imposed.

C. PROMOTIONAL ACTIVITIES

The language of business in Russia is either Russian or English. However, the preferred language for promotional material is Russian.

An agents association for the towel sector does not presently exist.

A local joint stock company - "Expocentr" - arranges major international trade fairs in Moscow each year, publishing the schedules well in advance.

The annual Moscow International Consumer Goods Fair, called "Consumexpo," is held each year in January, and specialized textile goods exhibitions are held twice annually.

Information on trade fairs and exhibitions is available from:

1. Expocentr
1-A Sokolnichesky Val Street,
Moscow 107113
Tel: (095) 268-7750, 268-1976
Fax: (095) 288-9537

D. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

National textile wholesaler:

1. Rostextiltorg
3 Profsoyuznaya Street,
Moscow 117036, Russia.
Tel: (095) 124-8342
Fax: (095) 124-5440
Contact: Ms Svetlana Grigoliya, general director.

Russian towel manufacturer and possible agent:

1. Yakovlevsky Lyon
25 Zavodskoy Proezd,
Moscow 105043,
Russia.
Tel: (095) 367-5583
Fax: (095) 367-2192
Contact: Mr. Alexey Potapov, manager, import/export department.

UKRAINE

A. THE MARKET

Commercial staff at the Canadian Embassy in Kiev report there are opportunities for Canadian products in the country, but difficulties as well.

Shortages of many retail items, including towels, continue to haunt the economies of former Soviet republics, but at the same time, those markets are disorganized, making it hard for exporters to take advantage of opportunities presented.

Export to Ukraine is difficult, because the country is in the process of changing its import/export legislation. In addition to this, Ukraine is beset with a shortage of hard currency for payment, and devoid of reliable, well-established distributors.

A market is opening up with the privatization or corporatization of formerly state-run hotels. In addition, new hotels are being built. Under the former Soviet Union, all hotels were run by the state and centrally supplied, but now they are fighting for survival under free market conditions.

But forced to contend with the current hyperinflation, they can barely satisfy their basic needs, let alone find money to purchase towels. As well, the free-market hospitality industry is in its infancy, and the small number of hotels that exist are of a low standard.

More promising in terms of sales potential are trade associations and department stores.

B. BUSINESS ENVIRONMENT

Because the local currency is not convertible and there is little hard currency available for imports, Ukraine tends to buy from countries which have a line of credit available. Canada's line of credit to Ukraine has already been fully used.

Canadian manufacturers wishing to do business here should be prepared to visit personally, and establish good local contacts with frequent follow-ups. Otherwise, any business venture has little chance of success. Direct sales, with no joint venture agreement or local investment, are the most difficult to conclude.

C. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

Trade associations and department stores:

1. Ukrimpex
22 Vorovsky Street, Kiev,
252054 Ukraine

Tel: (044) 216-2174
Fax: (044) 216-2996
Telex: 132623
Contact: Mr. S. Sokolenko, director.

This is the biggest state trade association, which has contacts in all regions of Ukraine.

2. Ukrinvaluttorg
Vul. Turovska 13, Kiev,
Ukraine
Tel: (044) 417-7164
Fax: (044) 417-8383
Contact: Mr. Vyacheslav Kramnoy, director.

This organization represents stores in Ukraine that sell for hard currency.

3. Ukrvneshexpobusiness Ltd.
Kiev 53,
254655 Ukraine
Tel: (044) 212-4556, 212-5973, 212-0372, 212-4866
Fax: (044) 212-2982
Telex: 131391 EKSIBI
Contact: Mr. Kruchkov, director.

This company is involved in foreign trade, and also organizes exhibitions of consumer products in Kiev.

Department stores:

1. Dytyachy Svit (Children's World)
Vul. Malyshka 3, Kiev,
Ukraine
Tel: (044) 559-9342
Fax: (044) 543-7907
Contact: Mrs. Svitlana Polutova, director.

2. Ukraina
Pl. Peremohy 1, Kiev,
Ukraine.
Tel: (044) 274-6017
Fax: (044) 274-1994
Contact: Mr. Sergiy Astistov, director.

THE UNITED KINGDOM

A. THE MARKET

The market for towels and table linen has contracted sharply after a decade of steady growth, concentrated mainly in the years from 1984 to 1988.

In 1992, the market was valued at C\$575.3 million, down from a decade high C\$607.9 million in 1990. The towels and table linen market began the decade in 1982 valued at C\$314 million.

As with other household sectors, towels and table linen are distributed through a wide variety of channels in the U.K. Due to the lack of a dominant sales channel, there is a high percentage of sales through the "other" category, which includes market stalls, supermarkets and discount stores.

In fact, department stores have been losing market share over the last three years, largely due to the efforts of variety stores such as Marks and Spencers and BhS, which have been increasing share. The variety stores now have the largest share of the distribution with 24 per cent in 1991.

Domestic towel production is dominated by two firms, Courtaulds and Coats Viyella.

In this sector, there is very little brand awareness. The high proportion of imports and own labels make it very difficult to estimate brand shares in the market place.

The domestic market is made up of 60 per cent imports and 40 per cent home production. About 55 per cent of the home produced market belongs to Courtaulds, producing its own brands such as Christy and Zorbit, while 30 per cent is accounted for by Coats Viyella, with its Chortex and Dorma brands.

Of the Courtaulds brands, Christy is directed at the mid to upper level of the market and is mainly sold in major department stores. The product is sold in a wide variety of colour and pack sizes, and the product range includes bath mats.

Zorbit targets the low to mid market consumer and is also distributed through department stores. Courtaulds also distributes own label products to retailers, wholesalers and cash and carry outlets.

Coats Viyella makes Chortex brand, which is primarily towel products. Meanwhile, the company's Dorma brand takes in a complete range of household textiles.

Coats also manufactures for design houses, such as Dior and Mary Quant. An example of this is the Epernay brand manufactured for Christian Dior by Vantona.

Imports are predominately sold as own label products. The leading branded imports include

Fieldcrest from the US and Vossen from Germany.

B. BUSINESS ENVIRONMENT

Analysts say growth in the towel sector in the U.K. is largely due to a release of pent up demand and a shift towards coordinated design.

Between 1988 and 1992, the 25-44 section of the population, which contains the greatest concentration of consumers who are householders with dependants, grew by nearly 6 per cent.

In raw numbers, the 25-44 year old age group rose in the U.K. from 16.2 million in 1988 to just under 17 million in 1992. This was the strongest growth sector of the population and is expected to have a positive impact on growth in the household textiles market. A recent Gallup survey has shown that the 25-44 age group is a major buyer of towels and table linens. It is the age group most likely to be buying for a growing or large, established household.

Population growth overall has been moderate since 1988, with an average annual growth for the past five years of 0.6 per cent. Both the 15-19 and 20-24 year old group has shown a decline since 1988, with average annual growth of -4.3 per cent and -1.7 per cent respectively.

The number of households in the U.K. has shown consistent growth since 1983, with net increases each year of between 160,000 and 224,000 households per year throughout the period.

There has been a corresponding increase in the number of owner occupiers during the same time period as well. Trade research has shown that owner occupiers spend considerably more on household textiles than those renting accommodation.

Greater consumer concern for home fashion has also led to increasingly coordinated home furnishings, which has affected the household textiles market.

As consumers have obtained more disposable income, they have spent more on aesthetics and interior design. This trend towards colour and design coordination between household textiles, housewares and appliances has had a major impact on growth by reducing the replacement cycle. For towels, the average is currently about six years.

There has been a definite shift to higher quality, thicker towels.

The shift towards coordinated design in towels has increased the average price per unit, as have value added features like trim and increased thickness.

Colour coordinated sets of towels are often more expensive and of higher quality than standard items.

The design impact means consumers want certain colours to coordinate with their bathrooms. The majority of the demand is for plain towels, and over the last three years (1988, 1989, 1992), pastel colours have been the most popular.

Movement towards coordinated design means consumers are buying sets of towels rather than individual towels, and the packs contain a variety of sizes, including a number of hand and medium sized towels.

This has had the effect of reducing the average size of towels.

This sector also has import penetration of over 60 per cent, a process which has accelerated over the last two years and has had the effect of reducing the price per unit slightly as the imports unit cost is lower than products made in the U.K.

The beach towel market in the U.K. was valued at C\$24.5 million in 1991. This is one sector in the towel market which does demand bright patterns.

C. PROMOTIONAL ACTIVITIES

The towel and table linen market is not promoted heavily. It has one of the lowest advertising to sales ratios in the household textiles market. Over the last year (1992), manufacturers have improved their packaging and merchandising.

The market includes bath and hand towels, kitchen towels, kitchen towels, face cloths, table linen and napkins.

Analysts predict moderate growth in the household textiles sector, which is highly fragmented except for the towelling market. Marginal growth is forecast for the 1993-97 period.

A list of trade shows was unavailable at this printing.

D. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

1. Computers in Textiles: A Buyer's Guide to European Products and Services
Textile Institute
10 Blackfriars St.
Manchester M3 5DR, England

No recent edition.

2. Textile Institute
International Headquarters
10 Blackfriars St.

Manchester M3 5DR, England
Tel: 61 834-8457

Has 8,000 members including organizations and individuals involved in the management, science, technology, design and marketing of textiles. Information services available.

3. Bedroom Bathroom Kitchen Yearbook and Directory

Maclean Hunter Ltd.

Maclean Hunter House

Chalk Lane, Cockfosters Road, Barnet,

Hertfordshire, EN 4 OBU,

England.

Fax: 81-9759753.

This 238 page U.K. directory lists about 2,000 kitchen, bedroom and bath items as well as appliance manufacturers; suppliers of components and distributors in the U.K. Indexes of products and services, company names included. Published every two years. Price is C\$118.

THE UNITED STATES OF AMERICA

A. THE MARKET

The U.S. towel market is vast and highly competitive, particularly at the low end of the product spectrum. There is a great deal of market information available.

Retail sales of bath and beach towels in the U.S. steadily declined from 1990 to 1992. The smaller market for embellished bath towels did better during that period, increasing sales each year.

U.S. trade statistics show bath towel sales shrank from \$1.45 billion in 1990 to \$1.39 billion in 1991, falling to \$1.33 billion in 1992. During that time, mass merchants increased their share of the bath towel market by one percentage point, to 45 per cent of the market.

Bath towel sales in department stores meanwhile dropped to 23 per cent of the total market in 1992, from 28 per cent in 1990. Other outlets, including catalogue sales and specialty stores slightly increased their sales share during this period.

Solid colours are hugely favoured, capturing nearly 80 per cent of sales. The remaining 20 per cent are split between stripes, jacquards and prints. Solid colours average about \$30 a dozen, with fancies near \$26, indicating large quantities sold for lower, popular-priced sales.

U.S. mills in 1992 shipped about five bath towels to four hand towels. Wash cloths outsold bath towels six to five, but wash cloth prices per dozen were low at around \$6.50.

Embellished bath towels showed sales gains in each year, from \$93 million in 1990 to \$99 million in 1991 and \$102 million in 1992. Sales of embellished towels have increased every year since 1988, when they marked \$77 million. Top makers include Avanti, Abouchar, R.A. Briggs and Saturday Knight.

Mass merchants and specialty stores are increasing their share of this market at the expense of department stores, which nevertheless controlled 38 per cent of the retail market for embellished bath towels at the end of 1992.

Beach towel sales declined from \$234 million in 1991, to \$220 million in 1992. Mass merchants increased their retail sales share of the beach towel market to 44 per cent by the end of 1992. Department stores meanwhile dropped to 20 per cent of the market.

Fully 36 per cent of the beach towel market is split between specialty stores (8 per cent), catalogues (3 per cent) and other retailers (25 per cent).

Towel and wash-cloth imports in the third quarter of 1992 were \$44.4 million, or roughly 14 per cent of U.S. consumption. U.S. exports during that time were \$5.1 million.

B. BUSINESS ENVIRONMENT

"If you have the right beach towels, even being shipwrecked can be endured," say industry analysts, who are predicting strong sales as retailers find ways to stretch the beach towel season around the calendar, through cruises in the winter and a growing spa business.

Manufacturers and retailers are predicting sales growth in the beach towel market, where there is optimism despite a sales slump in 1992.

Manufacturers report an increase in beach business for 1993, and say they expect a more profitable year in 1994 because of a continuing trend towards year-round merchandising. Once considered a purely seasonal business, beach towels are moving beyond summer and into recreational circles, from school lockers to exotic hideaways, spas and sports businesses.

Some analysts say the product is on its way to becoming "a tremendous marketing opportunity, aimed at the young, in spirit and health."

March through June remains the peak selling season, but some retailers say they are still featuring the product well into August and even September.

Colour is an essential element, according to both retailers and manufacturers. Consumers want beach towels that will stand out in the sun, and something more than just simple designs of sailboats and mermaids. Manufacturers are responding with unusual colour pairings, such as orange with pink, and blue with greens. Jacquards and double jacquards come with brightly coloured borders.

Many wovens in traditional beach themes, such as shells and boats, are also receiving unusual colour and style treatment. Bright, solid coloured towels with designs on the border are proving to be best sellers.

But the market leaders are licensed fibre reactivities. Retailers say the hot licenses tap directly into the juvenile market, incorporating themes from Disney, Jurassic Park, Tom and Jerry, The Muppets, Warner Brothers' Looney Tunes and Thomas the Tank Engine.

Meanwhile, juvenile bath programs and products are reflecting designs from Africa, Europe, Guatemala, the Orient and Greece.

Licensed juvenile bath towels proving extremely popular include The Perils of Mickey, Minnie Mouse, The Little Mermaid, Snow White, 101 Dalmations and Pinocchio, Lamb Chop, Dennis the Menace, and Looney Tunes.

Buyers at the 1993 April Home Textiles market gave domestic mills high marks for new jacquards, ethnic looks and prints.

Of special interest were several Fieldcrest introductions, including tartans, plaids and Shetland looks, and the Martex One World Collection of four free-standing ethnic jacquard towels, inspired by the cultures of Turkey, the Orient, Guatemala and Africa.

Fieldcrest has also introduced the New World Towel, combining naturally grown California cotton with FoxFibre cotton. The FoxFibre cotton used in the face side of the towel actually grows in colour, used in Coyote Brown. The reverse side is a natural tint.

U.S. mill shipments for 1992 were higher than a year earlier (34.7 million dozen for the first nine months, versus 31.7 million for the first nine months of 1991), but sharper prices held back any corresponding dollar gain.

Huge volume was done on units under \$2 on smaller size solids, jacquards and prints. Bigger retailers keep replacing basic solids with larger and heavier types, striving at the same time to retain sharp price points.

New to some larger retail discount chains will be carded 30-by-56s in the 18-pound weight area, selling for as low as \$5.88. This is the largest U.S. towel made, and exceeds in size costlier combed and pima grades retailing up to and over \$20.

And finally, a 1992 U.S. Business Traveller Survey found the most important factors in hotel selection are the basics - cleanliness, comfortable beds and pillows, and good quality bath and wash towels.

C. PROMOTIONAL ACTIVITIES

Towels take on new meaning when merchandised correctly, according to some U.S. manufacturers, who have begun to sell retailers on the concept of "one-stop shopping" and increased sales from strategically placed adjacent products.

Placing bath accessories and shower curtains with towels in a fixture suited to house multiple products reminds consumers that these purchases can be coordinated. Towels can become decorative items, providing consumers with new reasons to buy them.

Manufacturers are also focusing on towel set sales. For example, consumers may buy either two bath towels, four hand or eight wash cloths for the same price.

Trade shows in the U.S. include the following:

1. Hometex, USA

The National Bath, Bed and Linen Association,
15 E. 26th St., Ste. 1602, New York, N.Y., 10010.

Tel: (212) 689-5550

Fax: (212) 686-2050

Held annually in New York. 7,000 retail buyers attended in 1992.

2. National Housewares Manufacturers' Association
Fall International Housewares Show/PCO Album Reunion
6400 Shafer Ct., Ste. 650, Rosemount, IL 60018.
Tel: (708) 292-4200

This annual show attracted 55,000 housewares buyers and merchandising executives in 1992. It is held at McCormick Place in Chicago.

3. Los Angeles Giftware Week and Home Furnishings Show
1933 S. Broadway, Ste. 244,
Los Angeles, CA 90007. Tel: (213) 749-7911 Fax: (213) 746-1215

This show for retailers is held twice yearly.

4. San Francisco Winter Home Furnishings Market
San Francisco Mart, 1355 Market
St., San Francisco CA 94103 Tel: (415) 552-2311 Fax: (415) 558-9589

Held each year in January, 10,000 retailers attended in 1992.

D. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

Fieldcrest Cannon, Inc.

The company has been losing money since acquiring Cannon Mills, a money-losing maker of cheaper towels. Fieldcrest has about 45 per cent of the U.S. towel market, down from 50 per cent in early 1986. It remains the nation's largest towel maker.

The North Carolina-based company has budgeted about \$90 million in the next three years to expand and revamp mill machinery and warehouses, along with \$25 million for a new warehouse in Kannapolis. This is in addition to a \$500 million, five-year plan to modernize the company's 29 plants and trim its 16,900 strong workforce.

West Point-Pepperell, Inc.

The nation's largest maker of sheets, and the second-largest maker of towels.

American trade directories detailing suppliers include:

1. Davison's Textile Blue Book,
Davison Publishing Co., Inc.
Box 477 Ridgewood, NJ 07451
Tel: (201) 445-3135
Fax: (201) 445-4357

This 700 page American directory covers 8,400 companies in the textile industry in the US, Canada and Mexico, including about 4,400 textile plants. It includes mills, manufacturers,

dyers, bleachers, finishers, dealers, importers, exporters, brokers, shippers and agents for various textiles, fibres, yarns and cordage. Also includes lists of textile schools, testing and research laboratories and trade associations. Published annually in March. Price is \$120. Advertising is accepted.

2. Davison's Textile Buyers' Guide (The Gold Book)

Davison Publishing Co., Inc.
Box 477 Ridgewood, NJ 07451
Tel: (201) 445-3135
Fax: (201) 445-4397

This 400 page American directory lists suppliers of equipment, materials and services for the textile industry.

Includes company names, products or services. Published annually in August. Price is \$50.

3. Financial Performance Profile of Public Textile Companies

Kurt Salmon Associates, Inc.
12 E. 49th St., Ste. 1400,
New York, N.Y. 10017-1028.
Tel: (212) 319-9450

This 230 page American directory lists about 50 publicly held textile manufacturers, and includes financial data for the textile industry. Published annually in June. Price is \$400.

4. Textile Manufacturers Directory

American Business Directories, Inc.
American Business Information, Inc.
5711 S. 86th Circle
Omaha, NE 68127
Tel: (402) 593-4600
Fax: (402) 331-1505

An American directory printed in the "Yellow Pages" style, listing names, addresses and relevant information. Frequently updated.

5. Fibre Organon Directory of U.S. Manufactured Fiber Producers

Fiber Economics Bureau, Inc.
101 Eisenhower Pkwy
Roseland, NJ 07068
Tel: (201) 228-1107
Fax: (201) 228-7598

An American directory listing about 100 fiber manufacturers, including company name, address, product description, plant locations and trade names. Published annually in November. Price is \$50.

6. America's Textiles International/The Textile Red Book
Billan Publishing Co.
2100 Powers Ferry Rd., Ste. 300
Atlanta, GA 30339
Tel: (404) 955-5656
Fax: (404) 952-0669

This 732 page American directory lists 6,000 textile mills and suppliers to the textile industry in North America. Also includes a list of trade associations and textile schools. Published annually in the fall. Advertising is accepted. Price is \$84.

7. National Kitchen & Bath Association - Directory of Accredited Members
687 Willow Grove St.
Hackettstown, NJ 07840
Tel: (201) 852-0033
Fax: (201) 852-1695

This 100 page American directory lists over 5,000 retailers, distributors, manufacturers, manufacturers' representatives and associated members in the kitchen and bath equipment industries.

Published annually in March. Free of charge.

8. Kitchen and Bath Sourcebook
Sweet's Group
McGraw-Hill, Inc.
1221 Avenue of the Americas
New York, NY 10020
Tel: (212) 487-7800

This American directory lists manufacturer's representatives for kitchen and bathroom products. Published annually in march. Advertising is accepted. Price is \$19.95, plus \$5 shipping.

9. Knitted Textile Association - Official Resource Guide and Fact Book
Knitted Textile Association
386 Park Ave. S
New York, NY 10016
Tel: (212) 689-3807
Fax: (212) 889-6160

This 80 page American directory lists 150 member manufacturers, suppliers and distributors of knitted fabric products and services by company name, plus quality standards for various types of knits.

Published annually in December. Price is \$10.

VENEZUELA

A. THE MARKET

The estimated market size of mid to high end towels in Venezuela is US\$11 million.

Local manufacturers are medium to small in size compared to their counterparts in North America. Locally made products tend to be mainly low or middle end, while 20 per cent of total production is geared towards high end products.

Domestically manufactured products are losing market share to imported towels, which are of higher quality and more competitively priced than Venezuelan towels.

Domestic manufacturers have 62 per cent of the market; imports control the remaining 38 per cent.

Foreign towel imports into Venezuela are led by the U.S.A., at US\$1.6 million, followed by Panama, Brazil, Colombia and Curacao.

As a general rule, product moves directly between the manufacturer or exporter to the department store, wholesaler and retailer.

Local agents, distributors and other middlemen are not commonly used for this product.

The preferred marketing and distribution channel is through retail chains, who prefer to import directly from manufacturers.

B. BUSINESS ENVIRONMENT

Local retailers and manufacturers report it is a common practise to lower the price of bath towels and recover profit by raising prices for hand and face towels.

The preferred language for promotional material in Venezuela is Spanish. To date (July 1993) there are no tariff or non-tariff barriers or quotas on this product.

There is no agents association in Venezuela for this product sector, but a related association is the Textile Manufacturers Association, with a main office in Caracas.

C. PROMOTIONAL ACTIVITIES

There is one major trade show recommended, called GIFT. It is to be held June 14-16, 1994, in Caracas.

Organized by:

Prex International,
Tel: (582) 263-4362
Fax: (582) 261-0095, and (582) 261-0095
Contact: Mrs. Ligia Gimenez.

None of the three department store buyers contacted said they usually attend any international shows.

D. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

Department stores:

1. Maxis, C.A., Paseo Las Mercedes
Edificio Maxis, Piso 3, Caracas
Tel: (582) 921-1222 Fax: (582) 920-0700
Contact: Mr. Jose-Luis Perez, purchasing manager.
2. Centro Beco C.A.
Av Ppal de Boleita Norte, Caracas
Tel: (582) 238-2361, 239-7990, 238-1617
Fax: (582) 238-6505
Contact: Ms Dora Rochi, purchasing manager.
3. Bazar Bolivar C.A.
Av Francisco de Miranda, Edificio Bazar Bolivar,
Torre B, El Marques, Caracas.
Tel: (582) 239-2233, 239-1190
Fax: (582) 239-4664
Contact: Ms Sofi Kabadyan, general manager.

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