

On Development of Market for Handicrafts from Tiền Giang

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1. Production and consumption of Tiền Giang handicrafts

In recent years, handicrafts from Vietnam have been exported in large quantities. Export earnings rose from US\$755,000 in 2000 to one million in 2001; US\$2.9 million in 2005 and some US\$4.5 million in 2006 gaining a growth rate of 34.4% in this period. Up to the end of the first quarter of 2007, earnings from

wooden toy, products made of dried water hyacinth, etc. and they are saleable in Japan, the U.S., the EU, Canada, Taiwan and South Korea. Tiền Giang handicrafts are also displayed for sale in tourist attractions in the province. Local authorities have taken measure to restore and develop traditional guilds, such as Thân Cửu Nghĩa guild in Châu Thành District making cone hats and

handbags from various kinds of leaves; Đông Hòa Hiệp guild (Cái Bè District) producing rice paper and sweets, and they have become tourist attractions.

Production of handicraft supplies jobs to rural residents during idle time between crops and plays an important role in introduction of local culture to foreign visitors. However, this business is meeting with difficulties in expanding

its market. One of the most noticeable shortcomings is the fact that all handicraft concerns are of small scale, and lack information about foreign potential markets and proper marketing strategies. Moreover, their products have no consistent quality and original designs, which prevent them from satisfying various tastes of foreign consumers. Raw materials for this business are

Table 1: Export earnings from Tiền Giang handicrafts

Indicator	2000	2001	2002	2003	2004	2005	2006
Total earnings (US\$1,000)	92,539	75,779	60,491	90,459	107,550	166,971	212,320
Handicraft earnings (US\$)	754,969	1,052,874	841,194	1,135,206	2,840,951	2,866,987	4,447,970
As % of the total	0.82%	1.03%	1.39%	1.25%	2.64%	1.72%	2.09%

Source: Statistics from Tiền Giang Service of Trade and Tourism

export of handicrafts reached US\$1.85 million equaling 3.9% of total earnings of the province and increasing by 12.3% as compared with the corresponding period last year. Although it represents a small percentage of the total export earnings, this business gains high added value because its raw materials are mainly from local sources while imported ones represent only 3.0% or 3.5% of the export earnings.

Staple handicraft exports are rush carpet, rush mat, rush chair,



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mainly from plants and trees and they tend to deform or decay under influence of changes in weather if they are not handled properly. Handicrafts are usually bulky, which leads to higher transport cost and lower competitiveness.

2. Directions of market expansion

The market for handicrafts is expanding all over the world when consumers from Western countries are increasingly interested in eco-friendly products and originality of



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hand-made goods. That is why exports from developing countries, especially Asian ones, has been on the increase in recent decades. Tiền Giang handicraft business may pay more attention to the following markets:

a. The EU: This is the biggest market for wooden furniture and artistic ceramics. At present, EU countries are importing large quantities of goods made from leaves, bamboo, rattan and many other plants.

Tiền Giang handicraft concerns have entered this market for years. Bình Minh Cooperative has exported rush mats and carpets and rattan chairs to Finland, Sweden, France and Italy. Quang Minh Cooperative supplied mats, bookcases, baskets, etc. to Belgium, German and France. This initial success

promises a foothold in this market for Tiền Giang handicraft concerns and encourages them to expand their production.

b. Japan: Besides wooden furniture and ceramics, such goods as woolen carpet, small mats, bamboo pieces of furniture, and products made of water hyacinth and shredded coconut are also saleable in the Japanese market. Moreover, many Japanese importers usually buy handicrafts from developing countries and re-export them to other markets after treating them properly. Tiền Giang handicraft concerns can supply various items to this market.

c. South Korea, Singapore and Australia: These markets are familiar to Vietnamese handicrafts and don't erect many technical barriers against imported handicrafts but

Chinese goods have become a great force of competition there. Tiền Giang handicraft concerns have to try their best to cut production cost, diversify designs of products, and carry out marketing campaigns in these countries.

d. The U.S.: This market imports very large quantities of ceramics. American consumers like having ceramic ornaments in their rooms and gardens but Tiền Giang has no potential for producing ceramics. Such goods as embroideries, souvenirs and products made of bamboo, rattan and leaves are less competitive than Chinese ones in terms of designs and prices. Moreover, American orders are usually too big for Tiền Giang small-scale handicraft concerns to fill. To find a foothold in this market, commercial authorities and local con-

cerns should find and establish relations with partners who can make new designs and distribute Tiền Giang handicrafts. The best partners may be overseas Vietnamese businessperson who understand tastes of American consumers and already have their own distribution networks.

As for domestic market, handicraft concerns must establish trading relations with wholesalers and retailers in big cities and open shops selling souvenirs to tourists. The provincial authorities have succeeded in developing traditional guilds along with visiting tours and resorts with a view to introducing local handicrafts to domestic and foreign tourists. Besides trade promotion campaigns that aim at helping local concerns find potential markets and improve their market shares, the provincial authorities have made plan to build showrooms for handicrafts in Mỹ Tho City and resorts in Thới Sơn Islet. Visiting tours linked with rice paper making guild in Cái Bè, rush mat guild in Long Định, cone hat guild Thân Cửu Nghĩa, wooden altar guild in Gò Công, and wooden work of art guild in Tân Lý Tây are to be developed in order to introducing local handicrafts to visitors and encourage the production. ■