



ACTIVITY BRIEF

MAY 2–3, 2017, TRANS LUXURY HOTEL, BANDUNG
MAY 8–9, 2017, ALILA HOTEL, SOLO



TPSA | CANADA-INDONESIA TRADE AND
PRIVATE SECTOR ASSISTANCE PROJECT

Strengthening Indonesia's Apparel Exports Through Training SMEs on How to Export Successfully to Canada

The Canada-Indonesia Trade and Private Sector Assistance (TPSA) project organized training for apparel-producing small and medium-sized enterprises (SMEs) in Bandung and Solo. The goal of the training was to increase the knowledge and skills of Indonesian apparel SME producers to allow them to successfully export to Canada.

Background

Indonesian apparel was selected as a TPSA target commodity due to its strong potential for exports to the Canadian market. To help small and medium-sized Indonesian apparel producers successfully access the Canadian market, TPSA offers selected SMEs a number of capacity-building activities.

An assessment by TPSA experts in the Canadian apparel industry identified areas where Indonesian SMEs likely need assistance: marketing, building a successful product line, and production techniques tailored to the export market. In addition, SMEs in the apparel industry would be helped by training in negotiating skills, English-language skills, Canadian business practices, and creating and maintaining appropriate company websites.

As a result of this assessment, it was deemed important to offer training targeted to SMEs in the apparel sector to increase their capacity in the above areas and help ensure their export success. The training is also important background for any SMEs that plan to attend TPSA-sponsored trade fairs and business-to-business matching events with potential Canadian buyers.



Maria Guzman leads the workshop in Bandung.

TPSA has determined that Indonesian apparel production is clustered in the Solo and Bandung regions. Firms from these regions were selected to participate in the training based on their interest in working with TPSA and the suitability of their product, which was based on an assessment by the TPSA apparel expert.

The workshop objective was to improve the knowledge and skills of apparel-producing SMEs to increase their ability to export successfully to Canada.

Canada

Program undertaken with the financial support of the Government of Canada provided through Global Affairs Canada

IN PARTNERSHIP WITH



MINISTRY OF TRADE



Workshop Overview

The training of representatives from apparel-producing SMEs in how to successfully export to Canada was conducted in Bandung on May 2–3, 2017, and in Solo on May 8–9, 2017. The training session in Bandung was attended by 36 participants (18 men, 18 women), while the training session in Solo was attended by 18 participants (0 men, 18 women). Also in attendance were officials from the Indonesian Ministry of Trade and the Indonesian Textile Association (API).

"We have always been interested in the Canadian market, but did not have access to good information on how to export. As far as I know, this is the first time we have had this kind of training on how to export apparel. We appreciate that it was facilitated by a Canadian entity and supported by the Indonesian government. I think this is very positive, not only because it educates us on Canada's taste in styles and Canadian cultures, but also that it informs us on overall export standards."

—WENNY ANGGRAENY PUSPADHEWI
Owner, Puspa Dhewi Batik, Solo

The workshops were led by Maria Guzman, an apparel expert from TFO Canada. TFO Canada is a non-governmental, non-profit organization based in Ottawa whose mandate is to promote sustainable economic development through export information, advice, and contact. TFO Canada facilitates access to the Canadian marketplace and shares



Bandung workshop participants show their products.

Canadian trade expertise for the benefit of SMEs wanting to export to Canada.

Ms. Guzman has extensive experience helping SMEs in the apparel industry in developing countries to export their products to Canada.

The workshop covered eight main topics:

- overview of the Canadian apparel market
- labelling requirements
- pricing
- digital presence and e-commerce
- developing a successful product line
- negotiation skills
- packaging
- logistics

Ms. Guzman began by giving an overview of the Canadian apparel market, both for men's and women's clothing and the recent trends in imports and domestic production. She stressed the growth in market share for private labels, e-commerce, sporting goods, and "fast fashion." She then described in detail Canada's labelling requirements for garments, which need to be followed if the goods are to successfully enter the country.

Pricing is an important factor in determining sales, and Ms. Guzman gave the workshop participants a breakdown of the markup at each stage of the supply chain, helping the workshop participants determine if their costs are competitive.

Given the growing importance of the e-commerce market, the expert discussed the elements of creating a successful "digital presence," including an effective website. She ended the first day of the workshop by describing how to create a successful product line, with an emphasis on defining the target market segment and reinforcing success with certain products, while abandoning, but learning from, product failures. This discussion was illustrated with examples of various product lines offered by Canadian retailers, each targeting a different market.

On day two, the workshop moved on to discuss the basic elements of a successful negotiating strategy and identified a "toolkit" that would help



Apparel workshop in Solo.

in the negotiating process with potential buyers. The workshop ended with a discussion of packaging and logistics, detailing the various packaging options and the best way to ship apparel from Indonesia to Canada.

Participant Feedback

In Bandung, all participants reported that their skills and knowledge improved because of the workshop. Seventy-one per cent said that their new level of confidence in applying the knowledge was "excellent" or "very good"; another 19 per cent said "good."

Seventy-four per cent said they would use the knowledge from the training either "very frequently" or "frequently" in their work, while 17 per cent said "occasionally" and 9 per cent said "rarely."

The participants in Bandung reported good overall satisfaction with the training. Twenty-nine per cent gave a satisfaction rating of "excellent"; 57 per cent, "very good"; and 14 per cent, "good."

In Solo, all participants reported that their skills and knowledge improved as a result of taking part in the workshop on exporting to Canada. Sixty per cent of those responding said that their new level of confidence in applying the knowledge was "excellent" or "very good," with the remainder saying "good."

Seventy-three per cent said they would use the knowledge from the training either "very fre-

quently" or "frequently" in their work, while 20 per cent said "occasionally" and 7 per cent said "rarely."

The participants reported good overall satisfaction with the training. Sixty-two per cent gave a satisfaction rating of "very good" and 38 per cent said "good."

Conclusion

The training participants own or work for SMEs in the apparel sector and have an interest in exporting to Canada. The training helped them to increase their marketing skills, understand the Canadian market and the needs of Canadian buyers, and improve their negotiating skills. The training used successful apparel retailers and exporters as examples to improve the skills of the trainees. The trainees are confident that the workshop will help them to more successfully export their products to Canada.

About the TPSA Project

TPSA is a five-year C\$12-million project funded by the Government of Canada through Global Affairs Canada. The project is executed by The Conference Board of Canada, and the primary implementation partner is the Directorate General for National Export Development, Ministry of Trade.

TPSA is designed to provide training, research, and technical assistance to Indonesian government agencies, the private sector—particularly small and medium-sized enterprises (SMEs)—academics, and civil society organizations on trade-related information, trade policy analysis, regulatory reforms, and trade and investment promotion by Canadian, Indonesian, and other experts from public and private organizations.

The overall objective of TPSA is to support higher sustainable economic growth and reduce poverty in Indonesia through increased trade and trade-enabling investment between Indonesia and Canada. TPSA is intended to increase sustainable and gender-responsive trade and investment opportunities, particularly for Indonesian SMEs, and to increase the use of trade and investment analysis by Indonesian stakeholders for expanded trade and investment partnerships between Indonesia and Canada.



Participants at the Bandung workshop.



Participants at the Solo workshop.

The expected immediate outcomes of TPSA are:

- improved trade and investment information flows between Indonesia and Canada, particularly for the private sector, SMEs, and women entrepreneurs, including trade-related environmental risks and opportunities;
- enhanced private sector business links between Indonesia and Canada, particularly for SMEs;
- strengthened analytical skills and knowledge of Indonesian stakeholders on how to increase trade and investment between Indonesia and Canada;
- improved understanding of regulatory rules and best practices for trade and investment.

For further information, please contact the Project Office in Jakarta, Indonesia:

Mr. Gregory A. Elms, Field Director
 Canada-Indonesia Trade and Private Sector Assistance (TPSA) Project
 Canada Centre, World Trade Centre 5, 15th Floor
 Jl. Jend. Sudirman Kav 29-31 Jakarta 12190, Indonesia
 Phone: +62-21-5296-0376, or 5296-0389
 Fax: +62-21-5296-0385
 E-mail: greg@tpsaproject.com