

Craft International Trade Action Plan

Please note: This international trade action plan for the Canadian Craft Sector is based in large part upon the research and findings presented in the document "Profile and Development Strategy for Craft in Canada," which was produced by Peartree Solutions in October 2003 and coordinated by the Conseil des métiers d'art du Québec for the Canadian Crafts Federation/Fédération canadienne des métiers d'art (CCF/FCMA). The scope of the action plan below is limited to recommendations for action on the part of the Government of Canada. For a full account of the sector's domestic and international priorities, please consult the "Profile and Development Strategy for Craft in Canada," which can be accessed directly at the CCF/FCMA website: www.canadiancraftsfederation.ca

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Introduction

Trade Team Canada for Cultural Goods and Services

The Trade Team Canada – Cultural Goods and Services (TTC CGS), provides a two-way flow of cultural export development information and advice between the Government of Canada and the arts and cultural stakeholders in the private and public sector. Reporting to the Deputy Minister of the Department of Canadian Heritage, TTC CGS ensures that the Government of Canada has the benefit of client views in its deliberations on setting priorities for export preparedness and international market development initiatives for arts and cultural entrepreneurs.

Purpose of the International Trade Action Plan for the Craft Sector

The purpose of the Action Plan for the Craft sector is to identify trade opportunities and to articulate possible strategies to enhance international market penetration for this sector. The document recommends initiatives and approaches to the Government of Canada through TTC CGS that will assist the sector in increasing export sales. More specifically, the document identifies the sector's priority markets (geographic, established, emerging and niche) and suggests ways in which both the novice and more seasoned exporter might improve access to these markets.

Background of the Sector

The craft sector in Canada is a growing and vibrant collection of individual craftpersons, studios, enterprises, media guilds, public and private galleries, retail and wholesale shows, and organizations such as the Provincial and Territorial Craft Councils (PCCs). Canadian professional craft, recognized internationally for its quality and distinctive character, carries significant cultural and economic value. Working with traditional materials of clay, glass, metal, wood, stone, and natural fibres, as well as plastics, resins, and man-made fibres, craftpersons conceive, design, and render objects that address contemporary and traditional concerns, form and function. These expressive, functional or decorative objects and site-specific works include, for example, vessels, clothing, cutlery, tableware, musical instruments, furniture, bookbinding, metalwork, stained glass windows, saddles and jewellery, among others.

The Canadian craft sector is made up of several groups of stakeholders (see Annex A). The core of the industry consists of full-time professional craftpersons, engaged in one-of-a-kind work and/or production work. The remaining stakeholders operate in various ways to support the core activity and the relationship among the stakeholders should be recognized and acknowledged in any coherent and cohesive strategy to promote and develop the Canadian craft industry. The major stakeholders are:

- 1) Craft professionals;
- 2) Craft organizations providing programs and services;
- 3) Private galleries, boutiques and cooperatives;
- 4) Craft show organizers (wholesale and retail);
- 5) Public galleries/museums, educational institutions, curatorial staff, researchers, writers and critics;
- 6) Large craft-related studios and enterprises; and
- 7) Media

As noted above, the Canadian craft sector benefits from the work of numerous craft organizations. The Canadian Crafts Federation (CCF) is the national arts service organization and is a collaborative effort of the provincial and territorial craft councils to represent the Canadian craft sector. Provincial and territorial craft councils (PCCs)¹ work on many levels—through individual and regional efforts as well as under the umbrella of the CCF—to develop creative and economic activity within the craft industry. The CCF (as the national organization of PCCs) and the PCCs represent all craft media, and cross-media initiatives are frequent. Indeed, these organizations perform dual roles for the Canadian craft sector: they promote both the culture of craft and the commodity of craft. Their activities range from providing permanent public galleries, boutiques, and seasonal shows to their members and in some cases to all professional craftpersons, to stimulating both domestic and

¹ Canadian provincial and territorial craft councils: Craft Association of British Columbia, Alberta Craft Council, Saskatchewan Craft Council, Manitoba Crafts Council, Ontario Crafts Council, Conseil des métiers d'art du Québec, New Brunswick Craft Council, Nova Scotia Designer Craft Council, Prince Edward Island Craft Council, Craft Council of Newfoundland and Labrador, Nunavut Arts and Crafts Association.

international business development of the industry. In CCF initiatives, one PCC typically will take a lead role in the project's organization and delivery. A notable example has been the development of a "Profile and Development Strategy for Craft in Canada," noted above.

In addition to the CCF and PCCs, single-media associations or guilds often participate in delivering creative as well as business development opportunities to their members. Thus, the Canadian professional craftperson can access numerous organizations, that when considered together, offer a wide range of support and resources. For example, a Canadian professional craftperson has the opportunity to belong to provincial organizations that provide cross-media support (a PCC), as well as regional, national and international single media organizations. Additionally, PCCs and single-media organizations work with public and private galleries/museums, trade shows, and boutiques to provide venues for craftpersons to exhibit and sell their work.

Canadian Markets and Trends

The Canadian professional craftperson will often access multiple avenues for sales. Sales can be generated through the display of one's work in a PCC or private gallery, sold on a consignment basis through independent shops and galleries or via participation in wholesale and retail shows. Frequently, the craftperson sells directly to the customer and indeed it is this direct craftperson-to-client relationship that typifies the sector. Given its tendency to be studio/home-based and the prevalence of direct-to-customer sales, the export potential of the Canadian craft industry is often underestimated. With limited government support to date, however, the industry is succeeding in generating 16% of its revenues from exports. With significant and strategic government investment, the potential for growth is very high.

In order to continue to further promote and raise the profile of Canadian craft and craftpersons, current activities of the sector must be expanded. Examples of activities which could increase exports of knowledge and products include the professional craftperson who—either individually or within the context of an educational institution—gives lectures and shares their expertise as a curator or jury member and/or participates in international competition or exhibitions. Initiatives of this nature often lead to commercial gallery representation. International research and collaboration undertaken by PCCs include British Columbia's spearheading of the "Marketing Guide for Fine Contemporary Craft in the United States"; Saskatchewan and Manitoba's exhibition initiatives for the US National Council on Education for the Ceramic Arts (NCECA) Conferences; Ontario's co-hosting of the US Furniture 2000 Conference with the Furniture Society and coordinating of the national trade mission to the Glass Arts Society Conference and Trade Show in Amsterdam in 2002; Newfoundland and Labrador's traveling exhibitions to Washington and Japan; and Québec's expertise in research and opening new markets and regions. In addition to the above, the promotion of the sector, via the Internet and international media should continue to be expanded.

Canadian Domestic Profile

- The Canadian craft sector generated \$727 million in economic activity in 2001, including over \$100 million in exports. There are approximately 14,048 craft studios operating in Canada, employing 22,597 people, including 11,968 full time craft professionals, and 10,629 part time craft professionals.²
- The majority (73%) of craft-producing members of the provincial craft councils (PCC) operate as individual craftpersons; 10% have formed partnerships with others; and the remaining 17 percent have employees, ranging from a single part-time employee to over 30 employees.
- Average gross craft revenues for studios of full time professionals averaged roughly \$60,000 in 2001, and median revenues of \$30,000. Ten percent of these respondents had craft revenues in excess of \$120,000.
- The net craft income (or earnings) of full time craft professionals averaged \$17,300 in 2001, while the top ten percent earned net income of \$49,000 or more.

Canadian Craft Exports

- One in four craft producers generates at least some revenue directly from foreign markets, with or without the support of existing export programs.
- Foreign visitors—ranging from cultural tourists to private collectors—also regularly purchase craft. Purchases include items as varied as handmade souvenirs to significant pieces of fine craft.
- A number of craftpersons enjoy international reputations. An average 16% of craft revenue is generated from exports, and some producers generate nearly all their revenues from export sales. This is a surprisingly strong export performance given the dominance of micro-enterprises in the craft sector.
- Almost all PCCs have engaged in export promotion activity, ranging from support to individual craftpersons and galleries to direct representation in international marketplaces. It should be noted that despite the engagement of PCCs in export development activities, some federal and provincial export development programs have excluded them because they are non-profit organizations.
- Markets and export opportunities can be classified according to products, media, functional or niche themes. Classification can also be regional, national, or international.
- The export of knowledge and skill, better categorized as the export of services rather than products, is important to the craft sector. These are generated by Canadian craftpersons teaching, acting as artists-in-residence, appearing at conferences, curating exhibitions, acting on juries and leading exchanges, as well as contributing to international publications.
- The craft community of Québec, through the efforts of the Conseil des métiers d'art du Québec (CMAQ), has demonstrated that strategies based on supporting studios and galleries, developing market niches (such as common

² Given the scope of the research, and the availability of figures from official sources as Statistic Canada, these numbers are considered to be conservative. In trade statistics, as in other economic statistics craft activity is spread over a variety of harmonized export codes and industry groups and is therefore difficult to isolate.

themes or media), and on quality rather than on volume or low cost, offer better outcomes.

International Markets and Trends³

United States

The American craft market is widely seen as the largest and most important market for craft in the world. Reasons cited for this are that American education offers both undergraduate and graduate degrees in craft disciplines, thus educating a broader public, Americans have the disposable incomes to collect cultural works, and the number and size of American cities are sufficiently large to sustain more private galleries and larger shows. American markets for craft are very large compared to the domestic Canadian market. In 2001 the Crafts Organization Development Association (CODA) released the results of the first survey of craft activity in the United States. Survey analysis resulted in an estimate of craft activity in the United States amounting to US\$13.8 billion in 1999, including a direct economic impact of between US\$8 billion and US\$10 billion. The survey estimates that between 107 thousand and 127 thousand craftpersons were active in the United States in 1999/2000.

United Kingdom

The Crafts Council of the UK, which is supported heavily by the British government, provides well-structured support for British galleries to participate in high-level international showcase and trade events for craft including the International Exposition of Sculpture, Objects and Functional Art (SOFA: Chicago and New York), and the New York International Gift Show.

Given similarities in both cultural and craft practice, the UK market presents high potential for export development of Canadian craft.

France

One of the major financial assistance programs for which the craft community in France is eligible is the Fonds d'Intervention pour la Sauvegarde de l'Artisanat et du Commerce or FISAC (Intervention Fund for the Safeguard of Craft and Commerce). This program is mostly used to assist French businesses with the maintenance and expansion of their commercial space, but is also used for sector studies when craftpersons are faced with major change (economic, technical, technological, social or regulatory).

³ International Markets: Comprehensive information on the size and breadth of craft markets in other countries is generally difficult to find. As in Canada, craft activity in most countries is not separated from manufacturing or other cultural activities in national economic statistics.

Craftpersons entering the French market have found that establishing a sales network is challenging because the structure of the French craft market is so different from the North American model. Nevertheless, the French market remains an interesting and promising market for Canadian craft exports and cultural exchange.

Australia

Australia maintains several programs and initiatives intended to promote domestic and international market development for craft. The Australia Council maintains a Visual

Arts and Crafts Board (VACB), which is active in promoting Australian craftpersons and market development, while Craft Australia is a non-governmental craft organization supporting craft markets and practice. According to the Report of the Contemporary Visual Arts and Craft Inquiry released in June 2002, the Australia Council funding of AUS \$6.3 million (CDN \$5.6 million) provided to the VACB in 2000-01 represented 53% of the Council's funding for contemporary visual arts and craft. In addition, the Council's Audience and Market Development Division spent AUS \$1.5 million (CDN \$1.3 million), which included "support for projects in the contemporary visual arts and craft area [such as] participation in major recurrent international art fairs and craft fairs."

In addition, Craft Australia has a number of programs that support international market development for Australian craft, including galleries' participation in SOFA

The Australian strategy to support craft exports has proven to be highly successful and should be considered by the Canadian craft sector and the Government of Canada as a potential model. As a target market for Canadian craft, Australia should be considered as a destination for travelling exhibitions and artist exchanges.

Markets

Priority Markets

United States:

As Canada's nearest and largest trading partner, the United States presents several types of markets for Canadian craft exports. Regional markets as well as specialized, niche markets exist throughout the country. In addition, cities within the United States host significant international trade events, such as the International Exposition of Sculpture Objects and Functional Art, in the Craft sector on an annual basis.

Emerging Regions

Europe:

- United Kingdom
- Ireland
- France
- Germany
- Scandinavia

AustralAsia:

- Australia/New Zealand
- Japan
- Korea

Market Barriers

Note: Craft is a Canadian cultural industry. The Government of Canada should take a leadership role in ensuring that craft products are accepted and protected around the world as cultural products and not simply viewed as commodities.

This market barrier section is limited to the United States, in part because it is Canada's largest market, but also because it is the export destination for which information is available. Additional research into market barriers for markets of interest to the Canadian craft sectors should be conducted.

Threat of Litigation:

Increasingly, Canadian craft exporters and institutions are becoming aware of the threat of litigation against products sold in the United States. The perception is growing that Canadians must purchase expensive insurance policies before entering this market.

People and Products:

Members of the Canadian Craft industry have experienced increasing difficulty in recent years in their attempts to either enter the United States as a craft professional for teaching engagements that lead to sales, or to transport their products across the border. Changing bureaucratic visa requirements as well as strict product "point of origin" declaration requirements are causing both delays in and full stoppage of export-related activity.

Retail Sales Restrictions

The United States does not allow non-US citizens to sell directly to American retail customers. Canadian craftpersons wishing to sell in retail markets must hire either an American salesperson or agent, or rely on the services of central cash systems at organized retail trade events.

Support Strategies⁴

The following initiatives are intended to provide both direct and indirect support to the export strategies of Canadian craftpersons. Some will provide support directly to craftpersons on an individual basis. Others will allow organizations such as provincial craft councils to undertake activities that will provide specific marketing information and support to a larger craft industry audience. Finally, some will ensure the general promotion, branding and most importantly, sale of Canadian craft in international marketplaces in order to provide more widespread support to Canadian craftpersons engaged in export activities.

Export Preparedness

- Commission research on international markets and audiences for specific themes, media or products, identifying the most important international specific markets and audiences. Care should be taken to identify markets and audiences for both one-of-a-kind and production work, as well as services.
- Produce a European market companion document to the recently published “Marketing Guide for Fine Contemporary Craft in the United States”. Research should cover emerging geographic regions listed above as well as niche markets. This document should identify major opportunities and challenges such as trade shows (art, design, craft), fairs, commercial galleries, and other retail opportunities in these regions; and market access, recognition (promotional requirements), timing and competitive issues, such as works priced for American versus European markets
- Ensure that support is available for Canadian craftpersons and organizations to participate in exploratory missions to international events in order to gather market information and experience international markets first-hand.
- Ensure that export training and advice is made available to the wide range of Canadian craftpersons across Canada. Training may be provided in a variety of ways. These include the provision of documentation and services (via CCF and PCC newsletters and websites), the development and delivery of training sessions and mentoring programs, and tools and resources developed by the Cultural Human Resources Council (CHRC). In particular, export training should ensure that Canadian craftpersons are adequately informed of all issues and regulations involved in exporting to the United States.

International Market Development

- Expand and co-ordinate participation in international events and ensure that adequate strategies are in place for different markets, such as niche markets. In addition, emphasis should be placed on working with various sector

⁴ The list of Support Strategies presented here is based on the “Profile and Development Strategy for Craft in Canada” as well as research documents available to the Department of Canadian Heritage. This list is limited in its scope and is focused on providing advice and guidance to the Government of Canada. For a complete listing of domestic and international priorities for the Canadian craft industry, please consult the “Profile and Development Strategy for the Canadian Craft Industry”.

associations and/or groups to create opportunities for interested craftpersons to present works to targeted markets and audiences.

- Actively and regularly investigate the potential offered by Canadian embassies in the United States and Europe to facilitate connections with commercial and public galleries and museums, either for collective or provincial projects. Take advantage of the services of Cultural Trade Commissioners to launch exhibitions with Canadian embassies.
- Ensure that international marketing initiatives include adequate planning and resources for effective preparation for international events. This should include sufficient visual, critical and promotional material/documentation for use before, during and as follow-up after any activity.
- Ensure active planning, coordination and support for incoming buyers missions to appropriate Canadian events. These missions should recruit international professionals interested in trade in both goods and services.
- Explore the means of a quality designation for branding of Canadian Craft.
- Ensure timely support is provided for export opportunities; recommended 3-month turn-around time.

Market Information

- Improve documentation of the craft activity of First Nations peoples.
- Improve the ability to accurately identify craft activity within Statistics Canada data; current systems do not capture the full capacity of craft production. Potential changes to data gathering instruments within government could result in improved identification of craft business, and improved reporting on revenue, income, and employment trends in craft by Statistics Canada.

Trade Shows

Note: The following trade events are provided as examples of market development opportunities. The list is not intended to be exhaustive.

Canada

Atlantic Craft Trade Show (Halifax, NS)

The Atlantic Craft Trade Show is a vehicle for the purpose of promoting craft and giftware produced exclusively in the Atlantic Provinces. For three days in February the finest in candles, clothing, food, glass, home decor, jewellery, leather, metal, native, paintings, paper, pottery, stone, wood are exhibited for the purpose of wholesale sales to domestic and international buyers.

International

United States

Buyers Market of American Craft (Philadelphia, PA)

The Buyers' Market of American Craft (BMAC) wholesale show is for craft only and held twice annually in Philadelphia. It is the world's largest venue for craftpersons to

meet qualified buyers from American galleries and museums, and boutiques selling quality craft.

Sculpture, Objects, and Functional Art (Chicago, New York)

Sculpture, Objects, and Functional Art (SOFA) shows are held in New York in the spring and in Chicago in the autumn. The shows are open to international craft galleries and provide a collective forum to display and sell works by the craftpersons they represent in their home galleries to private collectors and buyers. This is generally regarded by many in the craft sector as the most important show for contemporary fine craft.

American Craft Council Shows

Canadians are not eligible to exhibit at American Craft Council shows (wholesale or retail). However, they could participate in a separate show held at the same time, as do other international and American organizations and exhibitors.

Philadelphia Museum of Art Craft Show (Philadelphia, PA)

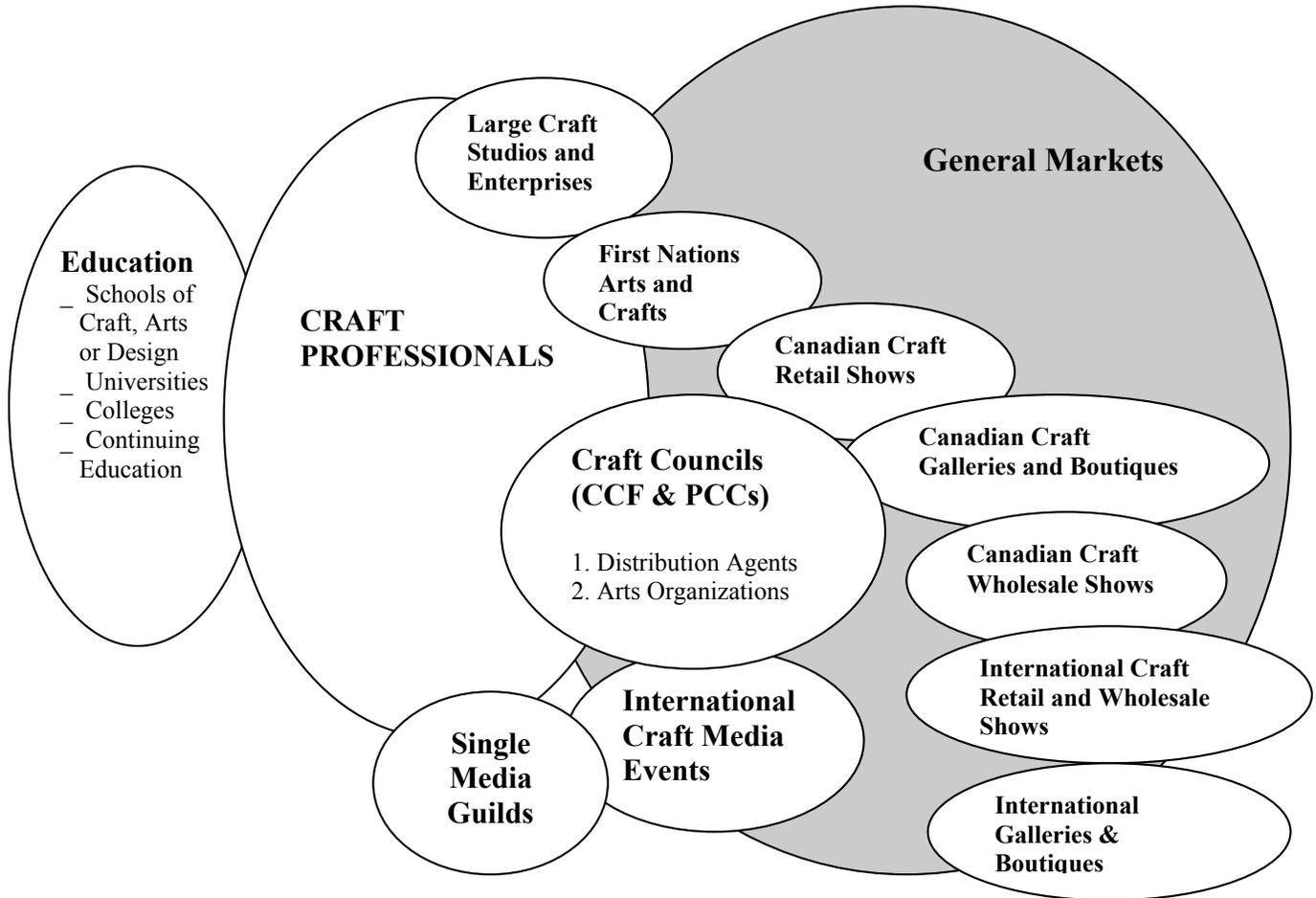
The Philadelphia Museum of Art Craft Show has in recent years featured selected craft artists from a different country at each annual show. The CCF/FCMA has been invited coordinate the participation of craftpersons from Canada for the November 2007 show.

Note: In addition to the events listed above, other important market targets include museum boutiques, collectors associations and “Friends of Museums” associations. For example, the gift shop at the Corning Museum of Glass provides retail sales of international glass objects.

Annex A

Education

Organizations



Major Stakeholders of the Canadian Craft Industry