

AID TO ARTISANS

Export Enhancement Program for HUNGARY



Quarterly Performance Report

Quarter Ending February 9, 1994

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**USAID Cooperative Agreement
No. EUR-0032-A-00-1022-00**

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EXECUTIVE SUMMARY

BACKGROUND:

Aid to Artisans' Export Enhancement Program began in 1991 during Hungary's early transition to a market economy. The program targets the Hungarian artisans sector which now represents small businesses, privatized cooperatives, and micro-enterprises involved in the production of crafts. The program participants include over 55 enterprises which collectively employ over 4,000 workers, primarily women in rural regions.

PROGRAM GOALS:

The program aims to provide technical assistance to new businesses engaged in handcraft production to accomplish the following:

- Provide practical strategies for functioning in a market economy
- Facilitate job retention
- Generate export sales

ACTIVITIES:

The program functions as a model which provides:

- Product Design and Development Assistance
- Export Training
- Small Business Training
- Marketing and Promotion

Since 1991, the program has generated over \$530,000 of direct revenue to Hungarian producers in export sales, far exceeding original targets.

SUMMARY OF QUARTER ACTIVITIES:

- Intensive marketing, including participation in the New York International Gift Fair, trade networking, and promotion
- Export sales of over \$162,000 FOB Hungary through American importers recruited and assisted by Aid to Artisans
- A 2-week U.S. product design and marketing training practicum for a Hungarian designer
- Preparation of the ATA Buyers' Guide to Hungary, a reference aid for American buyers

AID TO ARTISANS
EXPORT ENHANCEMENT PROGRAM IN HUNGARY
Quarterly Program Performance Report

GOALS & OBJECTIVES	ACCOMPLISHMENTS TO DATE	THIS QUARTER (11/93 - 2/9/94)	NEXT QUARTER PROJECTIONS	PROBLEMS & CONSTRAINTS
To develop export of Hungarian craft products to U.S.	\$ 566,965 in Export Orders for Hungarian Crafts Producers	\$ 162,000 in Export Orders for Hungarian crafts Producers	\$ 75,000 to \$100,000	Difficult to predict business cycles and wholesale/retail demands...
To create employment opportunities for Hungarian artisans and exporters	Technical assistance provided to 52+ businesses representing 4,000 employees	Both American and Hungarian small/ micro-enterprises continue to expand; 1 coop fails	As American companies' imports gear up, jobs should expand	Producers must keep competitive with the world market; macro-economic conditions & govt. policies...
To accomplish goals through product design & development	80+ product development workshops held; 500+ skus in new artisan products created	Hungarian designers now working directly with American buyers	ATA product designer and American buyers will visit Hungary	No major constraints
To accomplish goals through business analysis & training	Business analysis of producers; training seminars held; business counseling provided	Hungarian designer visits U.S. for design and marketing practicum	Training workshop on credit being explored with B'nai B'rith Foundation	Cost factors; some question about meaningful credit opportunities...
To accomplish goals through marketing program	Products promoted via U.S. trade shows, exhibitions, and publications	Showcase at the NY International Gift Fair; exploration of QVC cable retailing	Regional trade fairs; continuation of trade networking and p.r.; ATA Buyers Guide to Hungarian Crafts	No major constraints

I. MARKETING ACTIVITIES

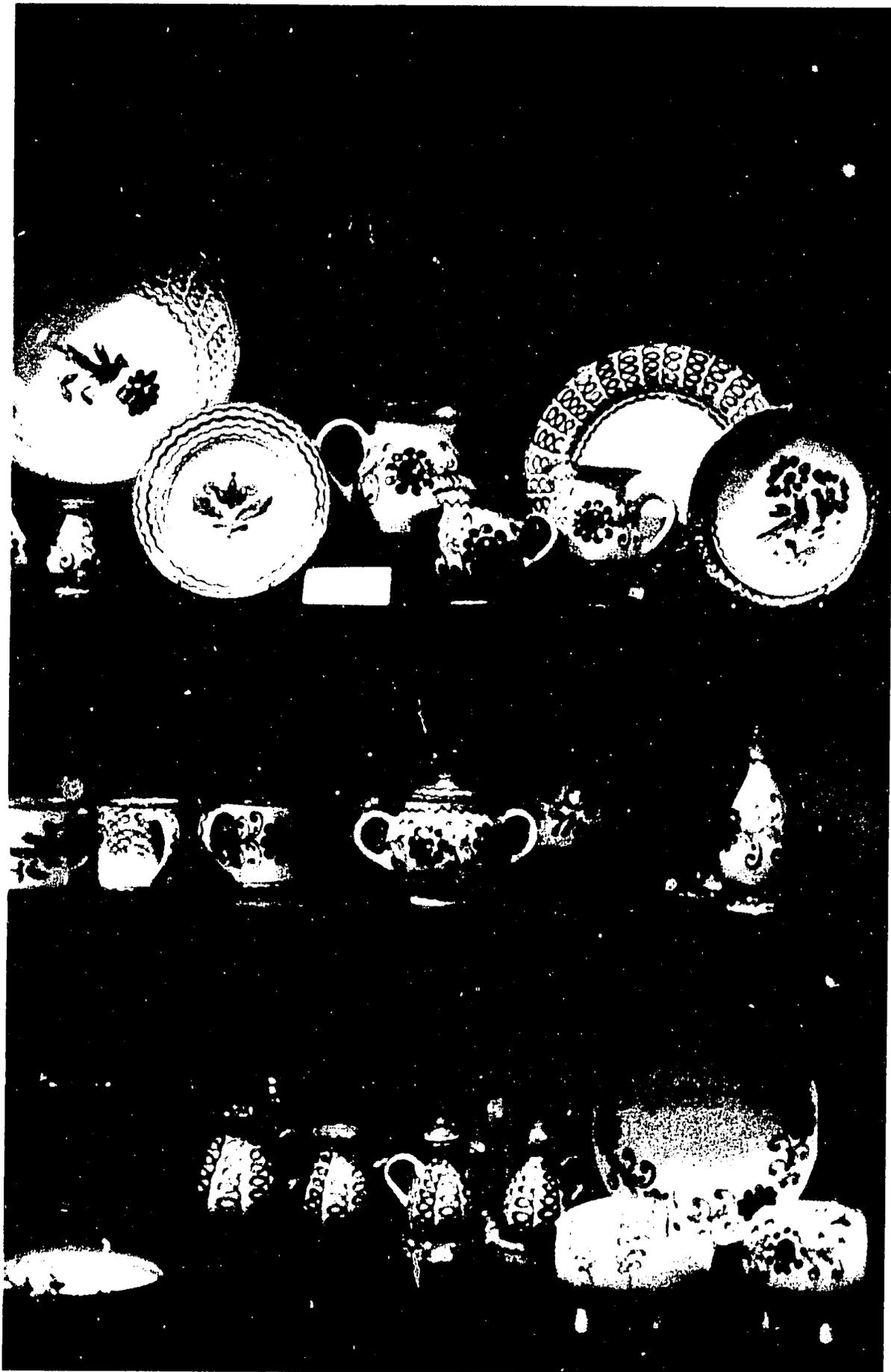
NEW YORK INTERNATIONAL GIFT FAIR

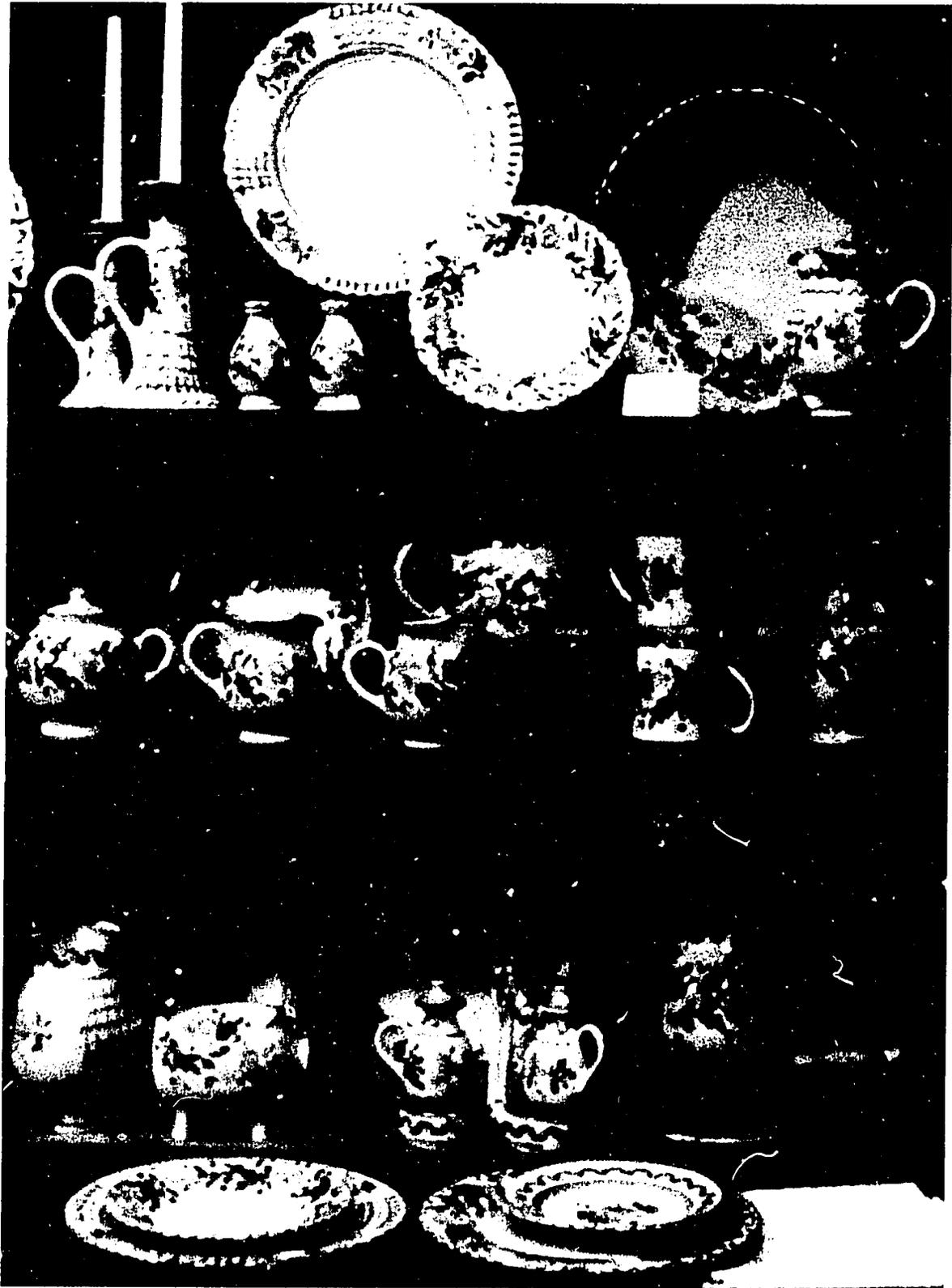
The New York International Gift Fair was held from January 22 - 27, 1994. Approximately 2,400 exhibitors from over 20 countries participate in the fair which is held semi-annually (January and August). The fair represents markets in general giftware, housewares, decorative and personal accessories, contemporary design, tabletop, museum gifts, traditional and contemporary crafts, juvenile products, and floral items. Most important, the Gift Fair is attended by over 45,000 buyers.

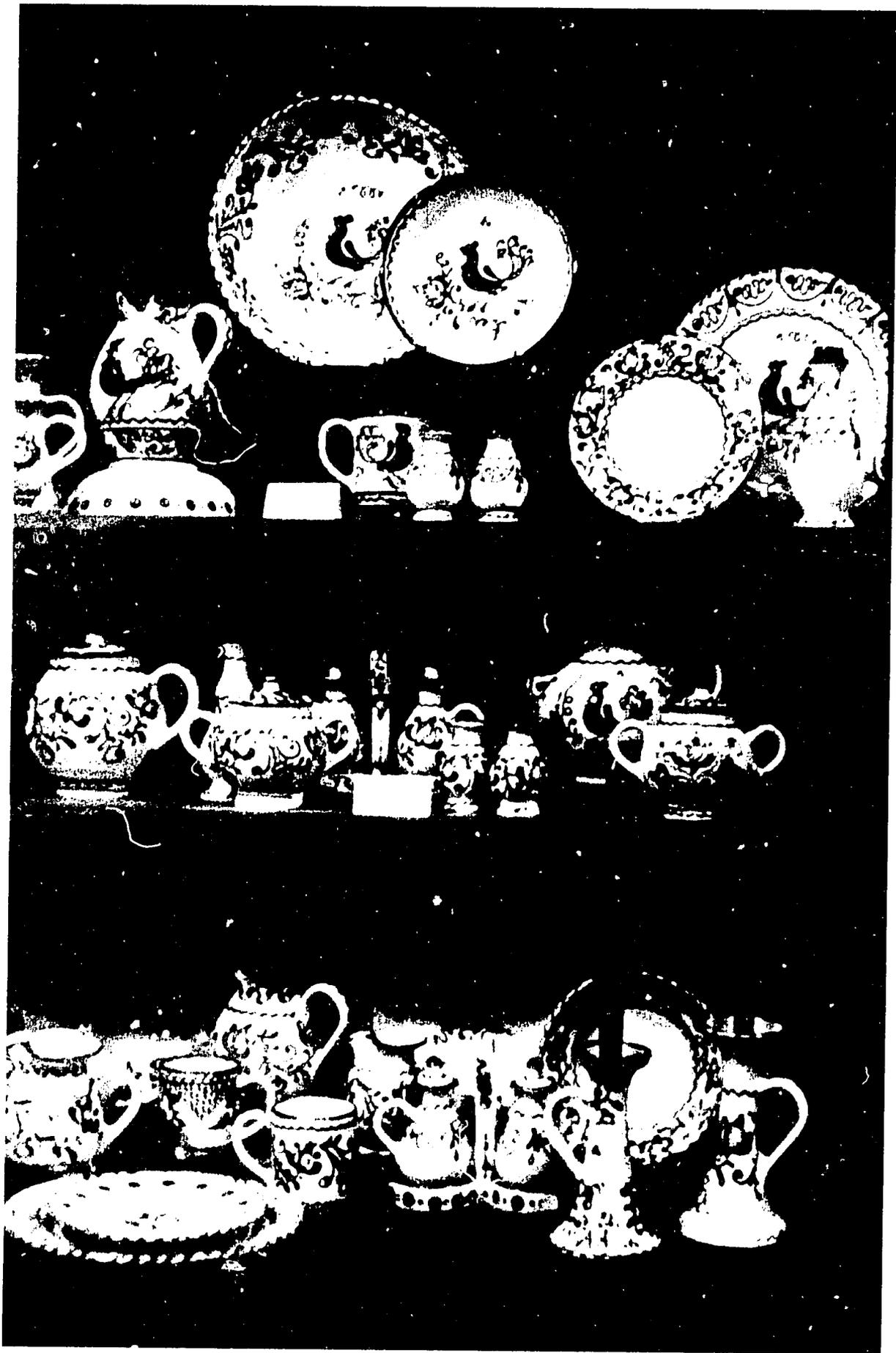
The Gift Fair is held at the Javits Convention Center, Piers 88 and 90, and three permanent showroom buildings in Manhattan. Aid to Artisans leased four booth spaces at the main event in the Javits Center, which guarantees premium exposure. ATA devoted one full booth to showcasing the products from Hungary.

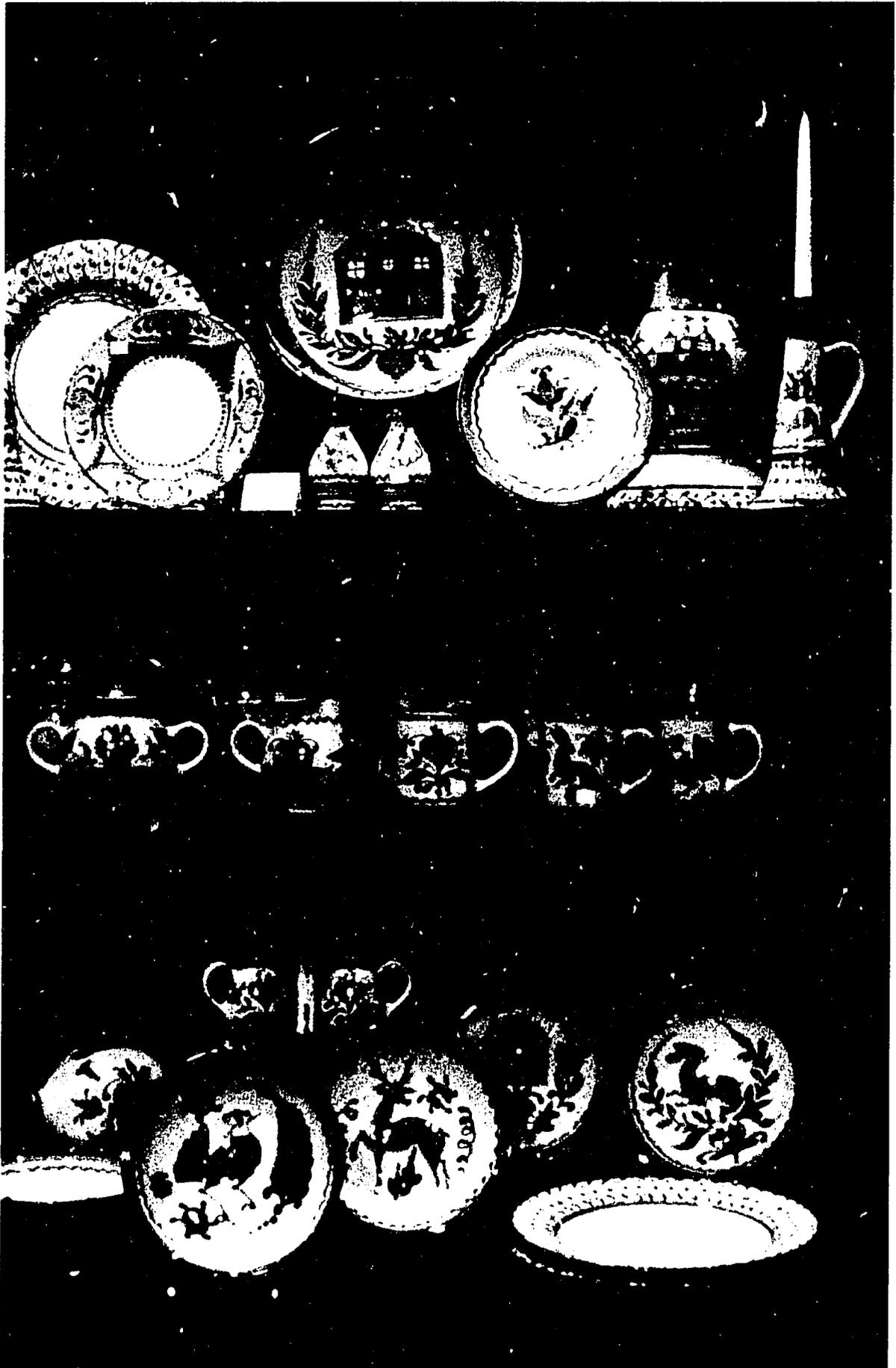
The primary focus of the Hungary presentation this time was Hungarian ceramics, featuring new products developed by EEE Group, Inc., in collaboration with Hungarian designer Kinga Szabo. The debut of the new wholesale line was highlighted by the attendance of Ms. Szabo, who provided a vibrant public relations presence.

The show generated initial sales of \$17,800, and 44 new accounts with retailers were opened. This represents a significant beginning, and subsequent to the show, EEE Group ordered another shipping container of product worth approximately \$50,000 from the Hodmezovasarhely factory in Hungary.









SHOPPING CHANNEL MARKETING

QVC is a retail shopping cable company which, since its inception in 1986, has grown to over 1 billion in annual revenues. Unlike other cable shopping channels, QVC uses a more sophisticated presentation format organized as one-hour showcases. This allows the show to feature products within a context, which suits the storyline behind artisan-produced goods quite well.

ATA met with QVC in December to explore the viability of a series of showcases which will feature handmade products from ATA projects around the world, including the Hungary products. The Hungarian crafts under consideration include:

Ceramics	[Importer: EEE Group, Inc.]
Felt Products	[Importer: Sandor Collection]
Painted Eggs	[Importer: Sandor Collection]

The potential for high volume sales is enormous: average unit prices are \$50 each, and their average sales per item are \$15,000. They generate up to \$150,000 in sales per hour, with a viewing audience of 44 million people.

QVC was eager to begin immediately, and wanted to schedule a showcase in January, but this presented logistical problems to the American importers and artisan producers. The production capacity is available, but both producers and importers need a longer lead time to generate, ship, and warehouse the high volume required by QVC. Interest continues to be high, the dialog continues, and ATA hopes that a Hungarian craft showcase will be realized.

ATA CRAFT BUYERS' GUIDE TO HUNGARY

Significant progress was made on the development of the Buyers' Guide to Hungary during the past quarter. The directory project represents an enormous task of compiling and organizing raw data, researching, coordinating input from diverse resources, and making the whole package readable and practical. A preliminary draft is in process, and it's not yet possible to set a target date for completion.

The ATA Craft Buyers' Guide will cover the following:

- Overview of Hungarian crafts and cultural resources
- Explanation of trading sources (agents, trading companies, direct sources)
- Profiles of producers on a product category basis which will be organized regionally as well
- A section on exporting procedures in Hungary
- Listing of retail stores
- Travel tips
- Suggested itineraries

(See Appendix for the guide outline.)

ATA has researched production costs for various alternative versions, depending on amount of color, half-tones, pages, etc., and identified a printing resource.

Other related issues to be resolved are distribution channels and reprinting arrangements with a Hungarian counterpart.

BUYER RECRUITMENT: SPRING BUYERS TO HUNGARY

ATA initiated contacts with a variety of importers and manufacturers during the past quarter, as part of the process of recruiting new buyers to visit Hungary. The buyers are required to pay their own airfares and donate their time. The project picks up the in-country costs, and provides back-up resources such as guides, introductions/referrals, and on-site product development assistance.

ATA's chief executive officer, Clare Smith, traveled to Austin, Texas on December 3, 1993, to make a presentation to the Tesoros Trading Company about ATA and the opportunities for American companies to participate in private enterprise development in Eastern Europe.

The following companies have been approached by Aid to Artisans and invited to participate in the Spring Buyers' Trip to Hungary:

- GAP Kids/Banana Republic
- Tesoros Trading Company
- Gumps [Retail Catalog]
- Garnett Hill Catalog
- AMS Imports
- ABC Carpet
- Dayton-Hudson
- What on Earth [Retail Catalog]

It is still too early to know which companies will plan on travel to Hungary.

ATA TRADE NETWORK ACTIVITIES

The ATA Trade Network members met on January 25 in New York. Seven companies who are actively involved in exporting crafts from Hungary are current ATA Trade Network members. These represent American businesses who have demonstrated a commitment to ATA's fair trade practices, environmentally-sound production, concern for artisans, and support for ATA development assistance projects.

ATA stays in constant contact with Trade Network members, as these form the core of the private sector partners in the Hungary program.

SUMMARY OF QUARTERLY HUNGARY EXPORT ORDERS

Prices quoted are FOB Hungary, which simply means the amount of money paid directly to Hungarian producers and/or exporters by American import companies.

<u>COMPANY</u>	<u>AMOUNT ORDERED</u>
Associated Merchandising Corp.	\$ 32,000
AMS Imports	No report
Chandler Four Corners	\$ 3,335
Dayton-Hudson	\$ 15,000
EEE Group, Inc.	\$ 50,000
Mariska	\$ NONE
Mesa International	\$ 44,000
Samii Clothes	\$ 18,475
Sandor Collection	\$ SAMPLES
Sundance Catalog	\$ SAMPLES
TOTAL	\$ 162,810

ACTIVITIES OF U.S. IMPORTERS

EEE GROUP, INC.

EEE Group is an American company which now manufactures at the Hodmezovasarhely factory in Hungary. This factory, formerly a cooperative, is now a private company which employs 60 people, including 19 women who specialize in hand-painting. All of the products are produced by hand methods, but are fired in a modern, energy-efficient kiln.

EEE Group has undertaken a year-long product development initiative, which involved retaining the services of the Hungarian designer, Kinga Szabo. The collaborative effort has been good for both designer and factory: Ms. Szabo has earned \$6,000 to date, for her design work as well as her training of factory workers to produce the new line. The factory has shipped approximately \$50,000 worth (FOB Hungary) of wares to EEE Group in the past 6 months; after the presentation at the NY Gift Fair, EEE Group placed another large order (a container, worth about \$50,000) with the Hodmezovasarhely factory.

Marketing plans for the future are extensive. EEE Group plans to show the new Kinga Szabo line at several major shows, including the San Francisco Gourmet Show (May), the Los Angeles Gift Show, the Atlanta Gift Show, and the New York Gift Show. The company is also considering Chicago, Dallas, and High Point shows as well. An 8 page, full-color brochure will be printed and distributed, as well as sales kits and press kits featuring miniature hand-painted plates to promote the high quality of the products.

New product lines are also being planned; these will include a new stoneware ceramics collection which will be produced at new Hungarian factory sites. EEE Group has tentatively identified two possible production sites.

EEE Group's owner and CEO, Judy Espinar, will be traveling to Hungary in February. She will be focusing on production issues, including quality control. The Hodmezovasarhely factory continues to be plagued by 'pinholing', a glaze defect which has been difficult to resolve.

SANDOR COLLECTION

This small Connecticut-based company specializes in importing Hungarian artisan products. Initially dependent on ATA's product development and marketing guidance, the company has become self-reliant. It now develops its own product line, which has expanded to 350 sku's at present; Sandor also develops new products for other companies. The company continues to grow, due in part to a very aggressive marketing program which includes 5 major national trade shows in New York, Atlanta, Chicago.

Sandor also provides jobs locally in Connecticut: it sub-contracts some assembly work to LARC (Litchfield Area Retarded Citizens) as well as a small group of self-employed women. Sandor's business expansion has also translated into 1.5 new staff positions at the company.

This unique company is also active in fostering other American micro-enterprises: Sandor is currently assisting three U.S. business ventures with product development, production sourcing in Hungary, and related business challenges.

Owner Carole Karvazy notes that attitudes among the Hungarian artisans continue to improve as they gain business and production experience. Increasingly, producers are willing to listen to customer feedback, market response, and buyer critiques; they are responding with increased responsibility for quality control, and demonstrate a new professionalism in rectifying mistakes. This is truly the evolution of a new attitude, and represents a new threshold in enterprise awareness.

Taking the first step to accept an export order is often intimidating for the Hungarian producers, as Sandor's recent experience with the Pecs Cooperative demonstrates. Sandor approached the Pecs Cooperative with an order for woven textile products, but received a sober letter which read in part, "It is a big responsibility to export to the U.S." and that "...they feared they could not fulfill the orders." Fortunately, the Sandor Collection practices patience and provides encouragement: they wrote back, "You never know unless you try."

Sandor assured the cooperative that they would respect their production limitations and would not

Sandor Collection (cont.)

overwhelm them; they invited the coop to set their own targets, and promised assistance with the exporting procedures through an experienced Hungarian agent trained by the ATA project. After several weeks of consideration, the Pecs Coop decided they could take the business risk, and accepted an initial order for four different products. Sandor expects to steadily build on this modest beginning, scaling up volume as production and exporting experience is generated.

Sandor will be traveling to Hungary yet again during the month of April for a 3-week visit. The owners expect to visit their extensive number of suppliers, place new orders, and initiate new product development. They will also accompany Gay Ellis, owner of Samii Clothes, an American company with whom they have an excellent business relationship.

At the recent New York International Gift Fair, Sandor picked up a major new account, Nordstrom's, which is a prestigious national retail store chain. Notable new accounts include:

- Nordstrom's
- Lynn Haney
- Schumacher Gifts
- Milwaukee Public Museum
- Excalibur Hotel
- Akins & Aylesworth
- What on Earth
- House of Tyrol
- Norm Thompson Catalog

In addition, Sandor Collection is now working with Neiman Marcus as well as the Smithsonian Shops on new product development. Sandor has a new product line based on 15th century Renaissance motifs drawn from the King Mathias court. This now takes their product line into a new stylistic dimension, beyond folkart, yet still within Hungary's cultural heritage.

No orders were placed with Hungarian producers during the past quarter due to the end of the year; Sandor did not want to carry over excess inventory into 1994. However, small sample orders were placed with 5 different producers, including two new private businesses.

Sandor (Cont.)

On the public relations front, Sandor continues to garner press attention. Their Hungarian products were featured in Good Housekeeping Magazine's December, 1993 issue. Sandor also expects to be featured in two up-coming issues of Victoria Magazine in August and December 1994.

The company's list of suppliers continues to grow; many micro-enterprises now contact Sandor directly, having heard of the company's reputation as a trustworthy and reliable importer. On their up-coming trip, the owners expect to research new product sources, which will mean sustaining jobs and, in some cases, creating new ones.

SUNDANCE CATALOG

Sundance's main buyer and product development consultant, Mary Whitesides, initiated a number of new products during her visit to Hungary last quarter. This quarter, she has continued to work on selected items including the following:

- Cut felt pillow covers (4 designs by ATA's Docey Lewis)
- Wool rugs (4 designs by Pal Bujnyk)
- Teapot and mugs (independent potter)
- Ceramic serving dish (Hodmezovasarhely company via Mesa Int'l.)
- Selected textile products (via Sandor)

Everything at this stage is under consideration and development, according to Ms. Whitesides. In general she is quite pleased with the quality and design of the samples, and is working directly with the suppliers to continue to refine the products as needed. All of the above products are being seriously considered and some expanded; she has asked the potter to develop a set of dishes to go with the teapot, for example.

MARISKA

This small company continues to market its line of Hungarian ceramics and textiles. The owner, Karina Heffernan, reports that their product line has changed frequently during the past two years. Their experience with Hungarian producers influences to a great degree how they proceed; a number of producers have been dropped, due either to production problems or to slow market response

Mariska (Cont.)

to the product. This no doubt reflects the limited experience of Mariska, not just the producers.

Mariska is carrying products produced by the Kovats enterprise in Budapest, a small family business specializing in black Hungarian pottery. The American importer is very pleased with the efficiency, quality, and professional attitude of this successful Hungarian business.

Mariska also imports textile products made at the Heves Textile Cooperative. The relationship with Heves has been strained of late, mainly due to Heves' lack of confidentiality and maintenance of exclusivity agreements. Some of Mariska's product designs were given out to competitors, and some competitors' products were sent to Mariska. This understandably caused some friction. Another problem with Heves, according to Ms. Heffernan, is the coop's track record of raising prices as soon as a product is in demand. Despite these issues, Mariska's owner says she will work at 'ironing out the problems' and plans to continue to import from Hungary.

Mariska promoted its line at the New York International Gift Fair in January, 1994. Sales response was 'mediocre', however, not enough to generate new orders. Mariska has recently put together a new catalog of its line.

The company has recently opted to start domestic (U.S.) production of a new line of products; this represents an expansion of the company, not a curtailment of its Hungary imports.

SAMII CLOTHES/LANYA

This fast-growing company continues to expand its customer base and its product line. Its sophisticated marketing program has produced excellent results, and the company continues to generate keen interest in the fashion industry. During the past quarter, Samii Clothes and the Llanya Collection have received trade press attention in two publications: Kid's Fashion, and Outdoor Retailer Magazine.

The owner, Gay Ellis, reports that the company has opened new accounts with several large, prestigious companies.

Samii Clothes (Cont.)

New accounts opened during past quarter by Samii:

- Gump's
- Saks Fifth Avenue
- Smithsonian
- Northstyle Catalog
- Past Times (British retail catalog)

It is gratifying to note that Ms. Ellis is anticipating exporting to the U.K.; this will translate into more jobs in the depressed rural region of Vermont where her company is located. Samii Clothes also has initiated production in Appalachia, another region in need of job generation.

Orders to Hungarian producers during the past quarter were excellent: \$18,475. If the British mail order company decides to go ahead with its order, it will mean a \$40,000 FOB order to Hungary. Ms. Ellis is planning to travel to Hungary in April; at this time she will initiate new product development with the two cooperatives with whom she works: Heves Textile Cooperative and Debrecen Cooperative.

Ms. Ellis is a conscientious, committed entrepreneur who practices responsible business with a personal touch. In December, she sent cash bonuses to all of the workers, cooperative administrators, the designer, and the export agent with whom she works. She represents all that is good about American business: creativity, energy, people-centeredness, and fairness.

II. ACTIVITIES IN HUNGARY

Association of Folkart Cooperatives

The Association of Folkart Cooperatives has been considering plans to move its store location to the up-market Vaci Uca. To accomplish this, they are seeking private joint venture investors. The process is complex, particularly from the state perspective, and is beyond the scope of ATA's program. Nevertheless, it represents a potentially significant retail expansion, and ATA will continue to provide advisory input as requested.

Folkart Trading

Folkart Trading has grown in its stature with the artisan producers, as it continues to prove itself capable of professional representation and marketing. As various cooperatives and micro-enterprises get increased exposure to real-world markets and private enterprise, they gain insights into the complexities which marketing represents; this leads them to recognize the value of the comprehensive marketing services which Folkart can provide.

During the past quarter, Folkart Trading fulfilled a significant number of export orders which were placed by American exporters, in particular, Associated Merchandising Corporation. AMC estimates that approximately \$15,000 was ordered through Folkart Trading during the past quarter.

Folkart also markets in Europe; in February, the trading company will participate in the Frankfurt International Fair in Germany. A recent press release states that they will be exhibiting new product lines in ceramic, glass, and porcelain. Of these, Aid to Artisans has undoubtedly had a significant hand in developing the ceramic line. ATA has also provided guidance in the concept of developing a comprehensive line, in order to fit into current market niches; it is good to see Folkart putting its training into practice.

Hungarian Designers: Mil'Art

Aid to Artisans has provided advice to this design group which is involved in negotiating design work with several U.S. companies; these include AMS (a rug/carpet importer) and Sundance Catalog.

Expectations on the part of the Hungarian designers tend to be on the high side, leading to costs which are not realistically competitive. Some of the larger U.S. companies may be able to work out satisfactory design agreements, but others may be too small to handle the costs.

Kalosca Cooperative

In January, the Kalosca Cooperative went out of business. Although the ATA project was not surprised, nevertheless it was a sad bit of news. The cooperative was large, top-heavy with administrators, and had relied on selling off assets in order to keep afloat, rather than aggressively pursuing new markets and new products.

The Sandor Collection has contacted former cooperative employees with an offer of a production order to anyone who is interested in setting up a new enterprise; several have expressed an interest. Although it is premature to know the outcome, it is commendable that some American companies do show compassion and are not readily discouraged from dealing with difficult situations.

Hungarian Export Agents

Ica Todorne, a Hungarian businesswoman who has been trained in exporting by Aid to Artisans, continues to grow into her role as an independent export agent. According to Carole Karvazy of The Sandor Collection, Ms. Todorne is proving to be more than a competent entrepreneur; she is also committed to the preservation of Hungarian folk art and the well-being of Hungarian artisans. She has demonstrated exceptional initiative and persistence, and Sandor is very satisfied with her performance.

Hungarian Export Agents (cont.)

Bujnyik & Tarsa BT is a company started by Pal Bujnyik, an entrepreneurial Hungarian based in Budapest who originally started out as a guide for the project. He has established himself as a competitive export agent, and has proven highly capable. Many of the small, individual artisans have come to rely on his business instincts and his attention to detail. He is fulfilling major orders from large U.S. importers such as AMC and Dayton-Hudson. Further, buyers from these companies describe Mr. Bujnyik as a talented 'sourcer', i.e., someone capable of researching good production sources for a widely-divergent product line.

It has been very satisfying to ATA to watch Mr. Bujnyik seize information and run with it. He has participated in all of ATA's business training programs, and, in addition, receives extensive one-on-one business counseling from ATA. ATA has invited Mr. Bujnyik to participate in ATA's summer business training practicum in the United States in August.

III. BUSINESS TRAINING

Product Design and Marketing Practicum

In January, 1994, the project brought Hungarian designer Kinga Szabo to the U.S. for a 2-week intensive practicum which focused on the U.S. marketplace and how it works. Ms. Szabo's visit was timed to take place during the New York International Gift Fair, so that she could actively participate.

Ms. Szabo assisted Aid to Artisans with the booth display of the Hungarian ceramics, with ATA's staff providing guidance and oversight. The show itself provided direct exposure to a vast array of products designed for the American market, and Ms. Szabo toured the trade show exhaustively.

A guided tour of selected up-scale New York retailers included Henri Bendel, Felissimo, Bloomingdale's, Urban Outfitters, Xona, Terra Verde, Bergdorf Goodman, Tiffany, Barneys, and numerous Madison Avenue shops. This represented an opportunity to see handcrafts within various retail contexts, observe the American approach to merchandising, meet owners and buyers, and note current consumer trends.

In New York, ATA also accompanied Ms. Szabo to the Metropolitan Museum and its library where she carried out limited design research. She also met with the manager of the Metropolitan Museum Gift Shop, who expressed an interest in having some museum reproductions made in Hungary. Although Ms. Szabo is not interested, ATA will follow up on this and put appropriate people in contact with the museum store.

EEE Group sponsored Ms. Szabo's visit to their headquarters and retail store in Santa Fe, New Mexico January 27-31, 1994. The company reviewed their entire product line with Ms. Szabo, and discussed design parameters which are specific to the American market and which reflect the unique American lifestyle.

In Santa Fe, Ms. Szabo visited the Folkart Museum and the Museum of the American Indian. As a designer, Ms. Szabo's work is based on original ideas which are grounded in traditional art forms; thus, this was an important opportunity to visit prominent international museums.

Product Design & Marketing Practicum (cont.)

ATA organized a small marketing workshop which was held January 31 - February 3 at headquarters in Farmington, CT. The program included participants from an ATA/AID project in Tonga. Trainers included Heather White, a business trainer; Mary Garland, designer; Docey Lewis, product development specialist.

The ATA business training workshop covered the following topics:

- Marketing strategies
- U.S. distribution channels
- Conducting market research
- Current market trends
- Business plan development

Tours of a craft cooperative, a museum merchandising office, and local museums were also arranged.

Ms. Szabo opted not to attend some sessions, however, preferring instead to spend her time at the local museum. This was understandable, since she is first and foremost a designer. However, ATA believes that the training was appropriately targeted, and regretted Ms. Szabo's decision.

ATA provided individualized business counseling and contract advice to Ms. Szabo who was in the process of evaluating a major contractual agreement with EEE Group, Inc.

Feedback from Ms. Szabo was highly enthusiastic and positive. In her debriefing, she noted that the American market is a totally new experience for her, and without direct exposure, she could not have understood it. American patterns of consumption and the end-uses to which they put dinnerware and ceramics are completely different than in Hungary, and have a major impact on what types of products can be designed.

Ms. Szabo also had this to say about her experience with America: "...and people were so nice. All these different [cultures] together. For me this is very interesting and inspiring. Everyone seems interested in what is going on around them. You can't say this of Hungary. There they are very closed. I found the people here very gay."

IV. NETWORKING

B'NAI B'RITH ALAPITVANY

ATA has dialoged with B'nai B'rith Alapitvany in Budapest during the past year. The potential for collaborative business workshop presentation is difficult to ascertain, as information about their programs is inconclusive. It appears that they have various consulting services and are competent to conduct training seminars. They also are setting up a resource center. ATA is exploring possible coordination and co-sponsorship of a training workshop on finance tentatively targeted for late spring or mid-summer.

OXFORD DEVELOPMENT COMMUNITY CENTRE

Aid to Artisans has been contacted by Oxford Development Community Centre (ODEC) in the U.K. with a request for information about program activities in Eastern Europe. They are seeking to coordinate with artisan cooperatives and handicraft enterprises in the periphery of the European Community. A meeting is being organized tentatively for May, 1994.

ATA will follow up on this contact; it may be that this EC initiative can be a valuable resource to Hungarian artisans particularly in light of the ATA/AID program winding down.

USAID/PVO WORKSHOP IN LUBLIN, POLAND

ATA participated in the USAID/PVO Workshop which was held in Lublin, Poland November 8-12, 1993. ATA program consultant Kate Kerr, a development specialist, represented Aid to Artisans at this event.

The workshop proved to be a useful forum for dialog, networking, program exploration, and focusing on AID's New Initiatives in Eastern Europe. Issues and constraints to programming in Eastern Europe were thoroughly examined; it was an excellent opportunity to provide program input to USAID which was well-represented.

It is unfortunate that so few Hungarian programs were represented at this workshop, however. The USAID Representative's office apparently did not place a high priority on the event, in comparison to the active facilitation evidenced from Slovakia, Romania, Poland, and Albania.

APPENDIX

- A. Outdoor Retailer Magazine: Photo of Lanya jacket incorporating Hungarian cut felt
- B. Good Housekeeping Magazine: Photo essay featuring Hungarian felt pillows
- C. Russian Dressing Spring Catalogue featuring hand-painted Hungarian eggs
- D. Whispering Pines Catalogue featuring Hungarian felt stockings
- E. Kinga Szabo profile
- F. Draft Table of Contents Outline for ATA's Craft Buyers' Guide to Hungary

you are...

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Lanya Jacket,

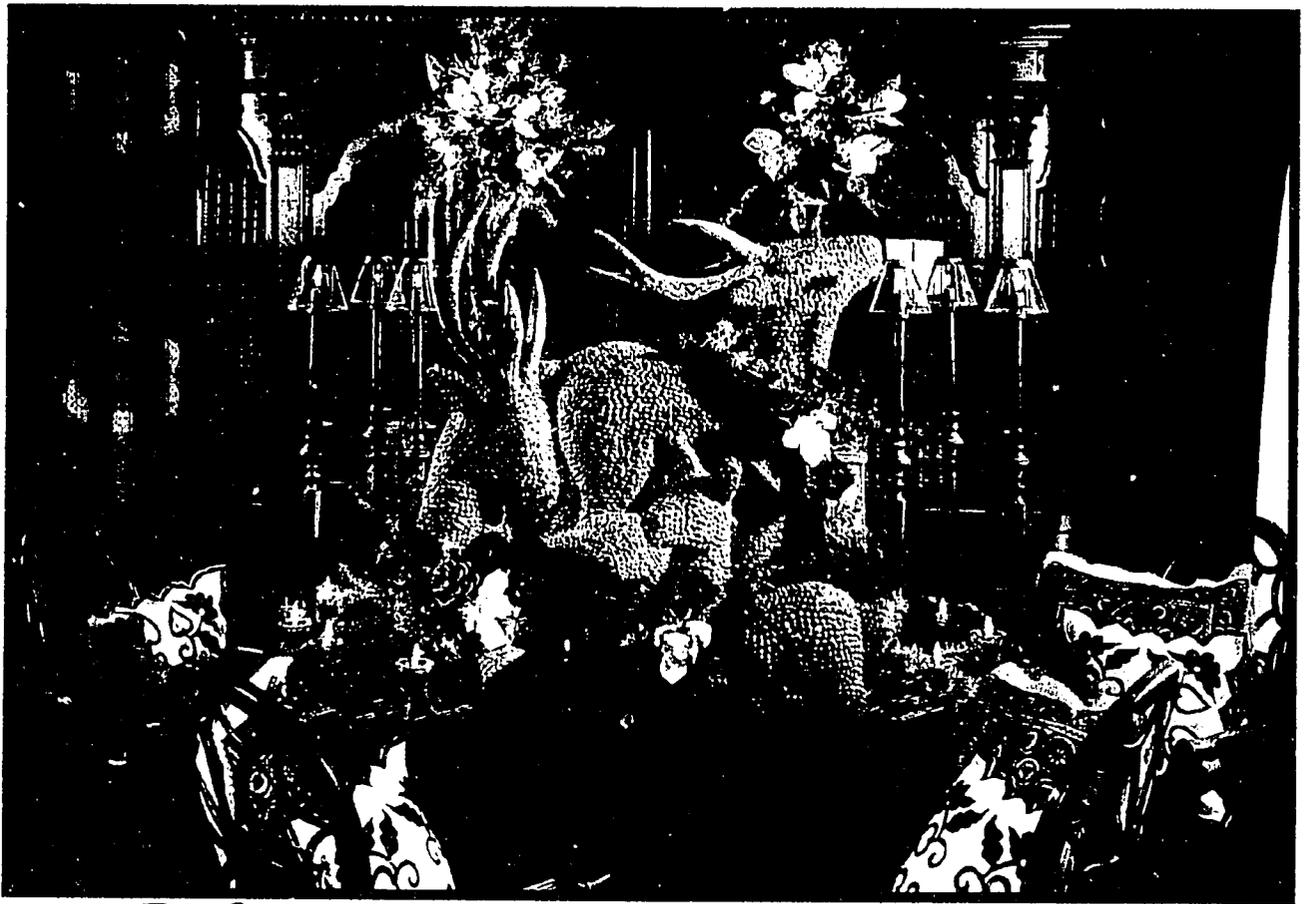
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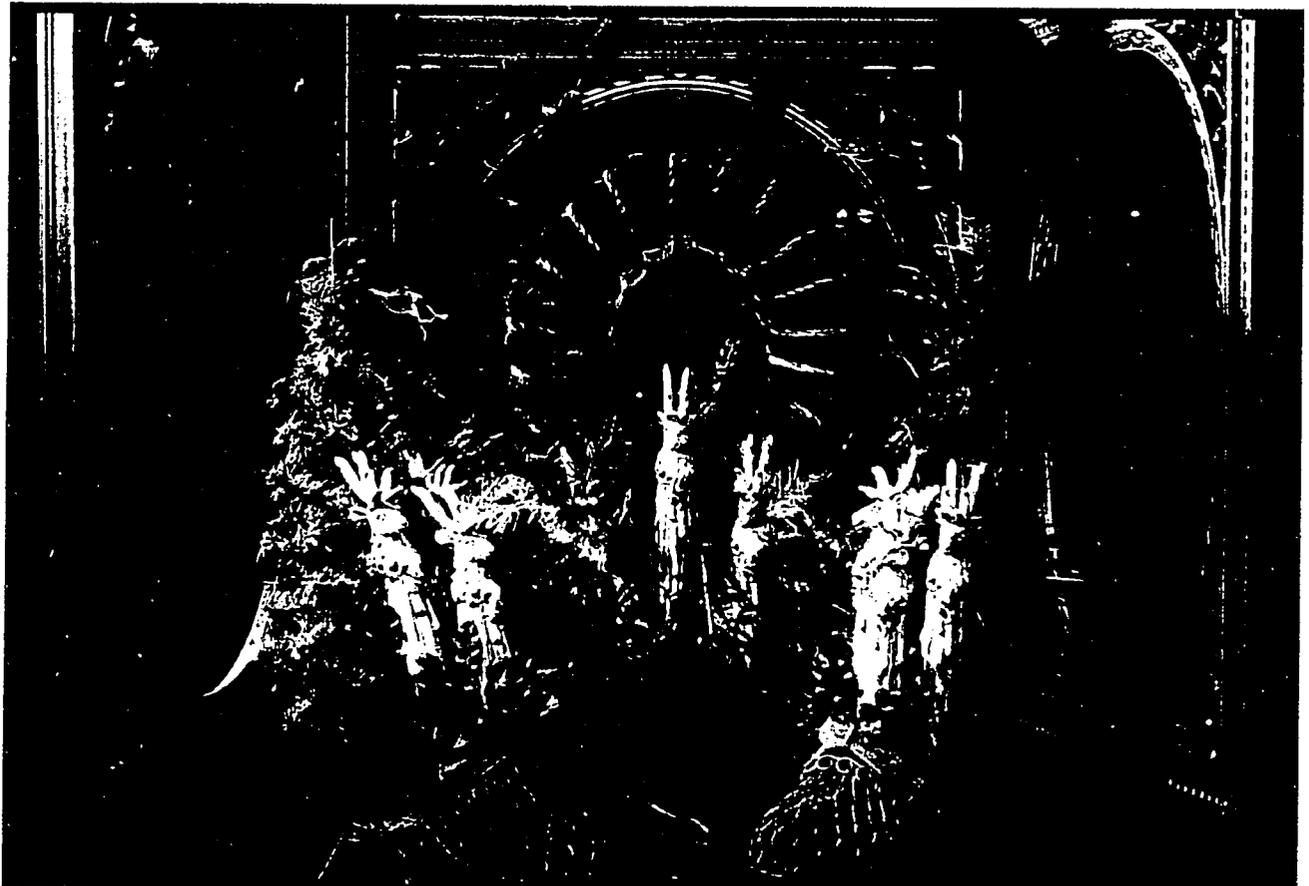
by Gianni's

Chicago





I can't be Christmas without reindeer (above), handcrafted by Nichole with pinecone petals on papier-mâché forms, or (below) tucked into a witty arrangement of wire-mesh high-heel pumps.



For information on where to buy materials used, see page 224



A FESTIVAL OF EGGS

*In Russia, eggs are a symbol of Spring.
We've rounded up a beautiful selection
from around the world!
(see pages 10 & 11)*



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Painted with a dazzling folk design, or lacquered to show off its wood. Our set of 12 Russian folk songs will have you playing like a Cossack. #S882 Painted. \$87. #S880 Unpainted. \$52. #S890 12 Russian Song Sheets. \$7.50.

RUSSIAN SPRING

PLAYING CARDS

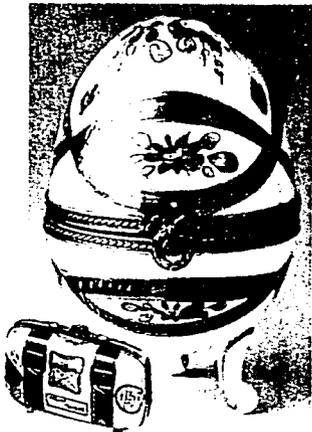
As part of Russian family life, these cards, like 19th century gypsy traditions, will tell your loves, career and other aspects of your life. 25 cards are illustrated in the Paiekh style. Includes a 182-page hardcover book with instructions. #R630 \$29.



LIMOGES EGG CADDY

The white and cream of *Zhell* porcelain makes each item a masterpiece. The artist schooled in the technique has developed a new style. Introduced for the first time in the United States, this egg caddy (with removable rooster box), is a beautiful serving piece. 9" diam. #R741 \$68.

WOODEN NESTING EGG! The time-honored and believably popular painted *shka* has led to this new design. With its designs you can nest only by your own rules. 5 nests.



LIMOGES EGG BOX — AND BAG

First created in the 17th century, hand-painted Limoges boxes like our Egg and Traveler's Bag are craved by collectors everywhere. #R255 Egg. \$135. #R599 Bag. \$160.



NATIVE AMERICAN LEAF-DYED EGG

Water-based vegetable dyes give this duck egg its verdant, colorful hues. A beautiful celebration of the American wilderness. With stand; each varies. #R715 \$11.



RUSSIAN MAIDEN EGG

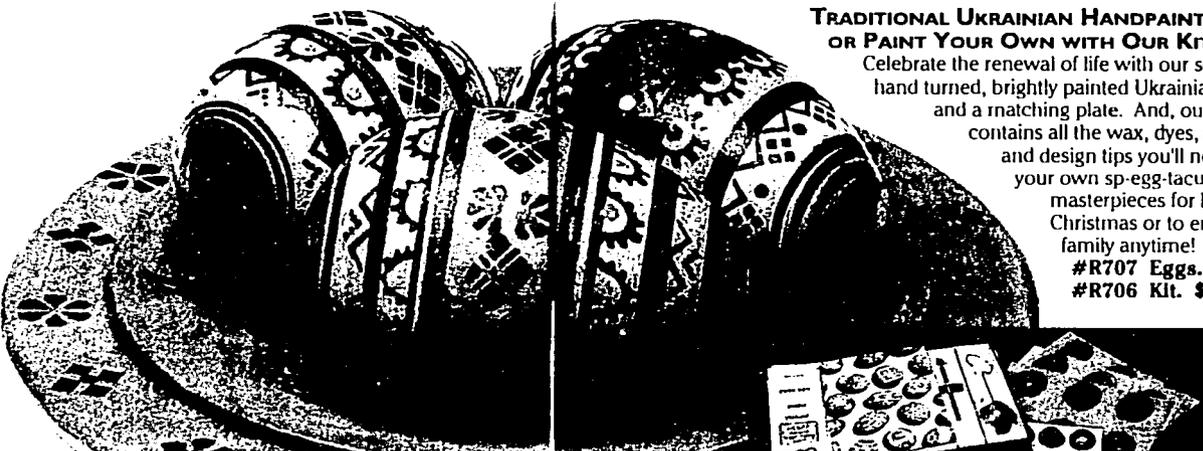
This beautiful harbinger of spring is hand-painted on a wood egg with microscopic brushes in Moscow. With stand. #R717 \$32.

CROSS-HATCHED HUNGARIAN EGG

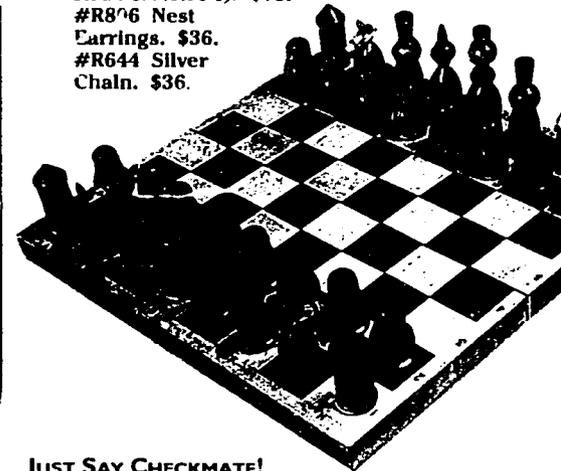
Painstakingly hand-painted by masters whose hands must be as steady as their touch delicate. Painted on a real egg. With stand; each varies. #R716 \$12.

TRADITIONAL UKRAINIAN HANDPAINTED EGGS, OR PAINT YOUR OWN WITH OUR KIT!

Celebrate the renewal of life with our set of three hand turned, brightly painted Ukrainian wood eggs and a matching plate. And, our complete kit contains all the wax, dyes, instructions and design tips you'll need to create your own sp-egg-tacular masterpieces for Easter, Christmas or to enjoy with family anytime! #R707 Eggs. \$19. #R706 Kit. \$22.



EGG-STRORDINARY MATRYOSHKA ▶ The title says it all! Each of the three babushkas nesting



JUST SAY CHECKMATE!

Why do so many chess champions hail from Russia? Maybe if we lived through fierce Siberian winters, we'd excel at cerebral indoor sports, too. But they also get to play on sets like this hand-carved beauty. Now even if you don't brave sub-zero temperatures, you can still test your prowess in style. #R940 \$88.

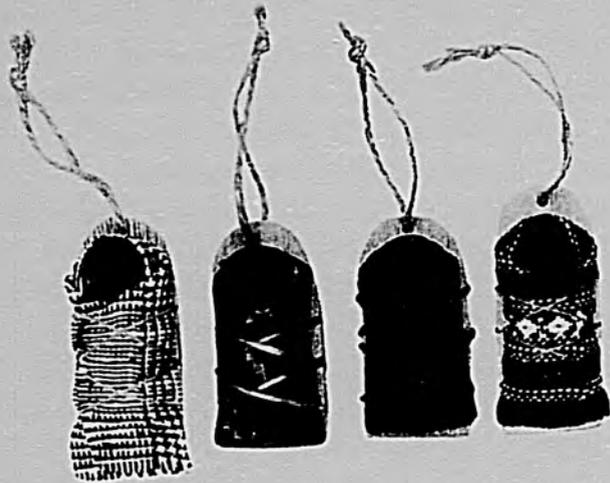
PETER THE GREAT MEETS CATHERINE...

...On our extraordinary hand-painted work of *papier mache* art. The famed rulers met during one of Peter's trips to the country, when he was smitten with the charming peasant girl. She, of course, was destined for Great things, and the rest is...history. Exquisitely hand-painted in the village of *Paiekh*. 2" x 6". #R751 \$225.

ready and matching earrings. B. Our Faberge replica eggs have layers of kiln-fired glaze over silver. Either looks great on our 22" sterling silver chain. C. Or try our precious pearls, nesting in gold-plated and enamel earrings. #R743 Heart Pendant (approx. 3/4"). \$36. #R744 Heart Earrings. \$34. #R745 Egg (choose *Swan* or *Flowers*). \$78. #R806 Nest Earrings. \$36. #R644 Silver Chain. \$36.







Papoose Ornament

A woman from Prairie Winds, Missouri sends us these precious handmade, little papoose ornaments. Set of 4 babies in swaddling clothes of assorted designs. 2 1/2" high #25C \$22.50

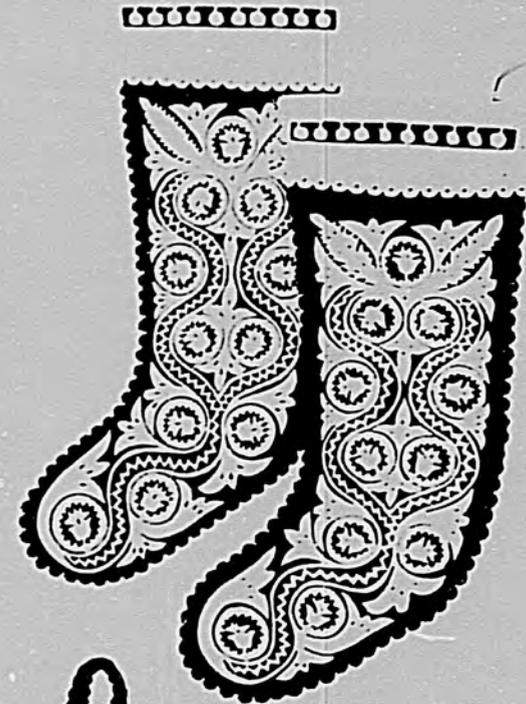
Folk Art Angel Our handcrafted angel has wings with an antique finish and a green wooden frock with tiny buttons. 10" high x 5 1/2" wide #25A \$28 each



Mythical Bear This endearing little angel bear has wings. He carries a bowl perfect for pins, pennies or paper clips. Resin. Imported. 5" high #25B \$24



Hungarian Country Ornaments These hand-appliqued felt ornaments are very appealing and charmingly old-fashioned. A set of 3 includes a snowflake 4 1/2" high, a stocking 4 1/2" high, and a tree 4" high. Imported. #25E \$25



Felt Appliqué Christmas Stocking Old World craftsmanship makes these felt stockings extraordinary. Hungarian grandmas hang them up each year. In red or green with white appliqué. Imported. 21" long x 8" wide #25D \$52 each

KINGA SZABO- HUNGARIAN MASTER POTTER

.....
"DURING MY WHOLE LIFE, MY SYSTEM WAS THIS:
I MADE ONLY WHAT WAS HAPPINESS TO ME, NEAR TO ME.
THEREFORE I LOVED ALWAYS MY WORK."



SZABÓ KINGA - HUNGARY 1992.

That's how Kinga Szabó, Hungarian Master Potter, describes the process of creating her celebrated work. She is truly a woman for whom art is life and vice versa. It's no wonder then, that her designs exude an uncommon delight.

Her work encompasses many styles and directions.

Motifs range from elaborate, stylized geometric detailing, to almost naive, animated floral patterns, hearts, birds, deer, rabbits and pomegranates. All part of the larger Hungarian folk art tradition, Ms. Szabó's work is deftly drawn, fluid, and light-hearted.

Using lustre glazes in rich colors, and jewel tone unglazes, Ms. Szabó's techniques include slip-trailing curlicues (drawing with a syringe to achieve a particularly fluid linear effect) and lively sgraffito (drawing through glaze). She also frequently employs "feathering," whereby wet slip is applied with a syringe and literally combed through for a delicate feathered effect. There are plenty of dots, crosshatching and concentric swirls. These dramatic designs beautifully complement one another, and mixing and matching the tableware is part of the fun.

In addition to traditional Hungarian motifs, Ms. Szabó's inspirations include Turkish designs, Persian art of the 9-14th centuries, and the small Egyptian sculptures from the Louvre. She also uses personal sketchbooks where she has frequently sketched at ethnograph-

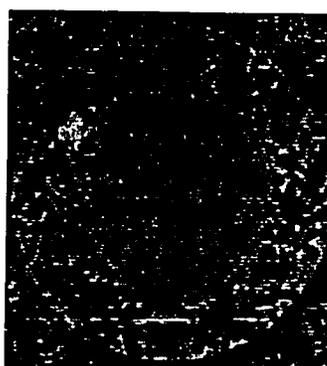
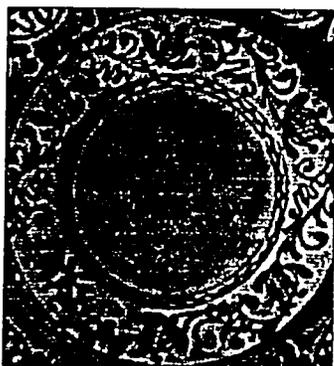
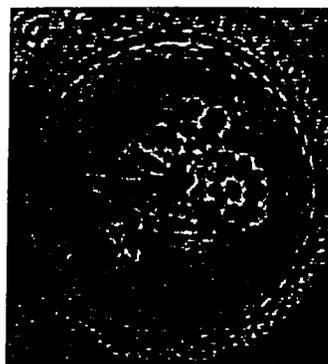
ic and textile museums.

Birds in any form are a frequent Szabó motif, and she often places them in combination with ornate patterned backgrounds. The birds, especially, express a gutsiness. "Birds have always been in my heart. The birds are me," said Ms. Szabó.

Ms. Szabó lives with her mother and three children in an old mansion in the hills of Budapest. Once her family home, it was taken by the communists and divided into apartments, in one of which they were allowed to remain. Vibrant pottery covers the walls, and fills the tabletops and shelves of her home.

Born in Budapest, Ms. Szabó was chief designer at the Mesotur Coopera-tive during the sixties and was

.....
"I WORK FOR THE WORK.
FOR THE ARTS. FOR MY HAPPINESS.
FOR NOTHING ELSE.
ONLY THIS IS IMPORTANT,"
.....



instrumental in reviving many of the styles for which the acclaimed co-op became famous. In 1963, Ms. Szabó received her first award, the Popular Designer Artists title, and her first solo show in Budapest the following year. Since that time, each year has brought additional and more celebrated awards and exhibitions, including many international shows.

Although recognition is important for any artist, and Ms Szabó has garnered a lion's share, she insists the process and the work is what counts.

"I work for the work. For the arts. For my happiness. For nothing else. Only this is important," Ms. Szabó said.



A NOTE ON HUNGARIAN POTTERY:

Hungary is a country both rich in tradition, and rich in potters. The revival of Hungarian folk pottery as a living culture, beginning in the 1920's with the work of Gyorffy Istvan, and continuing under the leadership of Maria Kresz, led to a burgeoning interest by young people in pursuing the life and craft of the folk potter.

Unlike the majority of U.S. potters, Hungarian potters are strongly wedded to tradition. The Hungarian word "táplálkozik," translates to English as "nourishment," but also describes the flow of tributaries into a river. The term is often used by Hungarian potters when explaining the importance of the understanding and application of traditional styles and methods in their creative work. They have made extensive studies of historical Hungarian ceramics, selecting particular regional styles in which to work, and then develop their own unique styles within this context. Influences from regions which were once a part of Hungary, such as Transylvania, or from its former occupiers, especially the Turks, provide a rich design heritage from which they draw.

The ATA Craft Buyer's Guide to Hungary

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 - museums
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