

# Made in Ukraine?



Why do we see this inscription on our souvenirs less often? A Ukrainian gift shop recently opened in Kyiv. Here you can buy a gift or another beautiful thing, and all merchandise originates from Ukraine. This shop, it turns out, is one of few in the capital and elsewhere in Ukraine because selling and making Ukrainian souvenirs is not a profitable business.

The trouble is that genuine Ukrainian souvenirs have been elbowed out of the domestic market by Chinese conveyor-line products whose cost and retail prices are lower, so people tend to buy foreign goods.

Ukrainian souvenirs' only disadvantage is their price, insist their producers, because most are handmade and thus unique. Also, household goods, like tablecloths and bed linen are embellished with unique needlework and made from natural materials that are safe in terms of health.



Kyiv gift shop owners complain, however, that some domestically made souvenirs are not up to the mark and are not adjusted to the modern market. Thus, porcelain folk-decorated tableware is crude and gray and lacks modern design. In contrast, Chinese-made flower vases with stamped Petrykivka ornaments look much more attractive. Do not be surprised to read “Made in China” on a vyshyvanka (embroidered shirt/blouse) or a “Ukrainian” kumanets (a ceramic vessel). Instead of souvenirs made by Ukrainian craftsmen as national attributes, what we have on sale is foreign-produced merchandise.

Ukrainian craftsmen complain that there is still no government support of small and medium-sized business. Businessmen have to give bribes and waste time getting authorizations. They feel sure that the state can help the souvenir business and make it profitable. In Russia, the matryoshka business is supported by the state and guaranteed by the Law “On the Support of Folk and Art Crafts.” In Ukraine, all we have are proposals, such as making government contracts, allocating plots of land on preferential terms, and holding exhibits and fairs.

The industrial output of Ukrainian souvenirs is in an even worse condition. “I have found only about a

dozen businesses in Ukraine that keep making certified products in accordance with the national tradition, despite to the crisis and practically without any support from the government,” says Tetiana Kordonska, the owner of the gift shop that recently opened in Kyiv.



Kyiv’s factory Suvenir is a mirror reflection of the current status of this industry in Ukraine. In the 1990s it supplied decorated plates and ornamented boxes to 40 countries, working non-stop, without any problems with shipment orders. Suvenir employed almost 4,000 staff. Now you read on its Web site: “We regret to inform that we are currently situated in a private apartment because we lost our premises, including a gift shop and a workshop, after a hostile takeover.”

Meanwhile, foreigners are still eager to buy Ukrainian souvenirs. After visiting the Carpathians tourists bring home pieces of woodcarving, Easter eggs, and vyshyvankas. In winter they buy knitted socks and homespun woolen bedspreads. Increasingly often, however, these goods turn out to have been made outside Ukraine. Domestic craftsmen are unable to cope with the increasing market demand. You cannot make the number of goods using your hands as the Chinese can, using machines.

Before long there will be another upsurge in market demand for Ukrainian souvenirs. Euro 2012 is an excellent opportunity to earn a quick buck from tourists. However, the UN World Tourism Organization’s survey in 2008 showed that the Ukrainian central budget’s income from a single visit by a foreign tourist averages USD 200, compared to USD 700 for Poland. This figure is even higher (USD 1,200) for Great Britain, a country visited by as many tourists per local resident as Ukraine. Souvenirs must be a tangible part of tourist expenses.



Getting back to the Euro 2012 theme, Ukraine must see to it that tourist buy domestically made souvenirs. What will Ukraine offer tourists apart from the soccer championships memorabilia? So far all we can see is Chinese-made carved platters with the tryzub and the inscription Slava Ukraini! Glory to Ukraine! The Chinese are quite good at it, too.

How can the domestic manufacturer be supported and the souvenir industry given a fresh impetus in Ukraine? According to McKinsey&Company experts, the tourist market is among the most promising ones here. In other words, investments will eventually yield fair profits. The main thing is for the domestic investors and consumers to again fall in love with authentic national products. Tourists spell profits not only for hotels, restaurants, or taxi-service companies. Souvenirs bought by tourists also form a tangible source of income for Ukrainian businesses. Those unwilling to once again start using their forefathers' pottery techniques, making pipes or vyshyvankas should think twice.

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