

Traidcraft faces end of 40 years' trading

Ethical consumption is challenged in difficult economic climate

Traidcraft plc, the Fairtrade pioneers whose church-based retailers have transformed shopping in the UK, subject to consultation, could cease trading by the end of 2018 unless a solution can be found in the coming month.

The plc, which generates £10m in annual sales was founded by six people in Newcastle in 1979. It's now in formal consultation with staff and other stakeholders following recent poor trading figures. The business has experienced shocks caused by the decision to leave the EU, and along with other retailers, sales have been hit by economic uncertainty and stagnating wages.

Chief Executive Robin Roth said: *"We are the sort of business that pays up front – that's in our nature as an ethical business. So when the pound fell after the Brexit referendum, we took a hit. We also stand by our published prices, so unlike other retailers we stood by our customers, absorbed a lot of the additional cost, and kept price rises to a minimum."*

These factors, together with a disappointing online relaunch, contributed to the decision by the Traidcraft board to propose to cease trading at the end of the year unless a solution can be found. Traidcraft plc's charity arm, Traidcraft Exchange, is a separate organisation and will continue its work with producers and in campaigning and lobbying for trade justice in the UK regardless of what happens to Traidcraft plc.

All the plc's 68 staff, based at Traidcraft HQ in Gateshead, are facing redundancy.

Traidcraft's 4,300 Fair Traders, 85% of whom are motivated by faith, account for about half of Traidcraft's revenue. Their sales of tea, coffee, cards and crafts at church fetes and school fairs have even changed the buying decisions of major supermarkets.

"Our wonderful, committed Fair Traders make a daily difference in the life of fledgling enterprises in hard-to-reach parts of the world", says Robin. "Because of their love for the cause, Fairtrade got on the High Street, and a new generation is growing to understand justice as an everyday matter."

Fair Traders, customers, and supporters have been encouraged to continue supporting Traidcraft plc as a good autumn season is a pre-requisite if the company is to have a future model.

Alliances between Fair Traders and Traidcraft's charity arm will continue, by means of fundraising events, donations and campaigning for change, even if trading ceases.

The Chief Executive wants people to get in touch with ideas for a future for Traidcraft plc:

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