

Council for Leather Exports, India at

15-18 September 2013, Milan

“preview of the spring/summer 2014 collections”

105th EDITION
mipel
THE BAG SHOW



“VISITOR NUMBERS UP; HOPEFUL SIGNALS FROM THE HOME MARKET,
SHOW CLOSES ON A POSITIVE NOTE”



MIPEL – The Bag Show, the international trade fair for handbags and leather goods generally, ended on a positive note. Visitor numbers were 5.3% higher than last season, with a near double-digit rise in those from Italy (+9.7%) and a smaller increase in those from abroad too (+1%).

This is a particularly helpful outcome on the home front, and gives good reason to believe that the domestic market is reviving after a hard struggle through so many seasons. Foreign buyers were slightly higher, confirming that interest in the sector is still on the rise.

What has caught the attention of the Italians once again has been the right mix of exhibition attractions and new trade fair experiments, like the highly popular return of fashion parades. Two events a day for Mipel's first three days caught the buyers' notice and created opportunities for the various collections to show off their designs in truly exciting surroundings. A visit on Sunday 15 September by the international star Paris Hilton helped to amplify media attention to the Milan show, confirming its position as the world's most important trade fair for makers of fashion accessories.

ITALY MARKET POTENTIAL FOR INDIAN LEATHER PRODUCTS

Italy is the only country in the world, which enjoys a unique status in the global leather industry for its being a major manufacturer, exporter and importer. No other country has such a rare combination of strengths. India, on the other hand with its own strengths and weaknesses perfectly fits into a position of partner with Italy so as to supplement each other for the benefit of both the countries.

Strengths / Opportunities offered by Italy

- Italy is the world leader in leather

products manufacturing technology.

- Italy is the world's design capital for leather products and has large pool of traditional craftsmen and modern designers.
- Italians are well equipped in sourcing the right raw materials and processed intermediaries.
- Italy is well equipped in upgrading technical capabilities of weak production systems wherever required
- Italy is a major market largely as a re-exporter. Italy's country brand is enviously strong in the global market.
- Italy is looking to relocating its footwear manufacture to Asian countries due to increasing production costs.

Opportunities for Italian Investments in India and Business/Technical Collaborations:

Given the Strengths and Opportunities in the leather sector of both India and Italy, there are many areas for forging business partnerships in terms of Production, Marketing, Branding and Technology.

Italian Leather Market:

- ▣ Italy is the 4th largest importer of leather and leather products in the world. In the year 2011, Italy's import of leather and leather products touched US\$ 11025.6[8 million.
- ▣ Italy is also the 2nd largest exporter of leather and leather products in the world, next to China. During 2011, Italy's export of leather and leather products was US\$ 21653.51 million, holding a share of 13.82% in the global import of leather and leather products of US\$ 156.64 bn.

MIPEL 104: the special areas and Exhibition Profile

MIPEL-The Bagshow this year presented four special areas, two for each pavilion, which added to the services dedicated to all the exhibitors and buyers, offering free, cutting-edge business tools.

In the two pavilions set aside for the event, nos. 8 and 12, visitors

found an exceptional international showcase for over 400 brands, divided into four thematic areas: Punto.it, Panorama, Design Studios and Extra. Each of these were given added value and characterised by a special area offering a new service to the exhibiting companies and buyers present in the fair planned to encourage a positive experience of MIPEL by increasing the business dimensions even after the fair closes.

The 15,000 square metres of MIPEL presented Spring/Summer 2014 collections by 334 companies, of which 219 Italian, and 115 foreign; many of these were new entries and included MARIA LAMANNA, OROBIANCO e PARIS HILTON BAGS AND ACCESSORIES. Among the new exhibitors were BY B – Build Your Bag, CONTENT & CONTAINER, FUMNE, HSL, MELANIE AMPHOUX e PARIS PRINCEPESSE METROPOLITANE. Also DE LONTI MILANO and FRANCO DESSI came back to MIPEL.

Moreover, it is important to note the striking return of fashion shows in the fair: during the first three days, there were two daily shows in pavilion 12 within an elegant space built especially for the occasion and completely open to the public to create appealing events in which exhibitors presented the Spring/Summer 2014 collections within a unique framework.

MIPEL HOSTS PARIS HILTON

Mipel-The Bagshow, the international fair of leather goods and fashion accessories with a history of over 50 years, was proud to welcome to its 104th edition business woman and worldwide media icon, Paris Hilton, who had a presence at the fair for the first time as part of her business expansion brand focused in Europe. Ms. Hilton was at the fair on 15 September to promote the line of handbags and accessories bearing her name. With 44 stores in more than 40 countries, she was committed to personally promoting this growing business at international level.

THE ECONOMIC SITUATION OF THE ITALIAN LEATHER INDUSTRY PUBLISHED BY AIMPE (JANUARY – MAY 2013)

Export figures for the period January – May 2013 were not significantly different from those found in analysing the first quarter. The industry's sales abroad are still doing well, and the healthy growth trend was confirmed in the first five months of 2013 (12%); but the simultaneous decline in home consumption was a heavy drag: the 3% fall in quantities sold in the first half of 2013 was less marked than in the other parts of the textile/clothing/footwear sectors (-5.1% for textiles and -4.0% for footwear), but caused considerable difficulties for the manufacturers nonetheless.

Given this continued weakness of demand, it does seem that what we have here is not so much – or not only – a response to the downward trend in economic well-being; rather, the attitudes which seem to be emerging over the last two years would seem to indicate an intensifying change in consumer choices, and indeed in lifestyles more generally, which is more structural than cyclical: serious worries about the future are pushing the average household not, as in other recessions, to lower its propensity to save but instead to cut back its consumption, with repercussions on the way people live and hence on the effective demand for companies' goods.

Total exports in the year's first five months came to €2,200m, up 12% on the corresponding period in 2012; it should be pointed out that this rise is largely due to exports of products in real hide, which grew at a vigorous 16%, as against the much more modest growth (1.6%) of exports of goods in synthetic materials.

Foreign demand, then, is still mainly for luxury products from the top end of the market; this very clearly matches the breakdown of Italy's sales abroad as a whole, and their pattern of growth. The mean price of women's handbags (still the mainstay of the industry's exports) rose by 5.1% overall: for real leather handbags that price rise was 6.6%. Exports also rose in quantity terms (though not so fast: 6.8%), and again it was the products in real hide which grew more vigorously (12%) than those in synthetic materials (3.3%).

Organisation of 104th MIPEL under MAIS funding through Dept. of Commerce, Govt of India

CLE India pavilion in MIPEL Bag Show has been organised by the Council September 2002 under MDA scheme till the year March 2009. On account of large participation from edition to edition besides very high cost of participation fee being charged by the organizer, the Department of Commerce, Ministry of Commerce and Industry, Government of India has been commiserative in acceding to the request of the Council for funding support under MAI scheme. The Department of Commerce has approved organisation of CLE-India pavilion in MIPEL exhibition which has really helped the members from MSME sector to take part in this important gateway fair to European Market for leather goods and accessories September 2009. The CLE India pavilion was organized with participa-

tion of 32 members in an area of 415 sq. mtrs in Hall 12 in Panorama section. The location change and housing CLE India pavilion amidst EU countries has really of a trade advantage as it resulted in more business visitors to CLE India pavilion when compared all the previous editions.

CLE's Information Stand and Publicity Materials at MIPEL

At CLE's information stand Publicity and promotional materials namely Leather News India, Members Directory, Information on Indian Leather Sector and MIPEL participants profile booklet etc were distributed to the trade visitors. In all 47 business visitors have visited the Council's information stand from countries namely Belgium (1), Cyprus (1), Denmark (1), Germany (6), Italy (19), Japan (1), Logos (1), New Zealand (1), Poland (1), Russian Federation (2), Singapore (2), Spain (3), Tunisia (2), USA (2), UK (2),

UAE (1) and Ukraine (1) had received information materials relating to India leather sector. Most of the buyers shown keen interest to visit India if a sourcing visit to be sponsored by the Council during the prominent Intl. Leather fairs held in India like IILF, Chennai & Delhi and ILGF, Kolkata. The publicity posters displayed at CLE information stand were of note worthy to many trade visitors.

Business Generated and Members Feedback

As per the feed back collected from the members at the end of the event, it was reported that 352 business visitors had meetings with our exhibitors under CLE India Pavilion and firm orders for USD 0.30 mn were received by them. The group participants have also express that they are confident of getting future order to the tune of USD 4.36 mn out of enquires generated during the fair.

Few snaps of CLE India pavilion



Mr. Jagjeet Kumar, Under Secretary, DOC (left) interacting with exhibitors at CLE information stand. Mr. M.J.Jamal Md. Mohideen, Assistant Director is to his left



Mr. Jagjeet Kumar, Under Secretary, DOC receiving Information materials



Mr. N.Shafeeq Ahmed, Vice-Chairman, CLE (middle) at CLE India pavilion information stand



Few trade visitors collecting promotional material from CLE information stand

Few snaps of CLE India pavilion



Business meeting in progress in one of the member participants stand at CLE India pavilion



Another view of business meeting in progress

The dates for 105th MIPEL edition has been officially notified to be held during March 2-5, 2014 (Sunday to Wednesday) for presentation of Autumn/Winter 2014 collections.



*Think Leather
Think India*

