

Indian Leather Sector Trade Event in South America Buyer Seller Meet In Chile – July 27-28, 2015

A Report by Mr. A. Fayaz Ahmad, Assistant Director, Council for Leather Exports



Relevance of Chile:

Chile's strategic location endows it access to Asia Pacific markets and its large reserves of copper and other minerals make it an important country on the economic front. Chile has a large coastline which provides abundant ocean resources and its central plateau is excellent for cultivation, exports of fruits and wine. Chile has opened up its economy in the past 40 years to become a significant player in the Latin American region. Along with Mexico, Chile is the other country from Latin America to be invited to the OECD. Chile's recent foreign policy has laid emphasis on developing relations among Latin American countries and with the Asia-Pacific region. Chile seeks to play a leadership role in the region. It is an active member of the Pacific Alliance, CELAC, UNASUR, OAS, APEC etc as well as an associate member of MERCOSUR.

Economic and Commercial Relations:

Though Indian investments have been limited in Chile, trade is on the rise, due to huge imports of copper ore and copper concentrates by India. Traditional items being imported by Chile are garments, handicrafts, textiles, carpets, and hand tools. High value-added Indian items such as commercial vehicles (TELCO, MAHINDRA) motor cars (Tata Motors, Suzuki Maruti, Hyundai), two wheelers, and bulk pharmaceuticals have entered the Chilean market. In 2014, India was the 10th largest trading partner of Chile. In 2012, Indo-Chilean bilateral trade was US\$3.29 billion which, however, decreased to US\$2.87 billion in 2013, with Chilean exports of US\$2182 million and Indian exports US\$693 million. During 2014 the bilateral trade has reached US\$3191.60 million as per Chilean trade figures. Indian business delegations sponsored by PHARMEXCIL, AEPC, EPCH, SGEPC, ESC, ITPO and others have visited Chile during the last 2 years.

Bilateral Trade: Indian exports grew from US\$658.45 million in 2012 to US\$693.90 million in 2013. this is mainly

due to a growth in the export of motor cars. However, exports of other items such as pharmaceuticals, motorcycles, tractors, etc. have also grown. In 2014 Indian exports to Chile were to the tune of US\$ 619.85 million. In 2014, there has been a slight decrease in Indian exports to Chile due to the uncertainty about the carbon tax proposed to be levied on diesel vehicles which affected automobile exports from India. However, Chile's exports decreased from US\$2636.82 million in 2012 to US\$2182.70 million in 2013 and US\$ 2571.75 million in 2014. This is mainly the result of a reduction in export of copper ores and concentrates to India, which account for over 90% of Chile's total exports to India. Chile's exports to India consist mainly of raw materials such as copper, wood pulp, coal, iodine, etc. in 2012, India was Chile's 10th largest trading partner; 14th in 2013 and again 10th in 2014. Following table gives the bilateral trade between India and Chile in million US Dollars:

Year	Exports from India to Chile (CIF)	Imports from Chile by India (FOB)	Total Indo-Chilean bilateral trade
2009	278.07	908.35	1186.42
2010	380.91	1581.95	1962.86
2011	467.03	1964.99	2432.02
2012	658.45	2636.82	3295.27
2013	693.90	2182.70	2876.60
2014	619.85	2571.75	3191.60

The above bilateral trade figures do not include India's exports to the Free Trade Zone of Iquique, which amounted to US\$ 39.2 million in 2010, US\$ 42.9 million in 2011, US\$ 60.8 million in 2012, US\$ 45.5 million in 2013 and US\$ 34.18 million in 2014; and Indian's service exports, which too amount to some US\$ 20 million. Six percent of the companies working in Zofri Zone in Iquique are of Indian origin.

Indian Investment in Chile: According to the Foreign Investment Committee of Chile, India's investments in Chile from 1974 to 2014 totaled only US\$ 27.1 million. However, many Indian companies have recently entered the Chilean market. Some have acquired Chilean companies, others have entered into joint ventures or collaborations, and some have expanded their operations significantly in the last three years. These include: Jindal Steel Works, TCS, Oracle Fine Services, Polaris, Evaluserve, Godrej, Ashok Leyland, Tega Industries, Suzlon, Havell Sylvania, Tata Motors, Mahindra & Mahindra, NSL Renewable Power Private Limited etc.

India Trade Fair in Chile: India Trade Promotion Organization (ITPO) organized an exclusive Indian Trade Fair i.e. Expo India 2015 in Santiago from March 11-15, 2015. The

Fair had a diverse display profile, viz. engineering, information technology, chemicals and Pharmaceuticals, textiles, leather goods, handicrafts, food industry, sports goods, tourism & hospitality, new and renewable energy sources, etc. The five day event was a huge success ad around 52,000 people visited the five day Expo India 2015.

Preferential Trade Agreement (PTA): India and Chile have concluded negotiations to expand the Preferential Trade Agreement (PTA) giving more Chilean products access to the Indian market and vice versa. India and Chile are both keen to elevate the PTA into a Comprehensive Economic Partnership Agreement (CEPA) and look forward to early commencement of negotiations on CEPA.

Double Taxation Avoidance Agreement (DTAA): The Government of India has approved the signing of Double Taxation Avoidance Agreement (DTAA) with Chile. The Indian side has conveyed its readiness to the Government of Chile and the agreement is expected to be signed soon.

Major Trading partners of Chile are China, USA, Brazil, Ja-

pan, South Korea, Argentina, Mexico, Peru, Spain and Ecuador.

India and Chile – Leather Sector

Chile's import of leather & leather Products has increased from US\$ 586.84 million in 2009 to US\$ 1185.20 million in 2013, growing at a CAGR of 15.09 %. The major products of import into Chile are leather and non-leather footwear, Leather Goods and Leather Garments. India's export of leather & leather products to Chile touched US\$ 53.65 million in 2014-15, growing at a CAGR of 23.75%.

(value in Million US\$)

Details	2009	2010	2011	2012	2013
Chile's Import of L&LP	585.14	800.82	1011.32	1130.58	1185.16
India's Export to Chile	16.41	22.49	36.45	61.98	47.63
Total	2.80%	2.80%	3.60%	5.48%	4.02%

CHILE'S IMPORT OF LEATHER & LEATHER PRODUCTS AND INDIA SHARE 2009-2013

(Value in Mn US\$)

Details	2009	2010	2011	2012	2013
Leather					
Import	9.55	17.72	23.75	19.87	19.51
India's Export	0.67	0.88	0.39	0.08	0.11
% Share of India	7.02%	4.97%	1.64%	0.40%	0.56%
Leather Footwear					
Import	188.13	277.91	370.35	404.7	425.7
India's Export	2.69	4.06	6.92	9.48	13.89
% Share of India	1.43%	1.46%	1.87%	2.34%	3.26%
Footwear Components					
Import	6.00	10.87	14.13	10.78	11.24
India's Export	0.57	0.87	1.05	0.36	0.20
% Share of India	9.50%	8.00%	7.43%	3.34%	1.78%
Leather Garments					
Import	8.41	10.05	10.47	16.21	17.02
India's Export	1.79	2.18	3.95	6.21	5.05
% Share of India	21.28%	21.69%	37.73%	38.31%	29.67%
Leather Goods					
Import	25.21	33.04	36.96	65.93	101.51
India's Export	10.64	14.5	24.08	45.80	28.35
% Share of India	42.21%	43.89%	65.15%	69.47%	27.93%
Saddlery & Harness					
Import	0.83	0.96	1.39	1.52	2.79
India's Export	0.01	0	0.02	0.05	0.03
% Share of India	1.20%	0.00%	1.44%	3.29%	1.08%
Non Leather Footwear					
Import	347.01	450.27	554.27	611.57	607.39
India's Export	0.04	0.00	0.04	0.00	0.00
% Share of India	0.01%	0.00%	0.01%	0.00%	0.00%
Total					
Import	585.14	800.82	1011.32	1130.58	1185.16
India's Export	16.41	22.49	36.45	61.98	47.63
% Share of India	2.80%	2.81%	3.60%	5.48%	4.02%

Source: CHILE's Import - ITC Geneva / India's export DGCI&S

It can be seen from the above data, leather goods and leather garments are the major items of exports from Indian leather industry to Chile, constituting share of 28% and 30% of Chile's import.

The size of footwear imports are higher, whereas India's share in Chile's total import of footwear is only meagre 3.26%. As such, leather goods, leather garments and footwear are focus products for India, as far as export to Chile is concerned.

Buyer Seller Meet in Chile

The CLE has taken necessary efforts and approached the Embassy of India in Santiago to assist in organizing the BSM in Chile, so that entrepreneurs of India and Chile may interact and develop trade relations between the two countries. In consultation and as suggested by Embassy of India, the Santiago Chamber of Commerce (CAMARA DE COMERCIO DE SANTIAGO) has been engaged to promote the BSM and to create awareness of the event amongst the Chilean companies and for mobilizing the Chilean companies to attend the BSM. Accordingly the BSM was held at Crowne Plaza Hotel, Santiago during 27-28, July 2015. A total of 14 companies participated in the event, displaying footwear, leather garments, leather goods & accessories, industrial gloves etc :

1. Apex International, New Delhi
2. Prakash Impex, Chennai
3. Global Impex, New Delhi
4. Ponds Exports Limited, Chennai
5. Regency Impex, New Delhi
6. K D Orient Impex, Mumbai
7. Wallets Plus, Kolkata
8. Nadeem Impex, Kolkata
9. Asian Leather Pvt Ltd, Kolkata
10. Naaz Exports Pvt Ltd, Kanpur
11. Capsons Co., Noida
12. Alignz Exports Pvt Ltd, New Delhi
13. Skin N Stitch Pvt. Ltd, Kolkata
14. Jiwanram Sheoduttrai Industries Pvt. Ltd, Kolkata

It may be pertinent to mention here that a total of 18 companies have enlisted their participation in the Buyer Seller Meet. Due to various reasons at their end, 4 companies have not attended the BSM. They are: (1) Creative Pelt P Ltd, (2) Rohan Gloves (Mfg) P Ltd, (3) Discovery Leathers P Ltd (from Gurgaon), (4) Siddharth Exports (from Noida).

Mr. A. Fayaz Ahmad, Assistant Director (ILD & Domestic Industry Cell), CLE coordinated and organized the Event and interacted with the stakeholder agencies.

BSM in Chile, July 27-28, 2015



Shri Abdullah Saleh A.Al Awwad, Ambassador of Saudi Arabia to Chile, His Excellency Shri Debraj Pradhan, Ambassador of India, Chile and Mrs. Ambassador of India.



(L to R) Shri Abdullah Saleh A.Al Awwad, Ambassador of Saudi Arabia to Chile, His Excellency Shri Debraj Pradhan, Ambassador of India and Shri A. Fayaz Ahmad, Assistant Director, CLE, Shri Javed Iqbal, Member - COA, CLE



His Excellency Shri Debraj Pradhan, Ambassador of India, Chile, along with of officials from Embassy of India, Chile.

Inauguration ceremony

The BSM event was inaugurated at 9.30am on 27rd July 2015 at Hotel Crowne Plaza, Santiago, over a formal inauguration ceremony participated by His Excellency Shri Debraj Pradhan, Ambassador of India to Chile, Mr. Jorge Guerrero, President of the Indo-Chilean Chamber of Commerce (CamIndia), Mr Rodrigo Mujica Rodriguez, Director, International Affairs & Business Services, Santiago Chamber of Commerce, and Shri A Fayaz Ahmad, Assistant Director-CLE. Media from Chile covered the event. The inauguration ceremony was attended by about 50 guests, including Diplomats, local authorities, representatives of various Chambers of Commerce, media representatives and members of Indian community.

His Excellency Ambassador of India Shri Debraj Pradhan in his speech highlighted that the Embassy of India in close coordination with CLE is pleased to organize this Buyer Seller Meet. Chile is an important market for India in the LAC region. Narrating the Indo-Chilean trade and economic relations, His Excellency Ambassador spoke about India-Chile bilateral trade and prospects for export of Indian Leather Products and Garments & Footwear into Chile and highlighted the growth of bilateral trade between India and Chile



His Excellency. Shri Debraj Pradhan, Ambassador of India and his wife at the ribbon cutting ceremony



Traditional Lamp lighting ceremony



His Excellency Shri Debraj Pradhan, Ambassador of India, giving his address

The Ambassador exhorted the Indian enterprises present in this BSM to explore and have business discussions and enhance exports to Chile. The footwear, leather goods and garments are having good potential in Chile, and India should target these particular items. The target set for the Indian leather industry under Make in India Programme of the Government of India is US \$ 27 billion by 2019-20, from the present level of US \$ 6.50 billion exports achieved during 2014-15. In order to meet this ambitious target, there is need for the leather industry to diversify and Chile is one amongst the important markets in this direction. His Excellency concluded his speech by congratulating the CLE for organizing this BSM trade promotion event, and called upon the Indian participants to have business discussions with Chilean companies, and wished grand success of the event.



A view of dignitaries on dais at the inauguration ceremony



The Chief of Santiago Chamber of Commerce, Chile, addressing the delegates



Mr. Rodrigo Mujica Rodriguez, Director, International Affairs and Business Services, Santiago Chamber of Commerce, giving his address

Mr. Jorge Gerrero, President of the Indo-Chilean Chamber of Commerce (CamIndia) & Mr. Rodrigo Mujica Rodriguez, Director, International Affairs and Business Services, Santiago Chamber of Commerce, have made brief speech-

es on the Chilean market for footwear and leather products, and welcomed the organization of this Buyer Seller Meet between Indian and Chilean enterprises which will greatly help to enhance cooperation between India and Chile in the Leather Products including footwear. They reinforced the full support and cooperation of CamIndia and Santiago Chamber of Commerce for achieving success of this BSM and for organizing further promotional events in Chile.

Shri A Fayaz Ahmad, Assistant Director-CLE made presentation on the Leather Industry in India, export analysis, need for diversification of exports to LAC region, particularly to Brazil, Argentina, Mexico, Chile, Peru & Columbia, and trade relations in leather sector between India and Chile. Statistics were briefed. World over, India is being looked upon as a big, prospective market for footwear and leather products, and India is poised to increase production capacities, and several new Mega Leather Clusters are going to be established. India has strong manufacturing plants backed by quality raw materials, design development capabilities, human resources etc. Major brands of the world are already sourcing from India. This BSM is being organized in Chile, to give a platform to India and Chile enterprises to have one-to-one business discussions and explore trade relations. Indian leather industry is looking to diversify its export to LAC region as well, and Chile is one of the biggest market in LAC region. He further informed that as part of the BSM, Indian Delegation is scheduled to undertake visit to tannery cluster on 29th July 2015, to study the leather processing facilities, type of leathers produced, products on offer for exports etc. On behalf of the CLE, he thanked Embassy of India and Santiago Chamber of Commerce for their efforts to plan and organize this BSM event.



Shri A. Fayaz Ahmad, Assistant Director, CLE, giving presentation on the Leather Industry in India.

Shri Fayaz Ahmad thanked His Excellency Shri Debraj Pradhan, Ambassador of India and Shri K M John, First Secretary (Com & ITEC), Embassy of India, Chile for gracing the occasion, and all the preparatory arrangements made for conduct of this prestigious event in Santiago, Chile. He also thanked Mr. Rodrigo Mujica Rodriguez, Director, International Affairs and Business Services, Santiago Chamber of Commerce, for performing promotion of this event and coordination with Chilean enterprises.

His Excellency Mr. Hilton Fisher, Ambassador of South Africa to Republic of Chile, and His Excellency Mr. Abdullah

Saleh A. Al Awwad, Ambassador of Saudi Arabia to Republic to Chile, have graced the occasion.

The traditional lighting and ribbon cutting ceremony was held to inaugurate the BSM.

Mrs. Vivania García Holuigue, Commercial Officer, Embassy of India, has compeered the event. She informed that Embassy of India has made detailed arrangements for conducting this BSM, and adequate personnel support (receptionists, interpreters) will be ensured. The personnel of Santiago Chamber of Commerce would be in the Reception Desk to receive the buyers, database updation, distribution of folders with appointment sheets, and buyers would be guided to visit the concerned booths as per the meeting schedules.



His Excellency Shri Debraj Pradhan, Ambassador of India, addressing the media

Interaction of Ambassador of India with Indian Participants

After the inauguration event, His Excellency Ambassador of India Shri Debraj Pradhan, accompanied by Shri K M John, First Secretary (Com & ITEC), Embassy of India and Shri A Fayaz Ahmad Assistant Director-CLE visited the participant's booths and interacted with participants.

Event management:

The Santiago Chamber of Commerce was earlier assigned the task of promoting the event, and mobilizing the Chile companies to attend the Event. Based on positive feedback received, prior appointments were fixed for the Indian companies with the Chile companies. A sheet of appointments fixed were given to the Indian as well as Chile companies. The personnel of Santiago Chamber of Commerce were present in the BSM reception all through the two days of the event and micro managed the visit of Chile companies and their business meetings with Indian companies. A team of interpreters were present in the venue to assist in the discussion process.

Mr. K M John, First Secretary (Com & ITEC), Embassy of India, Chile and Mrs. Viviana Garcia, Marketing officer in the Embassy were present in the BSM venue, right from preparatory day on July 26th Sunday to end of BSM on July 28th, 2015. In an organized and professional manner, the Santiago Chamber of Commerce has made reception arrangements, and undertook monitoring of the buyer visits in the BSM Hall.



(L to R) His Excellency Mr. Hilton Fisher, Ambassador of South Africa to Chile, Shri V. Venkataraman, First Secretary, Embassy of India and His Excellency Mr. Abdullah Saleh A. Al Awwad, Ambassador of Saudi Arabia to Chile.

Business Meetings & Feedback

Based on the promotion and mobilization efforts earlier undertaken by it, the Santiago Chamber of Commerce has earlier obtained confirmation of 32 Chilean companies. There were consistent number of visitors in the Meeting hall in both two days of the event, and Indian companies were fully engaged in the business meetings and discussions over the two days of the event. A total of about 40 Chilean firms participated in the BSM.



Apex International, New Delhi



Prakash Impex, Chennai



Global Impex, New Delhi

As per the feedback given by the 14 participants, a total of 92 business meetings have been held in the BSM. In general, it can be said that buyers desired minimal quantities. The participants expect that based on the discussions and lead obtained, they expect future business potential to be around US \$ 0.14 million. Sample spot orders for US \$ 10000 took place in the BSM.

In their feedback, the participants have appreciated the



Ponds Exports Limited, Chennai

arrangements made in organizing the BSM. However, the participants desired the event management to be managed more professionally, and a strong, aggressive and persistent approach is needed to conduct the show with in-depth homework and assessment. The participants termed the arrangements to be satisfactory. The efforts taken by the Embassy of India, Santiago Chamber of Commerce and CLE were appreciated in general.



Regency Impex, New Delhi



Ambassador of India interacting with participants



K D Orient Impex, Mumbai



Asian Leather Pvt Ltd., Kolkata



Wallets Plus, Kolkata



Naaz Exports Pvt Ltd., Kanpur



Naaz Exports Pvt Ltd., Kanpur



Jiwanram Sheoduttrai Industries Pvt. Ltd., Kolkata



Capsons Co., Noida



Shri A. Fayaz Ahmad, Assistant Director, CLE with Mr. Leonardo Fernandez, Representative (tannery), M/s. Curtiembre Baska S.A, Chile



Alignz Exports Pvt Ltd., New Delhi



Mr. Rodrigo Mujica Rodriguez, Director, International Affairs and Business Services, Santiago Chamber of Commerce with Shri A. Fayaz Ahmed, Assistant Director, CLE

The Embassy of India, Santiago Chamber of Commerce and the Participants have all suggested that the CLE should consider hosting the Buyer Seller Meet in the next year July/Aug 2016, with a view to give continuous platform for the Indian and Chilean companies to explore business opportunities.



Skin N Stitch Pvt. Ltd., Kolkata



Monthly magazine of Council for Leather Exports (LEATHER NEWS INDIA) presented to the Ambassador

Visit to Tanning cluster at Santiago, Chile – 29th July 2015

The Indian delegation made a visit to tanning cluster at Santiago, Chile on 29th July 2015, which was arranged by Embassy of India. The tanneries visited were:

M/s Curtiembre Baska S.A.

Address: Los Cisnes 263, Cerrillos, Santiago, Chile
 Tel: 562-26831191
 Contact person: Mr. Leonardo Fernandez
 Email: lfernandez@gino.cl

M/s Curtiembre Aleu y Cia. Ltda.

Address: Sierra Bella 2308, San Joaquin, Santiago, Chile
 Tel: 562-25560352
 Contact person: Mr. Martin Llusa Rio, General Manager
 Email: martin@curtiembrealeu.cl

M/s Curtidos Bas S.A.

Address: Av. Alcalde Carlos Valdovinos 129, San Joaquin, Santiago, Chile
 Tel: 562-25525441
 Contact person: Mr. Miguel Bas Gonzalez, Gerente General
 Email: miguelbas@curtibas.cl

Visit to Tanning Cluster in Chile

Indian delegation at M/s. Curtiembre Baska S.A., Chile



Indian delegation at M/s. Curtiembre Aleu Cia. Ltda., Chile



Indian Delegation at M/s. Curtidos Bas S.A., Chile



The tanneries are very well equipped to process raw hides into wet blue and finished leather, with adequate infrastructure facilities. The delegates were impressed with the tanneries in Santiago and quality of leather production. Those interested to import wet blue and finished leather may contact the above mentioned tanneries directly. The delegates had a discussion with Mr. Miguel Bas Gonzalez, President of Chilean Tannery Association.