

# Fashion Access Fair, Hong Kong

September 25-27, 2013

A Report by E.L. Samson, Asst. Director, CLE



## Introduction:

FASHION ACCESS is the twice-a-year, must-attend international fashion fair in Hong Kong for bags, footwear, leather goods, garments and a full range of lifestyle accessories. Fashion Access has scored significantly by introducing overarching fashion themes for each event and adopting the slogan of 'Fashion from head to toe'. The fashion element is further supported by various displays pointing up colours, fabrics and designs for up-coming seasons of Spring/Summer and Autumn/Winter.

The format has proved extremely popular and the number and scope of both exhibitors and buyers alike has been growing steadily. 588 exhibitors from 25 countries attended the previous March event in 2012 and welcomed 12,901 buyers. Twice a year, Fashion Access is joined by fashion suppliers and buyers from around the globe. The March Edition of the Fair showcases collections for the up-coming autumn-winter season, while the September fair focuses on spring-summer offerings.

Held in business-focused and trends-savvy Hong Kong, visitors to the fair gain instant access to one of the largest sourcing hubs in the world and further explore opportunities in the Chinese and Asian markets".

**Fashion Access is a design-driven fashion fair whose exhibitors consist of top-caliber and reliable contract manufacturers as well as original international brands, offering the highest quality bags, footwear, small leather goods, fashion accessories, leather garments, travel ware and other lifestyle, luxury goods.**

**Hong Kong – A Gateway to China**

Hong Kong is the premier gateway to China; the world's largest trading economy. Hong Kong's position – both geographical and geopolitical – makes it the logical first stop for overseas enterprises keen to access the Mainland and for Mainland businesses keen to go global.

As a node in a network, Hong Kong serves as a financial centre and business hub of the country. Hong Kong is extending co-operation with other Mainland municipalities in all areas, especially in terms of business, commerce, research and transportation links.

Hong Kong is an international city, highly developed in finance, legal services, accounting, trade, logistics, maritime, telecommunications, aviation and media. It is also the base for many international chambers of commerce, consulates, international organisations and international media organisations. Hong Kong entrepreneurs, who share the same culture as their counterparts in the Mainland, also have a great deal of experience doing business there. Hong Kong is leveraging on these strengths to serve as 'Chief Information Officer' to help enterprises interested in China business.

Hong Kong is the mainland's most important entry point, handling about one-fifth of China's foreign trade. Hong Kong is the single largest source of foreign capital for Mainland enterprises, accounting for US\$629.1 billion

The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) is a free-trade pact which offers tariff-free privileges for all Hong Kong products meeting CEPA

origin rules on importation into the Mainland.

**The Fashion Access Fair is happening in the Major Trading Hub "Hong Kong" of the mainland China.**

**Market Potential of China and Hong Kong:**

**China Import Potential:**

As per ITC, Geneva Trade Statistics, China is the 8th largest importer of leather & leather products in the world. China is becoming a significant market for leather & leather products with its imports increasing from US\$ 5336.91 Million in 2007 to US\$ 6607.13 Million in 2011, growing at a CAGR of 5.48%.

**Out of China's total leather import trade, the import share of various leather product categories are as under:**

Finished Leather	61.47%
Footwear (leather & non-leather and footwear compts)	23.51%
Leather Garments	1.93%
Leather Goods & Accessories	13.07%
Saddlery & Harness	0.01%

Hence, China is a potential market for exports of finished leather, footwear, leather goods & accessories and leather garments.

**India – China Leather Trade**

India's export of leather & leather products to China has increased from US\$ 55.46 mn in 2007-08 to US\$ 124.10 mn in 2012-13, growing at a CAGR of 17.47%. Presently, China accounts for a share of 1.89% in India's total leather export trade of US\$ 4.99bn. Hence, there is enormous scope to further enhance India's export of leather & leather products to China in the coming years.

A Statement showing China's import of leather & leather products, India's export and share during 2007-2011

(Value in Mn US\$)

DETAILS	2007	2008	2009	2010	2011	2012
<b>Leather</b>						
Import	4344.26	3791.79	3021.79	3906.11	4061.32	
India's Export	51.77	45.79	45.97	69.02	98.05	98.82
<b>% Share of India</b>	<b>1.19%</b>	<b>1.21%</b>	<b>1.52%</b>	<b>1.77%</b>	<b>2.41%</b>	
<b>Leather Footwear</b>						
Import	307.91	508.06	431.47	573.12	901.41	
India's Export	1.69	2.46	1.39	2.42	5.00	8.10
<b>% Share of India</b>	<b>0.55%</b>	<b>0.48%</b>	<b>0.32%</b>	<b>0.42%</b>	<b>0.55%</b>	
<b>Footwear Components</b>						
Import	299.04	284.84	247.22	272.44	264.53	
India's Export	0.35	0.65	0.07	0.11	0.16	0.01
<b>% Share of India</b>	<b>0.12%</b>	<b>0.23%</b>	<b>0.03%</b>	<b>0.04%</b>	<b>0.06%</b>	
<b>Leather Garments</b>						
Import	31.04	46.31	42.39	66.93	127.53	
India's Export	0.09	0.05	0.26	0.22	12.47	8.29
<b>% Share of India</b>	<b>0.29%</b>	<b>0.11%</b>	<b>0.61%</b>	<b>0.33%</b>	<b>9.78%</b>	
<b>Leather Goods</b>						
Import	234.65	311.70	309.29	493.72	863.67	
India's Export	0.97	0.48	0.53	3.48	8.65	8.42
<b>% Share of India</b>	<b>0.41%</b>	<b>0.15%</b>	<b>0.17%</b>	<b>0.70%</b>	<b>1.00%</b>	
<b>Saddlery &amp; Harness</b>						
Import	0.49	0.77	0.52	0.66	0.99	
India's Export	0.36	0.18	0.28	0.19	0.27	0.37
<b>% Share of India</b>	<b>73.47%</b>	<b>23.38%</b>	<b>53.85%</b>	<b>28.79%</b>	<b>27.27%</b>	
<b>Non Leather Footwear</b>						
Import	119.52	222.42	201.78	272.68	387.68	
India's Export	0.23	0.35	0.07	0.05	0.17	0.09
<b>% Share of India</b>	<b>0.19%</b>	<b>0.16%</b>	<b>0.03%</b>	<b>0.02%</b>	<b>0.04%</b>	
<b>Total</b>						
Import	5336.91	5165.89	4254.46	5585.66	6607.13	
India's Export	55.46	49.96	48.57	75.49	124.77	124.10
<b>% Share of India</b>	<b>1.04%</b>	<b>0.97%</b>	<b>1.14%</b>	<b>1.35%</b>	<b>1.89%</b>	

Source : ITC, Geneva

### Hong Kong Import Potential

As per ITC, Geneva Trade Statistics, Hong Kong is the 3rd largest importer of leather & leather products in the world. Hong Kong is becoming a significant market for leather & leather products with its imports increasing from US \$ 10385.01 Million in 2007 to US\$ 11394.49 Million in 2011, growing at a CAGR of 2.34%. Hong Kong accounts for a share of 7.13% in the global import of US\$ 159.89 bn in 2011.

Out of Hong Kong's total leather import trade, the import share of var-

ious leather product categories are as under:

- Finished Leather 27.33%
- Footwear (leather & non-leather and footwear compts) 45.12%
- Leather Garments 1.62%
- Leather Goods & Accessories 25.76%
- Saddlery & Harness 12.75%

Hence, Hong Kong is a potential market for exports of footwear, finished leather, leather goods & accessories and saddlery & harness.

### India – Hong Kong Leather Trade:

India's export of leather & leather products to Hong Kong has increased from US\$ 280.96 mn in 2007 to US\$ 440.54 mn in 2012-13, growing at a CAGR of 9.41%. Presently, India accounts for a share of 3.15% in Hong Kong's total leather import trade of US\$ 11394.47 mn. Hence, there is enormous scope to further enhance India's export of leather & leather products to Hong Kong in the coming years.

A Statement showing Hong Kong's Import of leather products and India's share

(Value in Mn US\$)

DETAILS	2007	2008	2009	2010	2011	2012
<b>Leather</b>						
Import	3342.86	2665.35	2032.62	2768.61	3114.25	
India's Export	268.84	219.80	236.28	303.20	327.89	412.56
<b>% Share of India</b>	<b>8.04%</b>	<b>8.25%</b>	<b>11.62%</b>	<b>10.95%</b>	<b>10.53%</b>	
<b>Leather Footwear</b>						
Import	3283.56	3422.58	2711.31	3222.86	3397.7	
India's Export	6.46	10.01	7.06	9.55	12.66	11.30
<b>% Share of India</b>	<b>0.20%</b>	<b>0.29%</b>	<b>0.26%</b>	<b>0.30%</b>	<b>0.37%</b>	
<b>Footwear Components</b>						
Import	254.39	263.02	219.16	300.70	291.13	
India's Export	0.71	1.06	0.21	0.58	0.67	0.53
<b>% Share of India</b>	<b>0.28%</b>	<b>0.40%</b>	<b>0.10%</b>	<b>0.19%</b>	<b>0.23%</b>	
<b>Leather Garments</b>						
Import	143.27	140.55	113.61	140.54	185.25	
India's Export	1.04	2.02	1.67	2.64	5.42	5.87
<b>% Share of India</b>	<b>0.73%</b>	<b>1.44%</b>	<b>1.47%</b>	<b>1.88%</b>	<b>2.93%</b>	
<b>Leather Goods</b>						
Import	1748.82	1973.12	1650.64	2161.18	2934.81	
India's Export	3.37	4.22	5.77	8.71	11.49	9.77
<b>% Share of India</b>	<b>0.19%</b>	<b>0.21%</b>	<b>0.35%</b>	<b>0.40%</b>	<b>0.39%</b>	
<b>Saddlery &amp; Harness</b>						
Import	13.98	13.75	17.53	18.52	18.73	
India's Export	0.46	0.31	0.22	0.25	0.31	0.19
<b>% Share of India</b>	<b>3.29%</b>	<b>2.25%</b>	<b>1.25%</b>	<b>1.35%</b>	<b>1.66%</b>	
<b>Non Leather Footwear</b>						
Import	1598.11	1521.82	1262.98	1453.19	1452.60	
India's Export	0.08	0.32	0.33	0.29	1.05	0.32
<b>% Share of India</b>	<b>0.01%</b>	<b>0.02%</b>	<b>0.03%</b>	<b>0.02%</b>	<b>0.07%</b>	
<b>Total</b>						
Import	10384.99	10000.19	8007.85	10065.60	11394.47	
India's Export	280.96	237.74	251.54	325.22	359.49	440.54
<b>% Share of India</b>	<b>2.71%</b>	<b>2.38%</b>	<b>3.14%</b>	<b>3.23%</b>	<b>3.15%</b>	

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

About Council's participation in Fashion Access Fair, Hong Kong – September 25-27, 2013

Besides the potential in the domestic Chinese market, according to Industry sources, Chinese Leather Entrepreneurs are exploring the possibilities of alternative manufacturing destinations in Asian countries and third country trading arrangements towards continuing to best service their clients world over. Importantly, many China offices of large Western Corporations use Hong Kong as their base and visit the popular Fashion Access Trade Fair held biannually in the months of September and March every year.

The Fashion Access Fair thus offers a proven platform for our Member participants towards entering China's fast growing domestic market for leather garments, travel-ware, handbags, fashion accessories and footwear. Considering the market opportunities in China; the Council organized a group participation for the first time in the September Edition of the said Fair.

India has long been known for its leather craft and this expertise can be seen at the Indian pavilion spearheaded by the Council for Leather Exports which has brought in a sizeable Delegation of Indian bag, Garments and footwear manufacturers.

The Council organized the participation of 20 member exporters in the Fair in a total area of 204 sq.mtrs The Indian participants displayed a wide range of Leather Products viz. Footwear, Leather Garments and Leather Goods & Accessories. As per feedback from Council's participants, apart from getting spot orders, the future business generated during the Event was to the tune of US\$ 0.25 million. The fair was highlighted by a series of fashion events that include trends seminars, Dress-Up! Runway Shows presented by individual exhibitors or pavilions, material and product trends exhibits, and business matching activities for buyers and sellers.

VIEW OF STANDS IN CLE PAVILION



## VIEW OF STANDS IN CLE PAVILION



*Shri E.L.Samson, Asst. Director at CLE Information Booth*

*Visitors at CLE Information Booth*

There were 298 exhibitors from 20 countries and regions covering a total of 11,090 square meters of exhibition space. Three country pavilions that showed a big hike in exhibitor numbers were the Philippines with 28 compared to 11 in September 2012, Indonesia with 29 as against last year's 13, and India with 29 compared to the previous 17. The exhibitors profile was Bags 59%, Footwear 19%, Fashion Accessories and Small Leather Goods 12%, Travelware 6%, Garments 3% and Fashion Design Consultancy & others 1%.

In terms of visitors, there was a 4.77% decrease from September 2012. The international scope of the fair did see an increase, with 54 nations represented compared to 41 in 2012. Typhoon Unagi's onslaught had a critical effect on visitor numbers as many buyers' trips to Hong Kong were disrupted. Nonetheless, Fashion Access managed to make a fair showing with both exhibitors and

buyers equally bullish about their business prospects.

The visitors were Buying Offices, Department Stores & Chain stores, Distributors, Fashion Boutiques, Importers, Mail Order & E-tailers, Private labels, Representatives of Fashion Brands, Sourcing Agency and Wholesalers.

### **Council's Information Booth:**

The Council had a separate stall where promotional materials like Participants Profile booklet, were distributed to the visitors. This apart, Leather New India Magazine, Brochure/Publicity Material on Leather & Leather Products Industry, Investment Promotion Brochure, Members Directory were also displayed during the Fair and many prospective buyers/importers who visited the CLE Information booth were given adequate information on the Indian Leather Industry.

### **Conclusion**

Fashion Access has its origins in the Asia-Pacific Leather Fair (APLF) which, from the beginning, created a sector for finished leather goods to complement its leather exhibition. APLF eventually evolved into the Materials, Manufacturing & Technology fair (MM&T), arguably the biggest leather industry fair in the world, while the finished goods sector spun off and became Fashion Access. It soon became known as a bag fair but, in recent years, the footwear, small leather goods and fashion accessories sectors also gained a strong foothold. This was in line with APLF Limited's vision to make Fashion Access into a fair that catered to the "head-to-toe" needs of the global fashion consumer, with focus on the middle- to high-end markets.

In March 2014, APLF Limited will celebrate 30 years of service to the leather and fashion industries.