

Indian Leather Sector Trade Event in South America Buyer Seller Meet in Lima, Peru – July 23-24, 2015

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



In the Latin American Countries (LAC) region, Brazil and Argentina are potential markets supplying raw hides & skins, semi-processed and finished leathers to the world. Accordingly, the Council organized a Sourcing Mission to Brazil and Argentina during August 2014 with the objective to import raw materials and establish business collaborations with these two countries. Based on the positive outcome and to promote bilateral trade relations between India and LAC region in leather sector, the Council has proposed to organize Buyer-Seller Meets in Peru during July 22-23, 2015, which would be most ideal time for the Latin American Buyers to procure their product requirements for the next season.

India's Export to LAC Region

Country	2012-13 (Million US \$)	2013-14 (Million US \$)	2014-15 (Million US \$)
Chile	61.98	47.63	53.09
Brazil	19.71	12.23	11.57
Peru	7.86	8.29	10.17
Mexico	6.62	8.72	8.57
Argentina	10.19	5.35	6.86
Panama	4.81	5.99	4.74
Colombia	2.55	1.92	2.86
Guatemala	0.04	0.88	2.38
Others (12 countries)	4.02	4.80	5.28
Total	117.78	95.81	105.52

Source: DGCI&S

From the above, it could be seen that Chile is the major country in the LAC Region to which India's export is US\$ 53.09 million during 2014-15, constituting a share of 50.31%. In other words, half of India's export from the leather sector to LAC Region is directed towards Chile. Brazil, Peru, Mexico, Argentina are the other major countries in LAC Region, which India's export is targeted. The share of India's exports is in Brazil (10.96%), Peru (9.54%), Mexico (8.12%) and Argentina (6.50%). It is pertinent to mention here that LAC region is one of the important markets for the leather industry which has not been fully explored.

Import potential of LAC

The import of leather and leather products into the LAC region has increased from US\$ 11.18 billion in 2009 to US\$ 172.68 billion in 2013, accounting for a share of 7.88%

Details	2009	2010	2011	2012	2013
Global Import of Leather & Leather products	118.18	140.73	163.81	162.59	172.68
Total	6.36	4.87	5.72	7.15	8.14

(Value in US\$ billion)

India's Export to LAC

India's export of leather and leather products to LAC has increased from US\$ 28.10 mn in 2009-10 to US\$ 128.82 mn in 2014-15.

Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
India's Export to LAC	28.10	48.73	77.75	117.78	95.81	128.82

(value in US\$ mn)

In order to explore and develop the market in LAC region, the Government of India has formulated Focus LAC scheme.

PERU

Peru is one of the major markets for the LAC region. Peru, Chile, Argentina, Columbia which has huge potential for the leather and leather products including footwear. Peru's import of leather and leather products has increased from US\$ 154.65 million in 2009 to US\$ 412.87 million in 2013, growing at a CAGR of 21.7%. India's export of leather & leather products to Peru touched US\$ 10.29 million in 2014-15, growing at a CAGR of 40.76%. A state-

ment showing Peru's import of leather and leather products, India's export and share during 2009 to 2013 is given below:

Details	2009	2010	2011	2012	2013
Peru's import of Leather & Leather products (Value in US \$ million)	155.11	203.74	287.19	353.24	412.86
India's export to Peru (Value in US \$ million)	1.50	2.57	3.90	7.91	8.29
India's share in Peruvian imports	0.97%	1.26%	1.36%	2.24%	2.01%

It can be seen from the data that Peru imports US \$ 412.87 million whereas the exports from India is US \$ 8.29 million thus contributing only 2% share of the Peruvian exports from the globe. Hence there are huge potential for India in Peruvian market.

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

(Value in Mn US\$)

Details	2009	2010	2011	2012	2013
Leather					
Import	6.62	9.74	9.47	12.08	11.07
India's Export	0.32	0.06	0.32	0.06	0.19
% Share of India	4.83%	0.62%	3.38%	0.50%	1.72%
Leather Footwear					
Import	35.57	44.37	62.97	73.72	86.14
India's Export	0.36	0.90	0.93	2.67	3.52
% Share of India	1.01%	2.03%	1.48%	3.62%	4.09%
Footwear Components					
Import	5.49	8.14	11.26	12.6	11.14
India's Export	0.00	0.00	0.00	0.00	0.04
% Share of India	0.00%	0.00%	0.00%	0.00%	0.36%
Leather Garments					
Import	1.67	1.12	1.90	2.64	3.17
India's Export	0.16	0.59	0.58	0.89	1.23
% Share of India	9.58%	52.68%	30.53%	33.71%	38.80%
Leather Goods					
Import	4.13	6.35	9.16	15.68	15.69
India's Export	0.59	1.02	2.07	4.28	3.30
% Share of India	14.29%	16.06%	22.60%	27.30%	21.03%
Saddlery & Harness					
Import	0.12	0.14	0.20	0.26	0.27
India's Export	0.00	0.00	0.00	0.00	0.00
% Share of India	0.00%	0.00%	0.00%	0.00%	0.00%
Non Leather Footwear					
Import	101.51	133.88	192.23	236.26	285.38
India's Export	0.07	0.00	0.00	0.01	0.01
% Share of India	0.07%	0.00%	0.00%	0.00%	0.00%
Total					
Import	155.11	203.74	287.19	353.24	412.86
India's Export	1.50	2.57	3.90	7.91	8.29
% Share of India	0.97%	1.26%	1.36%	2.24%	2.01%

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

Buyer Seller Meet in Lima, Peru

In this context, CLE has taken necessary efforts and approached the Embassy of India in Lima to assist in organizing the BSM in Peru, so that entrepreneurs of India and Peru may interact and develop trade relations between the two countries. In consultation and as suggested by Embassy of India, the Lima Chamber of Commerce and Industry has been engaged to promote the BSM and to create awareness of the event amongst the Peruvian companies and for mobilizing the Peruvian companies to attend the BSM. Accordingly the BSM was held at Sol de Oro Hotel & Suites, Lima during 23-24, July 2015. A total of 12 companies participated in the event, and displayed 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

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, 6 companies have not attended the BSM. They are: (1) Creative Pelt P Ltd, (2) Jiwanram Sheoduttrai Industries P Ltd, (3) Rohan Gloves (Mfg) P Ltd, (4) Skin N Stitch P Ltd (from Kolkata), (5) Discovery Leathers P Ltd (from Gurgaon), (6) Sid-dharth Exports (from Noida).

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

Inauguration ceremony

The BSM event was inaugurated at 9.30am on 23rd July 2015 at Hotel Sol de Oro, Lima, over a formal inauguration ceremony participated by His Excellency Shri Sandeep Chakravorty, Ambassador of India to Peru, Mr Sandro Fuentes Acurio, President, Lima Chamber of Commerce and Shri A Fayaz Ahmad, Assistant Director-CLE. Media from Peru covered the event.

BSM in Peru – July 23-24, 2015



A view of the audience at the inauguration ceremony



Another view of the audience at the inauguration ceremony



Traditional lighting of lamp to mark the inauguration of BSM

His Excellency Ambassador of India Shri Sandeep Chakravorty said that "It gives me an immense pleasure to participate in this important event being held under the auspices of the CLE with the participation of 12 companies representing one of the most vital and vibrant sector of Indian leather industry and exports. It has been only a few days that I have come to Lima to take up my new assignment as Ambassador to this great and beautiful country. I am, indeed, privileged that this is the first event in which I am participating. India is the second largest producer of footwear and leather garments in the world and caters to the demand for quality products to countries such as Germany, USA, UK, Italy, France, Hong Kong, Spain, Netherlands, China, Denmark, UAE and Belgium. These countries together account for nearly 75% of India's leather products exports. The EU accounts for around 56% of the total exports. The objective of this Mission here is to develop partnerships with Peruvian leather industry, which also occupies a significant position in the world. The Leather industry in India holds a prominent place in the Indian economy and is known for its consistency in high export earnings. It is also one of the top ten foreign exchange earners for the country. In India, the export of leather and leather products stands at US \$ 6.5 billion, recording a cumulative annual growth of about 13.10% in last five years. India, like Peru,

has a very vibrant leather industry. 21% of world cattle and buffalo and 11% of goat and sheep population provide vital raw material to this sector. Add to this, the strength of skilled manpower, innovative technology, increasing compliance to international environmental standards and the dedicated support of the allied industries. It is not only the revenue generation which is important, but also the leather industry in India is an employment intensive sector providing jobs to around 2.5 million people. Women are also occupying a significant 30% share of employment in the leather industry. Added to this, the Government in India identified the Leather Sector as a Focus Sector and has taken steps for skill development in this vital sector, to meet the international standards and provide for organized labour to this vital revenue generating sector. The new programme of skilling India announced recently by our Prime Minister is likely to have a major impact on the leather industry. He further added that Peru exports tanned or crust skins to India. He concluded his speech by saying that this Exhibition cum Buyer-Seller Meet will, I am sure, will provide an excellent opportunity for both sides to work closely to the mutual benefit of both the Peruvian and Indian leather industry, and requested all participants to work towards enhancing cooperation in this vital sector.



His Excellency Shri Sandeep Chakravorty, Ambassador of India, Peru, addressing the audience. Mr. Sandro Fuentes Acurio, President, Lima Chamber of Commerce and Shri A. Fayaz Ahmad, Assistant Director, CLE are in the dais.



His Excellency Shri Sandeep Chakravorty, Ambassador of India to Peru, Mr. Sandro Fuentes Acurio, President, Lima Chamber of Commerce and Shri A. Fayaz Ahmad, Assistant Director, CLE

Mr. Sandro Fuentes Acurio, President, Lima Chamber of Commerce, has made a brief speech on the Peruvian Leather industry, and welcomed the organization of this Buyer Seller Meet between Indian and Peruvian enterprises in Lima, Peru, which will greatly help to enhance cooperation between India and Peru in the Leather Products including footwear.



Mr. Sandro Fuentes Acurio, President, Lima Chamber of Commerce, addressing on the Peruvian Leather Industry

Shri A Fayaz Ahmad, Assistant Director-CLE made presentation on the Leather Industry in India, its current export basket, 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 Peru in statistics were briefed. The Make in India programme of the Government of India was highlighted in his speech, under which the export from India which is currently at US \$ 6.50 billion (2014-15) is targeted to achieve export of US \$ 15 Billion by the year 2019-20. This is an opportunity for International business community to have collaborations with Indian enterprises as India is looking to increase production capacities and related infrastructures to manufacture products of highest quality with latest design and fashion trends. He further said that this BSM event is a step in that direction to give a platform for the companies in India and Peru to interact and have tie ups to promote business and joint venture collaborations. He said that the CLE has been working with Embassy of India in Lima for the past many months, to plan and organize for this Buyer Seller Meeting. He thanked His Excellency Shri Sandeep Chakravorty, Ambassador of India and Shri Ajay G. Shinde, Head of Chancery, Embassy of India for gracing the occasion, and all the preparatory arrangements made for conduct of this prestigious event in Lima, Peru. He also thanked Mr. Sandro Fuentes Acurio, President, Mr. Carlos Garcia, Foreign Trade Manager, Lima Chamber of Commerce, for undertaking excellent promotional activities for this Buyer Seller Meeting and event coordination with the Peruvian leather industry, and stakeholders.

Speech made by above dignitaries was translated simultaneously in local language by Embassy official. The traditional lighting ceremony was held to inaugurate the BSM.



Mr. A. Fayaz Ahmad, Assistant Director-CLE, giving his speech on the Leather Industry in India and growth prospects.

Mr. Carlos Garcia, Foreign Trade Manager, Lima Chamber of Commerce, has compered the event. He informed that during the last years, the Peruvian Government, as part of its policy of trade liberalization has been negotiating and signing trade agreements with key partners. In this context, we are confident that matchmakings will provide an excellent occasion to identify business opportunities in the Peruvian Market. The Buyer Seller Meeting promotes bilateral trade between Peru and India.

Interaction of Ambassador of India with Indian Participants

After the inauguration event, His Excellency Ambassador of India Shri Sandeep Chakravorty accompanied by Shri Ajay G. Shinde, Head of Chancery, Embassy of India and Shri A Fayaz Ahmad visited the participant's booths and interacted with participants.



His Excellency Shri Sandeep Chakravorty, Ambassador of India to Peru, interacting with Participants.

Event management:

The BSM is very unique as prior appointments were fixed for the Indian companies with the Peruvian companies. A sheet of appointments fixed were given to the Indian as well as Peruvian companies. The personnel of Lima Chamber of Commerce led by Mr. Paolo Fiori Orbegoso, Trade Missions and International Events Coordinator, has promoted the event amongst the stakeholders and Peruvian companies. The Lima Chamber of Commerce has fixed up

meetings for the Indian companies and also excellently arranged the appointments at the field level. Sufficient manpower (LCC staff, interpreters) were deployed to organize the buyer visits and appointments in the Meeting Hall. In an organized and professional manner, the Lima Chamber of Commerce has made reception arrangements, and undertook monitoring of the buyer's meetings with the Indian exhibitors

Mr. Ajay G. Shinde, Head of Chancery, Embassy of India, Lima and Ms Silvia P Casas Bustamante, Interpreter of Embassy of India, Lima, were present in the meeting

venue for both days of June 23-24, 2015 and facilitated the organization of Buyer Seller Meet., and liaised with stakeholders.

Business Meetings & Feedback

Based on the promotion and mobilization efforts earlier undertaken by it, the Lima Chamber of Commerce has obtained confirmation of 84 Peruvian 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



Apex International, New Delhi



Ponds Exports Limited, Chennai



Prakash Impex, Chennai



Regency Impex, New Delhi



Global Impex, New Delhi



K D Orient Impex, Mumbai

As per the feedback given by the 12 participants, a total of 197 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 leads obtained, they expect future business potential to be around US \$ 0.43 million. Sample spot orders for US \$ 25000 took place in the BSM.



Wallets Plus, Kolkata



Capsons Co., Noida



Nadeem Impex, Kolkata



Alignz Exports Pvt Ltd., New Delhi



Asian Leather Pvt Ltd., Kolkata



Mr. Paolao Fiori Orbegoso, with Team, Trade Missions & International Events Coordinator, Lima Chamber of Commerce.



Naaz Exports Pvt Ltd., Kanpur



Mr. A. Fayaz Ahmad, Assistant Director, CLE with Mr. Paolao Fiori Orbegoso, Trade Missions & International Events Coordinator, Lima Chamber of Commerce

In their feedback, the participants have appreciated the arrangements made in organizing the BSM, saying that it is one of the professionally managed and organized event, the best in so many years. Almost all the participants termed the arrangements made as 'excellent'. The efforts taken by the Embassy of India, Lima Chamber of Commerce and CLE were appreciated by all the participants.

The Embassy of India, Lima Chamber of Commerce and the Participants have all suggested that the CLE should consider organizing the Buyer Seller Meet in the next year July/Aug 2016, with a view to give continuous platform for the Indian and Peruvian companies to interact and hold business discussions



Mr. A. Fayaz Ahmad, Assistant Director, CLE with Officials of Amazon Exports Leather, Peru



A view of the BSM



Shri Ajay G. Shinde, Head of Chancery, Embassy of India, Peru, speaking to the media

Visit to Tanning cluster in Lima, Peru on 25th July, 2015

In Lima, there are about 80 tanneries but only 8 of them are legal and have government permits. Legal tanneries have to submit every 3 or 4 months health reports to a state agency and work with all of the law. Whereas illegal tanneries are not sanctioned units, and they pay no taxes either. These cause unfair competitions in the trade and legal tanneries have to face competition with the ones operating without sanctions. Majority of illegal tanneries are small, dirty and do not have much production capacity.



His Excellency Shri Sandeep Chakravorty, Ambassador of India, Peru, interacting with the delegates

Indian Delegation visited one of 8 legal tanneries in Lima called Pieles Santa Ana skins, on 25th July 2015 forenoon, which is located half an hour drive from Lima. The tannery was founded in 1965 by the engineer Cesar Ismodes next to German investors who then left Peru and he continued with the business also exporting to many countries for many years and each time taking more business experience. In Pieles Santa Ana tannery, Mr. Ismodes works with his son Mr. Hernan Ismodes and daughter Mrs. Anali Ismodes, those with a separate company called Amazon Exports Leather which is dedicated only to the export of sheep and cow in wet blue. M/s. Amazon Exports Leather, Peru exports to many countries like Mexico, Spain, Italy and they are very much interested to start exports to India. The tannery has adequate capacity of production.



His Excellency Shri Sandeep Chakravorty, Ambassador of India, Peru, interacting with the delegates

Amazon Exports Leather is a tannery company founded in Lima in 2007. It is a group of Peruvian professionals with 50 years of experience in the leathers and skins market and engaged in the trade and export business, primary markets being Spain, Italy, Brazil and Mexico. Their activity has been developed basically nationwide allowing them to have an experience with companies of other countries. The plant has an area of 6000 m² and is equipped to work on time many types of leathers and skins, like sheep, cow and llama in the pickle and wet blue state. Likewise Amazon Exports Leather work together with its sister company Industria Peletera Peuana S.A., founded in 1966.

Those interested to import sheep and cow in wet blue, may directly contact Amazon Exports Leather -

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Shri Ajay G. Shinde, Head of Chancery, Embassy of India, Peru, interacting with participants.

Visit to Tanning Cluster in Peru



The Embassy of India has hosted a get-together over cocktail for the Indian Delegation at its premises on 23rd July 2015. The Indian delegation participated in this event, and prominent Indian dignitaries of Lima were present in the get-together.

Think Leather
Think India