

Two-Day Buyer Seller Meet in Cape Town, South Africa

March 8 & 9, 2016

Report by D.K.Acharya, Regional Director (West) and A.Poorajan, Assistant Export Promotion Officer, Council for Leather Exports

Leather is one of the world's most widely traded commodities. Africa is now emerging as an important trading commodity region for Leather. The African leather sector is bursting with potential and inviting for investment and joint venture for its development.



Dr. Ivan Meyer, Minister of Finance, Western Cape, South Africa and Mr. Puneet R. Kundal, Consul General, Consulate General of India jointly inaugurating the BSM. Mr. Javed Iqbal, COA Member and D.K. Acharya, Regional Director, CLE are also seen

Indian Trade

Afro-Indian trade grew steadily at a rate of almost 32 percent annually from 2005 to 2011. This growth was spurred by Indian private investments in ICT, energy, automobile manufacturing, and telecommunications.

In the span of less than a decade, since 2007, Afro-Indian trade has doubled more than US\$ 25 billion to US\$ 57 billion, while two-way trade is estimated to have reached US\$ 70 billion in 2014 and is projected to be US\$ 90 billion in 2015.

Watershed moment in Afro-Indian trade relations was described in African leaders and Indian industrialists on the sidelines of the World Economic Forum hosted in New Delhi last year. It expressed their joint vision of realizing US\$ 500 billion in trade between Africa and India by 2020. This is more than five times the official projected figures for 2015.

African exports to India are growing at a rate of 32 per-

cent annually, while India's exports to Africa are growing at a rate of 23 percent.

Angola, Egypt, Morocco, Nigeria, and South Africa account for about 89 percent of Africa's total export trade with India.



Indian exhibitors at the inauguration of the BSM

African nations have also benefited to some extent from India's Duty Free Tariff Preference (DFTP-LDC) scheme for least-developed countries (LDCs), which was implemented in 2008 over a period of five years. The scheme – until its revision in August 2014 – offered duty-free access to LDC exports on 85 per cent of Indian tariff lines. Following the scheme's revision in April 2014, the duty concession was extended to 98 per cent of tariff lines. The implementation of the scheme has been gradual, with a 20 per cent reduction in the level of applied tariffs per year. The scheme, as demonstrated in previous analyses in this edition, had only limited impacts as per its current design.

Indian investment in Africa

Today, India is the fifth largest investor in Africa. According to International Monetary Fund (IMF) estimates, in less than a decade leading up to 2011, Indian investment in Africa rose from US\$ 9.2 billion to US\$ 14.1 billion, that is 22.5 percent of Indian outward foreign direct investment (FDI). It is also estimated that the total of Indian investments in Africa is more than US\$ 35 billion (CII/WTO, 2013). The footprints of India's multinationals in African markets are seen in infrastructure development and the energy sectors, leveraging India's comparative advantages in ICT, agriculture, and energy. At the same time, India, through its Focus Africa Programme executed by the Export Import (EXIM) Bank of India, has offered incentives to Africa to import Indian products. India's biggest African market is South Africa, which accounts for more than 22 percent of India's exported goods to Africa. With a little more than 9 percent of India's exports, Tanzania is also the fastest growing market for Indian goods. Exports into Tanzania grew at a rate of 40 percent between 2005 and 2011.

African investment in India

Africa's investments in India grew from US\$ 1.5 billion

to US\$ 7 billion between 2000 and 2010, before falling to US\$ 3.5 billion in 2011. Mauritius is Africa's largest investor in India, accounting for about 40 per cent of total African FDI in India to the tune of US\$ 64 billion (CII/WTO).

Morocco and South Africa are India's second and third biggest investors with US\$ 137 million and US\$ 112 million, respectively. South Africa has largely invested in service industries and retail industries, while Moroccan investments have been more in manufacturing.

South Africa

South Africa is the largest economy in Africa, accounting 24.5% import share in leather products among whole African continent.

South Africa ranks first among the African countries in terms of leather and leather products imports. The import has increased from US\$ 674.75 million in 2009 to US\$ 1154.64 million in 2013 growing at CAGR of 14.37%.

South Africa ranks first among countries importing a substantial value of leather and leather products from India. The value of export of India has consistently grown from US\$ 24.59 million in 2009 to US\$ 48.16 million in 2013. Taking potential of the South African Market into consideration, the Council included this country as one of the target markets for export promotional activities for the year 2015-16 under MAI Scheme of Government of India.

As per the sanction accorded by Government of India, Council organized a Buyer Seller Trade Expo during March 8-9, 2016 at Cape Town International Convention Centre, Cape Town, South Africa.

India-South Africa Leather Trade

South Africa is the major market for India among African countries. A statement of South Africa's Import of Leather and Leather Product is stated under:

(Value in Mn US\$)

DETAILS	2009	2010	2011	2012	2013	2014
Leather						
Import	64.86	112.34	90.09	82.35	93.12	
India's Export	8.52	13.46	16.4	13.33	17.7	20.14
% Share of India	13.14%	11.98%	18.20%	16.19%	19.01%	
Leather Footwear						
Import	182.03	204.06	244.58	221.69	235	
India's Export	8.53	9.51	13.26	12.04	13.68	16.83
% Share of India	4.69%	4.66%	5.42%	5.43%	5.82%	
Footwear Components						
Import	14.72	15.89	17.32	16.97	17.45	
India's Export	0.97	1.36	1.07	0.98	5.81	8.89
% Share of India	6.59%	8.56%	6.18%	5.77%	33.30%	
Leather Garments						
Import	6.27	8.87	6.4	5.34	6.53	
India's Export	1.04	1.01	2.57	1.51	1.34	1.47
% Share of India	16.59%	11.39%	40.16%	28.28%	20.52%	
Leather Goods						
Import	34.77	41.83	50.75	53.72	56.93	

DETAILS	2009	2010	2011	2012	2013	2014
India's Export	4.61	5.52	6.37	6.52	7.61	6.74
% Share of India	13.26%	13.20%	12.55%	12.14%	13.37%	
Saddlery & Harness						
Import	3.1	4.06	4.82	4.44	4.82	
India's Export	0.55	0.81	1.09	1.22	1.22	1.08
% Share of India	17.74%	19.95%	22.61%	27.48%	25.31%	
Non Leather Footwear						
Import	369	492.13	660.9	717.17	740.79	
India's Export	0.37	0.46	0.42	0.47	0.79	0.48
% Share of India	0.10%	0.09%	0.06%	0.07%	0.11%	
Total						
Import	674.75	879.18	1074.86	1101.68	1154.64	
India's Export	24.59	32.13	41.18	36.07	48.16	
% Share of India	3.64%	3.65%	3.83%	3.27%	4.17%	

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

The major items of export from India to South Africa are Leather, followed by leather footwear, footwear components and leather goods. India accounts for only 4.17% of South Africa's total import value of US\$ 1154.64 million, which offers a bright future growth in India's exports.

List of African Countries Importing Leather and Leather Products

(Unit US Dollar Thousand)

Importers	Imported value in 2011	Imported value in 2012	Imported value in 2013	Imported value in 2014
World	18,238,694,336	18,329,977,181	18,705,114,822	18,729,446,763
Africa Aggregation	563,156,382	558,547,553	602,011,719	618,726,428
South Africa	102,698,696	104,144,311	103,441,284	99,892,738
Egypt	62,282,017	69,865,552	66,666,449	71,337,744
Algeria	47,219,730	50,369,391	54,909,973	58,618,080
Nigeria	63,971,529	35,872,509	44,598,201	46,532,265
Morocco	44,262,937	44,789,782	45,186,368	46,191,743
Angola	17,965,348	20,628,598	23,395,244	26,538,659
Tunisia	23,952,125	24,470,606	24,266,395	24,814,101
Ethiopia	8,896,288	11,912,932	14,899,147	21,914,374
Kenya	15,027,508		16,394,469	19,829,178
Libya, State of	7,137,925	19,731,571	24,311,822	17,095,123
Ghana	12,602,676	13,578,113	12,787,233	15,193,638
Tanzania, United Republic of	11,184,221	11,715,589	12,525,411	12,691,110
Liberia	18,300,361	16,020,452	13,472,595	11,669,663
Côte d'Ivoire	6,719,987	9,769,657	12,482,984	11,177,660
Zambia	7,177,788	8,805,153	10,161,843	9,539,024
Mozambique	6,305,647	6,177,210	10,099,147	8,743,074
Namibia	6,457,277	7,132,032	7,574,548	8,530,994
Botswana	7,272,011	8,025,288	7,433,499	7,830,451
Cameroon	5,074,398	6,515,068		7,561,139
Sudan (North + South)	9,546,265	7,544,278	8,017,014	7,270,334

Importers	Imported value in 2011	Imported value in 2012	Imported value in 2013	Imported value in 2014
Senegal	5,908,917	6,434,216	6,659,360	6,556,657
Congo, Democratic Republic of the	5,283,628	6,018,529	6,949,127	6,545,002
Zimbabwe	8,599,251	7,362,539	7,704,178	6,379,758
Uganda	5,630,875	6,044,147	5,817,510	6,073,528
Mauritius	5,158,618	5,772,006	5,395,450	5,607,223
Gabon	3,672,276	3,524,189	3,960,511	4,179,782
Mauritania	2,452,706	2,970,620	3,978,492	3,641,758
Benin	2,070,012	2,316,427	2,940,679	3,596,078
Burkina Faso	2,406,396	3,271,507	4,365,431	3,575,097
Madagascar	2,730,469	2,658,987	2,699,415	3,354,796
Congo	7,012,525	7,348,554	8,371,623	3,347,658
Mali	3,351,539	3,462,655	2,997,936	3,182,712
Djibouti	2,449,045	2,922,994	2,896,035	3,070,529
Malawi	2,427,696	2,330,368	2,844,626	2,798,620
Equatorial Guinea	3,429,098	2,302,711	3,073,356	2,590,303
Guinea	1,952,503	2,038,874	2,401,047	2,509,210
Niger	1,917,173	1,684,781	1,714,076	2,151,092
Sierra Leone				2,056,846
Togo	1,207,720	1,665,135	2,002,178	1,980,752
Rwanda	1,508,305	1,831,958	1,989,145	1,954,210
Somalia	1,175,248	1,067,217	1,887,430	1,946,500
Swaziland	1,966,169	1,786,322	1,752,505	1,679,134
Lesotho	1,459,720	1,594,249	1,836,891	1,580,240
Chad	766,630	822,095	1,158,977	1,320,169
Cabo Verde	961,262	754,757	726,367	768,743
Seychelles	597,150	678,579	822,339	697,999
Burundi	1,127,650	1,003,121	721,660	672,579
Guinea-Bissau	318,014	304,368	314,843	402,111
Gambia	340,662	380,028	350,246	387,202
Eritrea	480,372	384,141	420,259	308,964
Central African Republic	214,703	217,529	129,727	308,030
Comoros	184,121	125,805	115,238	198,685
Sao Tome and Principe	133,712	141,254	152,094	169,716
French South Antarctic Territories	96,632	64,977	69,086	74,892
Saint Helena	50,288	81,798	87,369	71,207
British Indian Ocean Territories	59,553	111,298	82,139	12,231
Western Sahara	1,010	726	748	5,323

Source: ITC Geneva

From the above table it is observed that South Africa is the top importer of leather and leather products followed by, Egypt, Algeria and Nigeria etc.

List of Top Ten Countries Supplying Footwear to South Africa

Unit: US Dollar Thousand

Exporters	Imported Value in 2013	Imported Value in 2014	Imported Value in 2015
World	9,93,332	9,38,253	9,30,573
China	6,76,075	6,21,107	5,98,147
Vietnam	1,11,798	1,37,073	1,51,145
Indonesia	53,976	41,210	42,044
Italy	45,625	45,432	39,170
India	19,205	21,544	27,159
Lesotho	27,012	18,049	17,240
Thailand	6,743	7,916	9,883
Brazil	10,128	8,519	8,851
Cambodia	6,922	4,529	6,016
Portugal	3,350	3,097	2,730

Source: ITC Geneva

From the above statement, it can be observed that China, Vietnam, Indonesia, Italy and India are in top ten footwear supplying countries to South Africa. India is the fifth largest exporter of footwear to South Africa amounting US\$ 27,159 thousand for a share of 2.91% in its total imports.

List of Top Ten Countries Supplying Leather Goods to South Africa

Unit: US Dollar Thousand

Exporters	Imported value in 2013	Imported value in 2014	Imported value in 2015
World	275,896	269,030	258,692
China	203,977	192,406	183,052
India	11,916	10,773	10,755
Lesotho	1,070	11,458	9,577
Italy	6,453	6,529	9,205
Viet Nam	7,518	6,752	7,368
Pakistan	8,483	7,717	6,705
Indonesia	6,823	7,185	6,513
France	5,901	5,222	4,499
Hong Kong, China	4,599	2,656	2,293
United States of America	1,999	2,265	2,044

Source: ITC Geneva

From the above table, it can be observed that China, India, Lesotho, Italy and Vietnam are the major supplier of Leather Goods and Accessories to South Africa.

Buyer Seller Trade Expo in South Africa, March, 8-9, 2016

In view of the promotion of leather trade India and South Africa, considering the potential of South Africa and South Africa being a Focus Country under Focus Africa Programme, the Council in association with the Consulate General of India, Cape Town organized a Two Days Buyer Seller Trade Expo in Cape Town, South Africa during March 8 and 9, 2016.

Pre-Event Marketing Initiatives

CLE has initiated the pre-event organizational arrangements in association with the Consulate General of India, Cape Town. As advised by the Consulate, M/s. LTE-Leaders in Trade Exhibitions, South Africa, was engaged as the marketing agency for overall coordination of mar-

keting activities like Event Publicity/Buyer-Mobilization Campaign.

To ensure optimum buyers turnout during the event, the Council had undertaken following extensive marketing activities pertaining to BSM, South Africa:

- Press Announcement
- Full Colour Banner Advertisement in Shoes and Views Footwear/Leather weekly Electronic Newsletter(4 times)
- Editorial paragraphs in Shoes and Views Footwear/Leather Weekly Electronic Newsletter(4 times)
- Development of Visitors Database
- Visitor e-mail Campaigns(3 Mailings)
- Visitor Full Colour Print Invite(Quantity 4000)
- A 5 Full Colour Leaflets for CG, Cape Town to place in Visa Office and to distribute at a function in Northern Cape

- Full Page Colour Advertisement in Shoes and Views Footwear monthly electronic trade magazine.
- Editorial write-up in Shoes and Views Footwear Monthly Electronic Trade Magazine.
- Press release campaign to all relevant media
- One Black and White and one Spot Colour advertisement to appear in the Weekend Arguson 5th and 6th March 2016.
- 8 Promotional Pop-up banners in CTICC on 7th March 2016
- Final email reminders to all pre-registered visitor and non-pre-registered visitors
- SMS mobile phone reminder campaign

The Buyer Seller Meet

The Buyer Seller Meet was held during March 8-9, 2016 at Cape Town International Convention Centre, Cape Town, South Africa with business visitors timing from 9.00 am to 4.30 pm.

The BSM started with a formal inauguration by Dr. Ivan Meyer, the Hon'ble Finance Minister of the Government of Western Cape and His Excellency Mr. Puneet R. Kundal, Consul General, Consulate General of India, Cape Town by a ribbon cutting ceremony. Ms. Rashmi Rawat, Vice Consul, Consulate General of India, Mr. Javed Iqbal, CoA Member, CLE, Mr. D.K. Acharya, Regional Director, CLE and Mr. A. Poorajan, Assistant Export Promotion Officer, CLE and exhibitors were present on the occasion.



His Excellency Mr. Puneet R. Kundal, Consul General, Consulate General of India, Cape Town (left) welcoming Dr. Ivan Meyer, the Hon'ble Finance Minister of the Government of Western Cape and



Dr. Ivan Meyer, the Hon'ble Finance Minister of the Government of Western Cape and His Excellency Mr. Puneet R. Kundal, Consul General, Consulate General of India, Cape Town discussing with CLE and Industry representatives

Mr. D.K. Acharya, Regional Director, CLE greeted Dr. Ivan Meyer and Mr. Puneet R. Kundal with floral bouquets. After the welcome Mr. Puneet R. Kundal conveyed his gratitude to Dr. Meyer for making it convenient to attend this Buyer Seller Trade Expo despite of his busy schedule during budget session of the Parliament. Commencing his inaugural address Dr. Ivan Meyer said that India is good friend of South Africa. Taking the size of India into consideration, he said that India is not only a country but a sub-continent. Commenting on GDP and trade of India he said that India's GDP is growing at the rate of 7% since last 10 years, while growth in GDP of other countries of the globe are either sluggish or negative. He continued that with Mindset, Growth Ethics and Culture, India has become torch bearer for the rest of the world in economic development. Stating about SMEs he said that India has paved the way for others on how resilience on economy is possible through fostering SMEs.

Dr. Ivan Meyer said, this is a right place for the exhibition, and India means Business and also Leather means Business.



Dr. Ivan Meyer, the Hon'ble Finance Minister of the Government of Western Cape addressing the exhibitors

Commenting on India-South Africa relationship he said that it is same like leather, which is durable, sustainable and qualitative. He also expected that by partnering with India in trade relation South Africa will also emerge as one of the economically strong country of the globe in future.

The inaugural session ended with vote of thanks offered by D.K. Acharya, Regional Director, CLE. After the meeting Dr. Ivan Meyer visited all the stalls of Indian exhibitors along with Mr. Puneet R. Kundal and D.K. Acharya. Dr. Ivan Meyer and Mr. Puneet R. Kundal interacted with all Indian participants during their stall visit in the BSM pavilion.

VISIT TO STALLS



The dignitaries at one of the stalls





Participants at the Event

Though initially 26 companies from all over India had enrolled for the participation, 24 companies eventually participated in the BSM South Africa and displayed their latest collections of leather footwear, non-leather footwear, leather goods, industrial safety Gloves and finished leather.

Names of the Participating Companies.

SI. No.	Name of the Company
1	Kiwi International, Mumbai
2	Mani International, Kolkata
3	Kapoor Industries, Mumbai
4	Indian Leather Company, Mumbai
5	Fashion Shoes, Agra
6	Aadil International, Kanpur
7	Leder Pointe, Chennai
8	D'Lords Footwear & Fashion Pvt.Ltd., Mumbai
9	Kavis Fashion Pvt.Ltd., Thane
10	Fibertech Leathers Pvt.Ltd., Jalandhar
11	Jama Corporation Pvt.Ltd., Kanpur
12	IA Overseas, Unnao
13	Silver Line Fashion, Kanpur
14	Purti International ,Agra
15	Mastan Leather, Mumbai
16	Solanki Tanning Industries, Kanpur
17	Premier Exports, Kolkata
18	Pragati International, Mumbai
19	Alsten Enterprises, Haryana
20	Liberty Shoes, Gharaunda
21	Sierra Exports, Mumbai
22	Nadeem Impex, Kolkata
23	Naaz Exports(P) Ltd., Kanpur
24	Great Shoes Exports ,Agra



VIEW OF BUSINESS MEETINGS







BUSINESS MEETINGS



*Mr. D.K. Acharya, Regional Director, CLE
with a buyer at CLE booth*

As part of trade promotion activities, Consulate General of India had organized one Networking Dinner, Jonkershuis in Constantia on 8th March 2016. Mr. Puneet R. Kundal, Consulate General of India had visited the BSM venue on both days of the trade expo. He had interacted with all exhibitors on both days of the BSM, which encourage them to participate in all future editions of the Buyer Seller Trade Expo in South Africa.

Buyers Turnout & Business Generation

The Buyer Seller Meet was attended by the Retailers, Agents, Wholesalers and Chain Stores/Departmental Stores of South Africa. More than 200 buyers had visited the BSM within the two days of the event.

Representatives of leading companies of Africa like Ideals, Apeco (Pty) Ltd, Fems International, Jumbo Footwear, Pienaar Bros., Plum Footwear, WAM, Designer Shoe Outlet, Grand Shoe, Extol and Edgars Stores Ltd. had visited the BSM held in Cape Town.

As per feedback of the Indian participants, spot order of US\$ 54,000 generated during the BSM. Further they also expect order to the tune of US\$ 1416000 in future.



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Conclusion

The Buyer Seller Meet organized in South Africa witnessed an excellent trade with Indian exhibitors. It's undoubted that this type of marketing activities from year to year would pave the way for the Brand Creation India Image among the South African buyers.



Indian Leather Industry - Striding with Confidence

