

BTS Fair of Shoes, Leather and Leather Goods, Poznan, Poland-September 5-7, 2017

By D.K.Acharya, Regional Director-West, CLE



Leather and leather products are among the most widely traded products worldwide, and they are based on a renewable and readily available resource. It is estimated that the international trade exceeds US\$ 80 billion annually, and it is expected to continue growing alongside the increase in population and urbanization of developing and emerging countries.

Production and supply have gradually moved from industrialized to developing countries and emerging economies, which are now becoming major players in the trade. In fact, developing and emerging economies can now manage the whole supply chain on their own and are fast becoming the most important suppliers of value-added finished products. About 45% of footwear, for example, is made in China. The supply chain is global and a great deal of trade is nowadays South-South and South-North.

Other developing countries - and especially many least developed countries (LDCs) - because of their large livestock, have a remarkable growth potential, but this remains largely untapped. This is mostly due to weaknesses in technical know-how, access to information, visibility, quality management, marketing, investments and international industrial alliances.

Overview of Leather Industry in EU

Like many other industries, the leather industry faces a fast evolving business environment. Globalisation has transformed national economies.

Such an environment is particularly challenging for SME-dominated sectors, both in mature and emerging economies. To remain competitive in the market, industries and businesses must be able to anticipate changes. Natural renewable raw materials: Leather is made with hides and skins of animals slaughtered for human consumption, a residue of the slaughter process. Technically speaking hides and skins are a by-product of meat production. Red meat production and consumption patterns are crucial for the supply of raw materials to the sector. These have changed significantly in the recent past, and they will change further in the future. Europe's Leather industry still enjoys access to high quality raw materials, but technical barriers in third country agricultural and trade policies are interfering in the market with an increasing impact for EU businesses. The high price volatility of hides & skins on the market testifies certain dysfunctions of the regulatory environment. Other livestock by-products do not experience similar upheavals, which are difficult to manage by the industry.

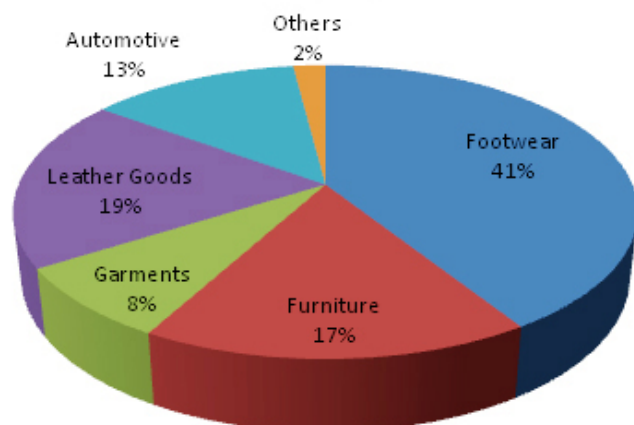
Urban life influences demand: Leather also faces changes on its demand side that will determine the types of leather that will be produced. Consumers are concentrated in cities which are becoming increasingly bigger and where communication and marketing becomes a must for conquering market shares.

A need for authenticity labelling: Leather, as an intermediate product

that needs to be transformed into articles, constitutes a component or ingredient brand. Leather conveys emotions; it is more than just a flat, flexible industrial component and this magic is an intrinsic part of its value. However, its identity is increasingly challenged on the market with false and misleading descriptions that confuse consumers and prejudice the leather industry. Europe has still not harmonised authenticity labelling for leather, leaving the largest consumer market in the world open to unscrupulous anti-competitive behaviour and abuse of the leather sector's market niche.

Improvement of the image: Image is a pivotal point for the leather industry. Its appeal to consumers, however, can be tainted with highly adverse consequences for businesses. The perception of leather by the consumer needs to be conquered and serviced, as risks to its reputation are increased by scandals in the media, drawing the attention to irresponsible industrial behaviour in many developing countries. All leather market segments are concerned, in particular the luxury market, where the collateral damage that bad publicity for leather produces could have a significantly higher economic impact. Leather needs to adapt to the needs of people. Demographic and technological changes across mature and emerging economies crystallise new demands for leather creating the leather markets of the future. Education and research are potent drivers for growth in Europe's Leather industry.

Major Consumption of Leather in European Market



Market for Leather products in Poland

The economy of Poland is the sixth largest economy in the European Union, and the largest among the former Eastern Block members of the European Union. Since 1990 Poland has pursued a policy of economic liberalization and its economy was the only one in the EU to avoid a recession through the 2008-2009 economic downturns. In all, as of 2017 the Polish economy has been growing steadily for the past 26 years, a record high in the EU. Such growth has been exponential, with GDP per capita at purchasing power parity growing on average by 6% p.a. over the last 20 years, the most impressive performance in Central Europe.

Poland is ranked 20th worldwide in terms of GDP and classified as high-income economy by World Bank. The largest component of its economy is the service sector (62.3%), followed by industry (34.2%) and agriculture (3.5%). With the economic reform of 1989 the Polish external debt increased from \$42.2 billion in 1989 to \$365.2 billion in 2014. Poland shipped US\$198.2 billion worth of goods around the globe in 2015, up by 5.4% since 2011 and down 7.6% from 2014 to 2015.

According to the Central Statistical Office of Poland, in 2010 the Polish economic growth rate was 3.9%, which was one of the best results in Europe. In 2014 its economy grew by

3.3% and in 2015 by 3.6%. Although in 2016 economic growth sharply slowed, government stimulus measures combined with a tighter labour market in late 2016 kick-started new growth.

Poland is one of the major importers of Leather & Leather products in the East European Region. The import of leather and leather products by Poland has been increasing steadily in recent years—from US\$ 1772.62 in 2011-12 to US\$ 2488.03 million in 2016-17, growing at CAGR of 15.42% (DGCI & S). On account of its strategic location, the country is viewed as connecting point for Western and Eastern Europe.

Poland's Import Statistics

2 Digit HS Code Product wise Import Statistics of Poland are stated under:

S.No.	Exporters	Imported Vale (in US thousand Dollar)				
		2012	2013	2014	2015	2016
	World	508,190	568,359	629,628	505,629	505,755
1	Italy	182,072	216,139	251,866	205,169	192,573
2	Germany	94,605	99,468	119,200	100,624	99,501
3	Brazil	21,398	21,650	30,653	20,684	19,257
4	Thailand	1,143	48	76	7,011	18,201
5	Netherlands	21,235	22,279	21,450	15,443	16,258
6	South Africa	443	2,233	7,324	9,536	15,970
7	Uruguay	25,469	16,200	9,354	8,061	14,098
8	Denmark	10,516	14,304	10,738	15,555	13,639
9	United Kingdom	8,736	18,249	18,203	16,429	12,549
10	Belarus	12,541	17,498	12,379	10,735	12,439
11	India	8,883	12,726	9,597	8,090	10,655

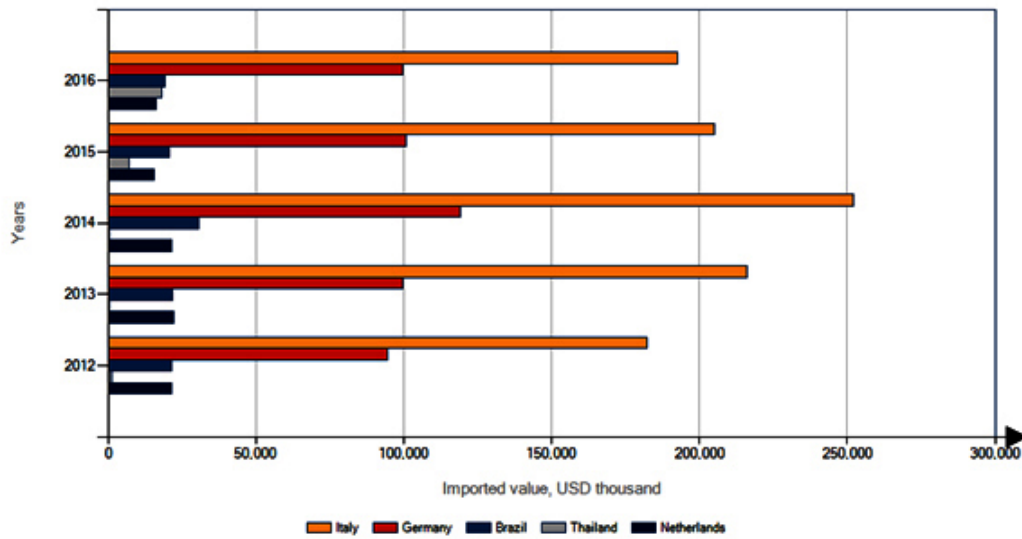
Source: ITC

Though India's export of leather and leather products increased from US\$ 39.50 million in 2011-12 to US\$ 101.69 million in 2016-17 (DGCI & S), the share of India remains at 4.09% in the Polish market, and hence there is scope for enhancing our share in this country.

Renowned Brands of Footwear and Leather Goods in Poland

Polish footwear and leather goods, i.e., bags and belts gloves, are valued by buyers in view of their high quality. National producers often use the same technologies and raw materials as global leaders in the leather industry. The most recognizable brands in the Polish footwear and leather goods market are Gino Rossi and WITTCHEN. Among leaders in terms of recognition are also the OCHNIK brand, specializing in the design and sale of leather clothing and accessories, and the BATYCKI brand, producing above all bags, briefcases, and wallets. It is worth mentioning the small producers of luxury footwear and leather goods, known only to a narrow group of buyers. One such place on the map of Polish luxury is the handicraft showroom of Jan Kielman in Warsaw, which sews shoes to order according to traditional methods, fulfilling the individual orders of its customers.

List of supplying markets for a product imported by Poland
Product: 41 Raw hides and skins (other than furskins) and leather



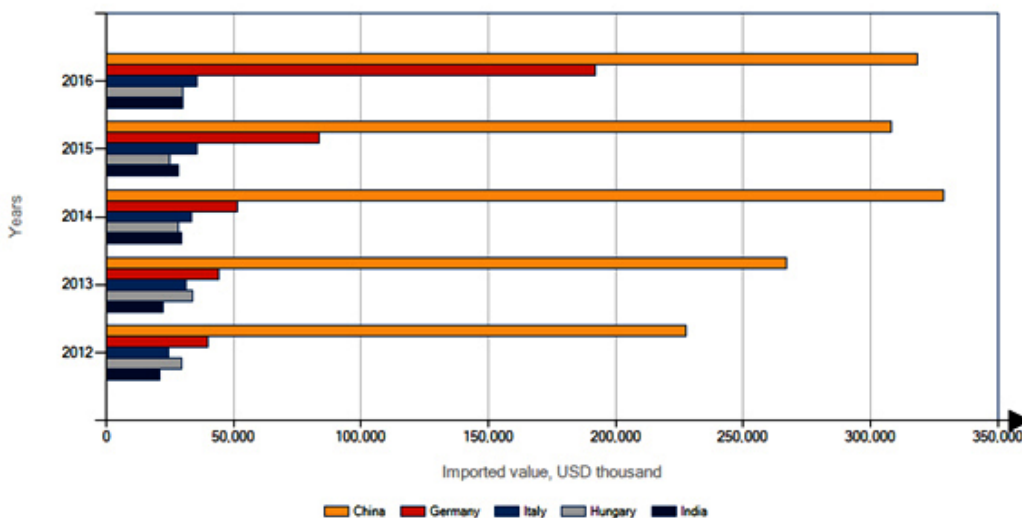
(Graphical Presentation of top 5 raw hides and skins (other than fur skins) and leather exporting countries to Poland)
Source: ITC

Top 5 Articles of Leather, Saddlery Harness, Travel Goods, Hand Bags and similar containers; articles of animal guts (other than Silkworm guts) exporting countries to Poland

S.No.	Exporters	Imported Vale(in US thousand Dollar)				
		2012	2013	2014	2015	2016
	World	459,777	572,966	706,107	712,855	839,797
1	China	227,683	267,171	328,663	308,281	318,615
2	Germany	39,083	44,227	51,331	83,504	192,242
3	Italy	24,617	31,179	33,292	35,648	35,783
4	Hungary	29,596	33,724	28,391	25,110	30,221
5	India	21,177	22,496	29,502	28,453	29,942

Source: ITC

List of supplying markets for a product imported by Poland
Product: 42 Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silkworm gut)



(Graphical Presentation of top 5 Articles of Leather, Saddlery Harness, Travel Goods, Hand Bags and similar containers; articles of animal guts (other than Silkworm guts) exporting countries to Poland)
Source: ITC

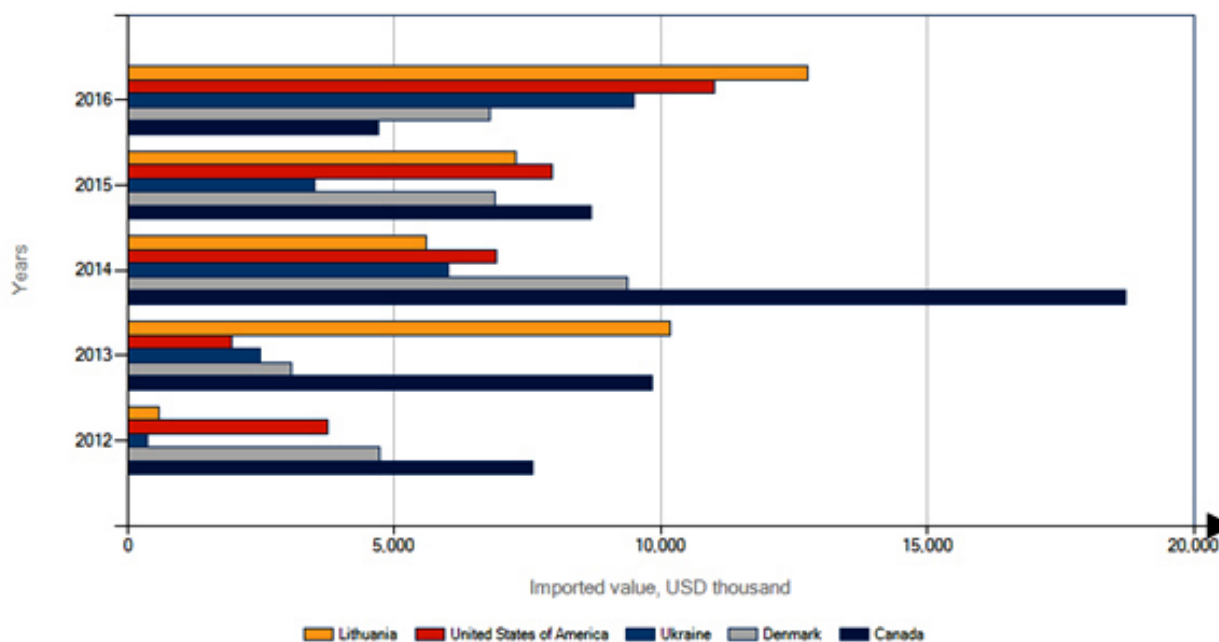
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Top 5 Fur skins and artificial fur;manufactures thereof, exporting countries to Poland

S.No.	Exporters	Imported Vale(in US thousand Dollar)				
		2012	2013	2014	2015	2016
	World	66,466	79,010	86,945	56,133	59,115
1	Lithuania	585	10,175	5,594	7,272	12,743
2	United States of America	3,760	1,940	6,922	7,956	10,990
3	Ukraine	360	2,495	6,010	3,514	9,499
4	Denmark	4,736	3,077	9,375	6,890	6,804
5	Canada	7,585	9,830	18,711	8,697	4,697

Source: ITC

List of supplying markets for a product imported by Poland
Product: 43 Furskins and artificial fur; manufactures thereof



(Graphical presentation of top 5 Fur skins and artificial fur; manufactures thereof, exporting countries to Poland)

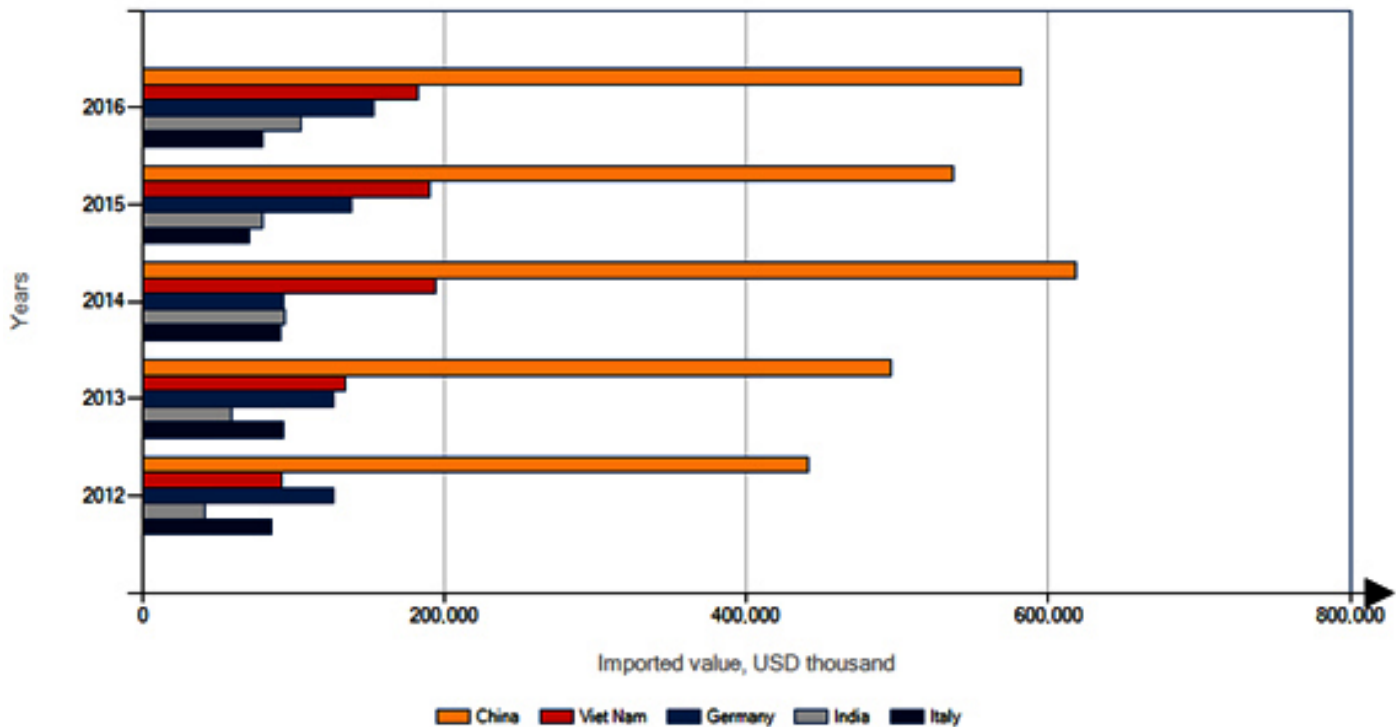
Source: ITC

Top 5 Footwear, gaiters and the like; parts of such articles, exporting countries to Poland)

S.No.	Exporters	Imported Vale(in US thousand Dollar)				
		2012	2013	2014	2015	2016
	World	1,081,456	1,274,973	1,511,671	1,508,144	1,567,768
1	China	440,595	496,091	618,173	536,704	581,766
2	Vietnam	92,508	134,421	193,753	190,202	182,114
3	Germany	126,309	126,879	93,007	137,912	153,426
4	India	41,662	58,707	93,968	79,576	104,587
5	Italy	85,239	92,864	91,218	70,813	79,749

Source: ITC

List of supplying markets for a product imported by Poland
Product: 64 Footwear, gaiters and the like; parts of such articles



(Graphical presentation of top 5 Footwear, gaiters and the like; parts of such articles, exporting countries to Poland)
Source:ITC

From the statistics stated above it is clear that except raw hides, skin and finished leather(2 Digit HS Code 41) and fur skins, artificial fur and manufactures thereof(2 Digit HS code 43),India has placed itself within top 5 exporting countries to Poland.The greatest recipients of Polish shoes are such countries as Germany, Russia, the United Kingdom, Turkey, the Netherlands and the Czech Republic. According to the analysis of Bank Zachodni WBK, the footwear industry is one of the ten most export-oriented sectors of the Polish economy.

Poznan International Fair

Poznan has a resilient economy and increasing recognition of its brand Poznan International Fair(MTP),established in 1921,is the largest trade fair organiser in Poland, constituting almost 60% of the total polish exhibition industry.The Poznan Fashion Fair is an appropriate platform for display of leather and leather products. The Council has been organising participation in this fair for over 10 years now keeping with its

member companies' interest in this market.

The Poznan Fashion Fair is divided into three parts: NEXT SEASON,Clothing and Fashion accessories,FAST FASHION,clothing and fashion accessories and BTS, footwear and leather articles.157 companies had participated in all segments of the fair in total.So far as BTS Fair of Shoes and Leather Articles are concerned 37 companies have participated in this segment of fair, out which 9 companies were Indian.Besides 9

Indian companies, 12 companies from Poland,14 Companies from Spain, one company from Senegal and another company from Latvia had participated in this fair.120 companies of Textiles and Fashion Accessories had showcased their products in Clothing and Fashion Accessories segment of the fair.

CLE India Pavilion

The CLE India Pavilion was set up in a total area of 174 square meters.A total of 9 Member Exporters of the Council participated in the CLE India Pavilion.

Sl.No.	Company Name	Place	Details of Items Displayed
1	Aryan Leather Company	Chennai	Leather Bags and Accessories
2	Dazzlesoft	Kolkata	Leather Wallets
3	Kavis Fashions Pvt.Ltd.	Mumbai	Men & Women Leather Footwear
4	Manul Agencies	Meerut	Leather Bags & Accesories
5	Orion Tradecom Pvt.Ltd.	Kolkata	Leather Bags,Wallets & Garments
6	Shalex Exim P Ltd.	Kolkata	Leather Goods
7	Smita Exports Pvt.Ltd.	Chennai	Finished Leather
8	Supreme Tannery	Kanpur	Finished Leather & Leather Uppers
9	Tryshoera India Pvt.Ltd.	New Delhi	Men & Women Leather Footwear

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STANDS IN CLE PAVILION



Bellissimo Accessories (OPC) Pvt. Ltd., New Delhi, TM International, New Delhi, Zishan Enterprises, Mumbai and Classic International, Mumbai, could not attend the fair due to VISA and other personal problems.

The CLE information Booth was set up in an area of 12 square meters wherein Publicity Brochures, Pamphlets, Participants Profile Booklet and Publications were distributed as a source of information kit to the trade visitors. Mr. D.K. Acharya, Regional Director (VVR) had coordinated the Council's participation of Member Exporters in the BTS Fair of Shoes, Leather and Leather Goods Fair, Sep 2017 and also attended the visitors enquiry in the CLE information stall. A Common Interpreter was also arranged in the CLE information stall to assist the CLE participants in having interaction with business visitors during the Fair.

Mr. V.S.D.L. Surendra, First Secretary (Commerce), Indian Embassy, Poland had joined in the second day of the fair. He interacted with all the Indian exhibitors. He also visited the stalls of exhibitors of other countries in the fair ground and interacted with them.

Mr. V.S.D.L. Surendra, First Secretary (Commerce), Indian Embassy, Poland visiting CLE Pavilion



Feedback of the participants

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As per the feedback obtained from the members in CLE India Pavilion, there were a good number of business visitors, who had meeting with the

Indian Exhibitors at the CLE India Pavilion throughout the three days of the Fair. According to the participant's feedback from the CLE India Pavilion,

there were a total number of 28 business meetings. The participants anticipate their future business possibilities to be worth Euro 12,500.

STAND IN CLE PAVILION

Conclusion

Conclusion The Poznan Fashion Fair is a perfect opportunity to build, strengthen brand names, meet regular trading partners and acquire new domestic and foreign customers. Figures regarding economic and trade relationship between Indian and Poland are promising. The presence of Indo-Polish Chamber of Commerce will provide unique support and perspective on Poland, thereby facilitate dynamic relationship with India. Moreover, the World Trade Centre functioning in Poland would be support in furtherance of business contact between India and Poland Entrepreneurs in India including Leather and Leather products. The BTS fair continues to be one of most important Fashion Fair event for India in Footwear and Fashionable Leather and Leather Goods, provided the participation of Indian companies would be highlighted through advertisements in different media of Poland.



FREE ECONOMIC ZONES IN UZBEKISTAN

A communication has been Embassy of Uzbekistan in India informing about opening of two new Free Economic Zones in Uzbekistan at Hazarasp and Kokand.

Hazarasp FEZ

The free economic zone is located near the homonyms city of the Khorezm region. It is assumed that in FEZ the following production would be established: production and export of carpet weaving, food, textile, chemical, pharmaceutical, agricultural products and building materials.

The president's decree said that the participants of the FEZ are recommended to use local raw materials and maximize the percentage of localization of goods.

Today Khorezm region is one of the largest suppliers of sugar and textiles. In 2010, exports of local products in monetary terms amounted to 145 million dollars.

Kokand FEZ

Kokand is an outpost of the Fergana Valley, designed to become the economic center of the region. Here,

according to the presidential decree, will be organized a free industrial zone, specializing in the production of construction, food, chemical, textile, leather goods, footwear products.

The total volume of industry in the region in 2010 amounted to 396 million dollars. Foreign trade turnover for this period reached 922 million dollars. The structure of exports is dominated by energy resources - 22%, cotton fiber - 16%, chemical products - 15%. Regional companies export goods to 81 countries of the world, including Russia, China, Iran, Ukraine.