

Japan's LARGEST Fashion Trade Show

# FASHION WORLD TOKYO

## Fashion World Tokyo Fair, October 11-13, 2017 at Tokyo, Japan

A Report by Sanjay Kumar, Regional Director (North), CLE

Japan is the seventh major importer of leather and leather products in world markets. The domestic production of leather and leather products is on the decrease particularly in view of high production cost. Hence there is scope for further increase in imports of leather products.

The purchasing power of a country as small as Japan is astonishingly high and the demand for garments and craze for fashion is also growing along with it. The third largest economy of the world, Japan, has a population of high per capita income, there by a lucrative and high investment criterion fulfilled for many apparel retailers and the fashion industry. The country is an excellent balance of traditional textiles and modern fashion entwined together.

The Japanese apparel market and fashion industry did witness a minor downfall after the earthquake of 2011, but soon bounced back overcoming the economic concerns. The categories trending in the Japanese apparel markets are women's outerwear, sportswear and children wear. Recent innovations in functional garments has increased the sales and increased the unit price of such clothing. Japanese consumers no longer prefer regular and economy clothing but have shifted their interest towards premium, good quality and high-end apparels and fashion.

There are many international players who have entered and received remarkable sales and gained popularity in the country. H&M, Topshop, Old Navy and American Eagle Outfitters

are some American retailers in Japan creating a competitive environment for the domestic players. Japanese consumers are known for pursuing high quality and durability in products and hence they have a growing demand for luxury clothing, especially a growing market for unused luxury items. For international brands and fashion retailers, Japan has a big market and is backed by stability and profitability. Moreover, there are many unmet demands and unexplored markets in the country which provide new avenues for further growth and investment. The domestic apparel retail brands are facing the pressure of rising labour prices, higher raw material prices and higher margins from outsourced production which in turn affect the final selling price of a garment to consumers.

Japanese apparel related companies have adopted the process of manufacturing low-end, high quality casual articles of apparel in China. These have become indispensable in meeting demand for articles of apparel manufactured in bulk among Japanese consumers.

The bag market in Japan consists of different price categories; popular items priced around 1,000 to 5,000 yen, domestic brands in the 10,000 to 30,000 yen range, overseas brands that range from 20,000 to 70,000 yen, and overseas luxury brands that exceed 70,000 yen. With popular items, imports from Asian countries like China have been dominating the market in recent years due to their inexpensive price and practicality. Expensive luxury brands are growing in sales as well, and between these two product groups are the mid-price

range products made in Japan, which are declining in popularity, resulting in a clear-cut polarized structure. However, since 2008 when the economy started to worsen, demands for expensive overseas luxury brands have plummeted, replaced by popular items made in China and low-end Japanese brands, resulting in a change in the current polarized structure. During 2010, the high yen and depreciating Euro has allowed Japanese consumers to purchase overseas luxury brands at lower prices, leading to a shift in demand for high-end products again.

The characteristic of the Japanese shoe market is a good balance between quality and fashion. Seasonal changes are clear in Japan, therefore, people switch outfits accordingly and do the same with shoes. For ladies' shoes, it is common to see that merchandise turnover happens 8 times or more in one year. Due to this short cycle, commodity composition of a shoe store deals with small quantities of a wide variety of items. The strengthening of health conscious trends leads to stable sales of comfort shoes. Comfort shoes from Germany, priced around 30,000 JPY, lead the market and comfort shoes made in Japan, priced around 20,000 JPY are increasing. These comfort shoes require good explanations and personal touch to sell.

Among the health conscious trends, another category of popular products are "Walking Shoes". In Japan, there are between 3.5 and 4 million people that have walking as a hobby. This means 1 out of 3-4 people in Japan fits this profile. Retail prices are polarized, shoes made by well known leather shoes manufacturers are sold above 10,000 JPY, while shoes made in other

Asian countries are sold around 5,000-6,000 JPY. On the other hand, non-leather shoes occupy a large portion of the footwear market. In this category, 3 million pairs of shoes are annually imported, more than 40% of the total demand of shoes. Especially, development of shoes targeting females in their teens and early 20s is very active. Shoes in the 5,000 JPY to 7,000 JPY price range are recently spreading and the style is improving. Easing regulations of import shoes and developing new types of shoes would help the Japanese shoe market to grow. In recent years, shoes have been sold increasingly not only in specialized shoes stores, but also in apparel stores and sports shops.

### India - Japan Relations

The friendship between India and Japan has a long history rooted in spiritual affinity and strong cultural and civilization ties. In contemporary times, among prominent Indians associated with Japan were Swami Vivekananda, Gurudev Rabindranath Tagore, JRD Tata, Netaji Subhash Chandra Bose and Judge Radha Binod Pal. The Japan-India Association was set up in 1903, and is today the oldest international friendship body in Japan. Over the years, the two countries have built upon these values and created a partnership based on both principle and pragmatism. Today, India is the largest democracy in Asia and Japan the most prosperous.

### Economic and Commercial Cooperation

Economic relations between India and Japan have vast potential for growth, given the complementarities that exist between the two Asian economies. Japan's interest in India is increasing due to a variety of reasons including India's large and growing market and its resources, especially the human resources. The India-Japan Comprehensive Economic Partnership Agreement (CEPA) that came into force in August 2011 is the most comprehensive of all such agreements concluded by India and covers not

only trade in goods but also Services, Movement of Natural Persons, Investments, Intellectual Property Rights, Custom Procedures and other trade related issues. The CEPA envisages abolition of tariffs over 94% of items traded between India and Japan over a period of 10 years.

Japan has been extending bilateral loan and grant assistance to India since 1958, and is the largest bilateral donor for India. Japanese ODA supports India's efforts for accelerated economic development particularly in priority areas like power, transportation, environmental projects and projects related to basic human needs. The Ahmedabad-Mumbai High Speed Rail, the Western Dedicated Freight Corridor (DFC), the Delhi-Mumbai Industrial Corridor with twelve new industrial townships, the Chennai-Bengaluru Industrial Corridor (CBIC) are all mega projects on the anvil which will transform India in the next decade. Delhi Metro Project has also been realized with Japanese assistance.

In the Financial Year (FY) 2016-17, India-Japan trade reached US\$ 13.61 billion, showing a decrease of 6.21% over FY 2015-16, when the total bilateral trade was US\$ 14.51 billion. India's export to Japan for 2016-17 was US\$ 3.86 billion; whereas India's Import from Japan for 2016-17 was US\$ 9.76 billion.

India's primary exports to Japan have been petroleum products, chemicals, elements, compounds, non-metallic mineral ware, fish & fish preparations, metalliferous ores & scrap, clothing & accessories, iron & steel products, textile yarn, fabrics and machinery etc. India's primary imports from Japan are machinery, transport equipment, iron and steel, electronic goods, organic chemicals, machine tools, etc.

Japanese FDI in India in fiscal year 2016-17 was US \$ 4.7 billion, an increase of 80% over the last year. Japan is the third largest foreign investor in India. The amount of Japan's cumulative investment in India since 2000 is US \$ 25.7 billion. Japanese FDI into India has mainly been in automobile, electrical

equipment, telecommunications, chemical and pharmaceutical sectors. In 2015-16, ODA disbursed by Japan to India was JPY 390 billion out of a committed amount of JPY 400 billion, the highest in last few years.

The presence of Japanese companies in India has been increasing steadily. As of October 2016, there were 1,305 Japanese companies that are registered in India, an increase of 76 companies (6% growth) as compared to 1,229 in October 2015.

**FASHION WORLD TOKYO** Fair is Japan's largest fashion trade show and held twice a year during the spring and autumn seasons. The autumn edition of the fair was held from 11-13 October, 2017 at the Tokyo Big Sight, Ariake Bay, Japan. The show remained open to the public on all the above days from 10 A.M. to 6 P.M. It gathers all kinds of fashion wear, bags, shoes, fashion accessories, fashion jewellery, men's fashion, textile and OEM/ODM products from around the world. The FASHION WORLD TOKYO, autumn edition provides the fashion industry with abundant opportunities to expand their business in Japan & Asia. This show is the best gateway to enter one of the largest fashion markets in Japan which is organized by Reed Exhibitions Japan Ltd. By holding these events with the support from those industry leaders, FASHION WORLD TOKYO attracted a wide range of industry professionals and becomes the business platform in the Japanese fashion industry.

### Visitor Profile

The brief profile of the visitors/buyers in this fair were those who involved in managing, merchandising, buying, planning, production, design such as:

- Importer
- Exporter
- Wholesaler
- Trading company
- Fashion store Select shop
- Boutique
- Department store

- Specialty shop (Bag, shoes, fashion accessories)
- Manufacturer (Fashion wear, bag, shoes, fashion accessories)
- Mass retailer
- Online shop
- General shop

India's export of leather & leather products to Japan has been increasing in recent years and touched US\$ 63.97 million in 2016-17. However, Japan's total import of leather & leather products was about US \$ 7986.77 million during 2016; Non – Leather Footwear being the major item with imports at about US\$ 3890.38 million. However, India's export of Non-

Leather Footwear to Japan was only US\$ 0.68 million in 2016. Similarly, although the import of Leather Goods into Japan was US\$ 2259.1 million (2016), India's export of Leather Goods to Japan was only US\$ 18.07 million (2016). Hence there exists considerable opportunities to further increase India's export of Footwear and Leather products to Japan.

## JAPAN'S IMPORT OF LEATHER & LEATHER PRODUCTS AND INDIA SHARE 2012-2016

(Value in Mn US\$)

DETAILS	2012	2013	2014	2015	2016
Leather					
Import	184.13	171.4	195.88	168.95	154.21
India's Export	5.94	8.39	6.06	5.61	5.89
% Share of India	3.23%	4.89%	3.09%	3.32%	3.82%
Leather Footwear					
Import	1470.32	1494.11	1422.33	1306.11	1270.20
India's Export	16.33	19.02	24.66	31.65	31.68
% Share of India	1.11%	1.27%	1.73%	2.42%	2.49%
Footwear Components					
Import	391.48	346.31	309.82	262.5	252.17
India's Export	2.08	3.99	6.61	4.29	4.43
% Share of India	0.53%	1.15%	2.13%	1.63%	1.76%
Leather Garments					
Import	135.36	127.25	121.12	109.32	113.92
India's Export	1.48	1.50	2.08	2.33	3.12
% Share of India	1.09%	1.18%	1.72%	2.13%	2.74%
Leather Goods					
Import	2333.13	2210.91	2263.95	2099.95	2259.1
India's Export	12.28	15.41	16.03	14.51	18.07
% Share of India	0.53%	0.70%	0.71%	0.69%	0.80%
Saddlery & Harness					
Import	53.06	50.4	50.73	44.54	46.79
India's Export	0.10	0.13	0.13	0.17	0.10
% Share of India	0.19%	0.26%	0.26%	0.38%	0.21%
Non Leather Footwear					
Import	4042.50	4097.45	4030.94	3854.08	3890.38
India's Export	0.49	0.29	0.63	0.68	0.68
% Share of India	0.01%	0.01%	0.02%	0.02%	0.02%
Total					
Import	8609.98	8497.83	8394.77	7845.45	7986.77
India's Export	38.70	48.73	56.20	59.24	63.97
% Share of India	0.45%	0.57%	0.67%	0.76%	0.80%

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

# INTERNATIONAL

## Meeting with Japan Leather and Leather Goods Industries Association (JLIA)

On October 10, 2017 Shri Mukhtarul Amin, Chairman, CLE along with Shri Sanjay Kumar, Regional Director – North, CLE had a meeting with chairman, JLIA and Mr. Hideo Asaine, Executive Director, JLIA at the office of JLIA, Tokyo, Japan.

of the Chairman’s briefing Mr. Iwasaki conveyed that they are presently importing leather products from India and definitely they are keen to enhance the business relationship with Indian companies. Chairman, CLE invited them to visit Fashion World Tokyo and further to India International Fair, Chennai which is scheduled to be held in first week of February 2018.

## Meeting with Japan Leather Shoes Association

On October 10, 2017 Shri Mukhtarul Amin, Chairman, CLE along with Shri Sanjay Kumar, Regional Director – North, CLE had a meeting with Mr. Noboru Ishidori, Secretary General, Japan Leather Shoes Association at the office of Japan Leather Shoes Association, Tokyo, Japan.

Council for Leather Exports (CLE)	Japan Leather & Leather Goods Industries Association (JLIA)
1. Mr. Mukhtarul Amin, Chairman, CLE Chairman, M/s. Superhouse Group	1. Mr. Kojiro Iwasaki, Chairman, JLIA Director, Japan Shoe Manufacturers Association President, Regal Corporation
2. Mr. Sanjay Kumar, Regional Director - North	2. Mr. Akihiko Nishitani, Vice-Chairman, Overseas Development Promotion Committee of JLIA Executive Director, Japan Leather Traders Association President, MITSUWA Co. Ltd 3. Mr. Hideo Asaine, Managing Director, JLIA 4. Ms. Norie Shimaoka, Manager of International Exchange Department, JLIA 5. Mr. Hiroyuki Matsuzuki, JLIA

Shri Mukhtarul Amin, Chairman, CLE briefed the Secretary General, Japan Leather Shoes Association about the Council. He discussed how India is a fast growing economy and business culture has been totally changed, which may help to boost the export between the two countries. He conveyed that we are looking for the right source by which we can penetrate the Japanese market. Chairman further discussed that how both of the associations can join hand together and can share the information and will see the possibility of taking membership of each other. Mr. Noboru Ishidori, Secretary General, Japan Leather Shoes Association discussed about the leather, footwear and allied industries and briefed about the scope of mutual benefit. Mr. Ishidori also mentioned about the major companies i.e. M/s. MADRAS shoes, M/s. OTSUKA and M/s. SIMON where the business can be further carried on.

Shri Mukhtarul Amin, Chairman, CLE briefed the delegates about the Council and the purpose of the visit. He discussed in detail about the future planning for associating CLE with the associations. Mr. Kojiro Iwasaki, Chairman, JLIA, Director, Japan Shoe Manufacturers Association & President, M/s. Regal Corporation shared his past experience when a delegation came to India to study the market for extending business relationship. Shri Amin briefed about the present status of Indian Leather Industry and informed them how this industry has changed over the time period and adopted new technologies and enhanced their capacity with modern factory which are able to cater the demand of major brands in the world. Since Indian export have achieved milestone and quite capable to cater the high standard Japanese market therefore, we are trying to explore the market in big way. On responding

Meeting concluded with thanks to the chair.



Shri Mukhtarul Amin, Chairman, CLE along with Shri Sanjay Kumar, Regional Director – North, CLE at the office of Japan Leather and Leather Goods Industries Association (JLIA)

Meeting concluded with thanks to the chair.



*Shri Mukhtarul Amin, Chairman, CLE along with Shri Sanjay Kumar, Regional Director – North, CLE having a meeting with Mr. Noboru Ishidori, Secretary General, Japan Leather Shoes Association*

Shri Mukhtarul Amin, Chairman, CLE along with Shri Sanjay Kumar, Regional Director – North, CLE visited Indian Embassy in Tokyo and updated in detail about leather industry to Shri Sujan Chinoy, Ambassador of India to Japan in Tokyo. Shri Chinoy also gave a brief about Japanese market and their mindset. He informed that Japan has become a very important tourist destination wherein elite class tourists from Korea, Thailand, China and other Asian countries comes Japan for the tourism purpose only. Japan is SHOPPER'S PARADISE wherein the average spending of a tourist is \$ 800-1,000. Therefore, there is a tremendous scope for the quality product in Japanese market. All big brands are having their exposure in Japanese market. Shri Chinoy further conveyed the message that Council should push up with Department of Commerce for the early review of CEPA which was concluded between India and Japan in 2011. Chairman, CLE agreed that after returning to India we will take up this matter with Commerce Secretary in Department of Commerce. Shri Chinoy assured that the Indian Embassy under his leadership will extend co-operation towards the India exporters to enhance their share of leather and leather products export in Japan.



*Shri Mukhtarul Amin, Chairman, CLE meeting Excellency Shri Sujan Chinoy, Ambassador of India to Japan*

### India Pavilion at Fashion World Tokyo 2017

Considering the potential market for Leather Footwear, Bags, Leather Goods and Leather Garments in Japan, the Council has organized participation of member-exporters in Fashion World Tokyo fair, October, 2017 under MDA funding. Altogether 29 member-exporters all over India have participated in this show with their latest collections of leather goods,

garments and footwear. B2B Meetings were organized by the fair authority for the exhibiting companies. Each company was provided with a fully constructed stand with name board, partition walls, lighting and display accessories as per their product of display. The stand was constructed in a professional manner giving due care to accommodate all the specified need of the exhibitors. The stands were laid-out with ample passage and the open space was converted into meeting point for buyers. The excellent display arrangements were perfect for interaction of the Indian exhibitors with the Japanese buyers. The Japanese buyers were able to get an idea of the new products being offered by the India manufacturers.

The Council for Leather Exports has

co-ordinated the participation of its member-exporters and organized Council's information booth for dissemination of Indian leather industry information. CLE's publication i.e. Members Directory, Leather News India, Exhibitors Profile Booklet and other necessary information were provided among the buyers, visitors and government officials who visited the stall. Mr. Sanjay Kumar, Regional Director, CLE, New Delhi was present at CLE's information booth during the

fair and extended all sorts of co-operation towards the member-exporters and provided information relating to export promotion to the visitors at CLE stand.

## List of participants in the Fashion World Tokyo fair, October 11-13, 2017

Sl.No.	Company Name	Region	Products Displayed	Booth No.
1	Amit Leather Wears	New Delhi	Garments, Goods, Shoes, etc	22-38
2	ASG Leather Private Limited	Kolkata	Leather Bags, Small Leather Goods, etc	20-50
3	Caldes Fashions	Chennai	Leather Garments	22-40
4	Creative Pelt Pvt. Ltd	Kolkata	Satchels, Brief-cases, others	20-43
5	EL Santos	Chennai	Small Leather Goods and Luggage Goods	22-43
6	Elrich International Pvt. Ltd.	Kolkata	Hand Bag, Backpack, Briefcase, Travel Bag, Wallets & Purses	21-37
7	Fashion Zone	Noida	Leather Garments	20-37
8	Gaurav Lederwaren Pvt. Ltd	Kolkata	Leather Wallets, Leather Bags, Hand Painted and Recycled Bags	20-38
9	Global Impex*	New Delhi	Ladies & Kids Sandals & Boots	22-50
10	Habeeb Tanning Company	Chennai	Cow/Buff/Automotive & Upholstery Finished Leather, Shoe Uppers, Shoes, etc	21-49
11	Hanna SCM	Chennai	Finished Leather, Shoe Uppers, Sandals & Full Shoes for Men, Ladies & Kids	21-38
12	J.C. International Ltd	Kolkata	Leather Bags & Purses	20-40
13	J.M. Footwear Impex	Agra	Leather Footwear	21-41
14	K.S.S. Shoe Industry	Agra	Leather Footwear	21-44
15	Lumens India	Kolkata	Leather Bags, Wallets, other Accessories, etc	22-49
16	Mir International Exports	Kolkata	Wallets, Card Holders & Passport Case	20-42
17	Namo Namah Exim Pvt. Ltd	Kanpur	Saddlery & Harness, Leather Gun Accessories, Belts, Wallets and all kinds of Leather Goods	20-46
18	Naser Bali (Gloves) Pvt. Ltd	Chennai	Leather Garments and Sporting Gloves	22-37
19	Naser Tanning Company	Chennai	Leather Garments, Finished Leather, etc	22-39
20	Rajda Industries & Exports Pvt. Ltd	Kolkata	Leather Bags and Small Leather Goods	20-44
21	Ramjee Leathers & Supplies	Chennai	Leather Garments – Fashion Garments & Motor Cycle Wear for Men, Ladies & Kids, Bags & Accessories for Men and Ladies	20-45
22	S.V. Shoes Enterprises	Agra	Leather Footwear	21-46
23	Sara Leather Industries	Chennai	Full Shoes and Shoe Uppers	22-41
24	Shri Ramdev Exports	Mumbai	Ladies Leather Footwear & Ballerinas	21-45
25	Shumakers International	Mumbai	Leather Footwear	21-50
26	Siddharth Exports*	Noida	Men & Ladies Leather Shoes & Boots	21-42
27	Swansind	Chennai	Ladies Leather Footwear & Handbags	22-51
28	Tarway Exports Pvt. Ltd	Kolkata	Leather Handbags, Executive Case, Wallets & Card Case	20-49
29	Tejal Enterprises*	Punjab	Leather & Non Leather Shoes Handmade Shoes etc	21-40

\*The companies couldn't turn up at Fashion World Tokyo 2017

## Inauguration of India Pavilion at Fashion World Tokyo

Shri Mukhtarul Amin, Chairman, CLE inaugurated the India Pavilion at Fashion World Tokyo fair and thereafter visited the various stalls along with Shri Sanjay Kumar, Regional Director – North, CLE to know the various opportunities available with different companies of different countries. He encouraged the exporters to increase the export between India and Japan. He wished the participants all success for future.



*Inauguration of India Pavilion by Shri Mukhtarul Amin, Chairman, CLE at Fashion World Tokyo*

## Visit of Shri Mukhtarul Amin, Chairman, CLE to various stalls in the Fair



## Meeting with Japan Chemical Shoe Industries Association

On October 11, 2017 Shri Mukhtarul Amin, Chairman, CLE along with Shri Sanjay Kumar, Regional Director – North, CLE had a meeting with Mr. Akinori Yamane, Chairman, Japan Chemical Shoe Industries Association at CLE Information Booth during the fair.

Mr. Yamane conveyed that they are interested to extend the business relationship with Indian companies but the higher import duty is major deterrent for the import of Indian leather products whereas comparatively the duty is lower from Bangladesh, Laos and Cambodia. Chairman, CLE conveyed that this is not the situation and in post CEPA

regime between India and Japan the duty has substantially gone down and it will be further down in due course of time. Mr. Yamane assured that if it is the situation tomorrow I would like to visit each stall and accordingly on 12th October 2017 Mr. Yamane with his colleague visited all stalls of India Pavilion.



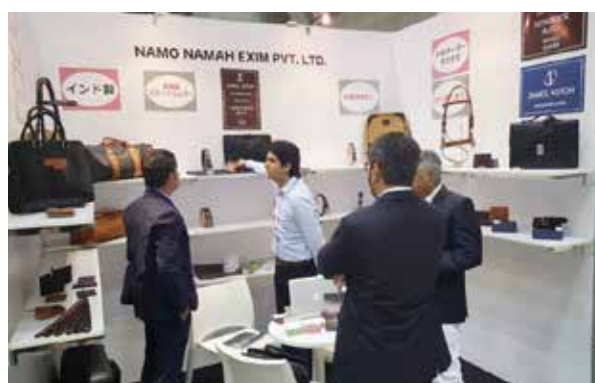
Meeting with Mr. Akinori Yamane, Chairman, Japan Chemical Shoe Industries Association at CLE Information Booth during the fair

## Conclusion

Fashion World Tokyo fair, October 2017 is a good opportunity for the exporters of leather and leather products. Overall the fair has recorded positive outcome from the business point of view.

The show was attended by the high level international and quality trade visitors. As informed by the member exporters in their feedback form 203 visitors visited the stalls and 180 business meetings were held during the event. Member participants reported that 500 pieces of leather footwear/garments/goods amounting to US\$ 16,000 were booked on spot. Further, future orders to the tune of 29,000 pieces were booked by the participants whose total value will be around US\$ 7,05,000. Some of the member exporters have expressed their willingness to participate in the next edition of Fashion World Tokyo fair. Few of them opined that CLE may consider setting up of stalls in a better location. They felt that this kind of event will serve as an opportunity to create awareness among the Japanese buyers about the Indian leather products. Thus, the participation of Indian exporters in this fair will further help to boost the Indo-Japan bilateral leather trade in the coming years.

## Snapshots of Stalls



Think Leather  
Think India