

# MAGIC Show August 16-19 2015 : A Report

## MAGIC VEGAS

WWD**MAGIC** PROJECT THE TENTS  
PROJECT **FN PLATFORM** WSA**MAGIC**  
**POOLTRADESHOW** THE COLLECTIVE  
CURVENV @ MAGIC playground **SOURCING**

About the Show - The MAGIC Show is positioned as an international trade event for the fashion industry with a display product profile comprising Apparel (of textile, leather, other natural or synthetic material) including casual wear, formal wear, sports wear, swim wear, lingerie etc and Accessories as Handbags, Purses, Belts, Briefcases, Scarves, Head wear, Sunglasses, Costume Jewellery and Footwear.

MAGIC Show is described as “the world's largest fashion marketplace, showcasing the latest in apparel, footwear, accessories, and manufacturing. Every February and August the retail industry convenes in Las Vegas to spot and shop the latest trends in Men’s, Women’s, Young Adults & Children’s Apparel, Footwear and Accessories.. MAGIC comprises 11 concurrent Trade Shows ie PROJECT, THE TENTS, WWD**MAGIC**, FN PLATFORM, SOURCING AT MAGIC, PROJECT WOMENS, THE COLLECTIVE, POOLTRADESHOW, WSA@MAGIC, PLAYGROUND AND CURVENV@MAGIC.



RC-West Shri. Naresh Bhasin; RC-South Shri. Aqeel Ahmed and RD-NR, Shri. Sanjay Kumar with a visitor in a booth of M/s. Raam Fashions

The MAGIC (Acronym for Men’s Apparel Guild in California) Show commenced as a domestic US show for Men’s wear before the 1950s, and went international in 1979. In 1995 the show introduced a Women’s segment and in 1997 a Children’s segment. The Sourcing Section commenced in 2003 with a display product profile comprising the “complete supply chain from fibre to finish” for Apparel & Accessories. The Sourcing Section is for international companies, which supply to US/other international brands or for Contract Manufacturers In September 2009, the organizers of the MAGIC Show have announced the inclusion of footwear in the sourcing section. With the Feb’ 2010 Show, MAGIC introduced “FN Platform” in which leading US & international brands participate. In 2012 the WSA Footwear Show was taken over by the organizers of MAGIC Show and thus was introduced the WSA @ MAGIC Show as the show for fast fashion footwear. Hence the MAGIC Show has 3 events for Footwear ie Footwear Sourcing, FN Platform and WSA @ MAGIC



RC-West Shri. Naresh Bhasin; RC-South Shri P.R. Aqeel Ahmed ; Leather Footwear Panel Convener Shri. N. Mohan, Mr.Deepak Wasan-CLE Member in the CLE Booth in the Footwear Sourcing Show



In booth of M/s. R.S. Leder Waren, Ms. Karen Giberson, president, Accessories Council, USA along with CLE Representative Mrs. Sunanda Santappa, Assistant Director

**US Market for Leather & Leather Products:** USA is the Number One importer of leather & leather products in the world. USA's import of leather & leather products increased from US\$ 22159.83 million in 2009 to US\$ 31565.21 million in 2013, growing at a CAGR of 9.74%. USA accounts for a share of 18.61% in the global leather import trade of US\$ 172.67 billion in 2013.

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

Finished Leather 2.17 %

Footwear (leather & non-leather and compts) 81.70%

Leather Garments 0.02 %

Leather Goods & Accessories 14.81%

Saddlery & Harness 1.30%

**India – USA Leather Trade -** USA is the second largest importer of leather & leather products from India. During 2014-15, USA accounted for a share of 11.83 % in India's total leather products export of US\$ 6494.41 mn.



*Senior Officials of United States Fashion Industry Association along with Mr. Moti Lal Sethi and Mr. Karan Sethi of M/s. Saroj International Leathers*

## View of Member Companies' Stands in CLE Pavilion





A Statement showing USA's Import of leather & leather products, India's export and its share during 2009 to 2014 is given below:

(Value in Mn US\$)

DETAILS	2009	2010	2011	2012	2013	2014-15
<b>Leather</b>						
Import	444.58	563.86	584.12	652.84	683.49	
India's Export	7.70	8.86	14.01	13.85	14.33	31.73
<b>% Share of India</b>	<b>1.73%</b>	<b>1.57%</b>	<b>2.40%</b>	<b>2.12%</b>	<b>2.09%</b>	
<b>Leather Footwear</b>						
Import	10049.16	11559.03	11829.03	12252.53	12770.69	
India's Export	120.88	139.60	177.92	222.3	315.70	348.07
<b>% Share of India</b>	<b>1.20%</b>	<b>1.21%</b>	<b>1.50%</b>	<b>1.81%</b>	<b>2.47%</b>	
<b>Footwear Components</b>						
Import	341.13	401.28	404.99	470.31	471.49	
India's Export	0.86	0.98	3.22	3.21	6.49	6.49
<b>% Share of India</b>	<b>0.25%</b>	<b>0.24%</b>	<b>0.80%</b>	<b>0.68%</b>	<b>1.37%</b>	
<b>Leather Garments</b>						
Import	437.24	483.63	485.18	494.17	582.64	
India's Export	17.04	21.96	31.92	42.19	56.35	60.56
<b>% Share of India</b>	<b>3.90%</b>	<b>4.54%</b>	<b>6.58%</b>	<b>8.54%</b>	<b>9.67%</b>	
<b>Leather Goods</b>						
Import	2720.58	3246.51	3862.78	4234.84	4673.83	
India's Export	137.97	162.90	196.83	225.83	260.31	286.48
<b>% Share of India</b>	<b>5.07%</b>	<b>5.02%</b>	<b>5.10%</b>	<b>5.33%</b>	<b>5.56%</b>	
<b>Saddlery &amp; Harness</b>						
Import	312.17	348.40	380.98	408.96	411.28	
India's Export	10.06	11.38	13.77	16.63	26.37	29.00
<b>% Share of India</b>	<b>3.22%</b>	<b>3.27%</b>	<b>3.61%</b>	<b>4.07%</b>	<b>6.41%</b>	
<b>Non Leather Footwear</b>						
Import	7854.97	9971.94	11416.02	12138.84	12546.79	
India's Export	1.86	2.44	1.88	2.12	2.74	5.73
<b>% Share of India</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>	
<b>Total</b>						
Import	22159.83	26574.65	28963.10	30652.49	31565.21	
India's Export	296.37	348.12	439.55	526.13	680.22	768.06
<b>% Share of India</b>	<b>1.34%</b>	<b>1.31%</b>	<b>1.52%</b>	<b>1.72%</b>	<b>2.15%</b>	

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

#### Highlights -

- India presently accounts for a share of 2.15% in USA's total leather import trade.
- India accounts for an import share of 9.67% in USA's total leather garments import trade. Likewise, India holds a share of 5.56% and 6.41% in USA's leather goods & accessories import and saddlery & harness import.
- India accounts for a quite negligible share of 1.28% in USA's footwear imports (leather and non-leather footwear).

Current Positive Outlook for India-US Trade – As indicated in below Table, exports of leather & leather products are seeing robust growth in the 3 months of the current financial year

## USA Export of Leather & Leather Products during Apr-June 2015 & Apr-june 2014 (US\$ mn)

	Apr-June 2014	Apr-June 2015	% Share 2015
Leather	6.19	10.35	3.30%
Leather Footwear	76.32	97.42	17.98%
Footwear Component	1.74	1.65	2.03%
Leather Garments	13.19	14.79	10.69%
Leather Goods	67.72	71.75	21.21%
Saddlery & Harness	6.34	7.11	20.22%
Non- Leather Footwear	0.66	0.79	0.76%
<b>Total</b>	<b>172.16</b>	<b>203.86</b>	<b>18.41% (growth rate)</b>

**USA too seems positive on Footwear from India with the 2015 Sourcing Assessment Report of the Footwear Distributors & Retailers of America (FDRA) forecasting record growth in India's export of Footwear by close to 30% in terms of quantity (in million pairs) in the year 2015, over the previous year. Footwear News the respected US magazine on Footwear Trade has identified "Four Must-Watch Sourcing Hot Spots" other than China /Vietnam and this includes India.**

CLE's Marketing Programmes in the US – Towards increasing market share in the US, the Council initiated the Focus US Programme in 2002 under Market Access Initiative Scheme (MAI) funding assistance of Govt of India. Thereafter the Council has organized member participation in the MAGIC Show and WSA Show on a regular basis. Further, the CLE organized exclusive Buyer-Seller Meet for Leather Garments and Leather Goods & Accessories in New York during January & October 2010, October 2011 & 2012. Our sustained presence in the US market, backed by substantial publicity has culminated in an increasing awareness of India's potential among US Buyers and increasing number of Indian Exporters are now becoming sensitized to the requirements of the US market

CLE Participation in MAGIC Show August- 2015 edition – CLE participation in the August 2015 edition of the MAGIC Show is a continuation of our sustained marketing efforts in USA and is partially funded by the Market Access Initiative (MAI) Scheme of the Government of India. There were a total of 27 Member-Companies which participated in the MAGIC Show, August 2015.

CLE Pavilion in two Locations as per Display Product – For the first time the Companies displaying Footwear and the companies displaying Leather Garments & Accessories were in two different locations in the Fair venue ie the Las Vegas Convention Center. Thus the 14 Companies displaying Footwear were located in the Footwear Sourcing Show in 'South Hall' in the Las Vegas Convention Center, while the 14 Companies displaying Leather Garments & Accessories were located in Sourcing @ MAGIC Show in 'North Hall' in Las Vegas Convention Center. One member-company had taken a booth each in both the Footwear Show and the Accessories Show

### List of Participants & Display Product

Sl.No	CLE India Pavilion Participants	Display Product
1	Alig Tannery, Kanpur	Footwear
2	Amit Leather Company, Mumbai	Footwear
3	Ascot International, Agra	Footwear
4	Ashford Laboratories Pvt Ltd	Accessories
5	Bharat Enterprises, Delhi	Garments & Accessories
6	Bharat Expo International, Delhi	Accessories & Footwear
7	D2 International, Kolkata	Accessories
8	Everest Tannery (P) Ltd, Kanpur	Accessories
9	Explicit Leathers, Delhi	Garments
10	Gupta H.C.Overseas (I) Pvt Ltd, Agra	Footwear
11	HMA Leather Export Pvt Ltd, Agra	Footwear
12	Java Plum Leather & Accessories, Delhi	Accessories
13	Jute Wonders Unlimited, Delhi	Footwear
14	Kundra International, Agra	Footwear
15	M.F.Leachter Goods Co, Kanpur	Footwear

16	Manufex (India), Agra	Footwear
17	Mudra International, Delhi	Garments & Accessories
18	Peoples Exports Pvt Ltd, Agra	Footwear
19	R.S.Lederwaren Pvt Ltd, Kolkata	Accessories
20	Ransack Design Solutions, Kolkata	Accessories
21	Sakay Overseas, Jalandhar	Footwear
22	Saroj International Leathers Pvt Ltd, Delhi	Garments & Accessories
23	Sidharth Exports, Delhi	Footwear
24	Sharma Leather Products Pvt Ltd, Kolkata	Accessories
24	SKS Global Pvt Ltd, Agra	Footwear
26	Super Tannery Ltd, Kanpur	Footwear & Accessories in separate Booths
27	Virola International, Agra	Footwear



*CLE Stand in Accessories Section - Mr Rehan Ajmal, COA Member with a visitor and CLE Representatives*

Mrs Sunanda Santappa, Asst Director & Mr Sanjay Kumar, RD-North

Post Show Data from Fair Organizer - As per the Show Organizers, there were 1800 exhibitors in the Sourcing @ MAGIC and Footwear Sourcing representing a 64% increase as compared to the previous Aug'14 edition. The exhibition area also saw an increase of 24% compared to the August 2014 edition. The exhibitors in Sourcing were drawn from 32 countries with new entrants to Sourcing including Italy and Portugal! There were 14000 visitors to the Sourcing representing an increase of 17% over the previous August' 14 Show.

Business Results - As per Member feedback the firm orders booked by member-participants at the MAGIC Show totaled US\$ 1,04,250/ while the future expected business totaled US\$ 1,900,000/

However, members were disappointed in the footfalls in the Sourcing Fairs, especially at the Footwear Sourcing Show. The Apparel & Accessories' Show ie Sourcing at MAGIC was definitely busier as compared to the Footwear Sourcing Show. The reason attributed to the low footfalls and visitor traffic in Footwear Sourcing was the changed location of Footwear Sourcing Show, behind the 'WSA @ MAGIC Show. However CLE India Participants were placed right in front in the Footwear Sourcing Show. This issue of poor location of the Footwear Sourcing Show was taken

up with the organizers by the Council, who have explained that the shifting of Footwear Sourcing so that it is located along with the other two Footwear Shows in MAGIC ie FN Platform and WSA @ MAGIC was towards maximizing buyer traffic to Footwear Sourcing. The Fair Organizers explanation was that as WSA @ MAGIC represents Stock & Sale companies (which source from some of the participants in Sourcing), the WAS @ MAGIC Show was placed ahead of the Sourcing section, but have assured that the participants dissatisfaction with the new location will be looked at in the subsequent editions.

However, almost all members have stated in their Feedback Form that the US Market has huge potential and our participation should continue with enhanced marketing & publicity. Majority of the participants, especially the Footwear companies have stated they would like to participate again in the next edition of the MAGIC Show.

Visitors at CLE Pavilion- The President of the US Accessories Council Ms Karen Giberson visited the CLE Pavilion in both the Sourcing at MAGIC Show and Footwear Sourcing Show. Also a senior management team from the US Fashion Industry Association visited the CLE Pavilion in the Sourcing @ MAGIC Show.

Allied CLE Events @ MAGIC Show August 2015 – Write-up on allied CLE Events scheduled during MAGIC Show, August 2015 are in Box after this Fair Report.

Conclusion - The MAGIC Show is an important platform for accessing the US Market for Apparel and Accessories. This is also endorsed by the member response as per which 20 of the 27 participants have stated that they wish to participate again in the coming edition of the Show with CLE. Besides the Council has been receiving requests from other members too who are keen on participating in the next edition of the Show. USA is keen to diversify away from China and even Vietnam, and there are excellent opportunities for Indian companies in this large market. The Government of India has acknowledged the importance of the US Market and granted MAI Funding for the CLE's participations in MAGIC Show even in the coming February 2016 Edition. It is an opportune time for members to avail this support and access the US market through this show.

## Allied CLE Activities during the MAGIC Show , Las Vegas, August 16-19 2015

With the inclusion of leather products including footwear in the Make in India Program the MAGIC Show August 2015 was an appropriate forum to have promotional events to highlight the opportunities in India with focus on benefits of manufacturing in India.

The CLE undertook the following activities in cooperation with the USA's influential FDRA (Footwear Distributors & Retailers of America).

- India Reception on August 17 2015
- India Seminar on August 18 2015



*Mr. P.R. Aqeel Ahmed, RC-South, CLE making the presentation and addressing the audience at the India Seminar*



*Seminar*

*President FDRA Mr. Matt Priest speaking at the on August 18th 2015*



*RC-West Mr. Naresh Bhasin addressing the India Seminar audience at the India Seminar*



*Mr. N. Mohan, Leather Footwear Panel Convener giving his speech at the India Seminar*

The above CLE activities were implemented under the leadership of Regional Chairman-West Shri Naresh Bhasin, Regional Chairmen-South, Shri PR Aqeel Ahmed and Leather Footwear Panel Convener Shri N Mohan. From FDRA the India events were closely coordinated by Mr Matt Priest, President-FDRA.

At the India Reception leading officials from the following US Industry Associations were also present:

- Mr Ricky Muskat, Chairman-FDRA
- Ms Julia Hughes, President-US Fashion Industry Association
- Ms Karen Giberson, President-Accessories Council, USA
- Ms Lori Monaco, President, Fashion Footwear Association, NPD Group

Some Senior executives from US Footwear Companies were also present. Mr Michael Duck Vice President of UBM-Asia and the Head of the International Sourcing in the MAGIC Show, Mr Bob Berg also attended the Reception, the latter on the invitation of the Council.

The Reception also saw a number of walk-ins by the Show's attendees, participants, etc

The Reception held in the evening just before closure providing an opportunity for networking and some headway was made as Chairman-Design Task Force was able to initiate a dialogue with the Accessories Council for working together on the Council's Designer Fair scheduled in Feb' 2016.

The India Seminar commenced with Mr Matt Priest giving the introductory speech. He stated that with the USA importing 2.3 billion pairs of footwear annually, Footwear Sourcing & changing dynamics of footwear sourcing is a major preoccupation of FDRA. He stated that today's omni-channel world is impacting footwear sourcing too. Footwear buying patterns of individual consumers is changing with increase in online purchases and hence most of industry growth is online now. Main sources for

US are China, Vietnam and Indonesia in that order. 79% of all footwear into the US is from China and they will be dominant for years to come. However the US is looking to diversify and imports from China have been slowly but surely declining. Vietnam has been the main beneficiary of declining imports from China. US is in the process of finalizing the Free Trade agreement Trans Pacific Partnership (TPP) in which Vietnam is one of the partner countries and hence Vietnam is set to gain additionally. About US\$ 400 Million in duties will be saved (and hence US Footwear industry & consumers benefited) due to the TPP. However, USA is looking beyond Vietnam and other contenders are Cambodia whose exports to USA increased by 134% last year. Dominican Republic is another potential source country and imports from this country are duty-free due to the Central American Free Trade Agreement



*A view of the audience at the India Seminar*



*RC-West Shri. Naresh Bhasin, RC-South Shri. P.R.Aqeel Ahmed, COA Member Mr Motilal Sethi, Mr. N. Mohan, Leather Footwear Panel Convener, Mr. Matt Priest, President FDRA, Mr. Michel Duck, Vice-President, UBM-Asia, among other at the India's Reception*

As per FDRA's Sourcing Assessment Report, it is estimated that between 2014 to 2019 China's share in US Imports will decline from 79% to 67% , Vietnam's will go up from 12% to 22%; and India's share will remain at 1%. India's 'Make in India' initiative has however raised expectations and Mr Priest concluded by hoping that it may drive Footwear Manufacturing and Exports.

The next speaker was Leather Footwear Panel Convener Mr N Mohan who spoke about the Marketing Opportunity and the Manufacturing Opportunity in India. In other



*India Reception at on August 17th, 2015, Magic Show*

words India has a huge and rapidly growing Domestic Retail Market and is with its young population also a suitable setting for manufacturing operations. Indian retail market which is currently at US\$ 500 billion is expected to touch US\$ 1.3 trillion by 2020. Footwear Retail estimated at \$ 5 billion at 1% of the Indian domestic retail market is expected to double to 2% of the market at a value of \$ 26 billion. Aspects of the footwear retail market as being in the unorganized sector to the extent of 76% and men's shoes accounting for 46% of the market were shared. Regarding the manufacturing opportunity he said that investments are required for both existing manufacturers to expand and also for new units to be set up



*RC-South Mr. P.R. Aqeel Ahmed and Leather Footwear Panel Convener, Mr. N. Mohan along with Mr. Bob Berg, Director, Sourcing@Magic Show*





*Ms. Julia of US Fashion Industry Association, RC-SR  
Shri. P.R. Aqeel Ahmed, Leather Footwear Panel Convener  
Mr. N. Mohan, Mr. Matt Priest, President FDRA, RC-WR  
Shri. Naresh Bhasin, Mr. Michel Duck, Vice-President,  
UBM-Asia, Mr. Bob Berg Director, Sourcing@Magic Show  
at the India's Reception*

Regional Chairman-South Shri PR Aqeel Ahmed spoke next in detail about the potential for cooperation with India. The presentation began with a summary of the strengths of India ie the economy , the availability of manpower, land, electricity and other facilitating aspects like remittance of dividends and easy visa processes. The presentation then highlighted the main features of the 'Make in India' campaign ie Zero Defect – Zero Effect, Attracting Foreign and Domestic Investments, to be Job Creators rather than Job Seekers, and the requirements for successful implementation of this initiative.

Mr Aqeel Ahmed spoke about the strengths of the Indian Leather Industry and why it is appropriate to be included as a focus sector in the Make in India Program due to inherent factors like raw material strength, favourable in-

vestment policy, large & expanding domestic market, skill development program, favourable policy measure which can all give an impetus to scale up production substantially. He concluded by saying that the time is opportune to partner with India, and in India.

Regional Chairman-West Shri Naresh Bhasin spoke next on the initiatives being introduced under the Make in India Program by the CLE. He said that there were 3 components ie Environment, Skilling and Design Capability which are being addressed. As Chairman-Design Task Force, CLE he has planned for a Designer Fair in all product segments, to be held in Chennai India in Feb' 2016. CLE plans to invite about 50 to 60 international designers who will bring their collections and present to Indian manufacturers. The Designers can enter into Long Term and Short Term contracts with the manufacturers. He stated that he hopes FDRA and the other Associations like the USFA and Accessories Council can also identify US designers. He concluded by saying that the short term plan is to bring in designers and institutes from overseas and the long term plan is to set up design studios in all metros in India. He informed that CLE has received positive response from British, Italian, Spanish Designers and is now looking for US Designers.

Mr Matt Priest concluded by appreciated the efforts and information sharing by friends from India.

A beginning has been made by CLE holding two successive events highlighting the opportunities in the Indian Market, and the strengths of the Indian Leather Industry as also the impetus which the Make in India initiative can give to our sector and to exports from the sector. Networking with all leading US Associations can lead to long term association for benefit. Both the Accessories Council and the US Fashion Industry Association have expressed keenness to partner/work with CLE.

