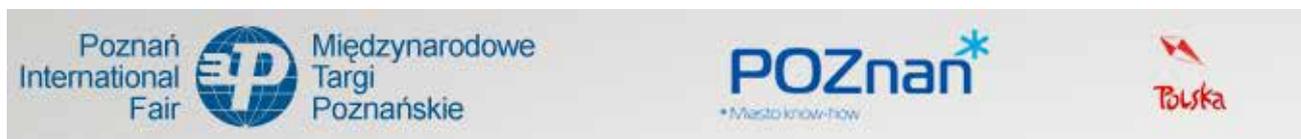


BTS Fair of Shoes, Leather and Leather Goods Fair- Poznan (Poland) 2-4th Sep 2014

A Report – By: S.Poonguzhali - Export Promotion Officer, CLE



Pre - amble

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 \$ 1641.04 million in 2008 to US \$ 1772.53 million in 2012. After joining the European Union in 2004, the country is being viewed as main connecting point for Western and Eastern Europe on account of its strategic geographic location.

India's export of leather and leather products to Poland increased from US \$ 41.93 Million in 2008-09 to US \$ 61.56 million in 2013-14. Leather Footwear is a major export item from India with a share of about 66 % followed by Leather goods, which contribute about 20% of share in the Polish market. This signifies that there is an increasing scope for enhancing our share in the country.

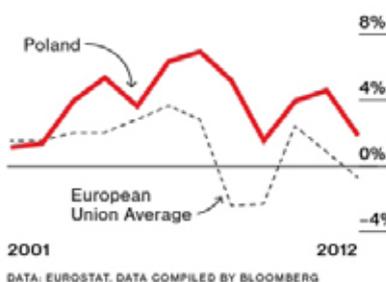
Considering the market potential, the Council decided to participate in the BTS Fair of Shoes, Leather and Leather Goods Fair, Poznan, Sep 2014 as per approved action plan of the Department of Commerce with a view to enhance the exports of Leather and Leather Products in to Poland.

Poland - Europe's Most Dynamic Economy

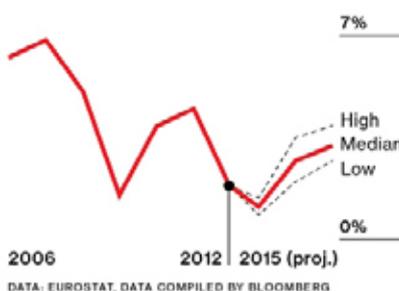
Poland, with a population of over 38.5 million inhabitants, is the largest member of the European Union among all the countries of Central and Eastern Europe. Poland is set to outperform the European Union's largest post-communist members this year and in 2015, according to a spring forecast by the European Commission.

In terms of gross domestic product (GDP), Poland is the 9th biggest economy in the EU. The Polish economy is set to double its pace of growth, according to the European Commission, which predicts GDP will rise 3.2 percent in 2014 and 3.4 percent in 2015 after last year's 1.6 percent expansion. The below graphs provide a graphical representation of the increasing GDP over the years and the future.

Year-Over-Year GDP Growth



Poland's Projected GDP Growth



Poland has a resilient economy with balanced economic growth, floating exchange rate, stable current account balance, flexible labor market, well-capitalized banking sector and public investments macroeconomic policy for maintaining low inflation as well as moderate, stable growth, making it eligible for a €105.8 billion of the EU budget.

Poland is less dependent on external trade than most other Central and Eastern European countries, but

its volume of trade with Europe is still substantial. In 2011, the volume of trade (exports plus imports) with the Euro area as share of GDP was 40%, a doubling from the mid 1990s. 30% of Poland's exports are to Germany and another 30% to the rest of Europe.

Despite its GDP growth, Poland faces numerous economic issues; it has chronic high unemployment, low wages despite significant increase of productivity, massive flight of educated population abroad, and low level of innovativeness and highest percentage of people working for national minimum wage among countries of European Union.

Nevertheless, Poland has taken steps to restore fiscal discipline despite a challenging economic environment. Polish economy has a large internal economy, a business-friendly political class, and the hyper charged potential of a developing country catching up with its western peers that makes it stands out as an unlikely island of economic success, a place where companies and individuals plan for growth rather than decline.

The priority export sectors of Poland are: Food and Live animals, furniture, light Industry, leather, cosmetic, Pharmaceutical products, medical equipments, machine tools Windows and doors etc.

Overview of Indo-Polish Relations:

Poland is an interesting country for India because it is now an EU member and a springboard as well as entry point for the larger combined EU market. Indo-Polish relationship has been characterized by goodwill and cooperation for more than 60 years. The trade between the two countries aims to promote entrepreneurship and facilitate industrial growth as

trade and industry form an integral part of economic development of the country. Poland is a magnet for businesses looking for a base to get products made cheaply and reliably.

As far leather trade is concerned, India's share is 2.23 % of the import of Leather and Leather products by Poland. The bilateral trade between two countries has grown about eleven times from 1992 to 2008. In 2013, bilateral trade for the next consecutive year was close to 2 billion US\$.

An analysis of Poland's import of Leather and Leather Products shows that the overall import has consistently increased in the past five years, with finished leather, leather and non-leather footwear being the major import items. India's export of Leather and Leather Products to Poland is less than US\$ 62 million and hence there is a wide scope for further enhancing our market share in this country.

About the Poznan International Fair

Poznan International Fair (MTP), established in 1921, is the largest trade fair organizer in Poland, constituting almost 60% of the total Polish exhibition industry. Poznan International fair was entitled as the first organizer of fairs in Central and Eastern Europe. The 1st Poznan Trade Fair, a domestic trade show, was organized between 28 May and 5 June 1921 at the initiative of Poznan merchants.

Presently, the Poznan International Fair organizes over 80 events every year – different trade shows prepared for over 100 sectors of the economy. Every year it attracts over 360,000 visitors and more than 13,200 exhibitors

and is estimated to be the 21st largest fair in the world. It is also a winner of numerous prestigious awards. The focal points of Poznan International Fairs are entrepreneurship, also an investment in the future through enhancing the complete knowledge on improved marketing tools and sales techniques all of them values that well characterized the region.

Poznan Fashion Fair – Sep 2-4, 2014

Poznan Fashion Fair, the most important event for the industry in Poland. This largest fair was organized by Miedzynarodowe Targi Poznanskie / Poznan International Fair Ltd. It is a bi-annual event (Feb / Sep) during which the manufacturers, entrepreneurs, designers and students get acquainted with new trends in the world of fashion. This Fashion Fair is a perfect opportunity to build and strengthen brand names, meet regular trading partners and acquire new domestic and foreign customers. Changing needs of the market are reflected in the changes made to the formula of the Poznan Fashion Fair - contracting is complemented by spectacular fashion shows and a range of lectures by prominent figures of the industry, which are an invaluable source of the know-how.

Sep 2014 Edition presented the Global Fashion trends at the Poznan Fair including clothing, footwear, accessories and leather goods for the Fall-winter 2014-15 and spring –summer 2015 seasons. Nearly 500 companies and brands from 18 countries presented their collections during this edition of Poznan Fashion Fair – Sept 2014. The trendy and finest collection of Leather bags, Wallets, Travel cases and Fashion accessories were

also show cased in the Fair. The largest groups of visitors at the Fair were owners of shops and show rooms. A high percentage of visitors were also representative of the online shops.

The Exhibitors presented their offers in 3 Thematic Exhibitions:

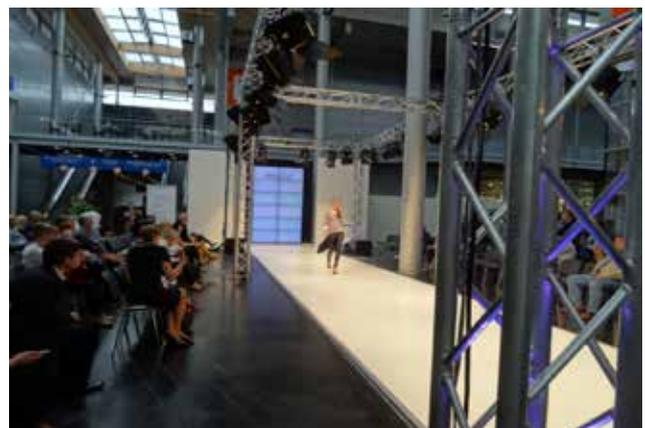
- Next season – Exhibition of Clothing and Accessories – Spring- summer 2015
- Fast Fashion – Exhibition of Clothing and Accessories – Fall- Winter 2014/15.
- BTS Exhibition of Shoes and Leather Goods

Fashion for Polish brands

On the first day of the event during September 2nd 2014, the fair was launched as the “Polish Fashion” project that aimed at promoting domestic manufacturers and designers. During the show, the Polish designers accorded the stands with the “Polish Fashions” signs. The models presented the latest collection of the “Polish Fashion” that involved participants such as Nord, BOCA, Metaphor, Semper, AB Nahlik, Ezuri, Marselini, Lanieri Fashion and Sempre brands. Casual outfits, jewelry created by young designers, elegant dresses and unique shoes for men were all presented at the time of catwalk.

Italian Temporary Store

A novelty of the nearest edition of Poznan Fashion Fair was the Italian Temporary Store - a three-day shop offering clothing and accessories of leading brands straight from sunny Italy. During the fair, Italian exhibitors, apart from traditional expositions, arranged a temporary store of an international dimension for trad-



The Fashion Show

ers and wholesalers from the clothing, footwear and leather industry. It was a unique chance for the visitors to enjoy their shopping in a great atmosphere and use the opportunity to test or demonstrate their products to their clients without the necessity of making large orders.

Contemporary events

The fair comprised of a series of events such as Seminars, Workshops and presentation sessions on important topics of trade negotiations. Spectacular fashion shows were also conducted at the Fair venue, presenting latest collections of the young designers. Their latest collections were exhibited as part of the YOUNG FASHION FOR SALE project the author's Fashion shows and Show Rooms. Creative Solutions, high quality materials and approach to Designs were key features distinguished the project participants. Presentation of trends on the catwalk was one of high lights of Poznan Fair. Appropriate business meetings were also organized.

The award ceremony was held during the business evening of the Poznan Fair. During the ceremony, the visitors also had an opportunity to see the winners of MTP Gold medal of the Exhibition of Shoes and Leather goods.

On the second day of the event, the Polish Fashion Academy presented the most prestigious awards such as the Silver Loop, Gold Loop and the fashion designer 2014 for the participating products and designers.

| | |
|-----------------------|--|
| Silver Loop | Most desired award for a young designer. |
| Gold Loop | Awarded to products in leather industry that those are distinguished by the originality of solutions, aesthetics, functionality and quality. |
| Fashion Designer 2014 | Honored to a good qualified and fashionable designer |

Council's participation in BTS Fair of Shoes, Leather & Leather Products (Poznan Fair) 2-4th Sep 2014

The Council has organized for the participation of member- exporters in the leather trade event of Poland. The main objective of this participation was to facilitate the exporters of Leather and Leather Products to establish necessary business contacts with leather entrepreneurs from Poland as well as from other European Countries.

Fair venue

Poznan Fair for Shoes and Leather Goods was held in Poznan Fair grounds, Poznan, Poland.

Display Profile

The display product profile in the Poznan Fair of Shows are given below:

1. Men's, Women's , Children's and

Teenagers Footwear, Protective & Working Footwear – Footwear

2. Ladies Hand Bags, Wallets, Purses, Leather Garments, Suitcases & Travel Bags.- Leather Goods.

3. Leathers and Eco –friendly Leather (Chrome free), Machines. Purse Makers Accessories, Materials and Machines, Shoes components and accessories - Tec

Product Group

CLE India Pavilion

As per approved market promotion activity for 2014-15 by Department of Commerce, Ministry of Commerce & Industry, the Council participated in the Poznan Fair for Shoes , Leather and Leather Goods Fair. The CLE India Pavilion was set up in a total area of 150 square meters. A total of 11 Member Exporters of the Council participated in the CLE India Pavilion.

| SI No | Name of the Company | Location | Details of the item |
|-------|---------------------------|-----------|---|
| 1 | Aditi Expotrade Pvt Ltd | New Delhi | Garments & Accessories |
| 2 | Aress International | Delhi | Leather Garments & Bags |
| 3 | Core Fashion Inc | Dehradun | Leather Footwear |
| 4 | Farida Leather Company | Chennai | Finished Leather & Garments |
| 5 | International Corporation | Chennai | Finished Leather in cow, Buff, Goat & Sheep |
| 6 | Mani Associates | Thane | Sandals. |
| 7 | Pioneer Leder Tex Pvt Ltd | Chennai | Finished Leather |
| 8 | Ravi Overseas, Indore | Kanpur | Leather Toys, Belts & Purses |
| 9 | Transworld Shoes Pvt Ltd | Agra | Leather Shoes |
| 10 | Unicon India | Delhi | Leather Bags, Wallets & Belts |
| 11 | Wallets Plus | Kolkata | Leather Handbags & Wallets |

Apart from the above, M/s Regency Impex, Delhi also had participated directly in the Fair.

The CLE information Booth was set up in 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.

Mrs S. Poonguzhali, Export Promotion officer had coordinated the Council's participation of Member Exporters in the BTS Fair of Shoes, Leather and Leather Goods Fair, Sep 2014 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.

A few snaps of CLE India Pavilion.





Business visitor collecting the publicity and Promotion materials at the CLE stand



Mrs S. Poonguzhali, EPO CLE, with Ms. Paulina. Pietrzak, Director of M/s. Poznan International Fair Ltd. - Fair Organizer.

Outcome of the Fair

The Fair served to be a platform to represent various accessories such as textile apparels, scarves, hats, belts, leather garments, fashion jewelry and leather goods etc.

The Fair was opened for Business visitors from 9 A.M to 5. P.M.

On the first day, the overall footfall of business visitors was good. There were several business visitors to CLE India Pavilion, mainly for Leather shoes/ boots and garments etc.

The Polish economy has also grown faster than that of the EU, by 49% since 2003, while the average figure for the rest of the Union is only 11%. The zloty currency weakened slightly on news of the appointment, then recouped its losses. It was generally informed by the business visitors that the economy of the Poland is gradually recouping after the Global Economic crisis.

Poland, being the largest country in Central and Eastern Europe, is the eastern gateway to the EU, there are business opportunities for export of Leather garments, leather goods and Leather shoes to these countries from India.

According to the participants, Business visitors had general enquires about the products and its prices along with some interest for sourcing. The participant Profile booklets were also distributed at the Registration desk for their information about Indian companies and visitors.

An Importer from Romania visited the CLE stand and was interested in sourcing of Leather goods. Accordingly, the information about Leather goods manufacturers was provided for direct contact with concerned companies. There were also 5 visitors from Poland who visited the CLE Information Booth. Out of the 5 visitors, 2 visitors informed that they were interested to source Leather Goods, Leather Footwear and Leather Garments through online business.

Overall the visitor ship on the first day was good.

On the Day 2 of the Fair also the overall footfall of the visitors to Fair was good. Good weather in Poznan resulted in more number of businesses as expected by the Organizers/Participants. There were several Business visitors to participants in

the CLE Pavilion. According to the participants, the Business visitors had general enquires about the Products and prices and shown some interest of sourcing.

Some of the buyers from France, Spain and Netherlands were new to Indian Market, also showed their interests to source Leather Garments and Leather Footwear. Importers from Russia and China also visited the CLE participants stand and they were interested in sourcing of Eco friendly Leather (Chrome free) and Eco Garment Suede. There were two Fashion Designers from Poland visited CLE participants stand who were interested to source Leather garments and Leather goods.

On the third day of the fair, there were business visitors from the local surrounding areas of Poland. The representative from Local Magazine also visited the CLE information booth and ascertained the details of Indian exporters for providing an advertisement support for publication of the exporters products in the local magazine of Poland. The Fair concluded at 3.00 Pm on the last day.

An overview of BTS fair venue:



Feedback of the Participants

As per the feed back 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 49 business meetings. The participants anticipate their future business possibilities to be worth Euro 11,53,000. The CLE India Pavilion thus had a very positive outcome from the participation in the BTS Fair of Shoes, Leather and Leather Goods, Poznan, Sep 2014.

Many participating visitors from countries such as Romania, France, UK, Poland, Austria, Germany, Italy and Russia have visited and collected the materials displayed at the CLE information booth. Some of the buyers who were new to the Indian market were also interested to visit India if their visits were to be sponsored by Council during IILF and ILGF. The publicity posters that were displayed at

the CLE information stand were of noteworthy to many visitors

Business Enquires were predominantly for various type of Footwear and Leather goods. Participants were hopeful for materializing such future orders in future and would continue the business contacts with interested importers.

Since the CLE pavilion and Exhibitors pavilions were located at the end of the Pavilion 7, it was opined that all the Indian Exhibitors and CLE Pavilion could be located at the entrance of the Hall 7. This will help in attracting more number of business visitors to CLE India Pavilion.

Many of the participants expressed to take part in future editions of this Poznan Fair. However, they opined that, the Fair organizers should be suggested to undertake more aggressive campaign in various magazine / media towards overall publicity of the Poznan Fashion Fair thereby promoting visitor-ship to this fair

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 India Polish Chamber of commerce will provide unique support and perspective on Poland, thereby facilitate dynamic relationship with India.

Moreover, the World Trade Center 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 and therefore the Council would be participating in next edition of BTS Fair of shoes & Leather products which would take place in the month of Feb /Sep 2015. The CLE participation will be organized under MDA of Department of Commerce & Industry.

