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Road Show to promote the Indian Leather Industry at LINEAPELLE, SIMAC - TANNING TECH, Bologna, Italy, Oct. 13-15, 2009

Report by Mr Ali Ahmed Khan, Executive Director, Council for Leather Exports

▶ National Association of Italian Manufacturers of Footwear, Leather Goods & Tannery Machines and Accessories (ASSOMAC) organizing a bi-annual Event namely SIMAC-TANNING TECH – International Exhibitions of Machines and Technologies for footwear, leather goods and tanning industry. This Event takes place in Bologna, which is one of the important Italian clusters for the leather industry. LINEAPELLE is the most important international exhibition dedicated to leather, accessories, components, synthetics and models for footwear, leather goods, garments and furniture. This Fair is held in Bologna, concurrently with SIMAC – TANNING TECH. ASSOMAC has proposed to the Council to conduct a promotion for Indian leather industry in the Bologna Event during Oct 13-15, 2009 so as to present the Indian Leather Industry and its production systems to the Italian manufacturers of machinery required for the leather and leather product industry. For this purpose, ASSOMAC has provided space to the Council to put up the 'India Information Booth'. This measure is aimed towards exploring collaborative arrangements between India and Italy which is very vital to the leather industries of both the countries. In this background, the Council conducted a Road Show in Bologna by having an 'Information Booth' in the SIMAC Tanning Tech Event and also interacted with Italian companies, trade visitors and industry Associations in Italy.

Mr. Ali Ahmed Khan, Executive Director of the Council for Leather Exports attended the Simac Tanning Tech during Oct 13-15, 2009. The Council's Information Booth was in Hall 34–Stand F14. The CLE Stand had display of brochures of Indian leather industry, the Council's in-house magazine Leathers, Directory of Members of CLE, Pamphlets, DILF Brochure, IILF Brochure, and Brochure on Investment opportunities etc, and all these publicity materials were distributed to the trade visitors. There were several inquiries on the Indian leather industry, and these were promptly attended to. Mr. Ali Ahmed Khan visited the Lineapelle and interacted with Italian exhibitors and trade visitors, and during such interactions, opportunity potential available to the Italian companies in the Indian leather industry was explained including the huge domestic market for footwear and leather goods & accessories in India.

LINEAPELLE

Lineapelle Fair launched in 1981 became the most important international exhibition of leather and accessories, components, synthetics for footwear, leather goods, garment and furniture. The Event takes place twice a year, in March for the summer and October for the winter collections,

both times in the Exhibition Centre in Bologna. The Event showcases the high quality Italian leather which makes it integral to the world leather trade, more than 30,000 companies generate an excess of US \$ 100 billion each year. At LINEAPELLE, around 1200 companies from over 50 countries participate and/or visits.



The Exhibition has also been adapted to diversity its offerings through more 'niche' events; Trend selections in New York and London, Anteprema in Milan and Lineapelle Asia, China. The sectors which gets admitted to the Lineapelle are Tanners, Accessories, Components, Synthetics, Textiles etc and the collected exhibited are addressed to the markets of garments / gloves, footwear, leather goods, furniture and car interior decoration.

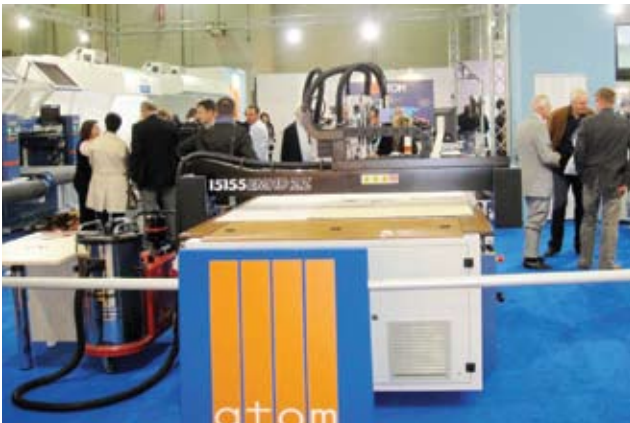


Mr. Ali Ahmed Khan, Executive Director - CLE, interacting with Mr. Luca Boltra, representative of Lineapelle in the CLE Information Booth.

SIMAC

SIMAC is the International Exhibition of Machines and Technologies for footwear and leather goods industries.

A view of the machinery stands



The Event is organized by ASSOMAC. SIMAC is the exhibition meant for footwear and leather goods machinery manufacturers. SIMAC attracts footwear and leather goods manufacturers from all over the world who have the possibility of seeing machineries required for production. Latest machinery with advanced technologies was presented in the SIMAC.

TANNING TECH

Tanning Tech is the International Exhibition of machines and technologies for tanning industry. The Event is organized by ASSOMAC. Tanning Tech exhibition showcases the chemicals and technology of leather processing. Tanning Tech Halls have the most innovative technological proposals, the areas housing the great multinationals of chemistry propose the optimal solutions for a very high quality and, at the same time, eco-friendly tanning activity

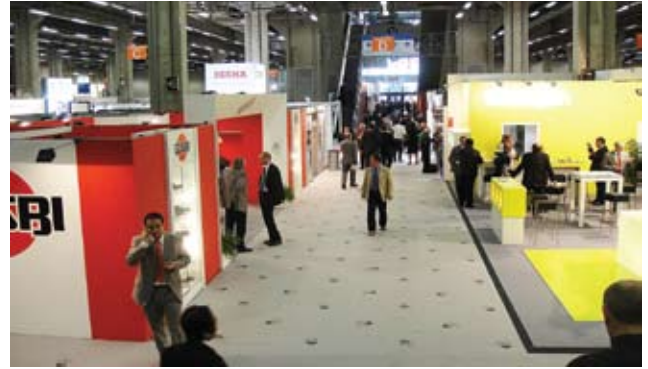


Another machinery stand

1135 exhibitors at LINEAPELLE

Tanneries 577 + Accessories components 431 + synthetics 104 + models/schools 13 + others 10

The 77th Edition of LINEAPELLE, presented the collections for the Autumn/Winter 2010/2011 season, has attracted 1,135 exhibitors, 788 Italians and 346 foreigners, coming from 47 countries, all spread out over a surface area of 42000 square meters of space.



A view of the Exhibition Hall

According to the Fair Organizer, the exhibition is being held at a time when the situation is still uncertain, but there are, however, a few signs of improvement. In 2008, the overall turnover within LINEAPELLE sectors was in excess of €11 billion, and exports (which accounted for approximately 66%) brought in €7 billion.



Mr. Ali Ahmed Khan, Executive Director-CLE, visiting the Lineapelle

The focus of the companies involved is on creativity, quality and their customer service skills. LINEAPELLE was confirmed as being the most important industry-based event, so emphasizing Italy's central role within the leather trade on the international market.

TRENDS - LINEAPELLE

The stylistic route for this AUTUMN / WINTER (2010 /2011) is well mapped out.

Leather. Elegance and a wealth of content, very little excess and zero patent. The colours are warm and full bodied. With a complete ban on anything kitsch. The time has come for chamois and nubuk. Laminating and glazing are holding on in there, but only in solutions that are capable of enriching, without drawing the attention away from the intrinsic value of the material. The vintage look is flourishing and has been transformed into a longing for antiquity: like a type of

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metal, noble or otherwise, which amid rust and oxidization, shows its true age. The latest keyword for the Winter season is: "metallising". But that is not all. Having a sense of the past also means re-creating slightly retro styles, which are expressed on leather through patterns and geometries that have been 'borrowed' from '50s & 60s fabrics, with inlays and optical micro-embossing. A niche within a niche: a return, albeit restyled and corrected, and applied to exotic skins and parchment, to transparency.

It's not just the look that counts nowadays, it is also the way in which a material has been treated to create a certain effect and give an explanation for a certain form of inspiration. 'all free' tanning agents are back in the spotlight, created using processes that are free from any chemical tanning agents: the latest "in-thing" is not just how an item looks, but also – especially in certain cases – its production identity. It is the victory of sound creativity over fashion's disposable temptation.

Components and accessories. Thick soles, though there is still a positive trend for plateaux and very high heels. In most cases, the shapes are rounded even so, styles now seem to be veering towards more tapered shapes. The shapes of the heels are narrower, not heavy aimed at lowering the height. The hardware is made mainly out of metal but it is still big in size, with clean, geometric, proportionate shapes, and no sharp corners. A mix of leather and metal. Resin and plastic, with a metallic effect

The Trend Area, set up in the Quadrilateral zone, included a selection of materials from around 200 Exhibitors, which sum up all the different styles and colours.

Some of the reasons why the Lineapelle is important to the trade visitors are: it is world's greatest exhibition for the leather sector and leading operators are present at Lineapelle; the exhibits include the products that will be successful in the coming season; initiatives, lectures and courses like young designers' competition, trend areas etc; to improve their dialogue and collaboration with their suppliers, meet new suppliers, to see the fashion, quality, technology, research etc. Lineapelle gives an opportunity to the Exhibitors to present their collections to the world's leather industry, meet Buyers, Designers and fashion researchers, analyze the market, colour forecasts, have dialogue with customers.

Leather goods and footwear industries around the world, no country excluded, have been hit seriously by the repercussions of the international economic recession in an extremely difficult 2009. The sharp drop in the sales of leather products on the major markets in the West, the United States and Europe in particular, has had a devastating effect on industries in all manufacturing countries. This situation has, of course, had an impact on all the Trade Fairs, those of the supplying industries - machinery, components, accessories, chemical products etc and finished-product ones, held this year on all continents. According to the press release, SIMAC & TANNING TECH 2009 recognized as the world's two leading events for footwear, leather goods and tanning industry machinery and technology, will necessarily be caught up in the current economic downturn, one of the

consequences of which has been the freezing of technological investment on the part of all manufacturers. Despite the difficulties of the moment, SIMAC & TANNING-TECH exhibitors want to defy the recession and, once again this year, presented their latest technological solutions to their international clientele. On the one hand, leather processing and manufacture of footwear and leather goods, i.e. modern, reliable and eco-friendly machinery, systems and products that can execute highly complex and delicate processes. On the other, technology that guarantees clients safe in-line machinery and products/systems that are always in perfect working order, at all times and anywhere in the world. Tanning fine hides and manufacturing first-class shoes and leather goods require advanced technology that guarantees great process, production efficiency control and repeated and consistent quality which is what the markets demand. SIMAC & TANNINGTECH provided the perfect rendezvous where footwear, leather goods and tanning machinery and technology suppliers and tanning product manufacturers met footwear and leather goods manufacturers and tanners from all over the world in search of the opportunities that a serious international recession such as the current one can offer.

During the LINEAPELLE, Mr. Ali Ahmed Khan, Executive Director-CLE met Italian Tanning Industry Association (UNIC) and interacted with Ms. Fulvia Bacchi. Ms. Fulvia Bacchi explained the activities of UNIC to protect the interest of the member companies and help to further innovation and increase their social, economical and environmental value and towards this UNIC renders services to its members on diverse fields i.e., economic, labour, environmental responsibility and promotion. UNIC works closely with the administrations of Italy's most important leather producing areas. This is done as to improve a company's relationship with its geographical location by improving its social networks, thus nurturing competitiveness whilst retaining a localized characteristic. Mr. Ali Ahmed Khan presented the Indian tanning industry and several technology advancements taken place in the leather processing with adherence to the environmental regulations. The tanning industry's initiatives towards installing zero liquid discharge technology in Effluent Treatment Plants and presence of the world renowned technical institution Central Leather Research Institute were also explained. After detailed deliberations, it was in principle agreed to increase the cooperation level between the UNIC and CLE by way of having frequent interactions, visit of trade delegation from both sides and participation in the Trade Fairs of both countries to increase trade and joint venture collaborations for mutual benefit.

A meeting was also held with LINEAPELLE. During the interaction with Mr. Luca Boltri, Lineapelle called upon the Council as a representative of the Indian leather industry and being a Government of India organization, to be present in the Lineapelle event regularly to meet the Italian trade bodies for dialogue on various issues concerning the leather industry, particularly since all the stakeholders will be available

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in one place itself, thus presenting with opportunities for live interaction.

The Council had a meeting with ASSOMAC, which was represented by Mr. Giulio Tandura, President and Mr. Mario Pucci, International Relations Manager. The manufacturing units in the Indian leather industry have been using the machinery imported from the Italy, and as such in all these years, Italy is the major supplier of state-of-the-art machinery & equipment to the Indian leather companies. This fact was reiterated in the meeting, and it was decided that ASSOMAC and CLE will have frequent interaction to discuss ways and means to further increase the cooperation.

In nutshell, the Road Show enabled the Council to meet the various stakeholders in the Lineapelle, Simac Tanning Tech Fair, and had detailed discussions with several organizations including UNIC, LINEAPELLE & ASSOMAC. In view of the positive response obtained by way of live interactions with exhibitors, trade visitors and organizations, the Council would make it a regular agenda to visit the Lineapelle Fair and promote the institution-to-institution level cooperation between CLE and Italian Leather organizations, and also promote the Indian Leather Industry in the Lineapelle Fair with trade visitors.



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LEATHER CLUSTERS IN ITALY

LOMBARDY

▶ This region comprises of the municipalities of Tubigo, Castano Primo and Robecchetto / Induno. The area has a strong industrial tradition, linked especially with the textiles and tanning industries. Though the area has undergone a quite major restructuration over the last twenty years there remains a high output of excellent products.

VENETO

The 130 km² of the valley of Chiampo hosts a concentration of tanneries which makes it one of the most important areas in Europe for the tanning industry. The tanning companies span over the entire valley, from Chiampo to Crespadoro and from Montorso to Zermeghedo and Montecchio Maggiore. In this area, where the tanneries boast age-old methods, the industry drives the economy and has given life to now prospering companies which have access to the latest technology to compliment their traditional methods.

The earliest recorded reference to tanning in Veneto was in 1300. There was however a long period of growth for the cotton mills and those breeding silk worms, and only in 1885 (as shown in documentation found in Milan. Vienna and France) does there come a rise in the importance of the tanning industry in Vicenza. Since then there have been around twenty tanneries, concentrated mostly in the area of Bassano delGrappa. The region was especially known for so called 'white tanning', that is the treatment of small hides dyed with iron salts. However, the real growth of the leather industry in the area first came in Arzignano and was seen only after the First World War. The end of the warsignalled an increase in competition from Asia and the development of synthetic fibres which put the industry close to crisis and pushed a restructuration of the industry. Veneto's position gives ready access to water, something essential in the tanning process and being in the north of Italy, links with western and northern Europe are easier. Additionally, the availability of ready and willing manpower meant the region would provide an ideal opportunity for industry growth.

TUSCANY

The main concentration of tanneries in Tuscany lies in the districts of San Croce sull'Arno, Bientina, Castelfranco di Sotto, Montopoli Val d'Arno, San Miniato, Santa Maria a Monte (Pisa) and Fucecchio (Florence)

Historical records show that tanning did not begin in the region until the middle of the 18th Century and though a characteristic of the goods produced in the region is their quthenticity, derived from traditional methods. Consistent development was late to come and it was not until the 1950s with the decline in the importance of agriculture, that tanning became as important to the region as it is today. Today Tuscany is home to a group of tanneries which have becomeintegrated both vertically and horizontally. The productive model is characterized by a structure of small and medium sized companies which are integrated with third party specialists involved in the various stages of production for the footwear industry, namely; heels, soles and uppers. To the benefit of the district, over recent years, many related industries have also grown in the region, including those producing tanning chemicals, mechanical equipment and clothing manufacturers. This localization of the production line has helped companies to reduce costs and expand which has, in turn, created many jobs for the area.

CAMPANIA

The region of Campania comprises Arzano, Casandrino, Casoria (Naples), Solofra and Montoro (both inferiore and Superiore) and Serino (Avellino).

The dynamics of the region's tanneries are more complex. Production is principally carried out by small companies. There is a high level of both splinter and merged companies and also a high rate of company openings and closures. They specialize in the treatement of (usually) small goat and sheep skins which contribute 40% of the total national production. Once limited to providing leather for the garment industry,k more recently the tanneries in Campania have begun to provide more matiral for the shoe industry.

The raw materials which come into this area are imported mainly from Africa and the Middle East, though in recent years many of the countries in these regions have developed their own tanning methods which have had repercussions on the industry in Solofra. The tradition of tanning in this area reaches back to the Bronze age but despite having ancient roots its specializations developed only after the Second World War. More than half of the produce from this region is exported overseas.

Source: UNIC – Italian Tanning Industry Association

