

102nd MIPEL, The Bag Show, September 16-19, 2012, Rho, Milan, Italy

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Italian Leather Goods Industry –Domestic Sales, Export-Import Trade in 2012 (upto May)- An overview

As per the Economic Situation Report published by AIMPES on Leather Goods and Accessories Industry for the year 2012 (upto May'12) confirms that the domestic demand for leather goods has dropped by about 6%. The Italy leather goods and accessories segment continues to hold a strong threshold in export market as the exports have gone up by about 25% during the same period. Italian leather goods & accessories domestic sales alone accounted for Euro 2.2 bn during 2011. The current year trend predicts that there would be sharp decline in Domestic Consumption since the half year figure ending June 2012 registered negative growth by about 6% and consumption in value accounted at Euro 755mn which nearly 5% less when compared to the same period last year. Domestic sale of Small leather items dropped by 13 % in quantity and 11% in value followed by Handbags 6.4% in quantity and 8.4% in value.

Whereas the Export of leather goods during 2012 (upto May 12) accounted for above Euro 2.00bn and thereby registered a positive growth by 25% in value and 20.4% in quantities when compared to same period last year with more demand for real leather products that synthetic material. The healthy pace of exports predominately increased by handbags export sales which alone accounted for E1.3 bn out of Euro 2.00 bn total sales. Export increased in handbags by nearly 32% in real leather and made of synthetic products by 11%.

The total value of import of leather goods and accessories during 2012 (upto May 2012) decreased by 21% accounting for a total import of Euro 814m.

India-Italy leather goods and accessories trade-An overview

India's export of leather and leather products has grown at a CAGR of 8.22% over the last 5 years and India's export of leather goods and accessories has also grown at a CAGR of 7.97%. Considering the positive growth rate, it is event the Global demand for leather and leather products has been increasing continuously over the years.

Italy is the 4th largest importer of leather & leather products in global leather trade with total imports of about US\$ 9174.25 Million (2010). Italy has a strong traditional trade relationship with India in Leather sector.

Italy is the third largest importer of Indian leather and leather products, accounting for 10.85% of its export share during 2011-12. India's export of leather goods and accessories to Italy has been increasing during last 5 years and reached US\$66.99 million. But India's Share in Italy's global import of leather goods and accessories accounts for about 6% and thus there is considerable scope to further enhance our

exports and markets share. Italy's total import of leather and leather products growing at a CAGR of 5.03%. Italy's import of leather goods growing at a CAGR of 5.70%.

Italy is the seventh largest importer of leather goods and accessories in the world with total imports to the tune of US.821.88 million, accounting for a share of 4.83% in the global imports of leather goods and accessories valued at US\$.17017.35 million (2010).

India's export of leather goods and accessories to Italy increased from US\$ 50.76 million in 2006 to US\$ 66.91 million in 2011-12. Also India's share in Italy's total import of leather goods & accessories is about 6%. only. Hence there is enormous scope for Indian leather products sector to further increase exports of leather goods & accessories to Italy.

Message from Giorgio Cannara, President of AIMPES MIPEL at the conclusion of MIPEL event:-

Foreign buyers at MIPEL included, first and foremost, those from Japan, China and Russia. "The growing interest from these countries is a good sign," said Giorgio Cannara, President of Aimpes MIPEL, "because it indicates that people there, who increasingly insist on the very highest standards, are looking to MIPEL to find the products that best meet their requirements – once again confirming the high quality of the collections exhibited at our Milan show." There was also a considerable contingent from the Ukraine, a country of increasing importance as an export market for deluxe leather goods. Western Europe, on the other hand, continues to make a poor showing, especially the number of visitors from Spain and Germany. Group

Participation in MIPEL by CLE with funding support under MAIS of DOC.

The Council has been regularly participating in the MIPEL, The Bag Show since September 2002 under MDA scheme. Considering the increased number of exhibitors from mere 5 to beyond 30 in number in previous years and also keeping in view very high cost of participation fee charged by the organizer, the Council has sought grant has MAI scheme of the Department of Commerce since September 2009 and DOC was very considerative to provide grant under MAI scheme which really helped the MSME segment exports to participate in this important exhibition in large number as MIPEL plays as a Gateway to European Market. The CLE India pavilion was organized with participation of 32 members in an area of 408 sq. mtrs in the Overseas Sector.

CLE's Information Stand and Publicity Banners at MIPEL

In the CLE's information stand Publicity and promotional materials such as Leather News India, Finesse The Fashion Brochure, Members Directory and MIPEL participants

profile booklet etc were distributed to the trade visitors. Around 65 business visitors visited the Council's information stand from important and potential countries and collected the publicity and promotional materials.

Business Generated and Members Feedback

As per the feed back provided by the participants 477 business visitors had meeting with group participants of CLE and firm orders worth 0.51 mn and future order expected from these visitors is estimated at USD 2.13 mn based on the indication given them.

Conclusion:

The Council organized group participation of 32 members for the 7th consecutive time at 102nd MIPEL with substantial funding assistance under MAI scheme of Department of Commerce, Ministry of Commerce & Industry, Government of India. MAI funding support helped the MSME exporters participation in such an important fair and showcase their products to European market. Indian exporters could also able to show case the current developments and rapid strides made by Indian leather products sector. The 103rd edition of MIPEL will be organized by AIMPES at Fiera Milano during March 3-6, 2013 (between Sunday and Wednesday).

A FEW SNAPS OF CLE INDIA PAVILION



Mr. P.R.Aqeel Ahmed, Regional Chairman-South in CLE information stand discussion with Sanjay Kumar Regional Director & Mr.M.J.Jamal Md. Mohideen, Assistant Director.



Business visitor at a member's stall looking at the products



A business visitor receiving promotional material from CLE information booth from Mr.Roop Kumar Mishra, AEPO and Mr.M.J.Jamal Md. Mohideen, Assistant Director



Business visitor at a member's stall looking at the products



Another Business visitor at a member's stall during business meeting



Business in progress