

EXPO RIVA SCHUH FAIR

GARDA, ITALY -12-15th January,2013

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▶ The Expo Riva Schuh, is one of the largest trade fairs in the world, founded in 1973. The show is held twice in a year, separately in spring and autumn. The 79th edition of Expo Riva Schuh was held from 12-15th January 2013 at the Riva del Garda Exposition Centre. The June '12 edition of fair had attracted 10,686 visitors from all over the world. Expo Riva Schuh has currently become an exhibition with the highest number of foreign exhibitors and visitors, which endorses its leadership as a global exhibition. In spite of the international crisis, especially in Europe, the number of foreign countries represented at Expo Riva del Garda continues to increase. Participants from countries belong to the emerging economies like BRIC (Brazil, Russia, India and China) countries have also positioned themselves in the international market through continuous participations in all editions of the fair. 878 overseas exhibitors had showcased their products out of total 1214 exhibitors, with new entries from Mexico, Albania and Lithuania.

People attend the trade fair in Riva del Garda and their interest.

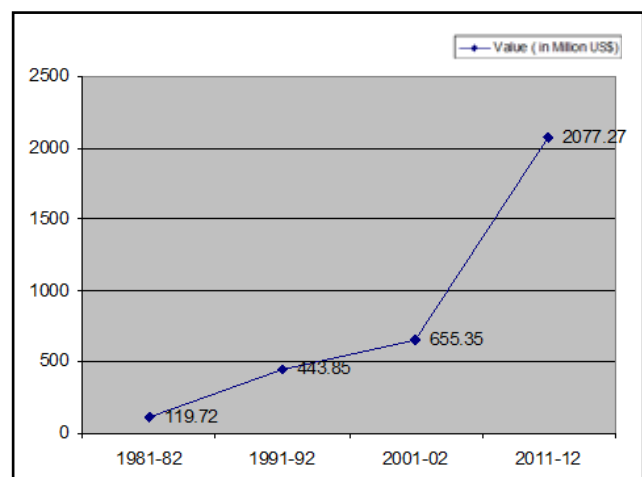
Amongst the most interesting revelations of O.V.E.R.S. (Observatory of Visitors to Expo Riva Schuh) which analysed 2,077 on-line questionnaires just for June 2012 edition (equivalent to approximately 4,426 visitors), is that the capacity of event has increased to attract visitors from the most distant countries. Even though the June edition shows that 80% of the visiting companies came from European countries, there was also a huge growth in visitors from outside the European Union. Particularly, Canada is the first country outside European Union, which had demonstrated an increase in terms of on-lined accreditation, and also the United States, the fourth non-E.U. nation in the June 2012 edition. The wholesale distributors of North America represent 58% of visitors to Expo Riva Schuh Fair. Over the years, apart from the traditional attendees, the exhibition has been able to attract audience from different countries across the world. For example, a new group of importers, who are specialised in garments or leather goods, discovered Expo Riva Schuh as an ideal platform to resource footwear requirements, aiming to integrate their own lines with lower-price product, which could be impossible to produce in Western Europe due to higher cost of production. To be more competitive in market place, it is not just shifting location, but researching more on outsourcing some parts of the products outside the domestic market, where these would be available at a cheaper price without any compromise in quality. For example, 45% of European producers (including Western Europe) make some parts of their in Italy and rest they outsource from other countries.

Global Scenario, European Union and Market for Indian Footwear

The global import of Footwear (both leather and non-leather footwear) has increased from US\$ 73.79 billion in 2006 to US\$ 91.37 billion in 2010, growing at a CAGR of 5.48%. During 2010, the India's share in global imports is 1.95%. Footwear is the growth engine of Indian leather industry. India's Footwear export of footwear touched US\$ 2077.27 million in 2011-12, accounting for a share of 42.67% in India's total exports from the leather sector of US\$ 4868.71 million. India's footwear export of leather footwear has increased from US\$ 1174.03 million in 2007-08 to US\$ 1715.17 million in 2011-12. Further India's export of footwear components as well as non-leather footwear has increased from US\$ 269.30 million in 2007-08 to US\$ 281.83 million in 2011-12 and US\$ 46.02 million in 2007-08 to 80.27 million in 2011-12, respectively.

Export of footwear from India increased manifold over the last four decades. During 2011-12 India's footwear export is valued at US\$ 2077.27, constituting 42.67% share in total export of leather and leather products.

Growth of Indian Footwear Exports in last four decades



During 2010-11, the main markets for Indian Footwear are U.K. with a share of 19.16%, Germany 16.15%, Italy 12.26%, U.S.A 8.04%, France 8.93%, Spain 6.45%, Netherlands 4.51%, Portugal 1.41%, U.A.E 2.45% and Denmark 0.97%. These 10 countries together account for 80.53% share in India's total footwear export.

Nearly 90% of India's export of footwear goes to European Countries and the U.S.A. The European Union and US are major consumers for Indian footwear.

Current Scenario of Footwear Industry in Italy, Portugal and others

The latest survey conducted by ANCI, the trade association of the Italian footwear industry, has confirmed that the situation among its members is raising concerns because of a decline in European production and domestic consumption, accompanied by a slowdown in the growth of exports and an increase in the number of companies complaining about liquidity problems and late payments by their customers.

Italy's shoe production, which started rising again in 2009, is declining now. Based on the results of its survey, ANCI has determined that Italy's footwear preproduction registered a 4.8 percent drop in volume for the first nine months of 2012, despite of increase in average price up to 2.4 percent in domestic and 3.3 percent on export markets estimated industry turnover dropped by 2.1 percent, in value terms.

According to the latest available trade statistics, the Italian Footwear industry exported a total 152.5 million pairs of shoes in the eight months between January and August 2012, about 12.6 million pairs less than the corresponding period in 2011. Although growth rate has been gradually in declining from one quarter to the next. export sales continued to rise in value terms due to rise in average prices. A year-on-year improvement of 5.7 percent in the first quarter was followed by a 3.8 percent increase in the second quarter by a modest 1.4 percent in July and August. Preliminary data suggest that there was a decline in export value in September.

The markets of the European Union, where seven out of 10 pairs of Italian shoes are exported every year, were most affected by the economic crisis in the first eight months of 2012, with declines of 12.5 percent in volumes and 4.7 percent in value compared with the January-August period of 2011. For Germany, Netherland, and Austria, the negative trends ranged between 15 percent and 20 percent in volume and between 8 percent and 10 percent in value Double-digit drops were experienced in both volumes and value for Spain, Poland and Greece.

Outside Europe, the results were much more satisfactory, with exports to Russia rising by 17.1 percent in value and by 11.2 percent in volume. The growth was particularly remarkable in case of Kazakhstan, with Italy's exports to that country by 30 percent in value. The growth in Italy's exports to Ukraine slowed down but still registered an increase of 6.7 percent in value and 0.2 percent in volume.

Exports to the Far East marked an overall 28.4 percent increase in value. Sales in Japan, Hong Kong, China and South Korea grew by 16.5 percent, 26.5 percent, 60 percent and 36 percent, respectively. The "China+Hong Kong" aggregate absorbed a total turnover of EURO 252 million, representing Italy's seventh largest market. In the Middle East, exports rose by 16.7 percent in value, with increases of 16.3 percent in United Arab Emirates and 25 percent in Saudi Arabia.

The good result in these regions were driven by the joint efforts of individual companies and a number of promotional initiatives by Anci, backed by the Italian government and ICE, Italy's foreign trade institute. The year 2013 will be marked by the first edition of Micam in Shanghai in April.

Meanwhile, the first nine months of 2012 were characterised by a sharp decline in Italians' expenditures on footwear, after four years of stagnation. According to the fashion consumer panel of Sita Research, Italy's domestic shoe consumption suffered estimated decreases of 3.8 percent in volume and 4.2 percent in value during the period. The women's shoe segment, in particular, registered an estimated drop of 5 percent in both volume and value, with low-cut women's walking shoes down by 10 percent. Sales of children's and junior shoes also registered a negative performance on the domestic market, going down by 5.4 percent in value. These segments are less sensitive to cyclical phases.

Italy's shoe imports also decreased, helping to improve country's trade balance in the sector. In the first eight months of 2011, this fell by 13.1 percent in volume, down to 225.5 million pairs and decline by 3.8 percent in value with a rise in average prices of 10.8 percent.

For the coming months, the outlook for the Italian footwear sector is unpredictable due to world recession, unstable domestic market, government's austerity programme and forth coming general election. Anci's survey shows that 37 percent of Italian shoemakers are expecting a further drop in production, and 50 percent of them are anticipating less orders from the domestic market in the first of 2013. The outlook is less pessimistic on the export front: 22 percent of respondents expect a general decline in foreign orders in the first half of the year but 41 percent of them are expect stability, and 37 percent remain generally optimistic on this score.

Calling for "a new momentum", Cleto Sagripanti, President of Anci, says that the absolute priority is to reduce taxes on labour. The number of companies active in the shoe sector in Italy remains higher than at the end of 2010, but in the course of 2012, it fell by 3.4 percent to a total of 5,414. The number of their employees declined by 0.8 percent to 80,273.

Portugal's shoe exports grew by 2.0 percent to 54 million pairs in the first nine months of 2012, but after a good second quarter, when they increased by 6.2 percent as compared to the same period of 2011 but its exports was down by 0.6 percent in the third quarter. They reached to a level of EURO 1,224 million for the period in value terms.

APICCAPS (Associação Portuguesa dos Industriais de Calçado, Componentes, Artigos de Pele e seus Sucedâneos) said in its newsletter that exports have been growing in all markets, but outside Europe. Over nine months period, they grown by 31 percent to EURO 19 million in Russia, by 51 percent to EURO 16 million in U.S.A, by 1 percent to EURO 9.5 million in Canada, by 23 percent to EURO 10 million in Japan and by 19 percent to EURO 9.9 million in Angola. Portuguese shoe export is almost stable.

A quarterly survey conducted by Apiccaps shows that the country's shoemakers are expecting an average increase of 5.9 percent in their sales abroad during the fourth quarter, followed by a decline of 9.9 percent in the first quarter of 2013. As opined by Apiccaps, the reason behind this is the weather was colder around the world in the past autumn than in 2011, benefitting the shoe consumption.

The third quarter of 2012 proved to be a little better than previously expected, but a majority of Portuguese

shoemakers have expressed negative feelings about the state of their business for the fourth quarter in a row. Year-on-year, production levels have been declining in the Portuguese shoe industry since the fourth quarter of 2011. The rate of decline reached 5.6 percent in the third quarter of 2012 with a hope for recovery and stabilization in employment levels.

Unlike the Italian shoe industry, the Portuguese shoe industry is least dependent on its relatively small domestic market. The economic crisis of the country led to a big 18 percent drop in its shoe imports during the third quarter.

More than ever, Portuguese shoe manufacturers see their fortune in foreign markets. However, while preparing a new export promotion programme, Apiccaps recommends its members to remain vigilant on their competitors in Spain and other countries on the pricing front. The average price of Portuguese shoes has grown by 20 percent in foreign markets as compared to 2009.

Who made Expo Riva Schuh January 2013 Successful

This edition of Expo Riva Schuh hosted 1,214 exhibitors with 878 of them from abroad over a net total 32,000 square meters of exhibit surface area. As per the press release of Expo Riva Schuh Fair, 12,012 visitors had visited the fair. Both from the exhibitors and the visitors point of view Expo Riva continues to be an international reality with representation from 38 countries in exhibitors side, including entries of new exhibiting countries like Mexico, Lithuania and Albania and nearly 100 countries from the visitors side.

As a regular participant, CLE organized its participation with 70 member-exporters- 66 stands with 1194 sqmts area in the New Indian Pavilion in Hall A3 inaugurated this past June and 4 stands with 57 sqmtr area in Hall B4 where the companies showcased their autumn/winter collections of the footwear.

Apart from 15 direct participants, 28 exhibitors from Agra, 16 exhibitors from Kanpur, 7 exhibitors from Mumbai, 2 exhibitors from Kolkata, 14 exhibitors from New Delhi and 3 exhibitors from Chennai showcased their products through CLE in Hall A3 and C4 of the fair. The Council had also had an Information Booth in the fair.

Member participants in the Indian Pavilion were pleased with co-operation of four CLE representatives during the fair. With display Expo Riva Catalogue, Fair catalogue, leather news magazines etc. presence of CLE's representative and interpreter in CLE's Information Booth the queries of buyers and participants were replied satisfactorily during the fair.

Visitors at CLE Pavilion

Shri N. Shafeeq Ahmed, Vice-Chairman, CLE and Mr. Naresh S. Bhasin, Regional Chairman, CLE (West) visited the CLE's information booth on 14th Jan 2013.

Shri R. Ramesh Kumar, IAS Executive Director, CLE also visited all the stands of Indian participants all the four days and had interaction with the member-exporters. On 12th January, the Executive Director attended the Press Conference of the Fair Authority. He was interviewed by the leading Journalist of renowned fashion magazine Foto Shoe which was published in the second issue of Today Expo Riva Schuh Magazine on 13th January 2013 with heading

The Indian Pavilion "Think Leather, Think India". In his statement ED said he was hopeful that the success of last June will be repeated this time as well and said Europe is the primary market for Indian footwear. Expo Riva is the port of entry for this important Indian shoe market, not only for the business itself but also as a platform for the exchange of knowledge for the investigation of trends and for the monitoring of operator and consumer conduct in our most important foreign market.



Mr R Ramesh Kumar, IAS, Executive Director, CLE being interviewed by journalist



(From Left to Right) Mr Rattan Kumar, AEPO, Mr D K Acharya, Regional Director, Mr. R Ramesh Kumar, IAS, Executive Director, Ms. Suneta Das, AEPO & Mr. P. Dhanasekaran, AEPO in CLE information Booth.





Mr Naresh S Bhasin, Regional Chairman-WR and a Buyer with CLE officials in CLE information Booth.



Mr.R.Ramesh Kumar,Executive Director,CLE is being interviewed by Dr. Piernicola Fascetto of Foto Shoe, Italy in CLE Information Booth

Happy Indian Exhibitors

As per exhibiting Indian Members' feedback, firm orders booked during the fair totalled EURO 12,82,190 and expected business totalled EURO 119,25,915. It is observed that exhibiting members had also bagged orders from prospective buyers in addition to their order from regular buyers,

However, most of the members opined that the orders could increase in manifolds if an approaching sky walk to Hall A3 could be installed by the fair organiser. The issue pertaining to the installation of Sky Walk to Hall A3 had been strongly put forth before fair organiser by CLE through two meeting with them under the leadership of Mr.R.Ramesh Kumar ,Executive Director. A written assurance pertaining to the installation of Sky Walk to Hall A3 had also been sought from fair organiser by the Executive Director of the Council.



(LtoR) Mr. Asad Kamal Iraqi, COA Member; Mr. Javed Iqbal, COA Member; Mr. N. Shafeeq Ahmed, Vice-Chairman (CLE), Mr. R.Ramesh Kumar,Executive Director (CLE) placing demand for installation of Skywalk in India Pavilion in a meeting with Expo Riva Schuh Fair Authority.

Trends ruled Expo Riva Schuh 2013

The trend revealed that the woman's fashion had a touch of strong and shiny metal, spikes, studs and metal buckles add something new to classic styles with no loss of femininity and often showing off a flash of colours .The autumn/ winter 2013-14 collections emphasized on sturdy solid shapes standing on high, often thick, heels, high wedges, rounded or squared toes. With the marks of textures, wear and embellishment of small studs, inserts in fur, straps and zips, the leather played the main role in the woman designer shoes. Further so far as women's boot is concerned both knee high and cut at the ankle design was focused more in the fair.

Similarly winter men's fashion shoes were dominated by leather with vintage and used finishing which characterised both classic and sporty looks with the nonslip bottom. This unusual and decorated men's footwear attracted the younger generation to the maximum extent.

For kids, more protective and comfortable boots in different colours ,capable of protecting them from cold and moisture with all freedom required for outdoor games were on demand during the fair.

What motivated them to visit India Pavilion

By strategic placement of Bill Board opposite the entry point of fair ground ,exhibitors catalogue at the main entrance of the fair ground and again at the entrance to Hall A3,Council for Leather Export had left no stone unturned to attract the visitors to India Pavilion.



Conclusion

As India is the second largest global producer of footwear after China, accounting for 13% of global footwear production of 16 billion pairs and nearly 90% of India's export of footwear goes to European countries and USA, the future of growth of Indian footwear will continue to be market driven. Keeping European market and Indian connection to the Garma Fair with increasing percentage of their participation in view, this fair is to remain in the international fair calendar for future years to come and in the CLE's fair calendar as well.

