



India Leather Days, Offenbach, Germany

November 21-22, 2012

A report by

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PREAMBLE

Germany ranks number one among the European countries in terms of import of leather and leather products from India. Germany is the second largest importer of leather & leather products in the world. India's share being very minimal occupying only 6.02% in Germany's total import of leather and leather products, there was a felt need to go in for wider marketing strategies to tap the market fully.

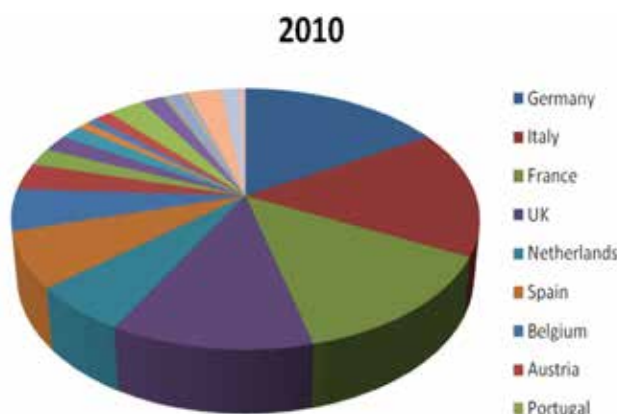
Import of Leather & Leather Products by European Countries

(Value in Million US\$)

Country	2006	2007	2008	2009	2010
Germany	7983.52	8660.26	9445.56	8445.46	9562.34
Italy	8637.91	9709.27	9682.16	7741.88	9174.29
France	6539.69	7645.41	8122.81	7302.41	7935.54
UK	6257.00	6863.68	6823.63	6000.83	6877.27
Netherlands	2491.80	2898.72	3234.96	3012.02	3368.44
Spain	3264.42	3825.04	4369.92	3498.66	4008.05
Belgium	2500.08	3038.18	3461.45	3047.76	2996.29
Austria	1639.87	1830.95	2060.02	1806.35	1932.74
Portugal	955.64	1205.75	1261.82	960.89	1255.89
Denmark	1137.64	1319.48	1424.83	1098.89	1204.93
Sweden	873.45	1018.78	1038.99	860.61	1015.12
Ireland	532.02	616.88	604.14	494.63	530.54
Finland	432.08	489.09	573.35	453.22	472.69
Greece	776.22	946.47	1138.55	957.86	800.48
Switzerland	1420.17	1669.92	1899.01	1686.44	1765.26
Czech Rep	757.72	935.31	1146.34	916.46	977.79
Cyprus	96.60	124.16	137.86	130.95	117.38
Estonia	132.49	190.73	179.18	107.73	116.30
Hungary	662.73	774.29	835.27	639.58	651.88

Latvia	96.22	136.02	136.14	88.74	84.82
Lithuania	153.58	199.32	230.94	146.40	135.06
Luxembourg	105.50	108.59	125.89	148.30	143.02
Malta	29.46	31.64	36.65	32.21	28.85
Poland	1149.91	1410.82	1641.07	1262.57	1581.44
Slovakia	502.40	627.12	796.52	669.45	767.29
Slovenia	453.13	486.27	481.42	348.66	394.04
TOTAL	49581.25	56762.15	60888.48	51858.96	57897.74

Import of Leather & Leather Products by European Countries for the year 2010



As could be seen from the above statistics, Germany being the major market in EU, India's marketing strategy has to be intensified to enhance its export share. Hence Germany was included as one of the targeted markets for the export promotional activities of the Council for the year 2012-13. In this background, the Council proposed to organize a stand alone event in Germany and accordingly submitted the proposal to the Government under Market Access Initiative Scheme (MAIS).

As per sanction accorded by the Government for organizing the event in Germany under Market Access Initiative Scheme (MAIS), the Council organized its First Exclusive stand alone event 'India Leather Days' in Germany during November 21-22, 2012 at Messe Offenbach Fair Ground, Offenbach, Germany.

European leather industry

The European Union is the world's largest single market and by far the most important trading partner for developing countries. In leather sector too, European Union is the

largest market accounting for 41.96% of total global import of leather & leather products. EU's import of leather & leather products has grown over the years which has increased from US\$ 49581.25 million in 2006 to US\$ 57897.74 million in 2010 as could be seen from the below table.

EU's Import of leather & leather products

Value in Million US \$

Country	2006	2007	2008	2009	2010
Global import of leather & leather products	119627.85	132166.2	140096.6	117432.7	137969.1
Import of leather and leather products by EU	49581.25	56762.15	60888.48	51858.96	57897.74
% Share of EU countries in	41.45%	42.95%	43.46%	44.16%	41.96%
India's export to EU countries	1950.11	2339.08	2360.18	2309.45	2517.51
India's share in EU's total import of leather and leather products	3.93%	4.12%	3.88%	4.45%	4.35%

India-EU Bilateral Leather Trade

European Union is the traditional and the biggest market for Indian leather & leather products. India's export to EU has also grown over the years which has increased from US\$ 1950.11 million in 2006 to US\$ 2517.51 million in 2010. Though European Union is the top importer of Indian leather products, the share of India's exports is only 4.35% in EU's total global import of leather and leather products. As Europe offers tremendous potential for Indian leather sector, the Council has been organizing a number of events in this market, including

participation in fairs and organizing BSMs and India Leather Shows.

Indo-German Bilateral Leather Trade

India's exports of leather and leather products to Germany has been consistently growing over the years. India exports US\$ 490.77 million in 2007-08 which has increased to US\$ 730.77 million in 2011-12, making Germany as the largest importer among European countries contributing to a share of 15.01% of India's total export of leather and leather products.

Germany's Import of Leather & Leather Products and India's Share - 2006 – 2010

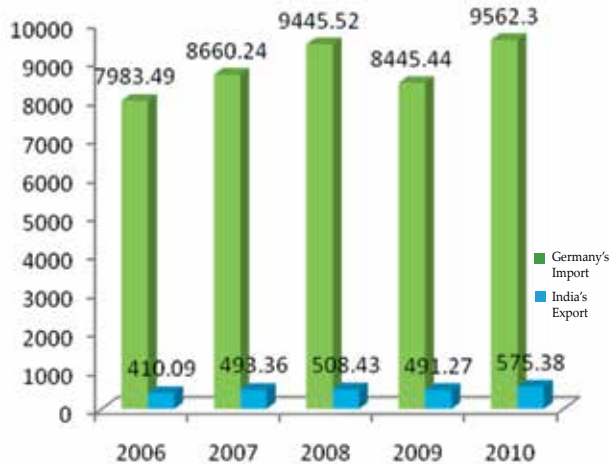
Value in Million US \$

DETAILS	2006	2007	2008	2009	2010	2011
Leather						
Import	808.36	855.49	858.67	637.83	756.39	--
India's Export	26.16	34.60	26.77	22.02	24.17	28.89
% Share of India	3.24%	4.04%	3.12%	3.45%	3.20%	--
Leather Footwear						
Import	3788.09	3868.83	4190.18	3580.52	3894.55	--
India's Export	176.75	204.18	185.48	182.68	239.23	285.90
% Share of India	4.67%	5.28%	4.43%	5.10%	6.14%	--
Footwear Components						
Import	370.43	410.28	476.55	426.81	509.95	--
India's Export	34.80	40.61	41.18	38.87	45.03	65.87
% Share	9.39%	9.90%	8.64%	9.11%	8.83%	--
Leather Garments						
Import	415.97	469.61	523.19	449.97	471.10	--
India's Export	53.41	69.40	100.26	109.18	110.72	153.96
% Share	12.84%	14.78%	19.16%	24.26%	23.50%	--
Leather Goods						
Import	717.48	855.10	947.54	793.11	901.65	--
India's Export	100.14	122.65	132.08	117.75	135.34	171.96
% Share	13.96%	14.34%	13.94%	14.85%	15.01%	--

Saddlery & Harness						
Import	79.49	102.77	110.24	100.00	108.33	--
India's Export	13.15	19.87	19.67	18.02	18.45	22.19
% Share	16.54%	19.33%	17.84%	18.02%	17.03%	--
Non Leather Footwear						
Import	1803.67	2098.16	2339.15	2457.20	2920.33	--
India's Export	5.68	2.05	2.99	2.75	2.44	2.00
% Share	0.31%	0.10%	0.13%	0.11%	0.08%	--
Total						
Import	7983.49	8660.24	9445.52	8445.44	9562.30	0
India's Export	410.09	493.36	508.43	491.27	575.38	730.77
% Share of India	5.14%	5.70%	5.38%	5.82%	6.02%	--

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

Germany's total import of leather and leather products vis-a-vis India's Export



Current Trend in Germany amidst Euro Zone Crisis

The German market provides a wide range of product opportunities for exporters. The size of the market and the recent economic health of German consumers has resulted in market growth in all segments of this sector.

Eurostat announced that Eurozone shrank by 0.2% in the second quarter of 2012. According to a website source, the European Parliament in Brussels say that Portugal is suffering badly, while Germany, Austria and the Netherlands all grew in the last quarter.

Germany continues to defy the worst of the Eurozone crisis, by posting growth of +0.3% between April and June, 2012.

A comparison of Germany's import value for the year 2010 and 2011 for the products under Chapter 42 (Articles of Leather, Saddlery and Harness, Travel Goods, Handbags and similar containers of leather/textile/synthetic materials and also Leather Garments etc.), along with details of export of major Asian competitors like China, Bangladesh, Pakistan, Vietnam are given in the following table.

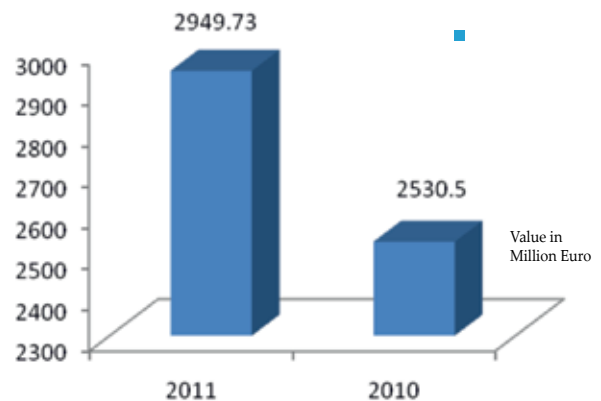
Import of Germany (items under Chapter 42)

Country of origin	Import Value (1000 EURO)	Import Value (1000 EURO)
	Germany 2011	Germany 2010
Bangladesh	6 748.370	6 373.60
China ,People's Republic of	1 054 399.700	1 003 025.99
India	302 362.260	251 622.93
Pakistan	95 747.730	74 026.13
Vietnam	94 591.550	83 561.30
Total	2 949 731.47	2 530 506.78

It could be seen from the above table that the total import value of Germany pertaining to items in Chapter 42 has increased from Euro 2530.50 million in 2010 to Euro 2949.73 million in 2011.

Import of Germany (items under Chapter 42)

Value in Million Euro



A comparison of Germany's import value for the year 2010 and 2011 for the products of Chapter 64 (Footwear and

parts of footwear) along with details of export of major Asian competitors like China, Bangladesh, Pakistan, Vietnam are given in the following table :

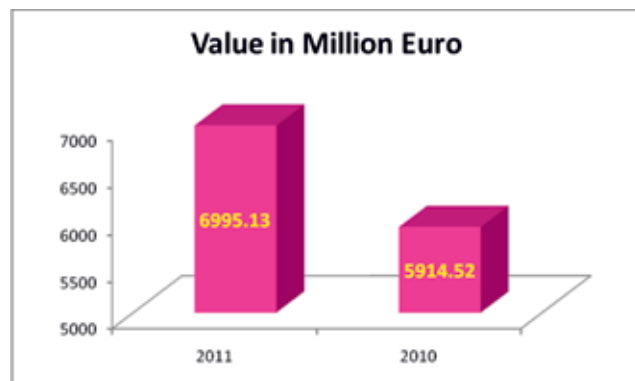
Import of Germany (footwear under Chapter 64)

Country of origin	Import Value (1000 EURO)	Import Value (1000 EURO)
	Germany 2011	Germany 2010
Bangladesh	27 413.640	20 702.82
China ,People's Republic of	1 546 949.670	1 335 075.97
India	301 293.700	219 267.66
Pakistan	16 474.430	11 243.57
Vietnam	433 971.850	418 501.67
Total import of Germany	6 955 130.96	5 914 522.16

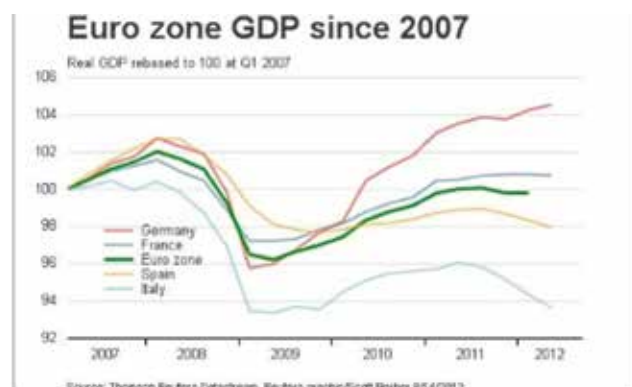
Source www.exporthelp.europa.eu

It could be seen from the above table that the total import value of footwear by Germany has increased from Euro 5914.52 million in 2010 to Euro 6955.13 million in 2011.

Import of Germany (footwear under Chapter 64)



The increase in the import value of Germany over the past year reflect the prospective economy of Germany in spite of the current Euro Zone crisis. As quoted by Carsten Brzeski of ING: The German economy has once again escaped the technical recession many other euro zone countries are currently experiencing with no more than a fright. In fact, the economy remains the stronghold of the euro zone. However, another strong quarter merely glosses over the fact that even the stronghold has already caught the euro crisis virus. The graph shows given below how Eurozone has actually become more divergent since the crisis began, with Germany posting much stronger growth than the average, while Italy and Spain (who both reported falls in GDP last week) have struggled.



Eurozone GDP since 2007, for Germany, France, Spain, Italy and the Eurozone as a whole.

Though Economists are warning that Germany faces a difficult future, and could still drop into recession soon, the current trend seems to be brighter in Germany.

India Leather Days- Pre Event arrangements

After the approval from the Government, CLE in association with the Consulate General of India (CGI), Frankfurt made the necessary arrangements for organizing the event. As advised by the CGI, Messe Offenbach was engaged as the marketing agency for this event. Messe Offenbach is a well reputed and world renowned organizer of international trade fairs for leather goods in Offenbach. The agency coined the title as 'India Leather Days' coinciding with the "Days of India in Germany - 2012-13" being organized in Germany to celebrate the 60 years of diplomatic Trade Relations between India and Germany.

Marketing Strategy

Marketing was given a special focus in the entire show as the India Leather Days was the first stand alone event organized in Germany. In order to ensure maximum buyers turnout during the event, extensive marketing activities were undertaken by the Council. They are :

E-mail campaigns

- First Invitation mailer along with a well designed colourful leaflet giving the exhibitors list along with product of display were sent by the marketing agency to all the 4000 database. The leaflet contains the registration slip for the buyers to register prior to the event.
- The First Invitation mailer also included a letter of invitation from the Consulate General of India, Frankfurt.
- The second reminder letter to all the 4000 database closer to the event.

Advertisements in the leading leather magazines

- One full page advertisement released in the back outer wrapper of the October issue of Lederwaren Report Magazine and a small write up in the November issue of Lederwaren Report. Lederwaren Report is the prominent leather magazine in Germany and has a distinguished presence in the market.
- One full page advertisement released in the inner page of the front wrapper of the November issue of SHOEZ magazine. Shoez is one of the leading magazine for footwear in Germany.
- One quarter page advertisement released in the November issue of Schuh Markt, which is again a leading magazine for footwear.

Online Advertisements

The online advertisements are more influential among the readers. According to the marketing agency, the online network has more than 20000 viewers. The following are the online advertisements :

- A banner in the homepage of the Lederwaren Report
- A banner in the website of TMdigital
- Advertisement in SchuhMarkt News with the title India in Offenbach

- Advertisement with write up in the ftt-online
- Advertisement in changing banners + News in TextilWirtschaft
- A banner in Schuhkurier
- A banner in the Micam website
- A link in the Messe Offenbach website

The Event

The India Leather Days was held during November 21-22, 2012 at Hall A4 of the Messe Offenbach fair ground. The business visitors timing was from 9.00 AM to 6.00 PM.

The India Leather Days started with a formal inauguration by Shri Surinder Kumar, Head of Chancery, Consulate General of India, Frankfurt and Ms. Ursula A Diehl, Managing Director, Messe Offenbach on Nov 21, 2012 at 10.00 AM. Shri R Ramesh Kumar, IAS, Executive Director- CLE, Ms. Pooja Tillu, Consul, Consulate General of India, Frankfurt, Mr. Manfred Junkert, Managing Director, HDS – Federal Association of the German Footwear and Leather Goods Industry, Shri Tapan Nandi, Eastern Regional Chairman, CLE, the Exhibitors & CLE representatives were present on this occasion. Thereafter, Shri Surinder Kumar interacted with the participants.

Initially the Executive Director, CLE presented flower bouquets to the officials of the Consulate and Mr Manfred Junkert and extended a warm welcome to the event. The Executive Director also welcomed all the exhibitors and thanked them for their cooperation and conveyed his wishes for a successful event.



Mr. Manfred Junkert, Managing Director, HDS – Federal Association of the German Footwear and Leather Goods Industry interacting with Ms. Pooja Tillu, Consul, Consulate General of India, Frankfurt,

The members of CLE has shown an encouraging response to join the India Leather Days. 49 companies from all over India had participated in the India Leather Days and displayed their latest collections of leather goods, garments, footwear and finished leather. Each company was provided with a fully constructed stand with name board, partition walls, lighting and display accessories as per their product of display. The stand was constructed in a professional manner giving due care to accommodate all the specified needs of the exhibitors. The stands were well laid-out with ample passage space and the empty stands were converted into meeting point for buyers. Besides, there was a CLE Information Stand displaying publicity materials with attractively designed posters.



Shri Surinder Kumar, Head of Chancery, Consulate General of India, Frankfurt inaugurating the event along with Ms. Ursula A Diehl, Managing Director, Messe Offenbach. Mr. R. Ramesh Kumar, Executive Director, CLE is at the right.

Participants of the Event

Sl.No.	Name of the Company	Products displayed
1	Aala Gloves, Chennai	LEATHER GLOVES
2	Alig Tannery, Kanpur	LEATHER SHOES, FINISHED LEATHER, UPHOLSTERY FINISHED LEATHER
3	Bab Leather Products International, Chennai	LEATHER BAGS AND WALLETS
4	Bicrossing India, Chennai	FINISHED LEATHERS
5	Calico Trends, Kanpur	LEATHER FOOTWEAR FOR MEN, WOMEN & CHILDREN, PU INJECTED FOOTWEARS & SAFETY SHOES
6	Canton Leather Collections P. Ltd., Kolkata	HANDBAGS, WALLETS, SMALL LEATHER GOODS
7	Century Overseas, Delhi	LEATHER GARMENTS, LEATHER GOODS
8	Chemgems (India) Pvt Ltd, Kolkata	HANDBAGS, WALLETS, SMALL LEATHER GOODS
9	Cheviot International Ltd., New Delhi	LEATHER GARMENTS FOR WOMEN, MEN & KIDS MADE IN GOAT SUEDE AND SOFT LAMB NAPPA
10	Cinturones Alvi (India) Pvt Ltd	LEATHER BELTS, BAGS AND WALLETS
11	Ciria Tanning Co., Pvt. Ltd., Kolkata	LADIES HANDBAGS, WALLETS & SMALL LEATHER GOODS
12	Classic Creation, Kolkata	HANDBAGS, PORT FOLIOS, AGENDA COVERS, WALLETS AND OTHER SMALL LEATHER GOODS
13	Conceria International Pvt. Ltd., Ranipet	BABY COW CALF/COW SIDES/COW HIDES-FINISHED LEATHER FOR SHOES/LEATHER GOODS/GARMENTS ETC.
14	Contemporary Leather Private Ltd, Chennai	SMALL LEATHER GOODS, PROMOTIONAL GOODS MADE OF LEATHER AND LUXURY LEATHER GOODS
15	Deccan Leather Fashions, Bangalore	MEN'S AND WOMEN'S LEATHER APPAREL
16	Deeya International, Kolkata	MEN AND WOMEN LEATHER BAGS, CANVAS BAGS WITH LEATHER TRIMS, SMALL LEATHER GOODS
17	Elahi Exim India Pvt. Ltd., Kolkata	SMALL LEATHER GOODS AND BAGS
18	Exclusive Leder Accessories, Kolkata	LEATHER HANDBAGS & LEATHER MEN LAPTOP CASES AND MEN AND LADIES WALLETS
19	Exotic Fashions Pvt. Ltd., Kolkata	WALLETS, PURSES, BAGS AND OTHER SMALL LEATHER GOODS LIKE DIARY COVER, CARD CASE, KEY RING, COIN CASE ETC.
20	Fashion Folio, New Delhi	LEATHER GARMENTS
21	Habeeb Tanning Company, Chennai	SHOE UPPERS, SHOES
22	Hidecide, Kanpur	FINISHED LEATHERS, LEATHER SHOES, LEATHER SANDALS AND BOOTS.
23	Hifasn Leathers, Chennai	FINISHED LEATHER
24	Inspire Exim Pvt Ltd, New Delhi	LEATHER GARMENTS
25	Jalan Exports Pvt. Ltd., Kolkata	LEATHER BAGS & WALLETS
26	Javeed Ahmed & Co., Chennai	FINISHED LEATHER & LEATHER GARMENTS
27	Jiwanram Sheodutrai Industries Pvt Ltd, Kolkata	LEATHER GOODS AND LEATHER GLOVES
28	Kamil Leathers, Chennai	FINISHED LEATHER
29	Kanchan Vanijya Pvt. Ltd., Kolkata	HANDBAGS & SMALL LEATHER GOODS
30	Kansin Import Export P. Ltd., New Delhi	LEATHER GARMENTS, BAGS, BELTS, SHOES
31	Kaurub Exports Ltd, Noida	LEATHER GARMENTS
32	KD Orient Impex, Mumbai	LEATHER JACKETS
33	M & M Exports, Kolkata	WALLETS, BAGS, CONFERENCE FOLDERS, WAITER PURSE, CARD HOLDER, COIN POUCH ETC
34	Maple Exports Pvt. Ltd., Kolkata	LEATHER WALLETS, LADIES LEATHER HANDBAGS
35	MCRC Exports Pvt. Ltd., Kolkata	LEATHER WALLETS/PURSE/HANDBAGS/OTHER ARTICLES

36	Mehtab Export House, New Delhi	LEATHER GARMENTS AND FINISHED LEATHER
37	MIG International, Noida	LEATHER GARMENTS, BAGS & LEATHER ACCESSORIES
38	Munai's Creation	WALLETS, PURSES, HANDBAGS
39	Osman Shariff, Kolkata	LEATHER & LEATHER GOODS
40	Overseas Leather Goods Co. Pvt. Ltd., Kolkata	Leather Bags, Wallets & Small Leather Goods
41	Pragati International, Mumbai	A) LEATHER GARMENTS INCLUDING JACKETS, SKIRTS, PANTS, LEATHER FASHION HANDBAGS, LEATHER LADIES AND GENTS WALLETS, LEATHER BELTS, LEATHER TRAVEL WALLETS AND TRAVEL ACCESSORIES, LEATHER EXECUTIVE BAGS AND TRAVEL BAGS, LEATHER CORPORATE GIFT SETS, LEATHER CC HOLDERS AND KEY-CHAINS.
42	RR Leather Products Pvt Ltd., Chennai	LEATHER GARMENTS
43	Ranee Marketing Agency, Kolkata	HANDBAG, BACKPACK, PORTFOLIO & BRIEFCASE, LUGGAGE/ TRAVELWARE AND SMALL LEATHER GOODS
44	S.K. Exports, Mumbai	LADIES LEATHER HANDBAGS
45	Siddharth Exports, Noida	MEN & LADIES LEATHER SHOES
46	Silver Line Fashions, Kanpur	FOOTWEAR
47	Skin N Stitch Pvt Ltd, Kolkata	LEATHER WALLET, LEATHER HANDBAG, KEY RING, CARD CASE, LADIES' WALLET
48	Teja Industries, Mumbai	WALLETS, GIFT ACCESSORIES, BELTS, PORTFOLIOS, LAPTOP BAGS, MESSENGER BAGS, HOLDALLS, TROLLEY BAGS
49	Vogue N Hyde Pvt. Ltd., Kolkata	LEATHER HANDBAGS AND WALLETS FOR MENS AND LADIES



AT THE CLE INFORMATION BOOTH : Ms. K. Sreelatha, Asst. Export Promotion Officer, CLE ; Ms. Pooja Tillu, Consul, Consulate General of India, Frankfurt; Mr. R. Ramesh Kumar, Executive Director, CLE; Ms. Ursula A Diehl, Managing Director, Messe Offenbach; . Shri Surinder Kumar, Head of Chancery, Consulate General of India, Frankfurt and Mr. R.K.Shukla, Ast .Director, CLE, Agra



Shri Surinder Kumar, Head of Chancery, Consulate General of India, Frankfurt and Shri R. Ramesh Kumar, Executive Director, CLE interacting with participants

VIEW OF STANDS IN THE INDIA LEATHER DAYS



Buyers Turnout

The inflow of buyers which started moderately in the beginning has slowly picked up during the course of the day. Despite being the first stand alone event organized by CLE in Germany, the India Leather Days was a highly successful event witnessing an impressive turnout of 261 buyers. The India Leather Days, Germany was the second successful event of CLE after the Spain Mega Leather Event in terms of the number of buyers turnout. In fact, the buyers have assembled even before the opening of the show on the second day and were waiting to enter the exhibition hall. It was observed during the show that most of the exhibitors were engaged with the business visitors and meetings. A few exhibitors were busy with their buyers even after the close of the show time on the second day till late evening. The exhibitors appreciated the construction pattern & coordination of the event by CLE. The exhibitors also suggested for organizing similar events in future in

Germany. Though we don't have the exact record of business generated during the event as only a few participants had given feedback on the exact orders booked and future business generated, as per the feedback received from few participants, confirmed business orders worth Euro 43000 and expected orders to the tune of Euro 530000 were booked during the show.

Conclusion

The India Leather Days, Germany on the whole was good. The general feedback of the participants was that the event should be organized regularly. It served as an opportunity to create awareness among the German buyers which will further help to boost the Indo-German bilateral leather trade. The timings of the event was perfect as it coincided with the celebration of 60 years of Indo-German Trade diplomatic relations.