

Two-Day India Leather Show in Montreal, Canada

October 11 & 12, 2012

A report by E.L.Samson, Assistant Director, CLE

Introduction

On account of its huge potential for generating export growth and also employment opportunities, the "Leather Sector" has been accorded the "Focus Sector" status in the Foreign Trade Policy announced in 2004-09 and also in 2009-14.

The Department of Commerce (DOC), Ministry of Commerce & Industry, Government of India has been supporting the various export promotion activities of the Council for Leather Exports undertaken with the objective of promoting the "Country Brand Image" and thereby enhancing the bilateral trade in Leather Sector.

Canada Market Potential

During 2010, Canada is the 13th largest importer of leather & leather products in the world. Canada's import of leather & leather products increased from US\$2154.60 mn in 2006 to US\$ 2516.14 mn in 2010, growing at a CAGR of 3.95%. Canada accounts for a share of 1.82% in the global leather import trade of US\$ 137.96 billion.

Out of Canada's total leather import trade, the import share of various leather product categories are Finished Leather 3.79%, Footwear (leather & non-leather and compts) 76.63%, Leather Garments 3.66%, Leather Goods & Accessories 13.80%, Saddlery & Harness 2.12%. Hence, the Canadian market offers considerable potential to enhance India's export of footwear, leather goods & accessories and leather garments in the coming years.

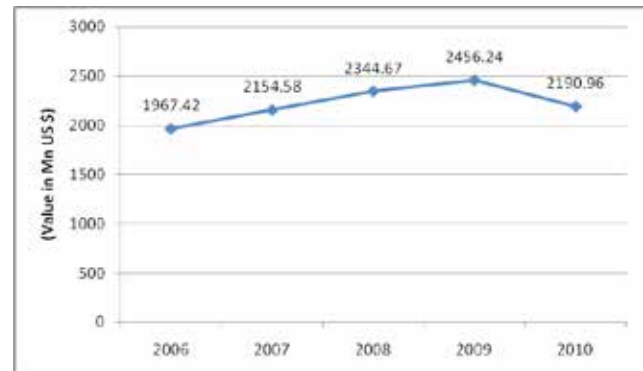
India's export of leather & leather products to Canada had been stagnant over the last five years and during 2011-12, the export touched US\$ 40.01 mn, accounting for a share of less than 2% in Canada's total leather import trade of US\$ 2.51 bn.

During 2010, Canada's import of different categories of Footwear, Leather Garments and Leather Goods & Accessories touched US\$ 2308.56 million, accounting for a share of 90% in Canada's total leather import trade. On the other hand, India's export of these product categories to Canada touched US\$ 24.51 mn in 2010-11, accounting for an import share of close to 2.00% in its total imports.

A Statement showing Canada's import of Footwear, Leather Garments & Leather Goods & Accessories vis-à-vis India's Export and share is given below:

Details	2006	2007	2008	2009	2010	2011
Canada's import of different categories of Footwear (leather and non-leather)	1507.21	1677.05	1748.04	1645.09	1869.25	
India's Export to Canada	10.91	10.41	8.96	9.30	10.80	15.01
% share of India	0.72%	0.62%	0.51%	0.57%	0.57%	
Canada's import of Leather Garments	111.43	111.38	105.60	79.23	92.10	
India's Export to Canada	8.51	8.94	7.86	8.64	6.96	10.51
% share of India	7.64%	8.03%	7.44%	10.90%	7.55%	
Canada's import of Leather Goods & Accessories	291.53	334.42	380.41	284.03	347.22	
India's Export to Canada	9.75	13.52	13.51	6.75	8.13	10.09
% share of India	3.34%	4.04%	3.55%	2.38%	2.34%	

Chart showing Canada's Import of leather & leather products – 5 yrs



Major suppliers of leather & leather products to Canada

(Value in Mn \$)

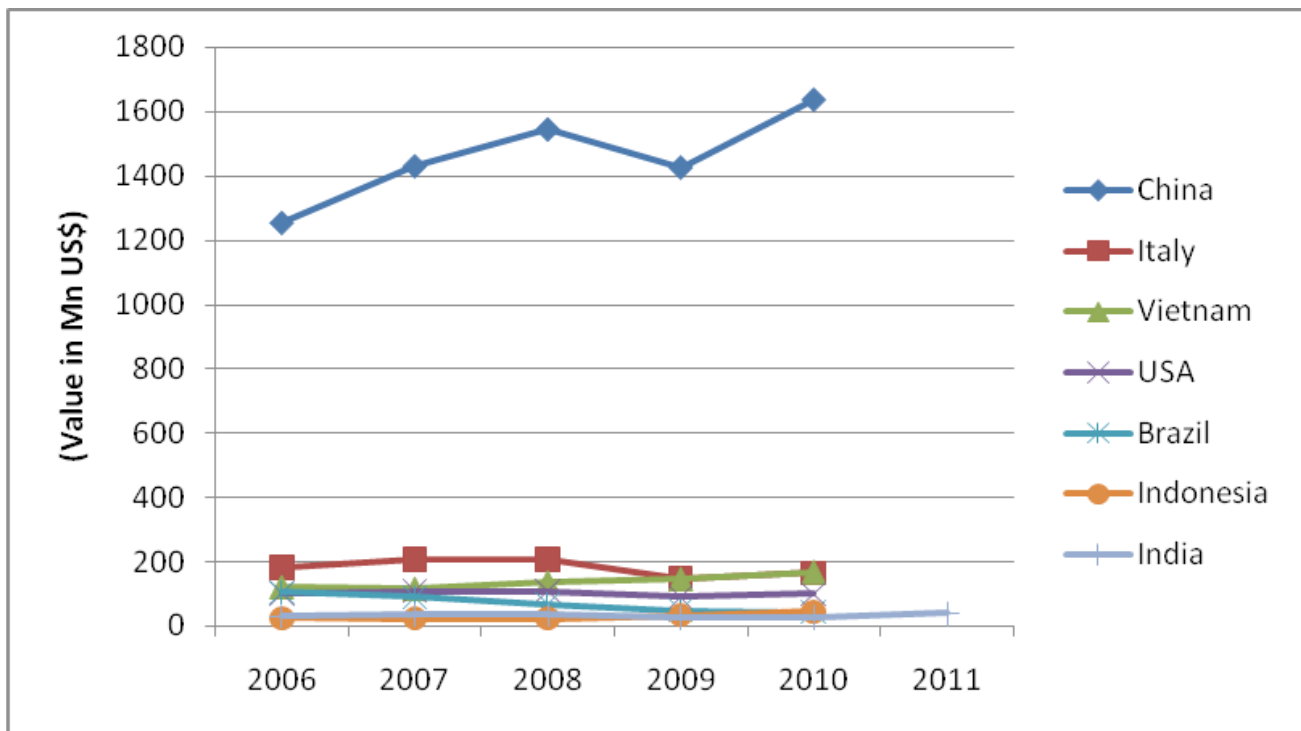
Country	2006	2007	2008	2009	2010
China	1252.75	1429.52	1544.68	1425.80	1637.65
Italy	182.95	207.45	208.44	145.64	165.18
Vietnam	121.33	115.64	136.37	146.81	168.54
USA	102.28	109.11	107.65	89.48	99.33
Brazil	105.35	91.90	66.97	49.57	43.32
Indonesia	25.67	23.23	24.71	32.26	45.11
Thailand	24.88	25.70	22.98	23.77	29.12
France	18.44	24.35	27.23	25.07	31.17
Spain	23.08	27.88	29.15	20.10	23.73

Source: ITC, Geneva

From the above statement, it can be seen that China, Italy, Vietnam and USA are the largest suppliers of leather & leather products to Canada, accounting for a share of 65.08%, 6.56%, 6.70%, 3.95% respectively.

(Value in Million \$)

Chart showing the export trends among major suppliers of leather & leather products to Canada – 5 yrs



Market Promotional Activities undertaken by the Council:

The Council during March and October 2002 organised Buyer-Seller Meets in Toronto and Montreal respectively, focusing on Leather Garments and Leather Goods & Accessories. The Buyer-Seller Meets were organized in association with the Indian Mission in Canada and by engaging the services of a professional marketing Agency. The Buyer-Seller Meets were quite successful.

The salient features of the feedback from the Indian participants and the decisions taken are briefly given below:

- Though the market is small it suits the Indian exporters particularly the medium-size exporters to meet the volume requirements of the buyers of the two groups namely leather garments and leather accessories, the second product category (bags, belts, fashion gloves, wallets, etc) has good scope if the Indian exporters can be able to successfully continue their established contacts with the Canadian buyers.
- In the case of leather garments too, quality products at competitive prices will have good market in Canada. More particularly leather jackets for women have very good scope.
- Leather footwear particularly Casuals of middle-end market has got very good market in Canada. It can be considered that Indian footwear manufacturers should be able to make a dent in this market if suitable strategies are planned.

India Leather Show - October 11 & 12, 2012

Based on the favourable market situation in Canada, the Council in association with the High Commission of India, Ottawa had organized a Two Day India Leather Show in Montreal, Canada during October 11 & 12, 2012. As recommended by the Indian High Commission, TFO Canada (Experts in trade for developing countries) was engaged by the Council for overall coordination and for undertaking Event Publicity and Buyer Mobilization Campaign for the India Leather Show.

Accordingly, the India Leather Show was accompanied by effective Event Publicity through carrying out a Buyer Outreach campaign targeting the major Canadian Buyers / Importers through e-mailers and telemarketing, etc; Advertisements in the leading Canadian Leather & Leather Products magazine and other online avenues so as to publicize the Event and the potential of India as a major sourcing destination for leather & leather products.

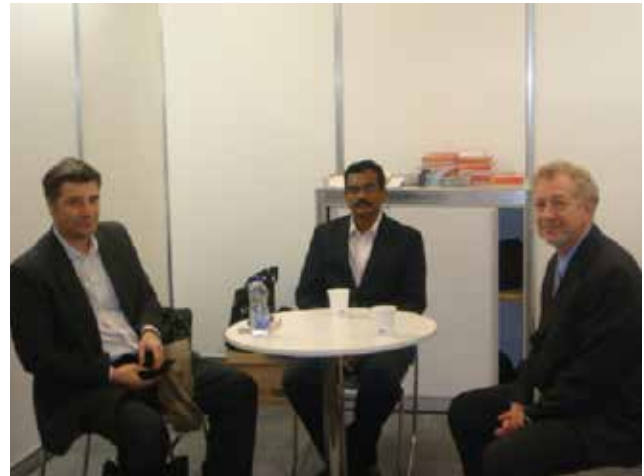
30 Indian companies had confirmed their participation in the said Event with the objective to display their latest product designs / collections of footwear, leather garments, leather goods & accessories, leather gloves and saddlery & harness.

The India Leather Show was organized at Palais Des Congres, one of the prominent business Centre in Montreal, facilitating the visit of potential Canadian Customers to the Show.

The Event was inaugurated by Her Excellency Mrs. Narinder Chauhan, High Commissioner of India, Ottawa who also interacted with the Indian participants and highlighted the present market trends in Canada and its import potential.



Mrs. Narinder Chauhan, High Commissioner of India, Ottawa inaugurating the event



Mr. E.L. Samson, Asst. Director, CLE (centre) at the show



The Indian High Commissioner interacting with the participants



The Participants at the inauguration

The High Commissioner also urged the member participants to exploit this market to its fullest potential and this India Leather Show is the right platform to move forward.

The India Leather Show had witnessed the visit of potential Canadian Buyers like Eloi Dore, Balcop Ltd, Geox, C.B.M., Wolfe Furs Inc, Walkin, Bentley, Cabrelti Inc, Le Sac Imports, CasaBawa Fashion, Jean Francois, Bod & Christensen, Bugatti, Creations Ness, Rosa Mori, Bagatelle, Roel, Modestone.com, Susan Davies, Duval, Champs Canada Sly & Co, Parasuco, Penningtons, Angomode, Plonge, Sacs Bagg, Levy Canada etc.

An analysis of the feedback from Indian participants, it is observed that most of the participants have been able to get some serious business enquiries generated during the Event. However, based on the business meetings held during the two days of the India Leather Show, it is estimated to have a future business generation of US\$ 5 million.

Conclusion:

The India Leather Show in Canada has resulted in creating a positive image on the Indian Leather Industry among the Canadian buyers and entrepreneurs. Thus, the India Leather Show has indeed paved the way for further promoting Indo-Spanish bilateral trade in the Leather Sector and it is felt that organization of similar shows in future would further enhance our market share in the untapped Canadian Leather Market. The Council for Leather Exports is thankful to the High Commission of India, Ottawa, Canada for all the support provided for successful organization of the India Leather Show.

Above all, India's export of leather & leather products to Canada increased from US\$ 36.92 million in 2007-08 to US\$ 40.01 million in 2011-12, growing at a CAGR of 2.02%. Considering our continuous market promotion programmes in Canada, we project India's export of leather & leather products to Canada to touch US\$ 60 million by 2016-17, at a CAGR growth of 8.44%.