

103rd MIPEL, The Bag Show March 3-6, 2013, Milan, Italy

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An overview about the MIPEL

MIPEL, The Bag Show for International Leather Goods Market has been organised by AIMPES Servizi Srl (Italian Leather Products Association) as a bi-annual event since 1962 and March 2013 event was 103rd edition in bi-annual series. The Total exhibitors were 367 of which 251 Italians and remaining 116 were from overseas countries from Austria (2); Belgium(1); Brazil(10); China(3); France (1); Germany (5); Japan (6); Hong Kong (1); India (44); Holland (2); Portugal (2); UK (3); Romania (7); Spain (21); Sweden (1); Thailand (5); Hungary (2). India is the 2nd largest country participation after by Italians. The exhibition was organized in Fiera Milano at RHO which was an outskirts of Milan, Italy. The fair was organized during March 3-6, 2013 and open only for trade visitors. A total of 14972 trade visitors visited the exhibition of which 7123 were Italians and the remaining 7849 were from overseas countries. The trendy and finest collections in leather bags, wallets, travel cases and fashion accessories were show cased for the next Autumn/Winter 2013.

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

As per the Economic Situation Report published by AIMPES on Leather Goods and Accessories Industry for the year 2012 (upto October'12) confirms that the domestic demand for real leather products had dropped by about 5% when compared to same period last year with a sale value of less than Euro 1.5 bn. It may be note worthy that the average consumer price of leather products during the year 2012 stood at Euro 36.01 (-.05%) per unit while average export price of Italian leather products was reported at Euro 93.00 (+13.40%) per unit price. The overall trade in the year 2012 increased by 38.90%. The below table will give an impressive details of the production, export, import and domestic consumption etc. which was published by AIMPES.

Leather Goods Industry-Summary Note	YEAR 2012	Variance % 2012/2011
PRODUCTION (pre-consumption evaluation)	5.062 mld	+9,4%
EXPORT (January-October 2012)	4,2 mld	+21,8%
IMPORT (January-October 2012)	1,7 mld	+2,6%
TRADE	2,5 mld	+38,9%
HOUSEHOLDS CONSUPTION-EXPENDITOR (January-November 2012)	1.5 mld	-5,0%
HOUSEHOLDS CONSUPTION-AMOUNT	41.385	- 4,4 %
AVERAGE CONSUMER PRICE (EURO)	36.01	-0.5%
AVERAGE EXPORT PRICE (EURO)	93.00	+13.4%

The Italian leather goods industry continues to hold a strong

threshold in export market as the exports have gone up in 2012 (Jan-October) by 21.8% with total a value of Euro 4.2. bn during the same period of 2011 . Italian leather goods & accessories domestic sales alone accounted for Euro 2.2 bn during 2011. The women's handbags export sales increased by 22% with value of Euro 2.7 bn followed by small leather goods with value of Euro 718m, then by belts Euro 282m, suitcases and travel articles Euro 251m and briefcases and work bags with value of Euro 161m. The export product mix shows a strong demand for women's handbags which accounts for 65% of total export to international markets. The total value of import of leather goods and accessories during 2012 (upto October 2012) also went by Euro 2.6% with total value of Euro 1.7bn.

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\$ 9174.29 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.

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

"We decided to call this MIPEL "Time to Change", and I'm proud to say that MIPEL has successfully managed to reinvent itself," declared Giorgio Cannara, President of MIPEL and AIMPES. "Our exhibitors have been keen to embrace and join in the changes, and the trade-only services such as @MIPEL were highly praised by buyers".

The organizers' hard work was rewarded with a 4% increase in visitors from outside Italy over the figure for last March. There were 8,009 international buyers and 6,179 Italian ones: a total of 14,188 visitors. The results reflect the general economic situation, still in the doldrums so far as the domestic Italian market for handbags and fashion accessories is concerned, while foreign markets are forging ahead. "We saw a significant rise in the number of foreign buyers – up 4%," stressed Mauro Muzzolon, AIMPEs and MIPEL General Manager, "another confirmation of fizzing growth in exports compared with a domestic market which continues to struggle."

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 more than 30 exhibitors predominately from MSME sector and also keeping in view very high cost of participation fee charged by the organizer, the Council has approached for funding support from MAI scheme and Department of Commerce, Ministry of Commerce & Industry, Government of India has been providing grant since September 2009 which has really helped small scale manufactures and exporters to show case their products in MIPEL an important Gateway to European Market. The CLE India pavilion was organized with participation of 34 members in an area of 444 sq. mtrs in the Overseas Sector. CLE India pavilion was organized in Hall 12 in Panorama section. The location change and housing CLE India pavilion amidst EU countries was really of a trade advantage as it resulted in more business visitors to CLE India pavilion when compared all the previous editions.

CLE's Information Stand and Publicity Measures at MIPEL

In the CLE's information stand Publicity and promotional materials such as Leather News India, The Members Directory, Information on Indian Leather Sector and MIPEL participants profile booklet etc were distributed to the trade visitors. In all 59 business visitors have visited the Council's information stand from countries namely Austria (1), Belgium (1), Brazil (2), China (1), Cyprus (2), Denmark (1), Finland (1), Germany (1), Greece (1), Hamburg (2), Italy (18), Israel (1), Istanbul (1), Japan (2), Kiev (1), Kuwait (1), Lithuania (1), Malaysia (1), Poland (2), Portugal (1), Qatar (1), Romania (2), Russian Federation (1), Sweden (2), Switzerland (2), Singapore (1), Sri Lanka (1), Saudi Arabia (2), USA (2), UK (2) and UAE (1) collected the aforementioned material displayed at the stand. Some of the buyers who were new to Indian market also show keen interest to visit India if a visit is to be sourcing visit to be sponsored by the Council during the prominent Intl. Leather fairs held in India like IILF, Chennai & Delhi and ILGF, Kolkata. The publicity posters displayed at CLE information stand were of note worthy to many trade visitors. Shri R.Ramesh Kumar, IAS was also in attendance during fair days and had extensive interaction with the exhibitors besides coordinated the visit of Shri Bhubender Kumar, Acting CGI, Milan to CLE India Pavilion on 4th March 2013.

Business Generated and Members Feedback

As per the feed back obtained from the members in CLE India pavilion, it was reported that in all 519 business visitors had meetings with Indian exhibitors and spot orders to the tune of USD 0.72 mn were bagged by them and expects further orders worth about USD 4.36 mn out of enquires generated during the fair as per the prevailing indications.

A FEW SNAPS OF CLE INDIA PAVILION



Mr. Bupender Kumar, CGI, Milan receiving the publicity and promotional material from Mr. R.Ramesh Kumar, IAS Executive Director, at CLE stand. Also seen in the picture Mr. Mothilal Sethi, COA Member, Mr.M.J.Jamal Md. Mohideen, Assistant Director and Mr.P.N.Pandey, AEPO



Mr.Bupender Kumar, CGI visiting member stand along with ED, CLE



Think Leather
Think India

A FEW SNAPS OF CLE INDIA PAVILION



CGI along with ED in discussion with a member participant in CLE-India pavilion



CGI along with ED in another stand with a member participant during his visit CLE-India pavilion on 4-3-2013



CGI along with ED, CLE during his visit in another stand of CLE's group exhibitor



Discussion in progress at CLE information stand with CGI and ED, CLE.



A business visitor making an enquiry at CLE information stand from Mr.M.J.Jamal Md. Mohideen, Assistant Director. Also seen Mr.P.N.Pandey, AEPO



Business meeting in progress at one of the member participants stand at CLE India pavilion

Conclusion:

With the funding support from Department of Commerce, the Council could organize large participation of 34 members mostly from MSME segment at 103rd under MAI scheme which paved small and tiny exporters to showcase their products to European market through an important

fair which plays as a Gate way to European Market. Indian exporters could also able to show case the current developments and rapid strides made by Indian leather products sector. The dates for next MIPES edition (104th) has been announced by AIMPESServiizi which will be held from September 5-18, 2013 (Sunday to Wednesday).