

## Two-Day India Leather Show in Madrid, Spain, March 20 & 21, 2013

A Report by R. Ramesh Kumar I.A.S, Executive Director,  
Council for Leather Exports

### 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 various export promotional activities of the Council for Leather Exports undertaken with the objective of promoting "Country's Brand Image" and thereby enhancing the bilateral trade in Leather Sector.

Accordingly, the DOC has been supporting various large scale events organized by the Council under Market Access Initiative Scheme (MAIS). As Europe is the traditional market 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.

Spain is a unique market in Europe, as it is not only a major importer of leather and leather products but also a major exporter of these items. Spain's annual import during 2010 was US\$ 4008.02 mn whereas its export was US \$ 3422.62 million. Thus, Spain offers potential not only for enhancing our market share by increasing exports, but also to explore possibilities of entering into Joint Ventures and Technology Transfers with the Spanish companies.

Considering the importance of Spain market, the Council is continuously focusing its market / export promotional efforts in this untapped potential market. As a follow-up the Council organised a Two-Day India Leather Show in Madrid during March 20 & 21, 2013, with large scale participation from Indian companies.

### Europe Market Potential:

The European Union is the largest importer of leather and leather products in the world. The EU's import of leather and leather products increased from US\$ 49.58 billion in 2006 to US\$ 57.89 billion in 2010, accounting for a share of 42% in the global leather import trade of US\$ 137.96 billion.

The major importing countries among the EU countries are Germany with a share of 16.52%, Italy 15.85%, France 13.71%, UK 11.88%, Spain 6.92%, Netherlands 5.82%, Belgium 5.18% and Austria 3.34%. Hence Spain is the 5th largest importer of leather & leather products among EU countries.

### India - Europe Market Potential:

The European Union is the major market for Indian Leather and Leather Products. India's export of leather & leather products to EU countries increased from US\$ 1950.11 million in 2006 to US\$ 3116.52 million in 2011-12, growing at a CAGR of 9.83% India's export of leather & leather products to EU alone accounts for a share of 64.01% of India's total exports of US\$ 4.86 bn in 2011-12. Thus, India's share in EU's import of leather and leather products increased from 3.93% in 2006 to 4.46% in 2010.

The major suppliers of leather & leather products to European Union are China with a share of 23.97%, followed by Italy 13.01% and Vietnam 7.31%. India is the 5th largest exporter of leather & leather products to European Union.

### Spain Import Potential and India-Spain Leather Trade:

During 2010, Spain is the 10th largest importer of leather & leather products in the world, accounting for a share of 2.91% in the global leather import trade of US\$ 137.96 billion. Spain's import of leather and leather products increased from US\$ 3264.42 million in 2006 to US\$ 4008.05 million in 2010, growing at a CAGR of 5.26%.

Out of Spain's total leather & leather products import trade, the share of various product categories are Finished Leather 13.02%, Footwear (leather & non-leather) 73.13%, Leather Garments 4.46%, Leather Goods & Accessories 8.72% and Saddlery & Harness 0.67%. Hence, Spain is a potential market for exports of footwear, leather goods & accessories and leather garments.

Spain is the 7th largest importer of leather products from India, holding a share of 6.08% in India's total leather products export. India's export of leather & leather products to Spain increased from US\$ 216.07 mn in 2007-08 to US\$ 295.81 million in 2011-12, growing at a CAGR of 8.16%. During the current year 2012-13, India's export of leather & leather products to Spain during the period April-Jan 2012-13 touched US\$ 217.90 mn as against export US\$ 249.60 mn, recording a decline of 12.70%. The major items of export from India to Spain are footwear 38.48%, followed by leather goods & accessories 26.72% and leather garments 22.42%.



A Statement showing Spain's import of leather & leather products, India's export and share during 2006-2010 is tabulated below:

(Value in Mn US\$)

DETAILS	2006	2007	2008	2009	2010	2011
<b>Leather</b>						
Import	568.01	677.37	652.14	407.84	521.85	
India's Export	22.02	28.22	23.46	18.75	24.33	34.25
<b>% Share of India</b>	<b>3.88%</b>	<b>4.17%</b>	<b>3.60%</b>	<b>4.60%</b>	<b>4.66%</b>	
<b>Leather Footwear</b>						
Import	1196.47	1329.50	1604.20	1238.18	1292.11	
India's Export	47.57	57.14	72.58	80.84	99.89	104.72
<b>% Share of India</b>	<b>3.98%</b>	<b>4.30%</b>	<b>4.52%</b>	<b>6.53%</b>	<b>7.73%</b>	
<b>Footwear Components</b>						
Import	134.75	131.59	128.03	100.37	114.15	
India's Export	16.04	17.83	16.96	14.06	11.46	8.63
<b>% Share of India</b>	<b>11.90%</b>	<b>13.55%</b>	<b>13.25%</b>	<b>14.01%</b>	<b>10.04%</b>	
<b>Leather Garments</b>						
Import	201.88	225.25	238.11	205.87	178.90	
India's Export	42.95	47.69	48.47	51.08	46.40	66.32
<b>% Share of India</b>	<b>21.28%</b>	<b>21.17%</b>	<b>20.36%</b>	<b>24.81%</b>	<b>25.94%</b>	
<b>Leather Goods</b>						
Import	303.92	377.22	408.73	298.00	349.52	
India's Export	53.18	59.93	52.33	51.47	62.82	79.05
<b>% Share of India</b>	<b>17.50%</b>	<b>15.89%</b>	<b>12.80%</b>	<b>17.27%</b>	<b>17.97%</b>	
<b>Saddlery &amp; Harness</b>						
Import	19.63	24.84	24.92	22.21	26.78	
India's Export	3.07	3.54	3.07	1.88	2.40	2.34
<b>% Share of India</b>	<b>15.64%</b>	<b>14.25%</b>	<b>12.32%</b>	<b>8.46%</b>	<b>8.96%</b>	
<b>Non Leather Footwear</b>						
Import	839.74	1059.24	1313.76	1226.15	1524.71	
India's Export	0.96	1.72	2.32	1.04	0.70	0.50
<b>% Share of India</b>	<b>0.11%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.08%</b>	<b>0.05%</b>	
<b>Total</b>						
Import	3264.40	3825.01	4369.89	3498.62	4008.02	
India's Export	185.79	216.07	219.19	219.12	248.00	295.81
<b>% Share of India</b>	<b>5.69%</b>	<b>5.65%</b>	<b>5.02%</b>	<b>6.26%</b>	<b>6.19%</b>	

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

### Major suppliers of leather & leather products to Spain:

(Value in Mn \$)

Import from	2006	2007	2008	2009	2010	% share
China	896.45	1009.91	1204.92	997.22	1261.13	31.46%
Italy	522.67	649.36	718.91	518.87	554.01	13.82%
Vietnam	253.96	304.05	460.02	350.12	383.55	9.57%
France	146.48	190.31	205.56	165.97	187.68	4.68%
Portugal	142.96	167.57	194.48	165.27	171.46	4.28%
Netherlands	166.18	164.39	155.54	131.75	133.29	3.32%
Indonesia	101.39	133.42	170.73	114.55	129.10	3.22%
Morocco	79.82	97.04	119.74	110.40	125.43	3.12%
Brazil	91.61	106.07	101.12	64.10	58.02	1.45%

Source: ITC, Geneva

# events

From the above Table, it can be seen that China, Italy, Vietnam, France, Portugal are the major suppliers of leather & leather products to Spain accounting for a share of 64%. India is the fourth largest exporter of leather & leather products to Spain accounting for a share of 6.19% in its total imports.

## India Leather Show, Madrid, Spain - March 20 & 21, 2013:

Considering the import potential of Spain, the Council organized the fourth edition of Two-Day Mega India Show in Madrid, Spain during March 20 and 21, 2013 in association with the Indian Embassy in Spain with participation of 38 Indian companies.

### Pre-event arrangements

- Extensive marketing arrangements were undertaken for the Event by engaging the services of professional Marketing Agencies. This includes.
- Series of E-mail campaigns to about 4,000 Spanish companies including Spanish Brands, Departmental Stores and importers, Small & Medium shop Owners and Manufacturers.
- Personal invitation to priority companies.
- Press Release and advertisements in Spanish magazines namely Prensapiel, Technica Del Calzado, Global Fashion, Pinker Moda, Lederpiel etc
- Distribution of Flyers on the Show during the Modacalzado Fair held in Madrid during March 2013.
- Telemarketing campaign and follow-up with important companies.
- The India Leather Show was held at Hotel Melia Avenida de America which was inaugurated on March 20, 2013 at 10.00 am by His Excellency Shri. Sunil Lal I.F.S., Ambassador of India to Spain along with Shri. Biraja Prasad, Deputy Chief of Indian Mission. Shri. J.K. Dadoo, Joint Secretary, Dept. of Commerce visited the India Show along with the Executive Director of the Council. The Ambassador of India interacted with all the Indian participants and highlighted the present market trends in Spain and its potential. Most importantly, the Ambassador mentioned that Spain is a five trillion dollar economy and the present slowdown estimated at 20% is not a matter of concern and encouragingly advised member participants to positively target this market.
- The Executive Director of the Council during his inaugural address highlighted the importance of Spanish market and the scope to further enhance India's share which presently stands at 6.19% of the total Spanish leather import trade. A good presence of media persons were seen during the occasion.



*Shri R. Ramesh Kumar, ED, CLE delivering the welcome speech*



*Shri J.K. Dadoo, Joint Secretary, Dept. of Commerce speaking during the inaugural function*



*His Excellency Shri. Sunil Lal I.F.S., Ambassador of India to Spain addressing the participants at the inaugural function*



- After the inaugural function, His Excellency Shri. Sunil Lal Ambassador of India to Spain accompanied by Shri J.K.Dadoo, Joint Secretary, Dept. of Commerce and Shri R. Ramesh Kumar, Executive Director, CLE visited all the booths and interacted with the participants.

## VISIT OF INDIAN AMBASSADOR TO THE PARTICIPANTS BOOTHS



*The Indian Ambassador (2nd from left) along with Shri R. Ramesh Kumar, ED,CLE (3rd from left) and Shri J.K.Dadoo, Joint Secretary, DOC (right) interacting with a participant*



# events

- The India Leather Show had witnessed the visit of potential customers like El Corte Ingles, Blanco, British & Cotton, Petusco, Liz Bazar, Rafael Baranda, Aceamar, Orpell, Aramat, Trucco, Euforia, Yumas, Amichi, Tempe, Bolita's, Gocco, Hazelton Corporation, Do Rego & Novoa, Rudaquel, Laocoonte, Hakei, 30s Treinta's, Maroon Velvet, Kalfu, MG, Bio World, DellMon, YG, FAMA, Plural, Seva Import, Javier, Vilenca, Mercadochino, Calzados, Teodora etc for having business discussion with Indian Exporters.



Shri R. Ramesh Kumar, Executive Director, CLE at a booth of one of the participants



CLE representatives Mr. E.L.Samson, Asst. Director (middle) and Mrs. Sarmista Banerjee (left) at CLE booth

- The following are the major aspects which led to the success of the India Leather show despite the fact that Spain is facing economic crisis.
- The large scale participation of 38 companies provided the Spanish buyers not only a wide product range but also ample room for business negotiations including the price. Thus, the large scale Indian Participation by itself was a major factor which attracted the visit of potential Spanish buyers to the Show.
- It is to be noted that when we compare the list of Indian Participants of March 2010, 2011 and 2012 Editions, 23 companies have newly joined the March 2013 Edition of India Leather Show in Spain.

- An attractive atmosphere was created for the visiting buyers by providing well constructed stands for each individual company, giving opportunity to display their products in a professional manner. Also, meeting places were provided to the buyers in separate lounges.
- According to Spanish buyers, the Spain market had been suffering from the adverse effect of the economic slowdown and they are expecting a recovery in the near future. Hence, the Spanish buyers are surely looking for new suppliers at this point of time to attract their customers with new and high quality products with attractive prices. The Indian exporters could exactly match the requirements of the Spanish buyers, which resulted in generation of spot orders as well.
- No doubt, the Embassy of India in Spain played an active and crucial role in coordinating all the activities of the Council towards successful organization of the India Leather Show. The Council too updated the Embassy on various pre-event arrangements on a periodical basis, which facilitated framing-up of appropriate strategies in a time bound manner.
- Besides, the Council engaged a professional marketing Agency, M/s. AC Comunicacion Global, for overall coordination and for undertaking extensive publicity / buyer mobilization and most importantly for bringing in the Top players, Department Stores, Chain Stores etc to the India Leather Show
- At this stage, Spain, though being a strong manufacturer of leather products and footwear, is also a major importer. In the coming years, as the cost of labour in Spain increases, the manufacturers will surely be looking forward for new suppliers. Hence, there is tremendous scope for further enhancing our market share in the Spanish leather market.
- The India Leather Show attracted the visit of close to 130 Spanish companies. Not only that, the buyers who visited the Show included large Departmental Stores like El Corte Ingles, etc who has Stores throughout Spain, which again proves that the Show was able to attract brands and chain stores as well.
- The types of Spanish companies who participated in the India Show were
  - o 37% Wholesaler
  - o 20% Manufacturer
  - o 5.31% Mail order
  - o 10% Agents
  - o 13% Retailer
  - o 15% others
- As per the feedback from the participants, most of the members received serious business enquiries and some of them have booked spot orders and sample orders too. Besides there were serious enquiries from Spanish Buyers to invest in India and enter into Joint Venture Collaborations with Indian counterpart for promoting export of leather & leather products, resulting in generation of firm orders to the extent of US\$ 0.10 mn and future business close to US\$ 1.75 mn Further, the participants have also expressed keen interest to participate in the India Leather Show in Spain during March 2014 Edition.

## BUSINESS MEETINGS DURING THE SHOW



# events

**Export Projections:** India's export of leather & leather products to Spain increased from US\$ 216.07 mn in 2007-08 to US\$ 295.81 million in 2011-12, growing at a CAGR of 8.16%. Considering our market promotion programmes in Spain, we project India's export of leather & leather products to Spain to touch US\$ 600 million by 2016-17, at a CAGR growth of 15.19%.

## **Visit of Shri J.K. Dadoo, Joint Secretary, Department of Commerce & Industry, Govt. of India**

Shri J.K. Dadoo, Joint. Secretary, Department of Commerce & Industry, Govt. of India visited the India Leather Show held in Madrid during March 20 & 21, 2013. Shri. J.K. Dadoo delivered inaugural address at the India show and outlined the potential of Europe & Spanish Market and the ultimate scope to further enhance India's export.



*Shri J.K.Dadoo, Joint Secretary, Dept. of Commerce (right) in the CLE Information Booth along with Shri R. Ramesh Kumar, Executive Director, CLE*



*Shri J.K.Dadoo, Joint Secretary, Dept. of Commerce (right) in the CLE Information Booth along with Shri E.L.Samson, Asst. Director*

The Joint Secretary took keen interest to visit all the stalls and discussed with member participants about their presence in the Spanish market as a major supplier and enquired about their marketing strategies for having a quantum jump in their exports. Besides visiting the stalls of the exhibitors, the JS also interacted with the Spanish buyers who visited the India Leather Show.

### **Conclusion:**

The India Leather Show in Spain has once again resulted in creating a positive image of Indian Leather Industry among the Spanish buyers and entrepreneurs. Thus, the India Leather Show has helped in further promoting Indo-Spanish bilateral trade in the Leather Sector and it is felt that organising similar shows in future would pave way for enhancing our market share in the untapped Spanish Leather Market.

The Council for Leather Exports is thankful to the Indian Embassy in Spain for all help and support provided for successful organization of the India Leather Show.

