

# Two-Day Buyer Seller Meet in Cape Town, South Africa

March 13 & 14, 2014

A Report by R. Ramesh Kumar, IAS Executive Director, CLE

## Introduction

Leather is now emerging as one of the important trading commodities in Africa. The African Leather Sector is poised for growth and looking for investments and joint ventures for its development.

The India-Africa economic and trade relations have witnessed a surge, from a modest level of US\$ 24.98 billion in 2006-07 to US\$ 53.33 billion in 2010-11. The total trade between the two countries grew at a compounded annual growth rate (CAGR) of 20.87% during the same period. Furthermore, bilateral trade between India and Africa is expected to reach US\$ 70 billion by 2015. India is the 9th largest source of FDI into Africa. Thus this is the opportune time for the Indian leather sector for enhancing its market share in Africa.

## Market Potential in Africa for Leather and Leather Products:

African countries together constitute 1.7% share in the global import trade of US\$ 159.89 billion in 2011.

Among the African countries, South Africa, Nigeria, Tunisia, Morocco and Al-

geria are the major importing countries of leather & leather products. These Five Countries together account for about 90% of Africa's total import of leather and leather products.

As per ITC trade statistics, the import of leather and leather products by Africa has increased from US\$ 2028.89 million in 2007 to US\$ 2722.16 in 2011 growing at a CAGR of 7.62%.

## South Africa

South Africa is the largest economy in Africa, accounting for 40% import share in leather products among the whole African continent.

South Africa ranks first among the African countries in terms of its leather and leather products imports. The import has increased from US\$ 805.08 million in 2007 to US\$ 1074.86 million in 2011 growing at a CAGR of 7.49%.

South Africa also ranks first among the African countries importing a substantial value of leather and leather products from India. There was a consistent growth of India's exports since 2008 to 2011, the value of exports in-

creasing from US\$ 22.45 in 2008 to US\$ 41.18 million in 2011. However in 2012, the exports had dropped down to US\$ 35.09 million. Thus considering the potential of the South African market, the Council with a view to enhance India's exports to South Africa, included this country as one of the targeted markets for the export promotional activities of the Council to be undertaken for the year 2013-14. It is in this background, Council had proposed to organize a standalone event in South Africa and accordingly submitted the proposal to the Government under MAIS.

As per sanction accorded by the Government for organizing the event in South Africa, the Council organized the Buyer Seller Trade Expo during March 13-14, 2014 at Cape Town International Convention Centre, Cape Town, South Africa.

## India-South Africa Leather Trade:

South Africa is the major market for India among the African countries. A statement showing South Africa's Import of Leather & Leather Products & India's Share- 2007-2011 is given below:

(Value in Mn US\$)

DETAILS	2007	2008	2009	2010	2011	2012
<b>Leather</b>						
Import	115.25	94.11	64.86	112.34	90.09	
India's Export	13.27	9.29	8.52	13.46	16.40	13.31
% Share of India	11.51%	9.87%	13.14%	11.98%	18.20%	
<b>Leather Footwear</b>						
Import	237.15	209.40	182.03	204.06	244.58	
India's Export	6.93	6.53	8.53	9.51	13.26	12.04
% Share of India	2.92%	3.12%	4.69%	4.66%	5.42%	
<b>Footwear Components</b>						
Import	13.19	12.68	14.72	15.89	17.32	
India's Export	0.83	1.59	0.97	1.36	1.07	0.98
% Share of India	6.29%	12.54%	6.59%	8.56%	6.18%	
<b>Leather Garments</b>						
Import	16.35	9.38	6.27	8.87	6.40	
India's Export	0.82	0.44	1.04	1.01	2.57	1.51
% Share of India	5.02%	4.69%	16.59%	11.39%	40.16%	

<b>Leather Goods</b>						
Import	34.45	41.82	34.77	41.83	50.75	
India's Export	4.63	3.65	4.61	5.52	6.37	6.52
% Share of India	13.44%	8.73%	13.26%	13.20%	12.55%	
<b>Saddlery &amp; Harness</b>						
Import	3.21	4.04	3.10	4.06	4.82	
India's Export	0.67	0.58	0.55	0.81	1.09	1.15
% Share of India	20.87%	14.36%	17.74%	19.95%	22.61%	
<b>Non Leather Footwear</b>						
Import	385.48	354.52	369.00	492.13	660.90	
India's Export	0.76	0.37	0.37	0.46	0.42	0.47
% Share of India	0.20%	0.10%	0.10%	0.09%	0.06%	
<b>Total</b>						
Import	<b>805.08</b>	<b>725.95</b>	<b>674.75</b>	<b>879.18</b>	<b>1074.86</b>	
India's Export	<b>27.91</b>	<b>22.45</b>	<b>24.59</b>	<b>32.13</b>	<b>41.18</b>	<b>35.98</b>
% Share of India	<b>3.47%</b>	<b>3.09%</b>	<b>3.64%</b>	<b>3.65%</b>	<b>3.83%</b>	

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

The major items of export from India to South Africa are footwear 37.49%, followed by leather goods & accessories 18.12% and leather garments 4.19%.

India accounts for only 3.8% of South Africa's total import value of US\$ 1074.86 million and thus offers tremendous scope for furthering India's exports

#### Major Supplying countries of Footwear to South Africa and their share

Value in US\$ Mn

Country	Import Value	% share in total imports
China	679.41	75%
Vietnam	78.97	8.72%
Italy	37.16	4.1
Indonesia	43.54	4.8
India	16.61	1.62
Brazil	9.02	0.99%
Thailand	5.19	0.57
Hong Kong	3.49	0.38
Spain	4.22	0.46
Portugal	2.81	0.31

Source: ITC, Geneva

From the above statement, it can be seen that China, Vietnam, Italy, Indonesia and India are the major suppliers of Footwear to South Africa. India is the fifth largest exporter of footwear to South Africa accounting for a share of 1.62% in its total imports.

#### Major Supplying countries of Leather Goods to South Africa and their share

Value in US\$ Mn

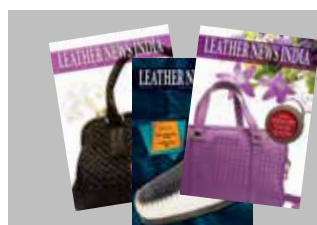
Country	Import Value	% share in total imports
China	27.59	54%
Pakistan	7.42	15%
India	6.37	13%
Italy	3.24	6%
Hong Kong	2.21	4%
France	2.19	4%
Indonesia	1.15	2%
USA	0.69	1%

Source: ITC, Geneva

From the above statement, it can be seen that China, Pakistan, India and Italy are the major suppliers of Leather goods & accessories to South Africa. India is the third largest exporter of leather goods to South Africa accounting for a share of 13% in its total imports.

#### Buyer Seller Trade Expo in South Africa, March 13-14, 2014

Considering the potential of South Africa and South Africa being a Focus Country under the Focus Africa Programme, Govt of India, with a view to promote leather trade between India and South Africa, the Council in association with the Consulate General of India, Cape Town organised a Two Day Buyer Seller Trade Expo in Cape Town, South Africa during March 13 and 14, 2014



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### Pre Event arrangements

CLE had initiated the pre-event organizational arrangements in association with the Consulate General of India, Cape Town. As advised by the Consulate, M/s LTE - Leaders in Trade Exhibitions, South Africa, was engaged as the marketing agency for overall coordination and for undertaking Event Publicity / Buyer-Mobilisation Campaign.

### Marketing Initiatives

In order to ensure maximum buyers turnout during the event, extensive marketing activities were undertaken by the Council. They are:

### Pre Assessment Visit during Feb 18 to 25, 2014

As part of buyer mobilization efforts, the Council had undertaken a Pre Assessment Visit to South Africa during February 18 to 25, 2014 to make an assessment on the market potential. The pre-event visit has helped to study the Retail Market that is booming in South Africa and the potential it offers for the leather products particularly footwear in South Africa. Information about the upcoming BSM was also disseminated amongst the South African Footwear and Leather Products Associations, Chambers of Commerce, Indian Missions etc with a request to give wide publicity for the BSM.

### Publicity Campaign

The following Publicity activities were also undertaken by the Council to ensure maximum buyer turnout:

- Press Announcement
- Visitor Print Invite
- A Full Page Colour advertisement in S & V's Annual Directory
- Invitation to 3500 database
- One Colour Advert in the Weekend Argus Newspaper to appear on Saturday, 8 March 2014
- Design, print and posting of the print invitation
- Email invite campaign through Graphic mail (2 mailings)
- SMS reminder campaign
- Full press release campaign to all relevant media
- Development of database
- Indian Mission is also giving wide



*The Consul General of India, Dr. Swati Kulkarni, IFS inaugurating the BSM*



*Shri R Ramesh Kumar, IAS, ED-CLE, Greets  
Dr. Swati V. Kulkarni, Consul General, CGI, Cape Town*



*The dignitaries visiting the Exhibitors Stalls*

publicity of the BSM including Press Release

- Website publicity

### The Buyer Seller Meet

The Buyer Seller Meet was held during March 13-14, 2014 at Cape Town International Convention Centre, Cape Town, South Africa along with the India's Clothing and Textile Trade Show. The business visitors timing was from 09.00 AM to 4.30 PM.

The BSM started with a formal inauguration by Her Excellency Dr. Swati V. Kulkarni, IFS, Consul General, Consulate General of India, Cape Town by a ribbon cutting ceremony. Shri R Ramesh Kumar, IAS, Executive Director-CLE, Shri. K Chinna Swamy, Consul, Consulate General of India, Cape Town, Shri Virender Uppal, Chairman, AEPC, Shri Sudhir Sekhri, Chairman, Fairs, AEPC, Shri Puneet Kumar, IAS, Secretary General, AEPC, The Secretary (Textiles) Smt. Zohra Chatterji, IAS, the Exhibitors & CLE representatives were present on this occasion.

The Consul General in her inaugural address highlighted the India-South Africa trade with particular reference to the leather sector. The Executive Director briefed the importance of the Buyer Seller Meet in terms of large scale participation and highlighted the potential of the South African market for the leather products.

### Participants of the Event

Though initially 36 companies from all over India had enrolled for the participation, 34 companies eventually participated in the BSM in South Africa and displayed their latest collections of non-leather footwear, leather footwear, leather goods 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. It is pertinent to mention that we had a large-scale participation of 18 companies from the Non-Leather Footwear Segment at the BSM.



*Shri R. Ramesh Kumar, ED-CLE addressing the inaugural session*

THE PARTICIPATING COMPANIES	
Sl.No.	NAME OF THE COMPANY
1	Abhay Footwear Pvt. Ltd., Bhadurgarh
2	Allure Enterprises Pvt Ltd., New Delhi
3	Boyzone Footcare India Pvt. Ltd, Malapuram
4	Calico Trends, Kanpur
5	Comfort Polymers, Kozhikode
6	Condor Footwear (India) Ltd, Mumbai
7	D'Lords Exports (India), Mumbai
8	Forms N Fashions, Chennai
9	Glow Shoes Pvt. Ltd., New Delhi
10	Great Shoe Exports, Agra
11	Grippo Elastomers, Malapuram
12	Hywalk PU Footwear, Calicut
13	Josco Rubber (Pondy) Pvt. Ltd., Calicut
14	Leader Rubber Industries, Calicut
15	Leeds Polymers, Malapuram
16	Liberty shoes Ltd-India, Gharaunda
17	Lunar Rubbers Pvt Ltd., Thodupuzha
18	Mr.Walker Footcare, Kozhikode
19	Naaz Exports Pvt. Ltd., Kanpur
20	Nexo Footwear Pvt Ltd., Kozhikode
21	Paragon Polymer Products Pvt. Ltd., Kottayam
22	R.S.Overseas, Agra
23	S.Lamos Shoes, Agra
24	Shalimar Plastimers, Calicut
25	Shelcon Footwear, Agra
26	Shyam Plastic Industries, Bahadurgarh
27	Siddharth Footwear Exports Pvt Ltd., Noida
28	Sincere Footcare, Calicut
29	Stellar Poly Vinyl, Malapuram
30	Teens Eva International, Calicut
31	Tryshoera India Pvt. Ltd., Noida
32	Veekesy Elastomers Pvt. Ltd, Kozhikode
33	Veekesy Polymers Pvt. Ltd, Kozhikode
34	Win Heels, Calicut



*ED-CLE interacting with an exhibitor*



*Consul General, CGI & ED-CLE in a stall*

### Fashion Evening cum Networking Dinner



As part of the publicity activity, the Council in association with the Consulate General of India, Cape Town has organized a Fashion Evening cum Networking Dinner on 13th March 2014 at the same venue at Cape Town International Convention Centre.



*The Executive Director-CLE interacting with the Deputy Foreign Minister (DFM) of South Africa Marius Fransman.*



*The Secretary (Textiles) Smt. Zohra Chatterji, IAS, addressing the gathering*

The Chief Guest of the Event was Deputy Foreign Minister (DFM) of South Africa Marius Fransman. This event saw high-level participation including dignitaries like Member of Parliament [NCOP/Upper House] & Chairperson of Select Committee on Economic Development Mr. Freddie Adams, local MEC [Provincial Minister] for Social Development Mr. Albert Fritz, Member of Mayoral Committee

on Safety and Security Alderman J.P. Smith and a cross-section of international high net-worth textile buyers.

All the major large Chain stores such as Truworths, Woolworths, Pick-n-Pay, Foschini, Edgars etc. attended the Show in Cape Town including small boutique buyers, independent retailers and agents/importers. The Show received adequate press coverage. The Exhibitors in the BSM also participated in the Fashion Evening by exhibiting their samples during the fashion show

### Buyers Turnout & Business Generation

The Buyer Seller Meet was attended by the Retailers, Agents, Wholesalers and Chain Stores/Departmental Stores in South Africa. As per the marketing agency, the show was attended by about 315 buyers.

Some of the African companies which visited the BSM are Abelia Leatherware, Slick, AD Trading, Amie-la Connection, Angel Courture, Anita Moon Footwear, Anna Pardal, Anthony Oswald, Artworkcape, BM Agencies, Babus Footwear, BC Distributors, Beachsands, Eco Rubber, Easywear, TFG Merchandise, E Sacks Futeran, Cape Union Mart, Clicks, Cobbler, Daddy & Fox, Desert Rose, Dominico, Footwear Trading, Miriams Boutique, Redsun, sense of Style, Topline Footwear, Woolworth, Zando etc

As per the feedback of the participants, it is estimated that around US\$ 3 mn is the expected business generation as a result of this BSM.

### Conclusion

The Buyer Seller Meet organized in South Africa served as an eye opener to the exhibitors to study the current market trend and to personally witness the quality & design pattern of leather products and non-leather footwear consumed in South Africa. The general view is that consistent presence in the market by organizing such marketing activities year on year basis would create an India Brand image among the South African buyers. Considering such a huge demand in South African Retail industry, it is estimated that the current BSM would facilitate enhancing the exports to South Africa to US\$ 70 million by 2016-17.