

# APLF- Materials, Manufacturing & Technology Fair, Hong Kong

March 30- April 1, 2016

■ A Report by S. Poonguzhali, Export Promotion Officer, CLE



## 33rd APLF Leather Fair (APLF-MM&T)

The 33rd APLF Leather Fair – MM&T Fair held at the Hong Kong Convention Centre from 30th March - 1st April 2016 under the challenging business environment of leather sector spread across world. The business outcome of the event favorably indicates that the world leather market averagely stimulating the demand of leather & leather products segment in the world's markets. The major top 5 export markets i.e. Germany, USA, UK, Italy & Hong Kong of Indian leather & leather products are signaling positive sign in terms of new business developments.

### Hong Kong – A Gate way to China

Hong Kong is the Premier gate way to China, the world's largest trading economy. Hong Kong is an International city, highly developed in finance, legal services, accounting trade logistics, telecommunications, aviation and media. It is also base of international many International Chambers of Commerce, Consulates, International Organizations and international media organizations.

### About Hong Kong

Officially Hong Kong Special Administrative Region of the People's Republic of China is an autonomous territory on the southern coast of China. As one of the world's leading international financial centers.. Hong Kong has a major capitalist service economy characterized by law taxation and free trade.

### Strengthening Business Ties with India – Hong Kong

Pushing for an investment promotion agreement, Hong Kong called for strengthening business ties with India and boosting bilateral trade.

India is Hong Kong's seventh-largest trading partner globally, with bilateral trade of USD 23.7 billion last year and strengthening business ties with India and increase trade manifold. Hong Kong and India enjoy strong ties formed over more than 150 years of business and cultural links.

In 2015, India was Hong Kong's fourth-largest export market with shipments expanding 8.1 per cent (year to year) to USD 13.1 billion and on the other hand, India was Hong Kong's ninth-largest source of imports in 2015, amounting to USD 10.6 billion.

In view of taking India's tremendous economic potential, the foreign trade and investment between Hong Kong and India are expected to expand continuously in the coming years.

### I. Hong Kong Import Potential

- As per ITC Geneva Trade Statistics, Hong Kong is the 3rd largest importer of leather and leather products in the world.
- Hong Kong accounts for a share of 4.07% in the global import of US \$11590.70 million in 2013.
- Hong Kong is an important market of leather & leather products with imports increasing from US \$ 8007.85 Million in 2009 to US \$11590. Million in 2013 growing at a CAGR of 9.69 %
- Out of Hong Kong's total leather import trade, the import share of various leather product categories are under :
  - o Finished leather – 13.39%
  - o Footwear ( leather & non leather and footwear components ) - 0.49 %
  - o Leather Garments - 3.33 %
  - o Leather Goods & Accessories - 0.28%
  - o Saddlery & Harness - 1.93%

Hence, Hong Kong is potential market for export of finished leather, footwear, leather goods & accessories and leather.

### II India – Hong long Leather Trade

India's export of leather & leather products to Hong Kong has increased from US \$ 251.54 million in 2009 to US \$ 471.54 million growing CAGR rate of 17.01%. Presently India holds share of 4.07% in Hong Kong's total leather import trade of US\$11590.70 million. Finished Leather is the major item of import although India's exports of other Finished Products as Footwear, Leather Garments and Leather Goods has also been seeing robust growth., Hence, there is good scope to further enhance India's export of leather & leather products to Hong Kong in the coming years.

## Exhibiting Companies & International Pavilions

MM&T Fair 2016 covered a total exhibiting area of 24,400 square meet which includes 1064 exhibitors from 18 countries and regions including Bangladesh, Brazil, China, Egypt, Ethiopia, France, Germany, Hong Kong, India, Italy, Spain, Japan, Korea, Pakistan, Spain, Taiwan, Turkey, UK & USA. There were about 206 first time exhibitors from 26 countries including Zimbabwe, Australia, Bangladesh, Brazil (2), China (2), Egypt, Ethiopia, France, Germany, Hong Kong, India, Italy (3), Japan, Korea and Pakistan, Mexico, Netherlands, New Zealand, Paraguay, Russian federation, Saudi Arabia, Spain, Taiwan, (2), Turkey, UK, and USA (2).

## Percentage of Exhibiting Companies by Product Sector

| Product Sector   | % of Exhibiting Companies |
|--|---------------------------|
| Finished Leather   | 50.8 %                    |
| Semi Finished / Crust Leather  | 9.9 %                     |
| Bonded / Synthetic Materials / Woven & Natural Materials                       | 9.4 %                     |
| Tanning / Leather Finishing Machinery & Parts / Leather craft Machines / Tools | 7.0 %                     |
| Shoe Components / Hardware / Fitting / Accessories                             | 5.9 %                     |
| Hides & Skins  | 5.7 %                     |
| Allied Materials   | 5.7 %                     |
| Services   | 5.6 %                     |
| <b>Grand Total</b>   | <b>100 %</b>              |

*(The Major Exhibitors were Finished Leather Manufacturers)*

## Exhibitors Profile

The MM & T Fair has established itself as the leading annual event for the global leather industry and vital platform for leather technologies, technicians, designers, and Fashion professionals. The Fair had a comprehensive range of exhibits including hides & skins, Semi finished leather /Crust Leather, Finished leather, bonded materials, Synthetic materials, Woven & Natural Materials, Tanning / Leather Finishing Machinery & Parts, Allied materials, Shoe components, Hardware / fittings/ Accessories and services.

## Visitor's profile

The following categories of visitors attended the MM&T Fair, 2016

Traders of Hides and Skins, Buying offices / sourcing of Agents of Leather, Materials and Components, Importer / Distributors/ Whole sale of Leather, Materials and components, Manufacturer with own factory of Leather, Materials and Components, and Manufacturer of Car Interiors / Leather Furniture and CAD CAM system, Business Solutions/ Testing and consulting. There were about 16,000/- international buyers visited the fair.

## Press Conference

### Speech by Mr. Micheal Duck, Director of APLF Ltd

A "Press Meet" of the APLF Fair held on 30th March 2016 at 9.30 am in conference room of the Hong Kong Convention Centre. Mr. Micheal Duck, Director of APLF Ltd welcomed the International media and fair participants and pointed out that global leather industry has been passing through a challenging phase. Since demand for leather fallen, as a consequent result, the prices of leather also fallen by 40 %..

The cheaper crude oil prices resulted in cheaper raw stock to manufacturer of synthetics that have continued to highlight the fact that leather priced itself out of the market. It is only in recent weeks that bargain basement prices for splits have attracted buying interest from footwear manufacturers but there is still a large backlog in stock weighing on the market. At the same time unfavorable macroeconomic factors have blunted demand for many consumer goods, including footwear and it has been the buoyant automotive sector where demand for leather has been constant. Add to this fact that China's economy has been slowing along with its factory activity and reduced orders for leather footwear. Russia is still embroiled sanctions with the US, Europe and Turkey plus the geopolitical tensions in the Middle East – then it is easy to comprehend why leather demand continued to be weak despite more attractive prices.

Mr.Frank Boehly, President of the SIC, APLF's Partner Company & Ms. Perrine Ardouin, Director, APLF Ltd were also present during the event and briefed about the activities being planned coincides with MM&T and Fashion Access across all three days March 30-April 1, 2016.

Mr. Micheal Duck also welcomed Turkey as the focus country. He went ahead to describe that Turkish marketing approach this year is called "ART meets Turkish Leather". Turkey set out with the idea of bringing together artists and designers who had not worked with leather and double face and to give them the challenge of working with leather for the first time. It also created an opportunity to form and enhance a "leather friendly" "consciousness in the art and design world. He also welcomed Zimbabwe as a new exhibiting country. He added that the UBM, APLF's parent Company had launched on experimental initiative with Alibaba, China;s leading online business portal. Alibaba B2B presents " Meet at APLF, Buy on "Alibaba .com". This initiative demonstrates the synergy between the online and offline trading works so as to enhance the trade professionals sourcing experience.

At the end of the Press Conference, Mr. Jamal Md. Mohideen, Deputy Director, and Smt. S. Poonguzhali, Export Promotion officer have presented the 19th UITIC Sponsorship Memento to Ms. Perinne Ardouin, Director of APLF.

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Mr. Michael Duck, Director of APLF addressing Press and Media



A view of audience at the press conference.



Mr. Mike Redwood, Leather Naturally! giving his speech



Mrs. Ruken Mizrakli, Istanbul Leather and Leather Products Exporters Association (IDMIB) and Turkish Leather Council (TLC) making presentation at the conference.



Mr. M.J.Jamal Md. Mohideen, Deputy Director, CLE, Mrs. S.Poonguzhali, Export Promotion Officer and Mr. Abu Sufiyan, UDC, CLE along with Mr.Ajay Lal UBM India handing over the 19th UITIC Sponsorship Memento to Ms.Perrine Ardouin, Director of APLF at Press conference.

**Council's Participation in the MM&T, Fair 2016:**

The Council for Leather Exports, India organized its participation with 68 member participants in Hall No.1A, 1C, 1D & 3C. The CLE Representatives Mrs. S Poonguzhali, Export Promotion Officer, CLE, Chennai,

Mr.Dhanasekaran, Asst. Exports Promotion Officer, CLE, Chennai, Mr. P. Rajakumar, UDC, CLE, Chennai & Mr. Abu Sufiyan, UDC, CLE, Kanpur were available in CLE information booth during days. The CLE officials also coordinated to the all member exhibitors and resolved their issues smoothly as and when occurred. The Council had gone in wide publicity through on site Branding by way of banners and distributed a number copies of participants profile, Leather New Magazine, Brochure and publicity material on leather and leather products Industry and Members Directory and CD's were also displayed during the fair and any prospective buyers /importers who visited the CLE information booth were given adequate information on Leather Industry. The CLE pavilion was crowded with business visitors almost throughout the 3 day fair period.

Mr. Jean -Pierre Bidegain, IDC- Leder & Haute Markt International Magazine, France and Mr. Carlo Leoni, International Technology Magazine, Italy have visited the CLE information booth and given their latest international magazines. Mr, Luthra, Leather age Magazine Kolkata also visited the CLE pavilion.

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**Visitors at CLE Information Booth**



Mr. Abu Sufiyan , UDC, CLE Mrs. Poonguzhali, Export Promotion officer, CLE, Mr. Md. Iftexhar, Regional Chairman (Central), CLE (3rd from Left), Mr. Raja Kumar, UDC and Mr. Dhanasekaran (AEPO)



Enquiry about CLE publications



Visitors at CLE information booth



Mr. Sanjay Leekha, COA Member ( in middle) at CLE information booth



Mrs. Poonguzhali, Export Promotion officer, Mr. Abu Sufiyan, UDC, CLE, Kanpur and Mr. P. Rajakumar, UDC, CLE, at CLE information booth.



Mr. Rajakumar and Mr. Abu Sufiyan, CLE officials with Mr. Jean -Pierre Bidgain , IDC- Leder & haute market International Magazine, France

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**Visitors at CLE Information Booth**



Mr. Shafeeq Ahmed, Former Vice Chairman, CLE ( 3rd from Left) at CLE information Booth.



Mr. Anil Sondhi, COA Member (3rd from Left) at CLE information Booth.



Mr. Abu Sufiyan, CLE Mr. Raj Mohan former COA Member, CLE (middle) and Smt. Poonguzhali, CLE



Mrs. Poonguzhali, EPO, CLE, , Mr. Abu Sufiyan, UDC, CLE with Mr. Ajaylal, UBM India.

**List of Indian Exhibitors participated under CLE India Pavilion at MM&T 2016:**

| S No | Exhibitors Name              | Region      |
|------|------------------------------|-------------|
| 1    | Abdullah Tannery (P) Ltd     | Kanpur      |
| 2    | ACME Tanning Industries      | Kanpur      |
| 3    | Ahsan Leathers (Pvt) Ltd     | Kanpur      |
| 4    | AKI India Pvt Ltd            | Kanpur      |
| 5    | Al-Furqan International      | Vaniyambadi |
| 6    | Alig Tannery                 | Kanpur      |
| 7    | Alina Private Ltd            | Chennai     |
| 8    | Allied Exims                 | Kanpur      |
| 9    | Amfa International           | Chennai     |
| 10   | Arora International          | Delhi       |
| 11   | Aslam Tanners                | Kanpur      |
| 12   | AXA Leather Group            | Vaniyambadi |
| 13   | Blue Diamond Leather & Co    | Ranipet     |
| 14   | Blue Diamond Leders          | Chennai     |
| 15   | Cheviot International Ltd    | Delhi       |
| 16   | Chein Hsing Tannery          | Kolkata     |
| 17   | Deep Traders (India) Pvt Ltd | Jalandhar   |

| S No | Exhibitors Name                        | Region  |
|------|--|---------|
| 18   | E. K. Hajee Mohamed Meera Sahib & Sons | Chennai |
| 19   | Enayat Overseas                        | Kanpur  |
| 20   | Everest Tannery (Upholstery Division)  | Kanpur  |
| 21   | G. G. Organics Exports Private Limited | Chennai |
| 22   | Glamour Leathers                       | Chennai |
| 23   | Globe Tanners                          | Kanpur  |
| 24   | Gokulraam Leathers                     | Chennai |
| 25   | Harsha Impex                           | Chennai |
| 26   | Hidea Leather Works                    | Chennai |
| 27   | Homera Tanning Industries Pvt Ltd      | Kanpur  |
| 28   | Iconium Leather Works Pvt Ltd          | Ranipet |
| 29   | Iqbal Leathers (P) Ltd                 | Kanpur  |
| 30   | JC International Ltd                   | Kolkata |

| S No | Exhibitors Name               | Region      |
|------|-------------------------------|-------------|
| 31   | Kohinoor Leather Company      | Chennai     |
| 32   | M.S. Leathers                 | Ranipet     |
| 33   | Mega leathers                 | Ranipet     |
| 34   | Metalware Corporation         | Delhi       |
| 35   | Mirza International Ltd       | Kanpur      |
| 36   | Model Exims                   | Kanpur      |
| 37   | Model Exims (India) Pvt Ltd   | Kanpur      |
| 38   | Model tanners (India) Pvt Ltd | Kanpur      |
| 39   | Mohd. Zaid & Co.              | Chennai     |
| 40   | Naaz Exports (P) Ltd          | Kanpur      |
| 41   | Nadeem Impex                  | Kolkata     |
| 42   | Nadeem Leatherware Exports    | Chennai     |
| 43   | New Era Exports               | Kanpur      |
| 44   | Northern Tannery              | Kanpur      |
| 45   | Omega International           | Kanpur      |
| 46   | Orion Exports                 | Kanpur      |
| 47   | Pacific Exports               | Kanpur      |
| 48   | Paramount Leather Corpn.      | Vaniyambadi |
| 49   | Reliance Tanning Industries   | Kanpur      |
| 50   | Ruksh Exim P Ltd              | Kanpur      |

| S No | Exhibitors Name   | Region      |
|------|---|-------------|
| 51   | Saa Leather Company                                     | Erode       |
| 52   | Saba Exports  | Kanpur      |
| 53   | Shihab Tanning Company                                  | Erode       |
| 54   | Shoeberry   | Vaniyambadi |
| 55   | SMF Exports   | Chennai     |
| 56   | Star Exports  | Chennai     |
| 57   | Sunrise Overseas  | Kanpur      |
| 58   | Super Tannery Ltd                                       | Kanpur      |
| 59   | Superhouse Ltd  | Kanpur      |
| 60   | Supreme Exports   | Kanpur      |
| 61   | T. Abdul Wahid Tanneries Pvt Ltd                        | Chennai     |
| 62   | The Constructions & Industries Pvt Ltd (Shewan Tannery) | Kanpur      |
| 63   | Unique Exports  | Kanpur      |
| 64   | Upper India Tanners                                     | Kanpur      |
| 65   | Uper India Tanning Industries                           | Kanpur      |
| 66   | Usmani Tanners  | Kanpur      |
| 67   | V.A.S. Noorullah & Co.                                  | Chennai     |
| 68   | Zuha Leather Pvt Ltd                                    | Chennai     |
| 69   | Council for Leather Exports                             | India       |

**View of Stands in CLE Pavilion**



View of Stands in CLE Pavilion



View of Stands in CLE Pavilion





## View of Stands in CLE Pavilion



### The following series of program held during the MM&T Fair 2016:

Leather Forum: The following insightful seminars were presented by leading tanners and chemical suppliers on the latest industry issues.

- “The Amazing Lasting Value of Leather” presented by Leather Naturally
- “Getting Smart: Conceptualizing What is Needed to be the Tannery of the Future” presented by Prime Asia.
- “Tannery of the Future – CSR Self – Assessment Tool” presented by Smith & Zoon

### Tannery of Year:

The climax of the World Leather “Tannery of the Year Awards” held at gala dinner during APLF – MM&T. Tannery of the Year began in 2009 and aims to highlight and make public the best examples in the global leather industry of tanneries that look after the environment well, take good care of their employees, work closely and fairly with local and national authorities, were economically sound, committed to innovation and quality, and who have established strong partnerships with customers and suppliers.

The list of finalists for the fifth Tannery of the Year competition was held on 30 March 2016 (Wednesday), Bauhinia Room, Hong Kong Convention and Exhibition Centre.

On the first day of the fair, Tanners made a presentation to an independent panel of judges, who used the information in the report published in World Leather to select the winners for the regions.

The finalists, in alphabetical order are

- Atlantic Leather, Saudarkrokur, Iceland
- Couro do Norte, Brazil
- Kings International Ltd, India
- Täarnsjö Garveri, Sweden
- Wickett & Craig of America, US
- White Nile, Sudan
- Xinji Meihua, China
- Zhejiang Dazhong Leather, China

Global Footwear Retail Conference: Last March, the inaugural Global Footwear Retail Conference (GFRC) was held during APLF. It proved a great success as it gave the sold-out audience an insight into footwear retail from a US, China and e-commerce point of view – the world’s three largest markets.

The 2016 edition of GFRC returns to Fashion Access was focused on Global Trade and Trans-Pacific Partnership, the Millennial Fashion Consumer, and the Future of Footwear E-Commerce.

This Fair has assembled leading footwear retailer stakeholders to consider the future of the industry.

### Sustainability in the Leather Supply Chain Conference:

The APLF Ltd and BLC have organized the interesting conference focusing on sustainability. The following points were discussed at the conference:

- Understanding the ZDHC Leather MRSL
- Uniform Effluent Discharge
- Need and drivers for Traceability
- Transparency in the Supply Chain
- Individual Hide, Skin & Split Traceability Systems

### Material Trends Space:

The Material Trends Space (MTS) has an exhibit of leather, synthetic, textiles and other materials as well as components that illustrate the colour and texture trends for the upcoming fashion season; and given a sneak preview of what MM&T has in store for buyers. The few more seminars/workshops held coinciding with the APLF-MM&T & Fashion Access Fair.

Kings International Ltd, Kanpur has won the ASIA 2016- Prestigious Tannery Award on the occasion of Asia Pacific Leather Fair at Hong kong on 30th March 2016. Shri Taj Alam, Managing Director, M/s. King International Ltd, Kanpur received the Tannery of the Year award during APLF-MM&T Fair. There was surprise announcement of another award for the Tannery innovation -2016 in the same award function. These Awards have been instituted by World Leather magazine of UK and the nominations across different countries of Asia Pacific region had been judged by Secretary, International Council of Tanners (ICT), Vice President of International Union

of Leather Technologies & Chemists Societies (IULTCS) and the other members of the jury who have served on United Nations Industrial Development Organization (UNIDO) and Leather Working Group (LWG).

The fundamental criteria for the selection was on based on the positive initiatives which the tanners across the globe have taken for the labour welfare including Worker's safety their occupational health, risk management, recycling and re-use of resources, the environment and Waste Management, rain Water harvesting, energy saving practices, sustainable development, good governance show casing a further set examples of best practices of corporate responsibility , examples of innovative thinking and passion for the industry and for leather thereby producing ethical leather.

#### **Business Outcomes :**

As per feed back received from member- participants, 1079 meetings with overseas buyers were held and spot order of to the tune of US \$ 3.53 million and future expected order to the tune of US \$ 4.43 million approximately.

#### **Conclusion:**

The overall impression as gathered from our members is that the MM&T fair was very purposeful platform to meet large number of customers from across the world. Most of the participants in the CLE pavilion have expressed their willingness for participation in the next edition of MM & T Fair (March 2017) through Council for Leather Exports

