

Make in India Promotion - Road Show & B2B Meetings

Dongguan City, China - January 6-7, 2016

■ Report by Council for Leather Exports (CLE)



Make in India is a major national programme designed to facilitate investment, foster innovation, enhance skill development and build best-in-class manufacturing infrastructure in India. Leather, Leather products and Footwear sectors have been identified as one of the sectors for intervention under Make in India programme. Make in India initiative intends to invite both domestic and foreign investors to invest in India. Under Make in India, the Indian leather industry has been set a target of achieving turnover of USD 27 billion by 2020 from the present turnover of USD 12.60 billion (including export turnover of USD 15 billion from the present USD 6.6 billion and domestic turnover of USD 12 billion from the present USD 6 billion).

With a view to increase investments into the Leather Sector under Make in India, during August 2015, the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India, has constituted a "Committee for Targeting Investment in Leather Sector". The Committee comprises of 27 representatives from leather industry and Joint secretaries of DIPP and Department of Commerce. The Committee's primary task is to organize focused Road Shows in identified foreign countries and create awareness of India's manufacturing capabilities, strength and various proactive measures taken towards development of the leather industry in India, and growth prospects both for export as well as in the domestic market. China is one of the identified countries of intervention for organizing the Make in India Event.

In view of high growth levels projected for Indian leather industry and in view of the tremendous prospects for investments from overseas manufacturers/entrepreneurs, the Council for Leather Exports (CLE) with the approval of Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry, Government of India, has organized "Make in India Promotion – Road Show & B2B Meetings Event" in Dong Guan City, China, during January 6-7, 2016.

Objective

The objective of organizing the Make in India Event in China is to create awareness of India's manufacturing capabilities, strength and various proactive measures taken towards development of the leather industry in India, and growth prospects both for export as well as in the domestic market. The objective is to attract foreign companies to invest in India, in either of following two modes (i) 100 % FDI to set up manufacturing plant of their own (or) (ii) by entering into Joint Venture with Indian companies to manufacture in India.

Secretariat for the Committee, and organization of Event by CLE:

The secretariat for the 'Committee for targeting investments into Leather Sector' is functioning at CLE HQ. The Indian Leather Development Programme (ILDPP) Unit at CLE HQ has been handling the functions of the Secretariat, and it has been entrusted with the specific assignment of organization of Make in India promotion Events in the identified overseas countries.

In order to have focused attention in planning and executing the Make in India Event in China, and to have a strategy most suitable to the Chinese market, Shri M Rafeeq Ahmed, Chairman of the Council for Leather Exports has appointed Shri N. Shafeeq Ahmed, Former Vice-Chairman, CLE, as Convener for the Make in India Event in China. It may be mentioned here that Shri N. Shafeeq Ahmed is one of the leading manufacturer and exporter of Footwear in India, and has vast experience in Chinese and other European countries, Shri N Shafeeq Ahmed, Convener, has taken necessary actions and given advice to the CLE for planning, strategy and organization of the Make in India Event in China.

Make in India Event dissemination to Indian Companies

- The Council has circulated the information of the Make in India Event to the enterprises in the leather sector requesting their participation. The information

was also hosted in the website of CLE for wider dissemination.

- The Council has sent invitation to prominent industrialists and members of the Committee of Administration of CLE and all eight product panel conveners of CLE.
- The Council has sent invitations to the Members of the 'Committee for targeting investments in the leather sector' constituted by the DIPP.
- The Council has sent the information about the Event to Associations in the domestic industry for circulation to their members for participation.

Event Management / Marketing Agency

The Council for Leather Exports (CLE) has engaged Dong Guan Zhuge Media Co. Ltd., as the Event Management / Marketing Agency for organizing the Make in India Event in China as per reference given by Convener, Shri N. Shafeeq Ahmed based on his known sources. The Consulate General of India office in Guangzhou has concurred with the engagement of Dongguan Zhuge Media Co. Ltd. The roles and responsibilities of Event Management Agency is to carry out promotion of event amongst the potential investor companies of China, sending mailers to inform the Event details followed by telemarketing and confirm participation of Chinese companies interested to have joint venture collaborations or to set up their own manufacturing unit in India.

The CLE and the Agency also invited and coordinated with the local industry associations such as Dongguan Leather & Footwear Association, Dongguan Shoes Materials Association, Dongguan Shoe-making Machinery Association, Guangzhou Baiyun District Shoe & Leather Goods, American Chinese Apparel & Footwear Association, Guangdong Footwear Association and Dongguan Shoe Industry Chamber of Commerce. These Associations have been termed as co-organizers and these Associations have been involved and lent their support and cooperation for the event.

The following media companies have supported this event:

- a) Beijing Leather
- b) Leather & Shoemaking industry China Leather

- c) 169 Shoes & Leather information
- d) Leather World
- e) Leather weekly

The following stakeholder agencies were termed as support unit:

- a) Guangdong Wellfull Holding Group Co. Ltd.,
- b) Dongguan Wellray Import & Export Co. Ltd.
- c) Guangdong Efull Network Technology Co. Ltd.
- d) Guangdong ACshoes Information Co. Ltd.
- e) Dongguan Haopan Shoes Materials Plaza Co. Ltd.

The following are the activities done by the Event Management Agency to reach out to the Chinese companies for the Event.

1. Event Invitations has been sent through emails
2. As a publicity campaign, telemarketing exercise, were also carried out before the Event.
3. The Agency also has invited journalists / media persons for media coverage of the Event.

The Make in India Promotion – Road show & B2B Meetings had the following elements:

- i. Hiring of Seminar Hall – A Seminar Hall was booked at Hotel Sheraton Dong Guan, for the Make in India Event.
- ii. Engagement of Marketing Agency – Dong Guan Zhuge Media Co Ltd., has been engaged as the Event Management / Marketing Agency for the Make in India Event.
- iii. Publicity Campaign - Event Management Agency has sent Event Invitations through emails, E-blasts, advertisements in industry magazines/ press materials, and thru telemarketing.
- iv. Audio Visuals – All necessary multimedia equipments viz TV/ Music Hook-up - a large flat screen with video were hired and used in the Make in India Investment conference for presentations, etc. .

Creation of Video Content – Make in India content has been translated into Chinese language



Make in India – Investment Conference



Mr. M. Rafeeqe Ahmed, Chairman, CLE, seen with Mr. Wang Min, , Chairman & President, Far East Group, Guangzhou and other dignitaries

A seminar hall was booked at Sheraton Dong Guan Hotel, Dong Guan city for “Make in India” during Jan 6, 2016. Make in India – Leather Focus Sector brochures, posters, banners were circulated / displayed during the Event.

REGISTRATION OF PARTICIPANTS



Distribution of Conference Kit

Ms. Peach Wu, Head, Dong Guan Zhuge Media, made an introduction of the Conference, welcoming all the dignitaries and the audience to the Conference.



Each attendee received Make in India promotional material. Make in India: Leather Focus Sector brochures and leaflets promoting the leather specific sector, have been widely circulated during the Event.



Introduction of the Conference by the Master of the Event

MAK E IN INDIA – INVESTMENT CONFERENCE : LAUNCH CEREMONY



Shri M. Rafeeqe Ahmed, Chairman, CLE and Shri N. Shafeeq Ahmed, Convenor, Make in India, China at the event inauguration



Video of India's Leather Industry being played



Mr. Rafeeqe Ahmed, Chairman, CLE at the Conference



Mr. Wang Min, Chairman & President, Far East Group, Guanzhou



Mr. Y K Sailas Thangal, Consul General, Consulate General of India, Guangzhou



Mr. N. Shafeeq Ahmed, Convener - Make in India Promotion, China & Taiwan, CLE



Mr. Sanjeev Kumar, Consul (Consular), Consulate General of India, Guangzhou



Mr. Tom, Executive Director, Guangdong Silk Road Equity Fund Management Co.,Ltd





(L to R) Mr. Wang Min, Chairman & President, Far East Group, Guangzhou, Mr. Y K Sailas Thangal, Consul General, CGI, Guangzhou, Mr. N. Shafeeq Ahmed, Convener – Make in India Promotion, China & Taiwan and Mr. Sanjeev Kumar, Consul (Consular), CGI, Guangzhou



Mr. M. Rafeeq Ahmed, Chairman, CLE, highlighting about the leather and footwear industry

Shri M. Rafeeq Ahmed, Chairman, CLE, in his address welcomed the Consul General, dignitaries and Presidents of Leather, Footwear, Footwear material and machinery associations and all the businessmen present in the Conference. He expressed his happiness to be in China, which is the growing global leather industry. He opined that Chinese leather industry has a total turnover of US\$ 100 billion which includes annual export of US\$ 60 billion and certainly there is lot to be learnt from the Chinese leather industry. Shri M. Rafeeq Ahmed explained the objective of organizing this Make in India-Investment Promotion in China is to explore mutual areas of business tie-ups between India and China, which includes establishment of Chinese units in India either fully owned or joint venture with Indian companies. Technical collaborations between India and Chinese companies in form of technology transfer, design development, etc.

Shri M. Rafeeq Ahmed also expressed that Chinese entrepreneurs are already showing interest in India and a delegation from Guangdong Shoe Manufacturers Association visited India during Nov 2014 to explore the business tie-ups. He briefed about the opportunities the Indian leather industry provides – the total turnover of Indian leather industry now is US\$ 12.5 billion, which includes export turnover of US\$6.5 billion and domestic market turnover of US\$ 6 billion. The leather industry has still a lot to tap the potential available in export and domestic market. However this will rapidly change in the coming years both export and domestic markets are expecting to grow 20% in the coming years. In fact in Make in India, the turnover target for the Indian leather industry is fixed by US\$ 27 billion by 2020 from US \$ 12.5 billion which means a growth of 116% in the next 5 years. He also informed about the incentive scheme provided by the Govt. of India for the leather industry and the other opportunities available in India.





Mr. N. Shafeeq Ahmed, Convener – Make in India Promotion, China & Taiwan, CLE, making presentation

Shri N. Shafeeq Ahmed, Convener – Make in India Promotion, China, made a presentation on the opportunities for leather sector in India. Mr. Shafeeq Ahmed referred to Video film and to the address of Mr. M. Rafaeque Ahmed, Chairman, CLE, regarding the future growth and strengths of India that could be used for potential cooperation between India and China. In his presentation, he has explained in detail why India can be identified as land of opportunities. He said that India has enormous land available for setting-up of manufacturing units. Availability of huge and skilled manpower in India. Skilled manpower to go from 3 million to 6 million in 5 years. He also opined that exports from India leather industry grew from US \$ 1.4 billion in 1990-91 to US \$ 6.6 billion in 2014-15, a growth of 371% in 25 years and exports projected to register year-on-year growth of 20% and reach US \$ 15 billion by 2020 and domestic industry to reach US \$ 12 billion thus aggregating to a Make in India – leather sector target of US \$ 27 billion by 2020. He also said that Indian tanning industry produces 2.80 billion sq.ft. of leather annually, meeting about 10% of the global requirement of leather and is planned to grow by 5 billion sq.ft. in the future. He also informed about the investment subsidy which is 20-30% for each product line if for investing in different product line. 100% Foreign Director Investment (FDI) is permitted through the automatic route and 100% repatriation of profit and dividends is allowed if investment made in convertible foreign currency.

The export growth rate of leather sector has grown from US\$492.62 million in 1984-85 to US \$ 6494.41 million in 2014.15. He has also highlighted the sector-wise growth potential and the targets for each sector in the coming years. He has also referred to Environment management – rapid modernization and technology upgradation of CETP's with Zero Liquid Discharge (ZLD). Mr. Shafeeq Ahmed briefed about the programme Make in India which was launched by Hon'ble Prime Minister of India, Shri Narendra Modi Ji on 25th September, 2014. A major new initiative designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property, and build best-in-class manufacturing infrastructure in India. The main objective of the programme is to focus on attracting FDIs and encouraging joint venture collaborations to manufacture in India.



Mr. N. Shafeeq Ahmed, Convener – Make in India Promotion, China & Taiwan, CLE, making presentation

Mr. Shafeeq Ahmed briefed about the Entry Options for (i) wholly owned subsidiary and (ii) Joint Venture with Indian partners and about the steps involved in investments and about taxation policies. India is likely to become one of the largest economies of the world by the year 2025 as per projections made by internationally renowned consultants and IMF. He invited everybody to join hands together and make this true.

Mr. Tom of Silk Route Equity Fund, China also made a brief about the company. Mr. Tom, Executive Director, Gu-nagdong Silk Road Equity Fund Management Co., Ltd., in his speech spoke about the Project namely "China-India –Silk Road Industrial City". He informed that the Project proposes to create the largest industry in India covering the widest range, the most powerful set of radiation, trade and industry cluster. The proposed industrial city would have several functional areas such as Manufacturing centre, processing centre, industrial cluster, trade centre, brand operation centre, capital operation centre, and international cooperation centre. The proposed location of the Industrial City would be New Delhi, Mumbai, Chennai, Kolkata and Bengaluru and the investment plan is for investing 500-1000 million dollars. The project would be in three phases – first phase being for light industry trade city (33 hectares), second phase being for light industrial Manufacturing Park (167-233 hectares) and the third phase would be for supporting base (67 hectares). The construction of "China-India-Silk Road Industrial City" will be driven by the upstream and downstream industries to



Mr. Y.K. Sailas Thangal, Consul General of India, Guangzhou, giving his speech

invest more than 5 billion dollars, the introduction of more than 5000 enterprises settled in the park. The construction of the Industrial City would provide 50-100 thousand jobs. The construction of the China-India-Silk Road Industrial City will greatly enhance the level of manufacturing capacity in India and accelerate the process of industrialization in India.

Shri Y.K.Sailas Thangal, Consul General, Consulate General of India, Guangzhou, in his speech welcomed all the dignitaries and representatives of leather associations and the audience of the Conference. Mr. Sailas Thangal thanked the Council for Leather Exports for organizing the Make in India – Investment Conference in the beautiful city of Dong Guan. He also thanked the Footwear Associations, Footwear Machinery associations in Dong Guan for bringing distinguished guests for the Conference. He also conveyed his highest respect to all the individuals and organizations who were working hard to promote India and China relations. He said that the Video film played in the Conference had conveyed the facts about the leather industry, leather products and opportunities in leather industry in India. Mr. Sailas Thangal briefed on the opportunities and complementarities for co-operation between India and China not only in leather but across all sectors. India and China are natural partners being joined together by common rivers and common mountains also common cultural and historical values. He recalled that India and China have a very close cooperation and interaction over the years and just 250 years ago before the Industrial Revolution, India and China alone produced 58% of world manufactured goods. India and China in the last 100 years has gone through many changes due to external forces and other internal problems and in the year 1974-75 the economy, the production went down to the bottom. In 1985 Chinese economy was the 9th largest in the world and Indian economy was 10th largest in the world but the table has changed today. Now Chinese economy is the 2nd largest in the world in terms of production. Indian economy has also showed growth and we experienced good growth rate. He said that today Chinese and Indian economy contributes almost more than 50% of world GDP. Mr. Sailas Thangal cited examples for the complementarities the two countries have – India and China together is has more than one-third of the world population. The middle class in India and China is growing very fast and the

middle class is the class which has high purchasing power with high demand. As every businessmen are aware for the growth of business there should be demand for the product and we call it Market and Market is there in India. Another example is China which is known as world factory in terms of manufacturing all kind of utilities and high end products. Therefore China has large expertise in manufacturing sector. But India has developed its capabilities and capacities and expertise in Management skills and Human Resource Development. Therefore China is the World Focus Factory and India is the World Focus Office. The factory needs the Office to sell the products and the Office needs factory to produce goods.

Mr. Thangal also referred to Nov 11, 2015, when Alibaba an online company sold US\$14 bn on online shopping. Many people have not realised that all or nearly more than 90% of the orders on Nov 11, 2015, are all processed in India. The service provider company is based in India. China has a happy situation or happy problem of excess manufacturing capacity and also excess cash money for investment. In terms of modern economic theory - having more cash than what is required is also a problem i.e. a happy problem in China. In the same way India has great skill and great place but deficit in manufacturing sector. Therefore the economic situation of India and China compliment directly then it will reach a high level.



Mr. Y.K. Sailas Thangal, Consul General of India, Guangzhou, addressing the gathering

Mr. Sailas Thangal referring to bilateral trade of India and China, which used to be less than a billion 10-12 years ago is around US \$70 billion now. India is the fastest growing trade partner of China. Hon'ble Prime Minister Shri Narendra Modi Ji has visited China and Indian Government has identified China as an important focus country for developing bilateral relationship. In the same way China has also identified India as the focus country. India and China's relation is going to be the most important bilateral relationship of 21st century. By 2020-25, China and India's economy will be on the top three economies of the world. He invited all the members present at the conference to work together as equal partners to utilize the immense opportunities we have and establish 21st century as Asia's century.

Following this, the Q & A session was held.



Mr. A. Fayaz Ahmad, Assistant Director, CLE, participated in the Make in India Event in China and made necessary arrangements for organizing the Make in India – Investment Conference. Within CLE, Mr. A. Fayaz Ahmad, Assistant Director is the overall in-charge official of the entire Make in India promotion initiatives for the Leather Sector in all the identified overseas countries, and centrally coordinating with the DIPP and Indian Missions abroad in organizing the Make in India Events abroad besides taking all necessary actions to execute and implement the event organization. In respect of China Event, Mr. A. Fayaz Ahmad, Assistant Director-CLE, interacted with event management agency Dong Guan Zhuge Media Co. Ltd., right from the planning and engagement stage, and oversaw the event organization activities on day-to-day basis.

Through these Conferences, the Make in India concept was adequately highlighted and disseminated to the Chinese Companies. The event focused on introducing the Make in India initiative to not only Chinese footwear companies, but also the surrounding financial and legal communities that support the industry. The Event emphasized the attractiveness of investing in India.

Q & A Session



Q & A being moderated



B2B Meetings between Indian and Chinese companies

A total of 8 Indian companies have given their interest to have joint venture collaborations with Chinese companies. The 8 companies are as under:

1. Alpine Apparels Pvt Ltd., New Delhi
2. Farida Group, Chennai
3. Metro Shoes Ltd., Mumbai
4. Naaz Export (P) Ltd. Kanpur
5. Shafeeq Shameel & Co, Chennai
6. Tata International Ltd., Mumbai
7. Universal Footwear, Mumbai
8. Versatile Enterprises Pvt Ltd., Ludhiana

Through a Booklet, the company profiles of the Indian companies who participated in the Make in India Event have been widely circulated to the Chinese companies.

B2B MEETINGS



Think Leather
Think India

Participation of Chinese Companies

A total of 219 attendees have participated in the Make in India - Investment Conference on January 6, 2016. As per the database received from the Event Management Agency, the following are the breakup of the participation:-

	Individuals	Chinese Companies
Shoe Making Enterprises	43	42
Footwear Shoe Material companies	24	20
Leather & Bag making enterprises	38	33
Media	9	9
Associations & Chamber of Commerces	16	11
Metals Chemical industry	26	24
Traders	63	58
Total	219	197

Outcome of the Event vis-a-vis objectives:

1. The objective of organizing Road Shows – B2B Meetings is to attract foreign companies to invest in India, either 100% FDI to set up manufacturing plant of their own or to enter into joint venture collaboration with India companies to manufacture in India. By holding the Investment Conference in China, the CLE has presented current facts and future prospects of the Indian Leather Industry and invited the Chinese companies to invest in India and join hands with India.
2. CLE ensured the popularization of the potential offered by India Leather Industry for growth under 'Make in India' programme among overseas investors /entrepreneurs so as to attract FDIs/Joint Ventures /Technical collaborations etc in leather industry which will scale

up the production/modernization and expansion of capacities in the leather sector in addition to enhancing domestic investments. Through the powerpoint presentation made by the CLE, the Leather sector of India, and potential for growth, and future potential of growing domestic market in the country etc have been popularized, and Brochures/Leaflets and other publicity tools have widely disseminated the info on the Leather Industry and presented India as a design and manufacturing destination.

3. CLE undertook focused and sector specific interaction with identified potential global investors concerning leather sector. The interaction involved potential global investors and potential domestic companies willing to partner with global investors.
4. CLE promoted India as a design, innovation and manufacturing destination for Leather, Leather products and Footwear industries.
5. The B2B introductions taken place during the Event have given a platform to Indian and Chinese companies to get introduced to each other and to explore the possibilities for joint venture collaborations.



Mr. A. Fayaz Ahmad, Assistant Director, CLE at the event

Ceremonial Photoshoots at the Venue



Shri Javed Iqbal, Member- COA, CLE with Chinese delegate

CULTURAL PROGRAMME



DINNER





Mr. A. Fayaz Ahmad, Assistant Director, CLE with Event Management Agency – Dong Gaun Zhuge Media Co. Ltd.

Suggestions for Way Forward:

Since joint venture may not instantly materialize at the first introduction B2B meeting itself, it is expected that through sustained campaign in the form of holding another Conference / platform for B2B Meetings in China in future period, joint ventures may actually fructify between India and China in Leather Sector. In order to facilitate and pave way for this the process to happen, it is suggested that Make in India – Investment Conferences should be organized in China alongside the major International Events in China in the next one or two years.