

Market Promotion Programme in Vietnam – July 2016



Inauguration of the fair

18th International Shoes & Leather Fair, Ho Chi Minh City, Vietnam 13-15/7/2016

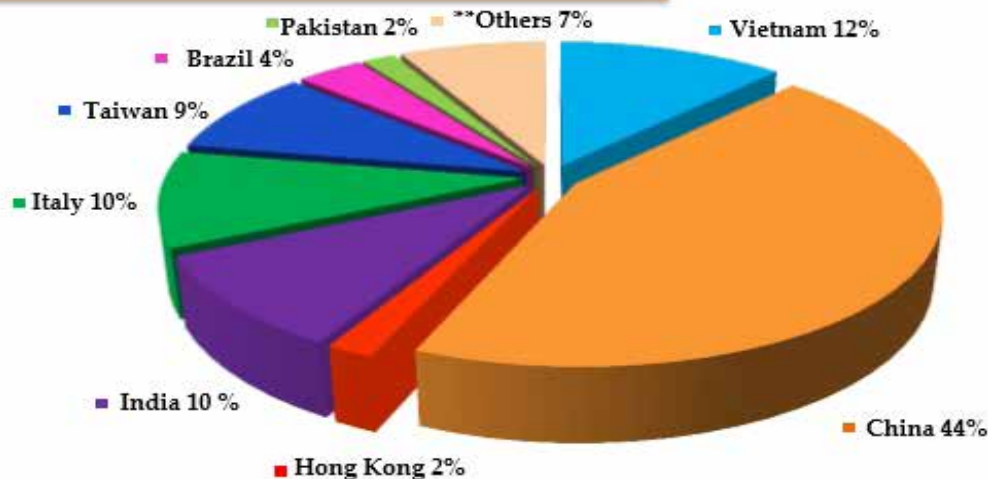
Being the most representative fair of its kind in ASEAN countries, the 18th SHOES & LEATHER – VIETNAM 2016 was inaugurated on 13th July 16 by Mr. Tran Quoc Khanh, Deputy Minister of Industry & Trade; Mr. Le Huy Con, Former Deputy Minister of Industry & Trade; Mr. Bui Xuan Khu, Former Deputy Minister of Industry & Trade; Mr. Nguyen Duc Thuan, Chairman, LEFASO, and Mr. Frandle Tse Chiu Chung, Managing Director of Top Repute Co., Ltd. The fair was successfully held on 13 - 15 July 2016 at Saigon Exhibition & Convention Center (SECC). The fair attracted 11,600 visitors and there were 500 exhibitors from 27 countries namely Argentina, Bangladesh, Brazil, China, Colombia, Egypt, France, Germany,

Hong Kong, India, Italy, Japan, Korea, Malaysia, Mexico, New Zealand, Pakistan, Singapore, Spain, Taiwan, Thailand, The Netherlands, Turkey, U.A.E., United Kingdom, USA and Vietnam

Exhibitors showcased a wide selection of high-quality leather, leatherwear, footwear, leather chemicals and machinery as well as the latest leather accessories across 12,000sqm, spread over 4 halls.

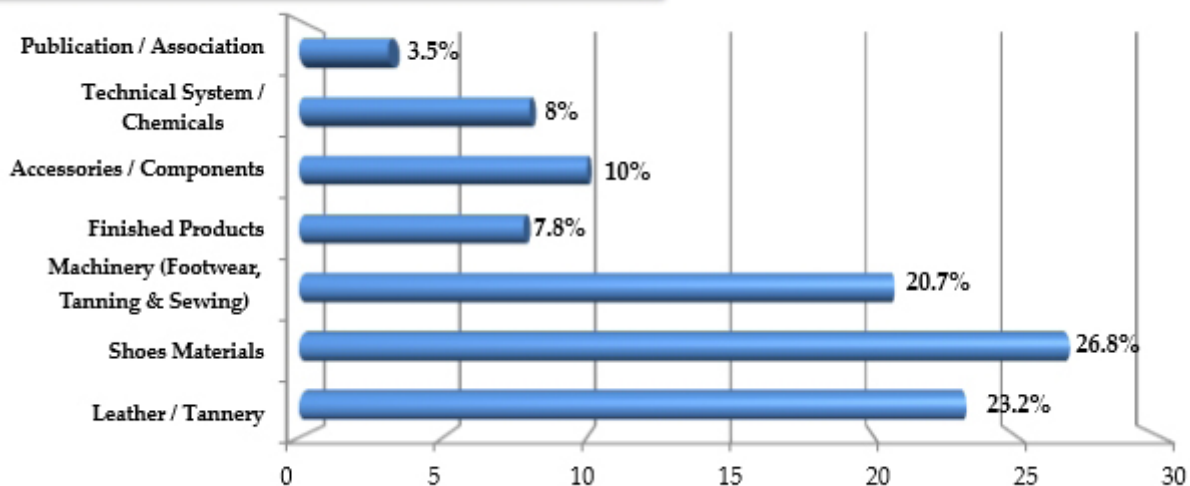
The visitors from Vietnam are looking for Quality Raw Material Suppliers and they found Indian Manufacturers can cope up to the increasing demands of the Vietnam growing footwear industry. Lot of Customers made acquaintances with Indian Participants for their materials requirements.

Exhibitors Breakdown by Countries & Regions



This year, the shoes materials (26.8%), leather & tannery (23.2%) and machinery (footwear, tanning & sewing) (20.7%) are the majority out of 7 exhibit profiles. Over 95 % of the exhibitors were satisfied their participation with excellent result and they are willing to re-participate for next year.

Exhibitors Breakdown by Exhibit Profile



Supplies are challenged all over the world by climate change, slumping demand in China, confusion and concerns from multiple governments over the ups and downs of the stock markets, there is no question that the leather industry faced extraordinary challenging times in 2015. The leather sector took a blow as leather priced itself out of the market. A number of tanners shutting down their operations due to lack of demand. But the industry is hopeful of positive growth of 4-5% but in a slow pace

Leather manufacturers have to take back their destiny into their own hands. Leather making involves lots of steps and is traditionally a fragmented industry within which companies tend to communicate within their own sector only. To foster innovation and get closer to the consumers, all the sectors need to collaborate with each other including with stylists and designers, who often do not know what is involved in leather making. The Brazilian

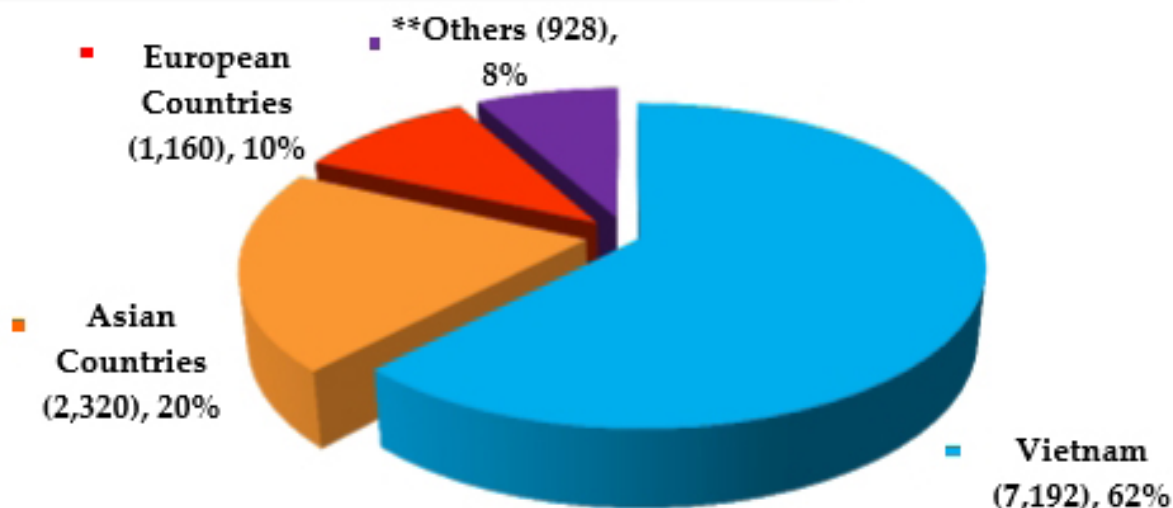
Pavilion put up a designer stall to show case new products and different finished leather samples. Apart from that the below national pavilions put up in the exhibition

- Council for Leather Exports (CLE)
- Centre for Brazilian Tanning Industry (CICB)
- Hong Kong Footwear Association (HKFA)
- National Association of Italian Manufacturers of Footwear, Leather Goods, Tannery Machines and Accessories (ASSOMAC)
- Italian Trade Commission (ITA)
- Malaysian Footwear Manufacturer's Association
- Pakistan Tanners Association (PTA)
- Taiwan Footwear Manufacturers Association (TFMA)
- Taiwan Made Footwear Developing Association
- The Shoes and Leather Association of Ho Chi Minh City (SLA)
- Vietnam Leather, Footwear and Handbag Association (LEFASO)

Visitors Analysis

11,600 visitors from 41 countries and regions attended the 3-day exhibition. 62% of them are local visitors and the rest, 38%, came from overseas.

Visitors Breakdown by Countries & Regions

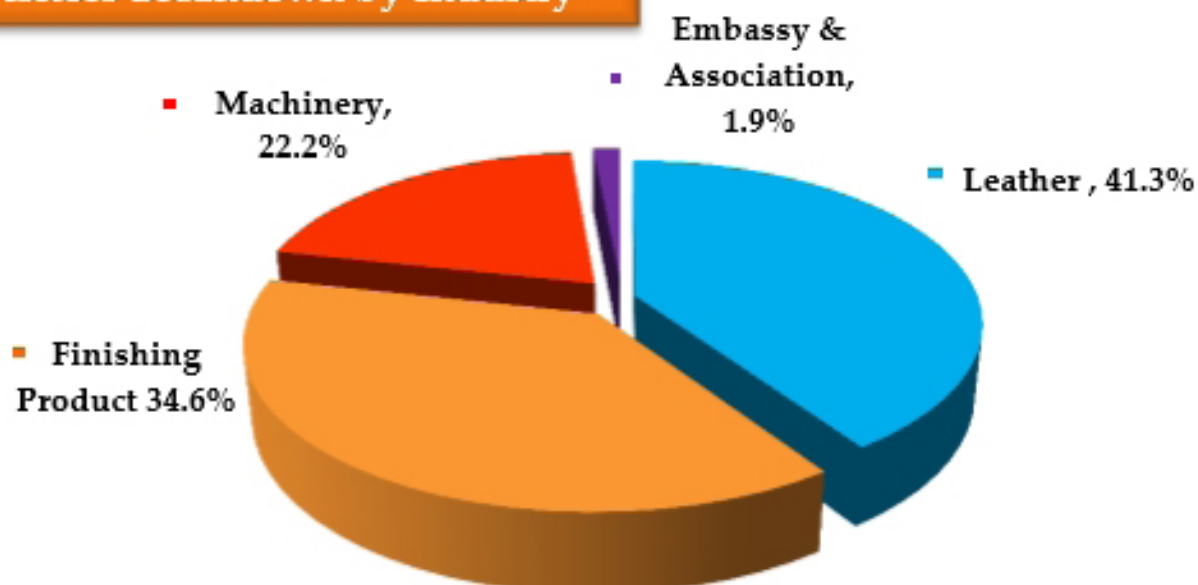


Asian Countries: Bangladesh, Cambodia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Myanmar, Pakistan, Philippines, Singapore, Taiwan and Thailand

European Countries: Denmark, France, Germany, Greece, Italy, Romania, Russia, Slovenia, Spain, Switzerland, Turkey and United Kingdom

**Others : Algeria, Australia, Brazil, Canada, Congo, Ethiopia, Mexico, New Zealand, Nigeria, South Africa, UAE, USA

Visitors Breakdown by Industry



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LEATHER NEWS INDIA

Council for Leather Exports organized Group Participation of below 40 companies with the financial assistance of Govt. of India under MAIS Scheme

SI No	Name of the Company	Place
1	Arkay Leathers P Ltd	Chennai
2	Bicrossing India	Chennai
3	Techno Trends	Chennai
4	Shafeeq Shameel & Co	Chennai
5	Nathan Leathers	Chennai
6	Global Leathers International	Chennai
7	Afreen Leather Exports	Chennai
8	Paramaount Leather Corporation	Chennai
9	Aadhil Leather Export	Chennai
10	Solanki Tanning Industries	Kanpur
11	Sunshine Tannery	Kanpur
12	Venture Leather (India) Co	Chennai
13	Yasser International	Chennai
14	Chenitan Color Chem Pvt Ltd	Chennai
15	Saivaa International	Chennai
16	Rathnam Leathers	Chennai
17	Planet Inc	Kolkata
18	Unique Exports	Kanpur
19	Shreeji Polyfab Pvt Ltd	Delhi
20	Fashion Quest	Delhi

SI No	Name of the Company	Place
21	International Corporation	Chennai
22	Pacific Leather Finishers	Kanpur
23	Good Leather Company	Chennai
24	E K H M Meera Sahib & Sons	Erode
25	Hidea Leather Works	Chennai
26	Saroj Leathers (India) Pvt Ltd	Chennai
27	V.A.S.Noorullah & Co	Chennai
28	AMPEL	Chennai
29	KG Leathers	Chennai
30	Balma Leathers & Chemicals	Chennai
31	Blue Diamond Leders	Chennai
32	Farida Leather Company	Chennai
33	Sridhar & Co	Chennai
34	Upper India Tanners	Kanpur
35	Model tanners (I) Pvt Ltd	Kanpur
36	Ayyappa Enterprises	Chennai
37	Farida Prime Tannery	Chennai
38	Gaitonde Leather & Accs P Ltd	Chennai
39	Naaz Exports (P) Ltd	Kanpur
40	M. Sambandam & Sons	Chennai

Conclusion:

Indian Participants were able to attract good number of customers to their booths and over 360 business meetings held with the visiting Clients. Apart from the New Customers, they showed their new developments and samples to their existing customers out of which they are expecting more business. Though the participants are unable to predict the confirmed business value, they are expecting good volume out of this Participation.

The fair was well received by the visitors with steady footfall and all the Indian Participants satisfied on their participation with excellent result and expressed to participate for the next year. The 3 day fair is ended with overwhelming response

CLE INDIA PAVILION



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Factory visit to Dong Hung Footwear, Vietnam



The delegation of Council for Leather Exports visited Dong Hung Footwear located in Binh Dinh Province in Ho Chi Minh City led by Shri Javed Iqbal, COA member on 16th July 2016. The delegation is welcomed by Mr. Ha Duy Hung, Chairman, Dong Hung Group.

Mr. Ha Duy Hung, started the shoes career by cooperating with Sewing Shoes Company No. 32 (Ministry of National Defense), establishing enterprise for processing and manufacturing female shoes in Go Vap, HCMC with 300 employ-



ees with an export turnover of US\$1.8mn. After running the business Successfully, he started Hiep Tri Shoes Co., Ltd., Duy Hung Shoes Co.,Ltd. and Dong Hung Industrial JSC. and consolidated all companies in Dong Hung Group in year 2012. The group's turnover reached US\$100mn in 2012.

The delegation visited the Dong Hung Company which is located in Binh Dinh Province of HCMC where they manufacture Vulcanized Shoes, Semi-sport Shoes and shoes for Kids with an annual production capacity of 6 million pairs/year. Around 3800 workers are employed in this unit. They have another unit which exclusively produces 9 million pairs/year which employs 9000 people. They have their own rubber sole manufacturing company and a Shoe Upper manufacturing company which employs another 3000 people.

The employees at Dong Hung group are provided in house training and all their staff and officers are trained by SATRA. Dong Hung is a member of SATRA and maintain highest quality standards of US, Europe and Japan. Since 2000, the Dong Hung group shifted from CMT(Cut, Make, Trim) manufacturing to ODM (Original Design Manufacturing). Besides heavily investing in new equip-

ment, technology and human resources, has also established a design development technical centre to create designs suitable with customer's demands at home and abroad focusing European and North American markets. They cater to the famous brands like Fred Perry, Keds, Puma, Adidas, Asics, etc..



Shri Javed Iqbal, Member, COA, CLE (left) and Shri Prabhakara Rao, Regional Director (South), CLE (right) in the production unit
August 2016 | Leather News India



The CLE delegation with Mr. Ha Duy Hung (at the centre), Chairman of Dong Hong Group

Mr. Kien Nguyen, Chief Client Officer gave an elaborate presentation about the history and operations of the plant. Later members were directed to view the plant and the delegation interacted with technicians and supervisors at the unit and understood the manufacturing practices followed by Dong Hung Footwear

Visit to TBS Group Technical Centre in Vietnam

The CLE delegation led by Shri Javed Iqbal, COA member visited TBS Group R&D Centre on 16th July 2016 in Binh Duong Province, Vietnam

The TBS Group has varied business interests and they are into Footwear Manufacturing, Hand Bag Manufacturing, Investment & Asset Management, Logistics, Hospitality and Retail. The group produce 21 million pairs/year majorly Casual and Sports Shoes and employs 17000 staff. They also manufacture 10 million hand bags per annum. They kept a target of reaching 39 million pairs by 2020. They supply to major brands like Skechers, Wolverine, Decathlon, etc.. They supply the Hand bags to the famous international brands like Coach, Decathlon, Vera Bradley, Tory Burch, Titleist, Lancaster, etc...

The TBS group entered into retail segment with a chain

of 16 retail stores in Vietnam selling high end, world renowned fashion and sports product lines as well as retail partner for international brands in Vietnam.

Mr. Tran Hoang Thao, Commercial Manager gave an elaborate power point presentation about the history, operations and achievements of the TBS Group.

Later the delegation visited the R&D Centre of TBS Footwear Group and the team observed various procedures the TBS group adopted for the Development of new Designs beginning from the CAD development, Laser Cutting to final Packaging. The delegation highly impressed with the design Development of 'SKECHERS' brand shoes and members expressed that they too need to adopt such manufacturing techniques in their production.



India Evening

“Vietnam and India, which are leading global footwear producers, have the potential to partner together for mutual benefit,” M. Rafeeqe Ahmed, Chairman of the Council for Leather Exports.

The Council for Leather Exports organized a networking dinner “India Evening” at Hotel Sofitel Plaza, Ho Chi Minh City, Vietnam on 14th July 2016 which was attended by the representatives of the exhibiting companies in the 189th International Shoes & Leather Exhibition along with the members of LEFASO (Vietnam Leather, Footwear and Handbag Association), members of CIFA (Confederation of International Footwear Association), Members of CLIA (China Leather Industry Association), Members of AGSM (Association of Guangdong Shoe Manufacturers), A delegation of Ethiopia, Members of Philippine Footwear Federation, Vietnam Trade Promotion Agency and other prominent industry members of Vietnam, Taiwan and China and Vietnam Media.

The occasion was graced by the Chief Guest Shri Parvataneni Harish, Hon'ble Ambassador of India in Vietnam, Smt. Smita Pant, Hon'ble Consulate General of India in Vietnam. Delivering his welcome address, Shri M. Rafeeqe Ahmed said that Vietnamese and Indian Companies can work together towards enhancing the international competitiveness of our respective sectors in terms of productivity, design, and best practice manufacturing. In addition Shri Rafeeqe Ahmed also highlighted the cooperation the two countries have achieved, including India's Central Leather Research Institute and the Vietnamese Leather and Shoe Research Institute committing to work together with a focus on cleaner technology options and improved effluent treatment technology. Moreover, he also urged Vietnamese footwear companies not to miss the opportunity that India's domestic market offers, with the current domestic Indian market for footwear estimated to be worth about US\$6.5 billion and expected to hit \$12 billion by 2020.

“Now is the right time for Vietnamese companies to invest in manufacturing facilities in India that cater to the large domestic Indian market and for export,” the chairman said, adding that India is a known source for quality raw leather material and skilled labor at competitive wages. “We invite Vietnamese companies to India to partner with us or set up independent production units and take advantage of the many opportunities in our country,” he added. He also highlighted that India's leather products and footwear exports to Vietnam have been steadily increasing quoting the latest reports reveal that India's export of leather and leather products to Vietnam rose from \$40.66 million in 2009-10 to \$117.07 million by 2014-15.

He thanked the LEFASO for their support in the bilateral development of trade and Cooperation between both the agencies, CIFA for helping to interact with various international leather and footwear agencies. He also thanked Mr. Frandle Tse, the Managing Director of Top Repute, the organizers of Shoes & Leather Fair for allotting prime space to the Indian stalls.

Speaking at the Occasion, the chief guest Shri P Harish informed the meeting that the Bilateral Trade of India and Vietnam currently stands at over US\$ 7 billion and India's Investments in Vietnam stands at US\$1 billion and the Govt. of India set a target of achieving US\$15 billion by 2020. He wished the Leather Industry should play a prominent role in achieving this target. He said that last year Vietnam imported US\$5 billion worth of leather and accessories, only 5 per cent of it from India, the second largest global producer of leather and footwear. He said that Vietnam is most vibrant market and wished CLE will play a crucial role in increasing the leather & leather products foothold 3-5 times more in the coming years than the present size.

“Indian leather has good price and quality; why cannot we buy from India?” Diep Thanh Kiet, Vice Chairman, LEFASO

Mr. Diep Thanh Kiet, Vice Chairman of Vietnam Leather Footwear and Hand bag Association told the meeting that Vietnam exports more than 850 billion pairs of footwear and imports US\$1.2 billion worth of Finished Leather every year but very little from India. He said that India is not far from Vietnam and the Indian Quality and Time lines are very well acceptable by Vietnam Industry. He urged the Vietnam Industry members to explore the possibilities of importing more leather from India. He informed that the Ministry of Trade is working on new policies on Domestic as well as Foreign Investments and he is hopeful that the policy will be industry friendly. The major areas that foreign companies can explore investing in Vietnam are Footwear Production, Material and Accessory Production, Technology, Training & Consultancy and Distribution of Finished Shoes/Products. “Vietnam's several free trade agreements with important markets in the world and membership in the TPP will offer a big advantage for investors here” he added. The Vietnamese Leather Industry needs to learn a lot from the world's 2nd largest footwear manufacturer and requested CLE to support in this regard.

Make in India

Shri R. Ramesh Kumar, IAS, Executive Director, Council for Leather Exports gave a power point presentation on Make in India Programme and the ambitions of the Indian Government. He explained that Shri Narendra Modi, the prime minister of India identified Leather Industry as focus sector in Make in India programme. He explained various measures taken by the Govt. of India to boost up the production and exports and various facilities and benefits available for investors in India. There is a huge demand for footwear in the domestic market due to increased consumption and it can be noticed that 95% of Production is consumed in India and 5% production is exported. No approvals required for foreign investments and the economy is opened up for FDI including defense also. He requested the audience to utilize this opportunity and invest wisely in India.



Shri P. Harish, Hon'ble Ambassador of India and Smt. Smita Pant, Consul General arriving for the India Evening.
Mr. R. Ramesh Kumar, ED, accompanying the chief guests



Mr. M. Rafeeqe Ahmed, delivering the Welcome Speech



Shri P. Harish, Hon'ble Ambassador of India in Vietnam speaking at the Occassion



Mr. Diep Thanh Kiet, Vice Chairman, LEFASO speaking at the occasion



Distinguished Guests at the Occassion



Shri M.Rafeeqe Ahmed, Chairman, CLE with Members of CIFA



Buyer Seller Meet in Hanoi, Vietnam, July 18, 2016

Based on the recommendations Shri Parvataneni Harish, Hon'ble Ambassador of India in Vietnam, the Council for Leather Exports with the support from Indian Embassy, Hanoi, Vietnam organized Buyer Seller Meet on 18th July 2016 at Hotel Melia, Hanoi, Vietnam with 13 Indian Finished Leather and Leather Product manufacturers who participated in 18th International Leather & Shoes Exhibition, Ho Chi Minh City, Vietnam.

The initiative aimed to offer a gateway to a huge potential market, intending to further boost the bilateral investment and trade opportunities. The objective of the BSM was to invite key business decision makers and arrange one-to-one meetings with the prominent Indian Finished Leather and Leather Products manufacturers from India, in an effort to develop new trust and understanding at a cultural, business & professional level and to explore future business opportunities that may occur as a result of these meetings.

Before the Buyer Seller Meeting, the Indian Delegation met Mr. Dinh Quang Bao, Vice Chairman, LEFASO and interacted on various aspects of exploring the business opportunities in Vietnam. Mr. Dinh Quang Bao quoted that the volume of leather that the Vietnamese companies

source is not so great as the industry is inclined more into non leather products. He recommended keeping the Indian product samples and catalogues at LEFASO centre so that the Vietnamese companies can contact the suppliers whenever there is a requirement for those particular products. The Indian delegation thanked Mr. Quang Bao for the efforts of LEFASO in the business promotion and invited him to India.



Shri Javed Iqbal, Member, COA with Mr. Dinh Quang Bao, Vice Chairman, LEFASO



The delegates at the factory of Mr. Dinh Quang Bao, Vice Chairman, LEFASO

Later, the Indian delegation visited Ministry of Industry & Trade, Govt. of Vietnam and interacted with the officials on various prospects on Business and Investment in Vietnam. Ms. Truong Thi Thu Ha, Deputy Director General of Light Industry Department welcomed the delegates and thanked the members for taking their time to understand various policies provided by the Government of Vietnam. She explained the opportunities available for investment in Vietnam and the Government's Policy on Investments, Environmental Policies etc. and said the Vietnam exports are growing at rapid face as Vietnam is under TPP agreement. Speaking on the occasion, Mr. Do Huu Huy, Deputy Director General of Africa, Western and South Asia Markets Department, Ministry of Trade & Industry said that India is always on the Priority list of Vietnam as India helped a lot for the re construction of Vietnam post the closure of the Vietnam War. He thanked the Govt. of India for its tremendous support to Vietnam and he wished both countries should work towards reaching the bilateral trade of US\$ 20 billion by 2020



Ms. Truong Thi Thu Ha, Dy. Director General of Light Industry Department (second from right) welcoming the Indian Delegation

Both the officials answered the queries raised by the Visiting Indian team. The Indian Delegation thanked the officials for sparing their valuable time and moved on to the BSM at Hotel Melia, Hanoi.

Buyer Seller Meet

Ms. Nina Tshering La, Charge de Affairs, Embassy of India, Vietnam welcomed the delegates of the BSM and explained various activities taken up by the Indian Embassy in Vietnam towards the development of bilateral trade between both the countries. She assured all possible help from the Embassy to the Indian Participants as well as Vietnamese delegates as and when required.



Ms. Nina Tshering La, Charge de Affairs, Indian Embassy welcoming the Delegates



Shri Javed Iqbal, COA Member Introducing the Indian delegates to the Meeting

Speaking at the meeting, Shri Javed Iqbal introduced Indian delegates to the Meeting and thanked Shri Parvataneni Harish, Hon'ble Ambassador of India, Ms. Nina Tshering La, Charge De Affairs, Mr. Rajiv Bodwade, Second Secretary and other officials of Indian Embassy and Lefaso for their efforts in organizing the BSM. He explained various activities taken up by CLE in the promotion of exports and expressed both India and Vietnam being the leading footwear manufacturers can work together towards enhancing the international competitiveness in terms of Productivity, Design and best manufacturing Practices.

Mr. Do Huu Huy, Deputy Director General of Africa, Western and South Asia Markets Department, Ministry of Industry and Trade, Govt. of Vietnam welcomed the delegates to invest in Vietnam and explained the Government's policy of Industry and Trade and explained various opportunities available. He expressed the TPP agreement will boost up the Industrial Production in Vietnam and wished India will play a key role in the development of Vietnam's Trade and Industry. The BSM witnessed Buyers coming mainly from Northern Vietnam i.e. Hanoi and surrounding areas.



Mr. Do Huu Huy, (Left) Director General, Ministry of Industry and Trade, Govt. of Vietnam at the meeting

The participants as well as Customers said during the meeting that B2B meet proves to be a great platform for interaction, understanding, Business generation and exchange of ideas. It has become huge success for Vietnamese companies looking to source finished leather from India. The Buyer Seller Meeting ended with satisfactory response both from the Participants and Customers. 4 trial orders were placed by the visiting Customers during the Meeting hoping that they will turn out to be huge bulk orders

Business Meetings





The marketing promotion programme of CLE in Vietnam concluded on a highly successful note with high hope of substantial business co-operation between India and Vietnam in coming years.

