

MAGIC Show, Las Vegas, USA February 11-14, 2018

MAGIC
THE BUSINESS OF FASHION

The most comprehensive fashion marketplace in United States of America

Report by Mr. A. Fayaz Ahmad, Assistant Director-CLE

Every February and August, the retail industry convenes in Las Vegas for the United States' most comprehensive fashion market place – MAGIC. Here one can find the latest in apparel, footwear, leather goods, garments and accessories, and manufacturing. From the height of advanced contemporary luxury brands to the latest trends in fast fashion, MAGIC fuels the business of fashion. The MAGIC Show is positioned as a Fashion Event and comprises several unique events showcasing the latest in apparel, footwear, accessories and manufacturing.

MAGIC which was taken over by the UBM Group (which ranks as one of the world's largest B2B Events & Trade fairs organizers), about a couple of years ago, has been adding more new shows under the MAGIC umbrella in recent years. Today, the MAGIC show comprises 13 concurrent Trade Shows i.e., FN Platform, WWD MAGIC, Sourcing at MAGIC, Project, The Tents, Stitch @ Project Women, The Collective, WSA@MAGIC, STITCH, Pool Trade Show, Children's Club MAGIC, Curve Las Vegas, Footwear Sourcing @ MAGIC.

A major apparel & fabric sourcing trade show in North America, the Sourcing at Magic connects manufacturers, fabric & trim suppliers, print design studios and service providers all over the world to Branded Apparel & Accessories companies, importers, designers and product development team. Product and services on offer at Sourcing at MAGIC include manufacturer's fabric & textile mills trim & components, print design service providers. Las Vegas provides the backdrop for this event

which also feature educational seminar series with sessions emphasizing industry issues and trends that impact productivity and profitability.

SOURCING at MAGIC

The Sourcing Section at MAGIC is dedicated to Contract manufacturing and private label business. Sourcing at MAGIC has been conceptualized to provide a space for large retail buyers, global importers, licensees and brands to meet and conduct business with overseas manufacturers/suppliers from international manufacturing countries. A few years ago, MAGIC introduced the section for Footwear brands & retailers i.e. FN platform. Almost concurrently a Sourcing section was incorporated for Footwear contract manufacturers, which was called WSA @ MAGIC. WSA@ MAGIC has been discontinued in the Feb 2018 edition, and in its place, on point FN Platform has been introduced which is located in the South Hall Level 2. On point Footwear Sourcing is for fast fashion, and hot trend footwear.

Sourcing at MAGIC is the ultimate resource for fashion trends, technologies and manufacturers from around the globe. The Sourcing Section is where manufacturers of apparels, leather garments, leather goods & accessories from several countries exhibited which includes Bangladesh, Bulgaria, Cambodia, China, Colombia, Ethiopia, Guatemala, Haiti, Hong Kong, India, Indonesia, Italy, Japan, Kenya,

Madagascar, Mexico, Pakistan, Portugal, Rwanda, Singapore, South Korea, Taiwan, Turkey, Uganda, United States, Vietnam etc. The targeted buyers being US and International Brands, wholesalers, importers, chain stores etc. The Sourcing at MAGIC hall is divided into 6 categories – Apparel & Accessories, Trend and Color Galleries, Fabric & Trim Suppliers, Technology Innovations, Print Design Studios, Service Providers. The dominant exhibiting country at the Sourcing Halls in the MAGIC show is China. Vietnam is the Focus Country for the current edition of MAGIC February 2018.

Footwear SOURCING at MAGIC

Footwear Sourcing at MAGIC is the only show created for brands and retailers to source their footwear production directly from factories around the globe. Conveniently located alongside international footwear show, FN Platform, Footwear Sourcing at MAGIC allows designers, product development teams, and private label marketers to connect, shop, and expand their business on a global scale. The various footwear categories exhibited are: Casual Lifestyle/Comfort, Children, Athletic, Athletic/Sneakers, Outdoor/Work, Fashion (Heels/Pumps/Wedges), Western-Boots, Bootie-Dress. The major participating countries in the footwear sourcing @ MAGIC are: China, Colombia, Ethiopia, India, Indonesia, Taiwan, Turkey, Ukraine, Vietnam and many more countries.

FN Platform - The detail landscape is constantly changing and the great news is that the future of footwear looks bright. With 1700 brands from over 20 countries representing in the FN Platform, one is sure to find standout collections and fresh talent to share with customers. In the Feb 2018 edition, the show management has added a new neighborhood called ON POINT, the ultimate destination for Fast Fashion and Hot Trend Footwear, located on Level 2, this is a must visit for those looking to add fashionable margin builders to our assortment.

A new twist this season-the show management has changed up the opening night party and created a show-wide cocktail bash, Show-zy and Boozy, to bring more networking opportunities, cocktails, and lite bites across the show floor.

As per the organizer, there are 34+ exhibiting countries, covering 1250+ factories all over the globe involved in MAGIC Show of February 2018 edition. In terms of Exhibition Halls space, 150k+ square feet were the total area of the Exhibition.

India-USA trade in Footwear, Leather & Accessories

The USA is the world's largest market for Footwear, Leather Garments and Leather Goods. USA's import of leather and leather products has increased from US \$ 30.65 billion in the year 2012-13 to US \$ 32.89 billion in the year 2016-17, growing at a CAGR of 1.78%. India's export of leather and leather products has increased from US \$ 526.13 million in the year 2012-13 to US \$ 870.39 million in the year 2016-17, growing at a CAGR of 13.41%. Over the years, India's leather products

& Footwear exports to USA have been steadily increasing and latest reports shows that India's export of leather & leather products to USA during April-March 2016-17 has reached the level of US \$ 870.39 million as against US \$ 834.10 million recorded during the corresponding period of previous year. As per Indian leather sector export data for the period April-March 2016-17, USA was the largest destination country for India's exports, with a share of 15.36%, followed by U.K (10.74%) and Germany (11.65%). USA has been a focus market for export promotion activities considering the size of the market and the potential to enhance India's exports and market share.

USA is the largest global importer of leather and leather products. USA's import of leather and leather products has increased from US \$ 30.65 billion in 2012 to US \$ 35.66 billion in 2015, growing at a CAGR of 5.27%. The global import USA has declined to US \$ 32.89 billion in 2016 due to the prevailing general global recession. Out of USA's total leather import trade (2016), the import share of various leather product categories are as under:

- Finished Leather – 2.32%
- Footwear (lather & non-leather) – 79.49%
- Footwear Components – 1.21%
- Leather Garments – 1.32%
- Leather Goods & Accessories – 14.08%
- Saddlery & Harness – 1.55%

Sourcing at MAGIC	For apparel manufacturing, component, technology and service providers from around the world
FN Platform	For luxury to lifestyle Branded Footwear for men, women, juniors and Children
On Point @ FN Platform	For Fast fashion and Hot trend footwear for men, women, juniors and children
Footwear Sourcing@ MAGIC	For footwear manufacturing, component, technology and service providers from around the world

USA'S IMPORT OF LEATHER & LEATHER PRODUCTS AND INDIA SHARE 2012-2016

(Value in Mn US\$)

DETAILS	2012	2013	2014	2015	2016
Leather					
Import	652.98	683.40	755.27	767.13	764.28
India's Export	13.85	14.33	31.73	29.87	18.32
% Share of India	2.12%	2.10%	4.20%	3.89%	2.40%
Leather Footwear					
Import	12253.28	12768.44	13316.38	13399.51	11666.1
India's Export	222.3	305.51	348.07	403.11	447.56
% Share of India	1.81%	2.39%	2.61%	3.01%	3.84%

Footwear Components					
Import	469.55	471.41	450.31	426.37	399.65
India's Export	3.21	3.86	6.49	4.68	3.3
% Share of India	0.68%	0.82%	1.44%	1.10%	0.83%
Leather Garments					
Import	494.71	584.11	569.59	520.85	436.91
India's Export	42.19	56.33	60.64	63.21	54.69
% Share of India	8.53%	9.64%	10.65%	12.14%	12.52%
Leather Goods					
Import	4238.65	4678.25	4941.02	5161.2	4633.12
India's Export	225.83	259.91	286.29	299.64	313.63
% Share of India	5.33%	5.56%	5.79%	5.81%	6.77%
Saddlery & Harness					
Import	408.95	411.07	436.17	485.73	510.47
India's Export	16.63	26.37	29	28.9	26.96
% Share of India	4.07%	6.41%	6.65%	5.95%	5.28%
Non Leather Footwear					
Import	12140.49	12536.58	13277.84	14899.43	14486.72
India's Export	2.12	2.84	5.73	4.69	5.93
% Share of India	0.02%	0.02%	0.04%	0.03%	0.04%
Total					
Import	30658.61	32133.26	33746.58	35660.22	32897.25
India's Export	526.13	669.15	767.95	834.10	870.39
% Share of India	1.72%	2.08%	2.28%	2.34%	2.65%

Source: USA's import – ITC Geneva / India's Export - DGCI&S

Statement showing the list of top 10 countries importing leather and leather products from India

Value in US\$ Mn

U.S.A.	870.39
GERMANY	660.03
U.K.	608.29
ITALY	375.41
SPAIN	294.22
FRANCE	288.81
HONG KONG	266.16
U.A.E.	227.28
CHINA	174.05
NETHERLANDS	169.71
BELGIUM	104.98
POLAND	101.69

Source : DGCI&S

As per the above statement, India accounts for a share of 2.65% in USA's total leather import trade of US\$ 32.89 billion in 2016, providing ample scope to further enhance our exports to USA. Footwear accounts for about 52.48% of India's total export of leather and leather products to USA. USA is the one market which has been consistently showing positive growth despite the declining trend in India's overall exports. USA ranks No.1 amongst the top importing countries of leather and leather products from India.

India's share of Footwear imports in USA, has been consistently increasing over the years from 0.93% in 2012 to 2.97% in 2016. A Statement showing USA's global import of Footwear viz-a-vis India's export and share during 2012 to 2016 is given below:

(Value in Million US\$)

	2012	2013	2014	2015	2016
USA's IMPORT	24393.77	25305.02	26594.22	28298.94	26152.82
INDIA'S EXPORT	227.72	312.21	360.29	412.48	456.79
% SHARE OF INDIA	0.93%	1.23%	1.35%	1.45%	2.97%

INTERNATIONAL

Major countries supplying Footwear to USA

Value in US\$ Mn

Exporters	Imported value in 2014	Imported value in 2015	Imported value in 2016
China	17770.69	17969.25	15372.40
Vietnam	3782.43	4668.90	5093.22
Indonesia	1289.36	1487.76	1518.52
Italy	1474.29	1437.84	1389.54
India	360.29	412.48	456.79
Mexico	502.96	498.47	417.34
Dominican Republic	303.03	332.05	317.50
Cambodia	134.09	227.84	264.09
Spain	219.81	231.78	251.81
Brazil	213.37	209.36	243.97
Portugal	107.97	117.80	125.16
Germany	93.11	79.19	117.20
Bangladesh	69.24	118.43	108.03
Thailand	115.02	112.58	99.72

India ranks 5th amongst the Footwear supplying countries of USA. USA imports Footwear to the tune of US\$ 15372.40 million wherein India accounts for a share of 2.97% providing ample opportunity to enhance India's export of Footwear to USA.

Major countries supplying Leather Goods to USA

Value in US\$ Mn

Exporters	Imported value in 2014	Imported value in 2015	Imported value in 2016
China	2356.278	2364.576	1823.096
Italy	874.927	833.746	829.771
Viet Nam	386.472	465.117	507.510
France	374.119	390.641	394.075
India	286.29	299.64	313.63
Philippines	88.923	178.581	155.697
Indonesia	98.992	107.826	99.044
Spain	66.060	75.965	82.717
Pakistan	57.250	70.231	66.246
Mexico	66.392	71.113	62.455

Major countries supplying Leather Garments to USA

Value in US\$ Mn

Exporters	Imported value in 2014	Imported value in 2015	Imported value in 2016
China	248.39	213.14	162.53
Italy	103.49	90.74	76.24
India	60.64	63.21	54.69
Pakistan	44.81	43.24	37.84
Turkey	25.06	19.82	22.63
France	16.94	16.64	16.40
Indonesia	7.35	11.23	11.16
Viet Nam	6.76	12.57	9.09
Romania	3.93	3.15	2.67

CLE's Focus USA Programmes

As far as Footwear, Leather Garments, goods and Accessories sectors are concerned, the USA is one of the important markets for India. Considering the huge market size, it was proposed to intensify marketing activities in this market towards sustaining and further enhancing the exports. The huge untapped potential of the USA market is the factor which led to the Council to initiating the "Focus US Program" for promotion of exports to USA in the year 2002 under the Market Access Initiative Scheme (MAIS) of the Government of India. The focus USA program comprised engaging US based consultants, participation in successive editions of the leading footwear fair in the USA ie the WSA Show, holding stand-alone Buyer Seller Meets for leather garments & Accessories in New York, and participation in the most important trade fair platform of USA namely MAGIC Show in Las Vegas, in both the editions in a year. The CLE has engaged Mr. Jaggi Singh, President/CEO of M/s. NML International Inc., New York as Consultant for promotion of export of leather garments, goods and accessories from India to USA, initially from Dec 2015 to May 2016 as Phase 1, and from January 2017 to July 2017 as Phase 2. The CLE engaged Mr. Thomas J Z Konecki, Managing Director of M/s. Konicek Consulting LLC as Consultant for promotion of footwear export from India to USA from January 2017 to Sept 2017. Engaging Consultants has helped the Indian exporters to meet new and potential buyers. As far as Trade Fair is concerned, the MAGIC is one of the important marketing avenue, in which CLE organizes the India Pavilion regularly in the past many years till date.

India Pavilion organized by CLE in MAGIC February 2018

Considering the size and the potential of the US market and the opportunities for India in the same, the Council organized India Pavilion in the MAGIC Show held during February 11-14, 2018 under the funding support from

the Market Access Initiative (MAI) Scheme of the Government of India. The funding support is restricted to a total of 25 participating companies. The CLE has organized two India Pavilions - one in South Hall for Footwear Sourcing with 11 exhibitors (footwear manufacturers), another in North Hall for Sourcing at MAGIC with 13

exhibitors (Leather garments & goods manufacturers).

The stand construction of India Pavilion was done by Grand Expo (USA) Inc, which company is based in Las Vegas. The Stands were constructed to suit the requirement of Indian exhibitors, and India Pavilion sported a very

pleasant and fresh look. Through the stand constructor, the CLE engaged 2 Hostesses to provide logistical support and assistance to the exhibitors. The Footwear at Sourcing and Sourcing at MAGIC began on 11th February, 2018 at 12 noon. There were steady stream of focused visitors looking to interact with manufacturing factories.

India Pavilion @ Footwear Sourcing @ MAGIC



India Pavilion Participants in Footwear Sourcing @ MAGIC

S.I. No.	Name of the company	Place
1	Alig Tannery	Kanpur
2	Calico Trends	Kanpur
3	Jute Wonders unlimited	New Delhi
4	N.M Zackriah & Co	Chennai
5	Pyramid Exports	New Delhi
6	Royal Step India	Agra
7	Sagari Leathers (P) Ld	Agra
8	Sakay Overseas	Jalandhar
9	Torpedo Shoes (Pvt) Ltd	Kanpur
10	Vista Shoes	Chennai
11	Zeeko Shoe Factory	Agra



INTERNATIONAL

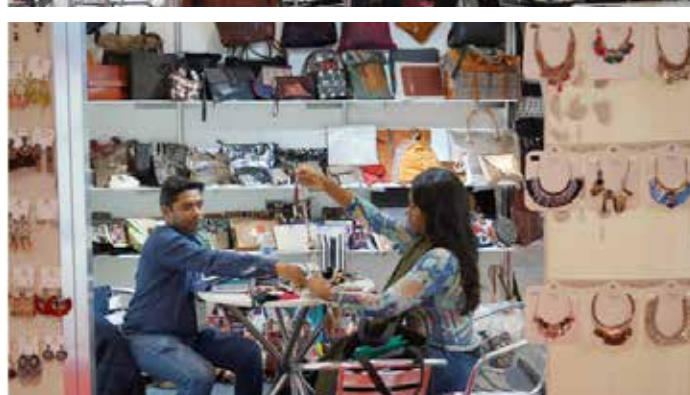


Shri A.Fayaz Ahmad, Assistant Director-CLE with STENN, UK-Mr. Victor Yankovsky & Mr.Phil Parker, Senior. Business Development Managers.

India Pavilion participants in Sourcing at MAGIC (Leather Goods,Accessories & Leather Garments)

Sl.No	Name of the Company	Place
1	Bharat Expo International	Haryana
2	D.R International	Ghaziabad
3	Edcons Exports P Ltd	Kolkata
4	Geekay International	Kolkata
5	Jarosniv Exports Pvt Ltd	New Delhi
6	Kunstfjord Trading P Ld	Kolkata
7	Nadeem Impex	Kolkata
8	Shiven Impex Pvt Ltd	Gurgaon
9	Sonse Exports	New Delhi
10	Super Skin Crafts Pvt Ltd	New Delhi
11	Unique International	Noida
12	Viking Garments	Ambala
13	Virali Enterprises	Chennai

India Pavilion @ Sourcing at MAGIC



One participant M/s. Narmada Polymers, Gurgaon has not eventually attended the Fair, due to unknown reason from their side.

The various footwear categories displayed in the Exhibition was Casual Lifestyle/Comfort, Children, Athletic, Athletic / Sneakers, Outdoor / Work, Fashion (Heels / Pumps / Wedges), Western- Boots&Bootie Dress etc. Similarly, in Sourcing Section, leather goods such as hand bags, laptop bags, wallets, brief cases, backpacks, belts, accessories, and all types of leather garments were displayed.

There were 2 CLE Booths - one at South Hall, and another at North Hall. Shri. A. Fayaz Ahmad, Assistant Director-CLE, has attended the MAGIC Show and coordinated the organization of India Pavilions and participation of CLE. In the CLE Booth, Brochures and publications were displayed and distributed to the trade visitors – Brochure on Indian Leather Industry, CD of Members Directory of CLE, company profile booklet of the Indian participants etc. The CLE India Pavilion has one hostess each for North Hall and South Hall. Arrangements and facilities in the Convention Centre is truly world class and are of high standards. MAGIC Sales India Office - Mr. Prashant Asthana and Mr. Gaurav Garg, both were present to facilitate the India participation - Leather and Textiles. India Pavilion received trade visitors who interacted with exhibitors, and visitors flow was normal.

Shri A. Fayaz Ahmad, Assistant Director-CLE had discussion with Mr. Bob Berg, MAGIC Sales Director for Footwear Sourcing and Sourcing at MAGIC, on the fair management concept and their vision for the next edition Aug 2018 and talks and had underlined the importance of continuous presence and participation of India/CLE in the MAGIC fair as a marketing tool to promote exports from India into US Market.

Leading footwear manufacturers all over the globe, and other related industry stakeholders visited the Fair. Leading Apparel Manufacturers, Fabric Providers, and Technology and Service companies from around the world visited show towards their sourcing needs. According to the Fair organizer, overall MAGIC Show Feb 2018 edition is attended by about 50,000 business visitors. Out of this, for Sourcing at MAGIC and Footwear Sourcing at MAGIC is visited by about 14000 business visitors. US companies dealing in Footwear, Leather Garments, Leather Goods and Accessories and companies from various other countries, have visited the India Pavilion in Footwear Sourcing at MAGIC and Sourcing at

MAGIC respectively. The business visitors were generally impressive in the range of products displayed in the India Pavilion.

Business Outcome of CLE India Pavilions

The exhibitors have submitted the Feedback Forms, and as per which, the Business Outcome / Business Generated by participating in the MAGIC Show, Las Vegas has been worked out.

In the Footwear Sourcing at MAGIC, 11 companies had a total of 109 business meetings. They have reported an immediate firm order booked to the tune of US \$ 0.03 million. Expected future business would be around US \$ 6.30 million. In the Sourcing at MAGIC, 13 companies had a total of 219 business meetings. They have reported an immediate firm order booked to the tune of US \$ 0.25 million. Expected future business would be around US \$ 2.85 million. In all, 24 companies had a total of 328 business meetings, with firm orders booked to the extent of US \$ 0.28 million. According to the feedback given by the participants, expected future business would be around US \$ 9.15 million.

MAGIC – SEMINAR SERIES

There were several seminars organized by MAGIC covering industry insights, trends and innovations during the Fair Days. The topics of the seminars were as follows:

February 11, 2018

- National Shoe retailers association (NSRA) presents: Selling, Service, and success! The game changing power of creating service culture that sells.
- Ins and outs of launching a Brand: Avoiding major mistakes.
- Moving into the future of fashion: New design and print technologies
- National Shoe Retailers Association (NSRA) presents: Building a winning digital marketing strategy.
- Denim at intersection of fashion and technology

- Building a relevant Brand for today and tomorrow

February 12, 2018

- Comfort, convenience, and curation: U.S Footwear industry - Year in review and look ahead
- New Store Seminar: Know Your Show Floor ABC's
- E-Commerce Sins: 7 Common mistakes that are hurting your online business -New!
- Power Branding for new retail
- Creating an Intellectual Property Rights culture - Moderated by American Apparel & Footwear Association (AAFA)
- Connecting your sourcing dots in the Americas
- How tech & fashion merge
- Re-imaging retail
- Color trends S/S 2019 – the summer of love
- Visual Trust: Transparency is the key to fashion's future
- How to navigate the impact of Washington on sourcing- Moderated by U.S. Fashion Industry Association (USFIA)
- Road map of growth
- The doneger group presents: Reframe. Reset. Retail
- The mark up and mark down game
- Global women's & Men's trend stories + colors for S/S 19
- Footwear Retailers & Distributors of America (FDRA) presents: Smarter shoes: Brands are digitalizing their footwear design and development programs to cut costs and increase speed to market –and how you can too!
- Smart factories: the future is here
- How to open and run a successful Retail Store
- Global value chains and how they can shape U.S Trade Policy – Moderated by American Apparel & Footwear Association (AAFA)

INTERNATIONAL

- Launching a new footwear brand: Ins and outs to success
- Ramp up your internet sales on major platforms
- Marketing sustainability: Should the industry lead or follow? – moderated by USFIA

February 13, 2018

- Influencers, Brands, Sports & Driving Traffic
- Future Retail: 2018 Trends and Opportunities
- How to compete with Amazon – New!
- Buyers and consumers have changed: How to launch a successful brand in 2018
- Digitization of Sourcing and Agility in a volatile world
- The growth conundrum – New!
- What's your brand's digital & door index?
- Re-imagining retail
- Disrupting fashion: A changing Landscape

- TrendScience: Future proofing our brand - Data driven insights + social confirmation trends

- Captivating & marketing to the millennial customer

- Windows: Technology and pop-up tips to boost store sales

- Moving into the future of manufacturing fashion: Micro factories, finishing, Robots and customization

- How to grow your business with email and social media

- Next generation footwear

- E-commerce Sins: 7 common mistakes that are hurting your online business – New!

- Fashion licensing & collab's for retailers

- Taking sustainable further!

- Take your business to the next level: Profit

February 14, 2018

- How to grow your business with email and social

- How to style a customer with Amazon results

Conclusion:

SOURCING at MAGIC is the link to the entire global supply chain of Leather Garments, Leather Goods & Accessories segments. This incredible source of inspiration, education, innovation and resources is what keeps fashion moving. Footwear Sourcing at MAGIC is the only show in USA created for brands and retailers to source their footwear production directly from factories around the globe. Conveniently located alongside international footwear show, FN PLATFORM, Footwear Sourcing at MAGIC allows designers, product development teams, and private label marketers to connect, shop, and expand their businesses on a global scale. It is the place to source Footwear Production directly from factories around the globe. With over 34 countries represented, this must-see destination attracted designers, brands and retailers alike to discover what they need to move their business forward. This Event is the ultimate resource for fashion trends, technologies and manufacturers from around the globe.

The next edition of MAGIC Show would be held during August 12-15, 2018.

