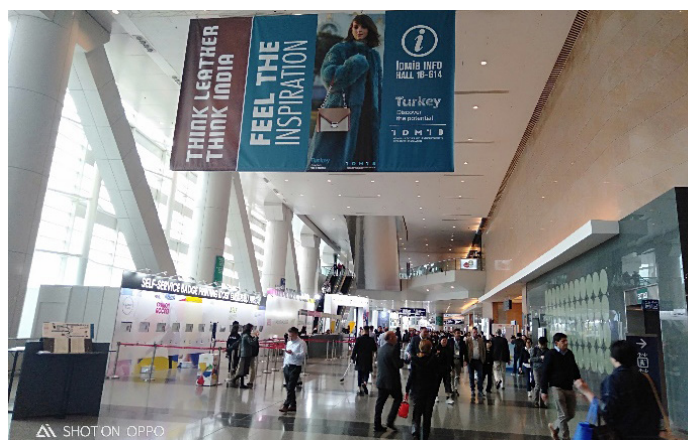


FASHION ACCESS

Fashion Access, 13-15 March 2019 Hong Kong

by

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Fashion Access, Hong Kong 2019 was held at Hong Kong Convention & Exhibition Centre, Wanchai, Hong Kong from March 13-15, 2019. Fashion Access Fair runs alongside APLF Leather & Materials+and Cashmere World, attracting buyers of high-end boutiques and exclusive brands on the lookout for leather, manufacturing materials, components and Fine Fibre products. It is a global showcase of the latest collections on bags, footwear, leather goods, travelwares, fashion accessories, leather garments by Original Equipment Manufacturers (OEM) & Original Design Manufacturers (ODM) as well as independent brands. International buyers of the mid to high-end fashion tier gather in Hong Kong annually to source, network and curate the future landscape of fashion.

HIGHLIGHTS OF THE FAIR :

Asia's Premier Fashion Accessories Trade Show: Since the fair's inception in 1984, it has earned its strong reputation as an important mid-to-high-end marketplace for bags, footwear, small leather goods, fashion accessories and other fashion products.

Mid-to-High End Fashion Sourcing: Fashion Access is Asia's main forum for top quality fashion sourcing, drawing in international brands and buying offices on the lookout for professional and reliable original equipment manufacturers (OEM), original design manufacturers (ODM) and brands primarily from Asia.

A Reputable Line-Up of Manufacturers: 230+ Exhibitors from 17 countries and regions took participation in gross area of over 9500 sqm. They shared the stage with some of the world's top notch and reliable fashion manufacturers, with an impressive roster of clients including global fast-fashion as well as high-end brands.

First -Time Exhibitors: 80 new exhibitors were from Australia, China, Georgia(Rep. of), Hong Kong, India, Indonesia, Italy, Japan, Korea, Malaysia, Pakistan, Philippines,

Singapore & USA

Buyer Profile: 9,966 buyers from 86 countries (21.91% more than 2016) with most coming from China, Hong Kong, India, Korea, Japan, Taiwan, USA, Thailand, Italy & Indonesia.

Showcased the Brand to Influential Buyers: Exhibitors met influential buyers serving upscale department stores, online stores, boutiques and specialty fashion stores worldwide. Their search for emerging as well as established fashion brands ended with good business.

Exhibit & Enjoy Excellent Advantages: The Exhibitors promoted their companies prominently at the show by advertising on the exhibitor guide, mobile app, signage & banners; participate in featured events such as the Fashion Trends Space, Best of APLF Awards or host your own seminar and workshop.

POP UP powered by Fashion Access: Company Brand got a unique chance to expose to key Asian markets, and showcase new collections directly to consumers.

Group Pavilion: This year 10 group pavilions including Bangladesh, China, Georgia, India & Japan participated.

INDIAN PARTICIPATION IN FASHION ACCESS FAIR:

Council for Leather Exports (CLE organized the group participation of 32 companies in the Fair in Hall 3 C,D & E Concourses, Hong Kong Convention & Exhibition Centre with support from the Market Access Initiative Scheme(MAIS) from the Ministry of Commerce & Industry, Govt. of India.

Ms. Suneeta Das, Asst. Export Promotion Officer & Ms. Surabhi Mathur, Asst. Export Promotion Officer represented the Indian Pavilion. Besides, display of promotional materials, a film on Indian

Manufacturing of all leather & leather products was aired in the CLE's Information Booth. Two Interpreters were present at CLE stand who extended their services to the member-participants as & when required.

During all the fair days, a number of overseas & Indian visitors came to us and enquired about the activities of the organisation, current export status, future potential etc. Necessary guidance was extended to them and promotional materials were provided accordingly.

The list of Participating Companies in the Indian Pavilion is as under :

AB Group, Kanpur	Belts and Accessories
AEE Overseas, Noida	Men and Women handbags, SLG, Belts etc
Anjana Exports Pvt Ltd, Kolkata	Portfolio, Wallets, Belts, Brief Case, Key Holders etc
Bharat Enterprises, Haryana	Leather Bags, Leather Garments, Accessories & Made-ups
Bhav Creations, Kolkata	Leather Bags, Wallets, Accessories etc.
Century Overseas, Delhi	Leather Garments & Goods
Cinturones Alvi India Pvt Ltd, Noida	Leather Bags & Belts,
Creative Pelt Pvt Ltd, Kolkata	Ladies Hand Bag, Satchel, Executive Case and small leather accessories
Discovery Leather Pvt Ltd, Delhi	Leather Garments & Goods (Men & Ladies)
Edcons Exports Pvt Ltd, Kolkata	Bags and Small Leather Goods
Explicit Leathers, Haryana	Men and Ladies Leather Garments
Gaurav Lederware Pvt Ltd, Kolkata	Purse, Wallet, Bags etc.,
Indexport Leather Export Pvt Ltd, Kolkata	Leather Bags and Leather Wallets
Inspire Exim Pvt Ltd, Delhi	Leather Garments & Leather Goods
Jarosniv Exports Pvt Ltd, Delhi	High Fashion Leather Garments and Accessories
Kamal Enterprises, Delhi	Leather Garments and Bags
Kapoor Industries, Mumbai	Leather Bags, Wallets etc.

Karino Leather Goods, Kolkata	Bags & Accessories
Kunvar Overseas, Delhi	Leather Jackets, Pants, Bags, Wallets, Belts etc.
Manovin International, Kolkata	Small leather goods and accessories
Metropoli Fashions Pvt Ltd, Kolkata	Leather Bags & Wallets
Newage Leathers Pvt Ltd, Delhi	Men and Ladies Wallets, Pouches, Small Bags, Coin Purses etc.
Prakash Impex, Chennai	Finished Leather, Leather Garments etc.
Raja & Mitsu Fashions, Kolkata	Hand-bags for men & women, Travel Luggage, Small leather goods etc.
Ransack Design Solutions, Kolkata	Leather Bags, Back Packs, Messenger Bags, Office Bags, Wallets, Gift Articles
S.S. International, Delhi	Leather Garments & Goods (Men & Ladies)
Scorpius Enterprises, Delhi	Leather Bags & Accessories
Stichwell Exports Pvt Ltd, Kolkata	Leather Handbags, Wallets, Purses etc.
Tristha Creations Pvt Ltd, Kolkata	Leather Handbags & Wallets,
Tulsyan Impex Private Limited, Kolkata	Leather Handbags, Wallets, Key Chains & other Small Leather Goods
X L International Ltd, Kolkata	Hand Bag & Wallets
Zoya International Pvt Ltd, Kanpur	Leather Belts, Bags, Wallets etc.

Visitors in the CLE Pavilion during the Fair Days:

Footfall on the opening day of the Fashion Access was slow in comparison to earlier editions. However, Day 2 & 3 of the fair was busy one. Most sales were at steady levels and exhibitors were generally pleased with discussions. Both existing and new customers visited and new enquiries were generated.

Visit of Consul, Consulate General India, Hong Kong: CLE Representatives welcomed Shri Ajit John Joshua, Consul (Political Commerce and Political), CGI HONG KONG and his team of officials. He was briefed about the Leather Industry while watching the CLE film. The Consul went around the Indian Pavilion and interacted with the participant members and enquired about the displayed product samples. Concluding his visit, Shri Ajit John Joshua assured to provide their best possible support to the Council and advised to be in touch with CGI Office in the interest of business promotion.

**Shri Ajit John Joshua, Consul (Political Commerce and Political),
CGI HONG KONG interacting with participants**



STALLS IN CLE PAVILION



Meetings with Media & Other Associations

- Mr. Roberto Vago, technological Advisor, Italy with Mr. Alberto, President, OMAC SRL
- Mr. Sanjay Leekha, Vice-Chairman, Council for Leather Exports.
- Mr. Daniel Gatachew, Secretary General, Ethiopian Leather Industries Association and exchanged export promotional communications.
- Mr. Mostafa Khalil, Group Exhibition Director, Global Exhibition.
- Mr. Amit Chopra, Managing Director, Shoes & Accessories.
- Ms. Megan Yip, Project Executive, Top Repute Company Pvt. Ltd.



Shri Sanjay Leekha, Vice- Chairman, CLE visiting CLE Information Booth

The fair was wind up with overall less footfall. As informed by the member participants, the buyers from Europe, Taiwan and Hong Kong (local) were missing. It affected their business very much.

BUSINESS OUTCOME : As per feedback form submitted by the 32 participants, had a combined total of 245 business meetings with the buyers and about 320 foreign buyers visited their stands. They have reported an immediate firm order booked to the tune of US\$0.6 million & they expect future business to be worth US\$17.20 million. As most of the participants were not able to anticipate and quantify the expected future business, hence the actual business opportunity would be much more.

OTHER HAPPENINGS OF THE FAIR :

Over the years APLF has incorporated informative and educational seminars and conferences to create a complete, integrated event of combined business and informational opportunities.

MORE THAN A TRADE FAIR: Global Footwear Executive Summit (GFES) was held as a continuation of its predecessor the Global Footwear Retail Conference that started in 2015. It has

teamed up with the Footwear Retailers & Distributors of America (FDRA) to organise the Summit which included topics on innovation, production and retailing. It was also conceived as an event where footwear retailers, brands, manufacturers, sourcing companies, traders and trade media can gain valuable information from top companies in the industry to formulate business decisions.

The slogan of this year's Summit was "Agility in Action" to put footwear sustainability, production technology and retailing technology into action backed up by authoritative confirmed speakers from influential companies such as FILA and Wolverine Worldwide.

The GFES also contributes to the consolidation of APLF as a footwear sourcing platform as the shoe sector continues to grow in Fashion Access. In the Materials+ fair, materials and components are on display for footwear manufacture as well as a variety of sustainable materials in the Core of Materials+.

FOCUS ON SUSTAINABILITY : Sustainability cuts across all sectors so it is not just sustainability and leather since the four events in March are all drawn together and linked not only by materials, manufacturing, components and fashion

applications but more importantly by sustainability itself. As we reach the end of the second decade of the 21st century, sustainability transverses all fashion sectors as consumers continue to become more environmentally aware and manufacturers respond in their supply chains to satisfy this ethical awareness that continues to expand across all consumer groups.

In terms of applications leather has far more competition from synthetics than ever before and, has lost market share especially in the footwear sector. To regain market share and favour with designers and manufacturers, leather has to highlight its many qualities so as to compete effectively.

These qualities include sustainability, biodegradability, longevity and natural beauty and when combined with innovation, craftsmanship and even heritage, these allow leather to compete more directly with sustainability taking the lead, as consumers become more aware of the environment and the dangers posed to it by all non-biodegradable petroleum based plastics and synthetics.

APLF is now also strong by establishing itself as the Sustainable Sourcing Platform in the Asia Pacific Region and

is developing a business community motivated by issues related to eco-conceptions such as traceability, sustainable production and recycling that all play a part in environmental care. In addition to a programme of conferences and seminars, which include a Sustainable Fashion Forum, Materials+ Sustainability Programme, the annual Sustainability in the Leather Supply Chain Conference, a display of sustainable products from exhibitors from across the 4 fairs can be viewed in the Core of the Materials+ fair.

LEATHER NATURALLY ZONE: After the success of the Leather Naturally Zone (LN Zone) at ACLE last autumn, this area reappeared at APLF Leather. It highlighted the beauty, longevity and biodegradability of leather.

This year Leather Naturally has sponsored and organised a number of activities and special areas at APLF. There is a Leather Naturally Lounge set up on ID Concourse, in front of which are the “Why Leather” – a series of panels showing why leather should be loved.

On Level 3, 8 seminars were organised at the LN Talks stage, all are related to leather. Next to it was the “Leather Reborn” area, an art project that invites local artists from China, Malaysia and The Philippines to experiment and express themselves on leather.

DESIGNYOUR BAG : A local artist, Isabel Tong, draw caricature for visitors on leather sponsored by JBS. She was also the creator of this year souvenir bags which visitors can design and customise at the Bar Bag in the Fashion Access.

TRADE ANALYSIS OF THE FAIR :

This year FASHION ACCESS Fair took place after what has been a very demanding year for the leather industry. Demand for footwear leather continues to be weak. After a five year boom in global auto sales, the market is taking a breather and upholstery sales have been at best flat during 2018. The one sector that has held its own in face of a challenging trade and political environment is the luxury sector with major fashion and accessory holdings seeing their brands continue to thrive driven by an excellent performance of their leathergoods across the world.

The leather price has been in general under pressure due to strong supplies of raw materials which, combined with a reduction in demand, have pushed the price. Cheaper raw material prices should in theory stimulate demand by manufacturers wishing to improve their profit margins, but this time around brands and designers have been using synthetics in some measure due to the

athleisure and casual sneaker boom that currently leading fashion trends worldwide.

The overall backdrop to the leather and fashion industries has been also dominated by rising trade tensions – some would even say a trade war – between China and the US with reciprocally damaging tariffs being applied by both sides as they jockey for position as trade talks continue to break the deadlock. The uncertainty of the BREXIT negotiations between the UK and the EU also exerted a negative impact on business confidence and taken together these geopolitical factors ensured that stock markets across the globe had their most difficult year since the financial crisis a decade ago.

Nevertheless, APLF is now celebrating its 35th anniversary, it is no stranger to adverse economic circumstances and will continue to serve the global fashion and leather industries by actually being part of them. It is a business platform recognised as the Meeting Place of the Global Leather Industry. Voted Number #1 leather fair in the world last year in the Tanners Confidence Survey run by ILM magazine, it is essentially a reflection of the global market.



Ms. Suneeta Das, Asst. Export Promotion Officer & Ms. Surabhi Mathur, Asst. Export Promotion Officer at CLE Information Booth

ABOUT THE COUNTRY

Hong Kong officially the Hong Kong Special Administrative Republic of China is an autonomous territory on the eastern side of the Pearl River estuary in East Asia. With over 7.4 million Hong Kongers of various nationalities in a territory of 1,104 square kilometers (426 sq mi), Hong Kong is the fourth-most densely populated region in the world. It has a capitalist mixed service economy, characterized by low taxation, minimal government market intervention, and an established international financial market. The city is an important centre for international finance and trade, with one of the greatest concentrations of corporate headquarters in the Asia-Pacific region. It is also the world's largest trans shipment centre; much of its exports consist of re-exports, products manufactured outside of the territory, especially in mainland China, and distributed via Hong Kong. Its physical location has allowed the city to establish a transportation and logistics infrastructure that includes the world's second busiest container port and the world's busiest airport for international cargo.

STANDS IN CLE PAVILION



INDIA – HONG KONG RELATIONS

Recent years have seen relations between India and Hong Kong expand rapidly. Hong Kong companies also have been increasingly looking at India as an investment destination. Many Hong Kong companies have huge presence in India. This includes China Light and Power (CLP), Li & Fung, Jardines, Shangri La, Kerry Logistics and Johnson Electric to name a few. Hong Kong Trade and Development Council (HKTDC) have made India as its focus point this year for promoting business and trade linkages between India and Hong Kong. With the focus on SMEs, HKTDC conducted a Seminar on the Latest Market Opportunities in India in September 2016, and paid special focus on India during the World SME Expo held in December 2016. They have conducted series of researches, which may be useful and relevant for Hong Kong companies planning to invest in India.

Hong Kong and India are each other's 7th largest trade partners. Hong Kong is the fourth largest destination for India's exports, and is also a re-exporter of Indian goods to mainland China. The main commodities exported by India to Hong Kong are pearls, precious and semi-precious stones, leather, electrical equipment, cotton, fish, crustaceans, machinery, apparel, organic chemicals, optical and medical instruments, and plastics. The major commodities imported by India from Hong Kong are pearls, precious and semi-precious stones, machinery, optical and medical instruments, clocks and watches, plastics, special woven fabrics, miscellaneous manufactured articles, organic chemicals and paper. Hong Kong is also the 6th largest importer of leather & leather products in the world. It is a trading centre for leather & leather products.

STATISTICAL OVERVIEW :

India's export of leather and leather products to Hong Kong has decreased from US\$ 471.54 million in 2013-14 to US\$ 248.07 million in 2017-18. Out of Hong Kong's total leather import trade, the import share of various leather product categories in 2017-18 are Finished Leather – 13.43%, Footwear – 0.63%, Footwear Components – 0.13%, Leather Garments – 7.66%, Leather Goods – 0.48%, Saddlery & Harness – 0.71%, Non-Leather Footwear – 0.02%. India's share in Hong Kong's total leather import trade is 3.08% in 2017-18 which amounts to US\$ 8055.92 million. Hence there is good scope to enhance India's export of leather and leather products to Hong Kong in the coming years.

HONG KONG'S IMPORT OF LEATHER & LEATHER PRODUCTS AND INDIA SHARE 2013-2017

(Value in Mn US\$)

DETAILS	2013	2014	2015	2016	2017
Leather					
Import	3325.01	2991.65	2403.70	1771.44	1565.67
India's Export	445.27	397.04	286.43	231.16	210.21
% Share of India	13.39%	13.27%	11.92%	13.05%	13.43%
Leather Footwear					
Import	3088.08	3060.63	2726.04	2166.26	1932.73
India's Export	8.73	10.14	12.3	14.07	12.23
% Share of India	0.28%	0.33%	0.45%	0.65%	0.63%
Footwear Components					
Import	270.73	292.81	293.13	321.20	361.92
India's Export	0.44	0.83	0.35	0.90	0.47
% Share of India	0.16%	0.28%	0.12%	0.28%	0.13%
Leather Garments					
Import	213.87	240.65	186.01	133.39	137.92
India's Export	7.12	6.14	7.58	8.93	10.56
% Share of India	3.33%	2.55%	4.08%	6.69%	7.66%
Leather Goods					
Import	3426.38	3720.48	3308.75	2977.29	2980.10
India's Export	9.68	7.25	8.26	10.32	14.33
% Share of India	0.28%	0.19%	0.25%	0.35%	0.48%
Saddlery& Harness					
Import	12.96	15.90	15.41	12.85	11.28
India's Export	0.25	0.22	0.15	0.13	0.08
% Share of India	1.93%	1.38%	0.97%	1.01%	0.71%
Non Leather Footwear					
Import	1253.69	1227.72	1218.71	1071.05	1066.30
India's Export	0.05	0.50	0.18	0.08	0.19
% Share of India	0.00%	0.04%	0.01%	0.01%	0.02%
Total					
Import	11590.72	11549.84	10151.75	8453.48	8055.92
India's Export	471.54	422.12	315.25	265.59	248.07
% Share of India	4.07%	3.65%	3.11%	3.14%	3.08%

Source: Hong Kong's Import - ITC Geneva / India's export DGCI&S

CONCLUSION :

LOOKING AHEAD TO 2020 : As per Fair Authority, there will be significant changes in the layout of the fairs in 2020. Fashion Access, Materials+ and Cashmere World which are currently on Level 3 will move to Level 1. The configuration will also offer an opportunity for the Organisers to re-segment and re-group product zones and in this way facilitate buyers' easier navigation of the fair according to their sourcing purposes.

Moving Materials+, Fashion Access & Cashmere World to Level 1 will create a fundamental shift from “just” a leather fair to being a sustainable fashion oriented group of fairs which will attract not only leather buyers but also fashion and lifestyle professionals designing and sourcing for the new generation of consumers, reconnecting them all to the leather supply chain.

Keeping in view the above development, most of member-participants gave a positive feedback regarding the market prospects and confirmed their participation in the next edition.

Observations:

Technology is creating new opportunities :

In view of soaring production costs, leather product manufacturers around the world are investing in advanced automated machinery and operation systems to streamline the production process. This will make production and processing cheaper and faster.

Advanced processing techniques in leather manufacturing, for example, of digital cutting, more complex designs or blending with textile fabrics – are increasing the popularity and the versatility of leather consumer goods. These technologies are paving the way for new and more complex designs, responsible dyeing into more fashionable colours, and finer qualities.

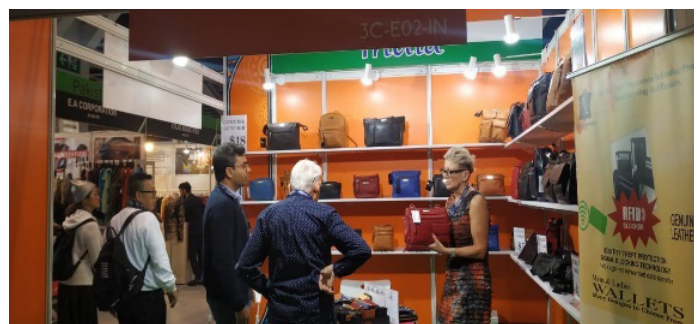
Improved durability, softness, lightness and smoothness have made leather goods becoming a stylish choice for spring/summer fashion.

Another tech-related trend is the emergence of more blended materials, such as silk leather made from blending textile fabrics with leather.

E-business

Another important trend that makes world an interesting market for leather fashion accessories is e-business. Today Consumers no longer buy all their clothes or accessories in physical shops; increasingly, they buy them online. Sellers can be big and small brands, multi-brand web shops, retailers and apparel chains.

STANDS IN CLE PAVILION



Rising demand for small leather carrying products

Changing consumer behaviour represent another reason why Asia is an interesting market for leather fashion accessories. For example, the multiplication of handheld (digital) devices – smartphones, tablets, cameras and more – has boosted demand for small leather carrying products.

Affordable luxury is growing

A third consumer trend is the rising demand for ‘affordable luxury’. So-called ‘It bags’ have become popular status symbols and statement pieces in consumer wardrobes. While demand for high-luxury is robust, many Asian buyers are trading down to more affordable luxury brands, which continue to expand.