

Make in India: Incentive package for leather sector on the anvil

The incentives will be broadly on the lines of recently announced package for the textiles sector. Leather is a focus area under the 'Make in India' initiative. PTI | Jul 13, 2016, 05.14 PM IST

An industry expert said that the sectors hold huge employment potential as a Rs 1 crore investment creates jobs for about 300 people.

NEW DELHI: Seeking to boost investments and job creation, the government is working on a package of both fiscal and non-fiscal measures for leather and non-leather footwear sector.

The incentives will be broadly on the lines of recently announced package for the textiles sector. Leather is a focus area under the 'Make in India' initiative.

"This is an important sector which is highly labour intensive. The Commerce and Industry Ministry is working on an incentive package for leather and non-leather footwear sector on the lines of the package recently announced for the textiles sector," an official said.

The package may include reduction in excise duty, labour law relaxations and skill training for the sector. The ministry has already given a presentation to the Finance Ministry about the benefits.

An industry expert said that the sectors hold huge employment potential as a Rs 1 crore investment creates jobs for about 300 people.

Currently excise duty on leather footwears worth over Rs 1,000 is 6 per cent, whereas for non-leather it is 12.5 per cent. In the total footwear industry, 90-95 per cent is non-leather.

High excise duty on non-leather is impacting the manufacturing and if you want to create jobs and boost exports, there is a need to reduce this duty, the official added.

As the sector provides employment to about 30 lakh people, the government should give special focus to this segment, Chairman of Council for Leather Exports Rafeeq Ahmed had said.

China is giving tough competition to Indian leather manufacturers in terms of pricing, and support is required to compete with them.

Leather exports have recorded negative growth in May.

The government last month approved a Rs 6,000 crore special package for textiles & apparel sector to create one crore new jobs in three years and attract investments of USD 11 billion.

The measures approved include additional incentives for duty drawback scheme for garments, flexibility in labour laws to increase productivity as well as tax and production incentives for job creation in garment manufacturing.

Excerpts from an interview - Ansul Sood, chief executive officer and co- founder of Oceedee

Indeed shoe designing is an innovative work of art, which keeps on evolving according to the trend of the day. In today's ultra fashion conscious world, shoes play a crucial role in setting a proper style statement. Everything from flats to stilettos, boots to sportswear is equally important. Christian Louboutin had rightly said, "A woman carries her clothes but the shoe carries the woman".

India ranks third in the world when it comes to footwear production and that fact has opened newer vistas for those interested in shoe designing. It has been rated the most technical of all design careers it requires certain a basic knowledge of fashion, designing and business. Shoe designing is not only about aesthetic beauty but a designer should also concentrate on the comfort level of a customer.

Ansul Sood, chief executive officer and co- founder of Oceedee, has the lowdown on what it takes to make it big. Excerpts from an interview:

How did you know Oceedee is your true calling?

Oceedee is all about perfection as owning those perfect pair of customised shoes is what we offer customers and there are no compromises anywhere. The ethos of the brand mirrors my personality. My passion for shoes, attention to detail and desire for unique products is what Oceedee is all about.

What skills does one require to flourish in this discipline?

A good understanding of design is the most important thing because that's what separates a brand from the rest. I don't see many Indian ladies footwear brands reflecting contemporary designs that can feature next to leading international footwear brands like Charles & Keith, Aldo and beyond. Oceedee is creating a design space for itself that emphasis on offering the best of Indian and international designs.

Gone are those days when people would look down upon these craftsmen as today shoe designing is a fashionable profession. What are your thoughts on that?

I absolutely agree with that fact. There is a big demand for craftsmen who understand the importance of quality and have the expertise to handcraft premium quality footwear. India is the third biggest manufacturer of footwear and a lot of international brands have footwear made in our country. With the expectation of international quality footwear, the profession now calls for skilled workers who understand the finer intricacies of shoemaking.

What's the USP of your brand?

First has to be our 3D studio technology where users can create, preview and order their unique pair of shoes online. Second comes our ability to customise on a large scale.

In our 3D studio, users get to choose from over 250 unique styles, more than 30 different leather options and 13 different heel heights with more getting added every quarter.

Oceedee currently offers close to nine billion unique shoes in eight international sizes and can handcraft and ship it to customers within a couple of days.

Does one need to pursue a specialised course to make it in the profession? Could you name a few institutes in India and abroad?

This profession requires one to have expertise in a few domains like design, operations and technology. But I would single out design as the most important specialisation one must have to succeed.

Polimoda Institute of Fashion Design and Marketing in Florence, London College of Fashion and the Istituto Europeo di Design in Rome are the leading international institutes.

In India, the National Institute of Fashion Technology leads the way while the Footwear Design and Development Institute, headquartered in Noida, and the Central Footwear Training Institute in Chennai are specialised places for footwear design and production.

What is the remuneration one can expect?

As a fresher, one can expect to start with anywhere between Rs 10,000 and 15,000 every month. But one judges all candidates by their talent, passion and the value they can add to a team. At Oceedee, if we can find the right fit, it doesn't matter to us if one is a fresher or experienced.

Read more at <http://www.thestatesman.com/news/supplements/the-heart-and-sole-of-it/147473.html#flA7klmrHkcdp5uT.99>

Bata expands in South India with largest flagship store

The latest Spring Summer 2016 collection currently in the store provides the fashion savvy customer affordable choices in footwear and accessories. IANS | Jun 02, 2016, 02.04 PM IST

BENGALURU: Footwear retailing brand Bata celebrated the opening of its 1101st store in India, in Bengaluru. This is their largest flagship store in south India.

Bollywood actress Huma Qureshi, Alexis Nasard (Global CEO) and Rajeev Gopalakrishnan (Group Managing Director, Bata South Asia), launched the new store at Brigade Road, here on Wednesday.

Spread over 10,000 sq. ft, the outlet houses about 2,000 styles under one roof. The latest Spring Summer 2016 collection currently in the store provides the fashion savvy customer affordable choices in footwear and accessories.

The store will also house the latest collections for men, women and kids along with lifestyle accessories.

Footwear market to grow 2.5% until 2023 - report

The global footwear market was worth \$208.7 billion in 2014, and is expected to reach \$258.2 billion by 2023, according to consultancy Transparency Market Research.

The US firm predicts growth of 2.5% per year, and says this is attributable to higher sales of sports shoes.

It says 10 billion pairs of shoes were produced in 2014 and this will rise to 12.1 billion pairs in 2023.

Women's shoes accounted for half the value and 46% of the volume in 2014.

Former GDS director to launch new shoe event

Frank Hartmann, who was director of the GDS exhibition in Düsseldorf until 2009, has announced a new event called the European Shoeshow.

Launching in March 2017, the new event will run in Cologne twice a year, in March and September.

Initial reports say Mr Hartmann will aim to sign up 150 footwear brands to take part in the inaugural event.

Vietnam looking for 45% more leather between now and 2020

The president of Brazilian tanning industry association CICB, José Fernando Bello, has said all eight tanning companies that took part in a trade mission to Vietnam earlier in July found the trip to Asia successful.

In comments he made on returning to Brazil, Mr Bello said: “All participants have come back reasonably satisfied because they were able to see at first hand just how big Vietnam’s purchasing potential is.”

In talks with its counterpart in Vietnam, Lefaso, CICB learned during the visit that official estimates anticipate an increase between now and 2020 of 45% in the amount of leather Vietnamese finished product manufacturers consume. Mr Bello pointed out that Vietnam is currently the fourth largest importer of hides and skins in the world, spending \$1.3 billion on raw material in 2014. He said Brazil has put itself in a good position to be one of Vietnam’s most important suppliers of hides, skins and leather.

Cambodia: footwear factories and shoe exports on the rise

Exports of footwear and apparel from Cambodia in the first three months of 2016 rose in value by 39% year on year to reach around \$2 billion, the country’s ministry of commerce has reported. The figure for the corresponding period in 2015 was \$1.5 billion. It offered no breakdown of footwear’s contribution to the total.

However, it said that the number of factories in Cambodia producing shoes and clothes went up from 626 at the end of 2014 to 699 at the start of this year, an increase of 11.7%.

‘Challenging’ year for Clarks

Footwear brand Clarks posted a 65% drop in pre-tax profits for the year to January 31, 2016 on the back of changes in the retail sector, tough competition and more demanding customers. The UK-based company said the period was “one of the more challenging in recent history” as it released figures showing pre-tax profit fell from £98.8 million to £35 million.

Sales increased 26% in 2015, however, to £1.53 billion but operating profit decreased from £112.7 million to £45.8 million. Clarks’ revenues were driven by strong performances in the UK and the Republic of Ireland, where turnover increased from £637.4 million to £654.4 million.

The Americas was the region that saw the greatest decline in revenue, down from £625.9 million to £559.6 million. There was growth in Europe, where turnover rose to £159.7 million from £145.5 million and in the Asia-Pacific region which saw an improvement to £135.6 million from £125 million the previous year.

Clarks is still without a chief executive and chief financial officer after both stepped down in September 2015. CEO Melissa Potter had been with the brand for 27 years prior to her departure and was removed, along with CFO Robin Beacham, as the company felt that “new leadership” was needed to “overcome the challenges ahead”.

Over 900 brands to feature at GDS

The next edition of footwear fair GDS, which will take place from July 26 to 28 in Dusseldorf, will see the attendance of over 900 brands. There will be 740 exhibitors at the main GDS show and a further 170 at 'tag it!' (formerly Global shoes), which features private label shoe brands.

“This means we continue to offer a unique range: here retailers can gather comprehensive information on all market segments and there is also a varied supporting programme,” said Werner Matthias Dornscheidt, CEO at the fair’s organisers Messe Düsseldorf.

GDS’s three lifestyle worlds Studio, High Street and Pop Up will offer those attending a broad overview of the international collections. July’s edition will mark the first time visitors will be offered shows featuring items from the three worlds on every day of the fair.

“It is about variety – retail needs impulses through new brands but also via established exhibitors,” said Kirstin Deutmoser, director of GDS and tag it!.

Counterfeit goods make up 2.5% of global trade

A report from the Organisation for Economic Co-operation and Development (OECD) and the EU's Intellectual Property Office says that counterfeit goods represent 2.5% of all international trade.

A study was carried out on half a million custom seizures between 2011 and 2013 and indicated that the value of counterfeit goods stood at \$461 billion. In an earlier study in 2008, the OECD found that counterfeit goods made up 1.9% of global imports.

The most popular items to counterfeit for export were branded shoes, clothes and leather goods, the OECD found. The figures did not include virtual piracy such as file-sharing and unlawful downloads as their value is more difficult to calculate.

China was found to be the biggest source of counterfeit goods, with 63% of all seizures being traced back to Chinese producers. Turkey was the next largest offender with 3.3% of total seizures. Thailand, India and Morocco were also in the top ten.

France turns away from China for footwear sourcing

Exports of footwear from France grew 8% in volume and 19% in value in 2015, according to national association Conseil National du Cuir.

The strongest growth was in footwear with textile uppers and synthetic uppers (not including slippers) experiencing 71% and 31% growth respectively in value.

Exports of shoes with leather uppers grew by 9%.

The number of pairs imported was 497.1 million, 11.6 million fewer pairs than in 2014, but at a higher price per pair. This generated an increase in import value of 11% (€6.2 billion).

France imported 377.9 million pairs from Asia, some 8.9 million fewer than in 2014. Their average price rose by 25%, generating a 22% increase in imports from Asia. The fall in the number of pairs imported from China (9%) was counterbalanced by the huge rise in purchases from Vietnam, Indonesia, Bangladesh and Cambodia, up by 38%, 20%, 27% and 39% respectively.

Frank Boehly, president of the Conseil National du Cuir, said: "The export results for 2015 are very encouraging for our industry and illustrate the dynamism and creativity of our sector. However, we must continue to maintain our savoir-faire, strengthen our efforts to obtain more high quality skins and carry on promoting items that are Made in France."

Jalisco footwear manufacturers lament lack of leather

The president of the footwear manufacturers' association of the Mexican state of Jalisco, Salvador González Rodríguez, has said his member companies are finding it more and more difficult to source leather of the type they use most frequently.

Jalisco is Mexico's second-biggest footwear-producing state, after Guanajuato, and has long had a reputation as an important producer of women's shoes in particular.

In recent comments to local media, Salvador González Rodríguez said Jalisco producers' specialism is making shoes using leathers of thin substance from raw material such as sheepskin, but he said supply is becoming difficult to come by.

Chileans are Latin America's biggest shoe fans

Consumers in Chile bought 103 million pairs of shoes in 2015, giving an average per capita consumption of 5.7 pairs. National footwear association Fedeccal has said these figures suggest Chileans are the biggest consumers of footwear in Latin America.

However it quickly pointed out that 90% of all shoes sold in Chile last year were imported, with only 10% made in Chile. More than 1,600 companies were involved in footwear imports into Chile last year, bringing in a total of 95.5 million pairs. The principal sources of these shoes were China, Vietnam, Indonesia and Brazil. Together these four countries accounted for 95% of the total volume of footwear imported into Chile in 2015.

Fedeccal has said it believes the figure for nationally manufactured footwear will increase owing to a steady stream of footwear entrepreneurs that have opened up small and micro shoe production operations in Chile in the last five years. Some of these start-ups have said they take hope from comments from Chilean consumers saying they want better-quality products and are willing to pay more from them.

The Five S's for Spring '17 Women's Footwear

By Angela Velasquez

With MAGIC and FN Platform just seven weeks away, the Las Vegas-based trade show has [released](#) their top five trend stories in women's footwear for Spring '17.

With inspiration being culled from menswear, girls', Western and athletic, here's a look at the new direction the season is taking.

Sleek

Minimal and sleek retro silhouettes are the next wave of sneakers to populate the show floor. From slip-on sneakers swathed in milky suede to Chelsea sneakers in tonal colors and leathers, the theme is decidedly rich allowing the luxurious materials to make a quiet statement. MAGIC reported lace-less constructions in mesh, textured and knitted uppers, panels of neoprene, elastic and concealed laces complete the futuristic story.

Shock

Color blocked styles are amped up for Spring '17 with new elements of surprise, including cutouts, layered fabrications, oversized grommets and sculpted shapes. Expect to see sturdier silhouettes like slides, oxford mules, loafers and multi-buckle boots help this artistic theme take shape.

Sharp

Man-tailored styles for women are becoming more elongated and pointed, says MAGIC. The season calls for loafer slides, ankle strap flats, T-strap heels with tapered toes. The contrast, many designers are adding square block heels, wide buckle details and cap toe treatments.

Southwest

The essence of Santa Fe is penetrating footwear through relaxed styling, desert-inspired textures and animal hides. The trend relies heavily on boots, spanning moccasin constructions and slouched mid-calf boots to Western ankle booties. Ornate metal hardware and embossing, beading, grommets and spurs add the finishing touches.

Sheer

According to MAGIC, light and airy fabrics will show the softer side of Spring '17. Lace overlays, sheer florals fabric, clear beading, prism details and crystals decorate mules, slides, ballet flats and short boots. Girlish details, like scalloped edges, ankle ties, bows, frothy floral ornaments, add sweetness to the look. Look for gold hardware and jewels to add a dash of glamour.

Bata selects CEO from Heineken



Footwear group Bata has appointed a former president of Heineken as its CEO.

Alexis Nasard has been at the beer company for six years and has also spent 17 years at Procter & Gamble.

"I am very excited at the opportunity to work with the Bata team to further develop the company and its brands, particularly the Bata brand, through a fast-changing consumer and retail environment, building on the company's strong assets and global footprint," he said.

Founded in 1894, The Bata Shoe Organization has more than 30,000 employees, 24 production facilities, 5,000 international retail stores, and a presence in over 70 countries