

APLF Leather & Materials+
Fashion Access
Cashmere World
14 – 16 March 2018

APLF
Serving the Global Industry

Press Conference

14 March 2018

Speech by Mr Michael Duck, Director of APLF Limited

Good morning Ladies and Gentlemen - and a very warm welcome to members of the international and local media for this Press Conference for the 34th edition of APLF and I hope you are all looking forward to three stimulating and interesting days here in Hong Kong.

Before I begin I would like to introduce to you the other members of the panel: on my right is Frank Boehly, President of France's Conseil National Du Cuir and the Semaine internationale du Cuir and Director of APLF and on my left is Perrine Ardouin, Event Director of APLF and who will be giving you a run-down on the facts and figures of the fairs as well as on some of the highlights we have lined up for you this year during the three days of the fair.

Today we are here at the Press Conference about two weeks earlier than in previous years. The decision was taken to move the dates of APLF forward to mid-March primarily to allow manufacturers and designers to have more time to develop their products and choose their materials for the Fall/Winter 2018/2019 collections. This date change also distances APLF this year and in future years from the Easter Week holidays which tended to clash with the fair from time to time and made air travel and hotels more crowded, expensive and complicated owing to Easter vacationers.

This year we have a different format for the Press Conference which we will now get underway by showing our pre-fair promotional video that was published in December and will give us all a good idea of the atmosphere and features from last year's successful event.

(SHOW VIDEO)

If you have not seen the video before it is available on the APLF YouTube channel.

Many of you will recall the successful APLF event of last year which was dynamic in all senses with business being done and was characterised by the highly successful launch of

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the revamped component sector under the name of Materials+ upstairs in Hall 3 along with Fashion Access.

This year APLF Leather & Materials+ and Fashion Access will be joined by the return of Cashmere World whose previous edition was in September 2016. In effect, we are presenting a triple event of materials, fashion accessories and luxury fibres complemented by two major conferences covering key issues of sustainability and footwear retail.

The backdrop to this year's event is encouraging from a macroeconomic point of view which should give some confidence to buyers considering that leather as they are today.

Global stock markets reached record levels earlier this year and despite recent price volatility still reflect a positive growth outlook. The last IMF growth forecast for global GDP issued in January 2018 notes that the stronger momentum of 3.7% experienced in 2017 is expected to carry into 2018 and 2019, with global growth revised up to 3.9% for both years.

Bain & Co reported that luxury sector sales in China had increased by +20% in 2017 – a startling rebound from the doldrums the market was in during 2016 and this trend looks set to continue into 2018.

Consumer confidence is buoyant in the US, Europe and China. European GDP has shown its best performance in the last decade and India's economy is also expected to grow by 7.5% in 2018 according to ministry forecasts.

Interest rates and inflation rates remain low in industrialised countries where most of the demand for consumer goods comes from. After a record year in 2017 for global automobile sales, a consolidation at these levels is expected by many auto analysts.

The leather industry, on the other hand, despite good demand from the upholstery and automotive sectors, has still yet to recover the full market share it lost from 2015 onwards as synthetics were preferred by designers and manufacturers after leather priced itself out of the market culminating in autumn 2014.

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With casual and street-wear being dominated by the boom in sneaker sales worldwide, it may take some time for leather to regain its foothold in the shoe sector. Nevertheless, an overhang of supplies has depressed prices that will help manufacturing margins provided that designers turn their attention back to leather in coming seasons.

Let us not forget that APLF is primarily a business platform and a meeting place for the leather industry that will reflect the tone of the market yet, at the same time, offer opportunities for suppliers and their customers to get together, make and consolidate business contacts, close deals and develop an outlook on what the rest of the year may hold for the sector.

This is the role of APLF – supporting the leather and fashion sector by actually being an integral part of it.

Each year at APLF there are new and returning exhibitors. At this year's leather fair we are delighted to welcome back a national presence from the Egyptian tanners as well as offering a warm welcome to five exhibiting companies from Sudan that are appearing for the first time on the international stage. We wish both delegations the very best of business at this year's fair!

I also want to give a special welcome to Dr. Arkebe Oqubay, Minister and Special Adviser to the Prime Minister of Ethiopia who is present here today and will give a keynote address on *Ethiopia – An Emerging Manufacturing Hub*.

We are also honoured to have Dr. William Fung Kwok-Lun, President, Li & Fung Limited who is an officiating guest of the Cashmere World Opening Ceremony which takes place at 11:30 this morning right after this press conference.

For the fourth edition of the Global Footwear Retail Conference (GFRC), APLF has collaborated with the Footwear Distributors & Retailers of America (FDRA) to organise a programme that will project the future of footwear retail and the changes it is undergoing.

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Fashion Access will be clearly divided into three separate “zones” this year to allow buyers easier navigation of the fair and make the most of their time in the fairgrounds. The fair has been segmented into the following new zones:

- **Brand Avenue**
- **Design Street**
- **Sourcing Zone**

The combination of Sourcing Zone from manufacturers plus the original designs that can be found in Design Street and Brand Avenue make Fashion Access a uniquely rounded event catering for every type of buyer seeking original fashion accessories and “looks”.

Cashmere World returns after an absence of 18 months as the only trade fair dedicated to cashmere and fine fibres. It is now strategically placed alongside Asia’s leading fashion accessories fair – Fashion Access – and APLF which is the world’s most influential business platform for leather and fashion.

This year there is a particularly strong presence of companies from Inner Mongolia as China maintains its export oriented strategy as the world’s biggest producer of cashmere garments offering its creations to the international buyers who will visit Cashmere World.

All this information and much more is readily available from the APLF website and mobile app that can be downloaded here at the fair. It will help guide you through the fringe events, conferences and highlights which Perrine will now cover for us.

Perrine, please.....

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