

## Despite Crisis Brazil's Leather Fair Repeats 2007 Performance

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Brazil's Couromoda 2009 - The International Shoes, Sportsgoods and Leathersgoods Fair - registered results that reflect the new economic scenario of the country. The event, which ended last week, received 65,000 retailers in four days, 10% less than in 2008, but the business volume remained the same thanks to buyers from Brazil and Latin America.

Businessmen in the Arab countries, who are already traditional importers of Brazilian shoes, also closed deals at Couromoda. In this edition, there were buyers from Egypt, the United Arab Emirates, Saudi Arabia and Algeria.

With regard to the number of enterprises visiting the fair, it was practically the same - around 30,000 visitors -, showing the retail sector's concern in reducing costs, but also showing the need to do business.

"We identified great qualification among the visitors, with people capable of making purchasing decisions, which resulted in a large volume of sales closed and scheduled for the next 100 days, totaling around 6 billion reais (US\$ 2.6 billion)," pointed out Francisco Santos, chairman at Couromoda.

He emphasized that most of the deals took place on the domestic market and in countries in Latin America. "We received buyers from all over Brazil and from 51 other countries, but we noticed the Europeans and North Americans came in smaller number, due to the grave economic crisis faced by their markets.

This forecasts difficult days in the external area, as - despite selling to over 140 countries worldwide - the USA and Europe are still large destinations for exports of Brazilian shoes," he analyzes.

Santos believes that the critical period of the crisis has already passed and that the result of Couromoda shows that the first quarter will be one of great work for the shoe industry, in the sense of maintaining its level of employment.

"Our industry is technologically updated, economically healthy and profoundly engaged in developing shoes that reach the fashion requirements and consumer needs of the population. What should require more work, certainly, should be going back to similar export volumes, which reached US\$ 1.8 billion in 2008," he said.

Couromoda 2009 exhibitors showed trust in the performance of sales in the first quarter, as the deals closed at the fair reached their expectations. Dumond, in Paquetá Group, sold the same amount as in the previous fair, despite a 21% reduction in the number of buyers met at the stand.

"We had greater quality in the profile of buyers, including the international ones, who came from countries in the Middle East, Japan, France, Spain and the US," added Leandro Mosmann, a manager at Dumond.

The Capodarte brand, also belonging to the Paquetá Group, which participated in Couromoda for the second time, is happy with the results. The brand has tripled its sales figures compared with 2008, increased by 35% the number of points of sale at multibrand stores throughout Brazil, and scheduled the opening of 19 new stores, including franchises and owned.

"We were surprised and very happy with the sales and excellent deals that were generated, because we are certain of the quality of those purchases," says Mosmann.

Vulcabrás/Azaléia, one of the country's leading footwear manufacturers, recorded a 25% increase in sales at the fair, in comparison with last year. The company was visited by more than 10,000 buyers at its stand, all of them eyeing the launches by the seven brands owned by the group.

Manufactured by Aniger, the Okean brand celebrates a 100% rise in sales over 2008, in both the domestic and export markets. The director general at the company, Alan Ermel, says:

"Our stand was crowded every day, with much higher visitor rates than last year. Besides all of the countries that we already export to in South America, Europe, the United States, we received a visit from Dubai, in the United Arab Emirates that will surely bring excellent results."

Carlos Pontin, advisor to the presidency at Arezzo/Schutz, explains that both sales and visitation have exceeded the most optimistic prognoses. "It was a surprising edition of Couromoda and we have already closed several deals in Brazil and abroad. Mongolia visited us for the first time, with perspectives of large sales deals," claims Pontin.

With regard to men's shoes, Democrata enjoyed a very good visitation rate, similar to the one recorded in 2008, and received buyers from several countries, including the United Arab Emirates and South America, as well as Europe and Latin America. Andrea Rinaldi and Rodrigo Magalini, in charge of the company's marketing, stated that all of the large chains closed deals, and small- and medium-sized storeowners were present in large numbers.

The "Comprador e Conforto" (Buyer and Comfort) project, with business roundtables between Brazilian and foreign businessmen, held at Couromoda by the Brazilian Association of Shoe and Leather Components Industries (Assintecal), also yielded positive results. In the first two days, 220 business roundtables were held.