

# Many SMEs Making Mass-Market Goods

►► From Page 1

Italian luxury brand Canali has formed a joint venture with GenesisLuxury Fashion with 51% stake. It reportedly did not opt for a wholly owned subsidiary to avoid the sourcing condition.

Experts, however, say many marketers of mass-market products such as footwear and garments may set up 100% arms because there are many small Indian companies to source from.

“Foreign brands that make goods for the mass market in sectors such as footwear and garments may find it easier to set up shops in India despite the local sourcing condition as there are many SMEs operating in these sectors,” said a Delhi-based corporate lawyer who is currently advising many foreign and Indian companies on single- and multi-brand retailing in the country.

Some foreign retailers already have sourcing agreements with SMEs for the Indian and overseas markets.



For such companies, it is not a problem to set shop on their own, he added.

Pavers is one such firm. According to a

person close to it, Pavers already sources material from India.

It now wants to ramp up its presence as the country's middle class now buys footwear for every occasion and spends as much on them as on apparel.

As per industry estimates, the organised footwear market has doubled in the past five years and is estimated at ₹20,000 crore, growing at 15-20% annually.

The sector is expected to register steady growth with the frequency of footwear shopping increasing dramatically.

Established by Catherine Paver in 1971, Pavers England shoes and accessories are sold across 23 exclusive stores in India. The brand is also available at multi-brand retail outlets of Reliance Footprint and Lifestyle with which the company has separate tie-ups.

In Europe, Pavers has more than 100 retail outlets. It has a turnover of more than \$200 million and is growing at about 30% year-on-year, according to its website.