



65 Skyway Ave,  
Toronto, ON M9W 6C7 Canada  
tel: +1.416.675.9320  
fax: +1.416.675.6865  
www.nafa.ca

March 02, 2010

## ***Hong Kong Fur Fair Report***

**Michael Mengar and Diane Benedetti, along with our China representatives Lumin Yao and Dragon Hu and Kalli Yoon from Korea, attended the 30<sup>th</sup> annual Hong Kong Fur Fair on behalf of NAFA.**

When factories and showrooms had closed early in February for the annual Chinese New Year celebrations, there was considerable trepidation as to the outcome of the fair. This was due mainly to the sharp increase in Mink prices that found resistance in western markets. However, the fair ended yesterday on a very optimistic note.

NAFA's booth was busy throughout the fair in anticipation of our upcoming auction, where we were able to gain more buyer reservations.

The first evening of the fair was the annual gala show. Over 1,800 people enjoyed the dinner and fashion show. This set the mood for the next few days where concern gave way to optimism as over 5,400 buyers visited the exhibition. The new price levels were generally accepted and orders were being placed.

It is important to note that this fair is not directed towards the Chinese domestic market, therefore, attendance at the fair by mainland Chinese increased only 15% for a total of 1,900 visitors. The mainland wholesalers and retailers will attend special events and presentations in southern China in late May and June.

As we've previously reported, Korea enjoyed a very good fur season and this was reflected in the substantial increase in visitors. Over 730 Koreans attended the fair, marking an all-time high and a 30% increase over 2009. Obviously, this is not representative of just the fur trade and demonstrates the importance of fur as a fashion commodity. Boutique buyers as well as wholesalers were scouring the booths looking for new fashion items, along with high-quality NAFA Mink.

>>

While still not reaching near the record numbers of 2007–2008, attendance from Russia, Ukraine and Eastern Bloc countries saw the highest percentage growth from last year, which we all remember was very low. Russian attendance from 2009 was up 55% for a total of 709; the number of Ukrainian visitors doubled, reaching 104; and Kazakhstan checked in with 21 visitors.

In speaking with the major Hong Kong manufacturers, they said that they were very pleased with orders written but, based on experience, were still cautious because not all orders would be confirmed and are subject to price changes based on auction levels.

The Hong Kong Fair is divided into three levels with the first two dedicated to Hong Kong Federation members only. Foreign suppliers are grouped together on the third level and this includes exhibitors from the major manufacturing markets of Greece, Turkey and Italy as well as mainland China.

What is very interesting to note is that this year, most exhibitors from all areas are pleased with sales from the fair. The European exhibitors were featuring mainly mink, including a significant amount of NAFA-labeled Mink and high-end fashion items, while the Chinese exhibitors were focusing on commercial to low-end garments and accessories. Positive comments came from all sectors... which is a new experience.

Official reports on confirmed and anticipated orders will be forthcoming from the Hong Kong Federation within the week.

Although the Hong Kong Fair is mainly geared for Mink garments, there was activity on Wild Fur garments and certainly a lot of “buzz” about Wild Fur sales and the upcoming auction. Manufacturers who featured a full collection of Wild Fur garments reported strong interest and good sales.

In the NAFA booth where we featured the Northern Lights collection, there was very good response. Promotional programs were confirmed with Korean and Chinese retailers and suppliers/manufacturers have confirmed their support for purchase of the products.

As many of the buyers and some of the exhibitors prepared to move on to Mifur in Milan, the overall feeling of the trade was very upbeat and optimistic for the future.

