



ACTIVITY BRIEF

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CANADA-INDONESIA TRADE AND
PRIVATE SECTOR ASSISTANCE PROJECT

TPSA Combines a Buyer Mission With Product Development Assistance for Five Indonesian Footwear Companies

TPSA's five Indonesian footwear SMEs are developing new products in advance of their participation in the upcoming MAGIC trade show in February 2018. One of the SMEs, Top Torch, hosted a buyer from Lisbeth Joe, a North American company interested in buying new products in the barefoot and minimalist shoe category.

In August 2017, TPSA's five footwear SMEs participated in the MAGIC trade show in Las Vegas. The show offered an excellent opportunity for these SMEs to better understand the opportunities and needs of the North American footwear market. After the trade show, the companies were tasked with identifying new products to develop and showcase at a future trade show. The TPSA footwear expert visited the SMEs in November 2017 and worked with them to identify new product lines, challenging them to produce footwear that was new, better, and more complex than the products they currently make.

The main task for the five SMEs was to develop a viable commercial product that is both in demand and harder to come by than standard footwear products. The SMEs will participate in the February 2018 MAGIC trade show in Las Vegas, which focuses on fall and winter product lines. Seasonal product changes are essential for creating a robust business. The footwear market for the winter season is dominated by waterproof leather, nylon, or rubber boots. The SMEs are focused on developing waterproof footwear to showcase at the February trade show.



Top Torch footwear for presentation at February 2018 MAGIC trade show in Las Vegas.

Canada

Program undertaken with the financial support of the Government of Canada provided through Global Affairs Canada

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Fortuna footwear samples for the February 2018 MAGIC trade show.

The Canadian footwear expert also discussed a potential second product development activity with all five SMEs: incorporating computer design and cutting. The use of this technology reduces time and creates accurate patterns and uppers. However, it was felt by the SMEs that both the capital investment and the challenge of developing a new production process were too great to move forward with this technology right now, but it will be considered again in the future.

Product Development Support

The Canadian footwear expert worked with the five SMEs on the waterproofing product development initiative, providing detailed instructions on how to seal the leather seams and where to source waterproof leather and other materials.

Each of the five SMEs (Fortuna, Top Torch, Venamon, Maine Street, and Queen Pacific) has progressed to a different stage in their production of waterproof footwear.

- **Fortuna** makes high-quality leather shoes and boots. Offering these products in waterproof leather will be a great advancement. They

ordered waterproof leather from an Italian tannery that they met at the MAGIC trade show in August 2017. Fortuna will be showcasing their waterproof leather shoes and boots at the February 2018 MAGIC trade show in Las Vegas.

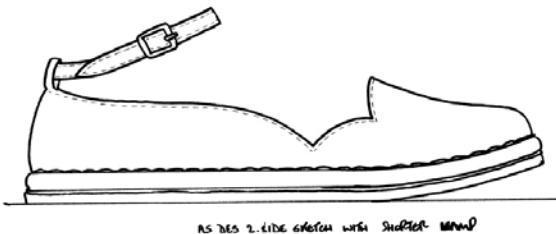
- **Top Torch** produces ladies' fashion and comfort shoes. They have designed and ordered new mechanical forms or shoe lasts and soles for their waterproof footwear. Top Torch will also present their new products at the MAGIC trade show.
- **Venamon** is a manufacturer of military and police footwear. They have bought the necessary seam-sealing machine and secured waterproof materials. Venamon will show a variety of waterproof footwear options at the MAGIC trade show.
- **Maine Street** makes a broad cross-section of men's dress/sport and casual footwear. They have secured waterproof leather from a local supplier and are expected to present their waterproof sneakers and/or dress shoes at the MAGIC trade show.
- **Queen Pacific** produces sandals and flip flops. They were sent a variety of options for their unique (all-PVC) type of production and are developing a suitable collection of waterproof products even though they have never offered this type of product before.

Buyer Mission

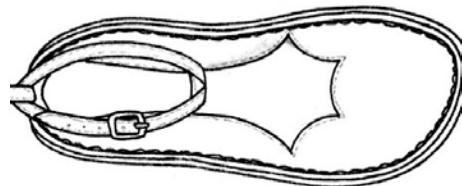
During the Canadian footwear expert's product development mission to Indonesia in November 2017, a buyer from Lisbeth Joe took advantage of the opportunity to visit with Top Torch. Lisbeth Joe is a start-up focusing on barefoot and minimalist shoes, a new and growing footwear category in which they plan to launch a



New footwear products from Maine Street.



Side view sketch of Top Torch's new footwear product for Lisbeth Joe.



Top view sketch of Top Torch's new footwear product for Lisbeth Joe.

fashion brand. It is a very specialized product that requires both technical and esthetic development.

The owner of Lisbeth Joe first met Top Torch at the August MAGIC trade show in Las Vegas, where she explained the type of shoe they were interested in developing. Top Torch was given a prototype as an example, and then prepared a fitting sample, using an existing last, for approval by Lisbeth Joe. Unfortunately, it was not exactly what the buyer wanted. The buyer's visit to Indonesia was critical in moving the concept to reality. The buyer and the Canadian expert worked together to prepare a sketch of the style of shoe to be developed. Many changes were made to the first fitting sample, including a leather-lined upper, insole padding, no stitches, a smooth finish, and a half sachetto (self-contained lining) with no platform.

Top Torch and the buyer continue to discuss the detailed construction of the footwear, as well as colour schemes. Top Torch will continue to test the new prototype before sending a final sample to Lisbeth Joe for consideration.

About the TPSA Project

TPSA is a five-year C\$12-million project funded by the Government of Canada through Global Affairs Canada. The project is executed by The Conference Board of Canada, and the primary implementation partner is the Directorate General for National Export Development, Ministry of Trade.

TPSA is designed to provide training, research, and technical assistance to Indonesian government agencies, the private sector—particularly small and medium-sized enterprises (SMEs)—academics, and civil society organizations on trade-related information, trade policy analysis, regulatory reforms, and trade and investment promotion by Canadian, Indonesian, and other experts from public and private organizations.

The overall objective of TPSA is to support higher sustainable economic growth and reduce poverty in Indonesia through increased trade and trade-enabling investment between Indonesia and Canada. TPSA is intended to increase sustainable and gender-responsive trade and investment opportunities, particularly for Indonesian SMEs, and to increase the use of trade and investment analysis by Indonesian stakeholders for expanded trade and investment partnerships between Indonesia and Canada.

The expected immediate outcomes of TPSA are:

- improved trade and investment information flows between Indonesia and Canada, particularly for the private sector, SMEs, and women entrepreneurs, including trade-related environmental risks and opportunities;
- enhanced private sector business links between Indonesia and Canada, particularly for SMEs;
- strengthened analytical skills and knowledge of Indonesian stakeholders on how to increase trade and investment between Indonesia and Canada;
- improved understanding of regulatory rules and best practices for trade and investment.

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