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THE ROLE NATIONAL TRADE ASSOCIATIONS CAN PLAY^{1/}
IN THE PROMOTION, LIAISON AND FOR CONTACT WITH
GOVERNMENT DEPARTMENTS

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INTRODUCTION

In all developing countries there appears to be a need for close inter-relations and co-operation between industries in their efforts to achieve development.

This need for co-operation is evident in the leather and leather products industries of these countries if they wish to obtain maximum added values from their raw materials. The weakness and strength of the leather and leather products industries lies in its ambivalence of values which makes it advantageous for developing countries and disadvantageous for highly industrialized ones.

In Europe the leather industry situation in the north and central areas, is quite gloomy, with a marked shift towards the Mediterranean countries.

In the last few years scarcity of raw material, possibly due to Latin American and Indian restrictions on exports, have upset prices and caught tanneries unawares. There is possibly a natural reluctance to accept logical occurrences which are contrary to one's wishes, for how else could the tanneries in developed countries be surprised by the restrictions the developing countries have imposed on raw material exports! These circumstances, coupled with the normal speculations of major corporations, caused great disorientation in a declining situation. Large tanneries in the Federal Republic of Germany, Italy and France encountered trouble in maintaining production and adjusting to wet-blue and crust. The United Kingdom tanneries enjoyed a certain advantage in this respect as they had been processing this semi-tanned raw material for a longer period of time.

Spanish tanners enjoyed a record year because of the heavy demand for shoe exports, although high prices have reduced demand this year. Many multi-national suppliers of auxiliary chemicals to the leather industry have experienced a drop in sales in northern and central Europe with increases solely in the Mediterranean countries, more so in Spain than in Italy.

The situation in the eastern European countries has been a little different as centrally planned economies are not so susceptible to price fluctuations.

In countries with centrally planned economies difficulties in obtaining raw hides and skins have brought the buyers and sellers closer together: Yugoslav, Czechoslovak and Hungarian technicians are to be met in developing countries, discussing, checking and selecting semi-processed crust and wet-blues.

CHAPTER I. STAGES OF INDUSTRIAL INDEPENDENCE FOR LEATHER PRODUCTION

(a) Supplies of raw material

The exportation of simply preserved raw materials is a sign of a low level of development, or of a very high level of economic development, where processing is too expensive. Technology has made great advances, but has not yet managed to liberate the leather industry from its manual and artisan character completely owing to the irregularities of the skins.

A natural product gains through being different, though, of course, the degree of difference constitutes the crux of the problem.

It seems quite sensible that cattle-breeding countries should use the technology available and their tanning skills to obtain increased value for their primary product. This irreversible fact appears to be accepted now by industrialized countries. Nevertheless, there is the danger of interest being maintained in the natural product because, as chemistry has already proved, man-made material can compete with and easily improve upon nature. Hence, highly developed states promote leather fashion to satisfy the human wish for differentiation, mainly in garments. So, leather can never be completely automatized, but will always be a unique product: an article of distinction.

(b) Semi-finished leather

Processing to a semi-tanned state, wet or dry, is one stage further; it entails the use of labour and easily available chemicals, the great advantage being that semi-finished products can be exported to the same consumer industries as the raw hides, possibly without intermediaries, or even through the same trade channels as the raw hides. Consumer acceptance is the knot of the question. In liberal economies, either the shortage of raw hides is the reason for bringing the product on to the market for acceptance, or the user sees some advantage in the semi-finished product. Last year saw tanneries in industrialized countries having to accept semi-processed leather owing to the lack of any other stocks. Demand for finished leather was great and nothing was available in any great number apart from crust, wet-blue, or ready-to-finish. Chemistry has created new products to make quality more dependable in terms of re-tanning and finishing, hence the second stage has become accepted.

(c) Finished leather

This stage is governed by both technical and marketing issues. Finished leather has to be offered, at the standard desired, to a new branch of industries or import organizations in competing with the tanners' markets.

Certain problems have to be overcome; such as the availability of auxiliary chemicals: fat liquors, dyes and re-tanning or finishing agents. As far as I know, the leather of developing countries lacks the silken, soft touch and the regular finish. Art and skilful labour could overcome some of these faults, but unfortunately the use of certain special chemicals in fat liquors and finishes are really indispensable if one is to achieve the standards required in the leather market today.

Equally important is the knowledge of market trends, fashion and the various channels for entering such markets. The marketing aspects are as important as the technical factors, unless great price concessions are granted to compensate for quality deficiencies.

(d) Manufacture of leather products

If the marketing of finished leather is done well, the marketing of leather products will prove easier. The public or general consumer has less of that "tendency towards microscopic perfection" than the specialist leather merchant who has to resell to another specialist who transforms the leather into jackets, shoes or bags. The Spanish experience has proved this to be a fact. These attempts are interrelated and have to be approached on a common basis.

CHAPTER II. ANALYSIS OF THE PRESENT SITUATION - WORLD ECONOMY

With more or less lucidity, each responsible entrepreneur in the northern hemisphere accepts that independence in economic matters is a figment of his imagination. An awareness of interdependency is growing. It can only be to the good of the industrialized countries that the developing nations are increasing their income and degree of industrialization. In fact their (the developed countries) industrial destiny depends on this. It is a socio-economic fact that increase in wealth ensures the existence of rich societies; the best guarantee for the survival of the rich is the disappearance of the poor, and that the least important as well as the most involved action leads to repercussions in other spheres.

Recently in the European Institute in Amsterdam, I heard that Europe had also paid for the Viet-Nam war, supporting two dollar devaluations and the establishment of a flourishing American industry in western Europe. Nothing in socio-economic politics is isolated. This fine net of action and interaction is a universal fact which nobody can deny.

But even at the various conferences on commerce and international industrial development, no real progress seems to have been achieved in terms of economic collaboration on a world scale. Rich societies expect the poor to develop by themselves, granting aid to obtain profit, without realizing that help should be given in their own interests, as the clever form of self-help altruism and the sharing of wealth.

What people accept within a national framework, in terms of social justice, taxes, unemployment subsidies, the right to strike etc., are not considered legitimate at an international level. The set of values considered human rights, which are legal within a national community, are far from being accepted by the supra-national community as a part of supra-national relations. The law of the jungle still holds sway: the survival of the fittest.

However, by accepting both tendencies realistically optimistic conclusions can be drawn with respect to the leather and leather products industries.

In many tanneries last year, capital investment in raw material stocks was nearly twice the investment in machinery and equipment. I do not know the equivalent relation in developing countries, where raw materials are more easily available, but I assume a lower figure.

The labour situation is undoubtedly favourable to developing areas, as proved in Spain compared with more industrialized countries in Europe, where it is very hard to get people to work in a "dirty" industry. In countries where people can choose their jobs, and manual labour is conscious of its power, wet, uncomfortable jobs are unpopular. The advantage of plentiful labour is very important to the development of the leather industry and even more so to the manufacture of leather goods, mainly shoes.

Neither leather production nor the products are highly suited to automatic or computer programmed processes. The non-uniform nature of the materials as well as the influence of fashion do not permit the standardization of models or systems. Thus, both leather goods and shoe industries are suitable for developing

countries if they use skills profitably. I once saw an Italian shoe maker in India, producing sandals for sale to North American stores and thus realized how dangerous this could be for western shoe manufacturers: the combination of Italian creative style with the fine, delicate and patient Indian feminine handwork at an extraordinary low cost.

Last year an EEC executive stated that he failed to understand why the Spanish ministers were creating such difficulties with respect to the quota of Spanish shoe imports; it was, he said, evident that those kinds of industries could not survive in Europe for long. Even Spain in time would have to diversify and think about importing African shoes.

Some five years ago I established contact with a major German shoe manufacturer who was buying Spanish uppers and shoes with a view to starting a joint venture in Spain; they sent their experts to study the best location inside the country and the most suitable social conditions. I showed them industrial estates, with tax holidays for ten years, and the availability of cheap labour as well as long-term loans at low interest rates. After a careful study, the experts recommended starting in North Africa, where the less developed population guaranteed freedom from labour problems for a longer period of time.

In a highly industrialized country technology finds new branches and fields to suit its needs and certain consumer goods are more cheaply imported from other parts of the world. Electronics, pharmaceuticals and nuclear energy entail fundamental research.

If consumption in high-income states is based on creating demand and its satisfaction, there is wide scope for clever marketing on the part of the less rich societies.

If the hippie movement or the Beatles' simply staying in India - but not Asian industry - were able to raise the interest of the youth in the West in the Oriental life-style (Indian chappells and Afghan leather jackets), it can be conjectured how much more effective an intelligent and well-coordinated promotion of leather goods can be. Finding the right way and the right moment is an art as well as a technique. I know how difficult it is to find reliable and well-organized suppliers; buying fashion goods can be a real job by itself: if the demand is already there, it might be too late by the time supplies become organized. An unsatisfactory beginning is as bad as tardiness. The infamous Spanish reputation of "mañana" has greatly handicapped Spanish export promotion.

Information theory, developed through the growing use of computers, is one of the most fascinating fields of modern technology. The instrument has created an objective. "Means or ways towards an objective are parts of a whole unit, what is an objective today can be a way tomorrow", (Dr. Merthens). Ways and objectives are in constant interaction.

Every attack, or better any effort to dominate through technology or whatever it might be, give rise to a defence action, an antipole (e.g. guerrilla war in Latin America or Viet-Nam). Every message causes a noise, the other party's response.

Technological development has created its antipoles and noises. If the promoters of the technological progress fail to listen, both parties will probably lose.

Proliferation of computers, with a deep knowledge of antipoles and noises, will probably give rise to a proper pluralistic structure, without domination by the technocrats. The neo-colonialism of technology has to give place to a multi-channelled society. Perhaps China is trying a new approach, using human resources first and decentralizing industrial growth, thus avoiding monstrous combats and the obsession of increasing national income.

I have introduced these general considerations to illustrate that each country has its noise and can create a different antipole to a technological approach. This has to be taken seriously if a positive and durable result is to be obtained. It is not only that each population has its own characteristics, depending on history, religion, traditions and climate. A noise will be created and if ignored, an antipole will be powerful enough to provide failures. If the noise is not incorporated into the system and the original message adapted accordingly, the real way will not be found and the possible development stopped or at least delayed. It should be the fusion and communication of technology, rather than an imposition. This remark is addressed specially to the responsible persons in developing countries who can easily lapse into technocratic colonialism. It is not a reproach to the actual possessors of technology: they are business people and know that everything has a price. It is not a question of giving help, it is the question of finding one's own identity and discovering one's own path to development in the leather industry which has all the openings.

Industrial cycles cannot become one-sided. Cycles in the information theory arise through noise. There is no monopoly on technical truth, since what one considers truth can be deemed noise by the other side, and the system envisages a re-cycle which is different from the original message. In extending the industries, re-cycling will be inevitable. I have heard more than one executive of multi-national companies stating how much they had changed their approach and even their technologies after exchanging views with responsible people from different parts of the world.

At the current rate of human expansion nearly 7,000 million human beings will be living on the surface of our planet by 2000. Shoe production alone, assuming an average of 2 pairs per head/annum means 14,000 million shoes, i.e. 4.7 times more than the current production of 3,000 million. Cattle raising over the last 20 years has increased 40% at the rate of 2% per year. Only 50% of the shoe material needed will be leather, probably in the form of high quality shoes or luxury articles. Synthetic materials, textiles, etc., will have to make up for the shortage of shoe leather. In view of the above developing countries should perhaps concentrate on fashion and high-class shoes which entail a series of problems as to models, lasts and auxiliary products.

When some twelve or fifteen years ago, imitation patent leather in PVC was used in Spain for ladies' handbags, their retail price was nearly double that of leather bags. It was claimed that this was a new material which did not split, would last longer, always looked new, was easy to clean, etc. After one or two seasons, prices were approximately the same and now they are half that of leather handbags. Even the less technically minded normal citizen knows that leather is superior in all aspects and takes for granted the difference in price.

I consider this market situation most favourable, and at the same time most dangerous, for the leather manufacturing industries in developing countries. A market has to be conquered step by step. The aim is difficult, i.e. the production of a high-quality product conditioned by the very nature of the natural product. Therefore proper marketing and the establishment of personal contacts with importers or consumers is essential, learning from their complaints, comments, observations: trying to appreciate their problems and adapting deliveries to their requirements. A very important factor in the great export success of Japan is the efficiency of its huge trading companies, marketing on behalf of different manufacturers, including relatively small production centres.

Some people in the northern hemisphere try to minimize the importance of pollution, effluents, wastes etc., out of sheer fright. That is the price that nature asks for continued disrespect of her equilibrium. Men seem to forget that the Asian and African peoples have always been much closer to nature, and that they are more conscious of the fact that the whole universe is inter-connected, i.e. nothing happens in the smallest element without the whole universe vibrating. Technology in its dominating position has forgotten that there are limits and one needs to get integrated into natural cycles.

I do not have enough knowledge of ecological problems to discuss this subject in detail, but would emphasize that perhaps developing countries could develop a re-cycling technology without lapsing into the ecological problems common to industrialized states in Europe and America.

CHAPTER III. FASHION AND TECHNOLOGY

(a) The Spanish experience

Mediterranean countries in Europe have certain common trends, such as a rich creative imagination, lower standards of living than the northern countries, based on artisan industries traditional craftsmanship, and small family production centres. Over the last two to six years the weight of the leather industry has shifted to the Mediterranean. I think that there is no general solution for a group of countries, but each one has its special circumstances, raw materials, training and financial resources which give rise to a particular development strategy.

The different stages of raw material exports, semi-processed leather, finished leather and shoe exports have never developed regularly, but have all been mixed together. In the last five years an important export item from Spain has been 40 - 50 million pairs of shoes worth \$ 170 million yearly, the main market being the United States. Several factors contribute to this success:

- (1) Human beings with enterprising spirit, courage and a sense of adventure;
- (2) Liaison between the shoe, leather and allied industries through a common organization working for a common goal: shoe exports, the Shoe Fair in Elda;
- (3) Export promotion companies or groups with complementary collections and joint marketing;

- (4) Fine goat and sheepskins and modern high-quality tanneries,
- (5) Fashion sense, presenting new styles in attractive models;
- (6) Skilful and cheap labour, compared with the countries to which the shoes were exported;
- (7) Sophisticated machinery and equipment, auxiliary Italian "last touch" operations, without the looser handmade character;
- (8) Free import facilities for the purchase of equipment;
- (9) A well-developed auxiliary industry, chemicals, toepuffs and stiffeners, insoles, adhesives, finishes etc.

The beginning was hard. In 1958, German shoe manufacturers looked askance at Spanish interwoven shoe uppers. They doubted the validity of our delivery terms and the Spanish ability to work in an atmosphere of bullfights and flamencos. Spain created confidence in its products for three main reasons:

- (1) Exact deliveries and very strict quality control;
- (2) Personal acquaintance with the clients, making a dialogue possible;
- (3) Listening to their claims and suggestions for improvement.

It costs money and effort, but it pays off. Gaining the confidence of your customer is the very first and most valuable step. Once the link of mutual trust has been created, one should keep one's quality and prices and not enter into price competition. Look for other markets, the world is big.

Every offer of finished shoes or leather should be backed up by the control or standards of a technical society. Nearly every country has these centres and they alone can furnish objective data in the case of discussion as is often the case.

In the interaction of developing and industrializing phenomena, allied industries develop, without which it is not possible to develop the export of leather or shoes.

The tourist industry in Spain solved the balance of payments, selling sun and clear water, thus starting on an import basis was easy, and the manufacturing industry was able to enter the world market and succeed.

(b) Oriental fashion in western Europe, social trends

Fashion is a response to some sublimated desire not approved by society or tradition, fashion itself being a mood of change motivated by the wish to break free from social trammels.

Fashion creates, technology follows up, and vice versa. People like to live comfortably (soft leather) and reduce tedious household duties to a minimum, to be different (maxi and mini skirts), and to walk softly (soft soles) - the result is to be seen in new fashions, and all consumer goods, except food, are subject to social change. It is not the creation of one man, and there is always an element of mystery in fashion - as shown by the distaste with which pointed shoes of yesteryear are treated today. Furthermore, the young people today are interested in illogical innovations sparked off by their interest in oriental philosophy - surely an excellent starting point for the sale of oriental fashion. This has been confirmed by the recent outbreak of Indian sandals and Afghan jackets - and there must be an opening for such casual footwear with an oriental touch.

I remember, the first Spanish shoes in the USA were publicized as "bullfighter" or "flamenco" shoes as that is what the American customer expected of Spain, and it is important that we exploit other people's concept of a country, however erroneous.

At the last meeting of the Shoes and Allied Trade Research Associations in September 1972, there was a general awareness of the advantage of countries with abundant labour resources in terms of shoes produced, though quality and fashion were lacking. To my mind, all these countries need is the courage to investigate social trends and identify fashions as a precaution against misguided attempts that have been made before. However, it should be remembered that there is a strong artistic element in fashion pioneered by artists who are the pioneers of change and arbiters of taste.

Technology can be learnt, artistic appreciation, however, is innate. Shoe fashions are still the province of the Italians: this notwithstanding, there are openings for non-European countries to introduce new styles for European markets. Careful assessment of socio-economic trends plays an important role - the right moment, neither too early nor too late - is the key to success.

Of the European countries Italy, Spain and France are all well-known on account of fashion and other types of light leather footwear, leather goods and leather clothing, and mainly for export of these items. The Federal Republic of Germany, the United Kingdom and eastern European countries are acknowledged as manufacturers of the good quality, sturdier type of product. The countries of Asia and the Far East are well known on the world markets for footwear with fabric and canvas uppers and rubber soles. Yet were the creative skills these latter countries have in textiles, wood and metal working to be applied to leather products in an economic manner, with due emphasis on quality, content, the opportunities for success in footwear and leather products would be very rewarding.

CHAPTER IV. WAYS AND MEANS TOWARDS THE OBJECTIVE

(a) Market intelligence through export committees

It is claimed that leather is going to develop into an expensive luxury article in the final stages of processing, at least in developed markets. Thus, we must know that these markets are very difficult, requiring quick changes, imagination and a deep knowledge of their intricate functionings. The importance of distribution and the special task of every link in the chain have to be realized. An imported shoe in the United States when it reaches the customer costs three times its original price. Nobody can export finished goods without knowing what people expect from them, what quality they appreciate and what the main purpose is. The exporter must know why people buy leather and leather goods. Leather is different because it is a natural product. Therefore, it must look like leather, have an anilin character to show the irregularities of the natural product; it should be soft and comfortable to emphasize its adaptability, and it should have a new character every season: repetition is impossible in highly demanding articles.

Export committees should study the customers of the country they wish to supply, and look for well established representatives who are in close contact with fashion experts so as to orientate their production. Those committees should have members specialized not only in leather but also in marketing, a speciality by itself, and try to establish fashion trends without copying, giving a new original touch.

When visiting the showroom of Bally Shoes in Switzerland some years ago, I commented that the US and French collections seemed so very different, as if they were from different manufacturers. The export manager appreciated the remark, saying that it was a great compliment, as they had studied the shoes for the people they were meant for. These two populations expected quite different things from a pair of shoes.

The marketing side of an enterprise is the most intricate because it is a mixture of technique, art and flavour as well as being essential to success. You can buy technology, but you must earn a market.

(b) Selecting appropriate technology

The most modern technology is not of necessity the best for the developing countries establishing leather or leather goods industries of their own. This does not imply that intermediate technology is good enough for these people with their lack of training - but it is merely the fact that modern equipment is oriented towards the saving of labour and the utilization of auxiliaries which are not available elsewhere. Since the aims are different, the means can differ as well: moreover, better products are often produced using more people and slower processes on smaller machines.

Furthermore, allied industries, such as manufacturers of chemicals, offer free technology with their products, while leather and leather products schools are open for training; scholarships and student facilities are often freely granted by foreign governments.

Most tanners and leather products manufacturers have become aware of the fact that the export of the raw material is practically at an end; they are interested in establishing contacts with the sellers of new technology, buying technology in the form of royalties at the sales price of the leather produced. The seller of the technology has no expenses and the benefit to the purchasing country is immense. The purchaser should ensure that full use is made of the technology he has bought, sending people abroad to be trained who should try to learn as much as possible to pass on to the people back home. The provision of in-plant training facilities by the supplier of technology is more effective than a mere technology transaction involving the copying of formulae and processes. In the interests of the purchaser, contracts should be limited to five or ten years;

regular personal contacts are essential as correspondence is unreliable, and the technology should be passed on to as many people as possible. It is a cheap and efficient method for the recipient and not without benefit to the donor. The donor is nowadays commonly paid on a yearly minimum basis or a lump sum at time of signature. This has to be carefully negotiated to avoid the imposition of heavy burdens at the outset.

(c) Joint ventures

These represent closer links and offer the best to both parties. The official regulations pertaining to majority holdings by national parties or the guaranteed transfer of profits are the most attractive features to foreign investors, and each country must judge the situation carefully.

Joint ventures permit the developing countries to enter developed markets more easily; they can use established distribution channels and sales organizations. In view of the enormous market potential in the developing world and the fact that the developed countries will continue to pay higher prices for different non-synthetic materials, a rapid and efficient entry into such markets via a joint venture is of great benefit to both parties: the developed country has achieved diversification and ensured production, whereas the developing country has entered a rich market. Possible forms of co-operation are the use of trade-marks or the provision of rapid market intelligence. It should not be forgotten that marketing is a two-way flow, essential to both partners.

The prerequisite for all agreements is the honest fulfilment of the terms of the contract. Honesty and mutual trust are essential and one cannot even consider cheating one's partner. Honesty, however, is not the same as naivety or stupidity - all conditions must be discussed in advance. Do not expect anything drastic from the other side - once signed, honour the obligations of your contract. A person who discusses at length beforehand is usually most interested and business relationships with him will be durable.

(d) Technical societies - trade associations - UN agencies

The leather world in itself is a small one. Every firm supplying auxiliary chemicals to the leather industry knows all the tanneries in its country as there are not so many. Hides importers and dealers are also well acquainted with each other. In every country producing hides or leather, there is a Technical

Leather Society, affiliated to the International Union comprising nearly 30 members; there is also the International Tanners Council. Thus the channels for starting a dialogue are there and a common partner should be at one's side. It should not be forgotten that protecting the interests of any one dealing in our industry is equivalent to protecting one's own interests.

There already exist six different commissions in Latin America aimed at uniting the common efforts of CEPAL, ALEAL and the Andean Group. Furthermore, Argentina, Uruguay and Brazil are so deeply concerned with leather that it should be possible to obtain their consent to regulating offers and prices. What objection can there be to a country being more interested in selling in raw than tanned, as long as prices and stocks are controlled? They thus obtain foreign exchange which they use perhaps for some other item. An association of exporting countries could only benefit the seller and buyer alike, avoiding the recent tremendous price fluctuations and permitting the planning of long-term price policies.

An OSHEC* could provide a realistic approach to various individual interests through Government or specialist bodies rather than leaving the initiative to speculators or to the trade who are solely people oriented in their own interests.

The International Union of Leather Chemists Societies is about to change its name to Leather Chemist and Technologist Societies to do justice to the ever-increasing importance of engineering, equipment, by-product utilization, etc.

Vocational schools, training centres and universities are all represented on the council which also negotiates with international communities (EEC) or organizations (ISO), further to providing data on analytic methods and standards.

The leather industries cannot develop in isolation as by virtue of their very nature, they need the collaboration of countless allied specialists. Furthermore, full advantage must be taken on a joint basis of the current readiness to accept processed leather instead of raw hides, the main pre-requisite being the concerted efforts of all concerned at all levels of production. Thus, there must be a common forum for discussion - and nothing is better than a technical society.

To convince people of the usefulness of such societies in Spain, I used the term "aseptic" to stress our disinterestedness and willingness to restrict ourselves to technical matters, uncontaminated by business interests or the like.

* OSHEC = Organization of Skins and Hides Exporting Countries

Trade associations will represent common interests and bring competitors together. The industries have national and supranational societies - and there is no doubt that such international unions can achieve more than governmental regulations.

On the national scene each country must realise the need for association representation of the leather, footwear, leather goods and allied trades, as a means of obtaining information, promotion, co-ordination and representation, both among themselves and with governmental departments. This, in turn, goes further and becomes international representation.

UN agencies offer means of approaching technological problems and establishing contacts between the various groups, for despite increasing national dependence, international interdependency is constantly high.

Both UNIDO and FAO contribute extensively to the industrialization of agricultural regions which previously knew only famine and lack of foreign exchange, whilst other useful work is achieved by the mixed commissions of tanners and leather processors whose efforts are most useful. The task of such commissions is particularly important in countries where there is every indication that the export of footwear and leather goods can replace that of hides.

CHAPTER V. CONCLUSIONS

Leather production from hides and skins, and further processing into footwear and other goods, are specific, characteristic industries for emerging countries, which until now have exported raw materials, have abundant labour resources, possess traditional craftsmanship and have, or can learn the requisite technology from their own institutions, or by attending the existing Tanning Schools in Europe as well as through royalty contracts or joint ventures.

Industrialized countries cannot afford processing industries where labour represents a substantial part of the costs; with high wages, it is not possible to compete with countries whose labour costs are half as low or even lower.

Leather export is in some way more difficult than finished footwear, leather goods or garments, because it is also a semi-finished product that has to be adapted as a raw material to other industries, which are used to a certain quality of leather and whose requirements are not well known. Marketing channels have to be found for the introduction of the finished leather.

This optimistic prospect entails close collaboration between all the allied industries and the different exporting countries, if possible. To export footwear, one needs to have machinery, chemicals, lasts, threads, boxes, adhesives as well as leather; unless a joint effort is made, the chances can be missed. Trades and professional associations should bring the quality of the finished leather goods up to the required standards. Demanding clients can spur on their suppliers and raise levels. Unless there are common interests, co-operation is difficult to realize; however, if the advantages are clearly seen by the parties involved, a way will be found, with or without great official committees, but with private societies linking the interrelated interests. Otherwise full use is not going to be made of what is called "the sweet moment for leather industry".

World economy is interrelated; the rules of action and reaction still apply whether they be called poles or antipoles, messages or noises. The best way of deriving the greatest benefit from this situation is to collaborate on the basis of mutual interest. Thus, in business, royalty treaties and joint ventures are very much in vogue.

The survival of the fittest is still commonly accepted in international relations; export prohibitions have forced tanners in industrial countries to accept semi-processed leathers. Now, before an antipole is set up, collaboration policy is the best step to take, using common organizations to control hide exports and to avoid drastic price changes, and to gain time for the establishment of a leather processing industry.

Markets in developed countries accept leather shoes and goods as luxury articles; the potential growth of these industries in these markets is small, the "sweet moment" is there for finished leather goods from developing countries to take over these important markets.

Trade, technical and interprofessional associations are an essential means of obtaining the standards of quality these competitive markets need.

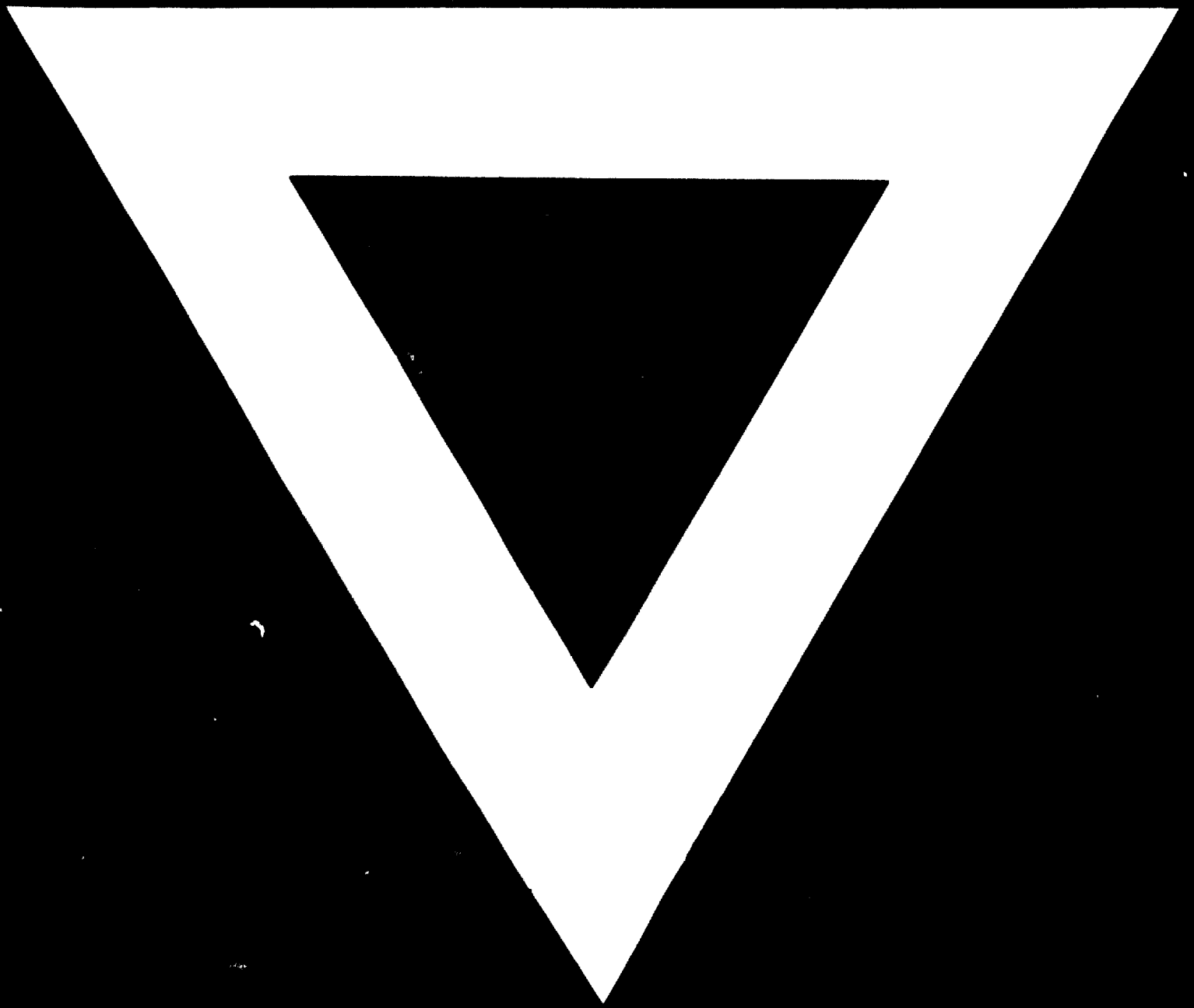
One should not neglect the opportunity of creating a new fashion, not by copying styles, but by using basic trends and technical standards. A new flavour must be added satisfying the western countries' wish to be different. Everything with an oriental touch has good market potential at present.

Market penetration is the most difficult part of the programme, the best way is a joint venture, or very close contact with the customers.

The future for leather and leather goods manufacturers is very bright for two main reasons: it is a labour-intensive industry, and these countries possess nearly 50% of the world animal resources, and secondly because there is no possible competition from industry countries. The way to win export markets is to buy technology and look for joint ventures or marketing organizations.

Developers in these countries should learn from the mistakes of their predecessors, avoiding major concentrations and helping small specialized units.





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