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ENGLISH

REPORT OF THE FIRST SESSION OF THE LEATHER
AND LEATHER PRODUCTS INDUSTRY PANEL*.

Vienna, 5-7 June 1978 .

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Preface

The First Consultation Meeting on the Leather and Leather Products Industry, held in Innsbruck, Austria, from 7 to 11 November 1977, was convened to explore ways and means of increasing the developing countries low share in total world industrial production in this sector, as far as possible and to at least 25 per cent by the year 2000 as had been called for by the Second General Conference of UNIDO held at Lima, Peru, in March 1975. (Lima Declaration and Plan of Action on Industrial Development and Co-operation, ID/Conf. 3/31, Chapter IV, para. 28).

At this Consultation Meeting which was attended by over 150 participants representing governments, industry and labour from 52 countries and representatives of 17 international organizations, in the interest of a more equitable development of all countries concerned in this sector, a number of follow-up actions were proposed with due consideration that in view of the continuous nature of this system of consultations, at an appropriate date, a second consultation meeting would be convened. One of these action-oriented follow-up proposals concerned the establishment of a Leather and Leather Industry Panel. To this effect, the UNIDO Secretariat was requested by the consultation meeting to submit proposed terms of reference for such a Panel to its policy-making body, the Industrial Development Board. Its 12th Session was held in Vienna from 16-26 May 1978. Annex 1 contains these Terms of Reference as approved by this body.

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CHAPTER I: ORGANIZATION OF THE MEETING

Opening of the Meeting

1. The first session of the Leather and Leather Products Industry Panel was held at UNIDO Headquarters, Vienna, from 5 to 7 June 1978. The session was attended by 14 representatives selected with due regard to geographical distribution and their expertise and 4 other international organizations (Annex 2), (in addition to UNIDO).
 2. The session was opened by Mr. A. Hacini, Head, Negotiations Section, Policy Co-ordination Division of UNIDO, who welcomed the participants and stated that he was very pleased to see this recommendation of the Innsbruck Consultation implemented. It would ensure that future discussions on the development of the leather and leather products industry would be more meaningful with the participation of leather and leather products specialists from different regions.
-

Election of Chairman and Vice-Chairman

3. The Panel elected Mr. Eugene L. Kilik (USA) as Chairman and Mr. J. Koppany (Argentina) as Vice-Chairman respectively.

Adoption of the Agenda

- 4. The agenda was adopted as proposed (see Annex 3).

Statement by the Secretariat

- 5. Mr. Hacini informed the participants of the changes made by the 12th Session of the Industrial Development Board in the Terms of Reference for this Panel ^{1/} and of its decision that a second consultation meeting on the leather and leather products industry was to be convened after the preparatory work for it would have been completed (see Annexes 4 and 5). In this context, he drew attention to those items of the agenda dealing with the initiation of discussions on the selection of possible topics for a second consultation in this sector, and the possible necessary preparatory work for a second consultation meeting.

CHAPTER II: MEASURES TO ENSURE AVAILABILITY AND DISSEMINATION OF LATEST AVAILABLE INFORMATION ON THE LEATHER AND LEATHER PRODUCTS INDUSTRY

- 6. The Panel recommended that the UNIDO World-wide Study on Leather should be up-dated in line with the draft outline presented to the Panel by the Secretariat (see Annex 6).

7. The Panel also considered the draft questionnaire submitted by the Secretariat and felt that the preparation of an appropriate questionnaire could be further elaborated by a small group of consultants (see para. 9).

8. In this content, the Panel drew attention to paragraph 48 of the Report of the First Consultation Meeting on Leather and Leather Products at Innsbruck which stated that:

"48. UNIDO, in collaboration with FAO and other appropriate agencies, should, with the concurrence of the countries concerned, collect and correlate basic statistics relating to the leather and leather products sectors. Where such statistics do not exist, UNIDO, with the help of FAO and appropriate agencies, should assist member countries in setting up mechanisms to collect them."

9. The Panel felt that UNIDO and FAO should entrust the co-ordination of the work of collecting information to a small group of consultants who are eminent in the industry and who should be drawn from different regions. This group should decide on the most appropriate means of collecting information affecting the development of the world leather and leather products industries including availability and growth trends in raw material supplies, existing and potential capacities in leather and leather product manufacture, existing and prospective factors affecting marketing and trade, and any other relevant issues.

10. This group, which must function within the broad framework of the United Nations system, should, wherever possible, utilize data and information currently available or being collected by international and national sources.

^{1/} Please refer to Annex 4.

11. The group should take into account potential follow-up measures decided by the Ad Hoc Government Consultation on Hides and Skins convened by FAO in October this year on how to further improve the statistical intelligence base in order to avoid duplication of activities.

12. The findings of this group should be submitted to the Secretariat and disseminated to Panel members prior to the convening of the Second Panel meeting (in January 1979).

CHAPTER III: SETTING UP AND/OR STRENGTHENING OF REGIONAL TECHNOLOGICAL/
INFORMATION CENTRES IN AFRICA AND ASIA

13. The representative of the Secretariat provided a brief status report regarding the action undertaken by UNIDO to create Regional Centres for the Leather and Leather Products Industry or to strengthen existing institutes as had been recommended in paragraph 59 of the Report of the First Consultation Meeting on the Leather and Leather Products Industry, ID/WG. 258/9. Contacts had been initiated with the following institutes in Asia: Central Leather Research Institute (CLRI) Madras, India, the Gujranwala Institute of Leather Technology and the PCSIR Leather Research Institute of Pakistan, and the Leather Research Institute of Jogjakarta, Indonesia. The first and last met the conditions to serve as regional centres. In Africa, the Centre national du cuir et de la chaussure (CNCC), Tunis, Tunisia, and the Leather Research Institute of Nigeria at Zaria had been considered. They had been selected on the basis of being (1) industry oriented, and (2) able to provide practical training not only to the host country but also to neighbouring ones as emphasized by the consultation meeting.

14. The Panel accepted the recommendations of UNIDO but recognized that they may need to be supplemented to take into account large distances and other local constraints particularly in Africa.

15. In the discussion, the representative of ILO informed the Panel that his organization was providing, on a regional basis, much technical assistance in vocational training which, on some occasions, included the leather sector. The experience in this field might be useful to UNIDO. The UNIDO Secretariat representative welcomed this statement and stated that UNIDO will cooperate with ILO, wherever appropriate. The need for industrial manpower training was emphasized. The Brazilian experience was considered very positive as it represented a good example which could, with some modifications, be transplanted to Africa and Asia.

16. The representative of FAO wished to know what the role of the Agricultural Services Division of FAO might be in the implementation of these regional projects, since his organization had a long-standing history in executing hides and skins projects in developing countries. He was assured by the UNIDO Secretariat that this matter would be discussed and clarified at the next meeting of the Joint UNIDO/FAO Working Party, 14-16 June 1978 to be attended by Mr. M. Aref, Head, Agro-Industries Section, Industrial Operations Division.

17. The time-scale for assistance to the regional technological centres would be determined by UNIDO and FAO when appropriate, after a decision by UNDP regarding the financing of these projects.

18. The need for a fellowship component to be included in such projects was also emphasized. The assurance was provided by the Secretariat that the United Nations system project documents usually included also a fellowship component, and this is also the case for these proposed regional centres.

CHAPTER IV: SPECIAL PROGRAMME FOR THE LEAST DEVELOPED COUNTRIES (LDCS)

19. The representative of the Industrial Operations Division of the UNIDO Secretariat stated that the UNIDO Programming Committee had approved US \$45,000, - for such a project to be financed out of the United Nations Industrial Development Fund. Mr. Bo Lunden (Sweden) had been selected as the consultant for this project and it was expected that his final draft report on this LDC assignment would be completed by mid-January 1979. The countries to be visited by this consultant would be mainly those having suitable raw materials, i.e. Afghanistan, Bangladesh, Botswana, Burundi, Chad, Ethiopia, Mali, Niger, Rwanda, Somalia, Sudan, Tanzania, Uganda, Upper Volta, and Yemen Arab Republic. This project would be carried out in co-operation with the Least Developed Countries Section of UNIDO.

20. The Panel recommended that the Secretariat should continue with this programme.

CHAPTER V: ACTION PROGRAMME
TO INCREASE RAW MATERIAL AVAILABILITY (3.1.2.a) 2/

21. The Panel agreed that the preparation of an action programme to improve raw material availability and quality was of crucial importance to the development of the industry in both developed and developing countries. It recommended that without awaiting the results of the data collection described in Chapter II, UNIDO - in cooperation with FAO - should prepare jointly a campaign designed to draw the attention of governments on the need and economic advantage of specific programmes to overcome this problem. Examples were the setting up of carcass recovery centres in India and the problem of small non-mechanized slaughter houses in Tanzania. The Panel felt that it was necessary to impress upon governments the economic importance of including hides and skins projects in their respective development plans. UNIDO and FAO were to prepare within the proposed campaign general briefs to stimulate government initiatives in this respect. The Panel agreed to discuss at its second meeting the implementation of this recommendation.

2/ Approved Terms of Reference of the Panel on Leather and Leather Products Industry, ID/B/212.

CHAPTER VI: INFORMATION ON THE DIFFERENT
TYPES OF TECHNICAL ASSISTANCE PROGRAMMES PROVIDED TO DEVELOPING COUNTRIES

The Panel considered the provision (see 3.1.2.b.ii) of its Terms of Reference which states:

"The collection of information on the types of technical assistance aid provided by organizations of the United Nations system, by other international governmental and non-governmental organizations, and other sources for dissemination to all interested parties."

22. The Panel agreed that it would be useful if UNIDO were to prepare a brief compendium on technical assistance available to the developing countries from the United Nations, and other organizations, specifically pertaining to hides and skins recovery, machinery, equipment, chemicals and marketing. Information on assistance to the developing countries in the field of managerial training relevant to the leather and leather products industry was also considered important. It was agreed that this action would be co-ordinated by UNIDO through its joint committees established with the other United Nations agencies. The concern of developing countries to obtain machinery and equipment at competitive prices, already pointed out in paragraph 26 of the Report of the First Consultation Meeting, was stressed again.

23. With respect to the prices applicable to alternative equipment, it was pointed out that in the ultimate analysis, it was subject to negotiations between buyers and sellers where UNIDO was not able to intervene. UNIDO could provide information though on the sources of equipment.

CHAPTER VII: JOINT VENTURES
OR OTHER TYPES OF CO-OPERATION AGREEMENTS (3.1.2.e)

24. The Panel requested UNIDO to prepare a directory of potential partners in developed and developing countries together with investment information required for possible joint ventures or other co-operation agreements. It was felt that such information would facilitate possible partnerships. UNIDO was to act as a catalyst in this respect. The representative of the Secretariat stated that lists of possible projects in developing countries are being issued from time to time (usually 2 or 3 times a year) in connexion with investment promotion meetings organized, on a country or global-sectoral pattern, by the Investment Co-operative Programme Office; and that this Office was indeed endeavouring to identify and bring together suitable partners in developed and developing countries in the "leather and leather products" field, as well as in other industrial sub-sectors. 3/

25. The UNIDO Secretariat was requested to submit to the second Panel meeting such a list or directory of potential partners for technical collaboration among developed and developing countries in line with the recommendation contained in paragraph 29 of the Report of the First Consultation Meeting on the Leather and Leather Products Industry.

CHAPTER VIII: IMPROVEMENT OF WORKING CONDITIONS IN THE LEATHER SECTOR

26. Attention was also drawn to the recommendation contained in paragraph 51 of the Report of the First Consultation Meeting which requested UNIDO to make appropriate recommendations to member countries on measures needed to harmonize working conditions in the leather and leather products industry. The hope was

3/ The Investment Co-operative Programme Office will, in response to the Panel's suggestion, place all trade or industry associations dealing with leather and/or leather products which it can identify on its mailing list of the pertinent portions of its "Project Proposals" list.

expressed that UNIDO and ILO would co-operate in this field. The representative of ILO informed that his organization was co-operating with WHO in the field of occupational health and safety. Some guidelines on working conditions in the leather and footwear sectors have been established by the ILO and this information would be made available to UNIDO for the second Panel meeting.

CHAPTER IX: IMPROVEMENT OF ENVIRONMENTAL STANDARDS
IN EXISTING PLANTS (3.1.2.i)

27. The Panel referred to the problem of environmental control, disposal of waste, etc., which constituted a serious concern to both developed and developing countries and wished to know what had been done by the Secretariat in this respect. The Secretariat informed the Panel that information on anti-pollution in this sector was available in a two volume document entitled "Environmental Considerations in the Leather Producing Industry; Measures to Mitigate the Environmental Impact of the Leather Industry" which it had prepared in 1974 with the assistance of UNEP. In addition, the draft outline for the second draft world-wide study also included a section dealing with environmental aspects in this sector. This information would be made available for the second meeting of the Panel.

CHAPTER X: STATEMENTS BY CO-OPERATING UNITED NATIONS AGENCIES ON THEIR
CONTRIBUTIONS TO THE FOLLOW-UP OF CERTAIN RECOMMENDATIONS OF THE
FIRST CONSULTATION MEETING ON THE LEATHER AND LEATHER PRODUCTS INDUSTRY
Statement by FAO

28. The representative of FAO informed the Panel that contacts had been made between the two organizations on the follow-up to the recommendations made at the Innsbruck Consultation Meeting regarding the gathering of information and the preparation of the second draft of the world-wide study. He assured the Panel that FAO was ready to fully assist the work of UNIDO within the limits of its own resources. However, he could not commit his organization in any way to divert funds and resources now earmarked for other activities to finance the additional work requirements requested by the Panel. The areas of assistance would include the following:

i) FAO was ready to put at the disposal of the UNIDO Secretariat statistical series on production and trade of the principal types of hides and skins covering the period 1961 to 1977. The compilation of this material was virtually completed and computerized.

ii) With regard to the second draft of the world-wide study, the representative from FAO pointed out that a number of items under various chapters were covered in the four documents currently being prepared by FAO as background documents for the Ad Hoc Government Consultation on Hides and Skins to be held in Rome on 17-20 October 1978. In particular, this applied to supply and demand projections for hides and skins to 1985 which are the subjects of one of the four documents.

iii) The delegate from FAO was not in a position to commit the technical divisions in his organization to any substantial contribution. However, he felt that the expertise accumulated in FAO over the years in all aspects of improvement of hides and skins, recovery of waste, production of by-products,

as well as research and training could be made available to UNIDO. In particular, he emphasized that the next meeting of the Joint FAO/UNIDO Technical Working Group on Food and Agricultural Products Conservation and Processing Industries would be in a position to discuss and determine FAO's contribution to the regional training centres proposed, to action for the least developed countries and other aspects relating to the raw materials, in compliance with the spirit of the FAO/UNIDO Agreement.

29. In conclusion, the delegate from FAO expressed his hope that the Ad Hoc Government Consultation in Rome, in accordance with its agenda, would give guidance to the FAO Secretariat on first, how to further improve the statistical data assembled so far in FAO and to ensure their comparability and second, on how to most appropriately deal with the economic and trade questions currently governing the hides and skins sector, including how to reduce waste and improve the quality of hides and skins on a large scale. Suitable follow-up measures to this Ad Hoc Government Consultation in both these fields could be the basis for a major initiative by FAO on raw hides and skins complementing the on-going work in UNIDO on the leather industry.

Statement by ILO

30. The representative of the ILO informed the Panel about the preparatory work for the Second ILO Tripartite Technical Meeting for the Leather and Footwear Industry which will be held towards the end of 1979 in Geneva. This meeting will follow-up on the conclusions and resolutions of the first meeting and deal with employment implications of technological choice as well as working conditions and working environment in this industry. A questionnaire concerning the effect to the conclusions and resolutions of the first meeting will be sent to governments in the near future. This Tripartite Technical Meeting would, of course, be informed of the recommendations of the First Consultation Meeting on the Leather and Leather Products Industry. He also reported briefly about the technical co-operation activities and technical activities of the ILO, notably the work in the fields of occupational health and safety, employment research, and vocational training, having a direct bearing on the industry. Within this framework and in line with the ILO/UNIDO Agreement and taking into account the strained resource situation of the ILO, ways and means would be explored how to contribute to the UNIDO world-wide study on the leather and leather products industry.

Statement by the International Trade Centre (ITC)

31. The activities of the International Trade Centre/UNCTAD/GATT are recognized as the focal point of United Nations trade promotion programmes and are directed toward assisting developing countries to formulate and implement trade promotion programmes. In particular, the Centre provides information and advice on export promotion and marketing institutions, and it services and trains the national personnel required for these activities.

32. ITC is looking forward to a fruitful co-operation with UNIDO in the preparation of the second world-wide study on the leather and leather products industry, on issues which fall under the terms of reference of ITC, namely, marketing and distribution. In this context, it felt it opportune to draw the attention of the Panel to some of the reports prepared by ITC which could be useful to the Panel in its future work. A list of these reports is contained in Annex 7. At the country level, ITC has carried out various marketing assistance programmes such as on leather shoes and travel goods for Colombia, and leather shoes and leather garments for Uruguay and footwear for Tunisia. Marketing advisers in leather and leather products have also been assigned in countries like Bangladesh, Pakistan and Somalia.

Statement by UNCTAD

33. The representative of UNCTAD promised the up-dating of the UNCTAD contribution made to the first draft world-wide study of the leather and leather products industry in the following areas: (a) patterns of international trade in leather and leather products using the data of both developed and developing countries, (b) tariff and non-tariff barriers to trade counter-vailing duties, and other forms of restrictions, (c) Generalized System of Preferences, (d) escalation of tariffs and effective rate of protection, (e) Multilateral Trade Negotiations including tariff reduction formulae. In addition to this work of updating, the UNCTAD contribution will deal with the problems of the growing protectionism such as "voluntary" exports restraints and "orderly marketing arrangements" affecting the developing countries, in particular, in leather and leather products. The Panel emphasized the importance of having correct information particularly on non-tariff barriers.

34. Certain members of the Panel considered that other factors affecting the market flows needed to be taken into account such as the abnormally high or low raw material prices relevant to the prevailing international market level, direct and indirect subsidies.

CHAPTER XI: FUTURE PROGRAMME

Composition of the Panel

35. The Panel should explore the possibility of inviting representatives of other countries which are major producers or consumers of leather.

Date and Suggestions for the Agenda of the Second Meeting of the Panel

36. It was agreed that the second meeting of the Panel would be held in Vienna from 15 to 17 January 1979. The Chairman requested that all appropriate documentation be made available to the Panel members sufficiently well in advance of the meeting, and that the agenda of this meeting would be circulated in November after sufficient progress had been reported by the UNIDO Secretariat.

37. It was further suggested that as provided for under the terms of reference of the Panel (3.1.2.j) 4/, it should also consider the setting up of downstream industries in particular cottage and small-scale. This topic should be discussed by the Panel at its second meeting.

38. The Secretariat was asked to prepare for the second Panel meeting a chart summarizing the appropriate action requested by the First Consultation Meeting identifying the particular paragraph, the agency who is to take action and the progress achieved in that recommendation. This chart is to be updated regularly.

Target Date for the Second Consultation Meeting

39. In order to enable the Secretariat to make adequate preparations for a second consultation meeting, the Panel recommended that the Second Consultation Meeting on Leather and Leather Products should take place in mid-1980.

40. It was agreed that while carrying out the task mentioned under Chapter II, the Secretariat would identify topics for a second consultation meeting. The topics suggested were:

- i) Problems of least developed countries
- ii) Downstream leather industries
- iii) Tannery by-product utilization
- iv) Raw material improvement
- v) Common facility centres
- vi) Technical Assistance programmes for developing countries
- vii) Patterns of trade and marketing outlets
- viii) Non-tariff barriers
- ix) Long-term financing.

41. These topics would be discussed at the second Panel meeting which would select those 2-3 topics considered to be most suitable for a second consultation meeting.

4/ The review and examination of such other follow-up action as may be referred to the Panel by the Secretariat.

TERMS OF REFERENCE OF THE PANEL ON LEATHER AND LEATHER PRODUCTS INDUSTRY
(Approved by the Industrial Development Board at its 12th Session)

1. Introduction

The First Consultation Meeting on the Leather and Leather Products Industry, held in Innsbruck, Austria, from 7 to 11 November 1977, recommended a series of action-oriented measures to follow-up the Consultation Meeting and to pave the ground for subsequent consultation meetings on the Leather and Leather Products Industry. One of these recommendations concerned the establishment of a Leather and Leather Products Industry Panel. The following terms of reference were submitted to the Industrial Development Board pursuant to paragraph 54 of the Report of the First Consultation Meeting referred to above (document ID/WG.258/9):

2. Composition of the Panel - appointment of its members, their status and entitlements

2.1 The Panel members would be selected with due regard to geographical distribution and to the interest of the various parties concerned, also taking into account participation in the First Consultation Meeting. In addition, representatives of co-operating international agencies such as FAO, UNCTAD, GATT, ITC and ILO will be invited to participate as members of the Panel.

2.2 The membership of the Panel would be limited to a maximum of 20 members, including the representatives of the international agencies concerned with the development of this industry.

2.3 The members of the Panel would be selected in consultation with Governments or with institutions or enterprises, as appropriate. The members would be appointed by the Executive Director, with due consideration to their special knowledge and experience in the leather and leather products sector. The duration of their appointment will be determined by the Executive Director and they will be serving in an advisory capacity.

2.4 The Panel would be expected to meet once every six months; the meetings are not expected to exceed five days each, and unless otherwise provided by UNIDO, the Panel will hold its meetings at UNIDO Headquarters in Vienna.

2.5 The Panel would elect its Chairman and Vice-Chairman. The servicing of the meetings of the Panel will be entrusted to the UNIDO Secretariat, including the provision of a Secretary of the Panel.

2.6 The members of the Panel shall be compensated by UNIDO for travel and receive the applicable daily subsistence allowance in accordance with the United Nations regulations. ^{a/}

3. Purposes and functions of the Panel

3.1 The purposes and functions of the Leather and Leather Products Industry Panel would be:

3.1.1 To review the latest knowledge and expert information on the development of the leather sector and make it available to the Organisation in pursuance of the recommendations of the First Consultation Meeting on the Leather and Leather Products Industry.

3.1.2 To assist UNIDO in formulating practical technical recommendations designed to promote the development of the leather and leather products industry sector. These recommendations will, inter alia, include:

- (a) The preparation of detailed action programmes to increase raw material availability and improve leather quality in all countries;
- (b) The setting up of a centralized mechanism for: (i) the collection of data on the leather and leather products industry; (ii) the collection of information on the type of technical assistance aid provided by organizations of the United Nations system, by other international governmental and non-governmental organizations, and other sources for dissemination to all interested parties;
- (c) The monitoring of the progress made in strengthening, up-dating and revising the growth projections in the UNIDO draft study;
- (d) The elaboration of technical assistance programmes, considering all factors, particularly raw material availability, which UNIDO and other appropriate agencies could render to developing countries, especially to the least developed among them, to improve existing leather and leather products capacities or to establish new manufacturing capacities and to indicate suitable sources of financing;
- (e) Identification of partners from developed and developing countries who have expressed interest in entering into joint ventures or other co-operation agreements;
- (f) The examination of the possibilities for and the constraints in improving the marketing of leather and leather products of the developing countries, and the establishment by developing countries of their own marketing organizations;

./...

^{a/} This provision does not apply to representatives of international organizations.

- (g) The provision of technical and training assistance to developing countries with due regard to existing establishments;
- (h) The examination of measures aiming at improving working conditions in the leather industry;
- (i) The examination of measures to improve environmental standards in the existing plants;
- (j) The review and examination of such other follow-up action as may be referred to the Panel by the Secretariat.

3.1.3 To assist UNIDO in selecting the main issues to be considered at subsequent consultation meetings on the basis of the above.

4. Agenda and reports of the Panel

4.1 The Secretary shall prepare the draft agenda for each meeting and transmit it in reasonable time to the Panel members. The agenda shall include any additional subject within the purview of the Panel.

4.2 For each meeting, the Panel would, with the assistance of the UNIDO Secretariat, draw up a report setting forth the Panel's findings, observations and recommendations.

4.3 These reports shall be approved by the Panel before the end of each meeting, and submitted for the information and possible consideration of the Industrial Development Board.

LIST OF PARTICIPANTS

ANNEX 2

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Mr. H. Rauch, Industrial Development Officer

Agro-Industries Section

Mr. M.M. Aref, Chairman of the Task Force on Agro-industries,
and Head of the Agro-Industries Section
Mr. M. Nestvold, Senior Industrial Development Officer
Mr. J. Berg, Industrial Development Officer

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Sectoral Studies Section

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Mr. H. Naidu, Industrial Development Officer

DIVISION OF POLICY CO-ORDINATION

Least Developed Countries Section

Mr. M. Assam, Industrial Development Officer

Negotiations Section

Mr. A. Hacini, Head of the Negotiations Section
Mr. H.K. Rahim, Secretary of the Task Force on Agro-Industries,
Industrial Development Officer
Ms. L. Masens, Industrial Development Officer,
Secretary of the Panel
Mr. F. Lefebvre, Industrial Development Officer

AGENDA OF THE FIRST PANEL MEETING */

1. Opening of the session;
2. Election of officers;
3. Adoption of the agenda;
4. Statement by the Secretariat;
5. Measures to ensure availability and dissemination of latest information on the leather and leather products industry:
 - (i) Status report by the Sectoral Studies Section, International Centre for Industrial Studies on:
 - Revision of the World-wide Study on the Leather and Leather Products Industry;
 - Draft Questionnaire on international availability of raw hides and skins;
 - (ii) Contribution from FAO, GATT, ILO, ITC and UNCTAD.
6. Status of follow-up at the regional and country level of the recommendations of the first consultation meeting on this industry:
 - (i) Setting-up and/or strengthening of regional technological/information centres in Africa and Asia;
 - (ii) Special programme for the least developed countries (LDC's);
7. Initiation of discussions on selection of topics to be included in the second consultation meeting;
8. Possible necessary preparatory work for the second consultation meeting;
9. Tentative date of second consultation meeting on leather and leather products industry;
10. Other business;
11. Date, place and provisional agenda of the second meeting of the Panel;
12. Adoption of the report of the meeting.

*/ It was agreed that agenda items 7, 8 and 9 would be considered together.

**CONCLUSIONS OF THE INDUSTRIAL DEVELOPMENT BOARD
ON THE SYSTEM OF CONSULTATIONS
AT ITS TWELFTH SESSION**

The Board reaffirmed the consensus it had reached at its tenth and eleventh sessions, in particular paragraph 162 of the report of its eleventh session relating to the need for consultations among member countries and to the fact that the participants from each country might include officials of Governments as well as representatives of industry, labour, consumer groups, etc.

The Board, having considered the report of the Executive Director (ID/B/204) on the initial preparations for consultations on additional sectors such as agricultural machinery, agro-based industries, capital goods, petrochemicals and pharmaceuticals, decided that the Secretariat should plan its future work related to consultations on industrial sectors on the following basis:

- (a) First consultation meetings in the biennium 1978-1979 should be convened on two sectors, namely agricultural machinery and the petrochemical industry;
- (b) As regards the other three industrial sectors on which initial preparations for consultations have been made, namely the agro-based industries, capital goods and pharmaceutical industry sectors, preparations should be continued by the Secretariat, with priority being given to the agro-based industries sector. The Secretariat should report the results of these preparations to the Board at its thirteenth session with a view to convening a consultation meeting on agro-based industries in 1980, if approved by the Board at that session;
- (c) Second consultation meetings on the leather and leather products industry and on the vegetable oils and fats industry should be convened when the Board or the Permanent Committee, should it be so mandated by the Board, has determined that the preparatory work for these meetings recommended by the First Consultation Meetings has been completed;
- (d) The Panel on Leather and Leather Products Industry, recommended by the First Consultation Meeting on this sector, should be established with the terms of reference as suggested by the Secretariat, in the annex to document ID/B/204, with the following amendments:

Paragraph 2.1 - "The Panel members would be selected with due regard to geographical distribution and to the interest of the various parties concerned, also taking into account participation in the First Consultation Meeting. In addition, representatives of co-operating international agencies such as FAO, UNCTAD, GATT, ITC and ILO will be invited to participate as members of the Panel."

Paragraph 2.3 - "The members of the Panel would be selected in consultation with Governments or with institutions or enterprises, as appropriate. The members would be appointed by the Executive Director, with due consideration to their special knowledge and experience in the leather and leather products sector. The duration of their appointment will be determined by the Executive Director and they will be serving in an advisory capacity."

Paragraph 2.4 - Delete

The Board, bearing in mind the decision it reached at its eleventh session that common issues arising from sectoral consultations such as financing, investment guarantees and the training of industrial manpower would be discussed at its present twelfth session, decided that the Secretariat's work related to the above topics should be planned on the following basis:

- (a) An inter-secretariat working group should be established by UNIDO, in collaboration with UNESCO and ILO with a view to examining the ways of maximizing the use of industrial manpower training facilities existing in developed and developing countries and to exploring their potential for expansion in relation to the needs of developing countries. The Executive Director of UNIDO should report to the Board at its thirteenth session on the results of the group's work, with a view to recommending to the Board, if appropriate, the convening of a Consultation Meeting on the training of industrial manpower.
- (b) The Secretariat, gathering all the necessary information, should examine the requirements for the financing of industrial development in developing countries; the Executive Director should report to the Board at its thirteenth session on the results of this examination in order to enable the Board to consider the convening, at an appropriate time, of a Consultation Meeting on the financing of industrial development in developing countries.

The Board requested the Secretariat to submit to the Permanent Committee at its twelfth session, for subsequent consideration by the Industrial Development Board at its thirteenth session:

- (a) An analytical report on the experiences gained so far with the system of consultations;

- (b) Suggestions in accordance with the Lima Declaration and Plan of Action on appropriate criteria to be used in determining which additional sectors should receive priority in the selection for possible further consultations;
- (c) A report on the financial aspects of the current and envisaged activities of UNIDO related to the system of consultations, including the possibility of financing the participation, in the system of consultations, of a limited number of participants from least developed countries who would otherwise not be able to participate owing to financial constraints.

It was understood that this would form an important input into the preparations for the Third General Conference of UNIDO.

DRAFT OUTLINE

WORLD-WIDE STUDY ON LEATHER AND LEATHER PRODUCTS INDUSTRY

SECOND REPORT

I. Summary and conclusions

The leather and leather products industry in the context of the Lima Declaration and Plan of Action

- Introduction
- Summary and conclusions of the revised study

II. Actual situation

- 1) Availability of hides and skins : global/regional
 - Past and current availability of hides and skins
 - Trends in supply/demand
- 2) Production of leather and leather products : global/regional
 - Leather
 - Leather products
 - Trends in supply/demand

III. Factors influencing development

- Trends in meat consumption and hides and skins production
- Development and forecast of technology
- Trade, Marketing and Distribution
- Capital requirements
- Utilization of capacity
- Manpower requirements
- Materials for processing (i.e. dyestuff, etc.)
- Environmental aspects

IV. Medium term (1985) and long term (2000) forecasts

- Future production of hides and skins
- Future production of leather and leather products
- Redeployment of industry
- Technological forecasting

V. International co-operation between developed and developing countries and developing countries themselves

A list of market surveys and short market reports on
hides, skins, leather and leather products
published by the International Trade Centre/UNCTAD/GATT

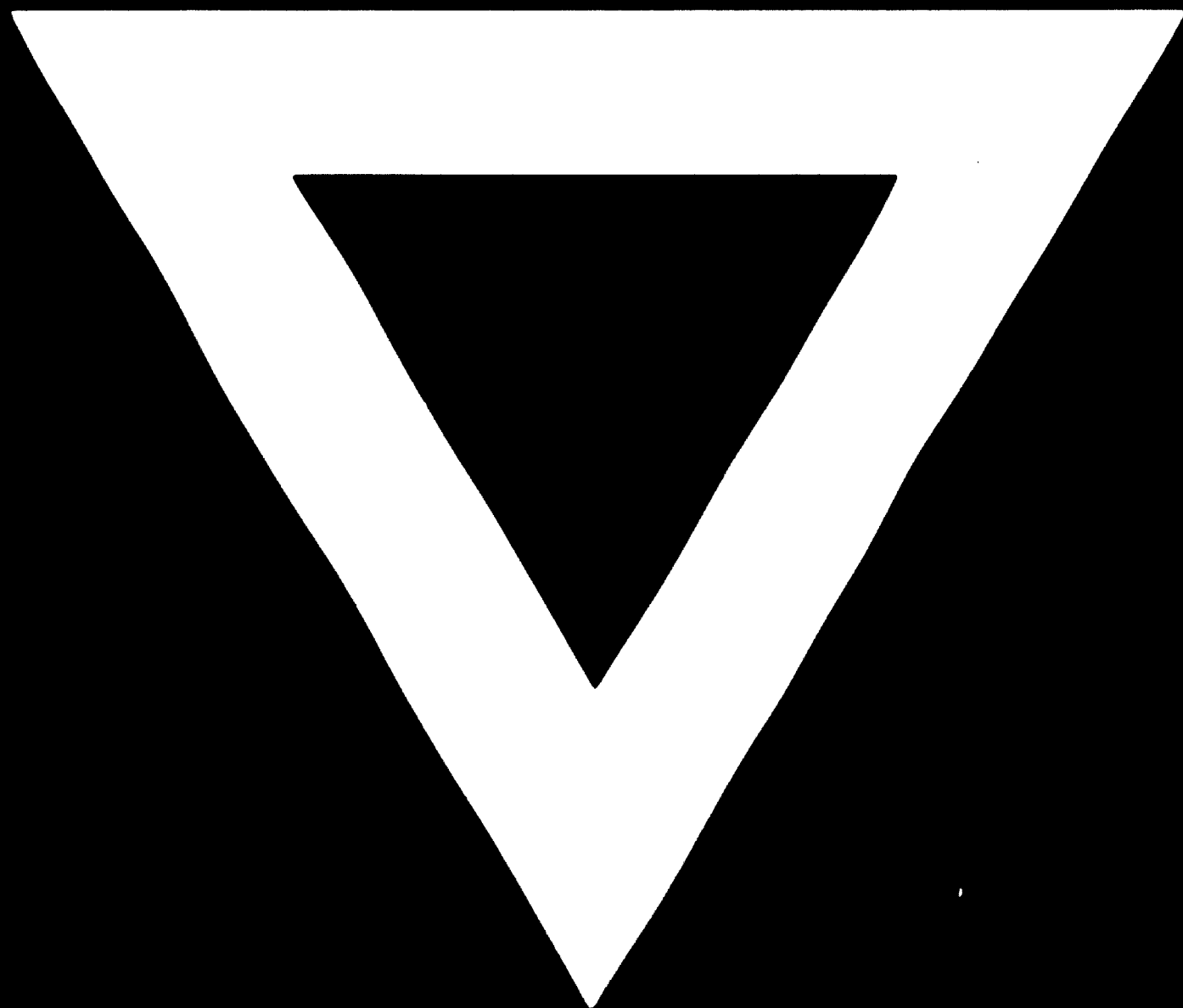
The market surveys:

- Hides, skins and Leather - Major Markets in Western Europe 1968
- Major Markets for Leather Goods in North America and Selected Western European Countries 1969
- Eight Selected Markets for Leather Garments 1974
- Selected Markets for Saddlery and Harness-makers' Goods 1974
- The Possibilities of International Co-operation in the Development of the Hides, Skins, Leather and Leather Products or Industries 1976
- Evolution des Industries et Marchés des Articles en Cuir. Rapport de synthèse sur les perspectives d'exportation des pays en voie de développement et les marchés principaux 1977

The short market reports cover:

- Selected Leather Travel Goods in the Federal Republic of Germany
- Goat and Kid Skin Leather in the United Kingdom
- Cattle Hides and Leather in Italy
- Footwear in Canada, the Federal Republic of Germany, France and Sweden

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