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UNITED NATIONS INDUSTRIAL
DEVELOPMENT ORGANIZATION

REPORT ON EXPORT MARKETING AND DISTRIBUTION
OF LEATHER AND LEATHER PRODUCTS
FROM DEVELOPING COUNTRIES*.

prepared for
the Sectoral Studies Section
International Centre for Industrial Studies of the
United Nations Industrial Development Organization
by the
International Trade Centre
UNCTAD-GATT
Geneva

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I. INTRODUCTION, CONCLUSIONS AND RECOMMENDATIONS

A. Introduction

1. Terms of reference

The present survey takes as its starting point the declaration adopted at the Second General Conference of UNIDO at Lima, Peru, in March 1975, stating that the share of the developing countries in total world industrial production should be increased to the maximum extent possible, and at least by 25 per cent, by the year 2000.

The UN General Assembly, at its seventh special session in September 1975, endorsed the Lima Declaration and the Plan of Action on Industrial Development and Co-operation and requested UNIDO to establish continuing consultations in the field of industry between developed and developing countries to explore ways and means of achieving the declared objective. The Industrial Development Board decided that consultations on industrial sectors should be organized by UNIDO among member countries, and in the case of the leather and leather products industry, the First Consultation meeting was held at Innsbruck, Austria, from 7 to 11 November 1977.

Within the framework of a world-wide study of the leather and leather products industry (second report) as requested at the First Consultative Meeting, UNIDO requested the International Trade Centre UNCTAD/GATT to collaborate in the preparation of the substantive part of the second report dealing specifically with the marketing and distribution of leather and leather products from developing countries, covering the following main points:

- Market information - examine ways in which readily available market information on prices of raw and tanned hides and skins could be disseminated to DCs.
- Market research - examine in detail the problems of marketing finished leather and leather products and including the global demand, production and sales thereof.
- Fashion information - examine ways in which DCs could obtain reliable market intelligence and fashion feed-back information on leather and leather products.
- Marketing organization - develop a long-term strategy for the organization, marketing and distribution of leather and leather products by DCs in major export markets, including inter-DCs' trade.

2. Working method and structure of the report

The survey was carried out on behalf of ITC during the last quarter of 1978 by a leather marketing expert with life-long experience in the production of and trade in leather and leather products, acquired in industrialized as well as in developing countries.

The resulting report:

- (a) reviews, insofar as available reliable statistics and data allow^{1/}, progress of export business in leather and key leather products from developing countries into major high-consumer spending markets;

^{1/} Data available does not always permit thorough and complete commercial analysis. Statistical information used in this report has been selected for inclusion where a trend or situation is reasonably and reliably well-defined and so admissible for purposes of illustration, substantiation of comments and in justification of conclusions. In order not to burden the narrative with lengthy statistical presentations, the basic statistical background material has been assembled in a separate appendix.

- (b) identifies problems and factors now facing developing countries in export marketing of their finished leather and leather products and provides marketing guidelines and information;
- (c) suggests medium- and long-term strategies for export marketing, including promotional methods;
- (d) reports on availability of market information on prices of raw hides and skins and finished leather and on ways in which it can be obtained by, or disseminated to, developing countries;
- (e) suggests methods and channels through which developing countries can obtain a continuing flow of information on market requirements for leather and leather products.

The main conclusions and recommendations from the survey have been summarized in the introductory section.

Product categories included are:

SITC 611 Leather
 6122 Harness-makers' goods
 8310 Travel goods, handbags
 8413 Apparel and clothing accessories of leather
 8510 Footwear - leather

Where possible, information relating to sports' goods of leather has also been collected.

B. Conclusions and recommendations (summary)

Various conclusions and recommendations are formulated under the various sections of the present report. Major items are listed below for quick reference.

Marketing

1. Planning and programming problems arise from:

- (i) Inadequacy of statistical data;
- (ii) Absence of means for collection, evaluation and dissemination of marketing information;
- (iii) Insufficient feedback from markets.

2. Operational problems encountered by developing countries can be greatly reduced by:

- (i) Better market knowledge, information and preparation;
- (ii) Better attention to quality control and sales servicing;
- (iii) Producing ranges tailored to the needs of the markets;
- (iv) Programming market entry and development in relation to market capacity and competition from without and within.

3. Provision of market information and marketing advisory services to fill the needs indicated under points 1 and 2 above is essential both to monitor and regulate present exporting activities and to facilitate prospecting and development of new markets. Urgent attention to this need is recommended.

Industrial organisation

4. Machinery for servicing exporters with marketing guidance and statistical information etc. at the national level, should be provided via trade associations or federations. These should be set up and supported by the industries concerned to operate in every appropriate way in their interests. When instituted, national associations should seek international cooperation and association with each other to further common as well as individual objectives.

5. Functions of national trade associations could include, in addition to providing market information, training, observation of design and fashion trends and changes, liaison with service industries and end-product industrial

organizations, representation to official bodies and government departments, price reporting, or animation of participation in trade promotional fairs, supplier-customer arbitration advice, assistance with members' trading problems, interpretation of legislation, liaison with labour organizations and technical research bodies, etc. In cases of countries having fragmented or small-scale industries, assistance in prospecting bulk business and centralized selling to widen the marketing front, could be given.

6. An interim step to national associations is via regional and sub-regional centres.

7. Financing of trade associations can be by an equitable levy on constituent members possibly augmented by grants.

8. Individual companies

There is need to give closer attention to:

- (i) Corporate planning and development strategy; product ranges tailored to market needs and aimed at pre-researched market areas; sophisticated ranges should be piloted on small-scale production volume in readiness for future phases of programmed development or market area changes;
- (ii) Quality control should be introduced at all stages; production supervision and final inspection unremittingly applied - in this respect assistance of such organizations as SATRA (Shoe and Allied Trade Research Association) should be sought - also the technical aid and training services offered by machinery and equipment suppliers;
- (iii) Alignment to fashion colour changes is required and may be secured by representation in Modeurop - a biennial forum of tanners, fashion and colour experts to select complementary colour and texture ranges for leather against the mode-setting influence of textile materials and colours. Fashion colour cards are also issued by various leather trade organizations;
- (iv) Attendance at major leather and leather products trade fairs - Bologna, Paris, London, Pirmasens, Vigevano, Florence and the N.O.S.A. (Clothing)

fair in New York will help developing country producers to be more reactive to fashion and design trends;

- (v) Product improvement is necessary in several aspects - a number of these are detailed in Section B:2, below. Joint enterprise or collaboration with foreign importers, etc. is a logical way towards solving problems of, or reacting to, market product needs, of distribution and sales servicing, feedback and orderly market entry and development.
- (vi) Some tanners in countries with leather product manufacturing industries hinder the development of the latter by restricting supply of top-grade leather: adjustment of attitude is called for.
- (vii) Tanners with low-quality raw material to process would find ready saleability of part-processed stock to tanners/finishers having the degree of technology required to make best use of low-grade material.
- (viii) Restricting exports of raw material, in present general market circumstances, usually results in loss of earnings as finished leather from the areas concerned is priced lower than the world free market can pay for the raw hides and skins.
- (ix) Closer attention to sorting and grading will increase profits - particularly in clothing leather where it is noted that, often, first quality skins suitable for premium price aniline leather are finished with masking treatments as used for surface defect skins.
- (x) Deficient colour quality control is a cause for importer complaint: colour and shade variations in any one delivery batch adversely affect end-product manufacture and give rise to expensive compensation claims.
- (xi) Bad clicking (cutting) of leather and use of non-standard quality leather by end-product manufacturers result in dis-uniform merchandise with resultant complaints, ill-will and loss. Similarly so with bad colour matching when cutting shoe uppers and garment panels.

9. Overall industrial development

- (i) Consideration of end-product leather usage, needs of markets and marketing is a necessary dimension to be added now that the evolution of raw hides and skins processing within developing countries has been so well advanced.
- (ii) Screening as to commercial potential should be applied at fundamental development stages: for ultimate optimum realization;
- (iii) Realistic appraisal of developing country output potential is essential. This should be related to results of research into (a) requirements and trends of present markets, and (b) detailed investigation of emerging and new markets.
- (iv) Technical assistance programmes (with participation by the developing countries themselves) should recognize as a priority provision the fulfillment of the requirements set out under point (iii) above.

C. Note on statistics

This investigation aims at analysing the pattern and evolution of the exports of leading exporting developing countries into major consumer markets, of leather and certain key leather products, namely:

<u>SITC</u>	611	Leather
	6122	Harness-maker's goods
	8310	Travel goods, handbags
	8413	Apparel and clothing accessories of leather
	8510	Leather footwear

The basic statistical material used in this report is that contained in the Import Tabulation System of ITC, which covers the imports of 36 major importing countries, representing about 85 per cent of total world imports in 1976. The System comprises two sections covering 18 countries each: one being selected industrialized countries and the other selected developed and developing countries, as follows:

18 industrialized countries

Australia
Austria
Belgium-Luxemburg
Canada
Denmark
Finland
France
Federal Republic of Germany
Ireland
Italy
Japan
Netherlands
New Zealand
Norway
Sweden
Switzerland
United Kingdom
United States of America

Developed & Developing Countries

Argentina
Brazil
Egypt
Greece
Hong Kong
India
Indonesia
Iran
Republic of Korea
Libyan Arab Republic
Malaysia
Nigeria
Portugal
Singapore
Spain
Turkey
Venezuela
Yugoslavia

In order to compare the export performance of developing countries more effectively than by share of imports, it would be necessary to show their share of domestic consumption in the receiving markets as follows:

$$\text{Imports} + \text{Production} - \text{Exports} = \text{Apparent Consumption}$$

It has not, however, been possible to obtain domestic production statistics in many cases. Comments and conclusions concerning market developments are, therefore, largely made on the basis of foreign trade data.

The 18 high-consumer spending markets are divided into the following economic/geographical groupings:

EUROPE

EEC

EFTA

Belgium-Luxembourg

Austria

Denmark

Finland

France

Norway

F.R. Germany

Sweden

Ireland

Switzerland

Italy

Netherlands

United Kingdom

NORTH AMERICA

Canada

United States

OCEANIA AND FAR EAST

Australia

Japan

New Zealand

The other 18 countries could also be considered on the basis of the following groupings which, it will be seen, relate to their consumptive or productive capacities of leather and leather products:

A. Potential Members of the European Economic Community

Greece Spain

Portugal Turkey

B. No Significant Resources of Hides and Skins

Hong Kong Singapore

Malaysia Republic of Korea

C. High Indigenous Resources of Hides and Skins

Argentina Indonesia

Brazil Libyan Arab Republic

Egypt Nigeria

India Venezuela

D. Others

Iran Yugoslavia

II. EXPORT MARKETING AND DISTRIBUTION OF LEATHER
AND LEATHER PRODUCTS

A. World imports of leather and selected leather products

1. Imports into developed countries

Table 1 gives details, in current values, of the progress of imports into 18 industrialized countries over the period 1973 to 1977 and sets out to show the position attained by countries over this period, together with some general comments on the present trading climate and outlook for consideration by exporters. Total imports of leather products (covered in this survey) have shown steady advance in terms of value and volume, reflecting increasing world demand both for leather and its end-products. The following analysis by product categories should be read in conjunction with the notes on over-all trends in world markets and analysis of trade flows presented in appendix I, which is issued separately.

LEATHER:

Developing countries show a steady performance, providing a stable and considerable share (about one-third) of total imports into the 18 largest industrialized import markets. Exports from developing countries may be expected to grow further as newly created production capacities will result in larger and improved production, as new markets emerge and as consumption in developing countries themselves increases. It is from the two latter that leather usage expansion will come and developing country tanners would be advised to make preparatory researches. Those tanners, working with low-grade material and not yet able to finish to exportable standards, would do well to seek collaboration with expert finishers in other countries not only to improve their present level of trouble-free cash return, but also so as to be well-poised for launching into new opportunity markets as they became identified.

HARNESS AND SADDLERY:

Developing countries have a consistent market share (a little more than 25 per cent) of this comparatively small area of leather usage which, however, has relatively great growth potential. Demand for this highly specialized

TABLE 1
Exports of leather and selected leather products
into 18 developed countries, 1973-1977
 (US\$ million)

Products	1973			1974			1975			1976			1977		
	Value	D.C.	%D.C.	Value	D.C.	%D.C.	Value	D.C.	%D.C.	Value	D.C.	%D.C.	Value	D.C.	%D.C.
LEATHER SITC 611 INDEX	1,176.3 100	442.4 100	37.6	1,117.8 95	354.3 80	31.7	1,165.2 99	331.1 75	28.4	1,749.3 149	591.1 134	33.8	1,823.1 155	587.7 133	32.2
HARNESS Etc. SITC 6122 INDEX	39.0 100	8.8 100	22.4	48.0 123	12.1 138	25.2	38.1 98	9.5 109	24.9	46.1 118	12.5 142	27.0	53.2 136	14.4 165	27.1
TRAVEL GOODS ETC. SITC 8310 INDEX	618.8 100	213.0 100	34.4	701.1 113	264.1 124	37.7	819.7 132	315.8 148	38.5	1,102.8 178	511.5 240	46.4	1,345.5 217	602.3 283	44.8
APPAREL SITC 8413 INDEX	555.5 100	197.9 100	35.6	773.1 139	334.1 169	43.2	872.3 157	406.7 206	46.6	1,001.8 180	543.3 275	54.2	1,132.9 204	621.7 314	54.9
LEATHER FOOTWEAR SITC 85102 INDEX	2,142.9 100	316.9 100	14.8	2,606.3 122	462.5 146	17.7	3,126.3 146	544.1 172	17.4	3,878.7 181	885.7 279	22.8	4,585.7 214	1,040.9 328	22.7
TOTAL INDEX	4,532.6 100	1,178.9 100	26.0	5,246.3 116	1,427.1 121	27.2	6,021.5 133	1,607.2 136	26.7	7,778.7 172	2,544.1 216	32.7	8,940.4 197	2,867.1 243	32.1

Source: Import Tabulation System.

N.B. Values are not adjusted for inflation and totals do not necessarily add up due to roundings.

D.C. = From Developing Countries.

product is very strong and increasing. Considerable improvement by developing countries of their market share is dependent on production of the special leather required and more especially on recruitment and training of the craftsmen essential to production of this equipment. Craft labour shortage is already acute, even in traditional centres of production, and the problem calls for urgent and special attention to create working conditions and remuneration to attract workers. This item of leather usage is one where quality of material and standards of manufacture are of paramount importance and price not a barrier. The vocational demands and length of training period are problems but the rewards of stable, high-quality trade, merit the special effort needed to specialize in this area.

MAROQUINERIE: (Leather goods, including travel goods, handbags, personal accessories and presentation items)

This is a perennial bulk market of which developing countries are taking a steadily increasing share. As in all high demand, popular price, easy-to-make, small items' markets, competition is fierce. Volume business at low prices will always be available but at inevitably low margins. Manufacturers concerned would be wise to leaven cost-absorbing, competitive bulk business ranges with specially tailored ranges aimed at the higher retail selling price brackets, incorporating better styling, better leather, better fitments and accessories and good craftsmanship. Marketing would best be done by cooperation (1) with selected branded manufacturers who would provide styling and production know-how, plus sales organization, or (2) with higher trading-level retail organizations (possibly also having their own house brands who could provide similar assistance).

CLOTHING AND CLOTHING ACCESSORIES:

Considerable annual growth is shown over the five-year period at current value levels, the growth keeping well ahead of inflation. Nevertheless, world and developing country growth rate has latterly slowed slightly. Due to mass, bon marché price retailing, which accounts for the greater proportion of sales, plus continuing popularity of leather clothing, sustained good volume sales can be expected. However, price being much an influencing factor, the market is

highly competitive and within it the pattern of supply has and does rapidly change as costs rise in early-lead countries and as new producer-countries emerge (some using subsidies).

Manufacturers participating in this field of leather product manufacture may find the best chance of securing continuity of business in sophisticated markets by combining (a) with existing operators therein who possess manufacturing and design skills, good sales organizations and contacts but who are in production difficulties due to foreign competition and rising costs at home - circumstances quite usual in the leather clothing trade in developed countries, or (b) with retail firms (department store groups, specialist men's and women's outfitters) able to provide similar know-how and to place substantial orders direct. Good business can be had also at the boutique level. For this, however, the manufacturer must provide his own top-flight design, sales organization, financing and efficient small-order making, delivery and other customer servicing which the boutique trade requires.

In both cases of suggested collaboration with import market establishments (maroquinerie and leather clothing) it is inadvisable to try to deal with a manufacturer and a retailer simultaneously.

FOOTWEAR:

There has been very considerable growth in imports over the past five years with the developing countries' market share (in terms of value) increasing from 15 per cent in 1971 to 23 per cent in 1977. However, per capita pairage consumption of footwear in the high-consumer spending markets is now generally static and, in places, slightly falling. This situation will hold for some time. Developing countries' exports to these markets have reached very high levels and are seriously affecting domestic producers who, as with those in leather, are combining to combat competition and who are seeking to influence official action in the form of protective measures. The outcome of these steps has yet to be seen, but investigations show mounting sympathy and likelihood of the sought-after protection being provided in some cases. Established developing country footwear exporters would be well advised to keep themselves informed of

developments and to take such prudent commercial action as they can to safeguard against loss of carefully built-up trade. Customer relationships should be kept bright and used to identify gaps in the market left by rationalized and contracted domestic production. These gaps now account for important segments of consumer needs and well-directed efforts to fill them in can be a major help in conserving trade.

In a situation of static per capita consumption, countervailing measures by domestic producers and above all, the now extremely high level of inter-developing country competition, sales to the established high-consumer spending markets looks certain to become difficult. Attention should now be given to researching new markets and to strenuous follow-up of opportunities disclosed. New markets may be found: (a) within footwear types - examples are sports and training shoes, so-called freizeit or home wear casuals and protective footwear; (b) in developing countries not yet in industrialized footwear production and (c) in the domestic markets of the developing countries themselves. Other possible channels may be via joint enterprise with manufacturers in the established markets whose own businesses have been cut through competition or economic strictures but who retain, at this time, stock holding and distribution facilities and sales organizations. Yet another possibility lies in the specialization of catering to customers assembling footwear, rather than making the complete footwear. There is already large trading in cut and closed uppers and in other shoe components of leather. This development is likely to grow considerably.

OTHER PRODUCTS:

Growth areas for leather usage may also be found in sports equipment and in protective clothing. In addition to increasing demand from rising living and leisure standards there is a quick turnover in the former category, and also in the latter due to growth in industrial manufactures. Protective clothing is of special interest as the by-product splits can be used in their manufacture. Both possibilities merit investigation and the collection of relevant statistical data to this end should be initiated. Lack of such data prevents any detailed analysis at this point.

2. Imports into 18 developed and developing countries

Imports of leather and leather products into the 18 developed and developing countries, as shown in Table 2, were equivalent to only a little less than 4 per cent of the total imports of the 18 industrialized countries in 1971. By 1975 this had grown to about 6 per cent. The respective import values at current rates are:

	<u>Industrialized countries</u>	<u>Developed and Developing countries</u>
1971	US\$2,684.8 m.	US\$102.8 m.
1975	US\$6,021.6 m.	US\$340.5 m.

Practically in every sector (apparel showing an exception in 1975) there has been an unbroken upward trend at current values. In 1975, leather accounted for more than half of the total import value (US\$174 m.) of both leather and leather products. The two other items of significance were leather footwear and travel goods, both attaining a share of somewhat above 20 per cent (US\$76 m.). Leather garments and harness-makers' goods still constitute a small, although growing import share.

Imports of leather into the five leading markets for which more recent statistical information is available (Republic of Korea, Hong Kong, Spain, Portugal and Singapore) have grown drastically and reached almost 250 million dollars in 1977.

Appendix I, which is issued separately, gives data about the evolution of imports by product groups, main importing countries and sources of supply.

The rapidly growing imports of all categories are indicative of a potential which should be considered in relation to the appreciation of global strategy.

It is, therefore, important that the rapidly growing developing country import markets be systematically surveyed to identify future business opportunities.

TABLE 2

Imports of leather and selected leather products

into 18 developed and developing countries, 1971-1975

(US\$ million)

Products	1971		1972		1973		1974		1975	
	Value	% D.C.	Value	% D.C.	Value	% D.C.	Value	% D.C.	Value	% D.C.
LEATHER SITC 611 INDEX	48.8	23.3	81.9	26.4	137.1	29.6	149.1	24.3	173.4	23.4
LEATHER FOOTWEAR SITC 85102 INDEX	26.8	12.4	30.3	12.8	42.0	10.0	55.9	12.0	76.7	13.1
TRAVEL GOODS ETC. SITC 8310 INDEX	21.7	21.4	30.5	24.0	49.0	26.5	61.6	27.9	76.0	31.9
APPAREL SITC 8413 INDEX	4.8	12.0	6.3	13.0	10.5	14.6	13.5	16.3	11.6	23.8
HARNESS & SADDLERY SITC 6122 INDEX	0.7	7.0	0.7	8.3	1.0	3.5	1.3	10.5	2.8	4.4
TOTAL	102.8	19.4	149.7	22.5	239.6	24.8	281.3	22.2	340.5	22.9
INDEX	100		146		233		274		331	

Source: Import Tabulation System.

N.B: Imports are recorded in current values. Totals do not necessarily add up due to roundings.

D.C. = From Developing Countries.

B. Problems facing developing countries in export marketing of finished leather and leather products

Export drives of developing countries have to date been beamed mainly on to the high consumer markets. In order to determine the most appropriate marketing strategies for exports to these markets, the following section examines the main problems encountered by developing countries in their export marketing efforts.

While some of the largest exporters of leather and/or leather products among the developing countries have reached a high level of efficiency, the following analysis refers mainly to the other developing country exporters who are experiencing difficulties in meeting the requirements of the highly sophisticated industrialized markets.

The following main problem areas have been defined:

- lack of knowledge of the nature and structure of target markets and their methods of doing business; these considerations define conditions to which would-be successful exporters must conform;
- lack of know-how and experience as regards sales strategies, products, selling methods and sales servicing from the point of view of requirements and usages of the market (as evidenced by the opinions expressed by different categories of buyers);
- current trading climate, resulting from recent disruptive market developments.

1. Lack of knowledge about the nature and structure of target markets

The investigation has shown that one of the most pressing problems of developing country exporters is lack of market knowledge and marketing expertise. Follow-up inquiries among would-be exporters show lack of

appreciation of the commercial importance and prudence of knowledgeable preparation for market entry and persistence in attending to marketing operations. There seems to be widespread belief that selling to export is merely a matter of writing, calling, sending samples for orders to be placed. There is reluctance to 'invest in the market' via (a) initial research to establish potential and required standards of product style, quality and price, (b) adequate test marketing, (c) institution of market-knowledgeable distribution arrangements and (d) maintenance of constant liaison and customer contact.

Selection of target markets will normally be made from pre-market-entry consideration of basic factors to give a first indication of possibilities and potential:

- (a) General economic conditions, trends of per capita GNP, levels of consumer spending.
- (b) Domestic consumption, in value and volume, of concerned product(s).
- (c) Market dependence on imports - and trends.
- (d) Profile of competitive imports and sources - and trends.
- (e) Import duties and quotas; other restrictions and imposts.
- (f) Patterns and trends of wholesale and retail distribution.
- (g) Best methods of market entry, e.g., direct selling, via importer/wholesaler, via agents.

Well-directed selling must relate to established patterns of distribution. In all the target markets these patterns differ to lesser or greater degree, but in every case distribution is retailer dominated. Retail buying is highly efficient, organized and disciplined. Whilst always commercially concerned to evaluate and consider new products

and readily approachable supply sources, retail buyers (to whom price is not the single decisive factor) must have reliability of supply and will transfer business from an established, reliable supplier elsewhere only when assured of equal reliability and immaculate sales servicing. Establishment of this level of confidence may take persistent sampling and sales attention for several seasons and so substantial business should not be quickly expected. Repeat business will not ensue if bulk is not up to sample, if deliveries are late or if required 'fill ups' are not quickly available within the concerned retailing season. Methods of payment, conditions of order and late delivery forfeits are rigidly applied. 'In and out' selling and 'special offers' are not normally welcomed from unknown suppliers nor if intrusive upon the closely programmed and tightly budget-controlled methods in general application.

Given maintained product acceptability and competitiveness, bulk retail buyers offer continuity of business based on mutual acknowledgment by themselves and their suppliers of inter-dependence and co-operation. Buyers are very product-knowledgeable in their various specialized fields and will often specify styles, designs, materials and production methods, expecting compliance by suppliers. It must be remembered that buyers in the markets under review always have an immense choice of supplies and suppliers - particularly in the leather products' sector.

Direction of selling in reflection of the pattern of distribution in a market calls for pre-study. For instance, in one European market 80 per cent of all footwear is sold by specialized retail multiples. Sales approaches must, therefore, be made to individual buyers, calling

for identification by research inquiry, with samples compatible with the type and class of trade to which the organization caters, which aspect also must be researched.

Exporters also need to advise themselves of factors influencing retail and consumer buying in target markets for consideration in connexion with selling programmes and policies. Some of these are:

- Sampling and buying seasons, lead time for retail buying and delivery to meet consumer buying.
- Customer preference for leather products. Style and fashion influences.
- Popular price bands.
- Wholesale and retail price structures and required profit margins.
- Importance and influence of brand names.
- Consumer reaction to promotion; effective types and channels of promotion.
- Influence of product packaging.
- Bulk packaging requirements.
- Back-up stock and repeat order requirements.
- Stockholding/warehousing and inland transport facilities.
- Bulk and broken bulk delivery requirements.
- Methods of doing business; conditions of order, payment terms, discounts, failed delivery forfeits, samples required free, pay-basis terms for extended sampling, etc.

Although by no means exhaustive, the foregoing illustrates the market knowledge necessary in preparing for market entry, establishing and maintaining a successful presence within it.

Possibilities of making market information and research services available are considered in Section I B: Conclusions and Recommendations.

2. Lack of know-how and experience of export marketing

The considerable export effort made by developing countries is resulting in significant market shares in high consumer-spending power markets and is highly commendable, meriting credit to those individual manufacturers who have contributed to this performance. Many importers have paid tribute to the care taken to provide the products and services which their demanding markets insist upon. It is important to stress in this context that exporting manufacturers who have done best are those who have shown flexibility in adapting to the requirements of their customers and who have entered the market with the desirable attitude of being prepared to make what the market wants instead of the reverse. In order that present exporters who have not yet met with looked-for success and new exporters may benefit from past experiences of others, this section summarizes major problems met by developing country exporters as reflected by the views of the leather and leather goods trade, collected through interviews with importers and users of part-processed and finished leather, and importers, agents, wholesalers and retailers of leather goods.

These comments could be used as a checklist against which the suitability and acceptability of the goods and services offered can be compared. It needs to be stressed that the comments made are based on purely commercial considerations serving as a basis for the placing of orders and continuity of business relations. In other words, the market place expects to have the right article, at the right price, at the right time. These are the yardsticks against which any supplier's performance is evaluated.

(a) Use of raw materials

Wrong type of raw material is used for a given item. Sometimes high quality raw material is wasted through poor manufacturing or supposedly high quality products are manufactured from poor quality raw materials. This often results in complaints from the ultimate consumer and results in loss of confidence in the supplier.

(b) Product mix

The products offered from developing countries tend to be concentrated at high-volume lower-quality ranges narrowing the importer's choice and creating over-supply of specific product types.

(c) Quality criteria, productwise

Leathers: Colours are not uniform within a bulk delivery, which is bad for shoemakers and garment-makers. Colours are not dye or light-fast. Tanning and dyeing are not up to standard for very cold countries; they are prepared to withstand temperatures down to only -5°C . when they should be stable to -40°C . Surface cracking results as well as precipitation of tanning materials. This is a subject of serious concern to garment-makers in, and for use in, cold northern markets. Finished leather is often made from raw material not suitable for the purpose for which the leather is intended. Finishing standard of good raw material based leather is often bad.

Shoes: They are often made from ill-matched upper leather. Sole leather is often too spongy and not durable. Linings ruck due to inefficient adhesive and closing. Patterns are often badly graded over the size ranges. Sock stamping and branding are not prestigious enough. Sizing and fittings are not precise.

Garments: Styling is out of date. Patterns are not graded to Western conformities. Sizes are inexact. Linings, buttons and other trims are of poor quality. Skins used in any one garment are often badly matching in colour. Washable/dry-cleanable leathers are wanted.

Maroquinerie: Making quality is uneven and often poor. Linings, zips, closures, etc. are of poor quality. Leathers used for any one batch of a similar line are not uniform.

The above suggests inadequacies in quality control leading to difficulties in maintaining required quality standards.

(d) Identifying and meeting market requirements

Efforts to identify market and marketing requirements are often insufficient. Likewise, the necessary flexibility to respond quickly to changing market requirements is often missing.

(e) Product development

Exporting countries, so far, have shown little or no initiative in suggesting new product designs or product ideas.

(f) Export marketing organization and practices

New exporters in particular lack the necessary organizational machinery and know-how to cope effectively with all aspects of export marketing, including packaging, transport, supervision of shipments, export documentation, etc. as required for timely delivery.

A summary of the views expressed by a number of importers, agents, buyers, etc. will be found in appendix II.

3. Current trading climate

Although it is not the purpose of the present survey to analyse and express an opinion on trade policy measures applied by developing and developed countries in respect of hides, skins, leather and leather products, the survey would not be realistic without a reference to the current, tense trading climate characterized by protectionistic pressures in many industrialized countries faced with serious problems in their leather and leather products industries and trade following large-scale imports from developing countries as well as problems in obtaining adequate supplies of raw materials due to restrictions on exports.

The simultaneous sales efforts of several developing countries have, in fact, led to a situation where the limit of the absorptive capacity of several developed target markets has been reached or exceeded, resulting in difficulties for their leather and leather products industries, including considerable unemployment.

The competitive advantage of the developing countries' leather and leather products industries stems to a large extent from differences in wages, working conditions, social security standards, etc. In addition, some of the major exporters among the developing countries are allegedly applying export incentives or similar measures designed to reduce export prices, e.g., through tax exemptions, preferential transport rates, drawback at a higher rate than the amounts of duties and charges actually paid, etc.

To avoid disruptive effects of such competition, which is particularly severe in the case of the footwear industry, some of the major importing countries have introduced import restrictions, including

countervailing duties equivalent to the estimated amounts accruing from the measures concerned. The governments of other countries are at present exposed to heavy pressure from the trade organizations representing their leather and leather products' industries and from their trade unions which are urging them to introduce restrictive measures.

As a result of the import restrictions introduced by some of the major importing countries, exports from the developing countries are now increasingly diverted to those import markets that still remain open. The traditional exports from several developed countries are also affected by the above-mentioned restrictions. As the markets of the developing countries are also protected by means of duties and quantitative restrictions, it is estimated that three-quarters of the world's shoe manufacturing capacity is already protected by import restrictions.

A further difficulty arises from the restrictions on the exports of hides and skins imposed by many developing countries through the prohibition of exports or the introduction of export quotas or export duties, which tend to distort trade in a way that might affect the rational and efficient development of the leather and leather products' industries worldwide.

In these circumstances, representatives of the tanning industries and leather products' industries (in particular, footwear industries) of the industrialized countries are actively engaged in discussions

both at the national and international levels of measures that could be adopted in order to bring about a more orderly development of world production of and trade in leather and leather products.

Thus, representatives of the national associations of footwear manufacturers of 18 industrialized countries agreed at a meeting held in Brussels in September 1978 "to request their Governments, in consultation with their respective domestic footwear industries, to undertake as soon as possible international negotiations with a view to:

- securing liberalization of world trade in hides, skins and leather;
- harmonizing their trade policies on a multilateral basis and notably to establish international rules which could be included in an international arrangement aiming at the harmonious and orderly development of world trade in footwear, while avoiding market disruption."

Besides international co-operation and coordination at trade level, such negotiations between the governments of developing and developed countries might help to ensure a coordinated harmonious development of their respective industries with a minimum of disruptive effects, to their mutual advantage in the long term.

C. Suggested long-term strategies for export marketing

Planning of effective export marketing strategies for the leather and leather products of a developing country has pre-requisites which may be summarized simply as:

- (a) Realistic appraisal of raw material qualities of the leather that will be produced;
- (b) Realistic appraisal of its manufacturing capability as to type and quality of leather goods and manufactures;
- (c) Information on world demand and on individual markets and areas.

Results of the UNIDO world study will doubtless provide considerable guidance as to (a) and (b) above - both globally and in respect of individual countries. Little is currently available in respect of market information of the content required. The following section provides suggestions on how information might start to be collected and as to how it could flow to interested parties.

Once initiated, the processes of information provision and appraisal should be continuous for purposes of monitoring and adjustment to the direction of the marketing drive.

Outlook for trade in leather and leather products is universally favourable over the long term. Strategy planners might bear this encouragingly in mind as they necessarily assume the two-fold responsibility of (a) contributing toward world-wide promotion of leather and expansion of markets and (b) guiding, through carefully planned progression, the advancement of their national industries to optimum levels.

Attitudes to marketing must be elevated to appreciation of international situations and trends all over the world and policies adapted accordingly. Present trading policies are, however, understandably over-concentrated on to the higher consumer spending areas. Pressing for comparatively quick returns from sales on sophisticated easy access markets via advantageously low-priced merchandise and the urge for foreign exchange may now be seen to be a too narrow-fronted approach in the strategic sense. It is now timely to adapt

to new perspectives and to adopt policies which will embrace both attending to existing business and the propagation of trade relationships.

Whilst present major consumer markets will sustain a high level, their digestive capacities are limited and their growth rates are slowing. Intensive competition has built up within them between national and foreign suppliers and between foreign suppliers themselves.

The situation will grow more tense and precarious as more and more products stream from increasing and from new productive capacities in the developing countries.

New and emerging markets must be prospected, evaluated and opened up. This calls for some diversion of the effort and energy, which created the dynamics of present trade, in order to establish new horizons.

Here is a common strategic problem and a compelling case for the leather industries of the developing countries to come together into practical co-operation and joint activity to secure their future. Indeed, it is a case for the combining of effort by ALL world tanners, wherever located. The cause is one with which all can identify and fruitfully collaborate.

The task of assessing the demands of world markets which have not yet assumed a profile and of those markets still to emerge, including the domestic markets in the developing country concerned, is formidable but it should be tackled. If all concerned align themselves at the standpoint that there is usage and demand for all the leather that can be produced and acknowledge this as a common universal interest, then the greatest strategic barrier to expansion of markets and to the general prosperity of the leather and leather products industries of the world will have been surmounted.

Such a global strategy, designed to increase and expand markets, creates opportunity for the promotion of products world-wide as well as of the industries of individual countries.

Broad indications of strategies required for the different types of products are given in the sections on "World imports of leather and leather products" and "Conclusions and recommendations".

Guidance for individual countries and for producers of individual types of leather and leather products in each country cannot be specifically given until a realistic inventory of actual leather-making potential is made and set against a soundly projected future market situation. The latter will hopefully come about through international co-operation and realization of interdependence.

Individual national programming based on critical self-analysis and assessment of resources and potential production capability is, therefore, seen as a necessary early step in furthering orderly progressive development. Such action would benefit greatly from the assistance of experienced leather industry strategists.

D. Information on prices of raw hides and skins

1. Industrialized countries

Prices of hides and skins on the open world market are established by an interaction of three main factors: quantities available and their quality, on the one hand, and demand, on the other. This raw material is traded through well-organized, well-established channels. In Western Europe and North America the main channels of distribution are:

(a) Hide and skin merchants and exporters: These firms act as valuable intermediaries between the raw material producer and the user (the tanner). Long years of experience and personal contacts in countries of origin and in user markets enable the purchase and supply of raw material most suitable for the type of leather required to be produced. Traders in this sector are a useful source of information (as well as being invaluable as sales outlets) on price trends, supplies and international requirements at any given time. Leading centres are located in Rotterdam, Hamburg, Chicago, New York, Paris and London. Firms operating in the trade are listed in leather and allied trade directories and they are usually represented at leather trade fairs.

(b) Public auctions: These are held, usually at monthly intervals, in various established centres including Paris, Frankfurt, Essen, Wiesbaden, Zurich, London, Birmingham and Manchester. Quantities offered at auctions vary considerably; lots are sometimes withdrawn and later sold by private treaty. Prices obtained at auction are published by the auctioneers and circulated to interested parties.

(c) Co-operatives: In certain countries, notably in Scandinavia, slaughtering is organized through co-operatives. Hides and skins from this source are sold centrally through selling organizations.

As with quantities, prices vary considerably over a wide range according to grade, selection and demand. When assessing prices it is important to bear in mind the basis of the quotation, i.e., whether ex works, c.i.f., c. & f., f.o.b., inclusive or otherwise of salting, handling charges, etc. It is, therefore, pertinent to point out that a comparison of prices across frontiers is hedged about with many qualifications and provisos. It is thus prudent to chart and observe trends over an extended period, especially since factors such as seasonal variation in slaughter and external influences such as strategic stockpiling and currency speculations also affect the market.

Generally, information on prices of raw hides and skins is best obtained from trade sources in the country of origin. Prices are regularly published in the leather trade press of the United States, the United Kingdom, Italy and the Federal Republic of Germany, weekly or monthly. Daily information on world prices is obtained from press agencies such as Reuter's on a subscription basis (Reuter's Comtel Service). A list of trade journals regularly publishing prices will be found at the end of this section (p. 36). The United Kingdom publication 'LEATHER', with wide international circulation, in recognition of the need for comprehensive price information, plans extensive extra coverage by the institution in 1979 of a specialized price service in the form of a 'Market Newsletter'. Details may be obtained from the journal.

2. Developing countries

In developing countries not engaged in raw hides and skins export and/or having no industrialized meat production and/or with poor transport facilities from widely dispersed herd-and flock-rearing areas, hides and skins often come on to the market in uneven volume and unpredictable quality

patterns. They can pass from hand to hand via itinerant traders, sub-agents, agents and small local collectors at prices of opportunism until they reach a collection centre where expert grading and sorting can be applied and contact with world buyers can be made; it is at this stage only that a fair commercial price can be set, usually a considerable period of time after slaughter and sale of the hide or skin by the producer.

Understandably, such producers wish to have some guidance as to the prices their hides and skins will fetch. However, with the supply flow depending on small and sporadic contributions from widely dispersed areas, as described, it must be appreciated that organized export trading cannot occur until marketable quantities are received, ideally at a port of exit, graded, 'parcelled' and offered to international buyers.

In the long term, the many national programmes for herd and flock improvement and faster communications will result in better organization and enhanced quality and, therefore, better prices plus opportunity to trade in a more stable and regularized manner. In several developing countries which are erstwhile exporters of raw hides and skins, a notable contribution towards stability and achievement of optimum prices has been given by exporters and merchants who have opened up-country local collection centres and provided instruction on flaying, drying and curing in a constructive effort to improve quality and procurement. In this connexion, the importance of concentrating attention on herd and flock improvement cannot be over-emphasized. As stated recently by the Director of the British Leather Manufacturers' Research Association, '... many countries in the developing world would find their export earnings increased very substantially if the quality of the hides they produce was improved. Indeed, in many cases, the increase would surpass the added value being provided by simply tanned or finished leather from current raw stock.'

3. Scope for action at international and national levels

As stated above, information on raw hide prices for material sold on the open, free market is readily available. Its collection and dissemination to interested parties in developing countries could feasibly become a service function of the proposed regional and subregional centres. Larger individual enterprises can obtain the required information quickly and directly by subscription to the informational sources quoted. Price information on restricted markets is not easily obtainable on a regular basis and in any case cannot give reliable indications of true market values and so is misleading to those not able to have access to the material concerned.

Producers in countries where the herd and flock resources are widely dispersed cannot obtain timely practical guidance on world price trends for the reasons described; further attention to the organization of collection and to the improvement of quality and treatment will solve their problem. This is obviously a long-term process of development but one of extreme importance to the primary producers and to the whole leather industry world wide: for example, in one of the greatest resource countries of hides and skins, up to 25 per cent of potential availability is now wasted due to unorganized collection.

List of published sources of price information on hides and skins

LEATHER & SHOES

(Language English)

(Monthly)
1800 Oakton Street
Des Plaines
Illinois 60018
United States of America

Publishes monthly report on the markets for leather and hides and skins. Sectionalised into analytical comment on SIDE LEATHERS, CALF LEATHER, SHEEP LEATHER, SPLIT LEATHER, SOLE LEATHER, SOLE LEATHER OPTAL, MAJOR PACKER HIDES, SMALL PACKER HIDES, COUNTRY HIDES, SHEEPSKINS, FOREIGN HIDES AND SKINS and CALFSKINS AND KIPSKINS. Publishes tables of Leather Price Trends and tables of monthly average prices of BIG PACKER HIDES and CALFSKINS, KIPSKINS AND COUNTRY HIDES.

LA CONCERIA E LE MANIFATTURE DELLE PELLI (Language Italian)

(Monthly)
Via Monte Napoleone, 21
20121 Milano
Italy

Publishes a monthly supplement of hide and skins prices covering domestic raw stock, European hide markets, South Africa, Ondia, New Zealand, Australia, Kenya, Ethiopia, Chicago and New York. Occasional charts showing price trends.

LEDER-UND HAUTEMARKT (Weekly)

(Language German)

18-24 Stuttgarter Strasse
Frankfurt am Main
West Germany

Publishes weekly hide market prices at markets in Europe and East Indian Tanned Skins (Madras).

LE CUIR

(Language French)

Weekly
54 Rue Rene-Boulanger
Paris
France

Publishes weekly market reports on results of European hide and skin auctions.

SHOE AND LEATHER NEWS

(Language English)

Weekly
84-83 Great Eastern Street
London EC2

Weekly hide and skin auctions results from British centres. Prices of hides in North America, New Zealand, Australia, East Africa, South Africa, South America, Western Europe (Danish and Dutch Cows).

LEATHER

(Language English)

Monthly
Sovereign Way
Tonbridge

Prices on hides at markets in Argentina, Australia, Chicago, South Africa and European markets: Sheepskins at Durban and Port Elizabeth.

LEATHERS

(Language English)

Monthly

Leather Export Promotion Council

Marble Hall

3-38 Vepey High Road

Madras 600-003

India

Publishes a hide and skin prices guide attributed to Pratt's Daily Hide and Leather Market Report, Chicago. Market quotations for Tanned Goat Skins, Tanned Sheep Skins, Tanned Cow Hides, Tanned Cow Calf Skins, Tanned Buffalo Hides, Tanned Buffalo Butts and Tanned Buffalo Calf Skins.

THE TANNER

(Language English)

Monthly

523, 33rd Cross

10th Main Road

4th Block

Jayanager

Bangalore 560011

India

Publishes trade and market reports.

Leather prices

In view of the infinite variety of leather qualities and end-uses, leather prices cannot be categorized. In Western Europe and North America prices are a matter for personal negotiation between producer and leather user. Since they are based on replacement values, prices usually reflect the trend of the raw material market some months previously.

E. Information on market requirements for leather and leather products

1. Information required

Failure to beam the selling effort on to achievable target is a problem of many developing country exporters. Investigation shows that this is mainly due to lack of market information and knowledge. The nature of the information required is illustrated in section B:1 of this report. Its importance is such that the subject merits further analysis to pinpoint ways in which developing countries can obtain reliable market intelligence and fashion feed-back information.

Fruits of the efforts made by developing countries to exploit the trade potential that lies in their indigenous resources of hides and skins are now greatly evident in the shape of products and production capacities. Whilst problems of achieving product and service improvement and sophistication are now pressing, it is of even greater and abiding concern to realize the profitable disposal of merchandise already available or becoming available. While sales have so far demonstrably been conducted without programming in relation to consumption capacities and trends on world markets, orderly and disciplined marketing must now be instituted in the overall interest of realisation of the potential that is being created.

One of the major conclusions of this investigation is the urgent need for provision of market research, information and continuing observation on an adequate scale and expertly applied for guidance of each and all developing countries at all present and future stages of progression.

Costs and methods of providing the above-mentioned service present problems of organisation and financing and also of selective channelling so that the right sort of guidance goes to the needful quarter. Countries which export through

official or para-statal agencies will need information of a different type than, say, a recently emerging developing country at its very early stage of leather industrial development. Other countries may not need, say, sales-oriented research but guidance on new markets and product development. Central provision of the needed service may not always be feasible for international agencies to institute. Similarly so, but for different reasons, in cases of individual nations or industrial enterprises. Practical suggestions towards part solution of the problem may be found in the following paragraphs.

2. General information on foreign markets

General information on export markets is usually readily available from various officials and reference sources, e.g., in national trade information services, chambers of commerce, foreign embassies, etc. They could also be collected by and distributed from a central point at comparatively low cost. A list of such typical information, much of which is obvious but essential, is reproduced below as a practical check list for potential exporters:

Area and geographical features

Population

Principal cities, towns and purchasing areas

Language

Weights and measures

Official public holidays

Hours of business

Local time

Passports and visas

Health regulations

Currency, currency regulations, currency declarations

Customs formalities and regulations

Travel routes to and within the country concerned

Postal, telephone, telegraph and telex facilities

Per capita income

Industry

Imports and exports

Banks

Import and exchange control regulations

Tariff

Taxes

Import Licensing

Documentation

Commercial samples

Forwarding and clearing agents

Labelling and marking regulations, indication of country of origin
and materials used, size marking

Safety and technical regulations and standards

Methods of doing business

Appointment of agents

Agency legislation

Rules of competition (e.g., in EEC)

Overseas status information

Standards of retail practice

Consumer protective legislation

Buying seasons

Correspondence and trade literature

Price quotations

Terms of payment

Delivery dates and requirements

Debt collection

Port, warehouse and duty-free-zone facilities

Patents and trade mark regulations and practices

Advertising and promotional media

Trade fairs

Official and commercial organizations

Government trade and industries ministries

Chambers of trade

Trade associations

Official information services

3. The role of national trade organizations

Provision of specialized information could be encouraged at the national level. An essential prerequisite for the efficient collection and dissemination of such information is the existence of a competent trade organization representative of firms engaged in the sector concerned - leather production, footwear production, leather clothing production, etc. Such an organization should be an organization of industrialists, able to act and negotiate on behalf and in the interest of its members. Initially, in the smaller or less advanced nations, for reasons of economy, multi-representational leather and allied trades' association would be adequate.

4. The role of the International Council of Tanners

As the tanning and leather products industries of the world are increasingly aware of the need for self-motivated, coordinated action in the common interest, wider international/regional co-operation and organization could go a long way to facilitate the provision of practical aids and services, such as marketing guidance. Some tanners in developing countries, increasingly acknowledging the need for international association and consultation, are turning to the International Council of Tanners for this purpose. Membership of the Council, which was founded in 1926, now covers some 27 countries and is open to national associations of leather producers which fulfil conditions laid down in its statutes. Regular meetings are held at different venues for discussion and exchange of views on matters of trade interest, including promotion. The Council is responsible for instituting the now famous leather mark, focus and symbol

of leather throughout the world. The Council's activities, aims and present membership are described briefly in appendix III to this report. The scope of the Council's activities could no doubt be expanded to embrace marketing and supply of market and fashion information.

5. Scope for international co-operation

Ongoing surveys and studies by FAO, etc. of hide and skin resources in developing countries could be more closely linked to leather research and tanning technology centres, with a view to carrying out an inventory of the actual leather-making potential. When matched against the quality of national production - as gradually improved - and against world market needs (monitored and reported through growing international leather trade collaboration), feasible marketing policies can be indicated in advance with obvious advantages.

International collaboration between tanners and leather users, as is normal in industrialized countries between firms, between trade associations and via common membership and funding of technical, training and research centres, will obviate many problems and assist materially in the optimum matching of products to purpose and market requirements.

6. The role of regional centres

Regional and subregional centres could act as area collection bases for market information stemming from outside sources of all types, could collate, sub-edit and disseminate to area constituents. Whatever job specifications are to be drawn up for the staff of regional and subregional centres, an apparent necessary qualification is some knowledge and appreciation of leather trade at the international level so that incoming information and data are properly evaluated, dissected and circulated effectively.

APPENDIX I - RECENT TRENDS IN WORLD TRADE IN LEATHER AND LEATHER GOODS

Part I - SHORT SUMMARY OF TRADE DEVELOPMENTS
(cf. Note on statistics, page 8 above)

I. General pattern of world trade in leather and leather goods

The value of total imports into the major industrialized and developing countries (representing some 85 per cent of total world trade) of leather and leather goods taken together rose from \$2.8 billion in 1971 to \$6.4 billion in 1975 and is estimated to have reached some \$9.6 billion in 1977. As complete trade figures in terms of volume are not available (and, where available, not always comparable), no detailed analysis can be presented in terms of volume. The lower growth rates achieved in 1974 and 1975 in terms of value do, however, reflect the impact of the economic recession, which was followed by a sharp increase in imports in 1976 and, at least as regards leather products, also in 1977.

Some 95 per cent of total imports of leather and leather products went to the industrialized countries, while imports into the developing countries* represented a small but gradually increasing share, estimated at some \$500 million in 1977, i.e., a little more than 5 per cent of total imports. The most important importers among the developing countries were, on the one hand, some of the more developed countries, such as the Republic of Korea (mostly raw material), Hong Kong, Singapore and Brazil and, on the other, several oil-exporting countries, e.g., Libya, Nigeria, Iran and Venezuela.

*N.B. This refers to 16 of the 18 countries included in the second ITS series (18 developed and developing countries), as Spain and Yugoslavia are excluded.

Total imports from the developing countries of leather and leather products combined rose from \$0.5 billion in 1971 to \$1.7 billion in 1975 and are estimated to have reached \$3.0 billion in 1977. Their share in total world supplies thus increased from 17 per cent in 1971 to 31.5 per cent in 1977. These developments are illustrated by tables 1A and B in the statistical part of the present appendix.

While leather imports (\$2.15 billion in 1977) represented some 22 per cent of total combined imports, footwear which is by far the most dynamic export product in value terms, accounted for \$4.7 billion, i.e., around 50 per cent of total imports. Nearly one-third of all leather imports were drawn from developing countries, as against 22 per cent for leather footwear. Travel goods, handbags, etc. accounted for some 15 per cent of total imports in 1977 and leather garments for about 12 per cent. It is worth noting that imports of the two latter categories rose fourfold from 1971 to 1977 and that supplies from developing countries accounted for as much as 43 per cent in the case of travel goods and 54 per cent for leather apparel. The market for harness-makers' goods is small compared with the other categories, less than 1 per cent of total imports, but has shown steady growth during the period 1971-1977, except for a sharp drop in 1975.

In terms of volume, leather imports fell sharply in 1974 and slightly in 1975. After a marked recovery in 1976, the import value increased only modestly in 1977, reflecting supply difficulties experienced by several developing countries, as was the case with imports of hides and skins.

II. World trade in leather

A. Major importing countries

The development of world imports of leather - as compared with imports of hides and skins - is illustrated by tables 2 and 3, which show imports into the major importing industrialized and developing countries in 1972 and 1977.

Total imports of leather into the 20 largest importers among the industrialized developing countries rose from \$1.0 billion in 1972 to \$1.9 billion in 1977. The corresponding figures for hides and skins were approximately the same, i.e., \$1.1 billion and \$1.8 billion, representing growth rates (in terms of value) of 95 per cent and 73 per cent, respectively, over the five-year period.

The EEC countries represented the largest market area, together accounting for \$1.2 billion, or nearly two-thirds of total imports of leather in 1977, and \$1.0 billion or 56 per cent in the case of hides and skins. The EFTA countries, which import mostly leather, accounted for 10 per cent of total leather imports in 1977 (\$192 million) and 4 per cent of total hides and skins imports (\$73 million). While the Federal Republic of Germany, Italy, France, the United Kingdom, the United States and the Netherlands are the most important importers of leather (together \$1,288 million in 1977), Italy, Japan, France and Spain are the largest markets for hides and skins (together \$1,192 million in 1977) followed by the Federal Republic of Germany, the United Kingdom and the United States (\$301 million).

Total leather imports into the nine largest importers among the developing countries rose from \$25 million in 1971 to \$117 million in 1975 and is likely to have exceeded \$200 million in 1977. The Republic of

Korea and Hong Kong together imported leather for \$171 million in 1977 as against \$97 million in 1975 and \$16 million in 1971. The Republic of Korea has also increased its imports of hides and skins sharply (\$130 million in 1977, as compared with \$51 million in 1975 and \$4 million in 1971). Apart from Brazil, Singapore and Egypt, the other importers are mostly oil-exporting countries, e.g., Iran, Nigeria and Venezuela.

B. Imports by origin

Approximately one-third of total leather imports into the 18 industrialized countries was drawn from developing countries throughout the period 1972-1977. The corresponding share for the 18 developed and developing countries was on average 25 per cent (oscillating between 25 per cent and 30 per cent).

The origin of total imports into the 18 industrialized countries of leather and of hides and skins is illustrated by tables 4A and B. A further indication of the share of imports into the largest importing countries is given in table 6. The corresponding information for the other 18 countries examined will be found in tables 5 and 7.

Nearly 60 per cent of total leather exports to the 18 industrialized countries came from six countries in 1977, i.e., Italy, \$285 million; India, \$195 million; France, \$173 million; the Federal Republic of Germany, \$167 million; the United Kingdom, \$136 million and Argentina, \$125 million. Among other important suppliers were the United States, Brazil, Belgium, the Netherlands, Pakistan and Bangladesh. Italian supplies in 1977 were four times as large as in 1972. Among the developing-country suppliers, substantial increases were recorded for

Argentina (up \$68 million), India (up \$66 million), Brazil (up \$49 million) and Bangladesh (up \$26 million).

Italy and the United Kingdom are maintaining a high share (some 60 per cent and 50 per cent, respectively) of supplies from developing countries. The United States has gradually increased its purchases from developing countries (42 per cent in 1972, 55 per cent in 1977), while their share in French leather imports is declining (55 per cent in 1972, 36 per cent in 1977). In the Federal Republic their share is traditionally about 20 per cent, as against some 10-14 per cent for the Netherlands. Canada has increased its imports from developing countries from 6 per cent in 1972 to 13 per cent in 1977. Spain and Yugoslavia have also increased their imports from developing countries sharply, with their share rising, respectively, from 30 to 80 per cent and from 37 to 46 per cent.

The leather imports of the 18 developed and developing countries (ITS, second series) amounted to \$173.4 million in 1975. As shown in table 5, nearly three-quarters of all imports in 1975 were coming from five countries: Japan 44 per cent, the United States 11 per cent, Pakistan 7 per cent and Italy and India 6 per cent each. France, the Federal Republic of Germany and the United Kingdom together accounted for 10 per cent and four Latin American countries (Argentina, Brazil, Uruguay and Colombia) for about 6 per cent.

Among the major leather-importing developing countries, Singapore shows the largest increase in imports from other developing countries (their share growing from 21 per cent in 1971 to 61 per cent in 1977). The Republic of Korea, on the other hand, drew only 2 per cent of its total imports in 1977 from other developing countries, as compared with 13 per cent for Hong Kong.

C. Major leather categories imported

Bovine leather, including calf leather, accounted for 56 per cent (\$1,022 million) of total leather imports into the 18 industrialized countries in 1977 (48 per cent in 1972), the major share (46 per cent) being "other bovine leather than calf leather". Leather of sheep and lamb represented 14 per cent of total imports (or \$259 million) and goat and kid leather a little over 10 per cent (\$187 million). Imports of bovine leather and calf leather increased very sharply from 1972 to 1977, i.e., by \$488 million and \$80 million, respectively. These developments are illustrated by table 8. The corresponding data for hides and skins are provided in table 9.

D. The Federal Republic of Germany

1. Trade developments

As indicated above, the Federal Republic is the world's largest importer of leather, with total imports amounting to \$376 million in 1977, 21 per cent of which was supplied by developing countries.

Apparent consumption fell significantly in 1974-1975, but rose sharply in 1976, as shown in the table below:

Apparent consumption of leather

Value: DM million

	1971	1972	1973	1974	1975	1976	1977
Domestic production	902	1,028	899	827	775	972	979
+ Imports	468	678	612	600	622	803	875
- Exports	238	295	297	275	246	365	399
Apparent consumption	1,132	1,411	1,214	1,152	1,149	1,410	1,455

Source: Federation of German tanners and ITS.

A detailed analysis of imports by type of leather and country of origin in terms of volume and value will be found in table 10.

2. Import channels

For their supplies of leather, German tanners/finishers buy both directly and via importers. Those buying direct are, in the main, the larger organizations and sales through this channel are estimated to amount to 10-15 per cent of total imports.

At least 50-60 per cent of leather imports is bought through importers and this sector is recommended to the developing countries as being a well-proven distribution channel by which they should approach the market. Many of the major importers are situated in Hamburg and are members of "Verein des Hamburger Häute und Felle Einfuhrhandels" to whom approach can be made for introduction to major importers.

Two important fairs are held each year at Pirmasens, one in May and the other in November - Pirmasenser Lederwoche. These offer an ideal opportunity for making initial contact with importers, as well as providing an excellent window for the German leather market.

E. The Italian market

1. Trade developments

Italy is the world's second largest market for leather, with imports amounting to \$278 million in 1977, 58 per cent of which was supplied by developing countries. The Italian tanning industry is, however, still very important and imports of hides and skins are the largest in the world (\$492 million in 1977, 20 per cent of which, i.e., \$100 million, came from developing countries).

Apparent consumption of leather increased sharply in 1976, but showed a 15 per cent decrease (in volume terms) in 1977.

Apparent consumption of leather

Quantity: million square feet

	1974	1975	1976	1977
Domestic production	884.5	990.5	1,350.5	1,121.8
+ Imports	370.1	379.7	689.0	676.3
- Exports	135.2	147.6	161.8	202.6
Apparent consumption	1,119.4	1,222.6	1,877.7	1,595.5

A detailed analysis of imports by types of leather and by origin will be found in table 11. India is by far the largest supplier of goat leather, Argentina of bovine leather, Pakistan of calf leather and France of sheep and lamb leather.

2. Qualitative requirements

The qualitative demands of Italian industries using leather are exacting and make market access difficult for exporters of finished leather. Italian finishing techniques are probably the best in the world - particularly for high quality, comparatively small-run leather product manufacture typical of this country. Part-processed leather from developing countries is thus a growing market with both tanning and finishing enterprises: tanners now cut off from erstwhile supplies of raw material from developing countries are adapting to the finishing only of part-processed versions from the same sources. Familiarity with the peculiarities and characteristics of the raw has given Italian producers possibly unmatched expertise in its finishing.

Italian tanners and finishers offer technical co-operation to suppliers of part-processed material to ensure compatibility with their own processes: good opportunity thus exists for opening business with prospects of lasting continuity, especially for developing country suppliers dealing with low-quality raw material which they cannot finish to acceptable standards for exporting. There are also possibilities for joint ventures and contract finishing - avenues which merit purposeful investigation. The latter possibility (contract finishing) holds further prospects of re-exporting and thus expanding marketing potential.

3. Import channels

Reflecting the fragmented constitution of a large section of the Italian tanning industry, the major proportion of import trade is handled by agents who perform a vital function - a factor to note when seeking to open up business with the Italian market.

Exporters of finished leather should note that 80 per cent of Italian-produced leather is sold direct to the makers-up (shoe, maroquinerie

and garment manufacturers), but that most of the imported leather bought by these users comes from specialist agents. Italian agents are well served by their trade associations which are listed, as are the agents themselves, in trade directories.

F. The French market

1. Trade developments

France is also an important manufacturer of high quality leather products and imports large quantities of both leather and hides and skins; her imports of leather in 1977 amounted to \$194 million, 36 per cent of which came from developing countries. The corresponding figures for hides and skins were \$213 million and 15 per cent. France is also a sizable exporter of leather with a traditional export surplus, up to 1975.

Foreign trade in leather

Value: US\$ million

	1972	1973	1974	1975	1976	1977
Imports	101.6	127.9	119.8	131.2	176.4	193.5
Exports	151.1	175.7	170.1	144.2	168.9	n.a.
Trade balance	+49.5	+47.8	+50.3	+13.0	-7.5	

India is traditionally the largest supplier among the developing countries, followed by Argentina, Brazil, Bangladesh, Nigeria and Pakistan.

A detailed analysis of France's imports of different types of leather products by origin will be found in table 12.

2. Import channels

Leathers imported into France are normally sold in two ways:

- (a) Through importers or 'négociants' who act either as buying agents or purchase speculatively on own account.
- (b) Direct to user, that is to finisher-tanneries and 'mégisseries' and to footwear and garment manufacturers. However, the latter present difficulties to developing country suppliers in matching up to the end-user's demands for colour, quality, etc.

The best occasion for making contact with the market is the Semaine de Cuir held annually in Paris, in September. Regular visits to this exhibition are essential.

G. The market in the United Kingdom

1. Trade developments

Leather imports into the United Kingdom amounted to \$172 million in 1977, 51 per cent of which coming from developing countries. The corresponding figures for hides and skins were \$101 million and 12 per cent. Exports of leather are also considerable and the United Kingdom is traditionally a net exporter.

Apparent consumption of leather

Value: £ million

	1971	1972	1973	1974	1975
Domestic production	93.0	124.0	143.0	138.0	158.0
+ Imports	30.0	38.0	54.0	42.0	49.0
- Exports	34.0	41.0	49.0	53.0	53.0
Apparent consumption	89.0	121.0	148.0	127.0	154.0

Source: ITC.

India is the largest supplier among the developing countries, followed by Argentina, Brazil, Bangladesh, Nigeria and Pakistan.

A detailed analysis of imports by types of leather and by origin will be found in table 13.

2. Import channels

Imports of leather into the United Kingdom are mainly channelled through the well-established agents and own-account importers, the more important among which are members of: Skin, Hide and Leather Traders Association, 69, Cannon Street, London EC 4N 5 AB, to whom inquiries may be directed.

H. The United States market

1. Trade developments

The United States leather imports in 1977 amounted to \$159 million, 55 per cent of which from developing countries. Imports of hides and skins were in the amount of \$96 million, half of which was supplied by developing countries. Exports of leather are also important, but the United States is traditionally a net importer. Domestic production is reported to have been declining in recent years, partly reflecting reduced slaughterings.

Trade balance

Value: US\$ million

	1972	1973	1974	1975	1976	1977
Imports	140.5	137.3	127.8	89.2	185.1	159.2
Exports	68.6	85.1	103.6	143.6	142.9	n.a.
Net imports	71.9	52.2	24.2	-54.4	42.2	n.a.

Argentina, with a market share of 25 per cent in 1977, is traditionally the largest supplier among the developing countries, followed by India, Brazil, Mexico, Chile and Uruguay.

A detailed analysis of imports by types of leather and origin will be found in table 14.

2. Import channels

Supplies to this market are normally acquired through agents or specialist organizations handling imports on own account. Contact with the market can be achieved at the several leather fairs taking place annually in the United States. Dates and places can be given by the Tanners' Council of America, 411 5th Avenue, New York, N.Y. 10016.

I. The Netherlands market

1. Trade developments

Leather imports into the Netherlands amounted to \$109 million in 1977, 13 per cent of which came from developing countries. Imports of hides and skins amounted to \$70 million, 11 per cent of which from developing countries. Exports of leather are also important, but the Netherlands is normally a net importer.

Trade balance

Value: US\$ million

	1972	1973	1974	1975	1976	1977
Imports	42.0	57.9	60.7	53.8	66.6	109.1
Exports	47.8	53.8	48.8	42.0	47.6	n.a.
Net imports	-5.8	4.1	11.9	11.8	19.0	n.a.

Argentina is the most important supplier among the developing countries, with a market share of 5 per cent, followed by India, Brazil, Uruguay and Thailand.

A detailed analysis of imports by types of leather and origin will be found in table 15.

2. Import channels

Semi-finished and finished leathers are normally imported into the Netherlands through specialist importers buying to own account. Names of the most important importers are listed in trade directories.

III. World trade in footwear

A. General outlook

Footwear is the most important outlet for leather. However, the demand for footwear in industrialized countries has reached a certain saturation level and is expected to grow only slightly in the future. The European Confederation of Footwear Industries (C.E.I.C.)^{1/} has estimated that demand in the industrialized countries for all types of footwear will approach 2,950 million pairs in 1985, as compared to 2,750 million pairs in 1975; a growth of only some 7 per cent over the ten-year period.

According to C.E.I.C., annual production and total and per capita consumption of footwear of all types - calculated as an average for the years 1974 and 1975 - were as follows:

	<u>Production</u> (million pairs)	<u>Consumption</u> (million pairs)	<u>Per Capita</u> <u>Consumption</u> (pairs)
Industrialized countries	2,120	2,580	3.5
State trading countries	2,540	2,500	1.8
Developing countries	2,000	1,880	0.6
World	6,660	6,660	1.7

Source: C.E.I.C., Brussels.

The broad horizons for future footwear consumption growth are clearly apparent and signal for prospecting with urgency, particularly within the developing countries themselves.

^{1/} Confédération européenne de l'industrie de la chaussure.

B. Import trends

1. Eighteen industrialized countries

Footwear accounted for 51 per cent of their total imports of leather and leather products in 1977. The value of imports more than doubled from \$1,792.9 million in 1972 to \$4,585.7 million in 1977 (see table 16). The share of developing countries as sources of supply likewise doubled during the same period from 10.8 per cent to 22.7 per cent. The average annual growth of their imports from developing countries was clearly more rapid than that of total imports of footwear. This applies without exception to the leading importing countries.^{1/} Although total imports into these countries have been growing each year in value terms, the import volume of the largest import market, the United States, decreased in 1977 from the previous year.

Table 17 illustrates the development of total imports in 1972 and 1977 by country of origin. The leading developing country suppliers were Korea, other Asia n.e.s., Brazil and Hong Kong, which accounted for the major share of the market. However, rapid growth rates in exports have also been attained by Mexico, Uruguay and India.

Imports of footwear components "of any material except metal" have grown rather rapidly, reaching a total of \$260,000 in 1977 compared with \$100,000 in 1972. The developing countries more than doubled their share during this period and accounted for almost a quarter of total imports. It is to be expected that footwear components of leather, especially cut and closed leather uppers, will continue to offer opportunities to developing country exporters.

^{1/} "Leading importing countries" refers to countries that together account for at least 75 per cent of total imports.

2. Eighteen developed and developing countries

Footwear accounted for 23 per cent of total imports of leather and leather products into these markets in 1975. The value of imports rose from \$26.8 million in 1971 to \$76.7 million in 1975 (see table 18). The share of developing countries as a source of supply has been rather static over the period, varying between 10 and 15 per cent. The average annual growth of imports from developing countries was of the same order as the growth of total imports. Leading importing countries, however, show a varying growth pattern. Whereas imports from developing countries, for instance into Libya and Hong Kong, have grown faster, those into Nigeria and Singapore have grown slower than total imports.

The 1976 and 1977 data for the largest importers confirm the upward trend in total imports of leather footwear but simultaneously the share of imports from other developing country suppliers shows a decline.

Table 19 illustrates the development of imports by country of origin. The dominant position of the socialist countries and the industrialized countries is apparent.

3. Distribution channels

The distribution channels for footwear vary considerably from one importing country to another. The pattern of distribution in three of the largest importing countries illustrates this:

	<u>Distribution patterns for footwear (1)</u>		
	<u>United Kingdom</u>	<u>Fed. Rep. Germany</u>	<u>France</u>
(a) Independent retailers	22	68	65
(b) Multiples	48	4	11
(c) Department stores	8	10	2
(d) Mail order	10	7	2
(e) Clothing stores	9	5	-
(f) Supermarkets)	4)
(g) Others	3)	2	20)

Retail outlets illustrated above call for investigation as to how they buy, e.g., in the Federal Republic of Germany independent retailers are supplied with up to 70 per cent of their needs by buying groups; in France 23 to 30 per cent by wholesalers; multiples and mail order usually buy direct.

IV. World trade in travel goods and handbags, etc.

A. General outlook

Items in this product group enjoy a steady demand characterized by seasonality and quick turnover. Uniformity of bulk deliveries as well as quality control, combined with good back-up stock services are required from exporters. Travel goods and handbags, etc. of leather are believed to offer good opportunities for bulk imports reflecting the popularity of natural leather in these articles.

B. Import trends

1. Eighteen industrialized countries

Imports of travel goods, handbags, etc. accounted for 15 per cent of total imports of leather and leather products in 1977. Imports increased from \$443 million in 1972 to \$1,346 million in 1977 and the developing countries' share climbed from 27 per cent to nearly 45 per cent during that period. In the United States, the developing countries had a share of nearly 80 per cent of total imports. The average annual growth rate of imports from developing countries has been clearly faster than the growth of total imports. This is particularly noticeable in major import markets (see table 20).

As shown in table 21, Korea, other Asia n.e.s. and Hong Kong are the major suppliers after Italy, which accounts for nearly one-fourth of all exports to the area. Other developing countries that have increased their exports in recent years are Mexico, Brazil, India and Colombia.

2. Eighteen developed and developing countries

Imports of travel goods accounted for 22 per cent of all imports of leather and leather goods in 1975 and amounted to \$76 million, a 3 $\frac{1}{2}$ -fold increase from 1971 (see table 22). The developing countries' share of total imports rose from 21 to 32 per cent over the period. Among the major importing countries, Singapore took more than 55 per cent from developing countries, Nigeria 26 per cent and Hong Kong 13 per cent. These shares declined in 1976 and 1977 as regards Singapore and Hong Kong, while total imports continued to grow rather fast.

Table 23 shows imports by country of origin. Hong Kong is a leading exporter with a fivefold increase from 1971 to 1975, followed by other Asia n.e.s. Exports from Korea, Singapore, Thailand and Malaysia, although rather small, have been growing during the period.

C. Distribution channels

In the high consumer-spending markets of the developed countries, 'maroquinerie' is sold through a variety of outlets which include large numbers of independent retailers selling gifts and novelty items, department stores and, in some instances, footwear and women's dress multiples (handbags). There are comparatively few luggage, handbag and personal leather goods specialist multiples.

Department stores and multiples, where the quantity justifies, will buy direct. Other retail sectors, which generally comprise the largest part of the retail market, are supplied through importers/wholesalers. Agents frequently represent overseas suppliers.

V. World trade in leather and clothing accessories

A. General outlook

Leather clothing has enjoyed continuous strong demand based on the popularity of natural leather in garments. Price is an important factor in entering the highly competitive markets. Several developing countries have, during the last five years, successfully introduced themselves as manufacturers and exporters of good-quality products. This has often been possible through a tie-up with existing manufacturers in the importing countries or through establishing direct contacts at retail level, either with bulk buying organizations or with specialized boutique operators. The leather garment import demand is expected to remain strong.

B. Import trends

1. Eighteen industrialized countries

Leather clothing and accessories accounted for nearly 13 per cent of all leather and leather products imports into these markets in 1977. The value of imports rose from \$393 million in 1972 to \$1,133 million in 1977 (see table 24). The developing countries increased their share of total imports gradually from 26 to 55 per cent during the same period. The average annual growth of imports from developing countries has been markedly faster than that of total imports during the above period. Of particular importance in this respect are the two, by far leading importers, the United States and the Federal Republic of Germany. It is worth noting, however, that although developing countries' exports to the Federal Republic of Germany, for instance, grew faster in volume and value from 1976 to 1977, their share of total imports dropped from 43 to 35 per cent.

Table.25 shows total imports of this product group by country of origin; only Hong Kong and other Asia n.e.s. figure, together with Italy, at the top of the list of exporting countries. However, Uruguay, Argentina and Mexico have rapidly increased their exports in recent years from a rather modest level in 1972.

2. Eighteen developed and developing countries

Leather clothing is not a significant import item for these countries. In 1975, only some \$12 million worth of imports were registered, accounting for about 3.5 per cent of total imports of leather and leather goods (see table 26). Developing countries' share increased from 12 per cent in 1972 to 24 per cent in 1975 and these imports showed a markedly more rapid annual growth than total imports. Data for 1976 and 1977 confirm that Hong Kong is by far the largest import market.

Table 27 also confirms that Hong Kong is the leading exporter of leather clothing in this group of countries. Other countries that have shown rapid increases of exports are other Asia n.e.s., Thailand, Colombia and Pakistan.

3. Distribution channels

Distribution of leather garments can be successfully organized in collaboration with manufacturers in the exporting countries who often provide their own styling and design. Other avenues are large retailers, department stores and buying organizations, who place bulk orders that justify adequate production volume. The third major category consists of boutique-type retailers that sell high priced top quality articles.

VI. World trade in harness-makers' goods

A. General outlook

Harness-makers' goods is a small, highly specialized product group, the export demand of which is largely concentrated in industrialized countries. The rising trend of demand is expected to continue in these markets with increasingly more leisure time being devoted to horse riding.

B. Import trends

1. Eighteen industrialized countries

Saddlery and harness-makers' goods account for less than 1 per cent of total imports of leather and leather products. Imports grew from \$30 million to \$50 million between 1972 and 1977 (see table 28). The share of developing countries rose from 20 to 27 per cent during the same period and the average annual growth rate of imports from developing countries was faster than that of total imports.

The United States is the largest import market and developing countries account for almost 45 per cent of all imports into this country.

Table 29 shows imports by country of origin. India, with a rather rapid growth of exports, accounted for 8 per cent of total imports in 1977 and is the largest supplier among the developing countries. Other Asia n.e.s., Mexico and Argentina have also established themselves as exporters on the world market.

2. Eighteen developed and developing countries

Imports of saddlery and harness-makers' goods into these markets are small except for Nigeria, where a rapid growth took place in 1975

(see table 30). Developing countries' share of total imports has remained fairly low, fluctuating from year to year. The average annual growth of imports from developing countries has been lower than that of total imports.

The major supplier is Italy, followed by the Federal Republic of Germany and France. The main developing country exporters to these markets were Lebanon and Argentina (see table 31).

C. Distribution channels

In the industrialized countries, saddlery and harness-makers' goods are usually imported through the manufacturers' representatives. However, central buying organizations, large specialized retailers and department stores may also import direct.

Table 1A

Total imports of leather and leather goods into 36 developed
and developing countries and their imports from developing countries

1971 - 1977

Value = US\$ million

	1971	1972	1973	1974	1975	1976 (est.)	1977 (est.)
<u>1. Leather and leather goods combined</u>							
(a) Total imports	2,788	3,743	4,772	5,528	6,362	(8,250)	(9,550)
(b) Imports from DCs	480	771	1,238	1,490	1,685	(2,656)	(3,006)
<u>2. Finished and semi-finished leather (SITC 611)</u>							
(a) Total imports	687	1,019	1,313	1,267	1,339	(2,000)	(2,150)
(b) Imports from DCs	199	338	483	391	372	(661)	(669)
<u>3. Leather footwear (SITC 851.02)</u>							
(a) Total imports	1,462	1,823	2,185	2,662	3,203	(3,980)	(4,715)
(b) Imports from DCs	137	198	321	469	554	(899)	(1,063)
<u>4. Travel goods, handbags, etc. (SITC 831.0)</u>							
(a) Total imports	341	474	668	763	896	(1,200)	(1,473)
(b) Imports from DCs	80	129	226	281	340	(537)	(633)
<u>5. Leather apparel, accessories, etc. (SITC 844.3)</u>							
(a) Total imports	279	399	566	787	884	(1,020)	(1,155)
(b) Imports from DCs	61	101	199	336	410	(546)	(626)
<u>6. Harness-makers' goods, etc. (SITC 612.2)</u>							
(a) Total imports	19.5	28.8	40.0	49.3	40.7	(50)	(57)
(b) Imports from DCs	3.5	5.8	8.8	12.2	9.6	(13)	(15)*

Source: Import Tabulation System ITC/UNSO.

Table 1B

Total imports of leather and leather goods into 36 developed and developing countries and their imports from developing countries
1971, 1975 and 1977

Value = US\$ million

Product category (SITC)	Importing countries (ITC series I and II)	Total Imports			Imports from DCs		
		1971	1975	1977 *	1971	1975	1977 *
<u>Leather and leather goods</u>	18 indust. countries	2,684.8	6,021.5	9,940.4	450.0	1,607.2	2,867.0
	Other 18 countries	102.8	340.5	(610)	19.9	77.9	(139)
of which:	18 indust. countries	637.9	1,165.2	1,823.1	187.3	331.1	587.7
	Other 18 countries	48.8	173.4	(327)	11.4	40.6	(82)
<u>Footwear (851.02)</u>	18 indust. countries	1,434.9	3,126.3	4,585.7	133.4	544.1	1,040.8
	Other 18 countries	26.8	76.7	(130)	3.3	10.2	(22)
<u>Travel goods (831.0)</u>	18 Indust. countries	319.5	819.7	1,345.5	75.3	315.8	602.3
	Other 18 countries	21.7	76.0	(120)	4.6	24.2	(31)
<u>Apparel, etc (841.3)</u>	18 indust. countries	273.7	872.3	1,132.9	60.5	406.7	621.7
	Other 18 countries	4.8	11.6	(22)	0.6	2.8	(4)
<u>Harness, etc. (612.2)</u>	18 indust. countries	18.8	38.1	53.2	3.5	9.5	14.4
	Other countries	0.7	2.8	(4)	-	0.1	(0.3)

Source: Import Tabulation System ITC/UNSO.

* Figures in brackets are preliminary estimates.

Table 2

Imports of hides and skins and of leather into 20 industrialized countries, 1972 and 1977

Value = US\$ million

Importing country	Hides and skins (SITC 211)			Leather (SITC 611)		
	1972	1977	Index	1972	1977	Index
Total (20 countries)	1,069.7	1,847.3	173	937.6	1,894.1	195
of which						
EEC countries (8)	620.0	1,035.7	167	607.6	1,212.1	200
Germany, Fed. Rep.	82.2	104.0	127	200.8	376.0	187
Italy	222.6	492.2	221	113.3	277.8	245
France	160.4	212.7	133	101.6	193.5	190
United Kingdom	66.7	100.7	151	94.8	172.0	181
Netherlands	51.9	69.7	134	42.0	109.1	260
EEU	28.8	50.2	174	32.7	44.7	137
Denmark	7.4	6.2	84	22.4	39.0	174
EEFTA countries (5)	48.0	73.3	153	99.6	191.8	193
Austria	10.9	12.8	117	26.3	58.5	222
Switzerland	6.1	8.4	138	29.4	42.5	145
Sweden	21.7	34.7	160	22.4	37.5	167
Finland	6.3	12.2	194	13.1	28.9	221
Norway	3.0	5.2	173	8.4	24.4	290
Other Europe (2)	135.6	207.6	153	36.8	71.0	193
Spain	106.6	162.5	152	18.4	54.3	295
Yugoslavia	29.0	45.1 ^{a/}	156	18.4	16.7 ^{a/}	91
North America (2)	86.5	122.1	141	185.3	239.2	129
United States	65.2	96.3	148	140.5	159.2	113
Canada	21.3	25.8	121	44.8	79.9	178
Japan	173.0	324.2	187	27.5	45.0	164
Others (2)	6.6	84.4	1,279	16.8	135.1	804

Source: Import Tabulation System ITC/UNSO.

a/ 1976.

Table 3

Imports of hides and skins and of leather into nine
developing countries, 1971, 1975 and 1977

Value = US\$ million

Importing country	Hides and skins (SITC 211)			Leather (SITC 611)		
	1971	1975	1977	1971	1975	1977
Total (9 countries)	16.4	77.7	n.a.	24.5	117.3	n.a.
Total (4 countries)	7.3	62.5	143.6	20.6	106.3	186.7
of which						
Korea, Rep.of	3.7	51.2	130.4	2.2	61.7	114.9
Hong Kong	2.6	6.5	9.8	13.8	35.3	56.6
Brazil	0.4	3.8	2.2	1.2	3.8	8.3
Singapore	0.6	1.0	1.2	3.4	5.5	6.9
Egypt	6.1	7.5	n.a.	0.3	3.3	n.a.
Iran	1.8	4.7	n.a.	0.5	3.0	n.a.
Nigeria	-	0.8	n.a.	2.3	2.3	n.a.
Venezuela	0.9	1.9	n.a.	0.3	1.4	n.a.
Malaysia	0.3	0.3	n.a.	0.5	1.0	n.a.

Source: Import Tabulation System ITC/UNSO.

n.a. = not available.

Table 4A

Total imports of leather into 18 selected industrialized countries
by countries of origin, 1972 and 1977

SITC 611

Value (V) = US\$ million

Country of origin	1972	1977	1977	
			Index 1972=100	Share of total imports (%)
Total	936.8	1,823.1	195	100.0
of which from				
Italy	71.8	285.1	314	12.3
India	127.3	192.9	152	10.6
France	129.3	172.7	134	9.5
Germany, Fed. Rep.	72.5	167.1	230	9.2
United Kingdom	89.8	136.0	151	7.5
Argentina	57.1	125.0	219	6.9
United States	44.6	90.4	203	4.9
Brazil	29.5	78.5	266	4.3
BLEU	34.8	62.4	179	3.4
Netherlands	n.a.	44.1	n.a.	2.4
Pakistan	36.5	36.1	99	2.0
Bangladesh	1.7	28.0	n.s.	1.5
Socialist countries	15.1	23.5	156	1.3
Others	226.8	441.3	195	24.2

Source: Import Tabulation System ITC/UNSO

n.a. = not available

n.s. = not significant index.

Table 4B

Total imports of hides and skins into 18 selected industrialized countries by countries of origin, 1972 and 1977

SITC 211

Value (V) = US\$ million

Country of origin	1972	1977	1977	
			Index 1972=100	Share of total imports (%)
Total	934.1	1,639.7	176	100.0
of which from				
United States	187.8	336.9	179	20.5
Australia	134.7	233.0	173	14.2
France	66.3	147.1	222	9.0
New Zealand	79.2	122.5	155	7.5
Germany, Fed.Rep.	46.5	100.9	217	6.2
United Kingdom	34.7	76.1	219	4.6
Netherlands	31.0	65.0	210	4.0
Iran	31.2	57.8	185	3.5
Socialist countries	20.9	25.7	123	1.6
Ethiopia	13.6	20.6	151	1.3
Argentina	25.3	20.3	80	1.2
Indonesia	10.9	20.1	184	1.2
Nigeria	9.1	16.0	176	1.0
Sudan	5.4	12.2	226	0.7
Kenya	3.7	8.0	216	0.5
Others	233.9	377.5	161	23.0

Source: Import Tabulation System ITC/UNSO.

Table 5

Total imports of leather into 18 developed and developing countries, by countries of origin, 1971 and 1975

SITC 611

Value = US\$ million

Country of origin	1971	1975	1975	
			Index (1971=100)	Share of total imports (%)
Total	48.8	173.4	355	100.0
of which from				
Japan	6.6	76.2	1,154	43.9
United States	5.2	18.8	362	10.8
Pakistan	0.8	12.2	1,525	7.0
Italy	4.5	10.2	227	5.9
India	4.3	10.2	237	5.9
France	3.4	6.4	188	3.7
Germany, Fed. Rep.	4.8	5.7	119	3.3
United Kingdom	4.5	5.3	118	3.1
Argentina	1.9	3.4	179	2.0
Brazil	0.8	2.7	338	1.6
socialist countries	0.9	2.5	278	1.4
Uruguay	0.6	2.3	383	1.3
Australia	2.3	2.0	87	1.2
Other Asia n.e.s.	0.2	1.8	900	1.0
Colombia	0.2	1.5	750	0.9
Others	7.8	12.2	156	7.0

Source: Import Tabulation System ITC/UNSO.

Table 6

Imports of leather into selected industrialized countries in 1972-1977
and average annual growth rates

SITC: 611

Value (V) = US\$ million

Year	18 countries		Germany F.R.		Italy		United States		France		United Kingdom		Canada		Netherlands	
	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC
1972	936.8	33.8	200.8	19.3	113.3	59.4	140.5	42.2	101.6	54.7	94.8	52.4	44.8	5.7	42.0	14.6
1973	1,176.3	37.6	227.6	22.0	176.2	63.5	137.3	41.8	127.9	55.3	134.6	55.7	47.1	5.3	57.9	22.6
1974	1,117.8	31.7	226.9	14.4	170.0	62.0	127.8	43.1	119.8	49.3	99.2	47.6	65.8	2.3	60.7	12.6
1975	1,165.2	28.4	254.8	13.9	148.3	60.6	89.2	47.5	131.2	42.6	110.0	45.3	101.3	3.3	53.8	7.5
1976	1,749.3	33.8	319.8	17.7	269.9	61.8	185.1	59.8	176.4	38.9	145.8	56.8	103.9	12.3	66.6	9.3
1977	1,823.1	32.2	376.1	20.9	277.8	58.3	159.2	54.6	193.5	35.6	172.0	50.6	79.9	12.9	109.1	13.3
Average annual growth rate (%) of imports 1972-1977	13.9	11.8	13.0	12.0	17.4	16.8	3.4	10.9	13.0	2.7	10.0	9.4	17.7	43.7	15.6	4.2

Source: Import Tabulation System ITC/UNSO.

DC = Developing countries

Average annual growth rate (%), calculated with least square exponential formula.

Table 7

Imports of leather into selected developed and developing countries
in 1971-1977, and average annual growth rates

Value (V) = US\$'000

Year	18 countries		Korea, Rep. of		Hong Kong		Spain		Yugoslavia		Singapore		Portugal	
	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC
1971	48,771	23.3	2,247	5.5	13,767	13.2	5,299	29.8	15,707	36.9	3,372	21.1	1,558	5.5
1972	81,947	26.4	3,451	2.0	25,742	13.2	18,417	41.3	18,438	36.5	4,147	24.9	2,412	10.4
1973	137,092	29.6	12,530	1.3	35,575	15.3	28,652	59.4	37,811	29.5	4,777	30.4	5,759	23.1
1974	149,051	24.3	29,121	0.9	35,684	9.8	22,956	57.8	33,089	30.5	5,111	35.0	6,213	13.0
1975	173,384	23.4	61,713	0.3	35,299	8.4	28,986	71.8	19,368	43.9	5,476	36.7	4,522	13.3
1976 (6 countries)	(218,074)	(28.0)	89,406	1.0	48,663	12.9	50,179	81.8	16,697	45.8	7,127	51.9	6,002	23.4
1977 (5 countries)	(247,920)	(25.1)	114,856	1.9	56,595	12.7	54,253	80.0	n.a.	n.a.	6,892	61.1	15,324	34.4
Average annual growth rate (%) of imports 1971-1975	36.8	35.8	140.1	19.9	24.7	10.7	43.6	77.1	10.6	12.4	12.5	30.1	36.0	66.1
	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC

Source: Import Tabulation System ITC/UNSO.

DC = Developing countries

n.a. = not available

- = nil or negligible

Annual average growth rate (%), calculated with least square exponential formula.

Table 8

Imports of leather into 18 industrialized countries
by types of leather, 1972 and 1977

Value = US\$ million

Type of leather	SITC No.	1972		1977		
		Value	% share	Value	% share	Index 1972=100
Total leather	611	936.8	100.0	1,823.1	100.0	195
of which						
Reconstituted and artificial leather	611.2	10.1	1.1	16.8	0.9	166
Calf leather	611.3	109.3	11.7	189.1	10.4	173
Other bovine and equine leather	611.4	345.4	36.9	833.2	45.7	241
Sheep and lamb leather	611.9	179.0	19.1	258.8	14.2	145
Goat and kid leather	611.92	163.8	17.5	186.6	10.2	114
Chamois-dressed leather	611.93	19.4	2.1	34.5	1.9	178
Parchment-dressed leather	611.94	0.4	-	0.6	-	150
Patent and metallized leather	611.95	29.8	3.2	19.0	1.0	64
Other leather	611.99	76.9	8.2	151.1	8.3	196

Source: Import Tabulation System ITC/UNSO.

Table 9

Imports of hides and skins into 18 industrialized countries
by types, 1972 and 1977

Value = US\$ million

Types of hides and skins	SITC No.	1972		1977		
		Value	% share	Value	% share	Index 1972=100
Total hides and skins	211	934.1	100.0	1,639.7	100.0	176
of which						
Bovine (excl.calf) and equine hides & skins	211.1	476.1	51.0	814.4	49.7	171
Calf and kip skins	221.2	56.9	6.1	177.4	10.8	312
Goat and kid skins	211.4	57.5	6.2	65.8	4.0	114
Sheep and lamb skins, wool on	211.6	171.5	18.4	244.0	14.9	142
Sheep and lamb skins, wool off	211.7	139.4	14.9	205.7	12.5	148
Others		32.7	3.4	132.4	8.1	405

Source: Import Tabulation System ITC/UNSO.

TABLE 10

GERMANY FDR ANALYSIS OF LEATHER IMPORTS — BY TYPE (INCL. SOURCE SUPPLY)
 Weight - Metric Tons Value US \$ (Not adjusted for inflation)

CODE	YEAR	IMPORTS (ITS I)	SOURCES OF SUPPLY (PERCENTAGE SHARE BY VALUE)
ALF	1972	1855.4 Tons	France(42.5%): Italy(38%): U.K.(6.1%): Yugoslavia(3.5%): Netherlands(2.3%): Austria(1.5%): (D.C. 1.6%)
11.3	1976	2800.0 Tons	Italy(68.9%): France(16%): Yugoslavia(5.9%): U.K.(2.1%): India (1.4%): Netherlands(1.2%) (D.C. 1.9%)
BOVINE	1972	18,056.5 Tons	Italy(41.2%): Netherlands(15.6%): Belg.Lux(10.9%): Argentina(8.5%): Brazil(4.7%): France(4.4%): (DC20.4%)(DD79.5%)
11.4	1976	19,202.5 Tons	Italy (58.7%): Belg.Lux(11.9%): Netherlands(8.5%): Brazil(7.9%): Argentina(4.9%): Uruguay(4.1%): (D.C.21.5%): (D.D. 78.2%)
PORCINE	1972	4712.8 Tons	France(66%): U.S.A.(8.5%): Netherlands(5.3%): Belg.Lux(4.6%): India(4.5%): U.K.(5.4%): D.C.4.8%): (D.D. 95.2%)
11.91	1976	3186.9 Tons	France(46.6%): Italy(15.5%): Spain(13.8%): U.K.(6.4%): India(6.3%): U.S.A.(2.6%): (D.C.9.2%): (D.D.90.8%)
GOAT	1972	5968.5 Tons	India(48.9%): France(16.4%): Italy(11.8%): U.K. (6.6%): Nigeria(4.4%): Bangladesh (2.6%): (D.C.58.6%): (D.D 41.3%)
11.92	1976	1750.1 Tons	India(53.5%): Italy(27.8%): France(15.5%): Nigeria(5.9%): U.K.(5.8%): Bangladesh(4.4%): (D.C.49.5%): (D.D.49.9%)
SHOES	1972	292.8 Tons	Netherlands(49.1%): Belg.Lux(54.5%): U.K. (9.6%) France(5.4%): Italy(1.7%): (D.D. 99.9%)
11.93	1976	630.1 Tons	Belg.Lux(45.1%) Netherlands(59.1%): U.K. (10%): Italy(5.7%): Austria (3.6%): (D.D. 99.8%): (D.C.0.2%)

		(D.D.100%)	
PARCINENT	1972	0.7 Tons	
RESSED		¥54,000	
11.94	1976	3.2 Tons	France(59.8%): Netherlands(38.8%): Italy(16.5%): (D.D.100%)
		¥103,000	
PATENT	1972	382.4 Tons	Belg.Lux(60.5%): Italy(20.2%): France(8.5%): Netherlands(7.1%): (D.D.99.9%):
11.95		¥3,496,000	
	1976	164.2 Tons	Belg.Lux(69.5%): Italy(12%): France(8.5%): Netherlands(3.7%): Brazil(3.4%): Spain(1.5%): (D.C.4.6%): (D.D.95.4%):
		¥2,701,000	
OTHER	1972	1656.7 Tons	Yugoslavia(22.0%): France(16.9%): Japan(15.8%): U.S.A.(10.2%): Colombia(8.5%): Italy(6.7%): (D.C.15.5%): (D.D.77%):
11.99		¥18,591,000	
	1976	1799.0 Tons	Japan (22.1%): Yugoslavia(18.1%): France(13.5%): Colombia(8.5%): Italy(6.7%): Brazil(4.8%): (D.C.21.9%): (D.D.72.4%):
		¥34,653,000	

D.C. = Developing Countries
D.D. = Developed Countries

Source: Import Tabulation System.

Table 11

ITALY ANALYSIS OF LEATHER IMPORTS BY TYPE (INCL. SOURCE SUPPLY)

Weight : Metric Tons

Value US \$

CODE	YEAR	IMPORTS (ITS I)	SOURCES OF SUPPLY (PERCENTAGE SHARE BY VALUE)	
			Weight	Value US \$
CALF 611.3	1972	15,225.2 Tons	Pakistan(42.2%): India(21.1%): France(13.6%): Germany(8.2%): Argentina(7.9%)L Brazil(1.1%): (D.C.74.6%):(D.D.25%):	
	1976	18,948.3 Tons	Pakistan(30.7%): France(20.2%): U.K.(10.0%): India(9.1%): Brazil(5.2%): Germany(5.1%): (D.C.52.3%):(D.D.47.4%):	
BOVINE NES 611.4	1972	12,257.8 Tons	Argentina(22.5%): Pakistan(13.1%): Germany(8.5%): India(7.4%): France(7.4%): Brazil(6.9%): (D.C.68.9%):(D.D.30.1)	
	1976	40,185.7 Tons	Argentina(24.9%):Bangladesh(16.6%):India(10.5%): U.K.(6.6%): Australia(6.4%): France(6.2%):(D.C.67.4%): (D.D.32%):	
OVINE 611.91	1972	3107.7 Tons	France(46.5%): India(31.9%): U.K.(4.7%): Spain(3.2%): Pakistan(2.8%): Kenya(2.0%): (D.C.29.9%): (D.D.59.9%):	
	1976	3672.6 Tons	France(34.4%): India(22.8%): Pakistan(9.9%):Spain(7.8%): U.K.(5.6%): Kenya(5.6%): (D.C.44.9%):(D.D.54.6%):	
GOAT 611.92	1972	9019.2 Tons	India(47.2%): Pakistan(16.9%): Germany(7.6%): Spain(5.2%): Nigeria(4.5%): France(4.2%):(D.C.78%)(D.D.21%):	
	1976	9952.3 Tons	India(45.3%): Bangladesh(9.5%): Pakistan(7.9%): Nigeria(6.8%): Kenya(6.7%): Spain(4.9%): (D.C.83.9%): (D.D.14.3%):	
CHAMOIS D 611.93	1972	162.9 Tons	Belg.Lux(21.5%) U.K.(19.4%) Netherlands(17.4%): Germany(16.1%): Yugoslavia(5.1%): Austria(2.0%):(D.C.1.9%)(D.D.96.7)	
	1976	116.4 Tons	Germany(27.7%): U.K.(21.4%): U.S.A.(9.9%): Netherlands(9.8%): Belg.Lux(6.1%): Yugoslavia(5.0%):(D.C.5.3%):(D.D.95.8%)	

PARCIENT 1972		0.8 Tons	(D.D.100%)
D		\$24,500	
611.94		2.2 Tons	(D.D.100%)
		\$42,000	
PATENT		90.4 Tons	Netherlands(34.8%): Belg.Lux(19.8%): Germany(16.4%):
611.95		\$1,026,900	France(7.9%): (D.C.7.6%): (D.D.92.1%)
1976		218.2 Tons	France(47.5%): Belg.Lux(26.2%): Netherlands(8.5%):
		\$2,240,000	Spain(8.1%): (D.C.0.8%): (D.D.99.1%):
OTHER		1428.5 Tons	Japan(30.1%): France(19.2%): Colombia(7.2%): U.S.A.(6.6%):
611.99		\$11,555,600	Germany(5.0%): Yugoslavia(5.0%): (D.C.16.7%): (D.D.72.1%):
1976		3244.1 Tons	France(17.1%): Japan(12.9%): Colombia(7.5%): U.S.A(5.7%):
		\$25,710,000	U.K. (4.1%): Germany(3.7%): (D.C.21.7%): (D.D.48.2%)

D.C. = Developing Countries
D.D. = Developed Countries.

Source: Import Tabulation System

Table 12

FRANCE: Analysis of leather imports by type (incl. sources supply)

Weight - Metric Tons

Value US\$

Code	Year	Imports (ITS I)	Sources of Supply (Percentage share by value)
Calf 611.3	1972	5511.3 Tons \$6,991,500	India (58%): Germany (16.2%): Pakistan (4.5%): Italy (2.9%): Belg-Lux (2.5%): Spain (1.5%): (D.P. 68.9%): (D.D. 31.0%):
	1976	2,426.8 Tons \$11,465,300	Germany (58.3%): Italy (32.1%): U.K. (2.0%): (India (1.9%): Spain (1.7%): Belg-Lux (1.1%): (D.C. 3.6%): (D.D. 96.2%):
Bovine 611.4	1972	9,921.1 Tons \$32,794,400	Germany (25.7%): Italy (16.8%): Argentina (12.0%): Brazil (11.7%): Belg-Lux (10.3%): Uruguay (4.2%): (D.C. 37.0%): (D.D. 62.2%):
	1976	13,423.1 Tons \$76,495,200	Italy (30.5%): Germany (20.1%): Belg-Lux (11.9%): Argentina (9.2%): Brazil (8.3%): U.K. (4.6%): (D.C. 25.4%): (D.D. 73.8%):
Sheep 611.91	1972	4,034.6 Tons \$19,919,800	India (44.2%): Pakistan (16.6%): Algeria (10.9%): Belg-Lux (5.8%): New Zealand (4.9%): U.K. (3.1%): (D.C. 77.9%): (D.D. 21.9%):
	1976	3,795.9 Tons \$24,546,000	India (34.8%): Algeria (15.1%): New Zealand (13.8%): Pakistan (9.6%): Spain (5.1%): U.K. (4.1%): (D.C. 64.2%): (D.D. 35.6%):
Goat 611.92	1972	4,929.6 Tons \$24,146,100	India (50.0%): Pakistan (14.1%): Italy (6.3%): Germany (4.9%): Spain (2.9%): Niger (2.4%): (D.C. 81.5%): (D.D. 16.2%):
	1976	3,775.9 Tons \$38,859,100	India (40.3%): Bangladesh (16.9%): Italy (15.8%): Spain (5.8%): Pakistan (2.1%): Germany (1.9%): (D.C. 74.0%): (D.D. 24.4%):
Stamoids D 611.93	1972	75.1 Tons \$301,400	Belg-Lux (51.8%): Socialist Countries (9.7%): U.K. (9.5%): Spain (7.5%): Netherlands (6.3%): Japan (4.6%): (D.C. 1.3%): (D.D. 89.0%):
	1976	4,72.9 Tons \$3,619,800	Italy (41.0%): Belg-Lux (25.2%): U.K. (12.1%): Greece (5.4%): Spain (5.3%): Netherlands (3.8%): (D.C. 0.1%): (D.D. 99.5%):

Table 12 Continued

Code	Year	Imports (ITS I)	Sources of Supply (Percentage share by value)
Patent 611.95	1972	278.8 Tons	Belg-Lux (50.2%): Germany (12.7%): Netherlands (10.7%): Italy (10.4%): Morocco (9.2%): Spain (2.2%): (D.C. 9.4%): (D.D. 90.5%):
		\$3,016,000	
Other 611.99	1976	124.4 Tons	Belg-Lux (40.9%): Germany (27.6%): Italy (9.8%): Netherlands (6.0%): India (4.0%): Uruguay (3.9%): (D.C. 8.7%): (D.D. 91.3%):
		\$1,945,700	
	1972	1,815.9 Tons	Socialist Countries (37.1%): Japan (14.9%): Colombia (10.8%): Italy (8.1%): U.S.A. (5.5%): Yugoslavia (2.6%): (D.P. 24.2%): (D.D. 38.7%):
		\$12,996,500	
	1976	1,722.6 Tons	Socialist Countries (31.7%): Japan (1.5%): Germany (9.8%): Colombia (6.3%): Bolivia (6.1%): Italy (5.0%): (D.C. 24.1%): (D.D. 44.2%):
		\$16,879,800	

Source: Import Tabulation System ITC/UNSO

D.C. = Developing Countries

D.D. = Developed Countries

Table 13

UNITED KINGDOM

Analysis of leather imports by type (incl. sources supply)

Weight - Metric tons

Value US\$

Code	Year	Imports (ITS I)	Sources of Supply (Percentage share by value)
Calf 611.3	1972	4,146.3 Tons \$14,191,600	India (48%): Sweden (25.5%): France (15.5%): Italy (1.9%): Pakistan (1.8%): Switzerland (1.2%): (D.C. 50.9%): (D.D. 49.1.5%):
	1976	1,263.4 Tons \$11,943,000	France (30.1%): Sweden (16.0%): Italy (13.6%): India (11.4%): New Zealand (8.0%): United States (5.4%): (D.C. 19.7%): (D.D. 80.3%):
Bovine 611.4	1972	21,098.2 Tons \$49,793,500	Ireland (33.8%): India (28.3%): Brazil (6.8%): Argentina (4.2%): Australia (2.7%): Kenya (2.6%): (D.C. 48.5%): (D.D. 51.5%):
	1976	28,850.5 Tons \$88,246,500	India (41.1%): Ireland (20.2%): Brazil (10.6%): Argentina (6.1%): Sweden (2.8%): U.S.A. (2.0%): (D.C. 64.2%): (D.D. 35.8%):
Ovine 611.91	1972	1,614.6 Tons \$10,026,500	India (48.4%): Ireland (10.2%): France (5.1%): New Zealand (3.6%): Pakistan (2.1%): Nigeria (1.6%): (D.C. 59.8%): (D.D. 40.2%):
	1976	2,978.2 Tons \$16,596,400	New Zealand (31.2%): India (29.9%): Ireland (9.8%): Nigeria (7.0%): Spain (3.1%): France (3.0%): (D.C. 42.9%): (D.D. 57.1%):
Goat 611.92	1972	2,515.1 Tons \$10,106,400	India (42.8%): Nigeria (30.8%): Kenya (11.5%): Pakistan (4.1%): U.S.A. (1.1%): Sri Lanka (1.0%): (D.C. 94.3%): (D.D. 5.6%):
	1976	1,723.8 Tons \$16,195,200	Nigeria (70.7%): India (16.4%): Italy (4.3%): France (2.7%): Kenya (1.3%): Sri Lanka (1.1%): (D.C. 90.9%): (D.D. 8.7%):
Chamois D 611.93	1972	69.1 Tons \$591,400	Belg-Lux (63.5%): Netherlands (7.2%): Canada (4.8%): Ireland (4.0%): Switzerland (3.2%): (D.C. 0.1%): (D.D. 99.9%):
	1976	76.9 Tons \$724,600	Belg-Lux (42.5%): Ireland (35.0%): Italy (16.8%): Netherlands (2.4%): Canada (0.7%): Switzerland (0.7%): (D.C. 0.1%): (D.D. 99.9%):

Table 13 Continued

Code	Year	Imports (ITS I)	Sources of Supply (Percentage share by value)
Patent 611.95	1972	641.8	Brazil (41.6%); Ireland (33.3%); Italy (2.3%); France (1.7%); U.S.A. (1.3%); Belg-Lux (1.1%); (D.C. 41.7%); (D.D. 58.3%);
	1976	348.8 Tons \$3,815,000	Ireland (45.1%); France (19.7%); Brazil (10.2%); Italy (7.7%); U.S.A. (4.3%); Belg-Lux (3.2%); (D.C. 10.3%); (D.D. 88.7%);
Other 611.99	1972	440.8 Tons \$3,359,500	U.S.A. (25.8%); Yugoslavia (19.0%); Socialist countries (13.9%); Japan (13.8%); Brazil (8.2%); India (2.9%); (D.C. 12.3%); (D.D. 73.8%);
	1976	707.9 \$7,199,200	Yugoslavia (19.1%); Belg-Lux (18.3%); India (16.6%); U.S.A. (12.9%); Japan (8.5%); Germany (3.1%); (D.C. 21.4%); (D.D. 71.3%);

Source: Import Tabulation System ITC/UNSO.

D.D. = Developed Countries

D.C. = Developing Countries

Table 14

United States
Analysis of leather imports by type (incl. sources suonly)

Weight: Metric Tons

Value US\$

Code	Year	Imports (ITS I)	Sources of Supply (Percentage share by value)
Calf 611.3	1972	4,268.2 Tons \$31,806,000	France (30.4%): U.K. (19.8%): Italy (16.1%): Germany (13.9%): Argentina (4.6%): Canada (4.0%): (D.C. 7.7%):
	1976	2,086.9 Tons \$24,570,500	France (34.3%): U.K. (18.9%): Canada (12.7%): Italy (7.8%): Argentina (5.6%): Austria (2.6%): Mexico (2.5%): (D.C. 13.5%):
Bovine 611.4	1972	13,541.5 Tons \$53,741,800	Argentina (51.4%): Brazil (9.2%): U.K. (8.1%): Canada (7.9%): Uruguay (5.2%): Colombia (4.9%): (D.C. 75.2%): (D.D. 24.8%):
	1976	15,091.1 Tons \$96,847,500	Argentina (51.1%): Brazil (10.9%): Canada (8.5%): U.K. (6.7%): India (5.9%): Chile (3.4%): (D.C. 77.7%): (D.D. 22.3%):
Ovine 611.91	1972	\$7,035,200	France (51.9%): India (12.2%): Spain (10.7%): U.K. (4.3%): Germany (1.6%): (D.C. 22.2%): (D.D. 77.8%):
	1976	\$10,286,700	France (43.5%): India (11.9%): Spain (20.1%): New Zealand (7.6%): U.K. (6.6%): (D.C. 15.1%): (D.D. 84.9%):
Goat 611.92	1972	\$23,707,100	India (29.3%): France (20.0%): U.K. (17.6%): Spain (8.4%): Italy (8.2%): Germany (6.4%): (D.C. 37.0%): (D.D. 62.9%):
	1976	\$28,246,300	India (77.0%): Spain (12.9%): U.K. (5.0%): Italy (1.5%): Brazil (1.1%): (D.C. 79.1%): (D.D. 20.9%):
Chemoid 611.93	1972	\$4,448,000	U.K. (55.0%): Belg-Lux (26.5%): New Zealand (5.4%): France (4.7%): (D.D. 99.9%):
	1976	\$4,403,200	U.K. (52.2%): Belg-Lux (31.8%): New Zealand (6.3%): France (3.8%): (D.D. 99.4%):

Table 14 Continued

Code	Year	Imports (ITS I)	Sources of Supply (Percentage share by value)
Parchment D 611.94	1972	4.4 Tons \$279,000	(D.D. 100%):
	1976	1.5 Tons \$147,800	(D.C. 4.8%): (D.D. 95.2%):
Patent 611.95	1972	1,531.8 sq.ft. \$10,867,300	Germany (39.6%): Brazil (25.0%): U.K. (16.0%): Canada (6.0%): Italy (5.5%): France (4.9%): (D.C. 26.3%): (D.D. 73.7%):
	1976	791.3 sq.ft. \$7,141,000	Brazil (58.8%): France (12.3%): U.K. (9.7%): Italy (8.1%): Belg-Lux (3.8%): Germany (2.5%): (D.C. 61.2%): (D.D. 38.8%):
Other 611.99	1972	\$7,535,400	Argentina (21.0%): Japan (17.5%): Yugoslavia (16.2%): Brazil (5.3%): Colombia (4.0%): Mexico (3.8%): (D.C. 42.3%): (D.D. 52.0%):
	1976	\$ 10,869,500	Japan (20.4%): Yugoslavia (14.1%): Mexico (10.4%): S.Africa (9.1%): Argentina (8.6%): U.K. (6.3%): (D.C. 35.1%): (D.D. 59.7%):

Source: Import Tabulation System ITC/UNSO.

D. = Developed Countries

D.C. = Developing countries

Table 15

NETHERLANDS - ANALYSIS OF LEATHER IMPORTS — BY TYPE (INCL. SOURCE SUPPLY)

Weight : Metric Tons

Value US \$

CODE	YEAR	IMPORTS (ITS I)	SOURCES OF SUPPLY (PERCENTAGE SHARE BY VALUE)	
			Weight	Value US \$
CATTLE	1972	200.3 Tons	U.K. (22.9%)	Germany (28.6%)
	1976	202.0 Tons	France (18.7%)	Belg.Lux (11.1%)
611.3		\$ 1,765,800	Morocco (4.2%)	Austria (2.4%)
			(D.C. 4.8%)	
OVINE NES	1972	5,240.1 Tons	U.K. (57%)	Germany (12.1%)
	1976	5,761.7 Tons	France (7.9%)	Belg.Lux (7.6%)
611.4		\$ 1,758,600	Finland (6.8%)	Argentina (3.3%)
			(D.C. 3.6%)	
OVINE NES	1972	2105.1 Tons	Germany (31.6%)	Argentina (13.7%)
	1976	2105.1 Tons	Belg.Lux (10.3%)	Italy (10.2%)
611.91		\$ 1,765,800	France (9.8%)	U.K. (6.0%)
			(D.C. 23.6%)	(D.D. 72.4%)
OVINE NES	1972	2105.1 Tons	Germany (54.3%)	Italy (9.5%)
	1976	2105.1 Tons	Argentina (5.7%)	Belg.Lux (5.4%)
611.91		\$ 1,765,800	France (5.1%)	U.K. (3.5%)
			(DC 11.8%)	(D.C. 88.1%)
OVINE NES	1972	2105.1 Tons	France (47%)	USA (17.3%)
	1976	2105.1 Tons	Belg.Lux (11.8%)	U.K. (8.3%)
611.91		\$ 1,765,800	India (8.3%)	Germany (4.2%)
			(D.C. 8.9%)	(D.D. 91%)
OVINE NES	1972	2105.1 Tons	France (58.0%)	U.K. (11.5%)
	1976	2105.1 Tons	Germany (9.5%)	Italy (9.1%)
611.91		\$ 1,765,800	U.S.A. (4.1%)	Belg.Lux (3.1%)
			(D.C. 2.2%)	(D.D. 97.8%)
GOAT	1972	140.9 Tons	Germany (15.1%)	U.K. (22.4%)
	1976	146.8 Tons	Italy (7.6%)	France (5.8%)
611.92		\$ 1,580,400	Belg.Lux (5.2%)	India (5.5%)
			(D.C. 10.3%)	(D.D. 88.6%)
GOAT	1972	140.9 Tons	Germany (29.4%)	India (17.2%)
	1976	146.8 Tons	Italy (17.2%)	France (12.9%)
611.92		\$ 1,580,400	Belg.Lux (4.6%)	Brazil (3.0%)
			(D.C. 25.8%)	(D.D. 68.5%)

CHAMOIS-D 1972 215.8 Tons (D.C. 0.3%): (D.D. 99.7%).

611.93 82,447,100

1976 229.1 Tons (D.D. 100%)

83,096,700

PARCIENT 1972 00.8 Tons (D.D. 100%)

DRCSSED 824,500

611.94 1976 2.2 Tons (D.D. 100%)

842,000

PATENT 1972 60.9 Tons (D.C. 0.3%): (D.D. 89.4%) Socialist Countries (10.3%).

611.95 8619,100

1976 27.1 Tons (D.C. 0.1%): (D.D. 99.8%) Socialist Countries (0.1%).

8568,600

OTHER 1972 497.8 Tons Japan (32.6%): Yugoslavia(22.8%): Socialist Countries (14.2%)

611.99 85,418,700 U.S.A.(7.3%): France(5.0%): Brazil(4.3%): (D.C.6.3%)(D.D.79.5%).

1976 567.1 Tons Yugoslavia(57.2%): Japan(33.1%): Germany(7.2%): U.K. (3.5%)

83,152,500 France(2.7%): Belg.Lux(2.6%): (D.C.1.7%): (D.D.90.6%).

Source: Import Tabulation System

D.C. = Developing Countries

D.D. = Developed Countries.

Table 16

Imports of leather footwear into selected industrialized countries
in 1972-1977, and average annual growth rates

SITC: 851.02

Value (V) = US\$ million

Year	18 countries		United States		Germany, F.R.		France		United Kingdom		Belgium-Lux.		Netherlands	
	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC
1972	1,792.9	10.8	696.4	15.1	373.8	3.8	87.2	8.0	112.4	24.0	91.3	1.4	87.3	3.4
1973	2,142.9	14.8	800.1	23.5	451.9	4.0	103.9	9.0	132.4	24.0	118.4	1.8	104.2	3.6
1974	2,606.3	17.7	845.8	32.0	568.0	5.0	159.8	10.7	164.9	19.9	151.7	2.0	132.2	4.2
1975	3,126.3	17.4	1,006.9	34.9	674.5	5.0	235.0	9.0	200.5	19.8	190.6	2.0	167.9	4.0
1976	3,878.7	22.8	1,297.9	45.3	763.6	6.5	310.5	9.0	237.6	22.9	220.9	2.1	205.3	6.2
1977	4,585.7	22.7	1,370.2	46.3	937.8	7.0	376.0	11.2	309.2	23.6	288.7	2.2	271.1	9.6
Average annual growth rate (%) of imports 1972-1977	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC
	21.0	39.5	15.4	43.7	19.9	36.0	36.8	42.8	22.2	21.3	25.2	35.2	25.5	52.0

Source: Import Tabulation System ITC/UNSO

DC = Developing countries

Annual average growth rate (%), calculated with least square exponential formula.

Table 17

Total imports of leather footwear into 18 selected industrialized countries by countries of origin, 1972 and 1977

SITC 851.02

Value (v) = US\$ million

Country of origin	1972	1977	1977	
			Index 1972=100	Share of total imports (%)
Total	1,792.9	4,585.7	256	100.0
of which from:				
Italy	780.7	1,763.8	226	38.5
Spain	223.7	399.4	179	8.7
Korea, Rep.	29.8	388.6	n.s.	8.5
Other Asia n.e.s.	41.4	289.8	700	6.3
France	127.5	255.0	200	5.6
Germany, Fed.Rep.	79.3	200.4	253	4.4
Socialist countries	65.1	199.4	306	4.3
Brazil	48.7	174.9	359	3.8
United Kingdom	54.1	108.3	200	2.4
Yugoslavia	27.1	81.1	299	1.8
Hong Kong	33.7	41.8	124	0.9
Others	346.9	683.2	197	14.8

Source: Import Tabulation System ITC/UNSO.

n.s. = not significant index.

Table 18

Imports of leather footwear into selected developed and developing countries
in 1971-1977, and average annual growth rates

SITC: 851.02

Value (V) = US\$'000

Year	18 countries		Libyan Ar. Rep.		Hong Kong		Nigeria		Singapore		Spain		Yugoslavia	
	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC
1971	26,779	12.4	4,476	6.4	8,272	4.1	2,005	42.7	2,256	54.8	1,378	5.4	6,456	0.7
1972	30,291	12.8	6,428	9.1	10,797	3.2	2,663	31.7	2,413	54.3	2,697	12.8	3,341	0.9
1973	42,050	10.0	7,852	9.2	15,224	2.6	3,394	17.2	3,820	35.3	3,551	13.2	5,346	2.0
1974	55,888	12.0	14,503	9.3	16,117	8.0	3,547	15.1	7,050	29.7	3,932	14.4	6,002	-
1975	76,740	13.3	19,434	9.1	16,748	11.1	14,129	6.3	10,916	26.9	6,914	21.7	2,867	6.2
1976 (5 countries)	(60,306)	(12.8)	20,028	4.3	18,613	6.7	n.a.	n.a.	12,105	32.3	6,827	24.7	2,733	-
1977 (3 countries)	(51,508)	(17.3)	n.a.	n.a.	28,667	10.9	n.a.	n.a.	16,195	26.9	6,646	21.3	n.a.	n.a.
Average annual growth rate (%) of imports 1971-1975	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC
	31.2	32.2	45.5	56.6	19.9	60.7	52.1	-3.8	52.6	24.6	43.4	91.5	-9.9	-52.9

Source: Import Fabulation System ITC/UNSO.

DC = Developing countries

n.a. = not available

- = nil or negligible

Annual average growth rate (%), calculated with least square exponential formula.

Table 12

Total imports of leather footwear into 18 selected developed
and developing countries by countries of origin
1971 and 1975

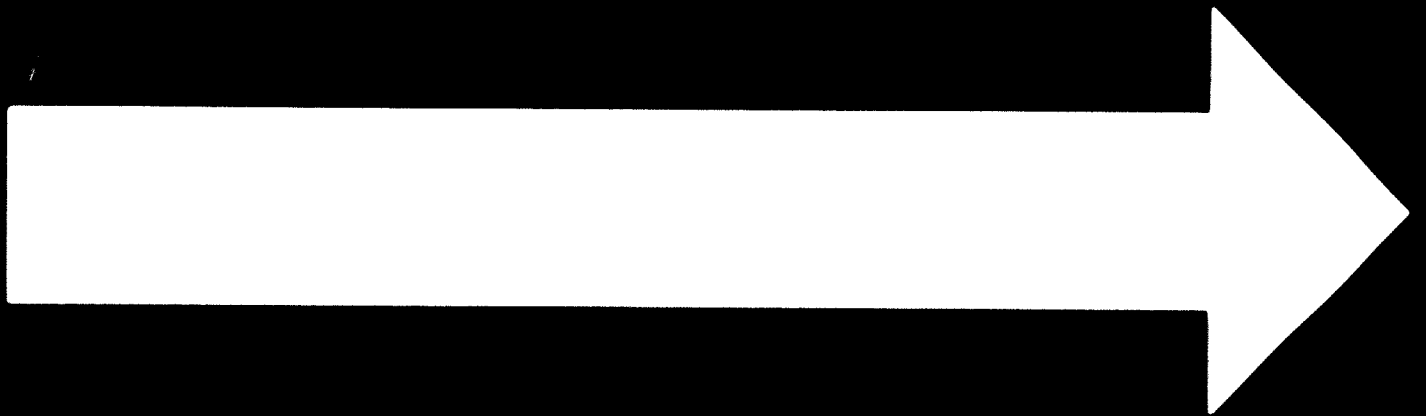
SITC 851.02

Value (V) = US\$'000

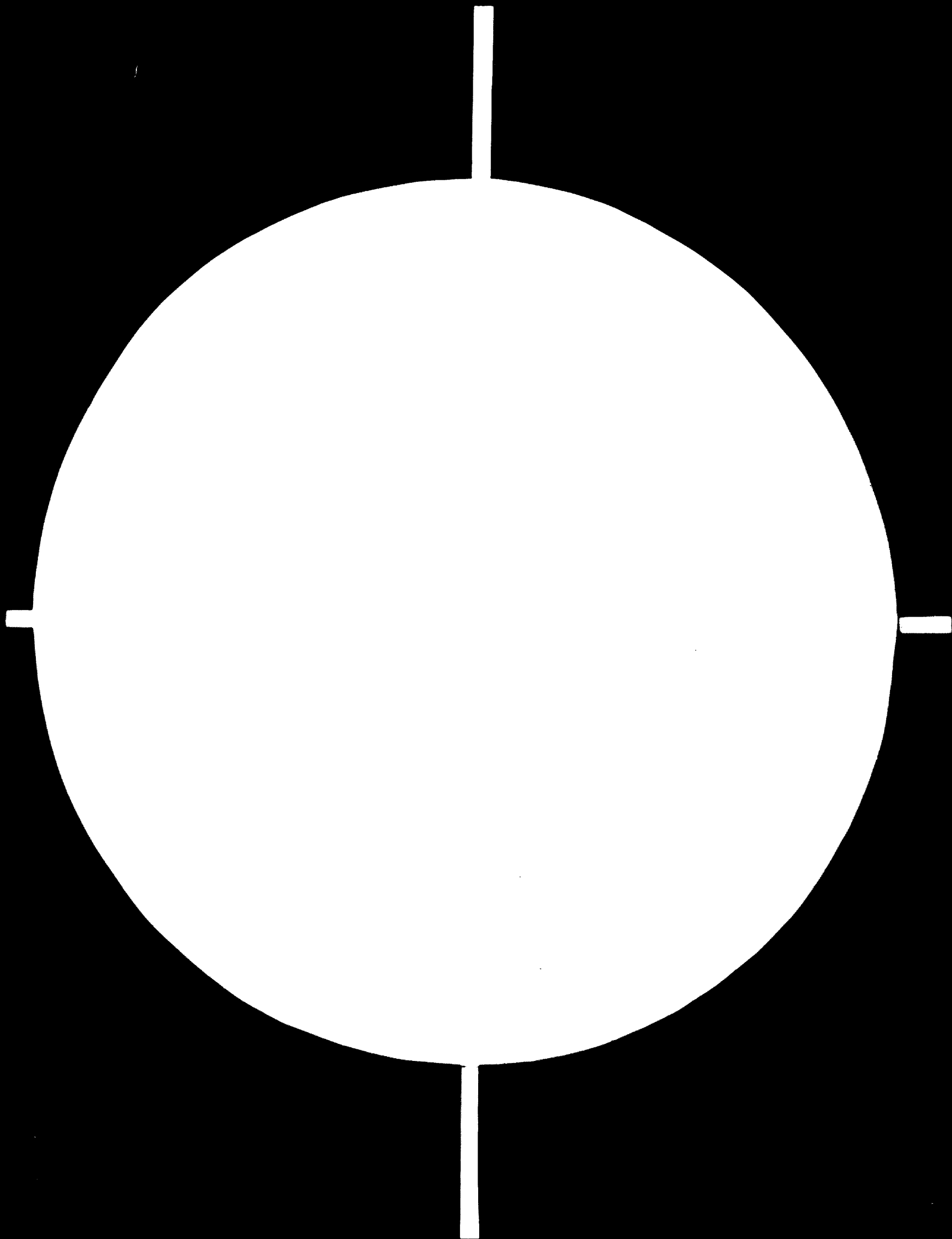
Country of origin	1971	1975	1975	
			Index 1971=100	Share of total imports (%)
Total	26,779	76,740	287	100.0
of which from				
Socialist countries	4,838	16,887	349	22.0
Italy	7,692	15,318	199	20.0
Spain	1,274	8,271	649	10.8
France	1,608	7,530	468	9.8
United Kingdom	3,088	5,699	185	7.4
Switzerland	890	2,770	311	3.6
Germany Fed.Rep.	1,189	2,768	233	3.6
United States	650	2,616	402	3.4
Korea, R.P.	-	2,591	-	3.4
Malaysia	1,175	1,783	152	2.3
Others	4,375	10,507	240	13.7

Source: Import Tabulation System ITC/UNSO.

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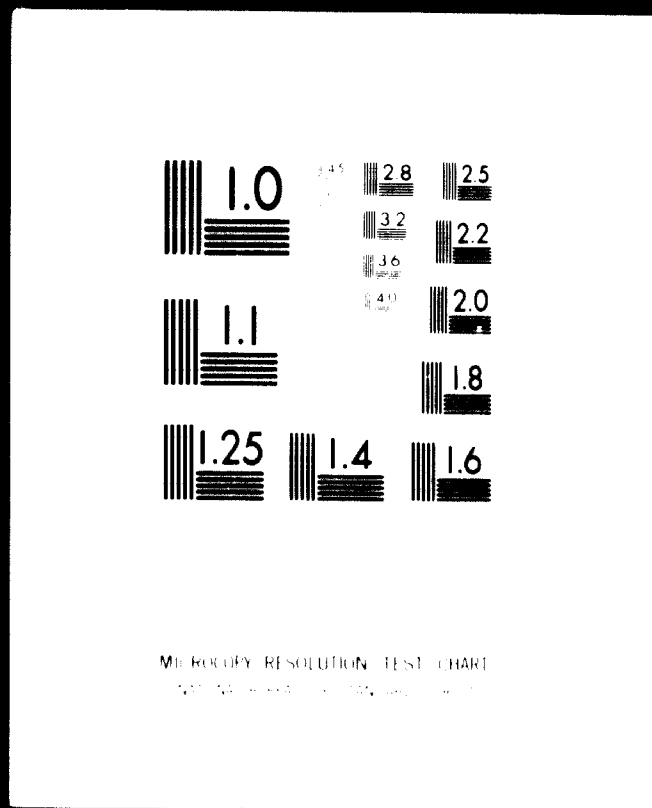


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Table 20

Imports of travel goods, handbags and similar articles of selected industrialized countries in 1972-1977, and average annual growth rates

SITC: 831.0

Value (V) = US\$ million

Year	18 countries		United States		Germany, F.R.		France		United Kingdom		Canada		Belgium-Lux.	
	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC
1972	443.3	27.4	166.7	43.4	63.5	17.0	21.0	5.3	22.1	25.3	26.1	27.0	22.1	5.1
1973	618.8	34.4	214.6	55.6	92.4	25.4	31.1	7.3	36.4	31.0	33.9	34.6	29.0	4.3
1974	701.1	37.7	208.6	68.1	111.6	27.2	39.1	9.2	44.9	31.0	39.9	35.4	33.8	6.2
1975	819.7	38.5	217.9	74.7	156.2	27.3	58.8	14.1	56.4	36.3	40.7	43.3	43.2	8.0
1976	1,102.8	46.4	349.1	79.9	182.0	33.8	84.0	22.8	67.8	46.7	61.2	49.9	50.9	12.1
1977	1,345.5	44.8	403.5	78.3	233.2	34.6	107.8	28.9	78.5	45.1	64.1	49.4	60.8	10.5
Average annual growth rate (%) of imports 1972-1977	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC
	23.7	36.2	18.4	33.3	28.9	46.1	39.2	97.9	27.2	43.8	19.7	35.4	22.1	48.9

Source: Import Fabulation System ITC/UNSO.

DC = Developing countries

Annual average growth rate (%), calculated with least square exponential formula.

Table 21

Total imports of travel goods into 18 selected industrialized countries by country of origin, 1972 and 1977

SITC: 831.0

Value (V) = US\$ million

Country of origin	1972	1977	1977	
			Index 1972=100	Share of total imports (%)
Total	443.3	1345.5	304	100.0
of which from				
Italy	87.1	316.4	363	23.5
Korea, R.P.	8.3	171.9	n.s.	12.8
Other Asia n.e.s.	22.2	168.0	757	12.5
Hong Kong	60.6	144.3	238	10.7
Germany, Fed.Rep.	39.4	92.0	234	6.8
France	26.9	60.4	225	4.5
Socialist countries	18.9	58.6	310	4.4
Japan	63.0	48.3	77	3.6
United States	8.7	27.6	317	2.1
Spain	15.5	27.5	177	2.0
United Kingdom	10.9	24.7	227	1.8
Others	80.9	205.8	254	15.3

Source: Import Tabulation System ITC/UNSO.

n.s. = not significant index.

Table 22

Imports of travel goods, handbags and similar articles into selected developed and developing countries in 1971-1977, and average annual growth rates

SITC: 831.0

Value (V) = US\$'000

Year	18 countries		Singapore		Hong Kong		Libyan Ar. Rep.		Nigeria		Turkey		Venezuela	
	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC
1971	21,729	21.4	5,361	34.3	5,500	9.7	1,382	16.0	918	20.8	707	-	1,441	10.4
1972	30,460	24.0	6,809	46.6	7,547	9.5	3,246	22.5	1,408	43.4	2,025	-	1,543	8.1
1973	48,989	26.5	12,483	49.1	13,802	11.2	5,236	28.6	1,859	45.9	3,767	-	1,187	8.2
1974	61,571	27.9	18,913	44.1	14,104	11.8	6,144	21.5	2,918	39.1	3,998	1.4	1,713	12.5
1975	75,987	31.9	23,523	55.2	14,236	13.1	7,043	19.7	6,689	26.3	5,842	-	4,299	16.4
1976 (4 countries)	(56,137)	(26.1)	22,390	47.5	22,397	12.3	6,235	19.1	n.a.	n.a.	5,115	0.8	n.a.	n.a.
1977 (2 countries)	(63,159)	(24.2)	26,770	43.6	36,389	9.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average annual growth rate (%) of imports 1971-1975	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC
	37.8	51.6	48.9	62.9	28.8	39.8	47.6	53.2	60.0	66.1	63.3	197.9	25.7	43.8

Source: Import Tabulation System ITC/UNSO.

DC = Developing countries

n.a. = not available

- = nil or negligible

Annual average growth rate (%), calculated with least square exponential formula.

Table 23

Total imports of travel goods, handbags and similar articles
into 18 selected developed and developing countries
by countries of origin, 1971 and 1975

SITC 831.0

Value (V) = US\$'000

Country of origin	1971	1975	1975	
			Index 1971=100	Share of total imports (%)
Total	21,729	75,987	350	100.0
of which from				
Socialist countries	4,046	15,077	373	19.8
Hong Kong	2,056	11,021	536	14.5
United States	2,661	8,726	328	11.5
Other Asia ne.s.	1,189	8,053	677	10.6
Italy	2,167	7,350	339	9.7
Japan	2,420	6,441	266	8.5
Germany Fed.Rep.	2,374	4,506	190	5.9
France	666	2,817	423	3.7
United Kingdom	1,082	2,590	240	3.4
Australia	271	1,024	378	1.3
Others	2,797	8,382	300	11.1

Source: Import Tabulation System ITC/UNSO.

Table 24

Imports of apparel and clothing accessories of leather into selected industrialized countries in 1972-1977, and average annual growth rates

SITC: 841.3

Value (V) = US\$ million

Year	18 countries		United States		Germany, F.R.		Sweden		Netherlands		Switzerland		United Kingdom	
	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC
1972	392.6	25.5	154.0	42.7	109.1	15.2	13.6	12.8	25.5	9.0	18.7	2.9	14.6	31.7
1973	555.5	35.6	179.9	55.2	159.6	29.6	20.7	18.7	34.8	17.0	27.7	6.3	34.6	51.6
1974	773.1	43.2	206.1	64.2	261.4	42.9	34.4	23.6	62.7	34.8	36.1	7.9	29.1	53.7
1975	872.3	46.6	216.9	70.5	289.9	48.6	54.7	31.5	51.6	37.2	43.0	21.3	33.4	46.6
1976	1,001.8	54.2	331.5	79.8	247.1	42.7	68.0	46.4	50.9	36.8	41.9	36.6	36.8	54.8
1977	1,132.9	54.9	389.9	85.1	289.7	34.7	59.7	45.7	71.9	40.9	45.1	33.9	46.8	55.9
Average annual growth rate (%) of imports 1972-1977	22.8	42.4	20.5	37.6	19.7	39.6	38.6	81.1	19.2	58.5	18.1	100.7	19.2	29.3

Source: Import Tabulation System ITC/UNSO

DC = Developing countries

Annual average growth rate (%), calculated with least square exponential formula.

Table 25

Total imports of apparel and clothing accessories of leather
into 18 selected industrialized countries by country of origin

1972 and 1977

SITC 841.3

Value (V) = US\$ million

Country of origin	1972	1977	1977	
			Index 1972=100	Share of total imports (%)
Total	392.6	1,132.9	289	100.0
of which from				
Korea, R.P.	6.6	251.8	n.s.	22.2
Italy	46.8	141.1	301	12.5
Hong Kong	30.0	91.8	306	8.1
Other Asia n.e.s.	22.2	79.0	356	7.0
Socialist countries	23.5	73.5	313	6.5
France	49.2	47.2	96	4.2
Turkey	11.8	41.0	347	3.6
Uruguay	1.1	39.4	n.s.	3.5
United Kingdom	13.2	33.4	253	3.0
Germany, Fed.Rep.	11.9	32.5	273	2.9
Argentina	1.3	27.3	n.s.	2.4
Spain	20.1	25.3	126	2.2
Mexico	8.4	24.5	292	2.2
Yugoslavia	15.0	23.1	154	2.0
Netherlands	8.7	23.0	264	2.0
Others	133.6	179.0	134	15.7

Source: Import Tabulation System ITC/UNSO.

n.s. = not significant index.

Table 26

Imports of apparel and clothing accessories of leather into selected developed and developing countries in 1971-1977, and average annual growth rates

SITC: 841.3

Value (V) = US\$'000

Year	18 countries		Hong Kong		Nigeria		Singapore		Spain		Venezuela		Libyan Ar. Rep.	
	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC
1971	4,839	12.0	1,767	2.3	578	24.2	298	24.1	258	32.8	784	0.5	190	50.7
1972	6,276	13.0	2,393	1.5	651	26.1	509	33.1	368	32.4	999	3.1	252	38.4
1973	10,514	14.6	5,565	7.4	885	34.0	618	34.5	625	23.5	548	6.8	379	46.6
1974	13,497	16.3	6,785	8.1	1,063	36.8	871	44.1	790	25.4	612	16.2	563	46.6
1975	11,604	23.8	5,593	9.0	1,478	43.0	1,135	43.4	928	30.5	675	54.9	399	27.4
1976 (4 countries)	(13,186)	(17.8)	10,014	10.1	n.a.	n.a.	1,191	42.1	1,305	47.3	n.a.	n.a.	676	32.0
1977 (3 countries)	(18,213)	(13.0)	14,342	4.8	n.a.	n.a.	1,896	34.3	1,975	52.0	n.a.	n.a.	n.a.	n.a.
Average annual growth rate (%) of imports 1971-1975	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC
	28.6	50.8	39.8	117.7	26.8	47.2	37.9	59.7	39.4	34.1	-7.6	182.0	25.7	13.3

Source: Import Fabulation System ITC/UNSO.

DC = Developing countries

n.a. = not available

- = nil or negligible

Annual average growth rate (%), calculated with least square exponential formula.

Table 27

Total imports of apparel and clothing accessories of leather
into 18 selected developed and developing countries of origin
1971 and 1975

SITC 841.3

Value (V) = US\$'000

Country of origin	1971	1975	1975	
			Index 1971=100	Share of total imports (%)
Total	4,839	11,604	240	100.0
of which from				
Socialist countries	545	3,473	637	29.9
Italy	471	1,111	236	9.6
Hong Kong	329	1,071	325	9.2
Japan	332	711	211	6.1
United Kingdom	584	704	120	6.1
France	417	702	168	6.1
United States	364	587	161	5.1
Spain	758	570	75	4.9
Germany Fed.Rep.	352	465	132	4.0
Other Asia n.e.s.	46	434	943	3.7
Others	641	1,776	277	15.3

Source: Import Tabulation System ITC/UNSO.

Table 2E

Imports of harness-makers goods of all materials into selected industrialized countries in 1972-1977, and average annual growth rates

SITC: 612.2

Value (V) = US\$ million

Year	18 countries		United States		Canada		Germany, F.R.		Australia		France		Netherlands	
	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC
1972	28.1	20.1	15.3	26.6	3.2	4.6	2.0	27.9	0.5	11.7	1.0	4.1	0.9	15.0
1973	39.0	22.4	19.5	28.9	3.7	4.1	3.0	32.1	1.3	7.4	1.6	5.1	1.3	22.4
1974	48.0	25.2	20.4	36.7	4.5	7.0	3.8	32.0	2.6	13.8	2.3	9.3	1.8	24.7
1975	38.1	24.9	12.1	38.6	4.3	8.1	4.8	30.8	2.0	22.7	2.3	17.1	2.2	26.9
1976	46.1	27.0	16.3	42.8	5.4	6.3	4.7	30.3	3.0	27.3	2.8	18.6	2.5	24.5
1977	53.2	27.1	17.4	44.6	4.8	6.4	6.0	28.5	3.9	28.1	3.7	21.4	3.0	25.3
Average annual growth rate (%) of imports 1972-1977	10.4	17.0	-1.2	10.2	9.2	19.1	22.0	21.7	41.5	82.1	26.9	82.8	25.5	36.6

Source: Import Tabulation System ITC/UNSO.

DC = Developing countries

Annual average growth rate (%), calculated with least square exponential formula.

Table 29

Total imports of harness-makers' goods into 18 selected industrialized countries by countries of origin

1972 and 1977

SITC 612.2

Value (V) = US\$ million

Country of origin	1972	1977	1977	
			Index 1972=100	Share of total imports (%)
Total	28.1	53.2	189	100.0
of which from:				
United Kingdom	4.4	11.5	261	21.6
Germany, Fed.Rep.	3.9	6.6	169	12.5
United States	2.2	4.3	195	8.1
India	1.0	4.1	410	7.7
Japan	7.3	3.7	51	6.9
Other Asia n.e.s.	0.1	3.0	n.s.	5.6
Switzerland	0.3	2.9	966	5.5
Socialist countries	0.8	2.4	300	4.5
Mexico	2.7	2.4	89	4.7
Argentina	1.3	2.1	162	3.9
Netherlands	0.8	1.6	200	3.0
Others	4.0	11.0	275	16.0

Source: Import Tabulation System ITC/UNSO.

n.s. = not significant index.

Table 30

Imports of harness-makers' goods of all material into selected developed and developing countries in 1971-1977, and average annual growth rates

SITC 612.2

Value (V) = US\$'000

Year	18 countries		Nigeria		Spain		Venezuela		Hong Kong		Singapore		Egypt	
	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC	V	% from DC
1971	676	7.0	518	5.8	16	1.2	65	4.3	21	14.1	10	10.2	-	-
1972	746	8.2	529	9.1	38	3.4	106	9.4	22	-	18	-	-	-
1973	965	3.5	629	1.3	98	5.8	87	12.6	35	-	33	0.3	-	-
1974	1,308	10.5	950	10.3	118	1.6	59	28.5	33	1.2	39	15.2	-	-
1975	2,757	4.4	2,324	2.5	105	13.0	84	20.9	61	5.4	58	26.5	-	-
1976 (3 countries)	(229)	(7.4)	n.a.	n.a.	125	8.0	n.a.	n.a.	32	-	72	9.7	n.a.	n.a.
1977 (3 countries)	(254)	(3.5)	n.a.	n.a.	122	3.3	n.a.	n.a.	90	1.1	42	9.5	n.a.	n.a.
Average annual growth rate (%) of imports 1971-1975	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC	Total	from DC
	40.1	30.7	43.2	23.0	62.6	141.9	-0.6	52.0	28.1	85.6	53.7	311.2	365.8	-

Source: Import Tabulation System ITC/UNSO.

DC = Developing countries

n.a. = not available

- = nil or negligible

Annual average growth rate (%), calculated with least square exponential formula.

Table 31

Total imports of harness-makers' goods into 18 selected developed and developing countries by countries of origin, 1972 and 1975

SITC 612.2

Value (V) = US\$'000

Country of origin	1971	1975	1975	
			Index 1971=100	Share of total imports (%)
Total	676	2,757	408	100.0
of which from				
Italy	156	1,027	658	37.2
Germany, Fed.Rep.	157	510	325	18.5
France	7	331	n.s.	12.0
United Kingdom	190	266	140	9.7
Spain	1	197	n.s.	7.2
Netherlands	2	94	n.s.	3.4
United States	64	88	138	3.2
Lebanon	5	53	n.s.	1.9
Argentina	1	27	n.s.	1.0
Socialist countries	6	23	383	0.8
Others	87	141	162	5.1

Source: Import Tabulation System ITC/UNSO

n.s. = not significant index

APPENDIX II

BUYERS' VIEWS AND EXPERIENCES ON DOING BUSINESS IN LEATHER PRODUCTS
EXPORTED FROM DEVELOPING COUNTRIES: SOME SELECTED QUOTES
FROM INTERVIEWS:

Introduction

Retailer dominance of the high consumer-spending markets places enormous buying power in the hands of the highly competent buyers in charge of merchandise procurement for the great bulk retailing organizations: departmental store groups, multi-shop chains, buying groups, mail order houses, super and hyper-markets, discount stores, etc. Satisfying the demanding requirements of buyers is essential to constructing a sound basis for successful trading in the markets concerned. This Appendix relates comments of buyers and leather trade experts with experience of trading with developing countries and sets out by so doing to provide checkpoints and examples against which exporters may measure their own experiences and judge if and where they have been successful or at fault. Buyers consulted serve important retailing enterprises in Europe and in the United States and are responsible for a significant proportion of leather product imports from developing countries. In addition to comments on specific production and product aspects for noting and appropriate action by exporters as necessary, observations and advice on manufacturing and trading tactics and strategy may be found very useful - especially to new and unsuccessful exporters.

Selected quotes

1. "The movement of production from a primary to a secondary economy has been occasioned by the advantageous use of domestic raw material and low labour costs in conjunction with direct aid or subsidies or other incentives to help new industry to get started. The first result has been to build up new industry with low costs permitting production of large quantities of goods at first price using cheapest methods of manufacture and the simplest of styles. Emphasis has been on quantity and low price rather than on quality. This gives experience in manufacturing on industrial scales upon which countries

should build. Quality should develop with experience, but this does not happen in many cases. If businesses are interested in immediate profit then they are tempted solely by large orders from bulk buying customers. Unfortunately, such customers tend to move to the next area of cheap labour and costs when such emerge.

"Therefore, to service, exporters should embark on a mix of bulk quantity production plus a small, specialized area of a properly researched line or range of products for spearhead introduction. Key, trained operatives should be employed on the latter, combined with adequate training to new labour with aptitude.

"If a manufacturer makes only at first price in bulk, then as labour costs rise, as is inevitable, this type of manufacturer tends to be left out in the cold when customers move on to the new lower cost supply source. Should the manufacturer endeavour to maintain prices competitively, this can only be done by reducing quality and/or trading to loss. There is great fallacy in some makers thinking that if they produce a small quantity at a small percentage loss this will somehow turn into a profit if they accept a large order of the same article."

2. "Too much effort is spent in trying to obtain large volume orders at first. When this is done as a result of direct financial aid to the producer, or by means of an incentive rebate, then the future is not being built on a stable foundation. Ultimately each industry must be able to compete economically in a commercial world and this must mean providing quality and good design when lowest cost orders are no longer available. Few manufacturers have studied the various levels of potential markets; instead they have converted available natural resources and cheap labour into goods which finally means reliance on the opportunity provided."
3. "Different countries obviously have different problems according to their rate and stage of development. High quality merchandise for instance is being produced by the old artisans of the saddlery trade in some countries.

On the other hand there are countries who are trying to run before they can walk and want all the profits and rewards at once. In the cow hide and nappa area one country has gone into tanning and fashion production without having studied the quality and styling needs of the consumers in the markets in which they launch themselves. A few years ago, when the Ethnic Looks were fashionable, then the domestic product of that country was acceptable for what it was. But this was only a phase of fashion and applied only to a limited market."

4. "Some developing countries are trying to do everything at once and are succeeding only in creating internal competition. For instance, in some countries, end products are being made of inferior leather, inhibiting sales appeal and causing customer complaints, because tanners reserve their top qualities for export to foreign manufacturers who compete on the same market with the end products made from inferior raw materials exported from the developing countries.

"Other developing countries have progressed differently: now having a very sophisticated leather tannage which is kept very competitive in price, they have bought world expertise in styling, production management and machinery to their footwear which is now excellent. However, they still suffer from other problems, universal in developing countries: lack of quality control both of raw material and the processes of manufacturing. This applies particularly to the cutting of skins. Many potential good articles are ruined because flanks and bellies have been cut into the merchandise. Often this does not show up until the article is used. Resultant loss to retailers in cash and customer goodwill is very considerable and the whole problem would be solved if lower quality areas of hides were not used. Not to use them will increase the price, but this is preferable to unreliability of merchandise, damage to reputation of supplier and retailer, and to the image of leather itself. In addition to the quality problem, there is also the problem of bad deliveries, not heeding the sampling timing requirements of the market nor fashion changes."

5. "Most developing countries making footwear do not study market needs and offer styles not acceptable to our customers. However, some developing countries have made rapid improvement in leather footwear and their products are now causing increased concern to Western shoe manufacturers. They also pose the strongest competition to the other developing countries."
6. "We have enormous choice of suppliers of small leather goods and can buy at almost any price but we really want stable quality at an improved level: use of dye-fast leather, uniform in colour and quality, better making, linings, studs, clasps, thread and zips. More efficiency in delivery and packaging would influence us, too."
7. "Who creates the article to be made? Initially, ideas are provided by large importers and wholesalers who want the lowest-priced copy. For subsequent growth of business, suppliers must either still rely on their customer or must take an interest in the target markets' needs by finding out for themselves. It is rarely found by us retail buyers that suppliers have ideas of their own. This must be a great area of development for them - either by buying-in or hiring-in design expertise or by installing their own design department in their factories."
8. "Development should be monitored as it progresses. Labour, once trained and supervised to proper standards, should then begin to produce quality goods. Thus, as labour costs rise, the production can be switched to smaller runs of better made products, embodying a greater element of or fashion qualifying for better profit margins. This re-emphasizes the need for greater attention to all aspects of quality control: from selection of the raw material through all stages to the final product. Equal care must be taken with component parts: linings, accessories, sewing threads, zips. Within the product itself each part must be of a quality that will last the lifetime of the product. Zips are a particularly weak and troublesome point - they must function perfectly: much ill-will is created because of a few cents saved by using a cheap zip. The material with which products are

stitched also causes much concern. Far better to import quality thread than to risk problems. If suitable hardware (various buckles, fittings, frames and trims) are not domestically available then manufacturers should be allowed to import them at economic prices until quality of domestic supply improves. If this is not possible then designs must be created that obviate need for these items or, arrangements made where feasible, with the construction of the article concerned, to ship partly finished for completion with quality components within the importing market - perhaps with joint venture activity."

9. "In the vast majority of exporter factories, not enough consideration is given to production supervision at each stage with searching final inspection before packing and despatch. This need not entail extra labour - purely better division: but once standards are built to customer satisfaction, they must be maintained. Once achieved this provides another sound platform for further development of business to higher levels.

10. "All production must be geared to meet demand: ranges must be ready at a time for buyers to inspect and to order. Moreover adequate time must be allowed for producing the orders."

"In a shrinking world fashion has become more universal, a manufacturer studying the markets in terms of styling changes and needs must be ready to make the minor alterations to suit specific local tastes and incorporate slight adaptations and colourations accordingly, thus giving his new ranges best opportunity to score optimum sales.

"Manufacturers should acknowledge the paramount importance of range readiness to time. They would be well-advised also to be prepared to make additions and innovations suggested by buyers (who are in daily close contact with fashion and style changes) at the sampling interviews."

11. "Study of the requirements of the market is vital to product acceptability, but the study should be in the light of realisation that a manufacturer and his products cannot be all things to all retailers. Market study should give each producer a clear idea of the level of trade he wishes to develop - types

of merchandise, price brackets and customers. Retail organizations do not set out to sell at all levels of consumer tastes and pockets - in brief, there is specialization even in bulk retail business and so for their suppliers also."

12. "Manufacturers often fail to manage all the necessary export documentation. As new supplying countries emerge and progress, agencies are set up to deal with this kind of problem, but if no such service is available, then care should be taken to ensure office capability to deal with it. Supervision of despatch should also be assured: retailers report merchandise being faulty or missing from consignment due to weather damage or theft with consequent disruption of smooth business operation and relationships."

APPENDIX III

INTERNATIONAL COUNCIL OF TANNERS (ICT)

In the last two years, the ICT has pushed ahead with bringing into membership all countries with substantial leather industries and with freely elected associations. Now membership covers the whole of South and North America, Europe outside of the state trading countries excepting Turkey as well as New Zealand, Australia and South Africa. Indian tanners have attended the last two International Council meetings (in 1977 and 1978) and Japanese tanners the latest one (in 1978). Both countries are expected to join before the next International Council meeting in 1979. Invitations to attend as observers and to join will go to Pakistan, Bangladesh, Sri Lanka, Korea, Turkey and possibly a few more countries such as the Philippines. This is the first stage in the ICT's expressed wish to be by 1980 fully representative of and the spokesman of the world leather industry. With its present membership it already speaks for the great majority of the world industry.

As stated recently, the objectives of the ICT are, to promote the prosperity and profitability of leather manufacturers throughout the world and to resolve the problems arising out of the growing importance and strength of the new leather industries in the developing countries and their impact on the established leather industries of the developed countries so that all could benefit. It was also stressed that all fully appreciated the situation and accepted that there was no possibility of (nor wish for) turning the clock back, but the legitimate interests of both sides had to be recognised and catered for and the ICT was the only body fitted for this task.

The last International Council meeting in Buenos Aires - the first outside Europe and the biggest - set up a Leather Industries Development Committee to study the problems and try to work out both a mutual understanding of each point of view and a commercial solution. The International Council stressed the word "commercial" because delegates recognised that attempts to find a "political" solution alone could end in retaliation, polarization and stagnation

The Development Committee has already met and agreed unanimously on the two following points:

1. It was essential that knowledgeable and involved people should investigate the marketing situation so that a balanced view can be taken of the world supply, production and market factors. They emphasized that it was self-destructive to stimulate production capacity beyond, on the one hand, the supply capability and, on the other, beyond the viable economic capacity of the market for footwear, etc.
2. Leather production was a key industry and each country with a proper raw material capability should be assured a minimum production capacity and home market share. Ideally, the Committee recognised, there should be free access to raw materials and markets and commercial factors only should determine production and market shares.

It may be seen, therefore, that the ICT, in recognition of its responsibilities, is now actively engaged in discharging them in line with its aims and objects to promote the welfare and development of the international leather industries.

MEMBERSHIP OF THE INTERNATIONAL COUNCIL OF TANNERS
December 1978

ARGENTINA Camara de la Industria Curtidora Argentina
Belgrano 3978/80
Buenos Aires - 13
President: G H Muruaga

AUSTRALIA Federated Tanners' Association of Australia
PO Box 1525
Canberra City, A.C.T. 2601
Executive Director: K J Cremen

AUSTRIA Fachverband der Ledererzeugenden Industrie
Bauernmarkt 13
1011 Vienna 1
Director: H Leopold

BELGIUM Union de la Tannerie et de la Mégisserie Belges
Lambroeckstraat 10
1930 Zaventem
Director: D Masurel

BRAZIL Centro das Industrias de Curtumes do Brasil
Rua do Mexico 111
Grupo 1701
Rio de Janeiro
President: R H de Carvalho

CANADA Tanners' Association of Canada
MEMBERSHIP OF THE INTERNATIONAL COUNCIL OF TANNERS
December 1978
PO Box 294
Kleinburg, Ontario
Executive Vice-President: W M Griffith

CHILE Asociacion de Industriales de Curtidurias de Chile
Teatinos 248
Santiago
President: A Ilharreborde

COLOMBIA Federación Nacional de Curtidores
Bogotá
Calle 12 No 7-32/34
Apartado Aéreo 5917
President: H I Benoit

DENMARK Foreningen af Danske Laederfabrikanter
Nørrevoldgade 34
Copenhagen, DK 1358
Secretary: J Leth

FINLAND Suomen Nahkateollisuusliitto ry
Vuorikatu 4a, 7
00100 Helsinki 10
Secretary: M Zilliacus

FRANCE Fédération Française de la Tannerie Mégisserie
122 rue de Provence
75008 Paris
President: B Sol

GREECE Hellenic Tanners' Association
15a Miaoulis Street
Athens T.T.114
President: C Tripas

HOLLAND Federatie van Nederlandse Lederfabrikanten
Prof Dondersstraat 39
Tilburg
Secretary: J W Taminiau

IRISH REPUBLIC Irish Leather Federation
Mayfield House
Portlawn
Co Waterford
Chairman: A Mitschmann

ITALY Unione Nazionale Industria Conciaria
Via Brisa 3
20123 Milan
Director: A Ballini

MEXICO Camara Nacional de la Industria de Curtiduria
PO Box 27.227
Tehuantepec 255
Mexico 7, D.F.
President: R Hess

NEW ZEALAND New Zealand Tanners' Association
Industry House
38-44 Courtenay Place
Wellington
PO Box 9130
Director-General: H E J Martin

NORWAY Norske Garveriers Landsforening
Drammensveien 40
PO Box 2435
Solli-Oslo 2
Secretary: O J Jerven

SOUTH AFRICA S.A. Tanners' Association
S.A. Wool Board Building
Grahamstown Road
Port Elizabeth 6001
Secretary: A S Young

SPAIN Asociación Química Española de la Industria del Cuero
Avda Jose Antonio 608
Barcelona 7
Secretary: V Navarro

SWEDEN Svenska Garveriidkareforeningen
Box 1753
S-111 87 Stockholm
Secretary: A Burendahl

SWITZERLAND Verband Schweizerischer Gerbereien
Walchestrasse 25
PO Box 8035
Secretary: H Baer

UNITED KINGDOM British Leather Federation
9 St Thomas Street
London SE1 9SA
Director: G G Reaks

UNITED STATES OF AMERICA Tanners' Council of America
411 Fifth Avenue
New York NY 10016
President: E L Kilik

URUGUAY

Camara de la Industria Curtidora Uruguay
Av Agraciada 1670
Montevideo

President: W Branaa

VENEZUELA

Asociación Venezolana de Curtidores
PO Box 193

Caracas

Executive Secretary: M Hernandez

FED. REP. OF
GERMANY

Verband der Deutschen Lederindustrie
623 Frankfurt/M-Höchst 80

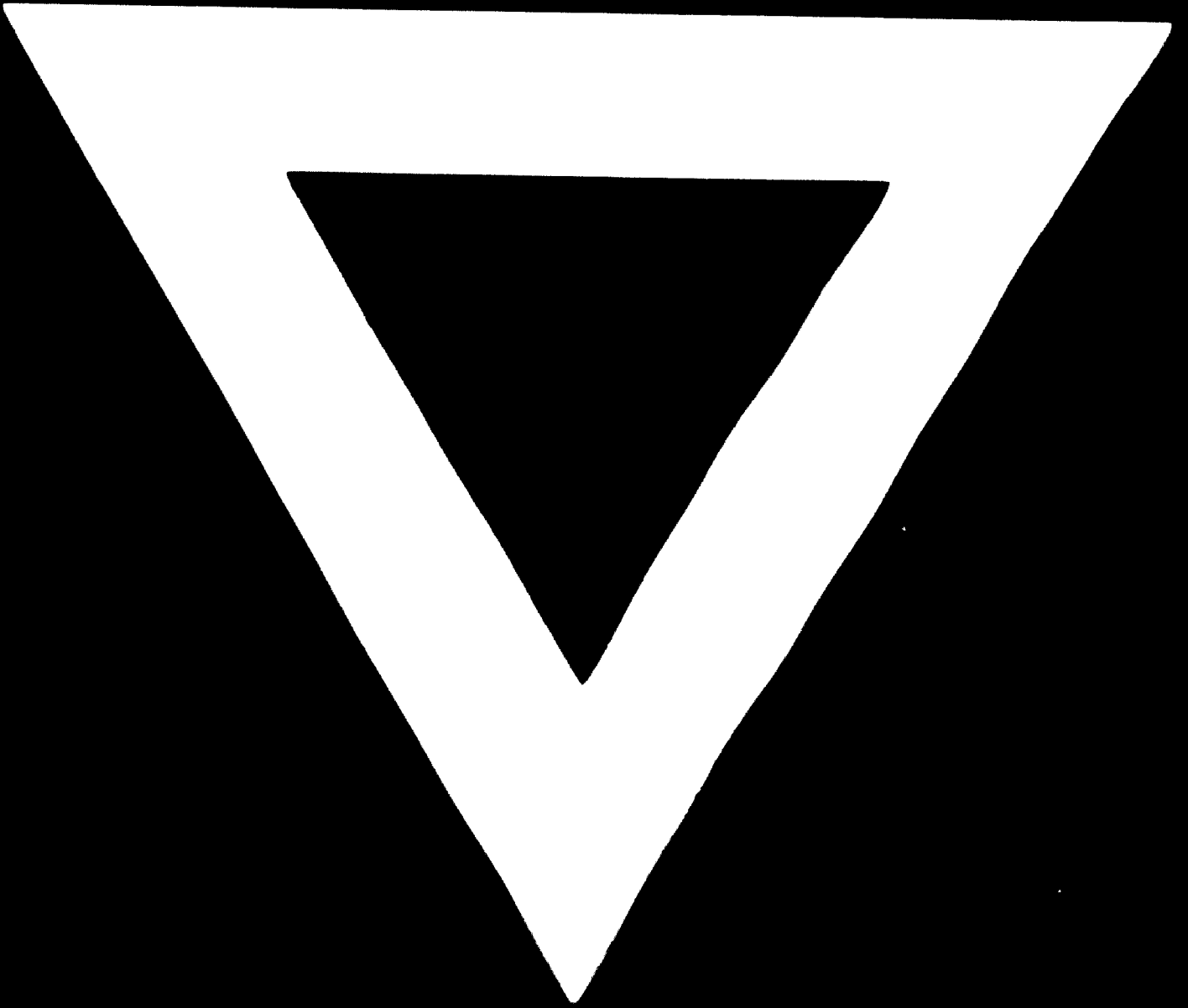
Leverkuser Strasse 20

PO Box 800 809

Director A Boha



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