



# LRC News Leather

No-2, Vol-1, January-2014

A monthly newsletter published by Leather sector Research & development Centre (LRC)

## IN FOCUS

### LRC work for promising Outlook

During the last two months the LRC team conducted some activities like sensitization the information about LRC to (Stakeholders, Institute, GoB), donate money to Mr. Almgir for his serious illness, LRC news letter, LRC website etc. The first emission of LRC News Leather (hard & soft copy) reached to 3000 readers in national & International community. All of them reply to us with thanks, suggestions and recommendation. But one thing we want to clear about LRC News Leather that we would include the recent activities of LRC and some local and international news, article, blogs and fashions. We are trying to shorten time of our active community to entry global networking. In this issue we include Business news, Footwear Innovation, Public consultation for labelling system regarding leather products at the EU level which is needed for leather product marketing, latest fashions in Leather and footwear, Recent Leather Fair etc.

### Recent Leather Fair (March-April 2014)

- MICAM, Italy, 02 March-05 March 2014
- MIPEL, Italy, 02 March-05 March 2014
- ILM international Leather Goods, Offenbeach, 8-10 Mar 2014
- LINEAPELLE (Bologna, Italy), 11-13 March 2014
- Bangkok International Leather Fair, Thailand, 12-16 Mar 2014
- FIMEC, Brazil, 18 March-21 March 2014
- OBUV.MIR KOZHI 2014, Russia 18 March-21 March 2014
- FIMEC (International Fair for Leather, Chemical Products) Novo Hamburgo - Rio Grande do Sul, Brazil, 18 Mar 2014 - 21 Mar 2014
- Malaysia International Shoe Festival 2014, Kuala Lumpur, 27-30 March 2014
- APLF - Materials, Manufacturing & Technology (MM&T) Hong Kong, 31 Mar-4 April 2014
- China (Dongguan) International Footwear Machinery & Material Industry Fair, Guangdong, 1-4 April 2014
- NEW YORK SHOE EXPO 2014 New York, USA, 05 April 2014 - 07 April 2014
- Society of Leather Technologists and Chemists (SLTC) Annual Conference, Northampton, UK, 26 April, 2014

## Global position of footwear marketing

One of the major conclusions of the new document is that the world's footwear production stabilized at 21 billion pairs in 2012. Last year, China has strengthened its position as the largest producer in the world, now providing a share of 63 % of the total production (60.5 % in 2011) as a result of the manufacture of 13,300 million pairs of shoes<sup>1</sup>. In recent comments quoted by the CLIA Mr Mangione said: "The short answer is that the next China is China." Nevertheless, he said the "scramble to find suitable alternative sourcing options" has produced a good pool of substitutes in some important niches, with costs, worker availability and investment in shoe making infrastructure still the biggest issues<sup>2</sup>. Among major world footwear producers, India and Brazil occupy the two remaining podium place, as in the previous year. However, while India's share of production stabilized at 10.4 % (on the basis of 2,194 million pairs of footwear produced), Brazil grew by 0.3 percent (from 3.8 % to 4.1 %), in 2012 as it produced 864 million pairs of footwear. In the list of the top ten global manufacturers of footwear, the only European country that arises is Italy, occupying the 10th position. In 2012 Italy produced 199 million pairs of footwear, reducing its relative position by one percentage point (from 1% in 2011 to 0.9 % last year)<sup>3</sup>. The global footwear market was worth USD 185.2 billion in 2011 and is expected to reach USD 211.5 billion in 2018, growing at a CAGR of 1.9% from 2011 to 2018. In the overall global market, Asia Pacific is expected to maintain its lead position in terms of revenue till 2018. Asia Pacific is expected to enjoy 30.1% of the global footwear market revenue share in 2018 followed by Europe<sup>4</sup>.

Md. Ahsanur Rashid, Ex-Export Experts, SEQUA gGmbH

<sup>1</sup><http://www.worldfootwear.com/news.asp?id=171>,

<sup>2</sup><http://www.leatherbiz.com/fulitem2.aspx?id=132764>

<sup>3</sup><http://www.worldfootwear.com/news.asp?id=171>,

<sup>4</sup><http://www.transparencymarketresearch.com/footwear-market.html>

## Innovate the Future: Footwear Innovation (Footnov) 2020 Program

The Portuguese footwear industry aims to be the international benchmark for sophistication and creativity, strengthening Portuguese exports underpinned by a national, sustainable and highly competitive production base, founded on knowledge and innovation. To assist firms in this mission, the CTCF defined Footnov 2020 that displays the lines of action and intervention measures for the coming years. This innovation program based on 4 areas:

**InoMat** - Innovation in Materials and Components (**Nano**-particles and **Nano** multifunctional materials, biomaterials and new chemical formulations; innovative leathers, recyclable and biodegradable materials, components and devices.)

**ProDesign**-Innovation and Product Design (new design concepts, new business models, technical articles, footwear health and well-being.)

**EQUITECH**-Innovation in Equipment and Processes (factory of the future; model unit high-tech; workshops Workshop (Art & Crafts); technologies for agile enterprises, Laboratory equipment, digital agenda.)

**Sustainable Development and Responsible EcoDev**- (environment, energy, social responsibility, new systems of certification of products and companies.)

These are the guidelines that CTCF is heading, in collaboration with companies in order to make the Portuguese footwear industry in the most modern and competitive world.

Source: <http://www.ctcf.pt/noticias.asp?op=Mg==&id=MzAwMg==&imp=Ng==>

## Export Performance (July-December 2013)

	Leather	Footwear	Leather Products
Export Performance	239.45	285.96	94.96
% Change of previous (July-Dec. 2012)	43.61	35.49	29.60

(Source-Export promotion Bureau, Million USD)



**SA International Business**

(Supply of Leather, Footwear & Leather Products from Bangladesh)

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**Promote your products**  
**+880-1915500309**

## Raw Hides and Skins- Structure, Defects and Preservation (Kacha Chamra)

- Noor Mohammad, Lecturer, ILET, DU

The Tannery, Leather goods and Footwear Industry of Bangladesh experiences huge amount of economic loss for various leather defects and most of which are avoidable. Today it is nearly impossible to find a perfect animal skin. This is due to partly carelessness and indifference in animal husbandry, slaughtering, flaying, curing and transportation of the animal hides and skins. Defects in leather result in higher costs in production and a greatly reduced selling value of the leather. The purpose of the book is to provide a basis for the perfect flaying and curing system and to identify the defects of the raw hides and skins with the suggestion means of remedial measures which can prevent the serious economic losses from devaluing leather. The book is written in Bengali which is easier to understand in the Bangladeshi leather community.



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LRC News leather is a publication of Leather sector Research & development Centre (LRC) where we inform recent activities of LRC, latest news, design, research and business related local & international information of Leather, Footwear & Leather goods sector. This letter is edited by Md. Akteruzzaman, Program Coordinator & Md. Ahsanur Rashid, Program Manager from LRC Office-67/2 Zibatola, 1st Building (2nd Floor), Dhanmondi, Dhaka-1209, Bangladesh, Tel. :+880-2-9631398

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## Business news

### BUET to oversee Savar tannery estate construction

The government on Wednesday appointed the Bureau of Research, Testing and Consultation (BRTC) to supervise the construction works of the effluent treatment plant and dumping yard at the proposed new tannery estate at Savar. The BRTC under the BUET was appointed by the cabinet committee on economic affairs. Finance Minister AMA Muhith who presided over the meeting approved a proposal of the ministry of industry to appoint the BRTC directly, said additional secretary of the cabinet division Nurul Amin. BRTC will be paid consultancy fees of Tk 5 crore, said an industry ministry official. He said the main task of the BRTC will be to assist the project officials in procurement of materials and construction of ETP and dumping yard by the JLEPL-DCL-JV, a Chinese company. The government selected the company in 2011. But it could not start the construction works for various reasons, said the project officials. The Executive Committee of the National Economic Council last August approved enhancement of the cost of tannery relocation project at Savar from the city's Hazaribagh to Tk 1,079 crore from initial Tk 175 crore in order to save the capital city and the river Buriganga from pollution. Hazaribagh's 220 tanneries discharge some 21,600 cubic metres of liquid wastes and 88 tonnes of solid wastes per day.

Source: <http://www.newagebd.com/detail.php?date=2014-02-06&id=82800#UvMvM2KSyl4>

### Tannery in Pakistan installs solar panels for "greener tomorrow"

Producer of nappa and lambskin M. Muhammad Shafi & Co has begun installing solar panels at its tannery in Karachi. Founded in 1958 and now producing around 12 million square-feet of leather each year, the company has said it will use the solar energy captured by the panels to heat water for production. It said the project was part of its contribution towards creating "a greener tomorrow".

Source: <http://www.leatherbiz.com/>, 14/01/2014

## Latest trends in Leather & Footwear



In Paris, Pierre Hardy presented a beautifully refined pair of double-soled shoes in two contrasting black leathers. He explained that they weren't quite high enough during the first round of sampling, so he had to go back to the factory for a little retooling. "We can all use a little bit of height," he said, smiling. In Milan, the platform lace-ups at Marni were a bit chunkier, giving a little extra lift. And monochromatic polka dots were applied to some of the thick soles at Jil Sander, adding some nice surface interest and texture.

Marni offers a demonstration in how to wear thick-soled shoes (left). The style also stands out at Pierre Hardy (top right) and Jil Sander.

Source: <http://tmagazine.blogs.nytimes.com/2014/01/16/threes-a-trend-thick-soles-for-sleek-silhouettes/>



Collection spring / summer 2014 shoes classic man, is evidenced by the quality of used materials and excellent finish, coupled with a contemporary design. (The Centenary, Portugal)

More info: <http://www.centenario.com.pt/>

<http://www.wwd.com/eye/fashion/pre-fall-2011-trend-rock-this-town-7402480>



**Leather**  
Initial forecasts for summer 2015 confirm interest in clean-cut materials with a retro flavor: washing and spin-drying make leather more up-to-date and wearable; giving it plumpness later re-polished and ironed out in final treatment.

Also big are "temporary" materials with a sensual feel: suedes, very smooth and deep in color, summery sailcloth with sandy looks, new, shaded in pale or dark colors. The 3-D can be found in prints, micro prints and ribbing, pleats and overhauled too, big for the season, will have 3-D effects, silk-screened or inkjet printed, revised or transformed with further under-glass work to give a clean look or with insets or perforations for lighter weight. Redesigned animal prints, mixed and superimposed. The veiling foreseen for textiles will translate into abrasion on leathers, treated with removable wax that makes hides softer, natural and warm. Trim remains important, with opulence, geometric decorations, overlays, plays of full and hollow, gold and metallic, transparent finishes on glitter.

Source: [http://www.lineapelle-fair.it/contenti/pdf/fashion\\_news/en/fashionnews\\_2013\\_12.pdf](http://www.lineapelle-fair.it/contenti/pdf/fashion_news/en/fashionnews_2013_12.pdf)

business and investment issues. Alongside emerging regulatory considerations, the impact of extreme weather events is already being felt on bottom lines. Companies in the food, beverage and apparel industries where margins are tightly linked to agricultural commodities have been most obviously affected. Household favorite Weetabix recently announced that it was forced to halt production of popular lines following a British wheat shortage caused by last year's cold and wet summer which devastated the UK harvest. Mulberry was affected by rising leather costs due to increased animal feed costs, linked to crop failure following drought and H&M has also been affected by rising cotton prices, again due to drought. Companies that view these challenges through the environmental lens can optimize their operations and supply chains to minimize these risks.

To ensure value is derived from environmental initiatives in an economic downturn, companies need to ensure their programs are linked to clear financial objectives. Placing a monetary value on environmental impacts, as PUMA did with when it published the world's first environmental profit and loss account, is particularly useful in ensuring environmental initiatives are linked to strategic bottom line objectives. Companies are increasingly learning to apply natural capital accounting to help them incorporate thinking about how to alleviate their environmental impacts directly into existing financial and operational systems.

Against a backdrop of increasing regulatory and natural resource pressures fueled by population growth, companies that act now to develop resource efficient technologies and services will be the successful companies of the future.

Full History: <http://www.environmentalleader.com/2013/07/18/environmental-issues-no-longer-a-low-impact-business-risk/>

## Public consultation

### Should leather be labeled at the EU level?

**Deadline: 31/01/2014**

The European Commission is addressing this particular challenge by assessing different policy options, including the possibility of introducing an authenticity leather labelling system at the EU level.

The European leather sector deals quite often with problems related to products that are fraudulently labelled as leather or are counterfeit. Some products may also be labelled using the term 'leather' inappropriately. Misleading and fraudulent labelling are not only detrimental to businesses but also to consumers who are not correctly informed. The European Commission is addressing this particular challenge by assessing different policy options, including the possibility of introducing an authenticity leather labelling system at the EU level.

This is why a public consultation addressed to all interested has been launched to gather views on the extent of the problem of labelling of leather products and the relevance and impacts of proposed options.

The consultation covers all leather products (leather being a material of animal origin) and products which have the aspect of leather but are made of other materials. Since the labelling of leather shoes is already regulated by Directive 94/11/EC (Footwear Directive), shoes are excluded from the scope of the consultation. But there is no labelling system regarding leather products in the majority of Member States. In addition to mandatory national systems, there is also a range of voluntary standards and labelling systems. In Italy and UK, the leather industry holds a collective trademark, and the industry in Germany developed a similar standard.

The products that could be impacted by misleading and fraudulent labelling carry an estimated market value of €1.1bn-1.4bn and the estimated annual cost of litigation is between €1.6m and 4.1m. In addition, a large proportion of consumers (67%) declare themselves often or sometimes unsure whether a product is made of genuine leather or not. The Commission is seeking to validate these quantifications.

### The general policy objectives are:

- Enhance the competitiveness of the European leather industry and value chain by ensuring a level playing field;
- Improve the functioning of the internal market for leather products in the EU by avoiding the proliferation of national initiatives that may fragment the internal market;
- Safeguard the information interests of consumers through ensuring adequate information.

### The specific objectives are:

- Ensure that the products circulating in the EU market are properly labelled and the denomination 'leather' used only on products which are of animal origin;
- Ensure the application of harmonised requirements through the whole EU;
- Ensure that consumers are properly informed when purchasing products made of leather or made of other materials - Raise consumer's awareness on leather products.

### Target group

Citizens and consumer organizations, market surveillance bodies, other government institutions, standardization organizations, test laboratories, intergovernmental organizations, interest groups (industry, retailers, consumers, environmentalists), trade unions, individual manufacturers, individual retailers, research institutes and consultancies

### How to access the consultation

The consultation can be filled in in English or other languages. In order to prepare your answers, a printable pdf-version of the survey can be downloaded in these languages using the above links.

Full History: <http://ec.europa.eu/enterprise/newsroom/infocentre/detail.cfm?id=7032&tpa=0&tk=8lang=en>

## Track Your Article Submissions

All concern related leather sector, we have developed a Newsletter that will allow you to keep track of the article submissions you have done. **You are requested to send your valuable articles to LRC office or via email.**

## Environmental Issues No Longer a Low Impact Business Risk

Research we did for the TEEB for Business Coalition Natural Capital at Risk finds that the environmental costs of business are costing the global economy \$7.3 trillion a year (equivalent to the GDP of China) from the loss of natural resources and ecosystem services, greenhouse gas emissions, and air pollution-related health costs.

The ability of companies to continue to externalize all of these costs is diminishing as governments find it increasingly difficult to manage them. In this context, polluter pays principles are gaining traction. Companies in many industries and regions are already forced to internalize some of the costs of their environmental and social damage through carbon taxes and cap and trade schemes. Socialization of costs is also becoming more unacceptable to the public and companies are at risk of losing social licenses to operate.

Environmental issues are no longer a low impact business risk that can be deferred in an economic downturn. Companies and investors need to consider environmental costs as core