



Over the last two decades three inter-related elements have dictated the drastic changes we have seen within the leather industry: the accelerating speed of change; technological advance; and the inescapable phenomenon that is 'globalisation'. But these three factors are hard to define and, whilst one could say that change and technological advance is speeding up, many fundamental technologies, from the automobile through the jumbo jet to chrome tanning have, to a great extent, remained unchanged and have been merely 'updated' and adapted rather than transformed.

The essential factors that have caused the dramatic changes seen in the more traditional industries have come about as a result of progress in external sectors such as the introduction of transportation by container, cheaper air travel and the Internet—and even political changes, such as the collapse of Communism—rather than the industries themselves lagging behind in terms of technological advances.

But, the inescapable truth is that these 'external' changes have had a huge impact on the leather industry, and have led to many traditional leather producers struggling for survival. In spite of this, the institutions that continue to represent the tanneries that remain are unwilling to allow the industry in the traditional leather-making regions to merely become a page in the history books.

Adapting to changing times

The leather industry has a long and proud tradition in the developed world, but in today's consumer market where it is quantity rather than quality that often appears to be the deciding factor, reputation and quality have slipped down the list of priorities for many. Some may say that many tanners, important hide traders, and a number of less well-prepared shoemakers, garment makers and leather goods manufacturers have failed to react to this new trend, which has led to the demise of many well-known names in the industry—unlike the chemical companies, and the successful brands and retailers, which have made the structural changes required to exploit the opportunities in these changing times.

As a consequence, famous and long-established tanneries in Europe and the USA have closed whilst new tanneries have

opened nearer the new shoe factories in the developing world where machinery, chemicals, technical assistance and technicians can be easily found, and where there is no difficulty buying quality hides in raw or wet blue from the USA or Europe.

It is true that the capital costs of setting up tanning facilities in the 'new' leather centres were higher than establishing shoe-making or garment-making plants but the actual barriers to entry were not so great, especially when cheap loans were available. The outcome was that new tanneries proliferated while the old ones fought on trying to avoid closure, thus creating overcapacity in the tanning industry. This has led to a situation where tanners have had to compete in an environment where many now work well below full capacity and are forced to cut their selling prices in order to generate sufficient volume to cover their fixed costs. ➤



No hiding from the truth

With hindsight, some might say that as globalisation increased competition, established tanners should have combined or merged into larger groups and concentrated on international expansion opportunities so that their technological superiority could be maintained as the industry relocated. But, as the saying goes, "hindsight is a wonderful thing" and as globalisation did not happen overnight, some producers were caught off guard. That is not to say that the traditional tanning sector sat back on its laurels and many companies did begin to form amalgamations and invest abroad in the 1950s, '60s and '70s but, as is often the case with new situations, many mistakes were made. Large British groups such as Booths and BHG chose to invest overseas in areas such as South America or in the old British Empire countries, but in doing so they missed the growth in southern Europe and Asia. However, by the time they realised where the expansion was really happening, they were embedded in losses and problems in their new off-shore investments and did not have the connections needed to relocate. This became a fairly typical scenario for many of the 'Western' companies that tried to address the challenge of globalisation: they had predicted where the growth would occur and got it wrong. It could be said that their demise was due to a certain degree of bad luck rather than mere lethargy.

However, unfortunately for the traditional tanners, the future is now fairly predictable, as capacity will eventually have to balance itself out as more tanneries in Europe close down and even production in the new 'developing' areas is likely to be reduced. Some closures are already on the horizon in China, where a number of tanners in the south have been put on notice, and certain pigskin tanneries are under pressure due to the large volumes of water they use and the wastewater they produce. The market now recognises that China will remain hugely important, but the industry also looks certain to significantly expand in places such as Vietnam, India and Latin America, too, where there is a greater appreciation of the product and the industry.

The 'disassociation' of the industry

The institutions and associations that represent the leather industry have also suffered greatly during the past few decades. Perhaps as a result of centuries of domination by small- and medium-sized family-owned businesses in the industry, the leather associations became rather like rich men's clubs. Having enjoyed a position of supremacy—in terms of reputation—for several centuries, a certain degree of resentment built up as new tanning facilities were built in the developing world. This led to some institutions refusing to deal with the new production areas or with the bodies, such as the World Bank and UNIDO, which were supporting the development.

When it became evident that tanners in the developing world were on the verge of dominating the global leather production capacity, international relationships and the 'high' membership pricing were such that most of the companies in the up-and-coming regions refused to join and organisations such as ICT (the International Council of Tanners), and ICHSLTA (the International Council of Skin, Hide and Leathers Traders' Association), found themselves representing a minority of the world's industry. Consequently the industry no longer had a truly international spokesman to defend its position. In spite of this, certain ancient institutions such as the American Leather Chemists' Association (ALCA) and the Society of Leather

Technologists and Chemists (SLTC) have struggled on and they can still muster sufficient numbers to hold meetings.

Success at SLTC

Although the UK-based SLTC has looked increasingly threatened as the domestic industry has continued to shrink and attendance has fallen significantly, its 109th conference recently held in Southport was surprisingly buoyant as organisations which have established a strong international presence, such as SATRA, the University of Northampton, and BLC continue to see value in supporting the society. And whilst quantity may have taken precedence over quality on the production side of the leather industry, the reverse was true at the SLTC conference.

Although the number of delegates present may have been lower than in years gone by, there was a good mix of both younger and older delegates at the conference, who were addressed by well-respected speakers with presentations on topics covering technology, plus scientific and practical lectures designed to inspire the delegates' interest and increase their knowledge of the industry.

World Leather's deputy editor, Mike Redwood, gave the Wolstenholme Memorial Lecture on 'The Challenges of the Leather Industry', drawing from his broad experience of the leather industry, to deliver a lecture covering various themes, from the contributions of Humphry Davy (1778-1829) to the leather industry long ago in Britain, to the importance and influence of China in the industry today. He also drew attention to the initiative by IULTCS to establish an International Leather Forum, which he urged the SLTC to fully endorse and support.

Amanda Long from the BLC Leather Technology Centre spoke on 'Tallodiesel—Producing Fuel from Waste', which focused on bio-diesel as a sustainable technology that can be produced from by-products at tannery clusters or medium-to-large tanneries and then used on site. Meanwhile, Paula Antunes, from the University of Northampton (BSLT) discussed 'Crosslinking of Type 1 Collagen in Biomaterials' highlighting how reconstituted collagen, classed as type 1, is the major component in most biomaterials used today.

Richard Turner, SATRA, offered an insight into the complex world of safety legislation in his presentation 'Leather—Meeting the Demands for PPE', noting how tanneries in China are meeting the required standards. 'Innovative Systems to Upgrade Your Leather', was the title of the lecture presented jointly by Mauro Magnaguagno, TFL and Mr. Giampietro, Gemata, highlighting the increasing collaboration between the leather chemical industry and the leather machinery industry. The talk covered topics such as how reverse roller coating on soft leathers has changed the options for tanners, allowing filling and covering of defects while maintaining a natural look.

Other lectures included 'Getting to the Bottom of the Problem' from Amanda Michel, Leather Wise; 'Finishing for Furniture and Footwear', made by Byron Dixon, Corium Solutions; and 'Modern Methods of Leather Surface Decoration', from Peter Laight, Identity in Printing.

Although it is an indisputable fact that the majority of the leather-making industry has shifted permanently from the traditional regions to those in the developing world, the success of the SLTC conference highlighted that the 'old' leather producing countries are not ready to lie down and die. The leather industry may not have reacted quickly enough to the phenomenal changes that globalisation has caused, but it is now developing strategies to secure its future in the areas of expertise where it still excels. 🌐