



Hans Ubbink was inspired by the Mongolia's free-roaming herds.

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A new project brings together tanners, chemicals, finished goods manufacturers and brands in a bid to create a transparent, sustainable supply chain in a re-emerging industry. Fashion designer Hans Ubbink has put his weight behind the initiative, which is hoped might become a blueprint for others.

Dutch boost for Mongolia's leather sector

Mongolia sits on a vast treasure chest of untapped minerals and has one of the fastest growing economies in the world – around 10% per year, albeit from a low base. With China to its east and Russia to the north, there is no shortage of demand from these traditional trade allies, and the government is keen to balance making money from its resources with retaining some autonomy. British-Australian mining giant Rio Tinto

has poured billions into the country's largest project, one third owned by the government, which could add \$30 billion to the economy, despite encountering political hurdles in recent months. The investments are meaning a new Mongolia is emerging – one ripe for development and at a nascent enough stage to implement sustainable practices early on. "Things are starting to move again in Mongolia, it's a very interesting time to be there," says

Matthea van Staden, founder of Made in Mongolia (MiM Genuine Mongolia).

When the Russians pulled out of the country 25 years ago, many industries became neglected and fell into disarray – among them, leather. The cattle population outnumbers humans by 10 to one, but until recently skins were mainly exported in a raw state to China by Chinese traders, and then sold into its tanning sector. However, in a bid to add value, the Mongolian government has passed a law that states

skins have to be at least part tanned before export. This has created opportunities for tanners to source skins without competition from the Chinese, and the government, keen to capitalise, began to court outside investment.

Greener processes

Working alongside MiM, chemical company Stahl is engaging with tanneries to help make their processes greener, and to start trials of horse skin tanning. "This is quite interesting for Mongolia because they have 350,000 skins annually which they cannot process," explains Ms Van Staden.

Stahl will initially focus on two tanneries starting with one, located outside of the capital Ulan Bator, which has its own water treatment plant. By 2017, all tanneries in the capital (around 35) will have to move outside of the city where they will be connected with a centralised water treatment system, so there is "a lot going on". "There has been a lot of interest from the other tanneries to be involved in the future," says Matthea. "This project connects brands – so their future customers – and so any investment made will directly show returns; they will be able export more internationally, not just to Russia and China."

Last July, Dutch social responsibility organisation MVO Nederland launched a wider partnership with Mongolia's leather sector called Grensverleggers (Groundbreakers), which is financed by the Dutch Ministry of Foreign Affairs and supports the creation of a transparent supply chain to the finished product. Dutch companies have pledged advice, education and technical support, and companies expressing an interest in sourcing from the country include footwear retailers Macintosh Retail Group (Manfield, Scapino and Dolcis), Oat Shoes, bag label MYOMY, leather jacket brand Donders Fashion and fashion house Traced Good.

A leather label, named Aduu Mal (aduu meaning 'horse' and mal meaning 'livestock' in Mongolian) has been launched, which will demonstrate to consumers that the leather has been sustainably sourced.

Hans Ubbink

The big coup for the project, however, is Dutch fashion designer Hans Ubbink. He travelled with Ms Van Staden on a recent sourcing trip to Mongolia, where he was taken by the vastness of the country and the herds roaming across the plains. "It is unbelievable to experience, in the West of Europe, an unknown kind of freedom," he tells *World Leather*.

At the start of this year, Mr Ubbink announced a new collection of jackets, bags, shoes and accessories marketed under the Aduu Mal label. "Most of the factories are in a pre-industrial phase, but the ones we chose to work with are at the same level you could expect in Europe," he says. "I was inspired by one tannery that has its own atelier in the building. This means they know what happens in the

production chain and for us the advantage is having one manager for the complete chain of production."

He stresses it is not a one-way process. "I look at what they are making and then how I can push things forward. We combine their knowledge, expertise and desire to export and upgrade with my design qualities and product requirements."

Through an initiative generated by the Mongolian Leather Association, the consumer will be able to find out about the herd and region the leather in their bag or jacket originates from. This taps into a growing consumer awareness about the effects of consuming, and of how products are produced. Mr Ubbink thinks a sustainable supply chain can influence purchasing decisions, "but only if the other aspects of the product are right: design,

Raw hides collectors.



Sheepskin specialist Darkhan Nekhii started as a tannery and now employs around 350 people.

Long-term thinking

Herman Hulshof, former owner of Hulshof Royal Dutch Tanneries in Lichtenvenoorde, is advising the group as part of CSR Netherlands Leather Coalition.

Mr Hulshof will give the group strategic guidance on green thinking.

"It is a good project to be involved in as we have to work in a circular economy and create the lowest environmental cost, which means tanning at source as we did in the Netherlands," he says.

"The next step is to make one simple supply line with one type of hide, one type of leather and one or two distribution and marketing lines."

Mr Hulshof's role on the board of Hulshof Protein Technologies will see the project taking one step further: using the collagen from the hides to make Collapro, which works as a water binder and emulsifier and to improve the texture of meat. 🌱

Mongolia at a glance

Size: 1.6 million sq km

Population: 2.8 million

Distribution: 30% live in the capital; 40% are nomadic herders

GDP: \$11.5 billion

GDP growth: 11.5%

Main resources: Copper, gold, hides

Source: World Bank, 2013

quality and style."

Following in Mr Ubbink's footsteps are a number of other brands that have been inspired to source their leather from Mongolia, and whose names will be revealed over the next few months.

Mongolian investment

In parallel, an initiative supported by the Mongolian Ministry of Foreign Affairs is targeting sectors that need to become more sustainable and more transparent, and leather has been selected as one of these. They started a coalition that includes exporters, which has drawn up criteria for the supply chain. "There are a lot of changes that can be made so and there is a great possibility to show the chain very transparently," explains Ms Van Staden.

It is not only the tanneries that will benefit from investment. The country is also home to around 170 finished product factories, which can be used by global brands. Leather garment producer Darkhan Nekhii was recently selected to receive MNT 3 billion (\$1.6 million) as part of the Ministry of a government loan scheme, which will help increase its exports to Italy, Spain, the Netherlands and Russia.

"There are more and more questions being raised by consumers – how and where are the shoes made?" says Ms Van Staden. "In the current situation, the supply chain is so complicated that it could take six weeks to trace one pair of shoes. We have to work differently and with new systems, to change how we get products in our warehouses. The brands see this Mongolia project as a way to explore new



A tannery in Ulan Bator. The industry has welcomed outside investment and is working towards implementing greener, more efficient practices.

possibilities."

The first Aduu Mal products will be officially unveiled at the end of March, and Mr Ubbink will continue to work with the Mongolian suppliers as part of a

"rebranding and rethinking" of sourcing. "The freedom of the animals gives more honesty to the products," he concludes. "I consider myself very fortunate to be able to work on this project." 🌱