



Country Comparison: Brazil

Latin America is an interesting region, yet one that has had a tough half century. While much of Asia has powered ahead, and Africa has gone backwards, the growth expected of South America has not really come to fruition. Yet, the worldwide leather industry loves to find a reason to travel to this part of the world and there are certainly some positive trends to be found.

The Brazilian leather industry, the subject of so many business management studies proving that its Italian-like clusters would give it strength, has struggled to hold its share. The Argentinian story is like a roller coaster ride as successive governments continue their love hate relationship with the IMF. Other countries, such as Chile, get spoken about less often, but have some strong tanneries and highly respected shoe factories. Colombia also has a long and famous tradition in leather although, as we explain, it has been somewhat eclipsed by the long arm of Chinese footwear penetration and there is concern here that it is largely a contraband product.

Brazil—a country of mixed fortunes

Brazil dominates South America both geographically and economically. It is also a world leader in the production of meat, sugar, coffee, orange juice and leather. Indeed, its leather industry has a sound base from which to start as Brazil has the largest cattle herd in the world. The numbers released by the government's statistical bureau last December state that in 2004, Brazil had 204.5 million head of cattle, an increase of 4.58% over 2003. However, the fastest growing animal population in Brazil is goats, rising 10% from 9.6 million in 2003 to 10.5 million in 2004. Goats thrive in the northeast region where the climate is suitable and they are an important source of income for poor families in one of the country's poorest regions. According to those who carried out the survey, it is still too early to measure the effects on the sector caused by the recent cases of foot and mouth disease.

There are around 800 tanneries employing 44,700 people and generating total sales worth some \$2.5 billion per year. The industry is particularly strong in the states of Rio Grande do Sul in the south and São Paulo in the southeast. The combined leather and footwear sectors currently employ half a million people. It is an important part of the Brazilian economy.

Leather exports

Total Brazilian leather exports increased 22% in 2004 on a year-on-year basis. The main markets were Italy at 28.44% (up 18% on 2003) and Hong Kong at 17% (up 28% over 2003). Other important markets were the USA, Portugal, Taiwan, Malaysia (with a 138% increase), Japan, Canada and South Africa. In terms of volume, wet-salted hides fell by 27%, wet blue hides—that account for 60% of total leather exports—increased by 19%, crust

leather rose by 4% and finished leather—that accounts for 29% of all exports—increased by 32%.

In the first eight months of 2005, however, the increase slowed to 7%, with a total of \$917.4 million compared with \$853.7 for the same period in 2004. According to the Confederation of Brazilian Hides and Skins Industries (CICB), August sales amounted to \$135.3 million, 12% higher than the \$121.1 million recorded in the same month of the previous year. In the eight-month period, finished leather exports increased 6% in terms of volume and turnover grew from \$400.4 million to \$431.9 million, with Italy, China, Hong Kong and the United States remaining the main destinations.

Figures released by the Brazilian Department of Foreign Trade showed a further and decidedly marked drop of 9% in leather export revenues in October compared with September and a 6%



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reduction in volume. Brazilian tanners clearly have much to complain about as while unit value may be up, the reduced volume implies reduced plant efficiency and labour utilisation, both of which can soon offset any price gains.

On a more positive note, in the first 10 months of 2005, revenue and volume rose 7% and 1% respectively. China was the largest importer of Brazilian leather with import volumes and revenue increasing by 60% and 25% respectively during the period. But, revenue from wet blue exports was 10% lower in the 10-month period and the number of hides exported also fell by 4%. Finished leather exports increased by 8% in terms of revenue and 7% in terms of volume. The state of Rio Grande do Sul, the largest leather manufacturing region in the country, fell below the average Brazilian performance in exports. From January to October, the region shipped 18% fewer hides although revenue grew 1% over the same period in 2004.

Unfavourable exchange rate

A major hurdle for exporters has been the low US dollar exchange rate that has hindered the efforts of many Brazilian exporters to the extent that some companies have cut back on production and announced redundancies. Between August 2004 and June 2005, the dollar exchange rate against the Real fell from just over R\$3.00 to R\$2.37, a decline of approximately 21% in less than a year.

As a result, trade associations representing various industrial sectors have protested strongly to the government and demanded changes in the country's currency exchange policy. Roberto Gianetti da Fonseca, president of the Foreign Trade Study Foundation (Funcex) pointed out that while all Brazilian exporters have become dispirited due to the overvaluation of the Real, manufactured goods—and in particular footwear and textiles—have been hit the hardest.

Heitor Klein, managing secretary of the Brazilian Association of Footwear Manufacturers (Abicalçados) has estimated that shoe exports, which reached \$1.8 billion in 2004 would have fallen by 20% by the end of 2005. That is a serious drop in volume and value by anybody's standards. For example, from January to May 2005, exports were 10 million pairs lower than in the same period of 2004 (89.6 million as against 99.8 million). This reduction hit the Vale do Sinos region

in Rio Grande do Sul particularly hard and led to over 11,000 redundancies.

Taxing problems

A further adverse factor is the negative effect of taxation. As well as a general tax load of over 35% of the country's GDP and interest rates of 19.75%, the CICB says the sector is being affected by a tax policy that benefits the export of leather as wet blue. Brazilian manufacturers are not seeking any preferential advantage but believe they should have the same chances as competitors such as China and Italy, seeing as under the current tax system, wet blue leather is cheaper for importers than for Brazilian producers.

As one part of this the Brazilian Chamber of Foreign Trade (CAMEX) has decided that the 7% export duty on wet blue will remain in force until December 2006.

"The government has recognised the difficult times the footwear production chain is going through and decided to keep the duty in force for another 12 months," said Minister of Agricultural Development and Camex member, Miguel Rossetto. According to Mr. Rossetto, the intended reduction of the duty to 4% would be detrimental to the sector, adding, "The 7% duty is keeping the balance, allowing tanners, exporters of wet blue, meat packers and farmers to operate smoothly."

Cezar Müller, president of the Association of Tanners of Rio Grande do Sul (AICSul) sees the continuation of the 7% duty as a victory, although he said that he would have preferred to see a return to the initial level of 9% duty.

It is believed that the duty will no longer be zeroed by the end of 2007 as initially planned. Federal Deputy Tarcísio Zimmermann stated, "There is no indication that there may be any further reduction."

In the last 10 years over \$300 million has been invested in technology, machinery and equipment for training in the industry, with the aim of maximising the added value of exported products. In 2004, the leather and footwear industry's turnover was \$4 billion; the CICB says it

Brazilian Footwear Exports from Jan to Dec 2005

MONTH	US\$ (million)	Pairs (million)	Average price in US\$
January	151.145	18.277	8,27
February	178.247	21.855	8,16
March	160.088	20.029	7,99
April	136.616	16.050	8,51
May	139.809	13.474	10,38
June	155.549	13.334	11,67
July	186.541	14.764	12,63
August	182.701	15.539	11,76
September	145.055	12.294	11,80
October	139.101	12.605	11,04
November	140.302	13.635	10,29
December	172.000		
Total	1,888.000		

Source: Abicalçados

has the potential to reach \$12 billion with an industrial and taxation policy that prioritises added value products. In the face of such adversity, one can well understand why Brazilian exporters have become so dispirited—especially as the country has so many natural advantages.

Machinery paints a brighter picture

Few Brazilian industrial sectors enjoyed such good results as the leather and footwear machinery industry in 2004. According to the Brazilian Association of Manufacturers of Machines and Equipment for the Leather, Footwear and Allied Trades (ABRAMEQ), exports reached \$13.6 million, a 60% increase compared with the \$8.5 million recorded in 2003. This has been directly attributed to investment in the development of innovative technologies that satisfy market requirements at competitive prices.

This probably also explains why the main customers almost all fall within Latin America. Shoe machinery accounted for \$11.1 million in exports to 32 countries, but Mexico was the main importer, taking \$4.4 million worth of machinery, while Argentina and Chile imported \$2.9 million and \$821,000 respectively. 18 countries imported Brazilian leather machinery worth a total of \$2.5 million, topped by Uruguay at \$646,000 and Mexico at \$626,000. Small volumes compared with the country's leather and footwear exports, but nevertheless encouraging.

Joint ventures

As in other countries, such as India, with a large raw material base and competitive labour costs, Italian tanners have seen





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Measuring machine at Braspelco's tannery in Uberlândia, Minas Gerais State

good commercial opportunities in Brazil. Italian tanner Zini (which also has facilities in China, India and the USA) and Brazilian tanner Belafranca have set up a joint venture, Belazini Indústria e Comércio de Couros with an initial investment of \$2 million. The aim is to combine Italian technology with local production advantages and the company began operations in January 2005. 70% of sales will go for export, 20% to domestic customers in the state of São Paulo and 10% in Rio Grande do Sul. Output is expected to reach 100,000 sq.metres per month by the end of 2006, although the plant has a monthly production capacity of 200,000 sq.metres.

Footwear tries a new approach

Brazilian footwear manufacturers had hoped to increase exports by 15% in 2005. Instead, they fell 9% in terms of volume between January and September 2005, although the value rose 7% in dollar terms. Despite the lower volume, the value of exported footwear actually increased from \$842.4 million to \$921.4 million, a 9% increase. This is due to the fact that the average price of Brazilian footwear rose 17% from \$8.44 to \$9.86 per pair year-on-year.

Brazilian shoemakers have clearly read the signs and realised that no matter what they do, they can never compete on price terms with countries like China and Vietnam. What they are seeking to do instead is to remain competitive in higher added value products, which is a market niche that allows more flexible pricing. The

main target market is now Italy, where exports doubled in 2004.

Statistics show that Brazil is also diversifying its export markets. In the past, shoe exporters largely depended on America but, as the US has gradually replaced Brazilian shoes with Chinese-made products, many Brazilian factories have closed down. This is why Brazil is now seeking new markets and its shoes are currently exported to over 100 countries. As witness to this drive, the Brazilian stand at Micam in March 2006 in Milan will be twice as big as it was in October 2005.

Talk of protectionism

At the same time that it refuses to devalue the Real and resolve the tax burden, the Brazilian government has declared its intention to protect the footwear industry as much as it can from cheap imports and a possible 35% duty

rate has even been mooted.

Luiz Fernando Furlan, the Minister of Development, Industry and Foreign Trade, has stated that the government is fully aware of the sector's worries about low-price imports, from China in particular, and is also discussing the problem with its partners in the region's Mercosur group of trading nations. The Foreign Trade Chamber has also discussed the issue with Chinese authorities in the hope of avoiding legal measures. How far anything will actually go remains open to question.

While there has been much talk of the 'bra wars' in Europe, with millions of Chinese-made garments being blocked in European ports due to the new quotas being filled, a similar situation has also occurred with Argentina. This time, however, Brazil was the target and after Argentina decided to implement new rules for importing footwear, in September over 620,000 pairs of Brazilian shoes were blocked by customs.

Abicalçados estimated that goods worth \$5 million were directly affected, not only at the border, but also in warehouses in Buenos Aires. Meanwhile, on the Brazilian side of the border, thousands more pairs of shoes which should have already been shipped to Argentina had to be stock-piled in factories in Rio Grande do Sul and São Paulo. Brazilian manufacturers have been forced to seek new licences, a process that can take up to 60 days. Argentina imported 15.3 million pairs of shoes from Brazil in 2004.

Safeguards against China

Brazil has imposed safeguards against certain Chinese imports including footwear and textiles in an attempt to protect the country's most important manufacturing sectors. Until now, there were no specific protection mechanisms against imports from China as the ➤



Working with hides at Braspelco's tannery



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Toggling activity at Braspelco

country's general safeguards for specific products were not applicable to any single country.

Resolution 5.556 signed by President Luiz Inácio Lula da Silva and published in the Official Journal on October 6, 2005, has changed all this and enables industrial sectors that feel threatened by Chinese imports to request specific measures for their protection. However the safeguards will not be implemented automatically and each industry must apply for protection. Abicalçados has requested that action be taken in the light of a 130% increase in Chinese imports between January and August 2005.

According to information released by Abicalçados, from January to October 2005, imports of Chinese footwear to Brazil rose 67.8% in value terms to \$64.1 million (70% of the country's total footwear imports), and 101.2% in terms of volume to 11.6 million pairs, compared with the same period in 2004. Professor Ênio Klein, a consultant to Abicalçados, explained that the main reason for the increase was that Chinese shoes are sold at prices that are 50% lower than their Brazilian equivalents. However, according to Professor Klein, other factors that favour imports are the low US dollar exchange rate and the fact that importers into Brazil and exporters in China use fraudulent methods such as under-invoicing, in order to reduce the amount of tax paid including the 35% import duty.

"The exchange rate of the Real against the dollar and predatory competition by Chinese exporters are causing a crisis in the footwear sector. We cannot compete with shoes that come into Brazil costing \$0.50 a pair, when we know that this is less than what the shoe laces cost," said president of Abicalçados, Elcio Jacometti, at a meeting held with President Luiz Inácio Lula da Silva and other authorities in Brasília. The government has agreed to offer loans to the

sector and has said that customs officials will crack down on imports of 'under-priced' Chinese goods. A work group has also been set up to study tax exemptions on machinery and equipment for the footwear sector.

Pushing for better quality

In an attempt to improve overall quality, a leather technology centre is being built in the state of Mato Grosso do Sul. It is the first of its kind in central western Brazil and will carry out tests and research on cattle leather as well as sheep, pig, alligator, fish, capybara, ostrich, chinchilla and even frogs. The Centre of Leather Technology (CTC) will eventually house five laboratories for research and product testing. In a further move, the Brazilian Association of Leather, Footwear and Leathergoods Component Suppliers (Assintecal) and supplier of petroleum products Petrobrás, have combined to offer an award to stimulate research and technological development in the leather and shoe sector.

Their aim is to encourage research and development of new technologies and their implementation into leather and footwear chain. Footwear researchers and technicians working in the adhesives and allied sectors are invited to participate as well as universities and other organisations developing research in footwear. In common with many other countries, the Brazilian leather and footwear industry as a whole has clearly realised that innovation and more advanced technology are key assets in the modern world. If nothing else, the threat of Chinese domination of global markets has proved to be an incentive for technological development all over the world. However, much commercial blood will be spilt in the meantime and Brazilian tanners and shoemakers have suddenly found themselves in the same firing line as those in Europe and elsewhere. ☹

Argentina's leathergoods sector rises from the ashes

During the 1990s crisis, Argentina's leather industry built a strong sector that was technologically up-to-date and capable of producing articles to the highest international standards. After maintaining parity between the peso and the US dollar for over ten years, the government drastically devalued the peso at the beginning of 2002. This divided the history of the country's economy into the pre- and post-devaluation periods. The new situation has affected all sectors of the local economy and the leather, shoe and leathergoods sectors were no exception. The change brought life back to the leathergoods industry and it achieved a trade balance surplus once again.

With a strengthening of the domestic market, resulting from the recovery of the Argentine economy, as well as increased tourism and exports, the leathergoods sector is working hard to get back to its former shape. There are approximately 400 companies operating in the sector, most of which are small- and medium-sized businesses. The target consumer of these companies is middle class purchasing goods based on the quality, design, workmanship and price.

At present, only some 20 manufacturers are exporters and these employ approximately 5,000 people. Its leathergoods are made of top quality, internationally recognised raw materials and the sector is managing to secure its success through pushing improvement in design and quality.

A sector driving forward

After participating at various international fairs in recent years, the leathergoods industry is confident that its competitive advantages will help it to conquer new markets. Leathergoods, garments, luggage, saddlery and fashion accessories are already penetrating the most demanding markets in the world ➤



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and the sector's sales grew 10% in 2004.

Today, it is seeking to add value to its leather through innovative design and skillful and precise craftsmanship. The country's younger generation of entrepreneurs in the industry is forecasting strong developments in Argentinean design which will match the pace of international fashion trends. Together with this creativity comes a revitalised labour force that encapsulates the fusion of the country's craft abilities with the European school introduced by immigrants to Argentina towards the middle of the 19th century.

On show

CEMCA (Exhibition for Leather Goods and Related Products), Latin-America's only fair dedicated to leathers, leather garments, saddlery and luggage is a two-day, twice-yearly event organised by CIMA (Argentine Chamber of Leather Goods and Related Products). The country's leathers sector is becoming a strong area as it is creating its own identity, which is reflected more and more at each CEMCA or international show where the sector's companies participate. In 2004, CEMCA took place against the backdrop of a renewed drive by the sector in the international marketplace. The fair has seen an increase in the number of visitors at its shows, especially foreign buyers coming from other Latin American countries, the Caribbean, USA and Canada, as well as from Denmark, France, Italy, Spain, New Zealand and South Africa.

Increasing exports, and leathers



Courtesy of BY DYMS SRL

purchases made by ever larger numbers of tourists travelling to Argentina, are securing the growth of the sector and these goods are enjoying an enthusiastic response abroad. At the same time, the promotional activities undertaken by CIMA through participation at fairs and trade missions has had a welcome impact on international buyers, who now include Buenos Aires and CEMCA on their list of business destinations when travelling on buying trips.

Argentinean leathers manufacturer By DYMS S.R.L. receiving the "Best Quality Collection" prize, at the April 2005 Asia Pacific Leather Fair was an indication of the progress made. The award was a source of great satisfaction to the leathers sector as a whole, being seen as a reward for the effort being made by the country to regain its former glory as an internationally recognised leathers supplier after a very long period of political and economic crisis. The directors of By DYMS even dedicated the award to everyone working in the sector.

Asian imports cause concern but...

Notwithstanding recent successes, the sector is still suffering as a result of cheap synthetic imports. In the 1990s, the leather luggage industry was annihilated by imports from China and other Asian countries, but it is now recovering by focusing production on articles for the top end of the market. Domestically, the leather handbag industry is putting up a fight against low-cost imports, but sales in the Argentine market are slow due to the fact that 40% of the country's population still lives below the poverty line.

Despite the import problem, Argentina's leather production chain is viewed as having an excellent opportunity for expansion, both locally and internationally, which should allow for a substantial increase in the added value of its products. This view is based on the following points:

- The international leather goods market is growing steadily;
- Argentine leather has a good international reputation;
- The local tanning industry is technologically sophisticated;
- The country offers excellent designs and has had some success with innovative products;
- There is great potential in the sector for generating jobs;
- There is the possibility to increase the added value of its products without significant capital demands (mainly in the case of non-sports footwear and leathers).

Argentina's leather production chain exports – 2004*

Item	%
Crust leather	40.5
Finished leather	31.8
Upholstery leather	16.9
Leathergoods (incl. handbags, wallets, saddlery, luggage, fashion accessories, belts, leather garments, etc.)	9.4
Footwear	1.5

*Exports of raw, wet-salted and pickled hides from Argentina have been banned since 1972.

Source: CICA, CIC, CIMA and INDEC

Leathergoods exports by product – Revenue % – 2004

Product	Share
Belts	17%
Saddlery	11%
Handbags	7%
Garments	5%
Bags, rucksack, holdalls, etc.	2%
Wallets, jewel, spectacle, cigarette cases, etc.	1%
Luggage items and briefcases	1%
Others	56%

Source: CEP Fundación Export Ar / CIMA

Cost structure of Argentinean leathergoods – 2003

Component	% of total cost
Industrial components	50%
of which finished leather	40%
Non-industrial components	16%
Imported components	5%
Indirect taxes	9%
Labour costs	20%

Source: CEP Fundación Export Ar / CIMA



Contraband and quality

Colombia does not receive much attention in the leather industry and yet it has always had a small but significant tanning sector, working on the basis of a domestic supply of about three million hides per year.

A Spanish-speaking country, the Colombian Republic is tucked away in the north-western corner of South America, not quite sure whether it should be classed in Central America or in South America, thus creating a level of uncertainty which is occasionally convenient.

It has a land area of just 1,141,748 km² with over 44 million inhabitants and its capital is Bogotá, the largest city in the country. Other important cities include Medellín, Cali, Barranquilla and Cartagena.

Tanneries in Colombia

The leather market is shared by two main tanneries Curtiembre Bufalo and Curtidora Itagui which account for 25% of the total market. These are followed by six medium-sized tanneries: Camaguay (Barranquilla), Marteúche (Cartagena) Curtipieles (Cerrito), Americana de Curtidos (the only one producing automotive upholstery leather), and Pielés Cártago and Fagarcía (both in Cártago). These six tanneries account for some 35% of the total market and, except for Americana de Curtidos, all of them produce shoe upper leather. The remaining 40% of the market is in the hands of some 500-600 small tanneries.

Some of the major chemical suppliers have told *World Leather* that Colombian tanners seem to accept new technologies such as enzymatic unhairing (a process that is helping them to improve product quality) more easily than tanners in other Latin American countries such as, for example, Brazil and Argentina.

The market is also being strongly affected by imports of low-priced Chinese manufactured goods, which are causing serious concerns for leather producers and trading companies. Indeed, industry sources say that imports of containers of shoes organised via Colombia arrive both in Colombia and Panama and are distributed throughout the Central American isthmus as well as in Colombia itself.

In order to protect the industry and create a barrier against this fierce competition, there are some companies such as Novozymes which are trying to help local tanners through improving quality and promoting high technology. An example of this is the First National Congress of Biotechnology Applied to Leather Processing, which will take place this coming June.

The Colombian shoe industry—manufacturing regions

The main shoe manufacturing regions in Colombia are Bogotá, the capital of the country; the metropolitan area of Medellín; Cali; Bucaramanga; Cucuta; and the coffee producing area. In recent years, Barranquilla has become an important centre for the shoe industry.

Estimating the number of Colombian

Colombian shoe production according to the upper material used

Material	Number of pairs	Production in %
Rubber, plastic or another synthetic material	12,983,450	31.7
Textile	6,736,695	16.5
Leather	21,108,314	51.8

Source: DANE
Calculations by ACICAM

shoe manufacturers is difficult because of the high level of informality in the sector. It is easy to start a family shoe 'workshop' and as a result countless manufacturers are not registered as such. Some analysts believe that there are approximately 8,000 shoe producers in the country while the Chamber Confederation of Colombia has around 2,500 businesses on file.

Production and apparent consumption

Annual shoe production is estimated at approximately 50 to 55 million pairs of casual footwear with leather uppers and rubber or plastic soles.

The Colombian Association of Leather, Shoe and Leathergoods Manufacturers (ACICAM) estimates that the country's current shoe consumption stands at approximately 100 million pairs per year.

As can be seen from the apparent consumption table below, contraband is a serious problem in Colombia and it is believed to be a way of laundering drug money.

Types of footwear produced

Colombia produces all types of footwear except for highly technological and specialised sports styles such as golf or snowboard shoes.

Most shoes made in Colombia are casual shoes with leather uppers and rubber or plastic soles. Production of shoes with synthetic uppers is growing due to the development of good imitation leather materials.

Production technology

In Colombia, shoe production technology is directly proportional to the size of the company using it. Family and small businesses use very little technology and manufacturing is labour intensive. As the size of company increases so does the use of technology, but there is no ►

Colombian footwear consumption taking contraband and informality into consideration, in number of pairs

Year	Production	Imports (Dian)	Contraband	Exports	Apparent consumption	Population	Per capita consumption
1999	41,616,874	8,220,061	35,000,000	820,227	84,016,708	41,539,011	2.02
2000	47,209,754	18,327,894	22,300,000	2,340,562	85,497,986	42,299,301	2.02
2001	48,813,540	53,979,690	0	3,267,046	99,526,184	43,070,704	2.31
2002	48,994,150	27,065,579	26,000,000	2,400,269	99,659,460	43,834,115	2.27
2003	51,512,450	20,881,769	30,000,000	3,157,508	99,236,702	44,583,577	2.23
2004	53,851,115	32,340,053	19,000,000	4,766,977	100,424,191	44,325,261	2.22

Calculations by ACICAM

Production= officially recorded production and unofficially recorded formal production. It is assumed that more than half of the local shoe production is recorded unofficially and that there are high levels of informal work. In 2001 there was no contraband because the Minimum Price Resolution allowed legal shoe imports.



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fully-automated shoe production in the country.

Technology incorporation into the production process is quite slow and factories simply change older machines for newer ones with more recent technology. It is very rare to see a Colombian factory completely renew its machinery.

The footwear machines installed come from Italy, Germany and the US, and more recently from Brazil and China too. Most machines are either mechanical or electronic and, so far, the sector has not acquired any state-of-the-art technology.

Evolution of Colombian footwear exports

September 2003 - September 2005

Year	Number of pairs	FOB amount in US\$
2003	1,702,841	13,178,827
2004	2,592,562	19,626,376
2005	4,218,968	32,332,792

Source: DANE

Calculations by Sectoral Studies Department—ACICAM

Evolution of Colombian footwear imports

January 2003 - October 2005

Year	Number of pairs	CIF amount in US\$
2003	15,631,623	56,793,795
2004	23,718,158	68,720,675
2005	31,139,435	100,131,018

Source: DANE

Calculations by Sectoral Studies Department—ACICAM

Innovation, design and fashion:

Colombian companies have only recently started to pay more attention to fashion and design. Until very recently, fashion concepts and the perception that manufacturers had of them was very basic and styles were boring and repetitive, limiting the choice for the local consumer.

Joint projects between manufacturers and universities have changed this and new fashion and design concepts are now being aggressively incorporated into the production of shoes and other leathersgoods.

Also, seeking to improve the local fashion and design culture, twice a year ACICAM publishes its fashion concept catalogue that brings together the main European and American trends. This catalogue is the result of ACICAM's Fashion Concept Workshop that also provides technical training to manufacturers in all the main manufacturing clusters in the country. 🌐

Looking forward, Brazil looks set to sit alongside China and India as a major worldwide producer as long as it can hold its nerve. It has large raw material resources, quality producers and excellent links into the US market. It is proving an ever more important location for Italian tanners and machinery makers. Events worldwide have brought a resurgence in Argentina with the leathersgoods business already doing well and the footwear industry set for record expansion—all a long way for a country formerly most noted for its high quality bovine crust exports.