leatherbiz market intelligence

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Leatherbiz Market Intelligence executive summary:

- The global leather industry's main centre of production, China, has been on holiday for Lunar New Year
- This year, however, fewer employees than usual travelled home owing to fears about a resurgence of covid-19 cases and production continued for longer in the build-up to the holiday and is likely to resume more quickly
- According to reports, another reason for the short shut-down in China this new year is that order-books are healthy
- The European industry returned later to regular production than China, but on average the upholstery and automotive tanning clusters there are reporting almost normal levels of production now
- The situation with side leather tanners is a bit more difficult
- The prevalence of extended supply chains is causing concern; in a general poll, more than 50% of European manufacturers have declared that they are going to increase their use of local or regional suppliers, which is at good news for the European tanning industry.

MARKET INTELLIGENCE—16.02.21

Macroeconomics

The pandemic still holds a tight grip on everything, but politics and the financial markets are beginning slowly to shift the focus onto other equally important subjects. The financial markets for example remain optimistic about the future. Stock market indices have lost a little bit of steam, but remain in most cases pretty much around record levels. The new US administration and its foreign policy is beginning to take shape. Its position on trade with China will remain tight, strict, but more pragmatic. Communications and relations seem to be improving already.

In Europe, the vaccination strategy and the bureaucracy around it look like a big failure. The EU Commission has given a weak impression.

The EU economy shrank by about 7% in 2020 while the US economy shrank by 3.5%. The financial markets have begun to discuss concerns about the return of inflation. The rise of commodity prices, energy and transportation charges should be a warning sign to the many pundits who predict low interest rates will remain for a while yet.

Covid-19 is not just depressing consumption it is also negatively impacting production, production costs and global transport. In combination with all the stimulus packages and garnished with rising national budget deficits this could become a very toxic cocktail. Governments will need low interest rates to finance the cost of the pandemic and at the same time consumer prices could soar as a result of the above-mentioned cost drivers and trigger the need to raise interest rates eventually. It is pretty obvious that rising interest rates could be lethal to a recovering economy as any substantial rise in inflation rates would be. For investors and corporations, as well as for consumers, this is definitely something to monitor carefully.

The rise of crypto-currencies, which has been fuelled by the acquisition of 1.5 billion units by Elon Musk and the acceptance that Tesla will take Bitcoins as payment is something else that has to be observed. For many people, crypto-currencies are still something like virtual reality, but the more they are accepted the more they will have influence on the traditional financial markets and money policies.

The price of a barrel of crude oil now trades constantly about the $60 level, which is considered the bottom line for many producing countries to balance their national budgets and to entertain their economies. For the global economy, rising energy and oil prices are depressing disposable income and - even when it's not measured in the inflation rates – is one of the main cost drivers of products and services.

The US dollar continued to trade within the very narrow band around the $1.21 against the euro.

Leather Pipeline

The fundamental trends in the raw materials market remain intact. The main centre of production that the global industry now has, and the main driver of its recovery, is China and everyone there has been on holiday. We wish readers in that part of the world very happy New Year and a prosperous Year of the Ox.

With small clusters of new covid-19 cases in China, the government and the authorities have been once again on high alert. In particular, travel around the time of the Chinese New Year holiday (around February 12) was and a major concern. Consequently, the authorities have tried to reduce travel by as much as possible without imposing official restrictions. Many other tools were used, including rewards and the traditional official 'advice', which most people know they had better follow. Travel is down, but many people have been on the move and many families have gathered. It's going to be a stress-test for the pandemic situation in China. Most likely, around two weeks from now, we will know what the effects will be and if the authorities have been successful in their control, test and quarantine policy.

For the leather pipeline the holidays have had less influence than one might have had expected. The effects of the pandemic and the situation outside China have made many people believe that productions would shut early and possibly remain closed for a longer period than normal. From all the reports we have received from sources in China, we cannot confirm this. We would go as far as to say that offices and, in most cases, also production units were working until the very last moment and will reopen sooner than one would expect with the global situation. There may be two main reasons for this. There has been less travel and fewer workers return to their home towns and villages this year. Many people have received rewards for staying and continuing to work. However, this requires also a healthy order-book at the factories.

There are many discussions about business and the situation in the leather pipeline, but order-books for upholstery and automotive tanners continue to be well filled and this has also been reflected in the raw materials market since last summer. The situation in the side leather business is possibly not as good, but this seems not to be playing such an important role. The Chinese industry seems to have left for the holidays in good health.

A quick review of the European tanning industry delivers less uniform feedback. Upholstery and automotive tanners here are also operating at more or less standard levels.

However, the pandemic is leaving some concerns. Companies cannot trust the situation and the threat of interruption caused by covid-19 cases among the workforce, or problems in the supply chain are real. Temporary shutdowns at contract tanners in Germany or problems owing to absenteeism are being reported. The European industry may have returned later to regular production than China, but on average the upholstery and automotive tanning clusters there are reporting almost normal levels of production now.

The situation with side leather tanners is a bit more difficult. Dress shoes and leathergoods are not operating at the same level as upholstery and automotive.

Businesses all around the globe, and this includes Europe, have had to review their supply chains. If there's one thing we have learned it is that extra-long supply chains and global networks can quickly become a problem. The network of supply chains has become so tight and so efficient that any kind of interruption or delay can cause a lot of problems.

Almost every day we hear about shipping delays and the rise of transportation costs. Congestions is still weighing on shipments from the US to Asia, but also the other way round. We understand from a number of importers that shipping costs for short-term bookings have gone up four- or five-fold since last October. Containers from China to Europe used to cost in the range of $2,000 per unit; today it is not uncommon for shipping lines to ask for more than $10,000. For several importers it has become a question of whether it might be more reasonable to walk away from the business rather than bear the losses. This applies in particular to products that are not desperately needed.

Retailers in Europe are still sitting on large stocks. Most shops are still closed and companies have had little chance to get rid of stocks from previous seasons. Several commentators are expecting discounts of 70% and more when stores finally reopen from March onwards. This has an effect on profitability and of financial situation of many retail chains; it also has an effect on the buying strategy of the consumer.

The consumer is going to be flooded this spring by all kinds of super-sales and the present congestion of material could quickly shift from shops to private consumers. As nice as it might be in the first instance when all people return in sizable numbers to the shops to take full advantage of the discounts, it would then most likely have a negative effect on the seasons to come. We can read almost every day about what the world of consumption is going to look like after regular retail is permitted again; the theory remains a theory until it's turned into reality. The pandemic has affected private consumption outside China to a far bigger extent than anything before it. It's far from clear if consumers will just fall back into the same routines we saw until the beginning of 2020. It seems unlikely. Even if consumers wanted this, it would be difficult for brands and retailers to be ready for it at the snap of customers' fingers. Production and supply chains for many products are simply too long and to slow to react immediately to changes.

The global pipeline has been paralysed for too long for ordinary business to be restored within weeks after shops are allowed to open again. The big online platforms took full advantage and have everything in place to continue. Nobody can blame them. When we think about the leather pipeline, in particular for shoes and for fashion articles such as bags or other leathergoods, it is obvious that, even when the immediate effects of the pandemic begin to fade, it will still be quite a bit of time before the situation becomes clear.

In a general poll, more than 50% of European manufacturers have declared that they are going to look for a sharp increase in local or regional suppliers. This is at good news for the European tanning industry; it will strengthen their position and that of their manufacturing clients.

In the past two weeks, one subject that has been intensively discussed within the industry is Mini. This brand, part of the BMW group, has announced that it will end its use of leather in its car interiors. This news is not really of great importance in terms of leather demand. Minis are not made in big numbers and each car consumes only a small volume of leather. However, it is one more blow and the continuation of what we have been seeing in the automotive industry for some time. After Tesla, Renault, Seat and Polestar, Mini is just one more.

Leather will continue to be an exclusive interior material in the luxury market. In the volume market, brands will move away from leather consumption. It is a trend set for the coming years. As long as the consumer is willing to accept plastic on the seats and believes and follows the marketing speech that 'vegan plastic' is better than leather, the



volume of consumption of leather in vehicles will decline in this decade, and in an accelerating manner. The industry can only hope that the rise in total units produced and sold in the Pacific region and the US will compensate for these losses.

We are not in possession of anything new and interesting from the split market; business there has followed the same routine as before. Splits will benefit from grain leather becoming more expensive after the sharp gains of raw material prices.

The skins market continues to suffer agonies. Niches perform well, while the standard material struggles. Skin prices are still for the majority of origins and types below a viable level. However, considering the time patterns we have no other option than to predict a recovery for sheepskins. If leather demand does not collapse again owing to some unknown incident in the future, the spread between cattle hides and sheepskins is far too high. Sooner or later the attractive price levels of sheep, lamb and goat skins will catch the attention of manufacturers. There are still plenty of options that can be used and we remain convinced that in the end market logic will apply.

The coming two weeks will be determined by the holiday in Asia. In Europe the industry is presently dealing with supply problems and the just-in-time delivery of raw material. The kill is not sufficient at the moment to satisfy demands for fresh, chilled hides. The beef industry has taken full notice and is now trying to take as much from the situation as possible. Prices are rising by too much and too quickly. The pendulum had swung too far one way and is now swinging back too far the other way. This is neither unusual nor is it a real indicator of the status of the leather pipeline at the moment. It is just painful for those who have to pay their bills.

It is certainly important to watch the transportation sector. There is a lot of congestion at the moment from raw to finished product and the disturbances are creating plenty of traps for the road ahead. We have the feeling that this might influence the situation for several more months if not for the entire year.

We should expect much of the same until the end of March or the beginning of the second quarter. After that, seasonal effects will fade and the realities of the supply chain and the situation of the economy will take on greater importance.

US Perspective – 16.02.21

Sales of cured cattle hides for the period ending February 4 were 372,200 pieces, while the figure for wet blue was 111,200 pieces.

The most recent steer hide prices include levels of $29.00 for a heavy Texas steer hide 74-76 pounds. For cow hides, prices ranged from $24.50 for dairy cow hides weighing 50 to 52 pounds, to $13.00 for branded cow hides in the south-west weighing between 50 and 52 pounds.

Actual Slaughter Under Federal Inspection

	Week ending 30.01.21	Week ending 01.02.20	% difference
Cattle	655,603	637,597	+2.8
Calves	7,513	10,745	-30.1
Hogs	2,660,464	2,696,321	-1.3
Sheep	36,188	36,782	-1.6
Goats	9,083	9,604	-5.4

The source of all these figures is the US Department of Agriculture. Please note that the prices quoted represent 'ballpark' figures.

Cattle markets USA – 16.02.21

Courtesy of AgCenter

Temperature and transportation will dominate this week's news in the beef business. Feedlots will be recovering from a myriad of problems caused by intense cold. Packers will want to stay on schedule at the plants but will find transportation, labour and mechanical problems all across the plains. Cattle weighed under current conditions will weigh light and mud will not be an issue until temperatures rise, allowing snow and ice to melt.

Prices in the north reached $116 in Iowa leaving southern sellers with no reports



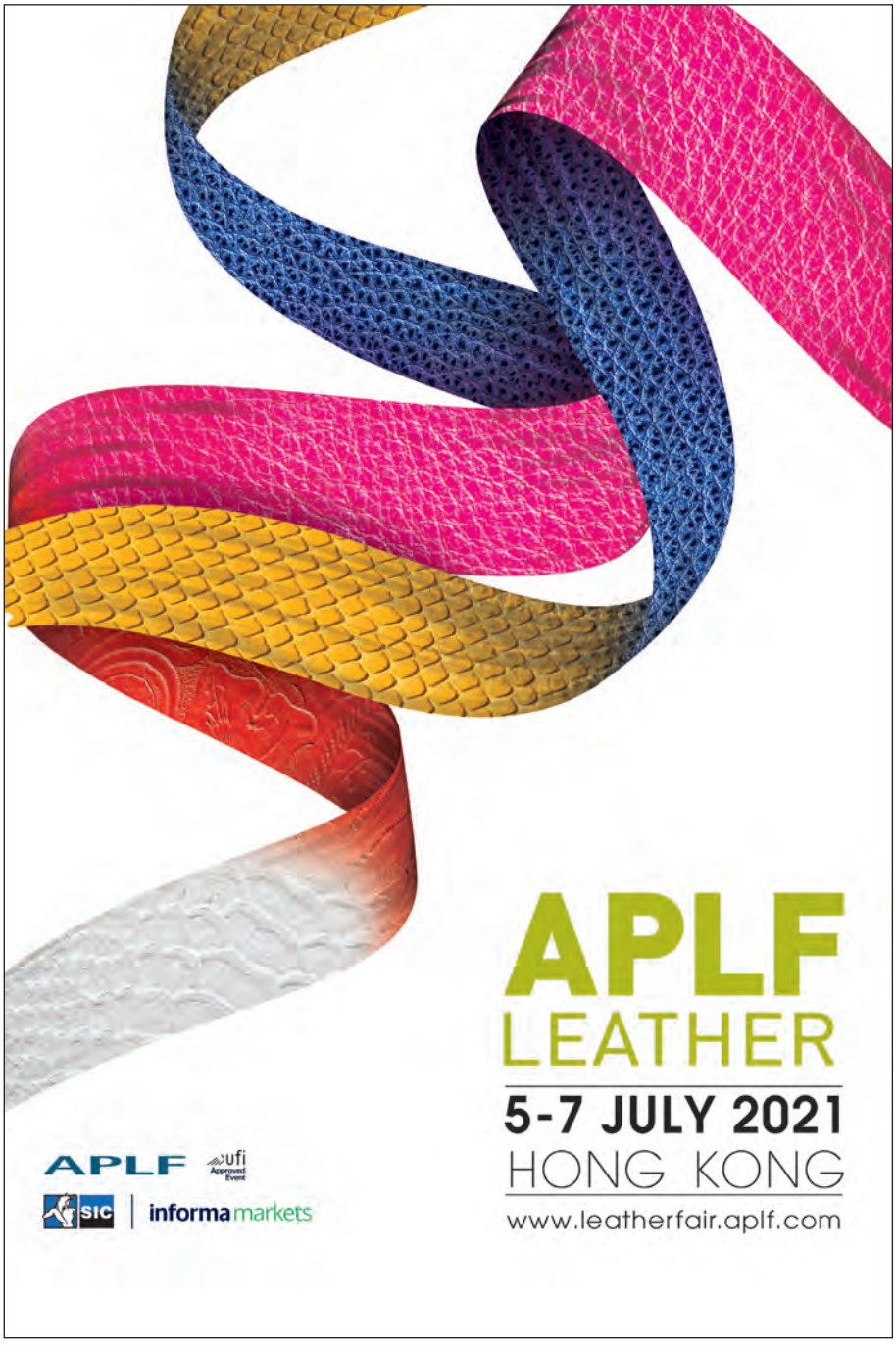
beyond the $114s. Dressed bids were mostly at $180 with a few cattle at $181. Cattle owners will have little interest in rushing cattle to market this week.

This week's slaughter number helps explain why packers didn't push the market higher. The national slaughter for the week was only 611,000 head, well below the past few weeks and even below last year. The decline was not designed to back cattle up, and was not because of poor margins. It was simply the combination of pressure to push large volumes of cattle, day after day, through beef plants built 50 years ago and the required continual maintenance, joined with slaughter reductions because of the weather-related problems.

The Cutout. Box prices were flat going into week's end. Export demand remains the lynchpin of broad beef demand. Beef is being contracted for delivery to our foreign trade partners all the way into next fall.

Grain prices impact more than the value of feeder cattle. They also tend to change placement patterns. Many farmers will want cattle grazing winter wheat removed in early March in order to maximize crop yields for summer harvest. Other operators, who would normally graze out winter wheat, will instead want cattle off the wheat to have the opportunity to cash in high wheat prices for summer. The impact will be heavy placements of cattle in March and light placements in May.

Corn prices moved slightly lower at week's end. Larger stocks of corn were reported in this past week's USDA report. There now appears to be some question-marks about the Chinese appetite for more corn. Basis levels are somewhat weaker. Current basis trades are for corn at 85 over the December board in Guymon, Oklahoma. Corn is now pricing into ration at $11.70 per hundredweight in the Oklahoma Panhandle.



German Perspective – 16.02.21

This week: Prices at the abattoirs have overtaken the market realities. The beef industry realises that, with a lower kill in the peak production season, they run very little risk that hides will remain unsold. Processing units have to cover their forward sales and need material. This leads them into a highly competitive situation and the moment they decide it is time to look for extra supply, an explosion in prices is guaranteed, even if this is decoupled from commercial logic.

This is not new, but it is further evidence that the system refuses to learn from the mistakes of the past. The key question in these situations is not so much why it happens, but rather how long it is going to last. This depends on the supply side. The demand and requirements of the key customer base in Europe will not change much in the coming weeks or months. The level of production will not change much until spring and this means that the demand from those tanners that are dependent on fresh hide supplies will not lower their activity by much.

Selling prices are pretty stagnant outside Europe and sales price increases after the last round of steeply rising abattoir prices are not sufficient to cover. This, coupled with higher shipping charges, generally rising costs due to the covid-19 and a weak US dollar do not augur well.

The weather was also a factor this week. Heavy snowfall and freezing temperatures have caused major trouble for transport, not only of hides, but also for cattle. Covid-19 outbreaks here and there can also affect production numbers in tanneries as well as in meat plants.

Asian communities closed for the Lunar New Year holidays. Agents were asking routinely for offers, but did not come back with anything really inviting in terms of price. In any case it is fair to say that the holiday silence from China, which we have seen so often, has come less and later this year.

The dynamic of demand and a strong position in price negotiations has faded and the toppy market in the US is not helping or supporting a strong price position in negotiations with Asia at the moment. Only a surge in demand and rising prices overseas will sustain the present market. Sales for this week were almost entirely focused on Europe. Male hides were once again the ones that attracted most of the attention.

The kill: The kill was low. In normal years we would excuse this by the carnival week, but this cannot really apply this year. Farmers feel that they are (correctly) not receiving fair compensation and the weather adds to this. For next week not much change can be expected.

What we expect: Next week the concentration will be on European clients and how they deal with the situation. What has to be bought will be bought, but it is unlikely that this will amount to much. We don't see that Asia will return quickly and with great ambition and so everything points towards another quiet week with everyone trying to figure out what to expect for the month to come.

LATEST HIDE AND SKIN PRICES FROM GERMANY

TYPE	WEIGHT RANGE	AVG. GREEN WEIGHT	SALTED WEIGHT	AVG. WEIGHT SALTED	PRICE PER KG GREEN WEIGHT	TREND
Ox/heifers	15/24.5 kg	22.0/23.5 kg	13/22 kg	20/21 kg	€ 1.05	Steady
	25/29.5 kg	27.5/28.5 kg	22/27 kg	25/26 kg	€ 0.90	Steady
Dairy cows	15/24.5 kg	22.5/23.5 kg	13/22 kg	20/21 kg	€ 0.80	Steady
	25/29.5 kg	27.5/28.5 kg	22/27 kg	25/26 kg	€ 0.75	Steady
	30/+ kg	33.5/35.5 kg	27/+ kg	29/31 kg	€ 0.70	Steady
Bulls	25/29.5 kg	27.5/28.5 kg	22/27 kg	25/26 kg	€ 1.10	Steady
	30/39.5 kg	36.0/37.0 kg	24/34 kg	31/33 kg	€ 1.25	Steady
	40/+ kg	45.0/48.0 kg	34/+kg	38/40 kg	€ 1.20	Steady
Thirds	15/+ kg	25.0/27.5 kg	13/+ kg	24/26 kg	€ 0.35	Steady
Thirds bulls	30/+ kg	38.0/40.0 kg	24/+ kg	33/36 kg	€ 0.40	Steady

LONG READ

Tired of just talking about sustainability

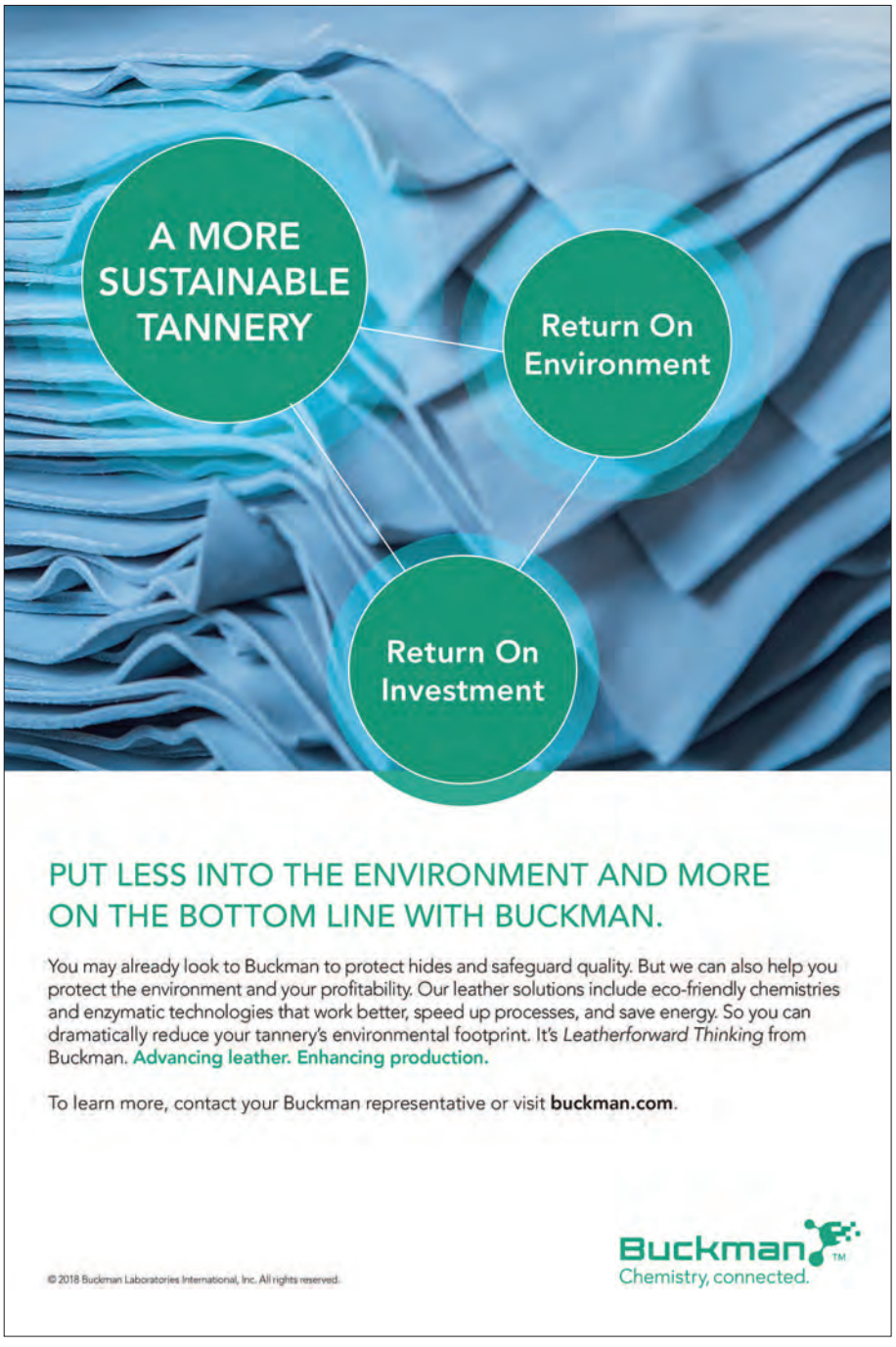
A stimulating discussion with an insightful sustainable footwear expert and the extra time to think during months of lockdown were the catalysts that helped Silvateam put in place all the pieces required for making leather "completely sustainable".

Towards the end of 2020, Italian leather chemicals manufacturer Silvateam presented a new project called Ecotan. The director of the group's leather business unit, Antonio Battaglia, has made it clear that the idea is one that Silvateam finalised during the lockdown imposed by covid-19. By December, there were 20 tanneries around the world already using the technology [see separate article in the Technology section of this issue of *World Leather*].

"We worked on this new project in response to demand from tanners and brands for fashion leather that is completely sustainable," Mr Battaglia says. He explains



Ecotan leathers will work particularly well in shoes because they will promote foot health. If they are later recycled into fertiliser, which the Biocircular concept makes possible, they can also help alleviate the environmental challenge of millions of pairs of shoes going into landfill every year.



that Ecotan uses natural products and harmless manmade additives. Leathers made using the new concept will work in harmony with people's skin when they wear the material in shoes and other finished goods. At the end of a product's useful life, he adds, specialist partners will take the material back and use it to make fertiliser. It is this that will make leather made using the Ecotan technology truly "biocircular", Mr Battaglia insists. He says: "The leather will go into fertiliser, the fertiliser will help plants grow, the plants will feed cattle and, when the cattle go to slaughter, tanners will use the hides, a by-product of the food industry, to make more leather."

Matching results

Mr Battaglia points out that Silvateam has always worked at being "a sustainable provider of leather technologies", presenting its vegetable extract-based solutions as a sustainable method for tanning leather. In the last ten years, he says the group has worked hard to develop more of these solutions and improve them. Its aim, he explains, has been to offer plant-based products that will allow tanners to achieve the same results as they could using non-chrome minerals such as aluminium or glutaraldehyde, and even, in some cases, results that match those of chrome tanning.

The company's efforts over the last decade have also focused on making sure its own processes are sustainable. It has, for example, partnered with universities, research institutions and consultancies to determine what volumes of its products deriving from chestnut, tara, quebracho and others it can supply sustainably. "As a result, we know that, just working in the same regions where we work today, we can supply ten times as much of these vegetable extracts as we do at the moment," he says, "and we can do this in a sustainable way."

Studies examining the health benefits of leather containing these vegetable tannins have followed. These have shown the tannins to have a strong antibacterial effect. "This effect is preserved in the finished leather," Mr Battaglia continues. "It's not about killing bacteria but, in the example of a shoe made from this leather, preserving the natural flora of the foot and not letting the bacteria that develop inside the shoe proliferate."

More than biodegradable

Questions have followed about the biodegradability of leather and about the possibility of making it into compost at the end of the finished product's lifecycle. The director of the Silvateam leather business unit says that tanning is about stopping hides from being biodegradable. "A raw hide is the most biodegradable thing you could find," he says, "but the treatment it undergoes makes it non-biodegradable. We wanted a solution, to make leather truly sustainable, because I think it's a shame that a shoe or a bag cannot be recycled and have to be thrown away with the general garbage."

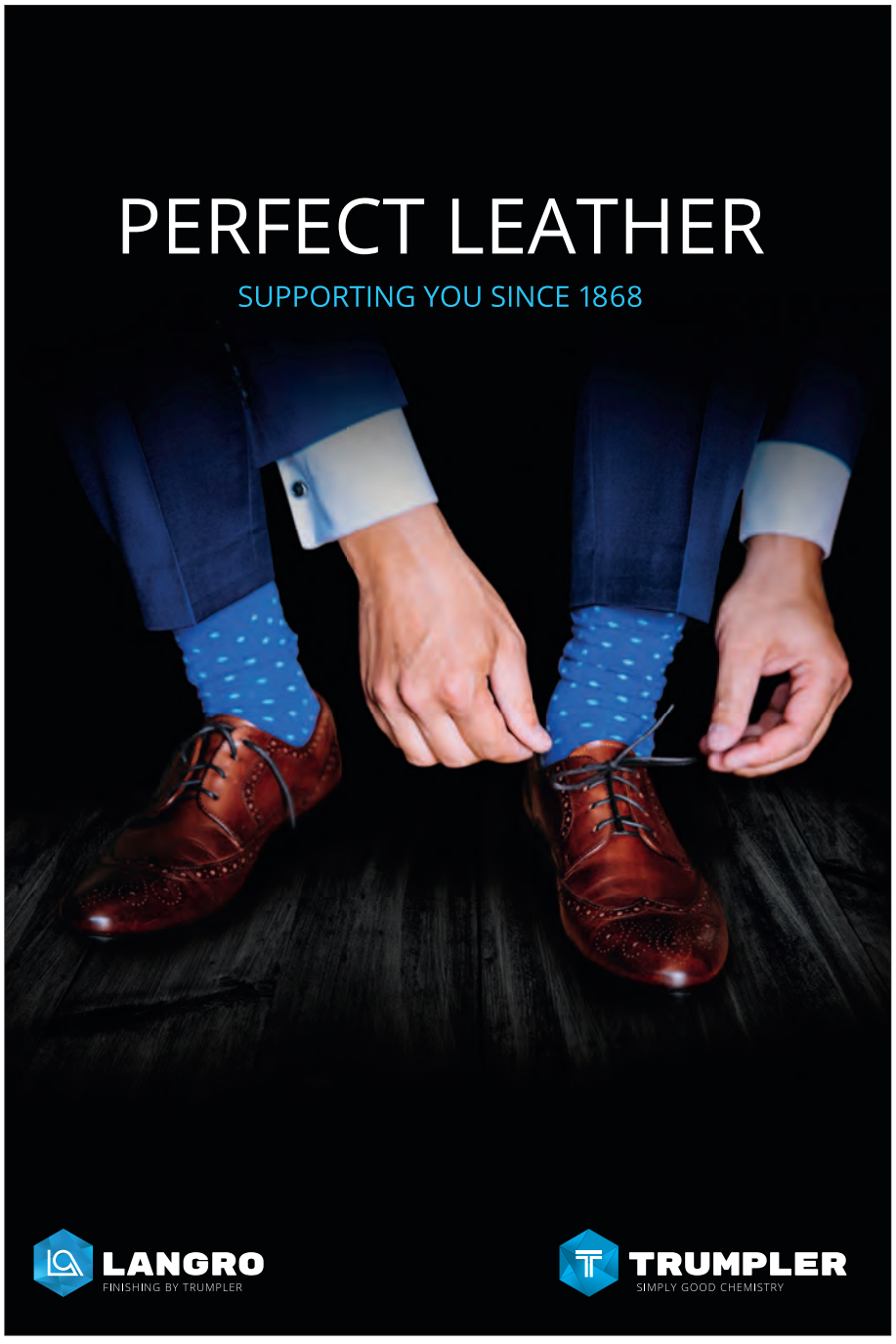
He says this is more urgent for shoes than for bags. Leather bags, usually, last a long time, but you only have to ask any parent of small children how many pairs of shoes they have to buy and, when a child, quickly grows out of them, throw away. He also points out that Silvateam was far from alone in wondering about this; many of the big fashion houses had begun asking about the possibility of adding this aspect to leather's sustainability story.

High in nutrients

Silvateam has worked with a partner, Tuscany-based fertiliser producer Fertilizzanti Certaldo, to find a solution, one that goes beyond biodegradability to turn leather into compost. Fertilizzanti Certaldo is already taking regular delivery of shavings and scraps from vegetable-tanning leather producers in the local district and processing them into a slow-release fertiliser that is high in nutrients. "It's a beautiful product," Antonio Battaglia comments. "It's certified for organic farming and can compete with the most expensive, most concentrated fertilisers in the market."

He says Silvateam was in no doubt that semi-processed material as well as raw scraps would allow Fertilizzanti Certaldo to continue to make the fertiliser and keep its organic certification. "It's not a composting of the material," he explains. "It undergoes chemical processing, in which all pollutants are extracted and disposed of safely." But an interesting discussion soon developed over the possibilities for including finished leather in the material mix of the ingredients of the fertiliser. "We are all aware that about 50%of leather is scrapped," Mr Battaglia continues, "with all the cutting for leathergoods and shoes."

This led to work with another partner, Biofin, part of Gruppo Biokimica. To complement Silvateam's plant-based products, its long-term partner Biofin is supplying a range of leather finishing



chemicals and dyes for tanners who have signed up for the Biocircular concept to use. These products do nothing to compromise Fertilizzanti Certaldo's work with the material that is left after leather manufacturing and cutting: the left over leather works as raw material for the fertiliser.

A product that cannot be attacked

Mr Battaglia's view is that these developments will allow tanners adopting Ecotan to make a powerful statement about the leather they produce. Many of these companies had already been putting out "strong messages" about the sustainability of their leather, he says, but the biocircular approach adds a new dimension. Part of the push came from discussions in the early part of 2020 with Pete Lankford, who set up as an independent sustainable design consultant in 2019 after more than 20 years with Timberland. Mr Lankford liked the thinking behind the Ecotan range that Silvateam had but urged the company to come up with a solution for fully sustainable footwear.

Immediately after this encounter, the participants in the conversation found themselves with extra thinking time during three months of lockdown, with travel cancelled and factories closed. "It was quite stimulating," Mr Battaglia says. "The tanning world was like a desert, but we were able to work every day on taking elements that we had already and combining them with new technologies, as well as, with certified guarantees for consumers. Biocircular leather is the result. Bio because all of the tannage is made either with vegetable tannins that are certified by the Programme for the Endorsement of Forest Certification (PEFC) or with synthetic polymers made from molecules that are deemed completely safe. And it is circular because all of the leathers produced are recyclable. It is meant for the shoe industry, leathergoods and automotive."

Silvateam set up a series of presentations on Ecotan at the September edition of Lineapelle in Milan. The show was much quieter than usual for reasons everyone is familiar with, but Mr Battaglia says his company's booth was busy and that the level of interest in biocircular leather was high. The new system for recovering, dismantling and re-engineering leather for recycling into a value-added product that will help farmers produce olives, fruit, vegetables and other crops attracted a great deal of attention from tanners, designers and fashion brands. "It was exciting," he says.

The tanneries that are the early adopters of Biocircular are already selling leather that can, one day, be recycled in this way. "The bricks are in place for us to build the future recyclability of leather," Mr Battaglia says. "And I think it's very important. If plastic were to be seen as a sustainable alternative to leather, this would be a disaster for the image of leather and the work we have all been doing for decades. Leather should be clearly conceived as a sustainable product. With Ecotan, we wanted to create a product that cannot be attacked."

Sell the idea to the consumer

Antonio Battaglia goes on to point out that there is, as yet, no international agreement on what does or does not constitute sustainable leather. But there are strong opinions among people in the fashion industry about this. He adds: "This is relevant because these are the people who have to sell the idea to the consumer. In all the conversations that we have had with them, it's been clear that, first of all, they want products for which they cannot be attacked. They want products that comply with Zero Discharge of Hazardous Chemicals certification. They want metal-free. But the real need that they have is this idea of making leather that cannot be attacked for containing anything toxic."

This is the clear feedback that Silvateam says it has received and the company's view is that using natural solutions is the best way of making leather that goes back to the industry's roots.

"But it's not only that," he concludes. "When I talk about biocircular leather that is totally sustainable, it's really that we want a product that is good at its birth, during its life and in its after-life when the consumer is done with it. We have to be grateful to Pete Lankford for coming up with this definition of sustainability."

Fashion house consensus

This has coincided with a consensus that has emerged from discussions with major fashion houses. They are tired of talking about sustainability and they want to take action. According to the company, Ecotan offers tanners the chance to do this, to move beyond talking and to take action, with data, documentation and certification to back up every step, with proof that what they are saying is true.

Tanners have been involved from the start

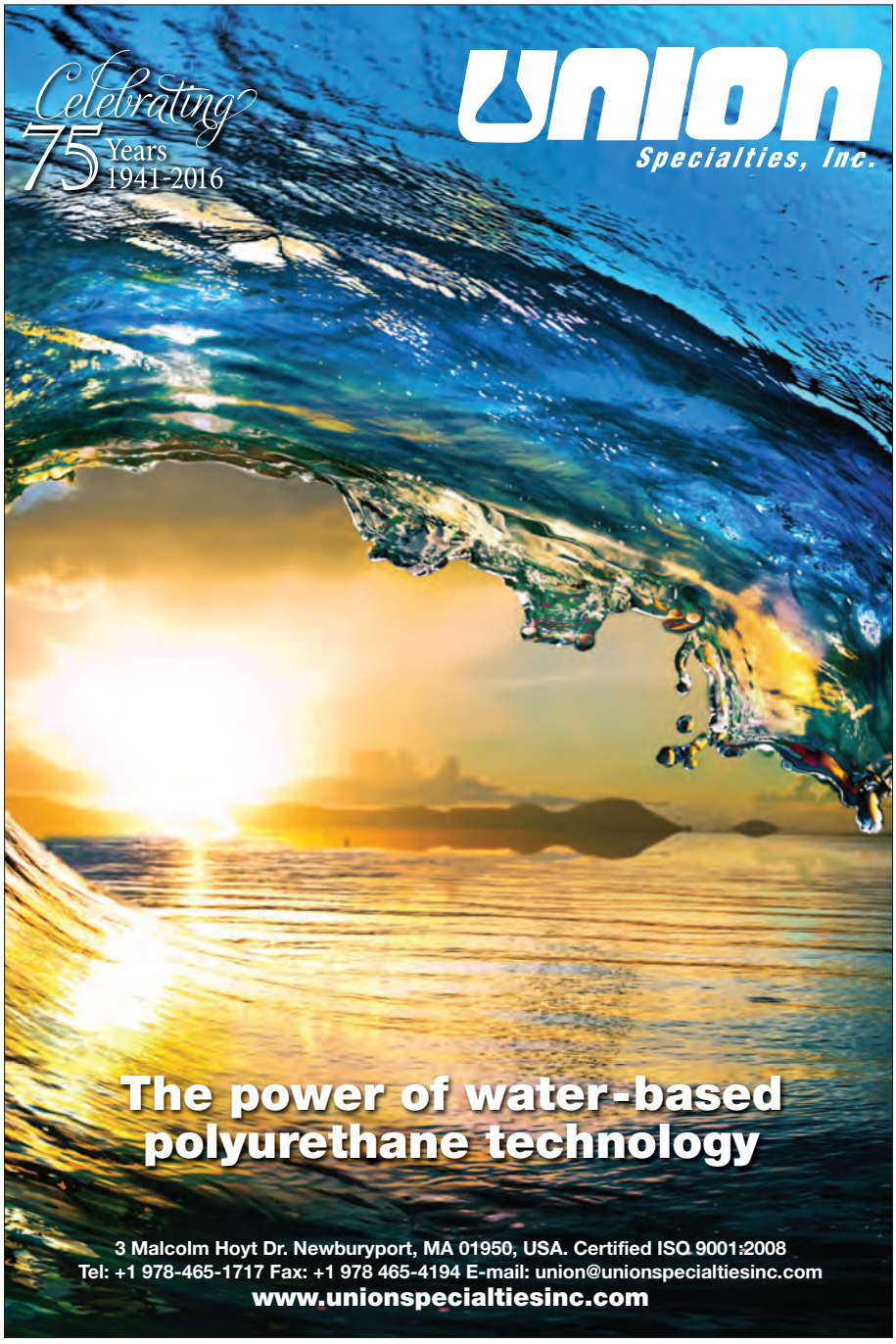


because Silvateam knew the brands would want to see and try out biocircular leather for themselves. Therefore, it chose a group of leather manufacturers from among its "best customers", taking into account geography and the types of leather each one makes, and invited them to adopt their own Ecotan leather ranges. By the end of 2020, leather manufacturers in Italy, France, Brazil, Mexico, Argentina, Turkey, Taiwan and China were involved. Some specialise in small skins, others in automotive, others in making leather for fashion brands. Together, these tanneries will be able to supply biocircular leathers made from bovine hides or from lamb and goatskins. Some of the partner tanneries and leather suppliers Silvateam has named so far are La Scarpa, Volpi and Conceria Valdarno from Italy; Mégisserie Richard, Tanneries Haas, Rial and André Hiriar from France; Wyny, Curfimex and Panamericana del Bajío from Mexico; JBS Couros from Brazil; Sadesa from Argentina, and Sepiciler from Turkey.

These companies are already making Ecotan leathers, although it is still a little too soon for them to have received a meaningful reaction from the market, Mr Battaglia says. He pays tribute to the work Silvateam's technicians have done to put together all the pieces of the puzzle necessary to make the Ecotan picture complete. He underlines two important catalysts. The first was the exchanges with former Timberland executive Pete Lankford. He says leather chemicals manufacturers can sometimes feel "far removed from fashion houses and their needs", but that the conversation about this with Mr Lankford was "exciting and extremely interesting". The second catalyst was the lockdown in the first half of 2020, which gave everyone involved "time to think" that they would not otherwise have had, leading to their decision to try something new, to turn the crisis into an opportunity.

Some major brands have spoken openly and publicly about their desire to have this leather that Silvateam has described as completely sustainable. "Biocircularity is an answer," Mr Battaglia concludes. "Our main partners in the tanning world will be able to meet these requests."

CREDIT: SILVATEAM



NEWS ROUND-UP

EUROPE

Mulberry celebrates 50th anniversary with time-hop collection

British luxury brand Mulberry has launched a series of miniature versions of its most popular designs to celebrate its 50th anniversary.

Mulberry was founded in 1971 by Roger Saul, and the collection pays tribute to its most influential creative directors, from Nicholas Knightly and Emma Hill to Johnny Coca.

The Iris, Amberley, Bayswater, Bayswater Tote and the newly relaunched Alexa all feature in miniature forms as part of the Icon Editions, alongside the Roxanne.

The block-colour bags of the collection are crafted from its "signature sustainable leather", a heavy grain sourced from tanneries with a Leather Working Group gold rating.

Mulberry said the collections will pay homage while "creating something new that is beautiful, functional and made to last".

Pieter Mulier named new creative director of Alaïa

For the first time following the death of Tunisian couturier, shoe and leathergoods designer Azzedine Alaïa in 2017, the Richemont-owned house of Alaïa has named a successor in the form of Belgian creative director Pieter Mulier.

Known in fashion circles as the "righthand" of current Prada co-creative director and fellow Belgian Raf Simons, according to Vogue, Mr Mulier previously worked with Mr Simons at Calvin Klein, Dior and Jil Sander.

"It is an absolute dream to join this prestigious Maison, its beautiful ateliers and its talented team. Azzedine Alaïa's powerful vision has served as an inspiration, as he always sought to give the necessary time to innovative and enduring creation," Mr Mulier said.

"It is with tremendous sense of admiration and responsibility that I will seek to carry forward this legacy of celebrating femininity and to jointly shape the future of this legendary Maison," he continued.

Prada commits to putting leather waste to good use

Luxury group Prada has agreed a new finance package of €90 million with Milan-based financial services group UniCredit.

This five-year loan is the latest in a series of ESG loans that Prada has signed up to, financial facilities with a mechanism that allows for a reduction in the interest rate if the

borrower achieves sustainability targets. ESG is a reference to environmental, social and corporate governance.

Prada has said it is the first company in the luxury goods industry to avail itself of these loans.

On making the UniCredit announcement on February 10, Prada's chief finance officer, Alessandra Cozzani, commented: "This is an important stimulus to achieve increasingly ambitious goals towards a sustainable economy. We are proud to be among the first players in the luxury sector to have embarked on this path and to be considered a reference in the field today."

Targets Prada will seek to meet as part of its agreement with UniCredit will include reducing waste from its leathergoods and footwear production. It has committed to passing waste materials on to third parties so that they can be used to make new products, to generate energy or to make fertiliser.

Delvaux read to cut 26 out of 155 jobs in Belgium

According to a recent statement provided to Belgian newspaper La Libre, Brussels-based luxury leathergoods house Delvaux is poised to restructure its operations in the country, where it has been based since 1829, owing to "economic difficulties mainly linked to the covid-19 pandemic".

Jobs potentially at risk include those linked to logistics.

While many Delvaux pieces are today manufactured in France (on the Avoudrey and Bourg-Argental sites), quality control of both raw materials and finished goods is still ultimately carried out at the brand's headquarters in the Belgian capital.

A single item, then, may have journeyed between France and Belgium twice prior to distribution, limiting the company's agility and complicating costs, hence the plan to undertake all quality control and distribution activities in France going forward.

Creative, management and administrative functions will remain in Brussels, along with the crafting of bespoke, "exotic" and "exceptional" leather pieces.

A spokesperson for Delvaux estimated that the brand's turnover for activities in Belgium, specifically, was down by "around 40%" year on year in 2020. The house currently has 624 employees around the world, of which 155 are located in Belgium and 125 of these are based at its Brussels headquarters.

If Delvaux goes ahead with its proposed reorganisation, around 26 Belgium-based jobs will be lost to France.

Lectra aims to boost Industry 4.0 offering with Gerber acquisition

Leather cutting technology provider Lectra has announced its intention to acquire US-based rival Gerber Technology.

It said that if it completes the acquisition, it would be able to enhance its offering of "Industry 4.0 technology that will enable customers to boost the productivity and profitability of their operations".

Combining the businesses would occur "at an opportune time" for both companies and their customers, Lectra said. Together, the two companies would have a large installed base of product development software and automated cutting solutions, with a worldwide presence and "a long list of prestigious customers".

At the same time, consolidating the two companies' research and development capabilities would enable the combined entity to accelerate development of Industry 4.0 technologies and help customers seize the full potential of these innovations.

Lectra argued that the uncertain economic climate and "unprecedented challenges" that users of its technology, in industries including automotive and furniture, are facing owing to covid-19 made it "more important than ever for them to transform, digitalise and optimise their operations".

Details of the planned acquisition are that, through cash, debt-clearance and new shares in its own business, Lectra will invest a total of €300 million in the deal. Gerber Technology's revenues in 2020 were €165 million. The most recent figure for Lectra is from 2019, when it achieved revenues of €280 million. It will invite its shareholders to agree to its plan for the acquisition in a vote on April 30.

Daniel Harari will continue as chief executive of the combined company. His counterpart at Gerber, Mohit Uberoi, will act as a special advisor to Mr Harari until the end of 2021. On making the announcement, Mr Harari said: "Today is a historic day for our companies that will bring tremendous opportunities for future growth."

Leather shines at Copenhagen Fashion Week

Abundant leather looks were on display during Copenhagen Fashion Week (CPHFW) autumn-winter 2021, which ran for three days (online) in early February.



Stockholm-based Stand Studio, which specialises in "expertly designed, high fashioned leather pieces at an accessible price", presented multiple takes on leather outerwear and suiting, including patent and quilted finishes, plus leathergoods such as hats and handbags.

Norwegian fashion house Holzweiler similarly bet big on patent leather for the season, showing a knee-length, beige patent leather trench coat, as well as leather skirts and trouser bottoms in beige, burgundy and black.

Another Swedish brand, House of Dagmar, which was ultimately awarded CPHFW's first, Zalando-sponsored sustainability award, unveiled long, chrome-free leather trenches (in both petrol blue and black), plus a tunic top, ankle-length skirt and aviator jacket (all black).

CPHFW describes itself as the leading Nordic fashion week, with sustainability as its "core focus".

ICT urges Mini to think again about leather

Secretary to the International Council of Tanners (ICT), Dr Kerry Senior, has written to the head of design at car brand Mini, Oliver Heilmer, to ask him to reconsider a decision to phase out the use of leather.

In an interview with automotive industry publication Autocar at the start of February, Mr Heilmer said Mini would not be using leather in its interiors in future. "We don't believe it's sustainable," he said, adding that his preference was to use recycled fabric with lining made from 70% recycled fibres instead.

He went on to say that these recycled fabrics would still be able to satisfy his desire to offer customers an interior that is luxurious, small-footprint and with an aesthetic that comes "more from a home perspective than an automotive one".

In his response, Dr Senior expressed "deep disappointment" at the decision, especially as Mr Heilmer said he had taken it on grounds of sustainability. He pointed out that Mini's decision to reduce its use of leather "will have no impact on the consequences of livestock-rearing".

He added that leather production prevents the disposal of an estimated 8 million tonnes of material each year and made the point that turning hides and skins into leather prevents the emission of greenhouse gas emissions that would result from their disposal. "As such," he continued, "leather is a recycled product that valorises a renewable, biodegradable waste into a beautiful, functional material."

Dr Senior described leather as "the original circular product" and said it was a better option for satisfying Mini's ambition to use a sustainable, recycled material than fossil fuel-derived synthetic materials.

He also said that leather interiors hold a strong appeal for consumers, with research in the US finding that 69% of car buyers prefer leather upholstery in the interior and 54% of buyers of new Minis in the UK in 2020 choosing leather upholstery.

"I sincerely hope you will reconsider," he told Mr Heimler. "Manufacturers of automotive leather have been at the forefront of the drive for sustainability in leather production, achieving huge improvements in the environmental profile of their products."



Fendi and Florence artisans: full story

The flow of features from World Leather December-January onto the redesigned and revamped leatherbiz website has continued with an article about luxury brand Fendi and Florence-based artisan leather-goods producer Fratelli Peroni.

Peroni's craftspeople are experts in a traditional Florentine technique called 'cuoietto artistico fiorentino', which involves dipping leather into warm water to make it "elastic and malleable", placing it onto a mould and leaving it to dry for eight hours.

This results in leather that is rigid enough to hold the shape the skilled artisans give it and produces leathergoods that require no stitching.

When Fendi decided to celebrate traditional craftsmanship from all of Italy's 20 regions for a special-edition collection of its Baguette bag, it decided that Fratelli Peroni was the ideal representative of Tuscany and commissioned it to make one of the bags using 'cuoietto artistico fiorentino'.

The full story is now available on leatherbiz as well as in the magazine.

Leather Naturally bids farewell to Rodrigo Henriquez and starts search for replacement

Campaign group Leather Naturally has announced that Rodrigo Henriquez will leave his role on its management board in mid-2021. Mr Henriquez is the communications manager for leather chemicals manufacturer Lanxess.

He has served on the Leather Naturally management board for four years but, with TFL's acquisition of the Lanxess leather

chemicals business now confirmed, has decided to stand down.

Leather Naturally said it was grateful for Mr Henriquez's "professional and energetic input" and that it would now begin its search for a replacement. It said: "We are open to enquiries from passionate leather industry volunteers willing to take Rodrigo's position, taking responsibility for promotion."

Jimmy Choo explains new London academy idea

Footwear designer Jimmy Choo has explained his reasons for opening a new design academy in London in September.

Speaking to BBC Radio on February 4, Mr Choo said he had no regrets about selling his 50% share of the Jimmy Choo brand in 2001, only five years after setting it up with business partner, Tamara Mellon. He said education and passing on his skills and knowledge were now his main aims.

Originally from Malaysia, from a shoe-making family of Chinese descent, he went to London in 1982 to study shoe design at Cordwainers College, now part of the London College of Fashion and the University of the Arts. He completed the course in 1984.

Jimmy Choo stayed in London and began trying to sell his handmade shoes for around £50 per pair from his workshop. "But I had no name and no media support and people didn't come," he said in the radio interview. "I realised that if people were not prepared to pay £50 for a pair of shoes made by a student, perhaps they would be able to afford £5 per pair and I started selling shoes on a stall on the South Bank."

He built from there and caught the attention of Vogue, where Tamara Mellon was accessories editor, after London Fashion Week in 1988. The magazine ran an eight-page spread on his work. This helped bring him to the attention of his most famous early client, Princess Diana, whom he still describes as "a very kind princess, who always asked about my family and if I was able to find time to rest".

These were perceptive questions. He said the reason he did not regret selling his 50% stake in Jimmy Choo, now owned by Capri Holdings, was that the decision had allowed him to spend much more quality time with his family. "Before that, I would often arrive home at three o'clock in the morning," he said. "And during London Fashion Week I would sometimes have to go four or five days without going home."

He confirmed that part of the course at the new JCA-London Fashion Academy will be the business side, something he said he had "learned the hard way". He added: "Designers know how to design, but they also have to learn about accounts, how to talk to the media and which markets to sell into."

Finally, he said he was optimistic about economies recovering after covid-19. "We've seen things like this before," he said, "for example at the time of SARS [2002-2004]. I think that by June or July [this year] a lot of countries will be opening their doors."

And in the meantime, he recommended following the practice of friends of his who, although they cannot go out and have to stay at home, dress up in the evening as though they were going out with, naturally, glamorous shoes as part of their outfits.

March editions of Lineapelle, Micam and Mipel are cancelled

Milan's leather, leathergoods and footwear exhibitions, Lineapelle, Mipel and Micam, will not go ahead from March 20-24. The organisers made the announcement on February 3.

They said the restrictions in place in Italy at the moment to control the spread of covid-19 will make it possible for exhibitions to take place in person again from March 6. But the organisers of the leather industry events said they had taken the "painful but necessary" decision not to go ahead with their March shows.

An important consideration, they said, was that restrictions for health and travel reasons would still have made it difficult for thousands of industry professionals from all parts of the world to travel to Milan and attend the events as normal.

Brexit leaves UK luxury sector at risk of decimation

Walpole, the official body for the UK luxury industry, is one of the signatories of an open letter to the UK prime minister complaining about the effects of Brexit on fashion and luxury brands.

Sent at the end of January, the letter states that the trade arrangements the UK has in place with the European Union now that it is no longer a member state puts "at real risk of decimation" a sector that contributes £35 billion to the UK economy and employs almost 1 million people.

Commenting on the letter, Walpole chief executive, Helen Brocklebank, told the Financial Times that 42% of UK luxury brands' export sales come from the EU. But under the new arrangements, the cost and administrative burden of selling to customers in EU member states mean many of Walpole members have concluded that "they simply can't afford to continue selling to those countries".

Ms Brocklebank called on the government



to make the new arrangements simpler and to put measures in place to boost the retail tourist trade.

Funding from Kering for regenerative farming projects

Luxury group Kering is offering grants to farmers, campaign groups and other stakeholders involved in regenerative agriculture.

As part of efforts to achieve a net positive impact on biodiversity by 2025, the group had already made public a commitment to protecting 1 million hectares of "irreplaceable habitat" outside of its direct supply chain.

Now, in addition, it wants to help transform another 1 million hectares of land on which some its raw materials are produced. It will work with specialist nature protection campaign group Conservation International to assess applications and award grants that will help farmers transition from agricultural practices that have high impacts on climate and nature towards more regenerative practices that restore nature and mitigate climate change.

Eligible projects will take place in one (or more) of the 17 countries that have been identified through a rigorous analysis by Conservation International, and will focus on one (or more) of the core raw materials for luxury: leather, wool, cotton and cashmere. Applicants have until April 30 to apply for funding.

Louis Vuitton unveils new, permanent colourways

Louis Vuitton recently introduced new colour options for its Vanity and OnTheGo MM tote bags, ready for spring-summer 2021.

The brand's new colourways, including "tourterelle beige" and black, will form part of the permanent collection going forward. Soft, grained "monogram empreinte" cowhide leather is the handbags' chosen material.

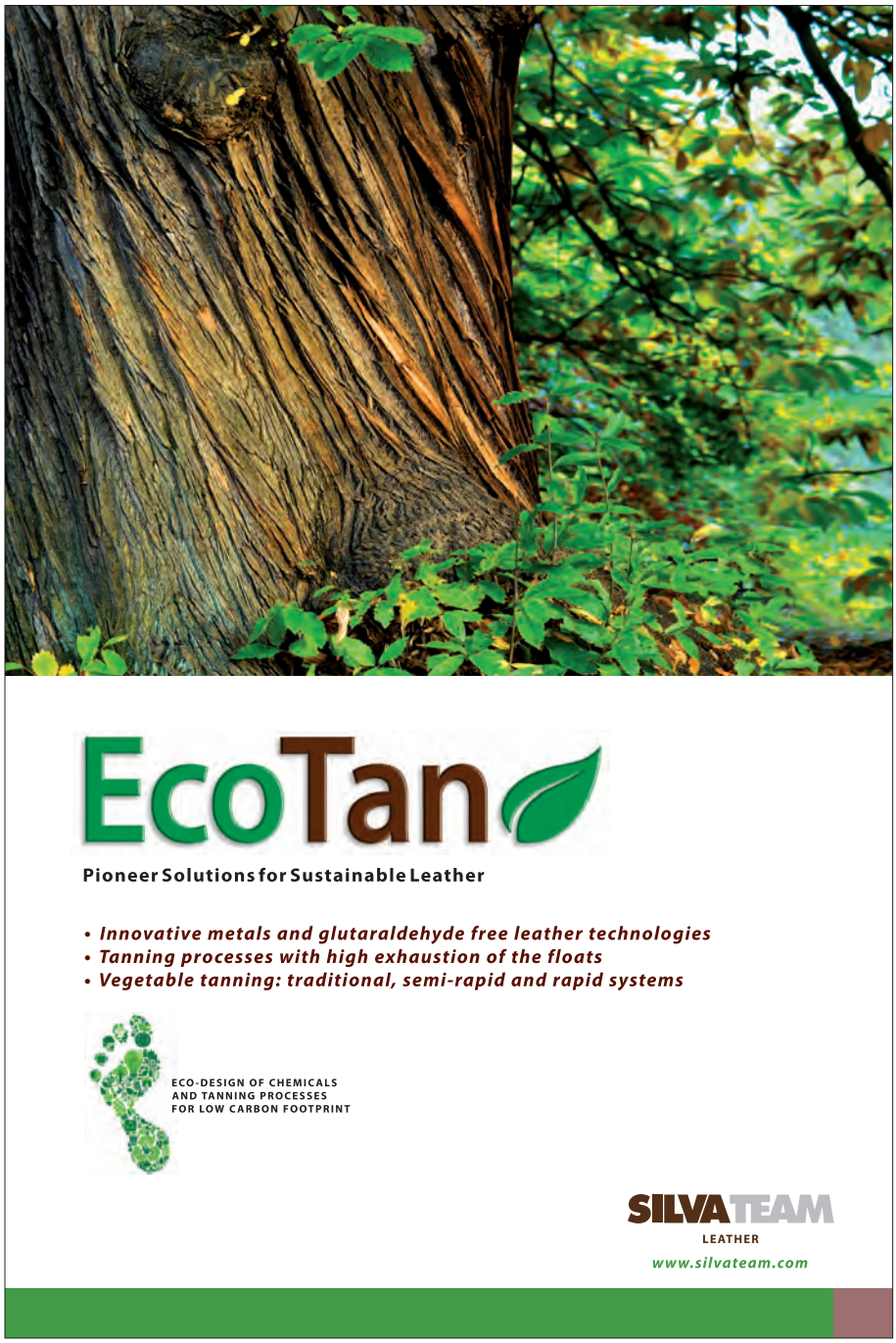
The same palette is continued on select leathergoods for SS21, such as wallets and pochettes.

Plans in place already for 2021 edition of Sustainable Leather Forum

France's Conseil National du Cuir (CNC) has confirmed that its plans for a third edition of its Sustainable Leather Forum seminar are taking shape. It intends to hold the 2021 edition of the event in Paris on Monday, September 13.

It has also announced four themes that will run through keynote speeches and roundtable discussions. The four themes are: the vegan movement and animal wellbeing; deforestation, carbon footprint and the lifecycle analysis of leather; responsible manufacturing and sourcing for the sports and leisure markets; and transparency and consumer information.

The ministry of the economy, finance and recovery will host the event.



Ferragamo sales fall a third in 2020

Italian footwear and fashion group Salvatorre Ferragamo has reported €916 million in revenues for 2020, around a third lower than in 2019 due to the effects of the coronavirus pandemic.

Most of the group's stores were shut at some point during the first half of the year and, while there was improvement in the second half, many saw new closures as countries initiated subsequent lockdowns.

More than half of sales were in Asia, but declining travel hit the usual tourist sales. China's retail channel performed well, rising around a third in the fourth quarter.

Sales in Europe and North America fell about 40% compared with 2019.

ASIA

China leads global leather-sector exports, but its share falls

China was still the world's biggest exporter of leather and leather products in 2019, according to a new report compiled by French national industry body Le Conseil National du Cuir (CNC), but Europe is gaining ground.

The report said China achieved a share of 30.7% of the global market in 2019, but it pointed out that in 2010, the Asian country commanded 45% of global leather exports. It went on to say that Vietnam had picked up the lion's share of the export business that China had lost and that its south-Asian neighbour was now in second place with a share of 12.5% of the global total.

Just behind Vietnam, Italy took third place with 12.3% of the leather and leathergoods exports globally. France was fourth with 5.2%.

Dolce&Gabbana opens new Seoul flagship

Italian luxury brand Dolce&Gabbana has opened a new flagship boutique in the

affluent Cheongdam-dong area of Seoul's Gangnam District.

In a statement, the brand described the Jean Nouvel-designed store as an "architectural ode to the encounter between love for tradition and ceaseless innovation."

Mr Nouvel's studio handled both the interior and exterior design elements. The main feature of the building is a cylinder of clear glass, set between four corner pillars of black granite, with large convex glass facades on two sides of the building.

Interiors-wise, the store centres on a single large spiral ramp, clad in mosaic Nero Marquina marble, which connects the different floors. The idea is for visitors to be carried upwards by this "vortex", Dolce&Gabbana said, in order to experience the collections, which are "enhanced", floor by floor, by a "captivating lighting system".

The Cheongdam-dong boutique, which the brand termed "important", houses ready-to-wear, accessories and fine jewellery and watches for both men and women, as well as the Dolce&Gabbana Sartoria made to measure service.

Bangladesh leather industry falls short of export target

The Bangladesh leather industry has reported export revenues of $526.6 million for the first seven months of the country's current financial year, from July 2020 to January 2021. This compares to $558.9 million for the same months in the previous financial year and represents a decline of 5.8%.

Finished leather brought in $63.5 million over the more recent seven-month period, down by 18.2% year on year.

Export earnings from leather footwear were down by 1.9% to $329.5 million. The decline for leathergoods was 9.8%, falling to $133.5 million.

Bangladesh's Export Promotion Bureau had the leather industry a target of $920 million for these months.

China: 12 'leather cities' across eight provinces to link via cloud

China is set to gradually roll out a government supported trans-provincial, internet-based administration network of 12 "leather cities" (including Haining, Zhejiang and Harbin, Heilongjiang) across eight provinces, following the successful establishment of cross-provincial links between Zhejiang and Heilongjiang earlier this year.

The intention behind the cloud network is to streamline leather market operations and therefore reduce the time spent on related activities (such as travel), which, it is hoped, will in turn help to increase the efficiency of the Chinese leather industry, overall.

Cloud-based recognition of electronic certificates, licences and other examples of intellectual property are one aspect of this. Another, more general, element is to broaden professional networks and deepen social and economic interactions between parties based across the country via a supervised, online process.

Joint law enforcement and the construction of a standardised market credit system will further efforts to improve conditions for business owners and entrepreneurs. The cloud will also enable cross-regional quality inspection of leather products and allow for the "smooth" flow of data, technology and capital, local media said.

Through the creation of such a network, China hopes to move towards a modern, national and unified professional leather market.

Spanish shoe group forges ahead with China plan

Menorca-based footwear group Mascaró has succeeded in setting up its first three stores in China. Working with a local partner, it now has stores in Beijing, Shanghai and in the capital of Liaoning Province, Shenyang.

Through the same local partner, the group has also begun selling its shoes online in China. Its principal brands are Mascaró and Pretty Ballerinas.

It has told media in Spain that it intends to expand its operation in China to 20 stores in the next three years.

All-time high in China lifts Lexus 2020 sales figure

Leather-loving luxury car brand Lexus has reported sales of 718,715 vehicles in 2020, a decline of 6% compared to the year before.

In the first half of 2020, Lexus registered a fall in sales of 16% owing to the spread of covid-19. IN the second half of the year, its sales increased by 2% compared to the same period the year before.

North America was the company's biggest market, with sales of 297,00, a decrease of 9%. However, its sales in China marked an all-time high, reaching 225,000 vehicles, an increase of 11% year on year.

There were decreases in all other markets, including of 19% in Europe, where it sold



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71,000 cars, and of 21% in its home market, Japan, where the sales figure was 49,000.

Cobbler's Suggest receives $1.5 million in financing

Chinese leathergoods repair service Cobbler's Suggest has received around $1.5 million in financing from China-based Ruihe Capital, local media have reported.

The funds will be used for marketing services and a digital system upgrade.

Today, the company is best known in China for its leathergoods repair services, but there are also plans to expand into jewellery and clothing repairs, according to media reports.

Cobbler's Suggest is the main after-sales partner for Tmall.

After establishing the company in 2015, founder Claire Yan was shortlisted for the Cartier Women's Initiative award in 2019, one of only three East Asian finalists.

AMERICAS

World Leather Podcast: new episode with Luis Zugno goes live

The audio version of the latest in our Leather Leaders interview series is now live as a new episode of the World Leather Podcast.

Here, Dr Luis Zugno, president of IULTCS, talks to World Leather about his 45 years in the industry, his reflections on a turbulent first year at the head of the leather chemists' and technologists' body and his hopes for the 2021 and beyond.

Asked about areas in which he would like to see innovation in the future, Dr Zugno delivers a detailed list of ideas that, taken together, constitute a real programme for change that leather manufacturers and their chemicals and technology suppliers can, and must, address together.

He says: "We have to redesign the process chemically and mechanically to use less water and chemicals and reduce waste. Our challenge is to tan collagen just enough to make a useable product, one that is biodegradable and non-toxic. Today, we maybe overdo the tannage and make leather that is too good when it doesn't need to be so good."

The podcast is available on Spotify, Apple Podcasts, Breaker, Google Podcasts, Overcast, Pocket Casts and Radio Public.

Pilot year for Leather Impact Accelerator under way

The US-based Textile Exchange has launched version 0.1 of its Leather Impact Accelerator (LIA), and a one-year pilot phase is under way.

All LIA 0.1 documents and components are available for use by interested companies, including benchmarking industry standards, trading impact incentives, and making corporate commitments and claims.

Textile Exchange claims the framework combines existing industry tools with new and enables leather supply chain members "to contribute to a more responsible leather supply chain". It is a programme that uses benchmarks and protocols to set a minimum threshold for practices at the farm and leather production levels and gives recognition to those who meet or exceed them.

At the close of the pilot year, feedback and results will be used to refine LIA for the release of version 1.0.

"The burden of sustainability is too heavy to be supported only by producers," said Charton Locks, chief operating officer of Produzindo Certo, an agribusiness-focused company.

The work on LIA has been led by the International Working Group that sits under Textile Exchange's Responsible Leather Round Table (RLRT).

There are several opportunities for companies to take part in the pilot programme, said Textile Exchange.

Covid-19 costs Tyson millions, but beef performs well

Meat and tanning group Tyson has reported sales revenues of almost $10.5 billion for the first quarter of its current business year, the three months ending January 2, 2021. Compared to adjusted figures it has reported for the same quarter a year earlier, this represents a fall of 4.4%.

The group explained that covid-19 had led to expenses of $120 million in the quarter just ended. This money included costs associated with worker health such as personal protection equipment, sanitisation, covid-19 testing, donations, product downgrades, rendered product and "certain professional fees". It said this was partially offset by US government stimulus packages.

Tyson said it had not reflected in its results other indirect costs associated with covid-19, including premiums paid to cattle producers and pricing discounts.

Its beef business registered an increase in sales revenues, bringing in just under $4 billion, 5.6% more than in the same quarter a year ago. Its operating income from beef reached $528 million, a rise of 13.2% year on year.

It said beef sales volumes had increased primarily because of strong domestic and export demand. The comparison also reflects the ongoing effects in the first quarter of last year of the fire at its plant at Holcomb, Kansas, in August 2019.

Full-year figures show rise in volume of US hide exports in 2020

Leather and Hide Council of America (LHCA) has published full-year figures for hide exports from the US in 2020.

Meat companies and traders exported a total of 26.7 million US cattle hides in 2020. Of these 23.8 were wet-salted and 2.9 million were wet blue. In terms of overall volume, these figures represent an increase of 12.9% compared to 2019. Exports of wet-salted hides rose by 19% in volume, while shipments of wet blue fell by 21%.

An increase in export volumes looked unlikely in monthly reports throughout 2020, but LHCA has explained that it had been tracking inaccuracies between weekly and monthly sales figures and export data for some time. LHCA informed US Customs about these discrepancies, which prompted the agency to conduct an audit of its data. As a result, at the start of February, US Customs published revised data, which showed that between March and September 2020 a large number of wet-salted cattle hide exports to China were not properly counted in the data.

The overall value of hide exports in 2020 was $874.3 million, with $579.8 million from wet-salted and $294.5 million from wet blue. Combined, the value was down by 24.3%. For wet-salted, the decline was 24% year on year while, for wet blue, it was 25%.

On average, across the whole of 2020, the export price of wet-salted cattle hides was $24.33 per piece and the corresponding price for wet blue was $101.35. In contrast, the average price of exported wet-salted hides in 2019 was $38.18 each, with wet blue costing an average of $107.06.

Leather-heavy look for Super Bowl

The House of Givenchy dressed Canadian singer The Weeknd in an outfit that included a leather tie and gloves for his performance during the Super Bowl LV in Florida.

The Weeknd also wore a fully hand-embroidered jacket with crystals, made by the Givenchy Haute Couture atelier in Paris, which took four embroiderers more than 250 hours to complete.

The outfit was accessorised with a black leather tie and gloves, as well as black and white shoes.

Givenchy creative director Matthew Williams said: "To me, fashion is all about infusing what you wear with a unique personality, and The Weeknd brought his look to life with his energy, character and sense of style."

The performance was watched by an estimated audience of more than 100 million viewers who tuned in to watch the NFL championship game between the Tampa Bay Buccaneers and the Kansas City Chiefs at the Raymond James Stadium in Tampa.

GRSB prepares to launch global goals for sustainable beef

Multi-stakeholder initiative the Global Roundtable for Sustainable Beef (GRSB) has announced that the 2021 Global Conference on Sustainable Beef will take place on April 14 and 15.

The event will be online only, but GRSB said one advantage a virtual event will bring is that interested parties from all parts of the world will be able to listen to the presentations and discussions in real time or on demand.

Live sessions will be repeated with added question-and-answer components allowing "true global participation", the organisation said.

It explained that this will be especially beneficial in 2021 because it will use its global conference this year to launch a set of GRSB Global Goals. "The development and adoption of these goals is important in demonstrating the beef value chain's commitment and progress in achieving more sustainable global practices," it said.

GRSB will seek to implement these goals over the next ten years.

Students everywhere invited to take part in leather design competition

Washington DC-based industry body Leather and Hide Council of America (LHCA) has launched its 2021 international student design competition, a key part of its Real Leather, Stay Different campaign. It said this competition would build on similar competitions that are ongoing in Taiwan, China, the UK and Italy.

It is open to all students and recent graduates from any university in any country around the world. They have until April 28 to submit an original design idea that includes the use of leather. A panel of fashion industry experts (Pentland creative director, Katie Greenyer; fashion stylist Mike Adler and magazine art director Milan Miladinov) will judge the entries and pick a winner.

The winning designer will receive an all-expenses-paid trip to London; their design idea will be made into a real product that will feature in a photo-shoot and other media events there later in the year.

Rising raw materials costs lead to Buckman price hike

Leather chemicals producer Buckman is to increase the prices of its products by between 8% and 25% with immediate effect.

It said recent increases in the price of raw materials, in addition to rising energy, transportation, labour, and regulatory costs, have brought "an unsustainable strain that can no longer be completely absorbed by the company".

In addition, it said that market projections predict continued rising costs of upstream feedstock and that, if these projections prove accurate, they could warrant additional pricing action.

Price increases will vary depending on geographic region and products and services sold. In some areas, increases may be higher where local conditions may necessitate additional adjustments.

Buckman said it would "continue to strive to add value to customer operations" by investing in innovative technology and optimising operations around the world to offer "the highest-value products and services at the lowest possible costs".

Crowdfunding for Metcha passes $1 million

The crowdfunding for the second phase of youth-focused leather marketing campaign Metcha has now passed $1 million.

In December, the campaign reached $700,000 but the "ever growing list of supporters" has enabled the boost that will "allow Leather Naturally to carry on the project without interruptions" while continuing fundraising efforts.

The Metcha funding team, Egbert Dikkers, Dietrich Tegtmeyer, Fernando Bellese, said: "It is important to emphasise the continuity of this project was only possible due to the engagement and support from a leading group of companies that have stepped forward to fund this much-needed initiative."

They listed as supporters as: A+B Hides, Americana de Curtidos, ARC Chemicals, ATC, Bauce, BLC, Buckman, Casino, Chemtan, Crest Leathers, EMAG, GST Auto Leather, Heller Leder. Hüni Process Controls, ISA TanTec, JBS, LANXESS, Leather & Hide Council of America, Minerva, Modern Office for Agencies, National Beef, NTE Company, Oukro, Pittards, PrimeAsia, Quimica Internacional para El Curtido, Sadesa, Scottish Leather, Silvateam, Smit & Zoon, Stahl, TFL, Trumpler, Unpac and Zschimmer & Schwarz.

People wishing to support the programme can get in touch via email - info@leathernaturally.org – with Crowd-funding Metcha in the subject line.

Tapestry expects to emerge from pandemic stronger

Luxury group Tapestry has reported a 7% decline in second-quarter revenues to $1.7 billion but its CEO said sales "significantly outpaced expectations".

The owner of leathergoods brands Coach and Kate Spade, as well as footwear company Jimmy Choo, celebrated its 30% year-over-year growth in China and the increase in digital sales.

Profits increased because of reduced promotional activity and "disciplined inventory and expense management".

Joanne Crevoiserat, CEO of Tapestry, said: "As we enter the second half of our fiscal year, we are optimistic for the future in spite of the uncertain backdrop. We are listening closely to consumers and responding in real-time to changes in their values, shopping behaviours, and brand engagement.

"I am confident that Tapestry will emerge from the pandemic stronger, well-positioned to both capture market share at higher levels of profitability and fully unlock the flywheel of sustainable, long-term growth."

US meat companies offer bonuses for vaccinations

US meat companies JBS USA and Pilgrim's are offering a $100 incentive bonus to any US employee who voluntarily chooses to receive a Covid-19 vaccination.

The initiative is designed to encourage maximum participation in the Biden Administration's accelerated pandemic response efforts.

Andre Nogueira, CEO of JBS USA, said: "Our goal in offering this extra pay is to remove any barriers to vaccination and incentivise our team members to protect themselves, their families and their co-workers. With nearly 66,000 US team members, we are hopeful this initiative will lead to high vaccination participation rates that will benefit our workforce and the rural communities and cities in which they live and work across America."

The company previously announced the removal of vulnerable populations from its workforce with full pay and benefits, which meant about 11% of the US workforce.

At the start of the pandemic in 2020, meat factories became a source of mass infections, with workers contracting covid-19 and factories closing. This led to shortages and delays in the meat supply chain, and then-President Donald Trump signed an executive order to force the facilities to stay open.

Leather Leaders interview with Dr Luis Zugno now available to read

One of the main reasons for our redesign of the leatherbiz website at the start of 2021 was to make it easier for us to share features from World Leather magazine on the website.

The latest of these longer articles to go live on the website is the written version of a conversation between the magazine and the current president of the International Union of Leather Technologists' and Chemists' Societies (IULTCS), Dr Luis Zugno. This is part of our Leather Leaders series.

In the course of the discussion, Dr Zugno reveals a range of leather technologies he has witnessed in a career spanning 45 years that he feels have made the biggest impression on the industry. He also lists areas in which he believes new technologies are most urgently required now.

An audio version of this interview will feature in the World Leather Podcast series in the coming days.

Argentinean gaucho saddles inspire Dior's leather artisans

A previous trip to Argentina by Christian Dior creative director, Maria Grazia Chiuri, where Ms Chiuri encountered the personalised leather saddles of Argentinian gauchos, inspired the latest, leather iteration of the Dior Book Tote bag, the luxury house has revealed.

The calfskin handbags, which retailed at around $6800 and were included in Dior's Puglia-inspired Cruise 2021 collection, have already sold out following a recent social media campaign detailing the high level of leather artisanship behind each piece. During the campaign, Dior said that roughly 12-16 hours of work went into the making of each one of the totes.

Natural leather was laser-cut and sculpted to obtain the three-dimensional impression of the original, gaucho-inspired drawing, a brand spokesperson said, followed by five or six repetitions of waxing to achieve the final colour. Knotted rolls of leather were inserted inside the perforations to represent flower pistils.

AFRICA

Tanzania aims to emulate Ethiopia's leather industry

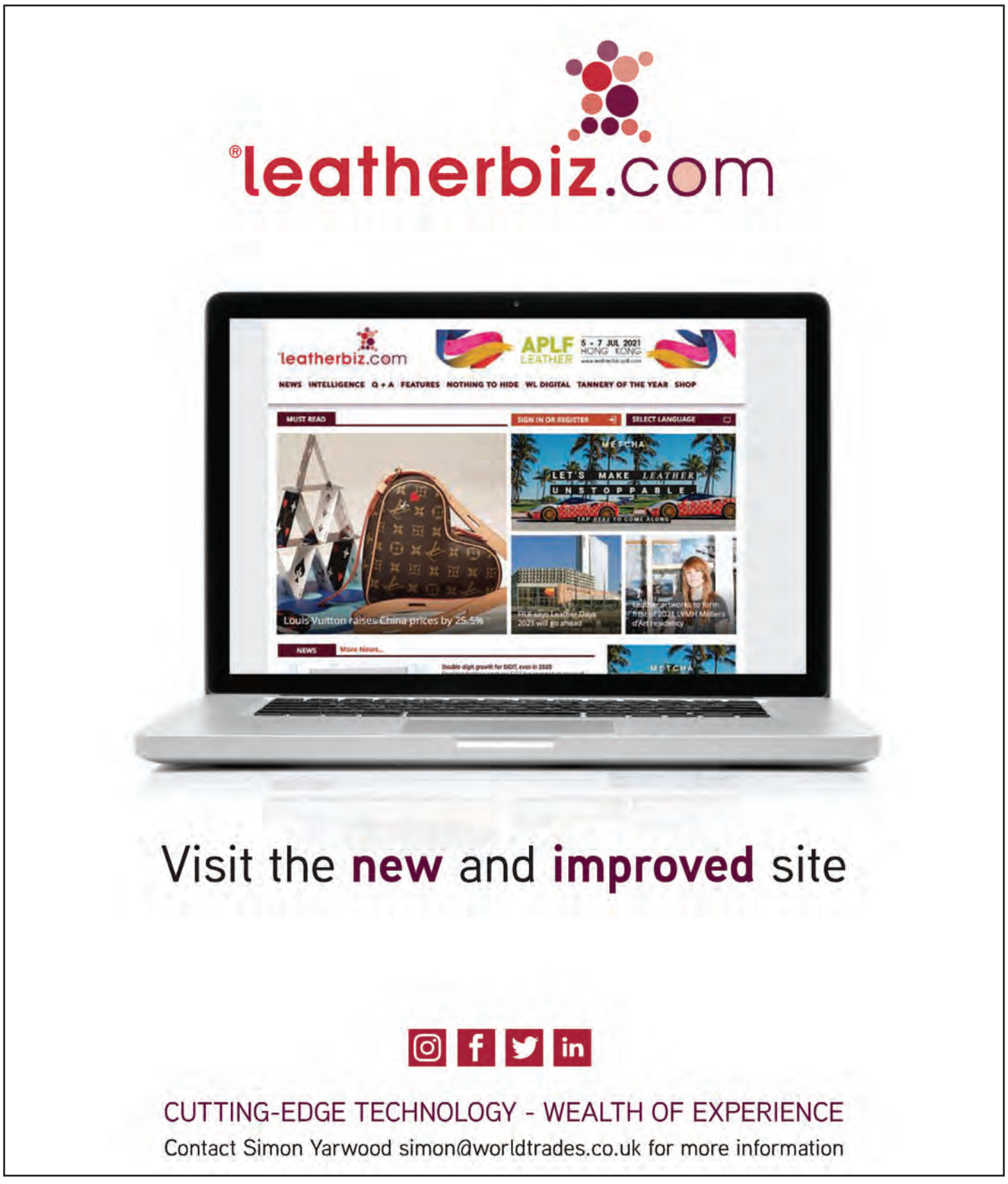
The presidents of Ethiopia and Tanzania discussed how to improve trade between the countries, with the leather sector among the priorities, during a meeting in north-western Tanzania.

Ethiopian President Sahle-Work Zewde and President John Magufuli are seeking to capitalise on opportunities in livestock, agriculture and manufacturing enabled by the new African Continental Free Trade Area Agreement (AfCFTA, according to local reports.

Ethiopia has a relatively well-developed leather and footwear industry, from which Tanzanian counterparts could learn, said the reports, adding that the country offers "untapped opportunities".

Ethiopia has around 60.39 million cattle, while Tanzania has around 34 million cattle, it said, quoting Tanzania's National Bureau of Statistics.

The AfCFTA agreement will create the largest free trade area in the world measured by the number of countries participating. The pact connects 1.3 billion people across 55 countries with a combined gross domestic product valued at US$3.4 trillion. It has the potential to lift 30 million people out of extreme poverty, but achieving its full potential will depend on putting in place significant policy reforms and trade facilitation measures, according to the World Bank.



The framework for leather manufacture

by Richard Daniels and Walter Landmann

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"The Framework for Leather Manufacture" further enhances the transition of leather making in earlier times to an efficient, advanced and ecologically sound industry in the global economy. Although its focus is aimed at the leather technologist, it will be seen as essential reading for anyone in the leather making chain, from the provider of raw material through to the end user of the finished product.

Please click here to open a detailed synopsis of the book's contents.

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