

# Leather Sourcing Delegation to Brazil and Argentina, August 04-08, 2014

## Exploring Latin America

Report by R Ramesh Kumar, IAS, Executive Director, CLE

India's Export of leather and leather products has reached a new dimension in the recent years and attained the global status of 7th largest exporter of leather and leather products in the world. Considering the growth potential, the Ministry of Commerce and Industry, Govt of India has fixed an export target of US\$ 14 bn to be achieved by 2016-17. The current availability of leather is not adequate to meet the growing demand of the production and the industry is constantly looking for new avenues to source the raw materials.

In this context, the Council made an inhouse analysis on the potential of the Latin American region in supplying different kinds of leather. Brazil and Argentina were identified as the potential countries in the LAC region supplying leather to the world. The industry is also of the view that price and quality is favourable in the LAC region.

Accordingly, the Council in association with the Indian Missions in Brazil and Argentina, has organized a Leather Sourcing Delegation to Brazil and Argentina during August 04 to 08, 2014. Detailed report on the visit is given below.

### Objective of the Visit

The objective of the Leather Sourcing Delegation is to obtain the first hand information on the leather market, holding business meetings with local suppliers of hides/skins, semi-processed leathers, inspect the quality of raw materials by making Tannery visits etc so as to establish business relationship and to explore possibilities of having joint ventures/technical collaborations with local Tanneries for importing different kinds of leather from Brazil and Argentina.

### Programme Details

#### Programme in Brazil :

DATE	TIME	ACTIVITY
04.08.2014 to 06.08.2014	8:30	Visit at IBTEC - Brazilian Technology Institute for Leather, Footwear and artifacts (Welcome speeches/Presentation CICB and CLE-India), followed by visit at IBTEC
	10:00	Visit at EURO-AMERICA Logistics Company - Freight Forwarder specialized in leather transport
	13:30	Visit at NIMO Tannery
	15:30	Visit at Chemical Industry TFL
	8:30	Business meetings B2B (Indian customers x Brazilian Tanneries and Traders)
	14:00	Visit at SENAI Technological Centre and School for Leather
	15:30	Visit to Minuano Tannery
	16:30	Visit to A. Buhler Tannery
	8.30	Visit to Fuga Couros S/A
	11.30	Visit to Agro Latina Ltda

#### Programme in Argentina :

DATE	TIME	ACTIVITY
07.08.2014	10.00	Meeting with H.E. Ambassador, Shri Amarendra Khatua at the Embassy
	12:00	Visit to Curtiembre Angel Giordano SRL tannery
	15:30	Visit to Skinmax tannery
08.08.2018	10.00	Visit to Arangia S.A. tannery
	14:00	B2B Meeting with the President, Buenos Aires Tannery Association
	15:00	Visit to Curtiembre Napolotana, SRL
	17:00	Meeting of H.E. Amarendra Khatua and Indian delegation with Dr Dario Diaz Perez, Mayor of Lanus City

#### Leather Industry in Brazil

Brazil has historically been one of the biggest producer of bovine meat and in the last five years, the largest exporter of cattle meat in the world. In the past 20 years, the supply of hides in Brazil has grown significantly. Brazil has a cattle population of around 217 mn heads, of which around 39 mn heads of cattle are being slaughtered.

The Brazilian tanning industry is highly dispersed, with about 300 tanneries, which generate approximately 50,000 jobs, have modern manufacturing facilities and employ highly qualified labor. Since 2000, the industry has invested millions of dollars in modernization and, today, is one of the technologically best equipped sectors by international standards.

**Brazil is the Third largest exporter of finished leather to the world.****Brazil's Import Potential**

- ▣ Brazil's import of leather and leather products has increased from US\$ 498.42 in 2008 to US\$ 705.57 million in 2012.
- ▣ Footwear is the major product being imported by Brazil

**India's Export of leather and leather products to Brazil and its Share**

- ▣ India's export of leather and leather products has increased from US\$ 5.74 million in 2008 to US\$ 12.23 mn in 2013.
- ▣ Footwear and Leather Goods are the major products of export by India to Brazil

**BRAZIL'S IMPORT OF LEATHER & LEATHER PRODUCTS AND INDIA SHARE - 2008 - 2012**

(Value in Mn US\$)

DETAILS	2008	2009	2010	2011	2012	2013
Leather						
Import	142.02	58.03	77.58	49.12	27.69	
India's Export	2.36	0.33	1.25	0.73	0.26	0.28
% Share of India	1.66%	0.57%	1.61%	1.49%		
Leather Footwear						
Import	81.46	74.55	82.58	105.41	97.22	
India's Export	0.77	0.31	2.62	3.01	3.87	2.58
% Share of India	0.95%	0.42%	3.17%	2.86%		
Footwear Components						
Import	19.10	26.74	64.30	65.13	105.12	
India's Export	0.00	0.02	0.00	0.30	0.01	0.82
% Share of India	0.00%	0.07%	0.00%	0.46%		
Leather Garments						
Import	4.61	3.22	3.33	10.03	13.28	
India's Export	0.05	0.06	0.08	1.44	2.59	0.82
% Share of India	1.08%	1.86%	2.40%	14.36%		
Leather Goods						
Import	24.47	18.94	23.49	39.38	48.67	
India's Export	2.48	0.73	1.96	3.36	4.04	4.94
% Share of India	10.13%	3.85%	8.34%	8.53%		
Saddlery & Harness						
Import	0.76	0.59	1.01	1.98	2.25	
India's Export	0.08	0.07	0.08	0.16	0.15	0.09
% Share of India	10.53%	11.86%	7.92%	8.08%		
Non Leather Footwear						
Import	226.00	221.94	221.98	322.34	411.34	
India's Export	0.00	0.00	0.07	0.07	8.78	2.70
% Share of India	0.00%	0.00%	0.03%	0.02%		
Total						
Import	498.42	404.01	474.27	593.39	705.57	
India's Export	5.74	1.52	6.06	9.07	19.70	12.23
% Share of India	1.15%	0.38%	1.28%	1.53%	2.79%	

Source: Brazil's Import - ITC Geneva / India's export DGCI&amp;S

## India's Import of Raw Hides and Skins and Leather from Brazil

(Value in Mn US\$)

Product	2008	2009	2010	2011	2012	2013
Raw Hides & Skins	1.35	0.18	0.27	0.34	0.51	0.85
Leather	6.80	9.17	11.92	6.73	10.41	15.49
Total	8.15	9.35	12.19	7.07	10.92	16.33

Source: DGCI&S

- ▣ Brazil is a significant country supplying raw hides/skins and leather to India in the LAC region next to Argentina.
- ▣ India's import of raw hides and skins and leather from Brazil has increased from US\$ 8.15 mn in 2008 to US\$ 16.33 mn in 2013.

### Leather Industry in Argentina

Leather is one of Argentina's oldest and most traditional industries. Cattle are reared for their meat and leather is the by-product. The consumption of meat is high more than anywhere else in the world. Argentina's cattle population is around US\$ 51 million and slaughtering is around 10,000 heads per day. As a result, there is a lot of skin to deal with, raw material for a thriving leather industry.

Argentina is the 9th largest exporter of finished leather to the world. and the industry employs sixty thousand people.

There are around 260 Argentine tanneries, 80% of the production is concentrated in the Province of Buenos Ai-

res while the remaining 20% is spread in the Province of Santa Fe, Salta and Jujuy. Majority of Argentine Leather is exported to China, the United States and Italy. The best Italian leather is often in fact Argentinian.

### Argentina's Import Potential

- ▣ Argentina's import of leather and leather products has increased from US\$ 437.47 in 2008 to US\$ 478.89 million in 2012.
- ▣ Non Leather Footwear, followed by Footwear components is the major products of import by Argentina

### India's Export of leather and leather products to Argentina and its Share

- ▣ India's export of leather and leather products has increased from US\$ 3.84 million in 2008 to US\$ 5.35 mn in 2013.
- ▣ Footwear and Leather Goods are the major products of export by India to Argentina

**A statement of Argentina's Import of Leather & Leather Products and India's Share 2008-2012 is tabulated below :**

(Value in Mn US\$)

DETAILS	2008	2009	2010	2011	2012	2013
<b>Leather</b>						
Import	38.53	17.93	34.63	49.11	28.73	
India's Export	0.16	0.05	0.03	0.07	0.16	0.03
% Share of India	0.42%	0.28%	0.09%	0.14%	0.56%	
<b>Leather Footwear</b>						
Import	76.50	53.85	66.37	93.5	57.84	
India's Export	1.40	0.19	1.20	1.01	2.49	1.21
% Share of India	1.83%	0.35%	1.81%	1.08%	4.30%	
<b>Footwear Components</b>						
Import	26.12	48.88	84.11	134.78	162.74	
India's Export	0.00	0.00	0.00	0.36	0.99	0.96
% Share of India	0.00%	0.00%	0.00%	0.27%	0.61%	
<b>Leather Garments</b>						
Import	3.36	2.00	1.96	3.69	2.54	
India's Export	0.56	0.16	0.42	0.67	0.87	0.82
% Share of India	40.00%	8.00%	21.43%	18.16%	34.41%	
<b>Leather Goods</b>						
Import	11.68	7.02	7.67	14.93	12.09	
India's Export	1.70	1.10	1.90	4.53	3.56	2.30
% Share of India	14.55%	15.67%	24.77%	30.34%	29.42%	

Saddlery & Harness						
Import	0.58	0.44	0.43	0.66	0.29	
India's Export	0.01	0.00	0.01	0.02	0.00	0.02
% Share of India	1.00%	0.00%	2.33%	3.03%	0.89%	
Non Leather Footwear						
Import	280.70	216.35	217.30	285.70	214.66	
India's Export	0.00	0.00	0.00	0.66	2.11	0.02
% Share of India	0.00%	0.00%	0.00%	0.23%	0.98%	
Total						
Import	437.47	346.47	412.47	582.37	478.89	0
India's Export	3.84	1.50	3.56	7.32	10.18	5.35
% Share of India	0.88%	0.43%	0.86%	1.26%	2.13%	

Source: Argentina's Import - ITC Geneva / India's export DGCI&S

### India's Import of Raw Hides and Skins and Leather from Argentina

(Value in Mn US\$)

Product	2008	2009	2010	2011	2012	2013
Raw Hides & Skins	0.52	0.20	0.86	0.85	1.04	0.89
Leather	22.35	21.67	30.84	25.65	30.44	41.47
Total	22.87	21.87	31.70	26.50	31.48	42.36

Source: DGCI&S

▣ Argentina is the 3rd largest supplier of raw hides and skins and leather to India

▣ The import of raw hides and skins and leather has increased from US\$ 22.87 million in 2008 to US\$ 42.36 million in 2013.

### Argentina's Export of Finished Leather to the following countries

Value in US Million \$

Country	2008	2009	2010	2011	2012
Hong Kong	81.56	116.57	178.65	150.15	150.91
China	143.89	99.39	137.98	123.98	101.24
USA	90.07	71.26	89.19	106.38	98.65
Germany	22.48	17.25	93.16	111.29	91.17
Thailand	48.76	30.73	48.05	87.90	68.28
Mexico	46.86	23.89	46.55	42.24	72.30
Italy	70.79	42.15	62.50	18.48	13.73
Australia	49.08	18.97	31.44	36.16	31.80
Vietnam	29.24	26.66	31.63	22.12	30.97
India	22.87	21.87	31.70	26.50	31.48

Source: ITC, Geneva



## Brazil's Export of Finished Leather to the following countries

Value in US Million \$

Country	2008	2009	2010	2011	2012
Italy	511.68	266.48	388.31	456.52	428.45
China	374.93	267.94	351.05	399.18	484.62
Hong Kong	217.74	145.91	206.17	215.87	240.08
USA	171.56	101.06	189.68	229.38	259.75
Vietnam	88.97	43.47	51.31	58.30	43.15
Germany	39.69	29.15	55.38	88.87	51.75
Mexico	47.11	37.93	41.72	59.42	53.45
Korea Rep	19.10	17.03	47.46	65.14	43.76
Indonesia	60.30	29.69	35.67	22.92	15.13
India	8.15	9.35	12.19	7.07	10.92

Source: ITC, Geneva

Description	Argentina	Brazil	World
No of Bovine Animals (Mn Heads) -	44.1	217.55	1632.92
No of Sheep & Lambs (Mn heads)	14.84	15.07	1088.86
No of Goats and Skins (Mn Heads)	4.50	9.47	913.99
Production of Bovine hides and skins –(million pieces)	13.18	39.8	355.2
Production of Bovine Hides and Skins – Wet salted weight (Million pieces)	358.1	796.0	6446.2
Production of Sheepskins and Lambskins (million pieces)	4.2	5.3	531.5
Production of Sheepskins & Lambskins Dry wgt (million pieces)	3.8	4.7	395.82
Production of Goatskins & Kidskins- (million pieces)	1.5	2.5	475.8
Production of Goatskins & Kidskins (Dry wgt) (thousand tones)	0.6	2.0	337.5

### Export Duty

Argentina allows export of raw hides/skins, semi processed and finished leather without any restriction. However, the following duties are applied by the Argentine authorities to leather exports:

Raw hides and skins : USD 19.75.- per piece

Semi processed and processed leather : 5% of FOB value in US dollars.

**Brazil** does not prohibit exports of leather. There is, however, the export duty for some types of leather. Exports of bovine raw hides, skins and wet-blue are subject to export duty of 9%. Crust and semi processed leathers are not subject to export duty.

**Argentina** and Brazil levy nominal duty for export of raw hides/skins and leather and in case of Brazil, Crust and semi processed leathers are allowed to export freely without any export duty.

### Price of Leather in Brazil

Brazilian fresh hide Prices according to CICB

State	% of all exports	% of all shipments	previous price	BRL/kg
Rio Grande do Sul	29.9	23.0	3.20-3.40	3.20-3.40
Sao Paulo	24.3	54.0	2.90-3.00	3.00-3.20
Mato grosso do Sul	10.1	-	2.90-2.90	3.00-3.10
Mato Grosso	4.3	-	2.90-2.90	3.00-3.20
Goias	17.5	-	2.90-2.90	3.00-3.10
Parana	13.9	23.0	2.80-2.90	3.00-3.00
General Index	100	100	3.12	3.13

**Wetblue drop splits**

Kg/pce		selection	USD/kg cfr/ori/c
10/12			nq
12/14	Central Brazil, humps possible	t/r	1.40
14/+			1.40

**Wetblue frigorifico whole hides, m/f, unsplit**

Selection	kg/pce in wetblue	sqft/pce	range	USD/sqft cfr/ori/c/off
t/r1 or C	20-25	av 45-54 sqft/pce (highest prices for the bigger hides)	1.93-2.05	1.99
premium t/r1				nq
	28			nq
t/r 2 or D				1.83-1.93
t/r3 or E or economical				1.73-1.83
t/r4 or economic				1.60-1.65
a (90%)				nq
d				nq

**Price of Leather in Argentina****Shoe crust**

Sqft/pce	color	selection	previous price	USD/sqft fob/ori/c/off
10/12	black	tr1		nq
		tr2		nq
		tr3		nq
12/14		tr1	2.80	2.90
		tr2	2.40	2.35
		tr3	2.00	1.85
14/16		tr1		nq
		tr2		nq
		tr3		nq

For white minus 5 cents. For sizes over 12/14 and each 0.2 mm add 5 cents.

Wetsalted hides, Buenos Aires Prov.

m/f, small brands at the tail

Kg/pce	type	selection		USD/pce cfr/t/c/off
20/30 av 25	ox/heifers	90/10 i/ii	100% male	75.00
25/35 av 29/31	ox/heifers	90/10 i/ii		85.00-93.00
28/30	ox			nq
26/+ av 30/32	ox			nq

**Wetblue splits**

Selection 50/50 i/ii

Kg/pce	USD/kg cfr/ori/c/off
2/4	nq
4/6	nq
5/9	2.65
9/+	2.55
11/+	2.45

Wetsalted horse hides, t/r

Kg/pce		previous price	USD/kg cfr/ori/c
11/+ av 15/17	B.aires Prov.	32.00	34, 00
19/21			nq

Wetsalted frigorifico hides

Origin	type	ARS/kg local on 30-60 days credit terms
Buenos Aires Prov./Rosario/Mendoza	novillos	17.00
	vacas	16.00
	livianos	17.00

Wetblue drop splits, whole hides  
split in blue, t/r

Kg/pce	selection	thcikness	av sqft/pce	USD/kg cfr/ori/c/off
4/6				nq
6/10				nq
9/15 av 12	suede	2.0-4.0 mm	40	2.80
11/14				nq
13/16				nq

#### List of Indian Delegates Enlisted

- |   |                                    |
|---|------------------------------------|
| 1 Kings International Ltd., Kanpur            | 6 Naaz Exports Pvt Ltd., Kanpur    |
| 2 Florence Shoe Company Private Ltd., Chennai | 7 Hurera Leather Company, Ambur    |
| 3 Alig Tannery, Kanpur                        | 8 Explicit Leathers, Haryana       |
| 4 Viralli Enterprises, Chennai                | 9 Orion Conmerx Pvt. Ltd., Haryana |
| 5 TORPEDO SHOES (P) LTD., Kanpur              | 10 Imaan Impex, Chennai            |

### Programme in Brazil

#### 1. Meeting with the Consul General, Consulate General of India, Sao Paulo, Brazil

Shri R Ramesh Kumar, IAS, Executive Director, CLE met Smt Abhilasha Joshi, IFS, Consul General on 2nd August 2014 at Sao Paulo for a preliminary discussion on the event. The Executive Director thanked the Consulate for providing necessary assistance for organizing the visit of the Indian delegation to Brazil. The Executive Director briefed the Consul General on the objective of the visit of the combined Indian delegation to Brazil and Argentina. The leather sector is poised for growth and consequently, the import of the raw materials has been growing over the years. As Brazil produces quality leather and is a major exporter of leather to the world, in order to have a personal assessment on the quality of the leather and to explore the potential to import leather from Brazil, CLE is organizing the two day sourcing delegation to Brazil. Shri Jose K Mathew, Consul-Commercial, CGI, Sao Paulo and few other officials in the Consulate was also present in the meeting.

Smt Abhilasha Joshi, Consul General, during the meeting appreciated CLE's efforts towards initiating the trade ties between India and Brazil in the leather sector. The Consul General also deputed Shri Jose K Mathew, Consul-Commercial to accompany the delegation during the visit to the tan-

neries in Novo Hamburgo.

#### 2. Visit to IBTEC - Brazilian Technology Institute for Leather, Footwear and artifacts

The Indian Delegation led by the Executive Director, CLE accompanied by Shri Jose K Mathew, Consul-Commercial visited the Centre of Brazilian Tanning Industry, CICB. CICB is the largest Tanning Association in Brazil promoting Brazilian Leather nationally and internationally.

The CICB extended a warm welcome to the Indian delegation and presented the potential and prospects of the Brazilian Tanning Industry to the Indian delegates. Mr Jose Fernando Bello, Executive Director, CICB explained the activities of CICB and their facilitation towards promotion of exports of leather from Brazil. He explained that Brazil is rich in raw material resources and have the best tanning capacity to produce quality leather. He further said that Brazilian tanners are looking for new sources to export the leather and appreciated that the Indian delegation has visited Brazil at the right time. He thanked the Council towards initiating the trade dialogue between the Indian manufacturers and Brazilian tanners and assured the assistance of CICB towards enhancing the trade relations between India and Brazil.



## Presentation Meeting with CICB



The Executive Director, CLE during the meeting highlighted the potential of the Indian leather sector. He stated that the Indian leather sector is exploring new and potential markets for procuring the raw materials to augment the raw material base of the Indian leather industry, and in this context, the Council has organized the leather delegation to Brazil. He thanked the CICB for their support in arranging meetings/visits to the tanneries in Brazil.

The meeting concluded with Shri Taj Alam, Regional Chairman, CLE and the Executive Director presenting mementos to the CICB Officials.



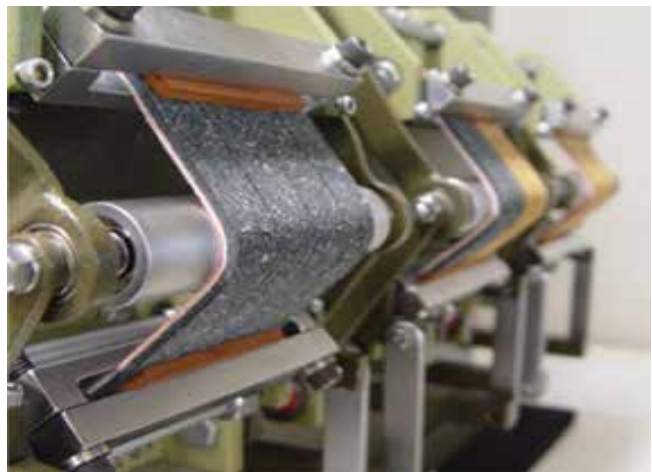
The delegates were then invited to visit the The Brazilian Institute of Leather Technology, Footwear and Artifacts (IBTeC)



*View of IBTEC*

The Brazilian Institute of Leather Technology, Footwear and Artifacts (IBTeC) is a self-sustaining, non-profit institution that offers solutions to companies in various industries. Today the Institute is recognized as the most complete complex research and testing

of the system national leather-footwear laboratories, performing annually around 30 000 procedures, adding the consulting and testing in footwear biomechanics, materials characterization, analysis of restrictive substances and biodegradability laboratories



Delegates visited the Biomechanics, Analysis of Restrictive Substances and Microbiology Laboratory. Structured with the latest equipment, a Business Unit Biomechanics conducts research aimed at production of footwear and components that add attributes such as: Comfort, performance, health and safety for the feet of consumers. Through physical and mechanical laboratories, Unit Characterization and Development of Materials conducts over 12,000 tests per year to approximately 1500 companies. The issuance of technical reports confirms the credibility of products such as footwear, components and artifacts. In addition, training in testing is performed, enabling the professional to make quality assessments



### 3. Visit to Euro-America Logistics Company

Euro-America is the international freight forwarder specialised in leather transport in Brazil. In India, Euro America is operated by partnering with Taurus Forwarders Pvt Ltd and Transzone Logistics.



*ED, CLE & the Delegates with the Euro America Logistics Company*



*Presentation Meeting at Euro America*

The details of the freight cost and the time taken for the delivery of the shipment to India by Euro America is as follows :

#### Air Freight Rates

Destination	+100kgs	+300kgs	+500kgs	+1.000kgs	TT apx
MADRAS(Chennai)	U\$ 3,60/kg	U\$ 3,15/kg	U\$ 1,90/kg	U\$ 1,75/kg	5-7 days
NEW DELHI	U\$ 3,60/kg	U\$ 3,15/kg	U\$ 1,90/kg	U\$ 1,75/kg	5-7 days
CALCUTA /BOMBAY / BANGALORE	U\$ 4,15/kg	U\$ 3,75/kg	U\$ 2,65/kg	U\$ 2,60/kg	7-9 days

#### Sea Freight Rates

POD	OCEAN FREIGHT	TRANSSHIPMENT	TT apx
MADRAS(Chennai)	Cntr 20': USD 1.300,00 Cntr 40': USD 1.850,00 Lcl: USD 50,00 w/m	Singapore	40 days
ICD KANPUR	Cntr 20': USD 2.350,00 Cntr 40': USD 3.500,00 Lcl: USD 150,00 w/m	Singapore	45 days
JAIPUR	Cntr 20': 1.850,00 Cntr 40': 2.500,00 Lcl: USD 15 0,00 w/m	Singapore	45 days
KOLKATA	Cntr 20': USD 1.350,00 Cntr 40': USD 1.850,00 Lcl: USD 80,00 w/m	Singapore	40 days
NEW DELHI	Cntr 20': USD 1.550,00 Cntr 40': USD 1.850,00 Lcl: USD 100,00 w/m	Singapore	40 days
NHAVA SHEVA	Cntr 20': USD 1.550,00 Cntr 40': USD 1.850,00 Lcl: USD 50,00 w/m	Singapore	40 days



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# LEATHER NEWS INDIA

## 4.Visit to NIMO Tannery

The delegation visited the NIMO tannery, one of the largest tanneries in Brazil. The tannery produces leather for shoes.



*Wetblue in the tannery*



*ED, CLE & the Indian delegates viewing the process*



*Raw hides being sent to the processing drums*



*Shri Taj Alam, RC-CLE & Shri Jose K Mathew, Consul Commercial, CGI, Sao Paulo viewing the leather.*





*Wet blue kept for sale*



*RC-CR & ED, CLE inspecting the leather*



*Delegates inspecting the leather*



*leather kept for drying*



*Delegates viewing the Finished product samples*



*ED, CLE inspecting a sample*



*Delegates along with Consul-Commercial, CGI, Sao Paulo viewing the samples*

## 5.Visit to TFL

TFL is a globally operating company offering specialty chemicals for the leather industry. TFL's business activities consist of the development, production and marketing of specialty chemicals such as tanning agents and dyestuffs, with which, the tanneries, create leather. The delegation visited the TFL in Brazil and viewed the labs and the finishing of leather by using the chemicals.

TFL Brazil, is one of the TFL companies to have a valid Quality Management System based on the ISO 9001 standard:

### TFL Manager explaining the usage of chemicals in the Leather Finish



RC-CR explaining the process to ED, CLE & Consul-Commerical



A View of Lab in TFL

## 6.B2B Meetings with the Tanners

The CICB organized B2B meetings with the Indian delegates and the Brazilian tanneries on 5th August 2014.

The B2B meetings were held from 8.30 AM to 1.00 PM. The tanners from various regions participated in the B2B meeting. The Indian delegates interacted with each tanner individually and also inspected the samples brought by them. The B2B meetings provided the opportunity for the Indian delegates to meet with 13 tanners in one place.

The Name of the tanneries and the products dealt by them are given as under :

Brazilian Company Name	Products Dealt
AP MULLER	Vegetable Leather for Belts
PATHFINDER	Wetblue
PARTNER	Finished Leather
JBS	Finished Leather
DURLI	Wetblue
COUROQUÍMICA	Crust Leather
MINUANO / EURICO REP	Finished, Crust & Wet blue
NIMO	Crust Leather & Leather For Gloves
FUGA	Leather for Garment, Footwear and Crust Leather for upholstery
COURO DO NORTE	Wetblue, Salted hides
MINERVA	Wet blue & Crust leather for furnitures & Shoes
BEST BRASIL	Hair-on Leathers for decoration & furnitures





*Executive Director, CLE interacting with the tanners in the B2B meeting*

**Shri Taj Alam, RC-CR interacting with the tanners**





# Shri Ahsan Sohaib & Shri Farhan Ajmal interacting with the tanners



*ED, CLE & Consul-Commercial, CGI, Sao Paulo interacting*



## 7. Visit to SENAI Technological Centre and School for Leather



The Senai Technological Centre composed of Laboratory for Design of shoes, soles, clothing, bags and packaging, Workshop for cutting CNC (computer) for leather and rolled, Classrooms for courses in technology and design of leather and footwear, Office of leather clothes, Laboratory for finishing leather, Laboratory for chemical tests, physical and biomechanical.



*ED, CLE, Consul-Commercial & the Delegates at Senai*

## 8. Visit to Minuano Tannery

Indústria de Peles Minuano, is active in the production of finished and semi-finished leather hides for a wide variety of segments, with special emphasis on the furniture, automotive, aircraft, decoration and footwear markets.

Currently, the company sells bovine hides in the following stages: VEGETABLE, CRUST, FINISHED, SPLIT and HAIR-ON RUGS, for a total daily production of 5,000 hides. Sales of wet-blue leather only occur in the case of the sub-product known as drop splits and cut splits.

For the decoration segment, hair-on leather is sold in the natural animal format and in the form of worked, printed and dyed rugs bearing the brand TAPETES MINUANO, for which it is internationally recognized as being the worldwide leader, developing its products in accordance with the strictest quality standards of the international market and investing continuously in equipment and new processes, updating colors, textures and formats in keeping with global design trends.

In the fur segment, Peles Minuano also serves footwear/bag and accessories manufacturers, supplying leather in the form of complete hides, halves or slinks, and are available in dyed, natural or serigraphed varieties, with more than 50 available prints."

In the automotive upholstery segment, in March of 2010 the company received ISO TS 16,949 Certification, consolidating its role as a supplier of finished leather to this important segment of the global economy.

### Delegates at the Minuano Tannery





*A view of CETP at Minuano Tannery*

### **ApexBrasil, Brazilian Trade and Investment Promotion Agency – Ministry of Development, Industry and Foreign Trade meeting the Indian Delegation**

The Brazilian Trade and Investment Promotion Agency (Apex-Brasil) promotes Brazilian products and services abroad and attracts foreign investments to strategic sectors of the Brazilian economy.

The Agency organizes diversified trade promotion actions with the aim of promoting Brazilian exports and marketing Brazilian products abroad. The Agency's efforts comprise, inter alia, business platforms like trade and prospective missions, business rounds, support to the participation of Brazilian companies in major international trade

fairs, organization of technical visits of foreign buyers and opinion makers with the aim of introducing them to the Brazilian productive structure and other selected initiatives designed to strengthen Brasil's brand.

Ms Mariana Gomes from Trade Sectors Projects Unit, APexBrasil met the Indian Delegation and also accompanied the delegation during the visit to the tannery.

### **9.Visit to A Buhler Tannery**

A Buhler Tannery is one of the largest tanneries in Brazil producing Finished Leather, wet blue, cow leather for garments and shoes and hand bags and accesooires. The company is mainly exporting to China.





## View of A.Buhler Tannery



*ED, CLE & Ms Mariano Gomes at A.Buhler Tannery*



*ED, CLE & RC-CR at the A.Buhler Tannery*



### Finished Leather Samples at A.Buhler tannery



#### 10. Visit to Fuga Couros S/A

The Fuga tannery in Rio Grade do Sul, is the largest and most traditional garment leather tannery in Brazil and Latin America. It has a covered area of 25,000 sq mtr and 3500 hides are processed per day.

Fuga Couros offers a large variety of cow leather. The following are the products offered by the company :

- Garment leather
- Ballet shoes napa
- Crust and finished upholstery leather for furniture and automobile

- Fashion leathers for footwear and leather goods

The Fuga tannery located in City of Jales processes 4000 hides per day of wet blue. The branch in State of Golds, processes 3000 hides per day of wet blue. The unit in the city of Varzea Grande, processes 1500 hides per day of wet blue.

The delegates visited the unit in the city of Novo Hamburgo. This unit with 2000 sq.mtr building where goods are available for prompt delivery. It is now known in the trade as a leather supermarket, offering a large variety of finished leather. Wet blue hides can also be purchased in any quantity for immediate delivery.

### ED, CLE and delegates at Fuga tannery warehouse







#### 11. Visit to Agro Latina Ltda

#### ED, CLE and the delegates at the Agro Latina Ltda tannery



Agro Latina is one of the traditional suppliers of Leather in South America. Latin Agro started its production process in 1975. The company had its gradual growth from its operations to focus on industrialization of Wet Blue hides and Semi-Finished for furniture upholstery materials and safety, as well as in the marketing of animal fats and Bio-fuels.



The company exports salted cattle hides, wet blue and semi-finished to several countries.



*Delegates discussing with the Agro Latina Ltda*



Think Leather  
Think India



## PROGRAMME IN ARGENTINA

### 1. Meeting with the Ambassador, Embassy of India, Buenos Aires, Argentina

The programme in Argentina started with H.E. Shri Amarendra Khatua, Ambassador of India, Buenos Aires meeting the Indian Delegates at the Embassy Premises in Buenos Aires, Argentina.

The Executive Director, CLE along with the Indian Delegates attended the meeting. During the meeting, the Ambassador explained the potential and prospects of Argentine Leather Market. He further stated that China, Taiwan, Hong Kong etc are the major importers of Argentine Leather and India should act fast to take advantage of importing the abundant availability of the Argentine leather to strengthen the raw material base of India. Ambassador further suggested the following action plans to enhance the import of Leather from Argentina :

- A) Argentina, Uruguay and Paraguay are major global beef exporters. CLE must work out an action plan to increase our presence for purchase of raw hide and skin and wet blue for our tanneries and finished leather for our shoe manufactures and others. Leather and hides and skins from these countries are of very high quality and increasing imports will help us meeting our production plan targets.
- B) For achieving 'A' above there is need to mount regular CLE delegations to these countries, identify major suppliers and establish institutional contact with them and invite the suppliers to participate in our fairs and BtoB meetings organized by CLE.
- C) On Mission's initiative, Mayor of Lanus offered CLE a space to open a office in the city. Lanus controls 80% of leather production in Argentina. Presence of CLE there will help in increasing our sourcing of imports, linking up with other Argentine Provinces to import more hides and skins that are not yet tapped by Lanus tanneries and possibly identify joint venture possibilities to prepare semi-processed leather and wet blues here for taking back to India. CLE has to take a decision on this.
- D) Lanus leather industry representatives were invited to participate in the IILF, Chennai in January 2015.
- E) CLE will also assist our suppliers to export leather-treatment and related chemicals etc. to Argentina through their developed data base of Argentine manufacturers and their requirement.
- F) Increased operations by importers from China, Indonesia and Taiwan make it essential to step up our market development in all the three countries. CLE was advised to mount a delegation to all the three countries at a convenient date in near future.
- G) The Ambassador also suggested to invite all the Ambassadors of Uruguay, Paraguay, Argentina, Colombia and Brazil to the IILF Fair and establish relations with them.



*Meeting with Shri Amarendra Khatua, Ambassador of India, Buenos Aires, Argentina*

The Indian delegates were pleased with the Ambassador's encouraging suggestions and thanked the Ambassador for the interest shown in the development of Indian leather sector.

Concluding the meeting, the Executive Director thanked the Ambassador for all the support and assistance rendered by the Embassy in organizing a successful sourcing delegation to Argentina and also stated that as advised by the Ambassador, the suppliers from Argentina will be invited to India during the India International Leather Fair to have B2B meetings with the Indian tanners/manufacturers. The suggestion of setting up units in Argentina for processing the leather and then export to India as done by China will be taken up with the industry and appropriate decision will be taken in this regard.



*Ambassador showing the Uruguay port from his chamber office.*



*Shri Amarendra Khatua, Ambassador, Smt N Subhashini, Second Secretary, Mr Marcelo Quatromano, Commercial Officer, Shri R Ramesh Kumar, ED, CLE, Shri Taj Alam, Regional Chairman, CLE, Shri Ahsan Sohaib and Shri Farhan Ajmal*

The delegation then proceeded to visit the tanneries. Dr Marcelo Commercial Officer, Embassy of India, Buenos Aires accompanied the Indian delegation.

On the way to the tannery, the delegation visited the Municipal Office of City of Lanus. Lanus City is part of one of the biggest urban conglomeration of the world like 'Gran Buenos Aires'. It covers an area of 48.35 sq.km and its population is of 472475 habitants.

Tannery, Footwear and Leather Goods is one of the principal industrial activities of City of Lanus.

The Indian delegation was warmly welcomed by the Lanus Municipal Officials Mr Jorge Omar Ferrette, Director of Foreign Trade of Lanus, Mr Romualdo landiaria, Director-Industrial Promotion and Mr Raul E Radakoff, Vice President, Presidency of Forum Asia Latin America. The Municipal officials stated that Dr Dario Diaz Perez, the Mayor of Lanus welcomes the Indian delegation and eager to work together towards promoting trade between Argentina and India. The country is looking for developing foreign trade by entering into joint ventures and other type of collaborations.



*Municipal of Lanus*



*Municipal officials welcoming Indian delegation*

The Municipal Officials explained the potential of Argentina Leather industry and currently Argentina is exporting leather to China, Italy, Hong Kong, European countries etc., The tanneries in Argentina are fully mechanized in removing the skins from the animals. Pampa is the region in Buenos Aires, a fertile grassland known for rearing of ani-

mals. The officials further stated that China set up units in Buenos Aires and make agreement for procuring the fresh raw hides directly from the slaughter houses, process in the tanneries for exporting to China.

The Municipal officials also proposed for a visit to India during October 2014 to promote trade relations between India and Argentina. Shri Taj Alam, Regional Chairman, CLE thanked the Municipal officials for the courtesy and welcomed a delegation from Argentina to India during the IILF 2015.

## **2. Visit to Curtiembre Angel Giordano S.R.L.**

The Indian delegation led by the Executive Director accompanied by the Municipal Officials and the Commercial Officer of Embassy visited the Curtiembre Angel Giordano tannery.

The Curtiembre Angel Giordano tannery was founded in 1954. The tannery which was started as a family enterprise has today grown with sophisticated Italian machineries, producing around 1000 cowhides daily. The tannery is has its own CETP for treating the solids and waste.



*The tannery owner welcoming the delegation*

The hides are exported to markets like Germany, Italy, USA, Canada, Mexico, Chile, Hong Kong etc. Besides, part of them is destined to the local market.

The largest part of the production is focused on the footwear and pigmented printed leather and waterproof leather. The company is interested in selling wetblue and finished leather.



*The delegation discussing with the tannery owner*



## View of the tannery



## Delegation inspecting leathers at Giordano Tannery



*Raw hides in the tannery*



*Executive Director, CLE interacting with Mr Raul E Radakoff*





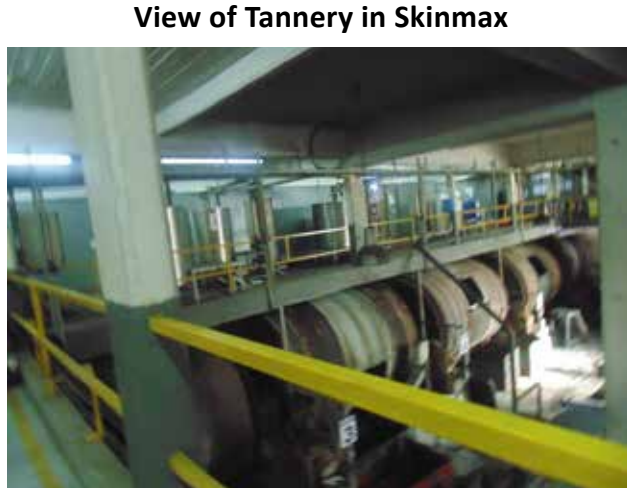
*ED, CLE interacting with Mr Romualdo Iandiaría and Mr Raul E Radakoff*



*Regional Chairman, CLE interacting with Mr Raul Radakoff*



*A View of CETP owned by Giordano Tannery*



**View of Tannery in Skinmax**

### 3. Visit to Skinmax

Skinmax is specialized in premium quality leather manufacturing for exports. The company has a presence of over 30 years in the international markets and guarantees quality.



*Delegation inspecting leather*



*ED, CLE & Commercial Officer, EOI, Buenos Aires along with a delegate*





#### 4. Visit to Arangia S.A.

This is one of the biggest tanneries in Argentina which has the capacity to process 3000 to 4000 hides per day. The tannery produces good quality leather for manufacturing shoes, sole of shoes etc. The major footwear brands source leather from this tannery. The tannery has its own CETP with an investment of around US\$ 2 mn.

As the tannery is currently investing around US\$ 200 to 300 for removing the wastes, the Municipal officials also proposed the opportunity of importing these wastes for converting into agriculture manure.

##### **View of the tannery**



*Delegates inspecting different kinds of leather at Arangia tannery*







### 5. Meeting with the President, Buenos Aires Tannery Association.

The Embassy of India organized meeting with the Tanners and Tannery Association of Argentina enabling the Indian delegates to interact with them directly.

Mr Daniel A Argentino, President, Buenos Aires Tannery Association (ACUBA) met the Indian delegates and discussed the prospects for exporting to India. On the request of Shri Taj Alam, the President explained about the export duty levied by the Argentine Government for export of semi processed and finished leather. The tanners have to comply with certain documentary procedures for exporting raw hides and skins.



*Mr Daniel A Argentino, President, Buenos Aires Tannery Association interacting with the delegates*

The delegates also had meeting with the tannery 'IUAN LIGUORI' which produces horse hides for shoes lining and 'CURTIEMBRE' producing hides from goats for lining for shoes and footwear.

### Meeting with Dog Chew Manufacturer

The meeting was also attended by Mr Roberto Amicucci, M/s Vonder, manufacturer of Dog Chew in Argentina. Mr Roberto Amicucci stated that his company is specialized in manufacturing dog chews from the tannery waste. He is currently exporting the dog chews to countries like USA, Australia, Belgium etc. Mr Roberto Amicucci has expressed his interest to work with the Indian companies who is interested in procuring dog chews.



*Collecting wastes from the tannery for exporting*



*Mr Roberto Amicucci interacting with Shri Taj Alam*

#### **6. Visit to Curtiembre Napolotana S.R.L.**

The delegates visited the Curtiembre Napolotana SRL where the different types of finished leather samples were displayed. The delegates inspected the finished leathers and had discussion with the Sales Manager for further the business.

#### **7.Meeting of H.E.Amarendra Khatua and Indian delegation with Dr Dario Diaz Perez, Mayor of Lanus City and Local Government and Industry Representatives.**

The Embassy of India, Buenos Aires organized for a wrap up meeting with the Mayor of the Lanus at the end of the two day programme in Buenos Aires.

Shri Amarendra Khatua, Ambassador initiated the discussion by introducing the Indian delegates to the Mayor. The Ambassador briefly explained the objective of the visit of the delegation to Buenos Aires. The Ambassador further stated that this visit would enhance the cooperation and integration between the two countries.

Dr Dario Diaz Perez, Mayor of Lanus City, stated that he is impressed by the Ambassador's words and is happy to receive the Indian delegation. The Mayor also expressed his interest to work together towards promoting trade between India and Argentina.

The Ambassador requested the Indian delegation to share the insights and opinion on the visit. Shri Taj Alam, Regional Chairman, introduced the delegates to the Mayor. He thanked the Ambassador for the cooperation and support extended for the visit of the Indian delegation to Argentina. The Regional Chairman said that the delegation had the opportunity to visit different tanneries making different kinds of leather. The quality of Argentine hide is very good and much interested to import. The Govt of India is providing assistance to modernize and upgrade the tanneries in India and hence they look for importing raw hides and wet blue. The manufacturers look for importing finished leather. To facilitate import of raw hides and wet blue, the Regional Chairman requested the Mayor to simplify the procedures.

The Regional Chairman further stated that India's export of leather and leather products touched US\$ 6 bn in 2013-14. The current availability of leather is to the tune of US\$ 2 bn and there is an additional requirement of US\$

2 bn of leather to meet the export target. Towards meeting the additional requirement of leather, Argentina play a very big role in supplying leather to India. Concluding his speech, he thanked the Mayor and the Tannery Associations and the Trade bodies for well receiving the Indian delegation.

Summing up, the Ambassador stated that the option of setting up units in Argentina has to be explored by CLE for processing raw hides and skins and exporting to India in the finished form. The Ambassador suggested to the Mayor to moot a delegation to India to visit the manufacturing clusters for which the Council shall assist in establishing direct contact with the buyers of leather in India. The Ambassador finally, thanked the Mayor for sparing his time and attending the meeting with the Indian delegation.

The Mayor listening to the views of Ambassador and the Regional Chairman, stated that it is a pleasure to receive the delegation from India. He also agreed to consider the suggestions of the Regional Chairman on simplifying the process of exporting raw hides and wet blue. The Mayor also welcomed the suggestion of mooted a delegation to India. The Mayor further stated that the visit will pave way for increased cultural cum trade relations between two countries.



*Dr Dario Diaz Perez, the Mayor of Lanus and Shri Amarendra Khatua, Ambassador meeting the Indian delegation*



#### **8. Feedback of the Indian Delegates**

As per the feedback of the participants, more than twenty business meetings were held. The visits to the tanneries and meetings had generated business and



orders worth US\$ 1,50,000 was placed for different kinds of leather.

## 9. Ports in Argentina for Leather Export

Buenos Aires and Rosario are the major ports for exporting leather in Argentina.

### Sea Freight rates:

- 20 foot container aprox USD 1,300
- 40 foot container aprox USD 1950

## 10. Strengths & Opportunities

### BRAZIL

#### Strengths

- Second Largest Cattle producer (217 mn heads)
- Third Largest Leather Exporter (US\$ 2.07 Bn)
- Strong Tanning base, processing about 5000 hides per day
- Abundant availability of cow leather

#### Opportunities

- Conducive Govt Policy - Export of all types of leather is allowed without any restriction
- Nominal export duty of 9% is applicable for raw hides/skins and wet-blue
- No duty for export of Semi & Finished leather
- Wet Blue export is increasing due to the high labour cost involved in FL process
- India has been highlighted as Key strategic market in Brazilian Leather Campaign

### ARGENTINA

#### Strengths

- Consumption of meat is more than anywhere else in the world,
- Per day slaughtering is around 10,000 heads
- 9th largest exporter of finished leather in the world
- Strong Tanning base processing about 4000 hides per day

#### Opportunities

- Conducive Govt Policy - Export of all types of leather is allowed without any restriction
- Nominal export duty of 5% for semi processed and finished leather
- Conducive policy for setting up units for direct procurement of fresh hides directly from slaughtering houses and for processing into FL for export Eg. China
- 80% of the production of leather is exported
- Due to High Labour Cost, the tanners prefer to sell leather in the wet blue or finished leather form rather than using in their own manufacturing base.

## 10. Conclusion

Brazil, Argentina, Uruguay & Paraguay are potential source of different kinds of leather. All along these countries remained unexplored by the Indian leather sector. The new initiative of the Council has indeed projected the untapped market potential of Brazil and Argentina for sourcing raw materials like raw hides & skins, wet-blue, crust and finished leather for India.

Both Brazil and Argentina is looking for new contacts to supply leather and look India as a potential supplying destination next to China. Hence there is vast scope to enhance import of different kinds of leather to India from these two countries.

## 11. Follow Up Action by CLE

As advised by H.E., the Ambassador of India, Embassy of India, Buenos Aires, the Council had initiated the following actions :

1. The Council has invited the Centre of Brazilian Tanning Industry in Brazil and the Leather Industry Representatives of Municipality of Lanus, Buenos Aires to visit India during the IILF 2015.
2. The Council will organize B2B meetings with the visiting Brazilian and Argentine Tanners during the IILF 2015 in Chennai.
3. The Council will also organize visit of the delegation from Brazil and Argentina to other Clusters in India
4. The B2B meetings would also explore the possibility of exporting chemicals to Argentina, as Argentina is also interested in importing leather treatment and related chemicals from India.
5. As advised by the Ambassador, besides Argentina, Uruguay and Paraguay are also the major producers of leather and hence to establish our presence, CLE will consider mootng delegations to these three countries in the near future.

