

# Product Report Leather

(for Expo Pakistan 2017)

**Product: Leather and Leather Products**

**HS Code 41, 42**

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i. **Industry Economic Scenario**

a) *Product description,*

Leather is one of the first manufactured materials, and the Leather Technologist can claim to be a member of an ancient profession. Leather has long outgrown in its practical purpose and today is regarded more as a luxury than a necessity, particularly in the affluent West.

b) *HS Codes*

'4107	Leather of other animals, o/t leather of hd no 41.08/41.09
'4113	Leather further prepared after tanning or crusting ""incl. parchment-dressed leather"", of
'4112	Leather further prepared after tanning or crusting ""incl. parchment-dressed leather"", of
'4104	Leather of bovine/equine animal, other than leather of hd 4108/4109
'4106	Goat/kid skin leather, other than leather of hd no 41.08/41.09
'4105	Sheep/lamb skin leather, other than leather of hd no 4108/4109
'4103	Raw hides&skins nes
'4102	Raw skins of sheep or lambs
'4101	Raw hides&skins of bovine/equine animals
'4115	Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, w
'4114	Chamois leather, incl. combination chamois leather (excl. glacé-tanned leather subsequentl
'4203	Articles of apparel&clothing access, of leather or composition leather

'4202	Trunks,suit-cases,camera cases,handbags etc,of leather,plas,tex etc
'4201	Saddlery and harness for any animal, of any material
'4205	Articles of leather or composition leather, nes
'4206	Articles of gut, of goldbeater's skins, of bladders or of tendons
'4204	Articles of leather or composition leather for technical uses

*c) Quality of Pakistani products*

Raw material quality is a prime concern of tanners the world over. The tanning industry and the downstream industries which it supplies - footwear, furniture, automotive, clothing, leather goods are entirely dependent for their raw material on supplies of cattle hides and sheep skins, plus a small number of goat and other skins. While supplies and quality of hides and skins are vital to the tanning industry, they are just by-products for the meat, dairy or wool industries.

In order for many companies in the leather industry to be competitive, they specialize in producing particular types of leather - for example high quality and high performance leathers. However the potential benefits can only be fully realized when the hides and skins available to the industry reach a consistent quality, allowing tanners to buy with confidence that the material will be suitable for the manufacture of leather to meet their target markets.

*d) Existence of international brands.*

*Pakistani Companies are providing Leather to the many International brands, some of them are*

1. Geox Shoes
2. Bali Shoes
3. Eikea
4. Louis Vuitton
5. Adidas
6. Brown Shoe

*e) Compatibility to international quality standards/certifications*

1. 3 companies have got LWG (M/s Dada Enterprises, Shafi and Siddique Leather)
2. BCSI

*f) Value Chains*

**Raw material:** The raw material comes from cattle hides, and from the skins of other animals. It is biodegradable and loses structure and value if it is not preserved correctly and promptly after slaughter. This is normally by salting or drying. The hides and skins need to be without decay, cuts or damage, and of good shape.

**Pickle:** The pickled state is a wet, acidic condition and a preparation for tanning the leather. 'Pickled' leather is a traditional product, a commodity for export shipment of skins, which allows the importing tanner the widest choice in tanning materials. All other semi-processed materials have already been tanned and offer less flexibility regarding their potential final product.

**Wet blue:** Wet blue, and Wet White, comes from the tanned state. Tanning gives permanence to the protein and stops further decay. The 'blue' refers to the more general chromium tannage, compared with the newer chrome-free white tannage. (Vegetable tannage is an older process, and still used for some upholstery, belts and sole leather. The natural colour of vegetable tannage is brown. It is not traded in the wet condition.)

**Crust:** Crust leather is dry and is easier to ship. It is also easier to see the quality of the surface appearance for grading and value judgments. It is ready for further processing, either for more wet work (retanning and dyeing), or for direct dry finishing.

**Finished leather:** Finished leather has the potential to add even more value and to provide much better earnings, but it also is much more difficult to achieve successfully. Compared with wet blue leather, which can be made into a number of final products, finished leather has to be made in a specific type, colour and thickness for each specific product (and usually for each specific customer).

**Finished leather products:** Finished leather products are made from the different leathers into a wide range of products. The major use of cattle hides is for the uppers of heavier leather shoes, but there are increasing demands for furniture and automotive upholstery. Skins are used for lighter shoes, leather clothing and gloves. Large and small leather goods, from suitcases and golf bags, to wallets and briefcases, are made from both hides and skins. Each finished leather product has its own specific leather requirements.

#### *g) Acceptance of Pakistani Products*

Pakistani products are accepted worldwide, their issue is regarding environmental concerns of WTO, the industry has made little progress in this regard. Combined effluent treatment plants need to be built so that hazardous chemicals from the tanneries do not affect the environment. Moreover, the industry needs to tackle all the labor issues to which the consumers in the

importing countries are sensitive to. It needs to be ensured that the leather industry in Pakistan adheres to the working condition requirements that have been developed by certain international bodies, particularly, the associations of leather industries in the importing countries of the west. Under the WTO regime, member countries can impose penalties or restrict imports from exporting countries whose industries do not observe environmental/labor concerns or social compliance.

**i. Global trade in this specific product**

*a) Top 05 exporting countries of Raw Hides and Skins (000 US\$)*

Exporters	Exported value in 2014	Exported value in 2015	Exported value in 2016
Italy	5,594,942	4,583,842	4,332,707
United States of America	3,833,706	3,186,945	2,742,731
Brazil	2,947,940	2,265,342	2,032,541
Hong Kong, China	2,428,788	2,053,762	1,602,046
Germany	1,512,259	1,223,602	1,111,644

*b) Top 05 importing countries for Raw Hides and Skins (000 US\$)*

Importers	Imported value in 2014	Imported value in 2015	Imported value in 2016
China	8,260,979	7,499,446	5,758,923
Italy	4,957,395	3,781,346	3,331,612
Hong Kong, China	3,081,336	2,466,814	1,858,660
Viet Nam	1,686,007	1,741,976	1,602,560
Mexico	1,164,592	1,164,995	1,165,427

*a. Top 05 exporting countries of Articles of Leather (000 US\$)*

Exporters	Exported value in 2014	Exported value in 2015	Exported value in 2016
China	30,365,883	31,031,735	27,367,409
Italy	9,145,726	7,980,595	8,017,339
France	6,815,905	6,280,201	6,748,658
Hong Kong, China	5,950,720	5,342,766	4,705,267
Viet Nam	2,350,776	2,704,003	3,791,500

*b. Top 05 importing countries of Articles of Leather (000 US\$)*

Importers	Imported value in 2014	Imported value in 2015	Imported value in 2016
United States of America	13,871,141	14,448,716	13,292,245
Japan	5,734,088	5,331,517	5,585,459
Hong Kong	5,973,176	5,307,673	4,696,051
Germany	4,589,346	4,383,045	4,429,514
France	4,614,927	4,188,795	4,256,744

ii. **Exports from Pakistan & Pakistan's ranking : 3 years figure (000 US\$)**

a) *Raw Hides and Skins*

Importers	Imported value in 2014	Imported value in 2015	Imported value in 2016
World (Global Ranking 19)	547,508	425,085	349,003
Hong Kong, China (3 <sup>rd</sup> Top Importer)	130,449	87,500	53,775
Italy (2 <sup>nd</sup> Top Importer)	73,218	57,662	53,091
China (Top Importer)	55,424	42,133	37,120
India (12 <sup>th</sup> Top Importer)	36,202	34,334	28,602
Viet Nam (4 <sup>th</sup> Top Importer)	31,322	27,845	23,173

b) *Articles of Leather*

Importers	Imported value in 2014	Imported value in 2015	Imported value in 2016
World (Global Ranking 14)	742,028	687,621	644,930
Germany(4 <sup>th</sup> Top Importer)	164,282	132,326	123,354
United States of America(Top Importer)	118,714	121,848	112,811
Spain (11 <sup>th</sup> Top Importer)	49,228	51,757	54,652
UK (6 <sup>th</sup> Top Importer)	53,447	54,158	46,576
Netherlands (10 <sup>th</sup> Top Importer)	42,321	42,981	37,327

iii. **Top five Export destinations of Pakistan**

*Given Above*

iv. **List of top ten (10) manufacturing companies/ exporters of Pakistan with contact details**

**Leather Garments**

**Leather Field (Pvt) Ltd.**

Address: Sialkot , Pakistan

Phone: 0092 52 3556272

Mobile: 0092-300-8610363

Fax: 0092 52 3551942

**M/s. Nova Leathers (Pvt) Ltd**

Address: KorangiInd Area, Karachi , Pakistan

Phone: 0092 21 38100108

Fax: 0092 21 38100102

**Royal Leather Industries Ltd.**

Address: Lahore , Pakistan

Phone: 0092 42 36363140

Mobile: 0300-8475079

Fax: 0092 42 36303140

**M/s. Hub Leather (Pvt) Ltd.**

Address: KorangiInd Area, Karachi , Pakistan

Phone: 0092 21 35121578

Fax: 0092 21 35121583

**VIP Wears (Pvt) Ltd.**

Address: Said Pur/Rondal Road Sialkot ,  
Pakistan

Phone: 0092 52 4268186

Mobile: 0092-300-8616262

Fax: 0092 52 4262850

**Finished Leather**

S-NO.	NAME OF FIRM ADDRESS & REPRESENTATIVE <i>(Ordinary Member)</i>	TELEPHONE NUMBER		FAX NO.	EMAIL ADDRESS
		OFFICE	TANNERY		
01.	02.	03.	04.	05.	06.
1.	M/s Dada Enterprises (pvt.) Limited, Dada House, Hide Market, G.T. Road, <b>Lahore-54900.</b>  (Rep. Mr. MansoorIqbal)	042-36811229  36815610  36865278  36865378	049-2716142  111113232	042-36872006  36813059	<a href="mailto:info@dada.com.pk">info@dada.com.pk</a>  <a href="mailto:hasan@dada.com.pk">hasan@dada.com.pk</a>  <a href="mailto:dada@brain.net.pk">dada@brain.net.pk</a>  <a href="mailto:mansoor@dada.com.pk">mansoor@dada.com.pk</a>  <a href="mailto:razzaq@dada.com.pk">razzaq@dada.com.pk</a>

01.	02.	03.	04.	05.	06.
2.	M/s Eastern Leather Co. (Pvt.) Ltd., 10-A, Block-L, Ferozpur Road, Gulberg-III, <b>Lahore-54660</b> (Rep. Mr. S. AnjumZafar)	042 35881138/84 35885171-72	042-37990120- 25	042-35861346 35839572	<a href="mailto:eastern@brain.net.pk">eastern@brain.net.pk</a> <a href="mailto:eastern@easterngroup-pk.com">eastern@easterngroup-pk.com</a>
3.	M/s Elegant (Private) Limited., 7/A, Justice Sardar Iqbal Road, Gulber-V, <b>Lahore</b> (Rep .Mr. Nasir Anwar)	042-35775611 35775612	-	042-35775613	<a href="mailto:Office.elegant@gmail.com">Office.elegant@gmail.com</a> <a href="mailto:elegant@quettagroup.com">elegant@quettagroup.com</a>
4.	M/s EPCT (Private) Limited, 45/50 Industrial Area, Gulberg III, <b>Lahore.</b> (Rep. Mr. ShahidUsman)	042-5756181-3 5756185 5756190-92	056-2890271- 4 2890278 3406303	042-5756194 5759466 0303-7351342	<a href="mailto:office@epct.com.pk">office@epct.com.pk</a>
5.	M/s H. Sadar Ali Akhtar Ali (Pvt.) Ltd., 14G.T. Road, Hide Market, <b>Lahore-54900.</b> (Rep. MianNaeemAkhtar)	0423- 6861755 6861452 6822510 6824862	0492-772407 772413 763923	0423-6816350 Factory 0492-763978	<a href="mailto:info@hsaleather.com">info@hsaleather.com</a>