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INTRODUCTION

1. The seventh session of the Leather and Leather Products Industry Panel was attended by 20 participants from 14 countries and 4 international organizations (see annex I).

I. ORGANIZATION OF THE MEETING

Opening of the Meeting

2. The session was opened by the outgoing Chairman Wilson Sabio de Mello (Brazil).

Election of Chairman and Vice-Chairman

3. The Panel elected Ferdinand Mencik (New Zealand) Chairman and Amine Benabdallah (Morocco) Vice-Chairman.

Adoption of the agenda

4. The following agenda was adopted:

1. Opening of the session
2. Election of officers
3. Adoption of the agenda
4. Preparations for the Third Consultation on the Leather and Leather Products Industry
   (a) Introduction by the secretariat;
   (b) Review of discussion paper 1, "Measures to maximize the potential of the leather and leather products industry in developing countries";
   (c) Review of discussion paper 2, "Measures of regional co-operation with regard to the production and acquisition of tanning chemicals and footwear auxiliaries in developing countries";
   (d) Review of the background studies and documentation for the Third Consultation.

5. Other business
5. The documents issued for the session are listed in annex II.

II. PREPARATION FOR THE THIRD CONSULTATION
ON THE LEATHER AND LEATHER PRODUCTS INDUSTRY

6. The Panel was informed that the Third Consultation had been scheduled for 16-20 April 1984 at Innsbruck, Austria. The secretariat elaborated the thinking behind the issues proposed, and discussion focused on the issues and the background studies available.

Issue 1: Measures to maximize the potential of the leather and leather products industry in developing countries

7. The Panel reviewed the draft issue paper and the background papers proposed. It agreed that the subject matter should be raised at the Third Consultation, with the provisions that:

(a) Stress must be placed on raw material and marketing among the factors which constrain optimal capacity utilization;

(b) In the chapter on enterprise level co-operation UNIDO should look into the possibility of highlighting certain conditions and forms that play a major role in international co-operation in the sector. The examination should be based on the contractual checklists already prepared and approved by the Panel. Specific mention should be made of the importance of stable long-term government policies for the development of the sector in developing countries.

8. In connection with the background documentation for the issue, the Panel observed that:

(a) The contract checklists had already been widely disseminated; however, the use of the checklists should be promoted through national and international industry associations, such as the International Council of Tanners, and trade journals;

(b) The country case study on the Sudan should be presented, subject to formal government approval.
Issue 2: Measures of regional co-operation with regard to the production and acquisition of tanning chemicals and footwear auxiliaries in developing countries

9. The issue was discussed on the basis of a draft outline and the relevant draft background studies on tanning chemicals and footwear auxiliaries. In the interest of clarity it was agreed that the title should be changed to "Measures to facilitate the production and acquisition of tanning chemicals and footwear auxiliaries, including regional co-operation among developing countries".

Tanning Chemicals

10. After extensively discussing the production and acquisition of tanning chemicals the Panel concluded that that aspect of the issue should be presented to the Third Consultation, but it should be prepared and the background study should be revised on the basis of the following considerations:

(a) Prospects for and constraints on regional co-operation among developing countries;

(b) The specific properties of individual chemicals or groups of chemicals with respect to their respective production and performance characteristics, analysed under the categories general-purpose chemicals, basic tanning chemicals and performance chemicals. Attention should be devoted to substitutes for conventional mineral tanning agents;

(c) Existing production and future production possibilities of certain chemicals in certain developing countries;

(d) The importance of enhancing chemical availability by several measures, including co-operation in production;

(e) The economics of production and consumption of the chemicals considered, from the point of view of the tanning industry.

Footwear auxiliaries

11. The proposed issue and background study were approved.
Background studies

The market for leather and leather products since 1977

12. The draft study was discussed and the following comments made:

(a) Statistical data should be made consistent, utilizing FAO data available in the latest statistical compendium, and UNIDO compilations of manufacturing value added data on the sector;

(b) The detailed comments of the UNCTAD representatives should be considered in the revision of the study, after they had been submitted in writing to the secretariat and the consultants concerned.

Techno-economic study on measures to mitigate the environmental impact of the leather industry, particularly in developing countries

13. The UNIDO secretariat and the consultant briefed the Panel on the extension of the study on the basis of the recommendations of the sixth session of the Leather Panel and subsequent comments provided by Panel members. The Panel welcomed this development, and requested the secretariat to take note of the work conducted in that area by technological institutions in both developed and developing countries. The secretariat assured the Panel members that that was being done.

Soft leather substitute materials and their impact on the international leather and leather products trade

14. The Panel welcomed the study as background information for the Consultation and requested the secretariat to add statistical data on non-leather footwear production and trade, especially in developing countries.

Other business

15. Some participants raised other possible issues that could be brought before the Third Consultation, but the consensus was that the two issues, as identified, should be finalized.
Annex I

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Annex II
LIST OF DOCUMENTS

Provisional agenda

Provisional list of participants

"Proposed documentation for the Third Consultation on the Leather and Leather Products Industry"

Draft issue paper 1, "Measures to maximize the potential of the leather and leather products industry in developing countries"

Draft issue paper 2, "Measures of regional co-operation with regard to the production and acquisition of tanning chemicals and footwear auxiliaries in developing countries"

"The market for leather and leather products since 1977" (and UNIDO comments)

"Draft world-wide study on tanning chemicals" (and UNIDO comments)

"Component and auxiliaries manufacture for the shoe and other leather products industry in the developing countries"

"Soft leather substitute materials and their impact on the international leather and leather products trade"

"FAO World Statistical Compendium on Raw Hides, Skins, Leather and Leather Footwear, 1961-82"

"World-Wide Statistics on Raw Hides, Skins, Leather and Leather Footwear, 1970-82", based on the FAO Compendium

"UNIDO Technical Assistance Activities in the Field of Leather and Leather Products as at end September 1983"

"The leather and leather products industry in the Asian region"

Summary of the study on the leather and leather products industry in Latin America