ISSUE NO. I: RAW HIDES AND SKINS - MEASURES

TO IMPROVE THEIR WORLD-WIDE AVAILABILITY,

QUALITY AND STATISTICAL INTELLIGENCE *

Prepared jointly

by

the secretariats of UNIDO and FAO

Contents

I. Basic characteristics of hides and skins having a bearing on the issue

1. The total value of international trade in hides and skins (excluding furs and exotic skins), and the intermediate and end-products made from them is estimated at about US$9,500 million in 1978. Raw hides and skins alone accounted for about US$2,400 million. This is a formidable sum by any international standard.[1]

2. Hides and skins are secondary products of the meat industry and they are characterized by their extreme diversity. The main sources of hides and skins currently utilized are from cattle, sheep, goats and pigs. These are differences within types of hides and skins available, due to variations in breeds, sex and age of the animal, pasture conditions and other factors. In addition, the quality of hides and skins may be affected by different animal husbandry systems and techniques used in slaughtering, flaying and curing. Also, being by-products, their output is virtually inelastic to changes in demand, and imbalances between supply and demand of hides and skins often result in wide price fluctuations.

3. Cattle are widely distributed globally, but the developing countries hold some two-thirds of total live cattle. However, production of hides does not follow the same pattern. Developing countries contribute only about 42 percent of total hide supplies, mainly reflecting a low stage of animal husbandry techniques employed there. Sheep are more evenly distributed between the developed and developing countries. However, the effective offtake and production rates of sheepskins again show the disparities in husbandry system between developed and developing countries, with the latter contributing little over one-third of total production. The majority of goat population exists in the developing countries and these countries product over 90 percent of global supplies of goatskins. While the share of developing countries in global supplies of cattlehides seems to have fallen over the past fifteen years or so, those of sheepskins and goatskins have risen at varying degrees, reflecting a faster growth of supplies than in the developed countries (see Table 1).

1/ For instance, in 1978 international trade in sugar was worth US$7,500 million, in cocoa, including cocoa products, US$4.600 million, in tea US$1,300 million and in rubber US$2.800 million.

II. Recent developments in the hides and skins market highlighting the issue

4. During the past two decades considerable changes have taken place in the structure of international hides and skins trade. As a consequence of the fast-expanding tanning activities in developing countries, the traditional trade flows of raw hides and skins and processed products have fundamentally changed and exports of raw hides and skins from developing to developed countries have drastically fallen. In fact, trade in raw bovine hides showed a complete reversal and the developing countries as a whole, which in the early sixties were significant net exporters, have now become net importers of raw hides. In contrast, developed countries as a whole, which were dependent to a considerable degree on imports of cattlehides from developing countries in the earlier sixties, have now become net exporters, supplying raw hides to developing countries. The change in trade flows of raw sheepskins and goatskins is not in the case of bovine hides, but a decrease in developed countries' net imports should be seen in conjunction with a decrease in developing countries' export availabilities. These trends are illustrated in Table 2 and Figure 1.

5. The full impact of the change in trade flows in raw hides and skins, leather and leather manufactures is demonstrated in Table 3. In value terms, the developing countries' share of exports of raw hides and skins fell from 37 percent in 1961-63 to about 13 percent in 1978. The increased utilization of raw hides and skins in the developing countries is reflected in the growth in exports of leather and leather manufactures. In 1961-63, the developing countries accounted for some 18 percent of total world trade in leather, but by 1978 this had risen almost 10 times to US$530 million from US$54 million in the early sixties representing more than a quarter of the world total. Of equal significance may be the developing countries' increased export of leather manufactures which rose from some US$10 million in 1961-63 to about US$900 million in 1978. This represents a rise in the share of world exports of leather manufactures from 3 to 18 percent while the developing countries' share in the overall total of exports at all processing stages fell somewhat from 22 to 19 percent.

6. One of the principal reasons for this structural change in international trade was due to the major trade objective of developing countries in the hides and skins sector, i.e. to increase the value added to the raw materials at source. This objective was, however, conditioned in individual developing countries by such considerations as the importance attached to the leather sector compared to other sectors, the domestic demand for leather products and the availability of raw hides and skins and the level of processing technology available.

7. The broad categories of developing countries according to resource endowments have been distinguished as follows:

    (a) developing countries with a large production of hides and skins and sufficient processing capacity to utilize their output fully; these developing countries no longer export in the raw;

    (b) developing countries with a sizeable production of hides and skins and limited processing capacity normally geared to local demand; these developing countries have an export surplus of raw hides and skins;

    (c) developing countries with insufficient raw materials to support their sometimes large processing capacities; these developing countries import raw hides and skins, often in large quantities, in order to utilize capacity frequently geared to the export market of leather manufactures.

8. Developing countries falling into the first two categories have in general progressively limited or completely banned the export of raw hides and skins in recent years, either to preserve raw material supplies for their own tanning industry or to stimulate investment into new tanning capacities. Frequently these export restrictions have been extended to semi-processed leathers. Thus, today virtually all the major producers and traditional exporters of raw hides and skins in Asia and most of them in Latin America have imposed some quantitative restrictions on the export of raw materials or have banned shipments altogether and the majority of developing countries have introduced restrictions discouraging exports of certain types of hides and skins. A noteworthy decision was taken by Argentina in August 1979 when the export ban on raw hides was removed and replaced by a 20 percent export tax. This tax will progressively be lowered to reach zero in 1981.

9. While it remains to be seen whether this unilateral action by
Argentina will be followed by other developing countries, the trend
towards export control of raw materials has had two main effects on
availability and quality: first, export restrictions have curtailed
the volume of raw hides and skins traded in the world market, thus
contributing to the shortage already existing; second, by restricting
the use of raw materials to local tanners only, the raw material did not
always obtain its optimum value as leather or finished goods. On the
other hand, developing countries' policy to prohibit export of raw hides
and skins must be considered in the context of their domestic industrial
policy to add value to the raw materials at source and to create employment
and income. Such policy necessitated various types of government support to
steer them through their infant stages of development. This observation is not
to be taken as a value judgement on the policy decisions taken in a
number of developing countries. It is made merely to highlight the
effects of such policies with regard to the problem of availability
and quality and re-emphasizes the need for measures to raise the supply
of hides and skins as well as their intrinsic properties.

10. Export controls of raw hides and skins have reduced supplied available
on the international market and consequently may have accentuated the
severe price fluctuations which are already wider in the hides and skins
sector than in most other commodity markets. It is generally recognized
that measures to reduce the wide price fluctuations for hides and skins
are difficult to conceive. However, in contrast to many other commodity
markets where published or non-official data on commercial stocks exist,
there is no such information available in the hides and skins market,
except perhaps to those most intimately familiar with on-going commercial
transactions. In addition to the lack of information on stocks, the
statistical intelligence base for hides and skins is, in general, much
poorer and their market much less transparent than for other agricultural
products of relatively minor trade importance. Thus, it is considered that
more readily available information on import requirements, stocks and
other market factors, by its mere existence, could have a favourable
influence on the unstable hides and skins market.

III. The two fundamental problems constituting the issue

11. It emerged from Section II that recent developments have aggravated some economic and technical problems faced in the hides and skins market. These developments also highlight the need for remedial action, specifically in two areas, if the constraints to a more harmonious development of the hides, skins and derived products economy are to be removed:

(a) increased recovery and improvement in the quality of hides and skins, and

(b) the improvement of the hides and skins statistics and intelligence.

1. Need for reducing waste and improving the quality of hides and skins

(a) Reasons for waste and poor quality

12. It is common knowledge that significant volumes of hides and skins are not recovered and that in some developing countries a large proportion of their potentially available hides and skins is left to waste. This may be due to social factors as well as to economic and technical reasons, such as poor price incentives, inadequate marketing facilities, poor flaying and curing techniques, etc.

13. With the exception of hides and skins which are taken off the animals and cured at modern abattoirs, the vast majority of hides and skins originating from developing countries are of poor quality:

(a) ante-mortem defects caused by ticks, warbles, scabs, horn rakes, barbed wire scratches, brands and many others may be present to a greater or lesser degree, sometimes heavily down-grading the value of the raw material as physical properties suffer as well as usable area.

(b) the most common post-mortem defects stem from poor flaying. Numerous flay cuts may be the result of the lack of incentive and/or training in appropriate flaying techniques. A large volume of hides and skins is thus damaged and cannot be used for high quality end-uses.

(c) improper curing can lead to varying degrees of putrefaction of the hide or skin. Even partial putrefaction of hides and skins may make parts unusable and generally result in a "loose" grain hide whose value is greatly reduced.

14. Sound technology for hides and skins curing and processing is available. However, in many areas, no effective means exist to transfer the known technology to the primary producer. Existing hides and skins research and training institutes as well as hides and skins improvement services in the developing countries seem to have difficulties in the practical application of known techniques at the grass root level.

(b) Ways to reduce waste and improve quality

(i) Measures to be taken at the national level

15. The maximum rate of raw material recovery could probably be achieved if all livestock could be slaughtered at efficiently organized abattoirs. However, in the majority of developing countries in the foreseeable future, this situation will hardly be reached. Nevertheless, some specific measures could be adopted now to improve the rate of recovery of hides and skins and to raise their quality:

(a) Adoption of economic incentives on the price paid to the primary producer according to quality grades may improve the rate of recovery of hides and skins and its quality. In some countries expanded hides and skins recovery networks could also reduce waste considerably, as is currently being attempted in India. In certain regions in India, pilot projects have been established for the recovery of carcasses, based on fast information received on dead animals. Each informant receives an incentive payment upon notifying the centre of a dead or dying animal;

(b) It is considered that an improvement of the present marketing system and a curtailment of the number of intermediaries and the extent of margins may give primary producers better returns. The long chain of intermediaries interposed between the primary producer of hides and skins and the exporter or tanner often keeps the primary producer ignorant of the prevailing world prices in respect of various types and grades of hides and skins most in demand;

(c) A reappraisal and strengthening of national hides and skins
improvement services through sustained campaign of education,
training and demonstration seems urgently required. The know-
ledge at the farm, and at the butcher and abattoir level on
how improvements in animal husbandry techniques, branding
methods, flaying and curing could be brought about is a
prerequisite for the introduction of quality improvement
measures;

(d) In countries where hides and skins are consumed as food, they
substitute for scarce and expensive animal protein. It is
difficult to estimate the proportion or percentage of hides
and skins which are "lost" in this way to the leather industry.
Since it is basically a question of comparative economic return
on the raw material under the prevailing set of conditions, it
may be difficult to find appropriate solutions to such losses
of hides and skins in the short run;

(e) Likewise, social and religious taboos operating against the full
recovery of available hides in an efficient manner may not be
rapidly overcome and only slow changes for progress can be
anticipated. However, most Governments recognize the nature
of these problems and have been making efforts to remove
existing social barriers;

(f) In this connection, one of the recommendations of the First
Consultation Meeting (Innsbruck, 1977), for the establishment
of regional leather centres is in particular relevance to the
suggested ways of raising raw material availability and quality.
One of the major functions of these regional leather centres,
when established, should be to provide for the on-going sur-
veillance of slaughtering, hides and skins recovery and curing
practices, to advise on improvements, to provide appropriate
on-the-job training and to monitor changes in international
standards of hides and skins qualities at the regional and
country level.

(ii) Measures to be taken at the international level

16. The effective co-operation of the developed and developing countries
in the hides and skins sector is essential in the longer term interest of
both regions to maintain the leather industry on a viable basis and promote
its expansion by emphasizing the outstanding characteristics of the natural
product, its durability and aesthetic appeal. There is a great need to
maintain production at a high level of quality and at competitive prices
in order to prevent encroachment by synthetic substitutes. A case could,
therefore, be made for evolving a mutually agreed framework of guidelines
for the harmonious development of the world hides and skins and derived
products sector. A package of policies which would embrace international
and national measures affecting production, consumption and trade acceptable
to all concerned may be more effective than a piecemeal approach to individual
issues.[1]

17. It will be generally accepted that the broad objective of international
co-operation in the hides and skins and derived products sector should be to
secure a progressive and balanced expansion of production, demand and trade.
Such co-operation should be beneficial to producers and consumers in both
the developing and developed countries. It should also create favourable
conditions for the development efforts in the hides and skins sector in the
developing countries. In view of this, international co-operation within
the suggested framework of guidelines for a harmonious development of the
hides, skins and derived products sector could concentrate on:

(a) Increased support to the efforts of the developing countries to
raise recovery rates of hides and skins, along with the reduction
of the defects found on them and to improve curing techniques in
line with improved technology. Specifically, such development
programmes would require expanding technical assistance and
financial aid for effective research, training and extension
services including the eventual establishment of Leather Development
International;

(b) Greater rationalization in the utilization of raw hides and skins.
This may be achieved by a more orderly expansion of tanning and
manufacturing capacities;

(c) Solution to restrictive trade policy measures which currently
influence the hides, skins and derived products sector;

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[1] See also FAO document CCP:HS 78/5, "The Hides and Skins Economy:
Problems and Possible Means of Dealing with Them", pages 23 to 26.

(d) The achievement of some measure of price stability by improving information collection systems, ensuring comparability of the statistics collected and by disseminating knowledge of the current market situation, including movements of prices, trade volumes and stocks.

(c) Progress to date and recommendation to Second Consultation

18. At the national level numerous fragmented attempts have been made in a number of countries to reduce waste and improve quality. FAO has in the past assisted governments in these endeavours whenever requested and within its limited resources. However, many countries have remained rather indifferent towards improving the hides and skins sector. Priorities in development efforts and resource allocation have often been given to food crops and other agricultural commodities in preference to hides and skins for various reasons in the context of urgent needs of countries. Hides and skins often suffer from the stigma of being byproducts, although they are potentially capable of some extra returns to the main livestock products with little or no further resource inputs. While development efforts in one agricultural sub-sector cannot be seen in isolation of the total development objectives in general, particularly in rural areas, it would seem to need a concerted effort to raise the level of creative awareness of planners in many countries of the possible economic benefits of raising supplies of hides and skins of a higher quality.

19. The Leather Panel recognized the serious economic losses incurred by numerous hides and skins producing countries through waste and insufficient quality of the hides and skins which they produce. It considered it indispensable that appropriate measures be taken to remedy these deficiencies.

20. It was felt by some members of the Leather Panel that international competition would help to improve the quality and availability of raw materials. Other members did not accept this view since it was felt that it would adversely affect inter alia employment opportunities in certain countries.

21. The Leather Panel recommended the following action:

phase I

The appropriate United Nations agencies should:

(a) Evaluate raw stock quantity and quality in selected countries using existing and new data. The study should estimate the total increased value that could be obtained through increased recovery and improvement in quality at ruling international prices;

(b) Identify the measures and steps needed in order to obtain such economic gains.

phase II

The above evaluation should be submitted to Governments for their consideration. The appropriate United Nations agencies should send missions to selected countries and recommend to Governments the measures identified to raise the availability and quality of raw materials for the further development of the sector.

phase III

The Leather Panel recognized that implementation and financing were the responsibilities of the individual Governments. The missions mentioned should, however, assist the different Governments in identifying international and national institutions to implement the campaign, and in preparing requests for financing.

22. The Leather Panel considered it essential that UNIDO should urge the FAO and other United Nations agencies concerned to devote more attention and provide increased financial and manpower resources to the sections in their organizations dealing with hides and skins in order to enable them to render the assistance required in the implementation of the action programmes formulated by the Leather Panel.

23. If the Second Consultation agrees with the recommendations of the Leather Panel, it may wish to advise the relevant UN agencies and other interested bodies on ways and means to initiate, fund and implement a large-scale campaign directed towards making governments aware of the potential of hides and skins in their national economies.

24. Meanwhile, the International Council of Tanners (ICT) has circulated a proposal to members of the Leather Panel, United Nations agencies and other interested parties on the question of access to raw material supplies including protectionism in the leather industry and the ways and means to restrict or minimize their impact.

25. The UNIDO Secretariat has carefully studied the ICT proposal and considers that the matter deserves full discussion at the Second Consultation and that it should be taken up under Issue No. 3 dealing with trade matters.

2. Need for improvement of statistics and market analysis

(a) Definition of problems and identification of data requirements for market analysis

26. Comprehensive and comparable sets of production, trade and consumption data are needed at the national level. Statistical series should be such that global developments in the market over time are clearly discernible. The exposition of historical trends in production, consumption and trade flows of raw hides and skins as well as products made from them is a prerequisite for projecting future developments of prices and trade opportunities for individual countries. At the country level, a clear analytical picture of the domestic market and its likely developments is a prerequisite for sector planning. These requirements can only be adequately met if data used facilitate comparison between countries and within countries, and this not only at a raw material stage but also at subsequent stages of processing.

27. Data on production, trade and utilization of raw hides and skins, where they exist, are variably given in numbers or weight. The drawback of the number concept is obvious, with a hide or skin varying in size and weight by 100 percent and more from country to country. However, there is no uniform weight basis either: wet-salted, dry-salted, dry and pickled are common descriptions. Sometimes the method of curing is not even stated at all and data are given in what is described as "product

weight". Moreover, sheepskins and, to a lesser extent, goatskins may have the wool or hair still on when they are traded or utilized, sometimes weighing twice as much as the dehaired skin.

28. The units of measurement in which leather statistics are expressed are of even greater complexity and diversity. Data for heavy leather are usually given by weight, while those for light leather, irrespective of animal origin, are generally given by surface area. Several important producing countries, however, show production of leather in terms of the number of hides and skins tanned. Furthermore, in any one country the production and trade statistics may be computed on different bases, one set being expressed in weight and the other in area. Moreover, trade statistics for rough vegetable-tanned leather may be expressed in weight, while those for rough chrome-tanned leather may be given by area. Importing countries, however, frequently report trade in both types of rough-tanned leather by weight. The difficulties in realting this multitude of types of leather and their units and measurements to their raw hides and skins equivalent are obvious.

(b) Recommendations of the FAO Ad Hoc Government Consultation on Hides and Skins

(i) Steps to be taken

29. The Consultation which took place in October 1978 recommended some initial steps to be undertaken by FAO to overcome the most serious obstacles to the hides and skins statistical intelligence base:

Need to fill existing gaps in statistics

30. There are wide gaps in the statistical intelligence base which need to be filled. Production statistics are grossly deficient as in many countries considerable proportions of animals are slaughtered in village abattoirs and are not recorded or registered. In some places, hides are obtained from fallen animals and are again not included in the figures of slaughterings. Statistics on utilization, trade and consumption are frequently not collected by national statistical services because of the difficulties arising from the diverse nature of this raw material.

Need for an internationally agreed common denominator

31. A major drawback in hides, skins and leather intelligence and
market reporting, even where data are available, is the lack of common
agreed denominators which would allow statistical comparison between the
raw material, the intermediate product and end-product. There is a choice
of three basic units in which products of this sector, at each stage of
processing, could be expressed, i.e. numbers of hides and skins from
different species of animals, weight of fresh, wet-salted or dry hides
and skins, and surface area of raw hides and skins or of leather. The
most suitable of these denominators meeting a maximum of possible re-
quirements would appear to be the surface area.

Need for suitable conversion factors

32. No matter which common denominator is selected, suitable conversion
factors would have to be established on a country-by-country basis to
relate all available data to the denominator chosen. For raw hides and
skins two sets of ratios have to be assembled countrywise, i.e. one
relating pieces to the different weight concepts, i.e. to establish
average weights over time for raw hides and skins cured in different
ways (mainly "wet-salted" for hides and "dry" for skins), and one relating
pieces to surface area, i.e. to establish the average area yield of hides
and skins cured in different ways.

Need for a standardized country reporting format

33. A standardized country reporting format should contain basic data
in clearly defined nomenclature, indispensable for the commodity starting
from the raw material, through the various levels of processing, to finished
products. In combination with the conversion ratios to be established, this
approach would permit a quantification of shifts in utilization and output
at different processing levels and projections on consumer demand. The
development of such a standardized country reporting format would take time
and would have to be elaborated in close co-operation with governments.

Need for internationally agreed trade classification and
customs nomenclature

34. The above recommendations are confined to the very first steps
needed for the improvement of statistics and commodity intelligence,
i.e. to fill major existing gaps and to enhance comparability of the
currently available country level data for the most important types
of hides and skins. While this is already a formidable task, a second
step would be to evolve uniform and acceptable standardized statistical
classification systems which would be internationally recognized and
applied. A third step would then be to develop, to the extent possible,
uniform classification concepts used by the trade, in customs nomenclatures
and in the description of technical processes.

(ii) Machinery to be set up

35. The Rome meeting unanimously agreed that as a first step to facilitate
a better understanding of the severe impact of the problems affecting the
hides, skins and leather economy of developing and developed countries
alike, the deficiencies in the basic statistics and economic information
merited international attention. With this in mind, the Rome meeting
recommended for endorsement by the Committee on Commodity Problems, one
of FAO's constitutional committees, the establishment of an Ad Hoc Working
Party of Experts on Statistical Intelligence for Hides and Skins to as-
sist the Secretariat in its endeavour to resolve some of the statistical
problems identified by the Consultation. The Working Party was also ex-
pected to establish the framework for further consultations should they
be required in order to define more clearly the problems ruling in the
market, to enable a better understanding of the factors governing the
hides and skins economy and to facilitate more substantive agreements
at a later stage.

(c) Progress to date and recommendation to the Second Consultation

36. The FAO Secretariat has already begun work on some of the main
recommendations of the Rome meeting, including:

(a) the development of a standardized country reporting format
on hides and skins production, consumption and trade which
has been widely circulated for comments to numerous recipients
including the members of the Leather Panel;

(b) the selection of a common denominator for its statistical
compendium in which to express all data on raw hides and
skins and its derived products;

(c) the collection of national conversion factors for expressing
all data in one unit including raw hides and skins and its
derived products;

(d) the identification of those adjustments of international
trade classifications and nomenclature which are needed
in order to reflect developments in composition and specifi-
cations of commercial transactions which have taken place
over the years.

37. The Leather Panel expressed its appreciation of the work under-
taken by the FAO Secretariat on the improvement of the statistical and
economic intelligence for the hides, skins and derived products sector.
It also welcomed the decision by FAO's Committee on Commodity Problems
to convene an Ad Hoc Working Party on Statistical Intelligence for Hides
and Skins with the purpose to improve the data base, its national and
international comparability and the quantitative assessment of the
economic and technical factors governing the hides, skins and derived
products market. The Leather Panel accordingly recommended that
Governments as well as international and national organizations make
every attempt to assist FAO and its Ad Hoc Working Party to maintain
the momentum of the work on a standardized country reporting format,
an internationally agreed common denominator, appropriate conversion
factors and the improvement of statistical analysis for the hides, skins
and derived products sector in general. In fact, the Leather Panel con-
sidered this work an indispensable prerequisite for progress in the dis-
cussions of the economic and technical problems in international consultations
as well as in the Leather Panel itself.

38. The Leather Panel considered it essential that UNIDO should urge the FAO and other United Nations agencies concerned to devote more attention and provide increased financial and manpower resources to the sections in their organizations dealing with the commodity problems of hides, skins, leather and leather products industry in order to enable them to render the assistance required in the implementation of the action programmes formulated by the Leather Panel.

39. In reviewing the main problems and possible solutions suggested above, the Second Consultation may wish to consider whether the follow-up actions recommended by the Rome meeting and those so far initiated by the FAO Secretariat adequately meet the international needs of improving hides and skins statistics and intelligence in order to meet the requirements of further consultations in UNIDO and FAO on the hides, skins, leather and leather products industry.

Table 1: Distribution of live animal population, hides and skins production and yields

	Live Animals 1978		Hides and Skins Production					
	Million heads	Share of world in percent	Av. 1962-64 1 000 m.t. wet salted for bovine and dry for sheep/goat	Share of world in percent	Av. 1974-76 1 000 m.t. wet salted for bovine and dry for sheep/goat	Share of world in percent	1978* 1 000 m.t. wet salted for bovine and dry for sheep/goat	Share of world in percent
Cattlehides and Calfskins 1/								
Developed countries	433.1	32.2	2136	57.6	3007	60.4	3014	58.1
Developing countries	913.4	67.8	1574	42.4	1975	39.6	2175	41.9
World	1346.5	100.0	3710	100.0	4982	100.0	5189	100.0
Sheepskins and lambskins								
Developed countries	506.5	48.0	209	69.9	193	62.9	198	61.9
Developing countries	549.6	52.0	90	30.1	114	37.1	122	38.1
World	1056.1	100.0	299	100.0	307	100.0	320	100.0
Goatskins and kidskins								
Developed countries	24.0	.5.5	13	12.7	11	8.9	11	8.5
Developing countries	411.7	94.5	89	87.3	112	91.1	119	91.5
World	435.7	100.0	102	100.0	123	100.0	130	100.0

* Preliminary estimate
1/ Including hides and skins from buffaloes

| | 1962-64 | | 1974-76 | | 1978* | | Unit Values US$/kg | | |
	1 000 m.t. wet salted for bovine dry for sheep/goat	Million US$	1 000 m.t. wet salted for bovine dry for sheep/goat	Million US$	1 000 m.t. wet salted for bovine dry for sheep/goat	Million US$	1962-64	1974-76	1978*
Cattlehides and calfskins									
Developed countries	615	245	1310	940	1504	1684	0.40	0.72	1.12
Developing countries	313	108	112	72	109	104	0.34	0.64	0.95
World	928	353	1422	1012	1613	1788	0.38	0.71	1.11
Sheepskins and lambskins									
Developed countries	102	155	107	279	115	348	1.52	2.39	3.03
Developing countries	39	56	34	89	35	110	1.43	2.62	3.13
World	141	211	141	368	150	458	1.50	2.44	3.06
Goatskins and kidskins									
Developed countries	4	8	7	29	5	20	2.00	4.14	4.10
Developing countries	41	56	27	70	26	100	1.37	2.59	3.91
World	45	64	34	99	31	120	1.42	2.91	3.95

Fig. 1: Trends in net exports and net imports of raw hides and skins in developing and developed countries
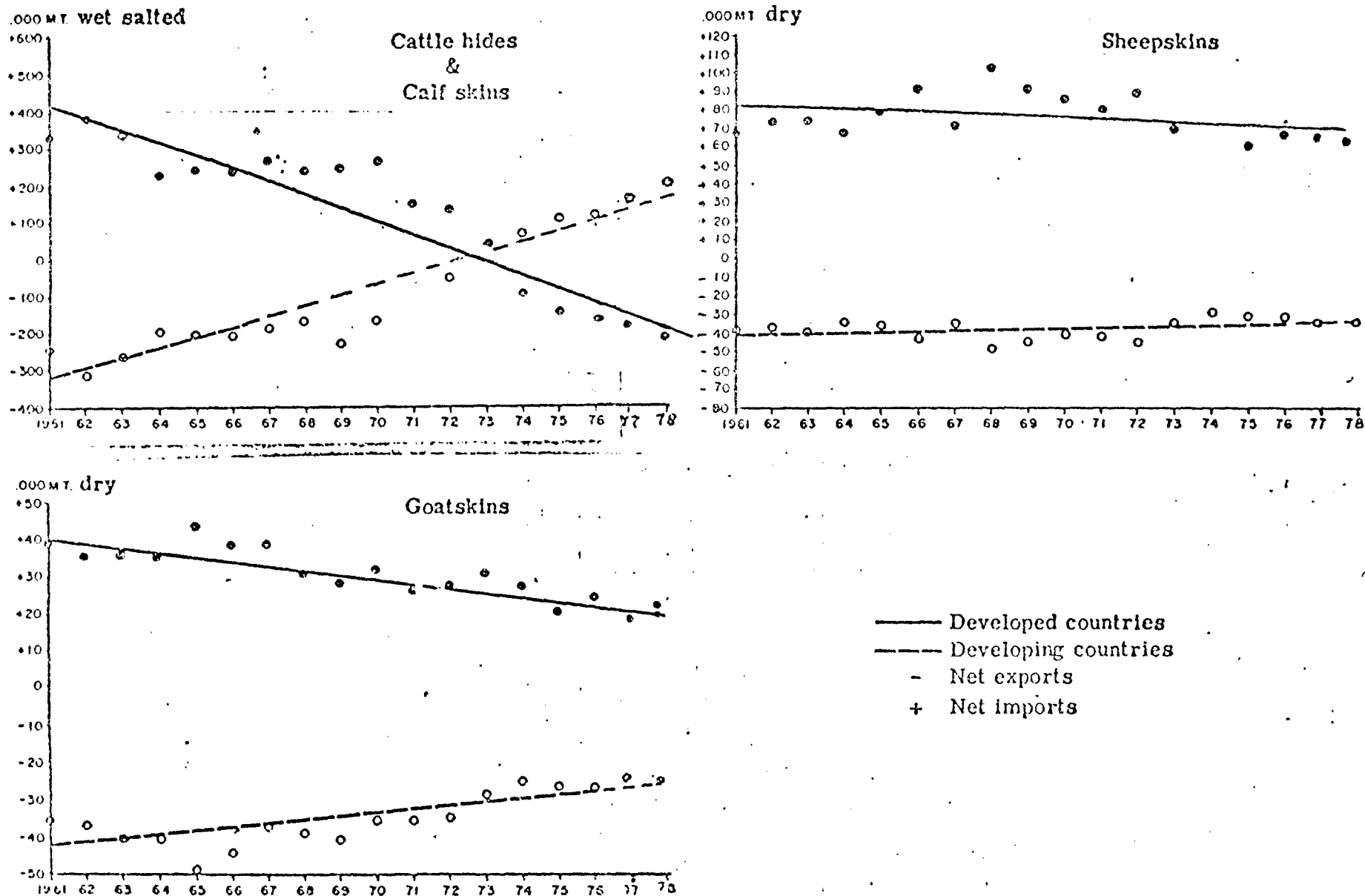
Table 3: Value and shares of exports of hides, skins, leather and footwear from developing and developed countries, 1961-63, 1974-76 and 1978.

	Average 1961-63				Average 1974-76				1978*			
	Developed countries	Developing countries	World total	Share of developing countries	Developed countries	Developing countries	World total	Share of developing countries	Developed countries	Developing countries	World total	Share of Developing countries
	(........US$ million.......)			(percent)	(........US$ million.......)			(percent)	(........US$ million.......)			(percent)
Raw hides and skins												
Cattlehides	248	121	369	33	940	72	1012	7	1684	104	1788	6
Sheepskins	142	53	195	27	279	89	368	24	348	110	458	24
Goatskins	7	57	64	89	29	70	99	71	20	100	120	83
Total above	397	231	628	37	1248	231	1479	16	2052	314	2366	13
Leather												
Heavy leather	23	13[1]	36	36	234	67[1]	301	22	373	90[1]	463	20
Light leather fr. cattle and calf	144	6	150	4	481	110	591	19	763	180	943	19
Light leather fr. sheep and goat	85	35	120	29	298	198	496	40	395	260	640	41
Total above	252	54	306	18	1013	375	1388	37	1531	530	2046	26
Leather footwear[2]	369	10	379	3	3107	648	3755	17	4100	900	5000	18
Total above	1018	295	1313	22	5373	1254	6627	19	7683	1744	9412	19

1/ Probably including some vegetable-crust sold by weight;

2/ For developing countries figures refer to the 21 principal exporters and include estimates for other leather manufactures; in fact, the share of such items as leather garments, handbags, gloves, etc. in the total is about two-thirds. For developed countries, exports of non-footwear leather manufactures had to be ignored as current trade classifications do not sufficiently distinguish materials used. Also, shipments of leather manufactures to outside the developed regions are probably relatively small.

* Preliminary estimates.

Suggested Points for Discussion

ISSUE NO. 1: RAW HIDES AND SKINS - MEASURES TO IMPROVE
THEIR WORLD-WIDE AVAILABILITY, QUALITY
AND STATISTICAL INTELLIGENCE

SUPPLY

1. There is considerable scope for an increase in supply if the recovery rate and quality of raw hides and skins in developing countries can be improved. This requires a concerted international programme of integrated technical assistance at the farm level on a priority basis by UNIDO, FAO and other private and/or public organizations to overcome more than three decades of piecemeal approaches to this basic issue:

(a) Since the organizations in the U.N. system have limited financial and technical capacity in carrying out the above campaign, what specific financial and technical contribution are the developed countries prepared to make to implement such a campaign at a country/region level?

(b) What should be the agreed time framework for implementing such a global campaign for increased recovery and improvement in quality of supply?

STATISTICAL INFORMATION

2. So far there has been little or no support from the developing countries to overcome the gaps in their statistical information; therefore there is scope for regional co-operation between developing countries in this regard. Current statistical and economic intelligence on hides, skins and derived products is a serious obstacle to an assessment of developments in the sector, and there are wide gaps in the available data which require international action over a period of time:

(a) Need for an internationally agreed common denominator which would allow statistical comparison between the raw material, the intermediate product and end-product;

(b) Need for suitable conversion factors to relate all available data to a common denominator;

(c) Need for standardized country reporting format to rationalize collection of industrial data from raw material through to finished products;

(d) Current SITC/BTN classification are not adequate and require adjustments based on recent developments in the trade.

3. What measures can be taken by governments to remedy the above statistical deficiencies in co-operation with the International Standards Organization (ISO)?