

# Push ahead of the **curve**

Following UNIC's next annual meeting on 15 June, and ASSOMAC's annual meeting at the end of May, we review data and statistics of the Italian leather industry for 2017, and look at how the sector is poised to build on notable growth, despite being in the midst of political turmoil.

**T**he Italian tanning industry is estimated to have closed 2017 with a growth in total production volumes of 3.1% and an increase of 0.7% in value.

The trend during the second half of the year recorded only a partial improvement compared with the first half, however, and the overall picture still shows some uncertainties.

As far as the main production segments are concerned, the overall positive sign seems to be linked to the good sales results of medium-large bovine and goat leathers, which were 2% respectively. Meanwhile, the total turnover of calf leather was down by 3%, sheep leather was 5% down and the 'other animals' category declined by 8%.

According to analysis of the end use of products, there was continued good demand for car-interior leather and furnishing materials. Sales to the fashion industry were uneven, with revenues for leather-goods manufacturers generally confirmed as being better than those for footwear, with cost being a major factor.

Italian leather exports, which represent around €4 billion and reach 125 countries

ASSOMAC association president Gabriella Marchioni Bocca (centre).







Competitive models are shifting within the Italian leather industry.

on average annually, recorded an increase of around 1%. Among the key export markets, the upswing of Italian leather to China stands out, at 6% following a difficult two-year period.

where it reiterated that as global business models are changing, companies are determined to remain globally competitive.

"ASSOMAC is seen as a vibrant association," said association president

**“ One of the means of remaining internationally competitive identified by the association rests on sustainable, energy-efficient machinery and production processes. ”**

– **Gabriella Marchioni Bocca, ASSOMAC**

After seven years of continuous increases, the US market appears to be slowing slightly, with a drop of 2%. There were positive results for the UK (+6%) and Vietnam (+12%), but the overall EU market was lacking in stimulation, with the exception of France at 5%. Exports fell in Spain (-6%), Germany (-3%), Poland (-8%) and Portugal (-1%).

The trend in exports indicates that the slightly negative results seen in 2015–16 confirm the growing importance of overseas markets to the Italian tanning industry. Today this represents 75% of total revenues, compared with 35% in 1992.

### Staying ahead

Italy's national association of manufacturers of footwear, leather goods and tanning technologies (ASSOMAC) held its annual meeting in Vigevano on 25 May,

Gabriella Marchioni Bocca. "We work on a daily basis comparing notes with our members, which gives rise to projects and acts of support for companies. Part of our everyday work consists of the commitment to effectively support the changes and challenges placed before us by a constantly evolving world.

"From a national standpoint, we cannot predict what the new government will do. But without entering into the politics, we hope it furthers the needs of the entrepreneurial system so that Italy may continue to be an industrial nation and leading exporter, and that it supports companies in their research and innovation of processes and products, maintaining the value of 'made in Italy' products worldwide."

Competitive models are shifting at tremendous speed and influencing

company strategies and operational choices, forcing them to be more agile and innovative than ever before. The market demands increased personalisation, flexibility and cost-cutting, which further impacts upon how companies think, and how best to be a more streamlined and digital-facing organisation.

"This last year was complex in many senses," continued Bocca. "It was a year of major global instability, but also one of successes and satisfactions for ASSOMAC. Our sector closed the year positively, yet we perceive a certain slowdown after five years of rising figures. This may be a physiological shrinkage given the high growth rates recorded in recent years, or, more generally, a reaction to the international uncertainty linked to the protectionist policies threatened and introduced by some countries – policies that could have serious repercussions on Italy as one of the world's leading exporting countries, and serious repercussions for us [as an industry] as we export nearly 75% of our production."

One of the means of remaining internationally competitive identified by the association rests on sustainable, energy-efficient machinery and production processes. This is where the Green Label Project comes in, as it guarantees its member companies' abilities to be innovative and attentive not only to production needs but to environmental ones, too. More than 30 companies have joined the project so far, and ASSOMAC expects further growth this year.

"Technological innovations within the framework of industry 4.0 form the structural bridge needed to change the development model from a sustainable standpoint," Bocca added. "The buzzwords are 'automated process', 'robotics' and 'intelligent machines' that can communicate with each other and interface simply with supervision systems."

Promotion of the association worldwide is also important, as are increased thanks to the the Ministry of Economic Development and ITA. Significant results have been achieved and the foundations are laid for the creation of new projects in Egypt, Pakistan, Cuba, Vietnam, Colombia, Bosnia and Herzegovina, Iran and Russia. ■