

Arzignano is the leather industry's Silicon Valley

The much travelled international sales director of leather chemicals group GSC, Diego Cisco, argues that the Arzignano tanning cluster, near his company's headquarters in northern Italy, can offer an example of leadership, innovation and entrepreneurial spirit to the entire global leather industry.

When you hear someone say 'Silicon Valley' you always get a positive impression: it means innovation, start-up and business in a smart, modern and digital way. Now more than ever, if I think of the tanning industry and of Silicon Valley, I cannot avoid thinking of the tanning district of Arzignano in northern Italy. Those who, like me, travel the world working in the tanning industry, will agree. Naturally, we do not want to downplay the importance of other tanning districts all over the world, but in Arzignano we must recognise an added value on several fronts.

I can give no real explanation of what made this area what it is today, I can only give my thoughts about it. I would start

with historical-cultural factors that have surely contributed. This is an area with a heritage in the textile industry because it is rich in water, also an indispensable element in the tanning process. Also, the north-east of Italy is distinguished by having a large number of different industrial sectors and therefore there is a strong work ethic.

But what strikes me the most is that, while most tannery clusters have a long tradition of craftsmanship behind them, the Arzignano district has a very fresh history (around fifty years). This makes it unlike other, more traditional tannery areas. This is why the concept of the Silicon Valley is strong in Arzignano given the rapid development of the tanning district.



CREDIT: WTP



The Arzignano cluster's common effluent treatment plant at Chiampo (and main image).

CREDIT: GREENWEEK

In Arzignano there is also an impressive supply-chain and vertical integration: just think of the well-known chemical and tannery machinery products and brands that owe much of their success to their ability to develop solutions while working with and supporting the tanneries in Arzignano. These companies have been able to become efficient, modern and successful by working so closely with their leather manufacturing neighbours. This chain has also allowed the tanneries to be quick in problem-solving and to respond to increasing demands from clients who ask for production flexibility and consistency; these are two concepts that often do not get along well, but in Arzignano we have found a balance.

Rivalry and competition have probably also given a great deal of added value to this district. Let me explain. What I have seen in many countries and have seen very little of in Arzignano is teaming up between tanners. In Arzignano, even if the tanners know each other, they have never gotten along well with one another and have a very high level of rivalry in their relationships. The same applies to the chemical sector. I have often seen in other countries that many tanners who have rival tanneries spend the evenings together and exchange information; they often have family connections. Today, I think the limitations on this kind of relationship in Arzignano, the tendency not to team up with competitors and exchange information has been an advantage in allowing it to become the Silicon Valley of leather.

Being a leading tanning district also means being able to respond to challenges quickly and to know how to get up when you have taken a blow. In Arzignano, in recent decades, we have seen everything under the sun. Decades ago the threat on several fronts to close the tanneries for environmental reasons led to the creation of an industrial area served by a common effluent treatment plant that is still today an excellent facility.

The municipal authorities expressed unwillingness to support the expansion and development of the district and its industrial area and, originally, this was thought to be a limit to growth. Instead, innovation and automation have increased and maximised production making the area highly efficient.

Pollution from the surrounding areas, created mostly by



The thermal hydrolysis plant at Ilsa in Arzignano. This local biotech firm collects tannery waste and uses it to create added-value products such as fertilisers, keeping the Arzignano leather industry at the forefront of innovation.

CREDIT: ILSA SPA, ARZIGNANO

the textile and pharmaceutical sectors, meant Arzignano has had in place for a long time limits on the discharge of certain substances and some, such as PFAS [polyfluoroalkyl substances], have long been prohibited. This has allowed the cluster to be at the forefront with regard to sustainability and being eco-friendly. Some big fashion brands have requested the total absence of certain chemical components that have long been at the base of the tanning processes, such as chromium, to say nothing of the limits required by associations like ZDHC or those that REACH requires. The Arzignano district has always shown itself to be quick in responding, and virtuous. The Arzignano wastewater treatment plant has had to adapt quickly its way of treating wastewater from local tanneries, as demand (more wet white and less wet blue) has seen a change in the chemical substances discharged. Here too Arzignano has been successful because the operator of the wastewater treatment plant has managed this difficult transition well. However, one point of constructive criticism of the treatment plant: if the management involved the chemicals companies more and not only the tanneries, it would certainly have been easier to manage these big changes.

As I said before, flexibility is another key word in Arzignano that is used everywhere; for many years tanneries here developed leather for footwear, then they threw themselves into upholstery, others into automotive and many in leathersgoods; today in Arzignano clients can find a whole package of articles with a flexibility that I've never seen in any other district across the world. Today, in fact, tanners' big customers, the big players, are global and need multiple items; here they find their needs met. If we add to this, as I mentioned above, the automation and efficiency that helps to keep costs low and add respect for the environment, it's a combination that would be difficult for anyone else to achieve.

So, I think that Arzignano has a bright future in the tanning industry, certainly for at least the next five years. If we want to learn from the mistakes of Italian history, I hope that this Silicon Valley of the leather industry does not collapse, as so often happened to the ancient Romans at the height of their achievements. ☺