

Tanners getting squeezed

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One reason many exhibitors and visitors come to trade shows is to learn about the state of trade. If what you discover is not as optimistic as you had hoped, do you blame the trade show? It is a crazy point, yet, one often raised. In fact, if you learn that the news is bad and subsequent events prove this to be true then from an event perspective the show has been a great success. You have uncovered or confirmed in one trip vital information for your business.

As we enter the first day of the 2017 APLF Leather Show in Hong Kong, that is the question being asked. The backdrop is quite pessimistic. Last year was difficult for many tanners and 2017 is not developing to be any better. General consumer demand appears to be down and reflected in lower orders in every sector except automobiles. Allied to that, the price of bovine raw material has been rising with the point being made that this only means that tanners will get squeezed. Raising leather prices in the face of weak consumer demand is impossible.

Volatility and Uncertainty are the new normal

The geopolitical overlay is no more re-assuring. The U.S. industry thought that the Trans-Pacific trade agreement from which the new administration has withdrawn would have been good and they, like NAFTA, so are worrying about what changes are to come. Not least because they cannot be predicted, and may arrive in 140 Presidential characters via social media. In Europe, the UK sets off its Brexit departure from the EU on the opening day of the fair, which all adds a dose of volatility and uncertainty to the mix.

Two more areas add to this gloom. The problems in the meat industry in Brazil leading to the temporary shut down of many abattoirs is not the greatest back story to the trade show, nor is the news that some Bangladesh tannery owners have petitioned their High Court to keep some production in Hazaribagh longer what the leather industry wanted to hear. With leather everywhere determined to move forward on the basis of strong ethical and environmental credentials, having a situation where a permanent photo opportunity remains available to prove the reverse is devastating. This historic location in Dhaka should have been total history long ago but remains the most damaging aspect of world wide leather making, largely negating all the good being done elsewhere.

Even the ever-dependent automobile industry has its worries. Recent announcements of weakening prospects from Ford, along with concern about the economics of leasing as second hand

values fall, has made even that sector nervous. With “decontenting” continuing in some markets and some premium companies appearing to try and send new customers away with cleverly named plastic upholstery material customers think is leather. That is not marketing, it is dishonesty.

So not the greatest backdrop to a leather fair, but evidence of the fact that there is a great need for the new Leather Naturally consumer facing approach being launched on Wednesday 29th March. Never before did leather need positive promotion. A few good campaigns and APLF 2017 will be remembered only for good

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