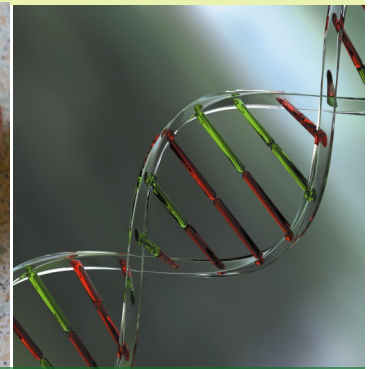


Welcome to Leather Update.....

MAY 2009

As we move into May, this issue of Update brings you information on leather training at BLC, including leather courses coming up in May and details of two new leather technology courses. Also covered are issues relating to chromium tanned leather, an update of the leather industry in China, news of BLC's latest equipment to enhance chemical testing for customers, as well as a reminder about our comprehensive problem solving service and the range of footwear testing services available at BLC.



TRAINING WITH BLC - BOOK NOW

In these difficult trading times training is often seen as a cost rather than an investment. However, evidence suggests that this is generally a misconception which can result in short and longer term problems.

WHAT IS THE PURPOSE OF TRAINING?

In most commercial businesses training is about generating or saving money through more effective operations and processes. The purpose of training is to improve employee performance. Training provides employees with knowledge and confidence that helps them to conduct their job more effectively. This knowledge will be translated into better selling, buying and quality control decisions which will result in increased sales, bigger margins and reduced quality complaints, returns and remediation costs. It has also been proven that investing in people through training increases morale and reduces staff turnover.

BLC has training courses to fit all needs throughout the year and they can be delivered at BLC, in Hong Kong or at your company premises.

MAY LEATHER COURSES AT BLC INCLUDE THE FOLLOWING:

<u>5 Day Intensive Leather Technology</u>	11-15 May
<u>1 Day Understanding Leather Course</u>	26 May
<u>1 Day Leather Finishing Course</u>	27 May
<u>1 Day Leather Repair Course</u>	28 May

Click on the course to book on line or see page 3 for more information.



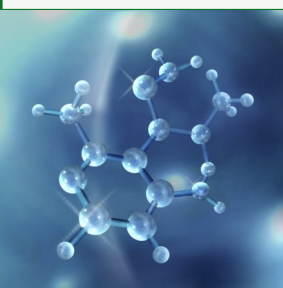
GOVERNMENT FUNDED SUPPORT FOR TRAINING FOR WOMEN

BLC is proud to support government funded training for women & work funding. Working with Skillfast, this scheme offers ladies in the fashion and textiles industry a grant of up to 80% to subsidise a chosen training course. BLC can help facilitate this by applying for the grant on your behalf for one of our in-house leather training courses. This scheme is only open to females in the fashion and textile industry and can only be taken up once per delegate.

INCORRECT INFORMATION CIRCULATING ON THE BAN OF CHROMIUM TANNED LEATHER IN GERMANY

It has come to our attention that there is some incorrect information circulating from at least one consumer testing laboratory and one US legal firm stating that chrome tanned leather has been banned in Germany. This is **incorrect** as the recent communication from the EU refers only to existing legislation related to chrome VI. One communication contains at least four technical errors which has caused confusion and concern for producers and retailers of leather products. A number of representative bodies of the leather industry have been contacted and they will be taking appropriate action.

If any BLC customer would like support or guidance on this matter then they can contact us at info@blcleathertech.com



Clearing the Chromium Confusion

There is much inaccurate information in circulation regarding the use of chromium salts and their associated safety for the tanning of leather.

Approximately 80% of global leather production is tanned with safe chromium III salts. It is a highly effective tanning agent producing a leather with a flexible range of properties making it suitable for many end uses.

Chromium is a transition metal that can exist in a number of different oxidation states each with distinctive properties.

Metallic chromium

This is a steel grey, hard metal found as chromite ore (it does not occur in the metallic state naturally). It is used to harden steel, to manufacture stainless steel, and to form alloys. It is also used in plating to produce a hard corrosion resistant surface.

Trivalent chromium (Cr III)

Trivalent chromium compounds occur naturally in the environment. They are found in rocks, soil, plants and volcanic emissions. Chromium salts are present in foodstuffs and are a necessary nutrient for the human body as trivalent chromium is required for the normal metabolism of fats and sugars. Nutritional supplements are currently on sale containing chromium picolinate. Chromium (III) sulphate is considered safe to use in leather manufacture.

Hexavalent chromium (Cr VI)

Hexavalent chromium is the hazardous form of this element. It can be formed when trivalent chromium is oxidised. This usually occurs in the presence of oxygen combined with other factors such as extremes in pH. The salts have a characteristic yellow colour and are classified as carcinogens. Chromium VI is not used in the tanning of leather.

Contact info@blcleathertech.com or +44



Enhanced chemical testing at BLC

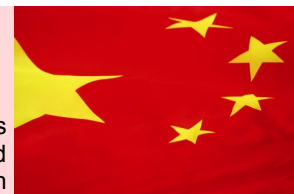
BLC is pleased to announce the acquisition of new GC-ECD (Gas Chromatography with Electron Capture Detection) equipment, which will enhance the range and efficiency of advanced chemical testing available.

GC-ECD is a device for detecting electron-absorbing molecules in a gas phase through the attachment of electrons via electron capture ionisation. This technique is particularly useful in the detection of low level analytes such as halogen compounds, organometallic compounds and nitro compounds. Samples can be analysed by the injection of volatile liquids or application of headspace sampling.

In today's safety conscious environment, GC-ECD chemical testing at BLC will facilitate fast and accurate testing of a wide range of restricted substances and will further strengthen BLC's position as a leading provider of chemical testing in leather and related materials and products.

Contact info@blcleathertech.com or +44 (0) 1604 679999

China's Leather Industry - the current situation



China's leather and footwear industries encountered big challenges and difficulties in 2008 but still achieved an overall growth, although the growth rate slowed down compared with the previous year.

DEVELOPMENT STATUS IN 2009

Production and trade performance in 2008 are summarized as follows:

- Gross industrial output value of the industries achieved 82 billion dollars, up 19% year-on-year. The growth rate dropped 7%.
- The output of finished leather was 640 million square meters, down 1%, a reduction for the first time in a decade.
- The export of semi-finished leather was USD23million, down 58% compared with 2007 while import was USD1.1 billion, down 10%.
- The export of finished leather was USD370 million, down 67% on 2007, while import was USD2.7 billion, decreased by 14% than the previous year.
- China exported 1.1 billion pairs of leather shoes in 2008, down 14% on 2007. The export value reached USD9.8 billion, up 2.6%; meanwhile, leather shoe imports were 17.9 million pairs worth USD510million, up 58% and 65% respectively.
- The export of leather garments was USD990 million, down 23% while import USD41.4million, increased by 54%.
- The export of bags achieved USD13.9billion and the import USD540 million, up 29% and 54% respectively.

CHANGES ON TAX POLICY

The government of China has published various circulars since December 2005 to make adjustments to its import/export tax system regarding hides and skins, semi-finished leather and finished leather.

Some changes have been made recently and are summarized as follows:

1. **Adjustment of collection of the customs duty and VAT**
 - Continue to ban the importation of rawhides (commodity serial number 4101-4103), direct exportation of semi-finished and finished leather.
 - The importation of semi-finished leather such as wet blue (commodity serial number 4104-4106), where the inputs are subsequently converted to finished leather and re-exported, customs duty and VAT are free.

This is a major change: previously, finished leathers for export converted from imported wet blue had to pay the duty and VAT upon entry, and there was no VAT rebate upon export and no drawback of the duty paid.

- The importation of rawhides and skins (HTS4101-4103), where the inputs are subsequently converted to leather products (shoes, bags, leather garments, etc) and re-exported: customs duty and VAT are free in 2009 and no definite termination date announced. Previously, this Tax Free policy was scheduled to expire December 31, 2008.

Above changes became effective from March 2, 2009.

2. Adjustment of Export Tax Rebate

- a. The rebate on leather footwear and bags increased to 13%, previously, it was 11%. The changes became effective from Dec.1 2008.
- b. The rebate on leather and fur apparel increased to 11%, previously it dropped to 5%. The changes became effective from Nov.1 2008

Source ICT/CLIA

PROBLEM SOLVING

Got a problem? BLC can help!

BLC can investigate a wide range of problems from tannery issues through manufacturing to finished goods. Analysis focuses on finding the root cause of the problem, along with recommendations on prevention and possible remediation strategies.

Recent issues investigated at BLC include:

- Staining of leather in the tannery caused by incorrect processing
- Mould contamination of wet blue and finished leather goods during transportation
- Colour migration and transfer during product storage and use
- Product failure in use

For further information contact [Tracey Faulkner](mailto:Tracey.Faulkner@blcleathertech.com) +44 (0) 1604 679967

BLC Training dates in 2009

New Leather Technology Courses

5 Day Intensive Leather Technology 11-15 May

An ideal refresher for existing technologists or a comprehensive introduction to leather technology for those who are new to the industry or need to rapidly expand their knowledge. Aimed at all sectors of the supply chain, from tanners to manufacturers and retailers, the course provides a fundamental understanding of the leather making process, working through all the stages of leather production, both theoretical and practical, and using a range of presentations, team working, hands-on problem solving and case studies.

1 Day Understanding Leather 26 May

Perfect for those new to the leather industry and also for designers, buyers and retailers of leather products, this course offers an ideal grounding of information and knowledge on leather as a material.

1 Day Leather Finishing 27 May

Aimed at quality assurance, buyers and designers, this practical course will explain leather finishing relating to both performance and fashion effects and answer questions such as why does my leather change colour? why does my leather fade? and why does the surface crack or peel during use?

1 Day Leather Repair 28 May

Aimed at manufacturers and retailers of leather upholstered furniture and the leather repair sector, the course combines a theoretical and practical approach and offers a practical opportunity to perfect existing skills and develop new ones.



HONG KONG DATES IN 2009

LOOK OUT FOR INFORMATION ON COURSES TO BE HELD ON THE FOLLOWING DATES:

11 and 12 AUGUST
29 and 30 OCTOBER



3 Day Clean Technology Course 22 to 24 September



BLC is pleased to announce a new course aimed at understanding clean technologies in leather production. This course will include up to date information on:

- Processing Equipment

Outlining the most efficient processing drums/vessels, the most economical finishing application methods.

- Process development

Use of bio technologies, CO₂ delimiting, efficient chrome tanning
Water and chemical efficiency and recycling
Recovery and recycling of waste chemicals. Desalting

- Waste management

Using wastes in other industries eg as fertilizer, reuse natural fats for bio-fuels. Gasification of general tannery wastes. Composting.

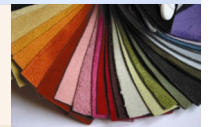
- Energy

Low temperature vacuum drying, recycling of cooling waters

- Effluent treatment

Use of membrane technology, reverse osmosis and reed beds

BLC Approved Leather Expert 22 June to 3 July



BLC has teamed up with The British School of Leather Technology (BSLT) to offer a leather making training course.

This ten day course will be split into practical leather making and the commercial aspects of leather in the global marketplace.

Week 1 will be spent on-site at BSLT, University of Northampton. Each delegate will carry out the process of making their own leather from raw material to finished product. This process will involve all participants using machinery that would be operated in a working tannery. This direct hands-on element of the course will be supplemented with the relevant theory.

Week 2 will be held at BLC and will involve the commercial aspects of leather after manufacture. BLC will work with delegates to give an insight into supply chain issues including critical factors in leather making, performance, restricted substances, environmental aspects, problem solving and trouble shooting.

Don't miss this unique opportunity to combine practical leather making with a global view of leather supply chain issues through to the marketplace.

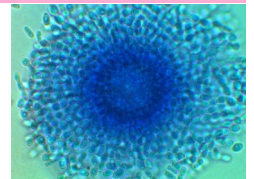
See page 1 for information on the availability of Skillfast support grants for females.

Reserve your place today!

For more information contact **Tracey Faulkner** +44 (0) 1604 679967 or visit www.blcleathertech.com

Coming up next time.

All you need to know about DMF



Disclaimer BLC Leather Technology Centre Ltd has made all reasonable efforts to ensure the accuracy of the information provided. However, the information should not be relied upon as legal advice or regarded as a substitute for legal advice. Due care and attention should be exercised when using this information.

BLC Leather Technology Centre Limited Leather Trade House, Kings Park Road, Moulton Park, Northampton, NN3 6JD, UK
Tel: +44 (0) 1604 679999 Fax: +44 (0) 1604 679998 Email: info@blcleathertech.com

www.blcleathertech.com

