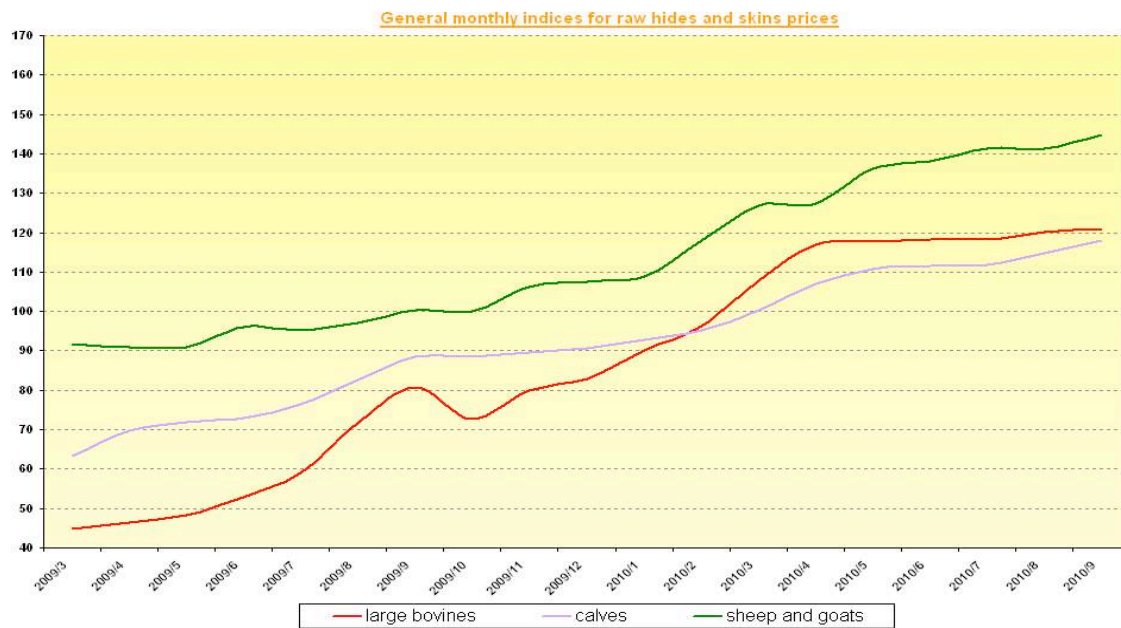




COTANCE Council calls on the European Commission for urgent action in the area of leather industry raw materials

The COTANCE Council of October 12, 2010, gathering the representatives of the European leather industry under the chairmanship of Albert Roselló (Serpelsa, Spain) reviewed the sector's state of trade expressing highest concern over the increasing scarcity of hides and skins and worrying price developments.

Access to raw materials at reasonable prices has become the prime issue for all the sector's operators. Prices have rocketed since the beginning of 2009 reaching unsustainable levels risking jeopardising the incipient post-crisis market recovery.



Demand for leather from European tanneries is recovering but is still fragile following the main impact of the financial crisis. Today, however, with raw material prices increased by 50 to 170% according to product categories over the last 18 months and tanners having to pre-finance operations with own resources, the situation is becoming unsustainable. There is a risk that European operators may be driven out of business.

Raw materials' price volatility is exacerbated by the proliferation of export restrictions applied by an increasing number of trade partners while access to European resources remains open. Subsidised access to European raw materials by extra-EU competitors constitutes a serious threat as it reduces availability and drives prices up. Business partners need to understand the underlying price pressures being placed on the industry.

COTANCE calls on the European Commission to use all available instruments for easing the situation and not to refrain any longer from using export restrictions for European raw materials that are an option in EU export regulations. European tanners also call on EU member States governments to exert on EU authorities the necessary pressure for getting results without delay.

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COTANCE is the representative body of the European leather industry. It gathers the National leather trade associations of Bulgaria, France, Finland, Germany, Greece, Italy, Lithuania, Spain, Netherlands, Norway, Portugal, Romania, Sweden, Switzerland and United Kingdom.