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**PAKISTAN
LEATHER GARMENTS
MANUFACTURERS &
EXPORTERS
ASSOCIATION**



**TO GETHER
FOR
LEATHER**

The innovative materials and technologies are emerging in the leather goods industry, and how are they reshaping the design and functionality of leather products:

The leather goods industry is witnessing a transformative shift with the emergence of innovative materials and technologies that are revolutionizing the design and functionality of leather products.

Lab-Grown Leather:

Cultivated from cells in a lab, lab-grown leather offers a sustainable alternative to traditional leather. It reduces the environmental impact associated with livestock farming and allows for unique textures and colors.

Biodegradable Leather:

Researchers are developing biodegradable leather made from organic materials like mushrooms or agricultural waste. This addresses concerns about leather's environmental footprint.

Smart Leather:

Integration of technology into leather products is on the rise. Smart leather can include embedded sensors, LED lights, or even heating elements, enhancing the functionality of bags, jackets, and accessories.

Eco-Friendly Tanning Methods:

Sustainable tanning processes, such as vegetable tanning, are gaining popularity, reducing the use of harmful chemicals in leather production.

3D Printing:

Leather goods designers are utilizing 3D printing to create intricate patterns and textures, pushing the boundaries of leather craftsmanship.

These innovations not only offer environmental benefits but also expand the design possibilities and functionality of leather products. They represent a promising future for the leather goods industry, aligning with the growing demand for sustainable and technologically enhanced products.

The types of leather are used in the production of high-quality leather goods:

The types of leather commonly used in the production of high-quality leather goods are:

Full-grain leather:

Full-grain leather is the top layer of the hide and is considered to be the highest quality leather. It is durable, water-resistant, and has a natural grain that gives it a unique look and feel. Full-grain leather is often used in high-end leather goods, such as handbags, wallets, and shoes.

Top-grain leather:

Top-grain leather is made from the second layer of the hide and is also high quality leather. It is sanded to remove any imperfections, but it still retains the natural grain of the leather. Top-grain leather is often used in leather goods that require a more uniform finish, such as furniture and car seats.

Genuine leather:

Genuine leather is a term that can be used to describe any type of leather, but it often used to

describe lower-quality leathers that have been split or corrected to remove imperfections. Genuine leather is less durable and water-resistant than full-grain or top-grain leather, but it is also less expensive. Genuine leather is often used in less expensive leather goods, such as belts and bags.

Suede leather:

Suede leather is made from the underside of the hide and has a soft, velvety texture. It is not as durable as full-grain, top-grain, or genuine leather, but it is often used in luxury items, such as shoes and handbags, for its unique look and feel.

Exotic leathers:

Exotic leathers, such as alligator, crocodile, and snakeskin, are made from the skins of exotic animals. They are very expensive and are often used in luxury items, such as handbags and shoes.

When choosing leather goods, it is important to consider the type of leather used and the intended use of the item. If you are looking for a high-quality leather item that will last for many years, then you should choose an item made from full-grain or top-grain leather. If you are looking for a more affordable leather item, then you may want to choose an item made from genuine leather. And if you are looking for a luxury leather item, then you may want to choose an item made from suede leather or exotic leather.

Pakistan's Leather Garment & Leather Goods Exports:

Pakistan's leather industry, is the second largest export industry after textiles, At HS-06 level, "Articles of apparel, of leather or composition leather..." (HS-420310) was the highest export under the leather industry, Germany, USA and the Netherlands were the top three export destinations for Pakistan's leather garment exports, However, exports to these destinations have declined in the last ten years. Pakistan's leather garment exports are mainly concentrated in the European region, with a combined market share of around 80.5%. The second largest region is the America region, followed by Asia. Pakistan's leather garment exports thus have a high concentration risk.

This report focus on potential markets for expansion which reveals that Pakistan has the highest untapped potential worth in millions for exporting leather garments to the USA. Other top potential markets include China and European countries which can be penetrated through better marketing, and participation in trade fairs and exhibitions. The country's main competitors for these markets are India and Italy. Pakistan's exports of leather garments decreased by 15.78% in the last fiscal year 2022-23 as compared to the corresponding period of 2021-22, according to Pakistan Bureau of Statistics (PBS).

As per PBS data, the leather garments exports were recorded at \$262,237 thousand in year 2023 against the exports of \$303,642 in year 2022. On year-on-year basis, leather garments exports decreased by 35.85% and remained at \$19,489 thousands in December 2023, compared to \$26,477 thousands in December 2022. Pakistan's leather garments exports decreased by 2.01% on month-on-month (MoM) basis to \$19,489 thousands in December 2023, as compared to \$19,882 thousands in November 2023.

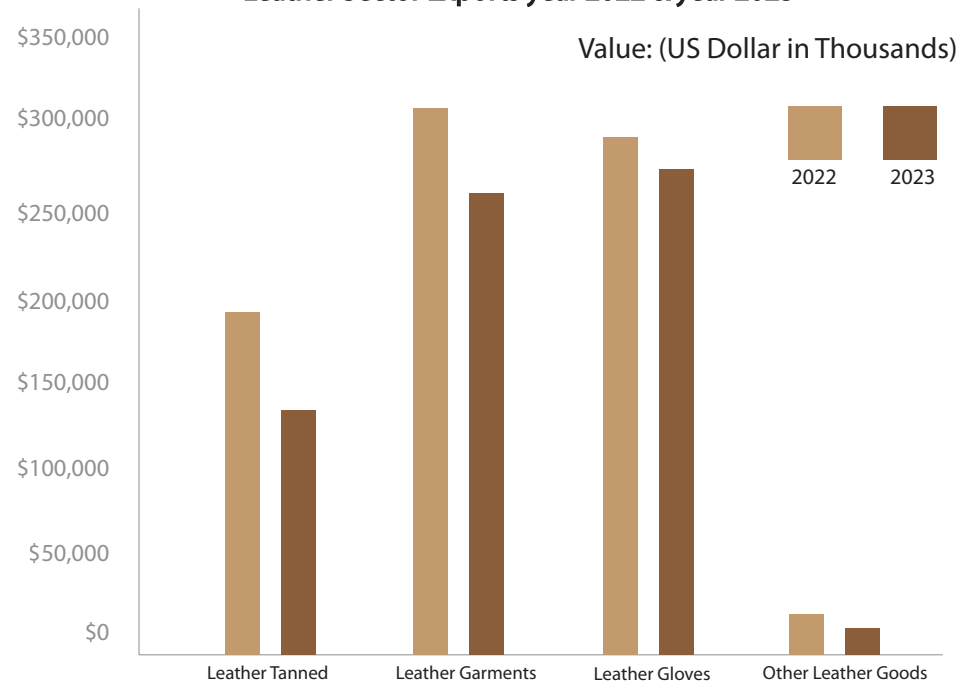
Pakistan's exports of leather goods decreased by 30.78% in the last fiscal year (2022-23) as compared to the corresponding period of 2021-22, according to Pakistan Bureau of Statistics (PBS).

As per PBS data, the leather goods exports were recorded at

\$13,573 thousands in year 2023 against the exports of \$17,752 in year 2022. On year-on-year basis, leather goods exports decreased by 36.432% and remained at \$1,183 thousands in December 2023, compared to \$1,614 thousands in December 2022. Pakistan's leather goods exports decreased by 9.12% on month-on-month (MoM) basis to \$1,183 thousands in December 2023, as compared to \$1,291 thousands in November 2023. The top export destinations of leather produced in Pakistan are Germany, Italy, the United States, the Netherlands and the United Kingdom.

Pakistan's leather and leather goods industry is one of the three most important export sectors, generating 4 percent of export revenues and providing jobs to hundreds of thousands of people.

Leather Sector Exports year 2022 & year 2023



Pakistan Raw Leather & Leather Goods Exporting Countries:

The top three export destinations for leather clothing from Pakistan were Germany, the United States, and the Netherlands, with market shares of 31.4%, 13.0%, and 8.7%, respectively.

Industry insiders claim that Pakistani leather quality and technique are second only to Italian leather in the world. There are over 800 tanneries in Pakistan, and the Pakistan Tanners Association currently lists 213 members who export finished leather and/or leather products.

Moreover, Pakistan receives its raw skin and hides from China, Kenya, Sudan, Saudi Arabia, and Tanzania. As a whole,

major countries importing leather goods from Pakistan include Italy, Germany, France, the United States, Portugal, Singapore, the United Kingdom, Canada, Australia, Japan, Belgium, Spain, Korea, the Netherlands, Norway, Sweden, Mexico, Chile, Poland, Russia, Denmark, and South Africa.

China is the country that produces and exports the most leather and leather products. The Chinese leather sector produces over 4 billion square feet of leather annually, which is more than twice as much as Brazil.

Furthermore, the area continues to be the market's largest consumer thanks to the significant presence of nations with a prominent fashion industry, such as France and Italy. Europe is a significant player in the global leather trade.

DO YOU HAVE SOMETHING TO SHARE ?

All members are cordially invited to share their personal experiences tips, useful websites, articles or anything beneficial to our members.

Any such information should be sent to PLGMEA NZ office which shall be scrutinized and the published in the next bulletin.

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Advertise on plgmea website

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Leather Sector Exports

During the Month of December 2022 & December 2023

Value = (Rupees in Million)
(US Dollars in Thousands)

| | Dec. 2022 | Dec. 2023 | % Change |
|------------------------|-----------|-----------|-----------|
| Leather Tanned | 012,379 | 011,523 | - 06.91 % |
| Leather Garments | 026,477 | 019,489 | - 26.39 % |
| Leather Gloves | 025,192 | 023,476 | - 06.81 % |
| Leather Footwear | 014,104 | 010,683 | - 24.26 % |
| Leather Manufactures | 001,614 | 001,183 | - 26.70% |
| Total Leather Products | 0673,387 | 054,831 | - 18.63 % |

PLGMEA's delegation lead by Chairman Central, Mr. Aman Ullah Aftab, visited the Federation House where they congratulated the newly elected President Mr. Atif Ikram and Senior Vice President Mr. Saqib Fayyaz on assumption of their portfolio of FPCCI's President and SVP



The 2nd Meeting of 21th Executive Board of Pakistan Leather Garments Manufacturers & Exporters Association (Northern Zone) Held on January 11, 2024



Mr. Fawad Ijaz Khan P.I.C met the EU Ambassador to Pakistan He discussed our Leather Garments business with EU and GSP



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