

India's leather exports to take a hiding

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Leather hunt: While contesting the EU claim at the WTO, Indian leather units must imp
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The EU has exaggerated the health impact of a chromium compound

The recent EU ban on imports of Indian Alphonso mangoes after generated considerable concern. Now the EC has notified the W goods imported into the EU. These new rules target hexavalent take effect in early 2015.

This could seriously hit the global leather goods trade. Almost 6 in 2012-13, go to the EU. India along with other affected export needs to take proactive action to meet this threat.

Chromium tanning, used in 80 per cent of leather production gl temperature. The chemical used is chromium sulphate, which is

However, exposure to sunlight and air can oxidise the trivalent Chromium to Cr (6). In cars, for instance, the leather can be subject to high temperatures and sunlight in summer. Cr (6) can cause lung cancer if inhaled, especially by workers in chromium mining, electroplating, welding and tanneries.

In January 2012, Danish authorities submitted a dossier to the EC on reported cases of contact dermatitis and allergies caused by Cr(6) in leather articles such as shoes, handbags and gloves. A study of over 16,000 patients with eczema in Denmark concluded that the majority of cases were caused by leather products — particularly footwear.

Wide-ranging impact

The dossier requested action on an EU-wide basis to safeguard human health. According to the dossier, the mechanisms of and conditions under which Cr (6) is formed are known and “most tanneries in the European Union have already developed and widely implemented measures to control and minimise its formation”.

This last assertion means tanneries and leather manufacturers in the EU will get a huge competitive advantage if the restrictions are applied. Consumers would end up paying higher prices for the products. The EU has in the past lobbied hard to get export restrictions and duties on semi-finished leather lifted.

Meanwhile, Germany banned the presence of Cr (6) under the German Ordinance on Commodities (BGVO) since August 2010, which explicitly mentions clothing, furniture and bags. Producers or retailers of leather goods are obligated to ensure that Cr (6) is not present.

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On November 2012, the Risk Assessment Committee endorsed and widened the recommendation by Denmark, to cover “leather articles and articles containing leather parts that, under normal or reasonably foreseeable conditions of use, come into contact with the skin. The limit set for such articles is less than 3 mg/kg of Cr (6) in total dry weight of leather, which could reduce by 80 per cent the risk of contact. The proposed restrictions would go into effect in the first quarter of 2015. Existing stocks of leather goods and second-hand leather articles already within the EU would not be covered.

Examples of products that will come under the restrictions are: footwear, gloves, articles of clothing, accessories such as hats, belts and braces, watch straps, purses and wallets, bags, horse-riding gear, dog-leashes, auto seats, covers for car steering wheels, and furniture. Suppliers have time until the new curbs apply in 2015 to take care of their existing stock that does not comply with the new requirement.

Disruptive

The EU move to ban leather articles that contain more than 3 mg Cr (6)/kg is out of proportion to the problem of chrome allergies caused by leathers. It will cause severe disruption in the global leather industry.

Only about 0.2 per cent of the European population is said to be sensitive to chromium but chrome-tanned leather has been worn for over 100 years and this sensitivity has been known but managed. People allergic to Cr(6) can wear socks to reduce contact and can wear synthetics if necessary. Before any restriction is considered there should be substantial further investigation into issues such as managing allergies to leather items; control of Cr(6) formation in finished leather; viable substitute for chrome in shoe leathers; consequences of the restriction throughout the world; and whether the restriction will actually solve the problem of chrome allergies.

Obviously the proposed restriction will have a drastic and adverse impact on Indian leather exports to the EU. Other countries such as China, Vietnam, Turkey, etc., with substantial leather goods exports to the EU, will also be affected.

While techniques to reduce Cr (6) levels have been adopted by EU tanneries (such as chrome6-free process), and there are technologies that totally eliminate chromium (glutaraldehyde process), time and technical support are required for tanneries to make the adjustments.

India's leather industry needs to take early action. This should include submitting a well argued counter to the WTO questioning the basis for the ban, supported by other affected countries. Technology upgrades are required too, to cut Cr(6) levels to the minimum. This will require improved tanning and processing techniques such as Chrome6free and others developed and used by EU tanneries.

The writer is a former Ambassador of India with special interest in EU affairs

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