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Issue 63 | January/February 2024

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The rising star of Uzbekistan

ILM Deputy Editor **Tom Hogarth** speaks to Fakhriddin Boboev, Chairman of the Republic of Uzbekistan's association of leather, footwear and fur producers, Uzcharmsanoat, about the country's leather industry and ambitions for the future.



Wet end operations at Angren Charm Invest.

If you have been at an international leather exhibition over the past few years, you've likely noticed ambassadors and businesses from Uzbekistan in attendance, the driving force of the country's leather industry, which attracted over US\$280 million in investment in 2022, more than 15 times the figure in 2017 – US\$18.4 million. Supported by Uzcharmsanoat, its association for leather, footwear and fur producers, the country's leather supply chain is growing quickly and while many around the world are still reeling from economic crises and wary of the future trends of consumer demand, Uzbekistan has its eye on further growth and greater ambitions.

The nation produces, on average, 15 million hides each year, made up of 5.7 million cattle hides and 9.3 million from small horned cattle. Of the 2.5 billion sq dm of leather the country produces every year, processed by more than 45 large businesses, 60% is exported. A stark contrast from 2016, when 17 business produced 478 million dm with just 1% going to the domestic market after further processing and the remaining 99% exported as semi-finished material. Year-by-year, this ratio shifts further towards domestic production. Meanwhile, more leather is fully processed; just 20% of exports were wet-blue in 2023. The production of finished leather products is also on the rise, and Uzbekistan has implemented 490 projects with a total investment of US\$1.3 billion from 2017-22 with the aim of improving manufacturing.



► Uzcharmsanoat Chairman Fakhriddin Boboev.

Cooperative development

Uzcharmsanoat Chairman Fakhridin Boboev said: “Joint efforts have achieved an intermediate goal: today Uzbekistan is one of the leading countries in Central Asia in exporting leather and footwear products.” These joint efforts show an atypical level of government support and cooperation, with a system in place to compensate producers for achieving international standards and certifications, advertising their businesses, participating in international competitions, sending samples abroad, registering domestic products with foreign authorised bodies etc. The state also assists producers with export logistics and costs. The goal is to support improving quality of leather and leather product manufacturing while reducing production costs and promote inter-industry cooperation’s between the over 700 companies in the association, covering cattle slaughtering, tanning, footwear, leather goods, components, accessories, chemicals and more. To meet the demands and standards of export markets, Uzbekistan’s leather industry is also focused on improving its environmental impacts and sustainability. Boboev said that they are establishing and modernising existing water treatment facilities as a priority, while the country as a whole is in the process of transitioning to a green economy and becoming carbon neutral.

Cluster enterprises

Boboev reports that there are 10 “cluster enterprises” in Uzbekistan, covering the whole leather production cycle from



Uzbekistan is investing in its leather and footwear industries.

raw materials to finished products. These include Peng Sheng, Orient Technology, Premium Leather, Angren Charm Invest, Hamkor Nur Savdo, Nafis Charm, Ravon Taraqqiyot Orzusi and Top Quality Brand. Four more will be established by 2026 – Leather Art, Bukhara Agro Cluster, Teri Charmsanoat and Khiva Glass Impex. With its high level of cooperation and state support, the country is specifically targeting its weak areas for new production, which currently include women’s, children’s and sports footwear. These production clusters are also a main tool of the strategy, alongside small industrial zones in 16 districts across the country, with the support of UZ\$90 billion (US\$7.28 million). The main objectives of this strategy, Boboev said, are to concentrate the supply chain in one location and increase investment appeal, reduce costs to make exported products more valuable for buyers, create centralised waste treatment facilities where one can serve 3-4 cluster enterprises, obtain Leather Working Group and Sustainable Leather Foundation certifications in order to meet global standards and, finally, minimise logistical issues and drive cooperation in

production. The result meets a final two-pronged approach: introduce Uzbekistani products to foreign markets and fill the domestic market with inexpensive and high-quality products to eliminate imports.

Exports primarily go to countries in the Commonwealth of Independent States (CIS), which includes Uzbekistan as well as Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia and Tajikistan. According to the State Statistics Committee, exports of footwear were up by 6.4 times to Tajikistan in 2022, five times to Kazakhstan, 4.8 to Turkmenistan, seven to Kyrgyzstan and 5.2 to Afghanistan. The country is currently expanding its exports globally, with a particular focus in coming years on increasing business in the Americas and Europe, the latter supported by Uzbekistan’s status as a beneficiary country of the European Union’s (EU) Generalised Scheme of Preferences Plus (GSP+), extended last year until December 2027. This system provides the country with zero or preferential tariffs for exports to EU countries, including 103 types of leather, footwear and fur products. Boboev noted: “In the next two years, we aim to become a major global player supplying eco-friendly finished leather, fully compliant with international standards, to prestigious brands of leather footwear and leather accessories from East to West.”

Global partnerships

Keen observers will have also taken notice of Uzcharmsanoat’s efforts to build partnerships with Italian businesses and industry associations. This includes the allocation of US\$1.5 million for the establishment of an Italian technological centre for leather and footwear in Uzbekistan for future collaboration. Already, the joint efforts have supported manufacturing in Uzbekistan with Italian machinery and expertise. These include the US\$14 million Orient Technology cluster in Karakalpakstan, which will be able to produce 180 million sq dm of finished leather and 500,000 pairs of footwear each year after it is fully commissioned, with 70% of its production destined for exports. Other clusters with the support of Italian technology include Premium Leather in Fergana, which has a planned annual capacity of 80 million sq m of finished leather and 400,000 pairs of footwear, and a planned US\$12 million project in Oltinkul with a proposed production of 50 million sq dm of finished leather and 300,000 pairs of footwear per year. Additionally, the Italians supported the US\$23.4 million Top Quality Brand cluster in Surkhandarya, which focuses its production on finished leather, footwear, furniture and automotive leather upholstery. The industry can expect to see further partnerships like this across the globe, as Boboev has outlined memorandums of cooperation and mutual agreements with China, Germany, Poland, the United States, India, South Africa, Turkey, the United Kingdom, Bangladesh, South Korea, Russia, the European Union and more.

In 2026, Boboev reports that leather production in Uzbekistan is expected to reach UZ\$18.6 trillion (US\$1.5 billion) with 769 investment projects worth US\$1 billion and exports of US\$1.2 billion. He said: “Today, the economic growth of the leather and footwear sector in our country is proceeding at a rapid pace, along with other industries. At the moment, systematic coordination of integration of science, education, production and attracting innovations are among the most urgent issues.

“In this regard, our main goals are to study the experience and practice of Italy, Turkey, China, Germany and other developed countries, to improve national educational programs, to create centres to provide services to leather and footwear industry enterprises, to equip the centres with testing equipment of modern design, to develop advanced training courses and provide employment for students, graduates, unemployed youth, women and home-based leatherworkers.” I