

**Social Dialogue Committee « Tanning & Leather »
Working Group**

21 February 2011

Draft Brief Report of the Meeting

1. Approval of the minutes of the last meeting and of the agenda

The approval of the report of the last meeting was suspended until the afternoon as some delegates had not have time for reading the minutes before the meeting. As no comments came forward after lunch the minutes were deemed approved.

The agenda for the day was adopted with one change: the replacement of item 5. "Raw Materials" by "a first exchange of ideas about the renewal of the Code of Conduct".

2. Tour de Table on the Economic & Social outlook of the leather sector

The item was introduced by COTANCE with a number of slides of his PPT presentation depicting the economic momentum in the leather sector and its impact on the sector's structural data.

The discussion on this item was combined with the next item on the Agenda regarding industrial policy (next).

3. Industrial Policy – EU strategy for the TCL industries

DG ENTR was represented by Mr Girao, Head of Unit in charge of the TCL industries. He summed up the Commission's focus with two words: Competitiveness & Sustainability!

Mr Girao listed 6 major areas in the EU industrial policy that were relevant for the leather industry, namely access to finance, single market, standardisation, innovation, skills, promoting sustainability.

Mr Girao pointed out that DG ENTR is preparing for 2012 a Communication on the Fashion Industries that should outline specific policy areas for supporting this industrial sector where leather plays a key role.

Mr Girao reported on the most recent data his Unit is getting on the leather sector, which reveal that in 2010 there was a clear increase in production compared to the catastrophic 2009. He notes that the volumes have not yet reached pre-crisis levels. Trade indicates an increase in value of 20% in imports and 25% in exports.

On the social side, Mr Girao commented that the sector continues to lose jobs.

Mr Girao referred to the developments in the area of regulating leather trade and the labelling of leather products and said that DG ENTR has decided to go ahead with this initiative starting with a study that it will tender for orienting the various policy options.

Mr Girao explained the status of the EU Regulation on Textile labelling that was at that time in 2nd reading in the EP. He commented the contrasting positions in the institutional legislative process between Commission, EP and Council, namely the additional labelling requirements requested by the EP (animal origin, country of origin). He remarked that the possible EU Regulation on Leather labelling will face similar difficulties in the legislative process.

In the discussion intervened Mr Gonzalez-Quijano, Mr Itschert, Mr Schneider and Mr Gallice. Social Partners called for a “plan de relance” that should bring the industry back to growth and for concrete measures as for the time being action was only felt as producing paperwork and the impact in the very industry is hardly noticeable. The Social Partners welcomed that DG ENTR was preparing the ground for more concrete action in the area of regulating leather labelling and an action plan for the fashion industries where leather cannot be excluded.

Mr Girao responded to all questions from the Social Partners and concluded on a positive note expressing confidence in the “relance” of the sector and trust on their operators who are the real engines of growth, the Commission can only assist the process. Vice President Tajani is determined on the getting success on his industry strategy.

The meeting was adjourned until 2 pm (afternoon session).

4. Trade Policy

DG Trade represented by Mrs Piovesana and Kaiser, respectively from the unit looking after industrial sectors and the unit in charge of actual negotiating unit for trade agreements, introduced the state of play of discussions and proposals on the table with relevance for the leather industry.

The WTO Round negotiation was depicted as a process that is facing numerous problems and that so far yields little benefits for the leather industry and many challenges. Bilateral Free-Trade negotiations with Brazil (Mercosur) and India seem more promising for bringing about a freer and fairer trade environment for industry.

The discussion with the Social Partners involved Mr Gonzalez-Quijano and Mr Itschert. They recalled the key objective of the industry is to impose strict “reciprocity” with regard to import and export barriers and that any other result damages the sustainability of the European leather industry with further losses in companies and jobs. Access to leather markets and access to raw materials requires the elimination of the imbalance in import duty levels and the persistence of export restrictions on hides & skins and wet-blue notably in emerging economies.

DG TRADE concluded affirming that it had “understood the message” from the Social Partners.

5. Code of Conduct

The item was introduced with some further slides from the COTANCE PPT presentation.

The Social Partners agreed to hold a further discussion on the subject and called on the national Social Partners to come back with the state of play in terms of implementation of the Framework Agreement at the root level.

6. Social Affairs – On going Consultations of SP

DG EMPL reported on on-going consultations and initiatives of relevance to the leather industry.

7. Projects

For the COTANCE led projects, Mr Gonzalez-Quijano reported the state of play in some subsequent slides of his PPT presentation.

For the ETUF:TCL led projects, Mr Itschert reported on the OSHA initiative that has seen as a follow-up the project on “Risk Assessment” and the TCL Sector’s Skills Council initiative that was in the middle of the set up process with the production of an interactive internet tool that should materialise the network of national Observatories and other stakeholders.

8. Date and Place of next meeting

A provisional date in early November 2011 was set. It was then modified to the 28 of November due to interference of the prior date with important sector encounters.

9. Any other Business

No other business was raised.

GGQ
COTANCE
27/11/2011