Paper B66

Genuine Leather Mark--- An Important Measurement to Promote and Protect Natural Leather

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Abstract: Nowadays, in international leather industry, the prices of raw hides/skins keeps high level and goes higher and higher. Besides the rising space for the price of finished leather is limited as well. People who involves in leather industry are feeling more and more poignant and bitter. How to dig out the potential value of leather as well as project the self-worth of leather becomes the urgent matter.

The works of Genuine Leather Mark and Eco-Leather Mark carried out by China Leather Industry Association (CLIA), is meaning to achieve the final objectives that appearing the natural and elegant characters of leather, promoting the true value of leather goods, and as well as guiding the brands development of China leather industry.

In 1994, CLIA prospectively originated the proven trademark in State Administration for Industry and Commerce of China(SAIC), the Genuine Leather Mark, which is also the first experimental case of proven trademark carried out by SAIC in China. In 2003, following the Genuine Leather Mark, Eco-Leather Mark was also originated by CLIA.

By carrying out the works of Genuine Leather Mark and Eco-Leather Mark, CLIA takes the impartial position as a third-part, makes commitments to the whole leather industry and community that Genuine Leather Mark and Eco-Leather Mark products predicates three meanings:(1) Products of naturally and environmental leather and leather goods; (2) Products with high quality and seriously enforce the social responsibilities and in line with the concept of circular economy during its manufacturing process. (3) Products with perfect after-sale service. The goal pursued should be the credibility to the consumers.

In the past 17 years, Genuine Leather Mark and Eco-Leather Mark has obtained the recognitions and supports from consumers, companies and Chinese government. Genuine Leather Mark and Eco-Leather Mark has already became the successful template and platform for China leather industry to attain quality self-discipline, to cultivate the brands of leather industry and as well as to promote the whole level of leather goods made in China.

Key Words: Genuine Leather Mark, Brands Developing, China Leather Industry

Introduction

1. China as a Big Country in Leather Industry and Its Brand Strategy

1.1 Overview of China's Leather Industry

China's leather industry covers both major industries, such as tanning, footwear, leather garments, leather goods and fur, and supporting industries like leather chemicals, leather processing hardware, leather machinery and leather accessories. With complete industrial chain and close association with industries in upper and lower reaches, China's leather industry not only earns foreign exchange, enriches the people but also provides jobs. Thanks to over 30 years of fast growth, China has become the biggest producer, consumer and trader of leather and leather products in the world. Statistics shows that over 5 million people are directly involved in mainstay leather industry, while a total of 11 million are involved in the whole industry with supporting industries included.

At present, China's leather industry has showed a clear mode of industry cluster development with more than 20 clusters of tanning, leather shoes, leather garments and fur formed.
China's leather industry has walked out of the shadow of international financial crisis at the end of the first season of 2010. According to National Bureau of Statistics of China, the output value of leather industry totaled RMB 747.3 billion (about USD 113.9 billion), an increase of 26.9% on a year-on-year basis; industry exports valued USD 53.83 billion, an increase of 33.8%; and imports valued USD 6.11 billion, an increase of 34%.

1.1.1 Overview of Tanning Industry

The situation of China's tanning industry in 2010 can be seen in Table 1.

Table 1 Production of China's Tanning Industry in 2010

	quantity/value
output value	RMB 132.9 billion (about USD 20.3 billion)
production of finished leather	750 million m^2 (some 8.1sf)

In 2010, China produced 750 million m^2 of finished leather, with cattle leather taking up 50%. According to statistics of FAO, China's output of cattle leather in 2009 accounted for 14% of the world, and that of sheep and goat leather accounted for 27% of the world, both of which made China the biggest producer in the world. China's output of pigskin leather also ranked the first.

According to statistics released by UN statistical website, the total import and export value of China's finished leather was USD 2.3 billion in 2009, ranking the third in world trade and taking up 12% of the total. Italy and Hong Kong were the top two, with their import and export value totaling USD 3.9 billion and USD 3.1 billion, accounting for 20% and 15% of the total respectively.

1.1.2 Overview of Leather Footwear Industry

The situation of China's footwear industry in 2010 is described in Table 2.

Table 2 Production of China's Leather Leather Industry (Including Leather Footwear, Sport Shoes and Synthetic Materials Footwear)

		quantity/value
output value		RMB 358 billion (about USD 54.7 billion)
quantity		4.2 billion pairs
export	quantity	1 billion pairs
	value	USD 10.45 billion
import	quantity	15.6 million pairs
	value	USD 570 million

China produced more than 10 billion pairs of shoes, accounting for over 50% of the total world output. According to statistics of UN website, China's total import and export value of footwear was USD 27.2 billion in 2009, ranking the first in world trade and taking up 19% of the total. China is followed by the U.S.A and Italy, with their trade value registering USD 18.8 billion and USD 12.6 billion, accounting for 13% and 9% of the total respectively.

1.2 Predictions for the Development of China's Leather Industry

The first two or a few more decades in this century would still be a great opportunity for China to develop its leather industry. China enjoys various advantages in developing its leather industry, such as: rich resources in raw materials of leather, complete industrial chain, large processing capability; labor force with high quality and relatively low cost, a great potential consumer market with 1.3 billion population; a stable society with fast and continuous economic growth.

External environment for industry development: due to further development of economic globalization and the lingering influence of financial crisis, world economic growth will slow down with obvious changes in global demand structure, heightened competition, and protectionism shown in various forms. So the external environment for the development of leather industry will become more complicated.

Internal environment for industry development: industrialization and urbanization will bring new opportunities to the industry but the leather industry confronts pressing need to adjust its structure, intensified restraint of resources and environment, and growing cost on labor and other cost element. Leather industry has to face directly and solve properly these problems.

1.3 Brand Strategy of China's Leather Industry

In the past 30 years, with China's achievement in economy winning world attention, China's leather industry has also gained fast growth. During this process, brand strategy has played an important role. China Leather Industry Association (CLIA) has always been devoted to the building of self-owned brand since its foundation in 1987. In the development plan for the

industry in each phase, brand development strategy has always been a priority.
Thanks to years of development, the occupancy of China's self-owned brand has improved a lot. Self-owned brands on different levels have come into being. For example, brands like BELLE begin to enjoy awareness and fame internationally. "Genuine Leather Mark" is particularly an important measure in the brand strategy of China's leather industry. In the future, Genuine Leather Mark will play a bigger role in leading China's leather industry on its way to brand development.

2. Genuine Leather Mark

2.1 Concept of Genuine Leather Mark

2.1.1 Attributes of Genuine Leather Mark

Genuine Leather Mark is the first certificate trade mark registered by CLIA in State Administration of Industry and Commerce of China. It's closely related with common product trademark and attached together with it to a single product to prove this product to be a fine product made of genuine leather.

2.1.2 Connotation of Genuine Leather Mark

Products with Genuine Leather Mark are equipped with connotations in three aspects:

(1) This product is not only made of genuine leather but from leather that is environment-friendly.
(2) This product is of excellent quality and in its production, the producer has to shoulder its social responsibility earnestly and conform to the concept of cyclic economy.
(3) The enterprise shall not only provide good after-sale service for the product, but also establish a sound after-sale service system with credibility for the consumers as its target.

2.1.3 Certificate of Genuine Leather Mark

Genuine Leather Mark tag is the reification and certificate of the concept of genuine leather mark. A product carrying the tag of Genuine Leather Mark proves that the leather product is made of genuine leather so as to differentiate it from other replacing materials. The tag of Genuine Leather Mark includes the anti-counterfeiting mark. There are two kinds of Genuine Leather Mark tags as shown in Table 3. There are both Chinese and English versions of GLM tags as shown in Figure 1 and Figure 2.

Table 3: Tags of Genuine Leather Mark

Model	Specifications	Attached to
Model A	7.0cm×10.0cm	Leather garments and large pieces of leather goods
Model B	3.5cm×7.0cm	Leather boots and small pieces of leather goods

Figure 1 Tag of Genuine Leather Mark in Chinese

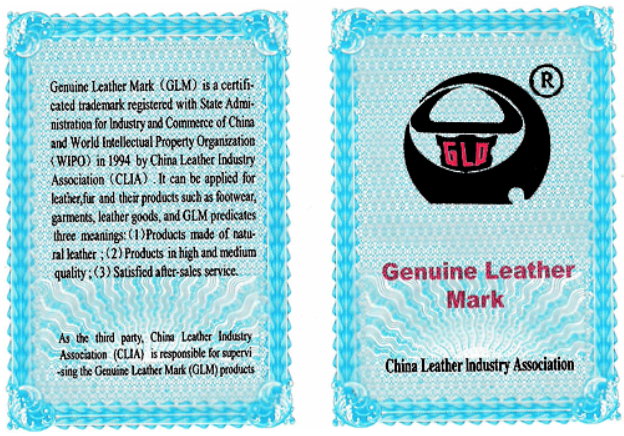

Figure 2 Tag of Genuine Leather Mark in English

2.2 Necessity of Genuine Leather Mark

2.2.1 Genuine Leather Mark is an Important Measure to Promote Genuine Leather

leather is irreplaceable with attributes that belong to no others. This is shown in three aspects: First, it is precious. The raw material of leather is animal skin which belongs to renewable natural resources with limited supply on a yearly basis. Second, it is comfortable. Leather fits for human skins because it is processed from collagen fibers which allow air to permeate, absorb moisture and reduce humidity. Finally, it is environment-friendly. Tanning changes raw hide--a by-product of animal husbandry into delicate leatherware and avoids the environmental pollution caused by the decay and deterioration of raw hides. Meanwhile, the

problem of tanning pollution can be addressed by green tanning and waste treatment technologies.

The above attributes of leather are abstract and not easy to be recognized by common consumers. The promotion of Genuine Leather Mark and the tag of Genuine Leather Mark will enable consumers to know better about leather and its fine properties and value.

2.2.2 Genuine Leather Mark is an Important Measure to Protect the Peculiarity and Value of leather

Because of the fine qualities and irreplaceable value of genuine leather, some try to sell substitute materials such as synthetic materials as leather by bragging that they possess or reach the qualities of genuine leather, or even use such materials to counterfeit genuine leather. All these have impacted and harmed the development of leather and have a negative influence on people's recognition of the sound performance of leather and leather products. Targeting at this problem, Genuine Leather Mark helps to differentiate the genuine from the sham, regulate the market, shelter leather from harm and explore the potential value of leather and leather products so that this time-honored industry can develop in a healthy way.

2.2.3 Genuine Leather Mark Can Protect Consumers' Rights and Interests

For years, Genuine Leather Mark has become the symbol for quality, which not only helps to dispel consumers' misgivings but also helps them to make correct choice and protect their lawful rights and interests. "Eco-Leather Mark" launched later has further added the concept of ecological environmental protection to finished leather, catering better to the change of consumers' demand.

2.3 Development of Genuine Leather Mark

Genuine Leather Mark has saw 17 years of development as shown in Table 4.

2.4 Requirements of Genuine Leather Mark

2.4.1 Specifications for Products Carrying Genuine Leather Mark

(1) Quality Requirements

See the requirements of Genuine Leather Mark in Table 5.

(2) Social Responsibilities

Genuine Leather Mark has strict requirements for social responsibilities. Enterprises are required to, firstly, strictly follow relevant laws and regulation of China to make sure that employees enjoy lawful rights and interests, labor income, welfare, benefits and social security stipulated by state regulations; secondly, provide sound, healthy and safe working environment; thirdly, respect others' intellectual property rights and consumers' rights and interests, uphold integrity and safeguard sound market order with fair competition.

Table 4: Development of Genuine Leather Mark

Time	Big Events
1992	Forged and fake commodities are rampant in China's leather market, so to protect leather industry and consumers' rights and interests, CLIA launched the preparation for Genuine Leather Mark.
Oct., 1994	Genuine Leather Mark was successfully registered and released to the society. The first batch of 49 product brands began to carry Genuine Leather Mark tags.
1996	Recommendation for top brand of Genuine Leather Mark was launched with leading products carrying Genuine Leather Mark recommended regularly and awarded with titles like "China Top Leather Garments" and "China Top Leather Shoes". Such an activity has been held for 7 times every 3 years.
1997	Preparation for "Eco-Leather Mark" was launched.
2003	"Eco-Leather Mark" was officially launched.
2007	English symbol of Genuine Leather Mark was put into use officially and registered in 16 countries and regions.

(3) Environmental Protection

On the one hand, Genuine Leather Mark requires manufacturers of leather products and raw material suppliers to conform to state environmental requirements and on the other hand, Genuine Leather Mark requires the finished leather used for leather products to meet the demand of GB 20400 and see Table 6 for specific index requirements.

2.4.2 Specifications for "Eco-Leather Mark"

1. Quality Requirements

General physicochemical indexes of leather used for products carrying "Eco-Leather Mark" have to meet the requirements of relevant standards in Table 7.

Except for general physicochemical indexes, "Eco-Leather Mark" requires leather to meet special indexes as shown in Table 8.

2. Social Responsibilities

The requirements for social responsibilities of "Eco-Leather Mark" include: strictly following relevant laws and regulation of China to make sure that employees enjoy lawful rights and interests, labor income, welfare, benefits and social security stipulated by state regulations; providing sound, healthy and safe working environment; respecting others' intellectual property rights and consumers' rights and interests, upholding integrity and safeguarding sound market order with fair competition.

Table 5 Requirements for Products Carrying Genuine Leather Mark

Leather garment	QB/T 1615 - 2006
Fur garment	QB/T 2822 - 2006
Leather footwear	QB/T 1002 - 2005
Traveling footwear	GB/T 15107 - 2005
Leather leisure footwear	QB/T 1470-1992
Handbag and knapsack	QB/T 1333 - 2004
Travelling case and trolley bag	QB/T 2155 - 2004
Leather wallet and purse	QB/T 1619 - 2006
Leather pelt	QB/T 1618 - 2006
Leather glove	QB/T 1584 - 2005
Leather furniture	GB/T 16799 - 1997
Over 90% of the GLM product should be made by grain leather or fur。	

Table 6 Requirements in standard of GB 20400

Indexes	Requirements		
	A*	B*	C*
Formaldehyde, mg/Kg, Max	20	75	300 (600)
Azo (23 kinds of aromatic amine), mg/Kg, Max	30		
A*: For infant B*: Direct in contact with skin C*: General use ** White double face			

Table 7 Quality Standards of "Eco-Leather Mark" for General Physicochemical Indexes

Furniture leather	GB/T 16799
Garment leather	QB/T 1872
Shoe upper leather	QB/T 1873
Sole leather	QB/T 2001
Lining leather	QB/T 2680
Upholstery leather	QB/T 2703
Glove leather	QB/T 2704

Table 8 Requirements of "Eco-Leather Mark" for Special Chemical Index

Indexes	Requirements	
	Direct in contact with skin	General use
Formaldehyde, mg/Kg, Max	75	150
hexavalent-chromium (Cr□) , mg/Kg, Max	5	
PCP, mg/Kg, Max	5	
Azo (23 kinds of aromatic amine), mg/Kg, Max	30	

3. Environmental Protection

Clean technology should be adopted in manufacturing products carrying "Eco-Leather Mark"; special chemical content of finished leather shall conform to the requirements stipulated in *Specifications for Products Carrying Eco-Leather Mark*; leather manufacturing process and tanning pollutant disposal shall be in line with relevant environmental protection requirements of China; enterprises shall have adequate and effective environmental protection facilities and their sewage discharge shall meet the required standard.

2.4.3 Management of Genuine Leather Mark

Genuine Leather Mark is not a lifelong qualification. CLIA performs dynamic management in all dimensions through endeavors like annual inspection, triennial inspection and sampling inspection.

(1) Annual Inspection of Genuine Leather Mark

It's an inspection on enterprises' basic situation, production and operation situation in last year and their purchase and carrying of Genuine Leather Mark.

(2) Sampling Inspection of Genuine Leather Mark

It's an inspection for product quality of manufacturing enterprises. CLIA will draw samples of products in circulation or production field and then take it for inspection in national leatherware or footwear quality inspection center and relevant international leather inspection center.

(3) Triennial Re-verification of Genuine Leather Mark Qualification

CLIA will re-verify the qualification of Genuine Leather Mark enterprises every three years. It will re-evaluate the enterprises according to data attained from annual inspection in the past three years, dynamic results of sampling inspections and on-spot reexamination as well as materials provided by enterprises. Enterprises that

fail to meet the demand will be disqualified for using Genuine Leather Mark or Eco-Leather Mark by CLIA.

2.5 Achievements of Genuine Leather Mark

In the past 17 years, the concept of "Genuine Leather Mark" has been extensively recognized by consumers, enterprises and governments and it has made a great contribution in protecting leather consumers' rights and interests.

2.5.1 Development of Enterprise Group

By now, more than 400 excellent enterprise groups with Genuine Leather Mark have formed thanks to the development of Genuine Leather Mark. They play an important role in improving the quality of China's leather products and has been built, which is shown in Table 9. China's Genuine Leather Mark group.

Table 9 Development of China's Genuine Leather Mark Group

Kind of GLM enterprises	quantity	Share of the domestic market
Eco-leather Mark tanneries	40	11.9%
GLM footwear companies	315	20.0%
GLM leather and fur garment companies	96	18.0%
GLM leather goods companies	26	-----

2.5.2. Top Brands of Genuine Leather Mark

To protect the competitiveness and progressiveness of enterprises with Genuine Leather Mark, CLIA releases top brands from the team of Genuine Leather Mark according to standards and requirements on a regular basis. The current top Chinese brands on leather shoes, leather garments and fur garments are shown in Table 10-12.

2.5.3 Genuine Leather Mark Has Been Recognized by Consumers, Enterprises, Leather Industry and National Government Departments

Genuine Leather Mark aims to promote and protect the fine attributes of genuine leather.
For consumers, Genuine Leather Mark has become a symbol ensuring the quality and service of the product.

For enterprises, Genuine Leather Mark, integrating with their own brand cultures improves their images and brands.

In terms of leather industry, Genuine Leather Mark helps to build an overall image of China's leather and leather products industry and therefore improves the competitive-
ness of China's leather product in international market.

Table 10 Top Brands on Leather Shoes

Name of company	Brand	Logo
New Belle Footwear(Shenzhen) Co.,Ltd.	BELLE	
Kangnai Group Co.,Ltd.	Kangnai	
Weihai Jinhou Group Co., Ltd.	Jinhou	
Fulin Shoe Industry Co., Ltd.	Shishi City Fujian Fuguiniao	
Aokang Group Co., Ltd.	Aokang	
Qingdao Hengda Group Co Ltd.	Humand	
Wenzhou Jierda Shoes Co., Ltd.	Jierda	
Kunshan Harson Footwear Co.,Ltd.	Harson	
Jiangsu Senda Footwear Co., Ltd.	Senda	
Zhejiang Red Dragonfly Footwear Co., Ltd.	Red Dragonfly	
Yearcon Shoes Group Co., Ltd.	YEARCON	
Fujian Shishi City Fusheng Co., Ltd.	Mulinsen	
Dongyi Shoes Co., Ltd.	Dongyi	
Spider King Group Co.,Ltd.	Zhizhuwang	
Foshan Saturday Shoes Co.,Ltd	ST&SAT	
Juyi Group Co., Ltd.	Juyi	
Zhengzhou Shuangfeng Shoes Co., Ltd.	Shuangfeng	
Chengdu Kameido Shoes Industry Co.,Ltd.	Kameido	

Table 11 Top Brands on Leather Garments

Name of company	Brand	Logo
Xuebao Group Company	Xuebao	
Tianjin Yingdak Investment Gourp Co., Ltd.	Yingdak	YINGDAK 應大
Beijing Zhuangzi Industry Trading Co., Ltd.	ZORANZI	庄 子
Haining Mengnu Group Co.,Ltd.	Monu	Mmonu
Kaiser (China) Holdiing Co., Ltd.	K . S	KAISER
Hebei Ximan Industry Group Co., Ltd.	Ximan	XIMAN
Zhejiang Three Stars Leather Co., Ltd.	THRE STARS SHINING	
Hetai(Tianjin) Investment Group Co., Ltd.	HEARTY	HEARTY
Zhejiang Shengni Leather Fashion Co.,Ltd.	Shengni	SHENGNI 聖尼
Yunnan Ruibiao Group Co., Ltd.	Ruibiao	Ruibiao

Table 12 Top Brands on Fur Garments

Name of company	Brand	Logo
Beijing-Shulan International Garments Co., Ltd.	Shulan	
Zhejiang Zhonghui Fur&Leahter Co.,Ltd.	Enaga	ENAGA 依奴珈
Yinshan Fur & Leather Co.,Ltd.	Yinshan	银杉 inshan
Hebei Huasi Industrial Group Co.,Ltd.	YIJIAQI	YIJIAQI
Harbin Guifuren Fur Square	Velenbell	Velenbell

Genuine Leather Mark has also won recognition and support from the government. As a certificate trademark, Genuine Leather Mark is highly recognized by State Administration of Industry and Commerce and become a model for various kinds of certificate trademark. In 2010, Ministry of Industry and Information Technology of China proposed in the development of tanning industry plan that, "encourage tanning enterprises to actively participate in Eco-Leather Mark verification hosted by industry association and relevant

departments shall give priority support policies in terms of credit and technological transformation to enterprises verified by Eco-Leather Mark."

2.6 Future Development Plan for Genuine Leather Mark

With the improvement of living standards around the world in the future, genuine leather, as a raw material with limited resources and multiple advantages, will definitely be favored by more and more consumers. In this process, "Genuine Leather Mark" that can highlight the outstanding performance of genuine leather and protect it will play a greater role. The idea and experience of Genuine Leather Mark will become a precious fortune for leather industry in China and the whole world.

CLIA is willing to share the experience of "Genuine Leather Mark" with organizations in the counterparts of other countries and hopes other major leather countries adopt measures like promoting "Genuine Leather Mark" and protecting genuine leather.

We appeal to International Council of Hides Skins and Leather Traders Associations (ICHSLTA), International Council of Tanner (ICT) and International Union of Leather Technologists and Chemists Societies (IULTCS) to build partnership with associations of all countries and make joint efforts in supporting and promoting the idea of genuine leather. Only in this way can we increase global strength in promoting and protecting genuine leather so as to ensure the sustainable development of global leather industry.