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# **China, Peoples Republic of**

## **Livestock and Products**

### **Hides and Skins, a Guangdong Update**

#### **2002**

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#### **Report Highlights:**

**South China continues to be an important imported hides and skins market. Local buyers import both raw hides and wet blues, but mainly focus on price when making purchasing decisions.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Guangzhou [CH3], CH

Hides and skins remain a popular imported item with south China's tannery and leather processing industries. American-origin raw bovine hides are particularly valued, but price continues to be the main factor that imported hide and skin buyers consider when making purchases. Although large American companies like IBP have been exporting into the south China market for years, plenty of room still exists for smaller and medium scale companies to take advantage of the market.

According to both hides and skins importers and exporters, price still is the main consideration of buyers. An agent representing an American hide supplier said that price always is the main influence on their China sales. Hide quality and reliability of supply come up in negotiations, but usually only after price has been settled. The agent also noted that recently their American hide sales are down mainly because prices currently are high relative to hides from other origins. Importers interviewed by Post have expressed a similar view, price is the most important consideration when buying. However, some importers claim to employ a more sophisticated approach towards price. The manager of one company which imports raw hides from various countries claimed that he did not mind high prices, but was more concerned with radical price shifts. To him, price stability over time was more important.

None of the hide importers recently interviewed by Post felt that American-origin hides had any special or superior qualities relative to hides from other countries. One importer though said that in regards to American hides he preferred those from the state of Texas, because raw hides from that state more often meet the tannery's quality requirements. The worldwide shift to bull beef production has had a big impact on the trade in this region, making it harder for local traders to buy and sell large volumes of good quality hides. According to one local industry observer, bull hides tend to be lower quality than cow ones, because bulls have thicker necks and backs, plus bull hides have a tendency to pebble.

The south China is not a purely raw hide market. Despite the existence of a sizable tannery market, processed hide imports also are popular, especially wet blues. One exporter at a recent trade show mentioned that many of his new inquiries were for wet blue splits. A company representing a Brazilian wet blue exporter said of south China that it is a good market for them and expect this situation to continue into the future.

China's Guangdong province is the home of approximately 30 large scale tanneries and a considerably larger number of smaller ones. Most of the province's tanneries are clustered around several locations, including Nanhai, Jiangmen, Xinhui, and Dongguan. Of these tanneries, those with the greatest experience in the business, 20 years and more, are found in Nanhai, just east of Guangzhou. In addition, the province also is the home to hundreds of leather and leather products factories, including such products as shoes, belts, wallets, clothing, furniture upholstery and many others.