



# COMESA-LLPI NEWSLETTER

Leather for Health, Wealth and Luxury!

## Jan. - Mar. 2015 Issue

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### Sudan Launched and Unpacked its Leather Value Chain Strategy



Following the signing of the Leather Value Chain Strategy (LVCS) Document by H.E Dr. Yahiya Mukwar, Minister of Human Development and Labor of the Khartoum State, on behalf of the Minister of Trade of the Sudan Republic, in Addis Ababa, Ethiopia, on the 23rd of February 2015, the Launching Event took place in Khartoum, Sudan on the 16th March 2015.

During the Two Events the COMESA-Leather and Leather Products Institute Mission, led by the Executive Director, Prof. Mwinyikione Mwinyihija, attended and facilitated the events as key partner with the Sudanese Coordinating Team.

Both Events were held at the Police House on 16th and 17th March 2015. Key note addresses were

made by Prof. Mwinyikione Mwinyihija, Executive Director of COMESA-LLPI, H.E Dr. Yahiya Mukwar, Minister of Human Development and Labor of the Khartoum State, and H.E Eng. Abdella Ahmed Hamad, Minister of Industry and Investment of the Khartoum State respectively.

Prof. Mwinyihija, in his key note address, also announced the PTA Bank's approval to support USD 25,000.00 for purchase of equipments and tools for Sudan University of Science and Technology-Technological Leather Industry Incubator.

The Vote of Thanks was made by Professor Hashim Ali Salim, Deputy Vice Chancellor of the Sudan University of Science and Technology and, following his speech, H.E Mr. Osman Omer Ali Elsharif, Minister of Trade of the Sudan Republic made the

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### **Prof. Mwinyikione Mwinyihija, Executive Director of COMESA-LLPI**

*It is with great pleasure that I bring you this first quarter Newsletter of 2015. In my last message of 2014, I made mention of tremendous increase in range of activities in the 2015 work-plan. The first quarter of 2015 has been one with many significant milestones for the Institute. We are authorized by the Summit of Heads of State and Government to be involved in the co-certification of training programs with global and regional institutions; standardize, harmonize and develop a common regional curricula related to footwear, leather goods and leather processing for the middle level and universities in the region.*

*COMESA/LLPI also brought the Status of Africa's Leather Sector to the fore at the recent LERIG Conference (the 49th LERIG 2015 Conference), and the India International Leather Trade Fair 2015, Chennai, India in January 2015.*

*We have had a Stakeholders Consultative Meeting with member States representatives, and sponsored and successfully participated in the 8th Edition of All Africa Leather Fair 2015, Addis Ababa, Ethiopia. Launching and unpacking of the Sudan Leather Value Chain Strategy and the Eastern and Southern African Trade and Development Bank (PTA Bank)'s capacity building grant of USD 75 000 to support COMESA LLPI SME development in 3 COMESA member States were also among the major activities accomplished during this first quarter.*

*As we continue to raise the flag of the region's leather sector in fulfilling our mandated mission, I would like to thank all our partners and stakeholders for their invaluable support and reaffirm that we need and value your continued suggestions and comments.*

*Best Regards,*

*Prof. Mwinyikione Mwinyihija  
Executive Director*

#### Sudan Launched and Unpacked its ... Cont. from page 1



official Statement on behalf of the Government of the Sudan and announced the opening of the Leather Value Chain Strategy Launch Event.

The Event was attended by more than 50 participants/Leather Value Chain Players from various Ministries, Universities, Technology Centers, Agencies, Small, Medium and Large Leather and Leather Products Manufacturing Enterprises, etc.

As part and parcel of the Launch Event, the

Prof. Mwinyikione Mwinyihija, Executive Director of COMESA-LLPI presented a paper entitled: "The Role of Sudan's Leather Sector Towards Its Economic Performance: A Pre and Potential Post- Launch Preview". Following his presentation, Dr. Tadesse H. Mamo and Prof. Mekonnen Hailemariam made briefings on "The Leather Value Chain Strategy Formulation and its Unpacking Methodology" and "The Unpacking Strategy Methodology, Responsibility, Accountability and M & E Matrix" respectively.

The 6 Strategic Issues consolidated in the main document, were thoroughly discussed and 6 Working Groups proposed workable Medium Term Methodology Matrix and the Way Forward.

Before the end of the Unpacking Workshop, handing over of the Leather Value Chain Strategy Document took place, and the Workshop was officially closed with the blessing of H.E Dr. Yahiya Mukwar, Minister of Human Development and Labor of the Khartoum State and H.E. Engineer Sedik Mohamed Ali Sheik, Deputy Governor of the Khartoum State.

The COMESA-LLPI Mission during its stay in Khartoum, made visits to the National Leather Training Center (NLTC), the Leather Incubation Center of the Sudan University of Science and Technology, the Kerari Vocational Training and Entrepreneur Center. The discussion mainly focused on various bilateral and outstanding issues. The COMESA-LLPI Mission members conducted a very fruitful and the Way Forward Wrap up Meeting took place on the 18th March 2015 with Excellencies Eng. Abdella Ahmed Hamad and Dr Yhiya Mukwar.



Unpacking Workshop took place at the same venue on the 17th of March 2015.

The Workshop Plenary Session covered the Short Introductory and Briefing on the Strategy Document by Engineer Suliman Mohamed, representing the Sudan Leather and Footwear Chamber.

### PTA Bank, Through COMESA/LLPI, Supports the Growth and Performance of SMEs in Leather Footwear Manufacturing in Ethiopia, Sudan and Uganda

PTA Bank has committed to support the COMESA/LLPI as part of its Corporate Social Responsibility (CSR) Program and in line with best practice. COMESA/LLPI was approved by the Preferential Trade Area (PTA) for Eastern and Southern African States in 1988 to fulfill its industrial objective to “support and develop the leather industries of the COMESA region”. PTA Bank’s support through its CSR Scheme in partnership with COMESA/LLPI, is opportune and result-oriented to the livelihood of the people in the COMESA regions. “PTA Bank will provide a capacity building grant of USD 75 000 to support COMESA LLPI advance Industrialization and SME development in COMESA member States”.

PTA Bank aims to support developmental and

maintenance and replacement of the equipment and tools.

This initiative will strengthen the Service/Incubation Centers and Footwear SMEs Cluster through the provision of common equipment’s and tools. Empirical evidence from the assessments that were done by COMESA/LLPI showed that SMEs performance in COMESA countries was being impaired because of inadequate skilled manpower, isolation, very old and obsolete working equipment and tools, among others. Over the past two years COMESA/LLPI has improved the challenges relating to isolation by facilitating the creation of clusters; limited skills by training 450 footwear artisans.

Through the proposed initiative, more than 500



PTA Bank President Mr. Tadesse & Executive Director of LLPI Prof. Mwinyihija Signing to Acquire Equipments/Tools



sustainable initiatives and recognizes that the leather sector has been highlighted as a priority agro-based commodity in the COMESA Region.

The objective is to acquire equipment/tools to support the growth and performance of SMEs in leather footwear manufacturing in COMESA member countries. PTA Bank’s intervention will provide some assistance in dealing with the equipment and tools problems, that will have a great impact in enhancing the initial stage of SMEs performance.

The SMEs will use the equipment and tools, which will be located in a central place and they will be charged a nominal amount for the equipment and tools usage. The service charge money will form a common pool of funds, which will be used for the

SMEs will be able to access equipment and tools to enable them enhance their productivity.

The COMESA/LLPI initiative was launched in March 2015 during the COMESA Summit of Heads of State and Government.

Prof. Mwinyikione Mwinyihija, Executive Director of COMESA/LLPI, said “This is a valuable opportunity for COMESA/LLPI associating with PTA Bank in its endeavor to support, under the Bank’s CSR Scheme, strengthening of the SMEs in the region. We are, therefore, very proud and appreciative of the support amounting to 75,000 USD. This contribution is geared towards supporting three well organized Incubators, situated in Ethiopia (Ethio-International Footwear Cluster Cooperative Society), Sudan (Sudan

Science and Technology University) and Uganda (the Ugandan Leather Association), for purposes of building capacity and facilitating production of high quality leather and leather goods. We look forward to such an association through partnering to address developmental issues related to the leather sector by enhancing our collaboration now and in the future”.

PTA Bank President Admasu Tadesse remarked that “PTA Bank is very pleased to support LLPI in its important regional work of strengthening

the leather sector, one that has huge potential for industrial value addition, enterprise growth and job creation. The COMESA region has an abundant supply of livestock and more can and should be done to unlock the attendant opportunities as has been done in other regions and countries. We will continue to do our part to support resource-based best industrialization in the region, in a disciplined and well considered manner”.

### COMESA/LLPI Facilitated Leather Value Chain Strategy of Sudan Signed



*His Excellency Hon. Dr. Yahia Salih Mukwar, Minister of Human Development and Labor (Khartoum State), Signing the Leather Strategy*

His Excellency Hon. Dr. Yahia Salih Mukwar, Minister of Human Development and Labor (Khartoum State); representing the Minister of Trade of the Sudan Government, has signed the Sudan Leather Value Chain Strategy 2015-2024 at a ceremony held at the Sudan Embassy, Addis Ababa, Ethiopia on February 23, 2015.

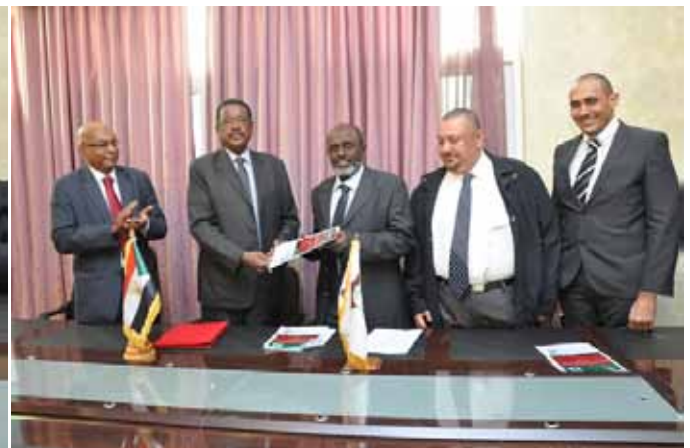
The Strategy, which will be critical in mapping out the way forward regarding the leather sector development, will help to transform the Sudanese Leather Value Chain into a modern and competitive subsector specializing in the production of value added products through the application of modern technologies, capacity building, policy guidance and resource mobilization.

COMESA-Leather and Leather Products Institute (COMESA/LLPI) facilitated and fully sponsored the development of the Strategy that involved baseline survey, meetings with stakeholders and a workshop by involving more than 100 stakeholders at local and national level, and other organizations to ensure that the strategy formulation process was participatory. All the participants have provided valuable contribution to the Strategy development and mechanisms of its implementation.

His Excellency Dr. Yahia Salih Mukwar expressed special gratitude to the COMESA/LLPI for its financial support and technical assistance in the development of the Strategy.



*Partial View of the Signing Ceremony*



#### *Visit of a Delegation of Officials from Tanzania to COMESA-Leather and Leather Products Institute*

A Tanzanian Delegation, composed of officials from the Ministry of Livestock Development and Fisheries, Training Institutions and Leather Enterprises, visited the COMESA/LLPI headquarter in Addis Ababa, Ethiopia, and held discussions with the Institute's Executive Director, Prof. Mwinyikione Mwinyihija and other management members/Experts on February 23, 2015.

promote the development of the leather industry in Tanzania. As Tanzania is not a member of the COMESA it was agreed to initiate collaborative activities by signing an MoU or using the Tripartite Agreement. Members of the Delegation expressed strong interest and hoped to establish effective cooperation and fruitful partnership between COMESA/LLPI and Institutions/Organizations working in the leather sector in Tanzania.



*Delegates Discussing Common Issues with LLPI Experts Team*



The Delegation was briefed on LLPI's activities in the COMESA region in promoting productivity, competitiveness, trade and regional integration in the leather sector.

The discussion was concluded by pointing out areas of possible collaboration.

The Delegation members indicated that the purpose of their visit to Ethiopia is for experience sharing, for developing the Tanzanian leather sector capacity with respect to value addition, productivity and quality, and congratulated LLPI for its commendable work. The Delegation also requested LLPI's assistance in its endeavor to



*Group Photo after the Discussion*



#### Consultative Meeting with AALF-2015 Participants

COMESA-Leather and Leather Products Institute (COMESA/LLPI), organized a one-day consultative meeting with COMESA/LLPI sponsored Participants at the AALF 2015 to discuss on ways and means of enhancing the intraregional trade and collaboration, and to get feedback on the Institute's accomplished activities in 2014 and 2015 Work plan. The Meeting was held at Empire Hotel, Addis Ababa, Ethiopia on 22nd February 2014 and was attended by 25 participants drawn from Public and Private Sectors, and Academia, from Ethiopia, Kenya, Malawi, Sudan, Uganda, Zambia and Zimbabwe, and COMESALLPI. The Private Sector participants included tanners, exporters and leather products manufacturers.

The meeting was officially opened by Prof. Mwinyikione Mwinyhija, Executive Director of COMESA/LLPI. The Executive Director, in his welcome address, highlighted the current state of affairs in the leather sector by indicating that Africa has the potential of becoming a global player in the leather value chain, mainly because of its huge livestock resource base. He emphasized that the demand of footwear in the region is huge and the bulk of these shoes are imported from Asia and the Far East as COMESA's output of shoes is very low because of a plethora of challenges and constraints resident in the realm of policy, finances, technology, lack of collaboration and inadequate

entrepreneurial skills. He then expounded on Country Specific Activities towards Regional Leather Development by giving details of Activities and Outputs and Recorded and Expected Impact for each country.

The Executive Director concluded his welcome address by indicating that the Institute is working with its Member States to come up with modalities of unlocking the potential that the leather value chain holds in the region.

The COMESA/LLPI Experts also made presentations on the Institute's major activities accomplished in 2014 and the 2015 Work plan, Unpacking Leather Value Chain Strategies and COMESA/LLPI Information Technology (Web Site) Performances and Facilitation of Centralized Storage and Knowledge Sharing Activities, that were followed by thorough discussions and deliberations.

This Consultative Meeting is part of a series of other meetings that the Institute is undertaking with stakeholders of the leather sector in view of obtaining feedback from the region's major players in the leather sector on how best to strategize the Institute's activities in member countries for optimum result, and also to raise awareness on the importance of the sector as a vehicle for development, poverty reduction, job creation and gender and youth mainstreaming.



Partial View of the 8th Edition of AALF 2015 and Consultative Meeting

### The 8th Edition of All Africa Leather Fair 2015 Held at Millennium Hall, Addis Ababa, Ethiopia.

The 8th Edition of All Africa Leather Fair 2015 was held on February 20 - 22, 2015 at Millennium Hall, Addis Ababa, Ethiopia.

The Fair was opened by H.E. Mr. Tadesse Haile, State Minister of Industry of Ethiopia. During the opening the State Minister stated that the Fair will serve as a bridge to create a network between buyers, manufactures and potential investors. The

sector. Prof. Mwinyihija added that out of the global \$USD 3 billion value of the leather industry, Africa is only sharing 2% of it.

COMESA Leather and Leather Products Institute, as a regional leather hub, fully sponsored 12 participants from the Private and Public Sectors from six COMESA/LLPI member countries to participate in the Fair.



leather industry is one of the top prioritized sectors in the eyes of the Government as it can create a sectors linkage and because of its high potential for revenue generation, he added.

During the opening ceremony, Prof. Mwinyikione Mwinyihija, Executive Director of COMESA Leather and Leather Products Institute, stated that out of the African countries we have, Ethiopia is the only country that has strong policy framework and is one of the leading 20 world countries in the leather



Partial View of the 8th Edition of AALF 2015





## COMESA-Leather and Leather Products Institute (COMESA/LLPI) participated in the India International Leather Trade Fair 2015

COMESA/LLPI, represented by its Executive Director, Prof. Mwinyihija Mwinyikione and the Leather Value Chain Expert, Prof. Mekonnen Hailemariam, participated in the 30th edition of the India International Leather Fair (IILF) known to be one of the biggest convergence of the leather industry in the South - Asian region.



The Fair that was organized by the India Trade Promotion Organization (ITPO) with the support of apex leather bodies: Council for Leather Exports(CLE), Central Leather Research Institute (CLRI), Indian Shoe Federation (ISF), Indian Finished Leather Manufacturers & Exporters Association (IFLMEA), Footwear Design & Development Institute (FDDI), Association of Footwear Components and Machinery Manufacturers of India (AFCAMI) and Indian Footwear Component Manufacturers' Association (IFCOMA) was held in Trade Centre, Nandambakkam, Chennai, India from Jan 31 – Feb. 3, 2015.

A total of 444 exhibitors, including 143 overseas companies from 23 countries, participated in the trade fair and exhibited their leather products, chemicals, accessories and technologies in leather processing.

The Government of India has designated leather as one of the "Focus Sectors" under the National Foreign Trade Policy, and included the sector in the 'Make in India' campaign. With an annual turnover of over US\$ 12 billion, the export of leather & leather products of India increased manifold over the past decade and touched US\$ 5.90 billion in 2013-14, at a cumulative annual growth rate of 14.77 per cent (5 years).

Concurrent with the exhibition, the Chennai Institute of Leather Technology Alumni Association (CLTAA) organized Technical Seminar that was attended by more than 200 leather sector enterprises and exhibitors. The Seminar was one of the main events of the Trade Fair in which the COMESA/LLPI's Executive Director, presented a paper entitled "Status of Africa's Leather Sector – Challenges and Opportunities". The Executive Director's presentation arose five interests among the Enterprises to visit COMESA countries for possible establishment of trade links and joint ventures. CLTAA and COMESA/LLPI agreed to work out a visit program for the Indian Leather Sector Enterprises to visit COMESA countries in 2015.



*Executive Director, presenting a paper entitled "Status of Africa's Leather Sector – Challenges and Opportunities"*

The COMESA/LLPI Executive Director, Prof. Mwinyihija also met and discussed with the Kenyan High Level Delegation led by the Honorable Minister H.E. Mr. Adan Abdulla Mohamed, Ministry of Industrialization and Enterprise Development. The Kenyan Delegation was on official visit to India to foster the Kenyan Leather Sector development. Prof. Mwinyihija's discussion with the Honorable Minister focused on further strengthening the Kenyan leather sector through the development of Leather Sector Policy, launching of Leather Value Chain Strategy, establishment of revolving fund for SMEs through PTA Bank and mainstreaming the SMEs into productive units of the leather sector in Kenya.

#### COMESA LLPI Delegates Attended the 49th LERIG 2015 Conference, Chennai India

The COMESA/LLPI Delegates, composed of the Executive Director, Prof. Mwinyihija Mwinyikione and the Value Chain Expert, Professor Mekonnen Hailemariam, attended the 49th Leather Research Industry Get-Together (LERIG) 2015 Conference held from January 28 to 30, 2015 in Chennai, India.



LERIG is organized by CSIR-Central Leather Research Institute (CSIR-CLRI) of India in association with the stakeholders of the leather sector including Council for Leather Exports, Leather and Leather Products Trade Bodies and Associations with active support from CSIR Network Partners, Institutions and Universities. The Conference with the Theme of "Human Resource Development Opportunities and Paradigms for Empowerment (HOPE) of Leather Sector", was attended by more than 300 participants. The three days Conference had 6 technical sessions with a total of 25 papers presented.

Two of the technical sessions were chaired by LLPI delegates, Prof. Mwinyihija and Prof. Mekonnen. The Executive Director, presented as a guest of honor in the opening session, paid tribute to the late Padma Shri A Nagappa Chettiar, an inspiring legend in the development of the leather sector in India. Prof. Mekonnen, later also presented a paper entitled "Unlocking the African Leather Sector Potential through Human Resource Development: The Role of LLPI". The Conference was successfully concluded with the issuance of awards to institutions and individuals who made significant contribution to the leather sector development. LLPI's role and presence during the Conference was highly appreciated and added value by providing an overview of a wider African context. Memorabilia were presented to the LLPI delegates to celebrate their participation during the LERIG proceedings.



*Prof. Mekonnen, Delegate from LLPI Chairing a Technical Session*



*Prof. Mwinyihija, Delegate from LLPI Chairing a technical Session*



*Memorabilia were presented to the LLPI delegates*

### Stakeholders Consultative Meeting with Member States Representatives Held in Addis Ababa, Ethiopia



In pursuance of the invitation made to 10 COMESA Member States (Burundi, Ethiopia, Kenya, Malawi, Rwanda, Sudan, Swaziland, Uganda, Zambia & Zimbabwe) by the Executive Director of COMESA- Leather and Leather Products Institute, the Stakeholders Consultative Meeting, composed of 17 participants from the above countries, and 7 from COMESA/LLPI, was held at the Empire Addis International Hotel, Addis Ababa, Ethiopia on 17th – 18th December 2014.

The above Meeting was initiated and organized by COMESA/LLPI to create awareness among Member States Representatives on the mandates of the Regional Institute that spearheads the development of the leather sector in the COMESA Member States; thus ensuring timely, effective and efficient Programme implementation and fulfilling the COMESA Regional Integration Agenda.

The Meeting, among other things, strategically discussed on strengthening collaboration between Member States (MSs) and COMESA/LLPI, as well as roles and responsibilities of stakeholders in the respective MSs.

Specific Objectives of the Stakeholders Consultative Meeting were the following:

- » To assess COMESA/LLPI's activities, accomplishments and challenges, as well as its financial utilization during 2014.
- » To examine the 2015 Work Programme and Budget, approved by the COMESA Council of Ministers.
- » To inculcate a Participatory Approach to the Regional Leather Sector Development Agenda
- » To clarify the roles and responsibilities of Member States and the involvement of stakeholders in the

implementation of initiatives as defined in the Revised LLPI Medium Term Strategic Action Plan (MTSAP) 2013- 2015.

The Stakeholders Consultative Meeting was attended by 24 participants from Member countries and COMESA/LLPI. Despite all the efforts made by the LLPI management to bring all stakeholders together, Rwanda did not send its delegates to participate in the Meeting and present its country report.

Prof. Mwinyikione Mwinyihija, Executive Director of COMESA-Leather and Leather Products Institute, called the Meeting to order and welcomed the delegates to the Meeting. He underscored the importance of the Stakeholders Consultative Forum, which is to assist the COMESA/LLPI to uphold its activities and performances and to continuously strive to improve the regional leather sector in the areas of the leather value chain.

The following papers were presented and discussed during the Stakeholders Consultative Meeting:

- i. Climate Setting towards Leather Products Development Agenda: A Synopsis of Inherent Factors (Executive Director of COMESA/LLPI)
- ii. Overview of Major Activities Accomplished in 2014 and 2015 Work Plan
- iii. 2014 Budget/Expenditure Performances and 2015 Proposed Budget.
- iv. Consolidated Resource Mobilization Activities, International Meetings and Strengthening Collaborations in 2014
- v. COMESA/LLPI Information Technology (Web Site ) Performances and Facilitation of Centralized Storage and Knowledge Sharing Activities
- vi. Progress Report on Regional Small and Medium Enterprises and Leather Sector Core Team
- vii. Activities performed by MSs in the leather sector in 2014 and Work Plan for 2015 and Role of MSs in the Strategic Collaboration with COMESA/LLPI.

Each presentation was followed by quite active and constructive discussions led by respective Chairpersons and Lead Discussants.

At the end of the second day event, the COMESA/LLPI 2014 Best Performing Staff Awards Ceremony

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(the first of its kind at the Institute level) and handling of Certificate to the Institute's General Services and Estate Staff in "English for Work Course" were conducted.

#### Conclusion

At the end of the Consultative Meeting, participants agreed that :

- » There is need for closer communication, collaboration, cooperation, coherence and coordination of activities, with clear roles and responsibilities, are defined as well as enhancing the planning, reporting, monitoring and evaluation of deliverables
- » It is critical to jointly plan and organize work plan and share information between member countries and the Regional Institution, LLPI, to ensure buy –in ownership, collective responsibilities, effective resource mobilization and implementation.
- » There is a great need for the COMESA/LLPI to consider broadening the mix of skills at the Member

States levels to ensure that effective competences required in the various facts of leather sector industrialization are well harnessed.

- » Diverse as the private sector may be, it is very critical to engage the private sector from policy formulation through negotiations into implementation. Hence, the need for a more participatory and inclusive needs assessment on what gaps exist, what needs to be done and clear definition of roles and responsibilities on reporting, monitoring and evaluation programmes.
- » The Stakeholders Consultative Meeting agreed to meet on annual basis.



Partial View of the Consultative Meeting Event

## COMESA-Leather and Leather Products Institute's (COMESA/LLP) Achievements in 2014

### TRIPLE HELIX

The Triple Helix Workshop, which was held in Harare in July 2014, brought participants from across the COMESA region, India, Turkey and Geneva. It brought to the attention of the regional stakeholders the importance of three helixes, namely Public, Private and Academia to work together to promote the industrialization agenda of the leather value chain.

### Action Steps

- » Despite the acute shortage of resources COMESA/LLPI is moving forward to institutionalize the Triple Helix Approach in all its operations across the Member States.

- » Some of the interventions that have been undertaken to date, which have involved stakeholders from the three Helixes are as follows:
  - » Participatory strategy formulation processes – Stakeholders from the three Helixes, have participated in the formulation process, and the specific interventions shares responsibilities amongst the three Helixes.
  - » Curriculum development for Technical Institutions – the curriculums has been developed with the participation of Government, Private Sector and Academia. This was meant to ensure that the curriculums responds to the needs of the industry and at the same time meeting the required academic standards as set by national governments.

### Tabulations of Country Specific Activities

	Activities and Outputs	Recorded and Expected Impact
<b>Burundi</b>	<ul style="list-style-type: none"> <li>» A Leather Value Chain strategy has been formulated, with the participation of Government, Private Sector and Academia; wherein each pillar is expected to perform mutually, reinforcing activities, which would support the growth of the leather value chain, through formation of clusters;</li> <li>» 53 artisans have been trained in footwear making, out of which 25 have been employed by a new footwear factory and the other half are operating as a loose Cluster in Kamenge;</li> <li>» A curriculum for levels 1 to 3 and diploma, has been designed, which responds to the needs of the industry and also meets the minimum requirements as set by Government</li> </ul>	<ul style="list-style-type: none"> <li>» Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLPI;</li> <li>» Enforcement of raw hides and skins export restriction has improved supplies of raw hides and skins in the domestic market, consequently pushing up tanning capacities to around 80% from 40%;</li> <li>» Regulatory policy reforms and enforcement have led to two new foreign investors currently constructing two tanneries;</li> <li>» 2014 also marked the production of finished leather in Burundi, with the opportunity of feeding the domestic market and also exporting to Rwanda, Uganda and other surrounding countries.</li> <li>» A full fledged footwear manufacturing company was officially opened in 2014; targeting to attain 1000 pairs per day by mid-year 2015;</li> <li>» The Leather Value Chain strategy and Curriculum targeting skills development for youth is scheduled to be launched in the first quarter of 2015;</li> <li>» Increased exports of raw goat skins to COMESA countries from US\$ 0 to US\$ 113,000 between 2012 and 2013;</li> <li>» 20 out of those trained provided with working opportunities in the new footwear factory;</li> <li>» Individual SMEs trained to improve on their shoe production and increasing their market orientation at national and regional levels;</li> <li>» Potential linkage of SMEs with the operating footwear factory built to adapt on cluster approach;</li> <li>» New footwear design, which is 98% handmade revealed in Burundi. Innovation at its best.</li> </ul>

	Activities and Outputs	Recorded and Expected Impact
<b>Eritrea</b>	<ul style="list-style-type: none"> <li>» A Leather Value Chain strategy has been formulated, with the participation of Government, Private Sector and Academia; each pillar is expected to performing mutually reinforcing activities, which would support the growth of the leather value chain, through formation of clusters;</li> <li>» The Strategy was officially launched in September 2014, and has received media attention;</li> <li>» This has created a solid platform for collaboration among the three pillars namely Government, Private Sector and Academia.</li> </ul>	<ul style="list-style-type: none"> <li>» The leather value chain strategy was validated with the full participation of the Private Sector, which was a ground breaking event;</li> <li>» There is improved collaboration between LLPI and the Eritrean Government, which is a positive development and would contribute to the improvement in the growth of the sector;</li> <li>» A South African company, through the facilitation of LLPI, is set to set up tannery off cuts collection centre, which would assist in cleaning the environment of physical waste and also generate additional income to tanneries. The hides and skins off-cuts would be exported to South Africa and would be used in the production of gelatin, cosmetics etc;</li> <li>» Feasibility to construct a gelatin manufacturing unit in progress. The project has the potential to recycle and reduce tannery waste and also increase employment and wealth creating opportunities.</li> </ul>
<b>Ethiopia</b>	<ul style="list-style-type: none"> <li>» A Leather Footwear Strategy was formulated through a participatory process for EIFCCOs Cluster, which has a Membership of 1200, employing approximately 3000 people;</li> <li>» Supported focal points;</li> <li>» The Strategy designed activities that are aimed at improving the performance of the Cluster, through support of Government, Academia, international development agencies and other technical institutions;</li> <li>» 98 artisans were trained in entrepreneurial skills: record keeping, costing and pricing.</li> </ul>	<ul style="list-style-type: none"> <li>» The Strategy is set to be launched in the first quarter of 2015, and is set to transform the operations of the cluster in terms of volume and quality of footwear to be produced;</li> <li>» The Cluster clinched orders to export 60,000 pairs per month to Kenya in 2013/2014;</li> <li>» Enhanced LIDI's profile as an emerging Centre of Excellence in capacity building and standardization in the regional market;</li> <li>» Improved business management would enhance the performance of the enterprises with regard to profitability and volume growth;</li> <li>» COMESA/LLPI recognized and received a certificate of appreciation from the EFFICOS Cluster Board of Directors;</li> <li>» UNCTAD has invited COMESA/LLPI as an important partner to collaborate in supporting the Ethiopian Government to formulate agro processing value chains;</li> <li>» CAWEE working closer with LLPI to strengthen gender and youth empowerment in leather related SMEs;</li> <li>» 14 Country representatives and Regional SMEs exposed to Ethiopian market through All Africa Leather Fair and avail the same market to show case their products;</li> <li>» Exports from leather products from Ethiopia to the COMESA region has grown from US\$ 672,000 to US\$ 6,758,000 between 2012 and 2014.</li> </ul>

	Activities and Outputs	Recorded and Expected Impact
<b>Kenya</b>	<ul style="list-style-type: none"> <li>» A leather value chain strategy has been formulated, with the participation of Government, Private Sector and Academia; wherein, each pillar is expected to perform mutually reinforcing activities, which would support the growth of the leather value chain, through formation of clusters;</li> <li>» The draft of the strategy was submitted to Kenya in October 2014; now waiting for their comments to enable us to finalize and launch it;</li> <li>» An MOU was signed with Dedan Kimathi University, which is aimed at strengthening the University's support of enterprise development;</li> <li>» Curriculum development for Dedan Kimathi is underway, which response to the needs of the both the SMEs and large enterprises;</li> <li>» A Leather Value Chain Policy Framework was designed and submitted to Kenya in December 2014, upon request from the Kenya Leather Development Council Chairman;</li> <li>» LLPI to assist in the development of a National Leather Development Policy under the Ministry of Industry for purposes of mainstreaming the leather sector alongside other agro-based commodities;</li> <li>» Kenya Leather Development Council has been provided both national and region presence in aspects of participation in Core Team, SME and specific trade related symposium;</li> <li>» Established collaboration with 'Landolakes' to address issues related to pastoral communities in enhancing quality of raw hides and skins production;</li> </ul>	<ul style="list-style-type: none"> <li>» The Strategy is scheduled to be launched in the first quarter of 2015;</li> <li>» Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLPI;</li> <li>» Kenya Foot wear Manufactures to receive financial support from UNIDO in form of a project, due to LLPI facilitation;</li> <li>» Earlier efforts in SME training has provided new direction in the footwear design in Thika, Nairobi and Eldoret;</li> <li>» Exports of products from the leather value chain has grown from US\$ 20 million to US\$ 120 million between 2002 and 2012 after the introduction of export tax on raw hides and skins.</li> </ul>

	Activities and Outputs	Recorded and Expected Impact
<b>Malawi</b>	<ul style="list-style-type: none"> <li>» A leather value chain strategy has been formulated, with the participation of Government, Private Sector and Academia; each pillar is expected to perform mutually reinforcing activities, which would support the growth of the leather value chain, through formation of clusters;</li> <li>» The draft of the strategy was submitted to Malawi in October 2014; now waiting for their comments to enable us to finalize and launch it;</li> <li>» A total of 40 SMEs were trained in Footwear Making in Lilongwe and Blantyre;</li> <li>» Initiated the setting up of the SMEs Association.</li> </ul>	<ul style="list-style-type: none"> <li>» Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLPI;</li> <li>» Enhanced participation of public and private sector players at both national and regional platform which has resulted to vibrancy of the sector in trade and product development;</li> <li>» Establishment of Leather Footwear Association after training of SMEs;</li> <li>» Opened trading links of SMEs to regional markets for leather and leather products;</li> <li>» Exports of leather products to COMESA region grew from US\$ 274,000 to US\$ 495,000 between 2012 and 2013.</li> </ul>
<b>Rwanda</b>	<ul style="list-style-type: none"> <li>» A Leather Value Chain strategy has been formulated, with the participation of Government, Private Sector and Academia; each pillar is expected to perform mutually reinforcing activities, which would support the growth of the leather value chain, through formation of clusters;</li> <li>» The draft of the strategy was submitted to Rwanda in July 2014; now waiting for their comments to enable us to finalize and launch it;</li> <li>» 52 artisans were trained at Masaka Incubation Center and Kigali; (21 in Footwear Making and 31 in Cluster Management).</li> </ul>	<ul style="list-style-type: none"> <li>» Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLPI;</li> <li>» Strategic linkages with Ethiopian exporters of finished leather and Kenyan upper shoe manufacturers of Kariokor with Rwandese SMEs facilitated;</li> <li>» Facilitation by LLPI hosting various stakeholder groups to explore on the Ethiopian Market at their request has developed closer trade integration amongst players in both countries;</li> <li>» Leather and leather articles from the COMESA region has grown from US\$ 6,483,000 to US\$ 6,500,000 between 2012 and 2013;</li> <li>» Raw hides and skins exports from Rwanda to the COMESA region has grown from US\$ 3,660,000 to US\$ 4,329,000 between 2012 and 2013.</li> </ul>



	Activities and Outputs	Recorded and Expected Impact
<b>Sudan</b>	<ul style="list-style-type: none"> <li>» A Curriculum, which responds to the needs of the leather industry and also meets the requirements of Government was designed and launched in September 2014. Work is in progress to put down modalities of implementing it;</li> <li>» A Leather Value Chain Strategy was submitted to Sudan in November 2014; now waiting for their comments to enable us to finalize and launch it;</li> <li>» 20 artisans were trained by LLPI.</li> </ul>	<ul style="list-style-type: none"> <li>» Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLPI;</li> <li>» Export restrictions on the export of raw hides to West Africa for human consumption is now in force; it is reported that this has led to a reduction in the price of raw bovine hides and also availability; thus rechanneling 60% of the US\$ 43 million worth of hides back into the leather value chain;</li> <li>» The Strategy is scheduled to be launched in the first quarter of 2015;</li> <li>» Through KERARI - youth development to support artisanal level training has been achieved;</li> <li>» The University of Science and Technology of Sudan has endorsed the partnership with LLPI to fast track on innovation, capacity building and SME support to revitalize the leather sector;</li> <li>» Out of 20 trainees trained in footwear 10 are in the pipeline of receiving funding support from the State of Khartoum, while the remaining 10 are already engaging themselves in footwear manufacturing at individual level after direct discussion with the Governor and State Ministers of Khartoum;</li> <li>» The Private Sector has agreed to establish a Fund to support the improvement in the production of quality raw hides and skins.</li> </ul>
<b>Swaziland</b>	<ul style="list-style-type: none"> <li>» Initiated and facilitated the participation of the Private and Public Sectors in the regional SMEs committee;</li> <li>» Facilitated the participation of both the Private and Public Sector in Triple Helix Meeting, in order to generate their interest in working together;</li> <li>» Working toward a community based enterprise in product development and trade</li> </ul>	<ul style="list-style-type: none"> <li>» Dialogue is now being developed between the Public and Private Sector;</li> <li>» Areas of cooperation and support already identified by LLPI awaiting Government approval to proceed;</li> <li>» Through the private sector the potential of Swaziland in addressing poverty, youth educational and widow support has been established through fora organized by LLPI.</li> </ul>

	Activities and Outputs	Recorded and Expected Impact
<b>Uganda</b>	<ul style="list-style-type: none"> <li>» A leather value chain strategy has been formulated, with the participation of Government, Private Sector and Academia; each pillar is expected to perform mutually reinforcing activities, which would support the growth of the leather value chain, through formation of clusters;</li> <li>» The draft of the strategy was submitted to Uganda in July 2014; now waiting for their comments to enable us to finalize and launch it;</li> <li>» A total of 20 SMEs have been trained in footwear making;</li> <li>» Initiated a capacity building program with the Makerere Business School;</li> <li>» Knowledge sharing activities have also been undertaken scaled at International level opening links with Canadian and Scottish Universities in entrepreneurship.</li> </ul>	<ul style="list-style-type: none"> <li>» Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLPI;</li> <li>» The above has led to the formation of the Uganda Leather Development Council (ULDC), which will spearhead the implementation of the strategy;</li> <li>» Tannery and Abattoir waste reduction, recycling and reuse in place toward gelatin production through the private sector;</li> <li>» Interceding by LLPI for the SME has resulted in the Government providing a building - free of charge - to the association. This will provide accommodation, strengthen its administrative and capacity building capability;</li> <li>» Makerere University has initiated work related to entrepreneurship in conjunction with LLPI targeted towards the SMEs;</li> <li>» Imports of leather and leather products from the COMESA region has grown from US\$ 7,656,000 to US\$ 10,675,000 between 2011 to 2013;</li> <li>» The imposition of the raw hides and skins export restriction tax has witnessed the growth of foreign currency earnings from US\$25million in 2002 to US\$ 65 million in 2012; this has been accompanied with a growth in the number of tanneries from 2 to 7 in the same period.</li> </ul>
<b>Zambia</b>	<ul style="list-style-type: none"> <li>» MOU was signed with Copperstone University;</li> <li>» A cluster of SMEs, is being nurtured under the University;</li> <li>» Support to SMEs in capacity building and clusters;</li> <li>» Participation of public and private sector in regional activities;</li> <li>» Benchmarking engagements;</li> <li>» Support of SMEs to participate in the Ethiopian markets has been extended annually for the last four years;</li> <li>» LLPI is progressing fast to spear head a cluster formation and product development for national and regional markets.</li> </ul>	<ul style="list-style-type: none"> <li>» A new Private Sector Association has been reconstituted and registered in Kitwe;</li> <li>» In January 2015 Zambia has made an official request to be assisted in formulating its own national leather strategy;</li> <li>» Through LLPI and ITC – ZamBeef established an agreement for their leather to be certified by CLRI India (during benchmarking tour) which provided market entries globally that were not earlier available to them;</li> <li>» A consultative group of value chain players have been formed to pursue a harmonized approach towards leather development in Zambia. The intention is to further formalize its operation to enhance a focused approach to the sector;</li> <li>» Imports from COMESA grew from US\$ 1,819,000 to US\$ 2,753,000 between 2011 and 2012;</li> <li>» Exports to COMESA grew by US\$ 1,705,000 to US\$ 2,462,000 between 2011 and 2012.</li> </ul>

	Activities and Outputs	Recorded and Expected Impact
<b>Zimbabwe</b>	<ul style="list-style-type: none"> <li>» A total of 45 SMEs representatives have been trained in footwear making;</li> <li>» A Leather Development Council has been established, which brings together Government, Private and Academia Sector; in line with the strategy document;</li> <li>» Support of SMEs capacity and logistical support;</li> <li>» Mainstreaming value addition;</li> <li>» LLPI is pursuing strengthening leather trade by working closely with ZIMTRADE-awaiting the signing of the MoU to unlock the potential;</li> <li>» Selected SMEs from the region have been exposed to the Market in Zimbabwe and results are encouraging providing leather footwear market ranging from US\$ 30 to 80 per pair higher than markets in Europe and Asia.</li> </ul>	<ul style="list-style-type: none"> <li>» The Zimbabwe Leather Development Council was established and it will spearhead the implementation of the Strategy in partnership with Government;</li> <li>» Support by LLPI in training of SMEs together with Zimbabwe Leather Institute has had very positive results. The formal grouping of the SMEs in Bulawayo is heading towards self-sustenance as they manage a fund generated and administered by themselves;</li> <li>» Strengthened through the Ministry of Industry and Trade the governance of Zimbabwe Leather Institute which currently is concerting the efforts of SMEs;</li> <li>» Local Zimbabweans are in the process of acquiring a tannery to start leather processing. This is an effort towards indigenization of the sector;</li> <li>» Exports to the COMESA region grew from US\$ 661,000 to US\$ 1,384,000 between 2011 and 2012;</li> <li>» Imports from the COMESA region grew from US\$ 1,544,000 to US\$ 2,250,000 between 2011 and 2012.</li> </ul>

### Challenges

Moving forward to implement these activities would require resources, however despite our limited financial and human resource base, we are continuing to engage potential funding partners and offering technical and human resource training to SMEs and supporting them to strengthen their relationship with Government, Academia and established businesses.

### Way Forward

The focus in 2015 is to unpack the strategies developed for the Member States and translate them to tangible results for the SMEs at national and regional markets. Some of the SMEs have the potential of entering even the global markets,

especially those that blend their leather products with sisal, wool and woven articles.

The unpacking processes would further entrench the Triple Helix Approach, by designing responsibility matrices that allocate roles and accountability to Government, Private Sector and Academia.

COMESA/LLPI is grateful to member States, the Secretariat and all its partner institutions for all the support and collaboration in the Institute's endeavor to develop the region's leather sector

### Adding Polish to Kenya's Leather Industry

Kenya's once-thriving leather industry has fallen on hard times, largely as a result of poor government regulation. But a change of mindset and a new strategy could see Kenya becoming a regional hub in the near future to take its fair share of the global trade, which is worth \$78bn. Kenya has a plan to pull the country's leather industry up by its bootstraps. The latest plank in the on-going strategy came in June when the Industrialisation Cabinet Secretary, Adan Mohamed, announced that the Kenyan army would henceforth buy boots from local manufacturers and not European suppliers.

A week later, he appointed a nine member task force of industry insiders – including representatives from Bata Shoe Company, Leather Technologies and Fashions, Alpharama and the Kenya Leather Development Council – to spearhead the recovery of the leather industry.

Mohamed's actions are one of the first tangible steps towards the Buy Kenyan – Build Kenya initiative introduced by national branding movement Brand Kenya, designed to promote locally manufactured goods and services within Kenya and in international markets. Mohamed, the former Barclays Bank Managing Director for East and West Africa, has a five-year plan to make Kenya the leather hub for East and Central Africa using the export duty model.

Mohamed's directive to local agencies matches steps being taken by the national government. During the reading of the 2014/15 budget in June, Treasury Cabinet Secretary Henry Rotich said Sh3bn (\$34m) would be dedicated to developing the textile and leather sectors, adding that these sectors had the potential to create nearly 800,000 jobs over the next three years.

This is good news for Kenya's leather industry which is yet to recover from a 1990s downturn. Before then, Kenya's leather industry – made up of raw material (hides and skins), tanneries, footwear, and leather goods manufacturing – thrived.

But this changed after the government abolished a 22% export compensation scheme in an attempt to liberalise the market and cut tariffs on imported leather and footwear. The move provoked a surge in cheap imports and second-hand items, and half of Kenya's 19 tanneries went out of business.

Contrary to the intention to provide expanded markets for Kenya's leather goods, by 2004/05 80% of Kenya's hides and skin were being exported in their raw form. Tens of thousands of jobs were lost in the tanneries

and the government lost revenues of \$12m according to a 2010 report by Traidcraft and EcoNews Africa.

Today, Kenya's leather industry is a shadow of what it once was. Estimates indicate demand for shoes is at 38m pairs a year but local producers manufacture less than 4m units per year. With demand outstripping supply, Kenya imports 85% of the units and is the second-largest importer of footwear and leather products in Africa after Egypt.

Tightly laced

In 2006, the government raised the export tax payable on the export of raw hides and skins to 20% and the following June doubled it to 40%.

The decision, which defied the EU's commitment to free trade, worked in Kenya's favour and a 2010 report by Traidcraft Exchange and Oxfam shows that it increased the number of tanneries in the country, created 7,000 new jobs, improved incomes for 40,000 people, increased leather exports by 54% and boosted sector earnings by almost €8m.

More recently, the government has announced plans to establish abattoirs and tanneries in various counties to boost production of hides and skins. There are currently 14 tanneries in the country, but government reports say they will increase to 21 after the completion of eight mini leather processing units located in various regions.

Six mini leather tanning factories were scheduled to open in Wajir, Garissa, Makueni, Isinya, Mogotio and Kanduyi last July, hiking the number of tanneries in the country to 19 – the largest in Africa, according to Kenya's Leather Development Council.

Kenya has also embarked on a campaign to woo investors, and Italy is one of the markets it is pursuing with the offer of a 10-year corporation and withholding tax holiday and a 100% investment deduction on investments over 20 years.

In July, the government further stimulated the sector by mandating public sector institutions such as the Armed Forces and National Police Service to source footwear locally. Orders from the military alone are estimated at 30,000 pairs a year, and it is good news for market leader Bata, which makes military boots at its Limuru plant.

Source: <http://africanbusinessmagazine.com/sector-reports/industry/adding-polish-kenyas-leather-industry/>

### Footwear - Shoe Manufacturing - Six Times Cheaper in Ethiopia than China

According to a report presented by Peter Mangione, one of the leading experts on the global footwear industry, Ethiopia was the country with the lowest labour costs for manufacturing footwear in 2014. This topic was discussed on one of the panels at the World Footwear Congress that took place in Mexico, in the city of León in November last year.

According to the data provided by Mangione at the León Forum, the hourly wage of a footwear worker in Ethiopia is US\$0.36 per hour. The next countries on the list were Bangladesh at US\$0.71 per hour; Cambodia and India with US\$0.85 per hour; Vietnam with US\$1.14 per hour; Nicaragua with US\$1.27 per hour; Thailand with US\$1.34 per hour; Indonesia with US\$1.60 per hour; Dominican Republic with US\$1.88 per hour; China with US\$2.09 per hour and El Salvador with US\$3.09 per hour.

By way of comparison he mentioned that during the same period the cost per hour in Italy was US\$18.68 and US\$25.66 in Japan.

As can be seen from the figures, it is six times more expensive to employ a worker in China in the footwear industry than his counterpart in Ethiopia. Companies from China are starting to move their production facilities to Ethiopia.

Peter Mangione affirmed that he is convinced that large productive groups in China will use Ethiopia as a low cost production base. This fact also explains why Chinese capital is financing a railway project from Ethiopia's capital city of Addis Ababa to the port of Djibouti located some 750 kilometers distant.

Source: [http://www.fashionnetasia.com/en/BusinessResources/7878/Footwear\\_Shoe\\_Manufacturing\\_six\\_times\\_cheaper\\_in\\_Ethiopia\\_than\\_China.html](http://www.fashionnetasia.com/en/BusinessResources/7878/Footwear_Shoe_Manufacturing_six_times_cheaper_in_Ethiopia_than_China.html)

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### Zimbabwe Government Scraps Export Tax on Raw Hides

The Zimbabwe Government has scrapped tax on raw hides exports with effect from January 2015 in a move that is expected to boost viability of abattoirs and the leather industry.

Finance Minister Patrick Chinamasa announced the decision in a Statutory Instrument (SI) published in the Government Gazette on Friday.

The Government had introduced 75 U.S. cents per kilogram tax on unprocessed animal hides in January last year as part of tax measures to boost Government revenue.

In the Statutory Instrument, Chinamasa said the tax relief will only apply to registered merchants and he listed nine merchants with a total export quota of over 2 million kg as among the beneficiaries.

"Subject to section 12 C of the Value Added Tax, export relief shall be granted on unbeneficiated hides exported by a registered merchant issued with an export permit by the Minister of Agriculture as approved by the Minister responsible of Industry and Commerce," read part of the Statutory Instrument.

Chinamasa said the relief shall not exceed the maximum quantities prescribed for each individual exporter while the unbeneficiated hides shall be exported through the port of entry nearest to the stockpile of the raw hides.

In its 2014 report, the Livestock and Meat Advisory Council voiced concern over the tax, saying it was negatively impacting viability of abattoirs.

"Of particular concern is the quantum of the tax at 75 cents per kilogram which effectively constitutes a ban on exports of raw hides and skins of all animals," said the Council in the report.

It added that due to the tax, hides were stock-piling at abattoirs, causing significant loss of income for operators.

"A key problem is that, due to lack of finance, tanners are unable to buy raw hides from abattoirs while abattoirs are unable to pay tanners for them to custom tan on their behalf," he said

Source: <http://www.coastweek.com/3806-focus-06.htm>

### Tanners Reiterate Call to Ban Exports of Raw Hides

The Tanzania Tanners Association (TTA) has urged the Government to ban exportation of raw hides and skins saying it denies local factories raw materials.

Speaking with the Guardian on Sunday in an exclusive interview this week, just a week after this paper revealed that a senior Government official is involved in the trade, TTA Chairman Onorato Garavaglia, said the official has always blocked growth of the sub-sector.

He said their suspicion that the said official was behind the problems facing the tanners was confirmed by the revelations that he owns a company that exports raw hides and skins.

"The said official has always maintained that the local tannery does not have the capacity to absorb all the raw skins and hides, yet he was doing this to support his business," he said, noting that it is now time to put a complete ban on the exportation of raw hides.

The TTA Chairman expressed fear that if the trend continues, existing eight tanneries in the country will be forced to close due to unfair competition through smuggling and illegal business.

Onorato said the smugglers and those who under-declare raw skins and hides always choose the best quality raw materials in the market, leaving the poor quality for local tanneries, a situation that may kill the infant factories.

Last week, this paper authoritatively reported how a senior government official plotted to deny the government over Sh56 million (\$34,560) in export revenue.

A coordinator of Hides, Skins and Leather Development in the Ministry of Livestock Development and Fisheries, (name withheld) who is reportedly behind the smuggling has formed his own company to export hides and skins.

The Company, Chiganye Agro-Allied Enterprises Co. Ltd was issued with business license number 1793301 by the Ilala Municipal Council on 30th September this year.

More details show that it was issued with a certificate of registration for premises of hides, skins and leather on 21st August this year and one year premises licence for hides, skins and leather trade by the Ilala Municipal authority on the same date.

Records show that the company was this month involved in under-declaration of goods that were destined to India.

On 14th November, 2014 the Company submitted export documents for 75 tonnes of air dried hides declaring the price as \$ 0.60 or Sh 600 per kilo and \$ 10,800 in total, and would earn the government only \$6,480 in revenue.

The Guardian reliably learnt that the right value of the consignment with Invoice number 011/14 was \$ 30,600 and would earn the government \$18,360 in duties.

On the same date the Company submitted another invoice, numbered 012/14 for approval to export 75 tonnes of dry salted hides with the declaration price of \$0.55 (Sh 550) per kilo with a total value of \$ 9,900 that would earn the taxman \$ 5,940 on duty.

However the real value of the goods, according to leather experts was \$ 27,000 that would earn the government \$ 16,200 in revenue. "In total, the company was denying the Government \$ 34,560 in revenue," revenue experts contended.

More details emerged that the senior officer sometimes back, while on a Government funded trip to India, used the opportunity to look for business partners. His main clients, according to the documents are based in India.

SOURCE: <http://www.ipppmedia.com/frontend/index.php?l=75219>

### Ethio-Footwear Cluster Cooperative Society Ltd. (EIFCCOS) Recognized LLPI's Support



In recognition of the COMESA-Leather and Leather Products Institute (COMESA/LLPI) support to the Ethio-International Footwear Cluster Cooperatives Society (EIFCCOS), the Management of the Cluster Society awarded a Certificate of Gratitude to the COMESA/LLPI.

The Event was held at the EIFCCOS common hall on the 24th January 2014 in Addis Ababa, Ethiopia in the presence of Government and Private Stakeholders representatives.

Dr. Tadesse H.Mamo, Training, Consultancy and Extension Expert handing over the Certificate received to Mr. Zewdu Kebede, Programmes Coordinator, for COMESA/LLPI (January 27, 2015).

#### Sheep Leather to Become the New Ethiopian Brand



and improving the country's image via the sheep leather is where the Government is gearing up towards.

EIC coordinates the branding project with the Ministry of Foreign Affairs, Ministry of Industry, Leather Industry Development Institute, Ethiopian Leather Industries Association and the Ethiopian Chamber of Commerce and Sectoral Association also taking part.

Currently, branding Ethiopia's Sheep Leather Project has involved three local businesses which are said to be "Partner Companies". Leather Exotica and Enzi and ELICO Awash Tannery are the local firms which are selected for the champion product project due to their designing and production

Dubbed as Champion Product Approach, Ethiopia is set to brand its leather and leather products made of sheep skin to Japanese market and beyond.

Sponsored by the Japan International Cooperation Agency (JICA), the Champion Product Approach movement is something which is said to seek and improve Ethiopia's image and brand the country's finest sheep leather and finished leather products abroad.

Noriyuki Nagai, one of the four consultants hired by JICA to undertake the job of championing sheep leather to become a brand product, told The Reporter that the short term target of the champion product approach is to introduce Ethiopia's high-end sheep leather and leather goods to the Japanese market.

To that end, stakeholders held the second phase of the Champion Product Approach meeting that deliberated on branding issues such as logo and motto, which are expected to be finalized early 2016.

Among the candidate sectors and products which the project looked at, sheep leather has become the alternative product to go with, Nagai said. "Ethiopian coffee beans exist in Japanese market. Hence, there is no way to brand coffee there. We are trying to promote sheep leather after we have checked out that the feasibility and the potential to supply the Japanese market and others," he said.

Kimiaki Jin, Chief Representative of JICA Ethiopia office, said that the sheep leather has been chosen to represent Ethiopia as a new branded product for the Japanese market due to its accessibility because of the country's huge potential.

According to Fistum Arega, Director General of the Ethiopian Investment Commission (EIC), the branding

qualities respectively, according to the consultants.

Fistum said that the branding project will be scaled up further to the mass production stage after succeeding on market penetration and image building tasks. According to Fistum, Champion Product Approach has been successful in countries like Indonesia where they had become the famous producers of Indomie noodles worldwide. He also recalled that the Office of the Prime Minister of Japan has recently sponsored the promotion of Kaizen - a renowned Japanese management philosophy to improve productivity and quality - and how the philosophy has become the norm of the manufacturing sector in Ethiopia.

Source: the reporter Ethiopia

[http://www.addiszefen.com/addis-video/articles/sheep-leather-to-become-the-new-ethiopian-brand\\_378.html](http://www.addiszefen.com/addis-video/articles/sheep-leather-to-become-the-new-ethiopian-brand_378.html)

### Luxury Consumers to Spend Over €1tn by 2021

In association with Boston Consulting Group and EXANE BNP Paribas, Italy's Altagamma Foundation has released the 'True Luxury Global Consumer Insight 2015', a survey that details the current luxury market for consumer and retail.

The report concluded that based on the 390 million luxury consumers in the world, who spent €755 billion in 2014, the total number of consumers is expected to grow from the current figure to 465 million by 2021, when they will spend just over €1tn.

Interviewing over 40,000 people in over 20 countries and 12,500 sales outlets, the survey encapsulates a very thorough and detailed study on luxury consumers.

According to the study, consumption of personal luxury products like jewellery, watches and leather goods will increase by a compound annual growth rate of 4.7%.

Source: <http://www.leathermag.com/news/newsluxury-consumers-to-spend-over-1tn-by-2021-4503175>

### Aletti Innovation Will Make Buffing at Wet Blue Stage Easier

Italian tanning machinery company Aletti included a new version of its Velox buffing machine, the Velox SNW, among the innovations it had on show at TanningTech in Milan at the end of February.

This new version of the machine will make it easier for tanners to carry out buffing of hides at wet blue stage, offering advantages such as greater dye evenness because buffing after the hide is dyed and finished, which can alter the appearance of a hide, will no longer be necessary.

Speaking at TanningTech, the company's Ezio Aletti told leatherbiz that the development had come about at the request of tanners in Tuscany's Santa Croce cluster, who had been attempting for several years to carry out buffing at wet blue stage using existing technology. "This new machine can do it better," Mr Aletti said, "and one major tanning group has already installed multiple versions of it at tanneries across Europe and Asia."

Source: <http://leatherbiz.com/fullitem.aspx?id=137659>

### Cartigliano Introduces Freeze-Drying for Hides

Italian tanning machinery producer Cartigliano used the 2015 Tanning Tech exhibition in Milan (February 25-27) to introduce a-CNS, a new vacuum dryer model.

Benefits include lower energy consumption than previous models but a higher drying capacity. In addition, a-CNS requires less space on the tannery floor.

Most attention at the event, however, was on Cartigliano's claim that, because a-CNS can dry hides at a lower temperature, the new model introduces "freeze-drying" to the tanning industry.

Drying hides at a lower temperature will help tanners preserve the natural qualities of hides in their finished leather, Cartigliano said at Tanning Tech. It also said the process with a-CNS requires less fat liquoring and that shrinkage is reduced.

You can dry hides "more deeply", the company said, fixing the fibres. It added that a major global tanning group has already invested heavily in this system and that it has experienced an average increase in hide yield of 4% without any compromise on quality.

Source: <http://leatherbiz.com/fullitem.aspx?id=137686>

### Country-of-Origin Labelling Hits Stalemate

The long-running debate over whether footwear in Europe should be labelled with its country of origin appears to have hit a stalemate now Italy's presidency of the Council of the European Union has been handed over.

The debate has powerful voices on both sides: makers of higher-end shoes, particularly those from Italy, wish to make it clear to consumers where the shoes are made. However, those with manufacturing operations in Asia and elsewhere are not so keen.

Cleto Sagripanti, head of Italian footwear manufacturers association Assocalzaturifici, said: "I think we are far from this law now because other countries, mainly Germany, are opposed and unfortunately Germany is now in a stronger position. But it is not because the Italian government is not doing enough, we are doing our best."

While he conceded the law change wasn't imminent he reiterated that Italy would keep pushing for the position at EU level.

Source: <http://leatherbiz.com/fullitem.aspx?id=137670>



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**About LLPI**



Leather for Health, Wealth and Luxury!

## **ABOUT COMESA-LLPI**

The formation of the Leather and Leather Products Institute (LLPI) was approved by the former Preferential Trade Area (PTA) for Eastern and Southern African States (forerunner of COMESA) in 1988 to fulfill its industrial objective to “support and develop the leather industries of the COMESA region”. It was then established by the signing of the Charter by member Heads of State and Government on 23rd November 1990.

### **LLPI Vision:**

A Competent Leather and Leather Products Centre of Excellence for Regional and Global Competitiveness.

### **LLPI Mission:**

To Promote and Develop the Regional Leather Sector Through Research and Development, Capacity Building, and International Cooperation & Trade for Enhanced Productivity.

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