



# COMESA-LLPI NEWSLETTER

Leather for Health, Wealth and Luxury!

**October - December 2016 (Issue No. 8)**

Contents	#
10th Regional Leather Sector Core Team (RLSTCT) and 4th Stakeholders Consultative Workshop Conducted	1
Executive Director's Message	2
Republic of Burundi: COMESA/LLPI Experts Team Mission	6
The Ethiopia Leather Sector Value Chain Strategy Launched	7
ED of LLPI in the "BREXIT: Prospects for India-UK FTA" Meeting	8
Ethiopian Leather Industries Association (ELIA) Strategic Document Pre-validation Workshop Conducted	9
Sudan University of Science and Technology Appoints a Board for Its Technological Leather Industry Incubator	10
Sudan Universities Collaborate with Didan Kimathi University of Technology in Kenya	10
The Regional Design Studio (RDS) Get Flagship from COMESA Authority	10
COMESA/LLPI's Executive Director Visits Ts'art Fibre Association in Antananarivo-Madagascar	11
Leather skills will be on offer at new college in Tanzania	11
Rwanda: Tax waiver on Leather and Textile Raw Materials Will Spur Growth	11
Kenya to Construct U.S.\$164 Million Leather Park	12
New leather Body for Malawi	12
USAID and COMESA Sign \$77 Million Partnership Agreement to Strengthen Regional Development	12
Leather Technologists Developed Brand New Finished Leather Products	13
Malawi losing billions of dollars on export of skins and hides raw products-ACTESA	14
East Africa: Governments Lose U.S.\$30 Million to Leather Racket	14
Global Hides and Skins Market Review	15

## 10th Regional Leather Sector Core Team (RLSTCT) and 4th Stakeholders Consultative Workshop Conducted



The 10th Regional Leather Sector Core Team (RLSCT) and the 4th Stakeholder's Consultative Workshop was held between 12th – 15th December, 2016 at Haile Resort, Hawassa, Ethiopia.

The Workshop brought-together more than 60 participants representing National, Regional and International Partners in the leather sector from 13 Eastern and Southern African countries, (Burundi, Democratic Republic of Congo, Ethiopia, Kenya, Malawi, Rwanda, Sudan, Swaziland, Uganda, Zambia and Zimbabwe,) and Partner Organizations representatives from ITC, EU-TBT Program and from Gruppo Biokimica (Italy), UNDP, AYIN and Satra Technology(UK).

The workshop was official opened by the Honourable Felix Elia Jumbe, Member of Parliament, Malawi and Board Chair Person ACTESA & Pan African Farmers Organization.

The Theme of the Workshop was "Empowering the COMESA SMEs in the Leather Sector to the Next Level".

The following objectives guided the attainment of the referred to theme:

- » To create opportunity to share the regional leather sector success stories;
- » To indulge the Triple Helix Platform towards regional leather sector transformation;
- » To build consensus towards innovation and quality assurance to enhance regional leather sector;
- » To identify the key challenges and interventions towards achieving sustainable regional leather sector development



Patial View of Opening of the Consultative Workshop



Certificate Number 14079  
ISO 9001 : 2008, ISO 14001: 2004

**NEXT ISSUE  
MARCH 2017**

Continued on Page 3....



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

*Dear Esteemed Readers,*

*Welcome to the last Quarter Newsletter of 2016!*

*With 2016 now behind us, I am pleased to share with you some of the milestones already accomplished during the ending year whilst highlighting of some of the major activities of the Fourth Quarter.*

*Some of our most impressive accomplishments this year encompassed; the technical assistance given to 13 COMESA Countries, Sending COMESA/LLPI Team of Experts to each country to strengthen leather development activities; training of more than 300 personnel from private and public sectors in leather technology and related domains; Curriculum Development at Vocational and Diploma levels at several member States and MBA level in Business- Leather Development and Entrepreneurship at EUCLID University; footwear manufacturing equipment support already delivered to incubation centers in three countries-Ethiopia, Sudan and Uganda through PTA bank assistance; Regional Design Studio Project launch and Satellite Design Studios initiation in 10 countries, publication and dissemination of leather Manual, Academic Journal, Quarterly Newsletters and published books shared with Universities of Science and Technology of Dedan Kimathi-Kenya, Sudan and Zimbabwe; project development and resource mobilization; conduct of survey studies in 8 countries, etc...*

*In the final (fourth) quarter, we continued to heighten our activities as you may witness from the contents of this Fourth Quarter Newsletter.*

*We appreciate the support, feedback and information provided by those of you who participated in our activities, and kindly accept our appreciation for your continued hard work and dedication. We value the insights you shared with us all through 2016.*

*Happy New Year to all of you and we look forward to seeing further strengthened collaboration and support in 2017!*

*Prof. Mwinyikione Mwinyihija,*

*Executive Director*



#### Opening of the Workshop

The Chairperson of the Regional Leather Sector Core Team (RLSCT), Mrs. Nalina Rupani expressed her pleasure and honour to warmly welcome all participants to the beautiful city of Hawassa, on behalf of the Regional Leather Core Team and also thanked participants for accepting the invitations to participate in the 10th Regional Leather Sector Core Team Meeting, held concurrently with the 4th Regional Stakeholders Workshop. In her concluding remarks, she also brought to the attention of the participants the commendations of the 36th Meeting of the Council of Ministers of COMESA, held in Antananarivo, Madagascar during 14th-15th October 2016. The Council had commended COMESA/LLPI:

- » For its efforts in the leather value chain development in the Region.
- » On achieving QMS 9001-2008 and EMS 14001-2004 and both regional and global recognition;
- » On establishing the Regional Design Studio in the Institute and Satellites Design Studios in each of its 10 Member States;
- » On establishment of cooperation with Regional Partners namely; ComSec, BADEA, PTA and EUCLID University, that have assisted and collaborated with LLPI in its activities.

The Chairperson of the SMEs Technical Committee, Mr. Simon, Joshua Ng'ang'a, welcomed all the participants to the Workshop. He reiterated the triple Helix as the proper recipe for success of the leather sector in COMESA region. He highlighted the milestones accomplished by COMESA/LLPI in its quest to support the development of SMEs in the past 4 years that included the following among others: leather value chain strategy development and purchase of equipment and RDS project among others. He commended COMESA/LLPI for fostering and spearheading the Cluster initiative in the region. He wished the participants good deliberations.

Prof. Mundia Sitwala welcomed all the participants on behalf of the Academia in the COMESA region, and began by sharing how Copperstone University had co-operated with COMESA/LLPI with regard to empowering the COMESA SMEs in the leather sector. The joint collocation between the two institutions contributed immensely to the formation and development of the Kitwe Footwear Cluster.

Mr. Wondu Legesse, Director General of the Leather Industry Development Institute, Ethiopia, after giving highlights of the excellent collaborative activities between LIDI and COMESA/LLPI, outlined the strategic direction of LIDI and opportunities the Institute can render to



SMEs of COMESA member States, namely consultancy services, training, education, testing and certification, manufacturing among and others.

The Executive Director of COMESA/LLPI, Prof. M. Mwinyihija welcomed all the participants. He highlighted the background of COMESA/LLPI and the specific activities the Institute has implemented that are geared towards the transformation of the leather sector in the region. Those activities have a strong logical link with the theme of the 10th Regional Leather Sector Core Team Meeting, and 4th Regional Stakeholders Workshop theme dubbed "Empowering the COMESA SMEs in the Leather Sector to the Next Level."

In broad terms his remarks highlighted the following imperatives:

- » Leather and Leather Products are among the most widely traded agro-based commodities in the world.
- » The global estimated trade value of the sector is over US\$ 150 billion a year and continues to grow.
- » World livestock population is estimated at 3.5 billion.



- » Africa's contributes 26.32% to the World Livestock Population
- » World hides and skins production is estimated at 1.3 billion pieces per annum
- » Africa's share is estimated at 14% to the total world output of hides and skins
- » Total world production of leather is estimated at 23 billion Sqft with 65% being used in the production of footwear (i.e. 14.9 billion Sqft.)

He also outlined the COMESA/LLPI activities, outputs and impacts at member States level.

The official opening was done by the Guest of Honour, Hon. Felix Elia Jumbe, Member of Parliament, Malawi, and Board Chairperson ACTESA & Pan African Farmers Organization. The Hon MP expressed his gratitude to be invited to come and official open the Regional Workshop.

Hon. Jumbe, commended the COMESA/LLPI for its initiatives to organise the holding of such an important Regional/International Workshop in collaboration with Member States and partners. He explained that geopolitics, economics and social development in Africa are under the influence of the globalization phenomenon that has shrunk the world into a global village. The process is now being supported on the African continent by deliberate integration programs that have led to the establishment of several Regional Economic Communities (RECs). He said, formation of RECs is seen as a precursor to the establishment of an African Continent Free Trade Area (ACFTA), in line with the Abuja Treaty. In the same vein, COMESA, EAC and SADC launched the Tripartite Free Trade Area (TFTA) in 2015, composed of 26 countries or 48% of the membership of the African Union, 51% of its Gross Domestic Products (US\$ 1.3 trillion) and 56% of its population (572 million people). It is thus an important economic powerhouse of the African continent.

Hon. Jumbe applauded the tripartite cooperation between public, private sector and academia, and expressed appreciation to COMESA/LLPI for taking the lead, in bringing together the three constituencies. This has created an ideal platform for stimulating the growth and development of the leather sector in the region.

The Workshop also entertained presentations, which are focused on sharing experiences and success stories in different Member States.

COMESA/LLPI recognized and awarded a number of participants and its employees for the role they have played in the leather sector.

### Recommendations

After the three days deliberations all participants made

recommendations, which LLPI should facilitate their implementation in 2017.

### Recommendations to COMESA/LLPI:

- » Assist Members states to strengthen cluster development;
- » Assist private sector to create a marketing strategy for both regional and international markets;
- » Facilitate effective and efficient communication between stakeholders involved in the leather sector at regional level; and
- » Invite footwear and Leather goods accessories manufactures in the next consultative meeting.

### Recommendations to Member States:

- » Member States to enforce Standards Compliance and Conformity;
- » Resource mobilization for Leather Value Chain Strategy implementation at National level;
- » Establish Strategies to access affordable finance for SMEs in Member States; and
- » Carry out needs assessment for common use facilities and resource mobilization in the Value Chain for member States.

### Recommendations to the SME's and Private Sectors:

- » To adhere to standards and conform to various quality standards.

### Recommendations to the Academia:

- » The academia to work with the private sector to carry out research focused on sectoral specific needs.

The 11th Regional Leather Sector Core Team (RLSCT), and 5th Stakeholder's Consultative Workshop was proposed and agreed that the next meeting (The 11th Regional Leather Sector Core Team (RLSCT), and 5th Stakeholder's Consultative Workshop) to be hosted by Swaziland.

### Closure of the Workshop

In closing the Meeting, the Guest of Honour: Hon. Felix E. Jumbe, thanked the COMESA/LLPI Management, Staff of the Haile Resort for their hospitality, saluted, the SMEs, Academia and National Delegates and recognized the role played by each party. He said that the SMEs have to embrace efficiency and increase productivity so that they can become competitive. He made mention of the importance of Market Strategy, Product Development Strategy and Organization Strategy to drive the Leather Sector. Hon. Felix also mentioned the importance of



**Oct. - Dec. 2016 (Issue No. 8)**

## LLPI News

inviting members of Parliament and other law makers to such forum in the future so that they can be able to formulate laws that protect the sector.

### Vote of Thanks

The vote of thanks was given by Mrs. Beatrice Kemunto. She thanked all the participants for their commitments. She extended her sincere thanks to Honorable Jumbe,

former Board Chairmen of COMESA/LLPI, Chairperson RLSCT, Chairperson SMEs and the Academia for their participation in the forum. The Private Sector, for investing in the sector, the Hotel Management for the hospitality services, LLPI Staff for tireless support. Finally wished everybody a safe travel back home.



Partial View of the Closure of the Event

## Republic of Burundi: COMESA/LLPI Experts Team Mission

The COMESA-Leather and Leather Products Institute's Experts Team, led by the Institute's Executive Director, Prof. Mwinyikione Mwinyihija, and composed of the Institute's Leather Value Chain Expert Prof Mekonnen Hailemariam and Cluster Expert, Mr. Nicholas Mudungwe was on Mission to the Republic of Burundi from November 27 to May 2 2016.

The purpose of the Mission was to conduct a training course in "Governance, Cluster Implementation Procedures and Administration" to SMEs working in leather footwear and leather goods manufacturing, and to discuss with the officials and concerned stakeholders on the best way forward for the implementation of the National Leather Value Chain Strategy and Training Programs in Leather Technology. It is to be recalled that both the Strategy and training programs development was fully sponsored by COMESA/LLPI and finalized and submitted in 2015.

The Experts Team conducted a three day training in "Governance, Cluster Implementation Procedures and Administration" to 20 SMEs working in leather sector and 7 participants from the Ministry of Trade, Industry, Posts and Tourisme at Royal Palace Hotel, Bujumbura. The training topics included: designing incubation frameworks for SMEs, Cluster Governance, Cluster business and action plans and administration.



The Expert Team was also received by the Permanent Secretaries of the Ministry of Trade, Industry, Posts and Tourisme and Ministry of Education; Assistant to the Minister of the Ministry of Public Service, labour and Employment, and Chief of Protocol of the President's Office. The meeting focused on modalities that are aimed at improving the implementation of the Burundi Leather Value Chain Strategy and also capacity building of Artisans and Youth. The government is planning to collaborate with LLPI to train around 600 youth in skills that will improve their livelihoods. The two parties (the

Government and COMESA/LLPI) will further discuss on ways and means of imparting leather related skills to the youth.

It is pertinent to note that the message of promoting value addition as a mechanism of unleashing value in the leather sector in the COMESA region that COMESA/LLPI has been spearheading is starting to bear fruits in Burundi. In 2013, COMESA/LLPI held a regional workshop in Addis in partnership with UNCTAD. The theme of the workshop was promoting intra trade in value added products. Among many participants, there was Mr. Bede Bedetse, who is the owner of Afritan tannery in Bujumbura, Burundi. For many years he was focusing on the production and export of wet blue, however the message on promoting the production of value added products, hit him hard and he quickly decided to upgrade his tannery to a leather finishing stage. Three years down the line some of his leather is being used in footwear production in Burundi and the region. However, the zenith of his success, three years down the line has been marked by manufacturing upholstery leather, which has now replaced synthetics in the manufacturing of furniture in Burundi. This is historical, and COMESA/LLPI team and trainees took time to visit a shop where some of the sofas made from finished leather from Afritan, were on display. In the picture left bottom, Professor Mwinyihija, congratulated Mr. Bede Bedetse on his milestone achievement, which is set to motivate



other tanneries in the COMESA region to emulate this.

The Experts Team mission was successfully completed with issuance of certificates to trainees and fruitful discussions with concerned Ministries on the way forward for the implementation of the vocational and diploma level curricula and national leather value chain strategy. Some of the quotes, which were captured during the training, are as follows:

**Mr. Gedeor King Nduwimana** – President of the Association of Footwear Artisans in Burundi " This cannot



**Oct. - Dec. 2016 (Issue No. 8)**

## LLPI News

end without me acknowledging the importance of the three days to our business operations; we were working in isolation for many years and we have not developed by an inch; this training has transformed our mind sets by demonstrating the importance of clustering; the concept of clustering has been well presented to us, and it is now very clear in our minds that joint collaboration will enhance our business operations and competitiveness and the future will not be the same”

**Mr. Zepherin Nsahimana**, the Secretary General of the Association of Footwear Artisan in Burundi “The training has allowed us to see far ahead we are more informed and we are ready to take the challenge”

**Ms. Kauziza Alda Pamela** “These three days were very useful, we have learnt a lot, and what we can only say is thank you to COMESA/LLPI, and we are ready to transform our operations”

### The Ethiopia Leather Sector Value Chain Strategy Launched



The Ethiopia Leather Sector Value Chain Five Year Strategy that was facilitated and fully sponsored by COMESA/LLPI was Launched on 25th November 2016 at Nexus Hotel, Addis Ababa, Ethiopia.

The Launching Event was graced by H.E. Tadesse Haile, State Minister, Ministry of Industry of the Federal Democratic Republic of Ethiopia and H.E. Prof. Mwinykione Mwinyihija, Executive Director of COMESA-Leather and Leather Products Institute (COMESA/LLPI) and more than 30 participants representing different institutions, organizations and enterprises across the leather value chain.

The Strategy formulation, pre-validation and validation processes were fully participatory, involving sector players across the value chain and stakeholders from Public and Private sectors and Academia.

Mr. Wondu Legesse, Director General of the Ethiopia Leather Industry Development Institute (LIDI), during his opening remark noted that the Strategy formulation process took the Global Dynamics in the leather industry and experiences of different countries which have progressed in the same Industry. He noted that the strategy formulation process was a necessary but not sufficient condition for success; stakeholders



**Oct. - Dec. 2016 (Issue No. 8)**

## LLPI News

should work hard to implement the Strategy. Finally, Mr. Wondu registered great words of appreciation to COMESA/LLPI for the support rendered to the Ethiopia Leather Industry.

Prof. Mwinyihija, during his Strategy Handing over Remark, stressed that COMESA/LLPI in collaboration with the Ministry of Industry will evaluate the implementation of the Strategy annually. He also mentioned that the Ethiopia Leather Industry Association (ELIA) Strategy had been finalized and will also be launched in few weeks time.

H.E. Mr. Tadesse Haile, during his launching remarks expressed his extreme happiness and appreciated the participatory approach that was followed in the development processes of the Strategy. H.E. Mr. Tadesse said that the Strategy will have a great role to play towards achieving the Ethiopian Government's set GTP II industrialization goals.

H.E. Tadesse thanked COMESA/LLPI for all the support provided to develop the Ethiopia Leather Industry.

The Strategy unpacking meeting will take place soon.

### ED of LLPI in the "BREXIT: Prospects for India-UK FTA" Meeting



The Executive Director of COMESA/LLPI participated in the "The BREXIT: Prospects for India-UK FTA" meeting held on November 8, 2016 in New Delhi India.

The ED of LLPI was invited as one of the main speakers drawn from global audience to deliberate on the above topic.

During the same Meeting the ED of LLPI met with Ms Rita Teautia, Secretary of Department of Commerce of the Government of India.

Commonwealth Secretariat in its project on "India's Global Value Chains: Linking LDCs" has identified the export opportunities of India in 50 markets including USA, EU, UK, RCEP countries, Kenya, Nigeria, Tanzania, Ghana and South Africa. A market access of around \$22 billion has been estimated that India can get by exporting identified 35 lead products. 20 LDCs and 3 South Asian countries have been identified which can export intermediate products and inputs to these GVCs.

To actualize the existing potential trade and investments and link the Commonwealth countries, which share the same language and similar legal institutions, India-

Commonwealth SME Association was launched by the Secretariat in June 2016. For developing and least developed countries in the Commonwealth, SMEs represent an opportunity of wider economic development and poverty alleviation. Linking these SMEs to each other as well as to the SMEs in the developed members of the Commonwealth can provide huge opportunities to export and invest for all member states.

The main objective of the Association is to provide a sustainable platform for exporters and importers to regularly meet, build awareness of existing global standards as well as to encourage regional and extra regional investments in areas where the countries have competitiveness but lacks capacity. The association will be beneficial for both India as well as the Commonwealth nations more particularly the LDCs, as it will enable Indian firms to source their inputs more competitively while it will help LDCs to improve their supply capacities as well as diversify their export baskets. In other words, the association will help in enhancing and diversifying the exports of Commonwealth countries. This is first of its kind Association where India will take a lead and connect the Commonwealth countries, a platform which can provide huge opportunities for all member countries but is yet to be explored systematically in a sustained manner.

Leather and Leather Products is one of the eight Chapters identified in the Global Value Chain and COMESA/LLPI as a regional body working on leather and leather products development will have immense role in the Association.

The ED is also the Advisory Board Member of the India-Commonwealth SME Association.

The important issues of Indo-Africa continued relationship and pursuance of developmental goals were briefly discussed. Accompanying the ED of LLPI were Dr. Banga of ComSec and Mr. Yassin Awale, the Leather Sector Advisor to the Cabinet Secretary -Ministry of Trade, Kenya.



## **Ethiopian Leather Industries Association (ELIA) Strategic Document Pre-validation Workshop Conducted**

COMESA-LLPI organized the above one day Workshop for key Stakeholders that was held in Addis Ababa, Ethiopia, ELIA Meeting Hall, on 8th November 2016. The purpose of the workshop was to pre-validate the Draft Medium Term Strategic Action Plan, 2017-2021, (MTSAP) document through intensive discussion among key stakeholders, invited by the Association. The Workshop was represented by 7 participants from various leather and allied industries/enterprises and COMESA/LLPI.

The MTSAP (Strategy) document was developed by the COMESA/LLPI on the basis of extensive consultations among the leather value chain actors, review of important documents from private and public sector

nationally and beyond, in close collaboration with ELIA.

The Strategy planning attempted to align ELIA's Mission and Vision, identify and find ways of formulating workable Strategy to assist its members and the Government as well. During the one day workshop presentations by COMESA/LLPI Experts were made and held discussions on the Draft Document and comments made by participants.

The Workshop recommended enriching the Documents by various inputs provided, and COMESA/LLPI to make the Document ready for further validation by the General Assembly of the Association intended to take place in the second week of December 2016.



## **The African Union Commodities Strategy Validation Workshop and Meeting of the AU Commodities Task Force held**

The African Union organized Commodities Strategy Validation Workshop for Africa was held in Nairobi, Kenya from 2-4 November 2016. The purpose of the workshop was to validate the recommendations of the AU Commodities Strategy with Private Sector stakeholders and other key actors. More than 30 participants from different institutions across Africa took part in the workshop and COMESA-Leather and leather products institute (COMESA/LLPI) was represented by Prof. Mekonnen Hailemariam, Leather value Chain Expert and personal Assistant to the Executive Director.

The Commodities Strategy document was developed by the AU Department of Trade and Industry in close collaboration with other key Departments notably, Department of Rural Economy and Agriculture, Department of Infrastructure and Energy, Department of Economic Affairs, the Bureau of the Chairperson.

The Strategy lays out a vision for commodity-led industrialization: to use commodities as a driver for achieving the structural social and economic transformation of Africa and Agenda 2063. The AU Commodities Strategy reviews the state of play for high-priority commodities sectors in Africa, namely agriculture, mining, and energy. It also focuses on two critical cross-cutting issues: Managing commodity price volatility and Industrialization through Commodities.

During the three days workshop presentations and discussions were held on key recommendations of the Agricultural, Mining and Energy Commodities Sub Committees as well as on crosscutting recommendations. African Commodity Exchanges experiences from Ethiopia and Malawi were also presented and discussed. Prof. Mekonnen from COMESA/LLPI by briefing participants on the economic

**Oct. - Dec. 2016 (Issue No. 8)**

## LLPI News

importance of the leather sector for Africa in general and COMESA region in particular requested to considered it as one of the key commodities. He also highlighted the activities that COMESA/LLPI is currently undertaking for the transformation of the African Leather Value Chain from Commodity Dependence to Product Development.

### **Sudan University of Science and Technology Appoints a Board for Its Technological Leather Industry Incubator**

The Sudan University of Science and Technology (SUST) appointed a board for its Technological Leather Industry Incubator to facilitate active participation of the private sector. This follows the meeting held between SUST and COMESA-Leather and Leather Products Institute in August 2016 that planned actions encompassing Enhancement of the activities of the incubator to serve both Students and the private sector in Sudan; Streamline to private sector participation in the advisory board of the incubator and Tools and Equipment support to SUST- Technological Leather Industry Incubator.

### **Sudan Universities Collaborate with Didan Kimathi University of Technology in Kenya**

COMESA-Leather and Leather Products Institute facilitated top leather Academics from Sudan leading Universities to assist Didan Kimathi University of Technology in their Leather Technology training program.



### **The Regional Design Studio (RDS) Get Flagship from COMESA Authority**

The Regional Design Studio Project has got flagship from The 19th COMESA Heads of State and Governments Summit held on 19th of October 2016 in Antananarivo, Madagascar.

### **“ . . . ON COMESA INSTITUTIONS**

**RECOGNISED** with appreciation the contribution made by COMESA Institutions in supporting the COMESA Integration Agenda;

**NOTED** with appreciation the establishment of the Regional Design Studio by the COMESA Leather and Leather Products Institute (LLPI) as a Regional Flagship Project, focusing on Small and Medium Enterprises (SME) incubation and development of skills, improved productivity and competitiveness to unlock the socio-economic potential of the Region's leather sector;

**. . . ”**

The Summit decision emphasized the importance of the RDS for the Region and for Africa at large. This will, in turn, gives confidence for member States, stakeholders, and funding partners to fully engage towards realizing the establishment and realization of the RDS.

It is to be recalled that the Establishment of the COMSec LLPI Regional Design Studio was officially launched in May 2016 in Mombasa, Kenya. The RDS was initiated by COMESA-Leather and Leather Products Institute jointly with the Commonwealth Secretariat.





**Oct. - Dec. 2016 (Issue No. 8)**

**LLPI News**

## **COMESA/LLPI's Executive Director Visits Ts'art Fibre Association in Antananarivo-Madagascar**

The COMESA-Leather and Leather Product Institute's Executive Director, Prof. Mwinyikione Mwinyihija, who is in Madagascar for a COMESA meeting, visited a group called Ts'art Fibre Association, that belongs to a greater Cluster Group known as the *Chambre D'Artisanat D'Antananarivo (C.A.A)*. C.A.A has more than 500 members that encompass cottage based tanners, women fibre spinners from the rural areas of Madagascar, artisans who weave the artifacts and producing leather products.

Prof. Mwinyihija noted with appreciation that the Cluster's intervention areas have strong similarities with LLPI's mandated responsibilities to develop the leather sector in the COMESA region. Thus, Prof. Mwinyihija will be meeting with the relevant Govt. officials to discuss on the best way forward for possible establishment of linkages and collaborations between COMESA/LLPI and the C.A.A Cluster, as well as other leather sector players in Madagascar.



## **Leather skills will be on offer at new college in Tanzania**

Tanzania's Vocational and Education Training Authority (VETA) has announced plans to construct a training college in Simiyu region in the north of the country early next year.

VETA director of training, Leah Dotto Lukindo, has said the college's aim will be to enhance the skills of people in the local workforce and to encourage entrepreneurship and the setting up of small and medium enterprises.

Areas of focus will include leather and livestock.

## **Rwanda: Tax waiver on Leather and Textile Raw Materials Will Spur Growth**

Government has announced a tax exemption for importation of leather and textile raw materials. The exemption applies to both import duties and Value Added Tax (VAT) and became effective on Friday, December 2.

The announcement is good news for the leather and textile manufacturing industry, which has for long been relying on imported and highly taxed raw materials. Local investors have been paying between 10 and 25 per cent on textile and leather raw materials imported.

The high taxes pushed up the cost of production and consequently the consumers paid more for the finished products like clothes and shoes. However, after the waiver, local manufacturers will be able to import more raw materials in large quantities to be able to manufacture enough textile and leather products to meet the local market demand. It is also a feasible project in line with government's policy to ban second-hand clothes and footwear products.

Although this move will see government lose billions of francs in taxes that it was getting from leather and textile imports, in the long run it will boost Made in Rwanda campaign.

Now, the ball is in the court of manufacturers. They should produce both quality and quantity to satisfy the local market and eventually tap into the export market.

With the ban on second-hand clothes set to be effected in the next three years, local manufacturers should move fast to ensure that within the next 2 years, there is enough supply on the market.

The exemption is also likely to attract more investors in the leather and textile industry while the increased production will also create more jobs within the sector.

But for the industry players to effectively benefit from this waiver, they should collaborate. Small scale manufacturers and big scale manufacturers must combine efforts to leverage on this tax waiver.

Source: <http://www.newtimes.co.rw/section/article/2016-12-05/205975/>

**Oct. - Dec. 2016 (Issue No. 8)**

## International News

### Kenya to Construct U.S.\$164 Million Leather Park

Kenya has rolled out plans to build a \$164 million leather industry park to transform the underdeveloped industry into a key economic contributor.

The EastAfrican has established that the government has spent about \$5.7 million in preliminary works including feasibility studies, development of a master plan and conducting a strategic environmental impact assessment for the proposed park.

Last week, the government embarked on phase two of the project after putting out tenders seeking a contractor to build a common effluent treatment plant at an estimated cost of \$9.6 million.

"The leather park is a priority project because we want to grow the industry and make it competitive," said Dr Issack Noor, chief executive of the Kenya Leather Development Authority.

But even as the government pushes ahead with the project, industry players contend the park risks becoming a white elephant unless relevant laws are enacted to protect the industry and investors.

Already, a precedent has been set after the government invested \$144,781 in six mini-tanneries in various parts of the country in 2012 that are now operating at below 15 per cent of their capacity.

Robert Njoka, Tanners Association of Kenya chairman, said the park will not attract investors unless laws are enacted to protect the industry from cheap imports and the government cracks down on smuggling of hides and skins.

Besides, the government must ensure the 80 per cent duty on exports of raw hides and skins is implemented to ensure the local industry has an adequate supply of raw materials.

This is critical considering that currently, the existing 14 tanneries in Kenya are operating at less than 40 per cent of their capacity due to lack of a reliable supply of raw materials and are often forced to import from neighbouring countries.

"Building a leather industrial park will be wasting money. Kenya cannot attract investors because the industry has not been secured by law," Mr Njoka said.

Source: <http://allafrica.com/stories/201611220190.html>

### New leather Body for Malawi

Malawi will officially launch a new leather industry body on October 28. The Leather Industries Association of Malawi (LIAMA) will be presented at an event in the capital, Lilongwe, on October 28.

Industry, trade and tourism minister, Joseph Mwanamveka, will preside at the launch, which will take place in the context of a seminar entitled 'Transforming the Malawi leather value chain into a vibrant economic subsector'.

### USAID and COMESA Sign \$77 Million Partnership Agreement to Strengthen Regional Development



Ambassador Eric Schultz shakes hands with COMESA Secretary General Ambassador Sindiso Ngwenya after the USAID/COMESA MoU signing

The United States Agency for International Development (USAID) and the Common Market for Eastern and Southern Africa (COMESA) launched a five-year Regional Development Objectives Grant Agreement at the 19th COMESA Summit, held this year in Madagascar. Through this agreement, USAID will contribute approximately \$77 million to strengthen the collaborative partnership between the two organizations and implement regional trade, investment, and agriculture development programs that contribute to their common goals.

U.S. Ambassador to Zambia and Special Representative to COMESA Eric Schultz, USAID Deputy Mission Director for Kenya and East Africa Candace Buzzard, and COMESA Secretary General Ambassador Sindiso Ngwenya signed a memorandum of understanding to affirm the agreement.

Ambassador Schultz pointed to the continued momentum toward achieving common economic development goals by renewing the partnership. "Through economic diversification, attracting more foreign investment, and reducing existing trade barriers, we can build upon our



**Oct. - Dec. 2016 (Issue No. 8)**

## International News

successes to date. I am confident that the new Agreement will help us bolster growth and unlock economic potential among the COMESA member states.”

Under this agreement, COMESA and USAID will work together to achieve shared development priorities to promote sustainable regional economic integration; reinforce institutional governance and accountability by supporting the coordination of regional trade, investment, and agricultural policies; and strengthen COMESA's organizational leadership.

The new agreement is not the first for USAID and COMESA, a regional economic community under the African Union with 19 member states. They have partnered since 2003 to create sustainable and integrated markets, increase the productivity of staple crops and farm productivity, promote trade and reduce trade barriers in regional markets, and support the free movement of goods and services in the region. Under a previous agreement, USAID provided \$115 million to support the organization in delivering its mandate.

### Leather Technologists Developed Brand New Finished Leather Products



Leather Technologists from Ethiopian Leather Industry Development Institute/ LIDI/ and Italian chemical manufacturer CODYECO S.P.A developed brand new finished leather products. The parties were signed a MOU on July 2015 to improve the development of the tanning industry in Ethiopia through the provision of technical support and develop specific cooperative programs.

Based on the MOU the parties were undertaken the product development activities to develop exportable finished leather types mainly aiming at upgrading lower input materials. According to the experts the developed articles are the new fashion finished products. And they developed about 24 diversified articles that are used for making different leather products.

At the program conducted for the demonstration of the new products, Ato Berhanu Neguse Coordinator, Product & Productivity sector Coordination at LIDI said that, the project was completed with full participation of LIDI's staffs that helps to achieve the institute's goal of knowledge and technology transfer.

The institute should have to work hard to transfer the new knowledge and technology gained from the project to the industries Birihanu said, because nothing is done in the institute regarding mass production unless to transfer the technology to the tanning industry, according to him.

The project's outputs are satisfactory and encouraging and from the project we realize that the institute and its facilities are good and efficient to do different researches on the leather and leather products technology, the coordinator said.

LIDI's technologists who participate on the project on their part said , it is a great opportunity for them working with well experienced leather technologists from Italy. They assured that they got enough knowledge of how to implement a specific project, solve problems and develop brand new products from the very beginning to end.

According to theme the project helps them to solve many problems raised from the tanneries regarding defects from poor quality of raw hide and skin as well as finishing technologies.

They stated that, they develop confidence by the project to produce new products and transfer it to the factories.

The Italian chemical manufacturer CODYECO S.P.A experts on their part said that, the product's developed were new fashion styles. And they appreciate LIDI'S staffs for their excitement to learn new things and capacity of developing products by their own.

Source : LIDI

## Malawi losing billions of dollars on export of skins and hides raw products-ACTESA



In an exclusive interview with Felix Jumbe, COMESA's Alliance for Common Trade in Eastern and Southern African (ACTESA) Board Chairperson upon arrival from Ethiopia on Leather and Leather Products conference, disclosed that Malawi was losing billions of dollars in revenue collection through export.

Jumbe who is also a Member of Parliament (MP) for Salima Central observed that livestock's hides and skins are being underused and wasted in the country while the world market is in dire need of them.

The ACTESA board chairperson Jumbe said it was high time Malawi capitalized on the already made leather market by rejuvenating its leather products sector. He added that the nation has the potential to export leather products considering the numbers of livestock and animals it has.

"Most African countries including the 20 member COMESA are losing out a lot of dollars in raw materials export on leather. And Malawi is the worst performing country as it has no organized structures for this sector. We don't have a good legal frame work to facilitate leather trading as the nation still uses an old 1966 Act on leather product which needs to be reviewed," said Jumbe.

He added: "Malawi has the potential for the leather sector considering the millions of cows, goats and wildlife animals on our land. We just need to get organized by formulating national council and associations on leather trade."

"After 52 years of independence Malawi is still struggling with the export market. Leather markets are already made for us. If we continue exporting raw materials nothing will work for us. Just image processed skin or hide of a square metre fetches US\$ 5 while unprocessed ones are at MK300 for the same quantity. This is how Malawi is losing out. We need to do something to boost our export revenue collection", said Jumbe.

The lawmaker plans to engage ministries of Agriculture and Trade on how best the leather sector can put its operations in order in the country with possibility of having a processing plants for hides and skins products.

Source : [www.maravipost.com](http://www.maravipost.com)

## East Africa: Governments Lose U.S.\$30 Million to Leather Racket

Governments in East Africa are losing about \$30 million in unpaid taxes to a hides and skins smuggling racket.

As a result, tanneries in Kenya and Tanzania are reducing their output while laying off employees.

According to documents seen by The EastAfrican, rogue traders are colluding with Customs officials, exporting hides and skins to China without paying the right duty.

The documents show that at least 65 containers leave the Port of Mombasa every month with hides and skins that are exported as damaged material.

The traders and custom officials also under-declare the weight of containers in which a 20-foot container with a capacity of 25 tonnes is registered as weighing 13 tonnes.

The traders also declare the free on board prices at \$0.4 per kg instead of \$1.4 per kg, thus robbing the government of \$24,000 per container. Annually, the Kenyan government is estimated to be losing \$18.7 million in unpaid tax.

"There is rampant smuggling of hides and skins, something that has caused a severe shortage of raw materials for local tanneries," said Robert Njoka, Tanners Association of Kenya chairman.

Source: <http://allafrica.com/stories/201612060381.html>



## Global Hides and Skins Market Review

The different target markets for European hides compared with North American and Brazilian origins has frustrated the hopes of traders looking for a ripple effect from the recent firmer prices observed in the U.S.

While slaughterhouses in Europe try to follow in the steps of their overseas competitors, it is becoming increasingly clear that the local hide market will not be comparable with what is happening across the Atlantic.

This is true in particular for the heavy bovine hides which, due to the slowdown in the automotive sector and the less than brilliant performance of the footwear segment, coupled with the reduced intake in Arzignano (Italy), has seen a reduction in demand. In addition, the peak season for male bovine slaughter is approaching and consequently, availability of these hides is expected to rise.

The difficulty in moving the lower selections remains in Europe and some tanners are overstocking on selections which may be difficult to sell. Tanners are reporting that some orders are finally materialising, mainly from large U.S. leather goods brands, but at squeezed margins between the finished leather prices and the raw material costs.


The U.S. market, despite an improved supply, consistently

around 600,000 head per week, has seen prices that are firmer or slightly up for steers and, to a lesser extent, cows, largely due to a resurgent demand from the Far East. This is not the case for wet-blue despite one large American supplier, which is undergoing a re-organisation of its wet-blue production, is said to have been flooding the Italian market with large stocks at prices way below the 'official' price, and setting a new yardstick against its competitors serving Italy.

While it is hard to say whether it was a result of the reorganisation itself or more sales related. It has led to further price reductions in an already very competitive arena among the side leather tanners in Italy. Who are themselves, struggling for orders from customers focused constantly on achieving lower prices than on quality.

Finally, the recent exchange rate volatility is increasingly entering in the calculations as both the euro (and sterling) and the Chinese yuan have lost ground against the U.S. dollar. This has limited the ability of the U.S. hide sellers to push prices higher even in a period of peak demand, and leaving the European materials open to many Chinese buyers, particularly in the cowhide segment.

Source : [http://www.thesauerreport.com/news/WorldView\\_October2016/44764](http://www.thesauerreport.com/news/WorldView_October2016/44764)



[Home](#)
[Country Profile](#)
[Virtual Exhibition](#)
[Market Price](#)

[To Access Customized Info.](#)
[Login](#)
[Register](#)

**Main Menu**

- Home
- National Trade Info
- Regional Trade Info
- International Trade Info
- Information Search
- Leather Fact Sheet
- Contact List
- Price Index

### Leather and Leather Products Trade Information

**Enterprise Information**

Enterprise Name	Country	
Abdulwaddood Tanners LTD	Kenya	<a href="#">View Detail</a>
ABT Tanners' Friend Agency	Ethiopia	<a href="#">View Detail</a>
ACOKI	Rwanda	<a href="#">View Detail</a>
Addis Ababa tannery SC	Ethiopia	<a href="#">View Detail</a>
Adelphi	Kenya	<a href="#">View Detail</a>
Adom Chemicals PLC	Ethiopia	<a href="#">View Detail</a>
AF/CR	Rwanda	<a href="#">View Detail</a>
AFRICA FOOTWEAR	Uganda	<a href="#">View Detail</a>

**Price Index**

Kenya

Item Description	Price (US\$)
Bovine Hides Wet Salted	June 0.88 / kg
Wet Blue (Bovine)	June 8.6 / Sq. Ft.
Wet Blue (Goat)	June 35 / Dozen
Bovine Hides Wet Salted	May 0.98 / kg
Wet Blue (Bovine)	May 8.6 / Sq. Ft.
Wet Blue (Goat)	May 35 /

Visit

<http://portal.comesa-llpi.int>

for Trade Information on Leather and Leather Products



Leather for Health, Wealth and Luxury!

LLPI highly accessible and convenient for our regional and international partners and clients.

#### **LLPI Vision:**

To be Africa's premier leather sector centre of excellence in the global arena.

#### **ABOUT COMESA-LLPI**

COMESA – Leather and Leather Products Institute (COMESA/LLPI) was chartered in 1990, with the endorsement of 17 COMESA Heads of State. COMESA/LLPI's main Mandate is to support the development of the leather sector in the COMESA Region. Over the years the Institute has created strong strategic linkages with Public and Private Sector Institutions in member countries. In addition to this, COMESA/LLPI has signed several Memoranda of Understanding (MoUs) with global institutions, in its pursuit to improve competitiveness of the leather sector in Africa in line with global dynamics.

COMESA/LLPI is headquartered in Addis Ababa, Ethiopia; and currently its membership encompasses ten COMESA countries, namely Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Sudan, Zambia and Zimbabwe. The Institute has short term plans to expand its operations to Swaziland, Egypt, the Democratic Republic of Congo (DRC) and Madagascar.

The location of its office is strategic, as Addis Ababa is the capital city of Africa, where the African Union and other International Development Partners are located. Furthermore, Addis Ababa is the African gateway to any global destination, which makes COMESA/

#### **LLPI Mission:**

To facilitate MSs and connect partners, enterprises and institutions for value addition and competitiveness in the leather sector through Sharing of Knowledge, Adaption and Adoption of innovations at various value chain levels.

## Address

*For more information about LLPI, please contact:*

**COMESA—Leather and Leather Products Institute (COMESA/LLPI)**

**P.O. Box 2358 Code 1110**

**Addis Ababa, Ethiopia**

**Phone: 251—11-4390228/4391319/4390327/4390928**

**Fax: 251-11-4390900**

**E-mail: [comesa.llpi@ethionet.et](mailto:comesa.llpi@ethionet.et)**

**[executive.director@comesa-llpi.int](mailto:executive.director@comesa-llpi.int)**

**Website: [www.comesa-llpi.int](http://www.comesa-llpi.int)**