



LLPI's ROLE IN THE COMESA REGION LEATHER VALUE CHAIN DEVELOPMENT

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OUTLINE

- ✘ INTRODUCTION
- ✘ POTENTIAL OF THE LEATHER SECTOR IN THE COMESA REGION
- ✘ VALUE CHAIN DEVELOPMENT
- ✘ LLPI'S ROLE IN LEATHER VALUE CHAIN DEVELOPMENT



INTRODUCTION

- ✘ Hides and skins, leather and leather products ranked first in total value (in excess of US\$ 80 billion) of world traded agricultural commodities



POTENTIAL OF THE LEATHER SECTOR IN THE COMESA REGION

- ✘ The COMESA region has a livestock population of about 126 million cattle, 91 million sheep and over 90 million goats
- ✘ It produces 14 million hides, 23 million sheep skins and about 26 million goat skins annually.

POTENTIAL OF THE LEATHER SECTOR IN THE COMESA REGION



- ✘ This represents 4 and 51 percent of global and Africa's hides production; 4.3 and 32 percent of sheep skin production; and 6.6 and 38.3 percent of goat skins production respectively



POTENTIAL OF THE LEATHER SECTOR IN THE COMESA REGION

- ✘ The sector is recognized for its massive potential for employment, growth and exports.
- ✘ Small and Medium Enterprises (SMEs) represent the highest proportion in the sector
- ✘ But, the potential of the sector is far from being fully realized due to various constraints

POTENTIAL OF THE LEATHER SECTOR IN THE COMESA REGION



- ✘ Constraints facing the development of the industry can be categorized under the following four major groups:
 - + Hides and Skins Production
 - + Leather Processing and Production
 - + Leather Products
 - + Overall Chain



VALUE CHAIN DEVELOPMENT

- ✘ Value chain starts with activities in the chain from the initial input suppliers at the very beginning of the production process to the final consumption of products
- ✘ The leather and leather products value chain starts from the livestock producers, slaughter operations, hides/skins trade, tanneries, leather products producers, wholesalers and retailers who supply the consumers.



VALUE CHAIN DEVELOPMENT...

- ✘ The value chain development emphasizes on facilitating market linkages, developing business services market and improving the environment in which enterprises operate.
- ✘ Interventions to develop a specific value chain aim at increasing the efficiency of existing links or establishing new ones.



VALUE CHAIN DEVELOPMENT...

- ✘ Interventions when supporting value chain development aim at:
 - + Improving flows of knowledge and resources to make all enterprises in the chain more productive,
 - + strengthening the weakest link to address a possible bottleneck in the chain,



VALUE CHAIN DEVELOPMENT...

- + Improving specific links between enterprises, again to improve the efficiency at an identified bottleneck and
- + Creating new or alternative links in the chain, which e.g. aim at linking local enterprises in developing countries to global value chains or linking to new, additional lead enterprises



VALUE CHAIN DEVELOPMENT....

- ✘ Integrating SMEs into value chains helps to:
 - + increase their internal operation efficiency ;
 - + develop inter-SME linkages that reduce transaction costs;
 - + And upgrade along the value chain (introduce product branding, new products, and improved version of existing products in the market faster than the rivals)



LLPI'S ROLE IN LEATHER VALUE CHAIN DEVELOPMENT

- ✘ The COMESA/LLPI, is the major coordinating Institute for the regional development of the leather industry
- ✘ It is tasked with the job of promoting productivity, competitiveness, trade and regional integration in the leather industry.



LLPI'S ROLE IN LEATHER VALUE CHAIN DEVELOPMENT

- ✘ The Institute in order to conduct focused and prioritized interventions in the leather sector conducted SWOT analysis of the leather value chain and developed its MTSAP.
- ✘ The Medium Term Strategy and Action Plan (MTSAP) of the Institute identified different strategic issues



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The strategic issues of the MTSAP for the period 2010 –2015 were:

- ✘ **Strategic Issue1: Regional Human Resource Development**
- ✘ **Strategic Issue 2: Material and Technology Development**



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- ✘ Strategic Issue 3: Investment and Trade Promotion
- ✘ Strategic Issue 4: Information Dissemination
- ✘ Strategic Issue 5: Consultancy and Extension Services
- ✘ Strategic issue 6: Regional Integration Issue



LLPI'S ROLE IN LEATHER VALUE CHAIN DEVELOPMENT

Major LLPI's accomplishments in 2012 as part of fulfilling its role in leather value chain development were:

- ✘ Training in leather trade information for 8 LLPI member countries offered in Addis Ababa
- ✘ Study conducted to identify cluster and non-cluster based SMEs export potential and trade information need

LLPI'S ROLE IN LEATHER VALUE CHAIN DEVELOPMENT



- + Organizing SMEs into Clusters foster extensive collaborative ties between the SMEs that facilitate:
 - ✘ sharing of knowledge, technologies and inputs;
 - ✘ develop greater responsiveness to global demands;
 - ✘ and attain greater export levels as a result of collective efficiency and improving competitiveness.



LLPI'S ROLE IN LEATHER VALUE CHAIN DEVELOPMENT

- ✘ LLPI encourages and support the establishment of cluster cooperatives in member countries,
- ✘ This is because individual SMEs often face sector-level constraints that they cannot address alone.



LLPI'S ROLE IN LEATHER VALUE CHAIN DEVELOPMENT ...

- ✘ The COMESA/LLPI Website and Portal designed, developed and launched
- ✘ Trade link between Ethiopian SME's and potential footwear importers of other COMESA member countries initiated
- ✘ Information on leather sector, new technology and leather products design in the COMESA Region collected processed, analyzed and disseminated through COMESA/LLPI website, Trade Information Portal, Quarterly Newsletter etc..



LLPI'S ROLE IN LEATHER VALUE CHAIN DEVELOPMENT

- ✘ On line Virtual Exhibition for SMEs and other footwear manufacturing firms commenced via the Leather Trade Information Portal (<http://portal.comesa-llpi.org>).
- ✘ Co-organized, sponsored and/or participated in International leather Trade Fairs (5th Edition AALF, Bologna/Lineapelle) and took part in various For a,



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- ✘ Upon request by member countries support through advising, and documentation in the leather sector (Uganda, Zambia, Malawi, Ethiopia).

Thank you!