



COMESA-LLPI NEWSLETTER

Leather for Health, Wealth and Luxury!

July - Sept. 2017 (Issue No. 11)

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Regional Training Workshop in Leather Products Design, Craftsmanship and Export Readiness was Conducted



Her Excellency Amelia Anne Kyambadde, Minister, Ministry of Trade, Industry & Cooperatives of the Republic of Uganda, Receiving Gifts from Leather SMEs.

Regional Training Workshop in Leather Products Design, Craftsmanship and Export Readiness was Conducted on 22nd - 30th September 2017 in Kampala, Uganda.

The Training activity is part of the Project "Structured design training for regional leather and leather products SMEs in leather products design, craftsmanship and export readiness" granted by USAID - East Africa Trade and Investment Hub (USAID-EATIH) and 25 SMEs were selected from Burundi, Rwanda, Tanzania and Uganda using a structured selection criteria.

The workshop had two sessions; the first session was to present and validate the world class curriculum for improving export competitiveness of SMEs, to present the USA leather footwear and leather goods market report and possible penetration strategies, to showcase the products which are currently being produced by SMEs, and to undertake one-to-one meeting with the Trainers.



Mr. Feraw Kebede Conducting Training for Participants



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

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DECEMBER 2017**

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Prof. Mwinyikione Mwinyihija, Executive Director of COMESA-LLPI

Dear readers:

Welcome back to this third quarter edition of COMESA/LLPI Newsletter that gives highlights of activities accomplished during the period July to September 2017. This edition focuses mainly on LLPI's activities regarding Regional training on Export Readiness, Academia Meeting, Board of Directors Meeting, Training on Tanning Training on Basic Footwear Making at different countries in the Region and other Regional and International leather related news.

During the third quarter, the Institute conducted Regional Training Workshop in Leather Products Design, Craftsmanship and Export Readiness in Uganda, Training in Hides and Skins Tanning in Djibouti, Training in Basic Footwear Design and Making in Rwanda and Djibouti. In addition, LLPI also made Board of Directors Meeting, made Mission to China, and Conducted IULTCS organizing Committee Meetings.

We appreciate and value all our partners and stakeholders for their invaluable support and collaboration for all the successes registered during the quarter. We hope this newsletter will keep us connected with respect to information in the region's leather sector development and other activities in the sector within and outside the region.

Kindly accept our appreciation for taking time to read and providing us with your thoughts.

Sincerely,

Prof. (Dr^h.) Mwinyikione Mwinyihija

Executive Director

Participants of the first session were government representatives from Burundi, Rwanda, Tanzania and Uganda, USAID-EATIH representative, Chairperson of LLPI Board of Directors, LLPI team, Trainers, and leather SMEs. Whereas, the second session was to give hands-on training using the designed curriculum and focusing on the identified gaps during the one-to-one session. The Training was conducted at the Uganda Satellite Design Studio in Kampala.

The Workshop was officially opened by Her Excellency Amelia Anne Kyambadde, Minister, Ministry of Trade, Industry & Cooperatives of the Republic of Uganda. H.E. Amelia, during her opening remarks, pointed-out that consumption of products should begin from the producers themselves.



Leather Products Produced and Showcased by SME Participants



Partial View of the Opening Ceremony of the Training Workshop

Prof. Mwinyihija, Executive Director of COMESA/LLPI, during his opening remark, confidently mentioned that after conducting the first SMEs Meeting in 2014 in Syavonga, Zambia, SMEs are growing in the production and marketing of leather and leather products.

After a five days intensive training, it was concluded on Friday September 29, 2017. Guest of Honor Commissioner Dr. Joshua Muthambi, during his closing remarks highlighted that the Training was the first of its kind in Uganda; it is held in the first incubation Center in Uganda and Trainees are the first students of the Incubation Center. Dr. Muthambi also appreciated USAID-EATIH and COMESA/LLPI for such great initiative to capacitate SMEs to export to the AGOA Market.

Mr. Soteri K. Nabeta, Executive Director of Management Training Advisory Center (MTAC), in his remarks during the graduation ceremony pointed out that he is very much happy about hosting the FLEMEA-incubation Center and Uganda Satellite Design Studio at MTAC. He is also very much willing to provide additional space for the same whenever needed.

Finally, Certificates were handed over to all training participants by the guest of honor Dr. Muthambi and the representative from USAID-EATIH.

Trainees were expressing their deep feelings about the training that it changed the mindset of how they are to operate in producing leather and leather products.



Handing over of Certificates to Training Participants

Eastern Africa Hub and COMESA/LLPI- Regional Designers Studio Capacity Building Training-Workshop for Focal Points Held in Uganda



The first Training Workshop under the project entitled “Structured Design Training for Regional Leather and Leather Products SMEs in Leather Products Design, Craftsmanship and Export” was held from 19 to 21 July 2017 in Kampala, Uganda. This Training workshop was organized by COMESA/LLPI in collaboration with the USAID - East African Trade and Investment Hub (EATIH). Over 20 participants attended the Training Workshop, who came from 11 countries of the region, namely Burundi, Eritrea, Ethiopia, Kenya, Malawi Rwanda, Sudan, Tanzania, Uganda, Zambia, and Zimbabwe.

The objectives of the workshop were to enhance the Focal Points’ appreciation of the scope of the Eastern Africa Hub project and its relationship with the Regional Designers’ Studio; to capacitate Focal Points to apply the SMEs Selection Criteria and the administration of the Profiling Instrument; to enhance the Focal Point technical capacity to evaluate samples of leather footwear and products; and to identify and prioritize specific activities in the implementation of the Regional Designers Studio Project.

The Training Workshop was officially opened by the Executive Director of COMESA/LLPI, Prof. M. Mwinyihija and Director, Investment, East Africa Trade and Investment Hub, Mrs. Kanini Mutooni,

Presentations were delivered on the objectives and scope of the Hub Project and the Regional Designers Studio and the Selection Criteria and Profiling Instruments by Mr. Nicolas Mudungwe, Programs Coordinator, COMESA/

LLPI.

Technical presentations on the Defects Identification Methodology were made on Leather Footwear and Leather Goods, respectively, by Mr. Feraw Kebede and Mr. Moses Mwangi who are renowned experts in the Region.

Participants in Group works conducted Practical Evaluation of samples based on the Defect Analysis Methodology and this was further discussed in Plenary sessions.

The Training Workshop was concluded with the identification of priority interventions that should be implemented under the Flagship Regional Designers



Partial View of the Presentation Sessions

Studio Program; agreeing to initiate and implement activities virtually in the short to medium term and by allocation of tasks and timelines for the identified broad activities.

The Training Workshop Evaluation summary provided an account of participants’ views on various aspects of the Training Workshop. Overall, the Training Workshop was rated as good or excellent by all (100%) of the participants.

COMESA/LLPI Organized Academia Meeting Held



Partial View of the Academia Meeting

As part of strengthening and promoting research and development projects focusing on the leather sector, COMESA-Leather and Leather Products Institute (COMESA/LLPI) organized a one-day meeting for academic colleagues from Kenya, Uganda and Zimbabwe, on 21st July, 2017 at Hotel African, Kampala, Uganda.

The meeting was organized to explore ways and means to facilitate and strengthen Joint Research and Networking as well as to further enhance COMESA/LLPI's Capacity to Share Best Practices.

The Executive Director of COMESA/LLPI, Prof. Mwinyihija, opened the meeting by welcoming participants and giving a brief talk on LLPI's endeavors

to strengthen research activities for the development of the leather sector in the COMESA region. This was followed by presentations made by Dr. Douglas Onyancha from Dedan Kimathi University of Technology of Kenya, Mrs. Diana Nitamu from Makerere University Business School, Uganda and Prof Londiwe Nkiwane from National University of Science and Technology (NUST), Zimbabwe, respectively, on the following three project areas:

- » Identifying the Determinants of the Leather Technology Adoption in Artisan/SMEs Involved in the Leather Footwear and Leather Goods Manufacturing in Kenya;
- » The Supply and Demand Implications on the Restriction on Exports of Hides and Skins and Potential Impact on Imports of Second Hand Footwear Ban in East Africa; and
- » Leather Products and their Accessories – Formation of a Business Incubation Centre at National University of Science and Technology (NUST).

The presentations were followed by discussions that allowed to appreciate the current status of the research activities of the three projects and make recommendations on the way forward and resource mobilization for the three projects. Participants agreed to come up with tangible results and make next progress report during the 11th Consultative forum that will be held in Livingstone, Zambia in December 2017.

COMESA/LLPI Mission to Sudan



COMESA/LLPI Signing of MoU with Ministry of Human Development and Labor



COMESA/LLPI Signing of MoU with Sudan University of Science and Technology (SUST)



COMESA/LLPI Signing of MoU with University of Bahri

The Team of Experts of COMESA/LLPI led by Executive Director went to Khartoum Sudan from 16th to 24th August 2017.

The objective of the visit was to streamline the leather development activities of COMESA/LLPI with different public, private and academia organizations.

The Mission undertook MoU signing with different

Government Organizations, made visit to Kerari Vocational and Entrepreneurship Center, Visited Incubation Center of Sudan Science and Technology University, conducted Cluster and Incubation Management Training Workshop, facilitated and sponsored the Khartoum Leather Fair.

COMESA/LLPI signed MoUs with University of Bahri, Sudan University of Science and Technology and Ministry of Human Development and Labour. The signing of the

MoU with University of Bahri and COMESA/LLPI was made by Prof. Ayoub A. M. Khalil, Vice Chancellor of the University and Prof. M. Mwinyihija, Executive Director of COMESA/LLPI. Similarly, the MoU was signed by Prof. Rashid Ahmed Mohammed Hussein, Vice Chancellor of Sudan University of Science and Technology (SUST) and Prof. M. Mwinyihija, Executive Director of COMESA/LLPI. Finally, the MoU between COMESA/LLPI and Ministry of Human Development and Labor-Khartoum State was signed by Prof. M. Mwinyihija and H.E. Dr. Gafar Ahmed Abd Allah, Minister for Ministry of Human Development and labor- Khartoum State. The objective of the signing of MoUs was to engage Kerari Vocational and Entrepreneurship Center, Incubation Center of SUST and University of Bahri with relevant Ministries and work together on capacity development, research and clustering by optimizing the resources at each

show .COMESA/LLPI's objectives and activities were also communicated during the Trade Fair and profiles of the exhibitors were collected for possible future intervention activities.



organization level.

The Workshop on Cluster and Incubation Management Training was also conducted for stakeholders from various Government institutions with the objective of facilitating the development of the leather industry cluster activity in Sudan. The Training was provided by Mr. Nicholas Mudungwe, Programmes Coordinator of COMESA/LLPI. During the plenary session of the Workshop, Prof. M. Mwinyihija forwarded to the participants that they are think-tanks meant for defusing the ideas to SMEs. To sustain the leather development agenda in Sudan, the Secretariat for the Cluster Development activities had been established from different stakeholders and at the end of the Cluster and Incubation Management Training Workshop, subsequent activities were planned to realize the objectives.

COMESA/LLPI in collaboration with Ministry of Industry and Investment-Khartoum State, organized Leather Trade Fair in which 60 Small and Medium Leather Manufacturers participated. During Trade Fair the participants got chances to know the growth potential of each leather and leather product manufacturers possesses and also created plain ground for input-output linkages among themselves. The Brand Development activities also shared, especially, in the leather product producers, like wallet etc, during the



Partial View of the Leather Trade Fair

Courtesy Visit of the COMESA/LLPI Board of Directors to the Ministry of Trade, Industry and Cooperatives of the Republic of Uganda



Courtesy Visit of the COMESA/LLPI Board of Directors to the Ministry of Trade, Industry and Cooperatives of the Republic of Uganda



COMESA-Leather and Leather Products Institute (COMESA/LLPI) Delegation composed of the Institute's Board of Directors (Mrs. Annoncée Kuradusenge - Board Chairperson from Rwanda, Mr. Wondu Legesse and Mr. Abdul Hakiim Sekandi - Board Members respectively from Ethiopia and Uganda), Executive Director- Prof. Mwinyihija Mwinyikione, and Institutional Capacity Development and Consultancy Expert Prof. Mekonnen Hailemariam paid a courtesy visit to the Ministry of Trade, Industry and Cooperatives of the Republic of Uganda on the 18th July, 2017.

During the Courtesy visit, Prof. Mwinyihija expressed his deep gratitude to the Hon. Ms. Amelia Anne Kyambadde, Minister of Trade, Industry and Cooperative, of the Republic of Uganda, for receiving the delegation despite the busy schedule the Honorable Minister has. He then introduced members of the delegation after which the

Board Chairperson briefed the Honorable Minister on the 32nd meeting of the Board and the COMESA/LLPI's focus areas of activities and achievements in the leather sector in Member States. Board Members also briefed the Honorable Minister on their respective countries' leather sector development activities.

The Honorable Minister, after thanking COMESA/LLPI for its remarkable activities for the development of the leather sector in COMESA region in general and in Uganda in particular, shared insights about the second-hand footwear and leather goods importation ban to be instituted in East African Community partner states starting from 2019, and capacity building and finance related challenges to unlock the potential of the leather sector.

The COMESA/LLPI 32nd Board of Directors Meeting Held

The Thirty Second Meeting of the COMESA-Leather and Leather Products Institute's Board of Directors was held in Kampala, Uganda at Hotel Africana on 17th – 18th July 2017. The Meeting was attended by the Board Members from Ethiopia, Rwanda and Uganda. An apology was presented from Mr. Clement Phangaphanga (Malawi), who felt sick the night before his scheduled travel day. The Board Members expressed their best wishes and prayers for his quick recovery.

The Board examined the Institute's January to June 2017 budget performance and work activities report as well as the 2018 proposed budget and work plan. The Board took cognizance of the progress that LLPI has achieved against its set annual targets that are informed by its



strategic plan (2016 – 2025) and Annual Plan for 2017.

The Board also provided necessary Recommendations and Decisions for the Institute's and Board's consideration and guidance for the remaining period of the current year 2017 and approved the 2018 proposed Budget and work plan, for it to be considered by the relevant committee and endorsement by the Council of Ministers.

The Board registered its appreciation and satisfaction for an excellent performance irrespective of its meagre resource. These were proud to be associated with the success registered and agreed that the milestones gained will translate to tangible beneficiation to Member States in the Region and ultimately realization of AUC Agenda 2063 pillar on industrialization.

COMESA/LLPI Conducts Artisans Training in hides and skins Tanning in Djibouti

COMESA-Leather and Leather Products Institute, in collaboration with the Ministère Délégué Chargé du Commerce, des PME, du Tourisme et de la Formalisation and with financial support from the COMESA-RISM Program, held artisans training in Vegetable and Chrome Tanning at I.S.C.A.E. Institute, Djibouti from September 18 to 22, 2017.

Tourisme et de la Formalisation.

The COMESA/LLPI Expert Team was led by Prof. Mekonnen Hailemariam, Institutional Capacity Development and Consultancy Expert and composed of Mr. Harisson Ndungu and Mr. Amasi Chrispin, both highly qualified professionals in hides and skins tanning.



Partial View of the Training in Djibouti



The objective of the training was to offer knowledge and skills in vegetable and mineral tanning at artisanal level and thus change the situation where over the years and until now people are making leather products with unprocessed hides and skins.

The training was officially opened by Mr. Abdalah Tahir Hassan, Director of Artisans and Tourisme in the presence of Mr. Daher Youssouf and Mr. RobelehDjibril Sougal, both advisors of the Honorable Minister, Ministère Délégué Chargé du Commerce, des PME, du

A total of 25 artisans drawn from the different parts of the country attended the training that provided them with basic skills to process hides and skins to crust leather using vegetable (mimosa powder) and mineral (basic chromium sulphate) tannins as tanning agents. The crust leather produced can make sandals and other simple leather products at that stage.

At the end of the training certificates were distributed to the trainees and feedbacks from the latter were very positive, confirming full attainment of the training objectives.



COMESA/LLPI Mission TO CHINA

A Team led by Executive Director of COMESA Lather and leather products Institute (COMESA/LLPI) Prof. M. Mwinyihija participated in the third World Leather Congress which had been held in China, Shanghai on 29 August 2017, at the Pullman Hotel, Shanghai South.

The objective of the visit was to streamline the leather development activities of COMESA/LLPI along with the internationalization of leather and marketing in global Arena.

The Mission included participation in Presentation of different Topics and panel discussion regarding The present and the future of the leather sector with respect to end users, raw material suppliers, Fashion Industries, publishers and ecommerce shows strong promotions should be planned and implemented before non leather raw material win the market in general. The Team also participated in IULTCS Executive Committee Meeting which was held the following day in the ALL China leather Fair grand Hall. During the meeting the performance report was presented by the Chairperson of the Committee and the Next vice president had been elected. Dr Luis Zugno who has extensive practical and academic knowledge of the leather industry and is a member of ABQTIC (Brazilian Leather Association), ALCA (American Leather Association) and AICC (Italian Leather Association).

As a full Executive Committee member, the COMESA/LLPI Executive Director had got a chance to explain the activities so far regarding the preparation of IULTCS 2021 congress in Ethiopia. The Brochure prepared by COMESA/LLPI regarding the IULTCS 2021 congress distributed to Committee members for additional information. All the Executive Committee Members had shown their commitment to support the preparation of IULTCS 2021 congress in every direction.



Partial View of the Meeting



IULTCS 2021 Congress Organizing Committee Kick-off Meeting Held

Following COMESA/LLPI's winning to host the IULTCS 2021 Congress, the first Organizing Committee Meeting kicked-off on 26th July 2017 at LLPI's Headquarters in Addis Ababa, Ethiopia.



The Congress is to be organized in collaboration with the Ethiopian Government, Technology Universities, Private Sector Associations, and Professional Associations. The Meeting was officially opened by Prof. Mwinyihija, Executive Director of COMESA/LLPI.

The objective of the Meeting was to formulate and structure different components of the Organizing Committee that will realize the successfulness of the event. The Meeting elected Congress President and Organizing Committee Chairperson. The Meeting also structured the following five committees and assigned the respective Chairs:

- Technical Committee
- Fundraising Committee
- Administrative Committee
- Communication Committee, and
- Mini-Exhibition Committee

Prof. Mwinyihija appreciated Government, University, and Association representatives for their due attention to successfully organize the IULTCS 2021 Congress which is of the first of its kind in Africa.

LLPI to Host IULTCS Congress 2021 in Addis Ababa, Ethiopia



COMESA/LLPI Conducts Training Course in Basic Footwear and Leather Goods Making at Lycee Industriel and Commercial Institute Djibouti



A training course in Basic Footwear and Leather Goods Making to SMEs was held from August 13 to 20 2017 in Djibouti at Lycee Industriel and Commercial Institute. The Training was organized, under the COMESA-RISM Program financial support, by COMESA-Leather and Leather Products Institute in collaboration with the Ministère Délégué Chargé du Commerce, des PME, du Tourisme et de la Formalisation.

The purpose of the training program was to enhance the productivity and quality footwear production through improving the knowhow, skills and attitude of SMEs in Footwear and leather goods making in Djibouti.

The program was officially opened on the 14th of August with brief opening remarks by Mr. Ali Daoud Abdou , Secrétaire Générale, Ministère Délégué Chargé du Commerce, des PME, du Tourisme et de la Formalisation and Prof. Mekonnen Hailemarim representing the Executive Director of COMESA/LLPI, Prof. M. Mwinyihija. In attendance of the event were Mr. Abdi Djama, Director of Lycee Industriel and Commercial Institute, Mr. Abdallah Jahir, Director of Handcrafts and Tourism and other Officials.

This tailor-made training, focusing on Sandals, bags, belts and other leather goods was delivered by an expert from the "Training and Production Centre for Shoe Industry" (TPCSI)-Kenya to the 23 Djibouti SME participants drawn from all over the country.

After eight days of intensive hands-on training, the program successfully came to an end with a certificate ceremony in attendance of Mr. Ali Daoud Abdou, the Secrétaire Générale (Permanent Secretary), and other officials.

Feedback from participants and trainer alike was very positive and it can be concluded that the learning objectives were fully attained.



COMESA-Leather and Leather Products Institute Conducts Training Course in Basic Footwear Designing and Finishing at Masaka Business Incubation Centre Kigali, Rwanda.



The training course in Basic Footwear Designing and Finishing to SMEs in Rwanda was officially opened on 11th September, 2017 by Madam Mukashyaka Germaine who is the Chairperson of Leather Value Chain Industry Platform. The Executive Director of COMESA Leather and Leather Products Institute (LLPI) Prof. Dr. Mwinyihija was represented in the event by Mr. Harrison Mungai who conveyed his greetings and thereafter highlighted LLPI Vision, Mission and the Institute's Mandate.

In presence during the official opening ceremony were: -

- » Mr. Habumugisha Michel who is the President of Rwanda Association for Promotion of Leather and Leather Products (RAPROLEP);
- » Dr. Osinniel, a representative of Ministry of Trade and Industry;
- » Mr. Kagango Diogeune, Director of Masaka

Business Incubation Centre;

- » Two Footwear Training Experts from Kenya and Uganda contracted by LLPI.

The Leather Value Chain Industry Platform is supported by five (5) Associations/bodies namely:

- » Slaughterhouses Association;
- » Association of Hides and Skins Exporters;
- » Cooperative of Hides and Skins Collectors;
- » Tanneries;
- » Rwanda Association for Promotion of Leather and Leather Products (RAPROLEP).

The Training was organized by COMESA-Leather and Leather Products Institute in collaboration with the Ministry of Trade, Industry and Workforce Development Authority (WDA)

The purpose of the training was to enhance the productivity and quality footwear production through improving the knowhow, skills and attitude of SMEs in Designing and Finishing Footwear in Rwanda.

The ten (10) days practical training program run from 11th – 19th September, 2017 both days inclusive and has 70 participants of which 15 (21%) were women who are drawn from four (4) provinces (thirty (30) Districts) across the country under the umbrella of Rwanda Association for Promotion of Leather and Leather Products (RAPROLEP). Also among the 70 trainees 3 are People with Disability (PWD).

Up on completion of the Training Workshop, Certificates were handed over to participants.



Partial View of the Graduation Ceremony



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LLPI News

Guest of Honor, Mrs. Annette KARENZI, Director General in charge of Industry and Entrepreneurship Development at Ministry of Trade and Industry of Rwanda, during her closing remarks, underscored that the Training should make impact on lives of SMEs and Rwanda as a Country. She also appreciated the efforts of COMESA/LLPI in spearheading the development of the Rwanda leather sector. She pledged that the Ministry of Trade and Industry in collaboration with the Workforce Development Authority will work hard to share skills with others, increase the quality of leather products, and organize exhibitions at province level. Finally, Madam Annette appreciated the Association for Promotion of Leather and Leather Products, the Leather Industry Platform, and WDA for organizing such training.

On behalf of the Executive Director of COMESA/LLPI,



Leather Footwear Produced by SMEs During the Training



Guest of Honor, Mrs. Annette KARENZI, Making Graduation Remarks



Mr. Awlacheu Sintie on behalf of Prof. M. Mwinjihija, Making Graduation Remark

Mr. Awlacheu Sintie, Information Systems Expert, M&E of COMESA/LLPI was attended the Graduation Event.



Group Photo After the Graduation Ceremony



COMESA/LLPI Joins the Advisory Board of Intra Commonwealth SMEs Association (ICSA) as a Full Member

COMESA/LLPI is proud to announce that it joined the Intra Commonwealth SMEs Association (ICSA) Advisory Board as member since August 2017.

The objective of ICSA 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 the Commonwealth nations more particularly the LDCs, as it will enable 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.

Participants to Intra-Commonwealth SME Association include but are not limited to:

- i. Manufacturing Associations of Commonwealth nations.
- ii. Exporting Associations/Councils of Commonwealth nations.
- iii. Service providing Associations and Councils
- iv. Units of SMEs, where there is no Association/ Council exists, and
- v. Big firms for strategic partnerships
- vi. Service providing institutional associations
- vii. Innovation hubs
- viii. Government affiliated institutions
- ix. Banks and financial institutions

COMESA/LLPI's membership of ICSA enables it to share and/or gain experiences in the leather sector development between and within Commonwealth countries in Africa and globally.



<http://icsa.net.in/>

Kenya's Leather Industry Gains Revival Momentum

Kenya is gaining momentum in reviving the leather industry after about 20 years since its productivity shrunk following liberalization of the market.

Kenya Leather Development Council (KLDC) CEO Charles Ndung'u says volumes of raw hides and skins exported have reduced tremendously thereby reviving tanneries which had collapsed in the 1990s due to lack of the raw materials.

Liberalization of the leather market, which came with the abolition of the 22 percent export compensation scheme, resulted in exportation of the 80 percent of the total raw materials causing a major shortfall in the local market.

"However, two years ago since the Kenya Revenue Authority (KRA) began collecting the 80 percent Free on Board (FOB) on the raw materials, the total exported hides and skins has reduced to about 10 percent from 80 percent," Ndung'u told Xinhua on Thursday during an interview in Nakuru, about 180km northwest of Nairobi.

Increase in the export tax from 40 percent to 80 percent is one of the strategies that the government is enforcing to revive the once vibrant industry.

Encouraging value addition in the industry, which has the capacity of employing more than 800,000 people and generating up to 1.6 billion U.S. dollars annually, is the key to promoting its progressive development, according to Ndung'u.

The leather industry in Kenya mainly depends on the livestock sector where the target lies in the cows, goats and sheep. However, there has been a shift in sourcing for the raw materials to fish, especially the Nile Perch, ostriches and the crocodiles.

Goats provide the highest percentage of skins with the least obtained from fish based on the comparative analysis of data provided by the ministry of industrialization and enterprise development.

Annually, the leather industry produces 5.4 million tonnes of goatskin, 2.7 million tonnes of sheepskin, 2.5 million tons of cattle hide, 1000 tonnes of crocodile skins, 500,000 tonnes of camel hides, 500 tonnes of ostrich skins and 400 tonnes of fish skin.

"The leather industry is very vibrant in Kenya in comparison to other countries in East Africa. Ethiopia is now our reference point since it's now producing its own leather products and exporting them to Kenya," said Ndung'u.

Source: <http://www.coastweek.com/3746-latest-news-Kenyas-leather-industry-gains-revival-momentum.htm>

TV Viewers Left in no Doubt About Limitations of 'Bonded Leather'

Director of the University of Cincinnati's Leather Research Laboratory, Steven Lange, has appeared on local television in the US to explain the difference between leather and so-called 'bonded leather'. He gave an expert opinion on the contrasts between the two materials on a programme that seeks to give advice to consumers.

The programme had received a complaint from a consumer in Georgia who was disappointed by the degradation of the upholstery on a five-year-old sofa that he had been told was made from leather. Instead, the material used on the \$1,500 sofa was bonded leather.

Steven Lange explained that bonded leather is small pieces of leather scraps, pressed into place and held together chemically.

He said: "With natural leather, the grain will make little wrinkles when you fold it. With the bonded leather product you are not going to have that look at all. It's like a smooth sheet of plastic. Once people know the difference between real and bonded they will want real leather."

After the programme aired, Stephen Sothmann, president of the US Hide, Skin and Leather Association, said: "It was a really great piece. We will all need to do more of this type of work in the future as we seek to defend and promote our industry."

Source: <http://leatherbiz.com/fullitem.aspx?id=146224>

Egypt Leather Industry Looks to Foreigners

Egypt is investing in its tannery industry, in a drive to go from USD 200 million worth of leather exports a year to USD 1 billion by 2020, Gulf News reported this Thursday (24) quoting information from Reuters. The target was set by the Egyptian Ministry of Trade and Industry.

A dedicated industrial zone, the Robbiki Leather City, is currently under construction near the Suez Canal and east of Cairo, the national capital, in Badr. By mid-next year, the area will be home to the industry's entire supply chain, from animal slaughter to the making of the finished product.

According to the chairman and CEO of company Cairo for Investment and Development, Mohamed El Gohary, non-Egyptian investors will be allowed to purchase space

in Robbiki in 2018. The company will handle land sales, and El Gohary says Italian enterprises have expressed keen interest.

Roughly 220 tanneries across Egypt will be moved into Robbiki. The government will meet the costs of machinery relocation, as well as provide housing construction subsidies for workers and low-interest loans for businesses to expand. Al-Rowad, one of the nation's biggest tanneries, will have completed its move by next month. It's aiming for a three-fold increase in its exports.

According to the website of the Ministry of Trade and Industry, by the end of July, over 20 manufacturing units had been allocated in Robbiki Leather City, half of which were slated to be up and running by late August. The Ministry reported that all tanning companies in the Magra Al-Oyoun area of Old Cairo, will be transferred to the industrial zone by the start of next year.

Projects such as the leather city are part of a wider government strategy to bring back foreign investment. The country saw USD 8.7 billion worth of foreign direct investment in the twelve months through June 2017, up from USD 6.9 billion in the 12 months through June 2016. The goal is to reach USD 10 billion in the ongoing fiscal year, which began in July.

The Arab country saw foreign investment wane in the wake of the 2011 political uprisings. After an agreement reached with the International Monetary Fund (IMF) late last year, it floated its currency in a bid to attract more foreign capital.

Source: <http://www2.anba.com.br/noticia/21876068/business-opportunities/egypt-leather-industry-looks-to-foreigners/>

Footwear Market Forecast to Grow 4.5% by 2022

The global footwear market is forecast to record a compound annual growth rate (CAGR) of 4.5% by 2022. Leather in footwear is currently estimated to account for a revenue share of just under a fifth of the total market.

According to a market report by Fact.MR, the global footwear market is forecast to reach a value of US\$450 billion by the end of 2022. "Even though the price of leather footwear can be a major impediment in the footwear market, the segment is anticipated to be worth more than US\$85 billion by the end of the forecast period", says the report.

The Asia Pacific region excluding Japan (APEJ) is said to make the largest market contribution, but Europe is



forecast to grow at a much higher CAGR as the continent has a heritage in leather footwear and is where a number of companies with decades of expertise have their base of operations.

The economic segment is estimated to account for approximately two-fifths of the total footwear market by price-based segment and is projected to retain this position. This category could be worth almost US\$190 billion by the end of 2022, making it a segment large enough for both existing as well as potential entrants in the footwear market.

The premium segment is the smallest in terms of revenue share as it caters to a niche audience, but there is a strong possibility that it could become more prominent in the days ahead as rapid economic growth, particularly in APEJ, will increase the per capita disposable income of consumers, spurring them to purchase premium products such as luxury footwear, according to the report. The category is expected to be worth just over US\$70 billion in 2022.

The report says it has tracked developments of key players in the global footwear market, including Adidas, Nike, PUMA, Crocs, Under Armor, ALDO group, Deichmann and ASICS Corporation.

Source: http://internationalleathermaker.com/news/fullstory.php/aid/4465/Footwear_market_forecast_to_grow_4.5_25_by_2022.html

‘25% of Hides and Skins are Wasted Every Year’

LAHORE: A lack of awareness, hot weather and power outages damage around 25% of hides and skins of sacrificial animals every year on the occasion of Eidul Azha, inflicting an estimated loss of about Rs1.5 billion on the tanneries and dealers, a top industry man said.

Briefing Punjab Livestock Secretary Nasim Sadiq during a meeting, Pakistan Tanners Association (PTA) Regional Chairman Azam Malik said apart from the direct loss of around Rs1.5 billion, the country might suffer an additional loss of over \$400 million if an extensive awareness drive was not launched for the preservation of hides and skins.

Warning sounded over sale of sacrificial animals

Representatives of leading non-governmental organisations (NGOs) and welfare organisations were present in the meeting.

He, however, praised the Punjab Livestock Department for timely arranging the meeting with PTA and other stakeholders and sending postcards bearing messages for preserving the hides and skins on Eid to 25,000 prayer leaders of mosques in 36 districts of Punjab. The department has also arranged publication and dispatch of 1.6 million pamphlets to all NGOs at the district level, welfare organisations/educational and health institutions in Punjab.

Malik pointed out that Pakistan was one of the biggest markets of raw hides and skins in Asia and about 30-40% of the total produce was generated only on the occasion of Eid.

Eidul Azha has great importance for the rural economy as the tanning industry purchases about 30-40% of its raw material during these days.

He, however, decried that for the past many years, tanneries had been supplied very limited gas, besides prolonged suspension of power supply in Punjab. He asked the government to exempt the industry from gas and power outages at least during the hot and humid climate.

Sale of sacrificial animals goes digital

Animal skins are a perishable item and they cannot be



stored without processing, which requires uninterrupted supply of electricity and gas.

Hides are a basic raw material for the leather industry that are used to produce leather garments, bags, footwear and gloves. These goods are also exported to overseas markets. Malik was of the view that hides were generally

damaged by unprofessional butchers. Moreover, a big quantity is

Source: <https://tribune.com.pk/story/1493516/25-hides-skins-wasted-every-year/>

End Market Led Support for Internationalization of Leather Sector

Industries can get several benefits through internationalization, including improved competitiveness and acquisition of knowledge. Internationalization in every country especially developing country supported by government policies as well as development partners support interventions. The government and the development partners support intervention policies in developing the manufacturing sector including leather sector towards internationalization did not bring the intended results sustainably most of the time. Most of the support activities are intended to increase the capacity of the industries like productivity increment related activities. Such kind of activities may help the industries for readiness in internationalization process in many aspects, however to fasten the development it demands the analysis of end market behavior very carefully and support activities should be planned based on the end market demand.

In the internationalization process there is a belief that relationships driving demand in the past would continue unaltered. The companies didn't foresee changes in end-user behavior or understand their market's saturation point. None realized that history can be an unreliable guide as domestic economies become more international, new technologies emerge, and industries evolve.

As a result of changes like these, many actors have come to distrust traditional techniques. Some even throw up their hands and assume that business planning must proceed without good demand forecasts. However it is possible to develop valuable insights into future market conditions and demand levels based on a deep understanding of the forces behind total-market demand. These insights can sometimes make the difference between a winning strategy and one that flounders.

A forecast of total-market demand won't guarantee a successful strategy. But without it, decisions on investment, marketing support, and other resource allocations will be based on hidden, unconscious assumptions about industry wide requirements, and they'll often be wrong. By gauging total-market demand explicitly, you have a better chance of controlling your company's destiny. Merely going through the process

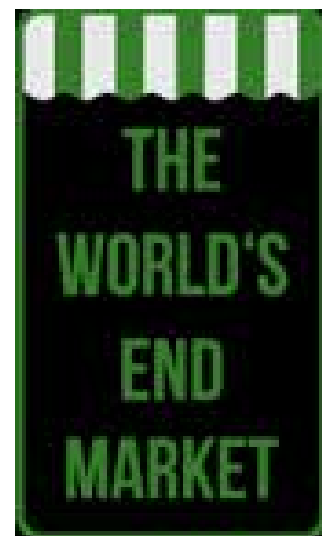
has merit for a management team. Instead of just coming out with pat answers, numbers, and targets, the team is forced to rethink the competitive environment.

Total-market forecasting is only the first stage in creating a strategy. When you've finished your forecast, you're not done with the planning process by any means.

There are four steps in any total-market forecast:

1. Define the market.
2. Divide total industry demand into its main components.
3. Forecast the drivers of demand in each segment and project how they are likely to change.
4. Conduct sensitivity analyses to understand the most critical assumptions and to gauge risks to the baseline forecast.

Based on those forecasts one can plan back ward along supply chain to fulfill what market demands in internationalization objective. The support intervention activities of the government and development partners should be initiated from those activities for the better result of Internationalization.





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.

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