

Eritrea Leather value Chain Strategy (2015 – 2019)

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Background

- The leather sector in Eritrea has a potential to increase its contribution to the economy.
- The contribution however, depends on value addition.
- Unfortunately the Eritrean leather has been engaged:
 1. The export of semi processed hides & skins and which contributes only 6% of the total leather value, while processed leather takes 65% of the leather value (Mwinyhija, 2014). And
 2. Process part of the bovine hides into low quality finished leather for domestic consumption.

Background





With a consequence of:

1. Low contributions to employment, foreign currency earnings and less manufacturing value added.
2. low quality in the upstream subsectors of footwear and leather goods manufacturing.



Leather value Chain Strategy

- To transform the leather industry from exporting of semi processed leather in to exporting value added finished leather products the 5 year strategic plan (2015 – 2019) was launched in collaboration with COMESA/ALLPI.

Vision

- develop internationally competitive leather industry that contributes to sustainable development Through value addition.





The benefits to be realized:

- Creation of employment
- Foreign currency earnings
- Full utilization of the renewable resources (Hides & Skins)
- Contribution to rural development.



key issues revealed

- The value chain has the potential; however it is being constrained because of shortage of finance, technology and skilled manpower;
- The footwear and leather goods industry is being undermined because the locally produced leather is limited in quality and variety;
- The location of tanneries around residential areas is possessing a high environmental risk;
- Finished products like footwear and leather goods are not competitive in terms of quality and price, in order to enter the regional and international market; and
- Limited collaboration and networking capacity along the value chain.

objectives Formulated

- Strengthen value chain networking, coordination and policy advocacy
- Improve access to finance across the value chain
- Improve quality
- Improve value addition and output through technical training and establishment of clusters.
- Improve the effluent treatment system of the tanneries
- among the top ten subsectors in Eritrea with regard to competitiveness by 2025.

Implementation Status

- Conducted trainings in quality improvement of hides and skins to about 100 participants from four different zobas;
- Distributed slaughtering tools to participants of the trainings and slaughter houses in different towns;
- Conducted leather finishing processing trainings to about 20 participants;
- In collaboration with UNIDO, Organized a training cum study tour to Kenya for some of the training participants;



Implementation Status

- Is in the process of organizing to open the incubation center at Asmara.
- In collaboration with COMESA/ALLPI organized unpacking/implementation of the strategy workshop in Sep, 2016



Implementation Status

- One expert from the department of industrial development participated in design development of eco tannery zones: waste management in leather production in Turkey.
- Is in the process of securing 5 million USD for the development of the sub sector.
- Have submitted a budget proposal of 10 million Nakfa for the initial running of the incubation center in Asmara



Implementation Status

- a curriculum in leather technology both at certificate and diploma level has been prepared.
- In March 2018, 30 Eritreans were trained on preparation, implementation and M & E of SMEs Clustering . The training was conducted and sponsored by ALLPI.
- A document of Tannery Waste Treatment System has been prepared by U.V . Enterprises in 2018. The project was initiated and funded by ALLPI.



Implementation Status

- A government representative participated in Business Plan Design and implementation training held in Mombasa, Kenya in 2018.
- One expert from MTI participated in the ALLPI Strategy Review held in Debrezeit , Ethiopia in November 2018.



Challenges

- Non existence of clear industrial policy
- Temporary Suspension of Trade.
- Lack of adequate financing.
- Allocating of profit for other investment purposes by some Tanneries.
- Delay of delivery of shoe making equipment promised by BADEA



The Way Forward

- Come up with clear Macro economic policies
- Revise the leather strategy and plan the period of transition from semi finished to finished products
- Expedite the arrangement of financing
- Make needs assessment of needs of training at diploma level.
- Strengthen collaborations with our development partners



12th RLSCT Meeting

Thank You!!

Shukren

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