



Leather Value Chain Industry Development, RWANDA



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RWANDA



Presentation Outline

1. Rwanda Leather Industry Overview
 2. Actions to enhance Productivity and competitiveness of Rwanda leather industry
 3. Conclusion
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Rwanda Leather Industry

Overview

- ▶ Rwanda's livestock population & good quality of H&S;
 - ▶ Rwanda Leather Value Chain Strategy (2015-2024);
 - ▶ 3-years strategy to transform Textile, Apparel and Leather Industry more productive and competitive;
 - ▶ Raw hides and skins exported in 2014 worth US\$ 14 million in 2014; if transformed into finished leather products, they could have generated approximately US\$ 170 million;
 - ▶ By 2015, Imports of new Textile, Apparel & Leather and second hand products have reached \$124 million from \$ 50 million in 2010;
 - ▶ Market: over 10 million pairs of shoe for domestic market only is assured;
 - ▶ A Leather Value Chain Industry Platform (LVCIP) established.
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Key actions to enhance Productivity and competitiveness of Rwanda leather industry

Area of Intervention	Actions to be undertaken	Progress
GOVERNMENT POLICIES & FISCAL MEASURES	Institutions to implement the strategy	<ul style="list-style-type: none"> ➤ MINEACOM: line Ministry to work with ALLPI; ➤ NIRDA: National institution to implement the strategy; ➤ WDA: National institution to work with ALLPI in capacity building
	Set up a regulatory framework encouraging value addition and competitiveness of the industry	<ul style="list-style-type: none"> ➤ Made in Rwanda (MIR) Program; ➤ VAT exemption on capital goods and on raw material; ➤ Export Development Fund ➤ Local preference of 15% for public procurement;



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Area of Intervention	Actions to be undertaken	Progress
GOVERNMENT POLICIES & FISCAL MEASURES	Develop and validate National standards on H&S	<ul style="list-style-type: none">➤ 15 standards on physico-chemical tests of leather, hides and skins preservation;➤ grading developed & adopted➤ 4 standards harmonized at EAC level including the preservation by wet salting, pickling and air drying, and the code of practice and acceptance criteria for used footwear➤ 5 standards are discussed for the harmonization at the African/continental level (men's and women's leather belts; chrome tanned bend outer sole leather; vegetable tanned bend outer sole leather; leather gloves and ladies fashion handbags);➤ Plan to conduct awareness campaign/trainings on standards compliance to SMEs



Key actions to enhance Productivity and competitiveness of Rwanda leather industry

Area of Intervention	Actions to be undertaken	Progress
GOVERNMENT POLICIES & FISCAL MEASURES	Develop a programme to build Rwandan skilled people in Hides and Skins processing and leather product design industry	<ul style="list-style-type: none">➤ Curriculum development by the Workforce Development Authority (WDA) in collaboration with ALLPI;➤ Masaka Incubation Center (MIC) is functioning and it is the national satellite of RDS;➤ MIC to be equipped by new machineries with ALLPI support under BADEA funds;➤ 100 SMEs were trained with ALLPI support;



Key actions to enhance Value addition and competitiveness of Rwanda leather industry

Area of Intervention	Actions to be undertaken
CAPACITY BUILDING & SUPPORT TO PRIVATE SECTOR	Establish and operationalize H&S collection centers : <ul style="list-style-type: none">➤ <i>Establish H&S collection centres in heavy production zones and issuing their regulation</i>➤ <i>Provide Trainings to Leather value chain actors</i>
	<ul style="list-style-type: none">➤ Organize and operationalize a Leather value chain platform;➤ 3-years action plan to strengthen coordination between industry operators, processors, and the association of slaughters, collectors, producers and exporters
	Set up a modern tannery park <ul style="list-style-type: none">➤ <i>Constructs basic infrastructure within the tannery park (roads, power, water, effluent treatment</i>



Key actions to enhance Productivity and competitiveness of Rwanda leather industry

Area of Intervention	Actions to be undertaken	Progress
CAPACITY BUILDING & SUPPORT TO PRIVATE SECTOR	<p>Encourage establishment of finished leather and modern shoe factory:</p> <ul style="list-style-type: none"> ➤ <i>Support the established tanneries to produce crust and finished leather, to investigate the new eco-friendly tanning processes as well as to improve their effluent treatment system</i> ➤ <i>Provide facilities for the leather and shoe factories</i> 	<ul style="list-style-type: none"> ➤ Feasibility study and business plan for a model finished leather factory and a modern shoe factory developed with ALLPI support; ➤ Kigali Leather Ltd produce wet blue, finished leather and shoes (1000 to 2000 shoes per day with 200 to 300 new workers); ➤ Investors registered to occupy the Bugesera tannery park (RWANTAN, H&S Exporters Association, PLURIPPELL GROUP s.r.l); ➤ RWANTAN shoe factory to be established in KSEZ to produce 3000 unit pairs per day with 50 workers in the first year and 50 in the second year; ➤ Above 90 SMEs trained on Clean Technologies for leather manufacturing ➤ TA to the established CPC producing leather shoes.



Conclusion

- ▶ Much emphasis is on production of good quality of raw Hides and Skins through development of grading system and quality certification programmes and finally a pricing system that is dependent on quality grades to attract premium prices;
 - ▶ Skilled Human Capital in leather value chain industry;
 - ▶ Set up marketing system of H&S which is linked to the international trading system including web-based trading to ensure efficient market structure;
 - ▶ Set up enabling business environment to attract investment in the industry and strengthen market development strategies;
 - ▶ Strengthen sub-sector organization along the production value chain to optimize the socio-economic returns of the industry;
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