Leather Value Chain Industry Development, RWANDA

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Presentation Outline

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

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<th>Area of Intervention</th>
<th>Actions to be undertaken</th>
<th>Progress</th>
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| GOVERNMENT POLICIES & FISCAL MEASURES      | Institutions to implement the strategy | ➢ **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 | ➢ Made in Rwanda (MIR) Program;  
➢ VAT exemption on capital goods and on raw material;  
➢ Export Development Fund  
➢ Local preference of 15% for public procurement; |
### Key actions to enhance Productivity and competitiveness of Rwanda leather industry

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| GOVERNMENT POLICIES & FISCAL MEASURES | Develop and validate National standards on H&S | - 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

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| GOVERNMENT POLICIES & FISCAL MEASURES | Develop a programme to build Rwandan skilled people in Hides and Skins processing and leather product design industry | ➢ 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

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| CAPACITY BUILDING & SUPPORT TO PRIVATE SECTOR | - Establish and operationalize H&S collection centers:  
  - Establish H&S collection centres in heavy production zones and issuing their regulation  
  - Provide Trainings to Leather value chain actors  
  - 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  
    - Constructs basic infrastructure within the tannery park (roads, power, water, affluent, treatment)                                                                                                           |
## Key actions to enhance Productivity and competitiveness of Rwanda leather industry

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| CAPACITY BUILDING & SUPPORT TO PRIVATE SECTOR | Encourage establishment of finished leather and modern shoe factory:  
- 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  
- Provide facilities for the leather and shoe factories | ➢ 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, PLURIPELL 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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