



UNLOCKING THE AFRICAN LEATHER SECTOR POTENTIAL THROUGH HRD:THE ROLE OF LLPI

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COMESA/LLPI

Theme: Export Oriented Production and Marketing”

Africa's Potential of the Different Commodities

White Diamond



Black Diamond

Petroleum



Cash Crops (Coffee, Tea, Cacao)



Leather sub-Sector



Africa's Potential of the Leather Sector



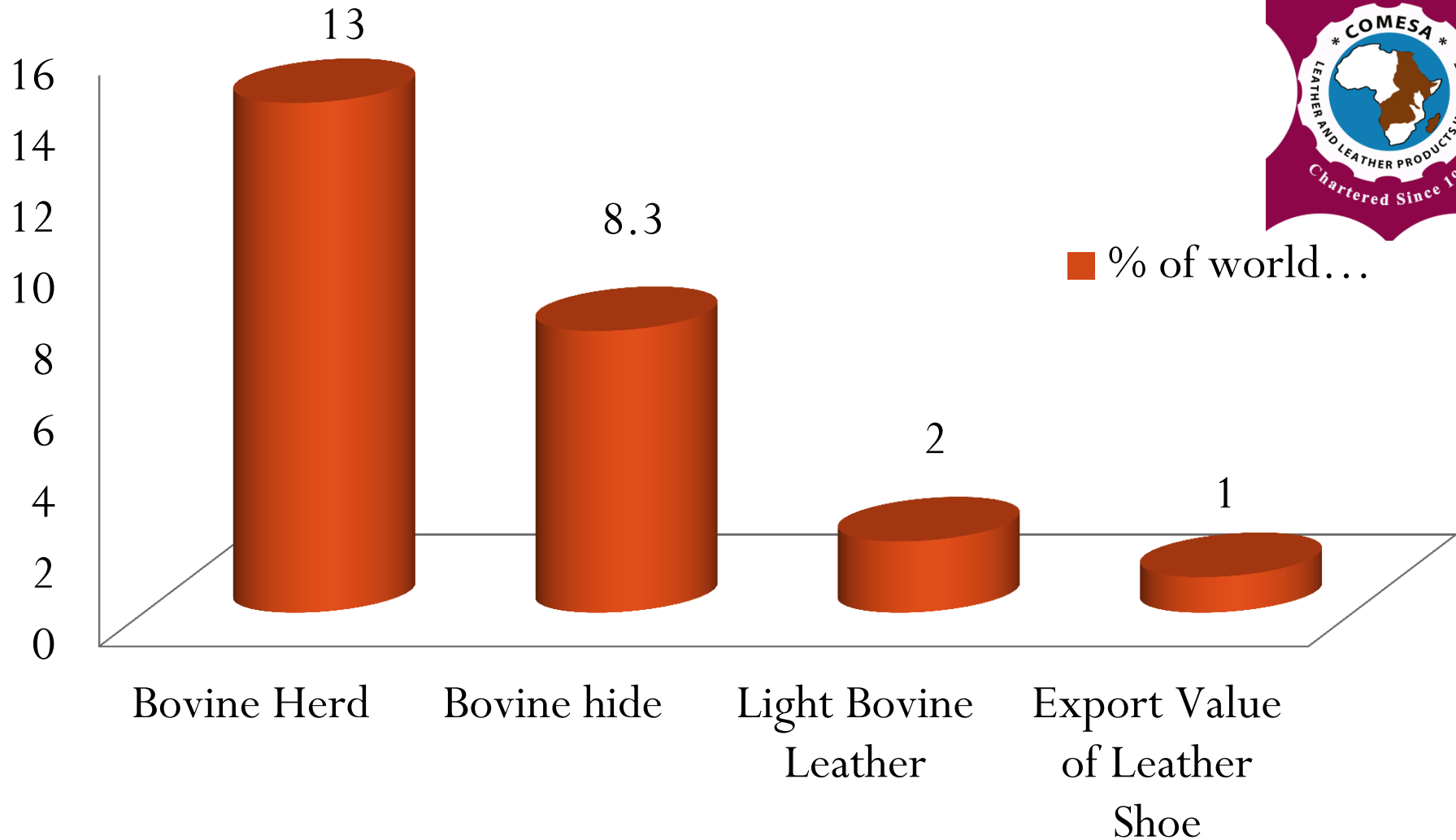
- Huge livestock resource with 668.2 million cattle, sheep and goats population
- 26.7 million hides and 150.3 million Sheep and goat skins



Selected Statistics

	Bovine Hides & Skins		Sheep & Lamb skins		Goat & Kid skins	
	Livestock number (in 000)	Output (million pieces)	Livestock number (in 000)	Output (million pieces)	Livestock number (in 000)	Output (million pieces)
World	1,617,213	321.7	1,098,479	546.8	902,473	434.3
Africa	210,022	26.7	210,528	72.9	247,645	77.4
%	13	8.3	19	13	27	17.8

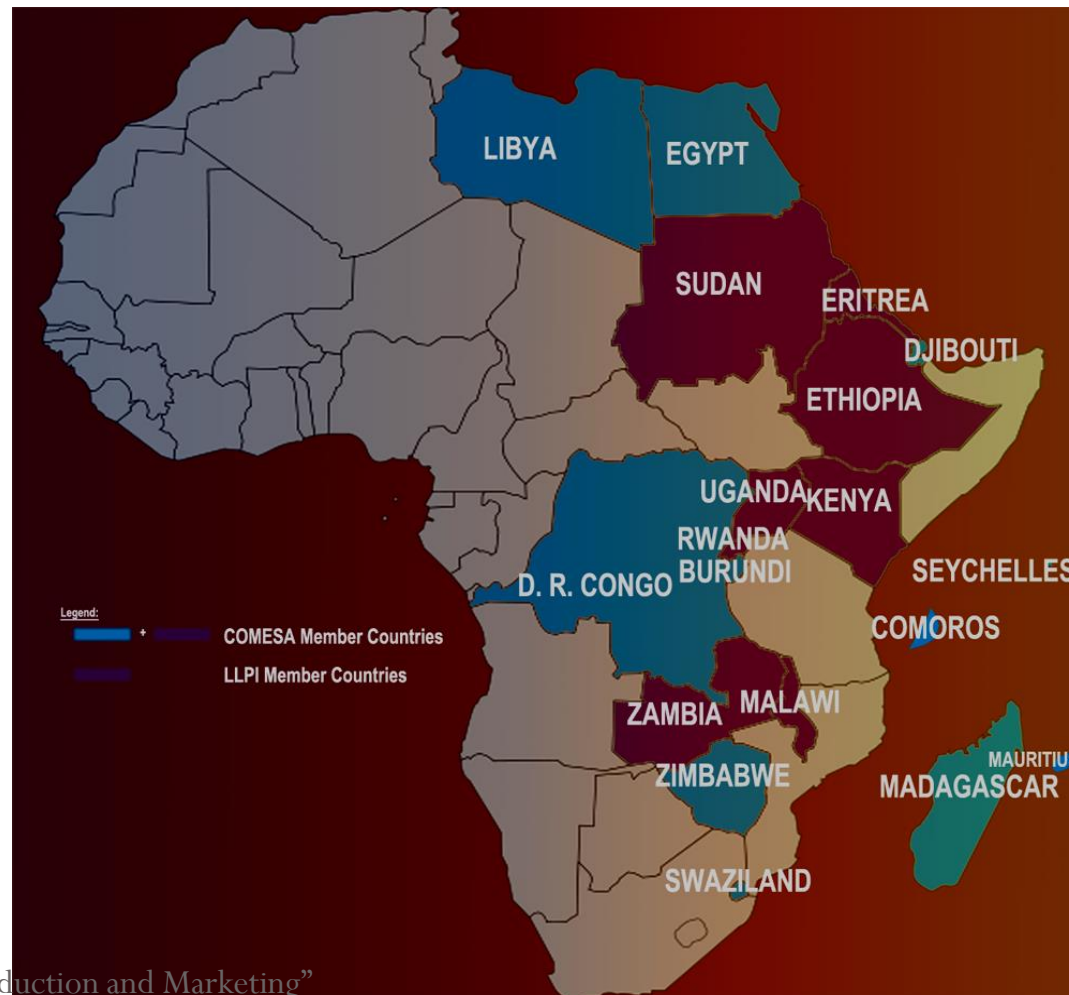
Africa's Leather Value Chain Relative Importance in the global Context (Output Computed from FAO Statistical Compendium 2012)



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COMESA Region Potential in Leather Sector

- The COMESA region, possesses all vital requirements necessary to establish a sustainable leather sector industry.



COMESA Region Potential in Leather Sector

- The region produces 58 percent of Cattle hides 40 percent of sheep skin, 42 percent of goat skins and most of the Camel hides in Africa.
- The leather industry's contribution to manufacturing output in the COMESA region is, however, less than 1.0 percent because of low value addition initiatives.
- Lack of adequate skills and knowledge has been identified as one of the major challenges facing the African leather sector in general and that of COMESA region in particular in all segments of production and marketing chain



Background Information of LLPI

- The COMESA-LLPI is an intergovernmental organization established in 1990 through a charter signed by 17 heads of State from COMESA member Countries.
- The Institute is tasked with the job of promoting productivity, competitiveness, trade and regional integration in the leather sector.

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Focus on SMEs

- SMEs constitute the major players (>95%) in the leather value chain.
- Realization of the potential of the leather sector calls for concerted efforts in the development of SMEs.
- A dynamic SME sector and cluster approach would contribute towards
 - employment generation,
 - gender parity,
 - rural development and
 - poverty reduction



Age Group in the Leather Strata



Age group

- Producers
- Slaughterhouse Owners
- Traders

Average age 49 – 59 Years

Tanners

Footwear

Leathergoods

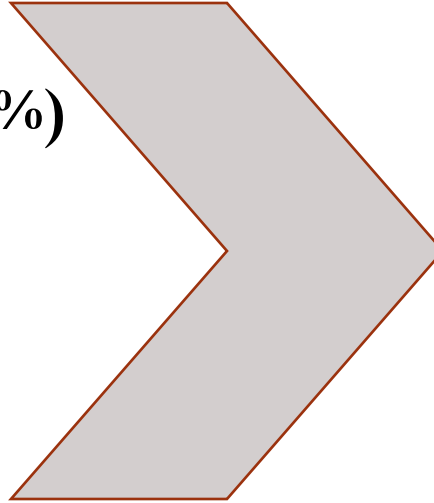
Average age 30 – 49 Years

- The youth age in the higher tiers of the chain provided explorable opportunity for Enhanced value addition.

Educational levels of the strata



- Producers (79.6%)
- S/house owners (75.6%)
- Traders (80.3%)
- Footwear (85.7%)
- L/goods (83.3%)
- Tanners (100%)



Min. of High school Educ.

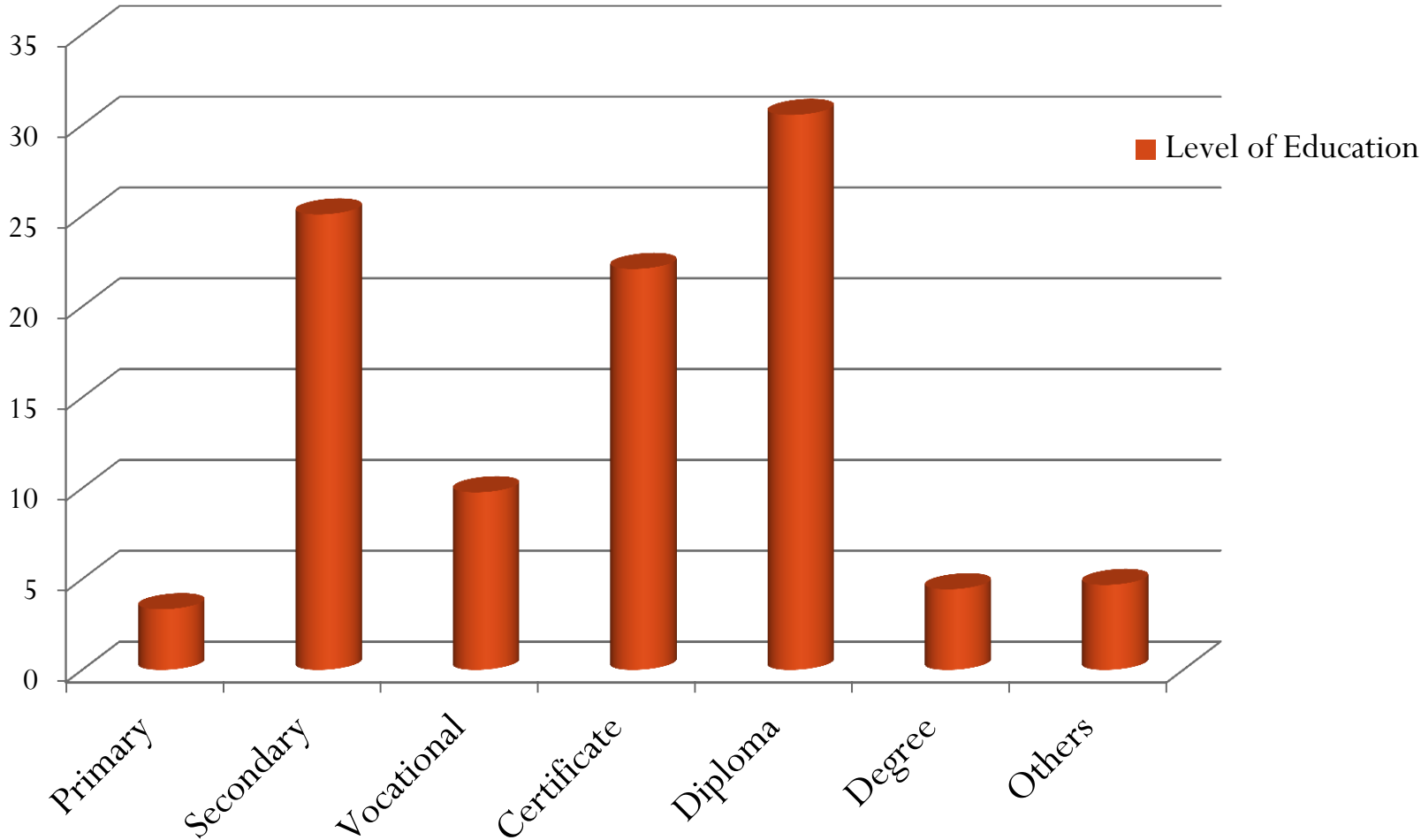
NB: - **Tanners** had the highest qualification at **graduate levels**.

Importance !

Good literacy levels – creates a ready platform for specialized capacity building, technology transfer and potential to innovation



Level of Education



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- In the COMESA Sub-region there are about 10 training institutions serving about:

175 tanneries, 850 footwear and 650 leather garments/goods manufacturing enterprises



Skills and Knowledge Gaps

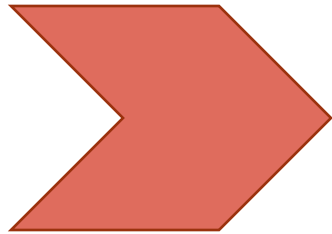
- Lack of proper skills and knowledge across the value chain impacted –
 - Quality
 - Productivity
 - Product range (limited value addition and designs)
- Cooperation in the training of personnel for the leather industry at various levels of the value chain;



Productivity

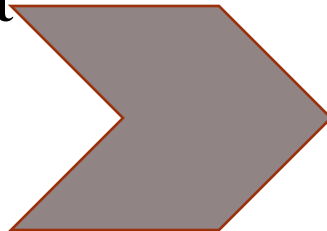


SME shoe productivity :-



3 – 5 pairs/day/per person

Regional break even point
is estimated at



12 – 15 pairs/day/person

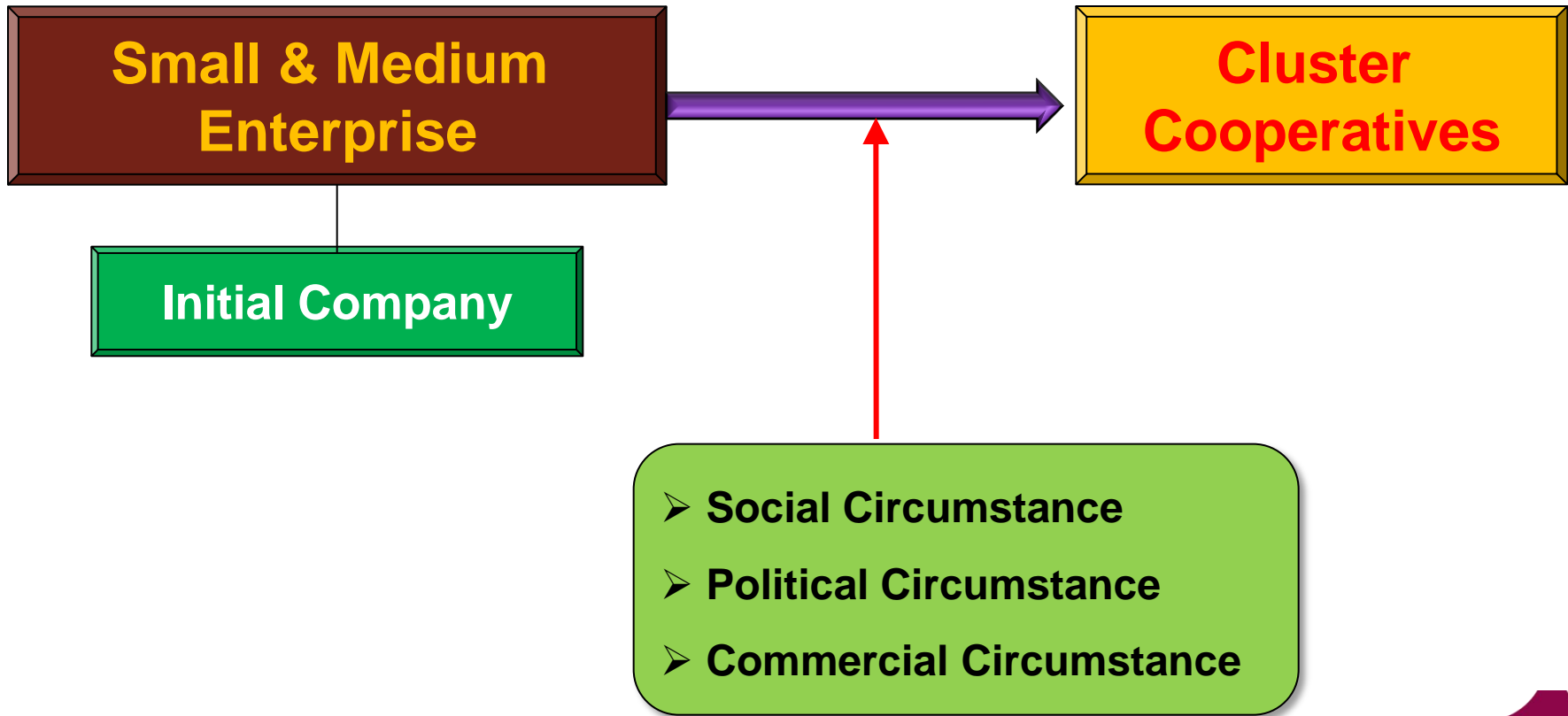


Operationalization above break-even point assures of sustained profitability, Business resilience, increased employment by 30-40% and potential to recapitalization

How to Attain Break even
And optimization



Through Clustering which results in reduced inputs, operational and recapitalization costs.



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Objectives

Develop technical and business skills

Increase the productivity of the SMEs by 25%;

Build the capacity of support institutions in the area of cluster management excellence;

Develop the capacity of SMEs to procure and market regionally

Transform technical institutions into incubation & innovation centers

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COMESA LLPI's 2015 Planned Activities in HRD

- LLPI has established the Triple Helix Platform and SMEs regional technical network, which will continue to assist in reinforcing regional collaboration in HRD
- Train 240 SMEs in footwear and leather goods production and entrepreneurship
- Conduct productivity improvement and change management workshop
- Conduct regional designers workshop
- Support institutions to undertake reverse engineering
- Facilitate under triple-helix approach benchmarking missions
- Develop technology transfer platform through online education
- LLPI professional staff trained in specialized courses



Conclusion

- **Africa's renaissance has arrived** with development of agro-based commodities and technological growth.
- A case of **unexplored opportunities in value addition** irrespective of vast endowment of resources should be a basis of concern.
- That a **youthful and literate base** of leather strata players be the drive towards tangible development of the sector through HRD.





COMESA Leather and Leather Products Institute (COMESA-LLPI)



Thank you
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www.comesa-llpi.org