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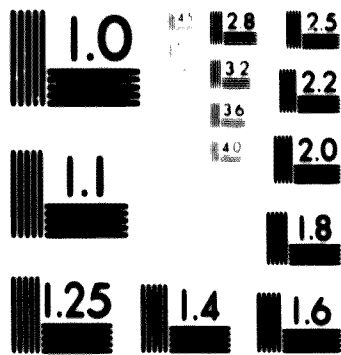
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United Nations Industrial Development Organization

PROJECT INFORMATION SHEET

NER-04-71

THIRD AFRICAN MEETING TO PROMOTE INDUSTRIAL PROJECTS ^{1/}

ABIDJAN, IVORY COAST, 24 NOVEMBER - 1 DECEMBER 1971

TANNERY

COUNTRY:	Niger
PROJECT:	Tannery
	Capacity: at least 2,000 hides per day
	Investment: US\$180,000
FOREIGN CONTRIBUTION REQUIRED:	Management and know-how
	Equity participation
	Supplier credit
	Market



^{1/} Sponsored by: The African Development Bank (ADB)
The Economic Commission for Africa (ECA)
The United Nations Industrial Development Organization (UNIDO)

IMPORTANT NOTICE

The basic purpose of this meeting is to provide an Exchange or Market Place for the initiation of contacts on specific industrial projects between their proponents from the African countries and potential suppliers of capital, finance, equipment or know-how, as the case may be, from the industrialized countries.

This Project Information Sheet has been prepared as a basis for such contacts. Its purpose is not to present detailed information about the project but to provide the recipient with an outline sufficient to determine tentative interest in principle. Any further available information on the project will be furnished on request to interested parties at the Meeting.

Experience has shown that industrialists frequently prefer to carry out their own further investigations in detail into projects in which they are interested, but assistance from UNIDO in these matters can be rendered to the African country concerned on request.

This Information Sheet contains only the information supplied to UNIDO by the proponent of the Project. UNIDO can therefore take no responsibility for its accuracy.

TANNERY

I. THE PROJECT

Several plans for developing the tanning industry are under consideration in the Niger. Even if all the projects planned were implemented, there would still be a sufficiently large surplus of raw materials to justify the establishment of a new tannery or the extension of existing enterprises. As shown by the figures given below, the surplus available for tanning is estimated at 800,000 hides a year.

The Niger red goat skin is known world-wide as a raw material for tanning. If it were treated either by the wet blue process or by utilizing locally available vegetable tannin (Acacia nilotica var. nilotica) with modern techniques, the result would be a product in heavy demand over a large market.

II. ECONOMIC ASPECTS

The rearing of livestock is the main activity in the Niger; there are approximately 13 million head of cattle in the country. The project, like others which are under way, is designed to improve and utilize rationally the country's basic wealth.

The gross annual production of hides and skins in 1970 is estimated at:

- 230,000 bovine hides, 70,000 of which were exported;
- 475,000 sheepskins, 234,000 of which were exported;
- 1,320,000 goatskins, 1,081,000 of which were exported.

These hides and skins are exported in a raw or semi-finished state. Apart from 350 small craft-type tanneries which produce approximately 300,000 units a year, there is only one tannery producing for export. This factory, which is located at Zinder in the east of the country, works with vegetable tannin and produced, in 1969, 17,000 bovine hides, 23,000 sheepskins and 90,000 goatskins.

A second tannery, located at Maradi, is being fitted out and should commence operations in 1971. This factory aims to produce 100,000 sheepskins and 300,000 goatskins in the wet blue state (chrome tanning) for export to France.

A third, United States, project for the establishment of a tannery at Niamey, with a capacity of 400,000 hides to be exported to the United States, is awaiting approval by the competent authorities.

III. PHYSICAL ASPECTS

No information on the final location of the tannery can be given at the present stage. A study on this subject is proposed with UNIDO assistance. Nevertheless, the profitability of the project can be guaranteed only if output is at least 2,000 hides per day.

IV. FINANCIAL ASPECTS

The investment required to set up a tannery with a capacity of 2,000 hides per day is estimated at approximately 50 million CFA francs (US\$180,000). Raw hides can be bought at an average price of 280 CFA francs (US\$1) per kg, corresponding to 126 CFA francs for a goatskin and 224 CFA francs for a sheepskin. The following data may serve as a guide in estimating operating costs:

Electricity:	20-40 CFA francs/kWh plus a fixed annual charge of 4,364 CFA francs per kW of subscribed capacity
Fuel oil (excluding tax):	30,000 CFA francs/tonne
Transport:	22 CFA francs per tonne and per km
Water:	50 CFA francs per tonne and per km
Labour:	30-138 CFA francs/hour

V. FOREIGN CONTRIBUTION REQUIRED

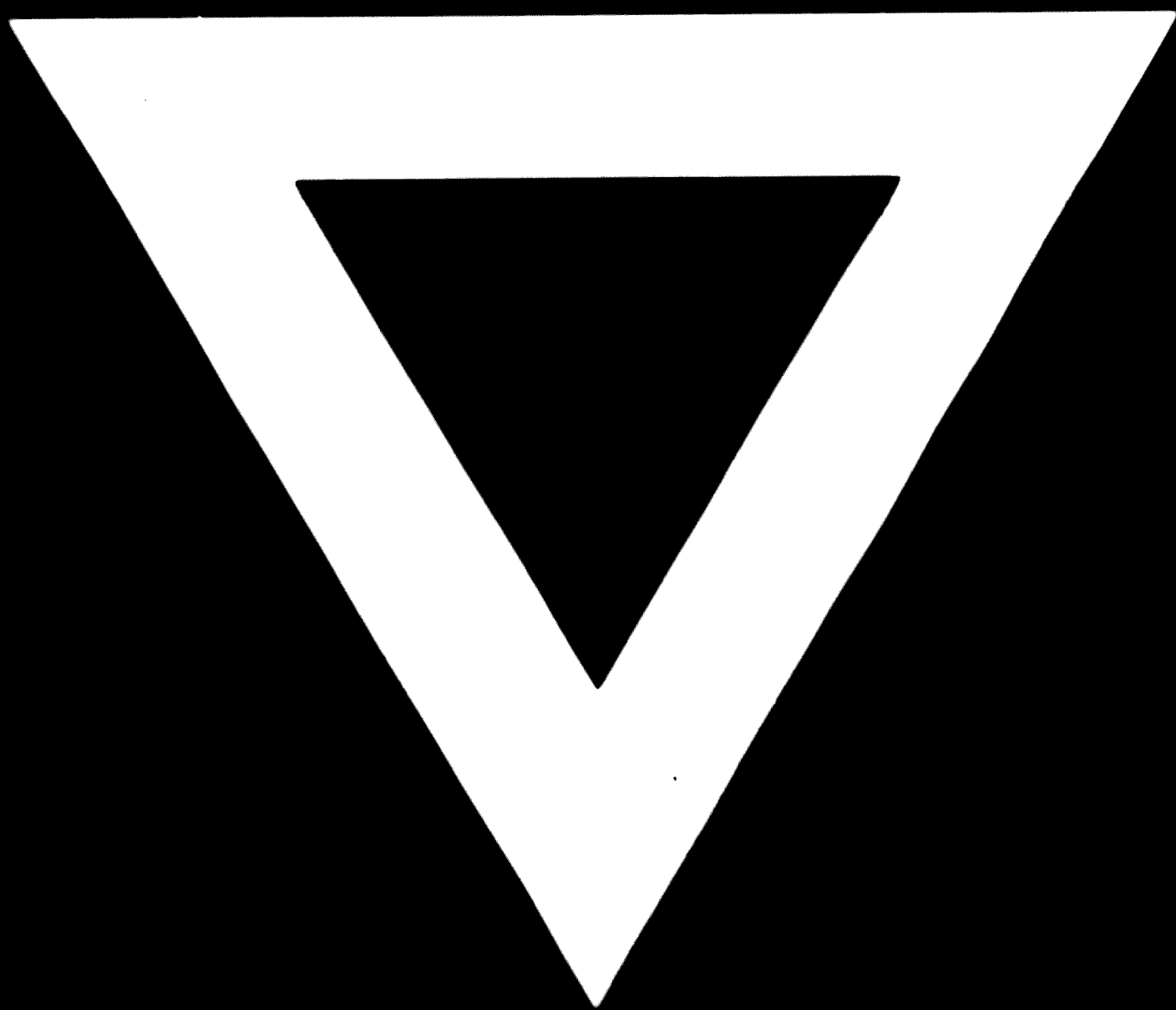
In addition to supplying the equipment, with facilities for payment, the foreign partner should provide know-how and management and share in the capital. He should also provide outlets in foreign markets.

VI. ADDITIONAL INFORMATION

Additional information could be made available to interested parties at the Meeting.



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