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THE NECESSITY TO ENCOURAGE LINK INDUSTRIES 1/
AND ANCILLARY TRADES TO OBTAIN SUPPLIES OF
MATERIALS FROM LOCAL SOURCES. CAN GOVERNMENTS
PLAY A MAJOR PART?

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INTRODUCTION

Today, with improvement in standard of living, greater demands are made for increased use of footwear and utility leather goods all over the world. In this context manufacture of finished leather, footwear and leather goods occupies a significant position in the national economy of a country and this is particularly so in developing countries.

Tanning and leather manufacture are practised in countries where cattle population is rated high. But in most of the developing countries, the leather industry has been traditionally an exporter of raw material. This state of affairs is mainly due to the decentralised nature of the industry and lack of infra structure in developing countries to convert all the tanned and semi tanned hides and skins into finished leather and this in turn is attributed to non-availability of leather auxiliary chemicals and modern machinery, most of which have to be imported to carry out the finishing techniques. But a country like India has enough expertise in tanning and finishing techniques and with the development of chemical and heavy engineering industries and with imports if necessary, the infra structure to develop the finished leather industry is being built up rapidly.

Analysing all the factors, it may be said, as things stand today, that the Indian leather industry has made enough progress to switch over to finished leather manufacture. Thus availability of finished leather is not a problem. Conditions are now more favourable for the setting up of a greater number footwear and leather goods units as export of tanned and semi tanned leather is restricted to a degree so that finished leather is made available in sufficient

quantity to cater to the requirements of footwear and leather goods industries.

As far as leather goods are concerned, proper consideration is seldom given to many problems facing this industry. Till recently manufacture of leather goods has been mostly confined to cottage scale sector and here the production has been poor and productivity low. In the absence of any organised sector and for want of upto-date machines and modern techniques, most of the operations are ^{manually} carried out in small units which are also few in number. The skilled craft-oriented artisans, are limited in number and are steeped in tradition. They are not conversant with the modern know how, tools and techniques.

But with the introduction of science & technology in this field, this picture is changing slowly and a new phase of leather goods industry is rapidly emerging. Introduction of modern and simple machines to carry out operations like cutting, skiving, splitting etc., has greatly cut short the time of production which incidentally reduces the cost of the product. Modern methods, improved tools and scientific training help maintain standardisation and quality control in products, mass produced by machines. Production of footwear and leather goods are the only two outlets for finished leather. With the increasing emphasis on finished leather production in the developing countries there is plenty of scope for the development of these two industries. This in turn may provide employment for many, give impetus to line industries to manufacture quality ancillary components and the leather industry to develop various types of leather suitable for the manufacture of speciality leather goods required for domestic and export market and thus contribute to the economic development of the country in general.

CHAPTER IIMPORTANCE OF LINK INDUSTRIES

It has become the accepted code of industrial planning nowadays that any industry proposed to be set up in a place should have a number of link industries to feed the core industry with ancillary materials or component parts. Formation of link and ancillary trades is quite common to all types of industries, heavy, medium and small and it practised in chemical, textile and engineering industries. When this is the case generally, the leather, footwear and leather goods industry should also have a number of link or ancillary trades to supply them with the necessary materials from local sources.

The reasons why the ancillary materials should be obtained from domestic markets is obvious in the sense that the Governments concerned are in obligation to encourage their own industries for the industrial and technical development of their countries. Besides import of these products may involve considerable foreign exchange and will be a drain on the economy of the country. In the footwear and leather goods industries there is vast scope for the setting up of many ancillary units. For example a shoe factory requires lasts of various sizes, cut components like insole, stiffener, counter etc., made of leather board. Manufacture of lasts and leather board may be termed as link units for footwear industry. Similarly ancillary materials like hand bag frames, locks, zip and other fittings that are required by the leather goods industry could be manufactured by the light engineering units and this in turn becomes a link industry and some of these are discussed in the following pages.

CHAPTER IIRELATED LINK INDUSTRIES FOR PRODUCTION OF AUXILIARY MATERIALS

Since finished leather is the main raw material for footwear and leather goods industries, other materials such as boards of different types, used for shape retention, lining cloth, adhesives used for pasting and grindery articles or fittings like hand bag frames, locks, clasps, zip etc., are considered auxiliary in nature.

These auxiliary materials, which go in the making of leather goods are broadly classified under the following heads:

1. Reinforcing/lining materials
2. Grindery articles
3. Adhesives.

Reinforcing/lining materials

A variety of straw boards, paper boards, leather boards etc. of different grades and quality go into the production of leather goods. These are generally used as a reinforcing/lining medium. They are also termed as foundation boards. Usually leather goods units manufacturing hand bags, suit cases and other luggage goods have always a good stock of these board materials. Apart from boards, porous and other varieties of paper are used for backing and lining in the manufacture of leather goods and these have to be obtained locally. Foam rubber is another lining material used for soft padding of leather goods. As for lining cloth, silk and cotton textiles are generally used.

As cardboard, millboard, paper board, and paper used in leather goods manufacture are products of paper plants,

a discussion on these auxiliary materials is beyond the scope of this article. But a material, known as leather board is of greater importance to footwear and leather goods industry and the manufacture of this item could be conveniently taken up as a line industry and this is described in short below.

LEATHER BOARD

Leather Board is made from waste leather scraps that are obtained from tanneries, shoe factories and leather goods units and essentially it is a by-product industry. The process of making leather fibre boards consists of disintegrating the leather trimmings into fibres in a mill and making a pulp out of them by grinding them in a beater with addition of water and mixing the leather pulp or slurry with a binder (normally natural rubber latex) and other chemicals. The rubber bonded fibres are made into boards in the usual way. Leather Boards resemble leather to some extent and have leather like properties but at the same time are cheaper than leather and they are extensively used in footwear industry as inner sole, mid sole, counter, stiffener, heel lifts etc., and in leather goods industry as lining and in some cases as a material for making leather goods such as fit boxes, transistor covers etc., The importance of this byproduct auxiliary industry should be taken note of wherever footwear and leather goods units are proposed to be set up.

As lining cloth used is covered by textile industry and foam rubber by rubber and chemical industries which are well developed and firmly established by themselves, there is no need to dilate on these items.

GRINDERY ARTICLES

These are known as fittings in the leather goods trade and the variety of grindery articles that goes into the making of different types of leather goods is staggering. Mention may be made of some of the items that are commonly used in leather goods manufacture and they are zip, hand bag frames, clasps, locks, hinges, studs, rivets, purse buttons, chappal buttons, eyelets, D rings, Buckles, corner fittings, handles, reel thread, shoe thread, linen thread, elastic, piping cord etc.

All these grindery articles are manufactured by the light engineering industry and there is vast scope for setting up link industries to produce these items. Any one item or a group of items which are in good demand may be farmed out for manufacture under link industries and ancillary trades to obtain supply of materials from indigenous sources.

PART PLAYED BY LIGHT ENGINEERING INDUSTRY

As almost all the component fittings for leather goods and footwear come under the category of light engineering industry, encouragement may be given to this sector in manufacturing quality goods. At present, the light engineering industry is not interested in producing these items as the demand from leather goods industries in most of the developing countries is only marginal. But now with the greater emphasis on the development of finished leather industry and consequently the development of footwear and leather goods industries, the potential for marketing the light engineering products will be greater. The light engineering industry will find it worthwhile to set up manufacturing units for their products as it will be no longer uneconomical.

ELECTROPLATING

As most of the fittings are either nickel, chromium or copper plated, electroplating again becomes another vital feeder activity to leather goods industry.

MACHINE TOOLS, HARDWARE & DIES

Apart from making the fittings and component parts for leather goods items, the machine tool industry may make some of the special tools, say, for instance hand bag frame closing pliers, ornamental punches etc., and also the dies sets for clacking or cutting patterns.

ADHESIVES

Manufacture of binders could be taken up as a small scale link industry to leather goods and footwear manufacturing units, as adhesives are required in large quantities for pasting leather to leather and other materials. Though synthetic binders, hold a sway in this field, rubber solution, latex cement etc., that could be prepared in an easy way may be made separately and applied to leather goods and footwear units as auxiliary materials.

PACKAGING & PRINTING

A packaging and printing unit, making cartons, is also ideal in the set up of link industries for leather goods and footwear. Cartons made to suit the specific needs of packing of shoes and leather goods may be readily and directly absorbed by the footwear and leathergoods units.

CHAPTER IIIRECOMMENDATIONS FOR GOVERNMENTAL ACTION

As Governments decisively play a vital role in nation building activities and are concerned more for the economic and technical development of their countries they can take a bigger part in promoting link industries.

Governments or Government managed corporations or agencies may themselves come forward in setting up these industries or they may encourage private entrepreneurs in all possible ways to establish these industrial ventures.

It is suggested in the first instance that the Governments may set up an industrial estate exclusively for footwear and leather goods industries to house the various subsidiary units, which manufacture component parts required by the footwear and leather goods factories. Water, power, transport and drainage facilities are the normal and elementary requirements of any industrial complex and these have to be provided for.

The Government itself could take up one unit in the estate, where it can establish a service centre with necessary upto date machines for the production of footwear and leather goods for helping the small units to get their job work done, as small industrialists could ill afford to import as well as invest such on capital machinery.

A testing centre may be opened with modern testing equipments and instruments installed. This is an essential requisite since the components or products manufactured should be tested for their quality and standards. Government should see that under no account, substandard products are produced and sold. Hence the importance of this testing

centre. After testing, they may certify the goods for their functional value and quality control. This is an important aspect from the standards point of view and this should not be overlooked. For instance a hand bag frame when made should function (the closing and opening of the frame) under severe conditions and the electroplating should not become dull or tarnish when in use, as these functional tests are important from consumers point of view.

A design cell may be created in such centres and this should feed the industry with the latest designs of different types of leather goods to be manufactured. The design unit should have a number of journals or magazines both foreign and local and this should keep abreast of the latest changes in fashion, style and design abroad. The design cell should be able to give new designs not only in leather goods but also in the fittings and other component parts such as hand bag frames, locks etc. A library of leather goods design will prove invaluable.

A common show room facility is a must in such an industrial estate for leather goods for publicity and marketing. Government may help in establishing a training centre within the proximity of footwear and leather goods units where systematic scientific training is imparted to the trainees in the fundamentals and also in works practices. Training with modern techniques, tools and machines will be of great help to the industry in providing the necessary skilled labour required. The training should be extended also to the managerial cadre for efficient management and increased productivity.

The Government may permit leather goods and ancillary parts manufacturers to visit the various International exhibitions and fairs, so that they may have a first hand knowledge of this industry^{abroad} and this will induce fresh thinking to improve upon the existing conditions at home.

The Government should arrange for pre-shipment inspection so that only quality goods of international standard are exported. The Government may have overseas information centres to study the market development and arrange for exports of such goods, which satisfy buyers abroad.

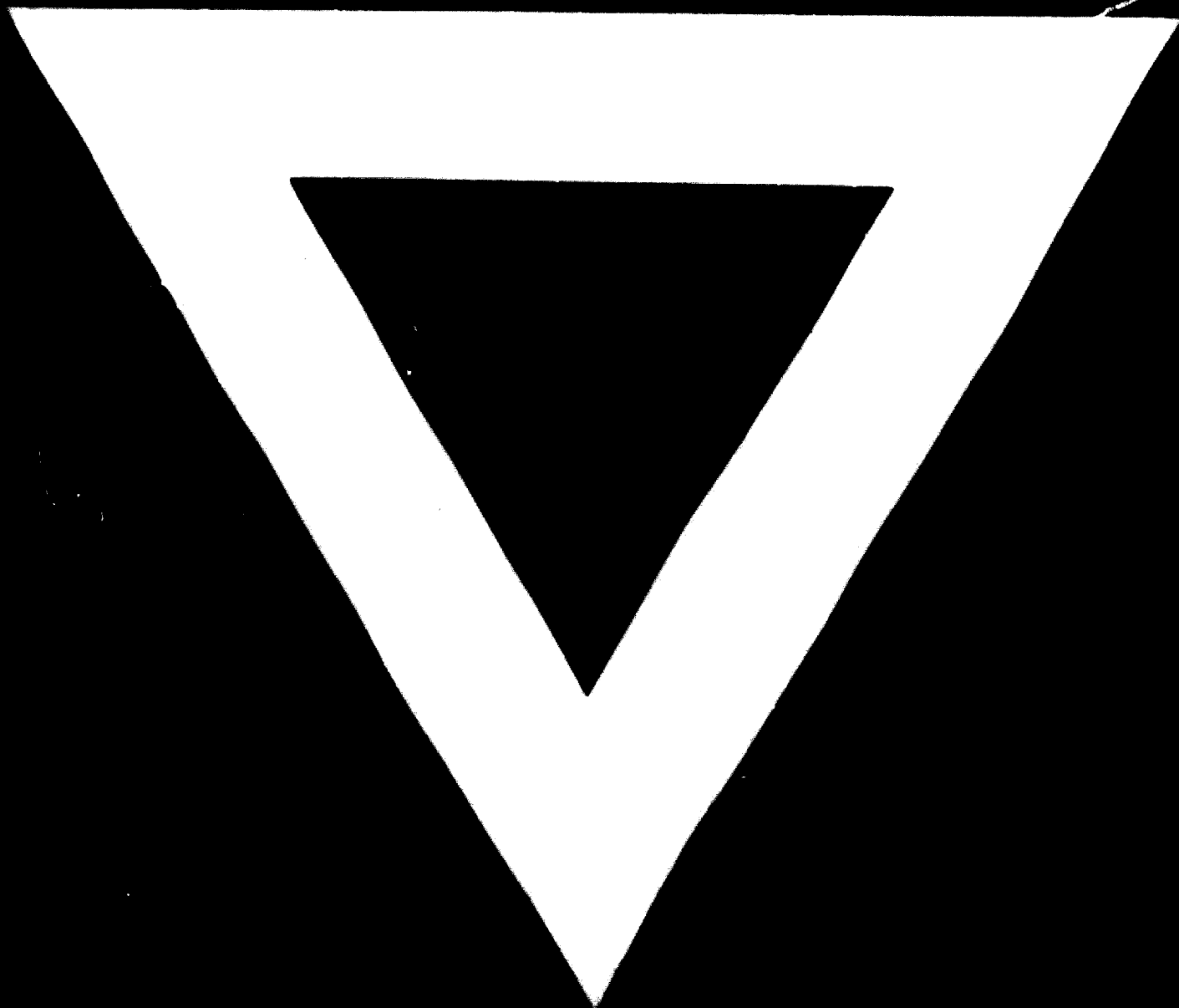
Liberalisation of imports, concession in duties, taxes etc., issue of licences and other incentives on the part of Governments may go a long way in the development of this industry. In short, stream lining of Governmental procedure will be of great help. Change in municipal laws and other local regional official procedures, which stand in the way of starting link industries may be done, wherever possible.

Government may form or encourage co-operative ventures in the field of leather goods production. Co-operative undertakings may pool the resources in getting the raw materials in bulk and distribute the same to those who are running small units under co-operative sector and keep the availability of all materials under check, and also maintain the price line at reasonable level for the consumers. As for overseas marketing, Government may purchase the goods from individual manufacturers, enter into contract with overseas buyers, and export the same with reasonable profit, thereby providing a better return to the manufacturers.

Most important of all, Government may come forward in financing the industries through state financial bodies, like

State Industrial Development Corporations or through nationalised banks. If the financial assistance is given to enterprising young technocrats, it will be still better as they with their technical knowledge are sure to run and manage the industry well.

Lastly the Government may in the interest of the industry allow import of certain latest tools, machinery, journals etc. which are not available locally and which they consider will boost the export earnings. It is the sacred duty of the Government to give encouragement in all possible ways in starting new link and ancillary industries and see that they are fully engaged to the capacity, efficiently managed and profitably working. Thus Government can play a bigger part in promoting link industries and ancillary trades.



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