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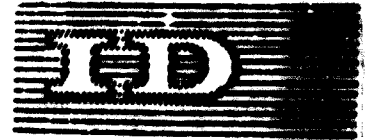
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Consultations on the development of the  
footwear manufacturing industries in Pakistan  
Lahore, Pakistan, 12 - 16 November 1973

REPORT ON THE  
CONSULTATIONS ON THE DEVELOPMENT OF THE  
FOOTWEAR MANUFACTURING INDUSTRIES IN PAKISTAN <sup>1/</sup>

Secretariat of UNIDO

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## INTRODUCTION

The Consultations of the Footwear Manufacturing Industry in Pakistan was held at Lahore, Pakistan from 12 to 16 November 1973. The United Nations Industrial Development Organization (UNIDO) in co-operation with the Government of Pakistan, through the Ministry of Industries of the Punjab, organized these meetings which were financed through the Committee for Voluntary Contributions, UNIDO.

The Consultations were held to discuss and promote the importance of footwear, more particularly the leather products industries in the country of Pakistan. The discussions of selected papers written on subjects ranging from raw materials to export possibilities were followed by plant visits to a number of footwear factories, leather factories and factories allied to footwear manufacture.

It was the aim of the Consultations to apprise the senior government officials of the potential which footwear and leather products have, in the export markets of the world, to show how the planned development of these industries could aid the economy of Pakistan, as well as to follow-up technical assistance already given to Pakistan by UNIDO through two experts working in the leather, footwear and leather products industries in late 1972 and early 1973.

## RECOMMENDATIONS

It is recommended:

1. THAT the authorities concerned find all possible ways and means of improving flaying methods - giving special attention to the training and licensing of flayers, mechanization of flaying in bigger slaughter houses, improvement of facilities for better flaying at the slaughter houses and provision of incentives for better flayed hides and skins of the flayers;
2. THAT the export of raw and wet blue buffalo calf and buffalo hides be banned immediately to supplement the cow calf skins and cow-hides for local production of footwear and leather goods. The banning of buffalo calf skins and buffalo hides would release pressure on cow-hide leather, and quantities thus available could be used especially by workers in cottage and small-scale industries;

3. THAT the Government of Pakistan formulate a National Leather and Footwear Products Development Board to provide a well integrated organization to further the expansion of all the leather products and allied industries; to act as the axis to all matters connected with the leather and finished leather products industries and to work closely with other official Boards such as Livestock Board and the Export Promotion Bureau. This Board should be established under the jurisdiction of the Central Ministry of Industries with representation to Provincial Government and Private Sector as directors on the proposed Board, the Secretary being a Technical Secretary well aware of the knowledge of these industries so as to be able to advise and guide the Board;
4. THAT full advantage be taken of all offers of fellowships for training abroad whether UNIDO or bilateral aid and also requests be made to international bodies for in-plant training courses;
5. THAT the present training institutes be reviewed to include more practical training in finished leather manufacture, footwear and leather products manufacture and up-dated with machinery and equipment to carry out this training;
6. THAT these training institutes start courses for small and cottage manufacturers of both leather and leather products and the training staff should receive salaries commensurate to the duties. The present Polytechnics may introduce evening courses in the leather and allied industries, these courses including quality control, designing and modern techniques with senior members of mechanized plants recruited on a part-time basis to lecture on these subjects;
7. THAT the Pakistan Standards Institution be requested to draw up standards for lasts in collaboration with the last makers and shoe manufacturers. And that the measurement as applied in the United Kingdom of Great Britain and Northern Ireland or Europe be applied immediately and/or until a decision by the International Standards Organization of which Pakistan is a member is agreed upon on the proposed Monde point (M/M) measurement;
8. THAT encouragement be given to the commencing of allied industries to provide components for the leather and footwear industries such as adhesives, leather fibre board, plastic and thermo plastic counters, plastic heels, synthetic soling, shoe ornaments, buckles, trims, unit soles and chemical products as used in the industries;

9. THAT leather footwear and leather products manufacturing take an active part, financial and technical, in all research and training institutes to advise and liaise on the development of these industries;
10. THAT the trade associations combine their efforts to publish a monthly or periodical journal for information as to the current issues and news affecting the leather, footwear and leather products industries;
11. THAT the P.C.S.I.R. Centre, F.U.L.R.E.C. and Gujranwala Centre do research on buffalo hide sole leather in order to produce a flexible combination tanned leather which would meet the requirements of the export market which requires a cement attached sole on leather footwear;
12. THAT the authorities responsible for the specifications for army and police ankle boots include the use of chrome tanned printed buffalo hide leather in the uppers of these boots in their list of specifications;
13. THAT the Government apply a phasing out restrictive policy on the export of wet blue and semi-finished crust leather of goat and sheep skins to encourage the manufacture of finished footwear and leather products including clothing and leather sports goods for export, thus obtaining added value and more employment of labour from the indigenous raw material;
14. THAT sub-contracting in the export of footwear uppers and other items and the export of finished products be encouraged in conjunction with UNIDO and the Pakistan Export Promotion Bureau in order to develop the leather, footwear and leather products industries;
15. THAT in view of the fact that the research into the raw materials which are required in the leather, footwear and leather products industries is essential, it be necessary to equip the unit F.U.L.R.E.C. with equipment and machinery for extension work to be done as follows on to laboratory work, especially in the case of leather;
16. THAT the Central and Provincial Governments and Directorate of Industries consider the urgency in developing the leather footwear and leather products industries by providing financial and technical assistance in the form of loans and necessary import licences;

17. THAT in view of the fact that small-scale manufacturers, despite their knowledge, are still afraid to increase and/or modernize their production owing to the present tax structure, some form of tax holiday be granted to the manufacturers of leather, leather products and allied feeder industries.

### I. ORGANIZATION OF THE CONSULTATIONS

The Consultations were organized to bring together senior officials of the Federal and Provincial Ministries of Industries, who are responsible for the policy-making decisions to be applied to the leather, footwear and leather products industries on Pakistan, and officials of the Directorate of Industries who carry out the policies and work with the industrialists on the requirements of the industries on a daily basis as well as the manufacturers of footwear, leather and leather products, and those persons in industries or business allied to the said industries.

The Deputy Director of Industries, Government of Punjab, outlined the purpose of the Consultations and stressed the importance of the leather footwear industry to the country and the need to apply improved techniques in the interests of development. The Resident Representative of UNDP in Pakistan, stated in his observations that men, material and technical know-how were available locally and, if correctly integrated, Pakistan footwear and leather products had good potential in foreign countries. He also informed the Meeting of UNDP's efforts in developing livestock breeding which in turn would provide suitable raw material (hides and skins) which could be used in footwear manufacture. The UNIDO officer-in-charge read a message on behalf of the Director of the Industrial Technology Division, UNIDO.

The Minister of Finance, Government of Punjab, Lahore, traced the history of the industries, pointing out that the leather, footwear and leather products industries were the second largest export revenue earners of the country, and advised the industries to capitalise on the changing pattern in the manufacture of footwear in the world by adopting modern techniques. The Minister inaugurated the Consultations.



A total of 130 persons attended the Consultations, including the Secretaries of Punjab, Sind and Baluchistan Provincial Ministries of Industries, Joint Secretary, Ministry of Industry of North-West Frontier Province, Deputy Secretary of the Federal Government Ministry of Industry, the Directors of Industries of Punjab and Baluchistan, and the Deputy Directors of Industries from all provinces.

The Export Promotion Bureau, Investment Promotion and Supplies Department, the Government Banks of P.I.C.I.C. and I.D.B.P., Livestock Department and the Army Inspectorate were all represented by their Director Generals and other officials.

The industries were represented by 56 participants from the leather footwear, leather products and allied industries, both local and foreign. A total of 18 papers were presented at the meetings, 15 by Pakistan industrialists and 3 by the UNIDO Secretariat, and distributed to participants (see Annex).

The following persons acted as chairmen of the technical sessions:

G.M. Qarni, Secretary, Ministry of Industries, Sind Province

S.M.A. Ashraf, Director General, Investment Promotion and Supplies, Government of Pakistan

Rafique Ahmed, Secretary, Footwear Manufacturers Group

M.M. Querishi, Joint Secretary, Ministry of Industries, N.W.F.P

Askari Taqvi, Director General, Export Promotion Bureau

Zahid Saad Shaikh acted as Rapporteur; J.W. Parkinson (UNIDO) served as Technical Officer of the meeting, assisted by Abdul Asis (Deputy Director of Industries), and P. Ryan (UNIDO).

## II. THE DEVELOPMENT OF THE FOOTWEAR MANUFACTURING INDUSTRY IN PAKISTAN

The technical sessions commenced with a paper "The uses of finished leather in footwear manufacture and the importance of correct types for specific productions" presented by S. Patel. The author outlined the different types of hides and skins available in Pakistan and the uses to which these could be put, not only in the manufacture of footwear, but also of leather products, such

as sports goods and leather fancy goods. He considered that insufficient effort was being made by the leather tanning industry to utilize the local raw material for use in the country in the manufacture of finished leather products. The author also defined the methods required to obtain added value in the finishing of buffalo hides and skins in keeping with world market requirements.

In the discussion which followed, a number of participants drew attention to the quality of hides and skins, and their condition when received for processing into leather. They felt that measures needed to be taken to improve the present systems. It was also learned that the Agriculture Authorities were developing the breeding of buffalo calves, which in turn would provide a specific source of raw material for the footwear industry. Plans were also being made for the improved slaughtering of animals under the Integrated Rural Development Programme.

Other participants discussed the need to increase the finishing capacity in leather tanneries to utilize more leather for footwear and finished leather products, while the use of buffalo hides for army boot uppers for economic reasons was discussed.

A paper entitled "The establishment of footwear units and the viability prospects in Pakistan" written by Mohammed Hussain was presented by Khawaja Abdul Qadeer. The paper contained a private survey of the market for footwear in Pakistan and gave statistics and comparisons of previous years and the current situation.

The author quoted export performances for leather, footwear and leather goods, and details for the future potential, viability on a planned scale, and proposals for the achievement of strong growth. He advocated a Development Board for the leather and footwear industry as a means of achieving this growth through co-ordination, and also suggested that an integrated Governmental plan for the commencement of semi-mechanised production units be commenced in all provinces and geared so as to cater eventually for the export markets.

The discussion which followed covered all the issues raised in the paper, and a number of participants felt that a national survey should be taken. Since the leather and leather products industries were the second largest export revenue earner in the country, it was felt that much more emphasis should be put upon their development. All agreed that a Leather Development Board would

be the key to this development: however, a number of the participants felt that in the suggestion relating to the commencement of semi-mechanized plants, considerable caution would need to be exercised. Some participants opined that it would be better for the Government to encourage growth by offering incentives to the smaller units currently in operation, in the form of financial backing for the purchase of equipment and machinery.

The Meeting then took note of a paper entitled "Production, quality, process control and part played by middle management" presented by Ahmed Saeed. The paper first dealt with the different types of footwear constructions and the techniques required for production in mechanized footwear plants, as well as the different processes needed to achieve production control and to meet quality standards. The author stressed the difference between inspection and quality control, and was very precise in his explanation of tying quality to customer requirements, whereas inspection was sorting the good from the bad. With respect to middle management his views were that this sector of labour must always be very knowledgeable on the work in process, in order to maintain quality production, and be well able to take and give instructions as to requirements of the products.

The ensuing discussion covered a broad range of topics, and the speaker was asked numerous technical questions on methods of production. Some participants drew attention to the lack of quality standards applied to children's footwear and of the need to consider this on a national basis. The shortage of children's leather footwear in Pakistan was also discussed, and the speaker felt that the main cause lay in the manufacturers' considering the lower selling cost of children's footwear a deterrent as against the higher selling cost of men's footwear, since similar labour costs applied. The tests which were used in defining quality standards were discussed and it was pointed out that physical tests were usually carried out by factory employees.

The paper entitled "Importance of good design and pattern making in the manufacture of footwear" was presented by Sher Ali Khan. The author stated that a good design in footwear should be pleasing to the eye, provide protection and comfort to the foot, as well as be easy to produce with minimum wastage of material and labour. He explained the major requirements of lasts, materials, components and showed how slides could be used to achieve good design. When putting a design into production pattern grading was most important as a means

of avoiding wastage. The author emphasized that the market required current styles, well proportioned lines and attractive colours, good skill and material used in the manufacture of the shoe, and lastly a good fit on the foot.

In the ensuing discussion, questions were asked regarding the setting of fashion, and designing. It was pointed out that Pakistan follows the modern western world footwear fashions: however, were the creativeness of the Pakistan footwear designers to be used, it would be possible to design footwear exclusive to Pakistan. This would need the co-operation of the leather manufacturers, if leather, colour and texture were to be consistent. Some participants felt that as exports were being sought in western Europe, manufacturers had to conform to the current styles of the importing countries, while at the same time supply the local market with similar footwear. Another view presented was that the local leather chappell type footwear should be improved into a flexible type of sandal and that exports could be obtained.

The Consultations noted papers entitled "Material other than leather used in footwear" prepared by Kamel Ahmed Siddiqui and Rafiq Ahmed presented by Pervais Quayum and Rafiq Ahmed. Both described the necessity for the footwear manufacturers of Pakistan to use synthetic material in footwear for such items as linings, toe casings, counters, insoles and heel lifts, allowing the leather thus saved to be used in shoe uppers, and leather goods i.e. brief cases, wallets, handbags etc. By so doing, large quantities of leather would be able to obtain added value on the export market, if converted into finished leather garments and leather goods. Rafiq Ahmed indicated the revenue which could be derived if such action were taken, quoting figures which showed a possible 20 per cent production saving, if certain synthetic materials were used in the manufacture of footwear.

The discussion of these papers was very lively and dealt with a number of items used in the manufacture of footwear and leather products. The Meeting discussed the loss of leather to the country by the large export of semi-finished leather and wet blue leather, while a number of questions were asked regarding the possibility of making man-made or artificial leather in Pakistan.

The Consultation then heard the paper "Mechanized footwear manufacture, advantages and disadvantages" prepared by Iftikhar Feraz and presented by Ahmad Javed. The paper described the need for the full utilization of machinery

in order to achieve low production costs. It was also pointed out that in developing countries, it was necessary to have good in-plant training to obtain full utilization, for though labour was classed a cheap commodity, no advantage could be obtained unless it produced. The question of maintenance was also a matter for continuous consideration and whereas a plant might be fully mechanized, it might not be fully productive.

The discussion centred on the scaling up of the small or medium-sized footwear manufacturing units through the introduction of small prices of machinery to supplement manual operations. It was felt that the Small Scale Industries Corporations should make efforts to help in this field, as 75 per cent of Pakistan's leather footwear was produced by these smaller units. The length of time taken to process loans to the small manufacturer was also discussed, it being stated that this procedure was now being simplified. The participants all agreed that help was needed in obtaining equipment for the development along modern lines, especially in respect of machinery.

The paper "The part small-scale manufacturers play in Pakistan and hand labour content in footwear" was prepared and presented by M.I. Muftic. The author split the sector into two sections: cottage or rural businesses, and those units catering for urban populations. The paper dealt with the lack of knowledge and know-how of the rural manufacturer whose attitudes were based on family traditions whereas manual skills were evident, there was little inclination to change. Small manufacturers in urban districts were also capable; however once again lack of know-how in materials, designs, fittings and sizes were the drawbacks to development. The maintenance of quality was very difficult owing to their having to improvise on limited supplies of materials.

The discussion revolved around the subject of how the Government authorities could help the small-scale manufacturer to grow, and whether the small-scale manufacturers, especially in rural districts, fulfilled the needs of the local population. A number of participants were of the opinion that Government training centres should run courses to inform and educate the small-scale manufacturers in modern trends, especially in the adoption of manual skills for the production of specific types of footwear.

A paper on "UNIDO technical assistance in footwear and leather products and general trends" was presented to the Consultation. This paper outlined the types of assistance which developing countries were receiving and pointed out

the importance that UNIDO placed on the full utilization of the raw material (hides and skins) for the production of finished leather, footwear and leather products, in developing countries.

The discussion raised several questions with respect to obtaining UNIDO assistance and to UNDP's co-ordination of assistance with the other United Nations agencies such as FAO, ILO, UNCTAD in an over-all economic development pattern.

"The role which UNIDO could play in the sub-contracting of footwear and leather products" was presented by a member of the Secretariat who described the methods which the sub-contracting section applied to linking industries and export markets. The participants expressed particular interest in these opportunities and more information was sought on questions of a practical nature.

The Consultation took note of a paper entitled "Training Institutes and the necessity for training facilities" presented by Sarfraz Karim Qureshi. He outlined the training institutes set up by the Government of Pakistan and the possible qualifications the students could acquire. He felt that the private sector which operated plants and businesses attached to the leather, footwear and leather products industries should come forward and help run these institutes in a co-operative manner as well as assist in administrative, financial and practical matters. The private sector he felt would be the persons who in the final analysis reaped the benefits.

In the extensive discussions which followed it was generally agreed that those institutes which were already training personnel should be strengthened and greater emphasis should be laid on practical training. Some speakers felt the need for more training centres, and that the Consultations should stress the necessity for this practical training, particularly in the case of the Gujranwala model tanning and footwear training centre. Other speakers considered that the training of female workers should be encouraged in the footwear and leather goods industries.

A paper entitled "Establishment of link (allied) industries to serve the footwear industry" was presented by Khalid M. Hussen, in which information was given on the possible savings to be obtained with respect to certain items used by the footwear manufacturer based on a case study of a large Pakistani footwear manufacturer. An analysis was given of the machinery made to specifications,

chemicals and components which were obtained locally and the comparative savings involved. Slides were projected to lend visual emphasis to the main points in the paper.

In the ensuing discussion Government officials took a very active part, debating the establishment of plants to produce man-made material, adhesives, lasts and metallic fittings for footwear and specifically, fibreboard. Some participants approached the problem from the feasibility angle, others from the economic standpoint. The Consultations were very much in favour of action being taken to help to establish plants allied to the industry.

A paper entitled "What role can Government play in helping the footwear industry to develop?" was presented by Abdul Aziz. The author gave details of the Government of Pakistan's five-year plan and highlighted the establishment of industrial estates, training and research centres, and special foreign exchange allocations through the Government loan banks. He showed that special foreign exchange had been earmarked for the modernization of equipment, whilst restriction had been placed on imported finished products. He considered the leather, footwear and leather goods industries a major sector for development. The author displayed charts and statistics following his paper to show how the Government was prepared to help the industries. He also stressed the need for the private sector to keep the Government officially informed of problems as they arose. He considered collaboration with UNIDO is one of the aims of the Ministry of Industry.

In the discussion, the Chairman invited questions from the private sector. Most of the participants agreed that the Government and the Government officials were paying special attention to the industry, and that it had become very noticeable in the last two years. The Chairman then granted an official of the Agriculture Department the opportunity to speak on the damage done to hides and skins by disease. The UNIDO staff member was also requested to describe the mechanisms of sub-contracting and product adaptation. Finally, a member of the Bureau of Statistics was asked to explain what his department was doing to collate information for future planning and the efforts made to apprise the industry of current trends.

A paper entitled "Standardization of footwear sizes and fittings" was presented by Abdul Rehman, which dealt with the importance of this subject for local health reasons, quality control, and its necessity in export trade.

The author gave details of the patterns and measurements used in the developed countries, and considered that Pakistani standards should be based on a separate system of measurements, i.e. heel-waist length for sizing instead of the current toe-heel length.

The discussion centred on the fact that since Pakistan was a member of the International Standards Organization, it was not in a position to formulate different sizing. Furthermore, since emphasis had been laid on export, footwear had to bear the size markings for the importing country.

The Chairman was requested to allow two speakers from the Small Scale Footwear and Leather Goods Group to present papers to the Consultations. The Chairman agreed, but felt no discussion could ensue, as the Group which had received special invitations to write papers and participate well in advance of the Consultations, had not come forward when requested.

The paper was entitled "The necessity for research and development on an industrial basis of leather and leather goods from indigenous raw materials" which had been prepared by A. Hamid Chotoni, but was presented by Jamil Ahmad Khan. The author described a wide range of research projects in which the Pakistan Council of Scientific and Industrial Research Centre was engaged, in the fields of leather and other materials used in the footwear industry. The paper also pointed out the usefulness of research in developing the wastes accruing in slaughter houses, tanneries and leather products plants. The main purpose was to develop a product which when proven, could be channelled into industry for production and so reduce the importation of similar products from abroad.

In the ensuing discussion questions were asked regarding specific items, such as adhesives, tanning extracts, chemicals, bating agents and finishes. It was agreed that the PCSIR was without doubt the correct source for the required research, and that here again expansion was needed for more positive results. The speaker was of the opinion that were extension services available in the form of a mechanized pilot tannery, all the leather using industries could be helped in achieving better quality leathers.

A paper was presented by Monsur A. Quettawala regarding leather goods and leather clothing in which the speaker stressed the importance of withholding good quality sheep and goat skins from exports of wet blue, and of encouraging



and developing these finishing leather products industries.

In conclusion the Rappertour presented the recommendations which had been formulated in the course of the Consultations and which had met with the agreement of all participants.

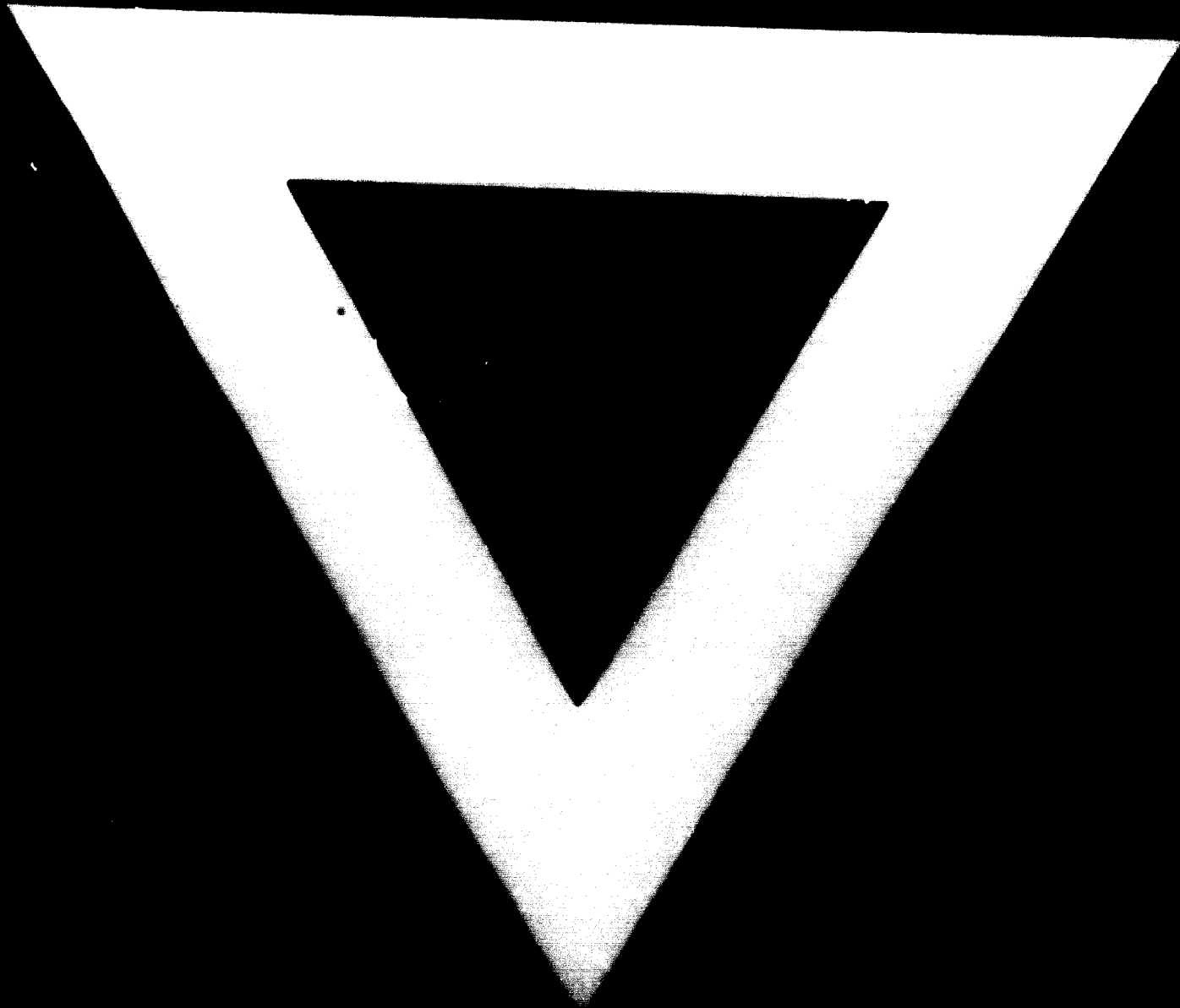
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ANNEX

LIST OF PAPERS SUBMITTED TO THE CONSULTATIONS

- ID/WG.162/1 Rev.2      Agenda and programme of work
- ID/WG.162/2            List of participants
- ID/WG.162/3            The uses of finished leather in footwear manufacture and the importance of correct types for specific productions
- ID/WG.162/4            UNIDO's activities concerning the development of the leather industry in developing countries
- ID/WG.162/5            Production, quality, process control and part played by middle management
- ID/WG.162/6            The importance of good design and pattern making in the manufacture of footwear
- ID/WG.162/7            Materials other than leather used in footwear
- ID/WG.162/8            Mechanised manufacturing of footwear. Is it advantageous or not?
- ID/WG.162/9            The part small scale manufacturers play in Pakistan and hand labour content in footwear manufacture
- ID/WG.162/10           The establishment of footwear units and the viability prospects in Pakistan
- ID/WG.162/11           Materials other than leather used in footwear and supply difficulties
- ID/WG.162/12           Training institutes and the necessity of training facilities
- ID/WG.162/13           The establishment of link (allied) industries to service footwear industry
- ID/WG.162/14           What role can government play in helping the footwear industry to develop?
- ID/WG.162/15           The necessity for research and development as an industrial basis of leather and materials using indigenous raw materials
- ID/WG.162/16           Standards in sizes etc.
- ID/WG.157/23           UNIDO's programmes dealing with international subcontracting, product adaptation and investment promotion





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