



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org



04966



Distr.
LIMITED

ID/WG.157/24
3 September 1973

ENGLISH
ORIGINAL: RUSSIAN

United Nations Industrial Development Organization

**Workshop on Leather Industry Development
in Developing Countries**

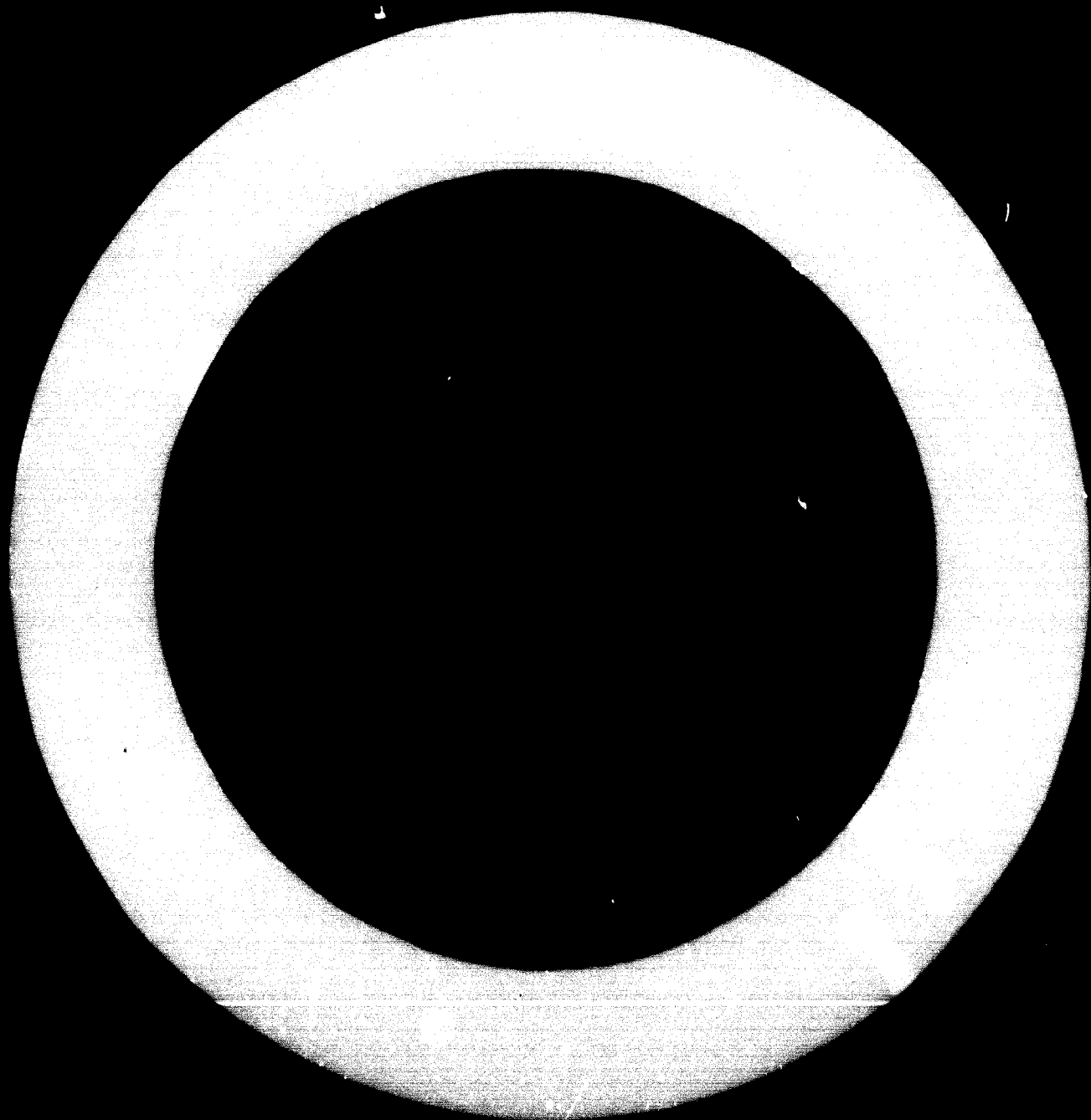
Vienna, Austria, 27 August to 1 September 1973

**STATEMENT
ON THE SITUATION OF THE LEATHER INDUSTRY IN
MONGOLIA ✓**

by

**V. Zhuravsky
UNIDO Project Manager, Ulan Bator**

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.



The leather and footwear industry is one of the principal branches of the Mongolian economy. It occupies this leading position largely to the following factors:

- Mongolia's tradition of livestock-raising ensures an adequate supply of raw material;
- the comparatively small capital investments required are recovered in a short time;
- there is an adequate supply of manpower, which in the early stages does not, broadly speaking, require long preparation and training;
- the returns are considerable, and assist the rapid development of both this and other branches of the economy.

In recent years the Mongolian leather and footwear industry has undergone major quantitative and qualitative changes, which have eliminated a number of problems and at the same time given rise to other more complicated ones.

I. Raw Hides

Mongolia has about 25 million head of livestock, of which some 70 per cent are small animals (goats and sheep) and the rest large, horned cattle, horses and camels.

For a population of 1.3 million this is a considerable figure. Approximately 4 million hides are purchased annually through two channels:

1. Centralized purchases through meat plants. These hides undergo industrialized primary processing and are of a quality entirely suitable either for internal consumption or for export.
2. The second channel is more complicated: from farmer to rural centre, thence to the regional centre, thence to a raw material depot and finally into the stocks of enterprises. As a rule, these hides include a large number that have been damaged in

flaying, preservation or transport. The methods of conservation used are unfortunately primitive - refrigeration, drying-out in the sun and so forth.

The Government has now decided to set up a centralized factory for the primary processing of hides and furs on an industrial basis and it can be assumed that in the next five years the problem of improving the quality of raw material will have been successfully dealt with. Certain other relevant measures are also being taken, and these are mentioned below.

II. Production of leather

Ninety per cent of all production of leather is concentrated in the Promkombinat complex at Ulan Bator. This includes three leather-producing plants capable of handling 3 million hides and skins a year, two of them specializing in the processing of sheepskins and goat skins. Work has begun on the construction of a further plant for the processing of large hides.

When the new plant is fully operational and the existing ones have been reconstructed, the number of processed hides and skins will be:

- Skins - 2.8 million
- Large hides - 0.6 million

Central procurements in this period will total (1975):

- Skins - 4.0 million
- Large hides - 0.6 million.

Roughly speaking, during the period up to 1980 there will be a reserve for export of 1-1.5 million skins.

With the help of the Council for Mutual Economic Assistance (CMEA) countries, the leather-producing plants have been equipped with the latest tools and machinery. Generally speaking, high-grade chemicals are imported.

It should be noted that the quality of the leather produced, especially sheepskins and goat skins for clothing, is very satisfactory, so that Mongolia has no difficulty in exporting either the skins or garments made from them.

III. Footwear production

It was not until 1934 that Mongolia started to produce European-style footwear. Previously it had produced a special national type of footwear known as "gutuli", made of distinctive types of untanned or home-tanned leather. This type of footwear remains popular in rural areas to this day.

Footwear for the urban population, and also to some extent for export (working footwear is exported), is produced by a factory with a capacity of approximately 1.5 million pairs per year. The range is limited owing to the lack of variety in the lasts and other footwear fittings and accessories available in Mongolia. For this reason some types of model and sports footwear are imported.

There can be no doubt that the quality of the model footwear produced is a long way below the standard needed to enable it to compete on external markets. However, Mongolia does have orders for simple types of footwear and will very soon be able to fulfil them when reconstruction of the factory has been completed.

It should also be mentioned that responsibility for the primary processing of hides and skins for the production of leather and leather articles is concentrated in one Ministry. Standards have been established in all three of these fields and assistance is constantly provided by the CMEA countries. However, there is still room for qualitative improvement.

It is for this reason that the Government decided to establish an experimental centre for leather and leather goods production in Ulan Bator, the functions of which are determined by the problems facing the leather and footwear industry at the present time.

The construction and organization of the centre are being carried out with the technical assistance of UNIDO; the capital investment totals about US\$ 4.5 million, of which US\$ 1.2 million is being provided by the United Nations Development Programme (UNDP). UNIDO is


also assisting by providing qualified experts in various fields, training fellows and supplying the centre with laboratory and technical equipment. The project is scheduled for completion in June 1975.

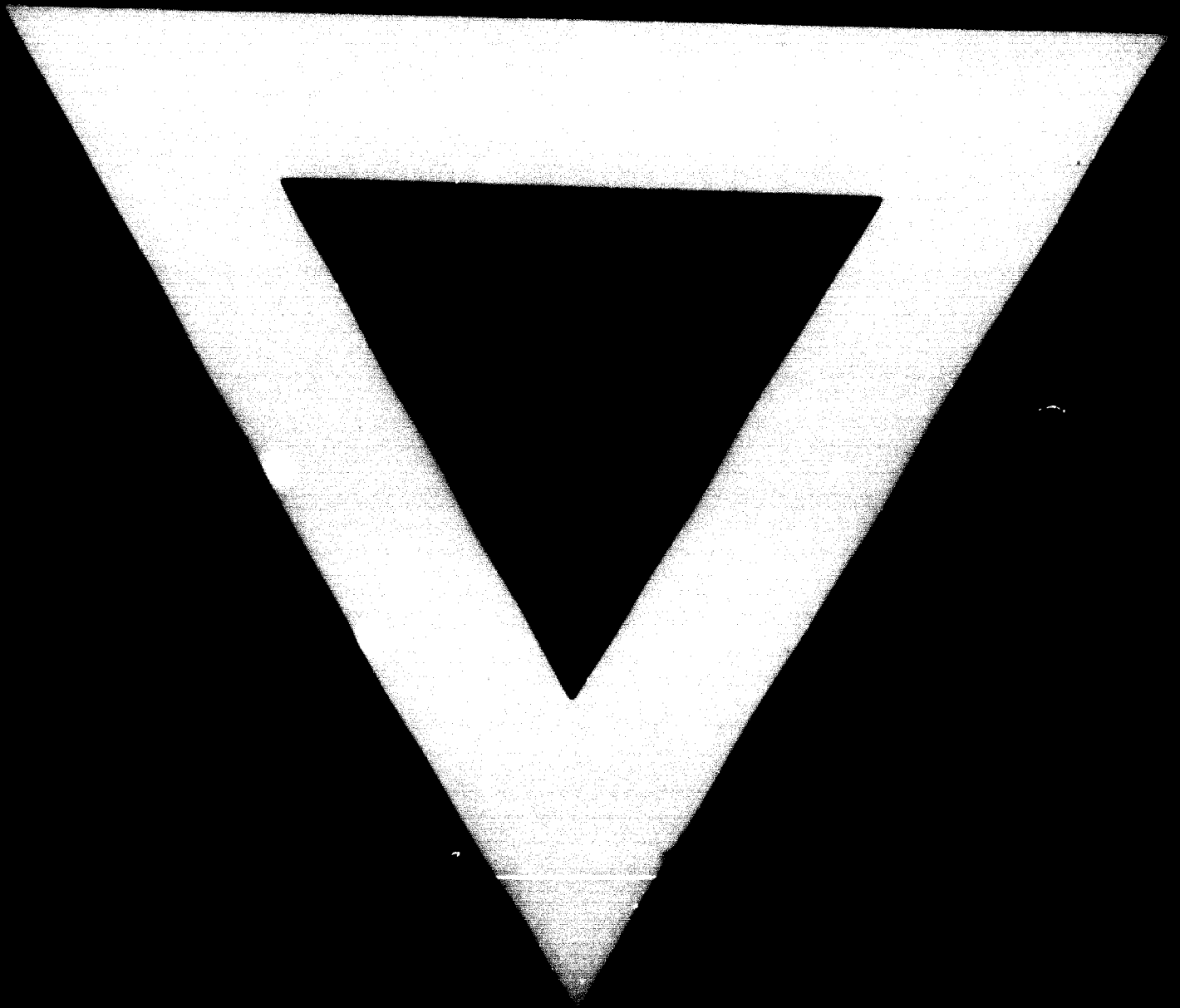
Although the centre still had no premises, on the initiative of UNIDO the experts, who arrived in Mongolia a year ago, began their activities with the practical organization of scientific research work, the training of national personnel and the provision of technical assistance to industrial enterprises in the improvement of their leather and footwear production techniques and of the quality of the raw material.

It is worth noting that in the past year the experts, together with Mongolian specialists, have carried out fourteen scientific research projects in different branches of light industry. Here are a few examples: the technology of aniline-finished leather has been studied and introduced; the technology of non-vegetable tanning has been studied and is now being introduced; a study has been made of the technology of producing fancy-goods leather from camel skins, which have not hitherto been used; and so forth.

As a result of the introduction of only some of these techniques during the present year the economy has already benefited to the extent of more than 90,000 tugriks, the quality of upper leathers has been considerably improved, and the range of leather and footwear has been extended.

This can serve as a good example of the part played by scientifically based methods of production in developing countries and also of the practical assistance given to those countries by UNIDO.





6 . 8 . 74