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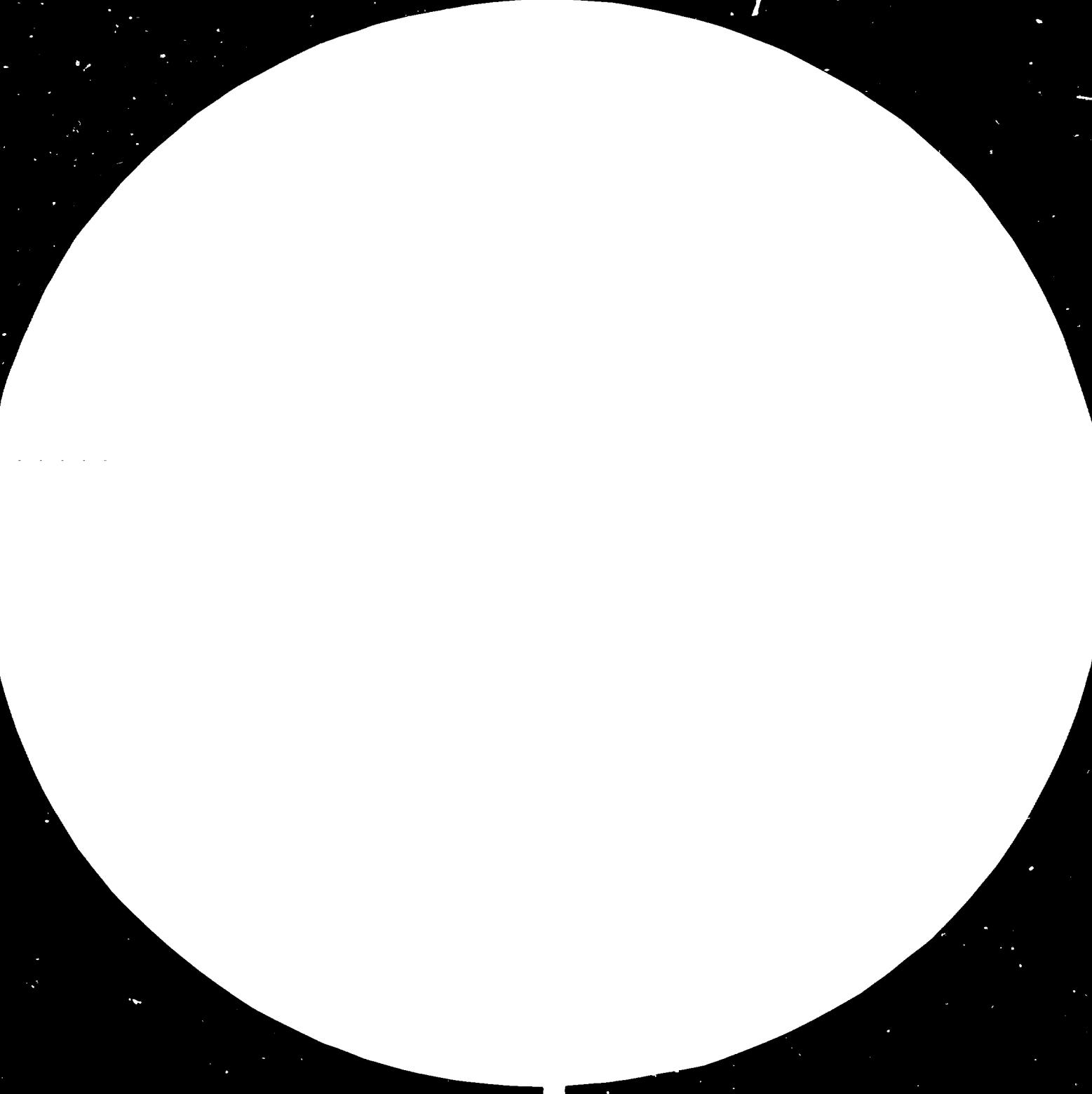
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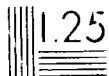
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LEATHER AND LEATHER PRODUCTS INDUSTRIES DEVELOPMENT
PREPARATORY ASSISTANCE

RP/YEM/80/001

YEMEN ARAB REPUBLIC

Terminal report*

Prepared for the Government of Yemen Arab Republic
by the United Nations Industrial Development Organization

Based on the work of Bo Lunden, leather industry adviser

* This document has been reproduced without formal editing.

Explanatory notes

The following abbreviations have been used in this report:

- YAR - Yemen Arab Republic
CFO - Central Planning Organization
UNDP - United Nations Development Programme
UNIDO - United Nations Industrial Development Organization
US \$ - United States Dollars
YR - Yemeni Rial

A full stop (.) is used to indicate decimals.

A comma (,) is used to distinguish thousands and millions.

During the period covered by the Report the exchange rate was

$$1 \text{ US\$} = 4.55 \text{ YR}$$

ACKNOWLEDGEMENT:

During the work for this report numerous persons have been consulted, in departments and other agencies of the Government, in local industries and trading companies, and in UNDP and other international organizations. They are too many to enumerate, but to all are expressed sincere thanks and appreciation for their co-operation and for the friendliness and kindness shown at all instances.

SUMMARY:

A two-month mission, "Leather and Leather Industries Development, Preparatory Assistance" to Yemen Arab Republic (YAR), (RF/YEM/80/001), was carried out by an expert of the United Nations Industrial Development Organization (UNIDO).

Proposals in earlier studies had not been acted upon and changes affecting the conditions for development in the leather industry sector had occurred. The object of the mission was therefore to assess anew the situation in the sector and to make recommendations to the Government for needed actions. The hide and skin availability was assessed and found to be sufficient to supply the only currently operating tannery in Taiz as well as the proposed tanneries in Hodeidah and Sana'a. The rural tanneries in Sana'a and elsewhere have disappeared almost completely and a revival would be very difficult and would now serve no practical purpose. Besides the scabbards for the dagger belonging to the national male dress and very small quantities of other articles, there are no leather products manufactured in YAR. Prospects for a local production are evident and the existence of such production would benefit the whole leather industries sector.

It was recommended, that a pilot plant and demonstration centre for the production of footwear and leather goods should be established in Sana'a. A programme for hide and skin improvements was suggested. It was further recommended, that the proposed new tanneries were assisted in the implementation of their plans, subject to certain conditions, and that existing import and export duties were reformed in order to create incentives for the tanneries to develop their processes further.

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I. INTRODUCTION

Background:

At present there is practically no leather industry in Yemen Arab Republic and consequently the country imports almost all its requirements of leather footwear and other leather products.

It is estimated that each year approximately

200,000 cattle hides

1,300,000 sheepskins and

800,000 goatskins

are available in the country.

Through the UNDP/UNIDO Industrial Promotion and Development Unit (DP/YEM/72/012) attached to the Directorate General in the Ministry of Economy " a feasibility study on establishment of a tannery project for processing skins and hides for export in Yemen Arab Republic" was elaborated in 1974. The study reached the conclusion that a tannery of suitable size should be a profitable venture.

In 1976 a UNIDO leather expert (SM/YEM/75/013) made a survey of the situation and made several recommendations, including one suggesting the setting up of a pilot plant and demonstration centre to train labour for the envisaged production units. Based on the recommendations a draft project document "Pilot Demonstration Centre for the Manufacture of Leather Products and Development of the Leather Industry" was elaborated the same year.

A few years ago the Government issued a licence for the establishment of a tannery in Taiz and some machinery was also acquired for this purpose. Later another licence was granted for a tannery also in Hodeidah. The present conditions of these enterprises were not known.

Except for the issuing of some licences by the Ministry of Economy no follow-up action has so far been taken on the different proposals mentioned. The Government, however, still wanting to encourage the domestic leather and leather products industries, needed to have a fresh look at the problems connected with the establishments of such industries. For this reason the Government requested the assistance of a leather industry advisor to study again the present overall situation and to make new recommendations for necessary actions.

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Official Arrangements:

The present project was approved on 17 December 1979 and was attached to the Directorate General of Industry in the Ministry of Economy, expecting and obtaining a close co-operation with the UNDP/UNIDO project, Industrial Advisory Service to the Ministry of Economy (DP/YEM/78/006). Total UNIDO contribution was US\$ 11,100. The project started 7 January 1980 and terminated 6 March 1980.

Objectives:

The development objective is the sound development of the leather and leather products industry sector in Yemen Arab Republic, commensurate with the considerable raw material potential available.

Immediate Objectives: are

- an assessment of the situation of the raw hides and skins, leather and leather products industries sector in the country,
- recommendations for necessary actions which should be taken to ensure a sound development of this industrial sector.

In detail they are further more evident from the duties described in the attached Job Description (Annex I).

II. FINDINGS

Livestock:

The Statistical Yearbook 1977-1978 (Yemen Arab Republic, Prime Minister's Office, Central Farming Organization, Statistical Department) gives the following 1977 figures for the livestock populations:

Cattle	-	-	840,000
Sheep and Goats	-	40,400,000	
Camels	-	105,000	

The numbers are, however, based on rough estimates made several years ago and have since been brought forward without further checking. Sample surveys conducted by the statistics department of the Ministry of Agriculture have also demonstrated considerable deviations from the numbers assumed in the regional break-down of the total numbers, particularly for sheep and goats. The figures therefore cannot be considered very reliable, but the magnitude still indicate the importance of livestock breeding to the national economy.

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The cattle are small to medium sized, of zebu-type, generally with a medium-sized hump. Very often they are undernourished and suffer from various diseases. The sheep are small, fat-rumped and have little wool, which usually is of the hair-type and very short. The goats are medium-sized and also short-haired.

Slaughter:

The take-off rate of the livestock is very low from an international point of view. It is estimated that about 185,000 cattle, including calves, 1,600,000 sheep, 750,000 goats and 6,000 camels are slaughtered annually. To these numbers must, however, be added the increasing number of imported live animals (See Annex II), which are slaughtered for the armed forces and to cater for the needs of the growing urban centres. In 1979 probably some 20-25,000 cattle and 200 - 300,000 sheep and goats were imported, mainly from Somalia, Sudan and Turkey.

Controlled slaughter in Governorate Centres (See Annex III) is only a small part of the total. Less than 20% of the cattle and only about 5% of sheep and goats are slaughtered in these centres. In the recommissioned abattoir in Sana'a 24,472 cattle (including calves) and 23,377 sheep and goats were slaughtered during the first 12 months (February 1979 to January 1980) of its operation. This slaughterhouse has already been found to be too small and a new one is being built with Dutch bilateral aid outside the city for a capacity of 200 cattle and 300 sheep and goats per day. It will be commissioned this year, as will the two similar but smaller abattoirs being constructed in Taiz and Hodeidah.

The flaying, especially of the cattle hides, is generally very bad. Several and very deep, often penetrating, cuts from the flaying knives can be observed on almost all the hides. It is obvious that the flayers need to be taught about the loss in value through these cuts and how to do a proper flaying. In the new slaughterhouses this training is planned to be carried out by experienced butchers from abroad, brought in specifically for this purpose.

As to the sheep and goats the situation is better, since the majority of the skins, even in the villages, are pulled, leaving possible flaying cuts only near the neck.

Collecting and Curing Raw Hides and Skins:

Several trading houses have collecting organizations, which cover the whole country. In spite of this a considerable part of the hides and skins does not reach the market, often because of ignorance, sometimes because of carelessness due to the low value compared to the value of the meat, but also because of transport difficulties. Thus it is estimated that roughly 20% of the hides and up to 30% of the skins are lost to the trade.

Most of the cattle hides are cured by salting and air-drying (dry-salted hides), usually by placing the hides after salting on the ground to dry in direct sunlight. In the interior of the country the hides are often only just dried on the ground and in the sun without any precautions (dry hides). Some collectors soak back these hides in water and then either salt them without subsequent drying, obtaining a kind of wet-salted hides, or salt and dry, again to get dry-salted hides. Very often both water and salt is contaminated, being used over and over again, surely causing some hide degradation. The drying in direct sunlight may cause part gelatination with areas on the hide which can never be soaked back and tanned properly. All in all, the curing must in general be regarded as very poor and as a result the quality of the raw hides is much lower than necessary. Using cleaner water and salt and drying the hides in the shade stretched on frames, would certainly give them a considerably higher value.

The majority of the sheep and goatskins are dry-salted and the curing in the bigger establishments, e.g. in Hodeidah and Bayt al Fakih, is done more carefully. By using clean salt and a proper salting procedure before hanging the skins (which are not opened up) on sticks to dry in the sun, the result in quality is fair. Drying in the shade would, however, certainly give a still better result.

The tannery in Taiz, preferring wet-salted skins for their processing, has introduced this curing method, especially in and around Ibb and Taiz and has reached impressive results. The resulting skin quality is without doubt better than that of the dry-salted skins, but to effect this change in curing will need both time and great effort. The tannery is at present not able to obtain as many wet-salted skins as wanted, but the situation is improving as the new curing method is spreading further and further. When exporting raw skins, without any further processing, the dry-salted skins are, however, still preferred because of the lighter weight and simpler packaging needed than in the case of wet-salted skins.

The need for improvements of the flaying, collecting and curing of the raw hides and skins is obvious and also very much felt by the trade. The tannery in Taiz and the trading company in Hodeidah are doing much to teach the collectors to treat the skins properly, but to reach the people in all small places out in the country, where most of the slaughterings take place, is extremely difficult. In the case of the cattle hides the situation is still worse as very little has been done to improve the traditional curing and collecting system. One way

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to reach the villages would be, as has been suggested by many persons in the trade, to induce the television company in YAR to make a special programme to demonstrate correct flaying and curing methods. The programme, which should be sent repeatedly at regular intervals, would also stress the gains to the national as well as the personal economy, if more hides and skins of improved quality could be collected. Similar programmes have already been produced in other fields and no doubt would it be fairly easy for the hide and skin experts in the Ministry of Agriculture in co-operation with the Directorate General in the Ministry of Economy and the trade to select suitable people and materials for the demonstrations.

The Trade in Hides and Skins:

The main trading centres are Sana'a, Hodeidah and Taiz. The majority of the cattle hides is ultimately collected to Sana'a and, after a grading and possibly recuring, shipped almost in its totality by truck to Syria. Some 30-40,000 hides were last year also shipped from Hodeidah to Europe, especially Italy. The export statistics (See Annex IV) does not separately list the different types of hides and skins and it is therefore not possible to state with certainty how many pieces are shipped out altogether. From discussions within the trade it was estimated, however, that during 1979 roughly 170,000 cattle hides were exported, a number which approximately tallies with those given above for available and collected hides.

Dry-salted sheep and goat skins, at present almost exclusively handled by a trading company in Hodeidah, were exported during 1979 to a number of about 1 million sheep and 350 thousand goat skins.

The tannery in Taiz, during the same year, has exported roughly 200 thousand pickled sheepskins and 50 thousand pickled goat skins, besides vegetable tanning 50-60 thousand skins for the local market. The main country of destination for the dry-salted as well as the pickled skins is Italy.

The total number of skins can be seen to be somewhat less than that, which could be calculated from the number of available and collected skins given above - although the magnitude is more or less the same. In the trade it has been observed that the number of collected (and possibly also to some degree available) skins has decreased in later years, last year probably about 15%.

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Tanning activities:

Several years ago there were many rural tanneries in the country and in Sana'a alone some 50 such small enterprises were operating. Five years ago the number had shrunken to 7 and today only 2 in Sana'a and 2 in Bayt al Fakih have been found to be in existence. Furthermore, all four have declared, that they will soon stop working. The reason is wholly economic. Imported leather and plastic leather substitutes and the high prices of tanning materials and other raw materials have made the local leather, tanned and processed in a very primitive way, completely uncompetitive. There is hardly any way to revive these small tanning units.

The only other tanning activity in the country is carried out in the tannery in Taiz. The machinery in the tannery consists of paddles, drums and scudding and fleshing machines for the wet processes and a staking wheel to soften the vegetable tanned leather. As mentioned earlier the company is currently only processing wet-salted sheep and goat skins. During the first years of its operation many difficulties had to be overcome. Lack of technical know-how, managerial abilities and adequate training of its labourforce caused severe losses and created innumerable problems. After having acquired a competent technical management, the tannery now seems to be on the right track. Some 50-60,000 skins of the lowest selections are vegetable tanned and sold mainly in the Sana'a area for the manufacture of scabbards to the "Janbiah", a dagger forming part of the Yemeni male dress. The main production, as also mentioned above, is pickled skins. Pickling comprises only the first steps in the process before the actual tanning takes place, but the skins can in this state be kept almost indefinitely without any fear of degradation.

Future Tanning possibilities:

The tannery in Taiz intends to proceed first to wet blues and then to slightly retanned, fat-liquored and dried leather, so called crust or semi-finished leather. These types will make better defined selections possible and will fetch higher prices with greater added value. The crust will also have the great advantage of being considerably lighter in weight than the other types, which may even make it possible to ship by air. The last step, finished leather, will be taken as soon as a local market for such leather has been developed. Some specialty leathers, such as chamois, has been produced successfully in experimental lots and may well be a very useful complement to the product mix. To think of exporting ordinary finished leather is for quite some time to come hardly realistic. The step-wise approach to the extension of the tannery operations is without doubt sensible and should ensure a sound development in the future.

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The trading company in Hodeidah has also obtained a licence to build a tannery, but has so far not taken the final decision to go ahead. Their intentions are still, however, to carry out their tannery plans. In the first stage to build a pickling plant, but they want to be sure not to make any big mistakes. The step-wise approach seems also here to be recommendable.

The trading company in Sana'a, which handles most of the cattle hides, more than 100,000 hides annually, has recently applied for a licence to start a tannery as well as a shoe factory. At present their plans are rather vague, but since their financial situation seems to be strong and they control sufficient raw hides for a good-sized tannery, the possibilities seem fair for a successful venture, if they proceed carefully.

In the last two cases the main points to take into consideration, in order to avoid mistakes as much as possible, were discussed with the promoters in detail. For the tanneries the need of an adequate water supply and to solve the effluent problems from the beginning was stressed. For tanneries as well as shoe factories the need of competent technologists and technicians to plan the factories and to run them for a sufficient period, years and not months, in order also to train on the job managers, foremen and workers. The importance of good maintenance and the training of the workers in this specific field, which so often is overlooked, was particularly emphasized. The advantages of joint ventures in co-operation with competent companies abroad were also pointed out.

Leather Products:

The "Janbiah" scabbards already mentioned, a small quantity of belts made of imported leather (and plastic leather substitutes) and a still smaller quantity of simple leather sandals made by a few "cobblers" out of the heavy vegetable tanned leather from the remaining rural tanneries, are the only leather products manufactured in Yemen Arab Republic at the present time. Only recently a few leather coats made out of vegetable tanned shearlings were also produced, but this production has for economic reasons ceased completely.

A couple of factories in Taiz and Sana'a produce plastic footwear of different kinds. The largest producer in Taiz is making PVC injection moulded sandals and shoes, some of which are very leather like in appearance, if not inspected too closely. The annual production is about 600,000 pairs, but this quantity could easily be increased, if the local market could absorb the increased production.

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Another factory in Taiz was until recently producing PVC thongs, simply a sole with an attachment for the big toe to keep the sole on the foot. The style of the particular thong was not easily accepted and the PVC compound, evidently too brittle, was cracking too soon and too often. In the end the production had to be stopped and the machinery is at present idle.

The statistics on selected commodities (See Annex II) shows that the import of leather manufactures, although small compared to other commodities, still had a value last year of about 3 million Yemeni Rials (YR). The articles are not specified but from discussions with the retail trade the most important ones seem to be scabbards of the type mentioned earlier, belts, ladies bags and other personal accessories.

A fairly great part of these articles could certainly be made locally, either of imported or, if available, of locally made leathers.

Travelling goods, imported to a value last year of about 5 million YR, are almost in total made of plastics. Some of the articles, if made of leather or plastics, could without doubt also be made locally.

Footwear of all kinds is more important, as can be seen from the value of its import, in later years roughly 60 million YR annually. The pairage has lately not been listed, but the trade estimates that the quantity is at least 2 million pairs. Almost all have soles of rubber or plastics and also the uppers and the linings, if used, are in the greater part of the different types of footwear made of plastic leather substitutes. A considerable quantity is, however, still made of leather, from simple sandals to high quality, high fashion ladies' and men's shoes. There is no doubt that there is scope for a substantial local production of footwear, made of leather or leather substitutes.

Some time ago the Ministry of Economy in co-operation with private interests negotiated with Bata, Canada for the establishment of a shoe factory. In the end, however, the result was negative and at the moment there are no firm plans for a production of any leather products.

General considerations:

The hides and skins are one of the very few indigenous raw material resources in YAR. The development of the leather industry sector must therefore be of prime importance in connection with the industrialization of the country wanted by the Government. If the

plans for the two new tanneries are implemented properly, YAR will have sufficient tanning capacity for all the hides and skins produced in the country. For this reason alone, it is not advisable to issue further licences for new tanneries, at least not until it is evident that earlier licences will not be utilized. For the present any centralized technical assistance to the tanning industry would not be very useful. At a later stage of the development inside the industry, such an assistance should, however, be considered again.

In other respects could the Government help the tanning industry in its endeavour to develop further. Thus, when exporting raw hides and skins, the exporter has to pay an export duty, currently 7% on the value. In many other countries similar export duties are levied, but, as an incentive to develop the industry, these duties usually do not apply to processed hides and skins or are reduced in relation to how far the processing has been carried. Often an export premium is granted for crust and a higher one for finished leathers. Pickled skins were earlier exempted, but since April, 1979 the export duties have been levied again. This is unfortunate, since the incentive to process the skins further is now much less. It would be preferable to have a sliding scale: full duty for raw, somewhat less for pickled, still less for wet blue hides and skins, none for crust and perhaps a premium for finished leather. In this way the tanneries would have the incentives to process their hides and skins soonest possible as far as possible.

As to imported raw materials, necessary for the processing, almost all countries are using the system of drawbacks, i.e. the custom duties are paid back in total for materials used in exported products. The system also exists according to law in YAR, but has not been put into practice. This ought to be done - the cost of auxiliary raw materials is a heavy burden for the tanneries and should not be increased unnecessarily.

Another deterrent for a tannery to proceed to make crust or finished leathers, using present raw hides and skins, is the quantity of very low quality leathers, which will inevitably be produced. These qualities will fetch unreasonably low prices on the world market, if at all saleable, but would for quite some time be acceptable for the local production of simple leather sandals and similar other leather products. Without such a domestic outlet the tanning industry will face grave difficulties in its further development. Thus the establishment of some leather products industries to produce footwear and leather goods must be considered essential for a sound development of the leather industries sector.

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Present plans for shoe and other leather products factories are still very vague and in any case, such factories, when started, would need trained workers and technicians. A technical assistance project, that could train such personnel, including possible future entrepreneurs in the field, and which could also function as a small production unit, would undoubtedly serve as a catalyst for further developments. At a later stage the small production unit could be turned into a normal factory, especially if the project fails to activate sufficiently other ventures. Such a pilot plant and demonstration centre for the production of footwear and leather goods would logically be located to Sana'a, where the largest market for its products would be found and where the necessary co-operation with Government agencies would be most easily obtained. Allocation close to or within the area of the Industrial Estate could be a suitable solution.

Due to the peculiar economic circumstances in YAR, caused primarily by a large influx of capital from Yemenis working abroad, a local production of goods, which can easily be imported, will certainly face difficulties. Footwear and leather goods clearly belong to this category and with the comparatively high internal material and labour costs the competition from imports could be intensive. A small production would probably not be overly affected, but for a large one some further protection against the import might be needed, i.e. an increase of the import duties on relevant products.

On the other hand there are signs, that the work opportunities abroad could diminish substantially, in which case the creation of jobs in YAR would gain in importance. The centre would have such an effect and if any industrialization is wanted, the difficulties have to be overcome and a start made. The implementation of the project under discussion must be regarded as of high priority. It is, however, under present circumstances fairly certain, that normal wages have to be paid to the trainees at the centre in order for the training to be sufficiently attractive.

III. CONCLUSIONS AND RECOMMENDATIONS:

1. Technical assistance to the tanning industry under present circumstances in YAR would hardly serve any practical purpose. On the other hand should the whole leather industries sector benefit from the existence of a viable footwear and leather goods industry. To aid in the establishment of such industries it is recommended, that a pilot plant and demonstration centre for the production of footwear and leather goods is created in Sana'a.

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A UNDP/UNIDO technical assistance project to this end is proposed to be included in the next country programme. A draft project document will be finalized soonest and annexed to this report.

2. To aid in developing the tanning industry, some Government actions would be useful. Thus it is recommended, that
 - a) the proposed sheep and goat skin tannery in Hodeidah and cattle hide tannery in Sana'a are assisted as much as possible in the implementation of their plans, subject to assurance of sufficient water supplies and the presentation of adequate plans for product mix, machinery, plant lay-out, management, training, financing etc.
 - b) the export duties are removed on hides and skins which are processed to some degree inside YAR or a gliding scale of export duties, dependent on the degree of processing is instituted.
 - c) draw-backs of the total custom duties are allowed on all imported auxiliary raw materials used in exported processed hides and skins.

 3. Improvements in the qualities and quantities of the raw hides and skins collected in YAR are very much needed. Improvements in the slaughterhouses and the improvement work done by some trading companies have unfortunately only limited effect, since most of the slaughterings take place in the small villages. To reach all these places needs an extraordinary effort, and the only practical way seems to be through the television. Therefore it is recommended, that a TV programme, demonstrating proper flaying and curing methods and stressing the importance of the hides and skins for the national and personal economy is prepared and shown periodically.
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JOB DESCRIPTION

RP/YEM/80/001/11-01/31.7.D

Post Title : Leather Industry Advisor
Duration : Two months
Date required : As soon as possible
Duty Station : Sana'a with travel within the country as required.

Purpose of Project: To assess the situation of the hides and skins, leather and leather products industries sector in the country and to present recommendations for necessary actions which should be taken to ensure the sound development of this industrial sector.

Duties : The expert will be attached to the Directorate General of Industry of the Ministry of Economy, and will specifically be expected to:

1. assess the quality and quantity of available raw hides and skins and their suitability for different uses;
2. assess the domestic market for leather and leather products;
3. discuss with Government officials and other interested parties alternatives of possible production units for leather as well as for leather products, their product mix, technology, size, machinery, location and other pertinent features;
4. in the light of the findings and discussions present recommendations for necessary actions which should be taken to ensure the sound development of the entire leather industry sector in the country;

5. assess the possible technical assistance inputs needed to assist the Government and the industries concerned in carrying out successfully the recommendations made and, if appropriate, draft the relevant project proposal for such assistance programme.

The expert will also be expected to prepare a final report setting out his findings and recommendations to the Government for further actions needed.

Qualifications: The candidate should have extensive experience in assessing the hides and skins, leather and leather products industries on a country level, as well as in planning future developments within this industrial sector.

Language : English

Annex II

Value of Imports by SITC Groups

(In thousands of Rials)

(Selected Commodities)

	1972/73		1973/74		1974/75		1975/76	
	Q	Value	Q	Value	Q	Value	Q	Value
01. Live Animals *	-	6 1176	49	7713	1357	4491	9513	
6 Manufactures		77279		132986		193114		310679
61 Leather manuf.		379		360		849		1150
62 Rubber "		4069		6185		11885		17107
8 Miscellaneous Manuf.		34370		61226		74640		140413
83 Travelling goods		857		990		1531		2676
84 Clothing		16382		27731		29498		50994
85 Footwear **	-	7320	2.9	11317	1.2	11623	-	32238
GRAND TOTAL :		410666		744980		981004		1706894

Value of Imports by SITC Rev. 2 Groups

(In thousands of Rials)

	1976/77		1977/78		$\frac{1}{4}$ of 1978/79	
	Q	Value	Q	Value	Q	Value
01 Live Animals*	207279	13813	-	17509	-	18643
60 Manufactures by Mat.		688207		975242		842863
61 Leather Manuf.		1439		2002		2408
62 Rubber "		30437		31889		37576
80 Miscellaneous Manuf.		243043		339651		222697
83 Travelling goods		5065		5762		1599
84 Clothing		94056		118942		59383
85 Footwear **	1.5	31625	-	61609		42285
GRAND TOTAL :		3034329		3938732		3460919

Note: Q = Quantity. * = Heads. ** million pairs.

Source: Central Bank of Yemen, Seventh Annual Report, 1977/78 and Financial Statistical Bulletin, July-September, 1979.

Slaughtered Animals in Governorate Centres 1973/1977.

<u>Year</u>	<u>Camels</u>	<u>Calves</u>	<u>Cows</u>	<u>Goats</u>	<u>Sheep</u>
1973	77	-	46 277	98 319	109 361
1974	169	-	29 990	65 996	111 898
1975	594	12 049	26 390	80 833	80 233
1976	485	11 971	26 575	37 164	81 743
1977	609	18 115	28 725	67 308	56 090

Centres

1977

Sana'a	-	5 884	11 748	5 300	31 628
Hodeidah	-	2 948	4 333	19 814	3 159
Taiz	449	2 105	1 633	36 607	14 198
Ibb	-	1 138	4 034	481	956
Dhamar	160	2 151	3 351	2 118	2 169
Al-Beida	-	1 122	1 267	2 037	2 451
Sa'ada	-	710	288	711	1 529
Hajja	-	2 057	2 041	2 40	-

Source: Statistical Year Book, 1977 - 1978,
 Yemen Arab Republic, Prime Minister's Office,
 Central Planning Organization, Statistics Department.

Annex IV

Value of Main Exports

(In thousand Rials)

(Selected commodities)

	1973/74		1974/75		1975/76	
	Q	Value	Q	Value	Q	Value
Live Animals *	3 858	643	2 121	443	21	6
Hides & Skins**	2 512	6 241	827	4404	1 733	8 040
GRAND TOTAL :		55 382		52966		50 063

$\frac{3}{4}$ of

	1976/77		1977/78		1978/79	
	Q	Value	Q	Value	Q	Value
Live Animals *	-	-	-	-	-	-
Hides & Skins **	2 362	6 129	-	5 224	-	2 706
GRAND TOTAL :		50 534		33 416		5 469

Note: Q = Quantity. * Heads ** Tons.

Source: Central Bank of Yemen, Seventh Annual Report, 1977/78 and
Financial Statistical Bulletin, July - September 1979.

Volume: 7; Number: 1

Research Department.

20 March 1980

UNITED NATIONS DEVELOPMENT PROGRAMME

YEMEN ARAB REPUBLIC

PROJECT DOCUMENT

Title: Pilot Plant and Demonstration Centre for the Manufacture of Footwear and Leather Goods. Duration: Five years

Number: DP/YEM/80/XXX

Primary Function: Institution Building

Secondary Function: Direct Support

Sector: Industries (Government Classification) UNDP Class. and Code: INDUSTRIES 35

Subsector: Leather and Leather Products Industries (Government Classification) UNDP Class. and Code: Establishment and Extension Manufacturing Industries (3521)

Government Implementing Agency: Ministry of Economy (Directorate General of Industry)

Executing Agency: United Nations Industrial Development Organization (UNIDO)

Estimated Starting Date: January 1981

Government Inputs: 2,319,000 UNDP Inputs: 1,175,200
 (Y.R. - in kind) (US dollars)

Signed: _____ Date: _____
(on behalf of the Government)

_____ Date: _____
(on behalf of the Executing Agency)

_____ Date: _____
(on behalf of UNDP)

PART I - LEGAL CONTEXT

This project document shall be the instrument referred to as such in article I, paragraph I of the Assistance Agreement between the Government of Yemen Arab Republic and the United Nations Development Programme, signed by the parties on 11 April 1977.

The Government Implementing Agency, for the purpose of the Standard Basic Agreement, refers to the Government Co-operating Agency described in the Agreement.

PART II.A - DEVELOPMENT OBJECTIVES

The Government of Yemen Arab Republic emphasizes the need to increase the industrial production in order to satisfy the basic needs of the population such as food, shelter and clothing. Industries which utilize indigenous natural resources have been given priority.

The ultimate aim of this project is a diversified industry in Yemen Arab Republic and specifically an integrated leather and leather products industry capable of processing all locally available hides and skins into semi-tanned or finished leathers or leather products (footwear, leather goods, leather garments, etc.) to such a quality level that reasonable local and international demands will be satisfied. Obtaining optimum added value for its products, this will also generate the highest possible foreign exchange earnings and minimize the import of finished leather products.

The project is proposed to be included in UNDP's next Country Programme for Yemen Arab Republic.

PART II.B - IMMEDIATE OBJECTIVES

- A local production of footwear and leather goods meeting a considerable part of the local demand.

At the end of the five year period the pilot plant will produce annually about 150,000 pairs of footwear of different types. Currently practically no leather shoes are made, and of other footwear only injection moulded, plastic shoes and sandals are produced.

- A well functioning Pilot Plant and Demonstration Centre for the production of footwear and leather goods, closely co-operating with the tanning industry in the country.
- A national cadre of instructors, capable of teaching modern methods of footwear and leather goods manufacture.
- A number of managers, technicians and workers, able to produce suitable footwear and leather goods in adequate quantities and qualities. Such personnel does not at present exist in Yemen Arab Republic.
- Further development of the tanning industry by opening up a local outlet for leather. Such an outlet is necessary for the tanning industry wishing to develop its processing into finished leathers.

PART II.C - SPECIAL CONSIDERATIONS

Not applicable.

PART II.D - BACKGROUND AND JUSTIFICATION

The national economy of Yemen Arab Republic is heavily dependent on agriculture which is basically of a subsistence nature. The general scarcity of water and of cultivable land constitute the main constraints to an expanded agricultural development. But the medium and long-term developments of this sector have prospects in view of the existence of many tracts of fertile land and because of the increasing attention which the Government is giving to the development of water resources and of agriculture in general. Increasing attention is also being given to the development of the livestock. In 1977, the livestock population figures were estimated to be

Cattle	840,000
Sheep and Goats	10,400,000
Camels	105,000.

Industry is also at an early stage of development. There are less than 100 industrial establishments in the country and only about twenty of these are employing more than 50 workers. The manufacturing sector has remained mostly confined to import-substitution industries. The industrial enterprises are concentrated to the three main cities of Sana'a, Taiz and Hodeidah. They are engaged in the manufacture of textiles, cement, cigarettes and confectionery in addition to a few plants producing various plastic products and other units engaged in the bottling of soft drinks. A number of workshops are also operating in the three main cities, providing services such as repair and maintenance of machinery and the production of spare parts.

The Government has adopted and is pursuing a policy aiming at the encouragement and promotion of industry with a view to diversifying the economy and to ensuring other sources of income. A law on the promotion and organization of investment in Yemen Arab Republic provides attractive incentives for investments in the various sectors of the economy. With regard to investments in industry, the law

provides for the exemption of machinery, equipment, spare parts and building materials necessary for the execution and expansion of industries from all custom duties and taxes of all kinds for a period of five years from the date on which an industrial project is started. For a similar period, commencing from the date of the start of production, approved industrial enterprises may also be exempted from all business taxes and from export charges and taxes on their production. A reduction of customs duties, taxes and import duties on raw materials and primary products to the extent of 25 per cent of their CIF value will be permitted for the same period. The transfer of profits of foreign capital and the repatriation of such capital on liquidation of business are allowed and the payment of adequate and equitable compensation in the event of nationalization or expropriation of any industry for any unforeseen reasons is also provided for.

At present the Government is undertaking studies both for the establishment of new and for the development of some existing industries. One of the industries which the Government intends to develop is the leather industry. Hitherto the country has continued to import almost all its requirements of leather footwear and other leather goods in spite of its resources of hides and skins, most of which are still exported in raw form. It is estimated that roughly 175,000 cattle hides and 2,000,000 sheep and goat skins are available to the trade and these numbers could probably be increased by some 30 - 40 per cent with adequate slaughtering, curing and collecting facilities.

As a first step towards the realization of this objective, the Government issued a licence to a business enterprise to establish a tannery in Taiz. The tannery has been implemented and is currently producing annually about 400,000 pickled sheep and goat skins for export and roughly 30,000 vegetable tanned skins out of the lower selections which are used locally, primarily to produce sheaths to the "Jambiah" knife which is part of the commonly worn male dress in Yemen.

In the beginning of its operation the company had many difficulties to overcome. Lack of technical know-how, managerial abilities and adequate training of its labour-force caused severe losses and created innumerable problems. Having acquired a competent technical management the tannery is now operating efficiently. The tannery also intends to develop its processing further, first to wet blues and later to crust or semi-finished leather. Some speciality leathers, such as chamois, have been produced in experimental lots and should be a useful complement to the product mix. To make other finished leathers without a considerable local outlet, i.e. for export only, is for quite some time to come hardly a realistic undertaking.

A similar licence was also issued to another business enterprise to establish a tannery in Hodeidah, but, although the interested parties are still intending to go ahead with their tannery plans, no definite actions have so far been taken.

The Government also requested assistance from UNDP/UNIDO for the study of the potential of the leather industry. The assistance was provided through the services of two experts who have carried out a four-month study in 1975 and a two-month study in 1980. The studies indicate that the imports into the country of footwear have risen from about 7.3 million YR (Yemeni Rials of which 4.55 are equal to 1 US\$) in 1972/73 to more than 60 million YR in 1977/78 and 1978/79. It is estimated that the last figures represent roughly two million pairs of footwear. Almost all have soles of rubber or plastics and also the uppers and the linings are in the greater part of the different types of footwear made of plastic leather substitutes. A considerable quantity is, however, also made of leather, from simple sandals to high quality, high fashion ladies' and men's shoes. Travelling goods, imported in 1979 to a value of about five million YR, are almost in total made of plastics. Some of the articles, if made of leather or plastics, could certainly also be made locally. The import of leather manufactures, although small compared with other

commodities, still had a value in 1979 of about three million YR. The most important articles seemed to be sheaths to the "Jambiah" knife, belts, ladies' bags and other personal accessories. A fairly great part of these articles could also be made locally, either of imported or, if available, of locally made leathers.

Domestic production of leather goods is confined only to the production of scabbards to the "Jambiah" knife. Local production of leather footwear is completely negligible, represented by a very limited number of sandals. However, two factories, one in Taiz and one in Sana'a, produce shoes, sandals and slippers, made entirely of plastic.

In the light of the foregoing the case for establishing and developing a footwear and leather goods manufacturing industry is evident. The Government will continue to promote and assist the tanning industry, but for the sound development of this sector a local leather products industry is needed to supply an outlet for finished leathers. The prospects on the domestic market for leather footwear and for some leather goods are good and, during the time when still no finished leather can be obtained from the local tanning industry, this as well as necessary auxiliary raw materials can easily be imported. However, there is no local cadre to carry out the work in such a leather products manufacturing industry. Consequently there is a great need to train the nationals of the country at all levels in order to provide this industry with the necessary workers, technicians and managers.

PART II.E - OUTPUTS

- The establishment of a working pilot plant for footwear and leather goods;
- a number of well trained personnel at different levels with a knowledge of modern production techniques and methods as well as of quality control;
- training courses for managers, supervisors and machine operators in all relevant areas;
- procedures and manuals for preventive maintenance;
- fellowships to selected personnel for training abroad;
- guideline specifications for locally produced leathers to assist the domestic tanning industry in its further development.

PART II.F - ACTIVITIES

- Preparation of plant layout;
- selection of machinery and equipment;
- supervision of machinery installation;
- preparation of syllabuses for training courses;
- training of counterpart staff and national instructors;
- preparation of pertinent technical manuals;
- assistance in training technicians and machine operators;
- assistance in selecting fellowship candidates;
- technical assistance and advice to the management of the production unit for footwear and leather goods;
- advice to the Government on all questions related to the development of the leather industry sector in the country.

PART II.G - INPUTS

1. Government Inputs

(a) Recurrent and Capital Expenses

The Government's recurrent and capital budget for the Directorate General of Industry, Ministry of Economy, will provide for counterpart personnel, support staff, office supplies, certain services and suitable premises for the project.

(b) National Counterpart Staff

The Government will provide national professional and support counterpart staff in accordance with the project requirements. The following professional counterpart personnel is foreseen for the duration of the project:

Engineer/Footwear Technologist/Manager	1
Engineer/Footwear Production Manager	1
Economist/Marketing Manager	1
<u>Mechanical</u> Engineer/Mechanic	1
Accountant	1

(c) Premises

A floor space of 750 - 1000 square metres will be provided in a suitable building located in or close to the premises of the Industrial Estate in Sana'a.

(d) Equipment

The Pilot Plant and Demonstration Centre building will be supplied with necessary installations (electricity, water, etc.) and contain an appropriate, furnished and otherwise suitably equipped office accommodation in accordance with the actual needs of the project.

2. JNDP Inputs

(a) Personnel

Experts:

- International Team Leader 50 m/m
(Footwear Technologist)

The expert should have extensive experience in footwear industry technology. Previous teaching experience from a shoe institute would be an asset. He will be expected to co-ordinate the project activities, formulate the syllabuses for the training courses, supervise the machinery installation, train counterpart staff and assist in starting the Pilot Plant and Demonstration Centre.

- Footwear Designer/Pattern Cutter 12 m/m

The expert should have extensive and up-to-date knowledge of footwear design. He is expected to conduct design/pattern cutting courses and to advise in the preparation of footwear specifications, material economy, tooling and shoe engineering.

- Leather Goods Expert 12 m/m

The expert should have extensive experience in leather goods manufacturing technology. He will be expected, in co-operation with the International Team Leader and the national Project Manager, to prepare and implement a leather goods manufacturing programme and to prepare and conduct relevant training courses.

- Maintenance Engineer 6 m/m

The expert should have a thorough knowledge and experience in the repair and maintenance of footwear production machinery. He will be expected to conduct training courses in his specialty and to prepare a manual for preventive maintenance.

- Consultants 12 m/m

Specialized consultants in business management, accountancy, marketing, closing room instructors training and possibly other areas will be needed. Times and areas to be specified later.

Total international staff 102 m/m

(b) Training

The project will provide 24 m/m of individual fellowships, details to be decided upon later.

Two study tours have been scheduled to familiarize the national project manager and the production manager with similarly functioning institutes abroad. Details to be decided upon later.

(c) Equipment

The machinery for the footwear and leather goods pilot plant, including spare parts, transport and handling costs, as per appendix I, will be provided at an estimated cost of US\$ 413,000. Two vehicles at an estimated cost of US\$ 17,500. will also be provided.

(d) Miscellaneous

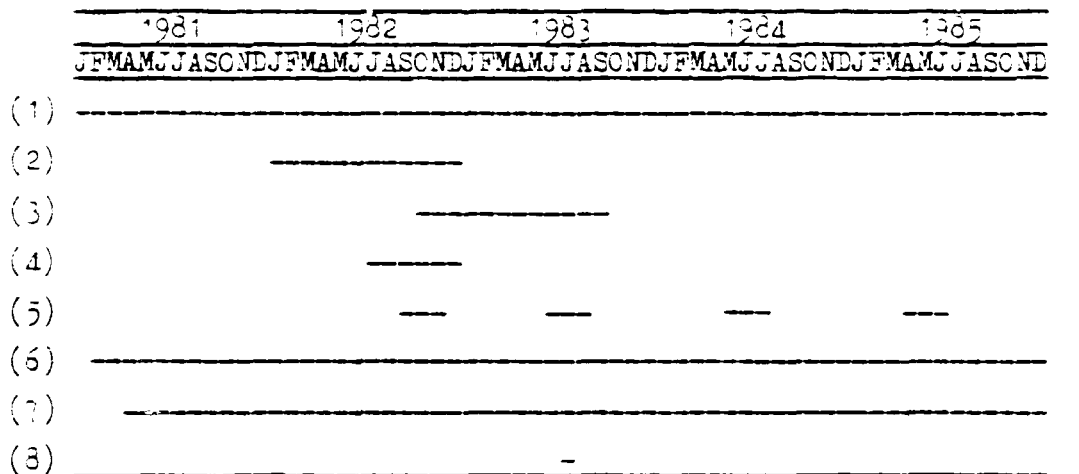
A sum total of US\$ 15,000 will be provided for operating and maintenance expenses as well as sundries.

(e) Mid-term Review of the Project

Mission costs are included in the project budget under budget line 16.

PART II.H - PREPARATION OF WORK PLAN

BAR CHART



- (1) - International Team Leader;
- (2) - Footwear Designer;
- (3) - Leather Goods Expert;
- (4) - Maintenance Engineer;
- (5) - Consultants;
- (6) - National Project Manager;
- (7) - Other National Staff;
- (8) - Mid-term Review.

A detailed work plan for the implementation of the project will be prepared by the international team leader supervising the international staff assigned to the project in consultation with the Director General of Industry in the Ministry of Economy and the national project manager. This will be done at the start of the project and brought forward periodically. The agreed upon work plan will be attached to the Project Document as annex II and will be considered as part of that document.

PART II.I - PREPARATION OF THE FRAMEWORK FOR EFFECTIVE PARTICIPATION OF NATIONAL AND INTERNATIONAL STAFF IN THE PROJECT

The activities necessary to produce the indicated outputs and achieve the project's immediate objectives will be carried out jointly by the national and international staff assigned to it.

The respective roles of the national and international staff will be determined by their leaders, by mutual discussions and agreement, at the beginning of the project, and set out in a framework for effective participation of the national and international staff of the project. The framework, which will be attached to the Project Document as annex, will be revised from time to time. The respective roles of the national and international staff shall be in accordance with the established concept and specific purposes of technical co-operation.

PART II.K - INSTITUTIONAL FRAMEWORK

The major Government body which is responsible for the encouragement and development of industry in Yemen Arab Republic is the Ministry of Economy. The Central Planning Organization (CPO) which is attached to the office of the Prime Minister, is responsible for co-ordination of planning and development activities, including bilateral aid and international assistance.

With the exception of the office of the Minister and the Under-secretary as well as the two branches in Taiz and Hodeidah, the Ministry of Economy is divided into seven Directorates General or Directorates. The Directorate General of Industry is, according to Ministerial Decision no. 34 of 29 October 1975, entrusted with the following responsibilities:

- development of the industrial sector in such ways as would coincide with the Government's industrial and social policies;
- preparation of an industrial plan in co-operation with the Directorate General of Statistics and Planning and other specialized sections and bodies;
- formulation of incentives for industrial projects and protection of national industries and follow-up of these including their implementation;

- participation in all efforts aiming at facilitating the financing of industrial projects and at solving their financial and administrative problems;
- participation in fixing prices of industrial products;
- promotion of training to upgrade skills and preparation of training programmes in all industrial activities with a view to increasing production and improving its quality;
- preparation of feasibility studies and other studies and undertaking research aiming at identifying industrial opportunities and at the development of the industrial sector;
- giving special attention to the public and joint sectors and promoting their production;
- working out basis for industrial licensing and for registration of licences;
- co-operation with other specialized Government bodies and other institutions in undertaking industrial census and industrial surveys including analysis of results of such and preparation of proposals on them;
- transfer from abroad, to the country, of technical and industrial technology and other techniques and organization and use of these in such ways as would serve the economic interests of the country, and also suggesting ways for building up a national technological base;
- inspection of industrial establishments;
- suggestion of all measures necessary for the promotion and development of the industrial sector;
- preparation of standards and specifications for industrial products and participation in the organization of exports of industrial products to ensure their quality;
- preparation of period reports on the industrial sector and investments in it.

The Directorate General of Industry is run by a Director General who works under the supervision and direction of the Undersecretary of the Ministry of Economy and he is assisted in his work by a team of UNIDO experts in the project "Industrial Advisory Service to the Ministry of Economy" (DP/YEM/78/006).

The Government co-operation agency for the project will be the Ministry of Economy through its Directorate General of Industry, and the Director General, with the assistance of the Head of the Development of Skills and Technical Assistance Section of that Directorate, will supervise the project in its early stages.

PART II.L - PRIOR OBLIGATIONS AND PREREQUISITES

The project document will be signed by the Resident Representative on behalf of UNDP, and UNDP assistance to the project will be provided subject to UNDP receiving satisfaction that the prerequisites in this document have been fulfilled, or are likely to be fulfilled. When anticipated fulfilment of one or more prerequisites fails to materialize, UNDP may, at its discretion, either suspend or terminate its assistance.

PART II.M - FUTURE UNDP ASSISTANCE

During the term of this five-year project, the Government will review the project with the UN executing agency, UNIDO, to determine to what extent further UNDP assistance will be required.

PART III - SCHEDULES OF MONITORING, EVALUATION AND REPORTS

1. Tripartite Monitoring Reviews, Technical Reviews

The project will be subject to periodic reviews in accordance with the policies and procedures established by UNDP for monitoring project and programme implementation.

2. Evaluation

The project will be subject to evaluation, in accordance with the policies and procedures established for this purpose by UNDP. The organization, terms of reference and timing of the evaluation will be decided upon by consultation between the Government, UNDP and UNIDO.

3. Progress and Terminal Reports

Project progress reports, in accordance with the UNDP Policies and Procedures Manual, will be prepared by the international team leader every six months and submitted to the UNDP Resident Representative and UNIDO.

A draft terminal report will be prepared by the international team leader in consultation with the national project manager, approximately four months before the scheduled completion of the project. UNIDO will complete the final version of the terminal report and distribute it to all the parties concerned with the project, in accordance with the instructions given in UNDP's Policies and Procedures Manual.

Machinery List for Footwear and Leather Goods

Item	Description	Estimated Prices in US dollars
A.	<u>Shoe Machinery</u>	
1.	Equipment and tools for pattern making (estimated)	16,000
2.	1 Hydraulic swing-arm clicking machine	5,200
3.	1 Band knife splitting machine	13,000
4.	1 Upper stamping machine	3,550
5.	1 Marking machine (stamp sock)	4,300
6.	1 Upper skiving machine	2,159
7.	2 Two-needle flat-bed sewing machine	4,000
8.	4 Single-needle flat-bed sewing machine	8,000
9.	1 Seam rubbing machine	5,000
10.	1 Thermo folding machine	4,600
11.	2 Single-needle post-bed sewing machine with trimming attachment	5,000
12.	2 Single-needle post-bed sewing machine	4,800
13.	2 Cylinder-bed binding machine	4,500
14.	1 Two-needle heavy cording machine	2,200
15.	1 Stapling machine	2,400
16.	1 Backpart moulding machine	4,000
17.	1 Forepart lasting machine	22,000
18.	1 Side lasting machine	17,685
19.	1 Heelseat lasting machine	19,000
20.	1 Toe scouring machine plus filter unit	6,250
21.	1 Upper roughing machine plus filter unit	4,000
22.	1 Sole attaching machine	6,000
23.	1 Universal heel attaching machine	6,500
24.	1 Hot air ironing machine	1,378
25.	1 Spraying chamber	3,600
26.	1 Air compressor	4,410
27.	1 Eyeletting machine	5,000
28.	1 Bottom part splitting machine	2,474
29.	1 Hydraulic bottom part clicking machine	4,095

Item	Description	US dollars
30.	1 Automatic counter skiving machine	6,625
31.	1 Counter moulding machine	11,670
32.	1 Sole and insole moulding machine	6,600
33.	1 Sole prefinishing machine	<u>5,200</u>
	Machinery for Footwear	221,196
	Spares	20,000
Machinery for Leather Goods:		
A.	<u>Designing Room Equipment and Hand Tools</u>	6,500
B.	<u>Cutting</u>	
1.	1 Hydraulic Press (swing arm type)	5,200
2.	1 Strap cutter, complete with table and motor	1,800
3.	1 Guillotine cutter (hand operated)	700
4.	1 Large hand cutting block (200 cm x 75 cm)	350
5.	1 Small hand cutting block (100 cm x 50 cm)	<u>150</u>
		8,200
C.	<u>Preparation</u>	
6.	1 Upper skiving machine	2,200
7.	1 Upper splitting machine	13,000
8.	1 Heavy leather splitting machine	2,500
9.	1 Heavy leather skiving machine	2,500
10.	1 Edge burnishing and creasing machine	1,000
11.	1 Straight edge folding machine	2,100
12.	1 Button making machine with disc	1,200
13.	2 Rivetting machines (hand operated)	800
14.	1 Eyeletting machine (treadle operated)	650
15.	1 Perforating machine	3,000
16.	1 Stapling machine	1,500
17.	1 Stamping and marking machine	<u>1,300</u>
		32,250
D.	<u>Stitching</u>	
18.	1 Fur stitcher	3,000
19.	2 Glove stitchers	8,600
20.	6 Various leather goods stitchers	30,000
21.	1 Heavy duty luggage stitcher	<u>10,500</u>
		52,100

<u>Item</u>	<u>Description</u>	<u>US dollars</u>
Total Designing Room, Cutting, Preparation, Stitching		<u>39,050</u>
Spares		<u>10,000</u>
	TOTAL	350,246
Installation of Equipment		25,000
Freight		<u>37,500</u>
	TOTAL MACHINERY	412,746
Vehicles		<u>17,500</u>
	TOTAL EQUIPMENT	430,246
	ROUND-UP	US\$ 431,000
		=====



UNIDO

PROJECT BUDGET/REVISION COVERING UNDP CONTRIBUTION

PAGE 1

3 COUNTRY YEMEN ARAB REPUBLIC	4 PROJECT NUMBER AND AMEND. DP/YEM/80/001	5. SPECIFIC ACTIVITY 31.7.D
10 PROJECT TITLE Pilot Plant and Demonstration Centre for the Manufacture of Footwear and Leather Goods.		

15 10.	16. TOTAL		17. 1981		18. 1982		19. 1983		20. 1984 →		
	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$	
11	PROJECT PERSONNEL										
1101	EXPE S / Post title										
	International Team Leader	60	372,000	12	69,600	12	75,600	12	75,600	12	75,600
	(Shoe Technologist)										
02	Shoe Designer/Pattern Cutter	12	75,600	-	-	12	75,600	-	-	-	-
03	Leather Goods Expert	12	75,600	-	-	3	18,900	2	56,700	-	-
04	Maintenance Engineer	6	37,800	-	-	6	37,800	-	-	-	-
05	Consultants	12	75,600	-	-	3	18,900	3	18,900	3	18,900
06											
07											
08											
09											
10											
11											
12											
13											
14											
11-99	SUBTOTAL:	102	636,600	12	69,600	36	226,800	24	151,200	15	94,500
21. REMARKS											



PROJECT BUDGET/~~REVISION~~ COVERING UNDP CONTRIBUTION

3 COUNTRY YEMEN ARAB REPUBLIC	4. PROJECT NUMBER AND AMEND DP/YEM/80/001	5. SPECIFIC ACTIVITY 31.7.D
10. PROJECT TITLE Pilot Plant and Demonstration Centre for the Manufacture of Footwear and Leather Goods.		

Continuation

15 10	PROJECT PERSONNEL EXPERTS / Post title	16. TOTAL		17. 1985		18.		19.		20.	
		m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
11	International Team Leader			12	75,600						
11 01	(Shoe Technologist)										
02											
03											
04											
05	Consultants			3	18,900						
06											
07											
08											
09											
10											
11											
12											
13											
14											
11 99	SUBTOTAL:			15	94,500						
21. REMARKS											



UNIDO

PROJECT BUDGET/REVISION COVERING UNDP CONTRIBUTION

4 PROJECT NUMBER DP/YEM/BO/001	16. TOTAL		17. 1981		18. 1982		19. 1983		20. 1984 →	
	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
	12.01 OPAS Experts									
13.00 Support Personnel	60	24,000	12	4,800	12	4,800	12	4,800	12	4,800
14.00 Volunteers										
15.00 Experts Travel		15,300		1,800		5,400		3,600		2,250
16.00 Other Personnel Costs		6,000				6,000				
17.01 Locally hired Experts										
17.02 Locally hired Experts										
19.00 Total Personnel Component	162	681,900	24	76,200	48	243,000	36	159,600	27	101,550
20. SUBCONTRACTS										
29.00 Total Subcontracts Component										
30. TRAINING										
31.00 Fellowships		36,000				18,000		18,000		
32.00 Study Tours, UNDP G. Training/Meetings		12,000		6,000		6,000				
33.00 In-service Training										
34.00 Group Training (non-UNDP)										
35.00 Meetings/Consultations (non-UNDP)										
39.00 Total Training Component		48,000		6,000		24,000		18,000		
40. EQUIPMENT										
49.00 Total Equipment Component		431,000		300,000		50,000		50,000		31,000
50. MISCELLANEOUS										
51.00 Operations -- Maintenance										
52.00 Reports										
53.00 Sundries		15,000		3,000		3,000		3,000		3,000
55.00 Hospitality (non-UNDP)										
59.00 Total Miscellaneous Component		15,000		3,000		3,000		3,000		3,000
99. GRAND TOTAL:	162	1,175,900	24	385,200	48	320,000	36	230,600	27	135,550



UNIDO

PROJECT BUDGET/~~REVISION~~ COVERING UNDP CONTRIBUTION

Continuation

4 PROJECT NUMBER DP/YEM/Bo/001	16. TOTAL		17. 1985		18.		19.		20. PAD NUMBER	
	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
12.01 OPAS Experts										
13.00 Support Personnel			12	4,800						
14.00 Volunteers										
15.00 Experts Travel				2,250						
16.00 Other Personnel Costs										
17.01 Locally hired Experts										
17.02 Locally hired Experts										
19.00 Total Personnel Component			27	101,550						
20. SUBCONTRACTS										
29.00 Total Subcontracts Component										
30. TRAINING										
31.00 Fellowships										
32.00 Study Tours, UNDP G. Training/Meetings										
33.00 In service Training										
34.00 Group Training (non UNDP)										
35.00 Meetings/Consultations (non UNDP)										
39.00 Total Training Component										
40. EQUIPMENT										
49.00 Total Equipment Component										
50. MISCELLANEOUS										
51.00 Operations -- Maintenance										
52.00 Reports										
53.00 Sundries				3,000						
55.00 Hospitality (non UNDP)										
59.00 Total Miscellaneous Component				3,000						
99. GRAND TOTAL:			27	104,550						



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PROJECT BUDGET/REVISION COVERING GOVERNMENT COUNTERPART CONTRIBUTION IN KIND

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3 COUNTRY Yemen Arab Republic	4 PROJECT NUMBER AND AMEND DP/YEM/80/001	5 SPECIFIC ACTIVITY 31.7.D
10 PROJECT TITLE Pilot Plant and Demonstration Centre for the Manufacture of Footwear and Leather Goods.		

15 10	PROJECT PERSONNEL EXPERTS / Post title	16. TOTAL		17. 1981		18. 1982		19. 1983		20. 1984	
		m/m	Y.R. \$	m/m	Y.R. \$	m/m	Y.R. \$	m/m	Y.R. \$	m/m	Y.R. \$
1101	Engineer/National Project Manager	58	348,000	10	60,000	12	72,000	12	72,000	12	72,000
02	Engineer/Production Manager	54	270,000	6	30,000	12	60,000	12	60,000	12	60,000
03	Economist/Marketing Manager	51	255,000	3	15,000	12	60,000	12	60,000	12	60,000
04	Mechanic	48	240,000			12	60,000	12	60,000	12	60,000
05	Accountant	50	250,000	2	10,000	12	60,000	12	60,000	12	60,000
06	Secretary/Clerk	58	174,000	10	30,000	12	36,000	12	36,000	12	36,000
07	Driver	58	87,000	10	15,000	12	18,000	12	18,000	12	18,000
08	Messengers (2)	100	100,000	4	4,000	24	24,000	24	24,000	24	24,000
09	Guards (2)	100	100,000	4	4,000	24	24,000	24	24,000	24	24,000
10											
11											
12											
13											
14											
11-99	SUBTOTAL:	577	1,824,000	49	168,000	132	414,000	132	414,000	132	414,000
21 REMARKS											



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PROJECT BUDGET/REVISION

COVERING GOVERNMENT COUNTERPART CONTRIBUTION IN KIND

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3 COUNTRY Yemen Arab Republic	4 PROJECT NUMBER AND AMEND. DP/YEM/80/001	5. SPECIFIC ACTIVITY 31.7.D
10 PROJECT TITLE Pilot Plant and Demonstration Centre for the Manufacture of Footwear and Leather Goods.		

(in Y.R.)

Continuation

15 10	PROJECT PERSONNEL EXPERTS / Post title	16. TOTAL		17. 1985		18.		19.		20.	
		m/m	\$	m/m	Y.R. \$	m/m	\$	m/m	\$	m/m	\$
1101	Engineer/National Project Manager			12	72,000						
02	Engineer/Production Manager			12	60,000						
03	Economist/Marketing Manager			12	60,000						
04	Mechanic			12	60,000						
05	Accountant			12	60,000						
06	Secretary/Clerk			12	36,000						
07	Driver			12	18,000						
08	Messengers (2)			24	24,000						
09	Guards (2)			24	24,000						
10											
11											
12											
13											
14											
1199	SUBTOTAL:			132	414,000						
21. REMARKS											



UNIDO

PROJECT BUDGET/REVISION
COVERING GOVERNMENT COUNTERPART CONTRIBUTION IN KIND
(in Y.R.)

4 PROJECT NUMBER DP/YEM/80/001	16. TOTAL		17. 1981		18. 1982		19. 1983		20. 1984	
	m/m	Y.R. \$	m/m	Y.R. \$	m/m	Y.R. \$	m/m	Y.R. \$	m/m	Y.R. \$
12 01 OPAS Experts										
13 00 Support Personnel										
14 00 Volunteers										
15 00 Experts Travel		65,000		10,000		20,000		15,000		10,000
16 00 Other Personnel Costs										
17 01 Locally hired Experts										
17 02 Locally hired Experts										
19 00 Total Personnel Component	577	1,889,000	49	178,000	132	434,000	132	429,000	132	424,000
20. SUBCONTRACTS										
29 00 Total Subcontracts Component										
30. TRAINING										
31 00 Fellowships		120,000				60,000		60,000		
32 00 Study Tours, UNDP G. Training/Meetings										
33 00 In service Training		210,000				30,000		60,000		60,000
34 00 Group Training (non-UNDP)										
35 00 Meetings/Consultations (non-UNDP)										
39 00 Total Training Component		330,000				90,000		120,000		60,000
40. EQUIPMENT										
49 00 Total Equipment Component, Building		600,000				150,000		150,000		150,000
50. MISCELLANEOUS										
51 00 Operations - Maintenance										
52 00 Reports										
53 00 Sundries										
55 00 Hospitality (non UNDP)										
59 00 Total Miscellaneous Component										
99. GRAND TOTAL:	577	2,819,000	49	178,000	132	674,000	132	699,000	132	637,000



UNIDO

Continuation

PROJECT BUDGET/REVISION

COVERING GOVERNMENT COUNTERPART CONTRIBUTION IN KIND
(in Y.R.)

4 PROJECT NUMBER DP/YEM/80/001	18 TOTAL		17 1985		18		19		20 PAD NUMBER	
	m/m	\$	m/m	Y.R. \$	m/m	\$	m/m	\$	m/m	\$
12.01										
13.00										
14.00										
15.00				10,000						
16.00										
17.01										
17.02										
19.00			132	424,000						
20. SUBCONTRACTS										
29.00										
30. TRAINING										
31.00										
32.00										
33.00				60,000						
34.00										
35.00										
39.00				60,000						
40. EQUIPMENT										
49.00				150,000						
50. MISCELLANEOUS										
51.00										
52.00										
53.00										
55.00										
59.00										
99. GRAND TOTAL:			132	634,000						

