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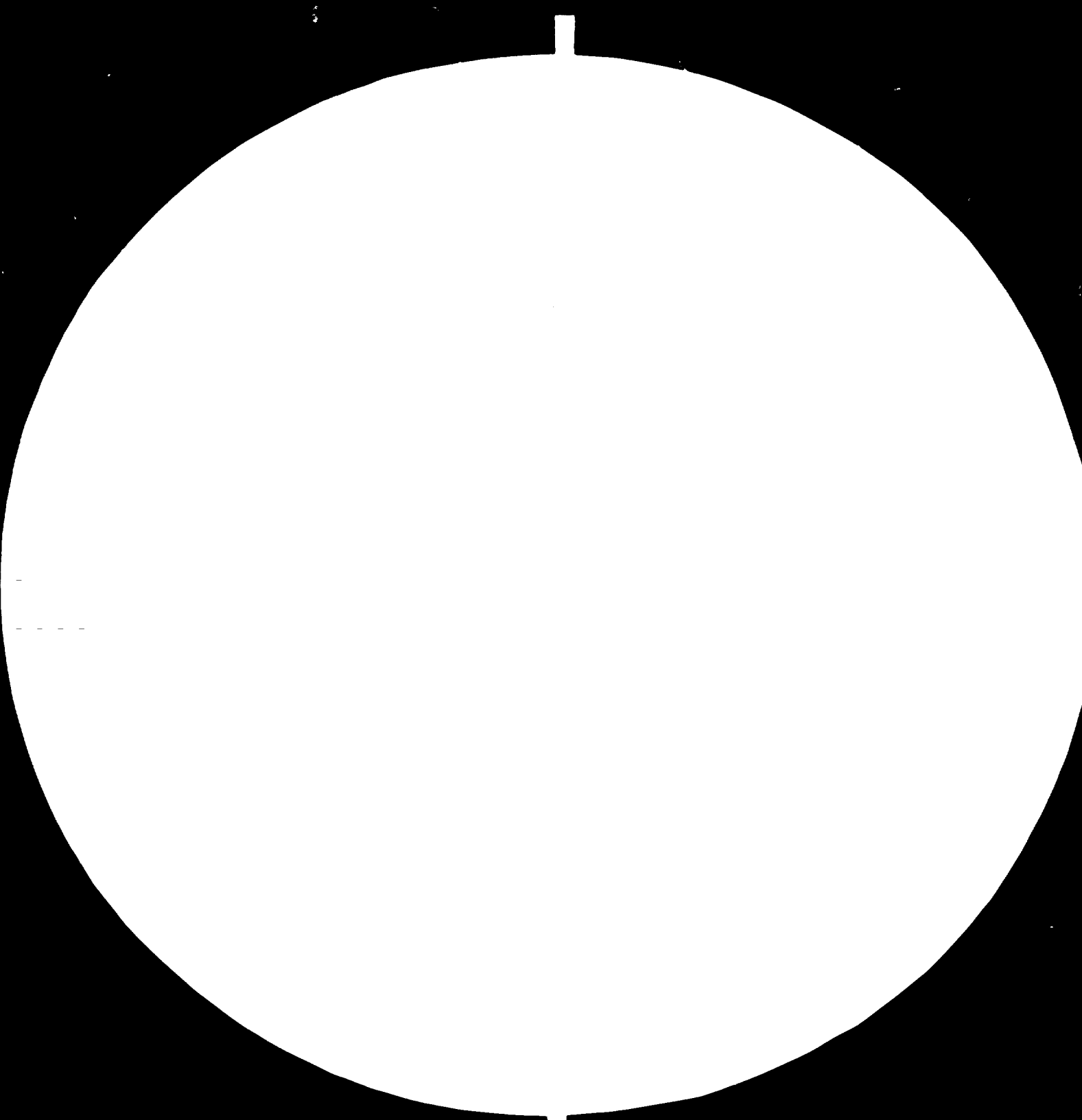
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FOLLOW-UP MISSION TO THE LEATHER SHOE FACTORY ADEN .

RP/PDY/80/001.

DEMOCRATIC YEMEN .

Terminal Report

Prepared for the Government of Democratic Yemen  
by the United Nations Industrial Development Organization,  
executing agency for the United Nations Development Programme

Based on the work of Odd E. Birkhaug, project manager

United Nations Industrial Development Organization  
Vienna

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Background Information.

In May 1979 the UNIDO technical assistance for the Leather shoe Factory came to an end. The production figures for 1979 came to 142.000 pairs of shoes, boots and sandals.

During the latter half of 1979 the General Manager visited Europe in connection with Semain de Cuir and made purchases of PU sole units for half a years sandal production in Italy and other materials in France and Germany. The factory had sufficient materials in stock to run full production, but there were also negative effects due to the fact that Home Trade did not honor existing contracts.

No shoes were collected the last three months of 1979 including January 1980. During this time the stock of finished products increased to 50.000 pairs of footwear and were stocked in the production facilities of the factory. During the time Home Trade made no collection of footwear, no payments were effected.

The production forecast for first quarter 1980 was estimated to 35.000 pairs. Actual figures were: January 70452 pairs, February 8034 pairs and March 4675 pairs which gives a total of 23161 pairs.

As can be seen the production was trapped down due to the mentioned problem with Home Trade.

The production figures for April 1980 was approximately 8000 pairs and from May and for the rest of the year the production is planned for 2000 pairs per month.

The General Manager wrote to the Ministry of Industry with copies to Ministry of Trade, indicating that production had to be trapped down if shoes were not collected on a regular basis. No reply was ever received.

In October 1979 the Government introduced a new sales tax of 10% which came on top of the established factory price. This tax had a negative effect on the sale and in addition to this were quantities of footwear taken into the country illegally.

Maintenance.

The Leather Shoe Factory has had serious problems with maintenance of machinery. Lack of spare parts caused the stand-still of many machines, which could all have been operational if the Technical College in Ma lla had been consulted.

Mr Nageeb the Chief Mechanic who demonstrated initiative and ableness during the time UNIDO was involved, seemed to have given up to early without trying to improvise or seek assistance from the mentioned college. However the situation will not improve on the mechanical side since Mr Nageeb together with Mr A.Karim in charge of the lasting and making department , both are called for two years military service . The pattern cutter whom has been absent for a long time is also called for the military service, starting May 1980.

In the pattern cutting department three persons is engaged, two young boys and a russian lady married to a Yemen national, but the result seen so far from their work is very limited.

The mechanical workshop has two mechanics each one specialized on a particular part of the machinery, and when they now are given free hands to go about their tasks, probably there will be some improvements instead of the contrary.

#### Quality.

It was observed during the mission that the most obvious deterioration is with regards to poor workmanship, particularly in the lasting and making room. The main reason for this is that the Production Manager Mr Said Mansoor and his Assistant Mr Ismail is too occupied with paper work, instead of checking on the production and spend their time on the factory floor.

During the mission, Mr Mansoor and the Assistant Manager went to Etiopia for a fortnight to look for upper leather possibly purchase. The timing was badly chosen especially considering the conditions in the factory, which need continuous supervision. For the future the General Manager should take over all purchasing operations together with his Assistant.

Mr Mansoor is a first class person, but he avoids all confrontations when it is absolutely necessary to speak out on quality of work and production problems. To be good friend with everybody seems more important then to maintain a good quality and production level.

A little Band Saw from Bruggi purchased for cutting metal templates and 5 to 6 mm fibre for perforating dies, was repaired and used for making one set of perforating dies for a new sandal pattern.

A number of sewing machines were repaired and adjusted, but there are still two sewing machines inoperational, waiting for spares.

In connection with all the mentioned machines the operators and supervisors have been instructed on proper daily maintenance.

#### Pattern Cutting.

A new collection of shoes and sandals were prepared and elaborated together with the Assistant Production Manager Mr Ismail, who also took part in preparing of cutting knives and perforating dies for one of the sandal patterns.

On the 4th of May 1980, the General Manager Mr Fadle Hasson Yehia, the sales officer Mr Muslah and the expert, after the latter's request met with the Manager of Textile Department of Home Trade, Mr Farok Mustafa and his Assistant Mr Mohamed Saed Salem in their office in Crater. The object of this meeting was twofold, first to find a solution to a regular pick up of finished products from the shoe factory and second to present the new collection of samples.

The management of Home Trade promised to clear all finished goods from the shoe factory May the 5th, and after that on a regular basis.

The new collection consisted of samples of men's and ladies sandals and men shoes of different kinds, like moccasin types with and without elastic and various lacing shoes. Home Trade did not seem to know what they really wanted. One could get the idea that the only thing that counted was the sole unit of which the heavy type with platform seems to have preference.

Home Trade is a passive sales organization. The necessary marketing has not been carried out, so they do not know the consumers wishes very well, which may be an indication that the Leather Shoe Factory need to do more market research or their own.

#### Management and Supervision.

There is a lack of technical management and supervisors, especially the latter since three of them is going for their military service from the month of May.1980.



Work of Mission.

When UNIDO participation with the Leather Shoe Factory ended in May 1979 the Government requested follow up missions preferably by the latest project manager any time there should be an opening.

The present mission was a result of the mentioned request. The duties were:

1. Assist in making newly arrived machinery ( supplied under UF/PDY/78/152) operational and instruct operators.
2. Assist in preparing a new range of patterns for leather shoes.
3. Evaluate the present performance of the manufacturing operations and suggest improvements where necessary.

Furthermore, the expert was expected to prepare a short report indicating steps to be taken by the government for maintaining a good quality and production level in the Shoe Factory operations.

A number of old machines were out of order and new machines were not operational when the expert arrived, so the task of getting all machines operational was given preference.

On the SVIT eyeletting machine which had been out of operation for months (eyeletts set by hand) it was only a question of adjustments and a new spring to bring it back to action again.

The new SORENSEN eyeletting machine was adjusted to work on light materials but for heavy materials an eyelett with longer neck to secure proper clenching has been ordered.

The insole attaching machine had one of the main parts made of steel broken during the latter part of 1979 and an identical part was made up locally. Unfortunately this part had been made in copper and twisted out of shape after a short time. The old steel part was welded in the factory, the machine adjusted and was running smoothly during the mission time.

The Heel Seat Lasting Machine was running continuously and not following the three sequences which is normal. In this case it was only a question of adjustment of clutch and brake and this was also the case with the Perforating Machine.

The Backpart Moulding Machine was not operational, one mould had been broken in several parts and one of the cylinders for the cooling unit was out of order including no heating elements functioned. The machine was made operational utilizing one mould for ladies shoes, kept as spare in the factory. The cooling unit was simply a matter of repair and changing of sealings.

The options available have been discussed at length with the General Manager, according to whom the factory expect to hire one graduate from the Technical College in Maaila this year and another one next year. This action is fully supported, but from experience it is wellknown that the graduates end up in government offices.

The Government is considering to send the Technical Manager Mr Said Mansoor for a full two year course in Shoe Manufacturing Technology in South Fields College for Further Education, Leicester.

First it must be said that Mr Mansoor with all his years in the shoe-industry as well as with his fellowships abroad, should have reached a level similar to the mentioned College. More important however is, that he and the rest of the technical management team devote their full time in the factory and particularly on the factory floor.

However in 1982/83 when the new graduates from the Technical College have been properly trained and are able to run part of the production on their own, the need for Mr Mansoor or Mr Ismail to go abroad for further studies should be looked into again.

#### New Machinery.

Under discussion with the General Manager it was mentioned that Home Trade on various occasions had asked if the Leather Shoe Factory could produce footwear for children preferably in canvas/PVC. Since the Government had allocated a sum of money for purchase of tanning machinery, already on the list of machinery to be delivered from UNIDO, the question was raised with the Director of Production Department Mr Ahmed Hussein Abubakar, if this money could be utilized for one injection moulding machine, including moulds for the production of 400 to 500 pairs per day of the mentioned type of footwear. from 32 to 39.

The total amount for the mentioned machinery including machines for sewing in the insole or thread last, amount to 85.000 US\$, according to offers received by telex ( during mission/.

Mr Abubakar is now studying the possibilities of such a purchase, but before starting up a new section within the present premises, the Government should make a study to see if the project is feasible.

The tariff for import of canvas/PVC shoes is only 15%, when the tariff for import of textile is 50%. After meeting with the General Manager of the Textile Factory, a production of canvas for shoe production is outside their field. Probably new tariffs must be introduced on the mentioned articles before any machine purchase should take place.

Fellowship.

According to the latest mandatory revision for project SM/SPDY/76/015, an amount of US\$ 2.691 is left over on budget line 31-training.

The Government accepted the recommendation that the General Manager Mr Fadle Hasson Yehia be allowed to go abroad for a one month management course if such arrangement can be made.

During the expert's debriefing in Vienna, beginning May, suitable courses to be considered by the fellowship section were selected.

The National Tannery, Sheik Otman.

A Unidogram dated 10 April 1980 covering the subject :UF/PDY/79/140- Machinery and Equipment for the National Tannery was received during the first week of the Mission. UNIDO requested the list of machinery and equipment submitted by INVEST-IMPORT, Belgrade, to be checked and make changes according to the need of the Tannery, and provide specifications for the oil heater. Upon receipt Government confirmation on tannery machinery and equipment UNIDO would initiate action on the formal approval and relevant purchase of project equipment.

To finalize the above the expert had meetings with the General Manager of the Tannery, Mr Hammam Abdulla Hammam, including visited the tannery to study existing facilities and plan for new prefabricated building. The plans are with Mr Nestvold for his further action related to production lay-out.

The Ministry had prior to the arrival of the UNIDOGRAM ordered and opened L/C for the two first machines on the list namely Sammying Machine and Hydraulic Press . One Togglng Unit was under consideration.

Mr Hammam and the expert had meetings with the Director of the Production Department Mr A.H.Abubakar and with the Head of the Tech.Seccion MrM.

A.Assakkaf to finalize the machine list.

The Representative of UNDP Mr R.Reifenrath was informed of the developments with the Tannery , and he telexed UNIDO his approval after having received the go ahead from the Government.



